

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2017-18)**

SIXTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2018-19)**

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2018/ Phalguna, 1939(Saka)

TWENTIETH REPORT
STANDING COMMITTEE ON FOOD, CONSUMER
AFFAIRS AND PUBLIC DISTRIBUTION
(2017-18)

(SIXTEENTH LOK SABHA)

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

DEMANDS FOR GRANTS
(2018-19)

Presented to Lok Sabha on 09.03.2018
Laid in Rajya Sabha on 09.03.2018



LOK SABHA SECRETARIAT
NEW DELHI

March, 2018/ Phalguna, 1939(Saka)

CONTENTS

COMPOSITION OF THE COMMITTEE.....

INTRODUCTION.....

REPORT

Chapter I Implementation of the Committee's Recommendations

Chapter II Introductory.....

General Performance of the Department

Analysis of Revenue and Capital Schemes

Chapter III **Management of Food**

(a) Decentralised Procurement Scheme

(b) Food Subsidy- Regular/Under NFSA

(c) Hill Transport Subsidy

(d) Public Distribution System(PDS)

(e) Strengthening of PDS Operations

Chapter IV **Food Corporation of India (FCI)**

Role of Food Corporation of India (FCI)

Procurement Operations

(a) Capital Re-structuring

(b) Dues and Liabilities of FCI

(c) Establishment Cost of FCI

(d) Storage – Capacity Utilization Status

(e) Storage and Transit Losses

(f) Corruption in FCI

Chapter V **Management of Sugar**

(a) Production of Sugar

(b) Cane Price Arrears

(c) Ethanol Blended Petrol Programme (EBP Programme)

ANNEXURES

I Revenue/Capital Outlays and Expenditure: FY 2017-18 & BE-2018-19

II Status of End-to-End Computerization of PDS Operations

III Statement showing the details of HTS Claims of States/UTs, total amount to be released, reasons for Non-release of HTS

- IV Statement showing results of action by the State/UT Governments under relevant clauses of the PDS/TPDS (Control) Orders from January 2015 to December 2017
- V State wise details of cane price arrears (on SAP/FRP basis as and where applicable) for 2017-18, 2016-17, 2015-16 & earlier seasons.

APPENDICES

- I. Minutes of the sitting of the Committee held on 20 February, 2018
- II. Minutes of the sitting of the Committee held on 21 February, 2018
- III. Minutes of the sitting of the Committee held on 8 March, 2018

Standing Committee on Food, Consumer Affairs and Public Distribution (2017-18).

Shri J.C. Divakar Reddy, Chairperson

Lok Sabha

2. Shri Anto Antony
3. Shri R. K. Bharathimohan
4. Shri Babu Lal Choudhary
5. Shri Sanjay Haribhau Jadhav
6. Shri Dinesh Kashyap
7. Shri Dharmendra Kumar
8. Shri Ravinder Kushawaha
9. Smt. Sakuntala Laguri
10. Dr. Swami Sakshi Ji Maharaj
11. Shri Sunil Kumar Mondal
12. Shri Kamlesh Paswan
13. Shri Ram Chander Paswan
14. Shri C.S. Putta Raju
15. Smt. Priyanka Singh Rawat
16. Shri Midhun Reddy
17. Shri Bhola Singh
18. Shri Sukhbir Singh Jaunapuriya
19. Shri Shibu Soren
20. Shri Bhagwanth Khuba
21. Shri Nandi Yellaiah

Rajya Sabha

22. Shri Shadi Lal Batra
23. Smt. Misha Bharti
24. Shri Ripun Bora
25. Shri Vinay Katiyar
26. Smt. M. C. Mary Kom
27. Ms. Rekha
28. Shri Amar Shankar Sable
29. Shri Veer Singh
30. Shri Ravi Prakash Verma
31. Vacant

LOK SABHA SECRETARIAT

- | | | |
|----------------------------------|---|-------------------------|
| 1. Shri P.V.L.N. Murthy | - | Joint Secretary |
| 2. Shri Lovekesh Kumar Sharma | - | Director |
| 3. Shri Khakhai Zou | - | Additional Director |
| 4. Smt. Darshana Gulati Khanduja | - | Sr. Executive Assistant |
-

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2017-18) having been authorized by the Committee to submit the Report on their behalf, present this Twentieth Report on Demands for Grants (2018-19) relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Committee examined/scrutinized the detailed Demands for Grants (2018-19) of the Ministry, which were laid on the Table of the House on 9 February, 2018. The Committee took evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on 21 February, 2018.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for placing before them detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 8 March, 2018.

5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in bold type in the body of the Report.

NEW DELHI
8 March, 2018
17 Phalgun, 1939 (Saka)

J C DIVAKAR REDDY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution

CHAPTER - I

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

The Fifteenth Report of the Committee on Food, Consumer Affairs and Public Distribution on Demands for Grants (2017-18) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) was presented to Lok Sabha on 20 March, 2017 and laid on the Table of Rajya Sabha the same day. The Report contained 13 Observations/Recommendations.

1.2 The Minister concerned is required to make Statement under Direction 73-A of Directions by the Speaker, Lok Sabha about the status of implementation of Recommendations contained in the Original Report of the Committee within six months of presentation of Report to the Parliament. Statement under Direction 73-A in the context of the Fifteenth Report was made by the Minister of Food on 08.08.2017 in Lok Sabha and 04.08.2017 in Rajya Sabha.

1.3 On the basis of the Action Taken Notes received on 13 June, 2017 from the Department of Food and Public Distribution in respect of the Fifteenth Report, the Committee presented their Eighteenth Report to Lok Sabha and laid on the Table of Rajya Sabha on 28 December, 2017. The Committee commented on the Action Taken Notes furnished by the Department at Para Nos. 1.7, 1.10, 1.13, 1.16, 1.19., 1.22 and 1.25 of the Eighteenth Report. An analysis of the Action Taken Notes revealed that the Government has accepted 46.16% Recommendations of the Committee. The Committee did not desire to pursue 30.76% Recommendations. 15.38% Recommendations have not been accepted by the Government thus requiring reiteration. Replies in case of 7.7% Recommendations are of interim nature.

1.4 The Committee note that the Action Taken Replies regarding action taken by the Government on the Observations/Recommendations contained in the Fifteenth Report of the Committee were furnished by the Government within the stipulated three months and the Statement of the Minister under Direction 73-A was made within the stipulated six months period. An analysis of the action taken by the Government reveals that 46.16% Recommendations have been accepted, The Committee did not desire to pursue 30.76% Recommendations. 15.38% Recommendations have not been accepted and 7.7% of Recommendations are in the various stages of implementation. The Committee hope and trust that the Department will continue to adhere to the stipulations laid down under Direction 73-A in future also in letter and spirit and inform them of the status of implementation of the recommendations which were of interim nature or in respect of those that have not been accepted by the Committee.

CHAPTER – II

INTRODUCTORY

The Ministry of Consumer Affairs, Food and Public Distribution consists of two Departments, namely, the Department of Food and Public Distribution and the Department of Consumer Affairs. The Department of Food and Public Distribution as also the Department of Consumer Affairs work under the overall guidance of Union Minister of Consumer Affairs, Food and Public Distribution. The main functions of the Department of Food and Public Distribution are:-

- (i) Formulation and implementation of National policies relating to procurement, movement, storage and distribution of foodgrains;
- (ii) Implementation of the Public Distribution System(PDS) with special focus on the poor;
- (iii) Provision of storage facilities for the maintenance of central Reserves of foodgrains and promotion of scientific storage;
- (iv) Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of foodgrains;
- (v) Administration of food subsidies relating to rice, wheat and coarse grains;
- (vi) Fixation of statutory minimum prices of sugarcane payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology), fixation of price of levy sugar and its supply for PDS and regulation of supply of free sale sugar;
- (vii) Supporting industries, the control of which by the Union is declared by Parliament by law to be expedient in public interest, as far as these relate to vanaspati, Oilseeds, Vegetable Oils, Cakes and Fats; and
- (viii) Monitoring, Price control and Supply of Edible Oils.

2.2 The Department is organized into 13 Divisions. It has two Attached Offices, namely: (i) Directorate of Sugar; and (ii) Directorate of Vanaspati, Vegetable Oils & Fats (DVVO&F). There is one subordinate office under Sugar Division namely National Sugar Institute, Kanpur.

There are other Subordinate Offices under the Department, namely:

- (i) Eight Quality Control Cells (QCCs) located at New Delhi (headquarter), Kolkata, Hyderabad, Bangalore, Bhopal, Bhubaneswar, Lucknow and Pune.

- (ii) One Indian Grain Storage Management and Research Institute (IGMRI), Hapur (Uttar Pradesh) with 2 field stations located at Hyderabad, and Ludhiana.

2.3 In addition, there are three Public Sector Undertakings under the administrative control of the Department, namely:

- (i) Food Corporation of India (FCI)
(ii) Central Warehousing Corporation (CWC) and
(iii) Hindustan Vegetable Oils Corporation Ltd.(HVOC)

2.4 The mandate of the Department of Food and Public Distribution is primarily for: (i) Management of foodgrains, (ii) Management of sugar and (iii) Management of edible oils. In respect of management of sugar and edible oils, the Department also caters to the requirements of the Public Distribution System in addition to regulating the industrial units.

2.5 The Minister for Consumer Affairs, Food and Public Distribution laid on the Table of the Lok Sabha, the Detailed Demands for Grants (2018-19) relating to the Department of Food and Public Distribution on 9th February, 2018. The Detailed Demands for Grants, for the Department of Food and Public Distribution shows a budgetary provision of Rs. 224159.10 crore for the year 2018-19. This includes Rs. 173735 crore for Revenue and Rs. 50424.10 crore, for Capital programmes and Schemes.

2.6 The Committee in the present Report have examined various issues related to implementation of various schemes and programmes under the jurisdiction of the Department, in the context of Demands for Grants 2018-19. The detailed analysis along with observations/ recommendations of the Committee on various issues have been given in the succeeding paragraphs/Chapters of the Report.

2.7 The overall allocations in respect of the Department of Food and Public Distribution for the year 2018-19 vis-a-vis 2017-18 with regard to Revenue and Capital Programmes and Schemes are as under :-

As on 31.12.2017 (Rs. In Crores)

2017-18						2018-19	
Revenue			Capital			Revenue	Capital
BE	RE	AE	BE	RE	AE	BE	BE
150952.64	146309.57	141008.32	50523.05	50499.65	6431.63	173735	50424.10

General Performance of the Department

Analysis of Revenue and Capital Schemes

2.8 The scheme-wise details of BE, RE and actual expenditure incurred by the Department of Food and Public Distribution on its Revenue and Capital Schemes during 2017-18 and BE for 2018-19 are at **Annexure-I**.

2.9 When asked about the status of implementation of various schemes/programmes/projects and the difficulties being faced by the Department in the implementation of various schemes/projects/programmes, the Department stated as under:-

(A) Construction of Godowns by FCI/ State Governments :

Schemes/projects for augmentation of storage capacity:-

(i) Under the PEG Scheme, construction of conventional godowns has been undertaken in 22 States in PPP mode. FCI guarantees 10 years usage of storage capacities to the private investors and 9 years to CWC and SWCs. Total capacity sanctioned i.e. tenders finalised for godowns as on 31.12.2017 is 151.54 lakh MT. Out of this, 140.32 lakh MT has been completed and 7.92 lakh MT is under construction. Thus, this scheme is almost in its final stage.

(ii) Under the Central Sector (Plan) Scheme, funds are released to the FCI in the form of equity for construction of storage godowns. Funds are also released as Grant-in-aid to the State Govts. of North Eastern Region for construction of intermediate storage godowns. Under the 12th Five Year Plan (2012-17) cumulative capacity of 1,37,680 MT has been created by FCI. This scheme would be continued for the next three years i.e. 2017-18 to 2019-20. Under this scheme in the year 2017-18 (as on 31.12.2017) a capacity 4,590 MT has been created by FCI.

The main difficulty faced in the implementation of this scheme is issues with regard to identification and acquisition of land by State Govts. Besides, the North Eastern region has special problems like difficult terrains, inclement weather, law and order problem, etc.

(B) Strengthening of PDS Operations:

(i) End to end Computerization of TPDS Operations:

The present status of implementation of “End-to-end Computerization of TPDS Operations” is given in **Annexure-II**. Initially the implementation of the scheme was slow and uneven. However, the Ration Cards (NFSA) have been

completely digitized in all States/UTs. Online Allocation has been implemented in 30 States/UTs. The Supply Chain has been computerized in 20 States/UTs. The transparency portal are set up by all States/UTs. The online grievance redressal facility and/or Toll free helpline number have been implemented in all States/UTs. The validity of the scheme has been extended for two years i.e. up to March, 2019 after approval of Competent Authority without increasing project cost.

(ii) Strengthening of PDS and Capacity Building :

(a) PDS Training

Under the scheme component i.e. PDS-Training, funds are released to the State/UT Government on receipt of appropriate and complete proposals from the State/UT Governments. Release of funds is further subject to receipt of Utilisation Certificates (UCs) from these State/UTs for the releases made to them under the scheme in the past. Matter is regularly followed up/pursued with the State/UTs for sending appropriate and complete proposals and for furnishing Utilisation Certificates for the releases made under the schemes in the past.

(b) PDS Evaluation, Monitoring and Research

Under the scheme component i.e. PDS-Evaluation, Monitoring and Research, funds are released to Agencies/Institutions/Organizations for conducting evaluation study of implementation of TPDS/NFSA after finalization of appropriate Agency/Institution/Organization through inviting of bids or outsourcing by choice and finalization of term of references with them which takes time. Department invited bids from various institutions/agencies but found huge variation in cost per sample. In order to overcome the problem, the Department is in the process of inviting Govt. institutions/organizations to undertake concurrent evaluation of implementation of the NFSA throughout the country at fixed rates.

(c) Financial Assistance to States for Generating Awareness amongst TPDS beneficiaries about their entitlement and redressal mechanism:

The funds under the scheme are released to States/UTs on the basis of proposal received from them. The utilization of the budget allocation has been low during 2016-17 due to lack of proposals from States/UTs and UCs pending with them. Further, during 2017-18, Grants under the Scheme received under the 2nd Batch of Supplementary Demands is received at the fag end of the year 2017-18.

(iii) Consultancies, Training and Research:

(a) Consultancies for Research/ monitoring in domestic / global markets for foodgrains :

Under this Scheme, Food Corporation of India (FCI) is entrusted by the Department of Food & Public Distribution to appoint a Consultant in order to have a market intelligence system which could provide regular price alerts and early warnings on possible increases in prices of essential commodities, crucial for policy decisions. This component of the scheme aims to have a market intelligence system which could provide regular market alerts and early warning on likely increase of prices of foodgrains, crucial in formulation of policy measures and interventions for management of food economy. Such market intelligence is also useful in deciding the import-export policy for foodgrains, sugar and edible oils. Reports generated through the study provide periodical price data on wheat, rice, sugar and edible oils.

(b) e-Governance :

The activities and expenditure under this scheme in department are need based and depends on time-to-time guidelines from MeitY, DAR&PG and DoPT. However a brief of activities taken up as part of e-Governance are "Procurement of computers, UPSs , LED TVs, Supply of HDMI Hub & Cable, Scanners, Multifunctional Printers, Digital Signature Certificates (DSCs) and hiring of manpower for implementation of e-office, website related activities, and other activities towards implementation of e-office & ICT Activities". Presently, percentage of opening of new e-files per month in the Department is more than 90% and total percentage of e-files is more than 82%.

