

**COMMITTEE ON PAPERS LAID ON THE TABLE**

**(2021-2022)**

**SEVENTEENTH LOK SABHA**

**68**

**SIXTY EIGHTH REPORT**

**[Delay in laying the Annual Reports and Audited Accounts of the  
Food Corporation of India (FCI), New Delhi.]**

**(Presented on 17.12.2021)**



**सत्यमेव जयते**

**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2021/ Agrahayana, 1943(Saka)**

**C O N T E N T S****PAGE**

<b>COMPOSITION OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2021-2022)</b>		<b>(iii)</b>
<b>INTRODUCTION</b>		<b>(v)</b>
<b><u>REPORT</u></b>		
Delay in laying the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi.		<b>1</b>
<b><u>ANNEXURES</u></b>		
<b>I</b>	Statement showing the year wise fund allocated to Food Corporation of India (FCI), Delhi by the Ministry of Consumer Affairs, Food & Public Distribution (the Department of Food & Public Distribution)	10
<b>II</b>	Statement showing the dates of laying of the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi for the years 2015-2016 to 2019-2020.	13
<b>III</b>	Statement showing the year wise the reasons for delays in laying of the Annual Reports and Audited Accounts of the FCI for the years From 2015-2016 to 2019-2020	14
<b>IV</b>	Statement showing the tentative time schedule for closing of the Accounts for the year 2020-21	18
<b>V</b>	The chronological sequence in respect of the finalization of the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi for the years 2015-2016 to 2019-2020	19
<b><u>APPENDICES</u></b>		
<b>I</b>	The Extracts of the Minutes of the sitting of the Committee on Papers Laid on the Table (2020-2021) held on 26.07.2021.	23
<b>II</b>	The Extracts of the Minutes of the third sitting of the Committee on Papers Laid on the Table (2021-2022) held on 13.12.2021.	26

**COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE**  
**(2021-2022)**

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Shri Ritesh Pandey

**MEMBERS**

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3. Shri Margani Bharat
4. Shri Pallab Lochan Das
5. Chowdhury Mohan Jatua
6. Choudhary Mehboob Ali Kaiser
7. Dr. Amol Ramsing Kolhe
8. Dr. A. Chella Kumar
9. Shri Raja Amareshwara Naik
10. Shri Jamyang Tsering Namgyal
11. Smt. Aparupa Poddar
12. Shri T.N. Prathapan
13. Shri S. Ramalingam
14. Shri Saptagiri Sankar Ulaka
15. Shri Ashok Kumar Yadav

**SECRETARIAT**

- |                             |   |                     |
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| 2. Smt. B. Visala           | - | Director            |
| 3. Shri Munish Kumar Rewari | - | Additional Director |
| 4. Smt. Manjinder Pubbi     | - | Under Secretary     |
| 5. Smt. Rajni Bhagat        | - | Committee Officer   |

## **INTRODUCTION**

I, Chairperson of the Committee on Papers Laid on the Table of the House (2021-2022), having been authorized by the Committee to present this Report on their behalf, present this Sixty eighth Report in respect of the delay in laying the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi.

2. In terms of the recommendations of the Committee on Papers Laid on the Table contained in their First Report, Second Report (5th Lok Sabha) and Second Report (6th Lok Sabha) presented to the House on 08 March 1976; 12 May 1976 and 22 December 1977 respectively, the Annual Reports and Audited Accounts of the Organisation/Company are required to be laid on the Table of the House within nine months of the closure of the respective accounting year.

3. The Committee considered the matter of the delays in laying the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi and took oral evidence of the representatives of the Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution and the FCI, New Delhi in this regard at their sitting held on 26.07.2021.

4. The Committee considered and adopted this Report at their sitting held on 13.12.2021.

5. The Committee wish to express their thanks to the officers of Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution and the Food Corporation of India (FCI), New Delhi for furnishing the written replies, other material/information and for placing their views in the matter before the Committee.

6. The Observations / Recommendations of the Committee have been printed in bold letters at the end of the Report.

**New Delhi  
15<sup>th</sup> December, 2021  
24 Agrahayana, 1943 (Saka)**

**Ritesh Pandey  
Chairperson  
Committee on Papers Laid on the Table  
Lok Sabha**

## Report

### **Delay in laying the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi.**

The Food Corporation of India (FCI) is a Public Sector Undertaking established under the Food Corporation Act, 1964 under the Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution.

The functions of the FCI primarily consist of Procurement, Storage, Movement, Transportation and Distribution of food grains on behalf of the Central Government. Procurement of food grains is made at Minimum Support Price (MSP) and is distributed at the Central Issue Price (CIP).

As per Section 7(1) of the Food Corporations Act, 1964, the Board of Directors of the FCI shall consist of 12 Directors. At present, there are 8 (Eight) Directors of the Board of the FCI.

