

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:4909

ANSWERED ON:23.12.2014

PEG SCHEME

Muddahanumegowda Shri S.P.

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether Private Entrepreneurs Guarantee Scheme (PEGS) for construction of storage godowns has been implemented in the country; and

(b) if so, the details thereof along with the criteria fixed for selection of private entrepreneurs for construction of godowns under the scheme?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a): Yes, Madam. Private Entrepreneur Guarantee (PEG) Scheme has been implemented in the country and a total capacity of 121 lakh MT has been created.

(b): Storage capacity is being created under this Scheme in Public Private Partnership (PPP) mode through private parties, as well as agencies in Public Sector like Central Warehousing Corporation (CWC)/ State Warehousing Corporations (SWCs) for guaranteed hiring by FCI. Guarantee period for private parties is 10 years whereas for Public Sector agencies it is 9 years. In case of private parties, state wise tenders are invited by designated nodal agency under a 2 bid system. An individual, partnership firm, company or a trust can apply under the Scheme. The tenderer either should have land in his possession or he may acquire it within 120 days from the date of acceptance of tender. Such tenderers who are holding land under registered lease for a minimum period of 13 years are also eligible. At the technical bid stage, sites are inspected and bids in respect of only those sites which are found suitable are processed further. Tenders are allotted to the lowest bidders. Non railway siding based godowns are to be constructed in one year whereas godowns with railway siding are allowed two years construction period. This period can be extended by one year at the request of the investor. After completion of the godown, final inspection is carried by a joint committee of FCI and the Nodal agency and godowns completed in all respects and as per specifications are taken over on guarantee basis.