



# ANNUAL REPORT 2020-21



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



**Hon'ble Minister for Consumer Affairs, Food and Public Distribution, Shri Piyush Goyal Inaugurated the FCI's Divisional office, Mysuru on the 57<sup>th</sup> Foundation Day of FCI on 14<sup>th</sup> January, 2021. Secretary, DFPD, Shri Sudhanshu Pandey is also seen here.**



सत्यमेव जयते

**DEPARTMENT OF FOOD & PUBLIC  
DISTRIBUTION**

**(Ministry of Consumer Affairs,  
Food & Public Distribution)**

**ANNUAL REPORT  
2020-21**

## **VISION**

**Ensuring food security for citizens of the country**

## **MISSION**

**Efficient procurement at Minimum Support Price (MSP), safe storage and efficient distribution of foodgrains**

## **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**

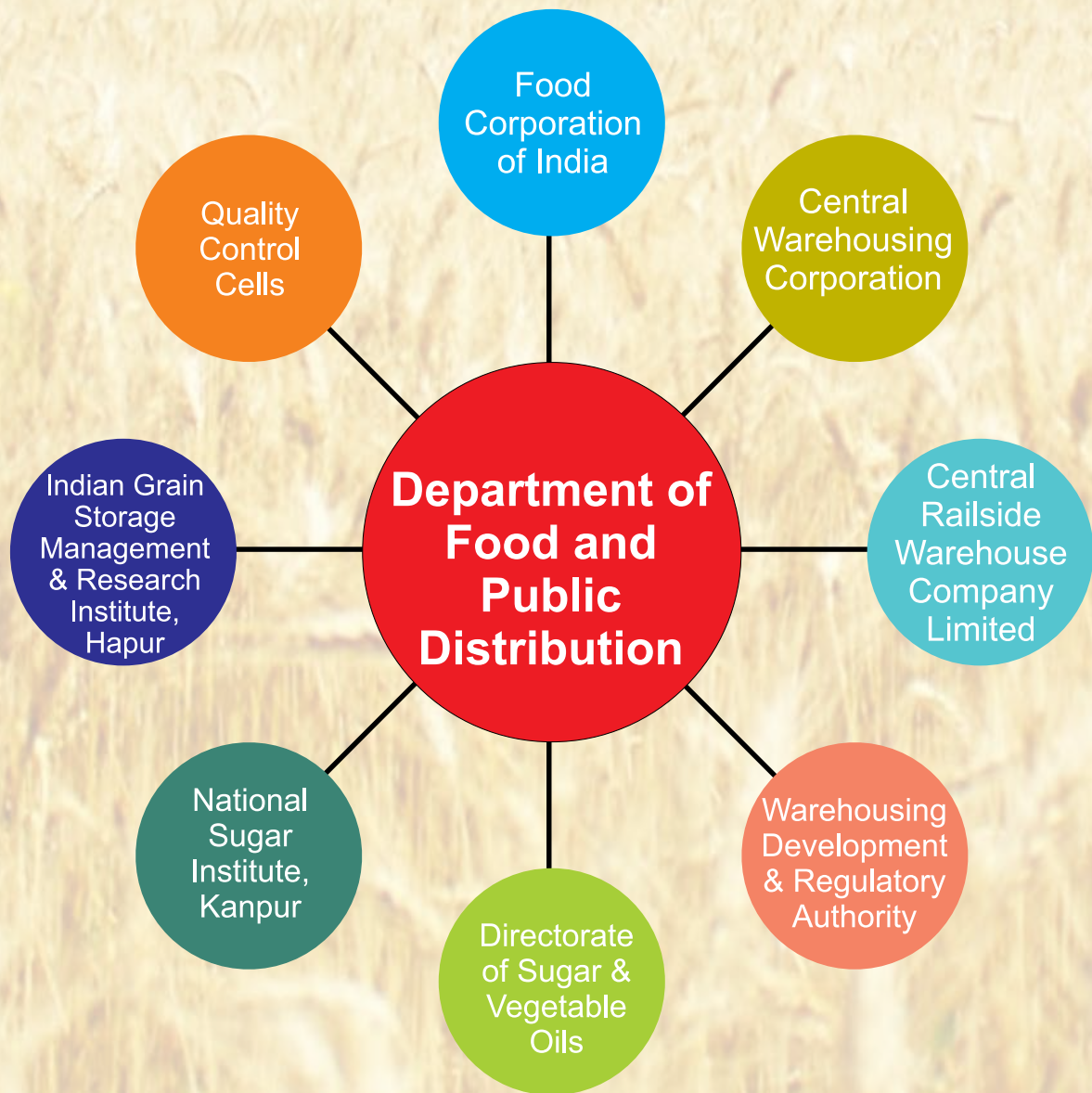
**Development, Promotion and Diversification of Sugar industry**

**Development and Rejuvenation of Warehousing Sector**

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## INTRODUCTION

## 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 1<sup>st</sup> 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 8<sup>th</sup> 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 1<sup>st</sup> 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 29<sup>th</sup> August, 1947 and the Directorate of Sugar and Vanaspati was made a part of the Food Ministry.

On 1<sup>st</sup> 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 17<sup>th</sup> April, 1957 as Ministry of Food and Agriculture. On 30<sup>th</sup> 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 foodgrains, 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 21<sup>st</sup> 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 4<sup>th</sup> 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 15<sup>th</sup> 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 17<sup>th</sup> 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.

## ORGANIZATIONAL SET-UP AND FUNCTIONS

- 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 Piyush Goyal, Hon'ble Minister of Consumer Affairs, Food & Public Distribution and Shri Danve Raosaheb Dadarao, Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution, with effect from 09<sup>th</sup> October, 2020 and 30<sup>th</sup> May, 2019 respectively.
- 1.2. Shri Sudhanshu Pandey has taken over the charge of Secretary in the Department with effect from 30.04.2020. Secretary (F&PD) is assisted by one Additional Secretary & Financial Adviser, one Principal Advisor (Cost), five Joint Secretaries (presently one Additional Secretary and four Joint Secretaries), one Economic Adviser and one Adviser (Cost).
- 1.3 The organizational set-up of the Department is at **Annexure-I**. The sanctioned strength of the Department (including its Attached and Subordinate Offices) is at **Annexure-II** while details of Budget Estimates, Revised Estimates and Actual Expenditure are at **Annexure-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 foodgrains;
  - ii. Implementation of the Public Distribution System (PDS) with special focus on the poor;

- iii. Provision of storage facilities for the maintenance of central reserves of foodgrains and promotion of scientific storage;
- iv. Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of foodgrains;
- v. Administration of food subsidies relating to rice, wheat and coarse grains;
- vi. 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 of Food and Public Distribution 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 Department of Food & Public Distribution, are engaged in applied Research & Development activities in the field of Storage Management of foodgrains and institutional trainings on scientific storage and inspection of foodgrains.

**(D) Quality Control Cells**

Quality Control Cells (QCCs) are monitoring the quality of foodgrains 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 foodgrains are followed by the FCI, CWC, SWCs 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, 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 as also the consumers, besides rendering technical opinion on quality aspects in respect of foodgrain (wheat and rice) that are imported and/or exported by the country on Central Pool account under contractual specifications.

**(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 foodgrains on behalf of the Central Government.

**(F) Central Warehousing Corporation**

The Central Warehousing Corporation (CWC) was established on 2<sup>nd</sup> March, 1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, and commenced its operations during July, 1957. The Agricultural Produce (Development and Warehousing) Corporations Act, 1956 was repealed and replaced by the Warehousing Corporations Act, 1962. CWC is operating under the administrative control of the Ministry of Consumer Affairs, Food & Public Distribution. CWC provides scientific storage facilities for agricultural produce and other notified commodities. As on 31.12.2020, CWC is operating 422 warehouses with a total operational storage capacity of 117 lakh MT including one Air Cargo Complexes, 25 Container Freight Stations/Inland Clearance Depots

and two Integrated Check Posts (ICPs) at Attari (Punjab) and Petrapole (West Bengal) providing services to the Export/Import trade.

CWC is 50% shareholder in 19 State Warehousing Corporations (SWCs). As on 31.12.2020, these SWCs were operating 2297 warehouses with a total storage capacity of 390.76 Lakh MT. CWC owns a 100% subsidiary company, namely Central Railside Warehouse Company Limited (CRWC) for development of Railside Warehouse Complexes (RWCs).

Central Railside Warehouse Company Limited (CRWC) is a Mini-Ratna, Category-II, CPSE under the Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, incorporated on 10.07.2007 under the Companies Act, 1956, having authorized capital and paid-up share capital of ₹150 crore and ₹40.56 crore respectively. The 100% paid-up share capital of the Company is being held by Central Warehousing Corporation (CWC). CRWC aims to develop dedicated rail handling facilities (adjoining rail sidings) giving a boost to rail freight and in facilitating logistics requirement of its customers. Its objective is to promote the business of multi modal transport operations and aggregation/disaggregation of cargo for both domestic and impex movement. As on 31.12.2020, CRWC has 20 Railside Warehouse Complexes (RWCs) with a total storage capacity of 3,54,967 MT and is providing efficient rail based total logistics solution, leveraging economy of scale to the advantage of all stakeholders.

#### **(G) Hindustan Vegetable Oils Corporation Limited**

Hindustan Vegetable Oils Corporation 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 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.

#### **(H) Warehousing Development and Regulatory Authority**

Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26<sup>th</sup> October, 2010 to ensure implementation of the provisions of the Warehousing (Development & Regulation) Act, 2007. The main objective of the Authority is to make provisions for the development and regulation of warehouses which *inter alia*, prescribing standards for and 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. The important instrument through which this is to be achieved is the Negotiable Warehouse Receipt (NWR)/electronic - Negotiable

Warehouse Receipt (eNWR). The eNWR is a negotiable instrument which provides a statutory backing regarding ownership of stocks kept in a warehouse and further can be used as an instrument of trade. The eNWR has several benefits like:

- i. Avoidance of forgery/ loss /tamper of warehouse receipts.
- ii. Avoidance of multiple financing against the same warehouse receipt.
- iii. The single source of information for the eNWR is the repository system where eNWR is issued by registered warehouses.
- iv. Online monitoring and reporting of quality and quantity of stocks pertaining to the user, thereby reducing in monitoring costs.

In order to promote ease of doing business, Department notified Warehousing (Development and Regulation) Registration of Warehouses (Amendment) Rules, 2020 for reduction of registration fees, net worth requirement. Further, WDRA notified reduction in requirement of security deposit so as to promote the regulation of warehousing sector and encourage registration of private and public warehouses, especially those of smaller players/cooperatives, etc. with WDRA.

## **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.

1.7 Broadly, following matters are dealt in IFD, Department of Food & Public Distribution:-

- i. Advise the Department on all matters falling within the ambit of delegated powers;
- ii. Scrutiny of proposals for re-delegation of powers to Subordinate Authorities;
- iii. Advise on formulation of schemes and important expenditure proposals from the initial stages;
- iv. Monitor the evaluation of progress/ performance of projects and other continuing schemes;
- v. Monitor the settlement of C&AG Paragraphs, Inspection Reports;
- vi. Action on Audit Reports and Appropriation Accounts, Reports of Public Accounts Committee, Estimates Committee and Committee on Public Undertakings;
- vii. Screening of all expenditure proposals including proposals to be referred to Ministry of Finance for concurrence/comments;
- viii. Regular and timely submission of the prescribed statements, reports and returns to Ministry of Finance;
- ix. Scrutiny and concurrence of subsidy proposals received from Food Corporation of India and DCP States in respect of foodgrains and for fixation of procurement incidentals and Economic Cost sheets for procurement of foodgrains for Central pool and DCP operations, and finalization of audited claims submitted by the States;

- x. Scrutiny and concurrence of proposals for SDF loans to sugar factories, subsidy for maintenance of Buffer Stock, grants-in-aid to Research Institutions and release of advance, final sugar subsidy to States, assistance to sugar mills under various sugar sector schemes of the Department to clear the cane price arrears of the farmers and release of Agency Commission;
- xi. Monitoring, coordinating, guiding and review of procurement through GeM portal by the Standing Committee on GeM (SCoGeM) constituted for the purpose and submission of Action Taken Reports to the Ministry of Finance periodically.
- iv. Preparation and printing of Detailed Demands for Grants of the Ministry and laying of the same on the table of the Houses of Parliament;
- v. Consolidation/Finalization of Quarterly Expenditure Projection (QEP) & Monthly Expenditure Plan (MEP) and furnishing these to MoF under Cash Flow Management System;
- vi. Consolidation of proposals for Vote on Account and furnishing to MoF;
- vii. Scrutiny and consolidation of proposals for Supplementary Demands for Grants and furnishing to MoF;
- viii. Re-appropriation of funds/furnishing of Re-appropriation proposals to MoF for their approval;
- ix. Dealing with proposals of Opening of New Heads/Sub-Heads;
- x. Issuance of assurance for excess payment pending finalization of Budget Estimates/Re-appropriation; issue of Fund Availability Certificate for sanction of advances to government servants ; furnishing of Report on Government Guarantees to MoF;
- xi. Submission of Monthly & Quarterly reports on Internal & Extra Budgetary Resources (IEBR) to P&AO & MoF and monitoring of items relating to budget arising due to implementation of Fiscal Responsibility and Budget Management (FRBM) Act;
- xii. Surrender of savings noticed/intimated if any to Ministry of Finance;

## BUDGET DIVISION (DFPD)

1.8 Budget Division of the Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) is headed by the Additional Secretary & Financial Adviser.

1.9 Broadly, following matters are dealt in Budget Section, Department of Food and Public Distribution:

- i. Preparation of budget according to the instructions issued by Ministry of Finance (MoF) from time to time;
- ii. Consolidation of sanctioned staff strength report in respect of the Department and furnishing to MoF;
- iii. Preparation of 'Note on Demands for Grants' and, internal allocation of budget grants among different unit/division of the Department;

- xiii. Vetting of draft Appropriation Accounts and furnishing explanation for variations under various head wherever required;
- xiv. Audit Para and Action Taken Notes (ATN) relating to Budget Section;
- xv. Dealing with budget matters related to Parliamentary Standing Committee on Food and Public Distribution.

## DEPARTMENTALISED PAYMENT AND ACCOUNTING ORGANISATION

### Organisational set-up

- 1.10 In exercise of the powers conferred on the President by the 1<sup>st</sup> Proviso to sub-Section (1) of Section 10 of the C&AG's (Duties, Powers & Conditions of Service) Act, 1971, the scheme of Departmentalization of accounts was introduced in Central Civil Ministries/Departments w.e.f. 1<sup>st</sup> April, 1976. Under this scheme, the C&AG was relieved from the responsibility of the payment & accounting in Central Civil Ministries/ Departments and these functions were brought under the Executive.
- 1.11 The Secretary of Department of Food and Public Distribution is the Chief Accounting Authority for the Department and he discharges his functions through and with the assistance of AS & FA and Chief Controller Accounts of the Department. The Controller General of Accounts (CGA) in the Department of Expenditure under the scheme of Departmentalization of Accounts has the responsibility for establishing and maintaining a technically sound accounting system in the departmentalised accounts offices. The Chief Controller of Accounts

functions under the advice of the CGA on matters relating to accounting rules & policy.

- 1.12 The departmentalized payment and accounting organization is a subordinate office or the Department of Food & Public Distribution and has four Pay and Accounts Offices located at New Delhi, Mumbai, Chennai and Kolkata besides one Principal Accounts Office located at New Delhi. The Chief Controller of Accounts is the Head of the Department of Departmentalized Accounting Organization.

### FUNCTIONS & RESPONSIBILITIES

- 1.13 The Departmentalized Payment and Accounting Organization under the Chief Controller of Accounts is responsible for:-
- i. Arranging payments through Pay and Accounts Offices and cheque drawing and disbursing officers 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. There are 4 PAOs, 1 CDDO & 06 Non-CDDOs in the Department of Food and Public Distribution. The Non-CDDOs present their claims/bills to the accredited PAOs who make e-payment after scrutiny of the bills. The CDDO is authorized to make payments for salaries and contingent claims after observing the relevant checks. The CDDO makes the payments on the basis of Letter of Credit (LOC) issued in their favour by the concerned PAO to the accredited bank branches;

- ii. Issuance of Pension Payment Orders (PPO) in respect of retiring Government servants and payment of retirement benefits;
  - iii. Supervision of the implementation of the Public Financial Management System (PFMS) for all payments of the Department including releases under Central Sector and Centrally Sponsored Schemes as per the instructions issued by the Ministry of Finance, Department of Expenditure;
  - iv. Monitoring of position of unspent balances with Programme Implementing Agencies (PIAs) of the schemes of the Department, in PFMS for checking parking of funds;
  - v. Supervision & monitoring of the implementation of Non Tax Receipt Portal (NTRP: Bhartkosh) for collection and accounting of non tax receipts of the Government;
  - vi. Maintenance of Loans and Grants in Aid to State Govt./PSU/Autonomous Bodies;
  - vii. Submission of information under FRBM Act-2003;
  - viii. Review of Expenditure under Modified Cash Management System;
  - ix. The Internal Audit & inspection of offices of all DDOs, other auditable units of the Department and schemes of the Department on the risk based approach assessing the adequacy of internal control systems.
- 1.14 The Principal Accounts Office of the Department generates periodic accounts and MIS reports namely 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 of the Department for a particular month. The Principal Accounts Office consolidates the compiled 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. The Principal Accounts Office is also responsible for the head-wise Annual Appropriation Accounts for each demands for Grants giving the reasons for access/savings besides its also compiles the Annual Finance Account which comprises of various statements relating to financial transactions during the year.
- 1.15 In the Pay and Accounts Offices, Public Financial Management System (PFMS) 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.
- 1.16 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. The implementation of EAT Module of PFMS Portal is under process to increase the transparency of money utilized by the Implementing Agencies. This will also help the Program Divisions to Just-in-time releases.

- 1.17 e-Lekha is a G2G e-governance initiative. The scope of the PFMS portal is now extended for payment under Direct Benefit Transfer Scheme (DBT) i.e. payment remitted directly to the account of end Beneficiary.
- 1.18 The EIS (Employee Information System) software is adopted for payment of salary and GPF. This system enables employee to login in PFMS portal to take print of pay slip and to check previous salary. The General Provident Fund accumulation can also be tracked through EIS Module of the PFMS Portal.
- 1.19 The Internal Audit is managed by two Audit parties, one at Kolkata and one at New Delhi under the overall charge of Chief Controller of Accounts. The Internal Audit examines several area including management of records, implementation

of various financial & accounting manuals, pointing out financial irregularities & procedural lapses.

- 1.20 A total number of 30 units were approved to be audited during the period 2020-21, but due to travel restrictions on account of COVID-19 pandemic, no audit tour has been carried out till date i.e. upto 31<sup>st</sup> December, 2020. Instead, a special drive for settlement of outstanding Internal Audit paras of various auditee units of the Department was taken up. As a result of this special drive, the total number of outstanding Internal Audit paras for the Department was brought down from 199 to 42. Besides, on the advice of the Controller General of Accounts, a special e-audit of NPS has been conducted in respect of PAO, Food, New Delhi.
- 1.21 The payment of 100% Minimum Support Price (MSP) online to farmers is a prime concern of the Department of Food & Public Distribution. A scheme audit on the risk based approach to ascertain the adequacy of internal controls in the payment of MSP to farmers in Punjab under the two food subsidy schemes namely "Payment of food subsidy to FCI under NFSA-3050" and "Payment of food subsidy for Decentralized procurement of food grains by States - 9533", has been taken up by the Chief Controller of Accounts.







## SIGNIFICANT ACHIEVEMENTS

## IMPLEMENTATION OF NATIONAL FOOD SECURITY ACT (NFSA), 2013

- 2.1 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 79.43 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 (PHH). The monthly entitlement of foodgrains is 5 kg per person for eligible households under 'priority' category and 35 kg per family for AAY households.
- 2.2 Beneficiaries under the Act are entitled for subsidized foodgrains at ₹3/2/1 per kg for rice/wheat/coarse grains for an initial period of three years from the date of commencement of the Act (July 5, 2013). Thereafter, prices were to be fixed by the Central Government from time to time, but not exceeding MSP. Now, the Government has decided to continue the above mentioned subsidized prices under NFSA until further orders.
- 2.3 In Chandigarh, Puducherry and some areas of Dadra & Nagar Haveli and Daman & Diu 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 December, 2020, ₹15.55 crore was transferred as food subsidy for 9.27 lakh persons covered under the cash transfer of food subsidy scheme.

- 2.4 During the Financial Year 2020-21, ₹3679.82 crore (as on 31.12.2020) 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 TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS)

- 2.5 As a part of efforts made under TPDS reforms to modernise the functioning of TPDS and to bring transparency & efficiency in its operations, the Department in association with all States/UTs had implemented a plan scheme on End-to-End Computerization of TPDS Operations up to 31.03.2020 and is also implementing a central sector scheme namely Integrated Management of PDS (IMPDS) in all States/UTs w.e.f. 2018 and valid up to 31.03.2022.
- 2.6 As a part of activities under the end-to-end computerization scheme, all 23.5 Crore ration cards covering more than 80 Crore beneficiaries under the National Food Security Act, 2013 (NFSA) are completely digitized. The Supply Chain Management of foodgrains is computerized in 31 States/UTs while it is not required in UTs of Chandigarh and Puducherry being fully on DBT (Cash Transfers) scheme and small islands UT of Lakshadweep.
- 2.7 Digitised ration cards databases of States/UTs are also being seeded with available Aadhaar numbers of beneficiaries, and so far, at the national level more than

90.7% ration cards (at least one member) and more than 89.1% beneficiaries (persons) have been Aadhaar seeded. This has enabled the States/UTs to identify and weed-out ineligible ration cards, duplicate/bogus beneficiaries while continuously reducing the ghost lifting of highly subsidised foodgrains, thereby increasing the rightful targeting of beneficiaries and thus food subsidy. The Aadhaar seeding of beneficiaries with their Ration Cards is being done by the respective State/UT.

2.8 Also as integral part of the computerisation scheme, States/UTs have installed electronic Point of Sale (ePoS) devices at all Fair Price Shops (FPSs) for transparent distribution of foodgrains through electronic transactions and also with biometric/Aadhaar authentication of beneficiaries. As on November 2020, more than 91.8% i.e. 4.94 lakh of total 5.4 lakh FPSs in the country are using these devices for the distribution of foodgrains to NFSA beneficiaries. And on an average, more than 70% of monthly allocated foodgrains by the Government of India are being distributed through these ePoS devices with biometric authentication of beneficiaries on monthly basis. All transaction records are available on central Annavitran portal (<https://annavitran.nic.in>) and respective ePoS portals of States/UTs.

2.9 Leveraging the strong foundations of end-to-end computerisation, FPS automaton, Aadhaar seeding / authentication, the Department is implementing ambitious One Nation One Ration Card (ONORC) plan for nation-wide portability of ration cards under NFSA. Up to December 2020, the

national portability of ration cards under ONORC plan has been seamlessly enabled in 32 States/UTs covering more than 69 Crore beneficiaries (86% of total NFSA population of the country) in- Andhra Pradesh, Andaman & Nicobar Islands, Arunachal Pradesh, Bihar, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Ladakh, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and Uttarakhand. Further, it is targeted to rollout the ONORC plan in remaining 4 States/UT by 31.03.2021, depending upon their readiness to implement the same.

2.10 Further, as an outcome of the use of technology in TPDS operations since 2013, i.e. digitization of ration cards/beneficiary databases, Aadhaar seeding, de-duplication methods, deaths/ migration of beneficiaries and during the run-up to and implementation of NFSA, all States/UTs have been able to weed-out a total of about 4.39 crore ration cards between 2013 to 2020 (till date), and are being able to achieve rightful targeting of beneficiaries against the quota thus released.

## **SUPPORTING THE FARMER**

2.11 During Rabi Marketing Season 2020-21, Govt. Agencies have procured 389.92 Lakh MT wheat at Minimum Support Price (MSP) for Central Pool.



**Procurement Operation of Wheat**

2.12 During Kharif Marketing Season 2019-20, Govt. Agencies have procured 519.97 LMT of Paddy in terms of Rice at Minimum Support Price (MSP) for Central Pool. Further, in ongoing KMS 2020-21 as on 31.12.2020, 321.44 LMT of Paddy

in terms of Rice have been procured at Minimum Support Price (MSP) for Central Pool as against 216.67 LMT of paddy in terms of rice procured during corresponding period in KMS 2019-20.



**Procurement Operation of Paddy**

2.13 A total of 124,59,354 farmers were benefitted from procurement of Paddy by Government Agencies during KMS 2019-20 whereas 43,35,972 no. of farmers were benefitted from procurement of wheat during RMS 2020-21. As on 31.12.2020, 60,67,692 farmers have been benefitted from procurement of paddy during ongoing KMS 2020-21.

2.14 A total of 21,869 purchase centres were operated by FCI and State Government Agencies for procurement of wheat during RMS 2020-21. During KMS 2019-20, 64,515 purchase centres were operated for procurement of paddy throughout the country and during ongoing KMS 2020-21, 39,122 procurement centres are operated for procurement of kharif crop of paddy.

## 2.15 Enhancing procurement in Eastern India:

- (a) Conscious and persistent efforts are being made towards helping the States especially in the Eastern and North Eastern part of the Country to extend the benefit of MSP to the farmers. Paddy is the main crop in the Eastern States.

(b) 89.70 Lakh MT of paddy in terms of rice has been procured in these States during KMS 2019-20. As on 04.01.2021, 40.70 LMT of Paddy in terms of Rice has been procured in ongoing KMS 2020-21.

2.16 Details of pulses procured during KMS 2015-16, RMS 2016-17 and KMS 2016-17 under PSF scheme is as under:

(in MTs)

KMS 2015-16		RMS 2016-17		KMS 2016-17		
TUR	URAD	CHANA	MASUR	TUR	URAD	MOONG
20257.76	4.72	15194.22	4335.79	175301.40	18234.67	64737.16

2.17 FCI did not carry out the procurement of pulses as per the direction of DoCA from RMS 2017-18 onwards.

procurement of pulses under PSS Scheme.

2.18 As per the direction of DAC&FW vide letter dated 11.10.2018, FCI carried out

2.19 The details of Pulses procured under PSS during KMS 2018-19, Rabi 2018-19, KMS 2019-20 & RMS 2020-21 by FCI are as under:

(in MT)

States	KMS 2018-19			RABI 2018-19	KMS 2019-20	RMS 2020-21
	Moong	Urad	Tur	Chana	Tur	Chana
Maharashtra	5981.82	3636.64	0	46.1	9245.13	15159.92
Madhya Pradesh	207	52852.24	0	0	0	0
Andhra Pradesh	0	493	0	0	0	0
Karnataka	0	0	15341.81	0	0	0
Gujarat	0	0	0	0	1612	0
<b>Total</b>	<b>6188.82</b>	<b>56981.88</b>	<b>15341.81</b>	<b>46.1</b>	<b>10857.13</b>	<b>15159.92</b>

**IMPROVING FOODGRAIN MANAGEMENT**

2.20 FCI has developed its own Depot Online System which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. The States have also been encouraged to procure the produce of the farmers online.

2.21 The State agencies have to also ensure the use of Expenditure Advance Transfer module (EAT) of Public Financial Module System (PFMS) while making payment, as mandated by the Ministry of Finance, GOI. The State Govt. has to integrate their online payment system with PFMS. The online payment system shall necessarily have the feature of online registration of farmers

- and online payment to them as mandated by GoI.
- 2.22 Through Depot Online System, farmers get latest/updated information regarding MSP declared, nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This not only reduces the waiting period for delivery of stock by the farmers but also enable the farmer to deliver stock as per their convenience in the nearest mandi. MSP is released through either electronic mode or Account payee cheque directly to the bank accounts of the farmers except in Punjab & Haryana where as per APMC Acts of the respective state, payment is made to Arthiyas.
- 2.23 FCI and State Govt agencies have adopted web services introduced by GoI/NIC for integration with National Food Procurement Portal (NFPP) so that real time procurement data may be pushed on NFPP.
- 2.24 Movement of foodgrains 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 tonnes of foodgrains 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 KMs), some quantity is also moved by ocean vessels to Lakshadweep and Andaman & Nicobar Islands and through coastal shipping to Kerala.
- 2.25 FCI moved 388.83 LMT foodgrains during 2019-20 in comparison to 383.09 LMT during 2018-19 i.e. movement increased by almost 1.5% during 2019-20 as compared to the previous year. During 2020-21, upto December, 2020, 494.81 LMT foodgrains has been moved.
- 2.26 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. During 2018-19, 45,132 MT rice stocks were moved through coastal movement whereas in 2019-20, 55554 MT rice stocks were moved through coastal movement. During 2020-21, upto December, 2020, 25309 MT rice stocks have been moved based on cost economics in comparison to the conventional mode of transportation.
- 2.27 As a part of HLC recommendation, FCI initiated containerized movement of foodgrains on certain routes through CONCOR wherein it is found to be economical in comparison to conventional Railway rakes. In 2016-17, 13 such containerized rakes were moved leading to freight savings of around ₹44 lakhs. During 2017-18, FCI moved 134 container rakes with freight savings of ₹662 lakhs. During 2018-19, FCI moved 167 container rakes with freight savings of ₹796 lakhs. During 2019-20, 309 containerized rakes were moved with freight savings of ₹699 lakhs. During 2020-21, upto December, 2020, 226 containerized rakes were moved with approx. freight savings of ₹329.90 (data is for 201 rakes) lakhs.
- 2.28 FCI is effectively optimizing movement in association with Railways, while minimizing cost. This can be seen from table below:





Parameters	2016-17	2017-18	2018-19	2019-20	2020-21 up to December, 2020
Demurrage & Wharfage Charges (in ₹Crores)	51.50	38.22	36.29	25.84	40.43
No. of Rebooking(s)/ Diversion(s) (quantity in rakes)	22	11	3	5	7
Expenditure on Rebooking/ Diversion (in ₹Crores)	0.78	0.08	0.06	0.74	0.32

## IMPROVING STORAGE

2.29 For augmentation and upgradation/modernization of storage capacity, Government of India has approved an Action Plan for construction of 100 LMT silos across the country under PPP mode. Out of 100 LMT, silos with capacity of 29 LMT were to be constructed by FCI under PPP mode, 2.5 LMT by CWC and 68.5 LMT to be constructed by State Governments. Out of which a capacity of 8.25 LMT has been completed and put to use, 21.50 LMT are under implementation and 1 LMT is awarded to State Governments on Nomination basis. In addition, Silo capacity of 5.50 LMT created under circuit model in

2007-09 is also being used, thus the total capacity completed and put to use is 13.75 LMT. Most of these silos are with Railway Siding. Further, 2.5 LMT silo capacity is expected to be operational by 31.03.2021.

2.30 **Hub & Spoke model of Silos:** Considering the implementation speed of Silo projects with Railway Sidings due to land acquisition issue, the GoI has decided for Silo developments under Hub & Spoke model in which Railway Siding / CRT will be required at limited locations of Hub. Spoke Silo will be road fed. In this model, 35.8 LMT at 100 locations has been recommended by HLC for approval.



Meeting chaired by Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution, Sh. Raosaheb Dadarao Danve on tender documents for Silos under Hub and Spoke model.

2.31 New godowns of 1.88 lakh MT capacity under Private Entrepreneurs (PEG) Scheme have been completed during the year from 01.04.2019 up to 30.11.2020. During 2020-21 (upto 30.11.2020), a capacity of 2,325 MT has been completed by State Governments under Central Sector Scheme "Storage & Godowns". Further, as on 30.11.2020, a capacity of 56,240 MT (30,020 MT-NE by FCI + 26,220 MT-ONE by FCI + 24,285 MT by States) is under construction by FCI and State Governments under Central Sector Scheme during.

### MEASURES TAKEN FOR SUGAR SECTOR

2.32 Created buffer stock of 40 LMT of sugar for a period of one year from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2020 for which Government is reimbursing carrying cost of ₹1674 crore towards maintenance of buffer stock.

2.33 Extending assistance to sugar mills to facilitate export of 60 LMT of sugar from the country during sugar season 2019-20, for which an estimated expenditure of ₹6268 crore would be borne by the Government. Due to this, 58 LMT of sugar was exported in sugar season 2019-20, highest for any season.

2.34 As a result of measures taken by Government during last one and half year, including the above measures, as on 31.12.2020 about ₹71754 crore have been paid to farmers out of total cane price dues of about ₹75260 crore for sugar season 2019-20, thus, 95% cane dues have been cleared and only ₹3506 crore are pending.

2.35 The Government has allowed production of ethanol from sugar/sugar syrup in addition to sugarcane juice. 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 molasses @ ₹45.69/litre; from B-heavy molasses @ ₹57.61/litre and @ ₹62.65/litre for the ethanol derived from sugarcane juice/sugar/sugar syrup for ethanol supply year 2020-21 (December, 2020 – November, 2021).

2.36 To increase production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, a window was opened for 30 days for inviting applications under the scheme from molasses based stand alone distilleries and from sugar mills vide notification dated 15.09.2020 for extending financial assistance to them for enhancement and augmentation of ethanol production capacity.

2.37 A modified Scheme for extending financial assistance to project proponents for enhancement of their ethanol distillation capacity or to set up distilleries for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc. has also been notified.

2.38 Government has also allowed production of ethanol from maize and rice available with FCI.

### OTHER ACHIEVEMENT IN FCI

#### Increase in the authorized capital of FCI from ₹3,500 crore to ₹10, 000 crore

2.39 In compliance to the Para 120 of Budget Speech 2018-19, infusion of equity of ₹5000 crore in FCI in two subsequent year starting from 2018-19, this Department floated Cabinet Note for Cabinet Committee on Economic Affairs (CCEA) for seeking the approval for increase in the authorized

Capital of FCI from ₹3,500 crore to ₹10,000 crore

- 2.40 Cabinet Committee on Economic Affairs (CCEA) in its meeting dated 02.12.2019 approved the proposal of increase in the authorized capital of FCI from ₹3,500 crore to ₹10,000 crore. The increase in authorized Capital was notified on 06.01.2020.
- 2.41 Accordingly, this Department infused equity of ₹2,500 crore in FCI i.e. ₹500 crore in Financial Year 2018-19, ₹1000 crore in Financial Year 2019-20 and ₹1,000 crore in financial year 2020-21 in consonance with the budget provision made by Department of Economic Affairs in Financial Year 2018-19, 2019-20 and 2020-21.

### OTHER ACHIEVEMENT IN CWC AND CRWC

- 2.42 CWC has achieved a turnover of ₹1531.55 crore during 2020-21 (31.12.2020) in spite of stiff competition in the market. CWC earned Profit after Tax of ₹325 crore in the year 2020-21 (31.12.2020) and paid an interim dividend of ₹126 crore approx for the FY 2020-21 to its shareholders.
- 2.43 Total Storage Capacity with FCI and State Government Agencies as on 31.12.2020 is 819.19 LMT (407.70 LMT with FCI and 411.43 LMT with State Government Agencies). CWC has planned to create additional storage capacity of 1.92 Lakh MT during the year 2020-21 and 3.78 LMT in 2021-22.
- 2.44 CRWC has achieved a turnover of ₹82.55 crore and CRWC earned Profit after Tax ₹16.32 crore during 2019-20. CRWC has

paid dividend of ₹4.9 crore to CWC for the year 2019-20.

- 2.45 As on 31.12.2020, CRWC is operating at 20 Railside warehouse complexes with a total storage capacity of 3,54,967 MT. In July, 2020, Railside Warehouse Complex (RWC) at Fatuha (Bihar) with capacity of 20,400 MT was completed. These are transit warehouses.
- 2.47 CWC has been given ISO 37001:2016 Certification on 28.10.2020 by the Bureau of India Standards (BIS) for establishing and implementing an Anti-Bribery Management System in this Organization. This certification has been conferred by BIS during the Vigilance Awareness Week, 2020.

### Warehousing Development and Regulatory Authority (WDRA)

Sl. No.	Name of activity	Achievements
1.	No. of warehouses registered	155
2	No. of electronic Negotiable Warehouse Receipts (eNWRs) issued	56401
3.	Quantity of commodities deposited against eNWRs	4.68 lakh MT
4.	Value of commodities deposited against eNWRs	₹2088.73 crore
5.	Farmer Awareness and Ware-houseman Capacity Building programmes	
i.	No. of Farmers Awareness Programme organized	43
ii.	No. of farmers/ traders/ millers participated	2150
iii.	No. of capacity building programmes organized	12
iv.	No. of warehousemen/ warehouse managers trained	447

2.46 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

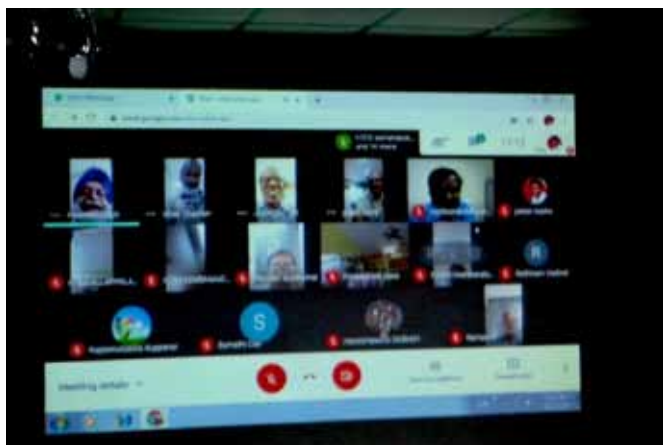
the plan viz. conducting market survey, re-writing of rules/regulations, strengthening of warehouse inspection and supervision framework and use of IT in registration & monitoring of warehouses, setting up Repositories for issue of NWRs in electronic form have been completed.



Farmers awareness program for CWC Nargund Belgaum Devangere Mannagudda by WDRA



Farmers awareness program conducted through CWC at Nargund, Karnatka on 14.11.2019 by WDRA



Online Workshop conducted by WDRA

## NATIONAL SUGAR INSTITUTE (NSI), KANPUR

- 2.48 A Webinar on “Impact of COVID 19 on Indian Sugar Industry” was successfully organized jointly by National Sugar Institute, Kanpur & M/s Shrijee Process Engineering Works Ltd., Maharashtra on 29th April, 2020.
- 2.49 A Webinar on “Domestic and Industrial Sanitization amidst Pandemic” was successfully organized by the institute on 14<sup>th</sup> May, 2020.
- 2.50 A Webinar on “Exploiting Lignocellulosic Feed Stocks for Lignin and Chemicals” was organised by the institute on 04<sup>th</sup> June, 2020. Mr. Arvind Chudasama, editor, International Sugar Journal, London delivered the lecture highlighting R&D opportunities for utilising lignin for production of various value added products.
- 2.51 A Webinar on “Sugar Market & Consumption Under Covid-19” was organized by the institute on 16th June, 2020. Mr. Peter De Klerk, Senior Economist International Sugar Organization, UK delivered the key note address highlighting
- the myth and realities associated with sugar consumption.
- 2.52 An online workshop was organized on 9th June, 2020 on the topic “Sanitizer Production and Quality Control” with a view to help the industry to produce sanitizer as per the World Health Organization (WHO) guidelines to fight Covid-19 and also to inspire young entrepreneurs for setting up such units.
- 2.53 National Technology Day was organized at the institute on 11<sup>th</sup> May, 2020. Technical staff participated and discussions were held on “Innovations for Clean and Green Sugar Industry”. Prof. Narendra Mohan, Prof. D. Swain and Dr. Ashutosh Bajpai shared their views about the topic.
- 2.54 A Memorandum of Agreement (MoA) was signed between National Sugar Institute, Kanpur and M/s UY Trienviro Pvt. Ltd., Kanpur on 22<sup>nd</sup> May, 2020 to take up pilot plant studies for developing technologies for condensate treatment so as to convert it as a replacement of fresh or even as potable water.
- 2.55 An International Webinar on “Alternate Uses of Bagasse” was organized by the institute on 2<sup>nd</sup> July, 2020. Inaugural address was delivered by Shri R. L. Tamak, Executive Director & CEO (Sugar Business), DCM Shri Ram Ltd. and concluding remarks were given by Dr. MS Sundaram, Managing Director, JPMA, Pune. Presentations were also given by the institute faculty members on Bio-plastic, Particle Board, Eco-Ware Crockery and Dietary fiber from sugarcane bagasse.
- 2.56 An International Webinar was organized on 06<sup>th</sup> August, 2020 on the topic “Sugar

& Sweeteners-Quality and Consumption Patterns” jointly by National Sugar Institute, Kanpur, National Sugar Development Council, Nigeria and Assiut University, Egypt, wherein large nos. of delegates from India, Sudan, Egypt, Nigeria, Sri Lanka, Saudi Arabia, Kenya and Nepal participated. Lectures were delivered by institute faculty and eminent experts from other countries.

