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**STANDING COMMITTEE ON FOOD, CIVIL
SUPPLIES AND PUBLIC DISTRIBUTION
(2003)**

THIRTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC
DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

*[Action Taken Report BY THE Government on the
recommendations/observations contained in the Twenty First
Report of the Committee on Demands for Grants (2003-2004) relating
to the Ministry of Consumer Affairs, Food and Public Distribution
(Department of Food and Public Distribution)]*

TWENTY FIFTH REPORT



Presented to Lok Sabha on 18.12.2003
Laid in Rajya Sabha on 18.12.2003

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2003/Agrahayana, 1925 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES
AND PUBLIC DISTRIBUTION – 2003**

Shri Devendra Prasad Yadav

- Chairman

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3. Shri Rajbhar Babban
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SECRETARIAT

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| 1. | Dr. (Smt.) Paramjit Kaur Sandhu | - | Joint Secretary |
| 2. | Shri Krishan Lal | - | Director |
| 3. | Shri R.S. Mishra | - | Deputy Secretary |
| 4. | Shri Jagdish Prasad | - | Assistant Director |

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (2003) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-fifth Report on Action Taken by the Government on the recommendations/observations contained in the Twenty-first Report of the Committee (Thirteenth Lok Sabha) on Demands for Grants (2003-2004) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Twenty-first Report was presented to Lok Sabha on 10th April, 2003. The Government have furnished their replies indicating Action Taken on the recommendations contained in the Report on 29th August, 2003 and 12th September, 2003. The Draft Action Taken Report was considered and adopted by the Standing Committee on Food, Civil Supplies and Public Distribution (2003) at their sitting held on 16th December, 2003.

3. An analysis of the action taken by the Government on recommendations contained in the Twenty-first Report of the Standing Committee (Thirteenth Lok Sabha) on Demands for Grants (2003-2004) is given in Appendix.

NEW DELHI;
17 December, 2003
26 Agrahayana, 1925 (Saka)

DEVENDRA PRASAD YADAV,
Chairman,
Standing Committee on Food, Civil Supplies
and Public Distribution.

CHAPTER- I

REPORT

1.1 This Report of the Standing Committee on Food, Civil Supplies and Public Distribution deals with the Action Taken by the Government on the recommendations contained in the Twenty-first Report (Thirteenth Lok Sabha) on Demands for Grants-2003-2004 pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

1.2 The Report was presented to Lok Sabha and laid in Rajya Sabha on 10th April, 2003. It contains 26 recommendations/observations. Action Taken Notes in respect of all the 26 observations/recommendations contained in the Report have been received and categorised as follows: -

- (i) Recommendations/Observations which have been accepted by the Government;
Para Nos. 1.16, 2.114, 2.117, 2.118, 2.124, 2.127, 3.77, 3.78, 3.79, 3.80, 3.81, 3.82 and 4.32

(Total 13 - Chapter-II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:

Para Nos. 2.115, 2.121 and 2.126

(Total 3 - Chapter-III)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:

Para Nos. 2.116, 2.120, 2.122, 2.123 and 2.125

(Total 5 - Chapter-IV)

- (iv) Recommendations/Observations in respect of which replies of the Government are still awaited:

Para Nos. 2.119, 2.128, 2.129, 4.31 and 4.33

(Total 5 - Chapter V)

1.3 The Committee desire that the final replies in respect of the recommendations contained in Chapter V for which only interim replies have been given by the Government should be furnished to the Committee expeditiously and in any case not later than six months of the presentation of the Report.

1.4 The Committee strongly emphasize that utmost importance should be given for the implementation of recommendations accepted by the Government. In case where it is not possible for the Government to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.5 The Committee will now deal with those action taken replies of the Government in which the Committee are not satisfied and need reiteration or merit comments. The Committee have made further recommendations on the following aspects at Para Nos. 1.9, 1.14, 1.17, 1.21 and 1.25 in chapter I of the Report.

A - Antyodaya Anna Yojana (AAY)

Recommendation (Para No. 2.116)

1.6 The Committee had observed that the Government had announced a new scheme of Antyodaya Anna Yojana (AAY) on 25th December, 2000 which made a sub-class among BPL people. The Committee was of the opinion that the poor is poor and there should not have been any division among poor on the lines of divisions in society or on other fronts. The Committee had observed that the scheme had not yielded any significant impact on the eradication of poverty and there had been great irregularities in the identification and issuance of ration cards to BPL, AAY beneficiaries. Considering the fact that it diluted the whole programme of providing food to the poor families, the Committee had recommended that there should not be a sub-class among BPL people.

1.7 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) have stated in their action taken replies that the Antyodaya Anna Yojana has been launched to serve the poorest of the poor in the rural and urban areas. Hunger is closely related with poverty. The National Sample Survey Organisation in their 50th round has estimated that about 5% of the population in the country do not get two square meals a day on a sustained basis throughout the year. It is this 5% of the population (5 crores persons or 1 crore families), which constitute the target group under AAY. Keeping in view the abject poverty of the target group and the fact that the purchasing power of these families is so low that they are not in a position to buy foodgrains round the year even at BPL rates, the Government of India launched AAY on 25.12.2000 under which foodgrains are provided to beneficiaries at the highly subsidized rates of Rs. 2 per kg for wheat and Rs. 3 per kg for rice. The basic objective of the Scheme is to ensure food security for all and create a hunger free India. The Scheme is being successfully implemented by all the States/UTs. So far, 98.69 lakh Antyodaya families have been identified by the State Governments/UT Administrations and 97.31 lakh distinctive ration cards have been issued. The off-take of foodgrains is above 80% as against around 55% under BPL category.

1.8 The Ministry has further stated that under TPDS, the responsibility for identification and issue of distinctive ration cards to BPL and AAY families lies with the State Governments/UT Administrations. Instructions and Guidelines have been issued by the Government for proper identification of these families. The Public Distribution System (Control) Order, 2001 has been issued by the Government in August, 2001 to strengthen the hands of the State Governments and to extend legal force to the Instructions/Guidelines issued earlier. Strict implementation of the Order will not only help in reaching the benefits to the Poor but also check the diversion/black marketing of the PDS foodgrains.