(iv) Strengthening of Quality Control Mechanism:

Under the plan component "*Strengthening of PDS Operations*" sub component "*Strengthening of Quality Control Mechanism*" no funds were allocated in BE 2017-18. An amount of Rs. 15 lakhs has now been allocated at RE stage, which is proposed to be utilised for Capacity Building on training of officers at NIPHM, Hyderabad with reference to accreditation of NABL for IGMRI, Hapur and CGAL at the Hqr. In addition, up gradation of laboratories at regional offices of Quality Control Cells will be undertaken. Due to late allocation of funds in RE 2017-18, the training of Inspecting officials of State Government by QCCs could not be taken up during 2017-18

(v) Financial Assistance to States/UTs Food Commission for Non-Building Assets :

Under the scheme, funds upto Rs.50 lakh can be provided to State/UT, which set up independent State Food Commission (SFC) for the non-building assets for the Commission. Through meetings, video conference, letters, States/UTs have been regularly persuaded to set up SFC and 21 States/UTs

have set up independent SFC. Based on the proposals from these States/UTs and also those which set up SFC during the course of the year, funds will be released under the scheme and there is no difficulty foreseen.

2.10 The Committee note that BE of the Department during the year 2017-18 for Revenue Schemes was Rs. 150952.64 crores which was revised at RE stage but actual expenditure incurred is upto Rs. 141008.32 crores. The Committee note that for Capital Schemes during 2017-18, BE was Rs. 50523.05 crores which was reduced to Rs. 50499.65 crores but actual expenditure as on 31.12.2017 was Rs. 6431.63 crores. The Committee feel that revising the estimate at RE stage and then not utilizing the revised allocated funds shows lack of perspective planning on the part of the Department. The Committee further note that there is under-spending in the schemes/programmes under the head Revenue and Capital such as Quality Control Cell, Food Subsidy to FCI and DCP States, Sugar Subsidy payable under PDS, Strengthening of PDS Operations, Construction of godowns by FCI in North-Eastern regions, Ways and Means payable to FCI etc. The Committee desire the Ministry to make all out efforts to further strengthen its monitoring over the implementation of all the Schemes/Projects. The Committee, therefore, strongly recommends that Department should make advance and better planning to fix realistic targets and to ensure that the allocation earmarked for different schemes/programmes are fully utilized during the year itself.

CHAPTER- III MANAGEMENT OF FOOD

The Department of Food and Public Distribution is concerned with the formulation and implementation of various national policies on foodgrains relating to procurement, movement, scientific storage, distribution and sale. The aim of such policies is to ensure that interests of farmers as well as consumers are saved, which is done by providing remunerative prices to the farmers and making foodgrains available at reasonable prices to consumers, especially to the vulnerable sections of the society. The main elements of the Government's food management policy are procurement, storage and movement of foodgrains; distribution through public distribution system and maintenance of buffer stocks.

(a) Decentralised Procurement Scheme

3.2 Under Decentralized Procurement Scheme (DCP), introduced in 1997-98, foodgrains is procured, stored and distributed by the State Governments themselves. Under this scheme, the States procure, store and issue foodgrains under TPDS and other welfare schemes of the Government of India. The decentralized system of procurement has the objectives to ensure that MSP is passed in a focused way on to the farmers, and to encourage procurement in non-traditional States, thereby extending the benefits of MSP to local farmers, which also saves on transportation cost. This also enables procurement of foodgrains more suited to local taste for distribution under the PDS.

3.3 Under this scheme, the State Government and its agencies undertake procurement of Paddy/Rice and wheat on behalf of Government of India and also store and distribute these food grains under NFSA and Other Welfare Schemes. The Central Government undertakes to meet the entire expenditure incurred by the State Governments on the procurement operations as per the approved costing. If the stock procured by a DCP State is more than its requirement under NFSA/OWS, then the surplus is handed over by the State to FCI for distribution to other deficit States. In case stock procured by a DCP State is less than its requirement, the deficit portion is supplied by FCI from other surplus states. For the surplus stocks handed over by the surplus DCP states to FCI, the Acquisition cost is reimbursed by FCI to the State Government on the basis of the Cost Sheet issued by GOI. In the DCP States, FCI carries out procurement only in those areas where the State makes specific request for the same keeping in view lack of infrastructure, man power etc. and its inability to carry out the procurement in those areas. The Central Government also monitors the quality of foodgrains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried on smoothly. The status of DCP states is as under:

Sl.No.	State/UT	DCP adopted for
1.	A&N Islands	Rice
2.	Bihar	Rice/Wheat

SI.No.	State/UT	DCP adopted for
3.	Chhattisgarh	Rice/Wheat
4.	Gujarat	Wheat
5.	Karnataka	Rice
6.	Kerala	Rice
7.	Madhya Pradesh	Rice/Wheat
8.	Odisha	Rice
9.	Tamil Nadu	Rice
10.	Uttarakhand	Rice/Wheat
11.	West Bengal	Rice/Wheat
12.	Punjab	Wheat
13.	Rajasthan (in 9 District)	Wheat
14.	Andhra Pradesh	Rice
15.	Telangana	Rice
16.	Jharkhand (5 district only)	Rice
17.	Maharashtra	Rice

3.4 In response to a query regarding State-wise procurement of wheat and rice under Decentralized Procurement for the last three years, the Ministry informed as under:-

**WHEAT PROCUREMENT FOR CENTRAL POOL BY DCP STATES
(Fig. in lakh tones)**

SI. No.	States/UTs	RMS 2014-15	RMS 2015-16	RMS 2016-17	RMS 2017-18
DCP STATES					
1.	Gujarat	0.00	0.73	0.00	0.07
2.	Punjab	8.69	3.91	7.11	0.00
3.	Rajasthan	0.89	0.00	0.00	0.00
4.	M.P.	70.94	73.09	39.92	67.25
5.	Uttrakhand	0.01	0.04	0.02	0.02
6.	West Bengal	0.00	0.00	0.00	0.00
7.	Bihar	0.00	0.00	0.00	0.00
DCP TOTAL		80.53	77.77	47.05	67.34
(% Share of Total)		28.74%	27.69%	20.49%	21.85%

**RICE PROCUREMENT FOR CENTRAL POOL BY DCP STATES
(Fig. in lakh tones)**

SI. No.	States/UTs	KMS 2014-15	KMS 2015-16	KMS 2016-17	KMS 2017-18*
---------	------------	-------------	-------------	-------------	--------------

DCP STATES					
1.	A.P.	7.27	43.36	37.24	22.57
2.	Telangana	13.20	15.79	35.96	12.24
3.	Chandigarh	34.23	34.42	40.22	32.07
4.	Karnataka	0.88	0.55	0.00	0.00
5.	Kerala	3.74	3.82	3.08	1.00
6.	M.P.	8.07	8.49	13.14	10.96
7.	Odisha	33.57	33.69	36.30	19.37
8.	Tamil Nadu	10.51	11.92	1.44	0.43
9.	Uttrakhand	4.65	5.98	7.06	0.36
10.	West Bengal	20.32	15.68	19.23	0.11
11.	Bihar	16.14	12.25	12.34	3.16
12.	Jharkhand			0.00	0.00
13.	Maharashtra			3.09	1.40
14.	Gujarat				0
DCP TOTAL		152.58	185.95	209.10	103.67
(% Share of Total)		47.62%	54.34%	54.87%	35.70%

* Under progress (data as on 12.02.2018)

3.5 When enquired about the need for making reforms in the Decentralized Procurement System, the Ministry stated that regular interactions are made by GOI with the State Govt. and suitable amendments are made as per the need from time to time. The Decentralized Procurement States have to focus on improving the quality of stocks received and its safe preservation.

3.6 On being asked whether the States have reported any problems in undertaking decentralized procurement operations and if steps are taken by the Government to overcome those problems, the Committee were informed that problems reported by State Govts. are suitably addressed by GOI from time to time and necessary amendments are made in the scheme.

3.7 As regards to the reasons for not adopting the DCP Scheme by many States/UTs and efforts made to persuade them to adopt the Scheme, the Ministry stated that since adoption of DCP mode requires substantial responsibility on the part of the State Govt. like arrangements for funds, storage space, gunny, manpower etc. they hesitate to adopt the same. However, regular efforts are made to persuade them to adopt the DCP mode by addressing their concerns. In the process, now 17 States & UT are procuring Wheat/Rice under DCP Scheme.

3.8 The Committee note that due to various efforts/interactions made by the Department to convince/persuade the remaining States/UTs to adopt the Decentralized Procurement Scheme (DCP), 17 States/UTs have so far adopted the DCP Scheme. The Committee are, however, not happy that the DCP Scheme which was introduced way back in the year 1997-98 with the objective to ensure that MSP is passed in a focused way to the farmers, encourage procurement in non-traditional States thereby extending the benefits of MSP to local farmers and saves on transportation cost, have not been adopted by several remaining States/UTs after 20 years of introduction. The Committee, therefore, hope that the Department will make more concerted efforts to pro-actively engage the States/UTs and help them to resolve various issues/difficulties faced by these States/UTs to enable them to adopt the scheme at the earliest.

The Committee would also like to be apprised of the reasons for less procurement of wheat and rice during 2017-18 for Central Pool.

(b) Food Subsidy - Regular/Under NFSA

3.9 Food Subsidy is paid to the Food Corporation of India (FCI) for reimbursement of the difference between the economic cost of food grains and their issue price, carrying cost of buffer stocks, and on account of levy sugar, import of sugar etc. The economic cost comprises of procurement price, procurement incidentals and distribution cost.

3.10 The year-wise break-up of subsidy released on foodgrains to FCI and the States operating the Decentralized Procurement Scheme is as under:-

(Amount in Rs. crore)

Year	Total (FCI)	Total (DCP States)
Allocated		
2015-16	112000.00	22919.00
2016-17	103334.61*	27338.35
2017-18 (RE)	101981.69	38000.00
Released		
2015-16	112000.00	22919.00
2016-17	103334.61	27338.35
2017-18**	104901.15	32182.90

* Actual subsidy released by FC A/Cs to FCI was Rs103334.61 crore, as per instructions received from MoF vide letter No.5/5/2016-NS dated 31.03.2017, an amount of Rs.25,000 crore was withdrawn and surrendered from Food Subsidy and equivalent amount was given to National Small Saving Fund (NSSF) loan (Investment) to FCI.

**As on 08.02.2018

3.11 During evidence, the Ministry in its power-point presentation also informed the Committee, detailed allocation to various schemes which are given as under:-

(Rs. In crores)

Sl. No.	Name of Scheme / Project	BE 2018-19
1	Food Subsidy to FCI	1,38,123
2	Food Subsidy to DCP States	31,000
3	Sugar Subsidy payable under PDS	200

4	Central assistance to States/UTs for intra-state movement and FPS dealers' margin under NFSA	4,000
---	--	-------

3.12 When asked how the gap between requirement of funds vis-a-vis actual funds for food subsidy can be bridged, the Ministry stated that the gap between requirements of funds vis-a-vis availability of funds for food subsidy can be bridged by allocation of additional funds in the Budget. Further to meet out the shortfall of budgetary allocation, Food Corporation of India (FCI) takes Short Term Loans (STL) from various banks as per requirement, avails Ways and Means Advance (WMA) & National Small Saving Fund (NSSF) Loan from the Government, borrows funds through a Cash Credit Limit (CCL) from consortium of banks and issues Government Guarantee bonds.

3.13 In reply to a query about the opinion of experts in food management to contain food subsidy, the Ministry stated that The Expenditure Management Commission constituted by Ministry of Finance vide its report dated 26.02.2016 recommended that as an immediate step, the timely reimbursement of subsidies, increase in the frequency of releases and appropriate enhancement in the quantum of ways and means advances could result in savings in food subsidy bill. The Commission also observed that reduction in food grain subsidy would require a combination of measures to moderate increase in MSP, limit procurement and increase in Central Issue Prices (CIP).

3.14 The Department has further stated that they are fully aware about the need for containing the increase in food subsidy and making regular efforts in this regard. The Government has taken several measures to contain the food subsidy, which includes:

- Encouraging decentralized procurement and distribution of foodgrains.
- Issue of bonds by FCI at lower coupon rates, backed by Government guarantee.
- Improving the operational efficiency of FCI.
- Negotiating with the banks of the consortium of food credit to reduce the rate of interest on cash credit.
- Bringing in overall cost-effectiveness in the operation of FCI.
- Bringing down the level of surplus food grains stock through more liquidation under Open Market Sale Scheme and optimization of procurement through increasing market competitiveness.

3.15 A statement showing state-wise release of subsidy under DCP Scheme is as under:-

Statement indicating the food subsidy released to DCP States during the last three years i.e. 2015-16, 2016-17 & 2017-18 State/UT-wise:

(Rupees in crores)

S.No.	Name of the State	2015-16	2016-17	2017-18 (till 08.02.2018)
1	Andhra Pradesh	1364.25	3212.82	4820.17
2	Bihar	2540.92	1495.24	4535.11
3	Chhattisgarh	3328.93	3141.28	2969.55
4	Gujarat	55.57	46.21	0.00
5	Karnataka	0.00	0.00	166.95
6	Kerala	834.42	419.25	782.06
7	Madhya Pradesh	5737.29	5354.97	6490.04
8	Maharashtra	-	-	583.66
9	Odisha	3331.39	3847.72	4179.95
10	Punjab	300.00	2877.68	358.61
11	Rajasthan	155.11	0.00	0.00
12	Tamil Nadu	936.89	2303.76	651.70
13	Telangana	1390.08	1716.71	3619.71
14	Uttar Pradesh	-	-	-
15	Uttarakhand	408.67	346.80	860.11
16	West Bengal	2465.86	2441.93	2042.30
17	DBT*	69.62	133.97	122.98
	योग Total	22919.00	27338.35	32182.90

* Under Direct Benefit Transfer (DBT) scheme, w.e.f. 2015-16 subsidy is released to UTs of Chandigarh, Puducherry, Dadra & Nagar Haveli & 1 District of Jharkhand

3.16 The Ministry further informed that as far as Minimum Support Price (MSP) and Central Issue Price (CIP) of foodgrains are concerned, it is decided by the Government of India (GOI). The expenses at comparative rates towards incidental charges like transportation, storage can result in lowering of food subsidy. However, so far, no study has been initiated by this Department in this regard.

3.17 During evidence, the Secretary, Department of Food and Public Distribution, informed as under:-

“Due to GST, saving of Rs. 6154 crore during 2017-18 and Rs. 9153 crore during 2018-19 is estimated.”

3.18 The Committee note that Government is taking several measures/efforts to contain the food subsidy, such as Encouraging decentralized procurement and distribution of foodgrains; Issue of bonds by FCI at lower coupon rates, backed by Government guarantee; Improving the operational efficiency of FCI; Negotiating with the banks of the consortium of food credit to reduce the rate of interest on cash credit; Bringing in overall cost-effectiveness in the operation of FCI; Bringing down the level of surplus foodgrains stock through more liquidation under Open Market Sale Scheme and optimization of procurement through increasing market competitiveness etc. The Committee are, however, constrained to observe that the amount of food subsidy released to FCI has been constantly increasing over the years and BE of 2018-19 has now stood at Rs. 138123.00 crores against the Actual Expenditure of Rs. 104901.15 crores during the year 2017-18. The Committee are of the view that a saving of Rs. 6154 crore and Rs. 9153 crore during the year 2017-18 and 2018-19 respectively due to imposition of Goods and Services Tax (GST) is not sufficient achievement in containing food subsidy. The Committee, therefore, desire that the Department should make even more vigorous efforts to explore the possibility of containing food subsidy while ensuring regular supply and availability of subsidized foodgrains to the targeted beneficiaries under the National Food Security Act (NFSA)/Other Welfare Schemes (OWS) of the country.

(c) Hill Transport Subsidy

3.19 The Hill Transport Subsidy (HTS) Scheme is meant for the States/UTs which are predominantly hilly with little or no railways and poor road communications. The scheme is in operation since 1.8.1975 and HTS Scheme is applicable in the States/UTs of Himachal Pradesh, Jammu and Kashmir, Andaman and Nicobar Islands, Sikkim and Lakshadweep besides six North Eastern States excluding Assam.

3.20 In such States/UTs, the Food Corporation of India (FCI) is required to open godowns at Principal Distribution Centres (PDCs) wherever possible, or reimburse the State Governments/UTs the cost of transportation of foodgrains, on actual basis, for lifting of foodgrains from base depots of FCI to the designated PDCs. In predominantly hilly States with difficult and inaccessible terrain moving grains by road to the interior is heavy and such cost gets added to the Central Issue Price of the foodgrains delivered to such States. If sufficient relief is not provided the end retail price of foodgrains may become out of reach for the beneficiaries dependant on PDS.