- 2.57 An online workshop was organized on 28th July, 2020 on the topic “Good Laboratory Practices and Quality Control in Sugar Factories”.
- 2.58 Five days online “Executive Development Programme” was conducted by National Sugar Institute, Kanpur, on 24<sup>th</sup> - 28<sup>th</sup> August, 2020. The programme was inaugurated by Secretary (Food & Public Distribution), Government of India, where large number of executive from sugar units & distilleries participated.
- 2.59 Two days online training programme on “Supply Chain Management in Sugar and Allied Industries” was organized by the institute from 9<sup>th</sup> to 10<sup>th</sup> September, 2020.
- 2.60 Three days online virtual training programme on “Operation & Effluent Analysis in Sugar Factories” was conducted by National Sugar Institute, Kanpur, from 22<sup>nd</sup> to 24<sup>th</sup> September, 2020.
- 2.61 Asian Sugar Conference 2020 was organized by the Institute on 8<sup>th</sup> October, 2020. Lectures on important topics related to sugar quality, consumption patterns & value addition were delivered by eminent experts from Thailand, Indonesia, Sri Lanka, Iran and from our own country.

2.62 Commissioning of Nano Grain Based Ethanol has completed during the period and Inauguration of unit has done on 5<sup>th</sup> November, 2020 at the Institute. The same has been integrated with Nano Molasses Based Ethanol Unit and this is the first “Multi Feed Stock Based Ethanol Unit” of its kind in India.

2.63 Patent applications were filed as follows:

- i. Patent application on “Production of hygienically processed fortified jaggery”. Technology transfer was made to a firm for producing fortified jaggery through National Research Development Corporation.
- ii. Patent application on “Production of fortified amorphous sugar through co-crystallization”.
- iii. Patent application on “A Method for direct utilization of sugarcane baggase hemicellulosic constituents for the synthesis of C-B-D-xylopyranoside-2-alkanones.”

### STORAGE & RESEARCH

2.64 Storage & Research (S&R) division has organized 3 Long Term Training Courses (LTTC) on scientific storage and inspection of foodgrains for officials of FCI, CWC, SWCs, State agencies and Pest Control Operators through Indian Grain Storage Management and Research Institute (IGMRI), Hapur and its field stations at Ludhiana and Hyderabad. IGMRI also scheduled 6 Short Term Training courses (STTC) of two weeks duration and 4 STTC of one week duration. Tentative trainings schedule for 3 LTTC and 10 STTC has been finalized for all the stations at IGMRI, Hapur

and its field stations but due to COVID-19 pandemic there is delay in conducting the classroom trainings.

- 2.65 To ensure the quality of foodgrains at the time of storage surprise checks are conducted in Food Storage Depots, by the officers of QC 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. 112 food storage depots and 82 fair price shops have been inspected by the officers of QCCs during 2020-21 (upto August 2020).

## POLICY CHANGES

- 2.66 Government of India has conveyed Administrative Approval for the Centrally Sponsored Pilot Scheme on “Fortification of Rice and its Distribution under Public Distribution System”. The Pilot Scheme has been approved for a period of three years beginning 2019-20 with a total budget outlay of ₹174.64 Crore (Revised on 20.01.2020). 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. Fifteen State Governments (with Districts) i.e. Andhra Pradesh (Vizianagram), Kerala (Ernakulam), Karnataka (Yadgir/Mysore), Maharashtra (Gadchiroli), Odisha (Malkangiri), Gujarat (Narmada), Uttar Pradesh (Chandauli), Assam (Dhubri),

Tamil Nadu (Tiruchirappalli/Trichy), Telangana (Kumrabheem Asifabad or Jayashankar Bhupalapally or Khammam), Punjab (Gurdaspur/Ludhiana), Chhattisgarh (Kondagaon), Jharkhand (East Singhbhum), Uttarakhand (Udham Singh Nagar) & Madhya Pradesh (Singrauli) have consented and identified their respective Districts for implementation of the Pilot Scheme. Out of these 15 States, Maharashtra (from Feb. 2020), Gujarat (from February, 2020), Andhra Pradesh (from April 2020), Tamil Nadu (from October, 2020), Chhattisgarh (from November, 2020) and Uttar Pradesh (from January, 2021) have started distributing fortified rice under the Pilot Scheme and 3 more states – Odisha, Kerala and Madhya Pradesh are likely to start shortly. On the basis of budgetary commitment taken by Ministry of Women and Child Development, Department of School Education & Literacy, Department of Food & Public Distribution has undertaken an ambitious programme of supplying fortified rice to all ICDS and MDM Centres in the country from 01.04.2021. To take the efforts further, the FCI has been making preparation for an end-to-end supply plan for fortified rice to cover the targeted population under ICDS and MDM. Consultations with the relevant stakeholders are already on to tie up the various aspects related to rice fortification.



**Blending machine for Rice Fortification**

**BUDGETARY POSITION**

2.67 As on 31.12.2020, the Department has achieved an expenditure of ₹143020.99 crore against BE 2020-21 of ₹172235.43 crore which is 83.04% of BE 2020-21 and 100.81% of Monthly Expenditure Plan (MEP) upto December, 2020 of ₹141876.09 crore. However, due to additional allocation

of food grains under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) and Aatm Nirbhar Bharat Package (ANB) and to meet the additional requirement of funds under Food Subsidy scheme, RE 2020-21 has been revised to ₹448648.72 crore which will be spent fully by FCI/DCP States by the end of Financial Year 2020-21.





# 3 Chapter



## FOOD MANAGEMENT

## PROCUREMENT OF FOODGRAINS

- 3.1 Procurement operation are seasonal-Kharif Marketing Season (KMS) starts from 01<sup>st</sup> October and lasts upto next 30<sup>th</sup> September of a year. Paddy/Rice and Coarse grain like jowar, bajra, ragi & maize are procured during the KMS. The Rabi Marketing Season (RMS) starts from 1<sup>st</sup> April and lasts upto next 31<sup>st</sup> 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 2020-21, the MSP for Common and Grade 'A' paddy has been fixed at ₹1868/- and ₹1888/- per quintal respectively. The MSP of wheat was fixed at ₹1925/- per quintal for the RMS 2020-21, and for RMS 2021-22, it has been fixed at ₹1975/- per quintal. The comparative MSP of wheat and paddy as announced by the Ministry of Agriculture for crop year 2016-17 to 2020-21 is given below:-

(₹per quintal)

Commodity	2016-17	2017-18	2018-19	2019-20	2020-21
Paddy-Common	1470	1550	1750	1815	1868
Paddy-Grade 'A'	1510	1590	1770	1835	1888
Jowar-Hybrid	1625	1700	2430	2550	2620
Jowar-Maldandi	1650	1725	2450	2570	2640
Bajra	1330	1425	1950	2000	2150
Maize	1365	1425	1700	1760	1850
Ragi	1725	1900	2987	3150	3295
Wheat	1625	1735	1840	1925	1975
Barley	1325	1410	1440	1525	1600

## PROCUREMENT OF COARSEGRAINS

- 3.4 DFPD has 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 TPDS (Targeted Public Distribution System)/OWS (Other welfare Schemes) in the State/UT 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.

- 3.5 During KMS 2019-20(Rabi) and KMS 2020-21, this Department has approved procurement of 2,30,000 MT and 9,87,041 MT quantity of coarse grains. Details of approved quantity of coarse grains grain-wise and state-wise during KMS 2019-20(Rabi) & KMS 2020-21 and are as under:

#### KMS 2020-21

(as on 31.12.2020) (in MT)

S. No.	State	Commodity	Approved Quantity
1.	Haryana	Bajra	75000
2.	Maharashtra	Jowar	15436
		Maize	44905
		Bajra	950
		Ragi	750
3.	Uttar Pradesh	Maize	100000
4.	Gujarat	Bajra	5000
		Maize	5000
5.	Madhya Pradesh	Jowar	40000
		Bajra	200000
6.	Karnataka	Jowar	100000
		Ragi	400000
<b>Total</b>			<b>987041</b>

#### KMS 2019-20 (Rabi)

(as on 31.12.2020) (in MT)

S. No.	State	Commodity	Approved Quantity
1.	Karnataka	Jowar	1,00,000
2	Maharashtra	Jowar	15,000
		Maize	1,15,000
<b>Total</b>			<b>2,30,000</b>

### ALLOCATION OF FOODGRAIN PACKAGING MATERIALS IN KMS 2020-21

- 3.6 In view of acute shortage of food grain packaging materials due to less supply new jute bags in KMS 2020-21, this Department had approved the use of used gunny bags for packaging of Rice supplied to central pool to various State Governments. Apart from this, in KMS 2020-21, this Department had also allowed State Government of Punjab and Haryana for packaging of paddy in used bags over and above the limit specified as per Usage Charges Policy so that procurement operations are not affected adversely.

### SCHEME OF DECENTRALISED PROCUREMENT (DCP) OF FOODGRAINS

- 3.7 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.
- 3.8 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.

3.9 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.

3.10 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.	Tripura	Paddy
13.	Andhra Pradesh	Rice
14.	Telangana	Rice
15.	Maharashtra	Rice/Wheat
16.	Punjab*	Wheat

Note:

\*Punjab was DCP State for Wheat from RMS 2014-15, but on request of State Govt, FCI is participating in procurement operations.

Uttar Pradesh was DCP for KMS 1999-2000 to KMS 2009-10 and RMS 1999-2000 to RMS 2010-11. Procurement of wheat & rice is under Non-DCP mode.

Rajasthan was DCP for wheat in RMS 2013-14 to 2015-16 (for 1 district) and 2016-17 (for 9 districts). From RMS 2017-18 onwards wheat is procured under Non-DCP mode.

Jharkhand was DCP for KMS 2016-17 (only for 1 district) 2017-18 (only for 5 District), 2018-19 (only for 6 District). They have adopted Non-DCP in KMS 2019-20.

## PROCUREMENT OF WHEAT

3.11 The State-wise procurement of wheat during the last 4 years and the current year (marketing season wise) is given below:

(in lakh MT)

State	2016-17	2017-18	2018-19	2019-20	2020-21
Haryana	67.52	74.32	87.84	93.20	74.00
M.P.	39.92	67.25	73.13	67.25	129.42
Punjab	106.49	117.06	126.92	129.12	127.14
Rajasthan	7.62	12.45	15.32	14.11	22.25
U.P.	7.97	36.99	52.94	37.00	35.77
Others	0.10	0.17	1.8	0.64	1.34
<b>All India</b>	<b>229.62</b>	<b>308.24</b>	<b>357.95</b>	<b>341.32</b>	<b>389.92</b>



Procurement operations of Wheat

3.12 The breakup of procurement of wheat by FCI and State Agencies in RMS 2020-21 is given below:

(in lakh MT)

STATES/ UTs	Procurement		
	FCI	State Agency	Total
Punjab	14.20	112.94	127.14
Haryana	6.69	67.31	74.00
Uttar Pradesh	1.34	34.43	35.77
Madhya Pradesh	0.00	129.35	129.42
Bihar	0.00	0.05	0.05
Rajasthan	16.29	5.96	22.25
Uttrakhand	0.00	0.38	0.38

STATES/ UTs	Procurement		
	FCI	State Agency	Total
Chandigarh	0.11	0.00	0.11
Gujarat	0.00	0.77	0.77
Himachal Pradesh	0.03	0.00	0.03
<b>Total</b>	<b>38.66</b>	<b>351.19</b>	<b>389.92</b>

## PROCUREMENT OF RICE

3.13 For having a comparative idea, the State-wise procurement of rice during the last 4 years and current year (marketing season wise) is given below:

(in lakh MT)

STATE/ UTs	2016-17	2017-18	2018-19	2019-20	2020-21*
Andhra Pradesh	37.24	40.00	48.06	55.33	9.73
Telangana	35.97	36.18	51.90	74.54	27.47
Assam	0.47	0.35	1.02	2.11	0.01
Bihar	12.34	7.93	9.49	13.41	3.63
Chandigarh	0.13	0.14	0.13	0.15	0.19
Chhattisgarh	40.22	32.55	39.71	52.24	31.61
Gujarat	0.01	0.01	0.09	0.14	0.44
Haryana	35.83	39.92	39.42	43.07	37.60
Jammu & Kashmir	0.08	0.13	0.09	0.10	0.23
Jharkhand	1.39	1.43	1.52	2.55	0.25
Karnataka	0.00	0.00	0.59	0.41	0.00
Kerala	3.08	3.29	4.65	4.83	1.15
Madhya Pradesh	13.14	10.96	13.95	17.40	14.47
Maharashtra	3.09	1.79	5.80	11.67	1.90
Odisha	36.30	32.87	44.48	47.98	13.89
Punjab	110.52	118.33	113.34	108.76	135.86
Tripura	0.00	0.00	0.07	0.14	0.00
Tamil Nadu	1.44	10.11	12.94	22.04	3.85
Uttar Pradesh	23.54	28.75	32.33	37.90	32.45
Uttarakhand	7.06	0.38	4.62	6.82	6.69

West Bengal	19.23	16.73	19.79	18.38	0.00
<b>All India Total</b>	<b>381.06</b>	<b>381.85</b>	<b>443.99</b>	<b>519.97</b>	<b>321.44</b>

\*KMS 2020-21 is under progress. Data reported as on 31.12.2020.



Procurement Operation of Paddy

3.14 The break-up of procurement of rice by FCI and State Agencies in previous 4 years and current year (marketing season wise) is given below:

(in lakh MT)

KMS	Procurement		
	FCI	State Agencies	Total
<b>2016-17</b>	9.86	371.20	381.06
<b>2017-18</b>	6.77	374.15	381.85
<b>2018-19</b>	4.51	439.48	443.99
<b>2019-20</b>	5.04	514.93	519.97
<b>2020-21*</b>	3.16	318.28	321.44

\*KMS 2020-21 is under progress. Data reported as on 31.12.2020.

# includes the procurement done by private players from KMS 2016-17 to KMS 2017-18.

## IMPROVEMENT OF PROCUREMENT OF PADDY IN EASTERN STATES

3.15 Conscious and persistent efforts are being made towards helping the States especially in the Eastern and North Eastern part of the Country to extend the benefit of MSP to the farmers. Paddy is the main crop in the Eastern States.

3.16 The procurement of Rice in Eastern States during the last three years and current year is as detailed below:

(in LMT)

States	2017-18	2018-19	2019-20	2020-21*
Assam	0.35	1.03	2.11	0.01
Bihar	7.93	9.49	13.41	5.12
Jharkhand	1.46	1.55	2.58	0.35
Uttar Pradesh	28.74	32.33	37.90	35.22
West Bengal	22.11	27.27	33.56	0.00
Tripura	-	0.18	0.14	0.00
	<b>60.59</b>	<b>71.85</b>	<b>89.70</b>	<b>40.70</b>

\* under progress. Data as on 04.01.2021

### PROCUREMENT OF RICE UNDER LEVY SYSTEM

3.17 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/ likelihood 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. 1<sup>st</sup> October, 2014 i.e. in KMS 2014-15. The levy has been limited to 'zero' w.e.f. 1<sup>st</sup> October, 2015 i.e. in KMS 2015-16.

### PROCUREMENT OF PULSES BY FCI

3.18 HLC recommended that Government

of India needs to revisit its MSP policy. Currently, MSPs 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.

3.19 Accordingly, the Department of Food & Public Distribution 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.

3.20 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 Department of Agriculture & Cooperation on the pattern of NAFED.

3.21 For creating the buffer under Price Stabilization Fund (PSF), FCI procured

pulses during KMS 2015-16, RMS 2016-17 & KMS 2016-17.

## POLICY ON FOODGRAINS STOCKING NORMS

3.22 The main objectives of the Buffer Stocking norms are: -

- i. To meet the prescribed Minimum foodgrain stocking norms for food security,
- ii. For monthly releases of foodgrains for supply through the TPDS/Other Welfare Schemes,
- iii. To meet emergency situations arising out of unexpected crop failure, natural disasters etc., and
- iv. For market intervention to augment supply so as to help moderate the open market prices.

## FOODGRAINS STOCKING NORMS FOR THE CENTRAL POOL (BUFFER NORMS)

3.23 The existing 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 <sup>st</sup> April	11.58	4.46	2.00	3.00	21.04
1 <sup>st</sup> July	11.54	24.58	2.00	3.00	41.12
1 <sup>st</sup> Oct	8.25	17.52	2.00	3.00	30.77
1 <sup>st</sup> Jan	5.61	10.80	2.00	3.00	21.41

## STOCK POSITION IN CENTRAL POOL

3.24 The stock of foodgrains in the Central Pool as on 01.01.2021 was 532.79 Lakh MT, which comprised of 342.90 Lakh MT of

wheat, 186.69 Lakh MT of rice and 3.20 Lakh MT of Nutri-cereals (coarse grains). The total stock of foodgrains in the Central Pool including Nutri-cereals as on 1<sup>st</sup> January during the last five years is as follows:

(in Lakh MT)

Year	Stock
1 <sup>st</sup> Jan, 2017	273.66
1 <sup>st</sup> Jan, 2018	359.30
1 <sup>st</sup> Jan, 2019	456.13
1 <sup>st</sup> Jan, 2020	568.35
1 <sup>st</sup> Jan, 2021	532.79

3.25 Quarterly stock position of wheat and rice in the Central Pool vis-à-vis foodgrain stocking norms is at **Annexure-IV**. State-wise position of stocks of rice and wheat in the Central Pool as on 01.01.2021 is at **Annexure-V**.



Foodgrains stacked in Godown

## OPEN MARKET SALE SCHEME (DOMESTIC)

- 3.26 In addition to maintaining buffer stocks as well as for making a provision for meeting the requirements of the National Food Security Act (NFSA) and Other Welfare Schemes (OWS), the Food Corporation of India (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 offload the excess stocks
  - ii. To enhance the supply of foodgrains during the lean season and deficit regions.
  - iii. To moderate the open market prices.
  - iv. To reduce the carrying cost of foodgrains
- 3.27 A target of 150 Lakh MT of wheat has been set for sale by FCI including retail sale out of Central Pool in the open market under OMSS (D) during 2020-21; however, this may be reviewed by Department of Food and Public Distribution (DFPD), if offtake is more. For Madhya Pradesh, Punjab and Haryana, reserve price for wheat was kept at ₹2,135/-per quintal for FAQ wheat and ₹2080/- per quintal for URS wheat. For other states, railway freight ex-Ludhiana to the nearest railhead and road transportation cost from railhead to depot where sale is undertaken, is added to the reserve price of wheat. In dedicated movement, FCI will give delivery at depot point.
- 3.28 Keeping in view huge stocks of foodgrains and the necessity of early liquidation of URS wheat to avoid deterioration of quality, the reserve price of RMS 2019-20 URS wheat for sale from Punjab and Haryana has been reduced to ₹1840/- per quintal from ₹2080/ per quintal w.e.f. 31.07.2020. Under the OMSS (D) Policy, sale of wheat is undertaken throughout the year up to 31.03.2021, in all procuring/non-procuring States.
- 3.29 Under the OMSS Policy 2020-21, to encourage retail sale, it has been decided to sell wheat to small (private) traders desirous of purchasing wheat from 1-9 MT per person per depot from nominated FCI/ State Agency depots at the reserve price under OMSS (D) without participation in e-auction.
- 3.30 A target of 50 Lakh MT of rice has also been set for sale by FCI out of Central Pool in the open market under OMSS (D) during 2020-21; however this may be reviewed by Department of Food and Public Distribution (DFPD), if offtake is more. The uniform reserve price for sale of rice under OMSS (D) has been kept at ₹2,250/ per quintal.
- 3.31 Sale of rice may be undertaken even in surplus/ deficit procuring States during procurement of paddy/ rice, on the request of State Governments only, for meeting their additional requirements.
- 3.32 Under the OMSS (D) policy 2020-21 for sale of wheat and rice in the open market, a retail scheme for sale of wheat and rice to State Governments/UTs has been introduced. Under this scheme, State/UT Governments may lift the allocated quantity of wheat and rice from the godowns of FCI and distribute it to retail consumers through



their own Corporations/ cooperatives/ federations/ self-help groups or any other Government or Semi-Government organization. Similarly allocations to institutions like NAFED/NCCF/Kendriya Bhandar for sale to retail consumers, for checking inflationary trend in food economy and to small processors may be considered.

- 3.33 The mode of sale of wheat and rice under OMSS (D) through e-auction is same as undertaken during OMSS 2019-20.
- 3.34 Instructions for supply of surplus stock of rice to Oil Marketing Companies at OMSS(D) price for conversion into ethanol were issued vide this Department's letter dated 16.04.2020. Rice would be issued on ₹2250/- per quintal for conversion to ethanol.
- 3.35 Under open Market Sale scheme (Domestic) (OMSS (D)) 2020-21 policy, a special dispensation for supply of foodgrains to all the charitable/ non-governmental organizations etc. engaged in relief/running community kitchens for migrant labours/vulnerable groups due to the present lock down condition, was introduced w.e.f 8.4.2020. Under this dispensation, wheat at the uniform rate of ₹21 per kilogram and rice at the uniform rate of ₹22 per kilogram are issued to charitable institutions/NGO. There is no upper limit of allocation of foodgrains to each such organization from any FCI depot.
- 3.36 Special dispensation was initially up to June, 2020 and now it has been extended at the same rate, terms and conditions for the rest of the year 2020-21. Under the dispensation, a total quantity of 1246 MT

wheat has been lifted by 230 Charitable/ NGOs and 10413 MT of rice has been lifted by 1126 Charitable/NGOs till 29.12.2020.

- 3.37 To increase sale under the OMSS (D) policy 2020-21 for remaining period of year 2020-21, rate has been revised with effect from 7.12.2020 by reducing reserve price of rice to ₹2000/- per quintal for State Governments and Central Government schemes and programmes including for ethanol under bio-fuel policy.
- 3.38 The quantities of wheat and rice sold under the OMSS (D) during the last 4 years and FY 2020-21 are as under:

(in lakh MT)

Year	Wheat	Rice
2016-17	45.67	1.78
2017-18	14.22	4.90
2018-19	81.84	8.46
2019-20	36.36	16.12
<b>2020-21*</b>	<b>7.96</b>	<b>12.76</b>

\* Upto 5<sup>th</sup> tender of December, 2020

### ALLOCATION OF FOODGRAINS UNDER TPDS

- 3.39 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. 5<sup>th</sup> July, 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 Targeted Public Distribution System (TPDS), thus covering about two-third of the population. The eligible persons identified by the States/UTs are entitled to receive 5 kgs of foodgrains per person per month at subsidized prices of ₹3/2/1 per kg for

rice/wheat/nutrigains (Coarsegrain). The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, continue to receive 35 kgs of foodgrains per household per month. As of 1<sup>st</sup> November, 2016 NFSA has been

implemented in all 36 States/UTs.

3.40 During the year **2020-21**, Government of India has allocated **943.53** lakh MT of foodgrains to States/UTs/Welfare Institutions, etc. as per break up given below: -

<b>ANNUAL ALLOCATION OF FOODGRAINS FOR 2020-21</b>					
	<b>Name of Scheme</b>	<b>Rice</b>	<b>Wheat</b>	<b>Nutri-cereals</b>	<b>Total</b>
<b>A</b>	<b>TPDS (NFSA ALLOCATION)</b>				
	Antyodaya Anna Yojana (AAY)	61.25	39.02	0.00	100.27
	Priority Household (PHH)	229.50	187.99	3.52	421.03
	TPDS(Tide Over)	19.45	7.44	0.00	26.89
	MDM	23.55	4.67	0.00	28.22
	WBNP	10.60	11.30	0.10	22.00
	<b>Total</b>	<b>344.35</b>	<b>250.42</b>	<b>3.64</b>	<b>598.41</b>
<b>B</b>	<b>OTHER WELFARE SCHEMES</b>				
	Hostels and Welfare institutions	1.66	0.62	0.00	2.28
	Scheme for adolescent Girls(SAG)	0.19	0.32	0.00	0.51
	Annapurna	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>1.85</b>	<b>0.94</b>	<b>0.00</b>	<b>2.79</b>
<b>C</b>	<b>ADDITIONAL ALLOCATION(Festival, calamity, addl.TPDS etc.)</b>				
	Natural Calamity etc (MSP Rates)	0.00	0.00	0.00	0.00
	Festival/Additional Requirement etc (Economic Cost)	2.09	1.53	0.00	3.62
	PMGKAY allocation	214.08	106.97	0.00	321.05
	Migrant Allocation (Free)	6.96	1.04	0.00	8.00
	Covid Allo. (Non NFSA, Eco)	7.09	2.57	0.00	9.66
	<b>Total</b>	<b>230.22</b>	<b>112.11</b>	<b>0.00</b>	<b>342.33</b>
<b>A+B+C</b>	<b>Grand total</b>	<b>576.42</b>	<b>363.47</b>	<b>3.64</b>	<b>943.53</b>

### **OFF-TAKE OF FOODGRAINS**

3.41 During the Financial Year 2020-21 the offtake of foodgrains under Targeted Public Distribution System (TPDS) and various

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

(i) The offtake of foodgrains (wheat and rice) against the allocation up

to December, 2020 from the Central Pool under NFSA/ Targeted Public Distribution System (TPDS) including MDM & WBNP (a component of ICDS) during the period has been 407.27 Lakh MT. In addition there has been offtake of 1.96 lakh MT under allocation made to States/UTs at economic cost/MSP rate. Special offtake against allocation made under PMGKAY/Migrant laborer (free) and covid allocation (Economic

cost) is 315.16 lakh MT.

(ii) The offtake under Other Welfare Schemes has been 0.99 Lakh MT. In addition there has been offtake of 33.93 Lakh MT under Other schemes including Open/Tender Sale/Defence etc.

3.42 During the financial year 2020-21, the total offtake of foodgrains from the Central Pool is as under:-

### SCHEMES WISE OFFTAKE OF FOODGRAINS DURING 2020-21 (up to December, 2020)

(in lakh MT)

Sl.	Name of Scheme	Rice	Wheat	Total
<b>[1] NFSA</b>				
	TPDS	204.33	154.23	358.56
	WBNP	4.78	5.69	10.47
	MDM	14.84	3.52	18.36
	TPDS (Tide Over)	14.82	5.06	19.88
	<b>Total</b>	<b>238.77</b>	<b>168.50</b>	<b>407.270</b>
<b>[2] OWS</b>				
	Hostels and Welfare institutions	0.60	0.32	0.92
	Scheme for adolescent Girls(SAG)	0.01	0.03	0.04
	Annapurna	0.03	0.00	0.03
	<b>Total</b>	<b>0.64</b>	<b>0.35</b>	<b>0.99</b>
<b>Grand Total</b>		<b>239.41</b>	<b>168.85</b>	<b>408.26</b>
<b>[3] NATURAL CALAMITY/ DROUGHT/ FESTIVAL/ETC.</b>				
	Natural Calamity etc. (MSP Rates)	0.06	0.00	0.06
	Festival/Additional Requirement etc. (Economic Cost)	0.73	1.17	1.90
	PMGKAY allocation	195.99	103.10	299.09
	Migrant Allocation (Free)	4.58	1.83	6.41
	COVID Allo. (Non NFSA, Eco)	7.09	2.57	9.66
	<b>Total</b>	<b>208.45</b>	<b>108.67</b>	<b>317.120</b>
<b>[4] DEFENCE ALLOCATION</b>				
	Defence allocation & Jail	0.79	0.03	0.87
<b>[5] OPEN TENDER SALE [OMSS]</b>				
	OMSS	19.93	13.13	33.06
<b>Grand total</b>		<b>468.58</b>	<b>290.68</b>	<b>759.26</b>

### MID-DAY MEAL SCHEME

3.43 The Mid-Day Meal Scheme was launched on 15.08.1995 by the Ministry of Education (erstwhile 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).

3.44 The Department of Food & Public Distribution makes annual allocation of foodgrains under the Scheme to Department of School Education & Literacy, Ministry of Education. Sub-allocation of foodgrains to States/UTs is made by Department of School Education & Literacy. With effect from 1-April-2016, allocation of foodgrain under MDM is made at NFSA rates to the Department of School Education & Literacy.

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

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
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
2019-20	21.17	4.20	25.37	16.87	3.96	30.83
2020-21(as on 31.12.2020)	23.55	4.67	28.22	14.84	3.52	18.36

### WHEAT BASED NUTRITION PROGRAMME (WBNP)

3.46 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 1<sup>st</sup> April, 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 in the age group of 6 months to 6 years and expectant/lactating women.

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

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
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
2019-20	10.60	11.30	21.90	4.82	7.23	12.05
2020-21	10.60	11.40	22.00	4.78	5.69	10.47

### ALLOCATION OF FOODGRAINS TO WELFARE INSTITUTIONS AND HOSTELS SCHEME

3.48 With a view to meet the requirement of (i) Welfare 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/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 in respect of hostels and institutions that are owned/ sponsored/aided by State Government/ UT Admn./Administrative Ministries. This Scheme was introduced on 1<sup>st</sup> September, 2017 by clubbing two schemes namely Welfare Institutions Scheme and SC/ST/OBC Hostels Scheme into a single scheme.

3.49 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 four years & current year is as under:-

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
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
2019-20	4.17	0.69	4.86	3.45	0.56	4.01
2020-21 (as on 31.12.2020)	1.66	0.62	2.28	0.60	0.32	0.92

## ANNAPURNA SCHEME

3.50 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 kgs of foodgrains (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.

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

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
2016-17\$	0.114	0.0	0.114	0.20	0.0	0.20
2017-18*	0.072	0.0	0.072	0.0	0.0	0.0
<b>2018-19</b>	<b>0.52</b>	<b>0.21</b>	<b>0.73</b>	<b>0.25</b>	<b>0.04</b>	<b>0.29</b>
<b>2019-20</b>	<b>0.16</b>	<b>0.09</b>	<b>0.24</b>	<b>0.06</b>	<b>0.01</b>	<b>0.07</b>
<b>2020-21#</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.03</b>	<b>0.00</b>	<b>0.03</b>

\* Ex post-Facto Allocation made to Odisha dated 10<sup>th</sup> July, 2019,

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

# Backlog of 2019-20. Ministry given extension upto 31.07.2020.

## SCHEME FOR ADOLESCENT GIRLS

3.52 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 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. 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. Annual allocation and offtake of rice & wheat during the last four years and current year is as under:-

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
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
2019-20	0.20	0.25	0.45	0.04	0.10	0.14
2020-21	0.19	0.32	0.51	0.01	0.03	0.04

## IMPORT DUTY ON WHEAT

- 3.53 As per Govt. of India's Gazette Notification No. 13/2019 dated 26<sup>th</sup> April, 2019, the import duty on wheat is 40%.

## IMPORT & EXPORT OF FOODGRAINS

- 3.54 The following quantity of foodgrains (wheat and non-basmati rice) has been supplied as Humanitarian Food Aid to the deserving countries from the Central Pool Stock:

Year	Country	Quantity	Commodity
2019-2020	DPR Korea	1584 MT	Wheat
2019-2020	Madagascar	600 MT	Non-Basmati Rice
2020-2021	Bhutan	2000 MT*	Non-Basmati Rice
2020-2021	Afghanistan	75000 MT	Wheat

\* Supplied from SAARC Food Bank Reserve through MEA.

## POST HARVEST MANAGEMENT OF FOODGRAINS

- 3.55 Under the Post-Harvest Management of Foodgrains, the following activities are being carried out in the Department of Food & Public Distribution -

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

- 3.56 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.

- 3.57 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.
- 3.58 The performance of IGMRI, Hapur and its field stations under various activities during 2020-21 is summarized below:

S. N.	Item /Activity	Achievements (2020-21)* upto Aug 2020
1.	Long term/Short term Training Courses (LTTCs)	01
2.	Short Term Training Courses (STTCs)	
	(i) Two weeks duration	03
	(ii) One week duration	03
3.	Analysis of foodgrain samples for	
	(i) Physical quality parameters (No. of samples)	295
	(ii) Mycotoxin contamination (No. of samples)	138
	(iii) Pesticide residue (No. of samples)	256

- 3.59 The following major applied R&D activities have been undertaken by the IGMRI, Hapur during 2020-21:

1.	A Study on "Bio-efficacy of different leaf extracts against <i>Callosobruchus chinensis</i> L. (Coleoptera: Bruchidae) on Green Gram" in laboratory condition.
2.	Testing of Insecticide treated bags from Bhapra Bio Solutions Pvt. Ltd. against stored grain insect pests in actual field conditions at Food Storage Depot (FSD), Hapur.

**B. Quality Standards for foodgrains (Central Grain Analysis Laboratory-CGAL)**

- 3.60 The Central Grain Analysis Laboratory (CGAL) located in Krishi Bhawan, 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.
- 3.61 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.
- 3.62 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. A number of 1390 foodgrain samples for physical parameters were analysed. (upto December, 2020).



Visit of Shri Sudhanshu Pandey, Secretary (F&PD) to CGAL on 06.08.2020

**C. Monitoring quality of foodgrains (Quality Control Cells-QCCs)**

- 3.63 Eleven Quality Control Cells located at New Delhi, Bengaluru, Bhopal, Bhubaneswar, Kolkata, Hyderabad, Lucknow, Pune, Chennai, Guwahati and Patna are functioning under the direct control of the Department of Food & Public Distribution.
- 3.64 The main objective of these cells is to ensure the quality of foodgrains at the time of procurement, storage and distribution. Surprise checks are conducted of food storage depots/ fair price shops 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 the 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.



Analysis of Food grain sample in QC Lab

3.65 Performance of inspection activities carried out by Quality Control Cells during 2020-21 are as under:-

Item/Activity	Achievement 2020-21 (no.) upto December, 2020
Inspection of Food Storage Depots	387
Fair price Shops	160

3.66 A series of webinars have been conducted regarding standardization of existing quality norms for procurement of foodgrains, enhancement of technological interventions in quality assessment of foodgrains meant for Central Pool Stocks and to revisit the existing process for relaxation and value cuts in order to delineate a transparent and process driven policy for the same.

## MOVEMENT OF FOODGRAINS

3.67 Movement of Foodgrains is as follows:

(i) **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 of the department closely monitors the movement and co-ordinates with FCI and Railways. An inter-Ministerial Co-ordination Committee with JS (P&FCI), Deptt. 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 goods sheds have been sorted out. The availability of rakes have improved through the mechanism of these Coordination Committees, incurrence 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.

(ii) **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.

**(iii) 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 Inter State 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.



View of FCI, Nagpur



Weigh Bridge Operation at FCI Nagpur



SILO operation monitoring by secretary (F&PD) during his visit to FSD, Hapur

## FOOD SUBSIDY

3.68 States are allocated foodgrains at subsidized rates under National Food Security Act, 2013 (NFSA) including Targeted Public Distribution System (TPDS) and other Welfare Schemes. Difference between Economic Cost and Central Issue Price (CIP) at which foodgrains are issued to States are reimbursed to Food Corporation of India (FCI) as subsidy. In case of States which have adopted Decentralized Procurement

Scheme (DCP), food subsidy is directly released to States by Government of India for quantity of foodgrains procured and distributed by them under TPDS, NFSA and other Welfare Schemes. Owing to COVID-19 pandemic, Government of India is implementing Pradhan Mantri Garib Kalyan Anna Yojana and Atma Nirbhar Bharat Scheme. The details of food subsidy released during last four years & current year is as below:

(₹in crore)

Year	FCI Net subsidy released *	DCP States Subsidy released	(₹crores) Total subsidy released
2016-17	78334.61	27338.35	105672.96
2017-18	61981.69	38000	99981.69
2018-19	70098	31029.485	101127.485
2019-20	75000	44944.35**	119944.35
2020-21 (upto 31.12.2020).	77980	37187.14***	115167.14

\* Over & Above, amount of ₹25,000 crores in FY 2016-17, ₹40,000 crores in FY 2017-18, ₹70,000 crores in FY 2018-19 & ₹44,164.02 crores in FY 2019-20 released from food subsidy has been adjusted for repayment of NSS loan

\*\* The RE, 2019-20 was ₹33508.35 crore. Total release includes ₹11,436 crores released to DCP states from NSSF loan to FCI & equivalent amount is to be reimbursed to FCI during FY 20-21 from DCP head

\*\*\* Out of total released subsidy, ₹8744.68 Crore has been released under PMGKAY.

## DISASTER MANAGEMENT

3.69 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.





# 4 Chapter



## PUBLIC DISTRIBUTION SYSTEM

## PUBLIC DISTRIBUTION SYSTEM

### INTRODUCTION

- 4.1 Public Distribution System (PDS) which was started in 1960s as a system to manage the scarcity of foodgrain supplies in the open market and as a system for distribution of foodgrains at affordable prices to the society. Since then it has come a long way from a “welfare-based” means to a “rights-based” food-security platform under the National Food Security Act, 2013 (NFSA), a first of its kind attempt in the world to legislate ‘right to food’ for nearly 67% citizens and to deliver foodgrains to the targeted population at affordable prices of ₹ 3, 2, 1 per Kg of Rice, Wheat and Coarse-grains respectively, every month, and has become an important part of the Government’s policy for the management of food economy in the country. However, 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 Until 1997, the Public Distribution System was universal in nature, however, the Government introduced “Targeted Public Distribution System” (TPDS) w.e.f June, 1997 to focus on poor. The coverage was linked to poverty estimates under two categories, namely, Below Poverty Line (BPL) and Above Poverty Line (APL). Later w.e.f. December 2000, Government introduced “Antyodaya Anna Yojana” (AAY) in order to make TPDS more focused and targeted to poor and the poorest of poor (Antyodaya). Detailed guidelines for identification and inclusion of AAY category households under TPDS were also issued to

all State Governments/UT Administrations by the Department. Presently, about 2.5 Crore households are covered under AAY across the country.

- 4.3 Presently, the TPDS in the country is operated as per the provisions of the National Food Security Act, 2013 (NFSA) in joint responsibilities of the Central and State/UT Governments, where, the Central Government does the procurement of foodgrains, store, allocate and transport up to the designated depots of FCI across the country, while, States/UTs do the identification of eligible households/beneficiaries under the Act, issuance and manage ration cards/beneficiaries data, allocation and door-step delivery of foodgrains to all Fair Price Shops (FPSs), licensing, monitoring and supervision of FPS operations, distribution of foodgrains to all beneficiaries, etc.

