

LOK SABHA DEBATES

LOK SABHA

*Friday, April 4, 1986/
Chaitra 14, 1908 (Saka)*

*The Lok Sabha met at
Eleven of the Clock.*

[MR. DEPUTY SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

Construction of godowns by private parties for hire by F.C.I.

*555. SHRI JAGANNATH PATTNAIK : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that initiative has been taken by Food Corporation of India to encourage private parties to construct godowns and rent it out to the Corporation; and

(b) if so, the details of the scheme and the States covered by this scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) Yes, Sir.

(b) A statement is given below.

Statement

The Food Corporation of India has advertised a scheme to get additional storage capacity of 2.5 million tonnes constructed through private parties. The

salient features of the scheme are as follows :

- (i) The minimum capacity to be constructed by the private parties at a place would be 5,000 tonnes or a multiple thereof.
- (ii) The parties should have physical possession of the land and also clear title to it.
- (iii) The land should be suitably located keeping in view its distance from the rail-head/mandies/ existing FCI depots and should be on or near the broad gauge points which should be equipped with railways siding facilities for handling full or half rakes.
- (iv) The parties would be required to invest at least 25% of the estimated cost of construction and may get loans from the banks for the balance 75% of the cost.
- (v) The construction would be in accordance with FCI's specifications, designs and layout plans.
- (vi) The guarantee to be given by FCI for occupation of godowns would be initially for a period of 5 years, extendable by two years at the option of the FCI.
- (vii) The permissible period of construction for a godown upto 10,000 tonnes would be 9 months and for godowns with a higher capacity it would be 12 months effective from the date of agreement with FCI.
- (viii) The rent payable by FCI would be Re. 1.00 per sq. ft. per month for godowns in rural areas and Rs. 1.15 per sq. ft. per month for godowns in urban areas.

The States/Union Territories proposed to be covered under the scheme are Andhra Pradesh, Assam, Arunachal Pradesh, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Manipur, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal.

SHRI JAGANNATH PATTNAIK : What is the total storage capacity available with the FCI to preserve food procured as on 31st January, 1986 and the total quantum of foodgrains annually procured by the FCI? At least, the figures for 1983-84 and 1984-85 may be supplied.

SHRI A.K. PANJA : We are taking First July 1984 because that is the peak procurement time. As on First July, 1984, the stock was 22.48 million tonnes and the storage capacity required at the 85 per cent utilization was 26.45 million tonnes. The storage capacity was 22.65 million tonnes. The gap was 3.80 million tonnes. Again on First July, 1985, the total stock was 28.65 million tonnes and the storage requirement at 85 per cent utilization was 33.70 million tonnes. The storage capacity was 23.81 million tonnes. The gap was 9.89 million tonnes. As on First July, 1986, the projected total stock figure is 28.65 million tonnes. The storage requirement at 85 per cent utilization is 33.70 million tonnes. The storage capacity would be 25.50 million tonnes. The gap projected, as expected, would be 8.2 million tonnes.

SHRI JAGANNATH PATTNAIK : What arrangements are being made to preserve surplus foodgrains or stock that is available with the FCI for the present?

SHRI A.K. PANJA : The arrangement that has been made at present is this: the storage capacity which has been completed by F.C.I. is 1.12 million tonnes; that become available to us on 31st March, 1986. The storage capacity still under construction is 1.72 million tonnes. The total comes to 2.84 million tonnes. But it does not meet the gap.

These are the figures I gave regarding

covered storage. We are having covered and plinth storage which is called shortly CAP so that the portion which has not yet found place in the covered storage could be kept as far as possible in a scientific manner. Besides, we have taken several steps. First efforts are being made to increase distribution through public distribution system by liberalising issues. Secondly, Roller flour mills have been permitted to buy wheat in the open market and also utilise upto 150 per cent of their licensed capacity. Thirdly, export of wheat and wheat products by private traders and also by FCI has been permitted. Fourthly, all stock limits and movement restrictions on wheat have been removed to facilitate free trade.

Fifthly, issue of wheat to workers in National Rural Employment Programme, Rural Landless Employment Guarantee Programme has been raised from 1 kg per man day to 2 kgs. per man day at a subsidised rate of Rs. 1.50 per kg. as against a Central issue price of Rs. 190 per quintal at which FCI issues wheat to the State Governments for the public distribution system.

Sixthly, foodgrains are also being given to tribal areas at specially subsidised rate.

Lastly, FCI was permitted to sell wheat at a fixed price of Rs. 193 per quintal till 31.3.86.

These are the some of the steps taken for the purposes of reducing the food-grain stock.

SHRI SARAT DEB : I have gone through the statement of the hon. Minister. He has permitted the private people to build godowns to accommodate 5000 tonnes of foodgrains. In that statement, he has said that 25 per cent of the money will be provided by the owner and 75 per cent will come from the State Bank. At the same time, he has said that they are giving Re. 1 per square ft. as far as urban areas are concerned, and occupancy by the FCI will be for five years. If such a huge structure is occupied only for five years, will that person be able to pay off the loan of the State

Bank? If not, what measures Government is going to take in this regard? If the construction is done in rural areas, what will be rate per sq. ft.?

