7

STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021)

SEVENTEENTH LOK SABHA

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

{Action Taken by the Government on the observations/ recommendations contained in the Third Report of the Committee (2019-2020) on Demands for Grants (2020-21) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)

SEVENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

February 2021/ Magha 1942 (Saka)

SEVENTH REPORT

STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021)

(**SEVENTEENTH LOK SABHA**)

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

{Action Taken by the Government on the observations/ recommendations contained in the Third Report of the Committee (2019-2020) on Demands for Grants (2020-21) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)}

Presented to Lok Sabha on 10.02.2021

Laid in Rajya Sabha on 10.02.2021

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

February, 2021/ Magha 1942 (Saka)

CONTENTS

APPENDICES

Composition of the Standing Committee on Food, Consumer Affairs and Public Distribution (2020-2021):-

Shri Sudip Bandyopadhyay, Chairperson

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Karadi Sanganna Amarappa
4. Shri Girish Bhalchandra Bapat
5. Shri G. S. Basavaraj
6. Shri Shafiqur Rahman Barq
7. Ms. Pratima Bhoumik
8. Shri Anil Firojiya
9. Shri Rajendra Dhedya Gavit
10. Shri Bhagwant Mann
11. Shri Khagen Murmu
12. Shri Mitesh Rameshbhai (Bakabhai) Patel
13. Shri Subrat Pathak
14. Smt. Himadri Singh
15. Smt. Kavita Singh
16. Shri Ganesan Selvam
17. Shri Nandigam Suresh
18. Shri Ajay Misra Teni
19. Shri Saptagiri Ulaka
20. Shri Rajmohan Unnithan
21. Shri Ve.Vaithilingam

Rajya Sabha

22. Smt. Shanta Chhetri
23. Shri Satish Chandra Dubey
24. Smt. Roopa Ganguly
25. Shri K. G. Kenye
26. Dr. Fauzia Khan
27. Smt. M. C. Mary Kom
28. Shri Rajmani Patel
29. Shri Sakaldeep Rajbhar
30. Dr. Anbumani Ramadoss
31. Vacant

LOK SABHA SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri Khakhai Zou - Additional Director
4. Smt. Darshana Gulati Khanduja - Executive Officer

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2019-2020) having been authorized by the Committee to submit the Report on their behalf, present this Seventh Report on Action Taken by the Government on the Observations/Recommendations contained in the Third Report of the Committee (2019-2020) on Demands for Grants (2020-21) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Third Report was presented to Lok Sabha and laid in Rajya Sabha on 13.03.2020. The Government have furnished their replies indicating Action Taken on the recommendations contained in the Report on 18 June, 2020.

3. The Report was considered and adopted by the Committee at their sitting held on 16 December, 2020.

4. An analysis of the action taken by the Government on Observations/Recommendations contained in the Report is given in **Appendix II**.

5. For facility of reference and convenience, the Observations/Comments of the Committee have been printed in thick type in the text of the Report.

NEW DELHI;
16 December, 2020
25 Agrahayana 1942 (Saka)

SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

REPORT

CHAPTER - I

This Report of the Standing Committee on Food, Consumer Affairs and Public Distribution deals with the action taken by the Government on the Observations/Recommendations contained in the Third Report of the Committee (2019-2020), (17^{th} Lok Sabha) on Demands for Grants (2020-21) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)

1.2 The Third Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 13.03.2020. It contained 15 observations/ recommendations. Action taken replies in respect of all the 15 observations/recommendations contained in the Report have been received and these have been categorized as follows:-

(i) Recommendations/Observations which have been accepted by Government -

Para Nos.:- 1.11, 2.7, 2.15, 2.33, 3.8, 3.11, 3.32, 3.33, 3.37, 4.7, 4.13 and 4.17

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

Para Nos.:- 1.10, 2.24 and 3.17

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

Para No.:- NIL

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

Para No. :- NIL

1.3 The Committee desire that action taken notes on the Observations/Recommendations contained in Chapter I be furnished to them expeditiously.

1.4 The Committee will now deal with action taken by the Government on some of the recommendations.

A. Need for construction of small and conventional godowns across various States of the country.

Recommendation (Para No. 1.11)

1.5 The Committee in their original report observed/recommended as follows:-

> "The Committee also note that under the Private Entrepreneurs Guarantee (PEG) Scheme, construction of conventional godowns has been undertaken in 22 States in Public Private Partnership (PPP) Mode. Of the total capacity sanctioned i.e. tenders finalized for godowns as on 31.01.2020 is for 150.30 LMT, 143.63 LMT has been completed and 5.37 LMT is under construction. The Committee hope that the godowns are constructed at locations spread across the various States of the country for easy access by the small and marginal farmers. The Committee further emphasise that in future, many more small and conventional godowns are constructed in remote and hilly regions of the country also keeping in view the interest of the small and marginal farmers in the country."

1.6 The Ministry in its action taken reply has stated as under:-

> "Depending on requirement in specific areas and for modernization of the storage facilities, the Government implements the following schemes for construction of godowns and silos in Public Private Partnership (PPP) mode for storage of Central Pool Stocks in the country:
>
> **i. <u>Private Entrepreneurs Guarantee (PEG) Scheme:</u>** Under this Scheme, which was formulated in 2008, storage capacity is created by private parties, Central Warehousing Corporation (CWC) and State Government Agencies for guaranteed hiring by FCI. A capacity of 143.83 LMT has been created as on 31.05.2020.

Under this scheme, no funds are allocated by Government for construction of godowns and full investment is done by the private parties/CWC/State Agencies.

ii. **<u>Central Sector Scheme (erstwhile Plan Scheme):</u>** This scheme is implemented in the North Eastern States along with a few other States. Funds from annual budgetary allocation are released by the Government of India to FCI and also to the State Governments for construction of godowns. A total capacity of 1,84,175 MT has been completed by FCI and State Governments during the 12th Five Year Plan (2012-17). This scheme has been extended from 01.04.2017 to 31.03.2022. A total capacity of 51,925 MT has been created by FCI & State Governments from 01.04.2017 to 31.05.2020.

iii. **<u>Construction of Steel Silos:</u>** In addition to conventional godowns, Government of India has also approved an action plan for construction of steel silos in the country for a capacity of 100 LMT in Public Private Partnership (PPP) mode for modernizing storage infrastructure and improving shelf life of stored foodgrains. Against this, as on 31.05.2020, steel silos of 8.25 LMT capacity have been created."

1.7 The Committee in their Original Report emphasized the need for construction of many small and conventional godowns in various regions of different States. The Department in its Action Taken Reply has stated about various schemes for construction of godowns and silos in Public Private Partnership (PPP) mode for storage of central pool stocks in the country. The Department has also stated that in addition to construction of conventional godowns, Government of India has also approved an action plan for construction of steel silos in the country for a capacity of 100 LMT in PPP mode. While reiterating their recommendation in the Original Report, the Committee desire that Department should make sincere/vigorous

efforts and closely monitor the pace of the projects to achieve the set targets in respect of construction of steel silos in various regions spread across different States of the country.

B. Need to contain Food Subsidy Bill.

Recommendation (Para No. 2.15)

1.8 The Committee in the original report observed/recommended as under:

"The Committee note that food subsidy is provided to FCI for reimbursement of the difference between economic cost of foodgrains and their issue price. Though the allocation of food subsidy to FCI as well as DCP States has been increasing every year, yet the allocation made every year is much less than the requirement projected. The FCI has been allocated food subsidy amounting to Rs. 101981.69 crore, Rs. 1,40,098.00 crore and Rs. 75,000.00 crore against the projected requirement of Rs. 124060.00 crore, Rs. 1,67,098.00 crore and Rs. 185049.00 crore during the years 2017-18, 2018-19 and 2019-20 respectively. In case of DCP States, the allocation was Rs. 38,000.00 crore, Rs. 31029.49 crore and Rs. 33508.35 crore against the requirement of Rs. 45800.00 crore, Rs. 36500.00 crore and Rs. 46268.00 crore, respectively during the same period. The Committee also note that less amount of subsidy will affect the functioning of FCI which is the principal agency of food policy of the Government of India. The Committee also feel that inadequate allocation of food subsidy also has a cascading effect as interest on cost credit increases, thereby increasing the subsidy bill further. The Decentralized Procurement operation of the States will also be seriously affected due to cash crunch on account of inadequate subsidy. The Committee while keeping various difficulties of the Department under consideration, recommend that subsidy given to FCI should be realistic and based on the actual expenditure/cost. The Ministry of Finance may accordingly be requested to allocate sufficient funds as per the requirement under food subsidy."