### NATIONAL FOOD SECURITY ACT, 2013

- 4.4 The National Food Security Act, 2013 (NFSA) was enacted in the year 2013 and came into force w.e.f. 5<sup>th</sup> July, 2013. The Act provides 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.
- 4.5 The Act de-linked the coverage under TPDS from erstwhile ‘Poverty Estimates’, instead it linked the coverage to the ‘Population Estimates’ and inter-alia entitles up to 75% of the rural population and up to 50% of the urban population for receiving subsidized foodgrains under TPDS. Thus, covering nearly two-third of the country’s population, as per Census 2011, to receive highly subsidized foodgrains under TPDS.

4.6 Eligible households/beneficiaries under NFSA comprise of Antyodaya Anna Yojana (AAY) households and persons belonging to Priority Households (PHH) categories. AAY households, which constitute the poorest-of-the-poor, are entitled to receive 35 Kg of foodgrains per household per month whereas households covered under PHH category are entitled to receive 5 Kg of foodgrains per person per month at highly subsidised prices of ₹3/2/1 per Kg for Rice/Wheat/Coarse-grains.

4.7 The Act is implemented in all States/UTs, covering around 79.43 crore persons, against the total intended coverage of about 81.35 crore persons under the Act. In the Union Territories of Chandigarh, Puducherry and some areas of Dadra & Nagar Haveli and Daman & Diu, the Act is implemented in DBT (Cash Transfer) mode wherein cash equivalent to entitled subsidy is being transferred directly into the bank accounts of eligible households to enable them to purchase foodgrains from open



A view of Fair Price Shop

4.9 TPDS is presently operated under the joint responsibility of the Central and the State Governments, where the Central Government has assumed the responsibility for procurement, storage, transportation

market. Whereas, in rest of the States/UTs highly subsidized foodgrains under NFSA are being distributed to eligible households through TPDS every month.

4.8 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 up to 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.



and allocation of foodgrains to all States/UTs. The operational responsibility of allocation of foodgrains within State/UT, identification of eligible families under NFSA, issuance of ration cards, distribution

of foodgrains through Fair Price Shop (FPS) and licensing and monitoring of FPSs, etc. rests with the respective State/UT Governments. Under PDS, foodgrains, namely, Rice, Wheat and Coarse-grains are being distributed to eligible households. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt, spices, etc.

- 4.10 The eligibility criteria for coverage under TPDS are such that vulnerable groups like beggars, female domestic workers, rag-pickers, sanitation workers etc. get covered. The Department has issued instructions to States/UTs from time to time to make special efforts to ensure the identification and inclusion of the extremely poor and needy households under NFSA. Ration card deletion during annual verification drives, deletion of duplicate ration cards under TPDS by many States/UTs under PDS reforms including computerization which provides scope for issuance of new ration cards to such left-out genuine beneficiaries. The Ministers in-charge of Food & Civil Supplies in all States/UTs were also requested by Hon'ble Minister of Consumer Affairs, Food and Public Distribution to personally review the matter and issue necessary directions to the concerned officers to work in a mission mode for ensuring all left-out and genuinely deserving people belonging to weaker sections are covered under NFSA from time to time.

### **LIFTING AND DISTRIBUTION OF RATION UPTO SIX MONTHS UNDER TPDS**

- 4.11 The Department has permitted State/UT

Governments for lifting and distribution of up to six months' ration (foodgrains) under TPDS in one-go, subject to the condition that there should be no compulsion on the beneficiaries to lift their entitlements to avoid undue financial burden/inconvenience to the beneficiaries and 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.

- 4.12 Provision for advance lifting of foodgrains up to six months under Other Welfare Schemes (OWS) such as Mid-Day Meal (MDM), Wheat Based Nutrition Program, Scheme for Adolescent Girls, Annapurna Scheme and Allocation of Foodgrain under Welfare Institutions & Hostels Scheme are also available. In this regard, revised guidelines regarding validity period and advance lifting for lifting the foodgrains under these schemes are issued to all States/UTs vide circular dated 25.04.2019.

### **MEASURES TAKEN TO STRENGTHEN TPDS**

- 4.13 To eliminate leakages and to ensure that all eligible households are continuously receiving their entitled quota of subsidised foodgrains under NFSA, through TPDS, following measure have been taken by this Department:

- (a) **Modernization of TPDS:** This has been taken up by the Department with a view to address the challenges of leakages and diversion of foodgrains, inclusion/exclusion errors, existence of fake and bogus ration cards/ghost beneficiaries,



lack of transparency, weak grievance redressal system under TPDS, etc. Thus, with an objective to modernise, introduce technology driven transparency and best practices in TPDS operations the Department had implemented the scheme on '**End-to-End Computerization of TPDS Operations**' in collaboration with all the States/UTs under the XII Five Year Plan (2012-17), but the validity of the scheme was extended up to March, 2020. Following were the major components of the scheme:

- i. **Digitization of ration cards/beneficiaries data** – Completed in all States/UTs. Details of almost 23.5 Crore ration Cards covering nearly 80 Crore beneficiaries are available on transparency portals of States/UTs.
- ii. **Aadhaar seeding of ration cards** – Seeding of Aadhaar numbers is completed with almost 91% ration cards (at least one member), whereas nearly 89% beneficiaries are also Aadhaar seeded at the national level.
- iii. **Online allocation of foodgrains up to FPS level** – Implemented in all States/UTs except two Union Territories of Chandigarh and Puducherry which have adopted Direct Benefit Transfer (DBT Cash transfers) scheme under NFSA.
- iv. **Computerisation of Supply Chain Management** – Implemented in 31 States/UTs, except two Union Territories of Chandigarh and Puducherry under DBT Cash

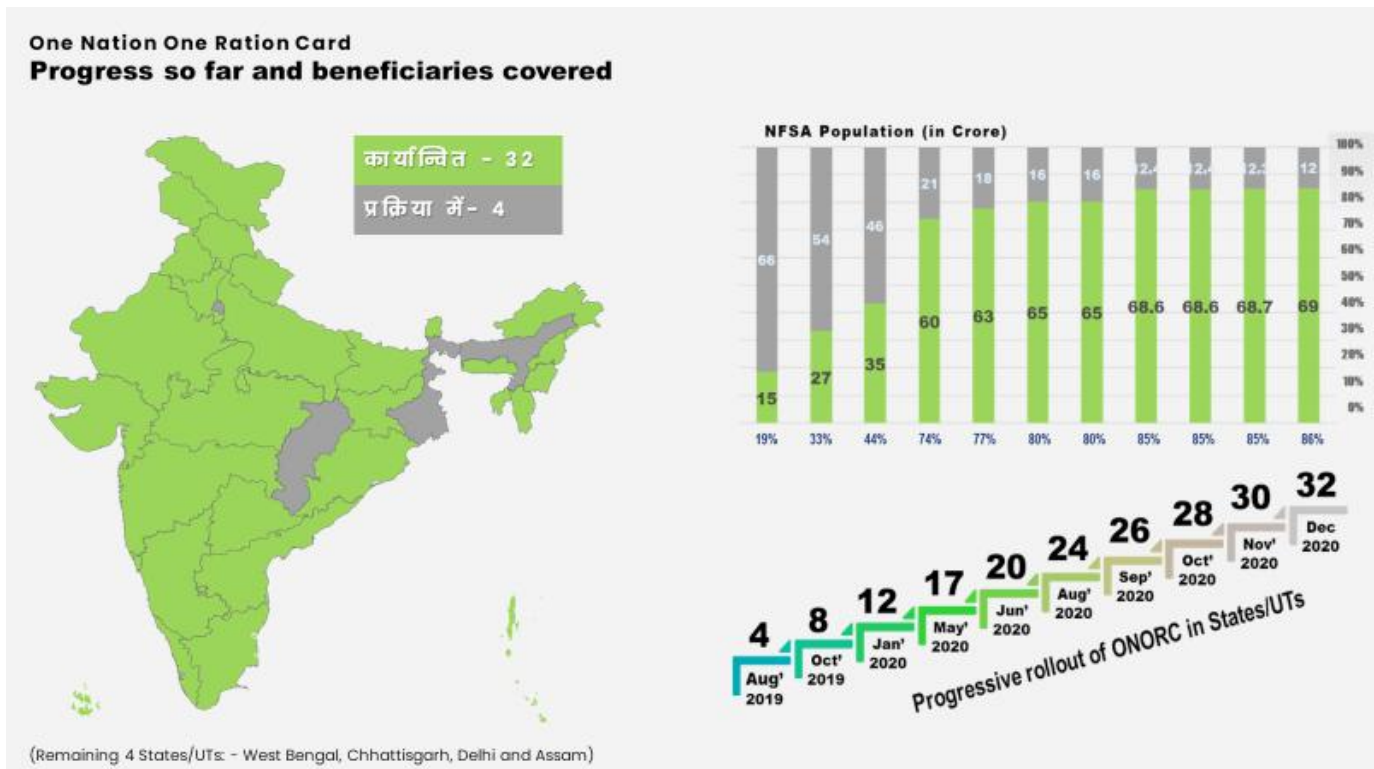
transfers, and the small islands UT of Lakshadweep, while it Arunachal Pradesh and Manipur are expected to complete in the current year.

- v. **Grievance redressal facilities and transparency portals** – Online grievance redressal system and toll-free helplines/call centres (1967/1800-series) are available in all States/UTs.
  - vi. **Automation of Fair Price Shops** – About 92% i.e. 4.94 Lakh of total 5.4 Lakh FPSs in the country are having operational electronic Point of Sale (ePoS) devices for transparent distribution of subsidised foodgrains.
- (b) **National portability of ration cards:** With an objective to sustain the computerised TPDS operations and to introduce new reforms, the Department is implementing another central sector scheme, namely '**Integrated Management of Public Distribution System**' (IM-PDS) in all States/UTs w.e.f. April, 2018. This scheme mainly aims to implement nation-wide portability of ration card holders/beneficiaries covered under NFSA through One Nation One Ration Card (ONORC) plan, to empower them to lift their entitled foodgrains from any FPS of their choice in the country by using their same/existing ration card with biometric/Aadhaar authentication on a ePoS device. Beside this the scheme also includes setting up of central data repository of all ration cards data in the country, national de-duplication, data

analytics, cross learning and sharing of best practices between States/UTs, etc. The validity of the scheme has been extended up to 31.03.2022.

- i. **One Nation One Ration Card** – Initially this facility as inter-State portability was started w.e.f. August, 2019 in 4 States of Andhra Pradesh & Telangana and Gujarat & Maharashtra by the then Hon'ble Minister of Consumer Affairs, Food and Public Distribution; and in January 2020 the facility

of national portability of ration cards was seamlessly started in 12 States. Since then, up to December 2020 the One Nation One Ration Card plan is seamlessly enabled in **32 States/UTs**. The migratory beneficiaries/households in these States/UTs are now able to lift their entitled foodgrains from any FPS of their choice anywhere in these States/UTs using their existing/same ration cards. The facility also includes intra-State portability of ration cards.



- ii. Beside enabling the facility, the Department is also coordinating with other Ministries/Departments such as M/o Labour & Employment, M/o Information & Broadcasting, M/o Panchayati Raj, M/o Housing & Urban Affairs, M/o

Railways (Indian Railways), M/o Electronics & IT (MeitY) etc. and their associated Government/multi-lateral agencies like MyGov, Prasar Bharti/ Doordarshan, Press Information Bureau, Bureau of Communications, United Nations

– World Food Programme, etc. to actively publicise and promote the facility and create wide-scale awareness among the beneficiaries. Department is also leveraging social media platforms such as Twitter

and YouTube besides FM Radio/ Community Radio Stations to create awareness of the initiative across the country in Hindi and 10 other regional languages.



iii. It is envisaged that nearly 8 Crore migratory population may potentially exist in the country, considering this, it is expected that about 2 Crore portability transactions shall be done by these migratory population on monthly basis. Hence, it has been seen during August 2019 - December 2020, that an average of 59% portability transactions (including intra-State portability) have taken place against the expected volume

of portability transactions in the country, corresponding to about 48% foodgrains distributed under portability against an expected quantum of about 68 Lakh Metric Tons (LMT). Significantly, these volumes of transactions have amounted to the provision of nearly ₹9,800 Crore of subsidy to the migratory beneficiaries on account of portability during the above period.

Month & Year	Envisaged Migratory Population (10% of NFA Coverage)	Portability Transactions (in Nos.)					Portability Foodgrains Distribution (in MT)					Estimated Subsidy Transferred to Migratory Population through Portability Distribution (in ₹Cr.)
		Potential Volume of Portability Transactions (if one transaction is covering 4 persons per ration card)	Intra-State Portability	Inter-State Portability	Total Portability Transactions	% of Actual Portability Transactions against Expected Monthly Volume	Expected Monthly Foodgrains to be Distributed through portability (if 5Kg per person per transaction is considered)	Intra-State Portability	Inter-State Portability	Total Portability Foodgrain	% of Actual Portability Foodgrain Distributed	
Aug'19	8,00,00,000	2,00,00,000	78,86,812	240	78,87,052	39%	4,00,000	106930	1,728	108658	27%	326.15
Sep'19	8,00,00,000	2,00,00,000	82,15,245	1,195	82,16,440	41%	4,00,000	110046	10,224	120270	30%	361.01
Oc'19	8,00,00,000	2,00,00,000	90,11,267	1,105	90,12,372	45%	4,00,000	117387	9,793	127180	32%	381.75
Nov'19	8,00,00,000	2,00,00,000	1,03,14,956	1,326	1,03,16,282	52%	4,00,000	135939	11,553	147492	37%	442.72
Dec'19	8,00,00,000	2,00,00,000	87,38,053	652	87,38,705	44%	4,00,000	180454	4,109	184563	46%	553.99
Jan'20	8,00,00,000	2,00,00,000	1,21,25,879	574	1,21,26,453	61%	4,00,000	203771	6,395	210166	53%	630.84

Feb'20	8,00,00,000	2,00,00,000	1,23,91,093	734	1,23,91,827	62%	4,00,000	205995	7,222	213217	53%	640
Mar'20	8,00,00,000	2,00,00,000	1,17,57,129	594	1,17,57,723	59%	4,00,000	175233	5,788	181021	45%	543.36
Apr'20	8,00,00,000	2,00,00,000	1,13,24,732	351	1,13,25,083	57%	4,00,000	141960	3,496	145456	36%	436.61
May'20	8,00,00,000	2,00,00,000	99,67,993	378	99,68,371	50%	4,00,000	141409	6,364	147773	37%	443.56
Jun'20	8,00,00,000	2,00,00,000	1,13,11,437	510	1,13,11,947	57%	4,00,000	160768	10,507	171275	43%	514.11
Jul'20	8,00,00,000	2,00,00,000	1,41,99,617	1,859	1,42,01,476	71%	4,00,000	177514	31,548	209062	52%	627.53
Aug'20	8,00,00,000	2,00,00,000	1,52,60,220	2,358	1,52,62,578	76%	4,00,000	190687	47,981	238668	60%	716.4
Sep'20	8,00,00,000	2,00,00,000	1,62,03,306	3,169	1,62,06,475	81%	4,00,000	230044	68,103	298147	75%	894.93
Oct'20	8,00,00,000	2,00,00,000	1,81,17,758	3,578	1,81,21,336	91%	4,00,000	212186	76,854	289040	72%	867.6
Nov'20	8,00,00,000	2,00,00,000	1,54,88,433	3,464	1,54,91,897	77%	4,00,000	202765	70,369	273133	68%	819.85
Dec'20	8,00,00,000	2,00,00,000	98,46,427	2,908	98,49,335	49%	4,00,000	130197	61,464	191661	48%	575.3
<b>TOTAL</b>		<b>34,00,00,000</b>			<b>20,21,85,352</b>	<b>59%</b>	<b>68,00,000</b>			<b>32,56,782</b>	<b>48%</b>	<b>9775.72</b>

#### 4.14 Direct Benefit Transfer (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.

#### 4.15 Financial assistance given to States/UTs under the schemes:

(a) **Integrated Management of Public Distribution System (IM-PDS)** is being implemented by the Department w.e.f. April, 2018 in all States/UTs with an aim to sustain the technology-driven reforms in the functioning of Targeted Public Distribution System (TPDS) and to introduce new reforms. The scheme was approved by the Standing Finance Committee (SFC) in November, 2017 for implementation during FY 2018-19 and FY 2019-20 with a total outlay of ₹127.30 Crore

to be fully funded by Government of India. Subsequently, the Department conveyed the Administrative Approval for the implementation of this scheme to all States/UTs on 05.04.2018. However, the validity of this scheme has been extended up to March, 2022 without escalation in the total project cost of 127.30 Crore. A total central assistance of ₹50.05 Crore has been released by the Department to 32 States/UTs, NIC/NICSI, etc.

#### (b) FPS automation for ePoS-based distribution of foodgrains:

The Fair Price Shop (FPS) automation involves installation of electronic Point of Sale (ePoS) devices at all FPSs by the respective States/UTs, for the issuance of subsidised foodgrains to all eligible beneficiaries and for biometric / Aadhaar authentication of beneficiaries for transparent and rightful delivery of foodgrains / food subsidy. In this regard, the Department had issued implementation guidelines including technical specifications for ePoS device to all States/UTs in November

2014 and has approved an additional dealer margin of ₹17 per quintal towards the purchase, maintenance and operations of the ePoS devices, under the **'Food Security (Assistance to State Governments) Rules 2015**. The expenditure thus

incurred is shared between Centre and State Governments on 50:50 and 75:25 basis for General and Special Category States/UTs respectively and accordingly central assistance under the said rules is released to States/UTs periodically.



**Aadhaar based biometric authentication at Fair Price Shops**

- (c) **Intra-State movement of foodgrains:** 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, an amount of ₹1,678.78 crore has been released during 2019-20 and during the Financial Year 2020-21, ₹3,679.82 crore (as on 31.12.2020) has also been released to State Governments.

#### 4.16 Notification dated 8<sup>th</sup> February 2017 under Aadhaar Act, 2016:

- (a) Department had issued a 'Notification' vide S.O. No. 371 (E) dated 08.02.2017 (as amended from time to time) under Aadhaar Act, 2016 (Targeted Delivery of Financial and Other Subsidies, Benefits and Services Act, 2016),

requires individual beneficiaries to get their Aadhaar number seeded with their respective ration cards, and shall authenticate themselves to receive subsidised foodgrains under NFSA; while it allows those who do not possess an Aadhaar to make an application for Aadhaar enrolment by giving their details to the UIDAI designated agency or as per the mechanism prescribed by the State/UT Governments. As per the latest amendment to the Notification, the Department has extended the timeline of notification up to 31.03.2021 to allow States/UTs to complete the Aadhaar seeding with all ration cards.

- (b) Until then, the Notification provides that, till an Aadhaar number is assigned to such individuals, the food

security entitlements under NFSA shall be given to such individuals on production of a valid ration card and either Aadhaar Enrolment ID slip or a copy of his/her request made to the State/UT Government for Aadhaar Enrolment, along with any of the following 8 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.

- (c) Clear instructions are issued to all States/UTs vide letters dated 24.10.2017 directing all States/UTs 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 an Aadhaar number. Further, In case of failure of biometric authentication due to network/connectivity/linking issue or due to poor biometric of beneficiary or any technical reasons, the beneficiary shall be provided his/her quota of subsidized foodgrains or equivalent cash transfer of subsidy on the basis of physical production of Aadhaar

Card/Letter with ration card, in lieu of biometric authentication. Department has been re-iterating the above instructions to all States/UTs as and when required.

#### 4.17 Evaluation of schemes and capacity building:

- (a) **Concurrent Evaluation of TPDS/NFSA:** To evaluate the functioning of PDS, 12 esteemed Monitoring Institutions (MIs) have been selected for undertaking concurrent evaluation and monitoring of implementation of NFSA/TPDS in the States/UTs during next three years. The concurrent evaluation will be conducted on a half-yearly basis in 17 States/UTs and on annual basis in remaining 19 States/UTs. The study/evaluation exercise would be on thematic basis and would cover different themes, inter-alia, inclusion and exclusion errors, Awareness and education (IEC) on One Nation One Ration Card/ Portability, Supply chain and PDS reforms, Effectiveness of Grievance Redressal, Vigilance committee and social audit, Ease of Access and Leakages/ diversion and others. The concurrent evaluation reports submitted by Monitoring Institutions shall be shared with the concerned States/UTs for taking necessary corrective actions and shall also be uploaded on the Department's website in public domain.
- (b) **Training Programmes for TPDS/NFSA Functionaries:** With greater infusion of technology and structural reforms and process re-engineering

undertaken by the States/UTs for efficient implementation of TPDS operations, it has become necessary to keep the States/UTs, districts and sub-district level functionaries and other officials associated with PDS abreast with the changes and latest happenings in the PDS operations across different parts of the country, so that they can be active and informed participants in the process of change. Besides, there are several new initiatives in the areas of data analysis, viability of FPSs, portability of ration cards, dashboarding of data/reports, social audits, oversight and monitoring mechanism under NFSA, etc. which need to be understood clearly and properly practiced as a routine. However, due to the pandemic caused by Covid-19, States/UTs are experiencing difficulties in conducting classroom training programmes. Training programmes have been conducted by the Department in some States/UTs through Video Conferencing. Further, this Department in collaboration with World Food Programme is developing e-learning platform/training module for imparting training to the PDS functionaries of States/UTs.

#### 4.18 **Formation of vigilance committees at all levels and institutionalization of social audits in TPDS:**

(a) **Vigilance Committees:** Vigilance Committees are in existence since the inception of rationing system to ensure transparency and proper functioning of TPDS. Further, NFSA 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.

- i. The TPDS (Control) 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.
- ii. 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.
- iii. Clause 11(5) of the TPDS (C) Order, 2015 requires 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.
- iv. Clause 11(6) of the TPDS (C) Order, 2015 requires that State Government

- shall send a report annually to the Central Government on the functioning of Vigilance Committees in the prescribed format.
- v. Clause 11(7) of the TPDS (C) Order, 2015 requires that 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.
- (b) Social Audits:** 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.

### STATE FOOD COMMISSION (SFC)

- 4.19 As per Section 16 of the National Food Security Act (NFSA), 2013 every State Government shall, by notification, constitute a State Food Commission (SFC) for the purpose of monitoring and review of implementation of the Act. Functions of SFC include to inquire into complaints either suomotu or on receipt regarding violation of entitlement, which covers complaints regarding ration distribution

violating entitlement, and to hear appeals against order of the District Grievance Redressal Officer (DGRO).

- 4.20 A review meeting was held with Chairpersons of Independent State Food Commissions under the Chairmanship of Secretary, Department of Food and Public Distribution (DFPD) on 4th December, 2020 to share the experience of the SFCs and also to take note of the problems being faced by them towards the discharge of responsibilities mandated under the National Food Security Act, 2013. It was decided that a nationwide workshop could be organised on annual basis for sharing the experiences of the SFCs. SFCs should have only one toll free number across the country for registering complaints. Publicity for the same may be made in regional languages also. SFCs were requested to provide status report on a quarterly basis.



Meeting with State Food Commissions chaired by Secretary, DFPD on December 4, 2020

- 4.21 **Other initiatives taken to strengthen TPDS:**
- (a) Central Portals:** Following central portals/dashboards have been developed by Central Technical Partner.



- i. Annavitran Portal (annavitran.nic.in) is setup for monitoring of electronic transactions made through the ePoS devices in States/UTs for the distribution of highly subsidized foodgrains through TPDS to beneficiaries covered under NFSA. This portal also provides details of biometric/Aadhaar authentication of beneficiaries at the national level besides allocation and distribution of foodgrains up to district level.
  - ii. National Food Security Portal (nfsa.gov.in) is setup for continuous monitoring of Ration Cards Management Systems, Online Allocation and Supply Chain Management Systems of States/UTs at the National Level.
  - iii. One Nation One Ration Card (impds.nic.in) portal is setup to monitor the national portability operations, transactions, distribution under one nation one ration card plan in the integrated States/UTs.
  - iv. One Nation One Ration Card Mobile App: An android based mobile application has been developed. Besides migrant beneficiaries, this App can be used by all NFSA beneficiaries to get various information in respect of their ration cards, entitlements, nearby shops, registration for portability, etc. on their mobiles.
- (b) Viability of Fair Price Shops:** To support the financial viability of FPS dealers, some States have taken steps

to increase their dealer margins over and above the dealer margin of ₹70/ Quintal and ₹143/ Quintal given by the Government of India under NFSA for general category and special category States/UTs respectively. Such States with total dealer margin are- Maharashtra (₹150/ Quintal), Goa (₹190/ Quintal), Jharkhand (₹100/ Quintal), Gujarat (₹108/ Quintal), Kerala (₹220/ Quintal), Delhi (₹200/ Quintal), Haryana (₹150/ Quintal), Rajasthan (₹125/ Quintal) and Karnataka (₹100/ Quintal).

- (c) Sale of Non-PDS items:** To make operations of FPSs economically viable, the Clause 9(9) of the TPDS (C) Order, 2015 provides that State/UT Governments may allow FPS owners to enlarge basket of commodities by allowing sale of non-PDS items for daily use as per local requirements at the fair price shop to improve the viability of FPS operations.

### ALLOTMENT OF FAIR PRICE SHOPS TO INSTITUTIONS AND GROUPS

- 4.22 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.



Management of Fair Price Shops by Self-Help groups



4.23 As per reports received from State/UT Governments up to the end of June, 2020 out of 5.34 lakh fair price shops reported to be in operation in the country, about 1.42 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.

### FOOD SECURITY RESPONSE DURING THE COVID-19 CRISIS

4.24 During the COVID-19 crisis, the Department had allocated nearly 680 LMT foodgrains. About 350 LMT were allocated to States/UTs for distribution under normal NFSA/TPDS. Additionally, 321 LMT were allocated for free-of-cost distribution under Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY) and 8 LMT under Atma Nirbhar Bharat Scheme (ANBS).



Distribution of Foodgrains under Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY) with due social distancing



4.25 Under PM-GKAY, additional free-of-cost foodgrains over and above normal NFSA entitlements, at a scale of 5 Kg/person/month were distributed to all NFSA beneficiaries (AAY & PHH) for a period of 8 months (April to November 2020)

and it has been seen that an average of about 93%~94% foodgrains per month was successfully distributed under the regular NFSA and PM-GKAY with all COVID-19 protocols despite multitude of challenges.



Distribution of Foodgrains under Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY) with due precautions



Transportation & distribution of Foodgrains under Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY) with COVID precautions in Jammu & Kashmir



Regular supply of foodgrains were maintained in difficult terrains of Jammu & Kashmir, Himachal Pradesh, Uttarakhand through the use of Horses, Mules, etc.



Air Lifting and dropping of foodgrains by Indian Air Force helicopters and aircrafts in non-motorable and difficult terrains of Arunachal Pradesh and other North Eastern States



Extensive use of ships and boats were done to ensure availability of foodgrains even in the farthest of islands of Andaman & Nicobar and Lakshadweep

- 4.26 Similarly, under ANBS free-of-cost 5 Kg foodgrains/person/month were given to migrants/stranded migrants and all those in need without ration cards for a period of 2 months (May & June 2020) up to 31.08.2020. Against an estimated number of 2.8 Cr. migrants/stranded migrants, about 2.74 Cr. persons (98%) received the free ration under the Atma Nirbhar Bharat scheme.



Distribution of Foodgrains under Atma Nirbhar Bharat scheme

- 4.27 Some independent surveys of agencies like Dalberg and others have also shown very high level of satisfaction among the beneficiaries with respect to availability and distribution of foodgrains through PDS during the pandemic.
- 4.28 One Nation One Ration Card: With an objective to ensure food security of migratory beneficiaries, the Department is implementing national portability of ration cards under NFSA as part of an ambitious One Nation One Ration Card (ONORC) plan to ensure seamless access to PDS and delivery of food-security entitlements to all beneficiaries covered under the Act anywhere in the country in association with all State/UT Governments. Up to November 2020, this initiative is seamlessly enabled in a single cluster of 32 States/UTs covering about 69 Crore beneficiaries (nearly 86% of NFSA population). Further, due to its potential to serve the migrants, this initiative has also become a part of the Prime Minister's Technology Driven System Reforms under the Atma Nirbhar Bharat Abhiyan.

## MEETING WITH STATES/UTS

4.29 Operational issues of PDS under NFSA and their Computerization is regularly reviewed through meetings, conferences, video conferencing, etc. The distribution of foodgrains in response to COVID-19 pandemic through special schemes namely PM-Garib Kalyan Anna Yojana and AtmaNirbhar Bharat Scheme and One Nation One Ration Card were also reviewed by the Department at the highest level from time to time during the year. Some details are listed below.

i. A Meeting/ video conferences was chaired by Hon'ble Minister of Consumer Affairs, Food & Public Distribution on 13.04.2020 and 22.05.2020 with Hon'ble Food Ministers and the Secretaries in-Charge of Food & Civil Supplies Departments in all States/UTs to review and discuss the plan of action of all States/UTs for the distribution

of free foodgrains under Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY) and Atma Nirbhar Bharat (ANB) scheme.

ii. A Meeting/ video conferences was chaired by Hon'ble Minister of Consumer Affairs, Food & Public Distribution on 18.06.2020 with Hon'ble Food Ministers and the Secretaries in-Charge of Food & Civil Supplies Departments of 14 States/UTs where the inter-State/national portability of NFSA ration card holders under 'One Nation One Ration Card' plan is yet to be implemented/started.

iii. Review meetings/video conferences under the Chairmanship of Secretary (F&PD) with States/UTs were held on 03<sup>rd</sup> April, 06<sup>th</sup> May, 08<sup>th</sup> May, 21<sup>st</sup> May, 11<sup>th</sup> June, 25<sup>th</sup> June 26<sup>th</sup> June, 29<sup>th</sup> July, 11<sup>th</sup> August and 02<sup>nd</sup> September, 12<sup>th</sup> October 2020.



VC meetings convened by Hon'ble Minister of CA,F&PD



# 5 Chapter



## STORAGE

## STORAGE OF FOODGRAINS AND AUGMENTATION OF STORAGE CAPACITY

- 5.1 Procurement has touched new heights on account of remunerative MSPs coupled with better operational outreach. To meet the short-term peak requirements of storage capacity, FCI opts for short-term hiring of covered godowns as well as Cover & Plinth (CAP) for storage of foodgrains. CAP is also a scientific method for storage of foodgrains.
- 5.2 As on 31.12.2020, the Storage capacity of 407.76 lakh MTs (Covered and CAP) is available with Food Corporation of India and 411.43 Lakh MTs is available with State agencies for Central Pool stock of foodgrains. As a result, a total of about 819.19 Lakh tonnes of capacity is available for storage of Central Pool stock of foodgrains against which 529.59 Lakh MTs stocks are stored as on 01.01.2021. The detailed statement is at **Annexure-VI**.
- 5.3 A lion's share of Storage capacity available with FCI is concentrated mainly in the procuring hub located in the Northern Zone which is about 67% of the total available storage capacity. The Southern Zone, Western Zone, Eastern Zone and North-Eastern Zone have about 13%, 11%, 7% and 2% of the total available storage capacity respectively. (Around 82% of the storage capacity is concentrated in 8 major procuring States i.e. Punjab, Haryana, Uttar Pradesh, Andhra Pradesh, Telangana, MP, Odisha and C.G.).
- 5.4 In addition, hiring of storage capacities is done by FCI wherever required. The storage capacity available with FCI as on 30<sup>th</sup> June and the percentage utilization during last five years is at **Annexure-VII**.

## PRIVATE ENTREPRENEURS GUARANTEE (PEG) SCHEME FOR CONSTRUCTION OF GODOWNS

- 5.5 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.
- 5.6 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 144.06 lakh MT has been completed out of sanctioned capacity of 151.75 LMT and a capacity of 6.10 lakh MT is under construction. The state-wise details are as under as on 30.11.2020. State-wise status of PEG scheme up to 30.11.2020 is at **Annexure-VIII**.
- 5.7 A capacity of 1.88 lakh MT has been completed during the year from 01.04.2019 to 30.11.2020.

## SILOS - SCIENTIFIC STORAGE OF FOODGRAINS.

- 5.8 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.

- 5.9 In pursuance of recommendations of High Level Committee headed by Shri Shanta Kumar, Hon'ble Member of Parliament, received in January, 2015, this 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 LMT is planned to be constructed by Government of India through FCI & CWC. Balance capacity of 68.50 LMT is to be constructed by the State Governments/Agencies.
- 5.10 Out of which a capacity of 8.25 LMT has been completed and put to use, 21.50 LMT are under implementation and 1 LMT is awarded to State Governments on Nomination basis. In addition, Silo capacity of 5.50 LMT created under circuit model in 2007-09 is also being used, thus the total

capacity completed and put to use is 13.75 LMT. Most of these silos are with Railway Siding. Further, 2.5 LMT silo capacity is expected to be operational by 31.03.2021.

### **HUB & SPOKE MODEL OF SILOS**

- 5.11 Considering the implementation speed of Silo projects with Railway Sidings due to land acquisition issue, the GoI has decided for Silo developments under Hub & Spoke model in which Railway Siding / CRT will be required at limited locations of Hub. Spoke Silo will be road fed. In this model, 35.8 LMT at 100 locations has been recommended by HLC for approval.

### **CENTRAL SECTOR SCHEME FOR CONSTRUCTION OF STORAGE GODOWNS**

- 5.12 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.
- 5.13 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.
- 5.14 During 12<sup>th</sup> 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.

- 5.15 The scheme is being continued w.e.f. 2017-18 to 2021-22. A capacity of 45,870 MT (27,530 MT in NE + 18,340 MT in ONE) has been completed by FCI and a capacity of 8,380 MT has been completed by State Governments (from 01.04.2017 to 30.11.2020). An amount of ₹67.00 Crore has been released to State Governments and ₹146.75 Crore (138.50 cr.-NE +8.25 cr-ONE) to FCI from 01.04.2017 to 30.11.2020.
- 5.16 During 2020-21 (upto 30.11.2020), a capacity of 2,325 MT has been completed by State Governments. An amount of ₹0.80 Crore has been released to State Governments and ₹11.25 Crore to FCI in the same period.

## 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 539 depots of FCI (as on 31.10.2020).

## INSTALLATION OF CCTV CAMERAS

- 5.18 CCTV Cameras have been installed at 516 depots of FCI, for effective security surveillance to minimize theft, pilferage etc.

## WORKSHOP

- 5.19 Workshop held on 30.07.2020 on amendments in three Acts/ordinances related to Agriculture and its implications on warehousing and logistic sector.



Workshop at India International Centre, New Delhi held on 30<sup>th</sup> July, 2020 on the amendments in three Acts related to agriculture to identify the role of warehousing and logistics sector in meeting the goal of doubling farmers' income by 2022.



**Shri Sudhanshu Pandey, Secretary (F&PD) giving concluding speech in workshop at India International Centre, New Delhi on 30<sup>th</sup> July, 2020**



**A view of Cement Silo**



**Eminent speaker Shri Ashok Dalwai, Chief Executive Officer, National Rainfed Authority of India and chairperson of the Committee on Doubling Farmers Income addressing the workshop at India International Centre, New Delhi on 30<sup>th</sup> July, 2020**





# 6 Chapter



**SUGAR**

6.1 There are 752 installed sugar factories in the country as on 31.12.2020, with sufficient crushing capacity to produce around 347 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	330
2.	Private	379
3.	Public	43
<b>Total</b>		752*

\*Including refineries.

## SUGARCANE PRICING POLICY

6.2 With the amendment of the Sugarcane (Control) Order, 1966 on 22.10.2009, 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).

6.3 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.

6.4 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.

6.5 Accordingly, FRP for 2020-21 sugar season

has been fixed at ₹285 per qtl. linked to a basic recovery of 10% subject to a premium of ₹2.85/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 ₹270.75 per quintal for sugarcane in the current season.

- 6.6 The FRP of sugarcane payable by sugar factories for each sugar season from 2009-10 to 2020-21 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%
2019-20	275.00	10%
2020-21	285.00	10%

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

- 6.7 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 **Annexure-IX**.

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

- 6.8 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:-

- i. 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.
- ii. The current level of subsidy @ ₹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 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.
- iii. At present 22 States/UTs are participating in the scheme and about 2.50 lakh families are getting benefit under this scheme.

## SUGAR STANDARDS

6.9 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, recommends the Indian Sugar Standards for use by the sugar factories, trade, Government Organisations

etc. and to review the price differentials for different grades of sugar and other related matters.

## PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

6.10 Sugar production in India has been through cyclic in nature. From the sugar season 2017-18 and onwards, the country had produced surplus sugar than the domestic requirement of about 250 Lakh MT. Season wise production of sugar from 2015-16 and onwards is given below:-

Sugar Season (October-September)	Production of Sugar (in lakh MT)
2015-16	251.21
2016-17	202.27
2017-18	323.87
2018-19	331.30
2019-20	273.68
2020-21(Estimated)	310.00

6.11 The closing stocks of sugar at the end of each sugar season from 2015-16 and onwards is given below:-

Sugar Season	Closing Stock (in lakh MT)
2015-16	77.10
2016-17	39.77
2017-18	106.73
2018-19	145.00
2019-20	110.00
2020-21(Estimated)	100.00

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



## EX-MILL & RETAIL PRICES OF SUGAR

6.13 The price of sugar (S-30 Grade) in the major centres of the country from sugar season 2015-16 to 2019-20 was as under:-

Sugar Season ( Oct. - Sept.)	*Average Ex-mill Prices (₹per quintal)	**Range of retail prices (₹per kg.)
2015-16	3121	31-41
2016-17	3620	41-44
2017-18	3120	36-43
2018-19	3116	35-40
2019-20	3215	36-40

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

\*\* Price Monitoring Cell, Department of Consumer Affairs

## EXPORT OF SUGAR

6.14 Sugar is an essential commodity. Its sale, delivery from mills, and distribution were regulated by the Government under Essential Commodities 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).

6.15 Through an Ordinance, the Sugar Export Promotion Act, 1958, was repealed w.e.f. 15.01.1997 and thus the export of sugar was decanalised. Under the 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 & Industry. Thereafter, the sugar export was undertaken by the various sugar mills/merchant exporters, after obtaining the export release orders from the Directorate of Sugar.

6.16 During the surplus phase of 2006-07 and 2007-08 sugar seasons, the sugar exports were permitted without release orders. Subsequently, the necessity of obtaining release order was reintroduced from 01.01.2009, in view of drop in sugar production. However, due to surplus production during 2010-11 sugar season, Government permitted exports under Open General License on the strength of the release order.

6.17 The phase of surplus production continued and the Government has again dispensed with the requirement of export release orders w.e.f. 11.05.2012. Thereafter, the export of sugar was allowed free subject to prior registration of quantity with DGFT. Subsequently, w.e.f. 07.09.2015, the requirement for prior registration (RC) was also dispensed with.

6.18 Further, custom duty @ 20% was imposed on export of sugar w.e.f. 16.06.2016. However, keeping in view the production of sugar, stock position and market price sentiments, the Government of India has withdrawn the custom duty on export of sugar w.e.f. 20.03.2018.