2. On the question of the Act, Rule or Regulation under which Papers of the FCI are being laid on the Table of the House, the Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public distribution) in their written replies dated 20 July, 2021 submitted that:

*" 1. Under Section 34(4) and Section 35 of the Food Corporations Act, 1964 and the Food Corporations (Amendment) Act, 2000, the Annual Accounts of the FCI are laid on the Table of House.*

*2. Further, the Department of Public Enterprises office memorandum no. 3(7)/2002-Fin.-GL-XX dated 28th August, 2003, provides guidelines for Laying of the Annual Reports and Audited Accounts of the Statutory Corporations and of the Government Companies under the Companies Act, 2013, on the Table of the House."*

3. On being enquired by the Committee, the provision and the time for laying of those Papers on the Table in the said Act, Rule or Regulation, the Ministry in their written replies submitted that -

*" (A) The Food Corporations (Amendment) Act, 2000, under Section 34(4) provides as follows;*

*The accounts of a Food Corporation as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually by the Comptroller and Auditor-General of India to:-*

- (i) The Food Corporation concerned,*
- (ii) where the accounts relates to a State Food Corporation, also to the Food Corporation of India.*
- (iii) the Central Government*

*and that Government shall, as soon thereafter as may be, cause the same to be laid before both Houses of Parliament".*

*Further Section 35 of the Food Corporations Act, 1964 stipulates as follows:*

*(1) A Food Corporation shall, as soon as possible after the end of each year, submit to the Central Government an annual report on the working and affairs of the Corporation.*

*(2) The Central Government shall, as soon as may be after the receipt of such report, cause such report and the audit report received under Section 34 (together with any comments thereon or supplement thereto by the Comptroller and Auditor-General of India) to be laid before both Houses of Parliament.*

*(B) Para 2.1 of DPE O.M. No. 3(7)/2002-Fin.-GL-XX dated 28th August,2003 provides for laying of the Annual Reports and Audited Accounts of Statutory Corporations and of Government Companies under the Companies Act, 2013, on the Table of the House. The relevant para is as under:*

*"The administrative Ministries who are responsible for laying the reports of central PSEs under their control before Parliament are required to exercise*

*greater vigilance and devise suitable procedure to ensure that such reports and accounts are laid before Parliament **within the stipulated period of nine months of the close of the accounting year.** The Annual Report and the audited accounts should be presented to the Parliament together to enable the House to have a complete picture of the working of that PSU. The meeting of the Board of Directors / Trustees needs to be held in time to ensure the aforesaid compliance”.*

4. On being asked by the Committee to furnish the year-wise funds released by the Government of India to the FCI during the last five years, the Ministry furnished the information, which is placed in a statement at **Annexure-I.**

5. The Committee have, in their First Report (5<sup>th</sup> Lok Sabha) presented to the House on 08 March, 1976, emphasized that the Autonomous Organizations should lay their Annual Report, Audited Accounts and Review Statements within nine months of the close of the respective Accounting Year. Further, it is the responsibility of the Administrative Ministry to lay the Annual Report and Audited Accounts of the Organization on the Table of the House. However, if for any reason, the Annual Report and Audited Accounts could not be laid within the prescribed period of nine months, the Ministry concerned should lay a statement within 30 days of the expiry of the said period or as soon as the House meets, whichever is later, explaining the reasons as to why the documents could not be laid in time.

6. The examination of the Annual Reports and Audited Accounts of the FCI for the years from 2015-2016 to 2019-2020 have revealed that the requisite documents of the FCI were laid before the Parliament (Lok Sabha) by the Department of Food & Public Distribution, the Ministry of Consumer Affairs, Food & Public Distribution with delays ranging from 02 months to 14 months. The actual dates of laying of the Annual Reports/Audited Accounts of the FCI for the aforesaid years along with the extent of delay are placed at **Annexure-II.**

7. The Committee desired to know the reasons for the delays in laying the Annual Reports and Audited Accounts of the FCI, New Delhi, for the years from 2015-2016 to 2019-2020, the replies furnished by the Ministry are placed at **Annexure-III.**

8. On the question whether the Ministry agreed that the delays in laying the documents indicate that due importance was not given to timely laying of the Papers before the Parliament and things were taken in a casual manner, the Ministry replied that :

*"...Due importance was given to timely laying of the Papers before Parliament. The Ministry/FCI have monitoring mechanism in place. The status of preparation of Accounts and Audit thereof is regularly reviewed in the Audit Committee, which is a sub-committee of the Board of Directors. The Audit committee has two representatives of Department of Food & Public Distribution."*

9. The Committee asked the Ministry/FCI to furnish the details with respect to the dates and the actual time taken at different stages, i.e. from approaching the Auditors, upto the laying of the Annual Reports and Audited Accounts of the FCI before Parliament, for the years 2015-2016 to 2019-2020. The statement hence, prepared is placed at **Annexure-IV**.