1.9 The Committee are not satisfied with the reply of the Government. The Committee feel that creation of a separate sub-class amongst the Below Poverty Line (BPL) people has further led to distortion of the poverty eradication programme of the Government. In the opinion of the Committee the focus of the Government should be on the total 6.52 crores BPL families identified under Targeted Public Distribution System (TPDS) rather than concentrating just on 1.5 crore families identified under Antyodaya Anna Yojana (AAY). The Committee are also skeptical whether the process of identification of BPL and AAY beneficiary families has since been completed by all the States/UTs and whether ration cards to all the identified families have been issued ? The identification of families belonging to BPL people and then identification of AAY beneficiaries is a double exercise taking its toll on manpower and revenue of the Government. The Committee, therefore, reiterate their earlier recommendation that the focus of the Government should be on providing food to the whole BPL people and not diluting it by creating sub-class among BPL people so that poverty alleviation programme of the Government is not defeated.

B. Pilot Project on implementation of Smart Cards

Recommendation (Para No. 2.120)

1.10 The Committee had noted that the Planning Commission had sanctioned an amount of Rs.13.20 crore in the 10th Plan to replace the existing ration cards by Food Credit Card in the order to check diversion of foodgrains and also to arrest the problem of bogus ration cards. The Committee were of the view that when beneficiaries of AAY and BPL categories have not yet been issued ration cards fully, the talk of Food Credit Cards was like be an utopian scheme. Secondly, replacement of the ration cards by Food Credit Cards would incur extra expenditure of about Rs.3000 crore or more. The Committee were skeptical about the potentiality of food credit cards in checking the menace of diversion and they were also of the view that these cards might be issued in the names of those who do not deserve them. The Committee had, therefore, recommended that the Government should not go in for change in the existing ration card system and should provide BPL Card/AAY Card to all the eligible persons who had not been issued ration cards as yet.

1.11 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Pubic Distribution) have stated in their action taken reply that the Working Group on the PDS and Food Security in their Report on the 10th Five Year Plan have recommended introduction of a food credit card system in which customers can buy subsidised foodgrains from the market and retailers can claim subsidy from the Government. These credit cards would be in the nature of `Smart Cards`. In order to give effect to the recommendation of the Working Group, a proposal in consultation with NIC was sent to the Planning Commission based on the Annual Plan discussions. The Planning Commission sanctioned an amount of Rs.13.20 crore under the 10th Five Year Plan period for the Pilot Project and Rs.4.4 crores and Rs.1.5 crores during the Annual Plan 2002-2003 and 2003-04 respectively, for implementation of the Smart Cards as a Central Sector Scheme. It is true that while some States/UTs have not identified and

issued distinctive ration cards to all the BPL and AAY families as per estimates of the Planning Commission, most of the States/UTs have completed this task.

1.12 The Ministry has further stated that the allocation of foodgrains for all these categories is being made as per the projected population/ estimated number of BPL families by Planning Commission as on 01.03.2000 or the number of ration cards issued whichever is less, for each State. The Smart Card Scheme is an improvement on the ration cards in that the present manual system of making entries etc. will be done electronically, the Smart Card will have personal details of all the members of the family including their entitlement and the entire network of PDS from Taluk to State level will be linked. With this kind of system in place, the objective of the Smart Card Scheme of checking diversion of foodgrains and arresting the problem of bogus ration cards is expected to be met, leading to strengthening of PDS and improvement in delivery. It is an innovation to improve upon the existing ration cards.

1.13 As regards the implementation of the Scheme, the Ministry has stated that initially, the Smart Card Scheme would be implemented in one district in each of the States of Madhya Pradesh (Vidisha district), Himachal Pradesh (Kangra district) and Kerala (Thiruvananthapuram district) on pilot bases in two phases at an estimated cost of Rs.85.27 lakhs. The first phase includes computerization of all PDS operations at the Taluk, district and State level to establish an authentic and standardized database as a backend operation. After completion of the first phase, a decision regarding the front-end technology, which may be either food credit/debit card or smart ration card, shall be taken in the second phase.

1.14 The reply of the Government that implementation of the smart card scheme is an innovation to improve the existing ration cards in checking diversion of the foodgrains and arresting the problem of bogus ration cards is not acceptable to the Committee due to the fact that the Government are yet to complete the process of identification and issuing of ration cards to Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY) families. The Committee feel that unless this process is complete, introduction of the smart card scheme would not serve any substantial purpose, rather the Government would incur an expenditure of Rs. 3000 crore on the scheme. The Committee feel that issuing of smart cards would not be a remedy for all malpractices prevailing in the PDS system. The Committee, therefore, while reiterating their earlier recommendation stress that the jobs of issuing ration cards to BPL people and AAY beneficiaries in the country should be given top most priority and the Government should not go for Smart Cards.

C. Food Subsidy

Recommendation No. 2.122

1.15 The Committee had noted that net expenditure incurred by FCI including the Establishment Cost was reimbursed by the Government of India in the form of Food Subsidy. The Establishment Cost of FCI had increased from Rs. 1062 crore in 1998-99

to Rs. 1441 crore in 2001-02 (RE) which was likely to increase in succeeding years. The Committee felt that since Food subsidy is meant for the poorest section of the society, the reimbursement of Establishment Cost out of Food Subsidy was not reasonable. The Committee had, therefore, recommended that the FCI should make all efforts to minimize its Establishment Cost by way of Voluntary Retirement Scheme which had not been introduced in FCI.

1.16 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) have stated in their action taken reply that with a view to minimize the establishment cost, the Food Corporation of India are considering introduction of a Voluntary Retirement Scheme (VRS) for its employees.