6.19 As per information published by DGCIS, Kolkata, the export of sugar from sugar season 2015-16 and onwards is given below:

Sl. No	Year	Quantity exported (in Lakhs MT)
1.	2015-16	37.98
2.	2016-17	21.30
3.	2017-18	20.77
4.	2018-19	46.94
5.	2019-20 (Provisional)	59.00

**IMPORT OF SUGAR**

- 6.20 Sugar production in the sugar season 2008-09 had declined and in order to augment the domestic stock of sugar, the Central Government allowed import of raw sugar at zero duty under Open General License (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.
- 6.21 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 and further increased to 50% w.e.f. 10.07.2017. 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. 06.02.2018.
- 6.22 As per information published by DGCIS, Kolkata, the import of sugar from sugar season 2015-16 and onwards is given below:

Sl. No	Year	Quantity imported (in Lakh MT)*
1.	2015-16	19.06
2.	2016-17	26.82
3.	2017-18	20.66
4.	2018-19	11.61
5.	2019-20 (Provisional)	2.32

\*This includes sugar imported under Open General License (OGL) and Advance Authorization Scheme (AAS)

**ETHANOL BLENDED PETROL PROGRAMME (EBP PROGRAMME)**

- 6.23 Ethanol is an agro-based product, mainly produced from a by-product of the sugar industry, namely molasses. The Ethanol Blended Petrol Programme (EBP) seeks to achieve blending of Ethanol with motor fuel with a view to reduce pollution, conserve foreign exchange and increase value addition in sugar industry.
- 6.24 Government has also notified new National Policy on Bio-Fuels, 2018 under which sugarcane juice has also been allowed for production of ethanol. Further with a view to support sugar sector and in the interest of sugarcane farmers, the Government has allowed production of ethanol from sugar and sugar syrup for current ethanol supply year 2019-20 and fixed the remunerative ex-mill price of ethanol derived from C-heavy @ ₹43.75/litre, from B-heavy @ ₹54.27/litre and @ ₹59.48/litre for the ethanol derived from sugarcane juice/sugar/sugar syrup.

**DIVERSION OF EXCESS SUGAR TO ETHANOL AND AUGMENTATION OF ETHANOL PRODUCTION CAPACITY UNDER ETHANOL BLENDED WITH PETROL (EBP) PROGRAMME**

- 6.25 Since last 3 years India is producing more sugar than its consumption. Average sugar production in normal years is around 320 LMT whereas domestic consumption hover around 260 LMT, leaving a surplus stock of around 60 LMT every year. This excess production created the problem of plenty which in turn affected the liquidity position of sugar mills and consequently affected the timely payment of cane price to the farmers.

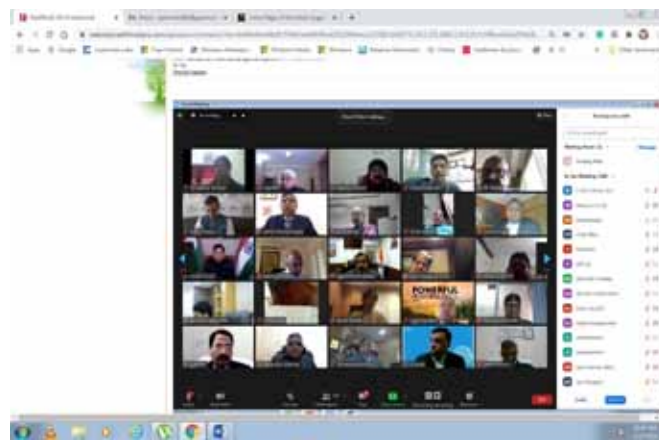
- 6.26 The Central Government, in its National Bio-fuels Policy, 2018, mandated for 10% blending of ethanol into motor fuel by 2022 and 20% by 2030. Accordingly, DFPD notified schemes for providing assistance through interest subvention on loans advanced by commercial banks for installation of new distillery project and expansion of existing capacity with zero liquid discharge system. A separate window of one month was also opened for the distilleries/sugar mills, who could not avail the benefit of interest subvention schemes notified earlier.
- 6.27 DFPD is also facilitating creation of an ecosystem wherein the sugar mills/distilleries can easily get loans/permissions etc. from authorities. A separate portal has been launched wherein the progress of each ethanol project is being tracked on real time basis and also the progress on

production of ethanol is being monitored through appropriate tools.

- 6.28 Due to these interventions, ethanol supply has almost reached from 38 cr litre (with 1.53% blending with petrol) in 2013-14 to 172 crore ltr (with 5.00% blending with petrol) in 2019-20. Planning has been done to supply 325 crore ltr ethanol (with estimated 8.50% blending with petrol) in 2020-21. As the blending will increase, dependence on imported fossil fuel will decrease and will also reduce the air pollution. It is expected that an investment of around ₹40000 crore will come in coming years in augmentation of existing distillation capacities and setting up of new distilleries. Also due to these upcoming investments, various new employment opportunities will also created. This will also help in increasing farmers' income.



Hon'ble Minister (CA, F&PD) interaction with representatives of Sugar Industries



## PRODUCTION OF HAND-SANITIZER: RESPONSE TO COVID-19

- 6.29 Keeping in view the crucial role of sanitizer in the fight against COVID-19 and on the recommendation of CoS, DFPD coordinated with industry and State Governments to

encourage the industry to produce hand sanitizer:

- i. Prior to COVID-19, the annual sale of hand sanitizers was only about 10 lakh litre per annum and was mainly used in the hospitals.

- ii. With the collective efforts of DFPD & State Governments, 912 distilleries/ independent manufacturers were accorded permissions to produce hand sanitizer.
- iii. Installed capacity for production of hand sanitizer increased substantially to 30 lakh litre per day. As on

31.12.2020, around 4.10 crore litre of hand sanitizer has been produced.

- iv. Keeping in view the sufficient availability of hand sanitizer at reasonable price in the country, export of sanitizer has also been allowed earning tremendous amount of good will for the country.



Hand Sanitizers produced by Sugar Mills/Distilleries

## LEVY SUGAR PRICE EQUALISATION FUND (LSPEF)

6.30 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.

- 6.31 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.
- 6.32 In exercise of powers conferred in the LSPEF Act, 1976, the Levy Sugar Price Equalisation Fund Rule, 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) utilization of Fund by the Central Government, etc. besides prescription of forms for various purposes in terms of the LSPEF Act.
- 6.33 As on 31.12.2020 total recovery of ₹1,64,84,31,362.44/- has been made and remitted to the said Fund. The details thereof are given at **Annexure-XI**.
- 6.34 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 sugar. As such, the LSPEF dues as mentioned herein pertain to the period prior to September, 2012.

## SUGAR DEVELOPMENT FUND

- 6.35 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.
- 6.36 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 Sugar Development Fund (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. The expenditure under the SDF Act is now met through the normal budgetary process of the Government.
- 6.37 During the period from FY 1982-83 to FY 2020-21, 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 ₹10,195.52 crore was transferred to the Sugar Development Fund.
- 6.38 In accordance with the SDF Act and SDF Rules loans are disbursed to the sugar mills for facilitating the rehabilitation and modernization, bagasse-based co-generation power projects, production of anhydrous alcohol or ethanol from alcohol, conversion of existing ethanol plant into

Zero Liquid Discharge (ZLD) plant, and development of Sugarcane. The loans are provided at a concessional rate of 2% below the prevailing bank rate. A brief description of loans granted from Sugar

Development Fund is given at **Annexure-XII**.

6.39 The amount disbursed to various sugar mills for various schemes is as follows:

(₹ in Crore)

Sl. No.	Name of Scheme	Amount disbursed during FY 2019-20	B.E. (FY 2020-21)	Amount disbursed during FY 2020-21 (upto 31.12.2020)
i.	Admn. of Sugar Development Fund	21.00	22.00	22.00
ii.	Loan to sugar factories for modernization/ rehabilitation of plant and machinery, including expansion of crushing capacity	10.00	20.00	18.81
iii.	Loans to sugar factories for sugar cane development	0.00	5.00	00.00
iv.	Loans to sugar factories for bagasse based cogeneration power projects	43.59	75.00	52.01
v.	Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	135.00	50.00	47.06
<b>TOTAL</b>		<b>209.59</b>	<b>172.00</b>	<b>139.88</b>

6.40 A List of SDF beneficiaries (excluding administrative expenses) who have received financial assistance in respect of Scheme of Modernization/ Expansion, Cane development, Cogeneration, Ethanol/ ZLD, during the financial year 2019-20 and 2020-21 (as on 31.12.2020) is at **Annexure-XIII**.

6.41 During the financial year 2019-20 and 2020-21 (as on 31.12.2020), an amount of ₹524.16 crores and ₹339.15 crores respectively have been recovered from various sugar mills from the outstanding recoverable dues of SDF loans.

6.42 Amendments in SDF Rules, 1983 have been made during FY 2020-21 (up to 31.12.2020) which are as follows:

i. The moratorium period of modernization loan has been

reduced from the existing 05 years to 03 years vide Notification No. G.S.R. 564(E) dated 16.09.2020.

ii. Sugar factory having an installed capacity of less than 2500 tones Crushed Per day but not less than 1250 tones Crushed Per day shall also be eligible to apply for loan for the proposal of modernization-cum-expansion integrated with co-generation plant or ethanol plant, subject to certain conditions vide Notification No. G.S.R. 496(E) dated 07.08.2020.

iii. Further, additional rate of interest to be paid by the sugar factory, in case of default in repayment of amount of loan/ interest, has been reduced from 6 percent to 4 percent vide

Notification No. G.S.R. 496(E) dated 07.08.2020.

- 6.43 SDF Portal was revamped to facilitate more information about the schemes of assistance under the SDF Act, 1982 to the sugar factories. URL of the website is <https://sdfportal.in>.
- 6.44 To facilitate the sugar factories in availing loans and to bring transparency in the loan disbursement process, Information Booklet, 2020 was launched. The booklet is available on SDF Portal as well as Department's website.

### **SUGAR EXPORT POLICY FOR EVACUATION OF SURPLUS STOCKS DURING SUGAR SEASON 2019-20**

- 6.45 With a view to facilitate export of sugar during the sugar season 2019-20 (1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2020) thereby improving the liquidity position of sugar mills enabling them to clear cane price dues of farmers for sugar season 2019-20, the Government vide notification dated 12.09.2019 has notified a scheme for providing assistance to sugar mills for expenses on export of 60 lakh MT of sugar to the extent of Maximum Admissible Export Quantity (MAEQ) for sugar season 2019-20. Under the scheme, Govt would be providing a lump sum assistance @ ₹10,448/ MT to sugar mills to facilitate export in sugar season 2019-20 for which an estimated expenditure of ₹6268 crore would be borne by Government

### **SUGAR EXPORT POLICY FOR EVACUATION OF SURPLUS STOCKS DURING SUGAR SEASON 2020-21**

- 6.46 With a view to facilitate export of sugar

during the sugar season 2020-21 (1<sup>st</sup> October, 2020 to 30<sup>th</sup> September, 2021) thereby improving the liquidity position of sugar mills enabling them to clear cane price dues of farmers for sugar season 2020-21, the Government vide notification dated 29.12.2020 has notified a scheme for providing assistance to sugar mills for expenses on export of 60 LMT of sugar to the extent of Maximum Admissible Export Quantity (MAEQ) for sugar season 2020-21. Under the scheme, Govt would be providing a lump sum assistance @ ₹6000/MT to sugar mills to facilitate export in sugar season 2020-21 for which an estimated expenditure of ₹3500 Crore would be borne by Govt.

### **SCHEME FOR CREATION AND MAINTENANCE OF BUFFER STOCK OF 40 LMT OF SUGAR**

- 6.47 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 40 LMT of sugar for a period of one year from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2020, the Scheme has been notified on 31<sup>st</sup> July, 2019. The Government will reimburse carrying cost of ₹1674 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.





# 7 Chapter



## EDIBLE OILS

## 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

### Domestic Production of Edible Oils (2019-20)

(in lakh MT)

Mustard	28.28
Soyabean	17.97
Groundnut	22.90
Sunflower	0.72
Sesame	2.34
Niger Seed	0.12
Castor	6.50

Linseed	0.28
Coconut	5.95
Cottonseed	12.71
Ricebran	10.68
Solvent extracted Oils	3.50
Tree & Forest Origin	1.50
Palm Oil	2.77

7.2 Domestic production of edible oils is unable to meet domestic demand. As per the 4<sup>th</sup> Advance Estimates released by the Department of Agriculture, Cooperation and Farmers Welfare the estimated production of oilseeds for 2019-20 is 334.23 LMT as against 315.22 LMT in 2018-19. The total availability of edible oils from all sources (primary and secondary) for 2019-20 is estimated at 106.55 LMT as against 103.52 lakh tons in 2018-19. The gap between demand and supply is about 56% and is met through imports. Out of the total quantity of oils imported, Palm oils (Crude + Refined) constitute around 54% and are imported mainly from Indonesia and Malaysia, while Soyabean oil constitutes around 25% and is imported from Argentina and Brazil. Sunflower oil constitutes around 19% and is imported mainly from Ukraine. The domestic production and import of edible oils during the last five years is as follows:

(in lakh MT)

Year (Nov.-Oct.)	Domestic Availability of Edible Oils#	Imports of Edible Oils*	Total Availability/Consumption	% Self sufficiency	% Share of imports
2015-16	86.30	148.50	234.80	36.8	63.2
2016-17	100.99	153.17	254.16	39.7	60.3
2017-18	103.80	145.92	249.72	41.6	58.4
2018-19	103.52	155.70	259.22	40	60
2019-20	106.55	134.16	240.71	44.3	55.7

\* Directorate General of Commercial Intelligence & Statistics (Ministry of Commerce)

# Based on the Advance Estimates declared by DACFW

7.3 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 2019-20 are given at **Annexure - XIV**.

7.4 As per the 4<sup>th</sup> Advance Estimates of Ministry of Agriculture released on 19.08.2020 for 2019-20, estimated Oilseeds production is about 334.23 lakh tons and estimated production of oils from these oilseeds in 2019-20 comes to about 79.20 lakh tons. The total availability of edible oils from primary as well as secondary sources is estimated at 106.55 lakh tons.

7.5 Vegetable Oil Products Production and Availability (Regulation) Order, 2011 which came into force w.e.f. 7<sup>th</sup> September, 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 936 edible oil units have been registered under the said order till 31.12.2020.

### ASSESSMENT OF PRODUCTION AND SUPPLY OF EDIBLE OILS

7.6 The production of domestic oilseeds has been steady since 2010-11. 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 oilseeds 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 short fall which is around 56% is met through imports.

7.7 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 four years and current is as under:-

(in million MT)

Year (Nov.-Oct.)	Production of oilseeds*	Domestic Availability of Edible Oils**	Imports of Edible Oils***	Total Availability/Consumption
2015-16	25.25	8.63	14.85	23.48
2016-17	31.27	10.09	15.32	25.41
2017-18	31.46	10.38	14.59	24.97
2018-19	31.52	10.35	15.57	25.92
2019-20 <sup>\$</sup>	33.42	10.65	13.42	24.07

Source : \* Ministry of Agriculture, \*\* Directorate of Sugar and Vegetable Oils. \*\*\*Directorate General of Commercial Intelligence & Statistics (Department of Commerce). \$ As per 4<sup>th</sup> Advance Estimates of the Deptt. of Agriculture, Cooperation & Farmers Welfare.

7.8 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	2015-16	2016-17	2017-18	2018-19	2019-20
INDIA	19	18.9	19.5	19.8	18.0
WORLD	30.5	28	29.3	30.5	27.0

### IMPORT POLICY ON EDIBLE OILS

7.9 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.

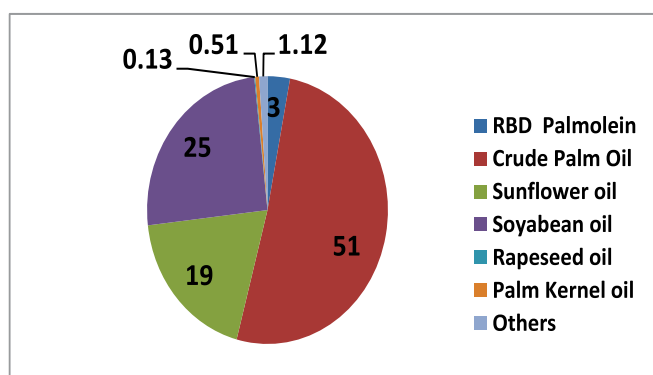
7.10 In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. With

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 08.01.2020, refined palm oil has been put under restricted category and suspension of license issued for import of refined palm oil since 11.05.2020. With effect from 27.11.2020 the import duty on Crude Palm Oil was revised to 27.5% while the import duty on Refined Palm Oils remained at 45%.

7.11 Around 56% of domestic demand of edible oils is met through imports. The total import of edible oils in 2019-20 (Nov-Oct) was 133.49 Lakh MT. The major edible oils imported are Crude Palm Oil, Soyabean Oil and Sunflower Oil which constituted 51%, 25% and 19% respectively while RBD Palmolein constituted 3 % of total edible oil imports.

### IMPORT OF EDIBLE OILS- 2019-20

Name of Oil	Percentage
RBD Palmolein	3
Crude Palm Oil	51
Sunflower oil	19
Soyabean oil	25
Rapeseed oil	0.13
Palm Kernel oil	0.51
Others	1.12



### EXPORT OF VEGETABLE OILS, OILSEEDS AND DE-OILED MEAL

7.12 With effect from 06.4.2018, 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.

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

(Qty.in lakh MT)  
(Value in ₹crores)

Year (April-March)	Oil Seeds		Vegetable Oils		De-Oiled Meal	
	Qty.	Value	Qty.	Value	Qty.	Value
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	10.28	8081.19	0.50	744.58	44.93	10557.48
2019-20	9.52	8852.31	0.74	819.15	19.23	5152.58
2020-21 (April to November)	6.29	5686.10	1.41	2025.49	21.90	5241.64

Source: DGCIS

## TARIFF VALUE

7.14 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 03.8.2001 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.

## MEASURES TAKEN BY THE GOVERNMENT

7.15 An Inter Ministerial Committee Chaired by Secretary (Food) 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 interest of farmer, industry and consumer.

7.16 Domestic production of oilseeds and thereby edible oils is unable to meet the domestic demand and the country has to rely on imports. The domestic production of edible oils is dependent on the production of oilseeds in the country which have been stagnating over the years. Steps are being taken by the Department of Agriculture, Cooperation and Farmers Welfare to increase the production of mustard, soyabean and groundnut seeds in the country. Through NFSM Oilseeds and Oil Palm scheme, it has been planned to revamp the NFSM for further increasing production and productivity of Oil seeds and area expansion of Oil Palm. The Department of Food & Public Distribution is taking necessary steps to increase the production of Rice Bran Oil and its promotion as a healthy medium of cooking. Several consultations have been held with various stakeholders in the field.







# 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 14<sup>th</sup> SAARC Summit held in New Delhi on April 3<sup>rd</sup> - 4<sup>th</sup>, 2007, the Heads of States of South Asian Association for Regional Cooperation (SAARC) countries have signed an 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 17<sup>th</sup> 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. 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.

8.3 The Ninth SAARC Food Bank Board (SFB) meeting was held on 21<sup>st</sup> & 22<sup>nd</sup> 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, 2<sup>nd</sup> & 3<sup>rd</sup>, September, 2015), matters related to mending 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.

8.4 The Tenth SAARC Food Bank Board (SFB) meeting was held on 21<sup>st</sup> & 22<sup>nd</sup> January, 2019 in Islamabad, Pakistan. Representative from MEA attended the meeting on behalf of India. 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, 21<sup>st</sup> & 22<sup>nd</sup> 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.

- 8.5 Eleventh Meeting of the SAARC Food Bank Board was held in Colombo (Sri Lanka) on 21<sup>st</sup> and 22<sup>nd</sup> January, 2020 wherein Shri E.K. Majhi, Additional secretary, Department of Food and Public Distribution had attended the meeting.

## **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 45<sup>th</sup> Session of the Committee on World Food Security (CFS) was held at FAO Headquarters in Rome, Italy from 15<sup>th</sup> to 19<sup>th</sup> 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 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 inter-governmental forum of exporting and importing countries for co-operation in wheat, rice 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 1<sup>st</sup> 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 meetings and Executive Committee meetings. Department of Food & Public Distribution pays India's Annual membership contribution to the Council.

8.10 47<sup>th</sup> Session of International Grains Council (IGC) was held on 18<sup>th</sup> June, 2018 and 27<sup>th</sup> International Grain Council Conference was held on 19<sup>th</sup> & 20<sup>th</sup> 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.

8.11 48<sup>th</sup> Session of International Grains Council (IGC) was held on 4<sup>th</sup> & 5<sup>th</sup> December, 2018 at Paris, France wherein 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 Grain conference.

8.12 49<sup>th</sup> Session of International Grains Council (IGC) was held on 11<sup>th</sup> & 12<sup>th</sup> June, 2019 at London, U.K. wherein Dr. Chunni Lal Ram, Executive Director, Food Corporation of India had attended the Session.

8.13 50<sup>th</sup> Session of International Grains Council (IGC) was held on 3<sup>rd</sup> & 4<sup>th</sup> December, 2019 at London, U.K. wherein Shri D.K. Gupta, Director, Department of Food and Public Distribution had attended the Council Session.

8.14 Virtual meeting of 51<sup>st</sup> Session of International Grains Council (IGC) was held on 8<sup>th</sup> & 10<sup>th</sup> June, 2020 wherein Shri Sudhanshu Pandey, Secretary, Mrs. Mukta Shekhar, Joint Secretary and Mrs. Manisha Sensarma, Economic Advisor, Department of Food and Public had attended the Council Session.

## **WORLD FOOD PROGRAMME (WFP)**

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

8.15 Country Strategic Programme (CSP 2019-2023) seeks to support India in, inter-alia, achieving Sustainable Development Goals 2 by capitalizing on its investments. Department of Agriculture,

Cooperation and Farmers Welfare 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, enhance the quality of service delivery, and 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 Jan Dhan 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 analyses 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.

## WORLD TRADE ORGANIZATION (WTO)

8.16 The World Trade Organization (WTO) is the global international organization that came into effect in 1995. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. Its objective is to administer trade agreements,

acting as forum for trade negotiations, setting trade disputes, reviewing national trade policies, building the trade capacity of developing economies and cooperating with other international organizations.

8.17 India is one of the founder members of WTO along with more than 160 other countries. Various trade disputes of India with other nations have been settled through WTO. India has also played an important role in the effective formulation of major trade policies. Since inception of Agreement on Agriculture (AoA) from 1<sup>st</sup> January, 1995, India is regularly participating in the meeting of WTO Committee on Agriculture. During 2020-21, the participants were as under :

- i. 93<sup>rd</sup> Committee on Agriculture meeting of the WTO which was (in virtual format) held on 28<sup>th</sup> July, 2020 wherein Shri Subodh Kumar Singh, Joint Secretary has represented the Department of Food and Public Distribution.
- ii. 94<sup>th</sup> Meeting of the WTO Committee on Agriculture was held on 18<sup>th</sup> June, 2020 there was no participation from Department of Food and Public Distribution in the meeting.
- iii. 95<sup>th</sup> Meeting (virtual) of WTO Committee on Agriculture was held in Geneva Switzerland on 22<sup>nd</sup> September, 2020 wherein Shri Sudip Singh, Executive Director, FCI and Sh. Makrand Phadke, Joint Director has represented the Department of Food and Public Distribution.
- iv. 96<sup>th</sup> Meeting (virtual) of the WTO Committee on Agriculture was held



on 30<sup>th</sup> November, 2020 and 1<sup>st</sup> December, at Geneva, Switzerland. There was no participation from Department of Food and Public Distribution.

## **SHANGHAI COOPERATION ORGANISATION (SCO)**

8.18 The Shanghai Cooperation Organisation (SCO), or Shanghai Pact, is Eurasian political, economic, and security alliance, the creation of which was announced on 15<sup>th</sup> June 2001 in Shanghai, China by the leaders of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan; the Shanghai Cooperation Organisation Charter, formally establishing the organisation, was signed in June, 2002 and entered into force on 19<sup>th</sup> September, 2003. The original five nations, with the exclusion of Uzbekistan, were previously members of the Shanghai Five group, founded on 26<sup>th</sup> April, 1996. Since then, the organisation has expanded its membership to eight countries where India and Pakistan joined SCO as full members on 9<sup>th</sup> June, 2017 at a

summit in Astana, Kazakhstan. The Heads of State Council (HSC) is the supreme decision-making body in the SCO, it meets once in a year and adopts decisions and guidelines on all important matters of the organization.

8.19 Department of Food and Public Distribution is associated with SCO in connection with the Implementation Plan of SCO Program of Cooperation on Food Security. Department is furnishing its comments on Food Security.

8.20 Virtual Meeting of Permanent Expert Working Group of Shanghai Cooperation Organisation (SCO) was held on 16<sup>th</sup> October, 2020 which was attended by Ms. Monika Singh, Joint Director, Department of Food and Public Distribution.

8.21 Virtual Meeting of Agriculture Minister of Shanghai Cooperation Organisation (SCO) was held on 21<sup>st</sup> October, 2020 which was attended by Sh. S. Jagannathan, Joint Secretary, Department of Food and Public Distribution.







# MEASURES TAKEN DURING COVID-19 PANDEMIC

## PROCUREMENT OF FOODGRAINS (WHEAT & RICE)

- 9.1 Before the onset of each marketing season, Department of Food and Public Distribution, holds a consultative meeting with the officials of Food Corporation of India, State Governments and others to discuss the arrangements for procurement of wheat and paddy/rice at Minimum Support Price (MSP).
- 9.2 The meeting of State Food Secretaries/ FCI to discuss the arrangements for procurement of Wheat during Rabi Marketing Season (RMS) 2020-21 and Procurement of Paddy/Rice of Rabi Crop in Kharif Marketing Season (KMS) 2019-20 could not be held due to COVID-19 pandemic. However, on the basis of proposals received from the State Govts./ FCI, procurement estimates for each State during RMS 2020-21 & KMS 2019-20 (Rabi crop) was approved.
- 9.3 Accordingly, this Department vide letter dated 07.04.2020 advised all State Governments/UTs and FCI to ensure that the procurement operations are undertaken in a staggered manner so as to avoid congregation of large number of farmers at a time and token system should be put in place for ensuring social distancing. It was also instructed to increase the number of procurement centres to the extent possible so as to disperse the procurement operations and proper arrangements be made for social distancing and maintaining hygiene at these centres.
- 9.4 In view of above, the following arrangements were made by stakeholders:
  - i. Apart from Agricultural Produce Market Committees (APMC) mandis, large number of additional temporary Paddy Purchase Centres (PPC) were operated at Silos, Depots, Village and Gram Panchayat levels etc., by Govt. Agencies to minimize congregation at PPC and to maintain social distancing.
  - ii. The States/FCI have leveraged use of Information Technology (IT) and computers to generate tokens and push SMS to farmers indicating time/slots to regulate arrivals of foodgrains, ensure social distancing and prevent overcrowding at purchase centres.
  - iii. Priority was given to Small and Marginal Farmers to mitigate their problems.
  - iv. Mandis/PPC areas were regularly sanitized, cleaned and disinfected.
  - v. In the Mandis/PPC, the availability of masks and alcohol based sanitizer was ensured to all the employees/contractors/farmers/arthiya/labour.
  - vi. All employees, farmers and labourers in procurement centres were informed about symptoms and prevention measures from COVID-19.
  - vii. Daily measurement of temperature of each person before commencing procurement activity.
  - viii. FCI equipped its staff with mask, gloves and hand sanitizer and advised its staff to maintain social distancing while performing their duties.
  - ix. Social distance norms were maintained during Mandi/PPC



operations by Procurement Agency employees/contractors/farmers/arthiya/ labour.

9.5 The statistics of procurement operation before COVID-19 and during COVID-19 are as under:

### RICE PROCUREMENT

Particulars	Before COVID-19 (Rabi crop in KMS 2018-19)	During COVID-19 (Rabi crop in KMS 2019-20)	% increase over last year
Number of Purchase centers opened	10,472	13,627	30.00
Quantity procured in terms of rice (in LMT)	61.40	96.20	56.68
Number of Farmers benefited	13,27,646	21,01,167	58.26

### WHEAT PROCUREMENT

Particular	Before COVID-19 (RMS 2019-20)	During COVID-19 (RMS 2020-21)	% increase over last year
Number of Purchase centers opened	14,838	21,869	47.38
Quantity procured (in LMT)	341.33	389.93	14.23
Number of Farmers benefited	35,57,080	43,35,972	21.89

9.6 From the above table, it may be observed that despite of COVID-19 pandemic, the steps taken ensured that procurement operations went on smoothly with an increase in all the three parameters i.e., number of purchase centers, quantity procured and number of farmers benefited, compared to the corresponding period (Pre-COVID period). Further, during Rabi Marketing Season 2020-21, Govt. Agencies have procured all time record high quantity of 389.93 LMT wheat for the Central Pool.

9.7 The meeting of State Food Secretaries/FCI to discuss the arrangements for KMS 2020-21 (Kharif crop) was held through Video Conference and procurement estimates for each State was approved.

### ARRANGEMENT OF PACKAGING MATERIALS FOR FOODGRAINS

9.8 Average requirement of packaging material during RMS 2020-21 by the State Procuring Agencies/FCI was 23.37 lakh bales against which jute mills could supply only 13.15 lakh bales. As the Jute mills were not able to manufacture and supply adequate number of gunny bags for procurement of foodgrains in RMS 2020-21 due to COVID-19 situation; this Department after taking approval of Ministry of Textiles had allowed the use 7.41 lakh HDPE/PP bales (1bale=500 bags) in place of Jute bags. The permission was accorded to State Govt. of Punjab, Uttar Pradesh, Madhya Pradesh

- Haryana, Gujarat, Uttarakhand and FCI by this Department.
- 9.9 In view of closure of Jute mills in the country due to COVID 19 pandemic and consequently the non-supply/unavailability of jute bags, this Department in RMS 2020-21 with a view to ensure smooth procurement operations by State Governments/FCI had approved the use of once Used gunny bags for packaging of Wheat and Rice supplied to central pool based on the proposals received from the State Governments.
- 9.10 In the extra-ordinary situation arising out of the COVID-19 pandemic, DFPD as a one-time measure allowed purchase of HDPE/PP bags in RMS 2020-21 through competitive bidding and using any other Government portal or Government approved portal. Permission to State Governments was granted for purchase of HDPE/PP bales through non-GeM portals up to 30.06.2020.
- 9.11 Average total requirement of jute bags during KMS 2020-21 by the State Procuring Agency/FCI was 23.87 lakh Jute bales against which jute mills could supply only approximately 12 lakh Jute bales. Due to short supply of gunny bags in KMS 2020-21 by Jute mills, this Department after taking approval of Ministry of Textiles had allowed the use of 1.84 lakh HDPE/PP bales in place of Jute bags. The permission was accorded to State Govt. of Haryana, Madhya Pradesh and Punjab.
- 9.12 To avoid the shortage of food grain packaging materials in KMS 2020-21, this Department had approved the use of Used gunny bags for packaging of Rice supplied to central pool to State Governments of Chhattisgarh, Jharkhand, Uttar Pradesh, Uttarakhand, West Bengal, Madhya Pradesh, Tamil Nadu, Telangana and Punjab.
- 9.13 In view of shortage of foodgrains packaging materials in KMS 2020-21, this Department had also allowed State Govt. of Punjab and Haryana for packaging of paddy in used bags over and above the limit specified as per Usage Charges Policy so that procurement operations are carried out smoothly during COVID-19 pandemic.
- 9.14 The shortage of new Jute bags have become a perennial problem and occur every season, ie. Kharif Marketing Season and Rabi Marketing Season. Due to the COVID-19 pandemic, this shortage has further exaggerated, affecting procurement operations adversely. Therefore this Department is exploring possibilities of increasing the production/availability of new Jute bags by ways of testing/field trials of new technology- 'Smart Jute Bags' so that the gap between requirement of packaging material and availability of new Jute bags be reduced. SOP for testing/field trials of Smart Jute Bags is prepared by FCI/DFPD. FCI along with Major procuring states, IGMRI and manufacturer of Smart Jute Bags have already undertaking the initial process of field trials.

### **SALE WHEAT AND RICE TO NGOs DURING COVID-19 PERIOD**

- 9.15 Under open Market Sale scheme (Domestic) (OMSS (D)) 2020-21 policy, a special dispensation for supply of foodgrains to all the charitable/ non-governmental organizations etc., engaged



in relief/running community kitchens for migrant labourers/vulnerable groups due to the present lock down condition, was introduced w.e.f., 8.4.2020. Under this dispensation, wheat at the uniform rate of ₹21 per kilogram and rice at the uniform rate of ₹22 per kilogram are issued to charitable institutions/NGOs. There is no upper limit of allocation of foodgrains to each such organization from any FCI depot.

- 9.16 Special dispensation was initially up to June, 2020 and now it has been extended at the same rate, terms and conditions for the rest of the year 2020-21. Under the dispensation, a total quantity of 1246 MT wheat has been lifted by 230 Charitable/NGOs and 10413 MT of rice has been lifted by 1126 Charitable/NGOs till 29.12.2020.
- 9.17 Under the OMSS (D) Policy 2020-21, w.e.f. 31.07.2020, the reserve price of RMS 2019-20 URS wheat for sale from Punjab and Haryana has been reduced to ₹1840/- per quintal from ₹2080/ per quintal. Further, with effect from 7.12.2020, reserve price of rice was reduced to ₹2000/- per quintal. for State Governments and Central Government schemes and programmes including for ethanol under bio-fuel policy.
- 9.18 Sale data of Wheat and rice under OMSS (D) during COVID-19 through e-auction is as under:

<b>Sale during COVID-19 (April, 2020 to December*, 2020) under OMSS (D)</b>	
Wheat	7.96 LMT
Rice	12.76MT

\*Till 05<sup>th</sup> tender of December, 2020.

## **RELAXATION IN UNIFORM SPECIFICATIONS OF WHEAT**

- 9.19 To ensure quality of foodgrains inspections were continuously carried out by the officers of this Department and in order to reduce the hardship of famers and to avoid distress sale of wheat relaxation in Uniform Specifications of wheat were granted to State of Madhya Pradesh (vide letter dated 24.04.2020 & 04.05.2020), Haryana (vide letter dated 06.05.2020), Punjab (vide letter dated 28.04.2020, 06.05.2020 & 03.09.2020), Rajasthan (vide letter dated 29.04.2020, 13.05.2020 & 01.06.2020) and Uttar Pradesh (vide letter dated 02.06.2020).

## **PUBLIC DISTRIBUTION SYSTEM (PDS)**

- 9.20 As the COVID-19 containment procedures imposed unprecedented curbs on the economic activities throughout the country, it led to a scarcity of staple foods and price hikes due to reduced cultivation, disruption in supply chains, shortage of labour, reduced employment, and reduced purchasing power of the people. Thereby, adversely impacting the food and nutrition security of the poor and needy people in the country.
- 9.21 To safeguard the country's most vulnerable population during the testing times, the Government tapped on its most powerful weapons in the arsenal i.e. the Targeted Public Distribution System (TPDS), a program jointly managed by the Central and State/UT Governments for the distribution of subsidized foodgrains to about 81.35 Crore beneficiaries (almost two-third of the country's population as per Census 2011) under the ambit

of National Food Security Act, 2013 (NFSA).

9.22 Through TPDS, foodgrains are distributed at highly subsidized Central Issue Prices (CIP) of ₹ 3, 2 and 1 per Kg of Rice, Wheat and Coarse-grains respectively and as per the entitlements of beneficiary households under NFSA. Presently, approx 80 Crore beneficiaries in the country covered under Antyodaya Anna Yojana (AAY) and Priority Household (PHH) categories of NFSA are receiving subsidized foodgrains through TPDS on monthly basis, where, an AAY household is entitled to receive 35 Kg foodgrains per family per month, while a PHH category household is entitled to receive 5 Kg foodgrains per person per month.

9.23 As already mentioned, TPDS is operated under the joint responsibilities of the Central and the State/UT Governments, wherein the Central Government through Department of Food & Public Distribution and the Food Corporation of India (FCI) has assumed the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to all States/UTs. The operational responsibility of allocation of foodgrains within the State/UT, identification & inclusion of eligible households/persons under NFSA, issuance of ration cards to them, distribution of foodgrains through Fair Price Shop (FPS) including licensing and monitoring of the FPSs, etc. rests with the respective State/UT Governments. Under NFSA, this vast system of cooperative federalism has been the anchor of India's food security program for decades and in the wake of Novel Coronavirus pandemic, it swiftly came to the fore to provide massive advantage

to the country's poor and vulnerable in their fight against hunger and food insecurity.

9.24 On March 24 2020, as the Hon'ble Prime Minister Shri. Narendra Modi ji, announced a strict nationwide lockdown in a bid to prevent the progression of the novel coronavirus. Subsequently, the Government, with an aim to ameliorate the hardships faced by the poor and needy, announced the 'Pradhan Mantri Garib Kalyan Package'. Pursuant to this, the Government rolled out a special purpose scheme, namely "Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY)" through which the Government almost doubled the quantity of monthly foodgrain being normally distributed to all beneficiary households under NFSA. Thus, under PMGKAY, all NFSA beneficiaries were provided additional 5 Kg foodgrains per person per month, free-of-cost, over and above their normal NFSA entitlements. Initially, this additional free benefit under PMGKAY was provided for a period of three months (April to June 2020). However, with the crisis continuing, the program was later extended for another five months (July to November 2020).

9.25 Besides PMGKAY, the Government also announced a separate allocation of foodgrain under the "Atma Nirbhar Bharat Scheme" aimed to ensure supply of free-of-cost foodgrains to all migrant/stranded migrants and all those who are not covered under NFSA or any State PDS scheme and were in need of foodgrains at the scale of 5 Kg per person per month for a period of 2 months (May and June 2020). The immediate objective of this was that no poor/vulnerable person should suffers

from the non-availability of food during the time of unprecedented crisis. The box below provides an overview of these special schemes:

## HOW THE GOVERNMENT MANAGED TO FEED MORE THAN 80 CRORE BENEFICIARIES DURING THE PANDEMIC

9.26 The Government was able to pull up the herculean task of feeding such a large population, that too amid the COVID-19 restrictions owing to the presence of extensive and established TPDS infrastructure in place. To distribute

the grain, the Central and State/UT Governments relied on its robust logistical network, which involved the use of massive rail & road transportation network supported by Air & Sea logistics with last mile gaps in some non-motorable, hilly/difficult terrains being plugged through use of horses/mules to even helicopters of the Indian Air Force and Army. The experience of States/UTs serving remote and inaccessible areas through airdrops, inland water transportation, use of horses/mules, etc. came of great use in ensuring timely supply of foodgrains all over the country including remote and inaccessible areas.