10. On being enquired by the Committee about any delay in the appointment of auditors for the purpose of auditing the Annual Accounts of the FCI during the said years, the Ministry in their written replies submitted as under:-

*"No. As per section 34(4) of the Food Corporation (Amendment) Act 2000, C&AG is the sole Auditor for the Audit of the Accounts of the corporation."*

11. When asked about the procedure for auditing the Annual accounts and timely receipt of the final Audit Reports from the Audit Authorities after the submission of the Annual Accounts to the Auditors, the Ministry in their written replies stated as under:

*"The Ministry has monitoring mechanism in place. The status of preparation of Accounts and Audit thereof is regularly reviewed in the Audit Committee, which is a sub-committee of the Board of Directors. It has two representatives of Department of Food & Public Distribution."*

12. On being asked as to whether the process of accounting has been computerized to facilitate a speedy and timely compilation of accounts of the FCI, the Ministry stated that-



"Yes. Corporation has a computerised accounting system (Oracle Financials) since 2013-14, for ensuring the accurate and timely recording of the accounting transactions."

13. On a specific query as to whether the Ministry/FCI have any internal auditing mechanism to ensure timely compilation of the Accounts and also to minimize the audit queries at the time of auditing, the Ministry in their written replies stated that -

*"FCI has an Internal Audit System for Auditing of the Transactions and the Accounts of the Corporation. Audit of the Accounts is done after the end of the financial year within limited time frame, to ensure timely finalization of the Annual Report.*

*It is ensured that the past audit observations are duly complied with so that there are minimum queries."*

14. It was stated by the Ministry in their written replies that they have no problems in translation of the documents into Hindi version and subsequent printing thereof. They have also not faced any procedural difficulties in convening the meeting of the competent authorities for getting the approval of the documents of the FCI.

15. When asked whether any time schedule has been laid down by the Ministry indicating the normative time for completion of the task at each stage involved in the finalisation of the documents by them, the Ministry in written replies submitted as under:-

*"Yes. There is a normative time limit for all such activities. In the current year schedule, time limit for various activities has been reassessed. A schedule for laying the Annual Report and Audited Accounts for the year 2020-21, before the Parliament is prepared and shared with C&AG."*

A statement showing the tentative time schedule for closing of Accounts for the year 2020-21, as sent by the Ministry is placed at **Annexure V**.

16. The Committee desired to know whether there is any mechanism in place in the Ministry to monitor the progress at each stage of the finalization of documents of the FCI, so as

to ensure a timely laying of the documents. In response, the Ministry in their written replies stated that-

*"The Ministry has monitoring mechanism in place. The status of preparation of Accounts and Audit thereof is regularly reviewed in the Audit Committee, which is a sub-committee of the Board of Directors. It has two representatives of Department of Food & Public Distribution. Audit Committee has reviewed the status of the progress of Audit of the Accounts for the year 2020-21 in its meeting held on 08.07.2021."*

17. The Committee also questioned the Ministry/FCI as to whether any remedial measures had been taken or proposed to be taken both by the Ministry and the FCI to ensure timely laying of the documents before Parliament, in future. The Ministry in their written replies submitted that:

*"The delay on the part of C&AG is consistently taken up with C&AG office. A schedule for laying the Annual Report and Audited Accounts for the year 2020-21, before the Parliament is prepared and shared with C&AG ....."*

18. In order to elaborate the reasons for delays in laying the Annual Reports and Audited Accounts of the FCI, New Delhi for the years 2015-2016 to 2019-2020, the Committee took oral evidence of the representatives of the administrative Ministry and the FCI, New Delhi, on 26 July, 2021.

19. During the evidence, while appearing before the Committee, the Secretary to the Ministry clarified that there were no delays at the stage of compilation of annual accounts and submitted that -

*"...By 15<sup>th</sup> June we have to do. We are actually doing it around that time. If you see 2016-17, we have done on 21<sup>st</sup> June; ... 2018-19; on done on 12<sup>th</sup> June. It is not exactly on that day. Like this year, we were supposed to do on 15<sup>th</sup> June, we have started handing over our accounts on 11<sup>th</sup> May till 5<sup>th</sup> of June. We have finished this year before the stipulated timeline. Then, they get 60 days after the*

*submission and 60 days for auditing, completely the entire exercise in 60 days. They are doing it in 100, 117, 155, 88 days where they are taking quite a bit of time. "*

20. On being enquired by the Committee as to whether the matter for early furnishing of the Audit Report was taken up with the C&AG, the representative of the Ministry replied that they had continuously taken up the matter with audit authorities for expediting the same.

21. It is pertinent to mention here that the matter regarding the long time taken by the C&AG in auditing of the Annual Accounts and furnishing the final Audit Report of the various organisations was taken up with them. In their written replies submitted before the Committee, it has been stated that if the approved accounts are submitted to the C&AG for auditing within the time schedule by the Audit Authorities and the replies to the queries raised by them are given within the prescribed time, the delays on this score could have been avoided.

