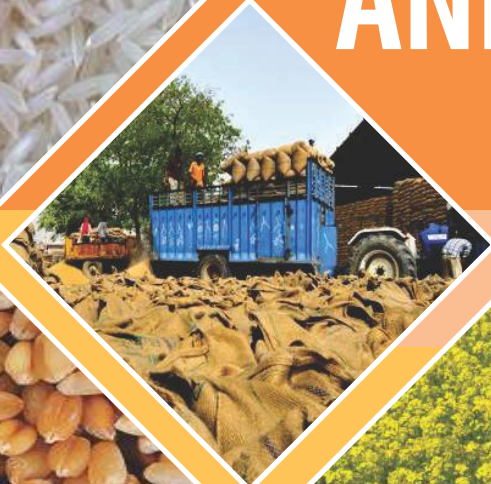




सत्यमेव जयते

ANNUAL REPORT 2017-18



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 Ram Vilas Paswan releasing a booklet on the Key Initiative of the Ministry of Consumer Affairs, Food & Public Distribution, at a press conference on the achievements of the Ministry during 3 years of NDA Government

ANNUAL REPORT

2017-18

DEPARTMENT OF FOOD & PUBLIC DISTRIBUTION

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



सत्यमेव जयते

Government of India

Vision

Ensuring food security for citizens of the country

Mission

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

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

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

Objectives

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

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

To strengthen the Targeted Public Distribution System

Development/Promotion of Sugar industry

Development of Warehousing Sector

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Introduction



Chapter - I

Brief History of the Department

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

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

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

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

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

Agriculture to the Department of Food. Subsequently some items related to 'sugar', namely the Indian Institute of Sugarcane Research, Lucknow, Sugarcane Breeding Institute, Coimbatore and Indian Central Sugarcane Committee were also transferred.

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

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

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

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

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

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

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

Organizational Set-Up

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

Functions

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

- (v) Administration of food subsidies relating to rice, wheat and coarse grains;
- (vi) Policy matters relating to sugar and sugarcane sector, fixation of Fair and Remunerative Price (FRP) of sugarcane payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology) and sugar supply for PDS;
- (vii) Monitoring, price control and supply of edible oils.

- 1.5 For carrying out its functions, the Department 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 Post Graduate Diploma & Certificate Courses in Sugar Technology, Sugar Engineering and Alcohol Technology disciplines. It undertakes research and development work in sugar and allied fields and also renders advice to sugar and allied industry on various technical matters.

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

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

institutional trainings on scientific storage and inspection of foodgrains.

(D) Quality Control Cells

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

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

(E) Food Corporation of India

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

(F) Central Warehousing Corporation

The Central Warehousing Corporation (CWC), a public sector enterprise under the Department of Food and Public Distribution was set up on 02.03.1957, under the Agricultural Produce

(Development and Warehousing) Corporations Act, 1956 which was repealed and replaced by the Warehousing Corporations Act, 1962. CWC provides scientific storage facilities for agricultural produce and other notified commodities. As on 01.10.2017, CWC was operating 433 warehouses with a total installed storage capacity of 100.70 lakh MT including 52 Custom Bonded Warehouses, 3 Air Cargo Complexes, 31 Container Freight Stations/Inland Clearance Depots providing services to the Export/Import trade.

CWC is 50% share holder in 19 State Warehousing Corporations (SWCs). As on 30.09.2017, these SWCs were operating 1787 warehouses with a total storage capacity of 273.41 lakh MT. CWC has a 100% owned subsidiary company namely Central Railside Warehouse Company Limited (CRWC) for development of Railside Warehouse Complexes (RWCs).

(G) Hindustan Vegetable Oils Corporation Limited

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

(H) Warehousing Development and Regulatory Authority

The Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 to ensure implementation of the provisions of the Warehousing (Development & Regulation) Act, 2007. The

main objective of WDRA is to implement the Negotiable Warehouse Receipt (NWR) System in the country, which would help farmers to store their produce in scientific storage godowns near their farms and to seek loan from banks against their NWR. The main functions of the Authority are to make provisions for the development and regulation of warehouses which *inter alia* includes, negotiability of warehouse receipts, registration of warehouses, promotion of scientific warehousing of goods, improving fiduciary trust of depositors & banks, enhancing liquidity in rural areas and promoting efficient supply chain.

Integrated Finance Division (IFD)

1.6 IFD of the Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) is headed by the Special Secretary & Financial Adviser.

1.7 Broadly, following matters are dealt in IFD:-

- (i) Preparation of budget according to the instructions issued by Finance Ministry from time to time;
- (ii) Maintenance of Departmental accounts in accordance with the prescribed codal provisions;
- (iii) Monitoring expenditure against sanctioned grants;
- (iv) Advise the Department on all matters falling within the ambit of delegated powers;
- (v) Advise on formulation of schemes and important expenditure proposals;
- (vi) Monitor the settlement of Audit Objections, Inspections, Reports, Draft Audit Paras, etc.;
- (vii) Action on Audit Reports and Appropriation Accounts, Reports of Public Accounts Committee, Estimates Committee and Committee on Public Undertakings;

- (viii) Scrutiny and concurrence of subsidy proposals received from FCI 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;
- (ix) Scrutiny and concurrence of proposals for SDF loans to sugar factories and other schemes under Sugar Development Fund;
- (x) Monitoring, coordinating, guiding and review of procurement on GeM portal by a Standing Committee (SCoGeM) constituted for the purpose and submission of Action Taken Reports to the Ministry of Finance periodically.

Departmentalised Payment and Accounting Organisation

Organisational set-up

- 1.8 The Secretary (F&PD) is the Chief Accounting Authority who discharges his responsibilities with the assistance of SS&FA and Chief Controller Accounts of the Department.
- 1.9 The departmentalized payment and accounting organization is a subordinate office of the Department 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 Organisation.

Functions & Responsibilities

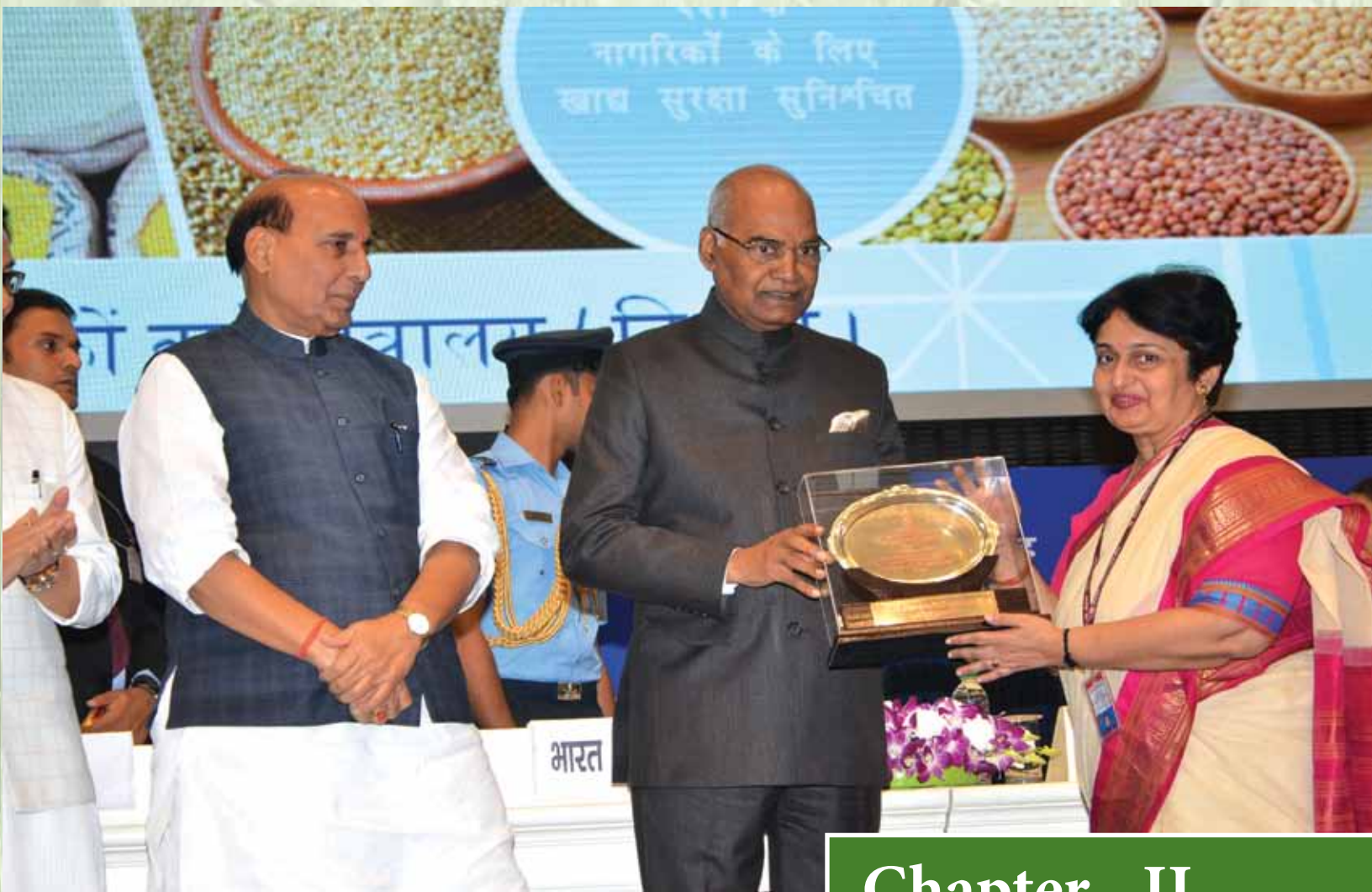
- 1.10 The Payment and Accounting Organization under the Chief Controller of Accounts is responsible for:-
 - a. Arranging payments through Pay and Accounts Offices (PAOs) and Cheque Drawing and Disbursing Officers (CDDOs)