3.21 Important distributing centres are declared as Principal Distribution Centres (PDCs) in consultation with the State Governments/UT Administrations. FCI is required to open godowns at these designated PDCs, wherever possible, or reimburse the State Governments/U.T.s the cost of transportation of foodgrains, on actual basis, for lifting of foodgrains from Base Depots of the FCI to these designated PDCs. Road Transportation Charges (RTC) are paid to the State Governments by the FCI for lifting foodgrains from FCI depots/ rail-heads other than the designated Base Depots. These charges were reimbursed by the FCI on actual basis as certified by the State Government. States had to submit their claim within 15 days of movement of stock to the concerned offices of FCI. On receipt of the bills from State Government, bills be settled within 10 days by FCI.

3.22 The Scheme covers only the quantities of foodgrains supplied by the FCI to the States/UTs for distribution to the consumers through the network of Public Distribution System.

3.23 The Ministry has informed that the scheme has been discontinued w.e.f. 01.04.2017. However, reimbursement of the same is being covered under NFSA. HTS Scheme was applicable in the States/UTs of Himachal Pradesh, Jammu and Kashmir, Andaman and Nicobar Islands, Sikkim and Lakshadweep besides six North Eastern States like Arunachal Pradesh, Tripura, Manipur, Nagaland, Mizoram & Meghalaya (excluding Assam).

3.24 The Committee have been furnished a statement showing details of HTS claims of States/UTs, total amount to be released, reasons for non-release of HTS which is at **Annexure III.**

3.25 The Ministry informed that Committee that for settlement of HTS claims, the State Govts. had to submit following documents to FCI alongwith the bills:

1. Copy of Sub-allocation made by State.
2. Executed original Release Order/ Authenticated copy.
3. Truck-wise details of transportation of food grains.
4. Stock Receipt Certificate from PDC.
5. Distance and Rate Notification from State.
6. Linkage of payment made by State through the Treasury to the transporters bank account.
7. Six point Certificate from State regarding (i) Certificate of delivery & transportation of stocks from FCI covering the shortest distance and receipt File No.3-1/2017-Py.III of the stock at destination PDC in good condition; (ii) Certificate of entry of stock in PDC/Depot register/relevant TPDS rationing register; (iii) Certificate of rate at which HTS is claimed by State Govt. has been fixed through due tendering process giving wide publicity and after assessing the market rates and duly notified. (iv) Certificate of the transportation charges have been paid to the transporters by ECS / RTGS /NEFT/Cheque; (v) Certificate of the transport charges claimed for transportation of Stock ExFCI delivery depot to aforesaid destinations have not been passed on to the consumers under PDS and (vi) Certificate of the bill is prepared on the strength of the receipted challan(s) duly countersigned by the local administrative Officer and verification by representative of vigilance Committee.

3.26 The Committee note that the Hill Transport Subsidy Scheme (HTS) that was operational since 1975 and applicable to the States of Himachal Pradesh, J&K, Andaman & Nicobar Islands, Sikkim, Lakshadweep and six North-Eastern States excluding Assam has now been discontinued w.e.f. 01.04.2017. They regret to observe that an amount of Rs. 2101.56 lakhs is still outstanding for payment to the States of Himachal Pradesh and Mizoram and in some cases, the claims are pending since the year 2006-07 and the Government have not cleared the outstanding claims before discontinuing the scheme. The Committee, therefore, desire that all outstanding claims of HTS Scheme be liquidated at the earliest under the National Food Security Act, 2013 keeping in view the fact that the HTS Scheme has since been discontinued.

(d) Public Distribution System (PDS)

3.27 The Public Distribution System (PDS) was evolved as a system of management of scarcity and for distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society.

3.28 PDS is operated under the joint responsibility of the Central and the State governments. The Central Government, through FCI, has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The operational responsibility including allocation within State, identification of families below the poverty line, issue of Ration Cards and supervision of the functioning of FPS, rest with the State Government. Under the PDS presently the commodities namely wheat, rice, sugar and kerosene, are being allocated to the States/UTs for distribution. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as cloth, exercise books, pulses, salt and tea, etc.

3.29 When asked about the criteria fixed for allocation of foodgrains to different States for distribution to BPL and AAY families under Public Distribution System and whether any complaints regarding irregularities in AAY under TPDS have been received from States/UTs for the last three years, the Ministry stated that the allocation of foodgrains to the States/UTs. is made in terms of National Food Security Act (NFSA) 2013 which has been implemented in all 36 States/UTs.

3.30 The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving highly subsidized foodgrains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population of the country as per 2011 census. Corresponding to the above coverage at the all India level, State/UT-wise coverage was determined by the then Planning Commission on the basis of 2011-12 Household Consumption Expenditure Survey of NSSO. Coverage under NFSA is under two categories – households covered under AAY and remaining households as priority households. There is no BPL/APL category under NFSA. Foodgrain under NFSA are allocated to States/UTs on the basis of coverage determined for the States/UTs, identification of eligible households by States/UTs, and foodgrains entitlement of eligible households.

3.31 There have been reports about irregularities in implementation of TPDS in certain regions/States in the country including irregularities in AAY. Since operational responsibilities of TPDS rest with the concerned, State/UT Government, as and when complaints are received from individuals and organizations as well as through press reports, they are sent to State/UT Governments concerned for inquiry and appropriate action. A statement indicating State-wise number of complaints on TPDS received in the Department from 2015 to 2017 (including current year) is as under:-

Statement: Complaints on TPDS received in the Department from individuals, organisations & through media reports etc from 2015 to 2018 (upto 31.01.2018)

S. No.	State/UT	2015	2016	2017	2018
1	Andhra Pradesh	8	5	10	2
2	Arunachal Pradesh	1	-	-	-
3	Assam	34	32	17	2

4	Bihar	106	81	169	18
5	Chhattisgarh	6	9	9	1
6	Delhi	113	91	98	7
7	Goa	-	1	2	-
8	Gujarat	8	12	9	1
9	Haryana	35	34	47	3
10	Himachal Pradesh	4	5	6	-
11	J&K	5	3	4	-
12	Jharkhand	32	29	35	7
13	Karnataka	16	22	28	1
14	Kerala	16	22	13	-
15	Madhya Pradesh	17	24	21	1
16	Maharashtra	48	62	77	3
17	Manipur	6	4	2	2
18	Meghalaya	7	9	-	-
19	Mizoram	-	-	2	-
20	Nagaland	-	2	2	-
21	Orissa	22	43	22	3
22	Punjab	10	7	5	2
23	Rajasthan	33	59	82	5
24	Sikkim	-	-	-	-
25	Tamil Nadu	22	33	31	2
26	Telangana	10	1	4	-
27	Tripura	-	1	1	-
28	Uttarakhand	24	21	22	2
29	Uttar Pradesh	197	461	445	41
30	West Bengal	32	29	49	2
31	A&N Island	-	1	-	-
32	Chandigarh	6	2	-	-
33	D& N Haveli	-	1	-	-
34	Puducherry	-	-	1	-
TOTAL		818	1106	1213	105

3.32 A statement indicating action taken on various irregularities as reported by State/UTs under various relevant clauses of PDS/TPDS (Control) Orders from 2015 to 2017 is enclosed at **Annexure-IV..**

3.33 On being asked as to how the identification of BPL/AAY families is done in the States, the Ministry stated that TPDS is now operated as per provisions of NFSA, which is being implemented in all States/UTs. Under NFSA coverage for receiving subsidized foodgrains has been delinked from poverty estimates as the coverage is under following two categories namely;

- (i). AAY Households, and
- (ii). Priority Households

As per NFSA, within the coverage of population determined for each State/UT, States/UTs are required to identify AAY households in accordance with guidelines applicable to this scheme, as the remaining households as priority households in accordance with such guidelines as State Governments specify. Accordingly, States/UTs have prescribed their own criteria for exclusion and inclusion of households under NFSA, which differs from State to State.

3.34 The eligible households i.e. the households covered under priority households and AAY are entitled to receive foodgrains (rice, wheat or coarse grains or any combination thereof) under TPDS @ Rs 3/-, 2/- & Re 1/- per kg respectively with entitlements of priority households being @ 5kgs per person per month and AAY families getting @ 35 kg per family per month as per the AAY scheme.

(e) Strengthening of PDS operations

3.35 In response to a query about the State/UT that has recorded the highest as well as the lowest diversion of foodgrains during the last three years along with the steps taken to contain diversion of foodgrains, the Ministry informed that an evaluation study on functioning of TPDS/NFSA in six selected States i.e. Assam, Bihar, Chhattisgarh, Karnataka, Uttar Pradesh and West Bengal was conducted by National Council of Applied Economic Research (NCAER) in 2014-15. The study revealed certain shortcoming/ deficiencies in the functioning of TPDS/NFSA including leakages/diversion of foodgrains, details of which are as under:-

**Leakages/diversion of foodgrains (rice & Wheat) indicated
in NCAER report submitted in 2015**

S.No.	State	Leakage (in %)
1.	Assam	39.86
2.	Bihar	16.28
3.	Chhattisgarh	6.95
4.	Karnataka	17.34
5.	Uttar Pradesh	24.43
6.	West Bengal	25.84

3.36 The Government has stated that to eliminate leakages and diversion of foodgrains and to ensure that eligible households receive their entitlements under the TPDS, the following measures have been taken:

(a) **Modernization of TPDS:** Modernization of Targeted Public Distribution System (TPDS) has been taken up by the Department of Food and Public Distribution with a view to addressing challenges such as leakages and diversion of foodgrains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievance redressal, etc. With an objective to introduce best practices, transparency in TPDS operations and for achieving rightful targeting of food subsidy, Government is implementing a Plan Scheme on '**End-to-End Computerisation of TPDS Operations**' in collaboration with all the States/UTs under the 12th Five Year Plan (2012-17). The validity of scheme has been extended for two years i.e. up to March, 2019 after approval of Competent Authority without increasing project cost.

Under the End to End Computerization of TPDS operations, funds of Rs. 26.44 crore have been provided in RE 2017-18 in January, 2018. The expenditure under the

scheme 'End to End Computerization of TPDS operations' as on 12-02-2018 is Rs. 19.62 crore.

Component-I of the scheme includes –

- Digitization of ration cards/ beneficiaries data– Completed in all States/UTs. Details of 23.1 crore Ration Cards are available on transparency portals of States/UTs
- Online allocation of foodgrains up to FPS level– Implemented in 30 States/UTs
- Computerisation of Supply Chain Management for foodgrains– Implemented in 20 States/UTs
- Transparency portals and grievance redressal mechanisms– Transparency Portals and Online Grievance Registration system/ Toll-free helpline numbers (1967/1800-series) are available in all States/UTs

Component-II of the scheme includes –

- Automation of Fair Price Shops - More than 2.90 Lakh out of 5.27 Lakh FPSs are automated in the country

Some of the key initiatives taken under the Computerization scheme are as follows:

(i) Financial Assistance: The End-to-End Computerization of TPDS Operations scheme is being implemented in collaboration with States/UTs on cost-sharing basis. Costs are shared with States/UTs on 50:50 basis except for North-Eastern States where cost sharing is done on 90:10 basis. The Cabinet Committee on Economic Affairs (CCEA) approved Component-I of the Scheme in October, 2012 with funding requirement of Rs. 884.07 crore during FY'2012-17. The Department conveyed the administrative approval for the Scheme on 10.12.2012. Detailed Guidelines for the scheme were issued in September 2013. During the period 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 (up to 31.12.2017), financial assistance of Rs. 379.08 crore has been released to 31 States/UTs, NIC, etc.

(ii) Technical Partner: NIC is the technical partner for the project. The Common Application Software (CAS) prepared by NIC has been offered to all States/UTs. Computerization of TPDS has also been declared a Mission Mode Project (MMP) under the National e-Governance Programme.

(iii) Transparency Portal: A National Transparency Portal for TPDS has been developed with the objective of providing all TPDS related data and

information in the public domain. All States/UTs have been requested to maintain and update the data on the Portal through use of the TPDS application software. The Transparency Portal may be accessed at <http://pdsportal.nic.in>. The Portals of the respective State/UT Food and Civil Supplies Department may also be accessed through the links provided therein.

- (iv) **DBT (Cash Transfers) of food subsidy:** To eliminate leakages, the Department has suggested two models to States/UTs under Direct Benefit Transfer Scheme i.e. Direct Cash Transfer and Automation of Fair Price Shops (FPSs). Cash Transfer of Food Subsidy Rules, 2015 have been notified in August, 2015. Direct Cash Transfer scheme has already been started in UTs of Chandigarh and Puducherry from the month of September, 2015 and part of Dadra & Nagar Haveli from March, 2016.
- (v) **DBT (In-Kind) distribution of subsidized foodgrains:** Fair Price Shop (FPS) automation i.e. Component-II of the computerization scheme, involves issuance of foodgrains to eligible beneficiary after his/her successful authentication at the FPS using Point of Sale (PoS) device/mobile terminal. Department of Food & Public Distribution had issued guidelines on FPS automation, including technical specifications for PoS device in November 2014 to all States/UTs which were updated in May 2015. Government has approved Rs. 17/qtl. towards purchase and operations of the PoS device at FPS for automation under National Food Security Act (NFSA), 2013. Such expenditure would be shared between Centre and State Governments on 50:50 and 75:25 basis for General and Special Category States/UTs respectively. So far more than 2.90 lakh FPSs are automated by installing e-PoS devices across the country.
- (vi) State/UT wise status of implementation of various activities under computerization scheme as on 30.01.2018 is at **Annexure- II**.

(b) Notification dated 8th February, 2017 issued under Aadhaar Act, 2016.

- i. Notification has been issued vide S.O. No. 317 (E) dated 08.02.2017 (as amended from time to time) under Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 which requires individual beneficiary to get his/her ration card authenticated to receive subsidies under NFSA and those who do not possess Aadhaar to make application for Aadhaar enrolment by giving their details to the UIDAI designated agency or as prescribed by the State/UT Governments.
- ii. The notification further provides that till the Aadhaar is assigned to the beneficiaries under NFSA, the entitlements shall be given to such individuals on production of ration card and either Aadhaar Enrolment ID

slip or copy of his/her request made to the State/UT Government for Aadhaar Enrolment, along with any of the following identification documents, namely: (i) Voter ID card issued by the Election Commission of India; or (ii) PAN Card issued by Income Tax Department; or (iii) valid Passport; or (iv) Driving License issued by Licensing authority under Motor Vehicles Act, 1988 (59 of 1988); or (v) Certificate of Identity having photo issued by the Gazetted officer or Tehsildar on an official letter head; or (vi) Address card having Name and Photo issued by Department of Posts; or (vii) Kisan Photo Passbook; or (viii) any other document as specified by the State Government or Union Territory Administration.

- iii. Instructions have been issued vide letter dated 24.10.2017 directing all State/UT Governments not to delete any person/household from the list of eligible households and not to deny subsidized foodgrains or cash transfer of food subsidy under NFSA only on the ground of not possessing Aadhaar number.
- iv. In case of failure of biometric authentication due to network/ connectivity/ linking issue or due to poor biometric of beneficiary or other technical reasons, the beneficiary is to be provided subsidized foodgrains or cash transfer of Food Subsidy on the basis of physical production of Aadhaar Card by him/her in place of biometric authentication.

(c) Other initiatives taken to strengthen TPDS

Following initiatives have also been taken by this Department to strengthen TPDS:

- i. **A pilot DBT (In-cash & In-kind) scheme on the pattern of “PAHAL”** has been launched in Nagri Block of Ranchi District, Jharkhand w.e.f. October 2017. Under this scheme, the subsidy amount (economic cost – central issue price) is directly transferred into the bank accounts of the eligible NFSA beneficiaries in advance, in the beginning of the month, so that beneficiary could purchase his/her allocated foodgrains from the Fair Price Shop at Economic Cost of the foodgrains after authentication on Point of Sale (PoS) device. Central Issue Price is added by the beneficiary him/herself.
- ii. A few of the States/UTs have taken own steps to increase FPS dealer margin and increasing viability of FPSs over and above the dealer margin Rs. 70/Quintal and Rs. 143/Quintal given by the Government of India for general category and special category States/UTs respectively. Such States are **Maharashtra (Rs.150/Qtl), Kerala (Rs.150/Qtl), Jharkhand (Rs.100 /Qtl), Gujarat (Rs.85 /Qtl).**
- iii. Intra state portability of ration cards has been introduced by some of the States/UTs. This enables PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State where ePoS device has been installed.