22. The Committee would like to draw the attention of the Ministry to their earlier Reports where they had examined the reasons for delays in laying the Annual Reports and Audited Accounts of the FCI and made recommendations in their 14<sup>th</sup> Report, 7th Lok Sabha and 4<sup>th</sup> Report, 14th Lok Sabha (1990-91). Though, the Ministry assured the Committee for timely laying of the documents of the FCI, however, no improvement has been noticed by the Committee in this regard.

### Observations/Recommendations

23 The Committee take a serious view of the fact that the Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution has been a defaulter in the matter of timely laying of the Annual Reports and Audited Accounts of the Food Corporation of India, Delhi. A scrutiny of the dates of laying of these documents of the FCI pertaining to the years from 2015-2016 to 2019-2020 shows that the delays in laying the documents ranged from 02 months to 14 months. Earlier, the Committee had taken up the matter of delays in laying the requisite documents of the FCI, for the years from 1978-1979 to 1980-1981 in their 7<sup>th</sup> Report (10<sup>th</sup> Lok Sabha) and for the years from 2002-2003 and 2003-2004 in their 5<sup>th</sup> Report (14<sup>th</sup> Lok Sabha). Though the Ministry had taken some of the remedial measures for timely laying of the documents, however, there is no improvement in laying of the documents of the FCI for subsequent years. The Committee consider this as grave irregularity on the part of the Administrative Ministry/ FCI which cannot be overlooked. The Committee, therefore, strongly recommend to the Ministry to pay utmost attention to the recommendations of the Committee by making all-out efforts to ensure that in future the Annual Reports and Audited Accounts of the FCI are laid on the Table of the House within the stipulated time. The Committee would like to be apprised of the initiatives taken/being taken by the Ministry in this regard.

24 The Committee note that in the instant case, the Annual Accounts of the FCI are audited by the C&AG at two stages. At first, the Annual Accounts are audited by the C&AG at each Branch of the FCI and then these are sent to the Head Office where the consolidated Annual Accounts of the FCI are again audited by C&AG. Time taken by the C&AG in auditing of the Annual Accounts of the FCI at the Branch level and then at the Corporate level was stated to be the main reason for delays. It was apprised to the Committee that the C&AG took 69 days to 155 days at the stage of the Branch level audit and then again they took 79 days to 189 days at the stage of auditing of the Annual Accounts of the FCI at the Corporate level. From the replies furnished by the Ministry, the Committee could not find any justification in the time taken by the Audit Authorities in this regard. The Committee, therefore, desire to know the nature of queries raised by

**the audit authorises and the time taken by the Ministry/FCI to resolve the queries so that the Committee may identify the stages where the delays had actually occurred.**

**The Committee also recommend that the FCI should follow the General Financial Rules and plan in such a way that the Annual Accounts of the FCI, after audited by C&AG at first stage, should be compiled within 03 months after the closure of the respective Accounting year so that the C&AG could issue the final Audit Report by 31st October of the respective Accounting year.**

**25. The Committee also observed from the time schedule laid down by the Ministry that the documents of the FCI for subsequent years would be submitted to the Ministry by 20<sup>th</sup> December every year for being laid on the Table of the House by 31 December. On being specifically pointed out by the Committee during evidence that the session of the Lok Sabha normally concludes by third week of the December, the Ministry/FCI assured the Committee that they would reschedule the timeline so that the documents of the FCI would be laid within the stipulated time in future.**

**26. The Committee further observed that the Ministry had failed to comply with the recommendation made in their earlier Reports regarding laying of a statement within 30 days of the expiry of the prescribed period or as soon as the House meets, whichever is later, explaining the reasons as to why the requisite documents could not be laid within the stipulated period. Therefore, the Committee strongly recommend to the Ministry to lay this statement as per the recommendation of the Committee.**

**New Delhi  
\_\_\_\_\_, 2021  
\_\_\_\_\_, 1943 (Saka)**

**Ritesh Pandey  
Chairperson  
Committee on Papers Laid on the Table  
Lok Sabha**

## Annexure-I

### **Statement showing the year wise fund allocated to Food Corporation of India (FCI), Delhi by the Ministry of Consumer Affairs, Food & Public Distribution (the Department of Food & Public Distribution)**

Food Corporation of India (FCI) executes the Government of India (GOI) programme like providing support price to farmers, making available food grains for Public Distribution System (PDS) & National Food Security Act (NFSA) and maintaining buffer stock of food grains. For the above operations, GOI provides funds in the shape of food subsidy, Equity Capital, Guarantee for Cash Credit Limit, Long Term Bonds, Ways & Means Advance and National Small Saving Fund (NSSF) Loan to FCI.