### Food Security Measures during COVID-19 Pandemic

#### Prime Minister Garib Kalyan Anna Yojana (Phase-I) | Date announced: 26<sup>th</sup> March, 2020

- **Entitlement:** 5 Kg of free foodgrains (rice/wheat, or their combination) per person per month and to all NFSA beneficiaries under AAY and PHH categories.
- **Number of targeted beneficiaries:** >80 Crore NFSA beneficiaries
- **Duration:** April, May, and June. Allocation: 121 Lakh Metric Tonnes (LMT)

#### Prime Minister Garib Kalyan Anna Yojana (Phase-II) | Date announced: 30<sup>th</sup> June, 2020

- **Entitlement:** Extension of free foodgrains distribution to NFSA beneficiaries at the same scale of 5 Kg per person per month in both AAY and PHH category
- **Number of targeted beneficiaries:** >80 Crore NFSA beneficiaries
- **Duration:** July, August, September, October, November. Allocation: 201 LMT

#### Atma Nirbhar Bharat Scheme | Date announced: 12<sup>th</sup> May, 2020

- **Entitlement:** 5kg of free foodgrains per person per month to migrant/stranded persons/ families, not covered under NFSA or any State PDS scheme.
- **Number of envisaged migrants/stranded migrants:** 8 Crore.
- **Duration:** May and June. Allocation: 8 LMT (distribution extended up to 31.08.2020)

- 9.27 During the period April to November 2020, the Department had allocated a total of nearly 680 LMT foodgrains. About 350 LMT were allocated to States/UTs for distribution under normal NFSA/TPDS. Additionally, about 321 LMT were allocated for free-of-cost distribution under Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY) and 8 LMT under Atma Nirbhar Bharat Scheme (ANBS).
- 9.28 It has been seen that an average of about 93-94 percent foodgrains per month was successfully distributed under the regular NFSA and PM-GKAY during this period despite multitude of challenges and adhering to all COVID-19 protocols. Similarly, under ANBS against an estimated number of 2.8 Crore migrants/stranded migrants by States/UTs, about 2.74 Crore persons (98 percent) received the free ration for a period of 2 months. Moreover, an independent survey by 'Dalberg' has also shown very high level of satisfaction among the NFSA beneficiaries with respect to availability and distribution of foodgrains through TPDS under both normal NFSA and PM-GKAY during the COVID-19 pandemic.
- 9.29 Additionally, realizing the immense potential of 'One Nation One Ration Card (ONORC)' as long term strategy and plan to serve the migrants, its implementation was also announced by the Hon'ble Prime Minister during his address to the nation on 30<sup>th</sup> June 2020. Since then, it has been made an integral part of the PM's Technology Driven System Reforms under Atma Nirbhar Bharat Abhiyan (ANBA) to empower the migrants to seamlessly access entitled NFSA foodgrains anywhere in the country by using their same/existing ration card along with biometric/Aadhaar authentication on a electronic Point of Sale (ePoS) device at the FPS of choice anywhere in the country. As a result, while adding upon the cluster of 12 States in January 2020, another 20 States/UTs have been integrate under ONORC during May 2020 up to December 2020, covering nearly 69 Crore (about 86 percent) NFSA population in these States/UTs to seamlessly access their subsidized foodgrains through ONORC plan.
- 9.30 The lockdown and the fear of pandemic caused disruptions in the otherwise well-oiled system, which were overcome by the consistent efforts and hard work of the officials working at all levels. With exemplary coordination established between all stakeholders through regular video conferences and rigorous monitoring. Despite hiccups, experts and beneficiaries say that the pandemic has validated the existence and efficiency of the public distribution system.



## FEW GLIMPSES OF PDS AT THE FORE DURING COVID-19 PANDEMIC

**Un-interrupted supply of foodgrains were maintained through out the period, even to the remotest of islands in the Andaman & Nicobar Islands, Lakshadweep and the most perilous and harsh topographical locations to make certain that every beneficiary is provided with their rightful share of PDS foodgrains in time.**



**Extensive use of ships and boats to reach out to farthest of islands of Andaman & Nicobar and Lakshadweep.**

Timely food security of beneficiaries located in villages located in international borders & other areas of Arunachal Pradesh all other parts of the country where road transportation was disrupted due to torrential rain and landslides through regular air dropping of foodgrains.



Glimpses of Indian Air Force Helicopters lifting the foodgrains from their bases and air dropping at difficult to reach locations for assured food security of people during the pandemic.





**In the absence of normal markets, PDS foodgrain served as the lifeline of people even in the remotest of villages, inaccessible & non-motorable mountainous and hilly regions.**



**Regular supply of foodgrains were maintained in difficult terrains of Jammu & Kashmir, Himachal Pradesh, Uttarakhand through the use of Horses, Mules, etc.**

Despite the multitude of COVID-19 challenges and & looming threats of the disease, the entire front-line FPS dealers and many more in the distribution network of PDS supply chain geared up for timely and efficient distribution of foodgrains to all beneficiaries in the country.





**Glimpses of COVID-19 protocols (Social Distancing, use of Face Masks, PPE Kits, Hands Sanitation, in practice during the distribution of foodgrains throughout the country.**

**Airdropping of food grain packets by IAF in non-motorable & difficult terrains. Indian Army also supported wholeheartedly for the transportation and distribution of foodgrains to beneficiaries in remote & sensitive areas of the country.**



### **CAPACITY AUGMENTATION OF ALCOHOL BASED HAND SANITIZER**

9.31 At the very start of the pandemic, it became very clear that the alcohol based hand sanitizer is going to play a pivotal role in the fight against COVID-19. However, it was also noted that the production capacity of alcohol based hand sanitizer in India was almost negligible and the available capacity will not be able to cater the huge upcoming demand. It was noted with concern that alcohol based hand sanitizer is selling as high as ₹700 for 500 ml of the bottle and even at this high rate was not readily available in the market. Keeping in view the immediate requirement of augmentation of sanitizer production capacity in a very short span of time and this Department being nodal Department for the production

of ethanol under Ethanol Blended with Petrol (EBP) programme, the Committee of Secretaries (CoS) entrusted the task of immediate augmentation of sanitizer production capacity to this Department. Mainly sugar mills in India are producing ethanol for the purpose of blending into petrol under Ethanol Blended with Petrol (EBP) programme.

9.32 Once the task was entrusted, a meeting was immediately convened in DFPD under the Chairmanship of JS (Sugar) with Sugar Mill Associations, Distillery Associations and Medical Equipment Manufacturer Associations to assess the future requirements and likely bottlenecks in the production of hand sanitizer and to prepare a road map to ensure smooth movement of raw material required for the production of

sanitizer, as the whole country was under lockdown and movement of vehicles was highly restricted.

9.33 However, alcohol being a state subject, it comes under the purview of the state governments. For better synergy and coordination, Excise Commissioners/Food and Drug Authorities/Cane Commissioners of the State Governments were contacted personally and were apprised of the gravity of the situation and were taken onboard. To monitor the progress and to remove hindrances in real time, social media platforms were used extensively. Department of Consumer Affairs (DoCA) was impressed upon to include the raw materials used for the production of hand sanitizer under essential commodity and accordingly vide notification dated 19.03.2020, raw materials used for manufacture of hand sanitizer were declared as essential commodity. To ensure the availability of sanitizer at affordable rates, the retail prices of hand sanitizer were fixed by DoCA vide Notification dated 21.03.2020 at ₹100 for 200ml bottle. Due to these timely interventions, the rate of sanitizer came down heavily and started selling as low as ₹150 per litre in bulk. To ensure sufficient availability of sanitizer at all times in all parts of the country, this Department coordinated with all the Chief Secretaries/Administrators of States/UTs and requested them to further augment market linkages of hand sanitizer from distilleries and other units to wholesalers/retailers. With continuous feedbacks and coordination with industry and Government, reach of sanitizer to all parts of the country was ensured.

9.34 As a result of the collective efforts of

DFPD/State Governments, the production capacity of hand sanitizer was enhanced from meagre 10 lakh litre per annum to more than 30 lakh litre per day in such a short span of time. With the active facilitation by DFPD, more than 900 distilleries/other units were accorded necessary licences/permissions by the concerned State Governments to produce sanitizer. Till date more than 4.2 crore litre of hand sanitizer has been produced in India. Now India is exporting hand sanitizer to other countries.

## **ROLE OF ORGANIZATIONS OF THIS DEPARTMENT**

### **Food Corporation of India (FCI)**

#### **Monetary Compensation To Dependent Family Members/Legal Heirs Of FCI Employees/Workers Who Died Due To COVID-19 Contamination While Doing Their Duty**

9.35 A proposal for introduction of a monetary compensation scheme for the family members/ legal heirs of the FCI employees, FCI labourers and contract workers (including watch & ward staff and cleaning staff) to cover the risk of death due to COVID-19 contamination while on duty for the Corporation was accorded approval for launching monetary compensation scheme in FCI w.e.f. 24.3.2020. Earlier, this scheme was introduced for 6 months, however, due to ongoing situation the scheme has been extended for a further period of 6 months i.e. upto 23.3.2021.

#### **Movement of Foodgrains Rakes during the COVID-19 Period**

9.36 FCI has moved heavy quantity of foodgrains despite inconveniences associated with the

COVID-19 pandemic to reach foodgrains to support the needy. During 24.03.2020 to 19.01.2021, total 15,182 (5925 Wheat + 9257 Rice) rakes of foodgrains with approximate quantity of 425.10 LMT (165.90 LMT Wheat + 259.20 LMT Rice) have been loaded. Details of month-wise loading of rakes are as under:

During COVID 19 period	No. of Rakes (Wheat+Rice)	Quantity in LMT (Wheat+Rice)
24.03.2020 to 31.03.2020	302	8.46
April,2020	1946	54.49
May,2020	1423	39.84

June,2020	1328	37.18
July,2020	1514	42.39
August,2020	1842	51.58
September,2020	1837	51.44
October,2020	1341	37.55
November,2020	1398	39.14
December, 2020	1624	45.47
01.01.2021 to 19.01.2021	627	17.56
<b>Total</b>	<b>15,182</b>	<b>425.10</b>

9.37 The table below shows month wise, movement of rakes along with quantity of wheat and rice, before and during COVID-19:

Period (Pre-COVID-19)	No. of Rakes (Wheat +Rice)	Quantity in LMT (Wheat +Rice)	Period (During COVID-19)	No. of Rakes (Wheat+ Rice)	Quantity in LMT (Wheat + Rice)
24.03.2019 to 31.03.2019	265	7.42	24.03.2020 to 31.03.2020	302	8.46
April,2019	740	20.50	April,2020	1,946	54.49
May,2019	712	19.47	May,2020	1,423	39.84
June,2019	732	20.63	June,2020	1,328	37.18
July,2019	815	22.94	July,2020	1,514	42.39
August,2019	839	23.60	August,2020	1,842	51.58
September,2019	886	25.09	September,2020	1,837	51.44
October,2019	869	24.67	October,2020	1,341	37.55
November,2019	900	26.05	November,2020	1,398	39.14
December, 2019	983	28.20	December, 2020	1,624	45.47
01.01.2020 to 19.01.2020	522	14.62	01.01.2021 to 19.01.2021	627	17.56
<b>Total</b>	<b>8,263</b>	<b>233.19</b>		<b>15,182</b>	<b>425.10</b>

## CENTRAL WAREHOUSING CORPORATION (CWC)

9.38 On 24<sup>th</sup> day of March, 2020, the Government of India imposed, a nationwide lockdown, as a preventive measure against the COVID-19 pandemic in India. The

lockdown restricted people from stepping out of their homes. All transport services—road, air and rail—were suspended, with exceptions for transportation of essential goods, fire, police and emergency services. Educational institutions, industrial establishments and hospitality services

were also suspended. Services such as food shops, banks and ATMs, petrol pumps, other essentials and their manufacturing are exempted.

9.39 Considering the nature of CWC' business, the Corporation has continued to perform its functions as a responsible corporate citizen. All employees at warehouses and at Regional Offices and Corporate office were / are present for smooth operations. Further, all 419 warehouses have been kept operational 24x7 including on holidays during the lockdown for handling and distribution of foodgrains being part of essential services ensuring with mandatory and necessary precautionary measures, e.g. sanitization of work place, availability of PPE Kits, hand Sanitizers, Masks, face shield and hand gloves etc. to all officials and outsourced manpower. In the meanwhile, the corporation has implemented e-Office in Corporate Office and at all Regional Offices w.e.f. 25<sup>th</sup> March, 2020. During Lockdown, e-Office helped officials of Corporation in "Working from Home", amidst the outbreak of Corona Virus, resulting in un-hampered operations of CWC. Various circulars w.r.t. work from home were issued. CWC also ensured timely payment of wages to outsourced employees & Casual Labour at warehouses and contracts too resulting uninterrupted working with social distancing, staggered / extended timing and work from home options.

9.40 Thus, CWC with the support of motivated employees at warehouses and at Regional Offices and Corporate office handled a total quantity of 188.83 lakh MT foodgrains stock meant for PDS by 253 Central Warehouses across India since 25.03.2020

till 01.01.2021. This includes a quantity of 45.10 lakh MT handled through 3502 Railway rakes at 127 Central Warehouses. Under Pradhan Mantri Gareeb Kalyan Anna Yojana (PMGKAY), a quantity of 35.54 lakh MT foodgrains have been distributed in the same period from Central Warehouses of CWC.



9.41 CWC has undertaken the work of sanitizing of 20 Air India aircraft who were bringing COVID patients back to India from abroad under 'Vande Bharat Mission'. Further, sanitizing work were also undertaken at Govt. offices, Ministries and major airports etc.





9.42 CWC contributed ₹5.77 crore under CSR to PM Care Fund for COVID-19. Not only this, all regular employees of the Corporation also contributed to the tune of ₹65 lakhs to PM Care Fund. Further, Corporation has provided free meals to passengers in one Shramik Special Train.

9.43 The Board of CWC accorded its approval w.r.t. Monetary death compensation (₹30 lakh minimum to ₹70 lakhs maximum) for the family of deceased employee in case of any kind of death, including COVID -19 w.e.f. 16<sup>th</sup> June, 2020. Further, the Corporation has extended additional medical facility to

Group C & D employees for OPD COVID-19 treatment. The Corporation also given ₹10,000/- for procurement of sanitizers, mask, shields and other protective gear for COVID prevention to all the employees.

9.44 CWC also organized an IgG Anti-body test for all officials/outsourced manpower working at Corporate Office on the 31<sup>st</sup> July, 2020 and extended this facility to all ROs and fields units. Further, RTPCR test was also organized for all its employees on 4<sup>th</sup> December, 2020 and 8<sup>th</sup> January, 2021.



9.45 Although the pandemic continued to have an adverse impact on economy and business across the globe, the Corporation has closely monitored the situation to take prompt actions to ensure continuity of business operations in an optimised manner, Consequently, considering the nature of business of corporation, there is no impact of COVID-19 pandemic on the business operations of the Corporation.

9.46 Following Work has been done by CWC During Pandemic FY 2020- 21 Upto December 2020:

- i. Counselling and motivated presence of employees at warehouses and at



- Regional Offices and Corporate office for smooth operations.
- ii. Necessary precautionary measures taken to ensure sanitization of work place, availability of hand Sanitizers, Masks, Hand Gloves, etc were ensured.
  - iii. At central warehouses, workers were provided with sanitizers and face masks for handling work due to COVID.
  - iv. Ensured timely payment of wages to outsourced employees through Man power agency and Casual Labour at warehouses, through prompt processing of Handling and Transportation bills of contractors.
  - v. Delegation of powers given to Regional Managers for arranging purchase and supply of PPEs, Hand Sanitizers, masks to all staff and labour involved in transactions at Warehouses. Mandatory disinfection of work places, trucks and Railway wagons on a daily basis.
  - vi. All 4,21 central warehouses of CWC have kept operational 24X7 including on holidays during the lockdown for handling and distribution of foodgrains being part of essential services. During lockdown period, the average foodgrains stock handling has crossed one Lakh MT/day @49.15 Lakh MT transacted in 49 days against the normal handling of about 45,000 MT/day, which is more than double the normal handling of foodgrains.
  - vii. 35.54 Lakh MT foodgrains issued under PMGKAY (Pradhan Mantri Gareeb Kalyan Anna Yojana) since 25.03.2020 till 01.01.2021.
  - viii. 3502 Railway Rakes, carrying 45.10 Lakh MT foodgrains, have been handled by CWC Warehouses since 25.03.2020 till 01.01.2021. It is 65% higher than the regular handling.
  - ix. 127 Central Warehouses are handling Railway Rakes for Despatching and Receiving foodgrains (from producing to consuming States).
  - x. All 25 CFS/ICDs of CWC are operational during lockdown and have handled 492574 TEUs till 30<sup>th</sup> November, 2020 thereby significantly contributing in decongesting gateway ports.
  - xi. Warehouse based trading module in e-NAM portal launched on 01.04.2020 @ 37 Agri Warehouses of CWC in the States of AP and Telangana by Union Agriculture Minister to facilitate trade through eNWR from these warehouses notified as Mandis which is first of its kind in the country aimed at avoiding farmers physically coming to APMC and help in effectively fighting COVID-19.
  - xii. e-Office had been implemented in Corporate Office and at all Regional Offices w.e.f. 25.03.2020. During Lock down, e-Office helped officials of Corporation in “Working from Home”, amidst the outbreak of Corona Virus, resulting in un-hampered operations of CWC.

- xiii. Biometric attendance with face recognition and Marking attendance through mobile app (HR Handy) by Geo fencing of office has been made live to avoid contacts with biometric machine.
- xiv. During Lock down period, CWC has been conducting disinfection / sanitization work for prevention of Corona Virus at Offices / Establishments of different organizations like Air India, Railways, NBCC, Rail Tel, HUDCO, GAIL, DFCCIL, TRAI, TFCIL, ALIMCO, SCI, AAI, NAFED, LIC, NHAI, NBE, YMCA, etc. It has covered about 200 Organizations, 950 locations and about 25 Million square feet area of disinfection.
- xv. Contribution of one-day salary of all regular employees of the Corporation i.e. approx. 65 lakhs has been made to PM Care Fund after taking consent of all employees and CWC Federation of Workers.
- xvi. Contribution of ₹5.77 crore under CSR made to PM Care Fund for COVID-19.
- xvii. Annual revision of Tariff has been deferred till 01<sup>st</sup> July, 2020, aimed at reducing burden on the depositors during lockdown
- xviii. CWC has provided free meals to passengers in one Shramik Special Train.
- xix. An IgG Anti-body test, for all officials/ outsourced manpower working at Corporate Office has been conducted on the 31<sup>st</sup> July, 2020 and extended to all ROs and fields units. CWC Corporate office has also organised RTPCR test for all its employees on 4<sup>th</sup> December, 2020 and 8<sup>th</sup> January, 2021.
- xx. All employees have been given ₹10,000 for procurement of sanitizers, mask, shields and other protective gear for COVID prevention.
- xxi. Monetary death compensation (₹30 lakh minimum to ₹70 lakh maximum) has been sanctioned for the family of deceased employee in case of any kind of death, including COVID -19 w.e.f. 16<sup>th</sup> June, 2020.
- xxii. Additional medical facility has been extended to Group C & D employees for OPD COVID-19 treatment.



### **CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED (CRWC)**

- 9.47 Central Railside Warehouse Company Ltd. (CRWC) is a CPSE under the Department of Food and Public Distribution. During pandemic of COVID 19, CRWC took several steps for safety and health of its employees and the labourers working at its 20 Railside Warehouses.

9.48 Advisories of Home Ministry and other concerned departments were implemented at corporate office and all the Railside warehouses (RWCs). The instructions with regard to preventive measures, staggered timings, work at home, roster system, flexi-timings etc. were implemented and necessary relaxation was given to the employees.

9.49 During lockdown period, the customers who were unable to lift their cargo from the warehouse were given discount on the storage charges.

9.50 The meetings, conferences and trainings are being regularly done through video conferencing. Regular webinars were organized for health and safety measures to be taken. If any official had to necessarily travel, all required assistance was provided.

9.51 Food items were distributed to the labourers at many of the railside warehouses e.g. RWC Shakurbasti, Pune, Whitefield and Nishatpura. The labourers will be provided with PPE kits at all RWCs.



9.52 CRWC started sanitization of the vehicles entering into the railside warehouses in order to have the protection from

COVID-19. Cost cutting measures were also adopted to maintain the profitability of the company in view of the reduced storage of cargo.



9.53 Health and awareness camps were organized at all the Railside warehouses. In order to have smooth functioning of the office, e-office was also implemented which has improved the productivity of the employees.



### **WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY (WDRA)**

9.54 WDRA initiated steps to extend VPN access to the officials to make it possible to work

form home on e-office for clearing efiles. The staff involved in process of warehouse registration accessed e-Portal to process the on line applications of registration.

- 9.55 Staff members were allowed to attend office only on a rotational basis by drawing up a roster as per guidelines issued by the Government.
- 9.56 In order to contain the spread of COVID-19 viz., periodic sanitization of office premises was undertaken since April 2020. Masks were provided to the staff whenever required.
- 9.57 Advisory was issued to the staff for maintaining social distancing, wearing mask, maintain hygiene, as per the guidelines of the Government as also guidelines for contacting hospitals for COVID-19 treatment.
- 9.58 WDRA has also issued advisory to all registered warehouses stating that the warehouses were to be operated with minimum number of staff and all the warehouses should follow the guidelines issued by various Government Departments regarding provision of appropriate hand cleaning material and masks to all staff and maintaining stipulated social distance. These guidelines were also uploaded on the website of WDRA.

### **ROLE OF DEPARTMENTALISED PAYMENT AND ACCOUNTING ORGANISATION**

- 9.59 The Departmentalised payment and accounting organisation of Department of Food & Public Distribution discharged its responsibilities as an essential service notified by the Ministry of Home Affairs

with commendable commitment and efficiency during the prevailing COVID -19 pandemic period to ensure timely payment of food & sugar subsidy including claims under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) for the benefit of target beneficiaries. The PAOs of the Department also ensured that pay and allowances of all employees of offices & units under the Department at New Delhi and other stations across India were credited to their bank accounts on time without fail.

### **STEPS TAKEN WITHIN DEPARTMENT FOR CONTAINING THE OUTBREAK**

- 9.60 COVID-19 (Coronavirus) has affected day to day life of everyone. Thus, the emphasis is on taking extensive precautions such as extensive hygiene protocol, social distancing, and wearing of masks, and so on. A need has arisen to stop the spread of virus and simultaneously carry out the official work of this Department being an essential services provider. A number of steps have been taken by this Department in response to COVID-19 during the various lockdown and unlock phases in the country, which are as under:
- i. Pledge ceremonies, meetings and similar activities are now organized through Video Conferencing facility as a precautionary measure to COVID-19.
  - ii. Masks and Sanitizers have been provided to all the staff of the Department.
  - iii. Sanitizer facility is being provided at all entrance gates of this Department.



- iv. Thermal Scanning is being done at all entrance gates of this Department.
- v. Deep Cleaning and Sanitization of all rooms of this Department are being carried out daily.
- vi. Information & preventive measures relating to spreading of CORONA virus are being displayed at various places in Krishi Bhawan.
- vii. Vehicles were provided to employees of this Department, during the lockdown period, who were required to attend office.
- viii. Automatic Hand dryers have been installed in all washrooms of this Department.
- ix. Staff has been sensitized about cross ventilation and Zig-Zag sitting/maintenance of distance between seats of staff in the section.
- x. Facility of contact-less soap dispenser is provided in all washrooms of DFPD.
- xi. Sensor based water taps have been installed in all washrooms of DFPD.

01.10.2020 and 29.10.2020 free of cost for all the Officers/Officials of DFPD.



**Camps for COVID-19 Test in Krishi Bhawan**

- 9.61 As a part of Jan Andolan Campaign on COVID - 19, Secretary, DFPD administered an online Pledge to all the officers/employees of DFPD, including its attached and subordinate organizations.
- 9.62 As a precautionary measure to contain spread of COVID-19, Camps for COVID-19 Test in association with Govt. of NCT of Delhi were organized on 30.09.2020,

- 9.63 ICT Section of this Department had provided Virtual Private Network (VPN) access to all the eligible officers (ASO level and above - around 200 officers) for accessing eOffice services (Work From Home) during COVID-19 lockdown crisis. Also, more than 400 Video Conferences (VCs) were conducted by various divisions/sections, since April, 2020.







## SWACHHTA AND OTHER ACTIVITIES

## SWACHH BHARAT ABHIYAN

10.1 This Department along with its attached & subordinate offices and CPSEs has continued their efforts to keep working environment neat and clean. Few activities which are being carried out in phased manner or on regular basis are as under:

- Senior Officers personally assess the cleanliness of the Department.
- White-washing and deep cleaning of the rooms in the Department is being done in phased manner in every month.
- Banners/flexboards are displayed at different places by the Department and all its organizations to create awareness about swachhta in public.
- To keep cleanliness of the office, floor officers have been appointed for each floor for taking stock of the cleanliness, regular meetings are held and various measures are taken in cooperation with CPWD, wherever necessary.
- A special drive for recording, reviewing and weeding out of old records is carried out annually.
- To improve hygiene in the office space, dustbins are checked and replaced wherever necessary in rooms, canteen, corridors and premises of Krishi Bhawan.

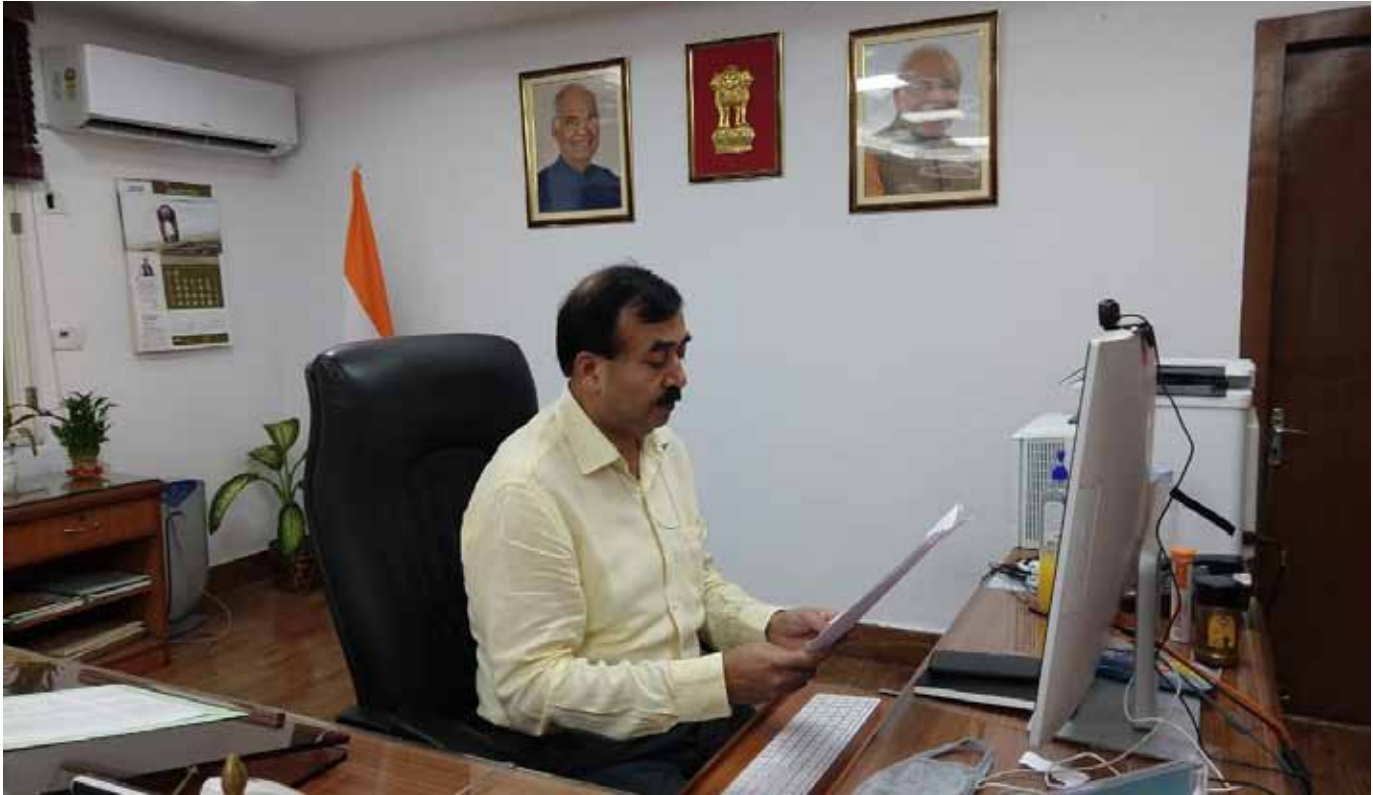
- To create awareness on a sustained basis Swachh Bharat Logo is printed on stationery items.
- Digital Notice Boards in Krishi Bhawan are continuously displaying messages and photos of Swachhta activities, inter alia.
- Oxygen emitting plants are placed in the corridors.

**CWC :** No major activity under this head was undertaken due to COVID-19 pandemic. However, proper sanitization of office premises was performed at a regular interval. Other details are as under:

- Tree plantation work is undertaken at Corporate Office on the occasion of World Environment Day on 5<sup>th</sup> June, 2020;
- 10000 face shields were distributed in all Warehouses, ROs and Corporate Office;
- Distribution of face mask, hand gloves & shoe cover etc. and provision of hand sanitizer.

**CRWC:** Under Swachh Bharat Activities, CRWC has constructed toilet at RWC Nishathpura, Bhopal for the Staff and labourers of the Terminal. One RO/water purifier was also installed at Government School near RWC Roza. For healthcare of the labourers, Mask & gloves have been distributed at various RWCs. In addition to these, Medical health check up camps were also organized at CO and RWCs for staff, labourers.





All Pledge Ceremonies and most of the meetings are now organized online as precautionary measure to COVID-19 pandemic



Ongoing Sanitization of rooms of Department of Food & Public Distribution

## OBSERVANCE OF “SWACHHTA PAKHWADA” 2020

10.2 “Swachhta Pakhwada” 2020 – Special Cleanliness Campaign from 16.02.2020 to 28.02.2020 was observed in this Department. Following activities during the Campaign were hold:

- To give a start to the Swachhta Pakhwada, a Pledge Taking Ceremony, i.e., “Sanitation Pledge - Swachhta Shapath” was administered by Additional Secretary (DFPD) on 17.02.2020 at 10.30 AM.
- On 24.02.2020, an Essay Writing Competition both in Hindi and English on the subject ‘Plastic Waste Management – Action Plan to curve single plastic use and phase out its use by 2022’ for the employees of the Department was hold.
- On 27.02.2020, a Blood Donation Camp in association with the Indian Red Cross Society was organized which was inaugurated by the Additional Secretary (DFPD). The intention was to emphasize on ‘Sewa’ and to encourage volunteerism. Total 66 persons donated blood for this noble work.
- Banners/Flex board on Swachhta Pakhwada” 2020 – Special Cleanliness Campaign from 16.02.2020 to 28.02.2020 were displayed at different places by the Department to create awareness in public.

## OTHER ACTIVITIES

10.3 Communal Harmony Campaign from 19.11.2020 to 25.11.2020 had been

organized. Funds were raised on ‘Flag Day 25.11.2020 to assist National Foundation for Communal Harmony (NFCH) to help Children rendered destitute in violence.

10.4 Celebration of 6<sup>th</sup> International Yoga Day (IDY) on 21.06.2020 was done by way of making awareness through digital platform of the Department among employees in DFPD as well as in the organizations under administrative control of DFPD. Officers/officials were also requested to participate in various online yoga training sessions and yoga demonstrations as per the guidelines issued by Ministry of Ayush.

10.5 Hon’ble Minister administered online pledge on the occasion of Rastriya Ekta Diwas on 31.10.2020 (Birth Anniversary of Sardar Vallabhbhai Patel) to all the Officers / Officials of DFPD.

10.6 “Sadbhavana Diwas” – The Birth Anniversary of Ex. Prime Minister late Shri Rajiv Gandhi was observed on 20<sup>th</sup> August by holding online Pledge taking Ceremony through video conferencing.

10.7 To celebrate Constitution Day, Secretary, DFPD along with all Senior Officers/ Employees of DFPD followed Hon’ble President of India to read the Preamble of the Constitution at 11.00 AM on 26.11.2020. At 11.30 AM, a webinar on “Calligraphy and Illustration in the Indian Constitution” in association with Dr. Ambedkar International Center was also organized. In addition to this, for making awareness of Preamble and Fundamental Duties, a Preamble Wall on Flex Board had been installed in DFPD for reading and signing of all the Officers/ Officials of DFPD to show their commitment to these constitutional values.



**Celebration of Constitution Day in Krishi Bhawan on 26<sup>th</sup> November, 2020**

10.8 International Women's Day 8<sup>th</sup> March was celebrated on 6<sup>th</sup> March, 2020. The celebration was presided over by Senior Women Officer (Mrs. Manisha Sensharma, Economic Adviser, DFPD). Activities like singing, dancing, reciting poems etc were

performed by women participants who had also shared their views on women empowerment in government and society. A memento to each participant was also given.



**Celebration of International Women's Day in Krishi Bhawan on 06<sup>th</sup> March, 2020**



Swachhta Pakhwada in Krishi Bhawan on 16<sup>th</sup> to 28<sup>th</sup> February, 2020



**Blood Donation Camp in Krishi Bhawan on 27<sup>th</sup> February, 2020**

## REDRESSAL OF PUBLIC AND STAFF GRIEVANCES

10.9 Public Grievance Cell (PG Cell) of the Department under Joint Secretary (Storage & PG) is entrusted with the work relating to redressal of public grievances. PG Cell of the Department receives grievances/representations mostly from two sources i.e. electronically on pgportal.gov.in and also through post and transmits these grievances to the concerned Organizations/Divisions for redressal. The redressal of grievances/representations are monitored regularly with Nodal Officers of organizations concerned viz CRWC, CWC, FCI, NSI, PAO (Pay & Accounts Office) and respective Administrative Divisions of this Department. Monthly Meeting to review pending Public Grievance cases and daily monitoring of COVID-19 related public grievances are being taken by Joint Secretary (Storage & PG) regularly.

10.10 The Progress report for the period 01.04.2020 to 31.12.2020 of Public Grievances received in this Department is as under: -

Total Public Grievances pending as on 01.04.2020	336
Additional Public Grievances received during the year	3397
Total Public Grievances	3733
Total Public Grievances disposed of	3632

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'	126	16	10	14	-	-	1	1	-	23
Gr. 'B'	239	38	13	58	1	1	6	8	-	64
Gr. 'C'	241	65	16	66	4	2	1	7	4	21
<b>Total</b>	<b>606</b>	<b>119</b>	<b>39</b>	<b>138</b>	<b>5</b>	<b>3</b>	<b>8</b>	<b>16</b>	<b>4</b>	<b>108</b>

Total Public Grievances Pending as on 31.12.2020	101
Percentage of disposal	97%

## WOMEN EMPOWERMENT

10.11 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 DoPT, a Complaint Committee has been set up in the Department to attend the complaints of its women employees.

## RESERVATION

10.12 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.

10.13 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 31.12.2020) is given in the table below:

## ACTIVITIES FOR DEVELOPMENT OF NORTH EASTERN (NE) REGION

### (A) Activities of FCI in NE Region

#### Strengthening of PDS

10.14 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)

10.15 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. 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

10.16 CWC is operating 18 warehouses in the North Eastern Region, with a total storage capacity of 1.58 lakh MT with 93% occupancy as on 1<sup>st</sup> January, 2021. The

average occupancy of these warehouses was 78%, 72%, 77%, 89%, 86%, and 95% for the year 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 (April-December, 2020) respectively. The State-wise capacities being operated by the CWC in the North Eastern Region is detailed below:

S.N.	State / Warehouse	Capacity in MT
	<b>Assam</b>	
1	Amingaon	22649
2	Amingaon-II	1693
3	Azara open yard	8760
4	Dhubri (PEG)	12100
5	FSD, Nilambazar	5000
6	Jogighopa	7000
7	Jonai	2450
8	Jorhat-I	10500
9	Jorhat-II	5000
10	Maligaon	10667
11	Sorbhog (PEG)	18363
12	FSD Lalabazar	5000
	<b>Total (A)</b>	<b>109182</b>
<b>Nagaland</b>		
13	Dimapur	13000
	<b>Total (B)</b>	<b>13000</b>
<b>Manipur</b>		
14	Bishnupur	4600
15	Khabesoi	2416
	<b>Total (C)</b>	<b>7016</b>
<b>Tripura</b>		
16	Agartala	21167
17	Agartala CS	4750
	<b>Total (D)</b>	<b>25917</b>
<b>18</b>	Arunachal Pradesh	3340
	<b>Grand Total (A+B+C+D)</b>	<b>158455</b>

## PROGRESSIVE USE OF HINDI

- 10.17 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 2020-21, 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. The Department is completely functioning with e-office. Hence, 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 imparted training on the use of e-office system tools for Hindi noting and drafting in the e-files.
- 10.18 This Department is committed towards promoting the use of Hindi language and due to continuous efforts, this Department was awarded second prize under Rajbhasha Kirti Puraskar Scheme by the Department of Official Language for doing excellent work in the field of implementation of Official Language policy of the Government for the Year 2019-20. However, in view of the prevalent COVID-19 pandemic, the prize distribution ceremony could not be held this year. Now, this prize distribution ceremony would be held in the next year on the occasion of Hindi Divas. This Department has received the honour for the seventh consecutive year.
- 10.19 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, 3 quarterly meetings of the Official Language Implementation Committee were held regularly and follow up action on the decisions taken therein was ensured. Due to lockdown at the time of pandemic, one of the OLIC meetings could not be organized. However considering the social distancing norms during COVID-19 pandemic, all other OLIC meetings were held through video conference.
- 10.20 During the year under review, various officers/employees and all the sections/ desks of the Department were regularly encouraged to do their original work in Hindi language so that the orders issued by the Department Of Official Language are effectively implemented. Under Rule 10(4) of the Official Language Rules, 1976, 03 Divisional Offices of FCI at Kannur, Vishakhapatnam and Kakinada wherein 80% employees have acquired working knowledge of Hindi have been notified in the Gazette of India.
- 10.21 In order to create an environment conducive for the use of Hindi in official work and to generate interest among employees, ‘Hindi Pakhwada (Hindi Fortnight)’ was organized from 1<sup>st</sup> to 15<sup>th</sup> September, 2020. However, it was instructed by the Department of Official Language that considering the





COVID-19 pandemic, all the guidelines, SOPs issued by the Central Government from time to time should be followed and advised that during this period all the various programs, as far as possible, should be organized online to encourage the officers and employees. Hence, two online workshops were organized during this period in which all the officers/employees of the Department had participated with full enthusiasm. The first workshop was on “Official Language Policy of the Union, Official Language Act and Official Language Rules” and the second workshop informed the staff on “Official Language and Technology and Use of Hindi Language on Computers”. The Department made all possible efforts to promote the use of Hindi amongst its officers and employees and they were given training and information about the Official Language Policy of the Union, Official Language Act and Official Language Rules and practical training in the use of Hindi on official language and technology and computers.

10.22 During this period, the Department made all possible efforts to follow the SOPs of Ministry of Health & Family Welfare and the instructions of Department of Official Language were strictly followed. The messages of the Hon’ble Minister of Consumer Affairs, Food and Public Distribution as well as the Hon’ble Minister of State for Consumer Affairs, Food and Public Distribution were displayed at prominent places in the Department. Copies of the same were also sent to various attached and subordinate offices. Apart from this, the Department of Official Language suggested some quotations which were presented to the senior officers

of the department in a frame so that they could be displayed by them on their tables. One of these quotations was also presented to the Hon’ble Minister of State for Home Affairs, Sh. G. Kishan Reddy.

10.23 During the year, a special workshop on “Kanthasth”, a memory based translation tool developed by the Department of Official Language, was organized on 19.10.2020 in which translators of the Department as well as its offices located in Delhi were trained to use the tool. This training was imparted to the translators by an officer of the Technical Cell of the Department of Official Language, Ministry of Home Affairs.

10.24 In order to encourage its employees for promoting the use of Hindi in their official work, the Department of Food & Public Distribution had nominated its employees for training of Hindi Typing and 4 employees were also awarded cash prize whereas 1 of the employees excelled the examination with 1<sup>st</sup> division. At present, 4 employees of the department are undergoing training in Hindi typing. This is the first that this training is being imparted in online mode.

10.25 Website of the Department is bilingual and it is updated on regular basis. Publicity material brought out by the Department is also 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.

10.26 A Glossary of 118 pages is also available on the website of this department. In addition, various words, phrases and sentences related to this department are available in the “Rajbhasha Tab” on the department’s

website. This includes English words, their meanings in Hindi and their use in both Hindi and English languages. They can be easily copied and pasted in a word document which makes it easier for the staff to work in Hindi.