1.17 The Committee are not satisfied with the reply of the Government because reduction in establishment cost by Food Corporation of India (FCI) is not the only issue what the Committee had desired in their recommendation. The Committee feel that though the FCI is the main agency for execution of food policy of the Government and is also responsible for purchase, storage, movement, transport and distribution of foodgrains from its depot, the payment of salary and other facilities to the officials of FCI should not be made from the food subsidy. In the opinion of the Committee the food subsidy should be utilised only for managing the Targetted Public Distribution System (TPDS). Further, the ever increasing establishment cost of FCI is also an area of concern and all efforts should be made to keep it in check. While reiterating their earlier recommendation the Committee strongly urge the Government to spend the food subsidy only for running the TPDS. Efforts should be made to find alternative ways and means so that establishment cost of FCI might not be met from food subsidy, which is totally unjustified.

D. Vigilance cases in FCI

Recommendation (Para No. 2.123)

1.18 The Committee had observed that as on 28.2.2003, 1795 vigilance cases in FCI, 8 vigilance cases in Department of Food and Public Distribution and two vigilance cases in IGMRI, Hapur were pending. Out of the 1795 cases in FCI, 835 cases alone were pending in Regional Office, Punjab. The Committee felt that if these cases were not decided expeditiously and the guilty were not punished severely, the likely deterrent effect gets diluted. The Committee had therefore, recommended that all vigilance cases be dealt in a time bound manner. The CBI/CVC should also be requested to expedite the matter falling under their jurisdiction.

1.19 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) have stated in their Action Taken Reply that out of the 10 cases pending in the Department of Food & Public Distribution and its subordinate offices including IGMRI, Hapur, in two cases, the inquiry reports have been received and are under process. In three cases, the inquiry is in progress. Four cases relate to irregularities committed by a former officer of FCI and are at different stages of processing while in the fifth case, also in respect of a former officer of FCI, the advice of CVC has been received and is being processed. As regards the pendency of 1795 vigilance cases in FCI as on 28.2.2003, the time schedule laid down by the CVC for

finalisation of disciplinary cases has once again been circulated to all concerned in the FCI for strict compliance.

1.20 The main reason for pendency of 835 vigilance cases (out of 1795 cases) in Regional Office, Punjab is repatriation of former SRM, Punjab to his parent Department. The new SRM, Punjab, who joined FCI only on 12.4.2003, has been asked to accelerate the disposal of pending vigilance cases. In order to strengthen the vigilance machinery in FCI, the Competent Authority has been asked to fill up all the vacant posts of Manager (Vigilance) in Zonal Offices as also those of Inquiry Officers.

Regarding the pendency of 69 cases of FCI with CBI, the Zonal Managers concerned have been asked to take up all these cases with the CBI authorities for their expeditious disposal. As regards 4 cases with CVC, in two cases, first stage advice and in one case second stage advice has already been received from CVC while in the 4th case, additional information, sought by CVC, has since been furnished and first stage advice is awaited from them for which CVC have been requested to expedite.

1.21 The Committee viewed with serious concern that the Government have not finalized even a single case out of 1795 cases of irregularities in FCI and 10 cases in Department of Food and Public Distribution pending since 28.2.2003 till date. The Committee further note that the posts of Inquiry Officers and Manager (Vigilance) in zonal offices are also lying vacant since long. This is clearly indicative of the fact that vigilance mechanism of FCI is inadequate. Also, the Management of FCI and the Government have not given due attention to this matter due to which no vigilance case could be concluded during the last one year. In the opinion of the Committee speedy disposal of the cases and punishing the guilty would serve as deterrent for the offenders in the future also. While reiterating their earlier recommendation therefore, the Committee strongly urge the Government that necessary instructions may be issued to FCI for early disposal of pending cases in a time bound manner. Besides, the cases pending with CBI /CVC be also rigorously pursued.

D. Physical Verification of Stock of Food Corporation of India (FCI)

Recommendation Para No. 2.125

1.22 The Committee had noted that presently physical verification of stocks held in each Depot was not being done by FCI, which had led to stock variation. The Ministry had informed the Committee that the system of physical verification of stocks at the close of financial year was being conducted by physical count of all the bags and then tallying the same with book balance. Besides physical count, 100% weighment of all the stocks in one Compartment of Depots, selected by the Chairman, was also being followed for the physical verification upto 31.3.2002. The Committee felt that the procedure had seemed to be dispensed with and caused further increase in stock variation. The Committee were on the opinion that FCI had not evolved any foolproof mechanism of physical verification of stocks held, therefore, by each Depot. In order to

eliminate the incidences of stocks variation, the Committee had recommended that physical verification of stock held by each depot in terms of quantity and quality be invariably done by FCI. The Committee further desired that zone wise progress achieved in the regard may be intimated to them in each quarter of the financial year.

1.23 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their action taken reply has stated that physical verification of stocks of foodgrain held by FCI is conducted by FCI annually at the end of every financial year wherein physical assessment of stock in all godowns/depots is made on the basis of peripheral counting of bags. In addition, in selected depots/godowns (50-100) as chosen by Chairman FCI, 100% weighment is also carried out. Indian Statistical Institute (ISI), Calcutta has developed a revised reliable, feasible and cost effective method of physical verification of stocks. The revised procedure involves selection of 10% of depots on random basis. Sample stacks from each of the selected depots are to be subjected to 100% physical verification. Based on this exercise, detailed investigation is to be carried out for all the non conforming depots, where the deviation in weighment is more than permissible limits. The revised method has been approved by the FCI's Board of Directors in its meeting held on 26.6.2002 and also by the Department of Food and Public Distribution for being implemented by FCI. This revised method would be in addition to the existing practice of peripheral counting of bags.

1.24 The Ministry has further informed the Committee that keeping in view the huge quantity of stocks held by FCI, it would not be possible to conduct physical verification of stocks on quarterly basis. It is however submitted that with the introduction of revised method devised by ISI the instances of variance in stocks will be minimized.