1.9 The Ministry in its action taken reply has stated:-

"For FCI, MoF has reduced RE of financial year 2019-20 to Rs. 75,000 crore from BE allocation of Rs. 1,51,000 crore and sanctioned 1,10,000 Crore NSSF loan. The interest burden on account of this alone has gone upto Rs 9,350 Crore besides annual principal payment of Rs 22,000 Crore. The subsidy arrears of FCI was estimated to be Rs. 2,42,905 crores as on 31.03.2020. The overall annual interest burden of FCI has gone beyond Rs 35,350 crore which constitutes more than 15 percentage of overall food subsidy which is of serious concern for the financial health of the organization and burgeoning cost of operation of FCI. In this financial year (FY 2020-21), MoF has allocated only Rs.77982.54 crore against the projected requirement of Rs. 1,88,583 crore. Need for additional fund to DCP States has already been mentioned in point (reply to Recommendation Para) no. 2.7 above (Chapter II of this report). The present situation associated with COVID-19 pandemic has further increased the subsidy requirements of FCI and DCP States. The additional allocation of 121.43 LMT foodgrains under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) will require additional funds to the tune of Rs. 44,131.07 crore (approximately Rs.8531.07 Crore to DCP States and Rs.35,600 crore to FCI) by way of additional Food Subsidy. DFPD in consultation with FCI & DCP States has projected total requirement for DCP as Rs 42,382.73 crore against its QEP of Rs 16,000 crore & Rs 1,13,582.54 crore for FCI against its QEP of Rs 77,982.54 crore in Q1 of FY 20-21."

1.10 Expressing concern over the inadequate allocation of food subsidy as against requirement projected by the Department, the Committee recommended in their Original Report that subsidy given to FCI should be realistic. To this, the Department in its Action Taken Reply has stated that the subsidy arrears of FCI was estimated to be Rs. 2,42,905 crores as on 31.03.2020. The overall annual interest burden of FCI has gone beyond Rs 35,350 crore which constitutes more than 15 percentage of overall food subsidy which is of serious concern for the financial health of the organization and burgeoning cost of operation of FCI. In this financial year (FY 2020-21), MoF has allocated only Rs.77,982.54 crore against the projected requirement of Rs. 1,88,583 crore. There is need for allocation of additional funds to DCP States also. The present situation associated with COVID-19 pandemic has further increased the subsidy requirements of FCI and DCP States. The additional allocation of 121.43 LMT foodgrains under

Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) will require additional funds to the tune of Rs. 44,131.07 crore (approximately Rs.8,531.07 Crore to DCP States and Rs.35,600 crore to FCI) by way of additional Food Subsidy. The Committee, while reiterating their recommendation desire that the Department should make vigorous efforts to convince the Ministry of Finance to allocate sufficient funds and also explore new avenues/possibilities to contain ever increasing food subsidy bill.

C. Need to expedite payment of dues and liabilities of FCI

Recommendation (Para No. 3.8)

1.11 The Committee recommended as follows:-

"The Committee note with concern that a large amount of Rs. 2452.96 crore is outstanding as on 31.12.2019 for payment to FCI by the Ministry of Rural Development against the foodgrains supplied under SGRY Scheme upto 31.02.2008, i.e. when the scheme was closed. Further, an amount of Rs. 220.53 crore is outstanding in respect of the Ministry of Human Resource Development against the foodgrains supplied under the Mid-Day-Meal (MDM) Scheme whereas an amount of Rs. 47,99,08,700/- is outstanding in respect of Ministry of External Affairs for wheat issued to WFP for supply of fortified biscuits to Afghanistan under Government of India's donation to that country. The Committee feel that the inability to liquidate the outstanding dues of FCI over the years indicate financial indiscipline on the part of the concerned Ministries particularly in respect of the Ministry of Rural Development as the Scheme was closed more than a decade ago. The Committee also feel that the functioning of the FCI as the principal implementing agency of the food policy of the Government of India would have been adversely affected because of these Ministries' inability to liquidate their respective outstanding dues for such a long period of time. The Committee, therefore, strongly recommend that the Department should make serious efforts towards settlement of the outstanding dues and take up the matter with concerned ministries at the highest level, so that the burden on food subsidy bill is reduced."

1.12 The Ministry in its action taken note has stated:-

"Department of Food & PD and FCI is pursuing the matter with the concerned Ministries for liquidating the outstanding dues of FCI. This Department has convened meeting on 25.07.2018 & 28.12.2018 with concerned Ministries/Departments and these Departments were requested repeatedly to expedite the liquidation of the outstanding dues vide letter dated 17.01.2019, 11.02.2019, 28.03.2019 and 05.07.2019. In view of this, a meeting which was scheduled under the chairmanship of then Secretary (F&PD) could not be convened due to COVID-19 pandemic. Once, the normalcy is restored, the matter may be taken with all concerned stakeholders."

1.13 The Committee noted in their Original Report that amounts of Rs. 2452.96 crore, Rs. 220.53 crore and Rs. 479908700/-, respectively are outstanding against Ministry of Rural Development, Ministry of Human Resource Development and Ministry of External Affairs in respect of foodgrains and fortified biscuits supplied to them. The Committee, accordingly, had recommended to make serious efforts towards settlement of outstanding dues and recover the outstanding dues from all the concerned Ministries. In its Action Taken Reply, the Government has stated that the Department and FCI are pursuing the matter with the concerned Ministries and the Department had convened two meetings during 2018. The concerned Ministries/Departments were also issued letters in the year 2019. The Committee again urge the Department and FCI to relentlessly pursue with the Ministries concerned and take necessary action to recover the outstanding dues from these Ministries.

D. Need for expeditious completion of construction of ongoing projects.

Recommendation (Para No. 3.32)

1.14 The Committee recommended as follows:-

> " The Committee note that construction of godowns in PEG Scheme (as on 31.01.2020) of 5,37,490 MT capacity is going on in 11 States. Construction of Silos by FCI/State Governments during 2016-17 to 2019-20 has been completed for 7.25 LMT against the target set for 100 LMT capacity. The slow progress in construction of silos with railway sidings was attributed to requirement of land. To solve the issue, FCI has contracted M/s RITES to study whether a hub and spoke model of silos with containerized movement would be more effective, and FCI now plans to modify the existing configuration of silos projects including bulk handling and transportation. The Committee further note that construction of 36,240 MT is going on at various stages in 8 locations of 6 North-Eastern States. The Committee also note that construction of godowns by FCI under Central Sector Scheme with total capacity of 1,10,890 MT is in progress at 17 locations in NE Region from 01.04.2017 to 30.01.2020. The Committee appreciate the fact that construction of godowns is going on at various locations in the country and hope that the FCI and Ministry will make earnest efforts to expedite completion of construction at all the ongoing projects in the country to enhance the overall efficiency of the PDS."

1.15 The Ministry in its action taken reply has stated as below:-

> "The projects are monitored by Food Corporation of India (FCI) at various levels from Chairman and Managing Director (C&MD), Executive Directors (ED), ED (Zones) and General Managers (GM) /GM(Regions) by arranging regular meetings in Headquarters as well as in North Eastern States with the Chief Secretaries or other Senior officers of the State Govt. FCI also pursues with Central/State Govt. executing agencies by following up at the level of C&MD and EDs.
>
> In addition, this Department also monitors the progress with the State Governments for unresolved issues like land acquisition. Regular review meetings are being taken by Secretary (F&PD) &

Additional/Joint Secretary (Storage) to monitor the progress of implementation of the various schemes for construction of godowns and silos.”

1.16 The Committee in their Original Report observed that construction of silos by FCI/State Governments during 2016-17 to 2019-20 had been completed for 7.25 LMT against the target set for 100 LMT capacity. Failure to achieve target was attributed to requirement of land. To solve the issue, FCI has contracted M/S RITES to study whether a hub-and-spoke model of silos with containerized movement could be more effective. But the Action Taken Reply is silent on this issue. The Committee, therefore, desire to be apprised of the outcome of study conducted by M/S RITES, if completed. The Committee also recommended in their Original Report that Ministry should make earnest efforts to expedite completion of construction of ongoing projects in the country. In the Action Taken Reply, the Ministry has stated that Department monitors the progress with the State Governments for unresolved issues like land acquisition. Regular review meetings are taken by the Senior Officers to monitor the progress of implementation of various schemes for construction of godowns and silos. The Committee hope and trust thereby that efforts being made by the Ministry would ultimately speed up the resolving of issues and work of construction of godowns and silos.

E. Need to reduce Cane Price Arrears

Recommendation (Para No. 4.13)

1.17 The Committee in their original report observed/ recommended as follows:-

> "The Committee note that the Government has taken several measures to clear cane price arrears and as a result thereof, the cane price arrears of 2018-19 have come down to Rs. 1645 crores on SAP basis as on 18.02.2019 (more than 98.1% cane dues have been cleared). Further, for sugar season 2019-20 cane arrears of Rs. 7705 crores on FRP basis and Rs. 9166 crore on SAP basis are due for payment (about 60% cane dues have been cleared). Despite various steps taken by the Government to reduce cane price arrears, the Committee are, however, constrained to note that a huge amount of Rs. 13067 crore is outstanding as on date which include Rs. 9166 crore for 2019-20, Rs. 1645 crore for 2018-19, Rs. 255 crore for 2017-18 and Rs. 2001 crore for 2016-17 and earlier seasons. The Committee are of the view that as the cane price arrears since 2016-17 and earlier are still outstanding, it is time to take action against the sugar mills for recovery of cane price arrears alongwith interest @ 15% as per the provision of the Sugarcane (Control) Order, 1966. The Committee also feel that non-payment of cane price arrears to the farmers in time can be a deterrent and might force the farmers to stop cultivation of sugarcane and force them to go in for production of some other crops. The Committee, therefore, reiterates its earlier recommendation and urge the Government to prevail upon the State Governments/UT Administrations for enforcing the provision of Sugarcane (Control) Order, 1966 without any further delay."