4.1 The food subsidy incurred by FCI and provided by GoI to FCI since 2015-16 are as under:

-

(Rs. in crore)

Year	Opening Balance of arrear subsidy	Subsidy claimed during the year	Total subsidy due	Total Subsidy received during the Year	Closing Balance of subsidy as per balance sheet
1	2	3	4 (2+3)	5	(6) =( 4-5)
2015-16	58,654	1,03,383	1,62,037	1,12,000	50,037
2016-17	50,037	1,09,600	1,59,637	78,334	81,303
2017-18	81,303	1,16,501	1,97,804	61,982	1,35,822
2018-19	1,35,822	1,20,447	2,56,269	70,098	1,86,171
2019-20	1,86,171	1,32,608	3,18,779	75,000	2,43,779
2020-21 (RE)	2,43,779	2,19,010*	4,62,789	4,62,789	-
2021-22 (BE)	-	1,58,791*	1,58,791	74,500 <sup>#</sup>	84,291

\* 95% of Subsidy

# Subsidy Received as on 30.06.2021

4.2 Equity Capital for the last three years is as under: -

(Rs. in crore)

Year	2019	2020	2021
Authorized Capital	3500	10,000	10,000
Paid up Capital as at 31 <sup>st</sup> March	3447.58	4496.58	5536.58

Equity capital as on 30.06.2021 is Rs 8036.58 cr.

4.3 Besides food subsidy, FCI also requires working capital to maintain stock of food grains. Stock of food grain with FCI as on 31.03.2021 is valued at Rs.1,00,937.10 crore. Government of India provides loan to FCI or guarantee to avail loan from banks. The details of such loans/guarantee are as follows:

- i. DFPD, Ministry of Consumer Affairs Food & Public Distribution, GOI provides guarantee to a Consortium of Bank headed by State Bank of India for providing Cash Credit limit (CCL) to FCI. The amount of Govt. guarantee was Rs.54,495 crore upto 31.03.2016, and was reduced to Rs.9,495 crore in February, 2017 after release of NSSF loan of Rs. 45,000 crore by Government of India. In addition to this, another guarantee for Rs 1500 crore for providing Cash Credit Limit to FCI for pulse operations has been provided , by Ministry of Agriculture, GOI to State Bank of India. GOI also provides guarantee for issue of Bonds. Outstanding Bonds as on 31.03.2021 is Rs. 37,000.00 crores.
- ii. GoI provides Ways and Means Advance (WMA) to FCI to meet out the additional requirement of fund. This is repaid to government before end of the financial year. Detail of WMA provided by the GoI during the last six years are as under:-

**(Rs. in crore)**

<b>Year</b>	<b>WMA Provision by GoI of India</b>	<b>WMA availed by FCI</b>
2015-16	20,000	20,000
2016-17	40,000	23,000
2017-18	50,000	50,000
2018-19	50,000	12,000
2019-20	50,000	NIL
2020-21	50,000	10,000
2021-22( upto 30.06.21)	50,000	NIL

**(iii) NSSF Loan:**

The NSSF Loans were sanctioned to FCI during 2016-17 to 2020-21, in lieu of food subsidy, as off-balance sheet expenditure of the Government. These loans were for a period of 5 years and to be repaid in equal annual installments. However, these Loans have been fully repaid during 2020-21, out of additional subsidy provided by GoI.

The details of NSSF loans provided to FCI since 2016-17 is as under: -

<b>NSSF Loan by Government of India</b>					
(Rs. In Crore)					
<b>Year</b>	<b>Opening Balance as on 1<sup>st</sup> April</b>	<b>Loan Sanctioned &amp; Availed During F.Y</b>	<b>Repayment During the F.Y</b>	<b>Outstanding as on 31<sup>st</sup>, March</b>	<b>Rate of Interest (%)</b>
2016-17	NIL	70,000	NIL	70,000	8.80
2017-18	70,000	65,000	14,000	1,21,000	8.40
2018-19	1,21,000	97,000	27,000	1,91,000	8.52
2019-20	1,91,000	1,10,000	46,400	2,54,600	8.50
2020-21	2,54,600	84,636	3,39,236	NIL	7.40



**Annexure-II**

**Statement showing the dates of laying of the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi for the years 2015-2016 to 2019-2020.**

<b>Years</b>	<b>Due date</b>	<b>Date of laying of Annual Reports and Audited Accounts</b>	<b>Extent of delay (approximate)</b>
2015-2016	31.12.2016	11.04.2017	03 months and 11 days
2016-2017	31.12.2017	20.03.2018	02 months and 20 days
2017-2018	31.12.2018	09.07.2019	06 months and 09 days
2018-2019	31.12.2019	02.03.2021	14 months and 02 days
2019-2020	31.12.2020	10.8.2021	07 months and 10 days

**Annexure-III**

**Statement showing the year wise the reasons for delays in laying of the Annual Reports and Audited Accounts of the FCI for the years From 2015-2016 to 2019-2020**

The main reasons of delay in laying the Annual Reports and Accounts are as under:-

**Preparation of Accounts at Branch level:**

Accounts are first prepared at branch level and then handed over to C&AG for Audit. Time taken for preparation of branch level accounts for last 5 year is as under:-

<b>Year</b>	<b>Date of submission of last account to C&amp;AG</b>	<b>Time taken (in days)</b>	<b>Normative time (in days)</b>
2015-16	17.08.2016	139	75
2016-17	21.06.2017	82	75
2017-18	13.06.2018	74	75
2018-19	12.06.2019	73	75
2019-20	06.08.2020	128	75

It can be observed that there was delay in 2015-16 and 2016-17. There was no delay during 2017-18 to 2018-19. The Delay during the year 2019-20 was due to lockdown imposed in view of COVID pandemic.