- for pay and allowances, provident fund claims, office contingencies, miscellaneous payments, loans and advances to Government Servants and others, as well as grants-in-aid.
- b. Issuance of Pension Payment Orders (PPO) in respect of retiring Government servants and payment of retirement benefits
 - c. Supervision & Monitoring of Utilization Certificates.
 - d. Maintenance of Loans and Grants in Aid to State Govt/PSU/Autonomous Bodies
 - e. Submission of information under FRBM Act-2003
 - f. Technical Advice to Ministry/Department/PSU/Autonomous Bodies
 - g. Review of Expenditure under Modified Cash Management System
 - h. The Internal Audit Unit is responsible for conducting the inspection and internal audit of offices of all DDOs and other auditable units of the Department of the Ministry.
 - i. Implementation of PFMS for all central sector schemes of the Department.
 - j. Collection of all non-tax revenue of the Department through NTRP portal.

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Significant Achievements



Chapter - II

Implementation of National Food Security Act (NFSA), 2013

- The Act is being implemented in all the States/UTs, and 80.72 crore persons are being covered for receiving highly subsidized foodgrains at ₹ 1/2/3 per kg. for coarse grains / wheat / rice respectively, out of total intended coverage of 81.34 crore persons.
- In Chandigarh, Puducherry and urban areas of Dadra & Nagar Haveli, the Act is being implemented in the cash transfer mode, under which food subsidy is credited directly into the bank accounts of beneficiaries, who then have the choice to buy foodgrains from the open market. For the month of December, 2017, ₹ 12.91 crore was transferred as food subsidy for 9.24 lakh persons covered under the cash transfer of food subsidy scheme.
- The prices of foodgrains specified under NFSA – ₹ 3 per kg for rice, ₹ 2 per kg for wheat and ₹ 1 per kg for coarse grains – which were valid upto July, 2016, have been continued upto June, 2018.
- During the Financial Year 2017-18 (upto 31.12.2017), ₹ 3072.72 crore has been released to State Governments as Central assistance to meet the expenditure incurred on intra-State movement of foodgrains and fair price shop dealers' margins. Such an arrangement has been made for the first time under NFSA. Under erstwhile TPDS, State Governments were required to either meet this expenditure on their own or pass it on to beneficiaries (except AAY beneficiaries).

Major Reforms in TPDS

- As an outcome of digitization of Ration Card/beneficiary records, de-duplication due to Aadhaar seeding, transfer/migration/deaths, change in economic status of beneficiaries, and during the run-up to and implementation of NFSA, a total of 2.75 crore ration cards have been

deleted/cancelled by State/UT Governments during the years 2013 to 2017 (upto November, 2017). Based on this the Government has been able to achieve an estimated 'Rightful Targeting of Food Subsidies' of about ₹ 17,500 Crore per annum.

- To modernize and to bring about transparency in the TPDS, the Department is implementing scheme on End-to-end Computerization of TPDS Operations at a total cost of 884 Crore on cost-sharing basis with the States/UTs. The Scheme provides for digitization of ration cards & beneficiary records, computerization of supply chain management, setting up of transparency portals and grievance redressal mechanisms.
- Key achievements under the scheme are as follows:-

Sl. No.	Schematic Activity	Achievement
1	Digitization of ration cards / beneficiaries data	Completed in all States/UTs.
2	Online allocation of food grains	Started in 30 States/UTs.
3	Computerization of Supply Chain Management	Completed in 20 States/UTs, and the work is in progress in the remaining States/UTs.
4	Transparency portals	Set up in all States/UTs
5	Grievance redressal facilities	Either or both toll-free helplines/Online registration facility is available in all States/UTs.

- To identify and weed-out duplicate/ineligible beneficiaries, and to enable rightful targeting of food subsidies, seeding of Aadhaar numbers of beneficiaries with their Ration Cards is being done by States and UTs. Presently, 81.75% of all ration cards have been seeded.
- As part of the scheme, electronic Point of Sale (ePoS) devices are being installed at Fair Price Shops (FPSs) for distribution of foodgrains through authentication and electronic record-keeping of the sale transactions. As on date, 2.84

lakh FPSs out of total 5.27 lakh FPSs have ePoS devices in 23 States/UTs.

- A pilot scheme on DBT (In-cash & In-kind) on the pattern of “PAHAL” has been launched in Nagri Block of Ranchi District, Jharkhand w.e.f. October, 2017. Under this scheme, the subsidy amount (economic cost, less the central issue price) is directly transferred into the bank account of the eligible NFSA beneficiaries in advance in the beginning of the month. The beneficiary then can purchase the foodgrains as per entitlement from the Fair Price Shop at economic cost of the foodgrains after authentication on Point of Sale (PoS) device. Central Issue Price is contributed by the beneficiary. This model enables continued support to the procurement exercise from farmers at MSP, while dis-incentivising any leakage of food grains from PDS.
- Facility enabling PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State where ePoS device has been installed has been started in states of Andhra Pradesh, Haryana, Jharkhand, Karnataka, Chhattisgarh (750 FPSs), and Telangana (2273 FPSs).
- A new Central Sector Scheme has been approved to be implemented during FY 2018-19 and FY 2019-20 for establishing Public Distribution System Network (PDSN) to implement national level portability, central data repository and central monitoring system of PDS operations.
- Annavitran Portal (www.annavitran.nic.in) has been implemented to display electronic transactions made through ePoS devices for distribution of subsidized foodgrains to beneficiaries. This portal also shows all India picture of Aadhaar authentication of beneficiaries besides allocated and distributed quantity of foodgrains up to district level.

Supporting the Farmer

- During KMS 2016-17, a record quantity of 381.07 Lakh MT paddy (in terms of rice) was procured. During RMS 2017-18, a quantity of 308.24 lakh

MT of wheat was procured which is highest in last five years.

- Enhancing procurement in Eastern India:
 - (a) State-wise 5-year Action Plans have been drawn up by FCI for Uttar Pradesh (with focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam. Procurement in Chhattisgarh and Odisha is already robust. Attempt is to increase procurement of rice from these States and to reach out to all farmers in various paddy growing districts of these States.
 - (b) FCI has opened 266 procurement centres in comparison to only 234 in previous season. Besides Government Agencies, FCI in consultation with States has engaged private parties to expand procurement operations in hitherto poorly covered clusters in Eastern U.P., Jharkhand and West Bengal. A total of 28489 procurement centres have been opened in this KMS 2016-17 in these States by FCI, State Govt. Agencies and private parties.
- FCI has started procurement of pulses from farmers at market price under Price Stabilisation Fund operation. In KMS 2016-17, FCI has procured 64737.25 MT of Moong, 18234.68 MT of Urad and 175299.03 MT of Tur.
- The import duty on wheat was imposed at 10% w.e.f. 28.03.2017 and it has been raised to 20% w.e.f. 08.11.2017 mainly to incentivize the farmers to invest more in wheat cultivation in forthcoming Rabi Season to protect our food security concerns.