1.18 The Ministry in its action taken reply has stated as noted below:-

> "Under the Sugarcane (Control) Order 1966, the price of sugarcane is to be paid within 14 days of its supply, failing which annual interest at I5 percent is to be paid for the pending period after 14 days. The powers to implement this provision and payment of cane dues are vested with the respective State Governments/

Union Territory Administrations which have the necessary field associations. The Central Government has from time to time advised the State Governments/ UTs to ensure timely payment of cane dues to farmers and to take action against the defaulting sugar mills.

In order to stabilize sugar prices at reasonable level and to improve the liquidity position of the mills thereby enabling them to clear the cane price arrears of farmers, for the sugar season 2017-18 & 2018-19, Central Government has taken various measures, viz. including allocation of mill-wise Minimum Indicative Export Quotas (MIEQ) for export; assistance to sugar mills to offset the cost of cane; assistance to sugar mills to facilitate export of sugar; creation of buffer stock of sugar, etc. For the first time, Minimum Selling Price (MSP) of sugar was fixed by the Government. The Government has also fixed remunerative ex-mill price of ethanol derived out of C- heavy molasses & B-heavy molasses route; for the first time, remunerative price of ethanol directly from sugarcane juice was also fixed. A soft loan scheme for extending loans to sugar mills through banks was also notified. In order to address the problem of sugar sector, a long-term measure for diversion of excess sugar to ethanol was implemented; for which Central Government brought Schemes for Extending Soft Loan through banks to Sugar Mills and to molasses-based stand-alone distilleries to augment their ethanol production capacity which would also give a fillip to Ethanol Blended with Petrol (EBP) Programme, a flagship programme of Government of India.

As a result of above measures, all India cane price arrears of farmers for sugar season 2017-18 have came down to Rs.250 crore from the peak arrears of about Rs. 23,232 crore on State Advised Price (SAP) basis and Rs.l33 crore from the peak arrears of about Rs.14,538 crore on FRP basis; arrears for sugar season 2018-19 are Rs.689 crore on FRP basis & Rs.815 crore on SAP basis.

Further, Government has been constantly monitoring the sugar scenario and appropriate measures are taken in interest of farmers at appropriate time.

As on 31.05.2020, around Rs.24268 crore is outstanding as cane price price arrears for payment to the farmers. This amount include arrears of Rs. 21238 crore, Rs. 815 crore and Rs. 2215 crore for the sugar season 2019-20, 2018-19 & 2017-18 and earlier years respectively. The Central Government has already taken various steps in order to help the sugar mills to liquidate their cane arrears of the farmers. Further, the Government is pursuing with the States from time to time to make efforts to clear the cane dues of the farmers, as the power of Sugarcane (Control) Order, 1966 has already been delegated to the States and to take action against the defaulting sugar mills."

1.19 In their Original Report, the Committee noted that despite several measures taken by the Department, cane price arrears were still very high, i.e. Rs. 13067 crore in respect of 2016-17, 2017-18, 2018-19 and 2019-20. The Committee, therefore, urged the Government to strongly prevail upon the State Governments/UT Administrations in enforcing the provisions of the Sugarcane (Control) Order, 1966. The Department in its Action Taken Reply has stated that the Central Government advise the State Governments/UTs from time to time to ensure timely payment of cane price arrears due to the farmers and to take action against the defaulting sugar mills. The Central Government has already taken various steps in order to help the sugar mills to liquidate their cane arrears of the farmers. Further, the Government is pursuing with the States from time to time to make efforts to clear the cane dues of the farmers, as the power of Sugarcane (Control) Order, 1966 has already been delegated to the States and to take action against the defaulting sugar mills. As on 31.05.2020, approximately Rs. 24268 crore was outstanding as cane price arrears for payment to the farmers. The Committee, therefore, reiterate that all possible measures need to be taken so that these arrears are reduced significantly.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.11)

2.1 The Committee also note that under the Private Entrepreneurs Guarantee (PEG) Scheme, construction of conventional godowns has been undertaken in 22 States in Public Private Partnership (PPP) Mode. Of the total capacity sanctioned i.e. tenders finalized for godowns as on 31.01.2020 is for 150.30 LMT, 143.63 LMT has been completed and 5.37 LMT is under construction. The Committee hope that the godowns are constructed at locations spread across the various States of the country for easy access by the small and marginal farmers. The Committee further emphasise that in future, many more small and conventional godowns are constructed in remote and hilly regions of the country also keeping in view the interest of the small and marginal farmers in the country.

Reply of the Government

2.2 Depending on requirement in specific areas and for modernization of the storage facilities, the Government implements the following schemes for construction of godowns and silos in Public Private Partnership (PPP) mode for storage of Central Pool Stocks in the country:

i. **<u>Private Entrepreneurs Guarantee (PEG) Scheme:</u>** Under this Scheme, which was formulated in 2008, storage capacity is created by private parties, Central Warehousing Corporation (CWC) and State Government Agencies for guaranteed hiring by FCI. A capacity of 143.83 LMT has been created as on 31.05.2020. Under this scheme, no funds are allocated by Government for construction of godowns and full investment is done by the private parties/CWC/State Agencies.

ii. **<u>Central Sector Scheme (erstwhile Plan Scheme):</u>** This scheme is implemented in the North Eastern States along with a few other States. Funds from annual budgetary allocation are released by the Government of India to FCI and also to the State Governments for construction of godowns. A total capacity of 1,84,175 MT has been completed by FCI and State Governments during the 12^{th} Five Year Plan (2012-17). This scheme has been extended from 01.04.2017 to 31.03.2022. A total capacity of 51,925 MT has been created by FCI & State Governments from 01.04.2017 to 31.05.2020.

iii. **Construction of Steel Silos:** In addition to conventional godowns, Government of India has also approved an action plan for construction of steel silos in the country for a capacity of 100 LMT in Public Private Partnership (PPP) mode for modernizing storage infrastructure and improving shelf life of stored foodgrains. Against this, as on 31.05.2020, steel silos of 8.25 LMT capacity have been created.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2020-AC Dated the 18th June, 2020]

Comments of the Committee

(Please see Para No.1.7 of Chapter -I of the Report)

Recommendation (Para No. 2.7)

2.3 The Committee note that the Decentralized Procurement Scheme was introduced by the Government in 1997-98 with a view to encouraging local procurement to the maximum extent, thereby extending the benefit of MSP to local farmers, to enhance efficiency of procurement and Public Distribution System (PDS). Besides, such a system helps to provide foodgrains under PDS more suited to the local taste and also results in saving transportation and handling cost of FCI. Till date, 17 States, i.e. A& N Islands, Bihar, Chhattisgarh, Gujarat, Karnataka, Kerala, Madhya Pradesh, Odisha, Tamil Nadu, Uttarakhand, West Bengal, Andhra Pradesh, Telengana, Jharkhand, Maharashtra, Tripura and Punjab have adopted the system of Decentralized Procurement. The Committee further note that there is considerable improvement in the Procurement in these States after the Decentralized Scheme of Procurement has been adopted. The Committee feel that it has become all the more essential for the States/UTs to adopt the DCP Scheme for smooth and successful implementation of National Food Security Act (NFSA) and other Welfare Schemes. The Committee desire that FCI should create necessary infrastructure for procurement of foodgrains in coordination with the State Governments and motivate them to adopt the scheme of Decentralized Procurement. The Committee understand that certain claims of State Governments are in pipeline and, therefore, urge the Department to approach the Ministry of Finance for increase in DCP allocation. The Committee also note that an Evaluation Advisory Committee under NITI Aayog has been constituted to carry out performance evaluation of the scheme. The Committee would like to be apprised of the findings of Evaluation Advisory Committee under NITI Aayog and also recommend that the Department should communicate specific benefits of adopting the DCP Scheme to the remaining States/UTs so as to convince them to adopt the Scheme.

Reply of the Government

2.4 The Decentralized Procurement Scheme (DCP) was introduced by GOI with a view to increase participation of states in procurement and public distribution system. Under DCP system, the State Govt. /its agencies procure , store and distribute (against GOI's allocation for TPDS/NFSA & OWS) rice /wheat within the state . The excess stocks (Rice & wheat) procured by the State /its agencies are handed over to FCI in Central Pool. The expenditure incurred by the State Govt. on procurement, storage and distribution of DCP stocks are reimbursed by GOI on the laid down principles. Govt. is making all out efforts for implementing the scheme in all the states & regular followup is being made with the non-DCP states to adopt the DCP mode. The list of states which are operating under the DCP Schemes for Rice and Wheat are as under:-

Sl.No.	State/UT	DCP adopted for
1.	A&N Islands	Rice
2.	Bihar	Rice/Wheat
3.	Chhattisgarh	Rice/Wheat
4.	Gujarat	Rice/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.	Andhra Pradesh	Rice
13.	Telengana	Rice
14.	Jharkhand (6 district only)	Rice
15.	Maharashtra	Rice/Wheat
16.	Tripura (KMS 2018-19, & 2019-20, Rabi Crop only)	Rice
17.	Punjab*	Wheat

*Punjab is a DCP State for wheat from RMS 2016-17 onwards, but on request of Govt. of Punjab, FCI is participating in procurement operations in Punjab.