SHRI A. K. PANJA : Probably the hon. Member has not seen the entire statement. So far as rural areas are concerned, it is Re. 1 per sq. ft and in the case of urban areas it is Rs. 1.15 per sq. ft. So far as bank loan is concerned, we are guaranteeing its use for five years with two years action with the FCI. We have calculated it. The reasonable worked out rent comes to 96 paise per foot, but we are giving them Re. 1 in rural areas and 15 paise more in urban areas because it is the liability of the owner to pay municipal taxes. Some of the applicants raised the question whether it would be viable. We have calculated it in this manner. These godowns constructed according to FCI specifications correctly, will have a life expectancy of 30 years. He will also get 75 per cent of bank loan at easier rate of interest and 25 per cent is his own money. Although there is a depreciation of the property, yet its market value rises. Even if it is terminated after five years, he is getting a capital asset which can be used for other purposes. That is why, we find that this is reasonable.

SHRI SOMNATH RATH : I would like to know from the hon. Minister the amount being charged by the FCI for storing of wheat and rice per quintal per year and the amount being charged by FCI for handling charges for wheat and rice per quintal per year?

SHRI A. K. PANJA : It is a separate question; I need notice for this.

SHRI C. MADHAV REDDI : Just now the hon. Minister has said that the gap is 8.2 million tonnes. Out of that only 2.5 million tonnes capacity is being offered to the private sector. May I know what are the plans of the Department for increasing the storage capacity regarding the rest of the gap?

SHRI A. K. PANJA : In the Seventh Plan we did ask the Planning Commission

to give us a little over Rs. 500 crores for the purpose of making construction but, in fact, the Planning Commission has allowed only a little over Rs. 240 crores for the purpose of construction. But with that also we will not be able to meet the gap and that is why the CAP system is being provided because, as I have already said and as the hon. Member knows, this is a problem of plenty as we are having more production of wheat and rice since 1984 onwards. But it is not necessary that this will continue for ever. That is why we are taking two steps. One is the construction of permanent storage by FCI, by Central Warehousing, by State Warehousing Corporation as well as by private parties, as it has been given in the answer to today's question. Secondly, we are releasing these commodities in a better manner so that it goes to our people who need it most, like the tribals, the nursing mothers, the pregnant mothers and the children.

SHRI C.K. KUPPUSWAMY : Sir, I would like to know how many godowns have been approved for Tamil Nadu so far.

SHRI A. K. PANJA : Sir, so far as the question as to how many godowns are existing in Tamil Nadu is concerned, I have not got the figure but for the scheme, 81 applications have been received up-til now, and all the 81 have deposited the earnest money. Those applications are under examination.

[*Translation*]

SHRI RAJ KUMAR RAI : I want to know the number of F. C. I. godowns in eastern Uttar Pradesh in the private sector, especially in Azamgarh, Ballia, Ghazipur, Deoria, Gorakhpur, Basti, Jaunpur, Banaras, Mirzapur, Gonda and Faizabad. Is there any F.C.I. godown in these districts and if not, the reasons therefore? Also, I would like to know as to why all the godowns in the private sector are located in Haryana and Punjab only and not in Uttar Pradesh?

[*English*]

SHRI A. K. PANJA : Sir, it is not possible to give specific answer about the

eastern part of Uttar Pradesh but, of course, if the hon. Member wants it, I will supply the information.

[Translation]

SHRI RAJ KUMAR RAI : There is none there. My submission is that not a single godown is there. Why is it so, that is my question ?

Why there is not a single godown ? Why this disparity is there ?

[English]

SHRI A. K. PANJA : Sir, so far as Uttar Pradesh is concerned, 127 applications have been received for this new scheme, out of which 32 have not deposited any earnest money. To satisfy the hon. Member I will look into it as to how many out of these 127 will become eligible and how many will be in the eastern part.

SHRI THAMPAN THOMAS : Sir, the question that I would like to ask is that there are certain sub-depots run by FCI directly in certain States, especially in Kerala. Now they are being wound up and are being given to private parties. Also in Madras, Visakhapatnam and Kandla, there were 6,000 workers working directly under the Food Corporation of India whose services were terminated and the work is being given on private contract I would like to ask the Minister when is he going to tender the whole functioning of the Food Corporation of India.

SHRI A. K. PANJA : Sir, a separate question might be put for this so that I may reply to the hon. Member because it does not arise out of the scheme.

[Translation]

SHRI RAJ KUMAR RAI : Mr. Deputy Speaker, Sir, my question has not been replied to.

[English]

MR. DEPUTY SPEAKER : Already you have asked and not got the answer.

Don't put it again..... (Interruptions)

[Translation]

SHRI RAJ KUMAR RAI : Sir, my question has not been replied to. It will be a wrong precedent that a question is asked about eastern Uttar Pradesh and the reply is given about Tamil Nadu. We want your protection. If you do not give us protection, who else will give ? My question must be replied to...

[English]

MR. DEPUTY SPEAKER : You please take your seat. Already you asked the question and the Minister has replied. There is no point now. Nothing will go on record.

(Interruptions)**

Pending court cases of excise duties

*557. SHRI S. G. GHOLAP : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that large number of cases of excise duty are pending in courts;

(b) if so, the number of cases and the amount involved therein;

(c) whether it is fact that one of the important reasons for increase in number of excise cases is buying time for paying the excise duties; and

(d) whether Government are charging interest on the amount from the date of order or any other action is taken ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (d) A statement is given below.

Statement

(a) and (b) The total number of cases involving excise duty pending both in the Supreme Court and the various High Courts as on 31.12.1985 was 7158. Many of the cases have a bearing on rate of duty, valuation and in some cases the excisability of the product. Therefore, precise quantification of the revenue involved

**Not recorded.