Improving Foodgrain Management

- A High Level Expert Committee under the Chairmanship of Shri Shanta Kumar, MP, was constituted to make recommendations on re-structuring of FCI. Based on the recommendations, several measures have been initiated to improve the functioning of FCI and to bring in cost efficiency in its operations.

- To automate operations at the depot level, and check leakage “Depot Online System” (DOS) has been implemented to carry out all activities in the godowns in on-line mode. This system is operational at all 526 functional depots of FCI. DOS has also been implemented at all 156 depots of CWC which have been hired by FCI for storage of foodgrains.
- FCI has developed Online Procurement Management System (OPMS) which is being used for procurement in the KMS 2016-17. 15 major procuring States are now using OPMS for the MSP operations. 4 other States have partially implemented OPMS.
- Besides, 15 States/UTs which are already under Decentralized Procurement (DCP), Rajasthan (Wheat in 9 Districts) and Jharkhand (5 Districts for paddy) have partially adopted DCP System.
- Sufficient food grains are available in Central Pool Stocks of FCI. Stocks as on 01.12.2017 are 347.91 lakh MT, comprising 216.65 lakh MT wheat and 131.26 lakh MT rice. Under Open Market Sale Scheme (Domestic), 7.41 lakh MT of wheat and 3.01 lakh MT of rice have been sold by FCI during 2017-18 (till 31st December, 2017).
- The new guidelines of usage charges for packaging of procured paddy from KMS 2017-18 onwards has been implemented. It is estimated that the said policy could result in savings of approx 600 crores every year to Government of India exchequer.
- Movement of food grains is undertaken in order to evacuate stocks from surplus regions, to meet the NFSA/TPDS/OWS requirements of deficit regions and also to create buffer stocks in deficit regions. About 40 million tonnes of food grains are transported by FCI across the country in a year. Movement of food grain is undertaken by rail, road and riverine systems, singly or in combination. More than 85% of the movement of stocks is undertaken by rail (covering an average lead of 1500 KMs). Some quantity is also moved by ocean vessels to Lakshadweep and Andaman & Nicobar Islands.
- FCI is also undertaking multi-modal transportation of rice involving coastal shipping and road movement from designated depots of Andhra Pradesh to designated depots in Kerala. The operation started in March, 2014 and upto March, 2017, 1,43,123.98 MT of foodgrains has been transferred.
- As a part of HLC recommendation, FCI made a trial movement of containerized movement of foodgrains through CONCOR from Chhattisgarh (Raipur) to Maharashtra (Turbhe) in Aug'16 and found it economical in comparison to conventional rakes. In 2016-17, 13 such containerized movement was undertaken which led to freight savings of around ₹ 44 lakhs. During 2017-18, FCI has moved 88 container rakes (as on 17.12.2017) against the target of 100 and the approx. freight saving is ₹ 359 lakh.
- FCI is effectively optimizing movement of foodgrains in association with Railways, while minimising cost. This can be seen from table below:

Parameters	2014-15	2015-16	2016-17	2017-18 (upto November)
Demurrage & Wharfage Charges (in ₹ crore)	96.95	66.25	51.50	26.56
No. of Rakes rebooked	652	229	22	07
Expenditure on Rebooking (in ₹ crore)	49.47	23.36	0.78	0.07

Improving Storage

- During 2017-18 (upto November, 2017), storage losses and transit losses have been contained to (-) 0.04% and 0.32% against the MoU target of 0.36% and 0.36% respectively for FCI.
- New godowns of 2.61 lakh MT capacity under Private Entrepreneurs Guarantee (PEG) Scheme have been completed during the year from 01.04.2017 upto 30.11.2017. Further, a capacity of 4,590 MT has been completed and a capacity of 60,440 MT is under construction under Central

Sector Scheme in 2017-18 as on 31.10.2017.

- As per the road map for creation of 100 Lakh MT steel silos, FCI has awarded work for 1.00 LMT at 2 locations and completed works at 1 location of capacity 0.25 LMT during the year 2017-18 as on 30.11.2017. Government of Punjab has completed works for a capacity of 1.50 LMT at 3 locations during the year 2017-18 as on 31.10.2017. In addition, FCI has floated tenders for 19 locations of total capacity 10.00 LMT. FCI has also identified 9 locations of total 6.5 LMT capacity for floating of tenders.

Reforms in Sugar Sector

- Sustained surplus production over domestic consumption in the past 6 sugar seasons had led to subdued sugar prices, which had stressed the liquidity position of the industry throughout the country leading to build up of cane price arrears. Due to the above, the peak cane price arrears for 2014-15 sugar season at all India level reached at ₹ 21837 crore as on 15.4.2015.
- To mitigate the situation, Government has taken the following measures:
 - Extended financial assistance of ₹ 4213 crore directly credited to farmers account on behalf of sugar mills through banks. About 32 lakh farmers have been benefited. An amount of ₹ 431.70 crore has been released to the banks for subvention of interest on the loan availed by sugar factories.
 - Facilitated supply of ethanol under Ethanol Blended Petrol (EBP) programme by fixing remunerative price. Excise Duty exemption on supply of ethanol was also extended from November, 2015 to August, 2016.
 - A comprehensive performance based production subsidy was extended @ ₹ 4.50 per quintal of cane crushed payable to farmers against their cane dues contingent on mills undertaking export and supplying of ethanol. ₹ 520 crores have been disbursed as production subsidy to 210 sugar mills.
- Due to these measures, 99.47% of cane dues payments of farmers for 2014-15 sugar season and 99.78% (on Fair and Remunerative Price-basis) for 2015-16 sugar season have been cleared. About 99.90% of cane dues on FRP basis have also been cleared in respect of sugar season 2016-17.
- Under Ethanol Blended Petrol (EBP) Programme about 66.51 crore litres of ethanol has been supplied in ethanol season 2016-17. In ethanol season 2017-18, Letter of Intent (LOI) for 139.55 crore litre of ethanol has been issued.
- As a consequence of drought in some of the major sugar producing states in 2015-16 and 2016-17, sugar production was substantially low in 2016-17 sugar season as compared to previous sugar season. In order to conserve sugar stocks in the country to ensure sufficient availability at a reasonable price, the Government had imposed Custom Duty @ 20% on export of sugar w.e.f. 16.06.2016. Further, in order to prevent any uncontrolled imports, customs duty on sugar import has been increased from 40 % to 50 % w.e.f. 10.07.2017 in the interest of farmers. However, in order to remove regional production imbalance in the country and to ensure availability of sugar at reasonable price, duty free import of 5 Lakh MT of raw sugar under Tariff Rate Quota (TRQ) has been allowed in the sugar season 2016-17.
- Further to supplement the availability of sugar in the deficit States i.e. Southern India and to stabilize sugar price, import of a further 3 Lakh MT of raw sugar through southern ports of India at 25% import duty under Tariff Rate Quota has also been allowed in September, 2017.
- The Government has been constantly monitoring the domestic sugar price across the country and had imposed stock limits on dealers as well as sugar mills to keep a check on the prices and ensure availability of sugar. The State enforcing agencies have also been kept on alert to prevent hoarding and speculation. Due to these measures, the price of sugar remained range bound throughout the year in spite of low production in sugar season 2016-17.