Approximately 95 percentage of all the procurement is done by State Agencies directly from farmers on behalf of FCI. In recent years, the subsidy arrears of DCP States have been increasing due to less provision of subsidy as against the requirements which in turn delays MSP payment to farmers and increases the cost of operations on account of the increasing interest burden. This Department, after consultations with DCP States, FCI & considering the price rise in MSP & other procurement incidentals & pendency of subsidy claims of DCP States regularly requests Department of Expenditure to allocate sufficient funds for FCI & DCP States. For F.Y. 2020-21, the budgetary allocation was curtailed by Rs 4192 Crore to Rs. 37337.14 crore. Further, against the QEP for the Q1 of 2020-21 of Rs 16,000 Crore for DCP States, Rs 15,937 Crore has already been released and even then the Department already has pending subsidy claims of more than Rs 13000 Crores till date and some more claims are expected to be received from State Governments for which sufficient funds are not available. Owing to current COVID-19 crisis, the fund requirements are expected to increase as most of the States will submit claims for provisional/advance subsidy in the first quarter of FY 2020-21 along with claims for additional allocation of food grains under PRADHAN MANTRI GARIB KALYAN ANNA YOJANA (PMGKAY) wherein DCP surplus states (major procuring states such as M.P, Chhattisgarh, Punjab) are expected to meet most of its allocation through DCP Stock of central pool. Accordingly, the Department has requested Department of Expenditure to allocate Rs 42382 Cr for DCP States for in first quarter. However, no additional budgetary allocation has been made by MoF in this regard.

Information regarding NITI Aayog Study for Performance Evaluation of DCP Scheme is under process.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 2.15)

2.5 The Committee note that food subsidy is provided to FCI for reimbursement of the difference between economic cost of foodgrains and their issue price. Though the allocation of food subsidy to FCI as well as DCP States has been increasing every year, yet the allocation made every year is much less than the requirement projected. The FCI has been allocated food subsidy amounting to Rs. 101981.69 crore, Rs. 1,40,098.00 crore and Rs. 75,000.00

crore against the projected requirement of Rs. 124060.00 crore, Rs. 1,67,098.00 crore and Rs. 185049.00 crore during the years 2017-18, 2018-19 and 2019-20 respectively. In case of DCP States, the allocation was Rs. 38,000.00 crore, Rs. 31029.49 crore and Rs. 33508.35 crore against the requirement of Rs. 45800.00 crore, Rs. 36500.00 crore and Rs. 46268.00 crore, respectively during the same period. The Committee also note that less amount of subsidy will affect the functioning of FCI which is the principal agency of food policy of the Government of India. The Committee also feel that inadequate allocation of food subsidy also has a cascading effect as interest on cost credit increases, thereby increasing the subsidy bill further. The Decentralized Procurement operation of the States will also be seriously affected due to cash crunch on account of inadequate subsidy. The Committee while keeping various difficulties of the Department under consideration, recommend that subsidy given to FCI should be realistic and based on the actual expenditure/cost. The Ministry of Finance may accordingly be requested to allocate sufficient funds as per the requirement under food subsidy.

Reply of the Government

2.6 For FCI, MoF has reduced RE of financial year 2019- 20 to Rs. 75,000 crore from BE allocation of Rs. 1,51,000 crore and sanctioned 1,10,000 Crore NSSF loan. The interest burden on account of this alone has gone upto Rs 9,350 Crore besides annual principal payment of Rs 22,000 Crore. The subsidy arrears of FCI was estimated to be Rs. 2,42,905 crores as on 31.03.2020. The overall annual interest burden of FCI has gone beyond Rs 35,350 crore which constitutes more than 15 percentage of overall food subsidy which is of serious concern for the financial health of the organization and burgeoning cost of operation of FCI. In this financial year (FY 2020-21), MoF has allocated only Rs.77982.54 crore against the projected requirement of Rs. 1,88,583 crore. Need for additional fund to DCP States has alreday mentioned in point no. 2.7 above. The present situation associated with COVID-19 pandemic has further increased the subsidy requirements of FCI and DCP States. The additional allocation of 121.43 LMT foodgrains under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) will require additional funds to the tune of Rs. 44,131.07 crore (approximately Rs.8531.07 Crore to DCP States and Rs.35,600 crore to FCI) by way of additional Food Subsidy. DFPD in consultation with FCI & DCP States has projected total requirement for DCP as Rs 42,382.73 crore against its QEP of Rs 16,000 crore & Rs 1,13,582.54 crore for FCI against its QEP of Rs 77,982.54 crore in Q1 of FY 20-21.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.10 of Chapter -I of the Report)

Recommendation (Para No. 2.33)

2.7 The Committee note that under the scheme on 'Integrated Management of Public Distribution System' (IM-PDS), the Department is implementing nation-wide portability of ration card holders through 'One Nation One Ration Card' Plan, which enables any eligible ration card holder/beneficiary covered under NFSA 2013 to lift their entitled foodgrains from any Fair Price Shop (FPS) of their choice in the country using their existing/same ration card after biometric/Aadhaar authentication on electronic point of sale (ePoS) devices installed at the FPSs. So far, the facility of national/inter-State portability under this plan is available in 12 States, namely - Andhra Pradesh, Goa, Gujarat, Haryana, Jharkhand, Kerala, Karnataka Madhya Pradesh, Maharashtra, Rajasthan, Telangana and Tripura. Further, integration of remaining States/UTs depends on the readiness of States/UTs to implement the same. The Committee also note that as part of the scheme on 'End-to-End Computerization of TPDS Operations', States/UTs are also implementing automation of Fair Price Shops under which electronic point of sale (ePoS) devices are being installed in all Fair Price Shops for distribution of subsidized foodgrains to eligible beneficiaries in a transparent manner. This will also curb corruption and improve access of beneficiaries to Fair Price Shops. So far the installation of ePoS devices has been completed in 26 States/UTs, whereas it is in various stages of implementation/roll out in other States/UTs. The Committee, therefore, urge the Department to expedite the installation of ePoS devices at all Fair Price Shops in remaining States/UTs and also complete Aadhaar seeding of Ration Cards with a view to ensuring food security to migrant citizens and also ensuring the utilization of the unlifted foodgrains to the maximum extent possible thereby minimizing the diversion/leakages of foodgrains.

Reply of the Government

2.8 The facility of National/Inter-State portability is, so far, enabled in 20 Stated/UTs namely- Andhra Pradesh, Bihar, Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Mizoram, Maharashtra, Odisha, Sikkim, Rajasthan, Punjab, Telangana, Tripura and Uttar Pradesh. Presently, migratory beneficiaries of these 20 States are able to lift their foodgrains from any FPS of their choice within this cluster. Further, this Department is making vigorous efforts through meetings, VCs, letters, advisories, etc. issued to States/UTs to expedite the installation of ePoS devices at all FPSs in respective States/UTs. This Department has also prepared guidelines for Fair Price Shop (FPS) automation and their portability, which have been shared with all States/UTs. So far, ePoS devices have been installed in about 4.87 lakh FPSs (about 90%) out of total 5.40 lakh FPSs. At present, overall Aadhaar seeding with Ration Cards (at least one member of household) has reached up to 90% at the National level. The progress of Aadhaar seeding in North Eastern States is slow mainly due to poor/negligible Aadhaar generation in Assam and Meghalaya. Department is regularly making all possible efforts to increase the Aadhaar seeding in ration card database. In this connection, Department has prepared and issued guidelines/best practices for increasing Aadhaar Seeding and validating Aadhaar numbers with all States/UTs. The matter is regularly being pursued with lagging States/UTs to expedite the Aadhaar seeding with Ration Cards. In this regard, the timeline provided to States/UTs through Notification issued by the Department under section- 7 of the Aadhaar Act (amended from time-to-time) has been extended up to 30/09/2020.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 3.8)

2.9 The Committee note with concern that a large amount of Rs. 2452.96 crore is outstanding as on 31.12.2019 for payment to FCI by the Ministry of Rural Development against the foodgrains supplied under SGRY Scheme upto 31.02.2008, i.e. when the scheme was closed. Further, an amount of Rs. 220.53 crore is outstanding in respect of the Ministry of Human Resource Development against the foodgrains supplied under the Mid-Day-Meal (MDM) Scheme whereas an amount of Rs. 47,99,08,700/- is outstanding in respect of Ministry of External Affairs for wheat issued to WFP for supply of fortified biscuits to Afghanistan under Government of India’s donation to that country. The Committee feel that the inability to liquidate the outstanding dues of FCI over the years indicate financial indiscipline on the part of the concerned Ministries particularly in respect of the Ministry of Rural Development as the Scheme was closed more than a decade ago. The Committee also feel that the functioning of the FCI as the principal implementing agency of the food policy of the Government of India would have been adversely affected because of these Ministries’ inability to liquidate their respective outstanding dues for such a long period of time. The Committee, therefore, strongly recommend that the

Department should make serious efforts towards settlement of the outstanding dues and take up the matter with concerned ministries at the highest level, so that the burden on food subsidy bill is reduced.