Such states are **Andhra Pradesh, Haryana, Jharkhand, Karnataka, Chhattisgarh (750 FPSs), and Telangana (2273 FPSs).**

- iv. **A new scheme – ‘Integrated Management of PDS’ (IM-PDS)** has also been approved to be implemented during FY 2018-19 and FY 2019-20 for establishing Public Distribution System Network (PDSN) to implement national level portability, central data repository and central monitoring system of PDS operations.
- v. Annavitran Portal has been implemented to display electronic transactions made through ePoS devices towards the distribution of subsidized foodgrains to beneficiaries. This portal also shows national picture of Aadhaar authentication of beneficiaries besides allocated and distributed quantity of foodgrains up to district level.
- vi. An online system for Central Allocation by the Department is being developed by NIC HQ for making the central allocation of foodgrains to States/UTs based on population coverage and previous month utilization certificate submitted by the State/UT Government. This will enforce implementation of online allocation and FPS automation for having seamless data transfer to central system. The same is planned to be launched by the Department in near future.
- vii. A Central Dashboard for Ration Cards Management Systems, Online Allocation and Supply Chain Management Systems of States/UTs is being developed by NIC-HQ to monitor mentioned PDS operations of all States/UTs at the National Level.
- viii. State Governments of Rajasthan and Andhra Pradesh have started initiatives called **‘Annapurna Bhandar’** and **‘Village Mall’** respectively which allows FPSs dealers to also sell certain FMCG products to increase their FPS viability. Through these initiatives, State Governments are enabling rural/low income group consumers with greater choice of FMCG products, at affordable prices, assured quality, increased accessibility and improved lifestyle, through their network of Fair Price Shops.

3.37 The Ministry has further stated that a plan scheme on ‘End-to-end Computerization of TPDS Operations’ has been extended upto 31.03.2019 and the remaining activities in PDS computerization in States/UTs is to be completed by then.

3.38 Asked whether seeding of Aadhaar Card Number in ration cards has been completed in all States/UTs, the Ministry stated that at present overall seeding stands at 81.86% at the National level. Also, in pursuance of the provisions in the Section-7 of the Aadhaar Act 2016 this Department has notified the use of Aadhaar to receive subsidized foodgrains or Cash transfer of food subsidy under NFSA, on 8th February 2017 (as

amended from time to time). State/UTs has been asked to seed the Aadhaar number with ration card database by March 2018.

3.39 In response to a query whether online allocation has been implemented in all States/UTs, and the difficulties being faced by States/UTs in its implementation, the Ministry stated that presently, 30 States/UTs have implemented Online Allocation of foodgrains. Implementation of Online Allocation application is not required in Chandigarh and Puducherry as they have implemented Direct benefit Transfer (DBT)-Cash. Online Allocation is pending in Arunachal Pradesh, Lakshadweep, Meghalaya and Nagaland due to challenges in network connectivity and power failure.

3.40 The Department has also stated that Supply Chain Automation, it has been completed in 20 States/UTs. Implementation of Supply Chain Application is not required in Chandigarh and Puducherry as they have implemented Direct benefit Transfer (DBT)-Cash. Supply Chain Automation is pending in North Eastern/ hilly States, Rajasthan and Uttar Pradesh ,again due to chalenges in network connectivity and power failure.

3.41 To effectively handle the power failure issues, States/UTs are purchasing Laptops instead of desktop machines for District and Taluka offices. Broad band / leased lines in the hilly areas are not reliable and getting down frequently. States are making alternative arrangements like Data Cards/ Mobile HotSpot for ensuring better internet connectivity. This Department has advised States/UTs to pursue with Department of Telecom(DoT) for establishing uninterrupted and high speed internet connectivity by laying optical cables. This Department decided to complete implementation of Online Allocation and supply chain management at the earliest.

3.42 The Committee note that Public Distribution System (PDS) was evolved as a system of management of scarcity and for distribution of foodgrains at affordable prices. To strengthen the PDS operations, the Government is implementing the scheme of 'End-to-end Computerization of TPDS Operations' in collaboration with all the States/UTs under the 12th Five Year Plan (2012-17) and the scheme has been extended for two years i.e. upto March, 2019 with the approval of the competent authority without increasing the project cost. Under the Scheme of Computerization of TPDS Operations, Ration Card Digitization, Transparency Portal, Online Grievance Redressal and Toll Free Helpline Number have been reportedly completed in most of the States/UTs. However, the work relating to seeding of Aadhaar Card Number, online allocation and Supply Chain Automation are yet to be completed in many States/UTs, even though 81.86% of seeding of Aadhaar Card Number in Ration Cards is reported to be completed at the National level. Online allocation is stated to be pending in Arunachal Pradesh, Lakshadweep, Meghalaya and Nagaland due to power failure and network connectivity problem. The Committee desire that all pending works of Computerization of TPDS operations be expedited and completed at the earliest so that the challenges in TPDS operations in the country such as leakages and diversion of foodgrains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievances redressal etc. are addressed to the extent possible.

3.43 The Committee appreciate that the Government has taken several initiatives such as Direct Benefit Transfer (DBT) (Cash Transfer) of food subsidy, DBT (in kind) distribution of subsidized foodgrains including a new scheme viz. Integrated Management of PDS (IM-PDS) to establish PDS Network (PDSN) to implement national level portability, Central Data Repository and Central Monitoring System of PDS Operations. The Committee hope that proper implementation of these initiatives will enable PDS beneficiaries to lift entitled foodgrains from any shop in the State where e PoS device has been installed. The Committee, therefore, urge the Department to make all out efforts to ensure that all these initiatives are implemented in all the States/UTs. The Department shall also seriously look into the challenges faced by some States/UTs regarding network connectivity and power failure by providing financial as well as technical assistance to these States/UTs.

CHAPTER IV

FOOD CORPORATION OF INDIA (FCI)

The Food Corporation of India (FCI) was set up in 1965 under an Act of Parliament namely the Food Corporation Act, 1964. The primary duty of the Corporation is to undertake purchase, storage movement, transport, distribution and sale of foodgrains. As the principal implementing agency of the food policy of Government of India, the FCI undertakes procurement of foodgrains at the minimum support price to provide remunerative prices to farmers and also to prevent distress sale of their produce. The FCI also maintains a satisfactory level of operational and buffer stocks of foodgrains to ensure national food security. It offers foodgrains to various State Governments for being distributed to consumers through a wide network of fair price shops under the Public Distribution System (PDS), at the Central Issue Price fixed by the Government.

4.2 Since the FCI is established under a special Act of Parliament and does not come under the Companies Act, hence the capital of FCI is in the form of Equity only and is not divided into shares.

Role of Food Corporation of India (FCI) Procurement Operations

4.3 As the principal implementing agency of the food policy of Government of India, FCI undertakes procurement of foodgrains at the minimum support price to provide remunerative prices to farmers and also to prevent distress sale of their produce. FCI also maintains a satisfactory level of operational and buffer stocks of foodgrains to ensure national food security. It offers foodgrains to various State Governments for being distributed to consumers through a wide network of fair price shops under the Public Distribution System (PDS), at the Central Issue Price fixed by the Government.

(a) Capital Re-structuring

4.4 In his Budget speech for financial year 2018-19, Hon'ble Finance Minister has announced that capital of Food Corporation of India will be re-structured to enhance equity and to raise long-term debt for meeting its standing working capital requirement. Accordingly, the decisions taken by Ministry of Finance are:

- (i) The capital requirement for holding the Stocks shall be pegged at Rs. 50,000 crore, of which Rs. 45000 crore shall be financed through borrowed capital and Rs. 5000 crore through equity infusion. The equity of Rs.5000 crore will be infused in FCI over 2 yrs.
- (ii) FCI is already holding bonds of Rs. 13,000 crore. Further bond of Rs. 32,000 crore shall be raised by FCI through Government guaranteed bonds.

(b) Dues and Liabilities of FCI

4.5 The Ministry has stated that the outstanding dues from Ministry of Rural Development & Human Resource Development and recovery made during the years 2015-16, 2016-17 & 2017-18 are as under:

Ministry of Rural Development: against the food grains supplied under SGRY Schemes upto 31.03.2008

(Rs. In Crore)

Year	Amount Received	Balance as on 31 st March.
2013-14	NIL	2452.96
2014-15	NIL	2452.96
2015-16 (upto Jan., 2018)	NIL	2452.96

Schemes have closed on 31.03.2008.

Ministry of Human Resource Development:- against the foodgrains supplied under MDM scheme

(Rs. In Crore)

Year	Amount Received	Balance as on 31 st March.
2015-16	1119.44	326.36
2016-17	676.52	220.22
2017-18 (As on 31.12.2017)	374.01	248.87

In case of Min. of HRD, Revolving Fund of Rs. 400 crore has been provided by the Ministry for due amount.

4.6 The following amount is recoverable from **Ministry of External Affairs** relating to wheat issued to WFP for supply of fortified biscuits to Afghanistan under Government of India's donation to Afghanistan:

Period	Opening Balance	Billing	Payment Received	Closing Balance
2015-16	156,71,81,377	33,77,788	109,01,67,354	48,03,91,811
2016-17	48,03,91,811	28,94,677	33,77,788	47,99,08,700
2017-18 (till date)	47,99,08,700	129,36,74,005	129,36,74,005	47,99,08,700

4.7 Asked whether any time limit has been fixed within which Ministries are requested to make payment of outstanding dues, the Ministry stated that no time limit was there in case of Min. of RD earlier for issues under SGRY Schemes. Under

decentralized scheme of payment in MDM, there is time limit of 20 days for making payment after submission of bills in the subsequent month (time for submission has been decided 10 days) by the District Authorities, but it is not being adhered to strictly.

4.8 In response to a query regarding the steps taken to liquidate outstanding dues of FCI, the Ministry stated that Department of Food & PD and FCI is pursuing the matter with the concerned Ministries for liquidating the outstanding dues of FCI.

(c) Establishment Cost of FCI

4.9 The net expenditure incurred by FCI (including establishment cost) is reimbursed by the Government in the form of food subsidy. The details of establishment cost incurred by FCI for the last three years are as under:-

Amount in RS. crore

Year	2015-16	2016-17 (RE)	2017-18 (BE)	2018-19
Establishment cost	1749	2584	3127	
% Increase / Decrease Over previous year	-14 %	48 %	21 %	

4.10 When asked about the remedial/corrective steps proposed to be taken to keep the establishment cost to its barest minimum, the Ministry stated that the remedial / corrective steps proposed to be taken to keep the establishment cost to its barest minimum are as follows:

- The sanction strength of FCI Employee has been reduced.
- The element of establishment cost is almost at lower stage.

4.11 The Committee note that re-structuring of FCI Capital has been proposed in Budget 2018-19 to enhance equity and to raise long term debt for meeting its working capital requirement. The Ministry of Finance has accordingly decided that the capital requirement for holding the Stocks shall be pegged at Rs. 50,000 crore, of which Rs. 45000 crore shall be financed through borrowed capital and Rs. 5000 crore through equity infusion. The equity of Rs.5000 crore will be infused in FCI over 2 yrs. Further the FCI shall raise Rs. 32,000 crore through Government guaranteed bonds. The Committee hope that with the infusion of more capital, the FCI which is the Government's nodal agency for procurement and distribution of foodgrains, would be able to improve performing its mandate while discharging its functions.

4.12 The Committee are of the view that outstanding dues to FCI from various Central Ministries are very high. The outstanding dues of FCI from the Ministry of Rural Development against the foodgrains supplied under Samporan Gramin Rojgar Yojana (SGRY) Schemes upto 31.03.2008 is Rs. 2452.96 crore, the Ministry of Human Resource Development against foodgrains supplied under Mid Day Meal (MDM) Scheme as on 31.12.2017 is Rs. 248.87 crore and the Ministry of External Affairs against wheat issued to World Food Programme (WFP) for supply of fortified biscuits to Afghanistan under Government of India's donation to Afghanistan till date is Rs. 47.99 crores. The Committee are of the view that since interest accrued on account of delayed payment is also loaded on food subsidy bill of the Government which is already very high. The Committee, therefore, urge the Department/FCI to take steps for expeditious settlement of outstanding dues from the various Central Ministries not only to prevent undue burden on Food Subsidy Bill but also to utilize the funds for some important development schemes of the Government.

4.13 The Committee note that with a view to keeping the establishment cost of FCI to its barest minimum, the Government has reduced the sanctioned strength of FCI employees. The establishment cost of FCI has, however, increased to Rs. 3127 crore in 2017-18 from Rs. 2584 crore in 2016-17. Thus, the establishment cost of FCI continue to increase despite the Committee's earlier recommendation to reduce it. The Committee feel that their considered advice has not been honoured and, therefore, reiterate that the FCI should take concrete measures to bring down the establishment cost. The Committee further strongly recommend that ways and means should be devised to contain the establishment cost so as to save fund and let the benefit of food subsidy percolate down to ultimate beneficiary i.e. the poor people by minimizing the Food Subsidy Bill.

(d) Storage – Capacity Utilization Status

4.14 The Ministry has furnished the following statement showing total storage capacity available with the FCI, stocks held therein and capacity utilization during the last three years:-

(fig. in LMT)

Year		COVERED			CAP			GRAND TOTAL
		OWNED	HIRED	TOTAL	OWNED	HIRED	TOTAL	
2014-15	CAPACITY	129.61	217.62	347.23	26.35	3.39	29.74	376.97
	STOCK	75.51	170.19	245.70	7.00	2.50	9.50	255.20
	UTILISATION%	58	78	71	27	74	32	68
2015-16	CAPACITY	127.62	210.95	338.57	26.02	0.45	26.47	365.05
	STOCK	84.78	177.58	261.35	2.01	0.41	2.42	263.77
	UTILISATION %	66	84	77	8	90	9	72
2016-17	CAPACITY	128.16	201.75	329.91	26.02	0.14	26.16	356.07
	STOCK	72.76	160.31	233.07	0.65	0.15	0.80	233.87
	UTILISATION %	57	79	71	2	105	3	66
2017-18 (as on 31.12.2017)	CAPACITY	128.29	208.17	336.46	26.02	0.00	26.02	362.48
	STOCK	82.57	177.51	260.09	0.66	0.00	0.66	260.74
	UTILISATION %	64	85	77	3	0	3	72

4.15 Asked whether the storage capacity is sufficient to store the buffer and operational stock of foodgrains and the steps that have been contemplated to augment the capacity, the Ministry stated that the present storage capacity is sufficient to store the buffer and the operational stock of foodgrains. As on 31.12.2017, the total storage capacity available with FCI and state agencies for storage of central pool stocks was 725.39 LMT, comprising covered capacity of 601.24 LMT and CAP capacity of 124.15 LMT, much more than the Central Pool Stock of 357.68 LMT as on 01.01.2018.

4.16 In reply to a query regarding rent paid by FCI to each agency for hiring of godowns agency wise, the Ministry furnished the details of the rent paid by the FCI for hiring of godowns are as under:-

(Value in Rs Cr)

YEAR	CWC	SWC	Pvt. Party	Port Authority	State/ Central Govt.	PEG	Others	Grand Total
2015-16	238.13	713.75	139.97	19.71	74.87	654.62	3.92	1844.97
2016-17	299.95	791.45	110.74	29.60	9.16	812.67	6.28	2059.85
2017-18 (Upto 31.01.2018)	260.39	660.08	97.41	13.49	60.15	610.47	4.95	1706.94

4.17 The Committee note that percentage utilization of covered owned storage capacity of FCI is 64% whereas percentage utilization of covered/hired storage capacity is 85%. While not fully utilizing its owned storage capacity, the FCI has incurred an expenditure of Rs. 5611.76 crores during last three years for hiring godowns from private agencies. The Committee are of the view that proper utilization of owned capacity before resorting to hiring godowns from private agencies is desirable as it would save avoidable expenditure of precious funds. The Committee, therefore, recommend that FCI should re-assess their requirement of storage space and utilize their owned capacity to the maximum before hiring of storage space.