- The Government of India has reviewed the sugar subsidy scheme and decided that it is imperative 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. Antyodaya Anna Yojana (AAY) families, who will be provided 1 kg of sugar per family per month; and the Central Government will be providing subsidy @ ₹ 18.50/kg.
- During the year 2017, 39 cases of loan under SDF were processed involving 7 cases of Cane Development, 9 cases of Modernisation/Expansion, 14 cases of Co-generation, and 9 cases of Ethanol and Zero Liquid Discharge (ZLD). Out of 39 cases, 22 cases were approved involving an amount of ₹377.14 crore (up to 31.12.2017).
- During the year, disbursement of ₹584.15 crore towards approved SDF loans have been made. An amount of ₹456.75 crore recoveries have also been made against SDF loans during the period.
- Under SEFASU-2014 scheme, about ₹6485.69 crore of loans have been disbursed by the banks to various sugar factories for facilitating payment of cane dues of farmers. Under the scheme, the Department has released an amount of ₹346.64 crore, during 01.01.2017 to 31.12.2017, to the SBI for subvention of interest on the above loan availed by the sugar factories.
- Under Soft Loan 2015 scheme, about ₹4213.00 crore loans have been directly remitted into the account of farmers for payment of cane dues on behalf of the sugar mills by the banks. Under the scheme, the Department has released an amount of ₹43.61 crore, during 01.01.2017 to 31.12.2017, to the SBI for subvention of interest on the above loan availed by the sugar factories and the scheme has now completed.

Maintaining Prices in Oil

- Due to regular monitoring of the sector, the availability of edible oil in the country was smooth and prices of almost all edible oils were stable and range bound. In this regard, an Inter Ministerial Committee chaired by Secretary, F&PD was

formed which closely monitors the duty structure of edible oils and other commodities in addition to their price and availability keeping in view the interests of farmer, industry and consumers.

- The import duty on edible oils as well as soyabean seed was revised which has been effective in increasing the prices of oil seeds and thereby facilitating remunerative prices to the farmers.

Other Achievements in FCI

- In pursuance to High Court Order and exemption notification dated 06.07.2016, following labourers have been repositioned:
 - In pursuance to High Court Order dated 20.11.2015 in PIL No.84 of 2014 and exemption notification dated 06.07.2016, {9193 labourers (20.42%) out of 45009 labourers (as on 31.12.2016) were pooled in fewer depots thereby vacating 149 depots where contract labour have been deployed}.
 - In addition to above the departmentalized labour have also been withdrawn from 41 railheads and repositioned in the link depots. The contract labour has been deployed at the vacated railheads.
 - There is likely saving of about ₹ 600 crores/ annum.
- The Hon'ble Presiding Officer, CGIT, Karkardooma passed an award on 05.07.2016 which has been published by Ministry of Labour & Employment on 11.07.2016 upholding the circular no. 18/2005. Accordingly, the instructions have been issued vide Circular dated 17.08.2016 to all the GMs (Region) for implementing the revised datum of 135 bags per worker per day w.e.f. 01.12.2005. There is annual likely saving of ₹ 208 crore after implementation of revised datum.

Export of Foodgrains from Central Pool Stock

- Government of India provided food grains as humanitarian food assistance to the following

countries during 2017:

Sl. No.	Country	Quantity (in MT)
1.	Sri Lanka	100
2.	Zimbabwe	500
3.	Lesotho	500
4.	Namibia	1000

- Further a quantity of 1.10 lakh MT of wheat has also been approved for donation to Afghanistan and supply from FCI's stocks is in progress.

Central Warehousing Corporation (CWC) & Central Railside Warehouse Company Limited (CRWC)

- CWC has achieved the turnover of ₹ 1606.29 crore, during 2016-17 in spite of stiff competition in the market. CWC has paid a dividend of ₹ 53.14 crore (142% of Paid up Capital) for the year 2016-17 to the Govt. of India.
- Additional storage capacity of 95,050 MT has been created by Central Warehousing Corporation (CWC) during the year 2016-17 at 15 locations in 10 States.
- Depot Online System has been implemented in all 156 godowns of CWC which are used by FCI for storage of foodgrains.
- Construction of 3000 MT Railside Warehouse Complex (RWC) at Jogeshwari, Mumbai was taken up by Central Railside Warehouse Company Limited (CRWC) during the year and the same was completed and commissioned on 17.05.2017.
- Construction of 13,800 MT warehouse at Pahleja, Bihar was completed by CRWC during the year.
- Railway approval for construction of 20,400 MT warehouse at Fatuha, Bihar has been obtained and the work has commenced in November, 2017.

- An auction portal named e-Rashtriya Kisan Agri Mandi (e-RAKAM) was launched on the 01.08.2017 by CRWC, in association with MSTC, for the benefit of the Indian Farmers for providing logistics support for last mile connectivity to the buyers and overall development of Agriculture sector in the country.



Launching of e-RaKAM Portal

Winding up Hindustan Vegetable Oils Corporation Limited (HVOC)

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

Warehousing Development and Regulatory Authority (WDRA)

(Position as on 31.12.2017)

Item	Cumulative Total (since inception)	2017-18
Number of Registered Warehouses	1,594	158
Negotiable Warehouse Receipts (NWRs) issued	81,038*	7,098*
Value of commodities deposited against NWRs	₹ 5428.9 crore	₹ 347.66 crore
Loan availed against NWRs	₹ 1641.44 crore	₹ 96.48 crore

*includes 31 electronic – NWRs

- Government has simplified the process of registration of warehouses with WDRA by notifying new registration rules, vide GSR 165 (E) dated 23.02.2017 and amendments thereto, vide 1040 (E) dated 22.08.2017. The new rules intend to increase the number of registered warehouses with WDRA. This would enhance facility of pledge finance for the farmers through Negotiable Warehouse Receipts system.
- Shri Ram Vilas Paswan, Hon'ble Minister of Consumer Affairs, Food & Public Distribution launched the Electronic Negotiable Warehousing Receipt (eNWR) System and WDRA Portal on 26.09.2017 to transform the process of registration of warehouses online and to issue



The Hon'ble Minister at the launching of the "Electronic Negotiable Warehousing Receipt (eNWR) System" and "WDRA Portal" on 26.09.2017

e-NWR instead of paper-NWR which will be a more credible financing tool. The eNWR System will be implemented through two repositories - National E-Repositories Ltd. (NERL) and CDSL Commodity Repository Limited (CCRL).

National Sugar Institute (NSI), Kanpur

- In addition to the regular courses, the institute also conducted various short duration customized training programmes not only for the Indian Companies but for other countries as well on the topics of "Sugar Refining" and "Distillery Operations". Students of many countries viz. Bhutan, Nepal and Yemen took admission in various regular and customized training programmes during the current academic year.
- Institute undertook successful research & development work in collaboration with various organizations on important topics e.g. Production of Bio-CNG from Press Mud, Production of Bio-detergent from bagasse, Treatment of waste water from sugar factories by "Electro-coagulation" technique etc. and "Use of dried spent wash from distillery as fertilizer" and on "Assessing effect of potash on sugarcane productivity" respectively.
- The institute rendered its services to overseas client, M/s Tembo Sugars Ltd. Kenya for setting of a 1500 TCD expandable to 2500 TCD Sugar plant with Co-generation & ethanol production facilities. Further, a delegation of Ethiopian Sugar Corporation visited the NSI and reached an understanding for seeking its assistance in building a "Sugar Academy" at Ethiopia.

Policy Changes

- **Fortification of Staple Food:** To address acute malnutrition in the population, a strategy of Fortification in Food has been adopted. As a consequence of inputs and proactive initiatives taken by the Department of Food & Public Distribution in consultation with all Stakeholders, the Food Safety & Standards Authority of India (FSSAI) has operationalized the standards for fortification of five commodities – Wheat, Rice,



Customized Training Programme for Bhutanese Nationals and Officials of Ethiopian Sugar Corporation visiting NSI



Milk, Edible Oil and Double Fortification of Salt. These standards came into force w.e.f. 16.10.2016. The Department on its part advised all States/UTs in December, 2016 and January, 2017 to distribute fortified wheat flour and fortified edible oil as per FSSAI Standards. The use of three staple foods, wheat flour (iron, folic acid and Vitamin B-12), edible oil (Vitamin A & D) and double fortified salt (iodine and iron) have been made mandatory under ICDS with effect from 10.07.2017 and MDM with effect from 02.08.2017 by Ministry of Women & Child Development and Ministry of Human Resource Development respectively.