Reply of the Government

2.10 Department of Food & PD and FCI is pursuing the matter with the concerned Ministries for liquidating the outstanding dues of FCI. This Department has convened meeting 25.07.2018 & 28.12.2018 with concerned Ministries/Departments and these Departments were requested repeatedly to expedite the liquidation of the outstanding dues vide letter dated 17.01.2019, 11.02.2019, 28.03.2019 and 05.07.2019. In view of this, a meeting which was scheduled under the chairmanship of then Secretary (F&PD) could not be convened due to COVID-19 pandemic. Once, the normalcy is restored, the matter may be taken with all concerned stakeholders.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.13 of Chapter -I of the Report)

Recommendation (Para No. 3.11)

2.11 The Committee note that the establishment cost of FCI which is reimbursed by the Government along with the expenditure incurred on procurement, transport and storage of foodgrains in the form of food subsidy is constantly showing an upward trend which indicates that a large amount of food subsidy goes towards meeting the expenses on establishment cost. The Establishment Cost during 2019-20 was Rs. 3481 crore, which is much higher as compared to amount during 2018-19 which was Rs. 2117 crore. The Committee is of the view that food subsidy is primarily meant for the poor people of the country and, therefore, diverting a huge amount of Rs. 3481 crore from the food subsidy component tantamount to indirectly depriving the targeted beneficiaries, i.e. the poor people of their legitimate benefits which is unfair. The Committee also do not completely agree with the reasoning that increase in Establishment Cost was due to arrear component on account of implementation of Post Retirement Pension Scheme (2017-18) and due to wage revision (2018-19) & (2019-20-RE). The Committee feel that even after taking into account the payment of implementation of Post Retirement Pension Scheme and wage

	Reason For Increase	Amount
1	Due to Increase in Salary and contributions	652.73
2	Introduction of Fringe Benefit to Cat III and IV	108.06
3	Additional Pay Revision Arrear	517.00
4	Expected Recruitment of Cat III in FY 19-20	87.00
		1364.79

revision, the Establishment Cost is still very high. The Committee, therefore, desire that the FCI and the Ministry may look for devising new ways and means to contain the Establishment Cost, so as to ensure that more amount of food subsidy reaches the ultimate beneficiaries.

Action taken by the Government

2.12 The comments are as under:

(a) Revision of Salaries of Cat III and IV employees of FCI took place after 10 years as per the policies of the Govt of India. This increase due to it is unavoidable.

(b) As on 31.03.2020, FCI is working with only 20,858 employees against the sanctioned strength of 42038. Due to this shortage FCI's working is affected. In order to smooth functioning of the FCI, further recruitment is necessary. As such the Administrative cost would increase in future.

(c) The figures of FY 2018-19 are compared with estimate of the FY 2019-20. After finalisation of accounts, the expenses may reduce.

(d) 4 months salary of new recruitment of Cat III employees amounting to Rs 93 cr was taken in the year 2019-20 (RE) but these employees are yet to join.

(e) Despite the increase due to revision of salaries of Cat III and IV employees, the total admin expenses are only 1.66% of the turnover of the FCI for FY 2019-20. In the year 2018-19, it was 1.32%.

<u>Details of Expenses</u>

(Rs. in Cr)

	2018-19	2019-20 (RE)	Increase
Staff Cost	**2116.61**	**3481.40**	**1364.79**

Particular	2018-19	2019-20 (RE)
A. Total staff cost (Rs. in Cr)	2121	3482
B. Less : Arrears (Rs. in Crore)	133	650
C. Net Staff cost (Rs. in Cr)	**1988**	**2832**
D. Total Turnover (Rs. in Cr)		
(i) Sale	30758	31620
(ii) Subsidy	120352	138667
Total	**151110**	**170287**
E. Staff cost as % of Turnover (C/D)	1.32%	1.66%

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 3.32)

2.13 The Committee note that construction of godowns in PEG Scheme (as on 31.01.2020) of 5,37,490 MT capacity is going on in 11 States. Construction of Silos by FCI/State Governments during 2016-17 to 2019-20 has been completed for 7.25 LMT against the target set for 100 LMT capacity. The slow progress in construction of silos with railway sidings was attributed to requirement of land. To solve the issue, FCI has contracted M/s RITES to study whether a hub and spoke model of silos with containerized movement would be more effective, and FCI now plans to modify the existing configuration of silos projects including bulk handling and transportation. The Committee further note that construction of 36,240 MT is going at various stages in 8 locations of 6 North-Eastern States. The Committee also note that construction of godowns by FCI under Central Sector Scheme with total capacity of 1,10,890 MT is in progress at 17 locations in NE Region from 01.04.2017 to 30.01.2020. The Committee appreciate the fact that construction of godowns is going on at various locations in the country and hope that the FCI and Ministry will make earnest efforts to expedite completion of construction at all the ongoing projects in the country to enhance the overall efficiency of the PDS.

Reply of the Government

2.14 The projects are monitored by Food Corporation of India (FCI) at various levels from Chairman and Managing Director (C&MD), Executive Directors (ED), ED (Zones) and General Managers (GM) /GM(Regions) by arranging regular meetings in Headquarters as well as in North Eastern States with the Chief Secretaries or other Senior officers of the State Govt. FCI also pursues with Central/State Govt. executing agencies by following up at the level of C&MD and EDs.

In addition, this Department also monitors the progress with the State Governments for unresolved issues like land acquisition. Regular review meetings are being taken by Secretary (F&PD) & Additional/Joint Secretary (Storage) to monitor the progress of implementation of the various schemes for construction of godowns and silos.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.16 of Chapter -I of the Report)

Recommendation (Para No. 3.33)

2.15 The Committee are also concerned to note that FCI could not achieve the physical and financial targets set for construction of godowns during 2019-20 in respect of North-East (NE) States as well as other than NE States. In NE States, against the physical target of 25000 MT, the achievement was only 2500 MT and financial target was Rs. 45 crore but achievement was only Rs. 18.01 crore. In States other than NE, the set physical target was 2240 MT but the achievement was 'NIL'. The Committee understand that FCI encounters various problems in construction of godowns in NE region such as difficult terrain, frequent bandhs and issues relating to acquisition of land etc. The Committee, however, desire that the Department should take up the matter consistently with States/UTs at highest level to resolve every issue including identifying and providing suitable land for construction of godowns and ensure that the funds earmarked for the purpose are fully utilized. The Committee also desire that a road map be chalked out for creation of mini-godowns in various districts/talukas of different States/UTs.

The Committee are also concerned to note that in many States, there are many single-storeyed old godowns which are 30-40 years old and are in dilapidated condition. The Committee are of the view that the FCI/CWC should consider these single-storeyed old godowns for reconstruction/conversion into multi-storey buildings using the latest technology/lifts etc. instead of wasting time in finding suitable land. This will also ensure scientific storage which will further reduce storage and transit losses as well.

Reply of the Government

2.16 The progress of Central Sector Scheme for the construction of storage godowns is monitored on monthly basis in the FCI Headquarters. Regular meetings are also held in the Department in this regard. Whenever progress is affected due to any issue like land, the respective state government/agency is requested by both FCI and the Department.

The Department provided funds to the State Governments to create intermediate storage capacities at Block/Taluka level to store foodgrains collected from FCI depots, for further distribution to fair price shops. This is necessary to improve the supply chain logistics for Targeted Public Distribution System (TPDS). While construction of intermediate godowns is the responsibility of the State Governments, the Department has been providing plan funds to Governments of the North Eastern (NE) States including Jammu & Kashmir for this purpose, considering their difficult geographical conditions.

In reference to the recommendations of the Committee that in many States, existing single storied old godowns, which has become depilated/non-functional, are to be considered for reconstruction/conversion in to multi-storeyed building using latest technologies and lifts. It is to submitted that the suggestions can be considered only for such locations where existing godowns are not in use due to dilapidated condition since most of Godowns which are 30-40 years old are still in use for storage purpose. The proposal for such location can be processed further by getting it structurally designed as per latest National Building Code (NBC) and storage of godowns codes from foundation considering the provisions for lifts, conveyer belts/ chutes for lifting and disposal of storage bags at later stage. It can be further designed and conceptualized for other latest provisions such as solar panels, energy efficient lighting and ventilation system depending upon the viability as well as funds.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2020-AC Dated the 18th June, 2020]

Recommendation (Para No. 3.37)

2.17 The Committee note that the FCI/Government has taken several preventive measures to check corruption in the process of procurement, storage and contracts, transportation/movement, distribution and also in matters related to labour. However, the number of cases of corruption reported during the last three years i.e. 817 cases in 2017-18, 828 cases in 2018-19 and 535 cases in 2019-20 (till December, 2019) is considerably very high. The Committee are of the view that vigilance mechanism needs to be tightened up and should be made more transparent and effective. All cases of corruption should be viewed seriously and investigated promptly with a view to fixing responsibility even at the level of senior officers so as to root out corruption at all levels. The Committee, therefore, desire that more concerted efforts should be made to ensure quick disposal of vigilance cases and prevent incident of corrupt practices at all levels.