1.25 The Committee do not agree with the reply of the Government that on account of huge quantity of stocks held by FCI, physical verification of the stocks on quarterly basis is not possible. The Committee feel that annual physical verification does not serve any purpose due to huge time gap between two consecutive verifications and therefore, quarterly verifications would be more effective in curbing the menace of irregularities caught during a short span of time. The Committee, further, note that ISI, Calcutta has developed a feasible and cost effective method for physical verification of stocks which was approved by FCI's Board of Directors way back on 26.6.2002 but it seems that this method is yet to be implemented. The Committee, therefore, reiterate their earlier recommendation that quarterly physical verification of stock held by each depot must invariably be conducted by FCI in order to check incidences of stock variation and zone wise report be submitted to the Committee in this regard.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.16)

2.1 The Committee in their earlier Reports on Demands for Grants have impressed upon the Government that all efforts should be made to utilise the funds fully within the year and the Ministry had assured the Committee to adhere to cent per cent utilisation of the funds within the financial year. However, the Committee have observed that the Ministry have not been able to utilise the funds fully within time. During 2001-02 too, there was no cent per cent utilisation under schemes of CGAL, R&D, training, research & monitoring etc. Even in case of North-East Region for which the Government is very much committed for its development, a sum of Rs. 2 crore earmarked for construction of godowns had to be surrendered. The Committee feel that one of the main reasons for non-utilisation of funds is that the fund allocated is not evenly spent during four quarters of the financial year and mid-term review is not done. The Committee therefore, desire that any assurance given to it must be taken seriously and further recommend that all out efforts should be made by the Government to utilise funds allocated for a year in the same financial year evenly. Also special attention should be given to North-East Region in order to boost the construction of godowns for strengthening the public distribution system there and every efforts should be made by the Government to utilise the money allocated in BE 2003-04 under the Head fully.

Reply of the Government

2.2 Necessary instructions to the all Divisions/Grant Controlling Authorities of Department of Food & Public Distribution, its attached and subordinate offices have been issued for strict compliance of the recommendations of the Committee (ANNEXURE). Further, the Department of Food & Public Distribution has started monitoring of actual expenditure incurred, on a quarterly basis, with effect from the financial year, 2003-04.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 2.114)

2.3 The Committee note that out of total production of 8816000 tonne of rice and 1549900 tonne of wheat, 7283000 tonne of rice and 1056000 tonne of wheat was respectively procured in Punjab during 2001-2002. Similarly out of total production of 2724000 tonne of rice and 9437000 tonne of wheat in Haryana, 1484000 tonne of rice and 6407000 tonne of wheat was procured during 2001-2002. However, out of 4394000 tonne of production of wheat in Bihar only 43000 tonne was procured during 2001-2002. Similarly out of 5282000 tonne of production of rice only 89000 tonne was procured in Bihar. In case of Uttar Pradesh too, out of total production of 25018000 tonne of wheat, only 2446000 tonne was procured. Similarly in case of 12459000 tonne of production of rice in Uttar Pradesh, only 48000 tonne of rice could be procured. Almost the same declining trend lies in procurement of wheat and rice in other States too in respect of their production. During the Kharif procurement season 2002-2003, while 7784972 tonne of rice in Punjab and 1295572 tonne of rice in Haryana have been procured, only

51469 tonne in Bihar, 2571 tonne in West Bengal, 2778 tonne in Tamil Nadu have been procured by third week of March, 2003. Procurement of 10515 tonne of rice was done in Pondicherry during 2001-2002, while no procurement has been done till date. The Committee feel that due weightage is not being given to other States in procurement of wheat and rice in comparison to Punjab and Haryana. The Committee, therefore, recommend that Government should make all efforts for procurement of foodgrains in other potential States like Bihar, West Bengal, Pondicherry, Tamil Nadu, etc. Even where the decentralised procurement is in operation, FCI and Central Government cannot escape their responsibility in case of less procurement. The Committee further recommend that a minimum target of procurement should be kept from each potential States before beginning of procurement season in view of advanced Estimate of production.

Reply of the Government

2.4 The policy of procurement of foodgrains under the Minimum Support Price operations of Fair Average Quality standard is being implemented with the help of the State Governments uniformly in all States which have potential for procurement. The extent of procurement is based on aspects of marketable surplus and infrastructure. Before the commencement of each marketing season, the procurement estimates are drawn up in consultation with State Governments. Under the price support scheme, the FCI and the State procuring agencies are committed to procure all the foodgrains conforming to the prescribed specifications offered for sale at specified Centres. The producers have the option to sell their produce to FCI/State Agencies at support prices or in the open market as is advantageous to them. No targets, as such, are fixed for the procurement of foodgrains.

2.5 Rice is also collected by way of statutory levy on rice millers and rice dealers. The percentage of levy is fixed by State Governments with the approval of Central Government. As observed by the Committee, it is a fact that around 80% of the wheat is procured from the two States of Punjab and Haryana. Similarly, in the case of rice, almost 75% of the procurement is from the two States of Punjab and Andhra Pradesh, though procurement from Uttar Pradesh, Haryana and Orissa is also significant. It is recognised that there are States like Bihar, Orissa, Uttar Pradesh, Madhya Pradesh, Rajasthan, West Bengal, Chhattisgarh and Uttaranchal which have potential for contributing to the Central Pool. During the current Kharif Marketing Season 2002-03, the procurement of paddy/rice has been undertaken in almost all the producing States and special emphasis placed on strengthening the systems for procurement of paddy/rice in the non-traditional areas including Bihar, Chhattisgarh, Madhya Pradesh, Orissa and Assam.

2.6 It is also a fact that the procurement of foodgrains under the Price Support Scheme is possible, only from States/Regions which have marketable surplus. Market prices are also a determinant of the quantum of paddy sold by the farmers to the procuring agencies. Awareness of farmers, enhanced productivity, marketing infrastructure and good roads are other important indicators determining the quantum of procurement. The FCI has been asked to step up procurement in non-traditional areas.