(e) **Storage and Transit Losses**

4.18 Details of actual storage, transit and pilferage losses in terms of quantity and value for the last three years by FCI are given as under:-

Storage Loss (Qty. in LMT/Value Rupees in Crores)

Year	Qty. of Loss	% of Loss	Value of Loss
2014-15*	-0.10	-0.01	113.78
2015-16*	-0.72	-0.08	-59.09
2016-17*	-1.00	-0.11	-86.03
2017-18** (upto Dec'17)	-0.28	-0.05	13.14

Transit Loss (Qty. in LMT/Value Rupees in Crores)

Year	Qty. of Loss	% of Loss	Value of Loss
2014-15*	2.30	0.43	506.48
2015-16*	1.30	0.30	298.86
2016-17*	1.32	0.30	313.90
2017-18** (upto Dec'17)	0.82	0.32	206.64

Note:-

1. (*) indicates Audited figures (**) indicates provisional figures
2. (-) Minus indicates GAIN

The details of loss on account on theft and pilferage are given as below:

Details of Loss on Account of Theft & Pilferage.

Year	No of Cases	Quantity (in MT)	Amount (In Rs)
2014-15	7	51.6	13,23,016
2015-16	13	62.89	18,10,816
2016-17	02	27.4	8,65,820
2017-18 (Upto Dec 17)	02	10.85	3,88,072

4.19 When enquired about the steps taken to obviate such losses, the Ministry has stated as under:-

1. Installation of Barbed wires fencing of boundary walls and provision of high mast lights in the godowns/complexes.
2. Deployment of Security staff of FCI as well as other agencies like Home Guards, DGR sponsored agency and Special Police Officers and state armed police on need basis.
3. Security inspections as well as surprise checks of the depots are conducted from time to time at various levels to detect and plug any security lapses.
4. Lodging of FIRs with the Police where pilferage and theft has come to notice. Apart from this, departmental action including recovery of loss has been resorted to as a deterrent measure.
5. Apart from the above, monitoring by installing CCTV camera systems and other gadgets is also being done and CCTV cameras are being installed in all FCI owned depots.

4.20 The Ministry further stated that the Bureau of Indian Standards (BIS), Food Corporation of India (FCI) & Central Warehousing Corporation (CWC) have prescribed standard specifications for construction of foodgrain storage godowns. While taking up construction, the central agencies namely FCI & CWC and State Agencies follow the prescribed construction design for godowns in order to ensure that the foodgrains are protected from natural calamities like rains and floods. Similarly, only scientifically constructed godowns are hired from private parties. In addition, FCI takes the following steps to avoid damage to foodgrains:

- (i) Godowns are so designed and constructed that they are rodent proof and damp proof with pucca floor.
- (ii) Foodgrain bags are properly stored on dunnages and arranged as per the stack plan.
- (iii) Adequate dunnage materials such as wooden crates, bamboo mats, polythene sheets are used to check migration of moisture from the floor to the foodgrains.
- (iv) Before the stocks are stored, the godown is properly cleaned and cobwebs etc., if any, are removed. Floor and walls are treated with chemicals such as air charging with Malathion and DDVP (insecticide) to make them pest free.
- (v) Prophylactic (spraying of insecticides) and curative treatments (fumigation) are carried out regularly and fumigation covers, nylon ropes, nets, etc are provided for control of insects & pests in all the godowns.

- (vi) The principle of “First in First Out” (FIFO) is followed to the extent possible so as to avoid longer storage of foodgrains in godowns.
- (vii) Only covered rail wagons are used for movement of foodgrains so as to avoid damage during transit.
- (viii) Damage Monitoring Cells have been set up at District, Regional and Zonal levels to regularly monitor quality of stocks and reduce damages.
- (ix) Fortnightly inspection of stocks is done on 100% basis by qualified and trained staff to check the quality of foodgrains.
- (x) Further surveillance inspections of sample stocks at monthly and quarterly intervals are also done to ensure compliance with stipulated procedures and to take action against defaulting officials.

4.21 The Committee asked whether any complaint regarding storage and transit losses of FCI has been registered with the Vigilance Division of the Ministry of Consumer Affairs, F&PD, the Ministry stated that no case has been received in this respect. However, the HQrs. Vigilance Squad had undertaken regular/surprise checks undertaken during the last three years as under:-

Year	No. of checks by HQrs Vig. Squad
2015-16	80
2016-17	95
2017-18	47

4.22 The Committee also wanted to know the action, if any, taken against the officials responsible for transit and storage losses in FCI, the Ministry stated that a total 330 cases have been initiated for unjustifiable Transit and Storage losses during 2017-18 as on 31.12.2017. 88 cases are pending for unjustifiable Transit and Storage losses during 2017-18 as on 31.12.2017.

4.23 The Ministry further furnished the following table regarding the number of cases pending against FCI officials responsible for transit and storage loss as on 31.12.2017:-

Transit Losses		Storage Losses	
Major	Minor	Major	Minor
4	28	10	60

4.24 The Committee are constrained to point out that despite various measures taken by FCI to curb losses of foodgrains on storage and transit, the value of foodgrains lost by FCI during the year 2017-18 continue to be as high as Rs. 13.14 crore and Rs. 206.64 crore on account of storage and transit losses respectively. The steps so far taken by FCI to prevent storage and transit losses of foodgrains are not adequate or effective. The Committee, therefore, desire that FCI should adopt latest scientific and modern technology as well as introduction of silos for storage of foodgrains to minimize storage and transit losses of foodgrains. The Committee also desire that besides installation of CCTV cameras in all FCI godowns, the number of regular inspections/surprise checks may be increased which will result in reduction of transit and pilferage losses of foodgrains.

(f) Corruption in FCI

4.25 The Ministry have furnished the details of vigilance cases registered during the last three years i.e. 2015-16, 2016-17 and 2017-18 (upto December, 2017) as under:-

Year	NO. OF CASES			ACCEPTANCE OF ILLEGAL GRATIFICATION/ DISPROPORTIONATE ASSETS		PURCHASE OF SUB-STANDARD STOCKS		AWARD OF CONTRACT		TRANSIT LOSSES		STORAGE LOSSES		DOWNGRADATION /DAMAGE OF STOCKS		DEFALCATION / MISAPPROPRIATION OF STOCKS,A/Cs ETC.		ADMN. LAPSES/ MISC.	
	MAJOR	MINOR	TOTAL	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor
2015-16	158	908	1066	9	2	8	68	7	3	1	241	20	287	9	11	62	82	42	214
2016-17	118	842	960	3	0	4	61	3	5	0	198	5	268	0	12	25	29	78	269
2017-18 (Upto 31.12.2017)	53	561	614	1	0	1	23	1	4	3	116	6	214	1	13	19	29	21	162

4.26 The Committee have been informed that cases against the officials of FCI for corruption include the cases registered both by the CBI/CVC during the last three years:-

Year	CBI	CVC
2015	1	0
2016	2	0
2017	1	0

4.27 When asked about the remedial steps being taken to check corruption, the Ministry replied that in order to effectively carry out objectives of FCI and curb the instances of corruption, following preventive measures aimed to reduce the scope for corruption/ irregularities/ frauds are being taken.

A. Preventive Vigilance measures in respect of Procurement:

- (i) In order to eliminate subjectivity in the physical and visual analysis of quality parameters in respect of rice, each refraction has been pictorially depicted and introduced to the field functionaries of FCI and put up in public domain. This has provided a ready visual reference for the personnel involved to identify the quality of rice being procured.
- (ii) The process of appeal and grievance redressal mechanism was reviewed and also had given a face lift recently so as to bring more transparency in procuring foodgrains stocks. The benefits will be:-
 - (a) Prevention of harassment of rice millers / foodgrain suppliers and brings transparency at the time of foodgrain acceptance at field level.
 - (b) Specifies the authorities and prescribes the time period of the appeals.
 - (c) In case of wrong rejection, the concerned employee will be liable for a punitive action.
- (iii) Emphasis is being laid on introduction of Good Laboratory Practices in respect of Quality Control (QC) labs.
- (iv) Emphasis on introduction of identity-blind/coding system, for fair analysis of QC samples of food grains. The advantage of this

system is that the sample lots are coded / decoded by dedicated employees who are responsible to get them transported to the concerned office for further verification. This eliminates the possibility of manipulation by any other party during the transit period.

- (v) Making Senior Management Functionaries responsible for effective Supervision & Control in QC functions.
- (vi) Introduction of online issue of Acceptance Note to the suppliers of foodgrains (Rice/Wheat/Paddy). This helps in recording and maintaining a central database of the foodgrains and the suppliers at the time of procurement itself.

B. Preventive Vigilance measures in respect of Storage and Contracts

- (i) Making e-tender mandatory for all contract with value above 02 lakhs. This brings transparency in tendering as the information becomes available online.
- (ii) Ensuring that the terms & conditions of tender should not be designed in a manner which restricts wider participation of bidders, aimed at getting benefit of competitive bidding.
- (iii) Modifications are done in Model Tender Forms so as to simplify pre-qualification conditions and to increase healthy competition among the bidders to get the best value out of it.
- (iv) Systematic Monitoring through Periodical Physical Verification of stock (Quarterly, Annually and also special cases). Random scrutiny also done to these PVs by Vigilance Division.
- (v) Sensitive districts have been pointed out on regular basis on the basis of specific parameters and also comprehensively reviewed and revised time to time.
- (vi) Installation of CCTV cameras in godowns. This step keeps a check on the instances of pilferage and on irregularities in day to day depot operations.

C. Preventive Vigilance measures in respect of Transportation/ Movement

- (i) Emphasizing proper management of records.
- (ii) E-tendering and tender results are published in web-site of FCI making the information easily accessible by anyone concerned reducing possibilities of manipulations.

- (iii) Making stringent penalties/ recoveries from contractors to deter manipulation / misappropriation / pilferages, etc.
- (iv) Inspections by senior officers in case of Storage / Transit losses exceeding pre-determined levels.
- (v) Deputed Independent Consignment Certification Squad (ICCS) at the time of loading and unloading of foodgrains moved through railways. Such a squad ensures that the foodgrains being moved are in proper condition and no manipulation or damage is done during this period.
- (vi) Ensuring availability of computerized weighbridges at all depots with periodic calibration. This enables accurate measurement of the foodgrains being moved and records the same in the centralized database.

D. Preventive Vigilance measures in respect of Distribution

- (i) For assuring consumer satisfaction, provision of joint sampling of stocks at the time of issue of stocks to the State govt. agency.
- (ii) Open market sale of foodgrains only through e-auction thus promoting healthy competition amongst buyers and transparency in the transactions.

E. Labour related

- (i) Regular review of handling cost.
- (ii) Making investigation mandatory in case of high handling costs.
- (iii) Rationalization of labour strength by moving idle labour from one depot to another one having work, on tour/ temporary transfer.
- (iv) Rationalizing the inflow and outflow of stocks at the depots according to viability of labour strength.
- (v) Deployment of contract labour at new godowns under PEG Scheme.
- (vi) Making investigation necessary in cases where labour earns wages more than 1.5 lakhs a month.
- (vii) Proposal for de-notification of FCI's depots initiated.
- (viii) Process of installation of Aadhar No. based biometric attendance machine for labour is also initiated.

F. Finance

- (i) E-payment system has been adopted for almost all the transactions thereby reducing cash handling costs and enabling maintenance of proper documentation and transparency in the transactions.

G. Sustainability and way forward

A few other initiatives have also been taken by the Corporation in order to bring transparency in its functions and facilitate its preventive vigilance measures which are as under:-

- 1) The Corporation is also in the process of introducing automation in storage and handling. Contracts have been awarded for building, operating and maintaining modern silos with high degree of automation. This will reduce contact points as well as discretion of the Corporation officials in the depots.
- 2) In addition, a comprehensive on-line depot management system has been rolled out in own depots. This will help improve and automate record keeping as well as provide real-time data/ information about the activities in our godowns as well as bring in transparency in day-to-day operations.

4.28 The Committee note that several preventive vigilance measures in respect of procurement, storage and contracts, transportation/movement, distribution including labour related and finance have been taken by the Government. Despite these preventive measures, 614 corruption cases have been registered as on 31.12.2017. The Committee are of the view that various preventive measures initiated by the Ministry do not have the desired effect to curb corruption. The Committee also feel that inordinate delay in disposal of cases further encourage the corrupt practices. The Committee, therefore, recommend that the Department should strictly enforce various preventive measures initiated by them and also to dispose of corruption cases speedily so that corrupt practices could be curbed to the barest minimum.

CHAPTER V

MANAGEMENT OF SUGAR

India is one of the largest producers of sugar and sugarcane in the world and the sugar industry is the largest agro-based industry located in rural India. About 45 million sugarcane farmers, their dependents and a large mass of agricultural labourers are involved in sugarcane cultivation, harvesting and ancillary activities constituting 7.5 per cent of rural population. Maharashtra and Uttar Pradesh contribute more than 50 percent share in the country's sugar output. India is also the largest consumer of sugar in the world.

(a) Production of Sugar

5.2 Sugarcane production is cyclic in nature; cyclicity arising out of cultivation pattern viz. – both by seed and ratoon. Every 2-3 years of high sugar production are followed by 2-3 years of low sugar production. From the sugar season 2010-11 onwards the country could consistently achieve sugar production more than the domestic requirements and could also generate surpluses for export, earning valuable foreign exchange in the process. Industry has also been encouraged to diversify its activity towards production of raw sugar targeted for export market. As such, it appears that the amplitude of year to year fluctuations in sugar production has diminished. There are early and late maturing varieties. Government of India gives grants in aid to research institutes to work on new and improved varieties. Soft loans are also given to sugar factories to give incentives to sugarcane farmers to switch over to new and improved varieties. The sugar accounting is reckoned on the sugar season basis, which is in the time frame of October to September. The Department has furnished the following statement indicating season-wise production of sugar since 2013-14:-

(Qty. in lakh tons)

Sugar Season	Production of Sugar
2013-14	245.54
2014-15	284.63
2015-16	251.21
2016-17(Provisional)	202.27
2017-18(Estimated)	248.85

5.3 The details of area under sugarcane cultivation during the last three years and the current year alongwith percentage increase/decrease in the area are given in the table below:

Sugar Season	Area under sugarcane Cultivation (Lakhs Hect.)	% Increase/Decrease over presiding Sugar Season
2015-16	49.53	(-) 1.14
2016-17	45.17	(-) 4.36
2017-18*	46.15	(+)2.17

***1st Advance Estimates as per Department of Agriculture, Co-operation and Farmers Welfare (DAC).**

5.4 Asked about the rate of Statutory Minimum Price (SMP) for sugarcane, the Ministry stated that the Central Government fixes Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966 viz., cost of production of sugarcane; return to the growers from alternative crops and the general trend of prices of agricultural commodities; availability of sugar to consumers at a fair price; price at which sugar produced from sugarcane is sold by sugar producers; recovery of sugar from sugarcane; realization made from sale of by-products viz. molasses, bagasse and press-mud or their imputed values; and reasonable margins for the growers of sugarcane on account of risk and profits. The FRP so fixed is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders. **FRP of sugarcane, linked to recovery rate, is uniform throughout the country and not fixed state-wise.** Accordingly, FRP for 2017-18 sugar season has been fixed at Rs. 255/- per qtl. linked to a basic recovery of 9.5% subject to a premium of Rs. 2.68 per qtl. for every 0.1 percentage point increase above that level. The FRP of sugarcane payable by sugar factories for each sugar season from 2015-16 and onwards is at tabulated below:-

Sugar Season	FRP (Rs. per quintal)	Basic Recovery Level
2015-16	230.00	9.5%
2016-17	230.00	9.5%
2017-18	255.00	9.5%

(b) Cane Price Arrears

5.5 Regarding Cane Price Arrears, the Ministry stated that as on 15.01.2018, Rs. 11269.25 crores are outstanding as cane price arrears (on SAP/FRP basis as and where applicable) against the sugar mills in the country for the sugar season 2017-18. State wise details of cane price arrears (on SAP/FRP basis as and where applicable) for 2017-18, 2016-17, 2015-16 & earlier seasons is at **Annexure V**. In order to facilitate sugar mills to clear cane price arrears, Government has taken following measures:-

- i) Provided Incentive for exporting raw sugar in sugar seasons 2013-14 and 2014-15 under the scheme "Marketing and promotion services of raw sugar production.
- ii) Fixed remunerative prices for supplies of ethanol to OMCs for blending with petrol; waived excise duty on ethanol supplies to OMCs during 2015-16 (till 11.8.2016) and scaled up of blending targets from 5% to 10%.
- iii) Extended loans to sugar mills with interest subvention @ 10% p.a. for one year under Soft Loan Scheme 2015.
- iv) Provided performance based production subsidy @ Rs. 4.50 per quintal to sugar mills to offset the cost of cane.

