



**Department of Food & Public Distribution
Ministry of Consumer Affairs, Food & Public Distribution
Government of India**

ANNUAL REPORT 2018-19



**ANNUAL REPORT
2018-19**



Hon'ble Minister for Consumer Affairs, Food and Public Distribution, Shri Ram Vilas Paswan releasing the booklet on four years achievements of the Ministry of Consumer Affairs, Food and Public Distribution



सत्यमेव जयते

DEPARTMENT OF FOOD & PUBLIC DISTRIBUTION
(Ministry of Consumer Affairs,
Food & Public Distribution)

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Vision

Ensuring food security for citizens of the country

Mission

Efficient procurement at Minimum Support Price (MSP), storage and distribution of food grains

Ensuring availability of food grains and sugar through appropriate policy instrument; including maintenance of buffer stocks of food grains

Making food grains accessible at reasonable prices, especially to the weaker and vulnerable sections of the society under Public Distribution System (PDS)

Objectives

To implement the National Food Security Act, 2013, throughout the country

To undertake price support operation through efficient procurement of wheat, paddy/rice and coarse grains

To strengthen the Targeted Public Distribution System

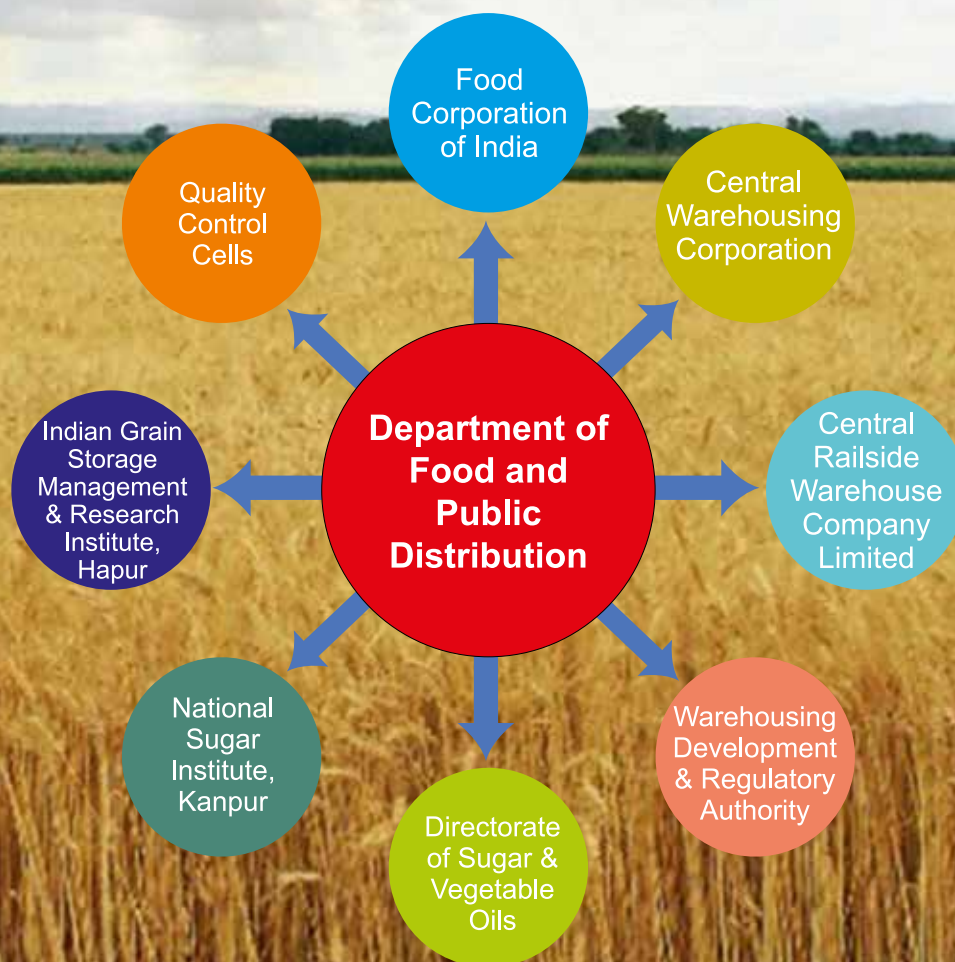
Development/Promotion of Sugar industry

Development of Warehousing Sector

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INTRODUCTION



CHAPTER – I

BRIEF HISTORY OF THE DEPARTMENT

During the World War II, India faced acute food shortages and to meet the exigencies, a separate Food Department was established on 1st December, 1942 under the Commerce Member of the Governor General's Council. Mr. Benjamin George Holdsworth, CIE, ICS, was the first Secretary of the Food Department. The new department with its headquarter at the Imperial Secretariat, New Delhi, took over all matter pertaining to the control of price and movement of food stuffs including sugar and salt (except tea and coffee). The administration of Export Trade Control in respect of food-stuffs was also transferred to this department. However, the procurement of foodstuff for the Army continued with the Supply Department.

With Food Department's Notification No.12.E (FD)/42, dated 8th December, 1942, an executive organisation was set up under the department for procurement and purchase of food stuffs, with Controller General of Foodstuffs as its head. From 1st January, 1943 this organisation took over the procurement and purchase of all food requirements of the Army, dealt earlier by the Department of Supply. It started functioning from Jamnagar House, Shajahan Road, New Delhi, with a set up of Controller of Supplies located at Bombay, Calcutta, Madras, Cawnpore, Karachi and Lahore, which were already functioning in the Supply Department.

As the work of the department increased, a separate portfolio of Food Member was created in August, 1943. In 1946, the interim Government of India was formed, with Dr Rajendra Prasad heading the department. The Food Department was renamed as Ministry of Food on 29th August, 1947 and the Directorate of Sugar and Vanaspati was made a part of the Food Ministry.

On 1st February, 1951, the Ministry of Agriculture was combined with the Ministry of Food to constitute the Ministry of Food and Agriculture, for greater administrative efficiency and economy. Over time as the work expanded significantly, the two were bifurcated into Ministry of Food and Ministry of Agriculture in October, 1956 only to be merged again on 17th April, 1957 as Ministry of Food and Agriculture. On 30th December, 1958, the work related to the Central and State Warehousing Corporations was transferred to the Department of Food, in the Ministry of Food and Agriculture. The Grain Storage, Research and Training Institute (now IGMRI) was set up at Hapur towards the end of 1958.

In 1960, the Ministry constituted two departments, namely the Department of Food and Department of Agriculture. In 1962, some subjects related to Fisheries, Fruits and Vegetables were transferred from Agriculture to the Department of Food. Subsequently some items related

to 'sugar', namely the Indian Institute of Sugarcane Research, Lucknow, Sugarcane Breeding Institute, Coimbatore and Indian Central Sugarcane Committee were also transferred.

In 1965, under the Food Corporation Act, 1964, the Food Corporation of India (FCI) was set up in the Department, as the country was facing major shortage of food grains, especially wheat.

In January, 1966, the Ministry of Community Development and Cooperation was merged with the Ministry of Food and Agriculture to form a Ministry of Food, Agriculture, Community Development and Cooperation. In 1971, the Ministry of Food, Agriculture, Community Development and Cooperation was renamed as Ministry of Agriculture, with four departments, including the Department of Food.

In November, 1976, the Directorate of Sugar and Vanaspati was bifurcated, with Directorate of Sugar remaining with the Department of Food, while the work relating to vanaspati, vegetable oils and fats etc. were transferred to the Ministry of Civil Supplies and Cooperation.

In 1983, the Department of Food was taken out of the Ministry of Agriculture and a new Ministry of Food and Civil Supplies was formed. On 21st June, 1991, the Ministry of Food and Civil Supply was bifurcated into Ministry of Food and Ministry of Civil Supplies and independent charge of Ministry of Food was given to a Minister of State.

In March, 1992, to improve efficiency, the Ministry of Food, which was having a single department, was divided into two departments, Department of Food and Department of Food Procurement and Distribution. On 4th June, 1997, the Ministry of Food and Ministry of Civil Supplies were merged again to form Ministry of Food and Consumer Affairs. The new Ministry had three departments, Department of Food & Civil Supplies, Department of Sugar and Edible Oils and Department of Consumer Affairs.

On 15th October, 1999, the Ministry of Food and Consumer Affairs was renamed as the Ministry of Consumer Affairs and Public Distribution with three departments namely Department of Public Distribution, Department of Sugar and Edible Oils and Department of Consumer Affairs.

Finally in the new millennium on 17th July, 2000, the Ministry of Consumer Affairs and Public Distribution was reconstituted and renamed as the Ministry of Consumer Affairs, Food and Public Distribution. It now has only two departments, namely Department of Food and Public Distribution, in which the Department of Sugar and Edible Oils was merged and Department of Consumer Affairs. This set up continues till date.

INTRODUCTION

ORGANIZATIONAL SET-UP

- 1.1 Department of Food & Public Distribution is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution. The Ministry is under the charge of Shri Ramvilas Paswan, Hon'ble Minister of Consumer Affairs, Food & Public Distribution and Shri C. R. Chaudhary, Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution with effect from 27.05.2014 and 05.07.2016 respectively.
- 1.2. Shri Ravikant has taken over the charge of Secretary in the Department with effect from 17.10.2017. Secretary (F&PD) is assisted by one Additional Secretary & Financial Adviser, one Principal Adviser (Cost), five Joint Secretaries (presently one Additional Secretary and four Joint Secretaries), one Advisor (Cost) and one Economic Advisor.
- 1.3 The organizational set-up of the Department is at **Annex-I**. The sanctioned strength of the Department (including its Attached and Subordinate Offices) is at **Annex-II** while details of Budget Estimates, Revised Estimates and Actual Expenditure are at **Annex-III**.

FUNCTIONS

- 1.4 The main functions of the Department are:-
 - i. Formulation and implementation of national policies relating to procurement, movement, storage and distribution of food grains;
 - ii. Implementation of the Public Distribution System (PDS) with special focus on the poor;
 - iii. Provision of storage facilities for the maintenance of central reserves of food grains and promotion of scientific storage;
 - iv. Formulation of national policies relating

to export and import, buffer stocking, quality control and specifications of food grains;

- v. Administration of food subsidies relating to rice, wheat and coarse grains;
 - vi. Policy matters relating to sugar and sugarcane sector, fixation of Fair and Remunerative Price (FRP) of sugarcane payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology) and sugar supply for PDS;
 - vii. Monitoring, price control and supply of edible oils.
- 1.5 For carrying out its functions, the Department is assisted by one Attached Office, three Subordinate Offices, three Central Public Sector Enterprises and one Regulatory Authority.

(A) Directorate of Sugar and Vegetable Oils

Directorate of Sugar and Vegetable Oils, an attached office of the Department, is responsible for implementation of policies relating to sugar and edible oil sectors, particularly the availability of sugar and edible oils and monitoring of their prices.

(B) National Sugar Institute, Kanpur

National Sugar Institute (NSI), Kanpur is a premier Scientific & Technical Institute in the country which conducts Fellowship, Post Graduate Diploma & Certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology related disciplines. Besides undertaking research and development work in sugar and allied fields, it also renders advice to Sugar, Alcohol and allied industry from "Concept to Commissioning".

(C) Indian Grain Storage Management & Research Institute, Hapur

Indian Grain Storage Management & Research Institute (IGMRI), Hapur and its field stations at Hyderabad & Ludhiana, functioning under the direct control of the Department, are engaged in applied Research & Development activities in the field of storage management of food grains and institutional trainings on scientific storage and inspection of foodgrains.

(D) Quality Control Cells

Quality Control Cells (QCCs) monitor the quality of food grains at the time of procurement, storage and distribution. These cells also ensure that guidelines/instructions issued by the Government from time to time about scientific storage and preservation of food grains are followed by the Food Corporation of India, Central Warehousing Corporation, State Warehousing Corporations and State agencies. These QCCs are located at Bengaluru, Bhopal, Bhubaneswar, Delhi, Kolkata, Hyderabad, Lucknow, Pune, Chennai, Guwahati and Patna.

The Central Grain Analysis Laboratory (CGAL) located in Krishi Bhawan at New Delhi assists the Department in monitoring the quality of food grain at the time of procurement, storage and distribution, so as to protect the interest of the farmers as also the consumers, besides rendering technical opinion on quality aspects in respect of foodgrains (wheat and rice) that are imported and/or exported by the country on Central Pool account under contractual specifications. It acts as a referral laboratory for the Department and has been designated as Regional Reference Laboratory for SAARC Food Bank.

(E) Food Corporation of India

The Food Corporation of India (FCI), a public sector enterprise setup on 14.01.1965, under the Food Corporations Act, 1964, is the main agency responsible for execution of the food policies of Central Government. Functions of the FCI primarily relate to the procurement, storage, movement, distribution and sale of food grains on behalf of the Central Government.

(F) Central Warehousing Corporation

The Central Warehousing Corporation (CWC), a public sector enterprise under the Department was set up on 02.03.1957, under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956 which was repealed and replaced by the Warehousing Corporations Act, 1962. CWC provides scientific storage facilities for agricultural produce and other notified commodities. As on 31.03.2019, CWC was operating 422 warehouses with a total operational storage capacity of 100.21 lakh MT including 40 Custom Bonded Warehouses, 3 Air Cargo Complexes, 24 Container Freight Stations/Inland Clearance Depots providing services to the Export/Import trade.

CWC is 50% share holder in 19 State Warehousing Corporations (SWCs). As on 31.03.2019, these SWCs were operating 2145 warehouses with a total storage capacity of 339.48 lakh MT. CWC has a 100% owned subsidiary company namely Central Railside Warehouse Company Limited (CRWC) for development of Railside Warehouse Complexes (RWCs).

(G) Hindustan Vegetable Oils Corporation Limited

Hindustan Vegetable Oils Corporation

INTRODUCTION

Limited (HVOC), a fully-owned Govt. Company, was formed in 1984 with merger of two nationalized companies namely Ganesh Flour Mills and Amritsar Oils Works. The Company was engaged in the business of manufacturing of vanaspati, refining & packing of imported edible oil for PDS and manufacturing of breakfast cereal. The Company was having its manufacturing and refining units at Delhi, Kanpur, Amritsar, Mumbai and Kolkata and packing units at Bangalore and Chennai, Due to continued losses, the company was referred to BIFR and declared sick in 1999. The company is now under liquidation under the supervision of the High Court of Delhi.

(H) Warehousing Development and Regulatory Authority

Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 to ensure implementation of the provisions of the Warehousing (Development & Regulation) Act, 2007. The main objective of the Authority is to implement the Negotiable Warehouse Receipt (NWR) system in the country, which would help farmers to store their produce in scientific storage godowns near their farms and to seek loan from banks against their NWR. The main functions of the Authority are to make provisions for the development and regulation of warehouses which *inter alia* includes negotiability of warehouse receipts, registration of warehouses, promotion of scientific warehousing of goods, improving fiduciary trust of depositors and banks, enhancing liquidity in rural areas and promoting efficient supply chain.

INTEGRATED FINANCE DIVISION

1.6 Integrated Finance Division (IFD) of the Ministry of Consumer Affairs, Food & Public Distribution

(Department of Food & Public Distribution) is headed by the Additional Secretary & Financial Adviser (AS&FA).

1.7 Broadly, following matters are dealt with in IFD:-

- i. Preparation of budget according to the instructions issued by Finance Ministry from time to time;
- ii. Scrutiny of budget proposals thoroughly before sending these to Ministry of Finance;
- iii. Maintenance of Departmental accounts in accordance with the prescribed codal provisions;
- iv. Watch and review the progress of expenditure against sanctioned grants and issue timely warnings to Controlling authorities where the progress of expenditure is not known;
- v. Screening of proposals for supplementary demands for grants;
- vi. Advise the Department on all matters falling within the ambit of delegated powers including Plan and Non-Plan expenditure proposals;
- vii. Scrutiny of proposals for re-delegation of powers to subordinate authorities;
- viii. Advise on formulation of schemes and important expenditure proposals from the initial stages;
- ix. Evaluation of progress/performance of projects and other continuing schemes;
- x. Monitor the settlement of Audit Objections, Inspections, Reports, Draft Audit Paras;
- xi. Action on Audit Reports and Appropriation Accounts, Reports of Public Accounts Committee, Estimates Committee and Committee on Public Undertakings;

- xii. Screening of all expenditure proposals to be referred to Finance Ministry for concurrence/ comments;
- xiii. Regular and timely submission of the prescribed statements, reports and returns to the Finance Ministry;
- xiv. Scrutiny and concurrence of subsidy proposals received from FCI and DCP states in respect of food grains and for fixation of procurement incidentals and economic cost sheets for procurement of food grains for Central pool and DCP operations, and finalization of audited claims submitted by the states;
- xv. Scrutiny and concurrence of proposals for SDF loans to sugar factories, subsidy for maintenance of buffer stock, fixation of wholesalers and retailers' margins in respect of levy sugar and grants-in-aid to Research Institutions and release of advance, final sugar subsidy to states and production subsidy to sugar mills to clear the cane price arrears to the farmers and release of Agency Commission;
- xvi. Monitoring, coordinating, guiding and review of procurement on GeM portal by a Standing Committee (SCoGeM) constituted for the purpose and submission of Action Taken Reports to the Ministry of Finance periodically.

DEPARTMENTALISED PAYMENT AND ACCOUNTING ORGANISATION

Organisational set-up

- 1.8 The Secretary (F&PD) is the Chief Accounting Authority who discharges his responsibilities with the assistance of AS & FA and Chief Controller Accounts (CCA) of the Department.
- 1.9 The departmentalized payment and accounting organization has four Pay and Accounts Offices

located at New Delhi, Mumbai, Chennai and Kolkata besides one Principal Accounts Office located at New Delhi. The CCA is the Head of the Department of Departmentalized Accounting Organisation.

Functions & Responsibilities

- 1.10 The Payment and Accounting Organization under the CCA is responsible for:-
 - i. Arranging payments through Pay and Accounts Offices (PAOs) and Cheque Drawing and Disbursing Officers (CDDOs) for pay and allowances, provident fund claims, office contingencies, miscellaneous payments, loans and advances to Government Servants and others, as well as grants-in-aid;
 - ii. Issuance of Pension Payment Orders (PPO) in respect of retiring Government servants and payment of retirement benefits;
 - iii. Supervision & Monitoring of Utilization Certificates.
 - iv. Maintenance of Loans and Grants in Aid to State Govt/PSU/Autonomous Bodies;
 - v. Submission of information under FRBM Act-2003;
 - vi. Technical Advice to Ministry/Department/PSU/Autonomous Bodies;
 - vii. Review of Expenditure under Modified Cash Management System;
 - viii. The Internal Audit Unit is responsible for conducting the inspection and internal audit of offices of all DDOs and other auditable units of the Department of the Ministry.
 - ix. Implementation of PFMS for all central sector schemes of the Department.
 - x. Collection of all non-tax revenue of the Department through NTRP portal.

INTRODUCTION

- 1.11 The Principal Accounts Office of this Ministry generates periodic reports like the Monthly Accounts, Expenditure Statements, Capital and Revenue Expenditure Review, Annual Accounts etc. The Monthly Accounts provide an overall Head-wise picture of Receipts & Payments. The Principal Accounts Office compiles the monthly accounts submitted to it by the various PAOs through PFMS/"e-lekha". The consolidated account of the Ministry is sent to the Controller General of Accounts, Ministry of Finance for further consolidation of accounts of the Union of India.
- 1.12 In the Pay and Accounts Offices, Public Financial Management System (PFMS)/'COMPACT' software covers the major accounting tasks of the PAOs and supplies input through e-lekha. All the Capital and Revenue payment are made through PFMS portal. It is designed and developed with an attempt to address all the Software System Attributes such as availability, portability, security and maintainability.
- 1.13 The PFMS which is administered by the Controller General of Accounts in the Department of Expenditure is an end-to-end solution for processing payments, tracking, monitoring accounting, reconciliation and reporting. It provides the scheme managers a unified platform for tracking releases and monitoring their last mile utilization. It covers all the major accounting and payment function i.e. Pre-check, Budget, Compilation. It provides various managerial reports for expenditure analysis like Expenditure Control Register, Receipts versus Expenditure Comparison, Date wise Monthly Statement (DMS) etc. All the e-payments are done through PFMS portal.
- 1.14 The Compact Software is designed and developed with an attempt to address all the Software System Attributes such as availability, Portability, Security and Maintainability. The accounting of Pension and GPF is generated in COMPACT.
- 1.15 The EIS (Employee Information System) software is adopted for payment of salary. This system enable employee to login in PFMS portal to take print of pay slip and to check previous salary record.



SIGNIFICANT ACHIEVEMENTS



CHAPTER – II

SIGNIFICANT ACHIEVEMENTS

IMPLEMENTATION OF NATIONAL FOOD SECURITY ACT (NFSA), 2013

- The National Food Security Act, 2013 is being implemented in all the States/UTs, on an all India basis. Out of maximum coverage of 81.35 crore, around 80 crore persons are covered under NFSA at present for receiving highly subsidized foodgrains. Coverage under the Act is under two categories – households covered under Antyodaya Anna Yojana (AAY) and Priority households. The monthly entitlement of foodgrains is 5 kg per person for eligible households under ‘priority’ category and 35 kg per family for AAY households.
- Beneficiaries under the Act are entitled for subsidized foodgrains at ₹1/2/3 per kg for coarse grains/wheat/rice for an initial period of three years from the date of commencement of the Act (05.07.2013). Thereafter prices were to be fixed by the Central Government from time to time, but not exceeding MSP. Government has decided from time to time to continue the above mentioned subsidized prices under NFSA and their validity has last been extended upto June, 2019.
- In Chandigarh, Puducherry and urban areas of Dadra & Nagar Haveli, the Act is being implemented in the cash transfer mode, under which food subsidy is credited directly into the bank accounts of beneficiaries, who then have the choice to buy foodgrains from the open market. For the month of February, 2019, ₹14.42 crore was transferred as food subsidy for 10.68 lakh persons covered under the cash transfer of food subsidy scheme.
- During the Financial Year 2018-19, ₹3883.94 crore has been released to State Governments as Central assistance to meet the expenditure incurred on intra-State movement of foodgrains and fair price shop dealers’ margins. Such an arrangement has been made for the first time under NFSA. Under erstwhile TPDS, State Governments were required to either meet this expenditure on their own or pass it on to beneficiaries (except AAY beneficiaries).

MAJOR REFORMS IN TPDS

- As an outcome of digitization of Ration Card/beneficiary records, de-duplication due to Aadhaar seeding, transfer/migration/deaths, change in economic status of beneficiaries, and during the run-up to and implementation of NFSA, a total of 2.98 crore ration cards have been deleted/cancelled by State/UT Governments during the years 2013 to 2018. Based on this, the Government has been able to achieve an estimated ‘Rightful Targeting of Food Subsidies’ of about 19,200 crore per annum.
- To modernize and to bring about transparency in the TPDS, the Department is implementing scheme on End-to-end Computerization of TPDS Operations at a total cost of 884 crore on cost-sharing basis with the States/UTs. The Scheme provides for digitization of ration cards & beneficiary records, computerization of supply chain management, setting up of transparency portals and grievance redressal mechanisms.
- Key achievements under the scheme are as follows:-

Sl. No.	Schematic Activity	Achievement
1	Digitization of ration cards/beneficiaries data	Completed in all States/UTs.
2	Online allocation of food grains	Completed in 34 States/UTs. (Except UTs of Chandigarh and Puducherry who have adopted DBT Cash Transfer scheme).
3	Computerization of Supply Chain Management	Completed in 25 States/UTs, and is in full-swing in remaining States/UTs.
4	Transparency portals	Set up in all States/UTs
5	Grievance redressal facilities	Either or both toll-free helplines/Online registration facility is available in all States/UTs.

- To identify and weed-out duplicate/ineligible beneficiaries, and to enable rightful targeting of food subsidies, seeding of Aadhaar numbers of beneficiaries with their Ration Cards is being done by States and UTs. Presently, 85.37% of all ration cards have been seeded.
- As part of the scheme, electronic Point of Sale (ePoS) devices are being installed at Fair Price Shops (FPSs) for distribution of foodgrains through authentication and electronic recordkeeping of the sale transactions. As on 31.03.2019, 3.95 lakh FPSs out of total 5.33 lakh FPSs have ePoS devices in 30 States/UTs.
- Facility enabling PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State where ePoS device has been installed. This has been started in states of Andhra Pradesh, Jharkhand, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Rajasthan, Telangana, Tripura and partially in two more States Chhattisgarh and Madhya Pradesh in some FPS areas.
- A new Central Sector Scheme has been approved to be implemented during FY 2018-19 and FY 2019-20 for establishing Public Distribution System Network (PDSN) to implement national level portability, central data repository and central monitoring system of PDS operations.
- Annavitran Portal (www.annavitran.nic.in) has been implemented to display electronic transactions made through ePoS devices for distribution of subsidized foodgrains to beneficiaries. This portal also shows all India picture of Aadhaar authentication of beneficiaries besides allocated and distributed quantity of foodgrains up to district level.
- During Kharif Marketing Season (KMS) 2017-18, a record quantity of 381.85 Lakh MT of paddy in terms of rice was procured by Government Agencies at Minimum Support Price (MSP) for Central Pool. Further, during ongoing KMS 2018-19, as on 31.03.2019, 374.50 LMT of paddy in terms of rice have been procured, as against 311.88 Lakh MT of paddy in terms of rice procured during corresponding period in KMS 2017-18.
- A total of 39,77,029 farmers were benefitted from procurement of wheat by Government Agencies during RMS 2018-19 whereas 72,32,216 farmers were benefitted from procurement of paddy during KMS 2017-18. As on 31.03.2019, 82,59,101 farmers have been benefitted from procurement of paddy during ongoing KMS 2018-19.
- A total of 19,280 purchase centres were operated by FCI and State Government Agencies for procurement of wheat during RMS 2018-19 compared to 17,596 operated during RMS 2017-18. During KMS 2017-18, 50,958 purchase centres were operated for procurement of paddy throughout the country and during ongoing KMS 2018-19, 45,725 procurement centres are being operated for procurement of kharif crop of paddy.
- Enhancing procurement in Eastern India:
 - (a) State-wise 5 years Action Plans have been drawn up by FCI for Uttar Pradesh(With focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam. Attempt is made to increase procurement of Rice from these States and to reach out to all farmers in various paddy growing districts of these States.
 - (b) FCI had opened 287 procurement centres in KMS 2017-18 in comparison to 266 in previous season. A total of 30,039 procurement centres have been opened in these States during KMS 2017-18 by FCI, State Government Agencies and private parties. During ongoing KMS 2018-19, paddy procurement is being done through 29,650 procurement centres of FCI and State Agencies.

SUPPORTING THE FARMER

- During Rabi Marketing Season (RMS) 2018-19, a quantity of 357.95 Lakh MT of wheat was procured by Government Agencies at Minimum Support Price (MSP) for Central Pool which is highest after RMS 2012-13.

SIGNIFICANT ACHIEVEMENTS

- (c) 60.59 lakh MT of paddy in terms of rice was procured in Eastern States during KMS 2017-18. As on 31.03.2019, 65.12 lakh MT of paddy in terms of Rice has been procured in ongoing KMS 2018-19.
- As per the direction of DAC&FW, FCI is carrying out procurement of pulses in three states along with NAFED and exclusively in Andhra Pradesh in KMS 2018-19 under Price Support Scheme (PSS). As on 31.03.2019, 15218.37 MT Tur, 54578.98 MT Urad, 6496.7 MT Moong and 454.23 MT Soyabean have been procured by FCI in Maharashtra, Andhra Pradesh, Karnataka and Madhya Pradesh.
 - Due to combined efforts of the Department and the State Government of Tripura, procurement of paddy in the State has been commenced from 15.12.2018 for the very first time.
 - The import duty on wheat was imposed at 20% w.e.f. 08.11.2017 and it has been raised to 30% w.e.f. 23.05.2018.

IMPROVING FOODGRAIN MANAGEMENT

- A High Level Expert Committee under the Chairmanship of Shri Shanta Kumar, MP, was constituted to make recommendations on restructuring of FCI. Based on the recommendations, several measures have been initiated to improve the functioning of FCI and to bring in cost efficiency in its operations.
- To automate operations at the depot level, and check leakage "Depot Online System" (DOS) has been implemented to carry out all activities in the godowns in on-line mode. This system is operational at 530 functional depots of FCI and DOS has also been implemented at all 144 depots of CWC which have been hired by FCI for storage of foodgrains.
- Online Procurement Management System (OPMS) is implemented in procuring States. FCI is in process of implementing e-procurement module under Depot Online System to capture the procurement operations at mandi level on real time basis.
- 15 States/UTs have adopted DCP mode for procurement of Rice (out of which Jharkhand has partially adopted DCP operation for 6 revenue Districts). Further, 8 States have adopted DCP mode for procurement of wheat (out of which Rajasthan has partially adopted DCP operation for 9 Districts). Other Non-DCP States are also being persuaded to take up DCP operations.
- Sufficient food grains are available in Central Pool Stocks of FCI. Stocks as on 31.03.2019 are 463.86 lakh MT, comprising 169.92 lakh MT wheat and 293.94 lakh MT rice. Under Open Market Sale Scheme (Domestic), 81.84 lakh MT of wheat and 8.46 lakh MT of rice have been sold by FCI during 2018-19.
- Adequate supplies of foodgrains maintained during natural calamity of flood in Manipur, Assam & Kerala and heavy rain in Maharashtra during 2018-19.
- The Department vide letter dated 18.05.2017 after consultation with States/FCI issued revised guidelines to provide usage charges for packaging of procured paddy with a view to rule out possibility of any irregularity in procurement of jute bags viz siphoning of new bags, lack of monitoring of paddy released jute bags, shortage of packaging material etc. On the basis of recommendations of FCI, this department revised usage charges upto ₹7.32/bag for KMS 2017-18. Further, the Department on the requests made by States relating to practical problems faced by them in arrangement of old bags, vide letter dated 13.12.2018 has relaxed the condition relating to certification to be provided by State for one time usage of old bags for packaging of procured paddy from KMS 2018-19 onwards.
- Movement of food grains is undertaken in order to evacuate stocks from surplus regions, to meet the NFSA/TPDS/OWS requirements of deficit regions and also to create buffer stocks in deficit regions. About 40 million MT of food grains are transported

by FCI across the country in a year. Movement of food grain is undertaken by rail, road and riverine systems, singly or in combination. More than 85% of the movement of stocks is undertaken by rail (covering an average lead of 1500 KM), some quantity is also moved by ocean vessels to Lakshadweep and Andaman & Nicobar Islands and through coastal shipping to Kerala.

- FCI is also undertaking multi-modal transportation of rice involving coastal shipping and road movement from designated depots of Andhra Pradesh to designated depots in Kerala. The operation started in March, 2014 and upto March, 2018, 143123.98 MT has been moved through coastal movement. Recently, a Multi modal transport contractor for movement of foodgrains from designated depots of Andhra Pradesh (Kakinada) to designated depots in Kerala through coastal movement has been finalized and consignment of 42,131 MT has been moved upto March, 2019 based on lower cost in comparison to conventional mode of transportation.
- As a part of HLC recommendation, FCI made a trial movement of containerized movement of foodgrains through CONCOR from Chhattisgarh (Raipur) to Maharashtra (Turbhe) in August, 2016 which is extended to further containerized movement from Punjab, Haryana and AP to recipient states like West Bengal, Jharkhand, Maharashtra, Kerala, Karnataka, Gujarat and found economical in comparison to conventional Railway rakes. In 2016-17, 13 such containerized movements were undertaken which led to freight savings of around ₹44 lakh. During 2017-18, FCI has moved 134 container rakes against the target of 100 rakes approx. resulting in freight savings of ₹662 lakh. During 2018-19 upto March, 2019, 166 containerized rakes have been moved with approx. freight savings of ₹802 lakh.
- FCI is effectively optimizing movement in association with Railways, while minimising cost. This can be seen from table below:

Parameters	2015-16	2016-17	2017-18	2018-19
Demurrage & Wharfage Charges (₹in Crore)	66.25	51.50	38.20	33.87
No. of Rakes rebooked	229	22	11	3
Expenditure on Rebooking (₹in crore)	23.36	0.78	0.08	0.05

IMPROVING STORAGE

- New godowns of 1.40 lakh MT capacity under Private Entrepreneurs (PEG) Scheme have been completed during the year from 01.04.2018 to 31.03.2019. Further, a capacity of 35,440 MT has been completed by FCI during 2018-19 and a capacity of 38,370 MT is under construction under the Central Sector Scheme. During the same time, a capacity of 1,505 MT has also been completed by State Governments under Central Sector Scheme.
- As per the road map for creation of 100 lakh MT steel silos, during 2018-19, FCI has awarded work for 8.5 lakh MT at 17 locations. Capacity of 6 lakh MT is under tender process or is to be re-tendered at 12 locations (FCI - 5.5 lakh MT & CWC - 0.50 lakh MT).
- In addition, as on 31.03.2019, High Level Committee (FCI) has identified 38 locations of a total 32 lakh MT capacity for floating tenders.

MEASURES TAKEN FOR SUGAR SECTOR

- Due to surplus sugar production and depressed ex-mill prices of sugar the liquidity position of sugar mills was adversely affected leading to accumulation of cane price dues which reached to an alarming level of about ₹23,232 crore in the last week of May, 2018. With a view to improve the liquidity position of sugar mills enabling them to clear cane price arrears of farmers, the Government has taken the following measures during last one year:-
 - Extending Assistance to sugar mills @₹5.50/

SIGNIFICANT ACHIEVEMENTS

- quintal of cane crushed for sugar season 2017-18 to offset the cost of cane amounting to about ₹1540 crore;
- In order to prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has fixed a minimum selling price of sugar at ₹29/kg initially w.e.f. 07.06.2018 for sale of sugar at factory gate in domestic market, which was revised to ₹31/kg w.e.f. 14.02.2019;
 - Created buffer stock of 30 lakh MT in sugar season 2017-18 for which Government will reimburse carrying cost of ₹1175 crore towards maintenance of buffer stock;
 - Extending soft loans of ₹6139 crore through banks to the mills for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity for which Government will bear interest subvention of ₹1332 crore;
 - Extending Assistance to sugar mills @₹13.88/quintal of cane crushed for sugar season 2018-19 to offset the cost of cane amounting to about ₹4163 crore;
 - Extending Assistance to sugar mills for defraying expenditure towards internal transport, freight, handling and other charges to facilitate export of sugar from the country in sugar season 2018-19 amounting to about ₹1375 crore.
 - For ethanol supply year 2018-19 (December to November), the Government has fixed remunerative ex-mill price of ethanol derived out of C heavy molasses and B heavy molasses route at ₹43.46/litre and ₹52.43/litre respectively. Government has also notified new National Policy on Bio-Fuels, 2018 under which sugarcane juice has been allowed for production of ethanol. The Government has also fixed the ex-mill price of ethanol derived from 100% sugarcane juice at ₹59.13 per litre for those mills who will divert 100% sugarcane juice for production of ethanol thereby not producing any sugar.
 - The Government has notified a soft loan scheme on 02.03.2019 for extending loans amounting upto ₹10540 crore to sugar mills through banks for which Government would bear interest subvention of about ₹738 crore @ 7% or actual whichever is less, for one year. As per the scheme, loans which are sanctioned and disbursed by 31.05.2019 would be eligible for interest subvention.
 - With a view to enhance the ethanol production capacity, the Department has also notified following two separate schemes on 08.03.2019:
 - a) New scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity:** Under the scheme Government would bear ₹2790 crore towards interest subvention for extending indicative loan amount of ₹12900 crore by banks to the sugar mills for augmentation of ethanol producing capacity.
 - b) Scheme for extending financial assistance to molasses based stand-alone distilleries:** Under the scheme, Government would bear ₹565 crore towards interest subvention for extending indicative loan amount of ₹2600 crore by banks to the molasses based standalone distilleries to augment their ethanol production capacity.
 - As a result of above measures, about ₹84669 crore has been paid to farmers out of total cane price dues of about ₹85221 crore for sugar season 2017-18 on SAP basis and only ₹552 crore are pending as on 10.04.2019, thus, 99.35% cane dues on

SAP basis have been cleared. On FRP basis, only ₹200 crore are pending out of total cane dues of ₹73882 crore for sugar season 2017-18.

MAINTAINING PRICES IN OIL

- Due to regular monitoring of the sector, the availability of edible oil in the country was smooth and prices of almost all edible oils were stable and range bound. In this regard, an Inter Ministerial Committee chaired by Secretary, F&PD is in place which closely monitors the duty structure of edible oils and other commodities in addition to their price and availability keeping in view the interests of farmer, industry and consumers.

OTHER ACHIEVEMENT IN FCI

- In view of exemption notification dated 06.07.2016, a decision was taken by FCI to pool departmentalized labour in fewer depots and deploy contract labour in the vacated depots to optimise the cost of handling. In this exercise, we have been able to vacate 149 depots (and 72 railheads) by way of pooling the departmentalized labour and 29824 contract labours have been deployed in the vacated depots as per labour license. Out of 45009 labours, 9193 labourers [20.42%] have been repositioned to rationalize cost. The service condition of all the transferred labourers has not been changed and additional 29000 approx. jobs in form of contractual labour have been created.
- After a lot of persuasion, Govt. of India, Ministry of Labour and Employment has issued Gazette Notification No. S-16012/05/2011-LW dated 26.06.2018 wherein the 226 notified depots of FCI have been exempted under Section 31 of Contract Labour (Regulation & Abolition) Act 1970 from the purview of said Act for a further period of two years w.e.f. 06.07.2018 in continuation to earlier exemption notification dated 06.07.2016. All Zones/Regions of FCI have been directed to file caveat in the respective High Courts to avoid any

adverse order by the court without considering our arguments.