- **Wheat-Rice Policy:** Government of India formulated a wheat-rice policy in June, 2016 with an objective that the States, which annually procure more wheat or rice than their present annual entitlement/demand for wheat and rice respectively, will be allocated the preferred foodgrains as per their requirement in the normal NFSA allocation i.e. AAY and Priority category. The allocation in the tide over category will be at the discretion of the Department and subject to availability of foodgrains in the Central Pool and impact on food subsidy. To augment the stock of wheat in the Central Pool and to contain the price volatility in the open market, foodgrain stocking norms that include strategic reserve of 30 lakh MT of wheat and 20 lakh MT of rice were revised vice versa from November, 2016 till June, 2017.

- **Additional Allocation of food grains to States/UTs:** The policy regarding additional allocation of food grains to States/UTs in connection with festivals, natural calamities and law & order situation was revamped w.e.f. 18.08.2017. Now, the States/UTs requesting for additional allocation are required to furnish notification in case of drought and declaration in case of floods. Under the revamped policy the additional allocation is released only for the non-NFSA beneficiaries, as the NFSA beneficiaries are otherwise getting their foodgrain allocation. The CIP continues to be MSP/MSP derived rates.

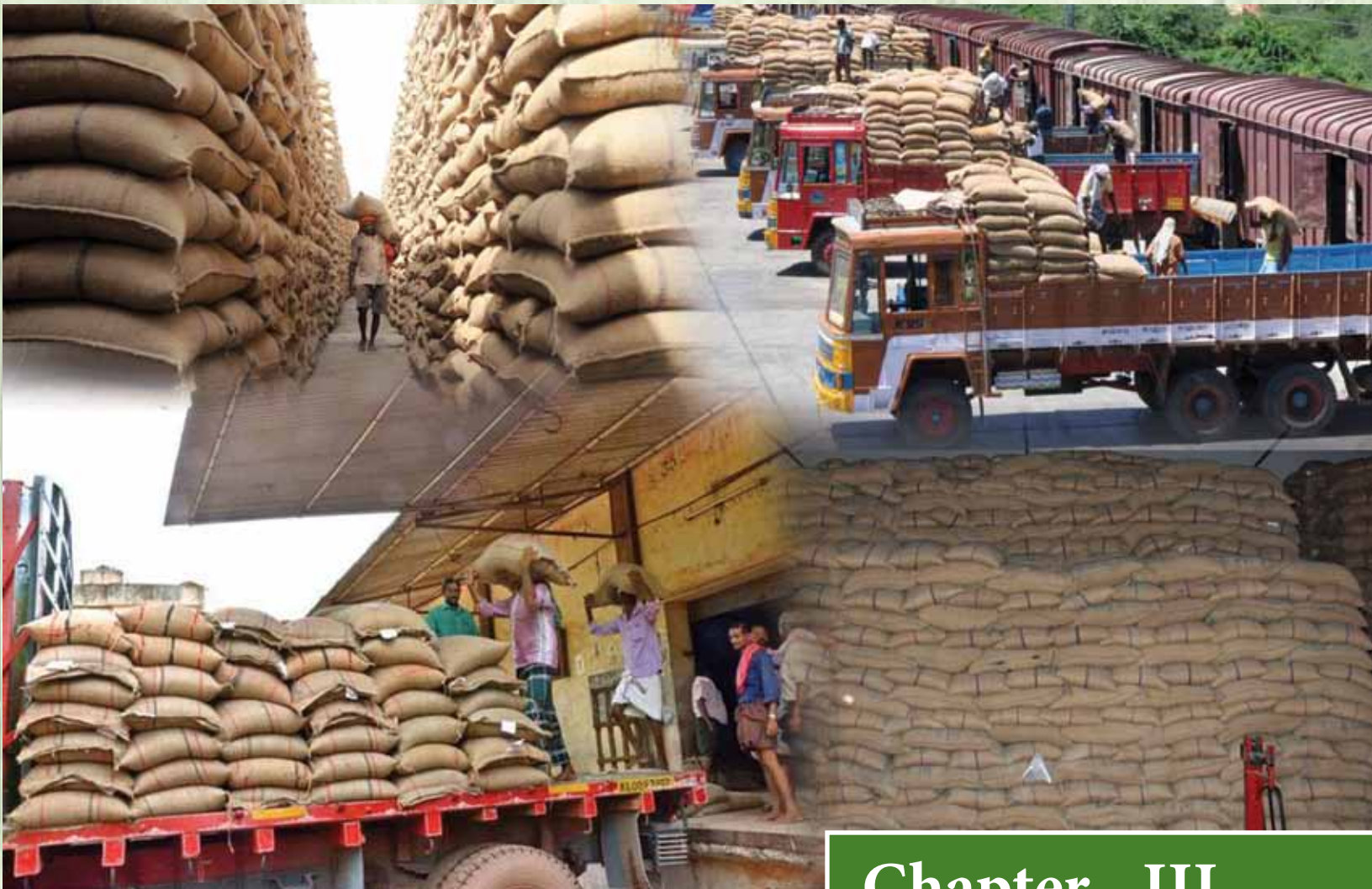
The policy regarding “Allocation of Food Grains to Welfare Institutions” and “Allocation of Food Grains to SC/ST/OBC Hostels” was revamped w.e.f. 01.09.2017 by clubbing both the schemes into a single scheme “Allocation of Food Grains to Welfare Institutions and Hostels”. Under the revamped scheme, the States/UTs requesting for allocation of food grains are required to post the details regarding Institutions/Hostels, total capacity, present strength, etc. on their respective portals. The CIP continues to be the BPL rates.

Budgetary Position

- With respect to MEP (Monthly Expenditure Plan) of ₹ 176136.86 crore, the Department has achieved an expenditure of ₹ 147439.95 crore achieving a percentage expenditure of 83.71 % against MEP upto 31.12.2017.



Food Management



Chapter - III

Procurement of Foodgrains

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

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

Minimum Support Price

- 3.3 Foodgrains are procured at the Minimum Support Price (MSP) fixed by the Government. For KMS 2017-18, the MSP for Common and Grade 'A' paddy was fixed at ₹ 1550/- and ₹ 1590/- per quintal respectively. The MSP of wheat was fixed at ₹ 1625/- per quintal for the RMS 2017-18, and for RMS 2018-19, it has been fixed at ₹ 1735/- per quintal. The comparative MSP of wheat and paddy as announced by the Ministry of Agriculture for crop year 2011-12 to 2017-18 is given below:-

(₹ per quintal)

Commodity	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Paddy-Common	1080	1250	1310	1360	1410	1470	1550
Paddy-Grade 'A'	1110	1280	1345	1400	1450	1510	1590
Jowar-Hybrid	980	1500	1500	1530	1570	1625	1700
Jowar-Maldandi	1000	1520	-	1550	1590	1650	1725
Bajra	980	1175	1310	1250	1275	1330	1425
Maize	980	1175	1310	1310	1325	1365	1425
Ragi	1050	1500	1500	1550	1650	1725	1900
Wheat	1285	1350	1400	1450	1525	1625	1735
Barley	980	980	1100	1150	1225	1325	1410



Mandi operations – Procurement of food grains

Procurement Plan For Winter/ Summer Paddy In KMS 2016-17

3.4 In the Rabi Conference of the State Food Secretaries held on 15.02.2017, a separate target of 50 lakh MT was fixed for procurement of paddy in terms of rice pertaining to winter/ summer crop in KMS 2016-17, which is usually procured during the period of April to September in a year. This practice of fixing separate target for this crop is to ensure that procurement of paddy for kharif crop is completed in time by the States and the procured paddy is subjected to milling without any delays and resultant CMRs are handed over to State Government Agencies (SGAs)/ FCI in time by the millers.

Procurement Plan for RMS 2017-18

3.5 For wheat crop of RMS 2017-18, an estimated target of 330.00 lakh MT for procurement was set in consultation with the State Governments after a Conference of the State Food Secretaries held on 15.02.2017. Government fixes the period of procurement of wheat in various States in such a manner that the procurement could start on the onset of harvesting and generally continue for a period of 3-4 months in a particular State. Arrangements for opening of sufficient number of purchase centres, deploying procurement and quality testing staff, timely supply of packaging materials, mobilisation of required storage space were finalized in the meeting.