Due to the steps taken by the Government, cane price arrears of 2015-16 has come down to Rs. 1686.14 crores as on 15.1.2018 (97.16% cane dues have been cleared). Further, for SS 2016-17 about Rs. 1064.12 crores cane arrear is still due for payment (about 98.2% cane dues have been cleared). During current sugar season, 2017-18, cane arrear of Rs. 11269.25 crore is due for payment (about 67.2% cane dues have been cleared).

5.6 The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing this provision are vested with the State Governments/UT Administrations. Further, the Central Government advises the State Governments/UTs from time to time to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills.

5.7 The Ministry further stated that as on 15.01.2018, a total of Rs. 14019.51 crores are outstanding as cane price arrears against the sugar mills in the country for 2017-18, 2016-17, 2015-16 and 2014-15 & earlier sugar seasons.

(c) Ethanol Blended Petrol Programme (EBP Programme)

5.8 Ethanol is an agro-based product, mainly produced from a by-product of the sugar industry, namely molasses. The Ethanol Blending Programme (EBP) seeks to achieve blending of Ethanol with motor spirit with a view to reducing pollution, conserve foreign exchange and increase value addition in the sugar industry enabling them to meet their obligations, especially payment of cane price arrears to farmers.

5.9 The Ministry in a written note stated that the Central Government has scaled up blending targets from 5% to 10% under the Ethanol Blended Petrol Programme. The procedure of procurement of ethanol under the EBP has been simplified to streamline the entire ethanol supply chain and remunerative ex-depot price of ethanol has been fixed. To facilitate achieving of new blending targets, a “grid” which networks distilleries to OMC depots and details quantities to be supplied has been worked out. State-wise demand profile has also been projected, keeping in view distances, capacities and other sectoral demands. In the year 2013-14, ethanol supplied for blending was only 38 crore litres, whereas in 2014-15, under the modified EBP, supplies increased to 67 crore litres. In the ethanol season 2015-16, the ethanol supply was historically high and reached 111 crore litres achieving 4.2% of blending. In the ethanol season 2016-17, out of 80 cr litre contracted about 66.51 cr litre has been supplied so far. In the current ethanol season 2017-18, 313 crore litres of ethanol has been tendered; out of which 139.51 cr. liters have been allocated (LOI issued) and 3.39 cr. litre have been supplied so far.

5.10 Asked as to what extent rising of percentage of blending of ethanol from 5% to 10% has been able to minimize the sugarcane price arrears, the Ministry replied that the cane price arrears are cleared by the mills from the revenue generated by mills on sale of sugar and its by-products including ethanol. As such, it is difficult to indicate the impact of one factor alone. However, it is stated that for the current season 2017-18, Government has fixed remunerative price of ethanol for supply under Ethanol Blending Programme (EBP) at Rs. 40.85 per litre, which will facilitate the industry to minimise cane price arrears of farmers.

5.11 The Committee note that in order to facilitate sugar mills to clear cane price arrears, the Government has taken several measures such as providing incentive for exporting raw sugar, fixing of remunerative prices for supplies of ethanol to Oil Marketing Companies (OMCs), extending loans to sugar mills with interest subvention @ 10% per annum etc. However, there is outstanding huge cane price arrears to the tune of Rs. 11269.25 crore, Rs. 1064.12 crore and Rs. 1686.14 crore pending for the sugar season 2017-18, 2016-17 and 2015-16 respectively, despite the fact that cane prices are supposed to be paid within 14 days of supply of cane. The long outstanding cane price arrears is a matter of serious concern. It is also imperative to protect the interest of farmers so that they continue to cultivate sugarcane. The Committee also note that for the current season 2017-18, Government has fixed remunerative price of ethanol for supply under Ethanol Blending Programme (EBP) at Rs. 40.85 per litre, which will facilitate the industry to minimise cane price arrears of farmers. While appreciating the various steps taken by the Department to bring down the cane price arrears, the Committee urge the Department of Food and Public Distribution to strongly prevail upon the State Governments/sugar mills to take steps to clear all outstanding cane price arrears at the earliest in the interest of the cane farmers. The action taken in this regard be apprised to the Committee.

**NEW DELHI
8 March, 2018
17 Phalgun, 1939 (Saka)**

**J C DIVAKAR REDDY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution**

Revenue/Capital Outlays and Expenditure: FY 2017-18 & BE-2018-19

REVENUE

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
1	2	3	4	5	6	7	8	9
1	Secretariat (3451)	55.16	65.00	45.96	-19.04	29.29	Excess demand in RE 2017-18 includes provision for arrears of Rent and Water/Electricity Bills in r/o PAO (Food) pending from 2012 of appx. Rs. 6 crores and towards excess due to revision in minimum wages. Provision in RE 2017-18 is likely to be utilised up to 31.03.2018.	63.53
2	National Sugar Institute, Kanpur (2408)	19.75	19.33	13.98	-5.35	27.68	Likely to be utilised up to 31.03.2018.	19.51
3	Other Programmes of Food Storage & Warehousing							

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
	(i) Directorate of Sugar & Vegetable Oils (2408)	6.80	6.41	4.77	-1.64	25.59	Likely to be utilised up to 31.03.2018.	6.71
	(ii) Indian Grain Storage Management & Research Institute (2408)	4.02	3.62	2.78	-0.84	23.20		3.83
	(iii) Central Grain Analysis Laboratory (2408)	0.02	0.02	0.01	-0.01	50.00		0.02
	(iv) Quality Control Cell (2408)	7.68	7.33	5.37	-1.96	26.74		7.77
	(v) International Cooperation (2408)	0.61	0.61	0.27	-0.34	55.74	Contribution for membership will be released soon.	0.63
	Total - Other Programmes of Food Storage & Warehousing	19.13	17.99	13.20	-4.79	26.63		18.96
4	Central Vigilance Committee on PDS (CVC) (3456)-Charged	0.00	0.02	0.00	-0.02	100.00	Notification for 2nd Supplementary is awaited.	0.00

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
5	Food Subsidy to FCI (2408)	107138.60	101981.69	104901.15	2919.46	-2.86	Expenditure is as per Monthly Expenditure Plan (MEP) and with prior permission of MoF. Excess released w.r.t. RE 2017-18 is likely to be adjusted from NSSF Loan of Rs. 25000 crore sanctioned to FCI on 13.12.2017 as per policy decision of Ministry of Finance. Ministry of Finance has already been requested for clarification in this regards.	138123.00
6	Food Subsidy to DCP States (2408)	38000.00	38000.00	31998.24	-6001.76	15.79	Likely to be utilised up to 31.03.2018.	31000.00
7	Sugar subsidy payable under PDS (2408)	200.00	300.00	190.64	-109.36	36.45	BE 2017-18 has almost been utilized. Additional fund approved in RE 2017-18 will be available for expenditure only after the necessary	200.00

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
							provision /approval through 3rd Supplementary.	
8	Central assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (2408)	4500.00	4500.00	3072.72	-1427.28	31.72	Likely to be utilised up to 31.03.2018.	4000.00
9	Transfer to Sugar Development Fund (2408)	496.00	917.52	496.00	-421.52	45.94	BE 2017-18 has been utilized. Additional fund approved in RE 2017-18 will be available for expenditure only after the necessary provision / approval through Supplementary.	0.00

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
10	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	26.00	23.00	7.00	-16.00	69.57	Claims under process. Likely to be utilised up to 31.03.2018.	26.00
11	Scheme for Extending Financial Assistance to Sugar Undertaking, 2014 (2408)	470.00	385.00	210.68	-174.32	45.28	Fund is released on quarterly basis. Likely to be utilised up to 31.03.2018.	200.00
12	Interest subvention on scheme for extending soft loan to sugar mills, 2015 (2408)	0.00	11.42	6.36	-5.06	44.31	Notification for 2nd Supplementary is awaited.	0.00
13	Production Subsidy to Sugar Mills to offset cost of cane and facilitate timely payment of cane price dues to farmers (2408)	0.00	23.10	19.02	-4.08	17.66	Likely to be utilised up to 31.03.2018.	0.00

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
14	Storage & Godowns- Construction of Godowns by State Governments in North Eastern Region (2552/2408)	13.00	29.32	29.32	0.00	0.00	NA	25.00
15	Strengthening of PDS Operation (2408/2552/3456)	0.00	29.57	2.51	-27.06	91.51	Expenditure is against Re-appropriation. Notification for additional fund sanctioned in 2nd Supplementary is awaited.	41.00
16	Integrated Management - Public Distribution System (IM-PDS)	0.00	0.00	0.00	0.00	0.00	NA	10.00
17	Warehousing Development and Regulatory Authority (2408)	15.00	6.61	1.54	-5.07	76.70	Less expenditure due to unspent balance against previous year's releases.	8.00
	Total-Revenue Expenditure	150952.64	146309.57	141008.32	-5301.25	3.62		173735.00

* Including authorization to other PAOs.

CAPITAL

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
1	National Sugar Institute, Kanpur (4408)	1.05	1.15	0.92	-0.23	20.00	Likely to be utilised up to 31.03.2017.	4.10
2	Storage & Godowns-Construction of godowns by FCI in North Eastern Region (4552/4408)	47.00	23.50	12.17	-11.33	48.21	Claims under process. Likely to be utilised up to 31.03.2018.	35.00
3	Ways and Means Advance payable to FCI (6408)	50000.00	50000.00	6100.00	-43900.00	87.80	This loan is to be provided to FCI as per their cash flow requirement and only after Food Subsidy allocation is exhausted. It is repaid by FCI within same financial year. Hence, net release at the end of financial year comes to NIL.	50000.00
4	Loans for consumer Industries (6860)							
	i) Loans for Modernization / Rehabilitation of Sugar Mills.	150.00	113.00	86.74	-26.26	23.24	Likely to be utilised up to 31.03.2017.	100.00

Sl. No.	Name of the Scheme / Project	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual Expenditure 2017-18 as on 31.12.2017*	Variations between 4 & 5 [Savings (-) / Excess (+)]	Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6	Budget Estimates 2018-19
	ii) Loans to Sugar Mills for Cane Development	25.00	12.00	8.72	-3.28	27.33	Likely to be utilised up to 31.03.2017.	25.00
	iii) Loans to Sugar Factories for Bagasse based co-generation Power Projects.	200.00	250.00	194.01	-55.99	22.40	BE 2017-18 has almost been utilized. Notification for additional fund sanctioned in 2nd Supplementary is awaited.	200.00
	iv) Loans for production of anhydrous alcohol or ethanol from alcohol	100.00	100.00	29.07	-70.93	70.93	Likely to be utilised up to 31.03.2017.	60.00
	Total-Capital Expenditure	50523.05	50499.65	6431.63	-44068.02	299.91		50424.10

* Including authorization to other PAOs.

Annexure-II**Status of End-to-End Computerization of PDS Operations(as on 30.01.2018)**

Sl.	States/UTs	Digitization of Ration Cards	Aadhaar Seeding in RCs	Online Allocation of Foodgrains	Computerization of Supply Chain Management	Transparency Portal	Online Grievance Redressal	Toll Free Helpline Numbers	Total No. of Fair Price Shops	No. of FPSs with Operational ePoS
1	Andhra Pradesh	100%	100%	Implemented	Implemented	Yes	Yes	Yes	28,663	28,663
2	A & N Islands	100%	100%	Implemented	Implemented	Yes	Yes	Yes	482	373
3	Arunachal Pradesh	100%	45%	-	-	Yes	-	Yes	1,731	0
4	Assam	100%	0%	Implemented	-	Yes	Yes	Yes	38,238	0
5	Bihar	100%	83%	Implemented	Implemented	Yes	Yes	Yes	41,483	59
6	Chandigarh	100%	100%	NA	NA	Yes	Yes	Yes	0	0
7	Chhattisgarh	100%	99%	Implemented	Implemented	Yes	Yes	Yes	12,309	11,899
8	D & N Haveli	100%	100%	Implemented	Implemented	Yes	Yes	Yes	62	62
9	Daman & Diu	100%	100%	Implemented	Implemented	Yes	Yes	Yes	51	51
10	Delhi	100%	100%	Implemented	Implemented	Yes	Yes	Yes	2,254	2,198
11	Goa	100%	100%	Implemented	Implemented	Yes	Yes	Yes	446	42
12	Gujarat	100%	97%	Implemented	Implemented	Yes	Yes	Yes	17,186	17,186
13	Haryana	100%	89%	Implemented	Implemented	Yes	Yes	Yes	9,491	9,491
14	Himachal Pradesh	100%	93%	Implemented	Implemented	Yes	Yes	Yes	4,924	4,904
15	Jammu & Kashmir	100%	59%	Up to TSOs*	-	Yes	Yes	Yes	5,970	547
16	Jharkhand	100%	97%	Implemented	Implemented	Yes	Yes	Yes	23,356	23,115
17	Karnataka	100%	100%	Implemented	Implemented	Yes	Yes	Yes	20,319	17,652
18	Kerala	100%	98%	Implemented	-	Yes	Yes	Yes	14,335	0
19	Lakshadweep	100%	98%	-	NA	Yes	Yes	Yes	39	0
20	Madhya Pradesh	100%	91%	Implemented	Implemented	Yes	Yes	Yes	22,469	22,469
21	Maharashtra	100%	87%	Implemented	Implemented	Yes	Yes	Yes	52,505	51,079
22	Manipur	100%	31%	Partial*	-	Yes	Yes	Yes	2,154	0
23	Meghalaya	100%	0%	-	-	Yes	Yes	Yes	4,651	0
24	Mizoram	100%	74%	Implemented	-	Yes	Yes	Yes	1,247	0
25	Nagaland	100%	45%	-	-	Yes	Yes	Yes	1,691	0
26	Odisha	100%	91%	Implemented	Implemented	Yes	Yes	Yes	13,306	13,306
27	Puducherry	100%	100%	NA	NA	Yes	Yes	Yes	0	0
28	Punjab	100%	97%	Implemented	-	Yes	Yes	Yes	16,657	0
29	Rajasthan	100%	96%	Implemented	-	Yes	Yes	Yes	26,215	26,080
30	Sikkim	100%	86%	Implemented	-	Yes	Yes	Yes	1,421	44
31	Tamil Nadu	100%	100%	Implemented	Implemented	Yes	Yes	Yes	34,773	34,773
32	Telangana	100%	100%	Implemented	Implemented	Yes	Yes	Yes	17,159	14,010
33	Tripura	100%	98%	Implemented	Implemented	Yes	Yes	Yes	1,807	25
34	Uttar Pradesh	100%	87%	Implemented	-	Yes	Yes	Yes	80,982	13,186
35	Uttarakhand	100%	90%	Implemented	-	Yes	Yes	Yes	9,212	8
36	West Bengal	100%	63%	Implemented	Implemented	Yes	Yes	Yes	20,278	0
		100%	81.86%	30	20	36	35	36	5,27,866	2,94,357

Annexure III

Statement showing the details of HTS Claims of States/UTs, total amount to be released, reasons for Non-release of HTS

As on: 31.01.2018

(Amount in Rupees Lakh)

State/UT	Year	Amount claimed	Amount reimbursed	Amount disallowed	Bills returned	Amount pending for less than 6 months	Amount pending for more than 6 months upto 1 year	Amount pending for more than 1 year	Total Amount pending	Reasons for pendency
Mizoram	2006-07	558.19	544.28	13.91	0	0	0	0	0	
	2007-08	217.77	212.25	5.52	0	0	0	0	0	
	2008-09	60.09	57.52	2.57	0	0	0	0	0	
	2009-10	534.99	384.46	150.53	0	0	0	0	0	
	2010-11	312.32	304.47	7.84	214.06	0	0	0	0	
	2011-12	95.77	88.5	7.27	1.15	0	0	257.01	257.01	Under Process in FCI
	2012-13	63.31	59.88	3.43	0	0	6.00	317.86	323.86	Under Process in FCI
	2013-14	0	0	0	0.85	0	10.00	611.42	621.42	Under Process in FCI
	2014-15	0	0	0	215.61	0	0	0		

	2015-16	0	0	0	0	0	0	0	0	
	2016-17	0	0	0	0	0	0	0	0	
	Total	1842.44	1651.36	191.07	431.67	0.00	16.00	1186.29	1202.29	
Tripura	2006-07	0	0	0	0	0	0	0	0	
	2007-08	0	0	0	0	0	0	0	0	
	2008-09	0	0	0	0	0	0	0	0	
	2009-10	3.06	2.01	1.05	0	0	0	0	0	
	2010-11	4.63	3.87	0.76	0	0	0	0	0	
	2011-12	42.99	34.86	8.12	0	0	0	0	0	
	2012-13	23.99	21.61	2.39	0	0	0	0	0	
	2013-14	31.31	28.13	3.18	6.24		0	0	0	
	2014-15	9.13	8.09	1.04	20.67	0	0	0	0	
	2015-16	0	0	0	0	0	0	0	0	
	2016-17	0	0	0	0	0	0	0	0	
		Total	115.11	98.57	16.54	26.91	0	0	0	0
Meghalaya	2006-07 to 2016-17	0	0	0	0	0	0	0	0	There are no claims from the State Government of Meghalaya.
Manipur	2006-07 to 2013-14	0	0	0	0	0	0	0	0	There are no claims from the State Government of Manipur.