- The need for capping of incentives was felt by HLC, however due to exigency of operations the same was not accepted by the Ministry. The slab-wise earnings of departmental labours have shown decreasing trend. There is likely saving of about ₹600 crore per annum.
- CGIT, Karkardooma, Delhi vide award dated 05.07.2016 upheld that our circular of 2005 revising datum of departmental labour from 105 bags per workers per day to 135 bags per worker per day was legal and justified therefore we implemented the same which has resulted in reduction of incentive to about 30%. WP's filed by the various Labours Unions/workmen against above awards before several High Courts are being defended effectively. Hon'ble Courts have stayed recovery of the incentive from wages/other resources for the past period i.e. prior August, 2016 pending final disposal of WPs. There is likely saving of ₹208 crore after implementation of desired datum.

CENTRAL WAREHOUSING CORPORATION (CWC) & CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED (CRWC)

- CWC has achieved the turnover of ₹1608.00 crore, during 2018-19 and has paid a dividend of ₹17.53 crore for the year 2017-18 to the Government of India as against ₹53.09 crore in 2016-17. Interim dividend of ₹13.10 crore has also been paid to the Government of India for the year 2018-19 on 26.03.2019.
- Additional storage capacity of 34000 MT has been created by CWC during the year 2018-19 as against 29000 MT during 2017-18.
- During 2018-19, CRWC achieved a turnover of ₹87.91 crore (provisional).
- During 2018-19, CRWC has Profit Before Tax of ₹15.40 crore (provisional).

SIGNIFICANT ACHIEVEMENTS

- During 2018-19, CRWC has incurred capital expenditure of ₹13.27 crore.
- During the year, CRWC has paid Dividend @10% Interim Dividend of the paid up capital amounting to ₹4.056 crore (excluding Corporate Dividend Tax) to CWC.

WINDING UP HINDUSTAN VEGETABLE OILS CORPORATION LIMITED (HVOC)

- In order to expedite the liquidation of HVOC, a proposal for transfer of all land assets of HVOC to Ministry of Housing and Urban Affairs (MoHUA) was submitted to the Cabinet. The Union Cabinet chaired by the Hon'ble Prime Minister gave its approval on 30.11.2017 for transfer of all land assets owned by HVOC to MoHUA or its authorized agency for appropriate utilization/disposal. The liabilities of HVOC towards loans taken from the Government including interest would be written off and the Government shall also take care of all contingent liabilities of HVOC that may arise in future due to pending cases in various courts/tribunal/authorities. The lands located in seven cities are lying unutilized for many years. The transfer of the land assets to MoHUA would enable use of the land for public purpose. This will facilitate early winding up of HVOC.

WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY (WDRA)

Sl. No.	Name of activity (2018-19)	Achievements
1.	No. of warehouses registered	607
2	No. of Negotiable Warehouse Receipts (NWRs) issued	89114
3.	Quantity of commodities deposited against NWRs	7.21 lakh MT
4.	Value of commodities deposited against NWRs	₹4790.51crore

Sl. No.	Name of activity (2018-19)	Achievements
5.	Farmer Awareness and Warehouseman Capacity Building programmes	
i.	No. of Farmers Awareness Programme organized	114
ii.	No. of farmers/traders/millers contacted	5700
iii.	No. of capacity building programmes organized	09
iv.	No. of warehousemen/warehouse managers trained	265

- Pursuant to Para 127 of Budget Announcement, 2014-15, a Transformation Plan of WDRA was commenced in December, 2014 to streamline WDRA's activities and introduce IT based platform for registration and monitoring of warehouses. All activities envisaged under the plan viz. conducting market survey, re-writing of rules/regulations, strengthening of warehouse inspection and supervision framework and use of IT in registration & monitoring of warehouses, setting up Repositories for issue of NWRs in electronic form have been completed.

NATIONAL SUGAR INSTITUTE (NSI), KANPUR

- A new course namely "Post Graduate Diploma in Quality Control & Environment Science" was introduced w.e.f. academic session 2018-19.
- In addition to the regular courses, institute also conducted customized training programme for faculty of Sugar Research Institute, Sri Lanka under faculty development programme.
- An International Conference on "Production of Sugar & Sugar Derivatives under Changing Consumer Preferences" was organized at the institute on 18th & 19th July, 2018. More than 300 delegates including those from USA, UK, Uganda, Sri Lanka, Indonesia, Nepal and Thailand participated in the Conference.
- Institute was conferred "ABP News-National



Faculty member from Sri Lanka undertaking practical training

Education Leadership Award” for excellence in teaching and creating institute-industry interface.

- During the 76th Annual convention of Sugar Technologist’s Association of India, “Noel Deer Gold Medal” for best research paper in by-product section was awarded to Prof. Narendra Mohan, Director and Dr. V.P. Srivastava, Asstt. Professor of Organic Chemistry of the institute.
- Shri D. Swain, Prof. of Sugar Engineering was conferred “ISGEC Gold Medal” for Excellence in Engineering during the 76th Annual convention of Sugar Technologist’s Association of India.
- During the Annual Symposium of the Bharatiya Sugar at Kolhapur, Mr. Mahendra Yadav, Junior Technical Officer of the institute was conferred “Best Overall Performance in R&D of the Year Award- National Level”.
- Research papers were presented in International Conferences viz. 91st Congress of the South African

Sugar Technologists Association (SASTA) held at Durban, South Africa and 12th Global Summit & Expo on Biomass & Bio Energy held at Zurich, Switzerland.

- Patents filed on topics “Spectrophotometric Method for Determination of Phosphate in Sugar Cane Juice using Organic Aqueous” & “A Method and System for Production of Compressed Biogas from Sugar Mill Filter Cake”.

POLICY CHANGES

- **Centrally Sponsored Pilot Scheme on “Fortification of Rice and its Distribution under Public Distribution System”:** Government of India has conveyed Administrative Approval for the Centrally Sponsored Pilot Scheme on “Fortification of Rice and its Distribution under PDS. The Pilot Scheme has been approved for a period of three years beginning 2019-20 with a total budget outlay of ₹147.61 crore. The Pilot Scheme would be funded by Government of India in the ratio of 90:10 in respect of North Eastern, Hilly and Island States and 75:25 in respect of the rest of the States. To begin with, the Pilot Scheme will focus on 15 Districts, preferably 1 District per State. The decentralized model of fortification by States/UTs has been approved in the Pilot Scheme with blending at the milling stage.

BUDGETARY POSITION

- As on 31.03.2019, the Department has achieved an expenditure of ₹119546.90 crore against RE 2018-19 of ₹228337.12 crore which is 52.36% of RE 2018-19.



FOOD MANAGEMENT



CHAPTER – III

PROCUREMENT OF FOODGRAINS

- 3.1 Procurement operations are seasonal - Kharif Marketing Season (KMS) starts from 01st October and lasts upto next 30th September of a year. Paddy/Rice and Coarse grains like jowar, bajra, ragi & maize are procured during the KMS. The Rabi Marketing Season (RMS) starts from 1st April and lasts upto next 31st March of a year. Mostly, wheat and sometimes barley is procured during RMS.
- 3.2 Before the start of every marketing season, the Department convenes a meeting of State Food Secretaries to make advance arrangements for procurement of foodgrains/coarse grains. In this meeting, issues like procurement centres to be opened by the FCI/State Government Agencies (SGAs), arrangement of storage space,

evacuation plan for foodgrains and arrangement of packaging material are discussed in detail. Based on the estimates given by the State Food Secretaries, the targets of total procurement for the Central Pool are worked out in the meeting.

MINIMUM SUPPORT PRICE

- 3.3 Foodgrains are procured at the Minimum Support Price (MSP) fixed by the Government of India. For KMS 2018-19, the MSP for Common and Grade 'A' paddy has been fixed at ₹1750/- and ₹1770/- per quintal respectively. The MSP of wheat was fixed at ₹1735/- per quintal for the RMS 2018-19, and for RMS 2019-20, it has been fixed at ₹1840/- per quintal. The comparative MSP of wheat and paddy as announced by the Ministry of Agriculture for crop year 2012-13 to 2018-19 is given below:-

(₹per quintal)

Commodity	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Paddy-Common	1250	1310	1360	1410	1470	1550	1750
Paddy-Grade 'A'	1280	1345	1400	1450	1510	1590	1770
Jowar-Hybrid	1500	1500	1530	1570	1625	1700	2430
Jowar-Maldandi	1520	-	1550	1590	1650	1725	2450
Bajra	1175	1310	1250	1275	1330	1425	1950
Maize	1175	1310	1310	1325	1365	1425	1700
Ragi	1500	1500	1550	1650	1725	1900	2987
Wheat	1350	1400	1450	1525	1625	1735	1840
Barley	980	1100	1150	1225	1325	1410	1440



Mandi operations – Procurement of food grains

PROCUREMENT PLAN FOR RMS 2018-19 AND RMS 2019-20

3.4 For wheat crop of RMS 2018-19, an estimated target of 320.00 lakh MT for procurement was set in consultation with the State Governments after a Conference of the State Food Secretaries held on 15.02.2018. For RMS 2019-20, an estimated target of 357.00 lakh MT for procurement of wheat was set in consultation with the State Governments after a Conference of the State Food Secretaries held on 07.02.2019. Government fixes the period of procurement of wheat in various States in such a manner that the procurement could start on the onset of harvesting and generally continue for a period of 3-4 months in a particular State. Arrangements for opening of sufficient number of purchase centres, deploying procurement and quality testing staff, timely supply of packaging materials, mobilisation of required storage space were finalized in the meeting.

PROCUREMENT PLAN FOR KMS 2018-19

3.5 For the Kharif crop of KMS 2018-19, an estimated target of 370.00 lakh MT for procurement of paddy in terms of rice has been set in consultation with the State Governments after a Conference of the State Food Secretaries held on 01.08.2018. Government fixes the period of procurement of paddy in various States and also enforces a discipline in milling of the procured paddy for completion of milling and handing over of CMR to SGAs/FCI.

PROCUREMENT PLAN FOR WINTER/SUMMER PADDY IN KMS 2018-19

3.6 In the Rabi Conference of the State Food Secretaries held on 07.02.2019, a separate estimate of 78.04 lakh MT was fixed for procurement of paddy in terms of rice pertaining to winter/summer crop in KMS 2018-19, which is usually procured during the period of April to September in a year. This practice of fixing separate target for this crop is

to ensure that procurement of paddy for kharif crop is completed in time by the States and the procured paddy is subjected to milling without any delays and resultant CMRs are handed over to State Government Agencies (SGAs)/FCI in time by the millers.

PROCUREMENT OF COARSEGRAINS

3.7 The Department has laid down Guidelines for allocation, distribution and disposal of coarse grains (Jowar, Bajra, Maize & Ragi, etc.) wherein States are allowed to procure these commodities from farmers at MSP under Central Pool subject to the prior approval of GOI on the detailed procurement plan prepared by State Governments in consultation with FCI. The whole quantity shall be distributed under Targeted Public Distribution System (TPDS)/ Other Welfare Schemes (OWS) in the States/ UTs within three months from the date of end of procurement period and the combined allocation of wheat and rice to the equivalent extent shall stand automatically reduced.

3.8 During the KMS 2018-19, this Department approved the 13,65,000 MT quantity of the coarse grains which is highest in the last five years. Details of approved quantity of coarse grains, grain-wise and state-wise during KMS 2018-19 are enumerated as under:

(Figures in MT)

S. No.	State	Commodity	Approved Quantity (as on 31.03.2019)
1.	Haryana	Bajra	1,15,000
2	Maharashtra	Jowar Bajra Maize	5,00,000 50,000 5,00,000
3	Uttar Pradesh	Maize	1,00,000
4.	Gujarat	Maize Bajra	50,000 50,000
Total			13,65,000

FOOD MANAGEMENT

SUPPLY OF GUNNY BAGS

3.9 Considering the concerns raised by the States relating to practical problems faced by them pertaining to arrangement of old bags for packaging of procured paddy only, this Department vide letter dated 13.12.2018 has relaxed the condition relating to certification to be provided by State for one time usage of old bags for packaging of procured paddy from KMS 2018-19 onwards.

SCHEME OF DECENTRALISED PROCUREMENT (DCP) OF FOODGRAINS

3.10 The scheme of Decentralized Procurement of foodgrains was introduced by the Central Government in 1997-98 with a view to effecting savings in food subsidy, enhancing the efficiency of procurement and public distribution and encouraging local procurement to the maximum extent thereby extending the benefits of MSP to local farmers.

3.11 Under the DCP scheme, the State Government itself undertakes direct purchase of paddy and wheat on behalf of Government of India. Purchase centres are opened by the State Governments and their agencies as per their requirements. The State governments procure, store and distribute foodgrains under NFSA and OWS. In the event of the total quantity of wheat and rice thus procured falling short of the total allocation made by the Central Government for meeting the requirement of NFSA and other schemes, the Central Government, through FCI, meets the deficit out of the Central Pool stocks.

3.12 The Central Government undertakes to meet the expenditure incurred by the State Governments on the procurement operations as per approved costing based on certain fixed principles. The Central Government also monitors the quality of foodgrains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried on smoothly.

3.13 The State Governments/UTs, which are undertaking procurement operations under DCP Scheme, are as under:

Sl. No.	State/UT	DCP adopted for
1.	Andaman & Nicobar 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.	Punjab	Wheat
13.	Rajasthan (in 9 District) *	Wheat
14.	Andhra Pradesh	Rice
15.	Telangana	Rice
16.	Maharashtra	Rice
17.	Jharkhand (6 District)	Rice

* State has been included in Centralized Procurement for RMS 2017-18 and 2018-19.

IMPROVEMENT OF PROCUREMENT OF PADDY IN EASTERN STATES

3.14 The Government has accepted the recommendation of High Level Committee (HLC) constituted under the Chairmanship of Shri Shanta Kumar, M.P. that FCI should focus more in the Eastern States of India, where there are frequent complaints of distress sale of paddy and procurement system is ineffective. Accordingly, State-wise 5-yr Action Plans drawn by FCI for U.P. (with focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam, where concerns exist about distress sale of paddy (procurement is already robust in Chhattisgarh & Odisha).

3.15 During ongoing KMS 2018-19, FCI has opened

251 procurement centres in these States. A total of 29,650 procurement centres have been opened by FCI and State Agencies in current Season in these States to increase outreach of procurement operations. As on 31.03.2019, 65.12 lakh MT of Rice has been procured in ongoing KMS 2018-19. 60.59 lakh MT of paddy in terms of rice was procured in these States in KMS 2017-18.

STATUS OF PROCUREMENT OF FOODGRAINS

3.16 The status of procurement of foodgrains in 2018-19 is given below:

- (i) In RMS 2018-19 (April 2018 to March 2019), 357.95 lakh MT wheat was procured by the Government Agencies at MSP for the Central Pool compared to 308.24 lakh MT procured in RMS 2017-18.
- (ii) For the KMS 2018-19 (October, 2018-September, 2019), procurement of paddy/ rice started in October, 2018 and by 31.03.2019, 374.50 lakh MT of paddy in terms of rice has been procured in various States against the target of 370.00 lakh MT for Kharif crop of KMS 2018-19. The total procurement of paddy in terms of rice in KMS 2017-18, which ended on 30.09.2018, was 381.85 lakh MT as reported by FCI.

ISSUE OF BONUS OVER AND ABOVE MSP

3.17 Certain State Governments, which were procuring surplus foodgrains than their requirement for NFSA were also providing bonus over and above MSP during past few years, which was distorting the market and driving away private buyers from the market of such States, leaving entire responsibility of purchase on the Government only.

3.18 This used to result in over procurement in these States. To curb this anomaly, Central Government had taken a decision on 12th June, 2014 that in

case, a surplus DCP State declares bonus for wheat or paddy from KMS 2014-15 and RMS 2015-16 onwards, the Central Government will limit the procurement for Central pool to the extent of requirement of foodgrains for NFSA/ OWS allocations of that State and will provide acquisition and distribution subsidy to the State Government accordingly.

3.19 The State Government will be responsible for the disposal of any surplus quantity procured in the State over and above this quantity and bear the financial burden in that regard. For non - DCP States, it has been decided that if a State announces bonus over and above MSP, the FCI will not take part in MSP operations in the State concerned and State agencies will have to mobilize resources and take care of entire MSP operations in the State on their own including the arrangements to be made for storage of procured foodgrains.

3.20 With respect to such States, FCI in consultation with the Department will decide as to how much stock of wheat or rice it should acquire from the concerned State in a particular season and will restrict its Central Pool procurement to that extent leaving rest of the surplus stocks to be disposed off by the State Government concerned at its own risk and cost.

3.21 This decision has successfully led to dropping of practice of giving bonus over and above MSP for paddy in Chhattisgarh and Madhya Pradesh from KMS 2014-15 onwards and for wheat in Madhya Pradesh from RMS 2015-16 onwards. The experience has been very encouraging as the procurement levels are lower in both Chhattisgarh and Madhya Pradesh compared to previous year and there is re-emergence of competition in the markets of paddy and wheat in these States.

FOOD MANAGEMENT

PROCUREMENT OF WHEAT IN RMS 2018-19

3.22 The State-wise procurement of wheat during the last 5 years (marketing season wise) is given below:

(In lakh MT)					
State	2014-15	2015-16	2016-17	2017-18	2018-19
Haryana	64.95	67.78	67.52	74.32	87.84
M.P.	70.94	73.09	39.92	67.25	73.13
Punjab	116.41	103.44	106.49	117.06	126.92
Rajasthan	21.59	13.00	7.62	12.45	15.32
U.P.	6.28	22.67	7.97	36.99	52.94
Others	0.61	0.90	0.10	0.17	1.8
All India	280.78	280.88	229.62	308.24	357.95

3.23 The breakup of procurement of wheat by FCI and State Agencies in RMS 2018-19 is given below:

State	Quantity Procured (In lakh MT)		
	FCI	State Agencies	Total
Haryana	10.55	77.29	87.84
Madhya Pradesh	0.00	73.13	73.13
Punjab	15.31	111.61	126.92
Rajasthan	13.03	2.29	15.32
Uttar Pradesh	3.57	49.37	52.94
Others	0.15	1.65	1.80
Grand Total	42.61	315.34	357.95

PROCUREMENT OF RICE IN KMS 2018 – 19

3.24 For having a comparative idea, the State-wise procurement of rice during the last 5 years (marketing season wise) is given below:

(In lakh MT)					
STATE/UTs	2014-15	2015-16	2016-17	2017-18	2018-19*
Andhra Pradesh	35.96	43.36	37.24	40.00	29.82
Telangana	35.04	15.79	35.97	36.18	27.08
Assam	0.15	0.42	0.47	0.35	0.43
Bihar	16.14	12.23	12.34	7.93	7.69
Chandigarh	0.10	0.16	0.13	0.14	0.13
Chhattisgarh	34.23	34.42	40.22	32.55	40.80
Gujarat	0.00	0.01	0.01	0.01	0.09
Haryana	20.15	28.61	35.83	39.92	39.09
Jammu & Kashmir	0.00	0.07	0.08	0.13	0.09
Jharkhand	0.02	2.06	1.39	1.43	1.21
Karnataka	0.88	0.55	0.00	0.00	0.00
Kerala	3.74	3.82	3.08	3.29	2.53
Madhya Pradesh	8.07	8.49	13.14	10.96	13.95
Maharashtra	1.99	2.30	3.09	1.79	3.83
Odisha	34.87	33.69	36.30	32.87	34.08
Punjab	77.86	93.50	110.52	118.33	113.34
Tripura	0.00	0.00	0.00	0.00	0.07

STATE/UTs	2014-15	2015-16	2016-17	2017-18	2018-19*
Tamil Nadu	10.51	11.92	1.44	10.11	10.69
Uttar Pradesh	16.98	29.10	23.54	28.75	32.13
Uttarakhand	4.65	5.98	7.06	0.38	4.62
West Bengal	20.32	15.68	19.23	16.73	12.84
Others	0.00	0.00	0.00	0.00	0.00
All India Total	321.66	342.16	381.08	381.85	374.50

*KMS 2018-19 is under progress. Data reported as on 31.03.2019.

- 3.25 The break-up of procurement of rice by FCI and State Agencies during the last 5 years (**marketing season wise**) is given below:

(In lakh MT)

KMS	Procurement		
	FCI#	State Agencies	Total
2013-14	60.51	258.13	318.64
2014-15	25.20	296.45	321.65
2015-16	8.14	334.04	342.18
2016-17	9.86	371.20	381.06
2017-18	6.77	374.15	381.85
2018-19*	3.79	370.71	374.50

*KMS 2018-19 is under progress. Data reported as on 31.03.2019 by FCI.

#includes the procurement done by private players from KMS 2015-16 to KMS 2017-18.

PROCUREMENT OF RICE UNDER LEVY SYSTEM

- 3.26 In previous years, rice used to be also procured under levy system from the rice millers/dealers at prices announced separately for each State. Levy on rice is imposed by the State Governments in exercise of powers conferred on them by the Central Government under the Essential Commodities Act, 1955. As direct purchase of paddy from the Farmers through the purchase centres opened by the Government Agencies is more beneficial to the farmers and also looking at the sufficiency of rice stocks under Central Pool and problems/likeness of malpractices associated with the levy system, the Government of India had decided to limit the procurement through levy to the maximum extent of 25% only w.e.f. 01.10.2014 i.e. in KMS 2014-15. The levy has been limited to 'zero' w.e.f. 01.10.2015 i.e. in KMS 2015-16.

PROCUREMENT OF PULSES BY FCI

- 3.27 HLC recommended that Government of India

needs to revisit its MSP policy. Currently, MSP are announced for 23 commodities, but effectively price support operates primarily in wheat and rice and that too in selected states. This Department agreed for procurement of pulses and oilseeds through FCI on the pattern of NAFED under the Price Support Scheme of the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW). With the approval of CCEA, the DAC&FW has, vide orders dated 23.06.2015, decided that FCI should be included as an Additional Central Nodal Agency for procurement of Pulses and Oilseeds.

- 3.28 Accordingly, the Department has issued orders allowing FCI to be the Additional Central Nodal Agency for procurement of pulses and oilseeds and has further required FCI to make arrangements for procurement of such commodities at MSP with the support of the State Government Agencies having experience and expertise of procurement of such commodities.

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3.29 The pattern of arrangements for Price Support Operations are going to be similar to the modus operandi adopted by NAFED for procurement of pulses and oilseeds and the required credit etc. should be mobilized under the guarantee provided to FCI separately by the DAC&FW for that purpose. The losses incurred with regard to the MSP operations of pulses and oilseeds will be required to be directly compensated to FCI by the DAC&FW on the pattern of NAFED.

3.30 For creating the buffer under Price Stabilization Fund (PSF), FCI procured pulses during KMS 2015-16, RMS 2016-17 & KMS 2016-17. As per the decision of Department of Consumer Affairs (DoCA), Gol, FCI did not participate in procurement of pulses during RMS 2017-18 and KMS 2017-18 Season.

3.31 As per the direction of DAC&FW, FCI is carrying out procurement of pulses in three states along with NAFED and exclusively in Andhra Pradesh in KMS 2018-19 under Price Support Scheme (PSS). As on 31.03.2019, 15218.37 MT Tur, 54578.98 MT Urad, 6496.7 MT Moong and 454.23 MT Soyabean have been procured in Maharashtra, Andhra Pradesh, Karnataka and Madhya Pradesh.

STOCK POSITION IN CENTRAL POOL

3.32 The stock of foodgrains in the Central Pool as on 01.04.2019 was 464.44 lakh MT, which comprised of 169.92 lakh MT of wheat, 293.94 lakh MT of rice and 0.58 lakh MT of Nutri-grains (coarsegrains). The total stock of foodgrains in the Central Pool including Nutri-cereals as on 1st January during the last three years was as follows:-

(in lakh MT)

Year	Stock
1 st Jan, 2017	273.66
1 st Jan, 2018	359.30
1 st Jan, 2019	456.13
1 st April, 2019	464.44

3.33 Quarterly stock position of wheat and rice in the Central Pool vis-à-vis foodgrain stocking norms is at **Annex-IV**. State-wise position of stocks of rice and wheat in the Central Pool as on 01.04.2019 is at **Annex-V**.



Food grains stacked in Godown

OPEN MARKET SALE SCHEME (DOMESTIC)

3.34 In addition to maintaining buffer stocks and for making a provision for meeting the requirement of the NFSA and Other Welfare Schemes (OWS), FCI on the instructions from the Government sells excess stocks out of Central Pool through Open Market Sale Scheme (Domestic) [OMSS (D)] in the open market from time to time at predetermined prices to achieve following objectives:-

- i. To enhance the supply of food grains during the lean season and deficit regions
- ii. To moderate the open market prices
- iii. To offload the excess stocks
- iv. To reduce the carrying cost of food grains

3.35 A target of 100 lakh MT of wheat has been set for sale by FCI out of Central Pool in the open market under OMSS (D) during 2018-19. For Madhya Pradesh, Punjab and Haryana, reserve price for wheat for second, third and fourth quarter of FY 2018-19 has been kept at ₹1,900/- , ₹1,925/- and ₹1,950/- per quintal respectively. For other states, railway freight ex-Ludhiana to

the nearest railway and road transportation cost from railhead to depot where sale is undertaken, is added to the reserve price of wheat. Under OMSS Policy sale of wheat is undertaken after end of procurement period of wheat.

3.36 Under OMSS Policy sale of wheat is undertaken after end of procurement period of wheat. In non procuring States, sale of wheat under OMSS (D) commenced immediately.

3.37 A target of 20 lakh MT of Grade 'A' rice has also been set for sale by FCI out of Central Pool in the open market under OMSS (D) during 2018-19; however it may be reviewed by the Department, if offtake is more. The overall reserve price for sale of Grade 'A' rice under OMSS (D) has been kept at ₹2,500/- per quintal upto 30th September, 2018. From 1st October, 2018, it has been kept as ₹2,500/- per quintal or MSP derived price (MSP of Gr A Paddy * (1.5)), whichever is higher i.e. ₹2655/- per quintal. Sale of rice is undertaken throughout the year but there would be no sale under OMSS (D) in procuring states during procurement period of paddy.

3.38 The mode of sale of wheat and rice under OMSS (D) through e-auction is same as undertaken during OMSS 2017-18.

3.39 The quantities of wheat and rice sold under the OMSS (D) during the last 5 years and FY 2018-19 are as under:

(Qty. in lakh MT)

Year	Wheat	Rice
2013-14	61.16	1.68
2014-15	42.37	*Nil
2015-16	70.77	1.11
2016-17	45.67	1.78
2017-18	14.22	4.90
2018-19**	81.84	8.46

*Sale of rice was not undertaken in 2014-15.

** Upto March, 2019

POLICY ON FOODGRAINS STOCKING NORMS

3.40 The main objectives of the Policy are: -

- To meet the prescribed Minimum Foodgrain Stocking norms for food security,
- For monthly releases of foodgrains for supply through the TPDS/OWS,
- To meet emergency situations arising out of unexpected crop failure, natural disasters etc., and
- For market intervention to augment supply so as to help moderate the open market prices.

FOODGRAINS STOCKING NORMS FOR THE CENTRAL POOL (BUFFER NORMS)

3.41 The foodgrain stocking norms for the central pool from January, 2015 are as under-

(in million MT)

As on	Operational stocks		Strategic Reserve		Total
	Rice	Wheat	Rice	Wheat	
1 st April	11.58	4.46	2.00	3.00	21.04
1 st July	11.54	24.58	2.00	3.00	41.12
1 st Oct	8.25	17.52	2.00	3.00	30.77
1 st Jan	5.61	10.80	2.00	3.00	21.41

ALLOCATION OF FOODGRAINS UNDER TPDS AND OTHER WELFARE SCHEMES

3.42 With a view to make receipt of foodgrains under TPDS a legal right, Government of India enacted National Food Security Act, 2013 which came into force w.e.f. 05.07.2013. The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under TPDS, thus covering about two-third of the population. The eligible persons identified by the States/UTs are entitled to receive 5 kg of foodgrains per person per month at subsidized prices of ₹3/2/1 per kg for rice/wheat/nutri-grains (Coarsegrain). The existing Antyodaya

FOOD MANAGEMENT

Anna Yojana (AAY) households, which constitute the poorest of the poor, continue to receive 35 kg of foodgrains per household per month. As of 01.11.2016, NFSA has been implemented in all 36 States/UTs.

3.43 During the year 2018-19, Government of India has so far allocated 612.18 lakh MT of foodgrains to States/UTs/Welfare Institutions, etc. as per break up given below: -

Sl. No.	Category	Quantity (in lakh MT)
1	National Food Security Act	552.96
2	Additional allocation - Festival & natural calamity	6.00
3	Other Welfare Schemes	53.22
	Total	612.18

OFF-TAKE OF FOOD GRAINS

3.44 During the Financial Year 2018-19 the offtake of foodgrains under TPDS and various other

schemes including OWS, OMSS/Export etc. are as under:-

- (i) The offtake of foodgrains (wheat and rice) against the allocation upto March, 2019 from the Central Pool under normal TPDS during the period has been 524.00 lakh MT. This comprises 496.24 lakh MT under NFSA normal and 27.76 lakh MT under NFSA (Tide Over). In addition there has been offtake of 3.62 lakh MT under allocation made to States/UTs at economic cost/MSP rate.
- (ii) The offtake under Other Welfare Schemes has been 40.01 lakh MT. In addition there has been offtake of 91.23 lakh MT under Other schemes including Open/Tender Sale/Relief/WFP/Defence etc.

3.45 During the financial year 2018-19, the total offtake of foodgrains from the Central Pool is as under:-

(in lakh MT)

	SCHEME		
	RICE	WHEAT ⁵	TOTAL
(A) TPDS			
NFSA (Normal)	283.77	212.47	496.24
NFSA (Tide Over)	21.15	6.61	27.76
TOTAL	304.93	219.08	524.00
Offtake against allocation made at economic cost/MSP rate	1.91	1.71	3.62
SUB-TOTAL (A)	306.84	220.79	527.62
(B) OWS			
MDM	17.27	3.92	21.19
WBNP	5.03	7.36	12.38
Hostels/Welfare Institutions	5.42	0.59	6.01
ANNAPURNA	0.25	0.04	0.29
RGSEAG- SABLA	0.01	0.13	0.14
SUB-TOTAL (B)	27.98	12.04	40.01
(C) OTHER SCHEMES			
WFP, RELIEF, DEFENCE etc.	1.08	0.04	1.12
OPEN SALE/TENDER SALE/EXPORT	8.04	82.06	90.11
SUB TOTAL (C)	9.12	82.10	91.23
TOTAL (A+B+C)	343.94	314.93	658.86

⁵ Allocation & Offtake of wheat includes Nutri-cereal

OTHER WELFARE SCHEMES (OWS)**Mid-Day Meal Scheme**

3.46 The Mid-Day Meal Scheme was launched on 15.08.1995 by the Ministry of Human Resource Development with a view to enhance enrollment, retention, attendance and simultaneously improving nutritional levels among students in primary schools, initially in 2408 blocks in country. By the year 1997-98 the scheme was introduced in all the blocks of the country. The Scheme presently covers students of Class I-VIII of Government and Government aided schools, Education Guarantee Scheme/Alternative and

Innovative Education Centres (EGS/AIE).

3.47 The Department makes annual allocation of foodgrains under the Scheme to Department of School Education & Literacy, Ministry of Human Resource Development. Sub-allocation of foodgrains to States/UTs is made by Department of School Education & Literacy. With effect from 01.04.2016, allocation of foodgrain under MDM is made at NFSA rates to the Department of School Education & Literacy.

3.48 Annual allocation/offtake of foodgrains under the scheme during the last three years & current year is as under:-

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	Rice	Wheat	Total	Rice	Wheat	Total
2015-16	23.20	4.56	27.76	19.43	3.96	23.39
2016-17	22.96	4.21	27.17	19.22	3.73	22.95
2017-18	21.88	3.64	25.52	18.38	3.57	21.95
2018-19	21.48	4.06	25.54	17.27	3.92	21.19

Wheat Based Nutrition Programme (WBNP)

3.49 This Scheme is implemented by the Ministry of Women & Child Development. Foodgrains for the scheme are allotted by the Department of Food & Public Distribution. With effect from 01.04.2016, allocation of foodgrain under WBNP is made at NFSA rates to the Ministry of Women & Child Development. The foodgrains

allotted under this Scheme are utilized by the States/UTs under the Umbrella Integrated Child Development Scheme (ICDS) for providing nutritious/energy food to children below 6 years of age and expectant/lactating women.

3.50 Annual allocation/offtake of foodgrains under the scheme during the last three years & current year is as under:-

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	Rice	Wheat	Total	Rice	Wheat	Total
2015-16	8.03	10.00	18.03	5.47	8.26	13.73
2016-17	9.63	10.67	20.30	5.99	7.94	13.93
2017-18	9.63	10.40	20.03	4.86	6.51	11.37
2018-19	9.63	10.27	19.90	5.03	7.36	12.38

ALLOCATION OF FOODGRAINS TO WELFARE INSTITUTIONS AND HOSTELS SCHEME

3.51 With a view to meet the requirement of (i) Welfare Institutions viz. Charitable Institutions such as beggar homes, nari-niketans and

other similar welfare institutions not covered under TPDS or under any other Welfare Scheme; and (ii) SC/ST/OBC Hostels, an allocation of foodgrains (rice and wheat) not exceeding 5% of the erstwhile BPL allocation is made to States/

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UTs by the Department of Food and Public Distribution under the Scheme "Allocation of Foodgrain under Welfare Institutions & Hostels Scheme", based on the request received from the States/UTs. The allocation is made only in respect of hostels and Institutions that are owned or run by State Government/UT Admn./ Administrative Ministries. The Scheme has been revamped with effect from 01.09.2017 by clubbing together two erstwhile Schemes i.e.

Welfare Institutions Scheme and SC/ST/OBC Hostels Scheme.

- 3.52 The Central Issue Price for the scheme is BPL rates and the scale of issue of wheat and rice is as per the requirements of the residents, subject to a maximum of 15 kg per resident per month. The allocation/offtake of foodgrains under the above two schemes (Welfare Institutions and SC/ST/OBC Hostels) during the last three years & current year is as under:-

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	Rice	Wheat	Total	Rice	Wheat	Total
2015-16	2.92	1.03	3.95	2.37	0.66	3.03
2016-17	4.35	0.66	5.01	3.75	0.58	4.33
2017-18	3.99	0.53	4.52	3.53	0.33	3.86
2018-19	5.16	0.86	6.02	5.42	0.59	6.01

ANNA PURNA SCHEME

- 3.53 The Ministry of Rural Development (RD) launched the Annapurna Scheme in 2000-2001. Department of Food & Public Distribution allocates foodgrains as per the requirement projected by MoRD. 10 kg of food grains (wheat or rice) is given per month per beneficiary free of cost under the scheme. The scheme

aims at providing food security to meet the requirements of those eligible old aged persons who remained uncovered under National Old Age Pension Scheme (NOAPS). The Central Issue Price for the scheme is at BPL rates.

- 3.54 Annual allocation/offtake of foodgrains under the scheme during the last three years and current year is as under:-

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	Rice	Wheat	Total	Rice	Wheat	Total
2015-16	0.62	0.18	0.80	0.26	0.06	0.32
2016-17 [§]	0.114	0.0	0.114	0.20	0.0	0.20
2017-18 *	0.0	0.0	0.0	0.0	0.0	0.0
2018-19	0.52	0.21	0.73	0.25	0.04	0.29

* During the year 2017-18, MoRD has not furnished any indent for the allocation of foodgrain under the scheme.

[§] Ex post-facto allocation made to Odisha dated 04.02.2019, Offtake includes backlog quota also.

SCHEME FOR ADOLESCENT GIRLS

- 3.55 The Ministry of Women and Child Development administers the scheme at the central level and State/UT Governments implement the scheme. However foodgrains for the scheme are allotted by the Department of Food &

Public Distribution at BPL rates to the Ministry of Women & Child Development. The Scheme for Adolescent Girls, (earlier known as SABLA) was launched on 19.11.2010 by merging two schemes namely Nutrition Programme and Adolescent Girls (NPAG) and Kishori Shakti

Yojana (KSY) into a single scheme and proposed to be implemented in 200 selected districts across the country. Now, this scheme i.e. SAG is being implemented in all the districts of the country with effect from 01.04.2018 and Kishori Shakti Yojana (KSY) has been phased out with expansion of SAG. The Scheme will cover out of school girls in the age group of 11-14 years. The out of school girls in the age group of 11+ to 14 years, are entitled for supplementary nutrition under the scheme. They will also received life skills education, nutrition and health education, awareness about socio-legal issues, existing public services etc. Each out of school AGs in

the age group of 11-14 years registered under the scheme will be provided supplementary nutrition similar to that of pregnant women and lactating mothers under ICDS containing 600 calories, 18-20 grams of protein and micronutrients for 300 days in a year. Nutrition to be given in the form of Take Home Ration (THR) or Hot Cooked Meals (HCM) whichever is feasible. The scheme aims at motivating out of school girls to go back to formal schooling or vocational/skill training under non-nutrition component of the scheme. Annual allocation and offtake of rice & wheat during the last three years and current year is as under:-

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	Rice	Wheat	Total	Rice	Wheat	Total
2015-16	0.81	1.28	2.09	0.27	0.61	0.88
2016-17	1.25	1.48	2.73	0.36	1.09	1.45
2017-18	0.77	1.29	2.06	0.27	0.60	0.87
2018-19	0.38	0.64	1.02	0.01	0.13	0.14

REVISION OF IMPORT DUTY ON WHEAT

3.56 The duty of wheat was imposed 20% w.e.f. 08.11.2017 and it has been raised to 30% w.e.f. 23.05.2018.

POST HARVEST MANAGEMENT OF FOODGRAINS

3.57 Under the Post Harvest Management of food grains, the following activities are being carried out in the Department -

A. Applied Research & Development and Training on Storage Management of food grains (Indian Grain Storage Management and Research Institute- IGMRI)

3.58 IGMRI and its field stations are carrying out applied Research & Development activities on various aspects of storage management of foodgrains. Storage technology developed elsewhere is also tested in Indian conditions. Besides, the quality of foodgrain is monitored by analyzing samples of foodgrains for physical parameters, pesticide residue and mycotoxin contamination.