- 10.27 The 11<sup>th</sup> edition of Department's annual hindi magazine "Khadya Bharti" can also be seen on the website of the Department of Food & Public Distribution. This magazine has also been uploaded on the official website of the Department of Official Language.

### PROGRESSIVE USE OF HINDI IN CWC

- 10.28 During the year 2020-21 (upto October, 2020), two Hindi workshops were conducted at Corporate Office wherein 41 officers and staff participated.
- 10.29 One full day Rajbhasha Training Programme was organised for the officials of CWC through video conference on 30.07.2020 wherein 34 participants attended the programme.
- 10.30 On the occasion of 58<sup>th</sup> Annual general Meeting of CWC held on 28<sup>th</sup> September, 2020, "Bhandaran Bharti-Rajbhasha Special- 74<sup>th</sup> issue" was released by the Chairman of CWC.
- 10.31 On the occasion of "Hindi Day" on 14.09.2020, the message of Hon'ble Home Minister, Hon'ble Minister of Consumer Affairs and State Minister were read out at Corporate Office for the attention of officers and employees.
- 10.32 "Hindi Pakhwada" were organised at Corporate Office from 14.09.2020 to 28.09.2020 and a special Hindi workshop and various competitions were organized.

- 10.33 One day Hindi workshop was organized on 22.12.2020 through virtual mode wherein 25 participants participated in workshop.
- 10.34 The sub-committee of Parliament an official language inspected the R.O., Delhi on 10.12.2020 regarding progressive use of Hindi in the Regional offices.
- 10.35 An e-inspection on "Official Language Implementation" was conducted at Corporate Office by the Northern Regional Implementation Office -I (Delhi), Department of Official Language, Ministry of Home Affairs on 20.10.2020.

### TRAINING

- 10.36 Training is one of the effective tools for performance enhancement as well as up-gradation 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.
- 10.37 The Training Cell under Establishment Division liaises with training institutions like, Institute of Secretariat Training & Management (ISTM), National informatics Centre (NIC), and IIPA 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 2019-20 and 2020-21 (upto 31<sup>st</sup> December, 2020) are as under:-

Category	2019-20	2020-21 (upto 31.12.2020)
Gazetted	31	05
Non-Gazetted	07	07

## E-GOVERNANCE INITIATIVES UNDER DIGITAL INDIA PROGRAMME

10.38 Department of Food & Public Distribution 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. 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. **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](http://esugar.nic.in)) for online submission of inputs by sugar 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 sugar mills on fortnightly basis etc.

The Directorate of Sugar & Vegetable Oils has also developed a Web Portal/Dashboard ([sugarethanol.nic.in](http://sugarethanol.nic.in)) for online submission of data on production of ethanol & its supply under Ethanol Blended with Petrol (EBP) Programme by all the distilleries either attached with sugar mills or standalone on periodical basis. The distilleries, which have been given benefit under Interest Subvention Scheme of DFPD, are also required to update their implementation status and constraints, if any, for their speedy redressal. This programme will help in monitoring the progress of under-implementation distillery projects also.

Similarly, online registration facility for Edible Oil Processing Units is operational since May, 2014 ([evegoils.nic.in](http://evegoils.nic.in)). Registered units are providing production data on processing of vegetable oils online which in turn helps in policy formulation.

### ii. **Parliament Questions/Answers online:**

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

### iii **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 22,666 books and journals till date 31.12.2020. The open public Access Catalogue (OPAC) has been published on the Website <http://eg4.nic.in>.

**iv. 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 (APAR) while 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 and acclimatise with e-Office products. The details of e-Office implementation

during the current Financial Year 2020-21 (01.04.2020 to 24.12.2020) are as under -

- a) A total of 2,636 electronic files out of 2,670 files were created/ opened in the Department during 2020-21 (01.04.2020 to 24.12.2020), thus around 98.72% of total files created were e-files.
- b) A total of 45,486 electronic receipts out of 48,284 receipts were created/ opened in the Department during 2020-21 (01.04.2020 to 24.12.2020), thus around 94.20% of total receipts created were e-receipts.
- c) The aggregate percentage of e-files on Department's e-Office portal is currently 95.78% 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.
- d) A new version of e-Office Portal 5.6\_03 had been installed on 06.11.2020 in which features like Bar code integration in physical files/receipt/dispatch, Biometric eSigning integration (OTP, FP and IRIS), Provision to view versions and Delete versions have been added.

**v. 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 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.

**vi. 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.

**vii. AEBAS (Aadhar Enabled Biometric Attendance System):**

It has been installed in the Department for maintaining punctuality. However, due to COVID-19 pandemic and in pursuance of DOP&T's O.M. No. C-13014/1/2020-vig dated 6<sup>th</sup> March, 2020, AEBAS has been suspended temporarily. The manual system of attendance registers has been followed.

**viii. CWC:**

a. CWC has already computerized many of its core processes. ICP/CFS/ICD operations have been automated at 12 locations. Air Cargo Complexes have already been computerized. Depot Online System (DOS) has also been implemented in 191 depots of CWC, presently hired by Food Corporation of India (FCI). CCTV surveillance System has been installed at 388 locations. The Pay Roll System, Contributory Provident Fund (CPF) & Pension System, e- Auction, Vigilance Information System and e-Tendering have been implemented. The Corporation has also implemented

Warehouse Management System (WMS) at 396 warehouses. Further, for catering to the accounting needs in view of the GST implementation, the Tally Enterprise Resource Planning (ERP) Package on cloud based technology has been implemented w.e.f FY 2018-19. In Human Resource (HR) functions, the employee service records have been digitized. The Performance Appraisal System, Leave Management System, Tour Management System for related management and integration with attendance CO and all RO, WMS has also been integrated with Electronic Lorry Weighbridge at 52 warehouses. Procedures for hiring to retirement have also been implemented including Employee Self-service. Virtual Hiring in being used for online hiring of new recruiters and digitization of their records. For adoption of paperless e-office for electronic file movement, CWC has also implemented e-Office in the Corporate Office, Regional offices and warehouses.

- b. Visitor Management System to using to e-pass to visitors.
- c. Grievance Redressal Portal for lodging and tacking real time status of complaints.
- d. Bill Tracking System to track movement of bill and status of payment online along with creation of central repository responsibility of vendors.
- e. Online parking Management through mobile application at ICP Petra pole.

- f. Biometric attendance with facial recognition and integration with salary at CO and ROs. Mobile application facility to mark attendance at CO and all ROs.
  - g. Automation of Internal Audit.
  - h. Digital Enquiry and Inspection
  - i. Compliance from 01.10.2020 for e-invoicing through WMS, CFS/ICD/ICP software.
- ix. **CRWC:**
- a. **E-office Implementation** - CRWC has implemented e-Office at corporate office for moving towards the paperless office. It will facilitate not only the remote working but also paperless office and fast disposal of proposals/Payments etc. It will keep track of all the e-file movements. CRWC is in the process of implementing e-office at warehouse level also. CRWC is also digitizing the physical files.
  - b. **Warehouse Management System (WMS)** - CRWC has implemented Warehouse Management System (WMS) to make its operations online (inward/ storage/outward/ billings/ Reports etc.) at all CRWC locations. The Goods Service Tax (GST) invoices are being generated through WMS. The billing through WMS has been integrated with Tally Enterprise Resource Planning (ERP) accounting system.
  - c. **Tally on Cloud Server** - The accounting transactions are being done through Tally ERP-9 which is a presently working on Local area network (LAN). In order to ensure 24\*7 availability of Tally, CRWC is in the process of moving Tally on cloud server. This will also ensure data security.
  - d. **CRWC Website** - CRWC maintains dynamic website with enhanced user friendly features. It contains details of the organization data like warehouse details, tariff, annual reports, contact details, circulars etc.
  - e. **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 process of Annual Performance Appraisal Reports (APAR) has features of fixing the Key Responsibility Areas, Mid-term review, Final Assessment by Reporting, Reviewing and Accepting authority.
  - f. **Human Resource Management System (HRMS)** - CRWC has implemented online Human Resource Management System (HRMS) for CRWC officials which facilitates them for accessing their service related matters which includes complete profile, leave & attendance, submitting annual property returns etc.
  - g. **CCTV Surveillance at RWCs** - CRWC has implemented Closed Circuit Television (CCTV) surveillance system at 15 RWCs. CCTV surveillance system is enhanced at five terminals and

- also in the process of implementing it at three new terminals for better security and monitoring.
- h. **Cost effective MPLS-VPN/IBW Connectivity** - CRWC has implemented Multi Protocol Label Switching- Virtual Private Network (MPLS-VPN)/ Internet Bandwidth (IBW) Connectivity. CRWC has high internet bandwidth and connectivity between corporate office and its Railside Warehousing Complexes (RWCs) through MPLS-VPN connectivity.
  - i. **Biometric Attendance System** - Biometric Attendance system has been implemented at corporate office & all terminals. It is integrated with HRMS application which is facilitating employees with real time visibility of attendance.
  - j. **IP Telephony** - CRWC has implemented Internet Protocol Telephony (IP Telephony) System at corporate office & RWC's. This provides uninterrupted voice communication in secure manner.
  - k. **Vendor Bill Tracking System** - CRWC has implemented vendor bill tracking system which will facilitate vendors and different CRWC departments to track the movement of the invoices and check the status of the invoices. This will reduce the delays in overall invoice processing. The information on this system can be remotely accessed. Outstanding bills of different CRWC vendors can be tracked.
  - x. **WDRA:**
    - a. WDRA undertook a transformation plan which inter alia envisages creation of an IT ecosystem for its major activities.
    - b. 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 (eNWRs) 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.
    - c. 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 HR / Finance have been developed and made operational.

- xi. 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.
- xii. 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.
- xiii. 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

10.39 Position of pending audit observations and a summary of few important audit observations included in the C&AG Reports since 2013 and action taken by the Department thereon as on 31.12.2020 are at **Annexure-XV**.

## VIGILANCE SET-UP

10.40 In the Department of Food & Public Distribution, Vigilance Administration is headed by Chief Vigilance Officer (Additional Secretary) while Vigilance Administration of Schedule 'A' Public Sector Undertakings viz. Food Corporation of India (FCI) and Central Warehousing Corporation (CWC), are headed by full time CVOs (Joint Secretary level). All CVOs work in tandem for redressal of complaints. In both FCI and CWC, there are fully fledged Vigilance Departments, with dedicated hierarchy, overseeing the Vigilance matters. In the case of Schedule 'C' CPSE Central Railside Warehouse Company Ltd. (CRWC) which is a subsidiary of CWC, CVO of CWC is entrusted with its Vigilance administration. In other out station subordinate offices, a suitable senior officer is entrusted with the work of Vigilance Administration.

10.41 Vigilance Division follows guiding principles prescribed and instructions issued by Central Vigilance Commission (CVC) and Department of Personnel & Training (DOP&T), from time to time. Stress on preventive rather than punitive action is accorded by way of addressing



faulty systems/procedural flaws which permit acts of omission and commission. Scrutiny of complaints and initiation of appropriate investigation measures and follow-up action on the same are being done. Information Technology is harnessed to tackle corruption, apart from implementation of extant 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 returns are being applied to eradicate corruption.

- 10.42 Simplification of rules and procedures for the general public is being ensured to avoid needless interface between citizens and government functionaries.
- 10.43 Simultaneously, e-procurement is being emphasized to ensure absolutely clean/transparent Government 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 general doubts.
- 10.44 In pursuance to the directions of CVC, Vigilance Awareness Week was observed from 27.10.2020 to 02.11.2020, with the theme of **"Vigilant India, Prosperous India"**. In both the PSUs, and its subordinate Offices, Vigilance Awareness Week was observed during which posters, lectures, seminars, debates and essay competitions were organized.



Administering oath during Vigilance Awareness Week

## IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

- 10.45 The Right to Information Act 2005 came into force w.e.f. 12<sup>th</sup> October 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.
- 10.46 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. Directors/Deputy Secretaries 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.
- 10.47 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 Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Directorate of Sugar and Vegetable Oils can also be accessed at <https://fci.gov.in>, <https://cewacor.nic.in/index.php>, <https://dfpd.gov.in/SAVO-about.htm> respectively.

10.48 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.

10.49 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.

10.50 During the period from 1<sup>st</sup> April 2020 to 24<sup>th</sup> December, 2020, around 111 requests were received physically and 1683 through Online and all these requests were disposed of within the prescribed time limit. Further, during this period around 131 appeals were filed before various Appellate Authorities of this Department.





**National Sugar Institute**  
Government Of India



## ORGANISATIONS UNDER DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

11.1 There are three Central Public Sector Enterprises (CPSEs) – Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Hindustan Vegetable Oils Corporation Limited (HVOC), three Subordinate Offices – National Sugar Institute (NSI), Kanpur, Indian Grain Storage Management & Research Institute (IGMRI), Hapur, Quality Control Cells (QCC), one Attached Office – Directorate of Sugar & Vegetable Oils 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 CPSEs, Subordinate Office and Regulatory Authority during current financial year are given in succeeding paragraphs.

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

11.3 The Food Corporation of India co-ordinates its functions through a country-wide network of offices with Headquarters at New Delhi and 5 Zonal Offices, 26 Regional Offices, and 160 Divisional Offices excluding 4 Divisional Offices of West Bengal which are under closure.

### STAFF POSITION

11.4 The Category-wise staff position for the quarter ending 31.12.2020 is as under:

CATEGORY	SANCTIONED STRENGTH	MEN IN POSITION
Category-I	1111	862
Category-II	6221	4085
Category-III	27345	14487
Category-IV	7361	2452
<b>Total</b>	<b>42038</b>	<b>21886</b>

### A. FOOD CORPORATION OF INDIA

11.2 The Food Corporation of India (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

### CAPITAL STRUCTURE

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

(₹in crore)

	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019	As on 31.03.2020	As on 12.01.2021	Projections As on 31.03.2021
<b>Authorized Capital</b>	3500	3500	3500	10000	10000	10000
<b>Subscribed Capital</b>						
(i) Working Capital	1484	1484	1984	2984	3984	6484
(ii) Const. of Godowns & Silos**	1271.60	1295.10	1358.10	1407.10	1418.35	1447.1

	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019	As on 31.03.2020	As on 12.01.2021	Projections As on 31.03.2021
(iii) ISFM Project	91.58	91.58	91.58	91.58	91.58	91.58
(iv) Others	13.90	13.90	13.90	13.90	13.90	13.90
<b>Total</b>	2861.08	2884.58	3447.58	4496.58	5507.83	8036.58
** Equity release for NE during the year	35.75	23.50	63.00	45.00	07	25.00

## AUDIT & ACCOUNTS

11.6 The responsibility of auditing of the Annual Accounts of the Food Corporation of India rests with the Comptroller and Audit General of India (C&AG). Annual Accounts for the year 2018-19 has been submitted to ministry 28.08.2020. However, it could not be placed before the Lok Sabha and Rajya Sabha due curtailment of sitting sessions of both the houses on account of Corona Pandemic. The Turnover of the Corporation for the last four years and the current year is as given below:-

(₹in Crores)

Year	Purchases	Turnover		Total (Sales + Subsidy)
		Sales Realisation	Subsidy on Food Grain	
2015-16	116508.52	29286.94	102425.07	131712.01
2016-17	111375.61	22114.78	109135.92	131250.70
2017-18	119971.67	18035.20	116281.68	134316.88
2018-19	133882.48	31554.67	120351.63	151906.29
2019-20	134458.00	23592.05	132407.87	155999.92

## PROCUREMENT OF FOODGRAINS

### Wheat Procurement

11.7 During RMS 2020-21, 389.92 LMT of Wheat has been procured. The Region wise procurement of wheat in last two Rabi Marketing Seasons is given at **Annexure-XVI**.

11.8 Agency wise procurement of Wheat during RMS 2019-20 & RMS 2020-21 is given at **Annexure-XVII**

### Total Rice Procurement

11.9 The Procurement for KMS 2020-21 has commenced from 26<sup>th</sup> Sept, 2020. As on 31.12.2020, 321.44 LMT of Rice has been procured in central pool. The Region wise procurement of Rice during the last two and current Kharif Marketing Season is given at **Annexure XVIII**.

### Paddy Procurement

11.10 Agency wise Paddy procurement during KMS 2018-19, KMS 2019-20 & KMS 2020-21 is at **Annexure-XIX**.

### Procurement of Coarse Grains

11.11 The State Govt. and their agencies have undertaken the procurement of coarse grains in the recent past. Region- wise procurement of coarse grains during last season and current season is as under:

(in MT)

REGION	KMS 2019-20				KMS 2020-21 (Kharif crop only) (31.12.2020)			
	Jowar	Bajra	Maize	Ragi	Jowar	Bajra	Maize	Ragi
Maharashtra	8613	-	90044	-	12409	950	44905	-
M.P.	5469	76	-	-	29253	195288	0	-
Karnataka	9256			193243	-	0	0	-
Haryana	-	100000	-	-	-	75000	0	-
Gujarat	-	-	-	-	-	5000	2774	-
Uttar Pradesh	-	-	-	-	-	0	77279	-
<b>Total</b>	<b>23338</b>	<b>100076</b>	<b>90044</b>	<b>193243</b>	<b>41662</b>	<b>276238</b>	<b>124958</b>	<b>-</b>

### MSP OF WHEAT, PADDY & COARSE GRAIN

11.12 The Minimum Support Price (MSP) for wheat, paddy and coarsegrain are fixed by the Department of Agriculture Cooperation & Farmers Welfare, GOI on the recommendations of the CACP.

11.13 The comparative MSP of wheat, paddy and coarsegrain as announced by the Ministry of Agriculture for crop year 2016-17 to 2020-21 is given below:

(₹ per quintal)

Commodity	2016-17	2017-18	2018-19	2019-20	2020-21
Paddy-Common	1470	1550	1750	1815	1868
Paddy-Grade 'A'	1510	1590	1770	1835	1888
Jowar-Hybrid	1625	1700	2430	2550	2620
Jowar-Maldandi	1650	1725	2450	2570	2640
Bajra	1330	1425	1950	2000	2150
Maize	1365	1425	1700	1760	1850
Ragi	1725	1900	2987	3150	3295
Wheat	1625	1735	1840	1925	1975
Barley	1325	1410	1440	1525	1600

### Procurement of Pulses

11.14 Details of pulses procured during KMS 2015-16, RMS 2016-17 and KMS 2016-17 under PSF scheme is as under:

(in MT)

KMS 2015-16		RMS 2016-17		KMS 2016-17		
TUR	URAD	CHANA	MASUR	TUR	URAD	MOONG
20257.76	4.72	15194.22	4335.79	175301.40	18234.67	64737.16

11.15 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 vide letter dated 11.10.2018, FCI carried out procurement of pulses under PSS Scheme. The details of Pulses procured under PSS during KMS 2018-19, Rabi 2018-19, KMS 2019-20 & RMS 2020-21 by FCI are as under:

(in MT)

States	KMS 2018-19			Rabi 2018-19	KMS 2019-20	RMS 2020-21
	Moong	Urad	Tur	Chana	Tur	Chana
Maharashtra	5981.82	3636.64	0	46.1	9245.13	15159.92
M.P.	207	52852.24	0	0	0	0
Andhra Pradesh	0	493	0	0	0	0
Karnataka	0	0	15341.81	0	0	0
Gujarat	0	0	0	0	1612	0
<b>Total</b>	<b>6188.82</b>	<b>56981.88</b>	<b>15341.81</b>	<b>46.1</b>	<b>10857.13</b>	<b>15159.92</b>

## STOCK MANAGEMENT

11.16 The stock holding under central pool as on 01.01.2021 is 529.59 lakh MT (Rice 186.69 lakh MT; Wheat 342.90 lakh MT). In addition, 404.21 lakh MT unmilled paddy and 3.20 lakh MT coarse grains are also available in central pool. The Crop Year wise position of issuable stock in central pool as on 01.01.2021 is as under:

(in lakh MT)

Crop Year	Wheat		Rice (excluding unmilled paddy)	
	Stocks as on (01.01.2021)	%age of stocks	Stocks as on (01.01.2021)	%age of stocks
2020-21	226.30	66.94	69.71	38.41
2019-20	72.95	21.58	109.33	60.25
2018-19	38.59	11.41	2.43	1.34
2017-18	0.25	0.07	0	0
<b>Total</b>	<b>338.09</b>	<b>-</b>	<b>181.48</b>	<b>-</b>

**Remark:** (i) The stock position excludes stocks in transit, upgradable/ non-issuable.

(ii) Above quantities includes wheat stocks stored in Silos.

(iii) Excludes stocks lying in mandies, yet to be shifted to storage points.

## IMPORT & EXPORT

11.17 There was no export or import of foodgrains (Wheat & Rice) during 2020-21 (w.e.f. April, 2020 to December, 2020). However, following quantity of Wheat and Rice has been delivered to Ministry of External Affairs (MEA) for onward shipment to needy country as Humanitarian assistance from Government of India:

Country	Commodity	Quantity (in MT)
<b>Afghanistan</b> (total quantity 75,000 MT)	Wheat	74830.164
<b>Bhutan</b> (Under SAARC Food Bank Reserve maintained by India/FCI)	Rice	2000.000

## QUALITY CONTROL

11.18 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 as per laid down Specifications of Government of India and inspected regularly during storage to monitor the quality. Representative samples 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.

11.19 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).

11.20 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.

11.21 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 07 major procurement regions at 29 centres and 01 at IFS for training purpose..

11.22 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.

11.23 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 URS WHEAT STOCKS

11.24 During RMS 2019-20, a huge quantity of wheat was procured by FCI and State Agencies under relaxed specifications i.e. URS Wheat, majority of which is stored in CAP storage. GoI issued directions to liquidate these Wheat stocks on overriding priority. As on 01.01.2021, a quantity of 38.62 LMT of URS Wheat of RMS 2019-20 and 153.10 LMT URS Wheat of RMS 2020-21 is available in Central pool is being liquidated on top priority.

## QC INITIATIVES

11.25 **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<sup>SMART</sup>) 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 onwards.

11.26 **Third Party Quality Testing of Foodgrains:** Samples of foodgrains procured & stored in FCI godowns are periodically referred to FSSAI notified NABL accredited labs for quality checks. In FY 2020-21 (upto 31.12.2020), 5557 samples of foodgrains

from different godowns of FCI across the India have been sent for quality checks, out of which results of 4802 samples have been received and found conforming to FSSR 2011 specifications & test results of rest of the samples are awaited.

11.27 **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 2021.

## Maintenance and upgradation of depots

11.28 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 2020-21	Expenditure incurred till 31.12.2020
AR &MO	15000	4055
CC Road	8000	468
Minor Capital work	2500	1073
Weighbridges - Additional/ new/ Upgradation	525	64.89

#Budget released ₹12400 lakh

## TRAINING

11.29 The Food Corporation of India 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. However, keeping in view the safety of our employees and as per the Government of India guidelines, online training programmes are being conducted at IFS. Till 30.12.2020, 628 officers/officials have participated in 23 different in-service online training courses.

11.30 Food Corporation of India has prepared comprehensive “FCI Training (Learning & Development) Policy 2020”, the objective of which is to make training a useful tool for leveraging human capital and to align it with the stated corporate objectives of FCI.

11.31 To accomplish the stated objectives of the Training Policy 2020, following programmes have been planned by FCI Headquarters and approved by the Competent Authority which could not be executed due to COVID-19 pandemic till 30.12.2020. Following programmes with various institutes of repute have been planned:

- (a) Customized training programme on “Contracts Management & Basic Finance” at IIM Calcutta.
- (b) Customized training programme on Agribusiness Management at IIM

Lucknow.

- (c) Customized training programme on “Managerial effectiveness” at IIM Kozhikode.
- (d) Residential Management Development programme for FCI officers at IIM Indore.
- (e) Customized training programme on General Law for non-law cadre officers of FCI at NALSAR Hyderabad.
- (f) Training programme broadly covering topics like Agriculture Marketing, Procurement, Warehousing, Agri marketing reforms, Agri value chain etc. at National Institute of Agriculture Marketing (NIAM) Jaipur.

11.32 Moreover, since the recruitment process for Cat-III employees is under way in FCI, induction trainings for such candidates have also been planned at Zonal level.

11.33 Further, it has been proposed to provide in-service online training to approximately 696 employees at IFS Gurgaon.

### SC/ST EMPLOYEES IN FCI

11.34 Statement showing the representation of SCs/STs in services of FCI as on 30.09.2020 is as under:

CATEGORY	Sanctioned Strength	Total No. of Employees	No. of SC	No. of ST
Cat.I	1111	881	237	167
Cat.II	6221	4255	867	796
Cat.III	27345	13246	2885	1107
Cat.IV (Excluding Safaiwala)	7361	2492	706	333
Cat.IV (Safaiwala)		11	8	1
<b>Grand Total</b>	<b>42038</b>	<b>20885</b>	<b>4703</b>	<b>2404</b>

## MARKET BORROWINGS

### Cash Credit Facility

- 11.35 FCI availed Cash Credit Limit (CCL) of ₹9,495.00 crore from a Consortium of banks led by State Bank of India against a single default guarantee provided by the Government of India. The RBI constitutes FCC (Food Credit Consortium) members every year. The apex bank vide its letter dated 29.11.2019 and further amended vide letter dated 24.02.2020 has reconstituted the food credit consortium of 54 banks for the year 2020. The rate of interest charged on this CCL consists of average Marginal Cost of Funds based Lending Rate (MCLR) (One year benchmark) 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.
- 11.36 The effective monthly compound interest rate charged by the consortium of banks is 7.74% p.a. w.e.f. 01.01.2021.

### Short Term Loan (STL)

- 11.37 As a measure to meet the short term requirements over and above the Cash Credit Limit, FCI has approval of its Board of Directors to avail STL from the scheduled Banks to the extent of ₹75,000.00 crore during the financial year 2020-21. Till 31.12.2020, the Corporation availed STL of ₹1,62,700 crore through tenders during FY 2020-21 and repaid ₹1,78,750 crore during the same period. Outstanding STL as on 31.12.2020 was ₹24,650 crore, availed by FCI from different banks for three-month tenure at their respective quoted rates

ranging from 4.10% to 5.50%.

### Issue of Bonds

- 11.38 Total outstanding Long Term Government Guaranteed Bonds as on 31.12.2020 is ₹37,000 crore. FCI issued Long Term Government Guaranteed Bond of ₹13,000 crore in FY 2012-13 and FY 2013-14. Further, GoI accorded "In principle" approval to raise GoI guaranteed long term bonds of ₹32,000 crore starting from FY 2018-19, in 4 years for ₹8,000 crore in each year. Out of fresh sanctioned, ₹16,000 crore were raised upto FY 2019-20. Bonds of ₹8,000 crore have been issued during FY 2020-21.

### Ways & Means Advance (WMA)

- 11.39 Ways and Means Advance (WMA) is temporary credit allocated by GoI which is to be repaid on or before 31<sup>st</sup> March of the same financial year. WMA carries interest equivalent to average 364 days Treasury bill (T-bill) rate. The corporation received WMA of ₹10,000 crore during FY 2020-21 (till 31.12.2020).

### National Small Savings Fund (NSSF) Loan

- 11.40 GOI released NSSF loan of ₹46063.79 crore in FY 2020-21. Adding to earlier years NSSF loans, outstanding NSSF loans as on 31.12.2020 is of ₹300663.79 crore.

## B. CENTRAL WAREHOUSING CORPORATION (CWC)

- 11.41 The Central Warehousing Corporation (CWC) was established on 2<sup>nd</sup> March, 1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, and commenced its operations during July, 1957. The

Agricultural Produce (Development and Warehousing) Corporations Act, 1956 was repealed and replaced by the Warehousing Corporations Act, 1962.

11.42 The functions of CWC as defined under Section 11 of Warehousing Corporations Act, 1962 & Rule 2A,2B,2C,2D &2E of Central Warehousing Corporation Rules, 1963 framed there under are:

- i. To acquire and build godowns and warehouses at such suitable places in India or abroad at 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 carry out such other functions as may be prescribed;
- ix. To undertake disinfestations service outside its warehouses in respect of agricultural produce or notified commodities as defined in Section 2;
- x. 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;
- xi. To render consultancy service for construction of warehouses or any matter connected therewith; and
- xii. 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

11.43 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 2020-21 (upto 1<sup>st</sup> January, 2021). 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	1,087.10
4.	Insurance Companies including Life Insurance Corporation of India	477.74
5.	Cooperative Societies	14.60
6.	Recognized Associations dealing in agricultural produce	0.71
7.	Companies dealing in agricultural produce etc.	0.05
<b>Total</b>		<b>6,802.10</b>

## GRANT OF SCHEDULE 'A' STATUS

11.44 CWC was upgraded to Schedule 'A', Mini Ratna, Category-I PSU with effect from 13<sup>th</sup> May, 2015.

## STORAGE CAPACITY

11.45 The storage capacity operated by CWC as well as its capacity utilization has gradually increased over past few years as may be seen from the following tables:

(in lakh MT)			
Installed Storage capacity as on	Own	Hired #	Total
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	78.65	23.21	101.86
31.03.2020	77.94	37.36	115.30
31.12.2020	77.62	45.82	123.52

# includes covered hired, management warehouse and open capacity.

## CAPACITY ADDITION

11.46 Details of the storage capacity constructed by CWC from 2015-16 to 2019-20 and projected for 2020-21 are as under:

(in lakh MT)

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (Planned)
Capacity Constructed	1.62	0.95	0.29	0.34	0.38	1.42

11.47 CWC has undertaken a special drive for upgradation of warehouses and identified 172 warehouses for upgradation for the year 2019-20 & 2020-21, out of which 105 centres have been upgraded till 1<sup>st</sup> January, 2021 and work is in progress at 70 centres. The details of the storage capacity to be created by CWC during 2020-21 (upto 01.01.2021) are as under:-

S.N.	Name of Centre	State	Capacity (in MT)
1	Okhla-II	Delhi	1255
2	Sahibabad-II	Delhi	900
3	Kirti Nagar	Delhi	720
4	R P Bagh	Delhi	645
5	Sahibabad-I	Delhi	780
6	Deoli	Rajasthan	6300
7	Sriganganagar - I	Rajasthan	8285
8	Badhohi	Lucknow	10000
9	Nasik Road	Maharashtra	3022
<b>Total</b>			<b>31362</b>

Note:

S.N.	Place	Capacity (in MT)
1	Whitefield - Karnataka	1290
2	Indore - Madhya Pradesh	323
3	Bibipur -Haryana	12300
4	Nabha BD - Punjab	544
5	Amritsar BD -Punjab	544
6	Patnacity- Bihar	409
7	Okhla-II - Delhi	430
<b>Total</b>		<b>47,747</b>

### TURNOVER, PROFIT AND DIVIDEND

11.48 CWC has been a consistently profit making and dividend paying CPSE. CWC paid dividend @ 30% of PAT for the year 2019-20. The details of turnover, Profit Before Tax and dividend paid during the years 2014-15 to 2019-20 and 2020-21 (upto October, 2020) are given in the following table:

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	1604.62	225.42	27.00	22.08	49.08
2019-20	1727.63	409.67	61.48	50.27	111.75
2020-21 (Upto December 2020)	1531.55	449.82	-	-	-

## CAPACITY UTILISATION

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

(in lakh MT)

Financial Year	Owned/Covered			Hired #			Total		
	Avg. Capacity	Utilization	% age	Capacity	Utilization	% age	Capacity*	Utilization	% age
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	76.12	65.50	86	23.67	17.40	73	99.80	82.91	83
2019-20	77.94	65.47	84	37.36	33.62	90	115.30	100.31	87
2020-21 (as on 01.01.2021)	77.62	65.51	84	45.89	40.90	89	123.51	106.41	86

# includes management warehouses and open storage capacity.

\* indicates Operational Storage Capacity.

## PEST CONTROL SERVICES

11.50 Corporation is actively involved in Pest Control Services which is an additional activity since 1963. It includes General Disinfestations and rodent control, Anti-termite treatments, Vector and weed control, disinfection against micro-organisms and various types of

fumigation activities. Pest control services of the corporation is directed towards minimization of post-harvest losses, public health care and damage to public properties with use of eco-friendly WHO approved chemicals with proper technique of pest control. During the year 2019-20, Corporation could generate total revenue of ₹19.04 crore on various pest control

activities. During FY 2020-21, income from PCS activity is amounting to ₹36.33 crore upto December, 2020.

- 11.51 Corporation has accreditation on NSPM-12 & 22 standards for carrying out Quarantine fumigations for export cargos and containers/vessels by Aluminium Phosphide and Methyl Bromide. Besides, the pest control services are also being provided at major Air-ports, Land Ports and Railways and various Corporate.

### INTEGRATED CHECK POSTS

- 11.52 CWC is operating the Cargo Terminal of the Integrated Check Post (ICP) at Attari (Punjab) and Petrapole (West Bengal) facilitating the import / export trade between India and Pakistan and Indo Bangladesh borders through land route. Land Port Authority of India (LPAI) has extended operation & management of ICP-Attari to CWC for two more year w.e.f. 09.04.2020. ICP Attari has been playing a major role in combating with the soaring onion price by facilitating onion import from Afganistan.

- 11.53 The management of ICP Petrapole (West Bengal) 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. The said ICP was formally inaugurated on 12.02.2016.

### STATE WAREHOUSING CORPORATIONS

- 11.54 CWC has 19 associates, the State Warehousing Corporations (SWCs). The total investment of the Central Warehousing Corporation, which is 50% shareholder in the equity share capital of the SWCs, as on

1<sup>st</sup> January, 2021 was ₹61.79 crore. As on 1<sup>st</sup> January, 2021, the SWCs operated 2297 warehouses with a total capacity of 390.76 lakh MT.

### CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED (CRWC)

- 11.55 Central Railside Warehouse Company Limited is a CPSE under the Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, incorporated under the Companies Act, 1956 on 10.07.2007 having authorised capital and paid-up share capital of ₹150 crore and ₹40.56 crore respectively. The 100% paid-up share capital of the Company is being held by Central Warehousing Corporation (CWC).

- 11.56 As on the 31.12.2020, CRWC is operating 20 Railside Warehouse Complexes (RWCs) with a total installed capacity of 3,54,967 MT as per details given below:-

Sl. No.	Name of RWC	Capacity (in MT) (As on 31.12.2020)
1.	Whitefield, Bangalore	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



Sl. No.	Name of RWC	Capacity (in MT) (As on 31.12.2020)
12.	Kandla, Gujarat	32,200
13.	Korrukupet, Chennai	30,292
14.	Hatia, Ranchi	12,800
15.	Saswad Road, Pune	18,700
16.	Dankuni, Kolkata	13,750
17.	Mysore, Karnataka	12,500
18.	Jogeshwari, Mumbai	19,000
19.	Pahleja, Bihar	13,800
20.	Fatuha, Bihar	20400
	<b>TOTAL</b>	<b>3,54,967</b>

11.57 The Total Installed Warehouse Capacity for the last two years is as under:

(in MT)

Particular	2018-19	2019-20	(As on 31.12.2020)
Total Installed Capacity	3,32,467	3,34,567	3,54,967

11.58 The number of wagons handled for the last two years is as under:

(in Units)

Particular	2018-19	2019-20	(As on 31.12.2020)
No. of Wagons Handled	1,27,332	1,34,728	1,17,839

11.59 The Financial results of the Company as on 31.12.2020 as compared to last two years are given below:

(₹in lakh)

Particulars	2018-19	2019-20	(As on 31.12.2020)
Gross Revenue	8794.48	8255.10	6143.56
Gross Expenditure	7243.41	6686.57	4895.18

Particulars	2018-19	2019-20	(As on 31.12.2020)
Profit before tax (PBT)	1635.77	1939.37	1248.38
Tax Expense	148.06	307.22	297.96
Profit after Tax (PAT)	1487.71	1632.15	950.42

## AWARDS & ACCOLADES

11.60 CRWC received 10<sup>th</sup> PSE excellence award organized by Indian Chamber of Commerce, in the category of corporate governance under Miniratna I, II & others.

## OPERATIONAL PERFORMANCE

11.61 As on 31.12.2020, CRWC is operating at 20 Railside warehouse complexes with a total storage capacity of 3,54,967 MT. In July, 2020, Railside Warehouse Complex (RWC) with capacity of 20,400 MT at Fatuha (Bihar) was completed. These are transit warehouses. Based on commodities of cement and fertilizer being stored, the rated capacity of the Railside Warehouses Complexes is 2,59,842 MT. CRWC achieved average utilization of 34% as on 31.12.2020 as against 39% during the previous year. The average utilization level has come down due to reduction in demand of cement due to COVID-19.

## PROJECTS

11.62 The following Projects are under CWC:

**Fatuha, Bihar:** Construction of 20400 MT railside warehouse complex (RWC) at Fatuha, Bihar with temperature controlled storage at an estimated cost of ₹30 crore has been completed and the RWC got inaugurated & operationalised on July 7, 2020.

**Mancheshwar (Odisha):** The construction work of RWC at Mancheshwar with 9500 MT capacity is under progress. M/s RITES limited has been appointed as project management consultants for the project. The project is expected to be completed by Sep, 2021.

- 11.63 Apart from the above, in principle approval for setting two new RWCs i.e. Sankrail (West Bengal) and Gandhidham (Gujarat) has been received on 07.09.2020. Detailed project report (DPR) and Engineering Scale Plan (ESP) for setting up of new RWCs at Gandhidham (Ahmedabad Division, Gujarat) & Sankrail (Kharagpur Division, West Bengal) has been submitted to Railways authorities and got approved. Further, M/s Rites has been deputed for PMC (project management consultancy) work for these two projects.
- 11.64 Besides these, the Company has taken further following steps for expansion of business:
- i. CRWC had sent the proposal for setting up of FARM GATE Logistics in Arunachal Pradesh and the same has been accepted by Government of Arunachal Pradesh. The State Government has further approved for giving 100% Capex funding.
  - ii. CRWC has created a new business vertical where in private warehouses are hired and offered to govt. institution / PSU.
  - iii. CRWC had signed an MoU with ITI for developing an e-commerce vertical where in Marketing and logistics will be done by CRWC and all IT related back up will be provided by ITI.

## HUMAN RESOURCE MANAGEMENT

11.65 At CRWC, focus is on workplace of tomorrow that promotes collaborative, transparent and participative culture in the organization, encourages initiative and rewards better performance. The focus of human resource management in CRWC is to ensure that each and every employee is enabled to express themselves and their ideas. CRWC takes pride in having a motivated and competent human resource that has contributed its best to bring the company to its present height.

11.66 As on 31<sup>st</sup> December, 2020, total strength in the company stood at 50 in different functional areas i.e. commercial, HR, finance, projects & engineering and IT. With a balance mix of young and experienced employees, company is a vibrant, progressive and energetic organization. CRWC has consistently been focusing on learning and development of its employees and instituting best in-industry practices.

11.67 The company has followed the Government directives on reservation of SC, ST and OBC. At present, the SCs and STs constitute 12% of the total strength of employees of the company. The group wise total manpower since 2018-19 are as follows:

Group	2018-19	2019-20	2020-21 (as on 31.12.2020)
Group A	9	9	9
Group B	48	45	41

11.68 CRWC as an organization lays down the emphasis on training and development activities. A number of need based trainings were conducted in different functional

areas for upgrading existing skills as well as to develop new skills and competencies of the officials at RWCs level and corporate office level. During FY 2020-21 as on 31.12.2020, 29 training programme were conducted with 542 man days. Details as follows:

Nature of training	No. of trainings	No. of employees attended
Nominated Webinar	17	96
Webinar for all	12	446
<b>Total</b>	<b>29</b>	<b>542</b>

## INTERNAL COMPLAINT COMMITTEE

11.69 In compliance with "Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013, CRWC has duly constituted an Internal Complaints Committee (ICC) as per the provisions of the Act. Till date, no complaint has been received by the Committee.