Action taken by the Government

2.18 In this regard, kindly refer to the reply submitted by Vigilance division on point no. 108 of Standing Committee List of Points. The same is again provided for reference as **Annexure – I**. The summary of the stated corruption cases during 2017, 2018 and 2019 are as follows:-

Particulars	Cases
Departmental Action Completed	3
Departmental Action under process	7
Pending at CBI / ACB Court	3
Departmental Proceeding Stayed by Court	1
Total Cases	**14**

A case is said to have a vigilance angle whenever irregularities are observed in the working of officers / officials against the laid down procedures. However, such irregularities may or may not include incidences of corruption. Further, there are many cases which have “Vigilance Angle” but do not fall under the category of “Corruption” such as – willful negligence, reckless decision making, violation of systems and procedures, excess exercise of discretion, and supervisory lapses etc.

Therefore, the Annexure-I details the only “Corruption cases” which have been shown in overall Vigilance Cases initiated during the last three years i.e. 817 cases 2017-18, 828 cases in 2018-19 and 535 cases in 2019-20 (till December 2019).

However, during these last three years, total number of Vigilance cases finalized were 816 cases in 2017-19, 818 cases in 2018-19 and 597 cases in 2019-20 (till December 2019).

With respect to finalization of all Vigilance Cases, directions and guidelines of the CVC and the Ministry are strictly followed. Furthermore, specific directions are also issued for handling cases of certain nature for example – in compliance to the CVC Circular No. 03/03/15 Dated 19.03.2015, the cases of the following nature are to be referred to CBI authorities / local or state police with the approval of C&MD:-

1. Criminal in Nature (eg. Bribery, corruption, forgery, criminal breach of trust, possession of assets disproportionate to known sources of income, cheating, etc.); or
2. Require inquiries to be made from non-official persons; or
3. Involve examination of private records; or
4. Need expert police investigation for arriving at a conclusion; or
5. Need investigation abroad
6. Any criminal offence under IPC, PC Act or any other law involving transactions above Rs. 25 Lakhs to be referred to CBI, otherwise to be referred to local / state police.
7. All criminal / fraudulent matters wherein involvements of officers / officials are prima-facie evident are to be referred to the AntiCorruption Branch of CBI otherwise to the Economic Offences Wing of CBI.

As preventive measures to curb incidences of corruption and irregularities, inspections are conducted on regular basis and surprise basis by officers specifically tasked for the same from various offices. Periodicity of inspections has been developed by the corporation concerning the officers who are required to inspect the offices and their working on regular basis.

Complaint handling policy has been framed for FCI in the light of guidelines and directions of CVC and Ministry. The complaints are investigated by the concerned officers and inspections are conducted on various levels to establish irregularities if required.

Further, the Vigilance division also prepares a list of sensitive official positions and offices. Such lists are prepared with the intention to avoid posting of officers with doubtful integrity in such positions or offices. Further, this circular forms a basis to remove an officer from a sensitive seat if his / her integrity is found to be doubtful.

In addition to the above, the Vigilance Division also frames and releases various advisories to bring necessary order in the working procedures so as to minimize chances of irregularities to occur in various FCI operations.

To ensure timely finalization of Vigilance Cases, regular follow ups are done with the concerned offices through emails, video conferencing, etc. to facilitate timely finalization of cases. Timelines are decided mutually during such discussions for submission of necessary reports to finalize the concerned cases and award appropriate penalty to the delinquents.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 4.7)

2.19 The Committee are happy to note that though sugarcane production in the country has been cyclic in nature, the production of sugarcane has been higher than the domestic demand since 2017-18 sugar season. The Committee hope that while fixing the Fair and Remunerative Price of sugarcane, the Central Government should ensure that the interest of the sugarcane farmers are taken into consideration. The Committee also note that the country has been exporting sugar since the sugar season of 2017-18 onwards and due to improved variety of sugarcane, sugarcane/sugar produce would likely to remain surplus in coming seasons. The Committee hope that the Department should continue to take appropriate steps to increase sugarcane production and ensure timely declaration of Fair and Remunerative Price of Sugarcane to encourage farmers for cultivation of sugarcane in the coming years.

Action taken by the Government

2.20 Noted for compliance. Further, to protect the interest of Sugarcane growers, DFPD fixes the Fair and Remunerative Price (FRP) of sugarcane well before the commencement of every sugar season. The details of date of submission of report by CACP and date of announcement of FRP for last five sugar seasons are as under:

S.No.	Sugar Season	Date of submission of report by CACP	Date of announcement of FRP

1	2019-20	06.09.2018	01.08.2019
2	2018-19	16.08.2017	18.07.2018
3	2017-18	16.08.2016	24.05.2017
4	2016-17	14.08.2015	06.04.2016
5	2015-16	14.08.2014	16.01.2015

The FRP is fixed on the recommendations of Commission for Agricultural Costs and Prices (CACP) with regard to various factors given in the Sugar (Control) Order, 1966 and after having consultations with State Governments and other stakeholders. The FRP is the benchmark price below which no sugar mill can purchase sugarcane from farmers.

Under the FRP system, the farmers are not required to wait till the end of the season or for any' announcement of the profits by sugar mills or the Government. The FRP also assures margins on account of profit and risk to farmers, irrespective of the fact whether sugar mills generate profit or not; and is not dependent on the performance of any individual sugar mill. In order to ensure that higher sugar recoveries are adequately rewarded and considering variations amongst sugar rnills, the FRP is linked to a basic recovery rate of sugar with a premium payable to farmers for higher recoveries of sugar from sugarcane.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 4.13)

2.21 The Committee note that the Government has taken several measures to clear cane price arrears and as a result thereof, the cane price arrears of 2018-19 have come down to Rs. 1645 crores on SAP basis as on 18.02.2019 (more than 98.1% cane dues have been cleared). Further, for sugar season 2019-20 cane arrears of Rs. 7705 crores on FRP basis and Rs. 9166 crore on SAP basis are due for payment (about 60% cane dues have been cleared). Despite various steps taken by the Government to reduce cane price arrears, the

Committee are, however, constrained to note that a huge amount of Rs. 13067 crore is outstanding as on date which include Rs. 9166 crore for 2019-20, Rs. 1645 crore for 2018-19, Rs. 255 crore for 2017-18 and Rs. 2001 crore for 2016-17 and earlier seasons. The Committee are of the view that as the cane price arrears since 2016-17 and earlier are still outstanding, it is time to take action against the sugar mills for recovery of cane price arrears alongwith interest @ 15% as per the provision of the Sugarcane (Control) Order, 1966. The Committee also feel that non-payment of cane price arrears to the farmers in time can be a deterrent and might force the farmers to stop cultivation of sugarcane and force them to go in for production of some other crops. The Committee, therefore, reiterates its earlier recommendation and urge the Government to prevail upon the State Governments/UT Administrations for enforcing the provision of Sugarcane (Control) Order, 1966 without any further delay.

Action taken by the Government

2.22 Under the Sugarcane (Control) Order 1966, the price of sugarcane is to be paid within 14 days of its supply, failing which annual interest at I5 percent is to be paid for the pending period after 14 days. The powers to implement this provision and payment of cane dues are vested with the respective State Governments/ Union Territory Administrations. which have the necessary field associations. The Central Government has from time to time advised the State Governments/ UTs to ensure timely payment of cane dues to farmers and to take action against the defaulting sugar mills.

In order to stabilize sugar prices at reasonable level and to improve the liquidity position of the mills thereby enabling them to clear the cane price arrears of farmers, for the sugar season 2017-18 & 2018-19, Central Government has taken various measures, viz. including allocation of mill-wise Minimum Indicative Export Quotas (MIEQ) for export; assistance to sugar mills to offset the cost of cane; assistance to sugar mills to facilitate export of sugar; creation of buffer stock of sugar, etc. For the first time, Minimum Selling Price (MSP) of sugar was fixed by the Government. The Government has also fixed remunerative ex-mill price of ethanol derived out of C- heavy molasses & B-heavy molasses route; for the first time, remunerative price of ethanol directly from sugarcane juice was also fixed. A soft loan scheme for extending loans to sugar mills through banks was also notified. In order to address the problem of sugar sector, a long-term measure for diversion of excess sugar to ethanol was implemented; for which Central Government brought Schemes for Extending Soft Loan through banks to Sugar Mills and to molasses-based stand-alone distilleries to augment their ethanol production capacity which would also give a fillip to Ethanol Blended with Petrol (EBP) Programme, a flagship programme of Government of India.