3.59 IGMRI Hapur and its field stations are organizing Long Term and Short Term Training Courses (LTTC & STTC) on scientific storage and inspection of foodgrains for the officers of FCI, CWC, SWCs, State agencies, pest control operators and private candidates.

3.60 With a view to enthuse professional attitude/management in training activities and to develop IGMRI, Hapur a center of excellence for the purpose of training in the field of Post Harvest Management of foodgrains, an MOU was signed between CWC and the Department of Food & PD on 25.10.2012 for five years and extended for another five years from 30.05.2018. Training infrastructures at IGMRI Hapur has been upgraded and all the training programmes at IGMRI Hapur are being conducted with the faculty support of S&R Division. Further, IGMRI, Hapur has received accreditation from National Accreditation Board for Testing and Calibration

FOOD MANAGEMENT

Laboratories (NABL) for the period from 12.04.2019 to 11.04.2021.

3.61 The following major applied R&D activities have been undertaken by the IGMRI during 2018-19:

- i. Effect of dehusked grain on storability of rice in laboratory condition.
- ii. A study on effect of different botanical extracts on *Callosobruchus chinensis*: Bruchidae, Coleoptera on Bengal gram in laboratory conditions

3.62 The performance of IGMRI, Hapur and its field stations under various activities during 2018-19 is summarized below:

S. No.	Item/Activity	Achievement (2018-19)*
1.	Long term/Short term Training Courses (LTTCs)	5 (119)
2.	Short Term Training Courses (STTCs) 1. Two weeks duration 2. One week duration	8 (197) 6 (188)
3.	Analysis of foodgrain samples for (i) Physical quality parameters(No. of samples) (ii) Mycotoxin contamination (No. of samples) (iii) Pesticide residue (No. of samples)	1006 502 1125

*values in parenthesis indicate number of trainees attended the training programme.

(B) Quality Standards for food grains (Central Grain Analysis Laboratory-CGAL)

3.63 CGAL located in Krishi Bhawan at New Delhi assists the Department in monitoring the quality of foodgrain at the time of procurement, storage and distribution, so as to protect the interest of the farmers and also the consumers, besides, rendering technical opinion on quality aspects in respect of foodgrains (wheat and

rice) that are imported and/or exported by the country on Central Pool account under contractual specifications.

3.64 The main function of CGAL is to, lay down quality standards for procurement of Kharif and Rabi foodgrains being procured for Central Pool stock keeping in view the interest of producers, consumers and the provisions under the Food Safety and Standards Act. In addition it also carries out classification of rice/paddy varieties for fixation of procurement and issue prices, assessment of the quality of foodgrains that are imported or exported under Central Pool account in relation to the contractual specifications and assessment of the quality of foodgrain samples brought by inspecting officers of Quality Control Cell, New Delhi and other senior officers.

3.65 This lab has also been designated as referral lab in case of disputes in acceptance of Custom Milled Rice consignments between FCI and State agencies/rice millers. It had received accreditation from NABL w.e.f. 30.11.2018 to 29.11.2020. A number of 2322 foodgrain samples analysed for physical parameters and 1501 foodgrain samples were analysed for chemical parameters such as Protein content, Falling Number, Gluten content and Uric acid.

(C) Monitoring quality of food grains (Quality Control Cells-QCCs)

3.66 Eleven QCCs are functioning under the direct control of the Department. The main objective of these cells is to ensure the quality of foodgrains at the time of storage. Surprise checks are conducted of food storage depots, by the officers of these cells to ensure the quality of foodgrains. It is also ensured that the guidelines/instructions issued by Government about proper storage and maintenance of foodgrains are followed by the FCI, CWC, SWCs and State agencies.

These cells attend to various complaints received from MPs, VIPs, State Governments, media and consumers about the quality of foodgrains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspection/investigations are communicated to the concerned authorities for taking remedial measures including action taken against the delinquents. 1159 inspection of food storage depots carried out by the QCCs during 2018-19.

MOVEMENT OF FOODGRAINS

3.67 Movement of Foodgrains is as follows:

(A) Coordination with Railways: Coordinating and monitoring the movement of foodgrains from surplus regions to deficit regions, taking into account the storage capacity, procurement, stocks, allocations and offtake of foodgrains, is one of the major functions of the Department. Movement division in the department closely monitors the movement and co-ordinates with FCI and Railways. An inter-Ministerial Co-ordination Committee with JS (P&FCI), Dept of F&PD, ED (T), FCI and ED (TTF), Railway Board as member has been working since January, 2013 to actively take up the operational issue with Railways.

To increase the co-ordination between Railways and FCI, coordination committees at Zonal and Regional levels have also been formed. Due to the regular interactions between Railways and FCI, the compliance of loading plan of FCI has improved and issues related to penal charges by Railways, infrastructure development at Railway godsheds have been sorted out. The availability of rakes have improved through the mechanism of these Coordination Committees, incurrance of demurrage charges has reduced and settlement of railway claims of FCI has been speeded up. Issue of arbitrary imposition and adjustment of punitive charges in Railways has been resolved.

(B) New Modes of Transportation: FCI has undertaken a pilot project of multi-modal transportation involving coastal shipping and road movement of rice from designated depots of Andhra Pradesh to designated depots in Kerala. The operations were started in March, 2014. The movement is in containers, therefore, quality is well maintained and there are less chances of contamination or pilferage, as is in the case of transportation through railways and roads. The number of handlings is also less and transit loss is also prevented. The only limitation could be the availability of boiled rice at Kakinada in Andhra Pradesh, which is the port of origin for these operations.

(C) Optimization of Movement of Foodgrains by FCI: Railways has undertaken major infrastructural development in North-East with conversion of MG lines to BG. Due to which foodgrains are being inducted directly from Punjab/Haryana to South Assam, Tripura, Manipur & Mizoram. As a result of Gauge conversion, the dependability on Long route InterState Road Movement has reduced. Further, with improvement of paddy procurement in Eastern States & expansion of DCP operations, some States are self-sufficient and some are surplus in rice requirement. This means more movement of rice by rail from Chhattisgarh & Odisha for Southern and Eastern India, effecting savings in transportation.

HILL TRANSPORT SUBSIDY SCHEME (HTS) DISCONTINUATION

3.68 To eliminate duplicacy of reimbursement claims under HTS & NFSA, this department has discontinued HTS Scheme w.e.f 01.04.2017 as reimbursement of the same is being covered under NFSA.

FOOD SUBSIDY

3.69 States are allocated food grains at subsidized rates under NFSA and OWS. Difference between

FOOD MANAGEMENT

Economic Cost and Central Issue Price (CIP) at which foodgrains are issued to States are reimbursed to FCI as subsidy. In case of States which have adopted DCP, food subsidy is released to States by Government of India for quantity of food grains procured and distributed by them under NFSA and OWS. Food subsidy

is released to FCI & DCP State depending on the subsidy claim, amount of food subsidy found admissible, and the monthly/quarterly availability of budget. Status of food subsidy released to FCI and State Government in the last four years and current year are as below:

(₹in crore)

Year	Food Subsidy Released (As on 31.03.2019)		
	FCI	States	Total
2014-15	91995.35	21175.81	113171.16
2015-16	112000.00	22919.00	134919.00
2016-17	103334.61*	27338.35	130672.96*
2017-18	101981.69@	38000.00	139981.69 @
2018-19	140098#	31029.4850	171127.485#

* Includes NSSF loan of ₹25,000 crore to FCI

@ Includes NSSF loan of ₹40,000 crore to FCI

Includes NSSF loan of ₹70,000 crore to FCI

DISASTER MANAGEMENT

3.70 The Department also assists in the Disaster Management Operations/Emergency Support Functions of the Government by maintaining a close liaison with the Disaster Management

Division of the Ministry of Home Affairs to meet the requirement of foodgrains in the various parts of the country, whenever, affected by any natural calamity or disaster.



PUBLIC DISTRIBUTION SYSTEM



CHAPTER – IV

INTRODUCTION

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

4.2 PDS is operated under the joint responsibility of the Central and the State Governments. The Central Government, through Food Corporation of India (FCI), has the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of ration cards, distribution of foodgrains through Fair Price Shop (FPS) and supervision of the functioning of Fair Price Shops (FPS) rests with the State Governments. Under the PDS, commodities, namely, wheat, rice and coarse grains are being allocated to the some of the States/UTs for distribution. States/UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt, spices, etc. as per their requirement.

TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS)

4.3 The Government of India launched the Targeted Public Distribution System (TPDS) in June, 1997 with focus on the poor. The coverage under TPDS was based on State-wise poverty estimates of the Planning Commission for 1993-94 and population projection of Registrar General of India for the year 1995. Subsequently, the base of the population projection was shifted to 01.03.2000. Accordingly, 652.03 lakh BPL households including AAY families were

covered under TPDS and the remaining 1151.75 lakh households, at March, 2000 population based, under APL category.



A view of Fair Price Shop

ANTYODAYA ANNA YOJANA

4.4 In order to make TPDS more focused and targeted towards this category of population, the "Antyodaya Anna Yojana" (AAY) was launched in December, 2000 for one crore poorest of the poor families. The AAY Scheme was subsequently expanded thrice, by adding 50 lakh additional families on each occasion, in June, 2003, August, 2004 and May, 2005, thus taking the coverage under the scheme to 2.5 crore. Though actual identification of BPL and AAY households was the responsibility of State Governments, guidelines for identification of AAY households were issued by the Department from time to time.

IDENTIFICATION OF ANTYODAYA

4.5 Detailed guidelines were issued to the States/UTs for identification of the Antyodaya families under the AAY and additional Antyodaya families under the expanded AAY. In order to identify these households, the following criteria was being adopted: -

- i. Landless agriculture labourers, marginal farmers, rural artisans/craftsmen, such as potters, tanners, weavers, blacksmiths, carpenters, slum dwellers and persons

earning their livelihood on daily basis in the informal sector like porters, coolies, rickshaw pullers, hand cart pullers, fruit and flower sellers, snake charmers, rag-pickers, cobblers, destitute and other similar categories in both rural and urban areas;

- ii. Households headed by widows or terminally ill persons/disabled persons/persons aged 60 years or more with no assured means of subsistence or societal support;
- iii. Widows or terminally ill persons or disabled persons or persons aged 60 years or more or single women or single men with no family or societal support or assured means of subsistence;
- iv. All primitive tribal households;
- v. All HIV positive persons.

LIFTING AND DISTRIBUTION OF RATION UPTO SIX MONTHS UNDER TPDS

4.6 Department of Food & Public Distribution, Government of India in July 2011, permitted the State/UT Governments for lifting and distribution of upto six months' ration under TPDS in one go, subject to the following conditions:-

- i. There should be no compulsion on the beneficiaries to lift their entitlements of upto six months in one go. To avoid undue financial burden/inconvenience to the beneficiaries, this should be purely voluntary.
- ii. The existing system of lifting the quota every month and in installments should be permitted to continue for those who are not interested or cannot afford to lift the entire quantity.
- iii. Adequate publicity should be made about the same. The bulk distribution of foodgrains may be made as far as possible

in the presence of State Government officials, representative of PRIs, members of Vigilance Committees in Gram Sabha, NGOs concerned, etc. to ensure transparency.

- iv. Under NFSA 2013, the entitlements of foodgrains are to be distributed to the eligible households through TPDS. Hence, States/UTs have been intimated that the above referred facility for advance lifting and distribution of upto six months' ration under TPDS would also apply for NFSA allocations, subject to the observance of the terms and conditions stipulated in this Department's instructions.

MEASURES TAKEN TO STRENGTHEN TPDS

4.7 To eliminate leakages and to ensure that eligible households receive their entitlements under the TPDS, the following measures have been taken by this Department:

- (a) **Modernization of TPDS:** Modernization of Targeted Public Distribution System (TPDS) has been taken up by the Department of Food and Public Distribution with a view to addressing challenges such as leakages and diversion of foodgrains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievance redressal, etc. With an objective to introduce best practices, transparency in TPDS operations and for achieving rightful targeting of food subsidy, Government is implementing a Plan Scheme on 'End-to-End Computerisation of TPDS Operations' in collaboration with all the States/UTs under the 12th Five Year Plan (2012-17). The validity of scheme has been extended upto March, 2020 after approval of Competent Authority without increasing project cost.

Component-I of the scheme includes –

- **Digitization of ration cards/beneficiaries data**– Completed in all States/UTs. Details of 23.30 crore ration cards are available on transparency portals of States/UTs.
- **Online allocation of foodgrains up to FPS level**– Implemented in all States/UTs except UTs of Chandigarh and Puducherry which have adopted DBT (Cash Transfer) scheme.
- **Computerisation of Supply Chain Management for foodgrains**– Implemented in 25 States/UTs
- **Transparency portals and grievance redressal mechanisms**– Transparency Portals and Online Grievance Registration system/Toll-free helpline numbers (1967/1800-series) are available in all States/UTs

Component-II of the scheme includes –

- **Automation of Fair Price Shops** - More than 3.95 lakh of 5.33 Lakh FPSs are automated in the country

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

- (i) **Financial Assistance:** The End-to-End Computerization of TPDS Operations scheme is being implemented in collaboration with States/UTs on cost-sharing basis. Costs are shared with States/UTs on 50:50 basis except for North-Eastern States where cost sharing is done on 90:10 basis. The Cabinet Committee on Economic Affairs (CCEA) approved Component-I of the Scheme in October, 2012 with funding requirement of ₹884.07 crore during FY' 2012-17. The Department conveyed the administrative approval for the Scheme on 10.12.2012. Detailed Guidelines for the scheme were issued in September 2013. So

far, financial assistance of ₹ 412.08 crore has been released to 32 States/UTs, NIC, etc.

- (ii) **Technical Partner:** NIC is the technical partner for the project. The Common Application Software (CAS) prepared by NIC has been offered to all States/UTs. Computerization of TPDS has also been declared a Mission Mode Project (MMP) under the National e-Governance Programme.
- (iii) **DBT (Cash Transfers) of food subsidy:** To eliminate leakages, the Department has suggested two models to States/UTs under Direct Benefit Transfer Scheme i.e. Direct Cash Transfer and Automation of Fair Price Shops (FPSs). Cash Transfer of Food Subsidy Rules, 2015 have been notified in August, 2015. Direct Cash Transfer scheme has already been started in UTs of Chandigarh and Puducherry from the month of September, 2015 and part of Dadra & Nagar Haveli from March, 2016.
- (iv) **DBT (In-kind) distribution of subsidized foodgrains:** Fair Price Shop (FPS) automation i.e. **Component-II** of the computerization scheme, involves issuance of foodgrains to eligible beneficiary after his/her successful authentication at the FPS using Point of Sale (PoS) device/mobile terminal. Department of Food & Public Distribution had issued guidelines on FPS automation, including technical specifications for PoS device in November, 2014 to all States/UTs which were updated in May, 2015. Government has approved ₹17/qtl. towards purchase and operations of the PoS device at FPS for automation under National Food Security Act (NFSA), 2013. Such expenditure would be shared between Centre and State Governments on 50:50 and 75:25 basis for General and Special Category States/UTs respectively. So far more than 3.95 lakh FPSs

are automated by installing e-PoS devices across the country.

- (v) State/UT wise status of implementation of various activities under computerization scheme as on 31.03.2019 is at **Annex-VI**

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

- i. Notification has been issued vide S.O.No. 317 (E) dated 08.02.2017 (as amended from time to time) under Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 which requires individual beneficiary to get his/her ration card authenticated to receive subsidies under NFSA and those who do not possess Aadhaar to make application for Aadhaar enrolment by giving their details to the UIDAI designated agency or as prescribed by the State/UT Governments.
- ii. The notification further provides that till the Aadhaar is assigned to the beneficiaries under NFSA, the entitlements shall be given to such individuals on production of ration card and either Aadhaar Enrolment ID slip or copy of his/her request made to the State/UT Government for Aadhaar Enrolment, along with any of the following identification documents, namely: (i) Voter ID card issued by the Election Commission of India; or (ii) PAN Card issued by Income Tax Department; or (iii) valid Passport; or (iv) Driving License issued by Licensing Authority under Motor Vehicles Act, 1988 (59 of 1988); or (v) Certificate of Identity having photo issued by the Gazetted officer or Tehsildar on an official letter head; or (vi) Address card having name

and photo issued by Department of Posts; or (vii) Kisan Photo Passbook; or (viii) any other document as specified by the State Government or Union Territory Administration. Department has extended the timeline of the notification up to 30th June 2019 in order to allow the States/UTs to complete the Aadhaar seeding with all ration cards.

- iii. Instructions have been issued vide letter dated 24.10.2017 directing all State/UT Governments not to delete any person/household from the list of eligible households and not to deny subsidized foodgrains or cash transfer of food subsidy under NFSA only on the ground of not possessing Aadhaar number. In case of failure of biometric authentication due to network/connectivity/linking issue or due to poor biometric of beneficiary or other technical reasons, the beneficiary is to be provided subsidized foodgrains or cash transfer of Food Subsidy on the basis of physical production of Aadhaar Card by him/her in place of biometric authentication.
- iv. Department has further re-iterated the above instructions to all States/UTs vide letter dated 08.11.2018.

- (c) Concurrent Evaluation of TPDS/NFSA:** An evaluation study on the functioning of TPDS in 27 States/UTs, based on their consent, was awarded to 26 esteemed Monitoring Institutions (MIs). First, second and third quarter reports submitted by MIs for undertaking evaluation exercise in allotted States/UTs for FY 2018-19 are shared with respective State/UT Govts. for comments and Action Taken Report on the same. The process of submission of quarterly reports by selected MIs is ongoing.

(d) Training Programmes for TPDS

functionaries: Under the scheme component of TPDS-Training of umbrella scheme, namely, Strengthening of PDS Operations, 12 training programmes of two days each were organised at IFS, Gurugram for 550 District Food Supply Officers (DFSOs)/field level functionaries. In addition to this a training programme was organized at Agartala, Tripura for training of DFSOs of adjoining States in the month of April, 2018. Taking forward this initiative of building capacity, 02 training programmes for Master Trainers from 19 States were organized at IFS, Gurugram. Further, similar training programme by the Master Trainers for sub-district level functionaries in the States/UTs are being organized in collaboration with GIZ India.

With an objective of strengthening the functioning of PDS through the evolving ICT tools in the PDS System, a training programme on data analysis for technical officers associated with PDS from 11 States was organized at IFS, Gurugram.

(e) Other initiatives taken to strengthen TPDS:

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

- i. A few of the States/UTs have taken own steps to increase FPS dealer margin and increasing viability of FPSs over and above the dealer margin ₹70/quintal and ₹143/quintal given by the Government of India for general category and special category States/UTs respectively. Such States are Maharashtra (₹150/Qtl), Kerala (₹230/Qtl), Jharkhand (₹100/Qtl), Gujarat (₹85/Qtl), Goa (₹190/Qtl.), and Rajasthan (₹125/Qtl.)
- ii. Intra state portability of ration cards has

been introduced by some of the States/UTs. This enables PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State where ePoS device has been installed. Such states are Andhra Pradesh, Haryana, Telangana, Kerala, Maharashtra, Karnataka, Tripura, Rajasthan, Madhya Pradesh (partially) and Chhattisgarh.

- iii. A new scheme – ‘Integrated Management of PDS’ (IM-PDS) has also been approved to be implemented during FY 2018-19 and FY 2019-20 for establishing Public Distribution System Network (PDSN) to implement national level portability, central data repository and central monitoring system of PDS operations, data analytic, etc.
- iv. Annavitran Portal has been implemented to display electronic transactions made through e-PoS devices towards the distribution of subsidized foodgrains to beneficiaries. This portal also shows national picture of Aadhaar authentication of beneficiaries besides allocated and distributed quantity of foodgrains up to district level.
- v. Central Dashboard (nfsa.gov.in) for Ration Cards Management Systems, Online Allocation and Supply Chain Management Systems of States/UTs is being developed by NIC-HQ to monitor mentioned PDS operations of all States/UTs at the National Level.
- vi. State Governments of Rajasthan and Andhra Pradesh have started initiatives called ‘Annapurna Bhandar’ and ‘Chandranna Village Mall’ respectively which allows FPSs dealers to also sell certain FMCG products to increase their FPS viability. Through these initiatives,

State Governments are enabling rural/ low income group consumers with greater choice of FMCG products, at affordable prices, assured quality, increased accessibility and improved lifestyle, through their network of Fair Price Shops.

VIGILANCE COMMITTEES

- 4.8 Vigilance Committees have been in existence since the inception of the rationing system to ensure transparency and proper functioning of TPDS. NFSA, 2013 provides that Vigilance Committees shall supervise the implementation of all schemes under the Act, inform the District Grievance Redressal Officer of any violation of the provisions of the Act as well as any malpractice or misappropriation of funds found by it. Every State Government is thus required to setup Vigilance Committees at the State, District, Block and FPS levels consisting of such persons as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, Women and Destitute Persons or Persons with Disability. The TPDS (C) Order, 2015 stipulates that the meetings of the Committee shall be held at least once every quarter at all levels. The date and periodicity of the meeting would be notified by the State Governments.
- 4.9 Clause 11(4) of the TPDS (C) Order, 2015 requires the State Governments to set up Vigilance Committees for the TPDS at the State, District, Block and fair price shop levels as per the provisions of the NFSA to perform functions as specified in the said Act. As per clause 11(5) of the TPDS (C) Order, 2015, meetings of the Vigilance Committees shall be held at least once in every quarter at all levels and the date and periodicity of the meeting shall be notified by the State Governments and given wide publicity. As per clause 11(6) of the TPDS (C) Order, 2015, the State Government shall send

a report annually to the Central Government on the functioning of Vigilance Committees in the prescribed format. As per clause 11(7) of the TPDS (C) Order, 2015, the number of meetings held by the Vigilance Committees shall be displayed on the State web portal and the action taken on issues discussed in meetings of vigilance committees shall be reviewed in the next meeting.

SOCIAL AUDIT

- 4.10 All States/UTs have been requested vide letter dated 12.09.2017 to consider adopting the guidelines on social audit of the Government of Chhattisgarh including eliciting views/grievances/suggestions from the public on certain important parameters related to functioning of FPSs. States/UTs are also free to modify these guidelines or evolve their own mechanism to suit State specific requirement, for conduct of social audit as per provisions under Section 28 of NFSA, and notify relevant Rules under Section 40(2)(i) of the Act.

ALLOTMENT OF FAIR PRICE SHOPS TO INSTITUTIONS AND GROUPS

- 4.11 Issue of licenses to fair price shops fall within the purview of State/UT Governments. However, as per NFSA, 2013, States/UTs shall give preference to public institutions or public bodies such as Panchayats, Self Help Groups, Co-operatives, in licensing of fair price shops and management of fair price shop by women or their collectives. Clause 9(5) of the TPDS (C) Order, 2015 reiterates the provisions of NFSA, 2013.
- 4.12 As per reports received from State/UT Governments up to the end of October, 2018 out of 5.34 lakh fair price shops reported to be in operation in the country, about 1.43 lakh fair price shops have been allotted to Cooperatives, Women's Self Help Groups, Village Panchayats, Urban Local Bodies and other Self Help Groups in 36 States/UTs.

SALE OF NON-PDS ITEMS IN FPS

4.13 To make operations of FPS economically viable, the State/UT Governments have been advised to allow FPS owners to enlarge basket of commodities by allowing sale of non-PDS items for daily use as per local requirements. Therefore many State/UT Governments have allowed sale of non-PDS items such as edible oil, pulses, milk powder, soaps, etc. through FPSs. Clause 9(9) of the TPDS (C) Order, 2015 requires the State Government to allow sale of commodities other than the foodgrains distributed under the TPDS at the fair price shop to improve the viability of the fair price shop operations.

MEETING WITH STATES/UTS

4.14 Operational issues of PDS under NFSA and their Computerization is regularly reviewed through meetings, conferences, video conferencing, etc.

- i. A two days National Conference of State Food Secretaries on "PDS Reforms and new Initiatives" was held on 8th -9th October, 2018

at Goa. The important aspect of PDS reforms which came up for discussion included the seamless working of the online systems, improving strategy for grievance redressal, enhancing outreach to deprived segment of the society, ensuring effective safeguards for non-denial of entitled foodgrains to the beneficiaries and improving the viability of Fair Price shops.

- ii. Review meetings/video conferences with States/UTs on implementation progress of "End-to-end computerization of TPDS operations" were held on 30th January, 15th March, 19th March, 25th May, 6th July, 23rd July, 25th September, 12th October, 06th December and 18th December, 2018.
- iii. Meeting held with all States under the chairmanship of Secretary (F&PD) on 30th May, 2018 regarding "Promotion of Digital/ Cashless Transaction in Public Distribution System".



Launching of the Handbook on "Implementations of Cash Transfers for Food Subsidy" on 31.05.2018.

NATIONAL FOOD SECURITY ACT, 2013

- 4.15 The National Food Security Act, 2013 (NFSA) was enacted in the year 2013 to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity. The Act inter alia entitles upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under TPDS, thus covering about two-thirds of the population. Eligible households comprise of priority households and Antyodaya Anna Yojana (AAY) households. Persons belonging to priority households are entitled to receive 5 Kg of foodgrains per person per month at subsidised prices of ₹3/2/1 per Kg for rice/wheat/coarse grains. AAY households, which constitute the poorest of the poor, are entitled to receive 35 Kg of foodgrains per household per month @ ₹3/2/1 per Kg for rice/wheat/coarse grains.
- 4.16 The Act also contains provisions for nutritional support to pregnant women & lactating mothers and children upto fourteen years of age. Pregnant women and lactating mothers are entitled to meals, free of charge, during pregnancy and six months after the child birth as well as maternity benefit of not less than ₹6,000. Children upto 14 years of age are entitled to nutritious meals as per the prescribed nutritional standards. In case of non-supply of entitled foodgrains or meals, the beneficiaries will receive food security allowance. For effective implementation and monitoring, the Act also provides for setting up of grievance redressal mechanism at the District and State levels. Separate provisions have also been made for ensuring transparency and accountability.
- 4.17 The Act is being implemented in all the States/UTs and covering about 80 crore persons, against the intended total coverage of 81.34 crore persons under the Act. In the UTs of Chandigarh, Puducherry and urban areas of Dadra & Nagar Haveli, NFSA is being implemented in cash transfer mode under which cash equivalent to subsidy is being transferred directly into the Bank accounts of eligible households to enable them to purchase foodgrains from open market. More than 9 lakh beneficiaries are covered under the cash transfer scheme in three UTs, where it is being implemented, entailing monthly transfer of more than ₹13 crore directly in the bank accounts of the beneficiaries.
- 4.18 NFSA provides for Central assistance to States/UTs to meet the expenditure incurred on intra-State movement of foodgrains and fair price shop dealers' margins. For this purpose, ₹4500 crore was released in 2017-18. An amount of ₹3883.94 crore has been released during 2018-19.



STORAGE



CHAPTER – V

STORAGE

STORAGE OF FOODGRAINS AND AUGMENTATION OF STORAGE CAPACITY

- 5.1 Procurement, in the last few years, has touched new heights given the remunerative MSPs coupled with better operational outreach. As a result, the position of stocks in the Central Pool as on 01.04.2019 was 463.86 lakh MT and the buffer norms to meet the demand of foodgrains for Targeted Public Distribution System (TPDS)/ National Food Security Act (NFSA) is 210.40 lakh MT. As such, there is sufficient foodgrains stock to meet commitment towards food based welfare scheme i.e. for TPDS/NFSA.
- 5.2 Total storage capacity available with FCI is 388.65 lakh MT as on 31.03.2019. Storage capacities both Covered and Covered and Plinth (CAP), available with State Agencies for Central Pool stock of foodgrains is 467.03 lakh MT. As a result, total of 855.68 lakh MT of storage capacity is available for storage of Central Pool stock of foodgrains. The detailed statement is at **Annex-VII**.
- 5.3 Storage capacity available with FCI is concentrated mainly in the procuring hubs located in the Northern Zone which procures about 66% of the total available storage capacity. The Southern Zone, Western Zone, Eastern Zone and North-Eastern Zone have about 14%, 11%, 7% and 2% of the total available storage capacity respectively. Around

76% of the storage capacity is concentrated in 7 major procuring States i.e. Punjab, Haryana, Uttar Pradesh, Andhra Pradesh, Telangana, Maharashtra and Rajasthan, while about 7.6% storage capacity is available in the four newly emerging procuring States of Bihar, Odisha, Jharkhand and West Bengal.

PEG SCHEME FOR CONSTRUCTION OF GODOWNS

- 5.4 To overcome storage constraints and ensure safe stocking of foodgrains across the country, the Government is implementing the Private Entrepreneurs Guarantee (PEG) Scheme for construction of storage godowns in Public Private Partnership (PPP) mode through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Assessment of additional storage capacities required under the scheme is based on the overall procurement/consumption and storage space already available.
- 5.5 Under the PEG scheme, FCI gives a guarantee of 10 years to private investors and 9 years to CWC/SWCs/State Agencies. A capacity of 150.76 lakh MT has been sanctioned for construction of PEG godowns out of which a capacity of 142.17 lakh MT has been completed and a capacity of 6.46 lakh MT is under construction as on 31.03.2019. State-wise status of PEG scheme up to 31.03.2019 is at **Annex-VIII**.



PEG godown at Kala Amb (Himachal Pradesh) and Mau Mandi (Punjab)

- 5.6 A capacity of 1.40 lakh MT has been completed during the year from 01.04.2018 to 31.03.2019.

SILOS – SCIENTIFIC STORAGE OF FOOD GRAINS

- 5.7 Steel silo storage with bulk handling facility is highly mechanized and modernized way of storing of foodgrains in bulk. It ensures better preservation of foodgrains and enhances its shelf life. If foodgrains are stored in silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to foodgrains storage in bags in conventional warehouses. Further, since land availability in existing FCI godowns is scarce, it would be prudent to shift to storage of foodgrains in silos as it requires approximately 1/3rd land as compared to conventional storage warehouses. Moreover, silos can be operated round the clock which would bring in flexibility and improve overall efficiency. As such, construction and utilization of silos for storing and transportation of foodgrains in bulk would be beneficial to the nation as a whole besides creating an efficient Food Supply Chain Management System. Accordingly, FCI has planned to modernize its storage facilities by construction of modern steel silos in Public Private Partnership (PPP) mode.

- 5.8 In pursuance of recommendations of High Level Committee (headed by Shri Shanta Kumar, Hon'ble Member of Parliament) received in

January, 2015, Department has approved a road map/action plan prepared by FCI to augment Silo capacity in the country to the tune of 100 lakh MT. Construction will be done in PPP mode through FCI, State Governments and other agencies like CWC. A total 31.50 lakh MT is planned to be constructed by Government of India through FCI & CWC. Balance capacity of 68.50 lakh MT is to be constructed by the State Governments/Agencies.

- 5.9 The progress of modernisation of storage facilities and construction of steel silos under the action plan is as given below (up to 31.03.2019):-

Silos constructed: 6.25 lakh MT (13 locations)

Under Construction: 6.00 lakh MT (11 locations)

Further awarded: 32.50 lakh MT (at 62 locations)

Under tender action/to be re-tendered: 6.00 lakh MT (12 locations)

Locations approved by High Level Committee for tendering: 32.00 lakh MT (38 locations)

Total: 82.75 lakh MT

- 5.10 The above capacity includes 0.25 lakh MT rice silos on pilot basis for which FCI has awarded work at Buxar and Kaimur (Bihar). Further construction of rice silos will, however, depend on outcome of these pilot projects.



Silo storage facility for food grains

STORAGE

CENTRAL SECTOR SCHEME FOR CONSTRUCTION OF STORAGE GODOWNS

- 5.11 The Department is implementing a Central Sector Scheme (earlier Plan Scheme) for construction of godowns with focus on augmenting capacity in the North Eastern Region (NER) alongwith few other States.
- 5.12 In addition, the Department has been requesting 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 TPDS. While construction of intermediate godowns is the responsibility of the State Governments, the Department has been providing plan funds to Governments of the NE States including Jammu & Kashmir for this purpose, considering their difficult geographical conditions.
- 5.13 During 12th Five Year Plan, a capacity of 1,17,680 MT in North Eastern (NE) States and 20,000 MT in the State of Kerala (10,000 MT) and Odisha (10,000 MT) has been completed by FCI. Further, a capacity of 46,495 MT has been created by State Governments.
- 5.14 The scheme is being continued w.e.f. 2017-18 to 2019-20. There is a plan to create a capacity of 2,52,330 MT with a financial outlay of ₹455.72 crore, out of which 2,10,440 MT capacity (₹379.71 crore) is to be created by FCI and 41,890 MT capacity (₹76.01 crore) by State Governments of NER including Jammu & Kashmir. A capacity of 43,370 MT has been completed by FCI and a capacity of 6,005 MT has been completed by State Governments (from 01.04.2017 to 31.03.2019). An amount of ₹52.62 crore has been released to State Governments and ₹86.50 crore to FCI from 01.04.2017 to 31.03.2019.
- 5.15 During 2018-19, a capacity of 35,440 MT has been completed by FCI and a capacity of 1,505 MT has been completed by State Governments.

An amount of ₹23.30 crore has been released to State Governments and ₹63.00 crore to FCI in the same period.

- 5.16 In addition, hiring of storage capacities is done by FCI wherever required. The storage capacity available with FCI as on 30th June every year and the percentage utilization during last five years is at **Annex-IX**.



Godowns constructed by FCI under Central Sector Scheme at Tanda Kholi, Kangra, Himachal Pradesh

DEPOT ONLINE SYSTEM (DOS)

- 5.17 FCI has implemented Depot Online System (DOS) to automate all the operations at the Depot level and eliminate usage of manual register by capturing data online on a real time basis. DOS has been considered as Go Live w.e.f 01.12.2018 and is operational at 530 depots of FCI (as on 31.03.2019).
- 5.18 In case of Central Warehousing Corporation (CWC), DOS was implemented in 156 depots hired by FCI but 12 depots have since been de-hired. Presently, DOS is installed in all 144 depots hired by FCI. However, CWC is installing its own Warehouse Management System (WMS) in all its warehouses which will integrate DOS with WMS.

INSTALLATION OF CCTV CAMERAS

- 5.19 CCTV Cameras have been installed at 516 depots of FCI, for effective security surveillance to minimize theft, pilferage etc. In addition, Central Warehousing Corporation (CWC) has also installed CCTV Cameras in 250 warehouses.





SUGAR



CHAPTER – VI

SUGAR

6.1 Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and their families and around 5 lakh workers directly employed in sugar mills. Employment is also generated in various ancillary activities relating to transport, trade servicing of machinery and supply of agriculture inputs. India is the second largest producer of sugar in the world after Brazil and is also the largest consumer. Today Indian sugar industry's annual output is worth approximately ₹80,000 crore.

6.2 There are 742 installed sugar factories in the country as on 31.03.2019, with sufficient crushing capacity to produce around 343 lakh MT of sugar. The capacity is roughly distributed equally between private sector units and co-operative sector units. The capacity of sugar mills is, by and large, in the range of 2500 TCD to 5000 TCD bracket but increasingly expanding and going even beyond 10000 TCD. Two standalone refineries have also been established in the country in the coastal belt of Gujarat and West Bengal which produce refined sugar mainly from imported raw sugar as also from indigenously produced raw sugar. The sector-wise break-up of sugar mills in the country is as given below:-

Sl. No.	Sector	Number of factories
1.	Co-operative	329
2.	Private	370
3.	Public	43
	Total	742*

*Including refineries.

SUGARCANE PRICING POLICY

6.3 With the amendment of the Sugarcane (Control) Order, 1966 on 22.10.2009 and the concept of Statutory Minimum Price (SMP) of sugarcane was replaced with the 'Fair and Remunerative Price (FRP)' of sugarcane for 2009-10 and subsequent sugar seasons. The cane price announced by the Central Government is

decided on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) in consultation with the State Governments and after taking feedback from associations of sugar industry. The amended provisions of the Sugarcane (Control) Order, 1966 provides for fixation of FRP of sugarcane having regard to the following factors:-

- i. cost of production of sugarcane;
- ii. return to the growers from alternative crops and the general trend of prices of agricultural commodities;
- iii. availability of sugar to consumers at a fair price;
- iv. price at which sugar produced from sugarcane is sold by sugar producers;
- v. recovery of sugar from sugarcane;
- vi. the realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value (inserted vide notification dated 29.12.2008);
- vii. reasonable margins for the growers of sugarcane on account of risk and profits (inserted vide notification dated 22.10.2009)

6.4 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 new system 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.

6.5 In order to ensure that higher sugar recoveries are adequately rewarded and considering variations amongst sugar mills, the FRP is linked to a basic recovery rate of sugar, with a premium payable to farmers for higher recoveries of sugar from sugarcane.