Procurement Plan for KMS 2017-18

3.6 For the Kharif crop of KMS 2017-18, an estimated target of 375.00 lakh MT for procurement of rice has been set in consultation with the State Governments after a Conference of the State Food Secretaries held on 27.07.2017. Government fixes the period of procurement of paddy in various States and also enforces a discipline in milling of the procured paddy for completion of milling and handing over of CMR to SGAs/ FCI. Separate targets are to be fixed for procurement of paddy

for the winter/ summer crop of paddy in KMS 2017-18, for which a separate meeting of State Food Secretaries is probably held in February, 2018.

Procurement of Coarsegrains

3.7 As per extant guidelines, the concerned States are required to make an assessment of production, marketable surplus, Price trend etc. of coarse grains covered under minimum support price (MSP) and prepare a plan for their procurement towards central pool of food grains stock from the farmers at MSP in consultation with FCI. Further State Governments are required to obtain prior approval of the Department on the plan. The procured quantity of coarse grains is required to be used for distribution under NFSA in the State and therefore the plan should clearly indicate that the procured quantity of coarse grains will be disposed under NFSA.

3.8 State agencies provide a daily report of coarse grains procured, commodity-wise and District-wise, to their State Governments and the Regional Office of FCI concerned in the prescribed manner. Further State Government /State Government agencies are required to ensure that coarse grains procured by them conform to uniform specifications prescribed for the Marketing Season for the commodities being procured. Storage and preservation are ensured as per standard practices till distribution, handing over to FCI or disposal in open market.

3.9 The coarse grains procured by State Governments/ its agencies in a particular Marketing Season shall be allotted for distribution under NFSA or MDM/ICDS Schemes in their respective States within three months from the date of end of the procurement period of the concerned commodity, subject to the extent of their eligible allocation from the Central Govt.

Supply of Jute Packaging Material

3.10 The Jute Packaging Materials (Compulsory use

in packing commodities) Act, 1987 (JPM Act) provides for the compulsory use of jute packaging material in the supply and distribution of certain commodities in the interest of production of raw jute and jute packaging material and of persons engaged in the production thereof and for matters connected herewith. Section 4 of the JPM Act provides for the constitution of a Standing Advisory Committee (SAC) which would recommend the commodity or class of commodities or percentage thereof to be packed in the jute material. After considering the recommendations of the SAC, the Central Government issues appropriate orders for mandatory packaging of certain commodities in jute packaging material.

- 3.11 On transfer of jute bags procurement system under Jute Commissioner of India from DGS&D w.e.f 01.11.2016, effective coordination has been made by the Department for smooth procurement of gunny bags for packaging of foodgrains. Under new system, efficiency of inspection procedure has improved considerably due to engagement of independent inspection agency by States, which has resulted in decrease in number of quality complaint of jute bags as reported by States.
- 3.12 Owing to capacity constraints of jute mills, the Department has been seeking relaxation from Ministry of Textiles for use HDPE/PP bags to manage the procurement operations of foodgrains in the country mainly during Rabi Marketing Seasons. Accordingly, required arrangement for supply of packaging material during RMS 2017-18 has been made by way of relaxation with approval of Ministry of Textiles for use of 5 lakh bales of HDPE/PP bags against total requirement of 17.52 lakh bales. The said relaxation has resulted in cost savings of approximately ₹ 750 crore as cost of a HDPE/PP bag is 2.5 times less than cost of a jute bag.
- 3.13 With a view to rule out possibility of any irregularity in procurement of jute bags, viz, siphoning of new bags, lack of monitoring of paddy released jute bags, shortage of packaging material, the new policy of usage charges for

packaging of procured paddy from KMS 2017-18 onwards has been implemented in consultation with all States/FCI by DFPD.

- 3.14 As per the new policy of usage charges, for getting a quintal of rice, paddy is packed in 2 new bags and in old bags. Old bags are arranged by State Governments after paddy is milled, a quintal of rice is packed in aforesaid 2 new bags and delivered under central pool. Full reimbursement shall be applicable for 2 new bags in which first paddy is packed and subsequently rice is delivered. For remaining old bags which are arranged by State Governments, usage charges shall be borne by Government of India for packaging of procured paddy.
- 3.15 State Governments have been allowed usage charges for use of old bags for packaging of paddy subject to the condition that there is no loss of paddy in terms of quality and quantity and provisions of JPM Act must be adhered to.
- 3.16 In consultation with States and on the basis of latest recommendations of FCI, this Department has fixed usage charges upto ₹ 7.32/bag (50 Kg capacity size bag), with certain conditions for use of old bags for packaging of procured paddy in KMS 2017-18 onwards. It is estimated that implementation of said policy will result in savings of approximately ₹ 600 crores every year to Government of India exchequer.

Scheme of Decentralised Procurement (DCP) of Foodgrains

- 3.17 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.
- 3.18 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.

- 3.19 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.
- 3.20 The State Governments presently undertaking Decentralized Procurement are West Bengal (paddy/ rice and wheat), Madhya Pradesh (paddy/ rice and wheat), Chhattisgarh (paddy/ rice and wheat), Uttarakhand (paddy/ rice and wheat), Andaman & Nicobar Islands (paddy/ rice), Odisha (paddy/ rice), Tamil Nadu (paddy/ rice), Gujarat (paddy/ rice and wheat), Karnataka (paddy/ rice), Kerala (paddy/ rice), Andhra Pradesh (paddy/ rice), Telangana (paddy/ rice), Bihar (paddy/ rice and wheat), Rajasthan (partial - wheat in 9 Districts only), Maharashtra (paddy/ rice), Jharkhand (partial - paddy/ rice in 5 Districts) and Punjab (wheat).

Improvement of Procurement of Paddy in Eastern States

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

West Bengal & Assam, where concerns exist about distress sale of paddy (procurement is already robust in Chhattisgarh & Odisha).

- 3.22 During KMS 2016-17, FCI has operated 726 procurement centres (including private support) in comparison to only 635 in previous Season in these States. Total 28489 procurement centres were opened in that Season in these States. Besides Govt. Agencies, in consultation with States, FCI has taken a unique initiative to engage private parties to expand procurement operations in hitherto poorly covered clusters in Eastern U.P., Jharkhand, West Bengal & efforts are on to engage them in Assam also. Procurement in Eastern States usually picks up after Makar Sankranti only. 65.97 lakh MT of paddy in terms of rice has been procured in these States in KMS 2016-17.

Status of Procurement of Foodgrains

- 3.23 The status of procurement of foodgrains in 2017 - 18 is given below:
- (i) In RMS 2017-18 (April 2017 to March 2018), 308.24 Lakh MT of wheat has been procured for the Central Pool.
 - (ii) For the KMS 2017-18 (October, 2017-September, 2018), procurement of paddy/ rice started in October, 2017 and by 31.12.2017, 244.38 lakh MT of paddy in terms of rice has been procured in various States against the target of 375.00 lakh MT for Kharif crop of KMS 2017-18. The total procurement of paddy in terms of rice in KMS-2016-17, which has ended on 30th September, 2017 has been 381.06 lakh MT as reported by FCI against the overall estimated quantity of 380.00 lakh MT for that season.

Issue of Bonus Over and Above MSP

- 3.24 Certain State Governments, which were procuring surplus foodgrains than their requirement for

NFSA were also providing bonus over and above MSP during past few years, which was distorting the market and driving away private buyers from the market of such States, leaving entire responsibility of purchase on the Government only.

- 3.25 This used to result in over procurement in these States. To curb this anomaly, Central Government had taken a decision on 12th June, 2014 that in case, a surplus DCP State declares bonus for wheat or paddy from KMS 2014-15 and RMS 2015-16 onwards, the Central Government will limit the procurement for Central pool to the extent of requirement of foodgrains for NFSA/OWS allocations of that State and will provide acquisition and distribution subsidy to the State Government accordingly.
- 3.26 The State Government will be responsible for the disposal of any surplus quantity procured in the State over and above this quantity and bear the financial burden in that regard. For non - DCP States, it has been decided that if a State announces bonus over and above MSP, the FCI will not take part in MSP operations in the State concerned and State agencies will have to mobilize resources and take care of entire MSP operations in the State on their own including the arrangements to

be made for storage of procured foodgrains.