2.7 The State Governments have also been encouraged to undertake procurement under the Decentralised Procurement Scheme. So far, the States of

Madhya Pradesh, Uttar Pradesh, West Bengal, Chhattisgarh, Tamil Nadu & Uttaranchal have opted for the Scheme.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 2.117)

2.8 The Committee is not at all satisfied with the working of PDS/TPDS in the States/UTs. The subsidy on account of foodgrains has increased from 4960 crore in 1995-96 to 27,750 crore in BE (2003-2004). Besides, Government are paying subsidy for sugar, kerosene, etc. However, no such benefit is percolating to the poor due to the non-committal approach of States/UTs whose concerned officials seem to have indulged in corrupt practices. From identification of beneficiary, preparation of ration cards to distribution of essential commodities, everything is not fair in the States. The role of fair price shop owners in this operation is also not beyond doubt. Since operation of PDS/TPDS is the joint responsibility of State Government and Central Government, Central Government cannot remain a silent spectator. The Committee feel that Central Government must keep a close watch over Directorate/Commissionerate of Civil Supplies of States/UTs and should take over the responsibility wherever they fail. The Committee, therefore, recommend that such ways and means be evolved to ensure that PDS/TPDS works well in States/UTs and corrupt practices in the system be severely dealt with by invoking existing laws. If necessary, legislation be amended/ formulated accordingly to make the delivery mechanism more effective.

Reply of the Government

2.9 Detailed Guidelines have been issued for greater involvement of the Panchayati Raj Institutions in the functioning of the TPDS(as a measure of Social Audit) and to introduce a more transparent/accountable system of distribution. State Governments have also been advised to constitute Vigilance Committees at various levels, particularly at FPS level, for effective monitoring of their functioning. The Citizens' Charter issued for adoption by the State Governments is a significant milestone in the efforts to provide services in a transparent and accountable manner under PDS. The Charter contains information, such as the entitlement, fair average quality of foodgrains, data regarding the FPS, procedure for issue of Ration Cards, inspection and checking, right to information, vigilance and public participation. All these steps are necessarily aimed at improving the efficiency, transparency and accountability of the System.

2.10 Recently Task Force Teams have been constituted to check irregularities and for inspection/monitoring of the TPDS and Antyodaya Anna Yojana in identified areas. The Teams conduct a review of implementation of PDS in terms of opening of Fair Price shops, availability of PDS commodities at FPS, distribution, involvement of Gram Panchayats, maintenance of proper records at FPS and display of Notice Boards. In addition, on receipt of specific complaints relating to irregularities in procurement, distribution etc. the teams visit the concerned States for on-the-spot verification. The findings of the Task Force Teams are examined and irregularities/shortcomings are forwarded to the State Governments for taking corrective action. The visit by Task Force Teams is not only one of the effective instruments for monitoring the implementation of TPDS, AAY, etc. at Central Government level but its evaluation also provides useful feed back to the Central Government for framing further Guidelines/Instructions.

2.11 The State Governments and UT Administrations will also be requested to take note of the observations of the Committee on the working of PDS in the States/UTs and to take necessary measures so that the benefits of the subsidy reach the poor.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 2.118)

2.12 The Committee note that buffer carrying cost of foodgrains by FCI has increased from Rs. 3286 crore to Rs. 6492 crore in 2001-2002 (RE) on which an interest of Rs. 2163 crore crore has been accrued. This figure in 2002-2003 (RE) has been pegged at Rs. 6279 crore. The Committee find that buffer carrying cost is thus increasing day-by-day and the benefit of food subsidy which should have been passed on to poor people is not being utilised properly. The Committee, therefore, recommend that Government should make all out efforts to keep subsidy on maintenance of buffer stock of foodgrains to bare minimum.

Reply of the Government

2.13 Owing to open ended Procurement Policy, attractive MSPs and relatively low off-take of foodgrains under the PDS, there was accumulation of stocks in the Central Pool which reached about 647 lakh tonnes (as on 1st June, 2002).

The steps taken to increase the offtake of foodgrains which include:

- (a) Increase in the scale of issue under the PDS to 35 kg. per family per month w.e.f. April 2002.
- (b) Freezing of Central Issue Prices(CIP) of foodgrains for BPL and APL families.
- (c) Implementation of the AAY Scheme.
- (d) Launch of the foodgrains based Sampoorna Gramin Rojgar Yojana (SGRY).
- (e) Allocation of foodgrains under the Food for Work and the Special Component of the SGRY.
- (f) Promotion of exports of foodgrains.

2.14 Following these measures, the offtake of foodgrains increased to 496 lakh tonnes in 2002-03 under the various Schemes, as against about 313 lakh tonnes in the previous year. The stocks position stands reduced to 395 lakh tonnes (as on 1st June, 2003). With reduction in stocks, the amount of Buffer Subsidy (out of the total Food Subsidy Bill) will also decrease.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 2.124)

2.15 The Committee note that transit losses in case of wheat in 2000-2001 was to the tune of 0.50 lakh MTs valuing Rs.36 crore, which has increased to 0.92 lakh MTs valuing Rs.68 crore in 2001-02. Similarly storage losses in the case of rice has increased from Rs.165 crore in 2000-2001 to Rs.175 crore in 2001-02. Further the losses on account of theft and pilferage during 1999-2000 and 2000-2001 was to the tune of Rs.40.73 lakh and 30.23 lakh. The Committee, therefore, recommend that storage and transit losses and losses due to theft/pilferage be kept at minimum. Further to minimize storage losses in view of the low plinth shed and to avoid incidence of termite fungi and other micro-organism, the FCI should replace traditional dunnage by modern dunnage in a time-bound and phased manner.

Reply of the Government

2.16 The FCI has taken the following steps to reduce transit and storage losses:-

- (i) The field units have been instructed to ensure strict enforcement of the Standing Instructions in respect of minimizing the storage & transit losses,
- (ii) Instructions have been issued to maintain proper records at the time of loading and unloading of stocks of foodgrains,
- (iii) The situation is being regularly reviewed at the Headquarters, Zonal and Regional levels and, when any abnormality is observed, remedial action is initiated urgently.
- (iv) In case of transit losses, correct weighing of stocks and timely intimation of despatch and receipt particulars by the staff, facilitates checking of possible misuse,
- (v) Regular inspection of depots and surprise inspection of Loading and Unloading Centres is taking place to keep the losses in check,
- (vi) The technical staff assist in maintaining the quality of stocks through prophylactic treatment and proper preservation so as to reduces the losses due to long storage.
- (vii) The use of alternate dunnage material, as a replacement to wooden crates, is also being considered and, after due examination, instructions have been issued for purchase. The following three alternative dunnage materials upto 5% of total requirement of wooden crates and to put them on trial for three procurement seasons:
 - (a) Poly Pallets (as per IS: 13664:1993) of Mayur Brand.
 - (b) Poly Pallets (as per IS 13664:1993) of Sintex Brand.