	2014-15	531.55	0	531.55	531.55	0	0	0	0	Deficiencies in the bills submitted by State Govt.
	2015-16	0	0	0	0	0	0	0	0	
	2016-17	283.41	0	283.41	283.41	0	0	0	0	Deficiencies in the bills submitted by State Govt.
		814.96	0	814.96	814.96	0	0	0	0	
Nagaland	2006-07	47.96	0	0	47.96	0	0	0	0	Bills returned for rectification.
	2007-08	46.98	0	0	46.98	0	0	0	0	Bills returned for rectification.
	2008-09	45.03	0	0	45.03	0	0	0	0	Bills returned for rectification.
	2009-10	45.03	0	0	45.03	0	0	0	0	Bills returned
	2010-11	15.46	0	0	0	0	0	0	0	bills have been returned on 12.04.2017 to State Govt. for necessary correction and rectification.
	2011-12	67.33	0	0	0	0	0	0	0	
	2012-13	72.05	0	0	0	0	0	0	0	
	2013-14	23.5	0	0	0	0	0	0	0	
	2014-15	0	0	0	0	0	0	0	0	
	2015-16	0	0	0	0	0	0	0	0	
	2016-17	0	0	0	0	0	0	0	0	
		Total	363.34	0	0	185	0	0	0	0

Arunachal Pradesh	2006-07	21031	3938	17093	21031	0	0	0	0	Gol conveyed approval of Rs.39.38 crore for claims upto 2006-07 subject to adjustment against outstanding amount as per the Internal Audit of FCI. However, on scrutiny it is found by FCI, RO that (i) no proof of payment to the transporters and (ii) no acknowledgement receipt of stock from each PDC recipient centres has been furnished by Govt. of Arunachal Pradesh, for want of which, the bills amount could not be settled. ZO (NE), then based on the report of RO (Assam) instructed to return all HTS claims pertaining to 2004-05 to 2006-07 to Govt. of AP for necessary rectifications. 2088 HTS bills for the period of 2004-05 to 2006-07 were handed over to Govt. of AP.
	2007-08	3671	2407	0	0	0	0	0	0	FCI, Assam Region paid Rs. 45.76 crores as Prov. Advance to Govt. of Ar. Pradesh as per instruction of GOI. Accordingly, State Govt. had submitted claim bills numbering 1256 to FCI. The claim bills were all duplicate in nature. However, on scrutiny by the concerned District offices all bills bear deficiencies and hence the same were returned to GOAP for necessary rectification. But the returned bills were not re-submitted to FCI for further course of action. In this regard, request was made vide this office letter no. S&S 4(129)/2012-13/HTS/Ar.Pr/Part XIV dated 16.09.2013 & 01.11.2013 to Govt. of Arunachal Pradesh to re-submit the HTS bills with required rectification/ documentation within 30th Sept'2013 as instructed by ZO (NE) and FCI Hqrs. But till date no response is received from State Govt.
	2008-09	2430	2169	0	0	0	0	0	0	These bills were returned to State Govt. by FCI on account deficiencies noticed. Some of the bills did not comply with the guidelines laid down as per recommendatons of Suamitra Choudhary committee, which are under review by Joint committee of FCI and State Govt. FCI has also received bills of Rs.711.03 lakhs from State Govt. of Arunachal Pradesh on 02.08.2017 (293 bills) and teh verification of the same is under process. Details enclosed.
	2009-10	251.63	0	0	0	0	0	0	0	
	2010-12	850.42	0	0	0	0	0	0	0	
	2012-13	2204.79	0	0	0	0	0	0	0	
	2013-14	1164.54	0	0	0	0	0	0	0	
	2014-15	0	0	0	0	0	0	0	0	
	2015-16	0	0	0	0	0	0	0	0	No bill received.

	2016-17	0	0	0	0	0	0	0	0	No bill received.
	Total	31603.38	8514	17093	21031	0	0	0	0	
Himachal Pradesh	2006-07	164.32	155.42	8.90	0.00	0.00	0.00	0.00	0.00	
	2007-08	338.68	315.87	22.81	0.00	0.00	0.00	0.00	0.00	
	2008-09	291.99	283.98	8.01	0.00	0.00	0.00	0.00	0.00	
	2009-10	351.37	337.22	14.15	0.00	0.00	0.00	0.00	0.00	
	2010-11	566.43	562.66	3.77	0.00	0.00	0.00	0.00	0.00	
	2011-12	641.24	574.58	5.59	61.07	0.00	0.00	0.00	0.00	
	2012-13	738.83	564.41	3.54	120.10	0.00	50.78	0.00	50.78	
	2013-14	737.21	407.71	114.03	93.97	0.00	121.50	0.00	121.50	do
	2014-15	965.63	116.18	73.08	294.34	0.00	482.03	0.00	482.03	do
	2015-16	298.66	55.25	44.12	32.83	11.10	135.72	19.64	166.46	do
	2016-17	78.50	0.00	0.00	0.00	0.00	75.19	3.31	78.50	do
	Total	5172.86	3373.28	298	602.31	11.10	865.22	22.95	899.27	Out of Rs.298.00 lac shown in the disallowed column, Rs.214.17 lac is withheld amount due to want of clarification from Ministry
Jammu and Kashmir	2006-07	735.3	582.49	152.81	0	0	0	0	0	
	2007-08	866.18	701.29	164.89	0	0	0	0	0	
	2008-09	860.53	124.44	125.11	610.98	0	0	0	0	Bills returned for want of requisite documents.

	2009-10	889.94	0	173.31	716.63	0	0	0	0	Bills returned for want of requisite documents.
	2010-11	768.27	0	0	768.27	0	0	0	0	Bills returned for want of requisite documents.
	2011-12	299.79	0	0	299.79	0	0	0	0	Bills returned for want of requisite documents.
	2012-13	0	0	0	0	0	0	0	0	No claims received
	2013-14	0	0	0	0	0	0	0	0	No claims received
	2014-15	0	0	0	0	0	0	0	0	No claims received
	2015-16	0	0	0	0	0	0	0	0	No claims received
	2016-17	0	0	0	0	0	0	0	0	No claims received
	Total	4420.01	1408.22	616.12	2395.67	0	0	0	0	
Sikkim	2006-07	87.03	53.95	11.69	21.39	0.00	0.00	0.00	0.00	No pending
	2007-08	106.81	84.18	8.98	13.65	0.00	0.00	0.00	0.00	No pending
	2008-09	111.19	93.30	12.60	5.30	0.00	0.00	0.00	0.00	No pending
	2009-10	111.15	90.25	13.55	7.34	0.00	0.00	0.00	0.00	No pending
	2010-11	131.60	88.89	33.03	9.67	0.00	0.00	0.00	0.00	No pending
	2011-12	168.57	119.92	26.04	22.61	0.00	0.00	0.00	0.00	No pending
	2012-13	165.00	121.92	41.92	1.16	0.00	0.00	0.00	0.00	No pending
	2013-14	173.32	113.25	60.07	0.00	0.00	0.00	0.00	0.00	No pending
	2014-15	189.98	160.45	29.53	0.00	0.00	0.00	0.00	0.00	No pending

	2015-16	170.63	119.29	51.35	0.00	0.00	0.00	0.00	0.00	Claims for the year 2015-16 has been settled upto Dec 2015
	2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No claims lying pending after Dec 2015
	Total	1415.28	1045.40	288.76	81.12	0.00	0.00	0.00	0.00	
Lakshadweep	2006-07	17.16	17.16	0	0	0	0	0	0	
	2007-08	16.19	16.19	0	0	0	0	0	0	
	2008-09	11.07	11.07	0	0	0	0	0	0	
	2009-10	3.66	3.66	0	0	0	0	0	0	
	2010-11	13.1	13.1	0	0	0	0	0	0	
	2011-12	16.86	14.77	2.09	0	0	0	0	0	
	2012-13	15.69	14.72	0.97	0	0	0	0	0	
	2013-14	14.95	0	2.36	12.59	0	0	0	0	Amount is pending for want of proof of payment made.
	2014-15	0	0	0	0	0	0	0	0	From 2014-15 onwards release of foodgrains in respect of UT of Lakshadweep have commenced from FSD Androth and henceforth no HTS claims arise.
	2015-16	0	0	0	0	0	0	0	0	
	2016-17	0	0	0	0	0	0	0	0	
	Total	108.68	90.67	5.42	12.59	0	0	0	0	
A&N Islands	There are no claims of HTS as FCI is directly delivering wheat and rice under PDCs through a private liner.									
Grand Total		<u>45856.06</u>	<u>16181.50</u>	<u>19</u> <u>32</u> <u>3.8</u> <u>7</u>	<u>25581.23</u>	<u>11.10</u>	<u>881.22</u>	<u>1209.24</u>	<u>2101.56</u>	

Annexure-IV

(Compilation of information received from States/UTs by 31.12.2017)

(दिनांक 31.12.2017 तक राज्य/संघ राज्य क्षेत्र से प्राप्त सूचना का संकलन)

Statement showing results of action taken by the State/UT Governments under relevant clauses of the PDS/TPDS (Control)

Orders from January 2015 to December, 2017.

राज्य/संघ राज्य क्षेत्रों द्वारा जनवरी ,2015 से दिसम्बर ,2017 तक सार्वजनिक वितरण प्रणाली) नियंत्रण (आदेश के संबंधित खंडों के अंतर्गत की गई कार्रवाई के परिणामों को दर्शाने वाला विवरण

Sl. No. क्र.सं.	Name of the State/UT राज्य/संघ राज्य क्षेत्र का नाम	Year वर्ष	Number of inspections निरीक्षणों की संख्या	Number of raids conducted मारे गए छापों की संख्या	Number of persons arrested/ prosecuted/ convicted गिरफ्तार / मुकद्मा चलाए गए /दोषसिद्ध व्यक्तियों की संख्या	Number of FPS Licenses suspended/ Cancelled/ Show cause notices issued/FIR Lodged निलंबित/रद्द उचित दर दुकान लाईसेंस / जारी किए गए कारण बताओं नोटिस /दर्ज प्राथमिकियों की संख्या
1	Andhra Pradesh आंध्र प्रदेश	2015	11803	2072	53	2534
		2016	2889	832	0	0
		2017	*	*	*	*
2	Arunachal Pradesh अरुणाचल प्रदेश	2015	*	*	*	*
		2016	*	*	*	*
		2017	*	*	*	*
3	Assam असम	2015	1352	849	00	124
		2016	772	272	00	36
		2017	902	441	04	76

Sl. No. क्र.सं.	Name of the State/UT राज्य/संघ राज्य क्षेत्र का नाम	Year वर्ष	Number of inspections निरीक्षणों की संख्या	Number of raids conducted मारे गए छापों की संख्या	Number of persons arrested/ prosecuted/ convicted गिरफ्तार / मुकद्मा चलाए गए /दोषसिद्ध व्यक्तियों की संख्या	Number of FPS Licenses suspended/ Cancelled/ Show cause notices issued/FIR Lodged निलंबित/रद्द उचित दर दुकान लाईसेंस / जारी किए गए कारण बताओं नोटिस /दर्ज प्राथमिकियों की संख्या
4	Bihar बिहार	2015	*	*	*	*
		2016	*	*	*	*
		2017	*	*	*	*
5	Chhattisgarh चंडीगढ़	2015	4811	561	00	149
		2016	6050	647	02	122
		2017	*	*	*	*
6	Delhi दिल्ली	2015	1381	149	08	755
		2016	2026	14	07	741
		2017	390	60	00	24
7	Goa गोआ	2015	145	03	00	25
		2016	985	15	00	83
		2017	774	09	00	165
8	Gujarat गुजरात	2015	6958	00	11	284
		2016	5959	00	03	370
		2017	5704	00	01	197
9	Haryana हरियाणा	2015	0	0	0	0
		2016	1481	105	4	919
		2017	*	*	*	*
10	Himachal Pradesh	2015	3138	00	00	325
		2016	4322	00	00	1026

Sl. No. क्र.सं.	Name of the State/UT राज्य/संघ राज्य क्षेत्र का नाम	Year वर्ष	Number of inspections निरीक्षणों की संख्या	Number of raids conducted मारे गए छापों की संख्या	Number of persons arrested/ prosecuted/ convicted गिरफ्तार / मुकद्मा चलाए गए /दोषसिद्ध व्यक्तियों की संख्या	Number of FPS Licenses suspended/ Cancelled/ Show cause notices issued/FIR Lodged निलंबित/रद्द उचित दर दुकान लाईसेंस / जारी किए गए कारण बताओं नोटिस /दर्ज प्राथमिकियों की संख्या
	हिमाचल प्रदेश (Till Sep 2016)	2017	*	*	*	*
11	Jammu & Kashmir जम्मू-कश्मीर	2015	*	*	*	*
		2016	*	*	*	*
		2017	*	*	*	*
12	Jharkhand झारखंड	2015	417	4	9	66
		2016	438	18	32	107
		2017	*	*	*	*
13	Karnataka कर्नाटक	2015	61078	614	145	520
		2016	29620	372	33	202
		2017	*	*	*	*
14	Kerala केरल	2015	78505	18269	33	108
		2016	93502	24646	08	136
		2017	38167	2864	04	142
15	Madhya Pradesh मध्यप्रदेश	2015	*	*	*	*
		2016	*	*	*	*
		2017	*	*	*	*
16	Maharashtra महाराष्ट्र	2015	86979	00	200	792
		2016	97067	00	177	818
		2017	43394	00	80	257