- 3.27 With respect to such States, FCI in consultation with the Department of Food and Public Distribution will decide as to how much stock of wheat or rice it should acquire from the concerned State in a particular season and will restrict its Central Pool procurement to that extent leaving rest of the surplus stocks to be disposed off by the State Government concerned at its own risk and cost.
- 3.28 This decision has successfully led to dropping of practice of giving bonus over and above MSP for paddy in Chhattisgarh and Madhya Pradesh from KMS 2014-15 onwards and for wheat in Madhya Pradesh from RMS 2015-16 onwards. The experience has been very encouraging as the procurement levels are lower in both Chhattisgarh and Madhya Pradesh compared to previous year and there is re-emergence of competition in the markets of paddy and wheat in these States.

Procurement of Wheat in RMS 2017-18

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

(In lakh MT)

State	2013-14	2014-15	2015-16	2016-17	2017-18
Haryana	58.00	64.95	67.78	67.52	74.32
M.P.	63.55	70.94	73.09	39.92	67.25
Punjab	108.97	116.41	103.44	106.49	117.06
Rajasthan	12.68	21.59	13.00	7.62	12.45
U.P.	06.83	6.28	22.67	7.97	36.99
Others	0.16	0.61	0.90	0.10	0.17
All India	250.19	280.78	280.88	229.62	308.24

3.30 The breakup of procurement of wheat by FCI and State Agencies in RMS 2017-18 is given below:

State	Quantity Procured (In lakh MT)		
	FCI	State Agencies	Total
Haryana	8.63	65.69	74.32
Madhya Pradesh	0.00	67.25	67.25
Punjab	14.53	102.53	117.06
Rajasthan	9.77	2.68	12.45
Uttar Pradesh	3.08	33.91	36.99
Others	0.08	0.09	0.17
Grand Total	36.09	272.15	308.24

Procurement of Rice in KMS 2017-18

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

STATE/ UTs	(In lakh MT)				
	2013-14	2014-15	2015-16	2016-17	2017-18*
Andhra Pradesh	37.38	35.96	43.36	37.24	12.39
Telangana	43.53	35.04	15.79	35.97	11.46
Assam	0.00	0.15	0.42	0.47	0.00
Bihar	9.42	16.14	12.23	12.34	0.66
Chandigarh	0.12	0.10	0.16	0.13	0.14
Chhattisgarh	42.90	34.23	34.42	40.22	24.45
Haryana	24.06	20.15	28.61	35.83	39.67
Jammu & Kashmir	0.00	0.00	0.07	0.08	0.12
Jharkhand	0.00	0.02	2.06	1.39	0.07
Karnataka	0.00	0.88	0.55	0.00	0.00
Kerala	3.59	3.74	3.82	3.08	0.91
Madhya Pradesh	10.45	8.07	8.49	13.14	8.05
Maharashtra	1.61	1.99	2.30	3.09	0.85
Odisha	28.20	34.87	33.69	36.30	8.38
Punjab	81.06	77.86	93.50	110.52	118.33
Tamil Nadu	6.84	10.51	11.92	1.44	0.00
Uttar Pradesh	11.27	16.98	29.10	23.54	18.55
Uttarakhand	4.63	4.65	5.98	7.06	0.33
West Bengal	13.59	20.32	15.68	19.23	0.01
Others	0.00	0.00	0.01	0.01	0.01
All India Total	318.65	321.66	342.16	381.08	244.38

*As on 31.12.2017

3.32 The break-up of procurement of rice by FCI and State Agencies in previous 5 KMSs is given below:

(In lakh MT)

KMS	Procurement		
	FCI	State Agencies	Total
2012-13	70.28	270.00	340.28
2013-14	60.51	258.13	318.64
2014-15	25.20	296.45	321.65
2015-16	8.14	334.04	342.18
2016-17	7.95	373.11	381.06
2017-18*	3.95	240.43	244.38

*As reported by FCI on 31.12.2017.

Procurement of Rice Under Levy System

3.33 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.

3.34 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. 01.10.2014 i.e. in KMS 2014-15. The levy has been limited to 'zero' w.e.f. 01.10.2015 i.e. in KMS 2015-16.

Procurement of Pulses by FCI

3.35 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.

3.36 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.

3.37 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.

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

Stock Position in Central Pool

3.39 The stock of foodgrains in the Central Pool as on 01.12.2017 was 349.26 lakh MT, which comprised of 216.65 lakh MT of wheat, 131.26 lakh MT of rice and 1.35 lakh MT of Nutri-grains (coarsegrains). The total stock of foodgrains in the Central Pool

including coarse grains as on 1st January during the last three years was as follows:-

(in lakh MT)

Year	Stock
1 st Jan, 2014	431.21
1 st Jan, 2015	371.11
1 st Jan, 2016	365.76
1 st Jan, 2017	273.66

3.40 Quarterly stock position of wheat and rice in the Central Pool vis-à-vis foodgrain stocking norms is at **Annex-IV**. State-wise position of stocks of rice and wheat in the Central Pool as on 01.12.2017 is at **Annex-V**.



Food grains stacked in Godown

Open Market Sale Scheme (Domestic)

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

- To enhance the supply of food grains during the lean season and deficit regions
- To moderate the open market prices

- To offload the excess stocks
- To reduce the carrying cost of food grains

3.42 A target of 53 lakh MT of wheat has been set for sale by FCI out of Central Pool in the open market under OMSS (D) during 2017-18. Reserve price for the bulk sale of wheat under OMSS (D) in 2017-18 to private bulk buyers / traders has been kept at ₹ 1790/- per quintal, which includes loading and handling charges for all types of sales including dedicated movement. For sale of wheat under OMSS (D) in the states of Punjab, Haryana and Madhya Pradesh, the reserve price of wheat is ₹ 1790 per quintal. In these States, no sale of wheat under OMSS (D) was undertaken upto June 2017.

3.43 In the States other than Punjab, Haryana and Madhya Pradesh, railway freight ex-Ludhiana to the nearest railway and road transportation cost from railhead to depot where sale is undertaken, is added to the reserve price of wheat. In non procuring States, sale of wheat under OMSS (D) commenced immediately. However, in other States it was started after end of procurement period of wheat.

3.44 Sale of wheat will continue till the end of March, 2018 in non-wheat procuring states and allowing lifting upto 15.04.2018. Sale of wheat in the wheat procuring states has been allowed till 15.03.2018 subject to condition of lifting on or before 31.03.2018.

3.45 A target of 20 lakh MT of Grade 'A' rice has also been set for sale by FCI out of Central Pool in the open market under OMSS (D) during 2017-18. The overall reserve price for sale of Grade 'A' rice under OMSS (D) has been kept at ₹ 2,500/- per quintal for 2017-18. Sale of rice will be undertaken throughout the year but there would be no sale under OMSS (D) in procuring states during procurement of paddy. The mode of sale of wheat and rice under OMSS (D) through e-auction will be same as undertaken during 2016-17

3.46 The quantities of wheat and rice sold under the

OMSS (D) during the last 5 years and current year are as under:

Qty. in lakh MT

Year	Wheat	Rice
2012-13	68.67	0.99
2013-14	61.16	1.68
2014-15	42.37	*Nil
2015-16	70.77	1.11
2016-17	45.67	1.78
2017-18**	07.49	3.01

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

** Upto December, 2017

Policy on Foodgrains Stocking Norms

3.47 The main objectives of the Policy are: -

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

Foodgrains Stocking Norms For The Central Pool (Buffer Norms)

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

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

Allocation of Foodgrains Under TPDS and other Welfare Schemes

3.49 With a view to make receipt of foodgrains under TPDS a legal right, Government of India enacted NFSA, 2013 which came into force w.e.f. 05.07.2013. The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under TPDS, thus covering about two-third of the population. The eligible persons identified by the States/UTs are entitled to receive 5 kgs of foodgrains per person per month at subsidized prices of ₹ 3/2/1 per kg for rice/wheat/nutri-grains (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-Nov-2016 NFSA has been implemented in all 36 States/UTs.