**C&AG audit as branch level:-**

<b>Year</b>	<b>Date of last exit conference by C&amp;AG</b>	<b>Time taken (in days)</b>	<b>Normative time (in days)</b>
2015-16	25.10.2016	69	60
2016-17	29.09.2017	100	60
2017-18	08.10.2018	117	60
2018-19	14.11.2019	155	60
2019-20	02.11.2020	88	60

The matter regarding delay on the part of C&AG is regularly taken up with the C&AG office. It can be observed that there is remarkable improvement in 2019-20 in spite of COVID pandemic situation.

**Preparation of Accounts at Corporate office:**

<b>Year</b>	<b>Date of Approval of Annual Accounts by BOD</b>	<b>Time taken (in days)</b>	<b>Normative time (in days)</b>
2015-16	18.11.2016	24	45
2016-17	28.10.2017	29	45
2017-18	14.11.2018	37	45
2018-19	18.12.2019	34	45
2019-20	06.01.2021	65	45

It can be observed that there was no delay from 2015-16 to 2018-19. The Delay during the year 2019-20 was due to prevailing COVID pandemic situation.

**C&AG audit as Corporate level:-**

<b>Year</b>	<b>Date of issue of Final Audit report</b>	<b>Time taken (in days)</b>	<b>Normative time (in days)</b>
2015-16	08.02.2017	79	40
2016-17	09.02.2018	102	40
2017-18	02.05.2019	169	40
2018-19	24.06.2020	189	40
2019-20	25.06.2021	168	40

The matter regarding delay on the part of C&AG is regularly taken up with the C&AG office. The delay during 2018-19 and 2019-20 was mainly due to lockdown imposed in view of COVID pandemic and prevailing pandemic situation.

**C&AG is sole Auditor:-**

Unlike other PSUs, C&AG is the sole auditor for FCI. C&AG does two stage audit i.e. branch level and corporate level. During the First phase Audit of FCI, C&AG teams also remain busy with Supplementary Audit of other CPSE's for which, adequate resources are not deployed exclusively for FCI Audit. Thus the First stage audit process consumes more time. This matter has been regularly followed up with the concerned C&AG authorities to speed up the Audit proceeding. Time taken by C&AG to complete two stage audits in last Five years are given below:-

**The time taken by C&AG (No. of days) during last five years**

<b>S.NO.</b>	<b>ACTIVITY</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
1	Ist phase of Audit	69	100	117	155	88
2	IInd phase of Audit	79	102	169	189	168
	<b>Total</b>	<b>148</b>	<b>202</b>	<b>286</b>	<b>344</b>	<b>256</b>

**Annexure-IV**

**Statement showing the tentative time schedule for closing of the Accounts for the year 2020-21**

<b>Sl. No.</b>	<b>Activity</b>	<b>Normative time</b>	<b>Tentative plan for 2020-21</b>	<b>No. of days as per plan</b>
1	Preparation of Accounts at field level and submission to CAG	15 Jun	10.05.2021 to 31.05.2021	40 to 61
2	Completion of CAG audit at field level	15 Aug	11.05.2021 to 23.06.2021	44
3	Reply of CAG Audit para	15 Aug	30.06.2021	7
4	Issue of Draft Report by CAG at RO	15 Aug	10.07.2021	10
5	Exit Conference at Zonal Office level	15 Aug	21.07.2021	11
6	Consolidation of All India Accounts by FCI and adoption by BOD	30 Sep	31.08.2021	41
7	Completion of Audit by CAG at All India level	25 Oct	30.09.2021	30
8	Issue of Final Audit Report by CAG	10 Nov	31.10.2021	31
9	Preparation of reply, Approval by BOD, Printing of Annual Report and submission to GoI	20 Dec	30.11.2021	30
10	Laying of Annual Report on the table of Parliament by the Ministry	30 Dec	31.12.2021	31
	<b>Total</b>			<b>275</b>

Annexure-V

**The chronological sequence in respect of the finalization of the Annual Reports and Audited Accounts of the Food Corporation of India (FCI), New Delhi for the years 2015-2016 to 2019-2020**

Information in respect of finalization of annual reports and audited accounts of the Food Corporation of India (FCI), New Delhi and the time taken by the Ministry at each stage for the years from 2015-2016 to 2019-2020 are as follows:-