- 6.6. Accordingly, FRP for 2018-19 sugar season has been fixed at ₹275 per qtl. linked to a basic recovery of 10% subject to a premium of ₹2.75/ qtl for each 0.1% increase of recovery over and above 10% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate till 9.5%. With a view to protect interest of farmers the Government has decided that there shall not be any deduction in case where recovery is below 9.5%; such farmers will get ₹261.25 per quintal for sugarcane in the current season.
- 6.7 The FRP of sugarcane payable by sugar factories for each sugar season from 2009-10 to 2018-19 is tabulated below:-

Sugar Season	FRP (₹ per quintal)	Basic Recovery Level
2009-10	129.84	9.5%
2010-11	139.12	9.5%
2011-12	145.00	9.5%
2012-13	170.00	9.5%
2013-14	210.00	9.5%
2014-15	220.00	9.5%
2015-16	230.00	9.5%
2016-17	230.00	9.5%
2017-18	255.00	9.5%
2018-19	275.00	10%

DE-REGULATION OF SUGAR SECTOR ON THE RECOMMENDATIONS OF DR. C. RANGARAJAN COMMITTEE REPORT

- 6.8 The year 2013-14 was a water-shed for the sugar industry. The Central Government considered the recommendations of the committee headed by Dr. C. Rangarajan on de-regulation of sugar sector and decided to discontinue the system of levy obligations on mills for sugar produced after September, 2012 and abolished the regulated release mechanism on open market sale of sugar. The de-regulation of the sugar sector was undertaken to improve the financial health of sugar mills, enhance cash flows, reduce inventory costs and also result in timely payments of cane price to sugarcane farmers. The recommendations of the

Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula have been left to State Governments for adoption and implementation, as considered appropriate by them. The gist of recommendations of the Committee and action taken by the Government thereon is given at **Annex-X**.

REVIEW OF EXISTING SYSTEM FOR DISTRIBUTION OF SUGAR THROUGH PDS TO ANTODAYA ANNA YOJANA (AAY) FAMILIES

- 6.9 Sugar was being distributed through the Targeted Public Distribution System (TPDS) by the States/UTs at subsidized prices for which the Central Government was reimbursing them @ 18.50 per kg. The scheme was covering all BPL population of the country as per 2001 census and all the population of the North Eastern States/special category/hilly states and Island territories. The National Food Security Act, 2013 (NFSA) is now being universally implemented by all 36 States/UTs. Under the NFSA, there is no identified category of BPL; however, the Antyodaya Anna Yojana (AAY) beneficiaries are clearly identified. The Government of India has reviewed the Sugar Subsidy Scheme and has decided to give access to consumption of sugar as a source of energy in diet, for the poorest of the poor section of the society i.e. AAY families. Accordingly, it has been decided that the existing system of sugar distribution through PDS may be continued as per the following:-

- The existing scheme of supply of subsidized sugar through PDS may be continued for restricted coverage of AAY families only, providing 1 kg of sugar per AAY family per month.
- The current level of subsidy at ₹18.50 per kg provided by the Central Government to States/UTs for distribution of sugar through PDS may be continued for the AAY population. The States/UTs may continue

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to pass on any additional expenditure on account of transportation, handling and dealers' commission etc. over and above the retail issue price of ₹13.50 per kg to the beneficiary or bear it themselves.

- 6.10 Pursuant to the above decision, revised guidelines for reimbursement of sugar subsidy to States/UTs for distribution of sugar under PDS for AAY families have also been issued.

SUGAR STANDARDS

- 6.11 Sugar Industry Sectional Committee of Food & Agricultural Division (FAD-2) of which Director, National Sugar Institute, Kanpur is Chairman, Bureau of Indian Standard (BIS), with the concurrence of Head, Food & Agricultural Division, BIS recommends the Indian Sugar Standards from year to year for use by the sugar factories, trade, Government Organizations, etc. and to review the price differentials for different grades of sugar and other related matters.

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

- 6.12 Sugar production in India has been cyclic in nature. Every few years of high sugar production are followed by low production periods. From the sugar season 2014-15 to 2017-18, the country could generate surpluses for export. But due to continuous drought like situation in Maharashtra & Karnataka during the last two sugar seasons, the production of sugar in the sugar season 2016-17 has been lower than the domestic demand. However, with the carry over stock of 106.73 lakh MT of last sugar season and estimated production of 315 lakh MT, the sugar availability was sufficient to meet the domestic demand. Season wise production of sugar from 2014-15 and onwards is given as follows:-

Sugar Season (October-September)	Production of Sugar (Qty. in lakh MT)
2014-15	284.63
2015-16	251.21
2016-17	202.27
2017-18 (Provisional)	323.87
2018-19 (Estimated)	327.35

- 6.13 The closing stocks of sugar at the end of each sugar season from 2014-15 and onwards are given below:-

(Qty. in lakh MT)

Sugar Season	Closing Stock
2014-15	90.00
2015-16	77.10
2016-17	39.77
2017-18 (Provisional)	106.73
2018-19 (Estimated)	124.08

- 6.14 The details of estimated carry-over stocks, production, imports, availability, estimated internal consumption, closing stocks for the last five seasons are at **Annex-XI**.

EX-MILL & RETAIL PRICES OF SUGAR

- 6.15 The range of price of sugar (S-30 Grade) in the major centres of the country from sugar season 2014-15 to 2018-19 (upto March, 2019), was as under:-

Sugar Season (October - September)	*Range of Ex-mill Prices (₹ per quintal)	**Range of retail prices (₹ per kg.)
2014-15	2050-2860	29-36
2015-16	2350-3500	31-41
2016-17	3391-3731	41-44
2017-18 (Provisional)	2670-3660	36-43
2018-19 (Estimated)	3050-3150	37-41

Source: * Daily Trade Mart Enquiry, Directorate of Sugar and Vegetable Oils.

** Price Monitoring Cell, Department of Consumer Affairs

EXPORT OF SUGAR

6.16 Sugar is an essential Commodity. Its sales, delivery from mills, and distribution were regulated by the Government under EC Act, 1955. Till 15.01.1997, the exports of sugar were being carried out under the provisions of the sugar export promotion Act, 1958, through the notified export agencies, viz. Indian Sugar & General Industry Export Import Corporation Ltd. (ISGIEIC) and State Trading Corporation of India Ltd. (STC).

6.17 Through an Ordinance, the Sugar Export Promotion Act, 1958, was repealed w.e.f. 15th January, 1997 and thus the export of sugar was decanalised. Under decanalised regime, the export of sugar was being carried out through the Agricultural and processed Food Products Export Development Authority (APEDA), under Ministry of Commerce. Thereafter, the sugar export was undertaken by the various sugar mills/merchant exporters, after obtaining the export release orders from the Directorate of Sugar.

6.18 During the surplus phase of 2006-07 and 2007-08 sugar seasons, the sugar exports were permitted without release orders vide notification dated 31.07.2007. Subsequently, the necessity of obtaining release order was reintroduced from 01.01.2009, as country entered the down swing phase of sugar production. Further, due to surplus production during 2010-11 sugar season, Government permitted exports under Open General License (OGL) on the strength of the release order.

6.19 The phase of surplus production continued and the Government vide Notification No. 1059(E) dated 11.05.2012 has again dispensed with the requirement of export release orders. Thereafter, the export of sugar was allowed free subject to prior registration of quantity with DGFT. Subsequently, w.e.f. 07th September, 2015, the requirement for prior registration (RC)

was dispensed. Due to expected drop in sugar production during 2016-17 sugar season, as per current policy, export of sugar under OGL is free subjected to payment of 20% custom duty w.e.f. 16th June, 2016. Now the Central Government has withdrawn customs duty on export of sugar to encourage sugar industry to start exploring possibility of export of sugar.

6.20 As per information published by DGCIS, Kolkata, the export of sugar from sugar season 2010-11 onwards is given below:

Sl. No	Year	Quantity exported (in lakh MT)
1.	2010-11	28.14
2.	2011-12	36.74
3.	2012-13	12.02
4.	2013-14	26.85
5.	2014-15	24.32
6.	2015-16	37.98
7.	2016-17	21.30
8.	2017-18	21.51
9.	2018-19 (Upto February, 2019)	18.75

IMPORT OF SUGAR

6.21 Import of sugar, which was placed under OGL with zero duty in March, 1994, continued with zero duty upto 27.04.1999. The Government imposed a basic customs duty of 5% and a countervailing duty of ₹850.00 per MT on imported sugar with effect from 28.04.1998. The basic custom duty was increased from 5% to 20% w.e.f. 14.04.1999 in addition to the countervailing duty. In the Union Budget for the year 1999-2000, duty on imported sugar was further increased from 20% to 25% with surcharge of 10%. The customs duty on imports of sugar was again increased to 40% on 30.12.1999 and 60% on 09.02.2000 along with continuance of countervailing duty of ₹950/- per ton (w.e.f. 01.03.2008) plus 3% education cess.

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6.22 Sugar production in the sugar season 2008-09 had been declined and in order to augment the domestic stock of sugar, the Central Government has allowed import of raw sugar at zero duty under OGL w.e.f. 17.04.2009 which was applicable till 30.06.2012. Thereafter, a moderate duty of 10% was re-imposed w.e.f. 13.07.2012 which was subsequently increased to 15% w.e.f. 08.07.2013. Due to surplus stocks of sugar in the country and in order to check any possible imports, the Government increased the import duty from 15% to 25 % on 21.08.2014, which was subsequently increased to 40% w.e.f. 30.04.2015, which was subsequently increased to 50% w.e.f. 10.07.2017. Further, it was increased from 50% to 100% w.e.f. 06.02.2018.

6.23 As per information published by DGCIIS, Kolkata,

the import of sugar from sugar season 2010-11 onwards is given below:

Sl. No	Year	Quantity imported (in lakh MT)
1.	2010-11	3.65
2.	2011-12	1.886
3.	2012-13	17.12
4.	2013-14	10.788
5.	2014-15	12.82
6.	2015-16	19.06
7.	2016-17	26.82
8.	2017-18	20.67
9.	2018-19 (Upto February, 2019)	6.25

CANE PRICE ARREARS

6.24 The position of cane price payments and arrears for sugar seasons, on a similar cut-off date, was under:-

(₹ in crore)					
Season	Position as on	Total Price Payable	Total Price Paid	Arrears	% Of Arrears on Price Payable
2018-19	31.03.2019	75,011.34	46,621.61	28,389.72	37.85
2017-18	31.03.2018	71,051.85	51,272.30	19,779.55	27.84
2016-17	31.03.2017	51,031.96	41,506.27	9,525.69	18.67
2015-16	31.03.2016	49,928.33	36,397.84	13,530.49	27.10
2014-15	31.03.2015	54,549.92	34,450.59	20,099.33	36.85
2013-14	31.03.2014	48,793.91	30,145.98	18,647.94	38.22

ETHANOL BLENDED PETROL PROGRAMME (EBP PROGRAMME)

6.25 Ethanol is an agro-based product, mainly produced from a by-product of the sugar industry, namely molasses. In years of surplus production of sugarcane, when prices are depressed, the sugar industry is unable to make timely payment of cane price to farmers. The Ethanol Blending Programme (EBP) seeks to achieve blending of Ethanol with motor spirit with a view to reducing pollution, conserve foreign exchange and increase value addition in the sugar industry enabling them to clear cane price arrears of farmers.

6.26 Government has also notified new National Policy on Bio-Fuels, 2018 under which sugarcane juice has been allowed for production of ethanol. Further with a view to support sugar sector and in the interest of sugarcane farmers, the Government has fixed the remunerative ex-mill price of ethanol derived from C-heavy @ ₹43.46/litre. For the first time the Government has also fixed ex-mill price of ethanol derived from B-heavy molasses/partial sugarcane juice at ₹52.43/litre and from 100% sugarcane juice at ₹59.13 per litre for those mills who will divert 100% sugarcane juice for production of ethanol thereby not producing any sugar. In the ethanol

season 2017-18, agreement have been signed for supply of 164 crore litre, out of which about 147 crore litre have been supplied so far.

- 6.27 The Central Government has scaled up blending targets from 5% to 10% under the Ethanol Blending Programme (EBP). The procedure of procurement of ethanol under the EBP has been simplified to streamline the entire ethanol supply chain and remunerative ex-depot price of ethanol has been fixed. To facilitate achieving of new blending targets, a "grid" which networks distilleries to OMC depots and details quantities to be supplied has been worked out. State-wise demand profile has also been projected, keeping in view distances, capacities and other sectoral demands. Excise duty has also been waived on ethanol supplies to OMCs for EBP by sugar mills during 2015-16 (upto 10th August, 2016).
- 6.28 The results have been quite encouraging, with supplies doubling every year. In the year 2013-14, ethanol supplied for blending was only 38 crore litre, whereas in 2014-15, under the modified EBP supplies increased to 67 crore litre. In the ethanol season 2015-16, the ethanol supply has been historically high and has reached 111 crore litre achieving 4.2% of blending. In the ethanol season 2016-17, out of 80 crore litre contracted about 66.51 crore litre has been supplied.

STEPS TAKEN FOR AUGMENTATION OF ETHANOL PRODUCTION CAPACITY FOR INCREASING SUPPLY OF ETHANOL UNDER ETHANOL BLENDING PETROL PROGRAMME

- 6.29 In order to augment ethanol production capacity and thereby also allow diversion of sugar for production of ethanol, in principal approval has been granted for extension of soft loan of ₹6139 crore through banks to the mills for setting up new distilleries/expansion of existing distilleries and installation of incineration boilers or installation of any method as approved by

Central Pollution Control Board for Zero Liquid Discharge for which Government will bear interest subvention of ₹1332 crore. About 114 sugar mills are likely to be benefitted as a result of this measure and ethanol production capacity of sugar mills in the country is likely to be enhanced by about 200 crore litre per annum in the coming 3 years.

EXTENDING SOFT LOAN TO SUGAR MILLS AND MOLASSES BASED DISTILLERIES FOR AUGMENTATION OF ETHANOL PRODUCING CAPACITY.

- 6.30 With a view to enhance the ethanol production capacity, the Department has notified following two separate schemes on 08.03.2019:
- i. **New scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity:** Under the scheme Government would bear ₹2790 crore towards interest subvention for extending indicative loan amount of ₹12900 crore by banks to the sugar mills for augmentation of ethanol producing capacity.
 - ii. **Scheme for extending financial assistance to molasses based stand-alone distilleries:** Under the scheme, Government would bear ₹565 crore towards interest subvention for extending indicative loan amount of ₹2600 crore by banks to the molasses based standalone distilleries to augment their ethanol production capacity.

SCHEME FOR EXTENDING FINANCIAL ASSISTANCE TO SUGAR UNDERTAKINGS (SEFASU-2014)

- 6.31 The Government on 03.01.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans by banks as additional working capital to sugar mills, for clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current

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sugar season to sugarcane farmers. An amount of ₹6,486 crore has been disbursed under the scheme. Interest burden on this loan, for five years is to borne by the Government through the Sugar Development Fund (SDF). So far, ₹2,630.20 crore has been released to the banks as payment towards interest out of which ₹133.74 crore was released during 2018-19.

LEVY SUGAR PRICE EQUALISATION FUND (LSPEF)

6.32 The Levy Sugar Price Equalisation Fund Act, 1976 (as amended in 1984) was enacted by the Parliament of India to provide for the establishment, in the public interest, of a Fund to ensure that the price of levy sugar may be uniform throughout India and for matters connected therewith or incidental thereto. It has been enforced w.e.f. 01.04.1976. As per the provisions of the Act, the Fund shall be administered by the Central Government and is to be utilized, having regard to the interest of consumers of levy sugar as a class.

6.33 The said Act was amended in 1984 to provide for certain modifications in the principal Act, with a view to obviating litigations on the subject in the light of the experience gained during the administrations of the LSPEF Act, 1976.

6.34 In exercise of powers conferred in the LSPEF Act, 1976, the Levy Sugar Price Equalisation Fund Rules, 1977 were made, to provide for the manner of: (i) crediting moneys to the Fund, (ii) accounting and transactions of the Fund, (iii) inviting applications from buyers for refund, (iv) utilisation of Fund by the Central Government, etc. besides prescription of forms for various purposes in terms of the LSPEF Act.

6.35 During the current Financial Year 2018-19 (up to 31.03.2019), an amount ₹63,55,694/- has been recovered from various sugar mills. Till date total recovery of ₹16,24,923,943.44/- has been made and remitted to the said Fund. The details thereof are given at **Annex-XII**.

6.36 The Central Government considered the recommendations of the committee headed by Dr. C Rangarajan on de-regulations of sugar sector and decided to discontinue the system of levy obligations on Mills for sugar produced after September 2012 and abolished the regulated release mechanism on open market sale of sugar. As such, the LSPEF dues as mentioned herein pertain to the period prior to September, 2012.

SUGAR DEVELOPMENT FUND

6.37 Under the Sugar Cess Act, 1982, a cess was used to be levied and collected as a duty of excise for the purpose of the Sugar Development Fund (SDF) in addition to the excise duty collected on sugar under the Central Excise Act, 1944.

6.38 The Sugar Development Fund Act, 1982, provides that an amount equivalent to the proceeds of the duty of excise levied and collected under the Sugar Cess Act, 1982 reduced by the cost of collection as determined by the Central Government, together with any money received by the Central Government for purpose of this Act, shall after due appropriation made by Parliament by law, be credited to the SDF. However, Central Government through Taxation Laws Amendment Act, 2017 has abolished various cesses including Sugar Cess which was collected under the provisions of the Sugar Cess Act, 1982.

6.39 During the period from 1982-83 to 2017-18, a net Cess amount of ₹12,834.44 crore has been collected (up to 30.06.2017, as Cess is abolished by Central Government after GST). Out of this, till 31.03.2018, an amount of ₹10195.52 crore has been transferred to the Sugar Development Fund.

6.40 Under the Sugar Development Fund Act and rules, the Fund can be utilized by the Government of India for the following:

- i. Making loans for facilitating the rehabilitation and modernization of any sugar factory;
- ii. Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated;
- iii. Making loans to any sugar factory to implement a project of bagasse-based co-generation of power;
- iv. Making loans to a sugar factory for production of anhydrous alcohol or ethanol;
- v. Making loans to sugar factory for conversion of existing Ethanol plant into Zero Liquid Discharge (ZLD);
- vi. Making grants for the purpose of carrying out any research project aimed at the promotion and development of any aspect of sugar industry.
- vii. Defraying expenditure for the purpose of financial assistance to sugar factories towards interest on loans given in terms of any scheme approved by the Central Government from time to time.
- viii. Defraying expenditure on Interest subvention on scheme for extending soft loan to sugar mills.
- ix. Defraying expenditure on production subsidy to sugar mills to offset cost of cane and facilitate timely payment of cane price dues to farmers.
- x. Defraying any other expenditure for the purpose of the Act.

6.41 Sugar Development Fund is an important source of funds for providing loans at concessional rate to sugar factories to modernize and expand their capacity and utilize the by-products like bagasse and molasses to improve revenue

generation and their viability. A brief description of loans granted from Sugar Development Fund is given at **Annex-XIII**. The amount disbursed to various sugar mills for various scheme during financial year 2018-19 is as follows:

Sl. No.	Name of Scheme	Amount disbursed (₹ in crore)
i.	Admn. of Sugar Development Fund	₹ 25.00
ii.	Loan to sugar factories for modernization/rehabilitation of plant and machinery, including expansion of crushing capacity	₹ 50.13
iii.	Loans to sugar factories for sugar cane development	₹ 2.95
iv.	Loans to sugar factories for bagasse based cogeneration power projects	₹ 150.00
v.	Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	₹ 81.87
vi.	Scheme for Extending Financial Assistance to Sugar undertaking 2014	₹ 133.74
Total		₹ 443.69

6.42 A List of SDF beneficiaries (non-official recipients of Government funds) who have received financial assistance in respect of Scheme of Modernisation/Expansion, Cane development, Cogeneration, Ethanol/ZLD, SEFASU, 2014, SOFT Loan is at **Annex-XIV**.

6.43 During the financial year 2018-19, an amount of ₹532.63 crore has been received/recovered from various Sugar Mills from the outstanding recoverable dues of SDF loans.

MINIMUM INDICATIVE EXPORT QUOTAS (MIEQ)

6.44 In view of the inventory levels with the sugar industry and to facilitate achievement of

financial liquidity, mill-wise Minimum Indicative Export Quotas (MIEQ) have been fixed for sugar season 2017-18 vide DFPD's order dated 28.03.2018 which was subsequently revised vide order dated 09.05.2018. Export Quotas of 20 lakh MT of all grades of sugar; viz. raw, plantation white as well as refined, have been prorated amongst sugar factories by taking into account their average production of sugar achieved by the sugar mills during last two operational sugar seasons and the current season (upto February, 2018).

- 6.45 Further, in view of high inventory levels with the sugar industry and to facilitate achievement of financial liquidity, mill-wise MIEQ of 50 lakh MT have also been fixed for sugar season 2018-19 vide DFPD's order dated 28.09.2018. Sugar mills are required to export their MIEQ of sugar allocate to them by 30.09.2019.

SCHEME FOR ASSISTANCE TO SUGAR MILLS FOR SUGAR SEASON 2017-18 AND SUGAR SEASON 2018-19

- 6.46 A scheme namely "Assistance to sugar mills" was notified on 09.05.2018 under which financial assistance @ ₹5.50/quintal of cane crushed is being provided to sugar mills to offset the cost of cane amounting to about ₹1540 crore. The assistance is to be used for payment of cane price dues of the sugar season 2017-18 and arrears of previous sugar seasons. The assistance is being paid directly to the farmers for their cane price arrears on behalf of the mills.
- 6.47 Further, a similar scheme has been notified on 05.10.2018 to provide financial assistance @ ₹13.88 per quintal of cane crushed in sugar season 2018-19 to sugar mills to offset the cost of cane. The total expenditure on this account would be about ₹4163 crore which will be borne by Government.

FIXATION OF MINIMUM SELLING PRICE (MSP) OF SUGAR

- 6.48 In exercise of the powers conferred by clause (c) of sub section (2) of section 3 of the Essential Commodities Act, 1955, Government has notified Sugar Price (Control) Order, 2018. Under the provisions of said order, for the first time Government has fixed Minimum Selling Price (MSP) of white/refined sugar at ₹29/kg w.e.f. 07.06.2018 for sale by sugar mills at the factory gate for domestic consumption. MSP of sugar has been fixed taking into account the components of Fair & Remunerative Price (FRP) of sugarcane and minimum cash conversion cost of the most efficient mills. In view of FRP of sugar cane for sugar season 2018-19, MSP of white/refined sugar has been revised from ₹29/kg to ₹31/kg w.e.f. 14.02.2019.

SCHEME FOR CREATION AND MAINTENANCE OF BUFFER STOCK, 2018

- 6.49 In order to maintain demand supply balance in the domestic market and to stabilize sugar prices thereby improving liquidity of sugar mills enabling them to clear cane price arrears of farmers, Government has created a buffer stock of 30 lakh MT of sugar for one year w.e.f. 01.07.2018. The Government will reimburse carrying cost of ₹1175 crore to sugar mills for maintaining such buffer stock. The subsidy shall be credited to a no-lien bank account opened by the sugar mill. From this no-lien account, banks shall directly remit the funds into the accounts of farmers on behalf of sugar mills against cane price arrears and subsequent balance, if any, would be credited to mills' account.

SCHEME FOR DEFRAYING EXPENDITURE TOWARDS INTERNAL TRANSPORT, FREIGHT, HANDLING AND OTHER CHARGES TO FACILITATE EXPORT DURING THE SUGAR SEASON 2018-19

- 6.50 Government on 05.10.2018 has notified a scheme for extending assistance to sugar mills by defraying expenditure towards internal

transport, freight, handling and other charges to facilitate export during the sugar season 2018-19 @ ₹1000/MT for the mills located within 100 kms from the ports, @ ₹2500/MT for the mills located beyond 100 kms from the port in the coastal states and @ ₹3000/MT for mills located in other than coastal states or actual expenditure, whichever is lower. The total expenditure on this account would be about ₹1375 crore which will be borne by Government.

EXTENDING SOFT LOANS TO SUGAR MILLS TO CLEAR THEIR CANE PRICE DUES

6.51 The Government has notified a soft loan scheme on 02.03.2019 for extending loans amounting to ₹10540 crore to sugar mills through banks for which Government would bear interest subvention of about ₹738 crore @ 7% for one year. As per the scheme, loans which are sanctioned and disbursed by 31.05.2019 would be eligible for interest subvention.

NATIONAL SUGAR INSTITUTE, KANPUR

6.52 National Sugar Institute (NSI), Kanpur is a premier Scientific & Technical Institute in the country which conducts Fellowship, Post Graduate Diploma & Certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology related disciplines. Besides undertaking research and development work in sugar and allied fields, it also renders advice to Sugar, Alcohol and allied industry from "Concept to Commissioning". During the 2018-19 academic session 249 students were admitted in following various courses conducted by the institute:

- i. Associateship of National Sugar Institute in Sugar Technology.
- ii. Associateship of National Sugar Institute in Sugar Engineering.

- iii. Post Graduate Diploma in Industrial Fermentation & Alcohol Technology.
- iv. Post Graduate Diploma in Sugarcane Productivity & Maturity Management.
- v. Post Graduate Diploma in Industrial Instrumentation & Process Automation.
- vi. Post Graduate Diploma in Quality Control & Environment Science.
- vii. Sugar Engineering Certificate Course.
- viii. Sugar Boiling Certificate Course.
- ix. Certificate Course in Quality Control.

6.53 In addition to above, the institute provides facilities for carrying out research in Sugar Technology, Sugar Chemistry, Sugar Engineering and Fermentation Technology related disciplines for award of Fellowship of the Institute. One new course namely, "Post Graduate Diploma in Quality Control & Environment Science" was introduced w.e.f. academic session 2018-19.

GLOBAL TRAINING PROGRAMME

6.54 The Institute conducted a customized training programme for faculty members of Sugar Research Institute, Sri Lanka on various technical aspects related to sugar & alcohol production, water conservation, energy conservation and on effluent treatment etc. in July-August, 2018.

OTHER TRAINING PROGRAMMES

6.55 Four weeks Customized Training Programme for the Graduate Engineer Trainees of M/s EID Parry (India) Ltd., Chennai was conducted at the Institute in August, 2018. Theoretical as well as practical training was imparted to the trainees on various techniques of milling, steam & power generation, juice extraction, clarification, evaporation and crystallization etc.

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Training Programme for the Graduate Engineer Trainees

6.56 Five short duration training programmes on “Effluent Treatment Plant Operation & Techniques of Effluent/Waste Water Analysis” were conducted during August to October, 2018 for the technical staff of sugar factories situated in river Ganga basin.



6.57 Refresher Course - 2018 for sugar industry personnel conducted at the institute from 16th to 20th July, 2018 which was inaugurated by Dr. (Mrs.) Neelima Gupta, Vice Chancellor, CSJM University, Kanpur. 86 technical personnel from various sugar producing states participated in the course.



Training programme on “ETP operation & techniques of effluent/waste water analysis”



Refresher Course - 2018

RESEARCH

6.58 Research work on various important issues was taken up by the institute during the year. It was aimed at developing technologies for utilization of by-products of sugar industry in an innovative manner for value addition, to enhance the productivity and process flexibility besides addressing environmental issues. The institute is continuing R & D work on following:

- i. Utilization of Potash rich ash for production of bio fertilizer.
- ii. Utilization of bagasse as dietary fiber.
- iii. Production of compressed biogas/bio-CNG from filter cake.
- iv. Studies on the feasibility of utilization of sugarcane bagasse as a potential feedstock to access cosmetic ingredients.

- v. Studies on synthesis of glycosidic surfactants using by-product resources of sugar industry.
- vi. Preservation of Sugarcane juice involving Pulse Electric Field technique.
- vii. Studies on Production/isolation of C5-Sugar Alcohol/Sugar using by-product resources of sugar industry.
- viii. Studies on pot efficient synthesis of alkyl levulinates (Als) using sugarcane bagasse derived cellulose.
- ix. Mechanical Clarification of Juice for producing plantation white sugar.
- x. Development of Super Short Retention Time Clarifier.



Production of dietary fibre from bagasse

6.59 Based on the research work carried out and studies undertaken, 33 research papers were published in reputed journals or presented during various international & national seminars/conferences/conventions.

CONSULTANCY

6.60 The institute rendered its services to various sugar factories and distilleries situated in all the major sugar producing states viz. Uttar Pradesh, Punjab, Uttarakhand, Bihar, Karnataka, Haryana, Maharashtra, Rajasthan, Tamil Nadu, Andhra Pradesh, Telangana, Madhya Pradesh, Gujarat, Chhattisgarh and Odisha etc. on the issues related to setting up of new units, addition of cogeneration & ethanol facilities, capacity expansion and modernization, energy & water conservation, lower sugar recovery and on various other issues. During the period, 127 sugar factories, distilleries and other related organizations availed the advisory for such purposes. Besides this, 62 sugar and distilleries



Production of compressed biogas from filter cake

utilized services of the Institute for analysis of sugar, molasses and ethanol samples for various parameters. In addition to this, institute provided its services to various states in recruitment of technical staff for their sugar and allied units.

SEMINARS, SYMPOSIUMS AND WORKSHOP

6.61 To discuss on the problems being faced by the Indian Sugar and allied Industry and to prepare a road map for the sustainability of the sugar industry, many seminars and symposiums were organized by the institute.

- i. International Conference on "Production of Sugar & Sugar Derivatives under changing consumer preferences" organized at the institute from 18th to 19th July, 2018. More than 300 delegates including those from USA, UK, Uganda, Sri Lanka, Indonesia, Nepal and Thailand participated in the Conference.

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International Conference - 2018

- ii. National Seminar on the important topic of “Modern Technologies for Reducing Effluent Generation in Sugar Processing/Distilleries and Further Treatment to Meet CPCB Norms” was organized by the institute jointly with S. Nijalingappa Sugar Institute at Belagavi on 27th April, 2018.
- iii. National Workshop on “Sugar Industry in Northern India-Road Map for Crushing Season 2019-20” was organized at the institute on 26th June, 2018 wherein brainstorming on cane price fixation mechanism, diversification, value addition, sugarcane varietal balance, branding of Indian Sugar and on environmental issues were carried out.
- iv. National seminar on “Techno-Economic Viability of Sugarcane Juice or B-Heavy Molasses as Alternate Feedstock for Ethanol Production”



National Seminar on Techno-Economic Viability of Ethanol Production



- v. NSI, Kanpur jointly with Co-generation Association of India organized “One day meet on Ethanol for Promotion of Distillery/Ethanol Projects” alongwith incineration boiler based co-generation power plants in North India on 31st October, 2018 at Kanpur.
- vi. One day seminar on “Ethanol: Policy, Productivity & Profitability” was organized by National Sugar Institute on 28th February, 2019 at New Delhi. The seminar was concluded with a message to develop distilleries working on multiple feed stocks, benchmarking the performance parameters & focusing on developing newer technologists to achieve ZLD.



Meet on ethanol production

- vii. The institute's faculty participated in various other seminars & conferences for making presentation on many technical issues.

VISIT OF FOREIGN DELEGATES

- 6.62 Mr. Kitti Choonhawong, President, Thailand Society of Sugarcane Technologists, visited the institute and had a look various laboratories and other facilities of the institute. He took keen interest in research work & aspired for a possible tie up for conducting collaborative research work.



President, Thailand Society of Sugarcane Technologists

- 6.63 A high level delegation from Nigeria visited the institute to seek assistance in establishing a sugar institute in Nigeria. The delegation also visited various laboratories, classrooms, factory, farm and hostels taking keen interest in the present activities of the institute. They



Delegation from Nigeria

also desired to seek institute assistance for expansion and modernization of the sugar industry in Nigeria.

PUBLICATION

- 6.64 The institute published "E-NEWSLETTER", on quarterly basis so as to propagate the teaching, research and other activities of the institute. The institute published "SHARKARA", a technical journal on quarterly basis so as to create awareness about new technologies in sugar processing, ethanol production and on other innovations. The institute also undertook publication of a Data Book "Sugarcane & Sugar Related Statistics with Technical Efficiency Parameters" obtained by Indian Sugar Factories during the crushing season 2017-18. A book entitled "An Insight to Sugar Manufacture" by Shri Narendra Mohan, Director, National Sugar Institute was also published during the year.

SUGAR STANDARD GRADES

- 6.65 After the approval of the Expert Committee on the Sugar Standards under the Chairmanship of Director, National Sugar Institute, seven Sugar Standard grades, L-31, L-30, M-31, M-30, S-31, S-30 and SS-31 were released so as to facilitate marking and marketing of plantation white Sugar during Sugar season 2018-19.

CONVOCATION

- 6.66 The 49th Convocation of National Sugar Institute, Kanpur was held on 5th October, 2018. Shri C. R. Chaudhary, Hon'ble Minister of State, Ministry of Consumer Affairs, Food & Public Distribution and Commerce & Industry, Government of India graced the occasion as Chief Guest. Shri Devendra Singh "Bhole", Hon'ble Member of Parliament also graced the function as Guest of Honor. Shri Suresh Kumar Vashishth, Joint Secretary (Sugar & Administration), Department of Food & Public Distribution, presided over the function.



49th Convocation of NSI, Kanpur

DEVELOPMENT OF INFRASTRUCTURAL FACILITIES

6.67 Shri C.R. Chaudhary, Hon'ble Minister of State, Ministry of Consumer Affairs, Food & Public Distribution and Commerce & Industry, Government of India inaugurated newly constructed Flavored Sugar Unit. This will facilitate the students of various courses to get

training for the production of different kind of Flavored Sugar.

6.68 A student Library with computer facilities has also been setup at hostels to facilitate the students for study during their stay in hostels. Further, conventional class rooms were converted in SMART Classrooms and an "Environment Laboratory" was also set up for the students.



Inauguration of Flavored Sugar Unit



Library Facilities at Hostels



EDIBLE OILS

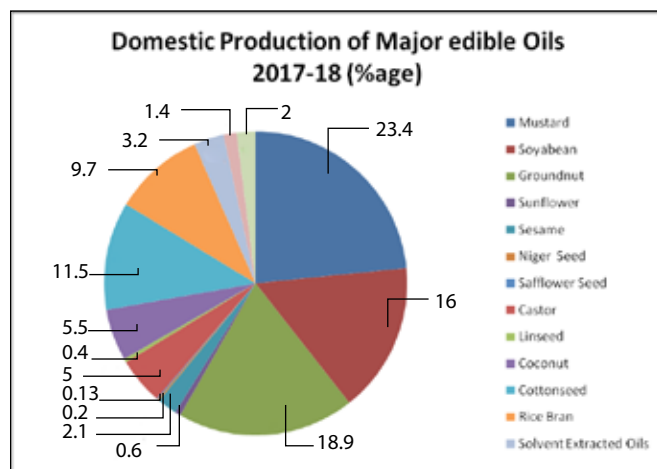


CHAPTER – VII

EDIBLE OILS

7.1 Edible oils and Fats are essential ingredients for a wholesome and balanced diet and are vital items of mass consumption. The Department of Food and Public Distribution deals with issues related to the Vegetable Oil Processing Industries, Price Control, Inter State trade & commerce and also supply & distribution of vanaspati, oilseeds, vegetable oil, cakes and fats. The Directorate of Sugar and Vegetable Oils is staffed with qualified technical people who assist the Ministry in the coordinated management of Vegetable Oils Policy, particularly relating to production/availability and monitoring of prices.

MAIN EDIBLE OILS



7.2 There are two sources of oils viz. primary source and secondary source. The primary sources of oil are nine principal oilseeds viz. groundnut, rapeseed/mustard, soyabean, sunflower, sesame, niger, safflower, castor and linseeds. Edible oils obtained through secondary sources include coconut, cottonseed, palm, rice bran and oilseed cakes. The production of nine principal oilseeds and availability of edible oils from domestic sources (primary source and secondary source) for the last three years and the estimated production for 2018-19 are given at **Annex- XV**.

7.3 As per the 2nd Advance Estimates of Ministry of Agriculture released on 28.02.2019 for 2018-19, estimated Oilseeds production is about 315.02

lakh MT and estimated production of oils from these oilseeds in 2018-19 comes to about 71.83 lakh MT. The total availability of edible oils from primary as well as secondary sources is estimated at 100.63 lakh MT.

7.4 Vegetable Oil Products Production and Availability (Regulation) Order, 2011 which came into force w.e.f. 07.09.2011 is administered by the Department. A producer who intends to produce, stock for sale or offer for sale vegetable oil, vegetable oil product, solvent extracted oil, de-oiled meal or edible flour shall make an application to the Director (S&VO) as specified in the Schedule-I, and obtain a registration certificate as specified in Schedule (II) of the said order. So far 814 edible oil refining industries and solvent extraction units have been registered under the said order till 31.03.2019.

ASSESSMENT OF PRODUCTION AND SUPPLY OF EDIBLE OILS

7.5 The production of domestic oilseeds has shown an increase since 2003-04. As oilseeds are cultivated on marginal land and largely dependent on rainfall, their production has been stagnant for the last couple of years. Favorable climatic conditions all over the country during the past year have led to an increase in the production of oil seeds and thereby edible oils. However, domestic demand for edible oils has been increasing at a pace faster than that of production due to growth in population and improvement in the standards of living of people, hence domestic production is insufficient to meet the demand. The shortfall is made good by imports.

7.6 Production of major oil seeds, availability of edible oils from all domestic sources and consumption of edible oils (from domestic sources and imports) during the last five years are as follows:-

(Qty in million MT)

Year (Nov.-Oct.)	Production of oilseeds*	Domestic Availability of Edible Oils**	Imports of Edible Oils***	Total Availability/ Consumption
2013-14	32.75	10.19	10.97	21.16
2014-15	27.51	9.20	13.85	23.05
2015-16	25.25	8.63	14.85	23.48
2016-17	31.27	10.09	15.32	25.41
2017-18	31.30	10.38	14.59	24.97
2018-19\$	31.50	10.06	3.61 (Nov-Jan)	

Source :

* Ministry of Agriculture

** Directorate of Sugar and Vegetable Oils

*** Directorate General of Commercial Intelligence & Statistics (Department of Commerce).

\$ As per 2nd Advance Estimates of the Deptt. of Agriculture, Cooperation & Farmers Welfare.