## RAJBASHA

11.70 Hindi Pakhwada was observed from 14.09.2020 to 28.09.2020 and various hindi competitions were held during the fortnight for the employees of the company. Bilingual website of the company was revamped and many of the twitter updates were made in Hindi. In order to promote Hindi, employees of CRWC were encouraged to register themselves in translation memory tool which is an online tool released by Rajbhasha Vibhag.

11.71 The quarterly meetings of official language implementation committee were also held regularly under the chairmanship of the Managing Director of the company and the

use of Hindi in day-to-day working of the company was reviewed, decisions were taken and implemented to achieve the annual targets fixed by the Department of Official Language, Government of India. Further, official language rules, 1976 (As amended in 1987, 2007 & 2011) are being followed scrupulously.

## VIGILANCE

11.72 CRWC observed vigilance awareness week from 27.10.2020 to 02.11.2020 in accordance with CVC guidelines. Employees of CRWC had undertaken the e-pledge. Digital platform was also used to make people aware about the campaign. Employees also took part actively in the essay competition.

## RIGHT TO INFORMATION ACT, 2005

11.73 Your company has successfully implemented the Right to Information Act, 2005. Senior Manager (HR) is appointed as Central Public Information Officer (CPIO) and Additional General Manager (Projects & Engineering) is the Appellate Authority at corporate office, as required under the RTI Act, 2005.

11.74 During the FY 2020-2021, as on 31.12.2020, 67 applications seeking information under the Act were received, which were disposed off. Out of these, 7 appeals were received by the Appellate Authority and were disposed off.

## CORPORATE SOCIAL RESPONSIBILITY AND CONTRIBUTION TO SUSTAINABILITY DEVELOPMENT

11.75 In compliance with the provisions of Section 135 of the Companies Act, 2013,

read with the Companies (Corporate Social Responsibility Policy) Rules 2014, your company has established corporate social responsibility (CSR) and sustainable development committee. CSR Expenditure Details till 31.12.2020 are as follows:

S. No.	Theme	Activities	Expenditure incurred (₹in lac)
1	Social, economic development and welfare of the people	Contribution has been made to PM Cares Fund to fight against the Current Pandemic.	30
2	Eradicating Poverty and Hunger	Dry ration has been distributed to labourers at RWC Shakurbasti	1
3	Swachh Bharat Abhiyan	Amount spent in the construction work of Toilet near RWC Nishatpura	9.97
4	Health and Care of Labourers	Mask and Gloves distributed to Labourers at various RWCs.	0.42
			<b>41.69</b>

### TECHNOLOGY ABSORPTION

11.76 During the reporting period, CRWC has digitally transformed itself with the help of following technology initiatives:

- i. **E-office Implementation** - CRWC has implemented e-Office at corporate office for moving towards the paperless office. It will facilitate not only the remote working but also paperless office and fast disposal of proposals/Payments etc. It will keep track of all the e-file movements. CRWC is in the process of implementing e-office at warehouse level also. CRWC is also digitizing the physical files.
- ii. **Warehouse Management System (WMS)** - CRWC has implemented Warehouse Management System (WMS) to make its operations online (inward/ storage/outward/ billings/ Reports etc.) at all CRWC locations. The Goods Service Tax (GST) invoices are being generated through WMS. The billing through WMS has been integrated with Tally Enterprise Resource Planning (ERP) accounting system.
- iii. **Tally on Cloud Server** - The accounting transactions are being done through Tally ERP-9 which is a presently working on Local area network (LAN). In order to ensure 24\*7 availability of Tally, CRWC is in the process of moving Tally on cloud server. This will also ensure data security.
- iv. **CRWC Website** - CRWC maintains dynamic website with enhanced user friendly features. It contains details of the organization data like warehouse details, tariff, annual reports, contact details, circulars etc.
- v. **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 process of Annual Performance Appraisal Reports (APAR) has features of fixing the Key Responsibility Areas, Mid-term review, Final Assessment by Reporting, Reviewing and Accepting authority.

- vi. **Human Resource Management System (HRMS)** - CRWC has implemented online Human Resource Management System (HRMS) for CRWC officials which facilitates them for accessing their service related matters which includes complete profile, leave & attendance, submitting annual property returns etc.
- vii. **CCTV Surveillance at RWCs** - CRWC has implemented Closed Circuit Television (CCTV) surveillance system at 15 RWCs. CCTV surveillance system is enhanced at five terminals and also in the process of implementing it at three new terminals for better security and monitoring.
- viii. **Cost effective MPLS-VPN/IBW Connectivity** - CRWC has implemented Multi Protocol Label Switching- Virtual Private Network (MPLS-VPN)/ Internet Bandwidth (IBW) Connectivity. CRWC has high internet bandwidth and connectivity between corporate office and its Railside Warehousing Complexes (RWCs) through MPLS-VPN connectivity.
- ix. **Biometric Attendance System** - Biometric Attendance system has

been implemented at corporate office & all terminals. It is integrated with HRMS application which is facilitating employees with real time visibility of attendance.

- x. **IP Telephony** - CRWC has implemented Internet Protocol Telephony (IP Telephony) System at corporate office & RWC's. This provides uninterrupted voice communication in secure manner.
- xi. **Vendor Bill Tracking System** - CRWC has implemented vendor bill tracking system which will facilitate vendors and different CRWC departments to track the movement of the invoices and check the status of the invoices. This will reduce the delays in overall invoice processing. The information on this system can be remotely accessed. Outstanding bills of different CRWC vendors can be tracked.

### C. HINDUSTAN VEGETABLE OILS CORPORATION LIMITED (HVOC)

11.77 Hindustan Vegetable Oils Corporation (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.

11.78 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 has disposed off the moveable assets of units Chennai, Amritsar, Kanpur, Delhi, Mumbai and Bangalore earlier and the disposal of moveable assets of Kolkata was pending due to stay order of Hon,ble High Court of Calcutta. However after getting vacation of the stay order, the disposal of moveable assets of Kolkata unit affected in the February 2020 by the liquidator. The liquidator has also settled the dues of all outsider creditors of HVOC except claims which are under litigation.

11.79 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-aforsaid meeting also decided to waive off the liabilities of HVOC towards loans taken from the Government.

11.80 HVOC is, pursuing 24 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

#### **D. WAREHOUSING DEVELOPMENT & REGULATORY AUTHORITY (WDRA)**

11.81 Warehousing Development and Regulatory

Authority under the Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution was set up on 26<sup>th</sup> October, 2010 under the provisions of the Warehousing (Development & Regulation) Act, 2007.

#### **OBJECTIVES**

11.82 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 would 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**

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

- i. To register warehouses, cold storages and Silos. Which would issue NWRs upon receipt of stocks



- ii. To implement Negotiable Warehouse Receipt system.
- iii. To empanel Inspection agencies for conducting physical inspection of warehouses as well as stocks audits.
- 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 goods deposited in the warehouses.
- x. To register Repositories for creation and management of electronic Negotiable Warehouse Receipts (e-NWRs).

## REGULATION OF WAREHOUSING BUSINESS

11.84 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

11.85 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.

11.86 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

11.87 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 07 (seven) 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, 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 2020-21 (upto 31.12.2020) the Authority registered 155 warehouses fulfilling all the requirements for registration. The registered warehouses issued 56401 electronic Negotiable Warehouse Receipts (eNWRs) against deposit of 4.68 lakh MT of stock with a declared value of ₹2088.73 crore at the time of deposit.

**(v) Integration of Primary Agricultural Cooperative Societies (PACs) with NWR ecosystem:**

The Authority has taken initiative for integration of the Primary Agriculture Cooperative Societies (PACs) warehouses under the Negotiable Warehouse Receipt system so that the small and marginal farmers may get benefit of safe storage and pledge financing. 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 Tamil Nadu and during 2020-21 (up to 31.12.2020), 53 warehouses of PACS in the State of Tamil Nadu and Uttar Pradesh were registered. Similar efforts are on in the State of Odisha and Gujarat.

**(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, 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 and awareness about benefits of the NWR system are also carried out regularly.

**(a) Warehousemen Training**

**Programmes:** During 2020-21 (up to 31.12.2020), 12 warehouseman training programmes covering 447 warehousemen / warehouse managers were organized. Since inception, a total of 81 training programmes covering 2565 warehousemen / warehouse managers were organized.

**(b) Awareness programmes for farmers:**

During 2020-21 (up to 31.12.2020), 43 awareness programmes covering 2150 farmers / traders/millers have been organized. Since inception, a total of 885 awareness programmes covering 45150 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 envisaged 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. Digitisation / dematerialisation 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.

issued Registration Certificates on 26.09.2017 to commence operations. Electronic Negotiable Warehouse Receipt (e-NWR) System has been launched on 26.9.2017. Both the Repositories are fully operational and e-NWRs are being issued on the Repository system.

**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 got 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

- 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<sup>st</sup> November 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 ICEX (NMCE) from June 2018.
- vi. The process of integration of WDRA registered warehouses with e-NAM for use of e-NWR for trade settlement is under development.

**REFORMS UNDER TAKEN BY THE DEPARTMENT**

**i. Registration Fees**

Sl. No.	Existing norms		Revised	
	Unit of registration	Fee (non-refundable)	Storage Capacity	Fee
1.	Each warehouse with a capacity of 10,000 Ton or less	₹20000/-	Upto 500 MT	₹5000/-
			500-1000 MT	₹7500/-
			1001-2500 MT	₹10000/-
			2501-5000 MT	₹15000/-
			Above 5000MT	As per existing provision (no change)



Sl. No.	Existing norms		Revised	
	Unit of registration	Fee (non-refundable)	Storage Capacity	Fee
2.	Each warehouse with a capacity of more than 10,000 Ton but less than or equal to 25,000 Ton	₹25000/-	As per existing provision (no change)	
3.	Each warehouse with a capacity of more than 25,000Ton	₹30000/-		
4.	Note: However, where the applicant/warehousemen is FPO or cooperative, it is ₹5000/* only.			

- ii. **Net Worth requirement** - Where applicant/warehouseman is a Farmer Producer Organization / Cooperative, the networth should be positive.

### EXISTING NORMS OF WDRA:

Existing norms		Revised	
Storage capacity (in tons)	Net worth (Rupees in crores)	Storage Capacity (in tons)	Net worth (in Lakh)
Less than 1,000	0.10	Upto 500MT	₹4 L
		501-1000 MT	₹8 L
1,001-3000	0.25	1001-1500 MT	₹12 L
		1501-2000 MT	₹16 L
		2001-2500 MT	₹20 L
3,001 – 5,000	0.50	2501-5000 MT	₹40 L
5,001 – 7000	1.00	5001 & above	As per existing provision (no change)
7,001 – 10,000	2.00	As per existing provision (no change)	
10,001 – 15000	5.00		
15,001 – 25,000	10		
25,001 – 75,000	20		
75,001 – 1,50,000	30		
1,50,001 – 5,00,000	50		
5,00,001 and above	100		

Note: However, for FPO or a cooperative, it should be positive only.

- iii. **Security Deposit Requirement:** The warehouseman shall maintain a Security Deposit to be held by the Authority during period of registration of the warehouse. Value of the Security Deposit shall be a sum total of columns A, B & C mentioned in the table given below (here the highest value of total outstanding negotiable warehouse receipts over the preceding quarter for all the registered warehouses of the warehouseman is referred as T).

Existing norms				Revisited Proposal	
Slab	A	B	C	Security	Amount
T is less than or equal to ₹25 crore	0	3% of T	₹1 lakh per warehouse	Up to 100MT	₹50,000
T is above ₹25 crore and up to 250 crore	₹75 lakh	1.5% of excess of T over ₹25 crore	₹1 lakh per warehouse	101-500 MT	₹2.5 Lakh
				501-1000 MT	₹5 Lakh
T is above ₹250 crore and up to 2,500 crore	₹4.125 crore	1% of excess of T over ₹250 crore	₹1 lakh per warehouse	1001-1500 MT	₹7.5 Lakh
				1501-2000 MT	₹10 lakh
T is above ₹2,500 crore	₹26.625 crore	0.5% of excess of T over ₹2500 crore	₹1 lakh per warehouse		

a. The Security Deposit shall be updated at the end of each month.

b. Where the applicant/ warehouseman is a Farmer Producer Organisation or a Co-operative, the total Security Deposit would be ₹50,000 (fixed) per warehouse.

Note: However, for FPO or cooperative godowns, it is ₹50,000/- (fixed) per warehouse only.

## E. NATIONAL SUGAR INSTITUTE, KANPUR

11.88 National Sugar Institute 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 2020-21 academic sessions, 285 students including four students from Nigeria were admitted in various courses:

- 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.

11.89 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. The institute also conducted short duration customized training programmes regularly for industry personnel.

11.90 Besides conducting teaching and training programmes, carrying out research in relevant fields, other main functions of the institute are:

- i. To function as a “Think-tank” to sugar and allied industry for proposing modernization and trouble free functioning of the process on advisory basis / through Extension Services.

- ii. To formulate strategies and promote measures for expansion of capacities, energy conservation, co-product utilization etc. for sugar and allied industries.
- iii. To assist Govt. of India through technical contribution in policy formulation related to sugar sector.

### **CUSTOMIZED TRAINING PROGRAMME & WORKSHOPS:**

11.91 Due to implications of COVID-19, the institute resorted to teaching on virtual platform and customized training programmes, workshops & seminars were also conducted online.

11.92 An online workshop was organized on 9<sup>th</sup> June, 2020 on the topic “Sanitizer Production and Quality Control” with a view to help the industry to produce sanitizer as per the World Health Organization (WHO) guidelines to fight COVID-19 and also to inspire young entrepreneurs for setting up such units.



**Online workshop on Sanitizer Production and Quality Control**

11.93 Two days online training programme on “Supply Chain Management in Sugar and Allied Industries” was organized online by the institute on 9<sup>th</sup> & 10<sup>th</sup> September, 2020. About 200 trainees from all over the country, Kenya and Nigeria participated in the programme wherein they were trained on measures to be taken for ensuring safe food from “farm to fork.”



### Online training Programme Supply Chain Management in Sugar and Allied Industries

11.94 Three days online virtual training programme on “Operation & Effluent Analysis in Sugar Factories” conducted by National Sugar Institute, Kanpur from 22<sup>nd</sup> to 24<sup>th</sup> September, 2020. The programme was inaugurated by Shri Subodh Kumar Singh (IAS), Joint Secretary, Department of Food & Public Distribution, Government of

India. He stressed the need for a clean and green sugar industry through technological interventions, removing tag of a polluting industry. Training was imparted on recent technological interventions in effluent treatment and standard protocols for waste water analysis.



### Online training Programme on ETP Operations & Effluent Analysis in Sugar Factories

11.95 An online workshop was organized on 28<sup>th</sup> July, 2020 on the topic “Good Laboratory Practices and Quality Control in Sugar Factories”. Besides the Indian participants, seven overseas candidates attended the programme. Informative lectures were

delivered on Good Laboratory Practices such as calibration of equipments/instruments and standard procedures for analysis of dextran, colour, starch and conductivity ash etc.



Online workshop on Good Laboratory Practices and Quality Control in Sugar Factories

## EXECUTIVE DEVELOPMENT PROGRAMME:

11.96 Five days online “Executive Development Programme” was conducted by National Sugar Institute, Kanpur, from 24<sup>th</sup> to 28<sup>th</sup> August, 2020. The programme was inaugurated by Secretary (Food & Public Distribution), Government of India. Joint Secretary (Sugar & Administration) also

graced the occasion. The programme was attended by about 100 senior executives from Indian & Overseas sugar industries. Lectures were delivered on the important topics relating to project management, raw material management, inventory management, human resource management and on recent trends in processing.



Executive Development Programme for Sugar industry personnel

## WEBINARS / ONLINE LECTURES

11.97 A Webinar on “Impact of COVID-19 on Indian Sugar Industry” was successfully organized jointly by National Sugar

Institute, Kanpur & M/s Shrijee Process Engineering Works Ltd., Maharashtra on 29<sup>th</sup> April, 2020. Prof. Narendra Mohan, Director delivered the inaugural address emphasizing stress on safe processing

and packaging conditions. Galaxy of experts participated and deliberated on the issue. The Webinar concluded with some thought provoking ideas to be adopted as short and long term measures.



**Webinar on “Impact of COVID-19 on Indian Sugar Industry”**

11.98 A Webinar on “Domestic and Industrial Sanitization amidst Pandemic” was organized by the institute on 14<sup>th</sup> May, 2020. This Webinar was intended to provide an insight on the domestic and industrial sanitization at various levels of the sugarcane value chain with a perspective on the evolving situation, implications and the booster steps required to pull out of this turmoil. Shri Sanjay Awasthi, President, The Sugar Technologists Association

of India delivered the key note address and highlighted various precautionary measures to be taken for maintaining sanitary conditions in the sugar units. Presentations were also made by Prof. Narendra Mohan, Director, National Sugar Institute, Kanpur, Dr. (Mrs.) Meet Kamal Dwivedi, Associate Professor of Chemistry and Dr. R. K. Dwivedi, Associate Professor of Physics, Christ Church College on the subject matter.



**Webinar on “Domestic and Industrial Sanitization amidst Pandemic”**



11.99 A Webinar on “Sugar Market & Consumption Under COVID-19” was organized by the institute on 16<sup>th</sup> June, 2020. Mr. Peter De Klerk, Senior Economist, International Sugar Organization, UK delivered the

key note address highlighting the myth and realities associated with sugar consumption. He also presented scenario as regards to sugar consumption and global sugar price amidst pandemic.



Webinar on “Sugar Market & Consumption Under Covid-19”

11.100 An on line session was organized by the institute with Mr Arvind Chudasama, Editor, International Sugar Journal, London on the topic “Exploiting Ligno-cellulosic Feed Stocks for Lignin and Chemicals” on 4<sup>th</sup> June, 2020. Mr. Chudasama gave a snapshot of R&D being carried out on utilization of lignin for production of plasticizers, aerogels & carbon filter etc. He highlighted the present status of work being carried out on commercial exploitation of the value added products in other countries viz. USA, Brazil and Australia.

11.101 An International Webinar on “Alternate Uses of Bagasse” was organized by the institute on 2<sup>nd</sup> July, 2020. Inaugural address was delivered by Shri R. L. Tamak, Executive Director & CEO (Sugar Business), DCM Shri Ram Ltd. and concluding remarks were given by Dr. MS Sundaram, Managing Director, JPMA, Pune. Presentations were also given by the institute faculty members on Bio-plastic, Particle Board, Eco-Ware Crockery and Dietary fiber from sugarcane bagasse.



International Webinar on “Alternate Uses of Bagasse”

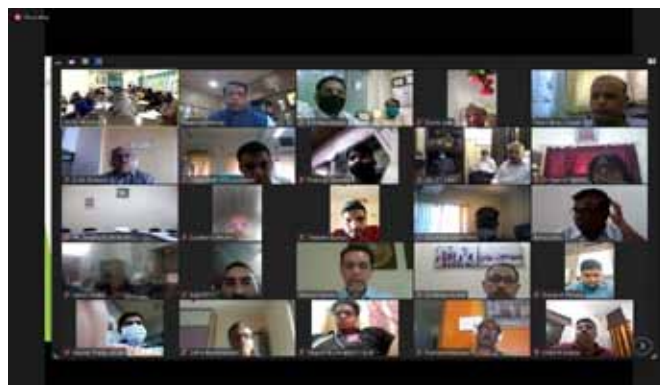
11.102 An International Webinar was organized on 06<sup>th</sup> August, 2020 on the topic “**Sugar & Sweeteners-Quality and Consumption Patterns**” jointly by National Sugar Institute, Kanpur, National Sugar Development Council, Nigeria and Assiut



International Webinar on Sugar & Sweeteners-Quality and Consumption Patterns

11.103 A Webinar on “Production of Bio-CNG from filter cake of Potash rich fertilizer from Incineration Boiler Ash” was organized by the institute jointly organized with Indian Sugar Mill Association (ISMA) and National Federation of Cooperative Sugar Factories (NFCSF) on 10<sup>th</sup> November, 2020. Mr. Sudhanshu Pandey, Secretary (F&PD), Government of India delivered the inaugural address, while keynote address was delivered by Mr. Subodh Kumar Singh, Joint Secretary (Sugar), Government of India. Eminent experts and technology providers delivered lecture on importance of exploring the untapped potential of

University, Egypt, wherein large nos. of delegates from India, Sudan, Egypt, Nigeria, Sri Lanka, Saudi Arabia, Kenya and Nepal participated. Lectures were delivered by institute faculty and eminent experts from other countries.



valuable by-Product “Filter Cake from the Sugar Industry”.

11.104 Asian Sugar Conference 2020 was organized by the Institute on 8<sup>th</sup> October, 2020. More than 250 delegates from Indonesia, Iran, Sri Lanka, Thailand, Nepal, Nigeria, Uganda, Kenya, UAE and Vietnam participated. The conference was inaugurated by Secretary (Food & Public Distribution), Government of India. Lectures on important topics related to sugar quality, consumption patterns & value addition were delivered by eminent experts from Thailand, Indonesia, Sri Lanka, Iran and from our own country.



Asian Sugar Conference 2020

11.105 Prof. Narendra Mohan, Director, National Sugar Institute Kanpur, addressed the National Sugar Summit 2020, Indonesia held on 24<sup>th</sup>-25<sup>th</sup> November, 2020 and highlighted “Role of National Sugar Institute, Kanpur, India in growth of Development of Indian Sugar Industry”.



NSI, Kanpur participating in National Sugar Summit 2020, Indonesia

Discussion were also held on possible tie-up between National Sugar Institute, Kanpur, India and Politeknik Perkebunan LPP, Yogyakarta, Indonesia for conducting training programmes for in-service technical Personnel working in Indonesia Sugar Factories.



## COLLABORATIVE RESEARCH

11.106 A Memorandum of Agreement (MoA) was signed between National Sugar Institute, Kanpur and M/s UY Trienviro Pvt. Ltd.

on 22<sup>nd</sup> May, 2020 to take up pilot plant studies for developing technologies for condensate treatment so as to convert it as a replacement of fresh or to convert even as potable water.



Signing of MoA between National Sugar Institute, Kanpur and M/s UY Trienviro Pvt. Ltd.



## RESEARCH

11.107 Research work on various important issues was taken up by the institute during the period. 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 environment issues. The institute is continuing R & D work on following:

- i. Studies on isolation of Lignin from sugar industry based biomass and development of the process for the

conversion of derived lignin and fermentable sugar to Value-added products.

- ii. Development of process for producing fortified sugar & jaggery.
- iii. Studies on the feasibility of utilization



Synthesis of alkyl levulinates (ALs) from sugarcane bagasse

- v. Studies on production/isolation of C5-Sugar Alcohol/Sugar using by-product resources of sugar industry.
- vi. Standardization of method for determination Preparatory Index of sugarcane.
- vii. Development of Super Short Retention Time Clarifier.
- viii. To study the impact on performance of mechanically coupled twin induction motor drives for Shredder/Fibrizer having unequal sharing of load and to design & develop dedicated drive for the application.
- ix. Studies on deterioration patterns on raw, plantation white and refined sugars.
- x. Utilization of Potash Rich ash for production of valuable bio fertilizer.

of sugarcane bagasse as a potential feedstock to access cosmetic ingredients.

- iv. Studies on pot-efficient synthesis of alkyl levulinates (ALs) using sugarcane bagasse-derived cellulose.



Crushing of Sweet sorghum at Institute

- xi. Comparative study of Nine varieties of sweet sorghum for production of ethanol yield.

### PATENTS & TECHNOLOGY TRANSFER

11.108 Based on the research work carried out at the institute, patent applications were filed for the following technologies:

- i. Method for production of hygienically processed fortified jaggery.
- ii. Method for production of fortified amorphous sugar through co-crystallization.
- iii. Method for direct utilization of sugarcane bagasse hemicellulosic constituents for the synthesis of C-B-D-xylopyranoside-2-alkanones.

11.109 Technology on production of "Fortified Jaggery" was transferred to M/s Balaji Agro

Foods, Lucknow through National Research Development Corporation. The unit took



Fortified jaggery production through institute developed technology

up production of jaggery fortified with turmeric, ginger, flax seeds and cinnamon.



## CONSULTANCY

11.110 The institute rendered its services to various sugar factories and distilleries situated in all 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 modernisation, energy & water conservation, lower sugar recovery, validation of effluent treatment plants, diversion of intermediate process liquors for ethanol production and on various other issue. During the period, more than 150 sugar factories, distilleries and other related organizations availed the advisory for such purpose. Besides this, 60 sugar and distilleries utilized services of the institute for analysis of sugar, molasses, ethanol and hand sanitizer 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. Institute also conducted inspection of effluent treatment facilities of sugar factories & distilleries on behalf of Central Pollution Control Board.

## SUGAR STANDARD GRADES:

11.111 The Institute on behalf of Bureau of Indian Standards prepares and issues Sugar Standard Grades to the entire Sugar Industry of the country for every sugar season. These Sugar Standard Grades are issued to facilitate quality control and to protect the interest of the common consumers. On the basis of these grades, sugar factories mark their produce accordingly. After the approval of the Expert Committee on the Sugar Standards under the Chairmanship of Director, National Sugar Institute, seven sugar standards 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 of white sugar during the sugar season 2020-21.

## PUBLICATION

11.112 The institute published “E-NEWS LETTER”, on quarterly basis so as to propagate the teaching, research and other activities of the institute.

11.113 The institute published “SHARKARA”, a technical journal on quality basis so as to create awareness about new technologies in sugar processing, ethanol production and on other innovations.

11.114 The institute also undertook publication



Release of “ShabdKosh” by vice Chancellor CSJM, University of Kanpur

## DEVELOPMENT OF TRAINING FACILITIES

11.117 In order to provide hands on experience to the students of Post Graduate Diploma in Industrial Fermentation & Alcohol Technology course and also to conduct



Inauguration of Nano Grain based ethanol unit

of a Data Book “Sugarcane & Sugar Related Statistics with Technical Efficiency Parameters” obtained by Indian Sugar Factories during the crushing season 2019-20.

11.115 A Hindi dictionary comprising technical terms generally used in the sugar industry was published for the benefit of all the take stakeholders and to promote Rajbhasha.

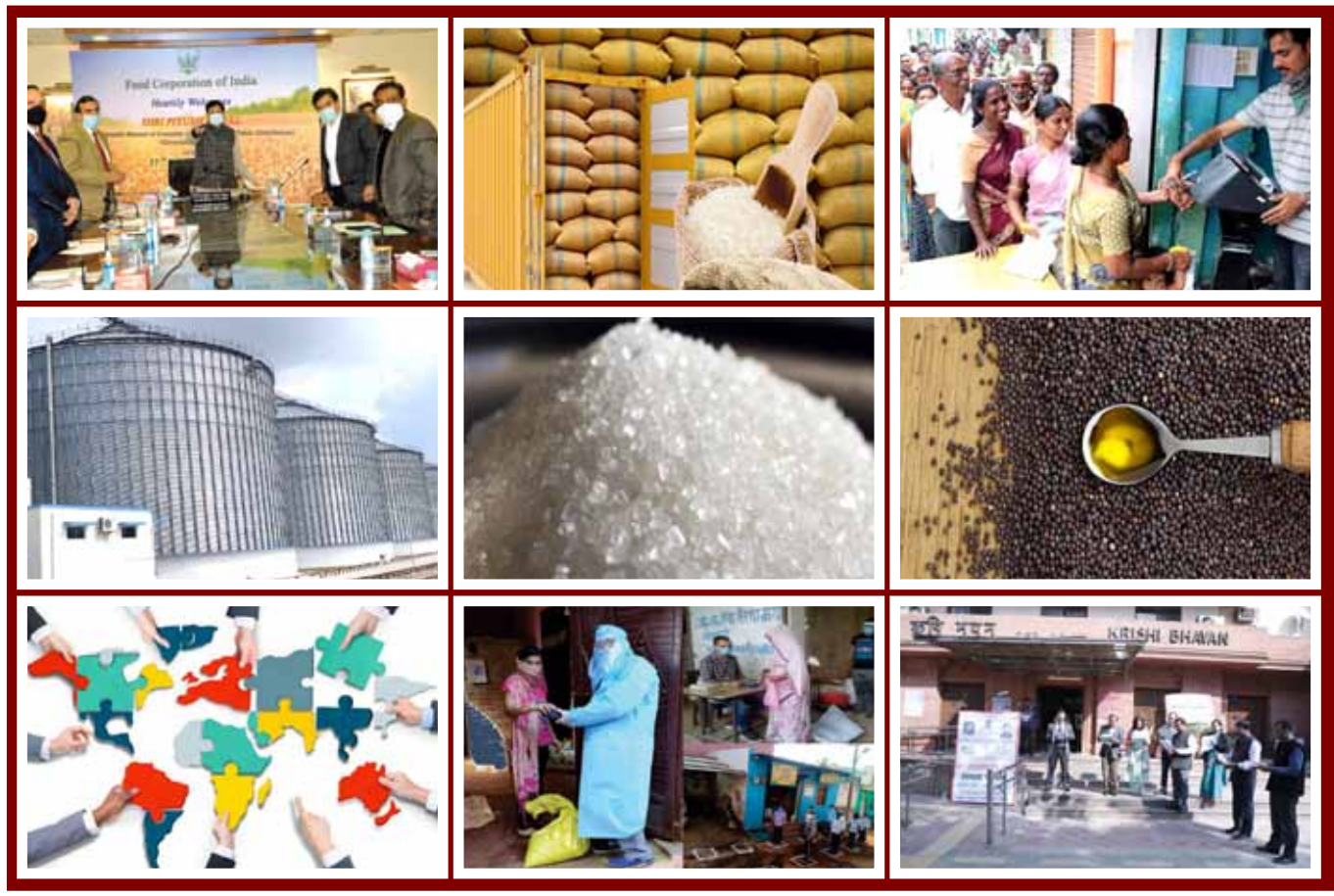
11.116 A book entitled “Evaporators & Evaporation Techniques” written by Prof. Narendra Mohan was released.



Release of book “Evaporators & Evaporation Techniques” by Hon’ble Minister of Sugarcane Industries, Uttar Pradesh

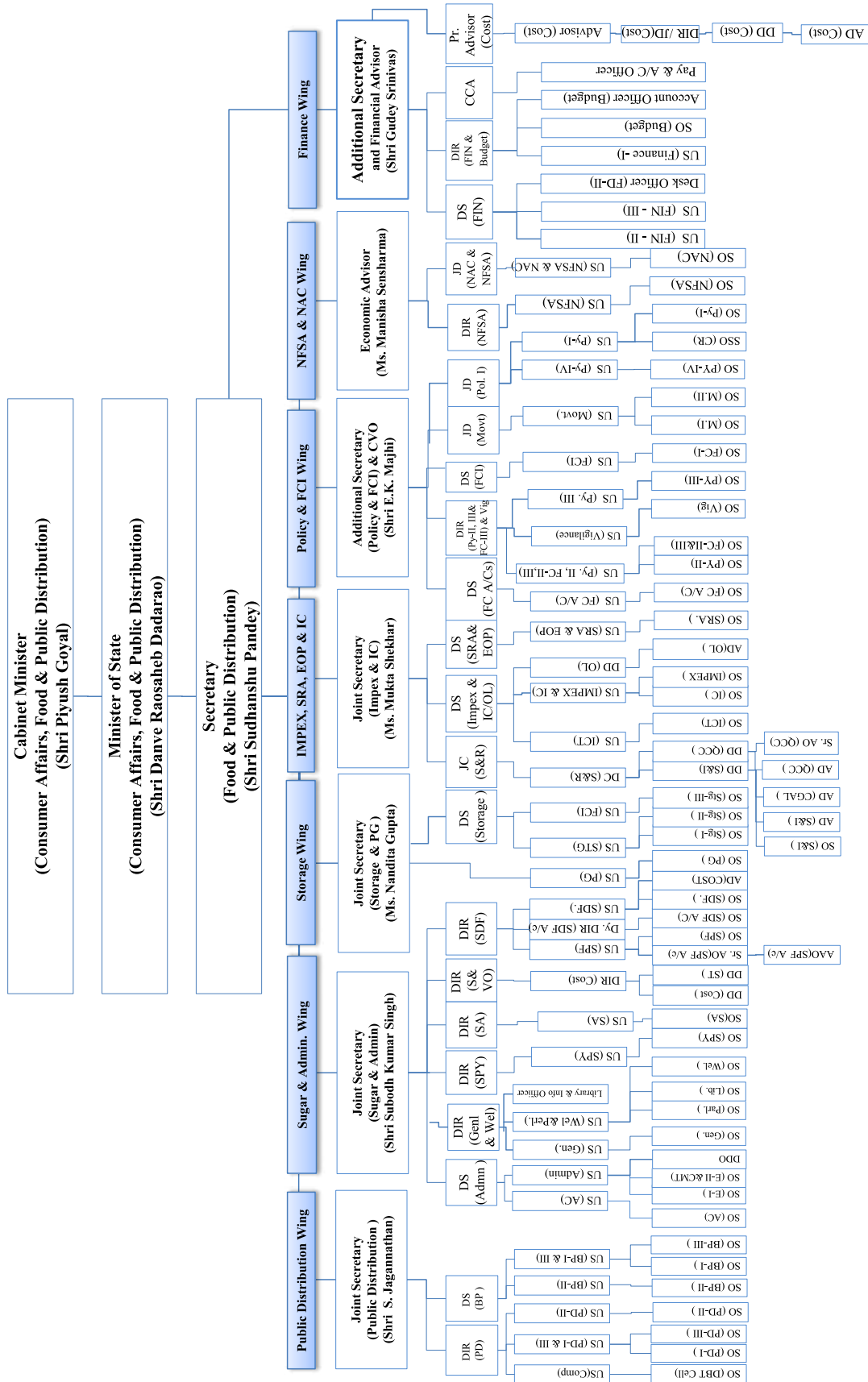
R&D work using feed stocks viz. maize, millets and rice etc., a Nano Grain based ethanol unit of 200 litre/day capacity has been commissioned & integrated with existing molasses based ethanol unit. This is the first “Multi Feed Stock Based Ethanol Unit” of its kind in India.





# ANNEXURES

Annexure-I





## Annexure-II

## STATEMENT SHOWING SANCTIONED POSTS IN DEPARTMENT (INCLUDING ATTACHED &amp; SUBORDINATE OFFICES)

Group	Department	SRA Hqrs.	IGMRI, Hapur & Field Stations	QCC	Dte. of Sugar & Vegetable Oils	NSI, Kanpur	Total
'A'	89	07	12	21	17	41	187
'B'	247	13	24	35	30	34	383
'C'	206	09	54	62	28	141	500
<b>Total</b>	<b>542</b>	<b>29</b>	<b>90</b>	<b>118</b>	<b>75</b>	<b>216</b>	<b>1070</b>

## Annexure-III

## BUDGET ESTIMATE, REVISED ESTIMATE AND EXPENDITURE STATEMENT

(₹ in crore)

Year	Department	Demand No	Budget Estimates			Revised Estimates			Actual		
			Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
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
			<b>Capital</b>	<b>Revenue</b>	<b>Total</b>	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>
2017-18	F&PD	16	50523.05	150952.64	201475.69	50499.65	146309.57	196809.22	50499.56	106287.04	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	15	51326.12	190914.27	242240.39	37250.92	113989.47	151240.39	1243.11	113931.15	115174.26
2020-21 *	F&PD	15	51197.02	121038.41	172235.43	11190.72	437458.00	448648.72	11131.89	131889.10	143020.99
2021-22	F&PD	15	52725.96	251248.34	303974.30	-	-	-	-	-	-

\* Expenditure position for FY 2020-21 is as on 31.12.2020.

## 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		Surplus Stock
	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms	
1.01.2015	251.13	138.00	117.43	76.10	368.56	214.10	154.46
1.04.2015	172.21	74.60	170.94	135.80	343.15	210.40	132.75
1.07.2015	386.80	275.80	158.95	135.40	545.75	411.20	134.55
1.10.2015	324.50	205.20	125.78	102.50	450.28	307.70	142.58
1.01.2016	237.88	138.00	126.89	76.10	364.77	214.10	150.67
1.04.2016	145.38	74.60	221.61	135.80	366.99	210.40	156.59
1.07.2016	301.81	275.80	194.14	135.40	495.95	411.20	84.75
1.10.2016	213.28	205.20	144.74	102.50	358.02	307.70	50.32
1.01.2017	137.47	128.00	134.75	86.10	272.22	214.10	58.12
1.04.2017	80.59	74.60	230.81	135.80	311.40	210.40	101.00
1.07.2017	322.75	275.80	210.44	135.40	533.19	411.20	121.99
1.10.2017	258.66	205.20	163.07	102.50	421.73	307.70	114.03
1.01.2018	195.62	138.00	162.06	76.10	357.68	214.10	143.58
1.04.2018	132.31	74.60	248.73	135.80	381.04	210.40	170.64
1.07.2018	418.01	275.80	232.52	135.40	650.53	411.20	239.33
1.10.2018	356.25	205.20	186.34	102.50	542.59	307.70	234.89
1.01.2019	271.21	138.00	182.91	76.10	454.12	214.10	240.02
1.04.2019	169.92	74.60	293.94	135.80	463.86	210.40	253.46
1.07.2019	458.31	275.80	284.21	135.40	742.52	411.20	331.32
1.10.2019	393.16	205.20	249.16	102.50	642.32	307.70	334.62
1.01.2020	327.96	138.00	237.15	76.10	565.11	214.10	351.01
1.04.2020	247.00	74.60	322.39	135.80	569.39	210.40	358.99
1.07.2020	549.91	275.80	271.71	135.40	821.62	411.20	410.42
1.10.2020	437.38	205.20	192.61	102.50	629.99	307.70	322.29
1.01.2021	342.9	138.00	186.69	76.10	529.59	214.10	315.49

Note : Revsied norms is w.e.f. 22.1.2015

## TOTAL STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.01.2021

(in lakh MT)

Region	STOCK WITH FCI			STOCK WITH STATE AGENCIES			TOTAL CENTRAL POOL STOCK		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
Bihar	4.67	3.42	8.09	0.23	0.00	0.23	4.90	3.42	8.32
Jharkhand	2.55	0.46	3.01	0.00	0.00	0.00	2.55	0.46	3.01
disha	1.90	1.48	3.38	3.67	0.00	3.67	5.57	1.48	7.05
West Bengal	0.18	5.71	5.89	2.22	0.00	2.22	2.40	5.71	8.11
<b>Zonal Total</b>	9.30	11.07	20.37	6.12	0.00	6.12	15.42	11.07	26.49
Assam	3.15	0.11	3.26	0.00	0.00	0.00	3.15	0.11	3.26
Arunachal Pr.	0.21	0.00	0.21	0.00	0.00	0.00	0.21	0.00	0.21
Tripura	0.27	0.04	0.31	0.00	0.00	0.00	0.27	0.04	0.31
Mizoram	0.15	0.01	0.16	0.00	0.00	0.00	0.15	0.01	0.16
Meghalaya	0.15	0.01	0.16	0.00	0.00	0.00	0.15	0.01	0.16
Manipur	0.40	0.00	0.40	0.00	0.00	0.00	0.40	0.00	0.40
Nagaland	0.38	0.00	0.38	0.00	0.00	0.00	0.38	0.00	0.38
<b>Zonal Total</b>	4.71	0.17	4.88	0.00	0.00	0.00	4.71	0.17	4.88
Delhi	0.41	1.82	2.23	0.00	0.00	0.00	0.41	1.82	2.23
Haryana	13.88	27.23	41.11	0.00	32.05	32.05	13.88	59.28	73.16
Himachal Pr.	0.25	0.51	0.76	0.00	0.00	0.00	0.25	0.51	0.76
Jammy & Kashmir	1.63	0.57	2.20	0.00	0.00	0.00	1.63	0.57	2.20
Punjab	61.49	23.87	85.36	0.00	97.98	97.98	61.49	121.85	183.34
Rajasthan	0.28	13.91	14.19	0.00	0.00	0.00	0.28	13.91	14.19
Uttar Pradesh	17.58	12.29	29.87	0.00	0.00	0.00	17.58	12.29	29.87
Uttarakhand	0.86	0.42	1.28	0.72	0.00	0.72	1.58	0.42	2.00
<b>Zonal Total</b>	96.38	80.62	177.00	0.72	130.03	130.75	97.10	210.65	307.75
Andhra Pradesh	5.42	0.05	5.47	6.00	0.00	6.00	11.42	0.05	11.47
Karnataka	6.25	0.27	6.52	0.00	0.00	0.00	6.25	0.27	6.52
Kerala	3.79	0.63	4.42	0.40	0.00	0.40	4.19	0.63	4.82
Tamil Nadu	12.02	0.54	12.56	0.12	0.00	0.12	12.14	0.54	12.68
Telangana	13.16	0.08	13.24	5.45	0.00	5.45	18.61	0.08	18.69
<b>Zonal Total</b>	40.64	1.57	42.21	11.97	0.00	11.97	52.61	1.57	54.18
Gujarat	0.96	5.51	6.47	0.03	0.00	0.03	0.99	5.51	6.50
Maharashtra	4.95	10.74	15.69	0.00	0.00	0.00	4.95	10.74	15.69
Madhya Pradesh.	0.38	3.08	3.46	1.85	96.36	98.21	2.23	99.44	101.67
Chhattisgarh	2.25	0.15	2.40	2.19	0.00	2.19	4.44	0.15	4.59
<b>Zonal Total</b>	8.54	19.48	28.02	4.07	96.36	100.43	12.61	115.84	128.45
<b>Total</b>	159.57	112.91	272.48	22.88	226.39	249.27	182.45	339.30	521.75
<b>Wheat lying in mandies</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Stock in Transit</b>	4.24	3.60	7.84	0.00	0.00	0.00	4.24	3.60	7.84
<b>Total (All India)</b>	163.81	116.51	280.32	22.88	226.39	249.27	186.69	342.90	529.59

- Transit figures are estimated.
- Rice does not include unmilled paddy with FCI/State Agencies in terms of rice.
- Total quantity of unmilled paddy with FCI and State Agencies = 404.21 LMT (FCI 0.51 LMT; State Agencies 403.70 LMT). CMR that could be derived taking out-turn ratio as 67% = 270.82 LMT.