Sub-Question	Points	Financial Years				
		2015-16	2016-17	2017-18	2018-19	2019-20
7 (i)	Date of approach to the Audit Authorities	As per Section 34(4) of Food Corporation Act (Amendment) 2000, C&AG is the Sole Auditor.				
	Time taken after the closure of Accounting year					
7(ii)	Date of appointment of statutory auditors					
	Time taken after the approaching the audit authorities for appointment of auditors					
7(iii)	Date of compilation of annual Accounts ( <b>BOD Meeting Date at which Accounts for the year got approved</b> )	18.11.2016	28.10.2017	14.11.2018	18.12.2019	06.01.2021
	Time taken after the closure of the accounting Year *	232	211	228	262	281

<b>7(iv)</b>	Date of submission of annual accounts to auditors	21.11.2016	30.10.2017	14.11.2018	18.12.2019	08.01.2021
	Time taken after closure of respective accounting year	235	213	228	262	283
<b>7(v)</b>	The date and duration for auditing the annual accounts by statutory auditors	21.11.2016 to 16.12.2016 (25 days)	30.10.2017 to 29.11.2017 (30 days)	14.11.2018 to 31.12.2018 (47 days)	18.12.2019 to 07.02.2019 (51 days)	08.01.2021 to 24.02.2021 (47 days)
<b>7(vi)</b>	The date of queries raised by auditors during auditing/ after completion of the Annual Accounts	21.11.2016 to 16.12.2016	30.10.2017 to 01.12.2017	14.11.2018 to 04.01.2019	18.12.2019 to 07.02.2020	08.01.2021 to 26.02.2021
	Time taken by auditors in raising the queries during auditing/after completion of the Annual Accounts to Audit Authorities	25 days	32 days	51 days	51 days	49 days
<b>7(vii)</b>	The date on which the replies to the audit queries were furnished to the Auditors	16.12.2016	01.12.2017	04.01.2019	07.02.2020	26.02.2021
	The time taken to resolve the queries	Replies to the Audit Queries are submitted concurrently.				
<b>7(viii)</b>	The date on which draft Audit Report was issued by Audit Authorities	19.12.2016	08.12.2017	09.01.2019	18.02.2020	08.03.2021
	Time taken after auditing of the annual accounts	3 days	9 days	9 days	11 days	12 days
<b>7(ix)</b>	The date on which the final Audit Report received by Organization	08.02.2017	09.02.2018	02.05.2019	24.06.2020	25.06.2021
	Time taken after issue of draft report	51 days	63 days	113 days	127 days	109 days



7(x)	Total time taken by the audit authorities after receiving of the annual accounts to furnishing the final audit report to the organisation	79 days	102 days	169 days	189 days	168 days
7(xi)	Date of finalization of the annual report (Reply to the Final Audit Report)	13.02.2017	15.02.2018	10.05.2019	29.06.2020	28.06.2021
	Time taken after the closure of the financial year; and also	319 days	321 days	405 days	456 days	454 days
	Time taken after the receipt of the final audit report	5 days	6 days	8 days	5 days	3 days
7(xii)	The date on which documents ( <b>reply to Final Audit Report</b> ) were got approved from the Competent Authority ( <b>BOD</b> )	22.02.2017	23.02.2018	28.05.2019	20.07.2020	08.07.2021
	Time taken after finalization of Annual Report	9 days	8 days	18 days	21 days	10 days
	Time taken after receipt of final audit report	14 days	14 days	26 days	26 days	13 days
7(xiii)	The date on which documents were taken up for translation & printing	22.02.2017	23.02.2018	28.05.2019	20.07.2020	08.07.2021
	The time taken for completing the task at each stage.	Concurrent				

7(xiv)	The date for sending the documents to the Ministry for being laid in the House after the completion the task at each stage.	08.03.2017	07.03.2018	17.06.2019	26.08.2020	To be submitted
	Time taken by the organisations in sending the documents to the Ministry	14 days	12 days	20 days	37 days	-
7(xv)	The date of laying the documents in the House.	31.03.2017 (RS)	16.03.2018 (RS) 20-03-2018 (LS)	09-07-2019 (RS) 13-07-2019 (LS)	05-02-2021 (RS) 02-02-2021 (LS)	-*
		11.04.2017 (LS)				
	Time taken after receipt of the documents from the Organisation	34 days	13 days	26 days	163 days	-

Note- \* These days includes the time taken by C&AG for branch level Audit. Details of the Time taken by C&AG for branch level Audit (in days) are as follows:-

ACTIVITY	2015-16	2016-17	2017-18	2018-19	2019-20
Branch Level Audit	69	100	117	155	88

**NOTE:** The Annual Report, Audited Accounts, Review and Delay statement laid on 10.08.2021.

**APPENDIX-I**

**EXTRACTS OF THE MINUTES OF THE TENTH SITTING OF THE  
COMMITTEE ON PAPERS LAID ON THE TABLE (2020-2021)**

The Committee sat on Monday, 26<sup>th</sup> July, 2021 from 15:00 hrs. to 16:30 hrs. in Committee Room '01', Parliament House Annexe Extension Building, New Delhi.