- 7.7 Per capita consumption of edible oils in the country as compared to world per capita consumption of edible oils since last five years has been as under:-

(Kg. per annum)

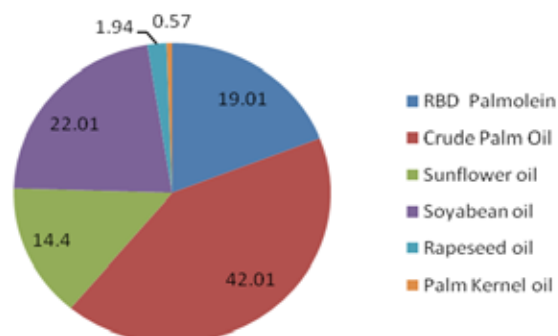
Year	2013-14	2014-15	2015-16	2016-17	2017-18
India	16.2	17	19	18.9	19.5
World	27	30	30.5	28	29.3

IMPORT POLICY ON EDIBLE OILS

7.8 Since domestic production of edible oils is unable to meet demand, import of edible oils has been resorted to for more than two decades to make this item of mass consumption easily available to consumers at reasonable prices.

7.9 In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. With effect from 14.06.2018, the import duty on all crude and refined edible oils, except Palm oil and Olive oil was raised to 35% and 45% respectively while the import duty on Olive oil was increased to 40%. With effect from 01.01.2019 the import duty on Crude and Refined Palm Oil was revised to 40% and 50% respectively for imports from ASEAN countries and 40% and 45% respectively for imports from Malaysia.

7.10 Around 60% of domestic demand of edible oils is met through imports. The total import of edible oils in 2017-18 (Financial Year) was 153.43 lakh MT. The major edible oils imported are Crude Palm Oil, Soyabean Oil and Sunflower Oil which constituted 42.01%, 22.01% and 14.40% respectively of the total imports during FY 2017-18, while RBD Palmolein constituted 19.01 % of total edible oil imports.

**Import of Edible Oils -2017-18
(%age)**

EDIBLE OILS

EXPORT OF VEGETABLE OILS, OILSEEDS AND DE-OILED MEAL

7.11 Exports of Vegetable Oils, Oilseeds and De-Oiled Meal during the last five years are as under:-

(Qty.in lakh MT)
(Value in ₹crore)

Year (April-March)	Oil Seeds		Vegetable Oils		De-Oiled Meal	
	Qty.	Value	Qty.	Value	Qty.	Value
2014-15	14.29	10637.45	0.42	580.13	39.04	8129.17
2015-16	10.90	8175.68	0.31	522.94	20.56	3599.55
2016-17	12.40	9103.98	0.60	779.97	26.32	5410.09
2017-18	11.45	7573.41	0.37	566.04	35.71	7043.15
2018-19 (upto Feb'19)	8.75	6926.39	0.46	674.23	38.99	9061.94

Source: DGCIS

TARIFF VALUE

7.12 In order to check the instances of under-invoicing of Edible Oil imports, the Government had fixed tariff value on import of Crude Palm Oil, RBD Palm Oil and RBD Palmolein vide Notification dated 03.08.2001 issued by Ministry of Finance. Subsequently, tariff values on import of edible oils such as Crude and Refined Palm oils, Crude and Refined Palmolein, Crude Soyabean Oil etc are being revised fortnightly to align it with the current international prices.

SOME OF THE MEASURES TAKEN BY THE GOVERNMENT

7.13 In order to ensure availability of edible oil in the

country, export of edible oil had been banned w.e.f. 17.03.2008, which was extended from time to time. With effect from 06.08.2015, export of rice bran oil in bulk has been permitted. With effect from 27.03.2017, export of groundnut oil, sesame oil, soyabean oil and maize (corn) oil has been permitted. With effect from 06.04.2018, export of all edible oils except mustard oil has been made free without quantitative ceiling; pack size etc, till further orders. Export of mustard oil is permitted in packs of up to 5 Kg with a Minimum Export Price (MEP) of USD 900 per MT.



INTERNATIONAL CO-OPERATION



CHAPTER – VIII

INTERNATIONAL CO-OPERATION

8.1 India is associated with a number of international agencies working in the field of food related matters. These include World Food Programme (WFP), SAARC Food Bank, Food and Agriculture Organisation (FAO), International Grains Council (IGC) and International Sugar Organisation (ISO) etc. Interface of Department of Food & Public Distribution with these organizations is handled by International Cooperation (IC) Section of the Department.

SAARC FOOD BANK

8.2 In pursuance of the decision taken in the 14th SAARC Summit held in New Delhi on 3rd -4th, April, 2007, the Heads of States of South Asian Association for Regional Cooperation (SAARC) countries have signed the Agreement to establish the SAARC Food Bank. The Food Bank will supplement national efforts to provide food security to the people of the region. The agreement on establishing the SAARC Food Bank has since been ratified by the President of India on 17th April, 2007. As per this agreement, SAARC Food Bank shall have a reserve of foodgrains to be maintained by each member states consisting of either wheat or rice, or a combination of both as assessed share of the country.

8.3 India's initial assessed share in the reserve was 1,53,200 MT out of a total share of 2,43,000 MT. The assessed share is presently kept as 3,06,400 MT out of a total share of 4,86,000 MT. The reserves have been kept in different strategic locations in the designated Godowns of Food Corporation of India (FCI). Joint Secretary (IC), Department of Food & Public Distribution has been designated as Member of SAARC Food Bank Board to represent India. The Board has considered and agreed to the proposal to designate the Central Grain Analysis Laboratory (CGAL), New Delhi as the regional reference laboratory for SAARC Food Bank.

8.4 The Ninth SAARC Food Bank Board (SFB)

meeting has been held on 21st -22nd September, 2016 in Kathmandu, Nepal. India represented the meeting at the level Joint Secretary (IC) in the Department in the capacity of Member, SAARC Food Bank Board. The meeting inter-alia discussed matters relating to the review of the implementation status of the decisions taken at the Eighth Meeting of the SAARC Food Bank Board (Malé, 2nd -3rd September, 2015), matters related to amending the Agreement on establishing the SAARC Food Bank, collaboration and cooperation with the International Organizations (e.g. FAO, IFAD, WFP etc.) to enhance regional food security. A presentation by SAARC Agriculture Centre on the status of the SAARC Food Bank Information System (SFBIS) was also made. The Tenth SAARC Food Bank Board (SFB) meeting was held on 21st - 22nd January, 2019 in Islamabad, Pakistan. Representative from MEA attended the meeting on behalf of India.

8.5 During the meeting inter-alia issues relating to review of the Status of Implementation of the decisions taken at the Ninth Meeting of the SAARC Food Bank Board (Kathmandu, 21st -22nd September, 2016), Consideration of the update on the draft amendment to the Agreement on establishing the SAARC Food Bank, Matters relating to formulation of Guidelines on Storage Methods, Practices and Quality Control Measures, Collaboration and Cooperation with International Organizations (e.g. FAO, IFAD, UNESCAP, WFP etc.) to enhance regional food and nutrition security. It was also decided that Sri Lanka would convey its decision within two months on hosting the Eleventh Meeting of the SAARC Food Bank Board in January, 2020.

FAO AND COMMITTEE ON WORLD FOOD SECURITY (CFS)

8.6 Food and Agricultural Organization (FAO) is one of the largest specialized agencies in the UN System founded in 1945 with a mandate to

raise levels of nutrition and standard of living by improving agricultural productivity and living conditions of rural population. The Committee on World Food Security (CFS) serves as a forum in the United Nations System for review and follow-up of policies concerning world food security, including food production, physical and economic access to food. India is a member to both FAO and CFS. Committee on World Food Security (CFS) monitors the progress of implementation of the WFS Plan of Action.

8.7 The 45th Session of the Committee on World Food Security (CFS) was held at FAO Headquarters in Rome, Italy from 15th – 19th October, 2018 which was attended by Shri Kamal Datta, Joint Secretary (Impex & IC) inter-alia the deliberation on the following issues were made during the session:-

- i. State of Food Security and Nutrition in the World 2018
- ii. State of Food and Agriculture 2018: Panel Discussion
- iii. Critical and Emerging issues in Food Security and Nutrition - Towards a Strategic Multi-Year Programme of Work (MYPoW) 2020-2023
- iv. CFS Workstream Updates and Decisions
 - a) Endorsement of the Terms of Reference for Policy Guidance on Food Systems and Nutrition
 - b) CFS and the 2030 Agenda: Contributions to the High Level Political Forum (HLPF)
- v. Global Thematic Event on the Right to Food Guidelines
- vi. The High Level Panel of Experts (Hlpe) Report on Multi stakeholder Partnerships to Finance and Improve Food security and Nutrition in the Framework of the 2030 Agenda
- vii. Good Practices and Lesson Sharing

G-20 MATTERS

8.8 A Steering Committee has been constituted in the Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW) under the Chairmanship of Secretary (DAC&FW) to oversee the follow-up action on the initiative declared in Ministerial declaration endorsed at G-20 Agriculture Ministers meeting held in June, 2011. The Committee is comprised of representatives from different line Ministries. Department of Food & Public Distribution has been made the Nodal Department for (i) Rapid Response Forum and (ii) Emergency Humanitarian Food Reserves. Besides, this Department has been included as a member of Agricultural Marketing Information System (AMIS) under the Nodal authority of DAC&FW to carry out different mandate as considered appropriate.

INTERNATIONAL GRAINS COUNCIL (IGC)

8.9 India is a member of the International Grains Council (IGC) an intergovernmental forum of exporting and importing countries for co-operation in wheat and coarse grain matters which was previously known as International Wheat Council up to 1995. It administers the Grains Trade Convention 1995. The IGC Secretariat, based in London since 1949, also services the Food Aid Committee, established under the Food Aid Convention. International Grains Agreement comprises of Grains Trade Convention (GTC) and Food Aid Convention (FAC). India is a signatory to the International Grains Agreement (IGA) 1995 and its Grain Trade Convention (GTC) 1995 which is effective from 1st July 1995. IGC have two types of members-Importing Members and Exporting Members. India has been included in the category of Exporting members in July, 2003 and represented in the meetings/session of the Council held from time to time. Besides, this Department also participates in other meetings of IGC like Market Conditions Committee

INTERNATIONAL CO-OPERATION

meetings and Executive Committee meetings. Department of Food & Public Distribution pays India's Annual membership contribution to the Council.

- 8.10 47th Session of International Grains Council (IGC) was held on 18th June, 2018 and on 27th International Grain Council Conference was held on 19th -20th June, 2018 at London, U.K. Indian delegation comprising of the then Economic Adviser (NFSA), Department of Food and PD and an Executive Director, FCI attended Council Session and IGC Grains Conference. 48th Session of International Grains Council (IGC) was held on 4th-5th, December, 2018 at Paris, France where delegation comprising of. Mrs. Manisha Sensarma, Economic Adviser (NFSA), and Mrs. Hema Jaiswal, Deputy Secretary (Finance), Department of Food and Public Distribution had attended Council Session and IGC Grains Conference.

WORLD FOOD PROGRAMME (WFP)

WFP'S Country Strategic Plan (CSP) 2019-23

- 8.11 Country Strategic Programme (CSP 2019-2023) seeks to support India in inter-alia achieving Sustainable Development Goals 2 by capitalizing on its investments. DAC&FW has signed a Memorandum of Understanding between Government of India and the United Nations World Food Programme (UNWFP's) on cooperation for 2019-2023. The Strategic Outcome 1 of CSP 2019-2023 which is mainly relates to this Department states as under:-

Strategic outcome 1: The most vulnerable people in India are better able to meet their minimum food and nutrition all year;

Activity 1: Provide policy inputs, advocacy and technical assistance aimed at enhancing the efficiency, targeting service delivery and supply chain of government programmes for improving access to food.

KEY ACTIVITY

WFP will provide technical assistance in partnership with the Department of Food and Public Distribution of the Ministry of Consumer Affairs, Food and Public Distribution and in collaboration with the Ministries of Agriculture and Farmers' Welfare, Women and Child Development, and Human Resource Development, NITI Aayog, the Food Corporation of India, the Unique Identification Authority of India, state governments, United Nations agencies and the private sector.

Through technical assistance, WFP will support national and state governments enhancing the efficiency and equity of the three NFSA safety net programmes. WFP support will be used to improve targeting, enhancing the quality of service delivery, develop complaints and feedback mechanisms while increasing beneficiaries' awareness of and participation in safety net programmes. WFP will tailor its support to evolving needs, ensuring that all vulnerable populations, including migrant workers, have access to their TPDS rations anywhere in the country.

Building on the 2017 supply chain assessment, WFP will support the enhancement, optimization and integration of food supply chains for social safety net programmes; the reduction of storage losses and waste; and improvements in the quality of grains resulting from better warehouse and transport management. WFP will also support data analysis of the entire TPDS value chain with a view to assisting national and state governments in assuming responsibility for reporting and the management of data analytics platforms. This will result in more informed, data-driven policy decisions, better management, increased transparency and clearer accountability.

While the Government is promoting the use of direct benefit transfers in many of its schemes, their use in food safety net programmes is currently limited. Building on the 2016 assessment of government cash-based transfer pilots and a direct benefit transfer handbook developed with WFP's assistance, WFP will

support the design and scale up of government cash-based transfers within TPDS, leveraging the recent financial inclusion initiatives JanDhan Yojana and Aadhaar and the expanded coverage of mobile phone networks. This will be achieved by supporting pilots in urban areas; providing policy inputs and developing robust guidelines, transfer modalities and solutions; and disseminating best practices informed by sound analysis of situations, markets and gender dynamics.

Leveraging its experience, WFP will foster improvements in the food baskets of safety net programmes through the inclusion of fortified and other nutritious products and the strengthening of quality standards and protocols. WFP will support district-level pilots in order to demonstrate operational models for the use of nutritionally enhanced, diverse rations that include millets and locally preferred foods. Through the pilots, WFP will aim to reach vulnerable communities served by the three NFSA safety nets and will advocate for the scale up of the improved food baskets. WFP will also develop a strong gender-transformative communication plan for raising awareness of and increasing demand for nutritious products, especially through safety net programmes.

Enhancing smallholder farmers' productivity and incomes is a major government priority. With FAO, IFAD and other partners, WFP will pursue opportunities for linking smallholder farmers to government supply chains and markets in order to increase the purchasing power of small and marginal farmers, particularly women, thereby increasing their access to nutritious food. WFP will also explore the options for working with other government platforms for improved market linkages.

ANNUAL WORK PLAN 2019

8.12 WFP's Annual Work Plan Strategic Outcome 1 for the year 2019 relating to Department is as under:-

Strategic outcome 1: The most vulnerable people in India are better able to meet their minimum food and nutrition all year;

National Goal

The CSP focuses on technical assistance to ensure the efficient delivery of 'Zero Hunger and National Food Security Act Strategies' in line with the goals, targets and indicators of Sustainable Development Goals (2015-2030) and Government of India's priorities including the commitment to 2030 agenda to end hunger and promote sustainable food security and nutrition in the country. UNSDF Strategic

Priority IV: By 2022, all children enjoy essential nutrition services and rural smallholder farmers and other vulnerable groups have improved livelihoods and greater access to a nutritionally adequate food basket.

EXPECTED CSP OUTPUTS

- Vulnerable people become aware of their entitlements and have improved access to assistance as a result of collaboration among the activities of different agencies, improved targeting and service delivery and optimized supply chains for social safety nets, which enable vulnerable people to meet their basic nutrient needs.
- People benefiting from social safety nets become aware of, receive and demand nutritious foods, including fortified foods.
- Smallholder farmers, especially women, benefit from Government programmes, including better supply chains and market integration, which enable them to increase their incomes and improve the quality and sustainability of their livelihoods

WORLD TRADE ORGANIZATION (WTO)

8.13 87th and 88th Meetings Committee on Agriculture meeting of the WTO were held on 13th -14th June, 2018 and 25th -26th September, 2018 at Geneva, Switzerland, to discuss issues relating to agricultural policies including public stockholding and policies related to sugar trade

INTERNATIONAL CO-OPERATION

framed by DFPD. Plurilateral meeting with the delegation of other countries on trade policies adopted by India on pulses and sugar, were also held by the Indian Delegation during the COA meetings.. For both the meetings ,Shri Kamal Dutta, Joint Secretary represented the Department of Food and Public Distribution as a member of the Indian Delegation.

8.14 89th (Regular) meeting of the WTO Committee on Agriculture (CoA) was held on 25th -27th November, 2018 in Geneva, Switzerland and in the meeting Shri Promod Tiwari, Joint Secretary represented the Department of Food and Public Distribution as a member of the Indian Delegation.

8.15 90th meeting of the WTO Committee on Agriculture (CoA) was held on 25th-27th February, 2019 in Geneva, Switzerland. Shri Kamal Datta, Joint Secretary represented the Department of Food and Public Distribution as a member of the Indian Delegation.

MEETINGS OF FOREIGN DELEGATIONS

8.16 A working meeting with Counsellor for Agriculture of Australia, Dr. Nora Galway with Shri Kamal Datta, Joint Secretary (Impex & IC), Department of Food & Public Distribution was held on 18th April, 2018 for discussion on issues relating to storage and infrastructure related issues in India.



SWACHHHTA AND OTHER ACTIVITIES



CHAPTER – IX

SWACHH BHARAT ABHIYAN

- 9.1 On 2nd October, 2014, Hon'ble Prime Minister of India had given a call for Swachh Bharat as a mass movement to realize Gandhiji's dream of a clean India by the 150th birth anniversary of Mahatma Gandhi in 2019. To make this move a great success and also to achieve the set targets by 2019, the Department along with its Attached & Subordinate Offices and CPSEs has continued their efforts.
- 9.2 In order to keep the working environment neat and clean, white-washing and deep cleaning of the rooms in the Department is being done in phased manner in every month. Pest control and rodent control of the corridors and rooms are being done at regular intervals.
- 9.3 The Department observed two Swachhta Pakhwadas during 2018-19: one from 15th September, 2018 to 02nd October, 2018 i.e. "Swachhta Hi Sewa" campaign and second from 16th February, 2019 to 28th February, 2019.
- 9.4 The activities during these Pakhwadas were planned in consultation with all the associated organizations of this Department including FCI, CWC, CRWC, IGMRI Hapur and NSI Kanpur, etc. Details of some of the activities carried out during campaign "Swachhta Hi Sewa" special cleanliness drive is as under:-
- Oath of Swachhta was administered to the officials in the Department by Secretary (F&PD) on 15.09.2018 and by the Hon'ble Minister for CA, F&PD on 16.02.2019. Oath was also administered in all its Offices of the Department and PSUs at HQs as well as at regional offices.
 - Swachhta pledge was followed by cleanliness drive by Secretary (F&PD) on 15.09.2018 and by the Hon'ble Minister for CA, F&PD on 16.02.2019 alongwith officers and staff in the Department in Krishi Bhawan premises.
 - To create awareness amongst the general public on the need for "SWACHHTA" several street plays were organized by the Department and its Organizations. Nukkad Natak was organized at Krishi Bhawan on 18.09.2018 & 18.02.2019 and at Boat Club on 27.09.2018 and 26.02.2019.
 - Swachta activities were undertaken by the officials of CWC in their residential area at Shahpur Jat Village on 19.09.2018.
 - Several processions/morning rally and sanitation drives in public areas were carried out by the Department and its organizations to generate awareness on "Swachhta and Shramdan" for cleanliness.
 - The Department organized one blood donation camp on 25.09.2018 in Swachhata Hi Sewa campaign in collaboration with Red Cross Society of India in Krishi Bhawan. The intention was to emphasize on Sewa leading to Swachhta and to encourage volunteerism. Total 63 persons donated blood on this occasion.
 - To keep cleanliness of the office, floor officers were appointed for each floor for taking stock of the cleanliness, regular meetings were held and various measures were taken in cooperation with CPWD, wherever necessary.
 - Three Running Trophies have been constituted in the Department and were given to the cleanest section of the Department who stood first, second and third, after inspection conducted every three months.
 - Drawing competitions on the theme "Swachhta" were organized on 30.09.2018 and on 24.02.2019 for the wards of officials of DFPD and its organization. The intention was to spread the message of Swachhta

among the children.

- An Essay competition was also organised during Swachhata Pakhwara among the employees of the Department.
- Banners/flex boards on Swachhta were displayed at different places by the Department and all its organizations to create awareness in public.
- A special drive, recording, reviewing and weeding out of old records was carried out in each Pakhwada/Campaign. Total 75.56 lakh pages have been digitized and 36900 files have been scanned. Total 1115 files were reviewed and 197 files were weeded out after review and 958 files were marked for retention.
- To improve hygiene in the office space, dustbins have been placed in rooms/corridors/premises of Krishi Bhawan.
- To create awareness on a sustained basis

Swachh Bharat Logo has been printed on stationery items.

9.5 Similar activities such as, taking pledge on swachhta, swachhta awareness rally along with swachhta activity, nukkad natak, drawing competition, recording and reviewing of old records, essay writing competition etc. were carried out in all the offices of this Department including FCI, CWC, CRWC, IGMRI Hapur and NSI, Kanpur during the Swachhata Pakhwaras.

9.6 Continuing activities on Swachhta during the whole year:-

- Pest and Rodent control measures are being undertaken at regular intervals.
- Digital Notice Board at Reception in Krishi Bhawan and at the office of Hon'ble Minister is continuously displaying, messages and photos of swachhta activities, inter alia.
- Oxygen emitting plants are placed in the corridors.



Cleanliness Drive in Krishi Bhawan

SWACHHTA AND OTHER ACTIVITIES



Swachhta Shapath in Krishi Bhawan



Cleanliness Drive at Pratibha School, Hauz Khas, New Delhi



Cleanliness Drive at Shahpur Jat Village, New Delhi



Nukkad Natak on Swachhta by DFPD in Krishi Bhawan



Blood Donation Camp in Krishi Bhawan



Drawing Competition in Krishi Bhawan

SWACHHTA AND OTHER ACTIVITIES

REDRESSAL OF PUBLIC AND STAFF GRIEVANCES

- 9.7 Public Grievance (PG) Cell of the Department under Additional Secretary (Storage & PG) is entrusted with the responsibility of redressal of public and staff grievances. PG Cell receives the grievances/representations from two sources i.e. electronically on pgportal.gov.in and through post. These grievances/representations are monitored regularly by AS (Storage & PG) with Nodal Officers of organizations concerned viz FCI, CWC, CRWC, NSI, PAO (Pay & Accounts Office) and Administrative Divisions of the Department.
- 9.8 The progress report for the period 01.04.2018 to 31.03.2019 of Public Grievances received in the Department is as under: -

Total Public Grievances pending as on 31.03.2018	102
Additional Public Grievances received during the year	4013
Total Public Grievances	4115
Total Public Grievances disposed of	3929
Total Public Grievances Pending as on 31.03.2019	186
Percentage of disposal	95%

WOMEN EMPOWERMENT

- 9.9 Necessary steps have been taken by the Department and the organizations under its control to provide a healthy work environment to its women employees. Department functions on the principle of gender equality and no discrimination is made on this account. Based on the guidelines issued by the National Commission for Women and Department of Personnel & Training (DoPT), a Complaint Committee has been set up in the Department to attend to the complaints of its women employees.

RESERVATION

- 9.10 The instructions issued by the DoP&T from time to time regarding representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes and persons with disabilities and for filling up of backlog vacancies reserved for these categories are followed.
- 9.11 Representation of SCs, STs, OBCs, differently abled persons, ex-service men and women employees in the Department (including its Attached and Subordinate offices) against the total number of officials (as on 31.03.2019) is given in the table below:

Groups	Total No. of Employees	SC	ST	OBC	No. of Differently Abled Persons				Ex-Service Men	Total No. of Women Employees
					VH	HH	OH	TOTAL		
Gr. 'A'	129	21	8	8	-	-	1	1	-	19
Gr. 'B'	263	48	14	54	1	1	6	8	-	78
Gr. 'C'	310	81	22	74	4	1	3	8	4	22
Total	702	150	44	136	5	2	10	17	4	119

ACTIVITIES FOR DEVELOPMENT OF NORTH EASTERN (NE) REGION

(A) Activities of FCI in NE Region

Strengthening of PDS

- 9.12 The Department through the FCI is taking all possible steps to induct as much stocks as possible to meet the monthly allocations in NE

States despite adverse climatic conditions, the law and order problems and constraints of the Railways in carrying the required number of rakes on daily basis.

Augmentation of Storage Capacity in the NE Region (including Jammu & Kashmir)

- 9.13 The Department is implementing a Central

Sector (earlier Plan Scheme) Scheme for construction of godowns with focus on augmenting capacity in the North Eastern Region alongwith few other States. In addition, the Department has been requesting 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 TPDS. While construction of intermediate godowns is the responsibility of the State Governments, the Department has been providing plan funds to Governments of the NE States including Jammu & Kashmir for this purpose, considering their difficult geographical conditions.

(B) Activities of CWC in NE Region

- 9.14 CWC is operating 11 warehouses in the North Eastern Region, with a total storage capacity of 1.34 lakh MT with 90% capacity utilisation as on 31.03.2019. The State-wise capacities being operated by CWC in the North Eastern Region are detailed below:

State/Warehouse	Capacity in MT
Assam	
Amingaon	20000
Dhubri	12100
Maligaon	10115
Jorhat-I	10500
Jorhat-II	5000
Sorbhog	18993
Food Storage Depot, Nilam Bazar	5000
Total	81708
Nagaland	
Dimapur	13000
Tripura	
Agartala	22927
Agartala Cold Storage	Non operational
ICP Agartala	16750
Total	39677
Grand Total	134385

TRIBAL SUB PLAN

- 9.15 With a view to provide infrastructure and financial support, the Department is implementing "End -to-end Computerization of TPDS Operation" under 12th Five Year Plan (2012-17) on 50:50 cost sharing basis with States/UTs, except for North Eastern States, where sharing is on 90:10 basis. The Scheme has separate Budget sub- Head for Tribal Sub Plan (TSP). Under the Scheme, funds are being provided for Data Centre Infrastructure, PCs, System software, Networking etc. at State Food & Civil Supplies Department, District Offices and Block level officers. Fund of ₹6.00 crore was allocated in FY 2018-19 under this scheme and whole amount was sanctioned/released.

PROGRESSIVE USE OF HINDI

- 9.16 In compliance with the Official Language policy of Government of India to promote the use of Hindi in day-to-day official work and also to achieve the targets set by the Department of Official Language, Ministry of Home Affairs in their Annual Programme of 2018-19, the Department has been making vigorous efforts to promote the use of Hindi in its official work. For this purpose, 04 workshops were organized during the year wherein officers and employees of the Department possessing working knowledge of Hindi were acquainted with the provisions of the Official Language Act and the rules framed thereunder and practical training was also imparted to them to do noting/drafting in Hindi. As part of introduction of e-office system in the Department a workshop on "Framework of Knowledge Management System and use of Hindi in File Management System" was also organized. Participants were given training on the use of e-office system tools for Hindi noting and drafting in the e-files.
- 9.17 The Department was awarded second prize under Rajbhasha Kirti Puraskar Scheme by the Department of Official Language for doing

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excellent work in the field of implementation of Official Language policy of the Government for the Year 2017-18. In a prize distribution ceremony held in the Vigyan Bhawan on 14th September, 2018 to commemorate Hindi Divas, Secretary (Food and Public Distribution) Shri Ravikant received the prestigious award from the Vice President of India, Shri Venkaiah Naidu. Department has received the honour for the fifth consecutive year.



The Vice President of India distributing 2nd prize under Rajbhasha Kirti Puraskar Scheme to the Secretary, F&PD

9.18 The Department has an Official Language Implementation Committee (OLIC) to review the progress made in the use of Hindi in the official work of various Sections/Desks of the Department, its attached and subordinate offices and Public Sector Undertakings under its administrative control. During the year under review, quarterly meetings of the Official Language Implementation Committee were held regularly under the chairmanship of Joint Secretary (Impex & Official Language) and follow up action on the decisions taken therein was ensured. In pursuance of a decision taken in the meeting of OLIC, a special meeting of the heads of sub-ordinate offices of the Department located in 'C' region was held under the chairmanship of Deputy Secretary (Impex & OL) on 30.11.2018 to review the position of use of Hindi in the official work of

the IGMRI, Hyderabad and Quality Control Cells located in Kolkata, Hyderabad, Bhubaneswar and Bengaluru.

- 9.19 During the year under review inspections of 62 offices and 11 sections/desks of the Department was carried out to assess the use of Hindi in their official work and the position of implementation of orders issued by the Department of Official Language. Under Rule 10(4) of the Official Language Rules, 1976, 01 Regional Office of FCI and 01 Regional Office and 27 warehouses of CWC, wherein 80% employees have acquired working knowledge of Hindi have been notified in the Gazette of India
- 9.20 In order to create an environment conducive for the use of Hindi in official work and to generate interest among employees, a 'Hindi Fortnight' was organized from 1st to 15th September, 2018. Various competitions viz. Hindi noting & drafting, Hindi Translation, Rajbhasha Gyan Pratiyogita, Hindi Dictation, Hindi Typewriting and Hindi Poetry recitation were organized for the officers/employees of the Department. In a function organized on 25th September, 2018, Hon'ble Minister for Consumer Affairs, Food & Public Distribution gave away cash prizes to the winners of the Hindi Competitions. On this occasion, Hon'ble Minister also released 10th edition of Department's annual hindi megazine 'Khadya Bharti.
- 9.21 Under the Shield/Trophy Scheme introduced for Attached/Sub-ordinate offices of this Department for excellent implementation of the Official Language policy, FCI, New Delhi, CWC, New Delhi, and National Sugar Institute, Kanpur were awarded shields as First, Second and Third prize respectively for the year 2017-18. Similarly, from among the regional offices of FCI and CWC located in A, B and C regions, FCI, Regional Office, Jaipur, FCI, Regional Office, Punjab and FCI Zonal Office, Guwahati were awarded trophies as first, second and third

prize respectively. Besides this, from among the offices located in C region, FCI, Regional Offices, Deemapur was awarded a special prize. Heads of these offices received the shields and trophies from Hon'ble Minister. Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution also graced the function.

9.22 An award Scheme has also been introduced for promoting use of Hindi in the official work



Hon'ble Minister distributing prizes

of various sections of the Department and to encourage the officers/staff to do their noting/drafting in Hindi. The scheme has provision to select an officer and a Section/Desk to receive a trophy. Accordingly, on the recommendation of the selection committee, Establishment-II section and Shri Ram Chandra, Under Secretary were awarded trophies for the Year 2017-18.



9.23 Website of the Department is bilingual and it is updated on regular basis. Publicity material brought out by the Department is being issued in bilingual form (in Hindi and English). All the forms and standard drafts being used in the official work of the Department are available in Hindi and English.

TRAINING

9.24 Training is one of the effective tools for performance enhancement as well as upgradation of knowledge and skills of the personnel in an organization. For organizational motivation, morale boosting and development of administrative culture, it has been endeavour of the Department to nominate officials for focused and effective training programmes.

9.25 The Training Cell under Establishment Division liaises with training institutions like, Institute of Secretariat Training & Management (ISTM), National Informatics Centre (NIC), and IIPA etc.

for imparting training to the staff and officers of the Department. The details of the officials of this Department, who attended various training programmes within the country during 2017-18 and 2018-19 are as under:-

Category	2017-18	2018-19
Gazetted	22	25
Non-Gazetted	17	25

e-GOVERNANCE INITIATIVES UNDER DIGITAL INDIA PROGRAMME

9.26 The Department has been playing a pioneer role in propagating IT based development, solutions to facilitate rapid growth and transformation in the ICT culture for efficient and effective delivery of services. The Department is constantly in the pursuit of developing/implementing state of – the –art application software related to various areas of importance. It has also undertaken various projects related to capacity building and is also following Central Government

e-Governance action plan. Various initiatives taken under e-governance to make Digital India Programme successful are as follows:

i. End-to-end computerization of TPDS operations:

The Department is implementing a Plan Scheme on 'End-to-End Computerisation' of TPDS Operations on cost sharing basis with States/UTs. Costs are being shared on 90:10 basis with North Eastern States and on 50:50 basis with other states/UTs. The scheme is a Mission Mode Project (MMP) under the National e-Governance Programme. To complete key pending activities the scheme has been extended upto March, 2020 without any escalation in the project cost of the scheme.

ii. Rapid Strides in computerization for management of sugar and edible oil sector:

In order to improve and systemize data management system in sugar sector, the Directorate of Sugar and Vegetable Oil under the Department has developed a web based platform (esugar.nic.in) for online submission of inputs by sugars mills on monthly basis. This has helped the Government to take prompt and informed policy decisions for better management of the sugar sector. The new system also provides transparency in the data management of the sugar mills as well as Government's working. The portal also provides window for online connectivity with the State Governments for getting inputs regarding production, cane price arrears of sugars mills on fortnightly basis etc. Similarly, online registration facility for Edible Oil Processing Units is operational since May, 2014 (evegoils.nic.in). Registered units are providing production data on

processing of vegetable oils online which in turn helps in policy formulation.

iii. Parliament Questions/Answers online:

This Department is uploading answers on the website of Rajya Sabha through <http://pqars.nic.in> from the 224th Rajya Sabha session onwards and on the website of Lok Sabha through <https://pqals.nic.in> from the Fifth session of 16th Lok Sabha.

iv. e-Granthalaya' the Library Management System:

Intra-net web-based comprehensive software to manage the library activities has been implemented. This software maintains a database of all the available books and journals in the Library of the Department and supports various searches, queries, availability status, pending status and information about new books and journals. Currently the system caters to users to access details through internet about 22,494 books and journals. The Open Access Catalogue has been published on the website <http://eg4.nic.in>.

v. e-Office:

The e-Office is a Mission Mode Project (MMP) under the National e-Governance Programme (NeGP) of the Government. The product is built as single system by bringing together independent functions and systems under a single framework and it is aimed to conduct the office procedures electronically for a simplified, responsive, effective and transparent working in all government offices. The e-Office Product has been implemented in the department since year 2010. The work flow and rule based file routing, role based access mechanism, and central repository of documents, electronic file movement and online forms facilitates

a paperless office. The Department has implemented e-Office products such as the File Management System (FMS), Knowledge Management System (KMS), Leave Management System (LMS), Annual Performance Appraisal Report (e-PAR) and considerable progress has been achieved in Personnel Information Management System (PIMS). Employee Services like e-Notice Board, e-mail diarisation has also been made available to all Staff of the Department. The Collaboration and Messaging System (CAMS) has also been installed and is open to users. All the sections in the Department are working through e-files. Regular training and handhold support is given to all staff members to make them comfortable with e-Office products. The details of e-Office

implementation during the current Financial Year 2018-19 (01.04.2018 to 31.03.2019) are as under -

- a) A total of 20,911 electronic files out of 21,014 files were created/opened in the Department during 2018-19, thus around 99.51% of total files created were e-files.
- b) A total of 73,590 electronic receipts out of 85,424 receipts were created/opened in the Department during 2018-19, thus around 86.14% of total receipts created were e-receipts.

A Certificate of Appreciation has also been conferred by DAR&PG in 2018 to the Department in recognition of commendable work done in implementation of e-Office.



Certificate of Appreciation

vi. Digitization of Records:

The work for digitization of the old and current physical files in the Department has been awarded to a vendor. The aggregate percentage of e-files on e-Office portal is currently 94% due to digitization of physical files and subsequent migration from physical to electronic files on e-Office and closure of inactive physical files of the Department. The scanning and digitization of the files was carried out during February, 2017 to

September, 2018 and a total of 37,036 files (75.65 lakh pages) have been scanned and subsequently migrated/converted to e-files by the concerned divisions/sections of the Department.

vii. Integration and implementation of EIS module in PFMS:

The Employees Information System (EIS) module has been implemented in Public Finance Management System (PFMS) of the Department for online payroll system. It

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enables Department to process the salary of all the employees through online and also pay slips may be viewed in the system by the concerned user through his login.

viii. Training to Staff:

Training requirement of DFPD was assessed and to improve productivity of the officers, staff and data entry operators, sensitization to various IT enabled services like e-office products (which includes e-file/FMS, KMS, e-Leave, e-tour), Court Case monitoring System, e-Tendering, e-Samiksha, e-Bhavishya, RTI-MIS and CMS of the Department's website, PGRAMS etc is done in the department. Hand holding support to users for all IT enabled services is being provided in consultation with NIC.

ix. ABAS (Aadhar Enabled Biometric Attendance System):

It has been installed in the Department for maintaining punctuality. The manual system of attendance registers have been totally done away with.

- x. CWC has already computerized many of its core processes. The Integrated Check Posts, Air Cargo Complexes have already been computerized. Depot Online System has been implemented in 156 depots of CWC hired by FCI but 12 depots have been de-hired. Presently, DOS is installed in all 144 depots hired by FCI. The Pay Roll System, Contributory Provident Fund & Pension System, Vigilance Information System and e-tendering have been implemented. The file tracking system which was first implemented in the Vigilance Division has been rolled out at Corporate Office and training is being imparted to the employees. The Corporation has also implemented Warehouse Management System (WMS) at 233 warehouses and at remaining warehouses, rollout is in

progress. Automation of Container Freight Stations (CFS)/Inland Container Depots (ICD) has been implemented through cloud based system at 4 CFS/ICDs and roll out at remaining CFS/ICDs is in progress. Further for catering to the accounting needs in view of the Goods & Services Tax implementation, the Tally Enterprise Resource Planning (ERP) Package on cloud based technology has been implemented. In Human Resource Segment, employee service records have been digitized. The Performance Appraisal System, Leave Management System & procedures like hiring to retirement have also been implemented including Employee Self service.

xi. CRWC:

- a) **CRWC Website:** Redesigning of CRWC Website has been done successfully. The CRWC Website is now a dynamic website with enhanced look and feel features and it is user friendly.
- b) **CRWC Intranet Portal:** Intranet Portal has been developed for CRWC Employees which contains information about the company, data/information for internal use of company such as employee details, Notices, Circulars, policies, various Forms, Knowledge base, training details etc. The data/information available on the portal is accessible only to the authenticated users.
- c) **E-APAR/ACR:** CRWC as a part of Digital India initiative has developed an Electronic Annual Performance Appraisal Reports (e-APAR) online application for all of its executives. The automation of process of APAR begins by setting of Key Responsibility Areas, Mid-term review, Final Assessment by Reporting, Reviewing and Accepting authority.