- (c) Heavy Duty Industrial Pallets made out of Eco-Wud (Jute reinforced Thermoplastic Composite Board)

These steps are expected to result in further reduction of storage & transit losses

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 2.127)

2.17 The Committee have scrutinized that Rs.18, 01,400/- was waived as depositors claim in respect of two cases reported to the Committee. The details of one case in Post Evidence Reply have not been mentioned. The Committee would like to know the circumstances under which the claims were waived as this is ultimately a loss on the part of Corporation. The Committee, therefore, recommend that loss of revenue in the name of waiving off depositor's claim be kept at minimum.

Reply of the Government

2.18 The CWC had waived storage charges amounting Rs 18,01,400/- to two depositors in respect of their stocks lying under storage at ICD – Patparganj and CFS, J.N. Port, as per the details below:-

- | | | |
|------|--|----------------|
| (i) | M/s Baba Garibdas Dharmarth Nyas
Charitable Trust Relief Material at
ICD - Patparganj | Rs.15,95,200/- |
| (ii) | M/s Ved Vigyan Maha Vidyapeeth -
A Charitable Trust – For Relief
Material at CFS – J.N. Port | Rs. 2,06,200/- |

TOTAL: Rs.18,01,400/-

2.19 Both the Organizations have been registered as Charitable Trusts in the field of social and relief work to the poor and needy, without commercial/profit motive. The consignments imported by them was in the nature of free donation of used clothing with little Commercial Value and the Customs had also released the goods at nil rate of Customs duty in terms of Notification No.148/94 – CE dated 13th July, 1994.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 3.77)

2.20 The Committee have observed that the loan sanctioned under SDF for modernization/rehabilitation of sugar mills and for cane development is not being fully utilized and the utilization percentages upto February, 2002-2003 are 49.75 and 58.30 respectively. The Committee feel that the amount sanctioned under the schemes is very less keeping in view the fact that there are many mills which are in dire need of modernization and rehabilitation and whose condition can be improved. Also, cane growers need loans for cane development. In the opinion of the Committee, this is a

very important aspect of the sugar industry and should not be overlooked. The Committee, therefore, recommend that the Government should make sincere efforts so that more and more sugar mills and cane growers come up for loans for modernization/rehabilitation and cane development respectively.

Reply of the Government

2.21 The utilization of the Budget provisions for the year 2002-03 in respect of loans for modernization/rehabilitation of sugar mills and for cane development has been 61.46% and 78.8% respectively of the revised estimates. Government has received a number of applications from sugar factories for loans for cane development that have been processed for approval. Government has written to the State Governments vide letter No.1-18/2003-SDF dated 9th September, 2003 to urge sugar factories requiring rehabilitation to avail of loan from the SDF.

[O.M. No. G-20017/3/2003-AC dated 12.9.2003]

Recommendation (Para No. 3.78)

2.22 The Committee note that the Government has amended the Sugarcane (Control) Order, 1966 enabling the officers of Central Government and State Government to recover arrears of cane prices as arrears of land revenue along with 15% interest accrued thereon. It has come to the notice of the Committee that the order is not being implemented which is detrimental to the interests of sugarcane farmers and the problems of cane growers are continuously increasing on this front. The Committee feels that the amendment has no meaning till the benefit of the Order actually percolates down to the sugarcane farmers. The Committee, therefore, recommends that the amended Sugarcane (Control) Order, 1966 be implemented strictly in the interests of the sugarcane farmers.

Reply of the Government

2.23 The implementation of the provisions of the Sugarcane (Control) Order, 1966 for payment of cane price to sugarcane growers, including recovery of cane price dues as arrears of land revenue from a producer of sugar, is primarily the responsibility of State Governments/UT Administrations. The recommendation of the Hon'ble Standing Committee has been forwarded to all sugarcane producing State Governments/UT Administrations for the amended provisions of the Sugarcane (Control) Order, 1966 to be implemented strictly.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 3.79)

2.24 The Committee are concerned to note that the carry-over stock of the previous season was 106.63 lakh tones and production of sugar per year averages to 183 lakh tones. The Government have not maintained any buffer stock of sugar after July, 1998 and also they have not felt any necessity to create it till 18.12.2002 in view of large availability of sugar at reasonable price in the country. Presently too, the situation has not changed much and hence there is no pressing demand/emergent situation for creation of buffer stock. The committee, therefore recommend that the buffer stock of sugar should be kept at barest minimum. If at all it is maintained, the practice should not encourage favouritism to one sugar mill at the cost of the other and the Government should also avoid regional disparities which will arise on account of such decision.

Reply of the Government

2.25 Having regard to the stock of sugar held with the sugar undertakings, the prospects of sugar production, the requirement of sugar within the country and exports and such other relevant factors as may be considered necessary, the barest minimum quantity is maintained as buffer stock. The share of buffer stock to be maintained by any sugar factory is regulated by Rule 19 of the Sugar Development Fund Rules that is applicable uniformly to all sugar factories in the country without favouritism or regional considerations.

[O.M. No. G-20017/3/2003-AC dated 12.9.2003]

Recommendation (Para No. 3.80)

2.26 The Committee note that an amount of Rs. 50 crore in BE (2003-2004) has been earmarked for Reimbursement of Internal Transport and Freight Charges to Sugar Factories on Export Shipment of Sugar. The Committee feel that the Government should fully scrutinize the claims of sugar factories before disbursing this amount to them and ensure that no fake claim is entertained on this account. The Committee, therefore, recommend that (all claims received by the Government on this account should be minutely checked before disbursing the amount under this Head.)