As a result of above measures, all India cane price arrears of farmers for sugar season 2017-18 have came down to Rs.250 crore from the peak arrears of about Rs. 23,232 crore on State Advised Price (SAP) basis and Rs.l33 crore from the peak arrears of about Rs.14,538 crore on FRP basis; arrears for sugar season 2018-19 are Rs.689 crore on FRP basis & Rs.815 crore on SAP basis.

Further, Government has been constantly monitoring the sugar scenario and appropriate measures are taken in interest of farmers at appropriate time.

As on 31.05.2020, around Rs.24268 crore is outstanding as cane price price arrears for payment to the farmers. This amount include arrears of Rs. 21238 crore, Rs. 815 crore and Rs. 2215 crore for the sugar season 2019-20, 2018-19 & 2017-18 and earlier years respectively. The Central Government has already taken various steps in order to help the sugar mills to liquidate their cane arrears of the farmers. Further, the Government is pursuing with the States from time to time to make efforts to clear the cane dues of the farmers, as the power of Sugarcane (Control) Order, 1966 has already been delegated to the States and to take action against the defaulting sugar mills.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.19 of Chapter -I of the Report)

Recommendation (Para No. 4.17)

2.23 The Committee note that the Government has allowed creation of Buffer Stock of sugar of 30 LMT and 40 LMT for the period Ist July, 2018 to 30th June, 2019 and Ist August, 2019 to 31st July, 2020 respectively, keeping in view the surplus stocks, projected production, estimated domestic demand and projected exports. The Government is reimbursing the carrying cost towards interest, insurance and storage @ 13.5% maximum to sugar mills for maintaining of buffer stock. The Committee find that years of bumper cane harvests and record sugar production have hammered sugar prices in India, making it hard for mills to pay money to farmers. The Committee feel that creation of buffer stock of sugar is very much essential to meet any situation in the years of deficit sugar production. The Committee note that it is a positive step and will improve the liquidity position of sugar mills enabling them to clear cane price arrears of farmers and stabilize domestic sugar price. The Committee also feel that creation of buffer stock higher than last year (one million tonnes) will also protect the interest of sugarcane farmers and ensure that dues are paid to them on time. The Committee, therefore, desire that the Government should take appropriate measures to maintain a strategic stock of sugar beyond 31 July, 2020.

Action taken by the Government

2.24 In wake of huge opening stock for current sugar season 2019-20 which is likely to affect the liquidity position of sugar mills, the Government has created the buffer stock of 40 LMT of sugar for one year. Creation of buffer stock would help in maintaining demand-supply balance, thereby stabilizing sugar prices. It will also help to improve the liquidity of the sugar mills, thereby helping in clearance of cane dues of farmers.

Further, with respect to maintain strategic buffer stock beyond 31st July. 2020, it is stated that DFPD is monitoring the sugar sector scenario and appropriate decision will be taken in the interest of all stakeholders.

The DFPD is constantly monitoring the sugar sector scenario and would assess the sugar availability position in the country during June, 2020 and will take appropriate decision in this regard keeping in view the supply/demand position as well as prevailing sugar prices in the domestic market.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

CHAPTER III

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

Recommendation (Para No. 1.10)

3.1 The Committee note that BE was Rs. 190914.27 crore for Revenue Schemes during 2019-20 which was reduced to Rs. 113989.47 crore at RE stage but Actual Expenditure (AE) was Rs. 145879.06 crore. For the Captial Scheme, the BE was Rs. 51326.12 crore which was reduced to Rs. 37250.92 crore at RE stage and the AE was only Rs. 122.11 crore which is 99.67% shortfall with respect to RE. The Department faces various difficulties in the implementation of various schemes such as identification and acquisition of land by State Governments, Non-receipt of Utilization Certificates from the State Governments, Law and Order problems etc. The Committee are, however, constrained to note that though the BE was sharply reduced at RE stage, yet the Department could not utilize the allocated funds fully which indicate lack of proper planning and monitoring on the part of the Department. The BE of the Department for the year 2020-21 has been accordingly reduced as compared to BE of 2019-20 both on the Revenue and Capital Schemes.

The Committee, therefore, urge the Department to improve its planning and monitoring mechanism to ensure that the allocated funds are fully utilized and the physical and financial targets are achieved within the financial year so that the Department may receive enhanced BE allocation in the next financial year.

Reply of the Government

3.2 The Department puts in utmost effort to make the Estimates of provision realistic. However, despite this effort, less expenditure occurred under both Revenue and Capital schemes during 2019-20.

The figure of expenditure depicted in the note of the Committee is as of 31.12.2019. However, actual expenditure occurred under Revenue Section was to the tune of Rs. 113931.15 crore against the BE of Rs. 190914.27 crore and RE of Rs. 113989.47 crore as on 31.03.2020. Similarly, the actual expenditure occurred under Capital Section was to the tune of Rs. 1243.11 crore against the BE of Rs. 51326.12 crore and RE of Rs. 37250.92 crore as on 31.03.2020.

Savings under Revenue section occurred mainly due to reduction of provision by Ministry of Finance in RE 2019-20 stage. The major saving under Revenue Scheme was under the ‘Food Subsidy to FCI’ scheme in which against the demand of Rs. 185049 crore in RE 2019-20, ₹ 75000 crore only was allocated in RE 2019-20, though Department had already incurred an amount of Rs. 119164.02 crore under the scheme before the finalization of RE 2019-20 by Ministry of Finance. Then, the excess release of Rs. 44164.02 crore (Rs. 75000 crore of RE- 119164.02 crore released) was adjusted by sanction of NSSF Loan of matching amount by Ministry of Finance on 28.02.2020. Hence, the difference of BE and RE i.e. Rs. 76000 crore was needed to be surrendered.

Out of the provision of Rs. 113989.47 crore in RE 2019-20, an amount of Rs. 113931.15 crore was utilized leaving a balance of Rs. 58.32 crore only which comes to only 0.05 % of the RE 2019-20.

So far as less expenditure under Capital Schemes is concerned, this was mainly due to NIL release of 'Ways and Means Advance' against the allocation of Rs. 50000 crore in BE and Rs. 36000 crore in RE. This advance is provided to FCI as per their cash flow requirement and needs to be repaid within the same financial year by FCI. However, due to liquidity constraints in March, 2020 FCI could not find it feasible to avail 'Ways & Means Advance' during February & March 2020 as its repayment before 31st March 2020 would have been difficult as intimated by FCI. This advance is budget neutral and there was no actual saving under this scheme.

Out of the remaining provision of Rs. 1250.92 crore in RE 2019-20 (excluding WMA), an amount of Rs. 1243.11 crore was utilized leaving a balance of Rs. 7.81 crore only which comes to only 0.62 % of the RE 2019-20.

Further, it is true that The Department has to face various difficulties in the implementation of some schemes due to dependency on certain conditions associated with the schemes. Some examples may be seen below:

(i) 'End-to-end Computerization of TPDS Operations' and 'Generating Awareness' components of 'Strengthening of PDS Operation' scheme and 'Integrated Management of Public Distribution System' scheme are being implemented on cost sharing basis with States/UTs. Central share of funds to States/UTs are released in installment after fulfillment of certain conditions. Hence, due to non-fulfillment of certain conditions by States/UTs who submitted their proposals as provisioned under the Scheme for release of Central share of funds, less expenditure could be made and saving occurred. However, this Department regularly persuades the States/UTs to furnish financial complete proposals/Utilization Certificates in time.

(ii) Under ‘Evaluation, Monitoring and Research’ component of ‘strengthening of PDS Operation’ scheme, some Monitoring Institutions (MIs) did not undertake evaluation or submit claims for payment as per the Terms of Reference (ToR). Drafting of new ToR is under consideration of Finance Divisions for 2020-21.

(iii) Under ‘Training’ component of ‘strengthening of PDS Operation’ scheme, only a few States came forward to avail financial assistance for conducting training programmes inspite of repeated reminders.

(iv) A large saving occurred under a new pilot scheme ‘Fortification of Rice and its distribution under Public Distribution System’ scheme. The scheme is in its initial year of implementation and States are being advised/requested to start the distribution of fortified rice in the PDS. Regular follow-up with states through Video Conferences/meetings/correspondences are being undertaken. Further, as mandated in the Pilot Scheme, process for engagement of Consultant for Central Project Monitoring Unit (CPMU) is under consideration and same is expected to be engaged soon for effective monitoring of the pilot scheme.

(v) ‘Storage and Godowns-States’- Saving under this scheme occurred due to lack of timely furnishing/non-furnishing of Utilization Certificate (UCs) by the State Governments, and due to non-availability of land and some local issues with State Governments.

In this regards, it is to mention that projects are monitored by Food Corporation of India (FCI) at various levels from Chairman and Managing Director (C&MD), Executive Directors (ED), ED (Zones) and General Managers (GM) /GM(Regions) by arranging regular meetings in Headquarters as well as in North Eastern States with the Chief Secretaries or other Senior officers of the State Govt. FCI also pursues with Central/State Govt. executing agencies by following up at the level of C&MD and EDs.