- d) CCTV Surveillance:** CRWC has implemented CCTV surveillance system at its 14 Railside Warehouse Complexes for better security & monitoring of terminals.
- e) Warehouse Management System (WMS)** - CRWC has implemented Warehouse Management System (WMS) to make the operations performed online (inward/storage/outward/billings/Reports etc) at the CRWC locations PAN India. GST compliant invoices are being generated through WMS successfully across the RWCs.
- f) Human Resource Management System (HRMS)** - CRWC has implemented Human Resource Management System (HRMS) for the CRWC officials which facilitates the user with online employee self service leave & attendance etc.
- g) RailTel MPLS-VPN/IBW Connectivity-** CRWC has implemented MPLS-VPN/IBW Connectivity through RailTel. CRWC has high internet bandwidth and connectivity between corporate office and its RWCs through MPLS-VPN connectivity.
- xii.** WDRA has undertaken a transformation plan which inter alia envisages creation of an IT Ecosystem for its major activities. Under transformation plan, the Authority has registered two repositories, M/s CDSL Commodity Repository Limited (CCRL) sponsored by M/s Central Depository Services Limited (CDSL) and M/s National Electronic Repository Limited (NERL) sponsored by M/s National Commodity and Derivatives Exchange (NCDEX), to set up electronic repository systems for creation and management of electronic

Negotiable Warehouse Receipts (e-NWRs) to be issued by registered warehouses. Both repositories have established automated electronic systems and have been issued certificate of registration on 26.09.2017 to commence operations. e-NWRs are now being issued by warehouses through repository system. The Authority had engaged a System Integrator for development and deployment of IT applications for its internal automation and business processes. In first phase, WDRA e-Portal and two IT application modules viz. Online Warehouse Registration Module and Inspection of Warehouses Module - were developed and made operational on 26.09.2017. In the second phase, other IT-application modules for registration renewal / surrender/cancellation, surveillance & monitoring system, grievance redressal & dispute resolution system and internal automation for HRI Finance have been developed and made operational.

xiii. Launch of the enhanced/re-designed website of the Department:

The enhanced/re-designed website of the Department was hosted on the Department's server (dfpd.gov.in) on 1st January, 2019. Also, division-wise Nodal Officers were nominated and Login Credentials viz., login id and password alongwith the assignment of menus/sub-menus and web-pages concerning their divisions were created and circulated to all the Nodal Officers for regular monitoring and updation of the Department's website. Also, a training session to all the Nodal Officers of the Department was conducted and also a User Manual on the procedure to be adopted for updating the content on the Website is circulated for necessary action.

- xiv.** Department's website is being monitored and updated on regular basis. Also, all the acts and rules concerning the Department are uploaded on the Department's website and a hyperlink for the retrieval of the concerned acts from India Code Information Systems (ICIS) website is provided on the Department's website in pursuance to instruction from DAR&PG. Further, for the purpose of linking of the Department's website through Social Media, a twitter account has been opened for the Department (<https://twitter.com/fooddeptgoi>) and is displayed on the Department website's home page. Further, a core team has been constituted in the Department under the charge of a Joint Secretary & consisting of 3 Director level officers to deal with Social Media Activities.
- xiv.** Digital Signature Certificates and e-Sign has been provided to all the officers of the Department and all the employees have been instructed to use digital signature compulsorily in electronic files.
- xvi.** Continuous efforts are being made in the Department and its Organizations for exploring more items which can be made online to make the Digital India Programme successful both at the National and State/UT level.

SUMMARY OF AUDIT OBSERVATIONS

- 9.27 Position of pending audit observations and a summary of few important audit observations included in the C&AG Reports since 2011-12 and action taken by the Department thereon as on 31.03.2019 are at **Annex-XVI**.

VIGILANCE SET-UP

- 9.28 In the Department, Vigilance Administration is headed by CVO (Joint Secretary Level) on additional charge basis. The Vigilance Administration of two Schedule 'A' PSUs viz.

FCI and CWC, are headed by full time CVOs (JS level) based on their respective headquarters at Delhi. All three CVOs work in tandem. At the Department, a Director, an Under Secretary and a Section Officer, besides two ministerial staff assist the CVO. In both PSUs there are full fledged Vigilance Departments, with dedicated hierarchy, overseeing the Vigilance aspects of FCI & CWC. In other out stationed subordinate offices, a suitable senior officer is entrusted with the work of Vigilance Administration.

- 9.29 Vigilance Division follows the guiding principles prescribed and instructions issued from time to time by CVC and DOP&T. Stress on the principle of preventive rather than punitive is being laid by addressing the faulty systems and procedural flaws which permit acts of omission and commission. Scrutiny of complaints and initiation of appropriate investigation measures, follow-up action on the same is being done. Latest technology available (IT) is harnessed to tackle corruption apart from extent rules & regulations and other innovative solutions to check corruption. Tools like rotational transfers, digitization, e-office (File Management System, Knowledge Management System etc.), thorough checking of annual property return are being applied to eradicate corruption.
- 9.30 Simplification of rules and procedures for the general public is being ensured to avoid needless interface between citizens and government functionaries. Simultaneously, e-procurement is being emphasized to ensure absolutely clean Govt. purchases. Sevottam/Citizen Charter and Public Grievance redressal mechanism have also been put in place. FAQs have been hosted in the Department's website to provide basic information to the public about various functions of the Department and to clear their general doubts.
- 9.31 In pursuance to the directions of CVC, Vigilance Awareness Week was observed from 29.10.2018

to 03.11.2018, with the theme of “Eradicate Corruption-Build a New India”. In both the PSUs, and its subordinate Offices, Vigilance Awareness Week was observed during which posters, lectures, seminars, debates and essay competition were organized.



Administering oath during Vigilance Awareness Week

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

9.32 The Right to Information Act 2005 came into force w. e. f. 12.10.2005. In order to promote transparency and accountability in the working of every public authority, the Act provides for setting out a practical regime for citizens to secure access to information under the control of public authorities.

9.33 To deal with the request for information, officers of the level of Under Secretaries have been designated as Central Public information Officers (CPIOs) for their respective Divisions in the Department. Deputy Secretaries/Directors in the Department, have been designated as Appellate Authorities. For filing request/appeal, the details of the CPIOs and Appellate Authorities are available on the website of the Department at <https://dfpd.gov.in/dfpd-rti.htm> which is updated from time to time.

9.34 The Department also complied with the

provisions of the Act for publication of information relating to the Organization within the prescribed time frame. Duly compiled manuals are available on the Department’s website <https://dfpd.gov.in/rti-manuals.htm> for information of the public, also these manuals are being updated regularly. Similarly, information in respect of FCI, CWC, Directorate of Sugar and Vegetable Oils can also be accessed at <http://fci.gov.in>, <http://cewacor.nic.in/index.php>, <https://dfpd.gov.in/SAVO-about.htm> respectively.

9.35 The Department has refurbished its website to make it more citizen-centric. It is also being ensured that the contents available on the website are regularly updated through Content Management System to make information more meaningful. Seven utility softwares relating to Government to Government (G-2-G) interface are also operational on the Department’s intranet.

9.36 For pro-active disclosure of information under RTI Act, 2005 and to monitor the disposal of RTI requests on line, a web based Centralized RTI Management Information System (RTI –MIS) has been developed by NIC, DOPT in consultation with Central Information commission (CIC). The system is designed to monitor the disposal of RTI requests on line. Accordingly, entry of all request received in the Department under RTI Act, 2005 are being made through the RTI-MIS software.

9.37 During the period 01.04.2018 to 31.03.2019, around 205 requests were received physically and 1100 through Online. And, all these requests were disposed of within the prescribed time limit. Further, during this period around 52 appeals were filed before various Appellate Authorities of this Department.



CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY



CHAPTER – X

10.1 There are three Central Public Sector Enterprises (CPSEs) – Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Hindustan Vegetable Oils Corporation Limited (HVOC) and one Regulatory Authority – Warehousing Development and Regulatory Authority (WDRA) under the administrative control of Department of Food & Public Distribution. Organizational set-up, functions and achievements of three CPSEs and Regulatory Authority during current financial year are given in succeeding paragraphs.

FOOD CORPORATION OF INDIA

10.2 FCI is the nodal agency of the Government of India responsible for executing food policies of the Central Government. The functions of FCI primarily consist of purchase, procurement, storage, movement, transportation, distribution and sale of foodgrains on behalf of the Central Government. Procurement of foodgrains is made at Minimum Support Price (MSP) while Pulses are procured on MSP/Market Price.

ORGANISATIONAL SET-UP

10.3 FCI co-ordinates its functions through a country-wide network of offices with Headquarters at New Delhi and 5 Zonal Offices, 25 Regional Offices, 1 Special Regional Office at Imphal covering the political State of Manipur, 1 Port Office and 162 District Offices.

STAFF POSITION

10.4 The Category-wise staff position for the quarter ending 31.03.2019 is as under:

CATEGORY	SANCTIONED STRENGTH	IN POSITION
Category-I	1111	897
Category-II	6221	4290
Category-III	27345	13866
Category-IV	7361	2794
Total	42038	21847

CAPITAL STRUCTURE

10.5 The authorized/subscribed capital of FCI is as under:-

(₹in crore)

	As on 31.03.2015	As on 31.03.2016	As on 31.03.2017	As on 30.03.2018	As on 31.03.2019
Authorised Capital	3500.00	3500.00	3500.00	3500.00	3500.00
Subscribed Capital					
(i) Working Capital	1484.00	1484.00	1484.00	1484.00	1984.00
(ii) Construction of Godowns & Silos **	1168.15	1235.85	1271.60	1295.10	1358.10
(iii) ISFM Project	96.74	96.74	91.58	91.58	91.58
(iv) Others	13.90	13.90	13.90	13.90	13.90
Total	2762.79	2830.49	2861.08	2884.58	3447.58
** Equity release for NE during the year	71.84	67.70	35.75	23.50	63.00

AUDIT & ACCOUNTS

10.6 The responsibility of auditing of the Annual Accounts of the FCI rests with the Comptroller and Auditor General of India (C&AG). The accounts for 2017-18 approved by the Board in

its 389th meeting held on 14.11.2018 and then submitted to the C&AG. C&AG completed audit on 28.12.2018. Final Audit Report is awaited. The Turnover of the Corporation for the last six years is as given as follow:-

(₹In Crore)

Year	Purchases	Turnover		Total (Sales+Subsidy)
		Sales Realisation	Subsidy on Food Grains	
2012-13	1,01,923.28	39,849.73	80,563.18	1,20,412.91
2013-14	1,03,947.80	38,356.90	89,492.14	1,27,849.04
2014-15	1,06,804.21	29,757.01	1,05,007.02	1,34,764.03
2015-16	1,16,508.52	29,286.94	1,02,425.07	1,31,712.01
2016-17	1,11,375.61	22,114.78	1,09,135.92	1,31,250.70
2017-18	1,19,971.67	18,035.20	1,16,281.68	1,34,316.88

PROCUREMENT OF FOODGRAINS

Wheat Procurement

10.7 During RMS 2018-19, total procurement of wheat for the Central Pool was 357.95 lakh MT as against 308.24 lakh MT during RMS 2017-18. Procurement of wheat has shown a rising trend leading to further strengthening of food security of nation. Procurement season for wheat i.e. RMS 2019-20 has commenced from 15.03.2019. As on 01.04.2019, 34,880 MT of Wheat is procured in ongoing RMS 2019-20 in M.P., Rajasthan and Gujarat

Paddy/Rice Procurement

10.8 The total quantity of paddy procurement during KMS 2017-18 was 568.54 lakh MT as against 568.22 lakh MT procured during previous KMS 2016-17. Current Paddy procurement season i.e. KMS 2018-19 has commenced with effect from 21.09.2018. A quantity of 557.49 lakh MT Paddy has been procured upto 31.03.2019.

10.9 The total procurement of rice during KMS 2017-18 for Central Pool was 381.84 lakh MT as against 381.05 lakh MT of rice (including paddy in terms of rice) during KMS 2016-17. KMS 2018-19 has commenced from 21.09.2018.

Procurement through E-Procurement Module

10.10 Online Procurement Monitoring System was developed with an aim to allow instant access

to the country wide/revenue district wise/commodity wise procurement related data of Wheat, Rice, Coarse Grains and Pulses etc. to facilitate the forward planning in respect of the management of the food grains and to dispense with the requirement for raising of the manual reports. The Online Procurement Management System (OPMS) basically reflects the revenue district wise procurement figures of the food grains purchased by the State Govt., FCI or any other player engaged on behalf of State Govt. and GOI.

10.11 OPMS module has become fully operational in States of Andhra Pradesh, Bihar, Rajasthan, Chhattisgarh, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal. FCI Regional offices are feeding procurement data of Rice and Wheat procured during various seasons by the State Govt agencies and FCI daily. This module provides information about the procurement operations in various revenue districts of the country which will help in ascertaining ground level situation of the State as well as the Country.

10.12 This system has therefore provided procurement data on broad spectrum which will give a vivid description of state of affairs in the country and this would ultimately help the agencies to plan their procurement operations suitably.

Procurement of Coarse Grains

10.13 In the States of Maharashtra, Madhya Pradesh and Haryana, the State Govt. and their agencies undertook the procurement of coarse grains. Region- wise procurement of coarse grains during last two marketing seasons is as under:

REGION	KMS 2016-17			
	Jowar	Bajra	Maize	Ragi
Maharashtra	3733	-	12181	-
M.P.		-	50000	-
Haryana	-	6341	-	-
Total	3733	6341	62181	-

REGION	KMS 2017-18			
	Jowar	Bajra	Maize	Ragi
Maharashtra	2668	-	47794	-
M.P.	264	4121	-	-
Haryana	-	31347	-	-
Total	2932	35468	47794	-

10.14 Region- wise procurement of coarse grains during KMS 2018-19 as on 31.03.2019 is as under:

REGION	KMS 2018-19 (in MT)			
	Jowar	Bajra	Maize	Ragi
Gujrat	-	696	1538	-
Haryana	-	180744	-	-
Maharashtra	10931	-	6987	-
M.P.	135	4099	-	-
Total	11066	185539	8525	-

Procurement of Pulses

10.15 FCI procured 15194.22 MT of Chana & 4335.79 MT of Masur during RMS 2016-17 in addition to 20257.76 MT Tur and 4.72 MT Urad in KMS 2015-16. During KMS 2016-17 FCI procured around 64737.16 MT of Moong, 18234.67 MT Urad and 175301.40 MT of Tur and extended remunerative prices to large number of pulses growers across the country. Details of pulses procured during KMS 2015-16, RMS 2016-17 and KMS 2016-17 is as under:

(Figures in MT)

	KMS 2015-16		RMS 2016-17		KMS 2016-17		
	TUR	URAD	CHANA	MASUR	TUR	URAD	MOONG
FCI	20257.76	4.72	15194.22	4335.79	175301.40	18234.67	64737.16
SFAC	5258.05	3122.90	25026.43	1232.50	71078.79	10746.05	26224.54
NAFED	20000.79	1764.03	20266.16	2987.68	919666.75	59601.63	128886.27
Total	45515.6	4891.65	60486.81	8555.97	1166046.94	88582.35	219847.97

10.16 FCI did not carry out the procurement of pulses as per the direction of DoCA from RMS 2017-18 onwards. As per the direction of DAC&FW, FCI is also carrying out procurement of pulses and oilseeds in three states along with Nafed and

exclusively in Andhra Pradesh in KMS 2018-19 under PSS Scheme. Details of Pulses and oilseeds Procured under PSS during KMS 2018-19 by FCI as on 31.03.2019 are as under:

(Fig. in MT)

State	Moong	Urad	Soyabean	Tur	Total
Maharashtra	5978.45	3632.467	454.232	0	10065.149
M.P.	276.05	50453.51	-	0	50729.56
A.P.	242.2	493	-	0	735.2
Karnataka	0	0	-	15218.37	15218.37
Total	6496.7	54578.98	454.232	15218.37	76748.28

STOCK MANAGEMENT

10.17 The stock holding under central pool as on 31.03.2019 is 463.86 lakh MT (Rice 293.94 lakh MT; Wheat 169.92 lakh MT). In addition, 155.55

lakh MT unmilled paddy and 0.58 lakh MT coarse grains are also available in central pool. The Crop Year wise position of issuable stock in central pool as on 01.04.2019 is as under:

(In lakh MT)

Crop Year	Wheat		Rice (excluding unmilled paddy)	
	Stocks	% of stocks	Stocks	% of stocks
2019-20	0.36	0.22	-	-
2018-19	147.97	88.45	229.34	81.03
2017-18	18.96	11.33	53.69	18.97
2016-17	0.002	0.00	0.00	0.00
Total	167.29		283.03	

Remark: (i) The stock position excludes stocks in transit, upgradable/non-issuable.
(ii) Above quantities includes wheat stocks stored in Silos.

IMPORT & EXPORT

10.18 There has been neither export nor import of foodgrains (Wheat & Rice) during 2018-19 (w.e.f. April, 2018 to March, 2019). Further, no foodgrains (Wheat & Rice) has been issued for humanitarian aid during the said period.

of the stocks are drawn for physical analysis to ensure that the quality standard meets the laid down Specifications of Government of India. Foodgrain samples are also referred to NABL accredited laboratories and get tested for its conformity of parameter under FSS Act also.

QUALITY CONTROL

10.19 The Quality Control (QC) wing of FCI manned by qualified and trained personnel is entrusted with enormous task of procurement & preservation of foodgrains. The foodgrains are procured conforming to uniform Specifications and inspected regularly during storage to monitor the quality. Representative samples

10.20 FCI's testing laboratories spread across the country for effective monitoring of quality of foodgrains providing quality assurance as per FSS Act 2006, leading to improved satisfaction level to the customers (consumers).

10.21 Laboratories across the country are being upgraded with latest equipment. The IFS (Institute of Food Security) Lab, Gurgaon is in

process of upgradation to a State of Art Lab.

- 10.22 In order to strengthen its quality control infrastructure and to enhance transparency, computerized Rice Analyzer was introduced in rice procurement operation during KMS 2016-17 onwards and presently computerized analysis of foodgrains has started in major procurement regions in 30 depots.
- 10.23 The senior Q.C. Officers undertake frequent visits to the procurement & storage points to inspect the quality of foodgrain stocks and further sensitize the QC staff on the spot to ensure procurement of foodgrains conforming to specifications and its maintenance during storage at all levels. Appropriate action is also initiated against defaulters, if any, in order to tighten the supervisory arrangement and fix responsibilities on all found responsible for procurement of stocks beyond laid down parameters. Long term/short term trainings are held on regular basis for QC staff on procurement and preservation of foodgrain management.
- 10.24 Periodical preventive and curative treatments are given to the stocks to ensure the health of the grains. Preventive measures are also undertaken to control rodents and birds. The foodgrain stocks strictly conforming to laid down specifications of Govt. of India are issued under Public Distribution System (PDS) to various State Governments by adopting joint sampling system scrupulously.

LIQUIDATION OF WHEAT STOCK STORED IN CAP/ OPEN PLINTHS

- 10.25 In order to prevent deterioration of stock due to heavy rains observed in many parts of the country, the movement of stocks from Cover & Plinth (CAP)/open plinths has been monitored on weekly basis. A quantity of 85.80 lakh MT Wheat 2018-19 has been liquidated from CAP during the period 27.05.2018 to 31.03.2019 from Punjab and Haryana regions.

QC INITIATIVES

- 10.26 **Computerized Rice Analyzers:** As per HLC recommendations on revamping activities of FCI, quality checks in procurement have to be adhered to, and anything below the specified quality will not be acceptable under central pool. Therefore, with a view to introduce mechanized process for quality checking, 30 Computerized Rice Analyzers (Annadarpan^{SMART}) developed by Centre for Development of Advance Computing (CDAC), Kolkata were made available in 30 locations of 07 major procuring regions namely Punjab, Haryana, Uttar Pradesh, Odisha, West Bengal, Chhattisgarh and Andhra Pradesh and rice acceptance through CRA was carried out during 2017-18 and continued during KMS 2018-19 also.
- 10.27 **Third Party Quality Testing of Food Grains:** Samples of foodgrains procured & stored in FCI godowns are periodically referred to FSSAI notified NABL accredited labs for quality checks. In FY 2018-19 from 01.04.2018 to 31.03.2019, 3810 samples of foodgrains from different godowns of FCI across the India were sent for quality checks out of which results of 3679 samples have been received and found conforming to FSSR 2011 specifications.
- 10.28 **Modernization of FCI labs:** FCI has engaged CFTRI, Mysuru as consultant to modernize QC labs at Institute of Food Security (IFS), Gurugram to enable it for the chemical testing of foodgrains as per FSSA norms. Modernization of IFS lab is under progress and likely to be completed during 2019.

MAINTENANCE AND UPGRADATION OF DEPOTS

- 10.29 For routine maintenance, upgradation of Engineering structure of depot including replacement of AC sheet Roofing with profile sheet, cement concrete road & weigh bridges following budget has been allotted to Zones.

(₹ in lakh)

Head	Budget for 2018-19	Budget allocated by Hqrs.	Expenditure incurred till 31.03.2019
AR & MO	20000.00	12500.00	11957.00
CC Road	10000.00	9153.00	5666.00
Minor Capital work	6500.00	1941.00	1373.00
Weighbridges - Additional/new/ Upgradation	587.00	587.00	295.60

TRAINING

10.30 The FCI has its own Training Institute of Food Security (IFS) at Gurugram (Haryana). The institute imparts training to the officers and officials in various disciplines relevant to FCI Operations/Food management & Depot Online System, E-Litigation & Legal matters, Procurement Incidentals claims & subsidy system and GST etc. IFS also impart Induction Training to newly recruited Management Trainees.

10.31 The major achievements of IFS during the period 2018-19 are:-

- i. Various training programs involving 1365 In-service officers/officials have been conducted in IFS Gurugram.
- ii. Total of 6 newly recruited officers were imparted Orientation Training in IFS, Gurugram.
- iii. 15 training programs of National Food Security Act, 2013 were conducted at IFS organized by DFPD which was attended by 585 participants.

10.32 In addition to the training at IFS, 71 officers/staffs of FCI were nominated in various

management development programs/workshops/conferences etc. in professional Institutes of repute viz. ISB Hyderabad, ASCI Hyderabad, IIM Shillong, IIM Kohzicode, IIT Guwahati, NIFM Faridabad, ICAI, ISTM, etc.

10.33 FCI in collaboration with ISTM (under DOPT), New Delhi has conducted 10 training programs nominating 286 officers/officials of FCI on 'Reservation for SCs, STs, OBCs & Maintenance of Rosters', 'Noting & Drafting', 'Record Management-RTI' and 'Workshop on Public Procurement under GFR 2017,' RTI for PIO's and 'Establishment Rules and Recruitment Rules'.

10.34 National Institute of Plant Health Management (NIPHM), Hyderabad has also conducted 03 Customized Programs for 114 QC officers/officials of FCI. NALSAR, Hyderabad has also conducted 03 batches of training programs for Non-Law cadre officers of FCI for approx. 84 officers.

10.35 In addition to the training efforts at the corporate Headquarter level, training programs were also conducted by Zonal Offices located at Noida, Mumbai, Kolkata, Chennai, and Guwahati. At Zonal level 3949 employees have been imparted In-service training and 184 employees have been imparted induction training.

10.36 Approximately 5869 FCI officers/officials have been nominated for various in service training programs during the said period of FY 2018-19 and 190 officials have been imparted induction training .

SC/ST EMPLOYEES IN FCI

10.37 Statement showing the representation of SCs/STs in services of FCI as on 31.03.2019 is as follows:

CATEGORY	Sanctioned Strength	Total No. of Employees	No. of SC	No. of ST
Cat.I	1111	897	240	144
Cat.II	6221	4290	865	759
Cat.III	27345	13866	2988	1205
Cat.IV (Excluding Safaiwala)	7361	2780	865	357
Cat.IV (Safaiwala)		14	10	1
Grand Total	42038	21847	4968	2466

COMPUTERIZATION IN FCI

Integrated Information System for Food Grains Management (IISFM)

10.38 Government had sanctioned "Integrated Information System for Food Grains Management" (IISFM) Project as a plan Scheme, with a total estimate cost of ₹96.74 crore, in August, 2003, in its 10th Five Year Plan, to put in place an on-line MIS for stock position in any FCI Depot, at any given point of time. The IISFM project has been successfully implemented in all FCI Depots, including the depots under North East Zone, covering all seven North Eastern States.

A) District Stock Accounting Module (DISFM/ District Module)

NIC, in 2005, developed District Information System for Food Grain Management (DISFM), an online application, to enable the FCI Districts to enter the fortnightly stock position, to fulfill FCI's reporting needs. This is a web based MIS system, working through the central server located at NIC. All FCI Zonal offices, Regional offices, District Offices and Headquarter can generate fortnight stock position and off-take MIS reports, along with State/UT-wise reports through this application. DISFM is fully functional in all FCI District Offices.

B) IISFM Rapid Reporting Service (IRRS)

IISFM Rapid Reporting Service (IRRS) application for reporting information related to receipt,

issues, dispatches of various commodities of food grain stock for all FCI depots (owned and hired) has been stabilized with almost 90% depots reporting up-to-date data, on any given day.

Various reports, on stocks position and off-take data, depot capacity utilization etc., are generated through this web-based application and used at all levels of FCI offices. Based on the feedback from various stake-holders of the project, several modifications have been made in the application from time to time and a few additional reports are also being generated to make the IRRS reports more comprehensive and need based.

The stock information in IRRS has been made viewable to the general public by NIC on the PDS portal and on IISFM site (<http://egrains.nic.in>).

C) IRRS in DCP/Major Procuring States

IRRS application has also been extended to the 7 DCP/Major procuring States to capture Central Pool stock position and off-take information. Among the identified seven DCP States, namely Chhattisgarh, Karnataka, MP, Odisha, Tamil Nadu, Haryana and Uttar Pradesh, where hardware has been supplied under the IISFM project, IRRS has already been implemented by Odisha, Tamil Nadu, Chhattisgarh, Madhya Pradesh and Karnataka with varying degree of success.

The other major procuring States viz. Haryana and Uttar Pradesh are continuously being

pursued and encouraged to use IRRS to report the central pool stocks information available with them.

LAN/WAN RESTRUCTURING AND BANDWIDTH UP-GRADATION

10.39 To keep up with the increasing demands of web based IT applications, FCI has upgraded/revamped the existing LAN/WAN infrastructure. This has been accomplished through the following:

a) Bandwidth Up-Gradation

FCI has established network bandwidth of 34 Mbps for HQ, 10 Mbps for ZOs & ROs and 4 Mbps for sensitive DOs and 2 Mbps for other DOs through BSNL. Point to point lease line connectivity has been provided between FCI offices up to District level and the corresponding NIC offices.

Further, FCI HQ has been provided with redundant solution of 34 mbps network bandwidth and the matter regarding same solution to Zonal/Regional offices are under consideration.

b) LAN/WAN Restructuring

The existing LAN/WAN infrastructure in the FCI offices upto District level, has been restructured with latest active (routers, switches etc.) and passive network items, which is IPv6 Compliant.

VIDEO CONFERENCING

10.40 To leverage the sound bandwidth and network connectivity setup under the restructuring of LAN/WAN project, FCI has also implemented/upgraded the Video Conferencing facility at FCI up to District office level.

MARKET BORROWINGS

Cash Credit Facility

10.41 FCI availed Cash Credit Limit (CCL) of ₹9,495

crore from a Consortium of banks led by State Bank of India against a single default guarantee provided by the Government of India. It comprises ₹8,945 crore for the food operation and ₹500 crore for pulses operation. The RBI constitutes FCC (Food Credit Consortium) members every year. The apex bank vide its letter dated 31.12.2018 has reconstituted the food credit consortium of 52 banks for year 2019. The rate of interest charged on this CCL consist of average MCLR (One year) of top 5 leading banks of the Consortium having highest share plus a positive spread of 50 bps (spread revised w.e.f. 01.12.2017). The interest rate varies with any change in MCLR of 5 major banks and/or revision of spread.

1.42 The effective monthly compounding interest rate charged by the consortium of banks from 01.01.2019 is 9.15% p.a.

Short Term Loan (STL)

10.43 As a measure to meet the short term requirement over and above the Cash Credit Limit, the FCI has approval of its Board of Directors to avail STL from the scheduled Banks to the extent of ₹50,000 crore during the financial year 2018-19. As on 31.03.2019, the Corporation availed STL of ₹1,84,092.00 crore through tenders. Outstanding STL as on 31.03.2019 was ₹41,226 crore. STLs are availed by FCI from different banks for one month tenure at their respective quoted rates ranging from 7.45% to 8.66%. This resulted to a savings of ₹120.97 crore during FY 2018-19-

Issue of Bonds

10.44 Total outstanding Long Term Government Guaranteed Bonds as on 31.03.2019 is ₹15,737.70 crore. The Gol accorded in principle approval to raise Gol guaranteed long term loan of ₹32000 crore starting from FY 2018-19, out of which ₹8000 crore was proposed to be raised in FY 2018. The Corporation raised ₹2737.70 crore

through long term bonds of 10 years tenure @ 8.95% on 01.03.2019.

Ways & Means Advance (WMA)

10.45 For the financial year 2018-19, GoI allocated WMA of ₹50,000 crore. This is a temporary credit to be repaid on or before 31st March of the same financial year. WMA carry interest equivalent to average 364 days T-bill rate. The corporation got WMA of ₹12000 crore during FY 2018-19 and repaid in the month of March, 2019.

National Small Savings Fund (NSSF) Loan

10.46 For repayment of principal NSSF loan installment of ₹27000 crore due on 28.02.2019, GOI sanctioned another NSSF loan on 27.02.2019 for the rollover of principal installment of ₹27000 crore. This loan carries an interest rate of 8.52% p.a. Further, the GOI released NSSF loan of ₹65000 crore through book adjustment by converting food subsidy into loan. Adding to earlier years NSSF loan, outstanding principal of NSSF loan as on 31.03.2019 is ₹1,86,000 crore.

CENTRAL WAREHOUSING CORPORATION (CWC)

10.47 The CWC, a Public Sector Enterprises under the Department was set up on 02.03.1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, which was repealed and replaced by the Warehousing Corporations Act, 1962.

10.48 The functions of CWC as defined in the said Act & Rules framed there under are:

- i. To acquire and build godowns and warehouses at such suitable places in India or abroad as it thinks fit;
- ii. To run warehouses for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities offered by individuals, co-operative societies and other institutions;

- iii. To arrange facilities for the transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses;
- iv. To subscribe to the Share Capital of a State Warehousing Corporation;
- v. To act as agent of the Government for the purposes of purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities;
- vi. To enter into, with the previous approval of the Central Government, joint ventures with any Corporation established by or under any Central Act or any State Act or with any company formed and registered under the Companies Act, 1956 including foreign company or through its subsidiary companies, for carrying out the purposes of this Act;
- vii. To establish subsidiary companies;
- viii. To undertake disinfection service outside its warehouses in respect of agricultural produce or notified commodities as defined in Section 2 of the Central Warehousing Corporation Rules, 1963;
- ix. To provide consultancy services, assistance, finance, programmes or projects related to agricultural produce or other notified commodities and undertake any other activities considered incidental to its functions; and
- x. To operate warehouses, create infrastructure and arrange facilities for storage, handling and transport of agriculture produce, seeds, manures, fertilizers, agriculture implements, notified commodities, bonded cargo, air cargo, containerized cargo and liquid cargo. Further, the Corporation may also provide

marketing and other warehousing related services in respect of agriculture produce or notified commodities.

CAPITAL STRUCTURE

10.49 The authorized share capital of the CWC is ₹100 crore, out of which ₹68.02 crore has been paid up. There has been no change in the subscribed and paid up share capital of CWC during 2018-19. The capital structure of CWC is as given below:

Sl. No.	Institution	Paid up Capital (₹in lakh)
1.	Central Government	3,742.50
2.	State Bank of India	1,479.40
3.	Other Scheduled Banks	1,086.89
4.	Insurance Companies including Life Insurance Corporation of India	477.74
5.	Cooperative Societies	14.798
6.	Recognized Associations dealing in agricultural produce	0.71
7.	Companies dealing in agricultural produce, etc.	0.05
Total		6,802.10

GRANT OF SCHEDULE 'A' STATUS

10.50 CWC is a Schedule 'A', Mini Ratna Category-I PSU with effect from 13.05.2015.

STORAGE CAPACITY

10.51 The storage capacity operated by CWC has stabilised over past few years as under:

(Capacity in lakh MT)

Installed Storage capacity as on	Own	Hired #	Total
31.03.2007	67.00	35.20	102.20
31.03.2008	67.63	31.15	98.78
31.03.2009	67.60	37.65	105.25
31.03.2010	68.46	37.52	105.98

Installed Storage capacity as on	Own	Hired #	Total
31.03.2011	69.85	32.62	102.47
31.03.2012	71.81	29.04	100.85
31.03.2013	73.95	34.07	108.02
31.03.2014	75.96	28.97	104.94
31.03.2015	75.78	39.16	114.94
31.03.2016	77.31	31.11	108.42
31.03.2017	77.37	22.41	99.78
31.03.2018	78.37	25.23	103.60
31.03.2019	76.59	23.62	100.21

includes covered hired, management warehouse and open capacity.

CAPACITY ADDITION

10.52 Details of the storage capacity constructed by CWC from 2013-14 to 2018-19 and projected for 2019-20 are as under:

(In lakh MT)

Financial Year	Capacity Constructed
2013-14	2.21
2014-15	1.90
2015-16	1.62
2016-17	0.95
2017-18	0.29
2018-19	0.34
2019-20 (Projected)	1.25

10.53 CWC has undertaken a special drive for upgradation of warehouses and 106 centres have been upgraded till 31.03.2019. Further, 172 centres have been identified for upgradation for year 2019-2020 and 2020-2021. The details of the storage capacity planned to be created by CWC during 2019-20 are as follows:-

CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY

Sl. No.	Name of centre	Capacity in MT
	Ahmedabad (Gujarat)	
1.	Shahalam	10600
2.	Karachia	5000
	Kochi	
3.	Kanjikode (Pallakad)	5000
4.	Purakkad	8200
	Jaipur	
5.	Jhunjhunu	7700
6.	Sikar	5000
7.	Chomu	8350
8.	Bikaner-II	9400
	Bengaluru	
9.	CFS-Whitefield	5000
10.	CFS-Whitefield	3850
11.	Bidar	3000
12.	Sedam	4600
13.	Devangere	1280
	Bhopal	
14.	Chhindwada	5000
	Chandigarh	
15.	Bibipur	10000
	Delhi	
16.	Noida, Sector-68	4320
	Hyderabad	
17.	Vizag-I	7000
18.	Duggiralla	750
	Lucknow	
19.	Badohi	10000
	Mumbai	
20.	CFS Kalamboli	5000
21.	Nasik Road	3025
22.	Nasik Ambad	2900
	Total	124975

CAPACITY UTILISATION

10.54 The operational Storage Capacity of CWC, its Utilization and percentage of utilization during the last five years and the year under report are given in the following table:-

Financial Year	Owned/Covered (LMT)			Hired # (LMT)			Total (LMT)		
	Capacity	Utilization	Percentage	Capacity	Utilization	Percentage	Capacity	Utilization	Percentage
2014-15	75.85	58.65	77	30.36	26.74	88	106.21	85.39	80
2015-16	76.64	56.35	74	38.47	35.47	92	115.11	91.82	80
2016-17	75.68	54.32	72	23.97	19.95	83	99.65	74.27	75
2017-18	76.61	61.63	80	23.08	17.10	74	99.69*	78.73	79
2018-19	76.15*	65.32	86	23.72	17.49	74	99.87*	82.81	83

includes management warehouses and open storage capacity.

* indicates Operational Storage Capacity.

TURNOVER, PROFIT AND DIVIDEND

10.55 CWC has been a consistently profit making and dividend paying CPSE. CWC paid dividend @ 32% for the year 2017-18. The details of

turnover, Profit Before Tax and dividend paid during the years 2014-15 to 2017-18 and 2018-19 (provisional) are given in the following table:

(₹in crore)

Financial Year	Turnover	Profit Before Tax	Dividend Paid		
			Central Govt.	Others	Total
2014-15	1561.83	260.06	20.21	16.50	36.71
2015-16	1639.93	283.56	32.93	26.89	59.82
2016-17	1606.29	260.59	53.14	43.39	96.53
2017-18	1582.94	27.62	17.53	14.34	31.87
2018-19 (provisional)	1608.00	228.00	13.10*	10.69*	23.79*

*Dividend paid for the year 2018-19 is interim

PEST CONTROL SERVICES

10.56 The Corporation has been rendering Pest Control Services (PCS) to a varied group of clients both private and public with the aim to prevent economic and health loss caused by pests, rodents and termites by using Indian Standard Institute (ISI) marked/World Health Organisation (WHO) approved/eco-friendly pesticides. The Corporation earned a gross revenue of ₹17.14 crore during the year 2018-19. CWC provides PCS to large number of customers like railways, airlines, airport authority, sea port trust, corporate houses, importers and exporters, real-estate, flour millers, farmers and traders.