**PRESENT**

Shri Ritesh Pandey - **Chairperson**

**MEMBERS**

2. Shri Pallab Lochan Das
3. Choudhary Mehboob Ali Kaiser
4. Smt. Aparupa Poddar
5. Shri Saptagiri Ulaka

**SECRETARIAT**

1. Smt. Suman Arora - Joint Secretary
2. Shri Munish Kumar Rewari - Additional Director
3. Smt. Manjinder Pubbi - Under Secretary

**THE REPRESENTATIVES OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DEPARTMENT OF FOOD & PUBLIC DISTRIBUTION) AND THE FOOD CORPORATION OF INDIA, NEW DELHI**

1. Shri Sudhanshu Pandey - Secretary
2. Shri Gudey Srinivas - AS&FA
3. Shri Sanjiv Kumar - Joint Secretary
4. Smt. Nandita Gupta - Joint Secretary
5. Shri Atish Chandra - CMD, Food Corporation of India (FCI)

2. At the outset, the Chairperson welcomed the Members of the Committee to the sitting and explained the purpose of convening the meeting.

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5. Thereafter, the Committee took up the matter of the delays in laying the Annual Reports and Audited Accounts of the Food Corporation of India, New Delhi for the years from 2015-2016 to 2019-2020.

6. The Committee then called the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) and the Food Corporation of India (FCI), New Delhi to take oral evidence with regard to the delays in laying the Annual Reports and Audited Accounts of the FCI for the years from 2015-2016 to 2019-2020.

7. The Chairperson welcomed the representatives of the Ministry and the FCI to the sitting of the Committee and explained the purpose of convening the meeting. The Chairperson also informed the witnesses about the provisions of Direction 58 of Directions by the Speaker, Lok Sabha, regarding the confidentiality of the proceedings.

8. At first the Hon'ble Chairperson and Choudhary Mehboob Ali Kaiser, the Member of the Committee, wanted to know the procedure, being followed by the FCI, regarding the procurement, storage, movement, transportation and distribution of the food grains as per their mandate. Then the representative of the Ministry made a brief Power Point presentation about genesis and functions of the FCI.

9. The Committee observed that dual system of auditing by the CAG (one is at Branch level and other is at Corporate level) is one of the main reason for the delays of the aforesaid years. The Committee also observed that the CAG took 51 days to 127 days in furnishing the final Audit Reports for the years from 2015-2016 to 2018-2019 after issuing the draft audit reports for these years. On being enquired by the Committee, as to whether the issue for early furnishing of the final audit Reports for these years was taken by the Ministry/FCI with audit authorities, they

submitted that the matter was taken up with the audit authorities and they had issued letters to the office of the CAG in this regard.

10. The Chairperson also observed from the time schedule laid down by the Ministry that the documents of the FCI for subsequent years would be submitted to the Ministry by 20<sup>th</sup> December every year for being laid on the Table of the House by 31 December. On being specifically pointed out by the Chairperson that the session of the Lok Sabha normally concludes by third week of the December, the Ministry/FCI assured the Committee that they would reschedule the timeline so that the documents of the FCI would be laid within the stipulated time in future, as it is Constitutional duty of the Ministry that these number and figures are very much in the public domain on time to scrutinize it.

Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and the FCI for the useful discussion in connection with the examination of the subject.

The witnesses then withdrew.

**The Committee then adjourned.**

**THE EXTRACTS OF THE MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2021-2022) HELD ON 13.12.2021**

The Committee sat on Monday, 13<sup>th</sup> December, 2021 from 1500 hours to 1630 hours in Committee Room "C", Parliament House Annexe , New Delhi.

**PRESENT**

Shri Ritesh Pandey - **Chairperson**

**MEMBERS**

2. Shri PallabLochan Das
3. Choudhary Mehboob Ali Kaiser
4. Shri Raja Amareshwara Naik
5. Shri Saptagiri Sankar Ulaka

**SECRETARIAT**

1. Smt. Suman Arora - Joint Secretary
2. Shri Munish Kumar Rewari - Additional Director
3. Smt. Manjinder Pubbi - Under Secretary

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2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee.

3. Thereafter, the Committee took up the Ten (10) draft Reports/Action Taken Reports regarding the delay in laying the Annual Report and Audited Accounts of the following organisation for the consideration :-

- |       |   |   |   |        |
|-------|---|---|---|--------|
| i.    | X   | X | X | X;     |
| ii.   | X   | X | X | X;     |
| iii.  | X   | X | X | X;     |
| iv.   | X   | X | X | X;     |
| v.    | Food Corporation of India (FCI), New Delhi; |   |   |        |
| vi.   | X   | X | X | X;     |
| vii.  | X   | X | X | X;     |
| viii. | X   | X | X | X;     |
| ix)   | X   | X | X | X; and |
| x)    | X   | X | X | X.     |

4. After deliberations, the Committee adopted the all Ten (10) draft Reports/Action Taken Reports without modifications.

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**The Committee then adjourned.**

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