Reply of the Government

2.27 The sugar factories claiming re-imburement of Internal Transport and Freight Charges are required to submit certified photocopies of the documents, such as, Application for Removal of Excisable Goods and Shipping Bills wherein the Customs authorities certify that sugar removed for export has been shipped. Further, the Bank authorities, while furnishing the Bank Certificate of Export and Realization, certify the particulars of exported sugar, which include, inter-alia, the value of sugar actually realized in foreign exchange/Indian Rupees and date of realization of export proceeds etc.

2.28 The claims submitted by the sugar factories are being processed by the Sugar Division of the Ministry in consultation with the Directorate of Sugar and the Internal Finance Division. The claims received are being thoroughly examined and checked, as kindly indicated by the Committee.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 3.81)

2.29 The Committee observe that there is inordinate delay in transfer of National Institute of Sugar and Sugar Technology (NISST), Mau to ICAR or any other Research Organisation after the Government have finally decided to wind it up. The Committee feel that the unnecessary delay is increasing the expenditure on the Department. The Committee, therefore, recommends that the Institute should be transferred to ICAR or any other research organisation without any further loss of time.

Reply of the Government

2.30 The matter in respect of transferring the National Institute of Sugar & Sugar Technology (NISST), Mau to the Indian Council of Agriculture Research (ICAR) was discussed in Meetings between the Officers of this Ministry and the ICAR who have since obtained the approval of the Planning Commission for setting up the National Bureau of Agriculturally Important Micro – Organisms (NBAIM) at Mau. The Department of Food & Public Distribution have communicated transferring of infrastructure as well as the posts (along with incumbents of the NISST) to ICAR w.e.f. 1st April, 2003.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

Recommendation (Para No. 3.82)

2.31 The Committee are deeply concerned about the sickness of the sugar mills. The Committee desire that the Government should make efforts to revive the sick sugar mills and ensure that the mills which need funds to recover should be given all help. For this, the Committee feel that the Government should take measures like withdrawal of excise duty and reduction of different taxes levied by the Central and the State Governments, them Committee, therefore, recommend that the Government should impress upon State Governments for opening/revival of closed sugar mills on priority basis.

Reply of the Government

2.32 With a view to facilitating rehabilitation of potentially viable sick sugar mills Government has amended the Sugar Development Fund Rules 1983, to provide for loans to potentially viable sick sugar mills. Government has also written to the State Governments vide letter No.1-18/2003-SDF dated 9th September, 2003 urging them to take measures and avail of the benefits of the Sugar Development Fund for the revival of potentially viable sick sugar mills some of which might be closed.

[O.M. No. G-20017/3/2003-AC dated 12.9.2003]

Recommendation (Para No. 4.32)

2.33 The Committee have come to know that 8% excise duty is to be levied during 2003-2004 on sale of packaged edible oils. The Committee feel that this would lead to an immediate increase of Rs. 4-5 per litre in the retail prices of packed oil and

encourage the sale of edible oil in loose form. This will also increase the sale of crude palm oil in loose form without proper processing. This step is in contradiction of promulgation of Edible Oils Packaging (Regulation) Order, 1998. The Committee are unable to understand the rationale behind it because at one point of time the Government themselves promulgate the Order for sale of packaged edible oil to avoid incidences like dropsy and at the other encourage sale of loose edible oil by recent increase of excise duty. The Committee feel that everything cannot be taken for granted in the name of revenue. If the Government is so keen on realizing funds, this can be done by increasing import duty on crude palm oil to the extent it serves the purpose of the Government. The Committee, therefore, recommend that by taking up the matter with the Ministry of Finance and other concerned agencies, the recent increase in excise duty on packaged edible oil be withdrawn and the Government should realize revenue by alternative means.

Reply of the Government

2.34 In terms of Notification No.6/2003-Central Excise, dated 1-3-2003 issued by the Department of Revenue, 8% excise duty was levied on packed and branded refined oil, vanaspati, bakery shortening, and margarine. In order to discourage the sale of edible oil in loose form, the Government reviewed the situation and withdrawn the said Notification. Another Notification No. 37/2003-Custom dated 30-4-2003 has been issued and an excise duty has now been levied @ Rs. One per kg. on refined edible oil and Rs. 1.25 per kg. on Vanaspati. Excise duty on margarine has been exempted.

[O.M. No. G-20017/3/2003-AC dated 29.8.2003]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Para No. 2.115)

3.1 The Committee note that out of total subsidy of Rs. 21190 crore in BE (2002-2003), gross subsidy on TPDS (FCI) was earmarked at Rs. 6343 crore. In RE (2002-2003) out of total subsidy of Rs. 24200 crore, Gross Subsidy in TPDS (FCI) has been allocated as Rs. 8634 crore. In BE (2003-2004) out of total subsidy of Rs. 27750 crore, Gross Subsidy on TPDS (FCI) is pegged at Rs. 9086 crore. The Committee notice that only about 1/3rd or less subsidy is earmarked for TPDS (FCI) and 2/3rd is used for other purposes which is not the prime objective of providing huge Food subsidy. The Committee thus find that Government is deviating from the main purpose of providing Food subsidy to targeted people. The Committee, therefore, recommend that all efforts should be made to provide at least 50% of food subsidy to BPL population.

Reply of the Government

3.2 Food subsidy is provided to meet the objectives of the Food Management policies which include an assured level of income to the farmers and ensuring food security in the country and which are met through the procurement of foodgrains from

farmers at Minimum Support Price and distribution, at subsidized rates, through the Public Distribution System, along with maintenance of a Buffer Stock of foodgrains to ensure self-sufficiency in times of shortage and the like.

3.3 Accordingly, the two main elements of the Food Subsidy Bill are the Consumer Subsidy and the Buffer Subsidy. The following Table indicates the total Food Subsidy, Consumer Subsidy and Buffer Subsidy and the amount of subsidy spent on BPL households (including the subsidy under the AAY Scheme) for 2002-03, based on actual releases and for 2003-04 (BE) based on the Performance Budget.