In addition, this Department also monitors the progress with the State Governments for unresolved issues like land acquisition. Regular review meetings are being taken by Secretary (F&PD) & Additional/Joint Secretary (Storage) to monitor the progress of implementation of the scheme.

In view of the above, it is clear that in spite of the proper planning and monitoring, Department could not utilize the allocated funds in full due to certain issues which were beyond the control of the Department. However, reduction of BE in the ensuing BE 2020-21 is due to reduction of demand of the Department by Ministry of Finance itself mainly under ‘Food Subsidy to FCI’ scheme where an amount of Rs. 77982.54 crore only has been allocated against the demand of Rs. 188025 crore.

During the previous years, the proposals were received and fund was released to the States/UTs on the basis of information provided by them in Schedules prescribed under Food Security (Assistance to State Government) Rules, 2015. An amount of Rs.2500 Crore, Rs.4500 Crore and Rs.3883 Crore had been utilized during the financial year 2016-17, 2017-18 and 2018-19 respectively. Some of the reasons for low expenditure during 2019- 20 are as follows:

(a) Due to non-receipt of proposals and pending UCs or receipt of incomplete/ wrong proposal and UCs, from the States/UTs, the expenditure during 2019-20 has been low.

(b) During the current year, in an attempt to strengthen the process of due diligence, States were required to furnish certain additional certificates and documents. These were not submitted by many States along with their claim proposals and this has delayed the release of funds. Some of these documents include Certificate of payment of fair price shop dealers' margin, certificate of door step delivery, certificate of inclusion exclusion criteria etc.

(c) On recommendations of IFD, new practice of examination of the proposal and working out the admissible amount of Central assistance was adopted during the current year. In the new practice, the details of foodgrains distribution on Annavitran portal have been checked in addition to offtake reported by the Food Corporation of India. Several claims were delayed due to this

(d) As per the instructions of the Department of Expenditure, Ministry of Finance, Government of India, the fund is being released through EAT module on PFMS. As it is for the first time for the NFSA Division as well as the State Government, difficulties are being faced.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2020-AC Dated the 18th June, 2020]

Recommendation (Para No. 2.24)

3.3 The Committee note that the Targeted Public Distribution System (TPDS) is now governed as per the provisions of the National Food Security Act, 2013 (NFSA) which is operated under the joint responsibility of the Central and State/Union Territory Governments. There have been complaints about irregularities in implementation of TPDS in some States/UTs. Since the operational responsibilities of TPDS rest with the State/UT Governments, complaints as and when received are sent to the concerned State/UT Government for enquiry and appropriate action. The Committee observe that as many as 102 complaints have been received in the first 2 months of the year 2020 against the total complaints of 855 received during the year 2019. The Committee further note that as many as 68961 raids were conducted, 13690 persons were arrested/prosecuted/convicted and 10175 Fair Price Shop licences were suspended/cancelled/show-cause notices issued/FIR lodged during the period from January 2017 to 31 December, 2019. While appreciating the measures taken by the Government, the Committee are constrained to observe that, the vigilance and monitoring mechanism in the implementation of the TPDS Scheme needs to be further strengthened so as to ensure more transparency and accountability in the larger interest of the consumers.

Reply of the Government

3.4 This Department issues advisories regularly on vigilance and monitoring mechanisms in the implementation of the TPDS Schemes from time to time so as to ensure more transparency and accountability in the larger interest of the beneficiaries.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2020-AC Dated the 18th June, 2020]

Recommendation (Para No. 3.17)

3.5 The Committee note that capacity utilization of hired storage capacity is more due to some natural phenomenon, however, the utilization of CAP (Owned) capacity of only 15% from 2019-20 to January, 2020 appears to be a bit too low whereas the utilization of CAP (Hired) capacity was 134%. While agreeing that the reasons of natural phenomenon are justifiable to some extent, yet the Committee are unable to accept such a gross under-utilization of Owned CAP storage capacity which indirectly results in wastage of resources. The Committee do not dispute the various constraints cited by the Ministry for under-utilization of owned capacity such as owned capacity under repair and maintenance, not cost effective to take long distance transportation etc., but they desire that hiring of storage capacity may be resorted to only when necessary and every effort should be made to minimize the rent paid to various agencies which is as high as Rs. 1886.97 crore during 2019-20 (upto January, 2020). The Committee, therefore, strongly recommend that FCI should utilize their owned capacity to the maximum

DoP	Rate
General Manager (Region)	Rs. 6.76/quintal/month
Executive Director (Zone)	Rs. 8.60/quintal/month
Headquarters	Beyond Rs. 8.60/quintal/month

(whether covered or CAP) before hiring any storage capacity in order to save precious funds spent on hiring the storage space.

Reply of the Government

3.6 The reason for low utilization of CAP capacity is that it is used only for storage of wheat. However, the CAP storage capacity constitutes a small fraction of total storage capacity i.e only 27.66 LMT against 412.03 MT total capacity (as on 31.05.2020) and the hired CAP capacity is NIL. However, FCI has instructed its field units to get the CAP capacity repaired, whenever required, and to use them at the earliest.

With regard to details of hiring the storage space, it is informed that in order to address the challenge of extremely high level of stocks in Central Pool the Private Warehousing Scheme, (PWS)-2010 is implemented.

Godowns under PWS can be hired as a last resort after hiring all the capacity available with Central Warehousing Corporation (CWC)/State Warehousing Corporations (SWCs)/State Agencies/PEG capacity available with them. CWC and SWCs may also be requested to hire any capacity from private investor and offer the same to FCI on reservation basis.

Under PWS scheme, godowns are hired by FCI from private parties on "Lease with Services" basis as well as "Lease only" through open Tender Enquiry for a minimum period of two years extendable by another one year (maximum). Some salient features of PWS Scheme are as under:-

a) Minimum capacity of godown shall be 2500 MT (however, for hilly area it shall be 1670 MT).

b) The godowns can be de-hired in the extended period after giving three months' prior notice to the party.

c) The godown should have been scientifically constructed, with weigh bridge facilities and office building.

d) The Delegation of Power (DoP) in terms of rates of godown hiring is as follows:

The PWS scheme has now been extended upto 31.03.2021.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2020-AC Dated the 18th June, 2020]

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

-NIL-

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

-NIL-

NEW DELHI;
16 DECEMBER, 2020
25 Agrahayana 1942 (Saka)

SUDIP BANDYOPADHYAY,
CHAIRPERSON,
Standing Committee on Food, Consumer Affairs and Public Distribution.

APPENDIX I

MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021) HELD ON WEDNESDAY, 16 DECEMBER, 2020

The Committee sat from 1100 hrs. to 1300 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

Members

Lok Sabha

2. Shri Karadi Sanganna Amarappa
3. Ms. Pratima Bhoumik
4. Shri Anil Firojiya
5. Shri Bhagwant Mann
6. Shri Khagen Murmu
7. Shri Mitesh Rameshbhai (Bakabhai) Patel
8. Shri Subrat Pathak
9. Smt. Himadri Singh
10. Smt. Kavita Singh
11. Shri Ajay Misra Teni
12. Shri Saptagiri Ulaka
13. Shri Rajmohan Unnithan
14. Shri Ve. Vaithilingam

Rajya Sabha

15. Shri Satish Chandra Dubey
16. Smt. Roopa Ganguly
17. Dr. Fauzia Khan
18. Shri Rajmani Patel

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to: (i) adopt 4 draft Reports on Action Taken by the Government on observations/recommendations contained in Reports on Demands for Grants (2019-20) and also for the year 2020-21 pertaining to the Department of Food and Public Distribution and Department of Consumer Affairs; and (ii) *XXXX XXXX XXXX*. The Committee unanimously adopted the 4 draft Action Taken Reports without any modifications/amendments.

XXXXX

3. *XXXX XXXX XXXX XXXX XXXX XXXX*

4. *XXXX XXXX XXXX XXXX XXXX XXXX*

XXXXX

XXXX XXXX

The Committee then adjourned.

****

XXXXX Matter does not pertain to the Report

APPENDIX II

(*Vide* Para No. 4 of Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE SECOND REPORT OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2019-20)

(SEVENTEENTH LOK SABHA)

(i) Total number of Recommendations: 15

(ii) Observations/Recommendations which have been accepted by the Government :

Para Nos. :- 1.11, 2.7, 2.15, 2.33, 3.8, 3.11, 3.32, 3.33, 3.37, 4.7, 4.13 and 4.17

(Chapter – II, Total -12)
Percentage : 80.00%

(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government

Para Nos.:- 1.10, 2.24 and 3.17

(Chapter – III, Total - 3)

Percentage : 20.00%

(iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para Nos. NIL

(Chapter – IV, Total -0)

Percentage : 0.00%

(v) Observations/Recommendations in respect of which the interim replies of the Government have been received.

Para No.:- NIL

(Chapter – V, Total - 0)

Percentage : 0.00%