## Annexure-VI

## STORAGE CAPACITY WITH FCI AND STATE GOVT. AGENCIES AS ON 31.12.2020.

(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			Covered	State Agencies		
			Owned	Hired	Total	Owned	Hired	Total		Covered	CAP	
EAST	1	BIHAR	3.66	6.31	1.00	0.00	9.97	1.00	4.26	-	14.23	1.00
	2	JHARKHAND	0.67	3.24	0.05	0.00	3.91	0.05	0.00	-	3.91	0.05
	3	ODISHA	3.12	2.50	0.00	0.00	5.62	0.00	6.56	-	12.18	0.00
	4	WEST BENGAL	8.40	1.06	0.51	0.00	9.46	0.51	9.16	-	18.62	0.51
	5	SIKKIM	0.10	0.01	0.00	0.00	0.11	0.00	0.12	-	0.23	0.00
	6	ASSAM	3.00	1.06	0.00	0.00	4.06	0.00	0.00	-	4.06	0.00
NORTH EAST	7	ARUNACHAL PRADESH	0.32	0.01	0.00	0.00	0.33	0.00	0.00	-	0.33	0.00
	8	MEGHALAYA	0.13	0.09	0.00	0.00	0.22	0.00	0.00	-	0.22	0.00
	9	MIZORAM	0.25	0.00	0.00	0.00	0.25	0.00	0.00	-	0.25	0.00
	10	TRIPURA	0.36	0.08	0.00	0.00	0.44	0.00	0.00	-	0.44	0.00
	11	MANIPUR	0.48	0.04	0.00	0.00	0.52	0.00	0.00	-	0.52	0.00
	12	NAGALAND	0.33	0.13	0.00	0.00	0.46	0.00	0.00	-	0.46	0.00
NORTH	13	DELHI	2.85	0.00	0.00	0.00	2.85	0.00	0.00	-	2.85	0.00
	14	HARYANA	7.68	50.67	3.33	2.46	58.35	5.79	36.95	31.14	95.30	36.93
	15	HIMACHAL PRADESH	0.22	0.56	0.00	0.00	0.78	0.00	0.00	-	0.78	0.00
	16	JAMMU & KASHMIR	1.03	1.62	0.10	0.00	2.65	0.10	0.00	-	2.65	0.10
	17	PUNJAB	22.24	90.15	7.31	5.00	112.39	12.31	46.80	55.00	159.19	67.31
	18	CHANDIGARH	0.00	0.06	0.00	0.00	0.06	0.00	0.00	-	0.06	0.00
SOUTH	19	RAJASTHAN	7.20	11.18	1.85	0.00	18.38	1.85	0.00	-	18.38	1.85
	20	UTTAR PRADESH	15.15	33.40	5.19	0.00	48.55	5.19	0.00	-	48.55	5.19
	21	UTTARAKHAND	0.66	0.99	0.21	0.00	1.65	0.21	0.55	-	2.20	0.21
	22	ANDHRA PRADESH	7.29	2.04	1.60	0.00	9.33	1.60	19.84	-	29.17	1.60
	23	ANDAMAN & NICOBAR	0.07	0.00	0.00	0.00	0.07	0.00	0.03	-	0.10	0.00
	24	TELANGANA	5.37	7.97	1.02	0.00	13.34	1.02	15.64	-	28.98	1.02
	25	KERALA	5.29	0.13	0.21	0.00	5.42	0.21	0.52	-	5.94	0.21
	26	KARNATAKA	3.81	4.44	1.36	0.00	8.25	1.36	0.61	-	8.86	1.36
	27	TAMIL NADU	5.80	7.68	0.25	0.00	13.48	0.25	15.29	-	28.77	0.25
	28	PUDUCHERRY	0.44	0.84	0.06	0.00	1.28	0.06	0.00	-	1.28	0.06
	29	GUJARAT	4.05	2.30	0.27	0.00	6.35	0.27	0.47	-	6.82	0.27
	30	MAHARASHTRA	8.68	10.65	1.02	0.00	19.33	1.02	0.36	-	19.69	1.02
WEST	31	GOA	0.15	0.05	0.00	0.00	0.20	0.00	0.00	-	0.20	0.00
	32	MADHYA PRADESH	3.37	4.48	0.36	0.00	7.85	0.36	122.34	30.78	130.19	31.14
	33	CHHATTISGARH	5.12	3.56	0.01	0.00	8.68	0.01	15.01	-	23.69	0.01
		<b>TOTAL</b>	127.29	247.30	25.71	7.46	374.59	33.17	294.51	116.92	669.10	150.09
		<b>GRAND TOTAL</b>	<b>374.59</b>	<b>33.17</b>	<b>407.76</b>	<b>411.43</b>	<b>819.19</b>					

• Total Covered capacity of 294.51 LMT excludes 102.60 LMT capacity used by State Govt./State Agencies for storing intermediate stocks being used by State Govt. for PDS/NFSA distribution and for commodities other than wheat/rice. • \*Note: The total capacity of 31.70 LMT of intermediate capacity being used by State Govt. for PDS/NFSA distribution : Bihar (4.26 LMT), Jharkhand (1.45 LMT), Mizoram (0.40 LMT), Tripura (0.55 LMT), Manipur (0.17 LMT), Nagaland (0.08 LMT), Uttar Pradesh (7.52 LMT), Uttarakhand (0.80 LMT), Telangana (1.02 LMT), Kerala (2.00 LMT), Karnataka (2.85 LMT), Gujarat (3.89 LMT), Maharashtra (6.57 LMT), Chhattisgarh (0.14 LMT). • The total Capacity of 70.90 LMT of the other capacity being used by the State Agencies for storing stocks other than Wheat / Rice : Rajasthan (11.59 LMT), Telangana (1.20 LMT), Karnataka (0.20 LMT), Gujarat (0.89 LMT), MP (45.22 LMT), Maharashtra (11.80 LMT).

## Annexure-VII

## 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		
30.06.2016	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%
30.06.2019	127.33	252.17	379.50	26.02	1.79	27.81	407.31	92%
30.06.2020	127.77	255.76	383.53	26.02	5.77	31.79	415.32	89%

## Annexure-VIII

## STATUS OF CONSTRUCTION OF GODOWNS UNDER PEG SCHEME AS ON 30.11.2020

(in MT)

Sl. No.	State	Total capacity allotted/ sanctioned	Work completed	Work under construction	Yet to start
1	Andhra Pradesh	112,800	87,800	25,000	0
2	Bihar	446,180	355,000	2,000	89,180
3	Chhattisgarh	537,230	537,230	0	0
4	Gujarat	49,800	49,800	0	0
5	Haryana	3,501,589	3,469,289	32,300	0
6	Himachal Pradesh	115,870	45,840	70,030	0
7	Jammu & Kashmir	268,850	179,690	69,160	20,000
8	Jharkhand	366,000	278,000	65,000	23,000
9	Karnataka	241,440	241,440	0	0
10	Kerala	5,000	5,000	0	0
11	Madhya Pradesh	1,379,660	1,303,160	76,500	0
12	Maharashtra	562,811	562,811	0	0
13	Odisha	360,000	357,500	0	2,500
14	Punjab	4,468,836	4,468,836	0	0
15	Rajasthan	235,000	235,000	0	0
16	Tamil Nadu	265,000	255,000	10,000	0
17	Telangana	319,000	299,000	20,000	0
18	Uttarakhand	10,000	10,000	0	0
19	Uttar Pradesh	1,706,127	1,486,127	210,000	10,000
20	West Bengal	184,090	154,090	30,000	0
	<b>Total</b>	<b>15,135,283</b>	<b>14,380,613</b>	<b>609,990</b>	<b>144,680</b>
<b>STATUS OF PEG SCHEME IN NE STATES</b>					
21	Assam	25,000	25,000	0	0
22	Meghalaya	15,000	0	0	15,000
	<b>Total</b>	<b>40,000</b>	<b>25,000</b>	<b>0</b>	<b>15,000</b>
	<b>Grand Total</b>	<b>15,175,283</b>	<b>14,405,613</b>	<b>609,990</b>	<b>159,680</b>

## Annexure-IX

## IMPLEMENTATION OF RECOMMENDATIONS OF DR. RANGARAJAN COMMITTEE

Issues	Gist of Recommendations	Status
<b>Cane Area Reservation:</b>	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
<b>Minimum Distance Criteria:</b>	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.
<b>Sugarcane Price : Revenue Sharing</b>	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 <i>ex-mill</i> 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.
<b>Levy Sugar</b>	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 <sup>st</sup> 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.
<b>Regulated Release Mechanism</b>	This mechanism is not serving any useful purpose, and may be dispensed with.	Release mechanism has been dispensed with.
<b>Trade Policy</b>	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
<b>By-products</b>	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.
<b>Compulsory Jute Packing:</b>	May be dispensed with.	The compulsory packaging of sugar in jute bags has been relaxed further. Only 20% of the production is now to be packed in jute bags.



## Annexure-X

**PRODUCTION, CONSUMPTION, IMPORTS, AVAILABILITY AND STOCKS OF SUGAR**

(in lakh MT)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20 (Provisional)	2020-21 (estimated)
Carry- over opening stocks with sugar mills from Previous season	90.00	77.10	39.77	106.73	145.00	110.00
Production of Sugar	251.21	202.27	323.87	331.30	273.68	325.76
Imports	-	5.00	2.50	-	-	-
Exports	16.50	0.50	6.20	38.00	60.00	60.00
Total availability	324.71	283.87	359.94	400.03	358.68	375.76
Internal Consumption	247.61	244.10	253.21	255.03	249.00	260.00
Closing Stocks with sugar mills at the end of season	77.10	39.77	106.73	145.00	110.00	115.76

## Annexure-XI

## RECOVERY OF AMOUNT IN RESPECT OF LSPEF

(in Rupee)

Year	Credits	Transfer to FCI/ Sugar Mills	Prog. Total
1976-1977	19421813.15	-	19421813.15
1977-1978	19471945.87	-	38893759.02
1978-1979	11872622.14	-	50766381.16
1979-1980	8423366.51	-	59189747.67
1980-1981	3484097.40	-	62673845.07
1981-1982	3950185.11	-	66624030.18
1982-1983	853756.30	-	67477786.48
1983-1984	1354444.52	-	68832231.00
1983-1984	0.00	(-)22400000	46432231.00
1984-1985	12785849.19	-	59218080.19
1985-1986	25029726.56	-	84247806.75
1986-1987	19440067.71	-	103687874.46
1987-1988	4279968.68	-	107967843.14
1988-1989	8835326.85	-	116803169.99
1989-1990	1393717.62	-	118196887.61
1990-1991	16103954.69	-	134300842.30
1991-1992	17954291.68	-	152255133.98
1992-1993	21837080.81	-	174092214.79
1993-1994	5363892.95	-	179456107.74
1994-1995	1560154.79	-	181016262.53
1995-1996	248127.05	-	181264389.58
1996-1997	7333019.62	-	188597409.20
1997-1998	4080806.42	-	192678215.62
1998-1999	45340758.88	-	238018974.50
1999-2000	26459302.53	-	264478277.03
2000-2001	58490922.69	-	322969199.72
2001-2002	54378084.65	-	377347284.37
2002-2003	95601869.49	-	472949153.86
2003-2004	62602032.00	-	535551185.86
2004-2005	13154985.57	-	548706171.43
2005-2006	58306196.70	-	607012368.13
2006-2007	63827854.76	-	670840222.89
2007-2008	90394805.86	-	761235028.75
2008-2009	37859404.00	-	799094432.75
2009-2010	126462637.00	-	925557069.75
2010-2011	50752539.74	-	976309609.49
2011-2012	156279443.60	-	1132589053.09
2012-2013	92600848.30	-	1225189901.39
2013-2014	63558586.94	-	1288748488.33
2014-2015	35238444.28	-	1323986932.61
2015-2016	47857403.10	-	1371844335.71
2016-2017	139000705.24	-	1510845040.95
2017-2018	85323208.49	(-) 7949482.12 (-) 1776364.00	1586442403.32
2018-2019	6355694.00	(-)7012508.00	1585785589.32
<b>2019-2020</b>	11251541.00	(-)772,290.00	1596264840.32
<b>2020-21 (up to 31.12.2020)</b>	12255878.00		1608520718.32
	<b>1648431362.44</b>		



## BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND

Scheme	Modernisation/ Rehabilitation	Cane Development	Cogeneration	Ethanol
<b>Purpose</b>	For carrying out modernization 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.
<b>SDF Loan</b>	40% of the project cost	Maximum ₹5.40 crores (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)
<b>Rate of interest</b>	2% percent per annum below the Bank Rate (as notified by RBI) prevailing on the date of release			
<b>Moratorium</b>	1 to 3 years	3 years (for principal) 1 year (for interest)	3 years (for principal only)	1 years
<b>Repayment</b>	Loan along with interest due thereon shall be recoverable in half-yearly installments not exceeding ten. Commencement of repayment- after one year from the date of repayment/ payment of the institutional loan and interest in full or on the expiry of 3 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 drawn 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-XIII

**I. A LIST OF SDF BENEFICIARIES (EXCLUDING ADMINISTRATIVE EXPENSES) WHO HAVE RECEIVED FINANCIAL ASSISTANCE IN RESPECT OF SCHEME OF MODERNIZATION/ EXPANSION, CANE DEVELOPMENT, COGENERATION, ETHANOL/ ZLD, DURING THE FINANCIAL YEAR 2019-20.**

Sl. No.	Name of Sugar Factory	Scheme	Amount Released	Instalment
1	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	₹95,921,208.00	2 <sup>nd</sup> and Final Payment
2	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	2 <sup>nd</sup> and Final Payment
3	M/s Shri Balaji Sugar & Chemicals Private Ltd., Village: Yeregal, Taluka - Muddebihal, Dist: Bijapur, Karnataka	Co-generation	₹80,811,000.00	Lumpsum
4	M/s Shri Bhimashankar Sahakari Sakkare Karkhane Niyamit, Marguar-589204, TQ-Indi, Distt-Vijaypur, Karnataka.	Co-generation	₹89,351,000.00	Lumpsum
5	M/s The Bhogpur Co-op. Sugar Mills Ltd., Bhogpur-144201, Distt- Jalandhar, Punjab	Co-generation	₹51,446,000.00	1 <sup>st</sup> Instalment
6	M/s Dhampur Sugar Mills Limited, Unit-Asmoli, Post Asmoli, Dist. Sambhal, Uttar Pradesh	Ethanol/ ZLD	₹47,144,500.00	2 <sup>nd</sup> and Final Payment
7	M/s L.H. Sugar Factories Ltd., Civil Lines, Pilibhit, Uttar Pradesh	Ethanol/ ZLD	₹132,704,000.00	Lumpsum

Sl. No.	Name of Sugar Factory	Scheme	Amount Released	Instalment
8	M/s Athani Sugars Ltd., Shahuwadi Unit (lessee of Udaysingrao Gaikwad SSK Ltd.) Sonawade - Bambawade, Tal. Shahuwadi, Dist. Kolhapur, Maharashtra - 416213	Ethanol/ ZLD	₹378,208,000.00	Lumpsum
9	M/s Siddhi Sugar and Allied Industries Ltd., Maheshnagar, Ujana, Tq. Mhmedpur, Dist. Latur, Maharashtra	Ethanol/ ZLD	₹41,943,500.00	1 <sup>st</sup> part of 2 <sup>nd</sup> Instalment
10	M/s Bhalkeshwar Sugars Ltd., Bajolga, Tal-Bhalki, DistBidar, Karnataka	Ethanol/ ZLD	₹341,298,000.00	Lumpsum
11	M/s Siddhi Sugar and Allied Industries Ltd. Maheshnagar, Ujana,Tq.-Ahmedpur,Dist.-Latur, Maharashtra	Ethanol/ ZLD	₹9,836,500.00	Final part of 2 <sup>nd</sup> Instalment
12	M/s Dhampur Sugar Mills Limited, Unit-Dhampur, Moradabad Road, Distt. Bijnor, Uttar Pradesh-246761	Ethanol/ ZLD	₹153,582,800.00	Lumpsum
13	M/s Shri Sai Priya Sugars Limited, Hippargi-Mygur, Vishal Nagar, Hipparagi-Alabal Road, Tq.-Jamkhandi, Dist. Bagalkot-587311, Karnataka	Ethanol/ ZLD	₹245,282,700.00	1 <sup>st</sup> Part Payment
14	M/s DCM Shriram Industries Ltd. (DCMSIL), Daurala, Meerut, Uttar Pradesh.	Modernisation/ Expansion	₹49,450,000.00	Lumpsum
15	M/s The Bhogpur Co-op. Sugar Mills Ltd., Bhogpur-144201, Distt- Jalandhar, Punjab	Modernisation/ Expansion	₹50,550,000.00	1 <sup>st</sup> Part Payment
	<b>Total</b>		<b>₹1,885,891,208.00</b>	

## Annexure-XIII (Contd.)

**II. A LIST OF SDF BENEFICIARIES (EXCLUDING ADMINISTRATIVE EXPENSES)  
WHO HAVE RECEIVED FINANCIAL ASSISTANCE IN RESPECT OF SCHEME OF  
MODERNIZATION/ EXPANSION, CANE DEVELOPMENT, COGENERATION,  
ETHANOL/ ZLD, DURING THE FINANCIAL YEAR 2020-21 (UPTO 31.12.2020)**

Sl. No.	Name of Sugar Factory	Scheme	Amount Released	Instalment
1	M/s The Bhogpur Co-op. Sugar Mills Ltd., Bhogpur-144201, Distt- Jalandhar, Punjab	Modernisation/ Expansion	₹37,572,000.00	Final Payment of 1 <sup>st</sup> Instalment
2	M/s Bhalkeshwar Sugars Ltd., Basaveshwar Chowk, near I.B. Bhalki-585328, Tq. Bhalki, Dist. Bidar, Karnataka	Modernisation/ Expansion	₹62,428,000.00	First Part Payment
3	M/s The Bhogpur Co-op. Sugar Mills Ltd., Bhogpur-144201, Distt- Jalandhar, Punjab	Modernisation/ Expansion	₹88,121,000.00	2 <sup>nd</sup> Instalment
4	M/s MRN Cane Power (India) Ltd., at Kallapur (SK) Khanpur -547155 Tq- Badami, Distt- Bagalkot, Karnataka	Co-generation	₹214,908,000.00	Lumpsum
5	M/s Mylar Sugar Ltd., (MSL) At Beerabbi Village, Hoovina Hadagali Taluka, Bellary Distt., Karnataka	Co-generation	₹71,117,000.00	Lumpsum
6	M/s Bhogpur Co-op Sugar Mills Ltd., Bhogpur, Jalandhar, Punjab	Co-generation	₹45,710,000.00	2 <sup>nd</sup> installment
7	M/s Bhogpur Co-op Sugar Mills Ltd., Bhogpur, Jalandhar, Punjab	Co-generation	₹57,36,000.00	Final part payment of 2 <sup>nd</sup> instalment
8	M/s Nandi SSK, Niyamit, Krishnanagar, Post Hosur, The. & Distt. Nijapur, Karnataka	Co-generation	₹18,26,13,000.00	First part payment of 1 <sup>st</sup> Instalment
9	M/s Shri Sai Priya Sugars Limited, Hippargi-Mygur, Vishal Nagar, Hipparagi-Alabal Road, Tq.-Jamkhandi, Dist. Bagalkot-587311, Karnataka	Ethanol/ ZLD	₹250,000,000.00	2 <sup>nd</sup> Part Payment
10	M/s Shri Sai Priya Sugars Limited, Hippargi-Mygur, Vishal Nagar, Hipparagi-Alabal Road, Tq.-Jamkhandi, Dist. Bagalkot-587311, Karnataka	Ethanol/ ZLD	₹40,608,300.00	3 <sup>rd</sup> and final Part Payment
11	M/s Dwarkadhish Sakhar Karkhana Ltd., At Sheware, Tal.- Satana, Dist.- Nashik, Maharashtra.	Ethanol/ ZLD	₹90,000,000.00	1 <sup>st</sup> part payment
12	M/s Sadashivrao Mandlik Kagal Taluka SSK Ltd., Sadashivnagar, Hamidwada-Kaulage, Tal.-Kagal, Dist.-Kolhapur, Maharashtra	Ethanol/ ZLD	₹90,030,000.00	1 <sup>st</sup> installment
	<b>Total</b>		<b>₹117,88,43,300.00</b>	

**ESTIMATED DOMESTIC PRODUCTION, IMPORT AND  
TOTAL AVAILABILITY OF EDIBLE OILS (OILS-WISE) DURING THE YEARS  
2016-17, 2017-18, 2018-19 & 2019-20  
(NOVEMBER TO OCTOBER)**

(in MT)

Name of Oilseed	2016-17		2017-18		2018-19*				2019-20**			
	Oilseed	Oil	Oilseed	Oil	Oilseed		Total	Oil	Oilseed		Total	Oil
					Kharif	Rabi			Kharif	Rabi		
<b>A. PRIMARY SOURCE</b>												
Rapeseed/Mustard	79.17	24.74	84.30	25.81	0	92.56	92.56	28.97	0	91.16	91.16	28.28
Soyabean	131.59	22.10	109.33	17.59	137.86	0	132.68	22.09	112.15	0	112.15	17.97
Groundnut	74.62	17.16	92.53	20.82	53.87	13.40	67.27	15.18	83.67	17.28	100.96	22.90
Sunflower	2.51	0.80	2.22	0.70	0.90	1.26	2.16	0.73	0.94	1.23	2.17	0.72
Sesame	7.47	2.45	7.55	2.34	6.89	0	6.89	2.36	7.50	0	7.50	2.34
Niger Seed	0.85	0.24	0.70	0.21	0.45	0	0.45	0.19	0.42	0	0.42	0.12
Safflower Seed	0.94	0.22	0.55	0.14	0	0.25	0.25	0.07	0	0.30	0.30	0.09
Castor	13.76	4.99	15.68	5.51	11.97	0	11.97	4.27	18.49	0	18.49	6.50
Linseed	1.84	0.39	1.74	0.44	0	0.99	0.99	0.40	0	1.09	1.09	0.28
<b>Sub Total</b>	<b>312.76</b>	<b>73.09</b>	<b>314.59</b>	<b>73.56</b>	<b>206.76</b>	<b>108.46</b>	<b>315.22</b>	<b>74.26</b>	<b>223.16</b>	<b>111.06</b>	<b>334.23</b>	<b>79.20</b>
<b>B. SECONDARY SOURCE</b>												
Coconut		5.20		6.01	-	-	-	5.90	-	-	-	5.95
Palm oil		2.30		2.20	-	-	-	2.70	-	-	-	2.77
Cottonseed		12.24		12.64	-	-	-	11.23	-	-	-	12.71
Rice Bran		10.31		10.69	-	-	-	10.68	-	-	-	10.68
Solvent Extracted Oils		2.85		3.5	-	-	-	3.25	-	-	-	3.50
Tree & Forest Origin		1.5		1.5	-	-	-	1.5	-	-	-	1.50
Sub Total		34.40		36.54	-	-	-	35.26	-	-	-	37.11
<b>Total (A+B)</b>		107.49		110.10	-	-	-	109.52	-	-	-	116.31
<b>C. LESS: EXPORT &amp; INDUSTRIAL USE</b>		6.50		6.30	-	-	-	6.0	-	-	-	9.76
<b>D. NET DOMESTIC AVAILABILITY</b>		100.99		103.80	-	-	-	103.52	-	-	-	106.55
<b>E. IMPORT OF EDIBLE OILS \$</b>		153.17		145.92	-	-	-	155.70	-	-	-	134.16
<b>F. TOTAL AVAILABILITY/ CONSUMPTION OF EDIBLE OILS FROM DOMESTIC AND IMPORT SOURCES</b>		<b>254.16</b>		<b>249.72</b>	-	-	-	<b>259.22</b>	-	-	-	<b>240.71</b>

\* Based on Final Estimates (declared by Ministry of Agriculture on 18.02.2020)

\*\* Based on 4<sup>th</sup> Advance Estimates (declared by Ministry of Agriculture on 19.08.2020).

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

**POSITION OF PENDING C&AG AUDIT PARAS**  
**[AS ON 31.12.2020]**

Year (C&AG Report)	No. of C&AG Audit Paras on which ATNs have been submitted to PAC/COPU after vetting by C&AG	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 send 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
2013	--	--	1	--	--
2014	--	--	--	--	--
2015	25*	--	47	4	--
2016	--	--	2	1	--
2017	19**	--	33	1	1
2018	--	--	4	1	1
2019	--	--	--	--	--
2020	5 (PAC)	--	--		-
<b>Total</b>	<b>49</b>	<b>00</b>	<b>87</b>	<b>7</b>	<b>02</b>

\* Including 1 para sent to COPU during 2019-20

\*\* Including 2 paras sent to COPU during 2019-20

### 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:** The report contains 75 audit paras. 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 was sent to C&AG on 9.2.2017 and first vetting remarks received from C&AG on 22.11.2017. Later, individual paras were pursued by the Divisions concerned. Based on the ATN furnished by the Department, out of 75 paras, 25 paras were settled/dropped by C&AG.

#### Report No. 18 of 2017: Report on compliance audit in respect of Food Corporation of India.

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:** The report contains 54 audit paras. First ATN sent to C&AG vide letter dated 27.3.2018 (except para No.5.4). ATN in respect of the remaining para No.5.4 sent vide letter dated 16.4.2018. Vetting remarks received from C&AG vide letter dated 22.05.2018. Later, individual paras were pursued by the Divisions concerned. As on date, out of the 54 paras, 20 paras have been settled by C&AG and action is being taken on the remaining 34 paras for final settlement, based on the vetting remarks received from the Audit. In the mean time, COPU had also selected Report No. 18 of 2017 for examination. The documents/report sought by COPU in the matter has been provided by the Department.

**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 sub-judice. Money Suit was filed against M/s Kailash Enterprises at Gandhi Nagar Court. Criminal Case against M/s Kailash Enterprises was already filed on 28.4.2015 at Chief Judicial Magistrate, Gandhidham. Govt. ordered to set up one Commercial Tribunal at Rajkot for cases having value more than ₹1 crore. Since the money suit filed by FCI at Gandhidham Court is having recovery value of more than ₹12 crore, the same was transferred from Gandhidham Court to Commercial Tribunal Court, Rajkot. FCI Hqrs. informed that CCS-14/2019 (old CS-40/2016) has been adjourned to 13.10.2020 without being heard on 30.7.2020. Further, CRA-366/2015 (Criminal Complaint) filed by FCI Vs. Kailash Enterprises in CC-4698/2015 was kept for hearing

on 08/10/2020 at Gandhidham court. Outcome of both the cases is awaited.

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

Food Corporation of India (FCI) 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:** Even after multiple journeys, the matter is yet to be resolved. Last ATN was sent to Audit vide letter dated 11.01.2019. During reconciliation, C&AG informed that, vetting remarks was sent on 8.2.2019. On request, C&AG vide letter dated 30.12.2019 sent a copy of their earlier vetting remarks dated 8.2.2019. The observation of CAG is under examination.

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

While finalizing tenders for export of wheat, Food Corporation of India did not compare the rates offered at different ports, which resulted in short realization 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 so far agreed to settle 10 sub-paras. Subsequently, final ATN sent to COPU vide letter dated 22.11.2019 (2 paras), 31.5.2019 (1 para) and 28.08.2020 (7 paras). Of the remaining 4 sub-para, i.e. 5.1.2.3 (b), 5.1.2.3 (c), 5.1.2.3 (d) and 5.1.2.3 (f), fresh comments on the vetting remarks of C&AG received from FCI on 12.9.2019.

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

Food Corporation of India (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 altogether a different software instead of using the FAP's inventory module in Oracle. Financial Statements could not be generated through FAP due to deficient customization 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:** Based on the comments received from FCI, ATN was sent to C&AG for vetting. After multiple journeys of the ATN, C&AG vide letter dated 17.12.2018 sent the vetting remarks of 35 the sub-Paras, out of which 9 sub-paras were settled. ATN on the remaining paras sent to C&AG vide letter dated 10.04.2019. CAG vide letter dated 26.6.2019 sent further vetting remarks. Based on the inputs/reply received from FCI on the vetting remarks, revised ATN sent to C&AG vide letter dated 15.1.2020.

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

GOI exempted incidence of service tax on transportation of food grains in February 2010. However, Regional offices of Food Corporation of India 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:** Even after multiple journeys, the matter is yet to be resolved. Last ATN in the matter was sent to C&AG vide letter dated 08.03.2019 for vetting. On reconciliation, C&AG vide letter dated 18.10.2019 reported that the vetting remarks were sent on 29.3.2019. Subsequently, CAG's vetting remarks dated 29.3.2019 obtained and forwarded to FCI on 7.7.2020 for examination and reply. Reply/comments of FCI is awaited.

**Para No. 5.5 of Report No. 15 of 2016: Extra expenditure on transportation of food grains:** Food Corporation of India 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 2.11.2016. Based on the reply received from FCI, ATN sent to C&AG vide letter dated 20.1.2017. The matter is yet to be resolved even after multiple journeys. Earlier, vetting remarks received from Audit stating that the Para has been settled. However, Audit vide letter dated 29.07.2019 has informed that revised vetting remarks will be submitted after compliance Audit of FCI, Mumbai as it has been observed by Audit that charge-sheet against 4 FCI officers have been



filed on the directions of CVC. FCI has been asked to furnish comments.

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

Food Corporation of India (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 31.7.2018 furnished further vetting remarks. Based on comments received from FCI, ATN sent to C&AG vide letter dated 08.02.2019. Further vetting remarks received on the remaining paras (5.1.2.2, 5.1.2.4, 5.1.2.5, and 5.1.2.6) and are at various stages of finalization in consultation with FCI.

**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 para contains 5 sub-paras, and ATN was submitted

multiple times, but the matter is yet to be resolved. Reply/comments on further vetting remarks of Audit has been sought from FCI. Reply is awaited from FCI.

**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 21.8.2018 provided latest recovery position. Updated ATN has been sent to C&AG vide letter dated 26.9.2018. C&AG vide letter dated 11.1.2019 intimated that, 'as FCI has taken remedial action and majority of amount has been received, audit has no further comments to offer'. Final ATN to be sent to COPU.

**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 13.8.2019. Vetting remarks received vide letter dated 4.9.2019.

**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 23.4.2018 for furnishing ATN/reply. FCI furnished reply vide e-mail dated 8.5.2018. ATN sent to C&AG vide

letter dated 20.07.2018. C&AG vide letter dated 28.9.2018 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. C&AG reported that, ATN dated 24.12.2018 not received. Copy of ATN sent vide letter dated 2.1.2020.



## Annexure-XVI

## REGION WISE WHEAT PROCUREMENT

(in Lakh MT)

Sl. No.	STATES/ UTs	Rabi Marketing Season	
		2019-20	2020-21
1.	Punjab	129.12	127.14
2.	Haryana	93.20	74.00
3.	Madhya Pradesh	67.25	129.42
4.	Uttar Pradesh	37.00	35.77
5.	Rajasthan	14.11	22.25
6.	Chandigarh	0.13	0.11
7.	Uttarakhand	0.42	0.38
8.	Gujarat	0.05	0.77
9.	Bihar	0.03	0.05
10.	Himachal Pradesh	0.01	0.03
<b>TOTAL</b>		<b>341.32</b>	<b>389.92</b>

## Annexure-XVII

## AGENCY WISE WHEAT PROCUREMENT

(in Lakh MT)

SL No	STATES/ UTs	RMS 2019-20			RMS 2020-21		
		F.C.I.	State Agency	Total	F.C.I.	State Agency	Total
1	Punjab	15.72	113.40	129.12	14.20	112.94	127.12
2	Haryana	11.33	81.87	93.20	6.70	67.30	74.00
3	UP	1.09	35.91	37.00	1.34	34.43	35.77
4	M.P.	0.00	67.25	67.25	0.00	129.42	129.42
5	Bihar	0.00	0.03	0.03	0.00	0.05	0.05
6	Rajasthan	12.09	2.02	14.11	16.29	5.96	22.25
7	Uttrakhand	0.00	0.42	0.42	0.00	0.38	0.38
8	Chandigarh	0.13	0.00	0.13	0.11	0.00	0.11
9	Gujarat	0.00	0.05	0.05	0.00	0.75	0.75
10	H.P.	0.01	0.00	0.01	0.03	0.00	0.03
<b>TOTAL</b>		<b>40.37</b>	<b>300.95</b>	<b>341.32</b>	<b>38.66</b>	<b>351.26</b>	<b>389.92</b>

## ANNEXURE-XVIII

## STATE WISE RICE PROCUREMENT

(in lakh MT)

Sl. No.	STATES/ UTs	KMS 2018-19	KMS 2019-20	KMS 2020-21*
1	Andhra Pradesh	48.06	55.33	9.73
2	Telangana	51.90	74.54	27.47
3	Assam	1.03	2.11	0.01
4	Bihar	9.49	13.41	3.63
5	Chandigarh	0.13	0.15	0.19
6	Chhattisgarh	39.71	52.24	31.61
7	Gujarat	0.09	0.14	0.44
8	Haryana	39.41	43.07	37.60
9	Jharkhand	1.53	2.55	0.23
10	Jammu & Kashmir	0.09	0.10	0.25
11	Karnataka	0.59	0.41	0.00
12	Kerala	4.65	4.83	1.15
13	Madhya Pradesh	13.95	17.40	14.47
14	Maharashtra	5.80	11.67	1.90
15	Odisha	44.47	47.98	13.89
16	Punjab	113.34	108.76	135.86
17	NEF(Tripura)	0.07	0.14	0.00
18	Tamil Nadu	12.94	22.04	3.85
19	Uttar Pradesh	32.33	37.90	32.45
20	Uttarakhand	4.62	6.82	6.69
21	West Bengal	19.79	18.38	0.00
	<b>Total</b>	<b>443.99</b>	<b>519.97</b>	<b>321.44</b>

\*KMS 2020-21 is under progress. Data as on 31.12.2020

## STATE WISE PROCUREMENT OF PADDY FOR LAST TWO MARKETING SEASON

(in Lakh MT)

STATES	KMS 2018-19			KMS 2019-20			KMS 2020-21 (As on 31.12.2020)		
	FCI	STATE AG.	Total	FCI	State Agencies	Total	FCI	State Agencies	Total
Andhra Pradesh	0	71.73	71.73	0	82.58	82.58	0	14.53	14.53
Telangana	0	77.46	77.46	0	111.26	111.26	0	41.01	41.01
Assam	1.08	0.45	1.53	1.96	1.19	3.15	0	0.01	0.01
Bihar	0	14.16	14.16	0	20.02	20.02	0	5.42	5.42
Chandigarh	0.19	0	0.19	0.22	0	0.22	0.28	0	0.28
Chhatisgarh	0	58.4	58.4	0	77.38	77.38	0	47.19	47.19
Gujarat	0	0.14	0.14	0	0.21	0.21	0	0.66	0.66
Haryana	0.18	58.65	58.83	0.05	64.24	64.29	0.59	55.53	56.12
Himachal Pradesh	0	0	0	0	0	0	0	0	0.0
Jharkhand	0.67	1.61	2.28	1.07	2.73	3.8	0.02	0.32	0.34
Jammu & Kashmir	0.14	0	0.14	0.15	0	0.15	0.37	0	0.37
Karnataka	0	0.88	0.88	0	0.61	0.61	0	0	0
Kerala	0	6.94	6.94	0	7.09	7.09	0	1.69	1.69
Madhya Pradesh	0	20.82	20.82	0	25.97	25.97	0	21.60	21.60
Maharashtra	0	8.66	8.66	0	17.42	17.42	0	2.84	2.84
Odisha	0	65.41	65.41	0	70.57	70.57	0	20.43	20.43
Punjab	2.52	166.64	169.16	2.24	160.09	162.33	2.69	200.09	202.78
Nef (Tripura)	0.1	0	0.1	0.13	0.08	0.21	0	0	0
Tamil Nadu	0	19.03	19.03	0	32.41	32.41	0	5.67	5.67
Uttar Pradesh	0.68	47.57	48.25	0.95	55.62	56.57	0.76	47.67	48.43
Uttrakhand	0	6.89	6.89	0	10.18	10.18	0	9.98	9.98
West Bengal	1.18	27.93	29.11	0.76	26.27	27.03	0	0	0
<b>Total</b>	<b>6.74</b>	<b>653.37</b>	<b>660.11</b>	<b>7.53</b>	<b>765.92</b>	<b>773.45</b>	<b>4.71</b>	<b>474.64</b>	<b>479.35</b>





**Meeting chaired by Hon'ble Minister of State for Consumer Affairs, Food and Public Distribution, Sh. Raosaheb Dadarao Danve on tender documents for Silos under Hub and Spoke model.**



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

**Krishi Bhawan, New Delhi-110001**

**EPABX : 23383911, Fax : 23782213, Website : <https://dfpd.gov.in>**