10.57 The Corporation has obtained accreditation of its officers under International Standard for Phyto-Sanitary Measures (ISPM-15) and Australian Fumigation Accreditation Scheme (AFAS) – India Program of Australian Quarantine and Inspection Service (AQIS) Standards. Besides, Corporation is also registered as fumigation agency and has accreditation for its fumigation operators under National Standard Phyto-Sanitary Measures; NSPM-12 & NSPM-22. The Corporation undertakes quarantine fumigation of cargo and fumigation of export containers and shipments with Methyl

Bromide/Aluminium Phosphide and Aircraft disinfections/fumigation as per need of customers.

INTEGRATED CHECK POSTS

10.58 CWC is operating the Cargo Terminal of ICP at Attari (Punjab), Agartala (Tripura) and Petrapole (West Bengal) facilitating the import/export trade between India and Pakistan and Indo Bangladesh borders through land route. Land Ports Authority of India (LPAI) has awarded operation & management of ICP-Attari to CWC for another two plus one year w.e.f. 09.04.2017.

10.59 The management of ICP, Petrapole (West Bengal) inaugurated on 12.02.2016 has been entrusted by LPAI to CWC on long term basis i.e. for 10+5 years for facilitating seamless flow of cross border trade between India and Bangladesh.

10.60 The handling operations of Cargo Terminal at ICP, Agartala (Tripura) on the Indo Bangladesh border was also assigned by LPAI to CWC initially for a period of one year on similar terms and conditions as of ICP, Attari. ICP, Agartala has commenced operations from 21.11.2013 which have been extended upto November, 2018. It is further extended for two plus one year w.e.f 01.12.2018

STATE WAREHOUSING CORPORATIONS

10.61 CWC has 19 associates, State Warehousing Corporations (SWCs). The total investment of the Central Warehousing Corporation, which is 50% shareholder in the equity share capital of the SWCs was ₹61.79 crore and the SWCs operated 2145 warehouses with a total capacity of 339.48 lakh MT (as on 31.03.2019).

CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED (CRWC)

10.62 Central Railside Warehouse Company Limited, a CPSE under the Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, was incorporated on 10.07.2007 under the Companies Act, 1956, having an equity paid-up share capital of ₹40.56 crore.

10.63 The entire paid-up share capital of the Company is being held by CWC. As on the 31.03.2019, CRWC was operating 20 RWCs with a total installed capacity of 3,46,267 MT. The units which are in operation with their installed capacities as on 31.03.2019 are as follows:-

Sl. No.	Name of RWC	Capacity (in MT)
1.	Whitefield, Bengaluru	29,700
2.	Shakurbasti, Delhi	19,330
3.	Nishatpura, Bhopal	16,700
4.	Sanathnagar, Hyderabad	13,225
5.	Ghaziabad	12,200
6.	Nasik Road	9,270
7.	Alamnagar, Lucknow	15,500
8.	Yamuna Bridge, Agra	18,200
9.	Koodal Nagar, Madurai	12,000
10.	Badnera, Amravati	17,000
11.	Roza, Shahjahanpur	18,400
12.	Kandla, Gujarat	32,200
13.	Korrukupet, Chennai	30,292
14.	Hatia, Ranchi	12,800
15.	Saswad Road, Pune	18,700
16.	Dehri-on-Sone, Bihar	11,700
17.	Dankuni, Kolkata	13,750
18.	Mysore, Karnataka	12,500

Sl. No.	Name of RWC	Capacity (in MT)
19.	Jogeshwari, Mumbai	19,000
20.	Pahleja	13,800
TOTAL		3,46,267

10.64 The total Installed Warehouse Capacity for the last three years is as follows:

(Figures in MT)

Particular	2016-17	2017-18	2018-19
Total Installed Capacity	3,29,467	3,32,467	3,46,267

10.65 The total number of Wagons Handled for the last three years is as follows:

Particular	2016-17	2017-18	2018-19
No. of Wagons Handled	1,23,664	1,25,312	1,27,463 (Provisional)

10.66 The Financial results of the Company for the year 2018-19 as compared to the previous year are given below:

(₹in lakh)

Particulars	2017-18	2018-19
		(Provisional)
Gross Revenue	9688.47	8791.53
Gross Expenditure	7324.02	7251.23
Profit Before Tax (PBT)	2364.44	1540.30
Tax Expense	831.16	448.54
Profit After Tax (PAT)	1533.12	1091.76
Earnings per Share (₹)	3.78	2.69

DIVIDEND

10.67 During the year CRWC has paid Interim Dividend @10% of the paid up capital amounting to ₹4.056 (excluding Corporate Dividend Tax) to CWC.

AWARDS

10.68 During the year the following awards were bestowed on the Company.

- Awarded under "Best Warehousing Company – Railways" 2018.
- E-RAKAM got first prize in Best Display at CII 13 Agro Tech India 2018

PROJECTS & BUSINESS EXPANSION

Pahleja: Construction of 13800 MTC RWC at Pahleja (Bihar) in place of existing terminal at Dehri-On Sone has been completed.

Fatuha: Construction of 20,400 MT warehouse at Fatuha, Bihar is likely to be completed shortly.

Additional RWCs are being planned at New Jalpaiguri, Indore, Mancheshwar for which detailed feasibility study and project planning are in progress.

Apart from the above, M/s. RITES Ltd. has been entrusted to prepare feasibility report for setting up RWCs at New Guwahati (Assam), Bhivandi Road (Maharashtra), Tata Nagar (Jharkhand) and Saharsa (Bihar).

OTHER BUSINESS INITIATIVES

10.69 HAFED has agreed to utilize e-Rashtriya Agri Kisan Mandi (e-RaKAM) portal for auctioning of pulses. e-RaKAM also conducted Reverse Auction for Onion procurement for Big Basket, Spencers and Mother Dairy.

10.70 CRWC executed a MoU with MSTC for providing custodianship for 19 locations which CRWC provides inventory management including processing of Delivery Order.

HUMAN RESOURCE MANAGEMENT

10.71 CRWC is having 54 officials on its roll on regular basis as on 31.03.2019 in different professions i.e. Human Resource, Finance, Engineering, Logistics and Marketing etc. at various levels. During this year 05 apprentices were engaged in CRWC as Warehouse Executives. The Company has conducted 132 man days training programme for its officials during the year.

HINDUSTAN VEGETABLE OILS CORPORATION LIMITED (HVOC)

10.72 HVOC, a fully-owned Govt. Company, was engaged in the business of manufacturing of Vanaspati, refining & packing of imported edible oil for Public Distribution System (PDS) and manufacturing of breakfast cereal. Due to erosion of net worth as a result of continued losses, the company was referred to Board for Industrial and Financial Reconstruction (BIFR) and declared sick in 1999. The company is now under liquidation under the supervision of the Hon'ble High Court of Delhi.

10.73 All the units have been closed and all the employees have accepted voluntary separation scheme/Improved Voluntary Retirement Scheme (IVRS). The company does not have any regular employee on its roll at present. The liquidator of HVOC has already disposed off the moveable assets of all the units except those of Kolkata unit which is pending due to a stay order of the Hon'ble High Court of Calcutta. The Liquidator has also settled the dues of all the outside creditors except the claims which are under litigation.

10.74 As far as immovable assets of HVOC are concerned, as per decision of the Union Cabinet in its meeting held on 30.11.2017, all the landed assets of HVOC have been handed over to L&DO/CPWD, MoHUA. The Cabinet in the aforesaid meeting also decided to write off the complete liabilities of HVOC towards loans taken from the Government. Accordingly, the loans and interest amounting to ₹463.31 crore were waived through technical allocation of funds in September, 2018.

10.75 HVOC is, pursuing 23 court cases presently pending in various cities. The Government has decided to provide funds to HVOC to meet any liability that may arise from these court cases.

Dissolution of HVOC u/s 481 of the Companies Act, 1956 can only be done by the High Court when winding up activities are completed, i.e, all liabilities are settled, all pending court cases/ all assets of the company are disposed off.

WAREHOUSING DEVELOPMENT & REGULATORY AUTHORITY (WDRA)

10.76 WDRA was set up by the Government of India on 26.10.2010 under the provisions of the Warehousing (Development and Regulation) Act, 2007.

OBJECTIVES

10.77 The main objectives of the Authority are to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts and related matters. The Negotiable Warehouse Receipts (NWRs) issued by the warehouses registered under this Act would help farmers to seek loans from banks against NWRs and avoid distress sale of agricultural produce. It will also be beneficial for a number of other stakeholders such as banks, financial institutions, insurance companies, trade, commodity exchanges as well as consumers. It will encourage farmers to store their agricultural produce in scientific registered warehouses wherein storage losses would be minimized and quality of the commodities would be maintained during storage period.

FUNCTIONS

10.78 The major functions of the Authority is to implement the provisions of the Act as well as the Rules and regulations framed thereunder to regulate and promote orderly growth of warehousing business in the country. The main activities of the Authority are listed below:

- i. To register conventional warehouses, cold storages and Silos.
- ii. To implement Negotiable Warehouse Receipt system.

- iii. To empanel Inspection agencies.
- iv. To specify the qualification, code of conduct and practical training for warehousemen and staff engaged in warehousing business.
- v. To regulate process of pledge, creation of charges and enforcement thereof in respect of goods deposited with the warehouse.
- vi. To promote efficiency in conduct of warehouse business.
- vii. To promote scientific warehousing of goods.
- viii. To promote professional organisations dealing with warehousing business.
- ix. To regulate and develop electronic system of holding and transfer credit balances of fungible goods deposited in the warehouses.
- x. To register Repositories for creation and management of electronic Negotiable Warehouse Receipts (e-NWRs).

REGULATION OF WAREHOUSING BUSINESS

10.79 As per Section 3 of the Warehousing (Development and Regulation) Act, 2007, no person shall commence or carry on the business of warehousing for issuing Negotiable Warehouse Receipts unless he has obtained a registration certificate from the Authority after fulfilling the prescribed norms in respect of the concerned warehouse or warehouses.

REQUIREMENT FOR REGISTRATION OF WAREHOUSES

10.80 The Government of India has notified the requirements for registration of warehouses, vide notification of Warehousing (Development and Regulation) Registration of Warehousing Rules, 2017 effective from 23.02.2017, which broadly are as follows:

- i. The warehouses should be constructed as per Bureau of Indian Standards (BIS)/FCI/

CWC specifications and storage worthy.

- ii. The applicant should be a fit and proper person.
- iii. The warehouse shall have adequate security arrangements.
- iv. The warehouse shall have adequate trained staff with expertise for scientific storage of goods.
- v. The warehouse shall have requisite equipment for weighment and insect/pest management operations.
- vi. The warehouse shall have adequate insurance of stocks against fire, flood, theft, burglary, misappropriation, riots, strikes or terrorism.
- vii. The warehouse shall have requisite net worth as provided in the Rules.
- viii. The warehouse shall be compliant to local laws for carrying out the business of warehousing.
- ix. The warehouse should follow a Standard Operating Procedure for various warehouse operations as prescribed by the Authority.
- x. Any other requirement prescribed by the Authority from time to time.

10.81 In case the application is found in order, the Authority may cause a physical inspection of the warehouse concerned to satisfy about fulfillment of the infrastructure requirement by the warehouse and other particulars as specified by the Authority in its inspection guidelines.

VARIOUS ACTIVITIES OF THE AUTHORITY

10.82 The Authority has undertaken the following activities:-

- (i) **Empanelment of Inspection Agencies:**
The requirement of physical infrastructure

of warehouse(s) are to be inspected through the Inspection Agency (IA) nominated by the WDRA prior to their registration to ensure that basic requirements of scientific storage of agricultural and other commodities are fully met by these warehouses. The Authority has empanelled six IAs for undertaking various warehouse inspections on its behalf.

- (ii) **Notification of Agricultural Commodities:**

The Authority has so far notified 123 agricultural commodities including cereals, pulses, oilseeds, vegetable oils, spices, edible nuts, rubber, tobacco, tea, coffee etc. for issuing NWRs and has also notified 26 horticulture commodities for issuance of NWRs by cold storages.

- (iii) **Launch of eNWRs:**

On 26.09.2017 the electronic Negotiable Warehouse Receipt (eNWR) and WDRA Portal was launched by Shri Ram Vilas Paswan, Hon'ble Minister of Consumer Affairs, Food & Public Distribution. Two repositories namely, M/s CDSL Commodity Repository Limited (CCRL) sponsored by M/s Central Depository Services Limited (CDSL) and M/s National Electronic Repository Limited (NERL) sponsored by M/s National Commodity and Derivatives Exchange (NCDEX) were issued registration certificate for setting up repository systems for creation and management of e-NWRs.

- (iv) **Registration of Warehouses:**

During the year 2018-19 the Authority registered 607 warehouses fulfilling all the requirements for registration. The registered warehouses issued 89114 Negotiable Warehouse Receipts (NWRs) (including 77332 NWRs in electronic form) against deposit of 7.21 lakh MT of stock with a declared value of ₹4790.51 crore at the time of deposit.

(v) Integration of PACSs with NWR: The Authority has taken initiative for integration of the Primary Agriculture Cooperative Societies (PACSs) warehouses under the Negotiable Warehouse Receipt system so that the small and marginal farmers may get benefit from this scheme. Under the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 and notification prescribing requirement of security deposit, a number of concessions have been extended to Farmer Producer Organization (FPO)/Co-operative society warehouses. In case the applicant/warehouseman is a FPO or a Co-operative, the registration fee shall be ₹5,000/- per warehouse, the net worth should be positive and security deposit would be ₹50,000/- per warehouse. The Authority has started online registration of warehouses belonging to PACS from Tamilnadu and during 2018-19, 97 warehouses of PACS in the State of Tamil Nadu were registered. Similar efforts are on in the State of Odisha.

(vi) Introduction of NWR System in cold storages: The Authority in consultation with the National Horticulture Mission (NHM) and National Horticulture Board (NHB), had also introduced NWR system for cold storages so that the growers/farmers producing horticultural commodities may store these commodities in cold storages and may avail loan against NWRs issued by the registered cold storages. The basic requirements for cold storages were finalised by a committee appointed by Government of India under the chairmanship of Managing Director, National Horticulture Board. 26 horticulture commodities including Potato, Dehydrated Onion, Garlic, Ginger, Turmeric, Apple and Resins etc. have been notified for issuance of NWRs.

(vii) Training and Awareness programme: For capacity building in the warehousing sector, training programmes for warehousemen of the registered warehouses are being regularly organized by the Authority through various training partner institutions. Besides, awareness programmes for farmers/traders/millers on Warehousing (Development and Regulation) Act, 2007, awareness about benefits of the NWR system are also carried out regularly.

(a) Warehousemen Training Programmes:

During 2018-19, 9 warehousemen training programmes covering 265 warehousemen/warehouse managers were organized. Since inception, a total of 53 training programmes covering 1663 warehousemen/warehouse managers were organized.

(b) Awareness programmes for farmers:

During 2018-19, 114 awareness programmes covering 5700 farmers/traders/millers have been organized. Since inception, a total of 727 awareness programmes covering 36350 farmers/traders/millers have been organized.

(viii) Transformation Plan of WDRA – Initiatives for better governance:-

The Authority, in association with the Department of Food and Public Distribution, the Department of Economic Affairs and the National Institute of Public Finance & Policy (NIPFP), undertook a Transformation Plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers against negotiable warehouse receipts.

The Transformation Plan inter alia envisages a complete revamp of the Authority's functioning. Key points of focus include the following:

- a. Market surveys and studies to generate information about the warehousing sector.
- b. Re-writing the existing rules and regulations with a focus towards building NWRs as credible instruments of trade.
- c. Putting in place robust inspection and supervision framework.
- d. Digitization/dematerialization of NWRs by setting up of the repository (ies) for electronic-NWRs (e-NWRs).
- e. Deployment of IT ecosystem in WDRA including internal automation and business process automation.

Following activities have been taken up under the Transformation Plan:

- i. A qualitative survey and three quantitative surveys on status of warehousing in the country have been conducted during 2015-16, 2016-17 and 2017-18.
- ii. Two Repositories namely, M/s National Electronic Repository Ltd. (NERL) sponsored by NCDEX and M/s CDSL Commodity Repository Ltd. (CCRL) sponsored by CDSL, have been set up for creation and management of Electronic Negotiable Warehouse Receipt (e-NWR)

to be issued by registered warehouses against deposits. Both the Repositories after completion of all requirements have been issued Registration Certificates on 26.09.2017 to commence operations. Electronic Negotiable Warehouse Receipt (e-NWR) System has been launched on 26.09.2017. Both the Repositories are fully operational and e-NWRs are being issued on the Repository system.

- iii. The Authority's Portal for Online Warehouse Registration and Inspection Modules has been launched on 26.09.2017 and online warehouse registrations are done with effect from 01.11.2017.
- iv. The IT systems for Surveillance & Monitoring, Grievance Redressal & Dispute Resolution and Internal Automation for Human Resource/ Finance have been made operational.
- v. The use of e-NWRs for trade/contract settlement has been started with Commodity Exchanges viz. NCDEX, MCX and NMCE from June, 2018.
- vi. The process of integration of WDRA registered warehouses with e-NAM for use of e-NWR for trade settlement has been initiated.



Annexures



Annexure-II

**STATEMENT SHOWING SANCTIONED POSTS IN DEPARTMENT
(INCLUDING ATTACHED & SUBORDINATE OFFICES)**

Group	Department	SRA Hqrs.	IGMRI, Hapur & Field Stations	QCC	Dte. of Sugar & Vegetable Oils	NSI, Kanpur	Total
'A'		05	11	24	17	53	199
'B'		10	26	40	30	40	393
'C'		12	57	68	28	213	584
Total		27	94	132	75	306	1176

Annexure-III

BUDGET ESTIMATE, REVISED ESTIMATE AND EXPENDITURE STATEMENT

Year	Department	Demand No	Budget Estimates			Revised Estimates			Actual		
			Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
2013-14	F&PD	17	259.00	101469.64	101728.64	200.00	103406.17	103606.17	194.07	103404.16	103598.23
2014-15	F&PD	17	330.00	125954.34	126284.34	150.00	134326.54	134476.54	146.05	129303.00	129449.05
2015-16	F&PD	18	212.00	136325.55	136537.55	165.00	162084.41	162249.41	160.53	161922.11	162082.64
2016-17	F&PD	17	150.00	152554.11	152704.11	147.00	191703.56	191850.56	123.88	139946.57	140070.45
2017-18	F&PD	16	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total
			50523.05	150952.64	201475.69	50499.65	146309.57	196809.22	50499.56	106693.04	156786.60
2018-19*	F&PD	16	50424.10	173735.00	224159.10	51354.00	176983.12	228337.12	12853.23	106693.67	119546.90
2019-20	F&PD	16	51326.12	190914.27	242240.39						

* Expenditure upto 31.03.2019 including authorization.

Annexure-IV

STOCK POSITION OF WHEAT AND RICE IN THE CENTRAL POOL VIS A VIS FOODGRAINS STOCKING NORMS

(in lakh MT)

AS ON	WHEAT		RICE		TOTAL	
	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms
01.01.2014	280.47	112	146.98	138	427.45	250
01.04.2014	178.34	70	202.78	142	381.12	212
01.07.2014	398.01	201	212.36	118	610.37	319
01.10.2014	322.63	140	154.22	72	476.85	212
01.01.2015	251.13	138.00	117.43	76.10	368.56	214.10
01.04.2015	172.21	74.60	170.94	135.80	343.15	210.40
01.07.2015	386.80	275.80	158.95	135.40	545.75	411.20
01.10.2015	324.50	205.20	125.78	102.50	450.28	307.70
01.01.2016	237.88	138.00	126.89	76.10	364.77	214.10
01.04.2016	145.38	74.60	221.61	135.80	366.99	210.40
01.07.2016	301.81	275.80	194.14	135.40	495.95	411.20
01.10.2016	213.28	205.20	144.74	102.50	358.02	307.70
01.01.2017	137.47	128.00	134.75	86.10	272.22	214.10
01.04.2017	80.59	74.60	230.81	135.80	311.40	210.40
01.07.2017	322.75	275.80	210.44	135.40	533.19	411.20
01.10.2017	258.66	205.20	163.07	102.50	421.73	307.70
01.01.2018	195.62	138.00	162.06	76.10	357.68	214.10
01.04.2018	132.31	74.60	248.73	135.80	381.04	210.40
01.07.2018	418.01	275.80	232.52	135.40	650.53	411.20
01.10.2018	356.25	205.20	186.34	102.50	542.59	307.70
01.01.2019	271.21	138.00	182.91	76.10	454.12	214.10
01.04.2019	169.92	74.60	293.94	135.80	463.86	210.40

Note 1: Revsied norms is w.e.f. 22.01.2015

Annexure-V

TOTAL STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.04.2019

Region	STOCK WITH FCI			STOCK WITH STATE AGENCIES			TOTAL CENTRAL POOL STOCK		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
	2	3	4	5	6	7	8	9	10
Bihar	3.15	4.17	7.32	4.16	0.00	4.16	7.31	4.17	11.48
Jharkhand	2.91	0.47	3.38	0.00	0.00	0.00	2.91	0.47	3.38
Odisha	2.45	1.49	3.94	6.97	0.00	6.97	9.42	1.49	10.91
West Bengal	1.24	5.87	7.11	3.25	0.00	3.25	4.49	5.87	10.36
Zonal Total	9.75	12.00	21.75	14.38	0.00	14.38	24.13	12.00	36.13
Assam	2.79	0.06	2.85	0.00	0.00	0.00	2.79	0.06	2.85
Arunachal Pr.	0.17	0.00	0.17	0.00	0.00	0.00	0.17	0.00	0.17
Tripura	0.25	0.01	0.26	0.00	0.00	0.00	0.25	0.01	0.26
Mizoram	0.20	0.00	0.20	0.00	0.00	0.00	0.20	0.00	0.20
Meghalaya	0.17	0.01	0.18	0.00	0.00	0.00	0.17	0.01	0.18
Manipur	0.25	0.00	0.25	0.00	0.00	0.00	0.25	0.00	0.25
Nagaland	0.38	0.00	0.38	0.00	0.00	0.00	0.38	0.00	0.38
Zonal Total	4.21	0.08	4.29	0.00	0.00	0.00	4.21	0.08	4.29
Delhi	0.21	2.36	2.57	0.00	0.00	0.00	0.21	2.36	2.57
Haryana	24.04	15.92	39.96	0.00	15.33	15.33	24.04	31.25	55.29
Himachal Pr.	0.14	0.32	0.46	0.00	0.00	0.00	0.14	0.32	0.46
J&K	0.97	0.42	1.39	0.00	0.00	0.00	0.97	0.42	1.39
Punjab	108.94	9.93	118.87	0.00	46.86	46.86	108.94	56.79	165.73
Rajasthan	0.16	8.34	8.50	0.00	0.00	0.00	0.16	8.34	8.50
Uttar Pr.	25.89	8.73	34.62	0.00	0.00	0.00	25.89	8.73	34.62
Uttrakhand	1.10	0.20	1.30	0.94	0.00	0.94	2.04	0.20	2.24
Zonal Total	161.45	46.22	207.67	0.94	62.19	63.13	162.39	108.41	270.80
Andhra Pr.	10.62	0.20	10.82	15.75	0.00	15.75	26.37	0.20	26.57
Karnataka	6.54	0.42	6.96	0.00	0.00	0.00	6.54	0.42	6.96
Kerala	3.27	0.85	4.12	0.19	0.00	0.19	3.46	0.85	4.31
Tamil Nadu	10.63	1.14	11.77	1.92	0.00	1.92	12.55	1.14	13.69
Telangana	11.37	0.36	11.73	12.72	0.00	12.72	24.09	0.36	24.45
Zonal Total	42.43	2.97	45.40	30.58	0.00	30.58	73.01	2.97	75.98
Gujarat	0.90	4.61	5.51	0.00	0.01	0.01	0.90	4.62	5.52
Maharashtra	6.15	11.63	17.78	0.00	0.00	0.00	6.15	11.63	17.78
Madhya Pr.	0.13	0.87	1.00	2.41	26.37	28.78	2.54	27.24	29.78
Chhattisgarh	5.18	0.38	5.56	11.37	0.00	11.37	16.55	0.38	16.93
Zonal Total	12.36	17.49	29.85	13.78	26.38	40.16	26.14	43.87	70.01
Total	230.20	78.76	308.96	59.68	88.57	148.25	289.88	167.33	457.21
*Wheat lying in mandies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stock in Transit	4.06	2.59	6.65	0.00	0.00	0.00	4.06	2.59	6.65
Total (All India)	234.26	81.35	315.61	59.68	88.57	148.25	293.94	169.92	463.86

1. Transit figures are estimated.
2. Rice does not include unmilled paddy with FCI/State Agencies in terms of rice.
3. Total quantity of unmilled paddy with FCI and State Agencies =155.55 LMT (FCI 0.53 LMT; State Agencies 155.02 LMT). CMR that could be derived taking out-turn ratio as 67% = 104.22 LMT.
4. Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included unmilled paddy lying with FCI and State Agencies in terms of rice, therefore, for any trend analysis of level of stocks with previous years, the figures in preceding note shall be added in the total stock of rice.

STATUS OF END-TO-END COMPUTERIZATION OF PDS OPERATIONS

(as on 31.03.2019)

Sl.	States/UTs	Digitization of Ration Cards	Aadhaar Seeding in RCs	Online Allocation of Foodgrains	Computerization of Supply Chain Management	Transparency Portal	Online Grievance Redressal	Toll Free Helpline Numbers	Total No. of Fair Price Shops	No. of FPSs with Operational ePoS
1	Andhra Pradesh	100%	100%	Implemented	Implemented	Yes	Yes	Yes	28,663	28,663
2	A & N Islands	100%	86%	Implemented	Implemented	Yes	Yes	Yes	482	459
3	Arunachal Pradesh	100%	57%	Implemented	-	Yes	-	Yes	1,943	25
4	Assam	100%	0%	Implemented	-	Yes	Yes	Yes	38,237	109
5	Bihar	100%	78%	Implemented	Implemented	Yes	Yes	Yes	41,483	62
6	Chandigarh	100%	99%	NA	NA	Yes	Yes	Yes	0	0
7	Chhattisgarh	100%	100%	Implemented	Implemented	Yes	Yes	Yes	12,307	11,970
8	D & N Haveli	100%	100%	Implemented	Implemented	Yes	Yes	Yes	65	63
9	Daman & Diu	100%	100%	Implemented	Implemented	Yes	Yes	Yes	51	51
10	Delhi	100%	100%	Implemented	Implemented	Yes	Yes	Yes	2,254	0
11	Goa	100%	98%	Implemented	Implemented	Yes	Yes	Yes	456	456
12	Gujarat	100%	99%	Implemented	Implemented	Yes	Yes	Yes	17,210	17,210
13	Haryana	100%	100%	Implemented	Implemented	Yes	Yes	Yes	9,526	9,526
14	Himachal Pradesh	100%	99%	Implemented	Implemented	Yes	Yes	Yes	4,934	4,933
15	Jammu & Kashmir	100%	74%	Implemented	-	Yes	Yes	Yes	6,499	6,414
16	Jharkhand	100%	95%	Implemented	Implemented	Yes	Yes	Yes	24,080	24,080
17	Karnataka	100%	100%	Implemented	Implemented	Yes	Yes	Yes	20,035	19,196
18	Kerala	100%	99%	Implemented	implemented	Yes	Yes	Yes	14,429	14,370
19	Lakshadweep	100%	100%	Implemented	NA	Yes	Yes	Yes	39	39
20	Madhya Pradesh	100%	90%	Implemented	Implemented	Yes	Yes	Yes	24,733	24,064
21	Maharashtra	100%	96%	Implemented	Implemented	Yes	Yes	Yes	52,532	52,532
22	Manipur	100%	76%	Partial*	-	Yes	Yes	Yes	2,682	0
23	Meghalaya	100%	0%	Implemented	-	Yes	Yes	Yes	4,736	10
24	Mizoram	100%	92%	Implemented	-	Yes	Yes	Yes	1,252	0
25	Nagaland	100%	63%	Implemented	-	Yes	Yes	Yes	1,691	0
26	Odisha	100%	94%	Implemented	Implemented	Yes	Yes	Yes	12,577	12,577
27	Puducherry	100%	100%	NA	NA	Yes	Yes	Yes	0	0
28	Punjab	100%	99%	Implemented	-	Yes	Yes	Yes	16,933	16,000
29	Rajasthan	100%	96%	Implemented	Implemented	Yes	Yes	Yes	26,657	25,579
30	Sikkim	100%	90%	Implemented	Implemented	Yes	Yes	Yes	1,421	1,336
31	Tamil Nadu	100%	100%	Implemented	Implemented	Yes	Yes	Yes	34,776	34,776
32	Telangana	100%	100%	Implemented	Implemented	Yes	Yes	Yes	17,170	17,170
33	Tripura	100%	100%	Implemented	Implemented	Yes	Yes	Yes	1,806	1,806
34	Uttar Pradesh	100%	100%	Implemented	implemented	Yes	Yes	Yes	81,137	68,779
35	Uttarakhand	100%	93%	Implemented	implemented	Yes	Yes	Yes	9,908	3,024
36	West Bengal	100%	64%	Implemented	Implemented	Yes	Yes	Yes	20,806	366
	Total	100%	85.37%	34	25	36	35	36	5,33,510	3,95,645

Annexure-VII

**STORAGE CAPACITY WITH FCI AND STATE GOVERNMENT AGENCIES
AS ON 31.03.2019 (FIGURES IN LAKH MT)**

Zone	Sl. No.	State	Total Storage Capacity with FCI (Owned/Hired)						Total Storage Capacity with State Agencies including SWCs (excluding capacities given to FCI) for storage of foodgrains		Grand Total	
			Covered		CAP		Total		State Agencies			
			Owned	Hired	Owned	Hired	Covered	CAP	Covered	CAP	Covered	CAP
EAST	1	BIHAR	3.66	5.75	1.00	0.00	9.41	1.00	11.69	-	21.10	1.00
	2	JHARKHAND	0.67	3.07	0.05	0.00	3.74	0.05	1.72	-	5.46	0.05
	3	ODISHA	3.12	2.23	0.00	0.00	5.35	0.00	7.80	-	13.15	0.00
	4	WEST BENGAL	8.50	1.27	0.51	0.00	9.77	0.51	9.16	-	18.93	0.51
N.E.	5	ASSAM	3.00	0.98	0.00	0.00	3.98	0.00	0.00	-	3.98	0.00
	6	ARUNACHAL PRADESH	0.28	0.02	0.00	0.00	0.30	0.00	0.00	-	0.30	0.00
	7	MEGHALAYA	0.13	0.09	0.00	0.00	0.22	0.00	0.00	-	0.22	0.00
	8	MIZORAM	0.25	0.00	0.00	0.00	0.25	0.00	0.42	-	0.67	0.00
	9	TRIPURA	0.36	0.08	0.00	0.00	0.44	0.00	0.55	-	0.99	0.00
	10	MANIPUR	0.28	0.04	0.00	0.00	0.32	0.00	0.17	-	0.49	0.00
	11	NAGALAND	0.33	0.08	0.00	0.00	0.41	0.00	0.08	-	0.49	0.00
NORTH	12	DELHI	3.36	0.00	0.31	0.00	3.36	0.31	0.00	-	3.36	0.31
	13	HARYANA	7.68	46.64	3.33	0.00	54.32	3.33	33.13	21.42	87.45	24.75
	14	HIMACHAL PRADESH	0.19	0.34	0.00	0.00	0.53	0.00	0.00	-	0.53	0.00
	15	J AMMU & KASHMIR	1.03	1.33	0.10	0.00	2.36	0.10	0.00	-	2.36	0.10
	16	PUNJAB	22.24	86.56	7.31	0.00	108.80	7.31	49.91	68.28	158.71	75.59
	17	RAJASTHAN	7.20	9.42	1.85	0.00	16.62	1.85	9.36	-	25.98	1.85
	18	UTTAR PRADESH	14.95	34.72	5.19	0.00	49.67	5.19	7.52	-	57.19	5.19
	19	UTTARAKHAND	0.66	0.98	0.21	0.00	1.64	0.21	1.09	-	2.73	0.21
SOUTH	20	ANDHRA PRADESH	7.36	4.85	1.60	0.00	12.21	1.60	11.67	-	23.88	1.60
	21	TELANGANA	5.37	6.88	1.02	0.00	12.25	1.02	20.15	-	32.40	1.02
	22	KERALA	5.29	0.12	0.21	0.00	5.41	0.21	2	-	7.41	0.21
	23	KARNATAKA	3.81	4.27	1.36	0.00	8.08	1.36	3.05	-	11.13	1.36
	24	TAMIL NADU	6.24	7.10	0.31	0.00	13.34	0.31	17.66	-	31.00	0.31
WEST	25	GUJARAT	4.05	2.07	0.27	0.00	6.12	0.27	4.32	-	10.44	0.27
	26	MAHARASHTRA	8.68	10.19	1.02	0.00	18.87	1.02	18.21	-	37.28	1.02
	27	GOA	0.15	0.05	0.00	0.00	0.20	0.00	-	-	-	-
	28	MADHYA PRADESH	3.37	4.35	0.36	0.00	7.72	0.36	145.13	4.59	152.85	4.95
	29	CHHATTISGARH	5.12	1.82	0.01	0.00	6.94	0.01	17.95	-	24.89	0.01
Total			127.33	235.30	26.02	0.00	362.63	26.02	372.74	94.29	735.37	120.31
Grand Total			362.63		26.02		388.65		467.03		855.68	

Annexure-VIII

STATE-WISE STATUS OF IMPLEMENTATION OF PEG SCHEME AS ON 31.03.2019

(Figures in lakh MT)

Sl. No.	State	Total capacity allotted/ sanctioned	Work completed	Work under construction	Yet to start
1	Andhra Pradesh	1.13	0.88	0.25	0.00
2	Bihar	4.19	3.40	0.40	0.39
3	Chhattisgarh	5.37	5.37	0.00	0.00
4	Gujarat	0.50	0.50	0.00	0.00
5	Haryana	35.02	34.37	0.47	0.17
6	Himachal Pradesh	1.16	0.24	0.88	0.03
7	Jammu & Kashmir	2.56	1.62	0.87	0.07
8	Jharkhand	3.93	2.33	0.85	0.75
9	Karnataka	2.41	2.41	0.00	0.00
10	Kerala	0.05	0.05	0.00	0.00
11	Madhya Pradesh	13.80	13.03	0.77	0.00
12	Maharashtra	5.63	5.63	0.00	0.00
13	Odisha	3.60	3.53	0.05	0.25
14	Punjab	44.69	44.69	0.00	0.00
15	Rajasthan	2.35	2.35	0.00	0.00
16	Tamil Nadu	2.65	2.55	0.10	0.00
17	Telengana	3.19	2.69	0.50	0.00
18	Uttarakhand	0.10	0.10	0.00	0.00
19	Uttar Pradesh	15.26	14.64	0.42	0.20
20	West Bengal	2.44	1.54	0.90	0.00
	Total	150.01	141.92	6.46	1.63
Status of PEG scheme in NE states					
21	Assam	0.75	0.25	0.00	0.50
22	Meghalaya	0.00	0.00	0.00	0.00
	Total	0.75	0.25	0.00	0.50
	Grand Total	150.76	142.17	6.46	2.13

Annexure-IX

STORAGE CAPACITY AVAILABLE WITH FCI AND THE PERCENTAGE UTILISATION

(Figures in lakh MT)

Position as on	Covered			CAP			Grand Total	Percentage utilization
	Owned	Hired	Total	Owned	Hired	Total		
30.06.2014	130.09	224.03	354.12	26.38	6.90	33.28	387.40	82%
30.06.2015	127.40	217.90	345.30	26.02	1.68	27.70	373.00	82%
30.06.2016	128.13	207.10	335.23	26.02	0.66	26.68	361.91	77%
30.06.2017	128.23	209.29	337.52	26.02	0.00	26.02	363.54	82%
30.06.2018	128.42	226.62	355.04	26.02	0.00	26.02	381.06	88%

Annexure-X

IMPLEMENTATION OF RECOMMENDATIONS OF DR. RANGARAJAN COMMITTEE

Issues	Gist of Recommendations	Status
Cane Area Reservation:	Over a period of time, states should encourage development of such market-based long-term contractual arrangements, and phase out cane reservation area and bonding. In the interim, the current system may continue.	States have been requested to consider the recommendations for implementation as deemed fit. So far, none of the States have taken action, current system continues. There is no reservation of area in Maharashtra
Minimum Distance Criteria:	It is not in the interest of development of sugarcane farmers or the sugar sector, and may be dispensed with as and when a state does away with cane reservation area and bonding.	States have been requested to consider the recommendations for implementation as deemed fit. So far, none of the States have taken action, current system continues.
Sugarcane Price : Revenue Sharing	Based on an analysis of the data available for the by-products (molasses and bagasse/cogeneration), the revenue-sharing ratio has been estimated to amount to roughly 75 per cent of the ex-mill sugar price alone.	States have been requested to consider the recommendations for implementation as deemed fit. So far only Karnataka & Maharashtra have passed state acts to implement this recommendation.
Levy Sugar	Levy sugar may be dispensed with. The states which want to provide sugar under PDS may henceforth procure it from the market directly according to their requirement and may also fix the issue price. However, since currently there is an implicit cross-subsidy on account of the levy, some level of Central support to help states meet the cost to be incurred on this account may be provided for a transitory period.	Central Government has abolished levy on sugar produce after 1 st October, 2012. Procurement for PDS operation is being made from the open market by the states/UTs and Government is providing a fixed subsidy @ ₹18.50 per kg for restricted coverage to AAY families only who will be provided 1 kg of sugar per family per month.
Regulated Release Mechanism	This mechanism is not serving any useful purpose, and may be dispensed with.	Release mechanism has been dispensed with.
Trade Policy	As per the committee, trade policies on sugar should be stable. Appropriate tariff instruments like a moderate export duty not exceeding 5 per cent ordinarily, as opposed to quantitative restrictions, should be used to meet domestic requirements of sugar in an economically efficient manner.	Import and export of sugar is free without quantitative restrictions, but subject to prevailing rate of custom duty. In order to prevent any unnecessary import of sugar and to stabilize the domestic price at a reasonable level, the Central Government has increased custom duty on import of sugar from 50% to 100% in the interest of farmers w.e.f. 6.2.2018. Custom duty @ 20% was imposed on export of sugar vide Department of Revenue's notification no. 37/2016 dated 16.06.2016. Keeping in view of production of sugar, stock position and market price sentiments, the Government of India has withdrawn the custom duty on export of sugar vide notification no. 30/2018 dated 20.03.2018
By-products	There should be no quantitative or movement restrictions on by products like molasses and ethanol. The prices of the by-products should be market-determined with no earmarked end-use allocations. There should be no regulatory hurdles preventing sugar mills from selling their surplus power to any consumer.	Excise duty on potable alcohol/liquor is a major source of revenue for the State Govts. Restriction on movement of ethanol and levying of taxes and duties on it by State Governments continue to be an impediment in successful implementation of EBP. The Department of Industrial Policy and promotion has now amended the I (D&R) Act, 1951 vide notification No. 27 of 2016 dated 14.5.2016. With this amendment, the States can legislate, control and/or levy taxes and duties on liquor meant for human consumption only. Other than that i.e. de-natured ethanol, which is not meant for human consumption, will be controlled by the Central Government only. With the amendment of I(D&R) Act, 1951 not only the movement of fuel grade ethanol will become smoother but the industry will be encouraged to produce more ethanol thereby increasing the blending percentage with petrol further.
Compulsory Jute Packing:	May be dispensed with.	The compulsory packaging of sugar in jute bags has been relaxed further. And only 20% of the production is to be mandatorily packed in jute bags.