Sl. No. क्र.सं.	Name of the State/UT राज्य/संघ राज्य क्षेत्र का नाम	Year वर्ष	Number of inspections निरीक्षणों की संख्या	Number of raids conducted मारे गए छापों की संख्या	Number of persons arrested/ prosecuted/ convicted गिरफ्तार / मुकद्मा चलाए गए /दोषसिद्ध व्यक्तियों की संख्या	Number of FPS Licenses suspended/ Cancelled/ Show cause notices issued/FIR Lodged निलंबित/रद्द उचित दर दुकान लाईसेंस / जारी किए गए कारण बताओं नोटिस /दर्ज प्राथमिकियों की संख्या
17	Manipur मणिपुर	2015	54	20	00	00
		2016	06	03	00	00
		2017	*	*	*	*
18	Meghalaya मेघालय	2015	546	13	00	00
		2016 (April to August 2016)	222	1	00	00
		2017	*	*	*	*
19	Mizoram मिजोरम	2015	166	103	02	00
		2016	*	*	*	*
		2017	*	*	*	*
20	Nagaland नागालैंड	2015	221	00	00	00
		2016	76	12	3	2
		2017	*	*	*	*
21	Odisha उड़ीसा	2015	9200	10352	00	553
		2016	8350	8634	00	152
		2017	3230	3402	00	94
22	Punjab पंजाब	2015	57422	1453	02	1451
		2016	*	*	*	*

Sl. No. क्र.सं.	Name of the State/UT राज्य/संघ राज्य क्षेत्र का नाम	Year वर्ष	Number of inspections निरीक्षणों की संख्या	Number of raids conducted मारे गए छापों की संख्या	Number of persons arrested/ prosecuted/ convicted गिरफ्तार / मुकद्मा चलाए गए /दोषसिद्ध व्यक्तियों की संख्या	Number of FPS Licenses suspended/ Cancelled/ Show cause notices issued/FIR Lodged निलंबित/रद्द उचित दर दुकान लाईसेंस / जारी किए गए कारण बताओं नोटिस /दर्ज प्राथमिकियों की संख्या
		2017	*	*	*	*
23	Rajasthan राजस्थान	2015	*	*	*	*
		2016	*	*	*	*
		2017	*	*	*	*
		2017	*	*	*	*
24	Sikkim सिक्किम	2015	518	55	00	00
		2016(Ti II August)	820	119	00	00
		2017	*	*	*	*
25	Tamil Nadu तमिलनाडु	2015	180520	7700	25	00
		2016	194599	21337	10251	00
		2017	72496	10054	5281	00
26	Telangana तेलंगाना (Formed in June, 2014)	2015	*	*	*	*
		2016	*	*	*	*
		2017	*	*	*	*
27	Tripura त्रिपुरा	2015	11249	363	02	340
		2016	11436	503	00	385
		2017	7718	299	00	152
28	Uttarakhand	2015	*	*	*	*

Sl. No. क्र.सं.	Name of the State/UT राज्य/संघ राज्य क्षेत्र का नाम	Year वर्ष	Number of inspections निरीक्षणों की संख्या	Number of raids conducted मारे गए छापों की संख्या	Number of persons arrested/ prosecuted/ convicted गिरफ्तार / मुकद्मा चलाए गए /दोषसिद्ध व्यक्तियों की संख्या	Number of FPS Licenses suspended/ Cancelled/ Show cause notices issued/FIR Lodged निलंबित/रद्द उचित दर दुकान लाईसेंस / जारी किए गए कारण बताओं नोटिस /दर्ज प्राथमिकियों की संख्या
	उत्तराखंड	2016	*	*	*	*
		2017	*	*	*	*
29	Uttar Pradesh उत्तर प्रदेश	2015	45376	00	1009	6665
		2016	62322	6961	887	6545
		2017	29804	3141	557	2461
		2014	22769	75	01	1401
30	West Bengal प. बंगाल	2015	7680	52	00	462
		2016	19619	233	1	41
		2017	*	*	*	*
31	A&N Islands अंडमान और निकोबार द्वीप समूह	2015	369	00	00	15
		2016	*	*	*	*
		2017	144	00	00	01
32	Chandigarh चंडीगढ़	2015	410	00	00	01
		2016	00	00	00	00
		2017	00	00	00	00
33	D&N Haveli दादरा और नगर हवेली	2015	10	01	00	00
		2016	*	*	*	*
		2017	*	*	*	*

Sl. No. क्र.सं.	Name of the State/UT राज्य/संघ राज्य क्षेत्र का नाम	Year वर्ष	Number of inspections निरीक्षणों की संख्या	Number of raids conducted मारे गए छापों की संख्या	Number of persons arrested/ prosecuted/ convicted गिरफ्तार / मुकद्मा चलाए गए /दोषसिद्ध व्यक्तियों की संख्या	Number of FPS Licenses suspended/ Cancelled/ Show cause notices issued/FIR Lodged निलंबित/रद्द उचित दर दुकान लाईसेंस / जारी किए गए कारण बताओं नोटिस /दर्ज प्राथमिकियों की संख्या
34	Daman & Diu दमन और दीव	2015	00	00	00	00
		2016	*	*	*	*
		2017	*	*	*	*
34	Lakshadweep लक्षद्वीप	2015	00	00	00	00
		2016	*	*	*	*
		2017	*	*	*	*
36	Puducherry पुडुचेरी	2015*	2805	913	0	7
		2016 (up to June'16)	1377	634	0	2
		2017	*	*	*	*
Total जोड़		2015	573113	43546	1499	15176
		2016	543938	65358	11408	11687
		2017	202723	20270	5927	3569
Grand Total (सकाल जोड़)= 2015+2016+2017			1319774	129174	18834	30432

#include information in respect of Telangana also.

* Information not provided सूचना उपलब्ध नहीं कराई गई।

ANNEXURE

V

State wise details of cane price arrears(on SAP/FRP basis as and where applicable) for 2017-18, 2016-17, 2015-16 & earlier seasons					
SL. NO.	STATE	CANE PRICE ARREARS 2017-18	CANE PRICE ARREARS 2016-17	CANE PRICE ARREARS 2015-16 & EARLIER	TOTAL CANE PRICE ARREARS
	1	2	3	4	5
1	PUNJAB	341.17	45.06	0.00	386.23
2	HARYANA	391.27	0.00	0.00	391.27
3	RAJASTHAN	0.00	0.00	0.00	0.00
4	UTTAR PRADESH	4602.20	495.96	131.39	5229.55
5	UTTARAKHAND	367.11	52.53	24.92	444.56
6	MADHYA PRADESH	188.45	6.49	17.43	212.37
7	CHHATISGARH	16.49	0.05	1.01	17.55
8	GUJARAT	382.46	21.32	18.17	421.95
9	MAHARASHTRA	1828.66	2.62	236.23	2067.51
10	BIHAR	314.29	6.04	39.32	359.65
11	ASSAM	0.00	0.00	0.00	0.00
12	ANDHRA PRADESH	207.38	0.00	20.50	227.88
13	KARNATAKA	2261.26	0.57	44.12	2305.95
14	TAMIL NADU	246.73	420.92	1138.15	1805.80
15	KERALA	0.00	0.00	0.00	0.00
16	ODISHA	18.81	1.93	2.94	23.68
17	WEST BENGAL	0.00	0.04	0.43	0.47
18	NAGALAND	0.00	0.00	0.00	0.00
19	PUDUCHERRY	0.00	10.59	11.53	22.12
20	GOA	0.65	0.00	0.00	0.65
21	TELANGANA	102.32	0.00	0.00	102.32
	TOTAL	11269.25	1064.12	1686.14	14019.51

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2017-18) HELD
ON TUESDAY, 20 FEBRUARY, 2018**

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room 'D',
Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri J.C. Divakar Reddy, MP - Chairperson

Members

Lok Sabha

2. Shri Babu Lal Choudhary
3. Shri Dinesh Kashyap
4. Shri Dharmendra Kumar
5. Smt. Sakuntala Laguri
6. Dr. Swami Sakshiji Maharaj
7. Shri Sunil Kumar Mondal
8. Shri Bhola Singh

Rajya Sabha

9. Shri Ravi Prakash Verma

SECRETARIAT

Shri Lovekesh Kumar Sharma - Director

WITNESSES

SI No.	Name	Designation
Department of Food & Public Distribution		
1.	Shri Ravikant	Secretary
2.	Shri Nikhilesh Jha	SS & FA
3.	Ms. Rachna Chopra	Principal Adviser Cost
6.	Shri Subhasish Panda	Joint Secretary (Sugar & Admn.)
8.	Shri Kamal Datta	Joint Secretary (Impex & IC)
9.	Shri Nilambuj Sharan	Economic Advisor
10.	Shri Gautam Talukdar	CCA
11.	Shri R.K.Pandey	Dir. (Finance)
12.	Shri Dinesh Kumar Gupta	Dir. (PD)
13.	Shri P.K.Dash	Dir. (Storage)
Food Corporation of India		
14.	Shri Yogendra Tripathi	CMD, FCI
15.	Ms. K. Damayanthi	ED, Personnel
16.	Shri Syedain Abbasi	ED (Engg/Silo/IT)
17.	Shri B.S.Mohapatra	ED (Finance/FAP/CPF/Cost/Law)
18.	Shri Sanjay Garg	ED (General/T)
19.	Shri S.P.Kar	ED (IA&PV)
20.	Shri C.L.Ram	ED (IRL)
21.	Shri Ravindra Pal Singh	ED (S&C)
22.	Shri Rakesh Kumar Singh	ED (Vig.)
Central Warehousing Corporation		
23.	Shri J.S.Kaushal	MD (Additional Charge)
24.	Shri S. C. Mudgerikar	Director (M&CP)
25.	Shri K.U. Thankachen	MD, CRWC
Warehousing Development Regulatory Authority		
26.	Shri B. B.Pattanaik	Chairman, WDRA
27.	Shri T.K.Manoj Kumar	JS, WDRA

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee convened to take oral evidence of the representatives of Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in connection with examination of the Demands for Grants (2018-19).

[Witnesses were then called in]

3. The Chairperson then informed the Secretary, Department of Food and Public Distribution that since the Members present were not sufficient to constitute the quorum, the sitting stands postponed to the next day, i.e. Wednesday, 21 February, 2018.

4. The Hon'ble Chairperson regret the inconvenience and requested the Secretary and other representatives of the Department of Food and Public Distribution to kindly depose before the Committee again.

[Witnesses then withdrew]

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

**MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2017-18) HELD
ON WEDNESDAY, 21 FEBRUARY, 2018**

The Committee sat from 1230 hrs. to 1315 hrs. in Committee Room 'D',
Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri J.C. Divakar Reddy, MP - Chairperson

Members

Lok Sabha

2. Shri R.K. Bharathimohan
3. Shri Babu Lal Choudhary
4. Shri Dinesh Kashyap
5. Shri Bhagwant Khuba
6. Shri Dharmendra Kumar
7. Dr. Swami Sakshiji Maharaj
8. Shri Sunil Kumar Mondal
9. Shri Ram Chander Paswan
10. Shri Bhola Singh
11. Shri Sukhbir Singh Jaunpuria

Rajya Sabha

12. Shri Ravi Prakash Verma

SECRETARIAT

Shri Lovekesh Kumar Sharma - Director

WITNESSES

SI No.	Name	Designation
Department of Food & Public Distribution		
1.	Shri Ravikant	Secretary
2.	Shri Nikhilesh Jha	SS & FA
3.	Ms. Rachna Chopra	Principal Adviser Cost
6.	Shri Subhasish Panda	Joint Secretary (Sugar & Admn.)
8.	Shri Kamal Datta	Joint Secretary (Impex & IC)
9.	Shri Nilambuj Sharan	Economic Advisor
10.	Shri Gautam Talukdar	CCA
11.	Shri R.K.Pandey	Dir. (Finance)
12.	Shri Dinesh Kumar Gupta	Dir. (PD)
13.	Shri P.K.Dash	Dir. (Storage)
Food Corporation of India		
14.	Shri Yogendra Tripathi	CMD, FCI
15.	Ms. K. Damayanthi	ED, Personnel
16.	Shri Syedain Abbasi	ED (Engg/Silo/IT)
17.	Shri B.S.Mohapatra	ED (Finance/FAP/CPF/Cost/Law)
18.	Shri Sanjay Garg	ED (General/T)
19.	Shri S.P.Kar	ED (IA&PV)
20.	Shri C.L.Ram	ED (IRL)
21.	Shri Ravindra Pal Singh	ED (S&C)
22.	Shri Rakesh Kumar Singh	ED (Vig.)
Central Warehousing Corporation		
23.	Shri J.S.Kaushal	MD (Additional Charge)
24.	Shri S. C. Mudgerikar	Director (M&CP)
25.	Shri K.U. Thankachen	MD, CRWC
Warehousing Development Regulatory Authority		
26.	Shri B. B.Pattanaik	Chairman, WDRA
27.	Shri T.K.Manoj Kumar	JS, WDRA

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee convened to take oral evidence of the representatives of Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in connection with examination of the Demands for Grants (2018-19).

[Witnesses were then called in]

3. The Chairperson then welcomed the representatives of the Department of Food and Public Distribution to the sitting and apprised them about Direction 55 (1) of the Directions by the Speaker regarding confidentiality of the proceedings. The Hon'ble Chairperson in his welcoming remarks raised various issues that *inter alia*, include *viz.* Construction of Godowns by FCI/State Government, Assistance to Warehousing Development and Regulatory Authority, Strengthening of PDS Operations, Awareness of TPDS Beneficiaries, Quality Control Mechanism, Financial Assistance to States/UTs Food Commissions for Non-Building Assets, Food Subsidy, Decentralized Procurement Scheme, Creation of Storage Capacities in the wake of implementation of National Food Security Act, Construction of Silos etc. Then, the representatives of Department of Food and Public Distribution with the permission of Chairperson made a power point presentation highlighting major provisions of Demands for Grants (2018-19) of the Department which, *inter-alia*, included Highlights of Budget 2018-19, detailed allocation to various schemes, Food subsidy to FCI, Effect of budgetary measures in 2018-19, NSSF Loans to FCI, Operational efficiency of FCI, Food Subsidy to DCP States, NFSA-Assistance for Intra-state Transportation, Sugar subsidy to States for PDS, Sugar Development Fund (subsidy), Sugar Development Fund (Loans), Storage and Godowns (Focus on NER), Strengthening of PDS Operations, Integrated Management of Public Distribution System (IM-PDS), etc. Due to some unavoidable circumstances, the Chairperson left the sitting at about 1300 hrs. and asked Shri Ravi Prakash Verma, M.P., Rajya Sabha to preside the sitting.

4. The queries raised by the Chairperson, Acting Chairperson and the Members on the various issues during the course of discussions were responded to by the representatives of the Department.

5. The Hon'ble Acting Chairperson then thanked the Secretary and other representatives of the Department of Food and Public Distribution for their free and frank discussions.

[Witnesses then withdrew]

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2017-18) HELD ON THURSDAY, 8 MARCH, 2018

The Committee sat from 1000 hrs. to 1030 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri J.C. Divakar Reddy - Chairperson

Members

Lok Sabha

10. Shri Babu Lal Chandhary
11. Shri Bhagwant Khuba
12. Shri Dharmendra Kumar
13. Shri Sunil Kumar Mondal
14. Smt. Priyanka Singh Rawat
15. Shri Bhola Singh

Rajya Sabha

16. Shri Shadi Lal Batra
17. Shri Ripun Bora
18. Shri Veer Singh

SECRETARIAT

1. Shri Lovekesh Kumar Sharma - Director
2. Shri Khakhai Zou - Additional Director

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the Draft Reports on Demands for Grants (2018-19) relating to the (i) Department of Food and Public Distribution, and (ii) Department of Consumer Affairs under the Ministry of Consumer Affairs, Food and Public Distribution.

3. Thereafter the Committee took up for consideration the Draft Report :-
(i) The Demands for Grants (2018-19) of the Department of Food & Public Distribution. After brief discussion, the Committee adopted the Draft Report without any amendments/modifications.

(ii) XXXXX XXXXX XXXXX XXXXX XXXXX XXXXX

4. The Committee then authorized the Chairperson to finalize the aforesaid Draft Reports in the light of factual verifications from concerned Departments and present the same to Parliament in the current Session of Parliament.

The Committee then adjourned.

XXXX Matter does not relate to the Report.