(Rs. in Crores)		
YEAR	2002-03 (RE)	2003-04(BE)
Total Food subsidy	24176	27750
Consumer Subsidy	18203	22681*
Buffer subsidy	5973	5069
BPL (including AAY)	8977	9409

* - Includes arrear payments due to the FCI of Rs. 7221 crore which will also include some element of expenditure on BPL households.

3.4 Thus, about 50 % of the Consumer Subsidy is being spent on BPL households. This includes the subsidy released for TPDS (BPL/AAY) also through the States undertaking Decentralised Procurement Schemes under the overall Budget allocation for food subsidy and is in addition to the subsidy released to the FCI.

3.5 The amount of buffer subsidy had increased on account of the accumulated stocks of foodgrains in the Central Pool. However, following several measures to increase the offtake under various Schemes the stocks position has decreased from 647 lakh tonnes (on 1st June 2002) to about 395 lakh tonnes (on 1st June 2003.) It is expected that the stocks position may be around the buffer norm on 1st April 2004. Consequently, the expenditure under the Buffer Subsidy will decrease and the percentage of expenditure on BPL households to the total food subsidy bill will correspondingly increase.

3.6 Steps have also been taken to increase the percentage of Food Subsidy for the BPL population by, inter alia, increasing the per family monthly allocation of foodgrains under the PDS to 35 Kg. w.e.f. April, 2002, freezing of the Central Issue Price (CIP) of the foodgrain under the TPDS and implementation/expansion of the Antodaya AnnaYojna(AAY).

(O.M. No. G-20017/3/2003-AC dated 29.8.2003)

Recommendation (Para No. 2.121)

3.7 The Committee note that as on 31st January, 2003, FCI had about 1,45,117 MT of damaged stock of foodgrains valuing Rs. 41.75 crore. The Committee desire that such steps should be taken so that foodgrains do not accumulate and get damaged. Further FCI should give priority to dispose of the damaged stock expeditiously.

Reply of the Government

3.8 The total stocks of foodgrains in the Central Pool held by the FCI and the State Agencies, as on 31st January, 2003, was about 401 lakh tonnes. The damaged stocks to the extent of 1.45 lakh tonnes works out to 0.36% of the total stocks, which is negligible given the total magnitude of stocks.

3.9 The FCI is engaged to extensive and voluminous operations in foodgrains and inevitably, some stocks do deteriorate in quality during storage. Even as concerted efforts are being made by the FCI to reduce the stocks of damaged foodgrains through speedy disposal, the segregation and identification of fresh 'damaged' foodgrains stocks is an ongoing process.

3.10 The stock position of damaged foodgrains is reviewed on a regular basis and instructions have been given to dispose of the stocks of damaged foodgrains expeditiously. Stocks of damaged foodgrains have also been supplied to the drought affected States for cattle feed, 'free of cost', as and when required. As on 30th April, 2003, the stocks of damaged foodgrains with the FCI was reported to have come down to a level of about 1.28 lakh tonnes.

(O.M. No. G-20017/3/2003-AC dated 29.8.2003)

Recommendation (Para No. 2.126)

3.11 The Committee note that Central Warehousing Corporation (CWC) have written off bad/doubtful debts of Rs.1.11 crore during 2000-01 and Rs.0.37crore during 2001-02. Though the Corporation claim that these debts have been written off after proper examination and scrutiny and as such these cannot be treated as loss, the Committee is not satisfied with it and do feel that this is a loss on the part of Corporation. The Committee, therefore, recommend that such precautions should be taken by CWC so that losses on account of bad/doubtful debts be kept at the barest minimum. The Committee would also like to know the circumstances under which these debts were written off.

Reply of the Government

3.12 The Corporation have reported writing off bad and doubtful debts against the provisions created for the purpose. The amount written off during the preceding two years is as under:-

2000-01- Rs. 11.00 lakhs (instead of Rs.1.11 crore as mentioned in the report)

2001-02- Rs. 37.00 lakhs

3.13 The CWC have intimated that provision for bad and doubtful debts is made as per the accounting standards for the commercial activities. During the year 2001-02, the Corporation wrote off about Rs.26.00 lakhs due from the New India Insurance Company towards the excess premium paid to them for the period 1982-1988 and not refunded by them, as per their Policy condition. The circumstances for writing off bad debts are related to the non-acceptance of the conditions for payment of minimum period against the reservation, insolvency of the customer and to the amounts becoming irrecoverable.

(O.M. No. G-20017/3/2003-AC dated 29.8.2003)

ANNEXURE II

MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON TUESDAY, THE 16TH DECEMBER, 2003.

The Committee sat from 15.00 hrs. to 15.45 hrs. in Committee Room No. 139,
Parliament House Annexe, New Delhi.

PRESENT

Shri Devendra Prasad Yadav – Chairman

MEMBERS

LOK SABHA

42. Shri Tara Chand Bhagora
43. Shri Rameshwar Dudi
44. Shri Sukdeo Paswan
45. Shri Dharam Raj Singh Patel
46. Shri Bajju Ban Riyan
47. Shri Kishan Lal Diler
48. Shri Jaiprakash
49. Shri Adhi Sankar
50. Shri Alakesh Das

RAJYA SABHA

51. Smt. Bimba Raikar
12. Shri Surendra Lath
13. Shri C. Perumal
14. Shri Vijay Singh Yadav

SECRETARIAT

- | | | | |
|----|------------------------|---|--------------------|
| 1. | Dr. (Smt) Pramjit Kaur | - | Joint Secretary |
| 2. | Shri Krishan Lal | - | Director |
| 3. | Shri R. S. Mishra | - | Deputy Secretary |
| 4. | Shri Jagdish Prasad | - | Assistant Director |

3. The Committee, then, took up for consideration of Draft Twenty-fifth Report on Action taken by the Government on the recommendations/observations contained in their Twenty-first Report on Demands for Grants (2003-2004) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) and adopted the same without any amendment.

4. ** ** ** **

5. The Committee authorized the Chairman to finalise the Reports in the light of consequential changes and present the same to Parliament on their behalf.

The Committee then adjourned.