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

(in lakh MT)

Particulars	2014-15	2015-16	2016-17	2017-18 (Provisional)	2018-19 (Projected as on 28.02.2019)
Carry- over opening stocks with sugar mills from Previous season	72.13	90.00	77.10	39.77	106.73
Production of Sugar	284.63	251.21	202.27	323.87	327.35
Imports	-	-	5.00	2.50	-
Exports	12.00	16.50	0.50	6.20	50.00
Estimated Total availability	344.76	324.71	283.87	359.94	384.08
Consumption	254.76	247.61	244.10	253.21	260.00
Estimated Closing Stocks with sugar mills at the end of season	90.00	77.10	39.77	106.73	124.08

RECOVERY OF AMOUNT IN RESPECT OF LSPEF

Year	Credits	Transfer to FCI/Sugar Mill	Prog. Total
1976-1977	₹ 19,421,813.15	-	₹ 19,421,813.15
1977-1978	₹ 19,471,945.87	-	₹ 38,893,759.02
1978-1979	₹ 11,872,622.14	-	₹ 50,766,381.16
1979-1980	₹ 8,423,366.51	-	₹ 59,189,747.67
1980-1981	₹ 3,484,097.40	-	₹ 62,673,845.07
1981-1982	₹ 3,950,185.11	-	₹ 66,624,030.18
1982-1983	₹ 853,756.30	-	₹ 67,477,786.48
1983-1984	₹ 1,354,444.52	-	₹ 68,832,231.00
1983-1984	₹ 0.00	(-) 22400000	₹ 46,432,231.00
1984-1985	₹ 12,785,849.19	-	₹ 59,218,080.19
1985-1986	₹ 25,029,726.56	-	₹ 84,247,806.75
1986-1987	₹ 19,440,067.71	-	₹ 103,687,874.46
1987-1988	₹ 4,279,968.68	-	₹ 107,967,843.14
1988-1989	₹ 8,835,326.85	-	₹ 116,803,169.99
1989-1990	₹ 1,393,717.62	-	₹ 118,196,887.61
1990-1991	₹ 16,103,954.69	-	₹ 134,300,842.30
1991-1992	₹ 17,954,291.68	-	₹ 152,255,133.98
1992-1993	₹ 21,837,080.81	-	₹ 174,092,214.79
1993-1994	₹ 5,363,892.95	-	₹ 179,456,107.74
1994-1995	₹ 1,560,154.79	-	₹ 181,016,262.53
1995-1996	₹ 248,127.05	-	₹ 181,264,389.58
1996-1997	₹ 7,333,019.62	-	₹ 188,597,409.20
1997-1998	₹ 4,080,806.42	-	₹ 192,678,215.62
1998-1999	₹ 45,340,758.88	-	₹ 238,018,974.50
1999-2000	₹ 26,459,302.53	-	₹ 264,478,277.03
2000-2001	₹ 58,490,922.69	-	₹ 322,969,199.72
2001-2002	₹ 54,378,084.65	-	₹ 377,347,284.37
2002-2003	₹ 95,601,869.49	-	₹ 472,949,153.86
2003-2004	₹ 62,602,032.00	-	₹ 535,551,185.86
2004-2005	₹ 13,154,985.57	-	₹ 548,706,171.43
2005-2006	₹ 58,306,196.70	-	₹ 607,012,368.13
2006-2007	₹ 63,827,854.76	-	₹ 670,840,222.89
2007-2008	₹ 90,394,805.86	-	₹ 761,235,028.75
2008-2009	₹ 37,859,404.00	-	₹ 799,094,432.75
2009-2010	₹ 126,462,637.00	-	₹ 925,557,069.75
2010-2011	₹ 50,752,539.74	-	₹ 976,309,609.49
2011-2012	₹ 156,279,443.60	-	₹ 1,132,589,053.09
2012-2013	₹ 92,600,848.30	-	₹ 1,225,189,901.39
2013-2014	₹ 63,558,586.94	-	₹ 1,288,748,488.33
2014-2015	₹ 35,238,444.28	-	₹ 1,323,986,932.61
2015-2016	₹ 47,857,403.10	-	₹ 1,371,844,335.71
2016-2017	₹ 139,000,705.24	-	₹ 1,510,845,040.95
2017-2018	₹ 85,323,208.49	(-) 9725846.12	₹ 1,586,442,403.32
2018-2019	₹ 6,355,694.00	7,012,508.00	₹ 1,585,785,589.32
	₹ 1,624,923,943.44		

BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND

Scheme	Modernisation/ Rehabilitation	Cane Development	Cogeneration	Ethanol
Purpose	For carrying out modernisation and expansion of sugar factory	For undertaking any scheme for development of sugarcane in the area in which sugar factory is situated.	To implement a project of bagasse-based co-generation of power.	To a sugar factory for production of anhydrous alcohol or ethanol from molasses.
SDF Loan	40% of the project cost	Maximum ₹5.40 crore (as per the scheme)	40% of the project cost (20% in case of green field projects) or as per normative cost whichever is lower	40% of the project cost (20% in case of green field projects)
Rate of interest	2% percent per annum below the Bank Rate (as notified by RBI) prevailing on the date of release			
Moratorium	5 years	3 years	3 years	1 years
Repayment	Loan along with interest due thereon shall be recoverable in half yearly installments not exceeding ten. Commencement of repayment after 1 year from the date of repayment/ payment of institutional loan and interest in full or on the expiry of 5 years from the date of disbursement, whichever earlier.	Loan shall be repaid in equal half yearly installments not exceeding eight in number and the interest on the loan shall be paid half yearly after the expiry of one year from the date of drawl of loan	Loan shall be repaid in half yearly installments not exceeding ten in number. The interest on the said loan shall be paid half yearly for the first three years from the date of each disbursement of the loan after which it shall be paid half yearly along with the installment of the repayment of the principal.	Loan from the Fund along with the interest due thereon shall be recovered in half-yearly installments not exceeding eight in number. The repayment of the loan with interest thereon shall commence after the expiry of one year reckoned from the date of each disbursement of the loan from the Fund.

Annexure-XIV

DISBURSEMENT FOR THE FY 2018-19

Sl. No.	Name of Sugar Factory	Scheme	Amount Released	Instalment
1	M/s Athani Sugars Limited, Vishnuanna Nagar, Navalihal 591234, Tq-Athani, Distt-Belgaum, Karnataka	Expansion	₹ 36,053,894.00	Final part payment
2	M/s Sadashivrao Mandklik Kagal Taluka SSK Ltd., Sadashivnagar, Hamidwada – Koulage, Distt. - Kolhapur, Maharashtra	Cane Development	₹ 19,566,000.00	2nd & final part payment
3	M/s DCM Shriram Ltd. DSCL Sugar- Ajbapur,Village-Ajbapur P.O- Mullapur, Lakhimpur Kheri 261505, Uttar Pradesh	Co-generation	₹ 4,422,208.00	4th & final part payment
4	M/s Bidar Kissan Shakar Karkhana Ltd., village.- Mogdal NH No-9 taluka & Distt. -Bidar, Karnataka	Co-generation	₹ 42,598,000.00	Lumpsum
5	M/s Gem Sugars Ltd. Kunderagi village, Biligi Taluk Bagalkot Distt. 587204	Ethanol	₹ 20,883,500.00	Final part payment
6	M/s Coromandal Sugar Ltd., Survey No. 141, Makkavalli-571426, Distt.-Mandya, Karnataka	Co-generation	₹ 161,421,000.00	Lumpsum
7	M/s Bilagi Sugar Mills Ltd., Badagandi village- Bilagi- Taluka, Bagalkot District, Karnataka	Expansion	₹ 142,646,000.00	1st Part Payment
8	M/s Siddhi Sugar and Allied Industries Ltd., Ujana, Tal. Ahmedpur, Dist. Latur, Maharashtra	Expansion	₹ 77,354,000.00	2nd Instt.
9	M/s Bilagi sugar mills Ltd., badagandi village- Bilagi-Taluka, Bagalkot dist. Karnataka	Co-generation	₹ 274,156,792.00	1st part payment
10	M/s Bilagi Sugar Mills Ltd., Badagandi village- Bilagi- Taluka, Bagalkot District, Karnataka	Expansion	₹ 84,239,000.00	Final part payment
11	M/s Bilagi sugar mills Ltd., badagandi village- Bilagi-Taluka, Bagalkot dist. Karnataka	Co-generation	₹ 13,554,208.00	2nd & final part payment
12	M/s Shri Ambalika Sugar Pvt. Ltd., Ambikanagar, A/P- Jagdamba factory, Dist.- Ahmednagar, Maharashtra	Ethanol	₹ 127,415,000.00	Lumpsum
13	M/s. Bannari Amman Sugars Ltd., Alathukombai Village, Sathyamangalam Taluk, Erode District, Tamil Nadu	Modernisation	₹ 113,962,000.00	Lumpsum
14	M/s. DSM Sugar Rajpura, (D S M Ltd.,) Rajpura, Distt. Badaun – 202527, Uttar Pradesh	Expansion	₹ 47,024,000.00	1st Part Payment
15	M/s The Seksaria Biswan Sugar Factory Ltd., P.O. Biswan, Dist. Sitapur, Uttar Pradesh - 261201	Co-generation	₹ 542,224,000.00	Lumpsum
16	M/s Kukadi SSK Ltd., Pimpalgaon Pisa, Tal- Shrigonda, Dist- Ahmednagar - 413703, Maharashtra	Co-generation	₹ 199,141,000.00	Lumpsum
17	M/s Siddhi Sugar and Allied Industries Ltd., Maheshnagar, Ujana, Tq. Mhmedpur, Dist. Latur, Maharashtra	Ethanol	₹ 51,780,000.00	1st installment
18	M/s Prabhulingeshwar Sugars & Chemicals Ltd., Siddapur, Tq. Jamkhandi Dist: Bagalkot, Karnataka-587302	Cane Development	₹ 9,900,000.00	2nd Instt.
19	M/s Sahakar Maharshee Shivajirao Narayanrao Nagawade Sahakari Sakhar Karkhana Limited (Formerly known as The Shrigonda Sahakari Sakhar Karkhana Ltd.), At Shrigonda Factory, Post Shrigonda Sakhar Karkhana, Taluka Shrigonda, District Ahmednagar, Maharashtra	Co-generation	₹ 118,362,000.00	1st installment
20	M/s DCM Shriram Ltd., DSCL Sugar – Hariawan, Vill.- Hariawan, Hardoi, Uttar Pradesh	Ethanol	₹ 399,921,500.00	1st part payment
21	M/s Raosahebada Pawar Ghodganga SSK Ltd., Raosaheb Nagar, Nhavare, Tal-Shirur, Dist. Pune, Maharashtra (Formerly known as M/s Ghodganga SSK Ltd., Raosaheb Nagar, Nhavare, Tal-Shirur, Dist. Pune, Maharashtra)	Co-generation	₹ 144,120,792.00	1st part payment
22	M/s DCM Shriram Ltd., DSCL Sugar – Hariawan, Vill.- Hariawan, Hardoi, Uttar Pradesh	Ethanol	₹ 170,078,500.00	2nd and Final Payment
23	M/s Dhampur Sugar Mills Limited, Unit-Asmoli, Post Asmoli, Dist. Sambhal, Uttar Pradesh	ZLD	₹ 48,642,500.00	1st part payment
	Total		₹ 2,849,465,894.00	
24	(TUFs cell) State Bank of India, NGN Vidya Marg, Hariman Circle, Mumbai-400001.	SEFASU, 2014	₹ 133,74,12,926.00	-
25	(TUFs cell) State Bank of India, NGN Vidya Marg, Hariman Circle, Mumbai-400001.	SOFT Loan	₹ 0.00	-
	Gross Total		₹ 418,68,78,820.00	

**ESTIMATED DOMESTIC PRODUCTION, IMPORT AND
TOTAL AVAILABILITY OF EDIBLE OILS (OILS-WISE) DURING THE YEARS
2015-16, 2016-17, 2017-18 & 2018-19
(NOVEMBER TO OCTOBER)**

(Quantity in lakh MT)

A. PRIMARY SOURCE

Name of Oilseed	2015-16				2016-17		2017-18*		2018-19**			
	Oilseed	Oil	Oilseed	Oil	Oilseed		Total	Oil	Oilseed			Oil
					Kharif	Rabi			Kharif	Rabi	Total	
Rapeseed/ Mustard	67.97	21.08	79.17	24.74	0	83.22	83.22	25.81	0	83.97	83.97	26.05
Soyabean	85.70	13.73	131.59	22.10	109.81	0	109.81	17.59	136.89	0	136.89	21.93
Groundnut	67.33	15.27	74.62	17.16	75.40	16.39	91.79	20.82	54.41	15.29	69.70	15.81
Sunflower	2.96	0.98	2.51	0.80	0.83	1.28	2.11	0.70	0.98	1.34	2.32	0.77
Sesame	8.50	2.65	7.47	2.45	7.51	0	7.51	2.34	7.84	0	7.84	2.45
Niger Seed	0.74	0.21	0.85	0.24	0.74	0	0.74	0.21	0.65	0	0.65	0.19
Safflower Seed	0.53	0.15	0.94	0.22	0	0.47	0.47	0.14	0	0.23	0.23	0.07
Castor	17.52	6.16	13.76	4.99	15.68	0	15.68	5.51	11.77	0	11.77	4.14
Linseed	1.25	0.32	1.84	0.39	0	1.75	1.75	0.44	0	1.67	1.67	0.42
Sub Total	252.50	60.55	312.76	73.09	209.97	103.11	313.08	73.56	212.53	102.49	315.02	71.83

B. SECONDARY SOURCE

Coconut	4.32	5.20	-	-	-	6.01	-	-	-	5.90
Palm oil	1.98	2.30	-	-	-	2.20	-	-	-	2.80
Cottonseed	10.05	12.24	-	-	-	12.64	-	-	-	10.74
Rice Bran	9.9	10.31	-	-	-	10.69	-	-	-	10.61
Solvent Extracted Oils	3.5	2.85	-	-	-	3.5	-	-	-	3.25
Tree & Forest Origin	1.5	1.5	-	-	-	1.5	-	-	-	1.5
Sub Total	31.25	34.40	-	-	-	36.54	-	-	-	34.80
Total (A+B)	91.87	107.49	-	-	-	110.10	-	-	-	106.63
C. LESS: EXPORT & INDUSTRIAL USE	5.50	6.50	-	-	-	6.30	-	-	-	6.0
D. NET DOMESTIC AVAILABILITY	86.30	100.99	-	-	-	103.80	-	-	-	100.63
E. IMPORT OF EDIBLE OILS \$	148.50	153.17	-	-	-	145.92	-	-	-	47.94 (Nov-Feb)
F. TOTAL AVAILABILITY/ CONSUMPTION OF EDIBLE OILS FROM DOMESTIC AND IMPORT SOURCES	234.80	254.16	-	-	-	249.72	-	-	-	

* Based on 4th Advance Estimates (declared by Ministry of Agriculture on 28.08.2018).** Based on 2nd Advance Estimates (declared by Ministry of Agriculture on 28.02.2019).

\$ Source: Directorate General of Commercial Intelligence & Statistics (Department of Commerce)

Annexure-XVI

POSITION OF PENDING AUDIT PARAS (AS ON 31.03.2019)

Year (C&AG Report)	No. of C&AG Audit Paras on which ATNs have been submitted to PAC/ COPU after vetting by C&AG during the year 2018-19	Details of C&AG Audit Paras on which ATNs are pending			
		No. of ATNs not sent by the Ministry even for first time	No. of ATNs sent but returned with observations and awaiting their resubmission by the Ministry	No. of ATNs sent to C&AG for vetting	No. of ATNs which have been finally vetted by C&AG, but have not been submitted by the Ministry to PAC/COPU
2011-12	1		--	--	
2013	--		1	--	
2014	1		--	--	
2015	1		44	17	15
2016	--		2	3	
2017	--		19	33	2
2018	--		3	2	1
Total	3		69	55	18

SUMMARY OF THE PENDING C&AG AUDIT PARAS**Report No. 31 of 2015: Performance Audit on Procurement and Milling of Paddy for the Central Pool.**

The Audit assessed the performance of procurement and milling of paddy procured for the Central Pool and delivery of rice to FCI/SGAs. The performance audit covered a period of five years from 2009-10 to 2013-14 and involved examination of records relating to the State Governments of Andhra Pradesh, Bihar, Chhattisgarh, Haryana, Odisha, Punjab, Telangana and Uttar Pradesh, which accounted for nearly 95 per cent of the total procurement during 2012-13. The report contains 75 paras/sub-paras.

Action Taken by the Department: Based on the comments received from concerned Divisions of this Department as well as State Governments on the recommendations/observations contained in the Report, para-wise reply/ATN sent to C&AG on 09.02.2017. C&AG vide letter dated 22.11.2017 furnished the vetting remarks, which was forwarded to the concerned States on 01.12.2017 for comments/reply, followed by reminders dated 04.01.2018 and 28.03.2018. Meetings were also held with the

stakeholders at various levels, for an early action in the matter to facilitate disposal of the pending paras. As on date, out of 75 paras/sub-paras, 15 paras/sub-paras have been settled and two paras have been partially settled by C&AG.

Para No. 6.3 of Report No. 13 of 2013: Misappropriation of the amount of Service Tax by the Contractor:

Non-remittance of Service Tax amounting of ₹5.37 crore paid to the private SCH&T Contractors by FCI for handling and transportation of wheat during 2006-07 and 2007-08.

Action Taken by the Department: The matter is subjudice. Money Suit Spl. CS 62/2014 (SCS 40/2016) was filed against M/s Kailash Enterprises at Gandhi Nagar Court. FCI vide letter dated 17.5.2015 intimated a Criminal Case against M/s Kailash Enterprises was already filed on 28.4.2015 at Chief Judicial Magistrate, Gandhidham. FCI, Regional Office, Ahmadabad vide e-mail dated 22.6.2016 informed that Govt. has ordered to set up one Commercial Tribunal at Rajkot for cases having value more than ₹1 crore. Since the money suit

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filed by FCI at Gandhidham Court is having recovery value of more than ₹12 crore, the same has been transferred from Gandhidham Court to Commercial Tribunal Court, Rajkot. In compliance of decision taken in meeting held under the Chairmanship of AS&FA dated 09.01.2019, letter dated 22.01.2019 sent to FCI for pursuing the matter with Advocate and to expedite the case.

Para No. 5.4 of Report No. 21 of 2015: Excess payment of interest of ₹5.22 crore:

Food Corporation of India made excess payment of interest of ₹5.22 crore due to ineffective monitoring and lack of internal checks on the cash credit.

Action taken by the Department: ATN sent to C&AG vide letter dated 25.05.2017. In response, C&AG vide letter dated 9.8.2017 rejected the request of this Department to drop the para alongwith verification remarks. Letter was sent to FCI on 12.9.2017 and subsequent reminder dated 23.10.2017, seeking ATN consisting complete details of ₹80 lakh. FCI vide letter dated 29.12.2017 furnished an updated ATN alongwith details of balance account of ₹80 lakh along with detail sheet of interest claim settled/untenable/balance. C&AG vide letter dated 13.03.2018 rejected the request of dropping the para and requested follow-up action by FCI and SBI Bhubaneswar Main Branch. Letter sent to FCI on 26.3.2018 for taking up follow-up action and furnishing ATN/Reply. ATN/Reply sent to C&AG vide letter dated 13.08.2018. Vetting remarks received vide letter dated 6.12.2018. Revised ATN/reply sent to C&AG vide letter dated 11.01.2019.

Para No. 5.1 of Report No. 15 of 2016: Export of wheat:

While finalising tenders for export of wheat, Food Corporation of India did not compare the rates offered at different ports, which resulted in short realisation to the tune of ₹13.75 crore. The Corporation also incurred avoidable expenditure of ₹20.67 crore due to bulking of stock at ports and the balance stock not exported was transported back to various depots. Excess payment of ₹6.22 crore was also made to Handling and Transport

(H&T) contactors due to application of wrong clause. Unjustified payment of ₹8.01 crore was also made to Clearing and Handling Agents (CHAs) for work under their scope but not carried out by the CHAs. Failure to pursue claims timely and vigorously resulted in non-receipt of Service Tax Refund from Central Public Sector Undertakings (CPSUs) amounting to ₹20.09 crore.

Action taken by the Department: The para contains 14 sub-paras. Comments in respect of sub-para 5.1.2.2(a), 5.1.2.2(b), 5.1.2.2(c), 5.1.2.3(c), 5.1.2.3(e), 5.1.2.3(g) and 5.1.2.3(h) sent to C&AG vide letter dated 25th October, 2017. ATN on the remaining sub-paras sent to C&AG on 2.1.2017. C&AG agreed to settle 7 sub-paras [No. 5.1.2.1(b), No.5.1.2.2(a), 5.1.2.2(b), 5.1.2.3(a), 5.1.2.3(g) and 5.1.2.3(i), &]. Comments on the remaining 7 sub-para received from FCI and ATN sent to C&AG on 30.08.2018. Copy of ATN in respect of sub-para No. 5.1.2.3(g) and 5.1.2.3(h) were sent again on 10.10.2018. C&AG vide letter dated 20.11.2018 given further vetting remarks in respect of para No. 5.1.2.3 (h), and revised ATN based on the additional Information received from FCI, sent to C&AG vide letter dated 21.02.2019. Further vetting remarks in respect of para No. 5.1.2.3 (h) received vide letter dated 14.03.2019

Para No.5.2 of Report No. 15 of 2016: IT Audit on implementation of Financial Accounting Package:

FCI rolled out FAP without the pilot locations expressing their satisfaction and full payment of ₹12.53 crore was released to TCS. The Corporation incurred unfruitful expenditure of ₹4.92 crore on networking and hardware. Moreover, FCI sanctioned ₹200.78 crore to implement an altogether different software instead of using the FAP's inventory module in Oracle. Financial Statements could not be generated through FAP due to deficient customisation and these were being prepared manually. Modules of FAP lacked proper validation, security provisions and processing controls leading to incorrect output, unreliable data and excess payments.

Action taken by the Department: A copy of the vetting remarks of C&AG forwarded to FCI for comments. Based on the comments of FCI, ATN sent to C&AG for vetting. C&AG returned the same with the remarks that C&AG not satisfied with the reply of FCI. The same was again forwarded to FCI for reply. The revised reply of FCI on the audit para received on 07.03.2018, and ATN sent to C&AG on 10.04.2018 for vetting. However, C&AG did not accepted the reply and returned it to the Department, vide letter dated 05.06.2018. Subsequently, FCI was requested vide letter dated 15.6.2018 to send updated reply on the audit para. FCI furnished reply vide letter dated 09.07.2018. Revised ATN sent to C&AG on 07.08.2018. C&AG vide letter dated 17.12.2018 sent vetting remarks in respect of 35 sub-Paras, out of which 9 sub-paras were settled. Vetting remarks on the remaining sub-paras received from C&AG sent to FCI vide letter dated 27.12.2018 with the request to furnish updated reply on the remarks of C&AG. Reply received from FCI on 06.03.2019.

Para No. 5.3 of Report No. 15 of 2016: Award of work of construction of godown on nomination basis:

FCI entrusted the work of construction of a godown to Assam State Warehousing Corporation on nomination basis in violation of guidelines laid down by the Central Vigilance Commission and without carrying out due diligence in assessing their technical expertise and capability. Subsequently, FCI terminated the contract due to non-performance by Assam State Warehousing Corporation and entrusted the work to another agency which resulted in avoidable extra expenditure of ₹21.27 crore.

Action taken by the Department: Comments/ ATN received from FCI and sent to C&AG vide letter dated 06.03.2017 for dropping the Para. Vetting remarks of the C&AG received vide letter dated 28.04.2017. Since, the reply received from FCI vide letter dated 25.05.2017 was not covering all points/ issues raised by the C&AG in its vetting remarks, FCI was requested to furnish specific comments on all the

observations. Reply received from FCI on 11.07.2017 and ATN sent to the C&AG on 21.07.2017. C&AG vide letter dated 16.05.2018 sent further verification remarks. C&AG stated that the reply of the CVC to the proposal of FCI seeking approval for awarding work of construction on limited tender basis by calling Expression of Interest needs clarification to C&AG. Accordingly, this Department requested CVC vide letter dated 15.06.2018 to allow FCI to entrust construction works on nomination basis in North East. CVC vide letter 07.08.2018 stated that the procedure for award of work stated by FCI is in deviation with the procedure specified in the General Financial Rules (GFR), therefore, the Commission declined the permission to FCI to award contracts for construction of godowns on nomination basis. This Department requested FCI to comply the procedures specified in the General Financial Rules (GFR) for award of work of construction of godowns. FCI issued guidelines that in future no work for construction of godowns will be allocated on nomination basis. A reply vetted by IFD sent to C&AG vide letter dated 24.10.2018 with a request to drop the para. Vetting remarks received from C&AG vide letter dated 15.11.2018, and sent to FCI for comments. Comments received from FCI vide letter dated 21.12.2018. ATN sent to C&AG vide letter dated 28.02.2019.

Para No.5.4 of Report No. 15 of 2016: Undue benefit to the transport contractors:

Gol exempted incidence of service tax on transportation of food grains in February 2010. However, Regional offices of FCI at Guwahati and Shillong floated tenders for transportation of food grains inclusive of element of service tax in violation of their Headquarters' instructions of October, 2012. This resulted in avoidable payment of element of service tax of ₹13.18 crore to the transporters.

Action taken by the Department: FCI was asked to furnish comments in ATN format vide letter dated 7.11.2016 followed by reminders dated 25.11.2016, 16.12.2016 and d.o. letter dated 20.01.2017. Reply/ comments furnished by FCI vide letter dated 01.02.2017

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was incomplete. FCI was again reminded vide letter dated 20.02.2017, 20.03.2017 and 04.05.2017. Reply of FCI received on 23.06.2017 was again incomplete. Subsequently, FCI was asked to furnish complete information vide letter dated 14.08.2017 and 05.09.2017. Reply received from FCI on 27.09.2017. ATN sent to C&AG on 13.11.2017. Vetting remarks received vide letter dated 15.01.2018, and sent to FCI for comments vide letter dated 24.01.2018. Reply received from FCI vide letter dated 21.02.2018 was not complete. After a series of correspondence as well as meetings with FCI officials, FCI submitted revised reply on the vetting remarks of C&AG through e-mail. ATN duly vetted by IFD sent to C&AG vide letter dated 04.09.2018. Vetting remarks received from C&AG vide letter dated 20.11.2018, and sent to FCI on 29.11.2018 for comments. Reply received on 26.02.2019. ATN sent to C&AG vide letter dated 08.03.2019 for vetting.

Para No. 5.5 of Report No. 15 of 2016: Extra expenditure on transportation of food grains:

FCI incurred extra expenditure of ₹11.22 crore on transporting food grains to its food storage godowns in and around Bhiwandi from Railways' Turbhe goods shed instead of a nearer point of Kalyan goods shed.

Action taken by the Department: The audit para received on 02.11.2016. FCI was asked to furnish comments in the ATN format vide letter dated 07.11.2016 followed by reminders dated 25.11.2016 and 16.12.2016. Reply received from FCI vide letter dated 10.01.2017. ATN sent to C&AG vide letter dated 20.01.2017. Vetting remarks received from C&AG. Revised ATN sent to C&AG vide letter dated 14.05.2018. C&AG vide letter dated 19.06.2018 furnished vetting remarks. The vetting remarks of C&AG sent to FCI for comments vide letter dated 04.07.2018. Reply received vide letter dated 12.07.2018 and ATN sent to C&AG vide letter dated 28.08.2018. Vetting remarks of C&AG received vide letter dated 15.03.2019.

Report No. 18 of 2016: Report on compliance audit in respect of FCI:

This Report contains results of three areas covered in

audit viz. Debt Management, Labour Management & Incentive Payments and Implementation of Private Entrepreneurs Guarantee (PEG) Scheme in Punjab. These areas were selected due to high cost of working capital in FCI; high handling cost of departmental labour and delay in augmentation of storage capacity through private participation respectively. The report contains 54 paras and three observations.

Action taken by the Department: ATN/reply sought from Food Corporation of India vide letter dated 31.08.2017. In response, FCI furnished their reply vide letter dated 19.09.2017. ATN sent to C&AG vide letter dated 27.03.2018 (except para No.5.4). ATN in respect of para No.5.4 sent vide letter dated 16.4.2018. Vetting remarks received from C&AG vide letter dated 22.05.2018 and sent to FCI for comments vide letter dated 30.05.2018. Revised ATN on the audit para sent to C&AG on 06.09.2018. As on date, out of 54 paras/sub-paras, 2 sub-paras have been settled and 52 paras/sub-paras remain unsettled. ATN in respect of 33 paras/sub-paras stands submitted to C&AG for vetting, and vetting remarks received on the remaining 19 paras are being examined. COPU had also raised questions while examining the Report No. 18 of 2017 of FCI. Reply to the question raised by COPU sent to Lok Sabha Secretariat vide this Departments letter dated 18.06.2018. COPU vide OM dated 24.08.2018 has requested to provide background note on FCI by 07.09.2018. Background note sent to COPU vide letter dated 11.09.2018.

Para No. 5.1 of Report No. 4 of 2018: Management of Gunny Bags in Punjab Region:

FCI failed to recover ₹223.58 crore that was due to the Corporation on account of interest on advances given to State Government Agencies (SGAs) for procurement of gunny bags as well as on account of reimbursement of cost of gunny bags at higher rates than that prescribed. Further, there was non-recovery ₹2.86 crore from Container Corporation of India due to failure to effectively pursue pending claims for damages, short and rain effected gunny bags.

Action taken by the Department: The Para contains 6 sub-paras out of which two sub-paras have been settled so far (No.5.1.2.1 and 5.1.2.3). In respect of the remaining sub-paras, C&AG vide letter dated 31.07.2018 furnished further vetting remarks. Based on comments received from FCI, ATN sent to C&AG vide letter dated 08.02.2019. Vetting remarks received vide letter dated 14.03.2019 and sent to FCI for comments.

Para No. 5.2 of Report No. 4 of 2018: Management of Road Transport Contracts in Assam and NEF (Shillong) Regions:

FCI incurred avoidable expenditure of ₹117.10 crore due to improper planning for movement of stock. Supply of food grains in excess of requirement at a station and non-adherence to distance measurement before awarding contract resulted in avoidable expenditure of ₹12.96 crore. In addition, liquidated damages of ₹89 lakh was not levied on contractors for short supply against indented trucks.

Action taken by the Department: This Department vide letter dated 09.02.2018 forwarded the audit para to FCI for comments. This para contains 5 sub-paras. Based on the reply received from FCI, reply of 3 sub-paras sent to C&AG on 10.08.2018 and reply of the remaining 2 sub-paras sent to C&AG on 28.08.2018. C&AG's remarks received and forwarded to FCI for comments. Annexure 'A' mentioned in the C&AG's vetting remarks in r/o sub-para 5.2.2.3 received vide letter dated 28.09.2018 was not found enclosed. Hence, Office of C&AG was requested vide letter dated 01.11.2018 to provide the said 'Annexure-A' to enable this office to send the same to FCI for examination. In this regard, a reminder sent to C&AG on 14.03.2019. FCI furnished reply/comments in r/o para 5.2.2.2, 5.2.2.4 and 5.2.2.5. Additional information sought from FCI vide letter dated 04.12.2018. Reminder sent to FCI on 14.03.2019 requesting them to furnish the detailed reply on the vetting remarks.

Para No. 5.3 of Report No. 4 of 2018: Excess payment of Mandi Labour Charges:

FCI made excess payment of ₹14.10 crore to the Government of Uttar Pradesh and its agencies during the years 2010-11 to 2016-17 due to reimbursement of inadmissible elements as part of mandi labour charges on procurement of wheat.

Action taken by the Department: ATN was sent to C&AG vide letter dated 1.6.2018. Vetting remarks of C&AG received on 03.08.2018. Reply ATN sought from FCI. FCI vide e-mail dated 21.08.2018 provided latest recovery position. Updated ATN has been sent to C&AG vide letter dated 26.09.2018. C&AG vide letter dated 11.01.2019 intimated that, 'as FCI has taken remedial action and majority of amount has been received, audit has no further comments to offer'.

Para No. 5.4 of Report No. 4 of 2018: Irregular payment of Guarantee Fee Charges:

Non-verification of bank guarantee given by Government of Punjab led to irregular payment of guarantee fee to State Government Agencies amounting to ₹145.74 crore.

Action taken by the Department: A copy of the para was sent to FCI vide letter dated 23.4.2018 for furnishing ATN/reply. FCI's reply received vide letter dated 25.5.2018. Action Taken Note on the basis of the updated position submitted by FCI sent to C&AG vide letter dated 05.07.2018.

Para No. 5.5 of Report No. 4 of 2018: Avoidable expenditure on carry over charges due to non-optimal utilisation of vacant storage capacity at Kaithal Silo:

Failure to optimally utilise vacant storage capacity at Kaithal silo resulted in avoidable payment of Carry over Charges to State Government Agencies amounting to ₹6.49 crore.

Action taken by the Department: Comments/ ATN of FCI on the audit observation was sought vide this Department's letter dated 03.05.2018 and subsequent reminder dated 29.05.2018. Comments of FCI were received vide letter dated 14.06.2018. Further comments received from FCI vide letter dated

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07.08.2018 on clarification regarding rent paid to Adani Silo during 2013-14 to 2015-16. However, comparative cost benefit analysis showing benefit to FCI due to storage in State Government Agencies (SGAs) was not been provided by FCI. Hence, clarification in this regard and month-wise average stock position of Kaithal Silo along with quantity of wheat stored in the godowns of SGAs sought from FCI vide letter dated 09.08.2018 and subsequent reminder dated 27.08.2018. FCI vide letter dated 04.09.2018 furnished a comparative cost benefit analysis showing benefit to FCI due to storage in SGAs. Accordingly, reply sent to C&AG vide letter dated 24.10.2018 with a request to drop the para. C&AG vide letter dated 15.11.2018 sent vetting remarks. They also sent revised vetting remarks vide letter dated 14.12.2018. Comments of FCI on the vetting remarks received and ATN sent to C&AG vide letter dated 18.02.2019. C&AG sent further verification remarks vide letter dated 26.2.2019. The Department sought comments from FCI vide

letter dated 13.03.2019 followed by reminder dated 29.03.2019. In the meantime, C&AG vide its letter dated 26.03.2019 sent revised vetting remarks.

Para No. 5.6 of Report No. 4 of 2018: Irregular payment of custody and Maintenance Charges:

Non-adherence to Ministry guidelines relating to Custody and Maintenance Charges resulted in irregular payment of ₹10.32 crore to State Government Agencies (SGAs) under Odisha Region.

Action taken by the Department: Copy of the Para sent to FCI vide letter dated 23.04.2018 for furnishing ATN/reply. FCI furnished reply vide e-mail dated 08.05.2018. ATN sent to C&AG vide letter dated 20.07.2018. C&AG vide letter dated 28.09.2018 furnished vetting remarks in respect of para No.5.6. Vetting remarks of C&AG forwarded to FCI vide letter dated 10.10.2018 to furnish updated position of recovery. Based on the reply receive from FCI, ATN/Reply sent to C&AG vide letter dated 24.12.2018.





National Consultation Meeting of States & UTs, In-charge of Food, Civil Supplies &

न, 2018
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**Hon'ble Minister for Consumer Affairs, Food and Public Distribution,
Shri Ram Vilas Paswan addressing a press conference on the 4th National
Consultation Meeting of Ministers of States & UTs, in-charge of Food, Civil Supplies**



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