3.50 During the year 2017-18, Government of India has so far allocated 606.47 lakh MT of foodgrains to States/UTs/Welfare Institutions, etc. as per break up given below: -

Sl.No.	Category	Quantity (in lakh MT)
1	National Food Security Act	552.86
2	Additional allocation - Festival & natural calamity	4.52
3	Other Welfare Schemes	49.09
	Total	606.47

Off-Take of Food Grains

3.51 During the Financial Year 2017-18 the offtake of foodgrains upto November, 2017 under TPDS (Offtake is against the allocation upto December, 2017) and various other schemes including OWS, OMSS/Export etc. are as under:-

- The offtake of foodgrains (wheat and rice) against the allocation upto December, 2017 from the Central Pool under normal TPDS during the period has been 406.85 lakh tons. This comprises 385.51 lakh MT

under NFSA normal and 21.34 lakh MT under NFSA (Tide Over). In addition there has been offtake of 2.59 lakh MT under allocation made to States/UTs at economic cost/MSP rate.

- (ii) The offtake under Other Welfare Schemes has been 22.78 lakh MT. In addition there has been offtake of 8.61 lakh MT under Other schemes including Open/Tender Sale/Relief/WFP/Defence etc.

3.52 During the financial year 2017-18 (upto November, 2017), the total offtake of foodgrains from the Central Pool is as under:-

(in lakh MT)			
SCHEME			
(A) TPDS*	RICE	WHEAT	TOTAL
NFSA (Normal)	222.03	163.48	385.51
NFSA (Tide Over)	16.75	4.59	21.34
TOTAL	238.78	168.07	406.85
Offtake against allocation made at economic cost/ MSP rate	1.15	1.44	2.59
SUB-TOTAL (A)	239.93	169.51	409.44
(B) OWS*			
MDM	11.44	2.24	13.68
WBNP	3.16	3.91	7.07
Hostels/Welfare Institutions	1.15	0.25	1.40
ANNAPURNA	0.00	0.00	0.00
RGSEAG- SABLA	0.20	0.42	0.62
SUB-TOTAL (B)	15.95	6.82	22.77
(C) OTHER SCHEMES			
WFP, RELIEF, DEFENCE etc.	0.73	0.01	0.74
OPEN SALE/TENDER SALE/ EXPORT	2.50	5.37	7.87
SUB TOTAL (C)	3.23	5.38	8.61
TOTAL (A+B+C)	259.11	181.71	440.82

* Note: Offtake under TPDS is against the allocation made upto December, 2017. (Allocation & Offtake of wheat includes Nutri-grain (Coarsegrain) figures also, as reported by FCI)

Other Welfare Schemes (OWS)

Mid-Day Meal Scheme

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

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

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

(Figures in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2014-15	23.42	4.20	27.62	20.07	3.63	23.70
2015-16	23.20	4.56	27.76	19.43	3.96	23.39
2016-17	22.96	4.21	27.17	19.22	3.73	22.95
2017-18*	21.78	3.60	25.38	11.44	2.24	13.68

*Offtake upto November, 2017.

Wheat Based Nutrition Programme (WBNP)

3.56 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-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 Services Scheme (ICDS) for providing nutritious/ energy food to children below 6 years of age and expectant/lactating women.

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

(Figures in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2014-15	8.03	9.91	17.94	4.68	8.23	12.91
2015-16	8.03	10.00	18.03	5.47	8.26	13.73
2016-17	9.63	10.67	20.30	5.99	7.94	13.93
2017-18*	9.63	10.27	19.90	3.16	3.91	7.07

*offtake upto November, 2017.

Note : Allocation & Offtake of wheat includes Nutri-grains (coarse grain) figures also

Scheme For Allocation of Foodgrains to Welfare Institutions and Hostels

3.58 With a view to meet the requirement of Welfare Institutions viz. Charitable Institutions such as beggar homes, nari-niketans and other similar welfare institutions not covered under TPDS or under any other Welfare Scheme, an additional allocation of foodgrains (rice and wheat) not exceeding 5% of the BPL allocation was made to States/UTs by the Department of Food and Public Distribution based on the request received from the States/UTs.

3.59 SC/ST/OBC Hostel scheme was introduced in October, 1994. The residents of the hostels having 2/3rd students belonging to SC/ST/OBC category are eligible to get 15 kg foodgrains per resident

per month. Allocation of foodgrains under the scheme was made by the Department based on the requests received from the States/UTs.

3.60 Allocation under the above schemes put together is subject to a maximum ceiling of 5% of the erstwhile BPL allocation of respective States/UTs. With effect from 01.09.2017 both the above schemes have been clubbed together into a single scheme viz. Welfare Institutions and Hostels Scheme, and the States/UTs have been requested to send their requirement of foodgrain for 2nd half of 2017-18 as per the revised scheme. The allocation/offtake of foodgrains under the above two schemes (Welfare Institutions and SC/ST/OBC Hostels) during the last three years & current year is as under:-

(in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2014-15	2.86	1.30	4.16	2.03	0.83	2.86
2015-16	2.92	1.03	3.95	2.37	0.66	3.03
2016-17	4.35	0.66	5.01	3.75	0.58	4.33
2017-18*	1.29	0.33	1.62	1.15	0.25	1.40

*offtake upto November, 2017

Annapurna Scheme

3.61 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. Indigent senior citizens of 65 years of age or above who are not getting pension under the National Old Age Pension Scheme (NOAPS) are provided 10 kgs. of foodgrains per person per month free of cost under the scheme. The Central Issue Price for the scheme is BPL rates.

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

(in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2014-15	0.51	0.18	0.69	0.22	0.01	0.23
2015-16	0.62	0.18	0.80	0.26	0.06	0.32
2016-17	0.075	0.00	0.075	0.20	0.00	0.20
2017-18*	0.00	0.00	0.00	0.00	0.00	0.00

* During the year 2017-18, MoRD has not furnished any indent for the allocation of foodgrain under the scheme. (Offtake includes backlog quota also)

Scheme for Adolescent Girls [Earlier Named as Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)–‘SABLA’]

3.63 The Ministry of Women & Child Development administers the Scheme for Adolescent Girls. The SABLA Scheme was launched on 19.11.2010 by merging two schemes namely Nutrition Programme for Adolescent Girls (NPAG) and Kishori Shakti Yojana (KSY) into a single scheme to be implemented in 200 selected districts across the country. The Scheme aims at empowering adolescent girls of 11-18 years by improvement of their nutritional and health status and upgrading various skills like home skills, life skills and vocational skills. It also aims at equipping the girls on family welfare, health hygiene etc. and information and guidance on existing public services along with aiming to mainstream out of school girls into formal or non-formal education. The requirement of food grains under the scheme for nutrition is @ 100 grams of grains per beneficiary per day for 300 days in a year. Annual allocation and offtake of rice & wheat during the last three years and current year is as under:

(in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2014-15	0.81	1.28	2.09	0.32	1.22	1.54
2015-16	0.81	1.28	2.09	0.27	0.61	0.88

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	1.27	2.04	0.20	0.42	0.62

*offtake upto November, 2017 (Allocation & Offtake of wheat includes Nutri-grains (Coarsegrain) figures as well)

Export of Foodgrains from Central Pool Stock

3.64 The following quantity of rice issued from FCI stocks to Ministry of External Affairs for Government of India Aid / donation to other countries as humanitarian food assistance:

Sl.No.	Country	Quantity (in MT)
1	Sri Lanka	100
2	Zimbabwe	500
3	Lesotho	500
4.	Namibia	1000

3.65 Further a quantity of 1.10 lakh MT of wheat has also been approved for donation to Afghanistan and supply is in progress.

Revision of Import Duty on Wheat

3.66 The duty of wheat was imposed 10% w.e.f. 28.03.2017 and it has been raised to 20% w.e.f. 08.11.2017 mainly to incentivize the farmers to invest more in wheat cultivation in forthcoming Rabi Season to protect our food security concerns.

Post Harvest Management of Foodgrains

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

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

3.68 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.

3.69 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.

3.70 With a view to enthuse professional attitude/management in training activities and to develop IGMRI, Hapur a center of excellence for the purpose of training in the field of Post Harvest Management of foodgrains, an MoU had been signed between CWC and the Department of Food & PD on 25.10.2012. Training infrastructures

at IGMRI Hapur has been upgraded and all the training programmes at IGMRI Hapur are being conducted with the faculty support of S&R Division.

3.71 The following major applied R&D activities have been undertaken by the IGMRI during 2017-18:

- i. Trials on suitability of REPOL-PP-FIBC (flexible intermediate bulk containers) bags for foodgrain storage at farm level.
- ii. Effect of dehusked grains on storability of rice in association with FCI.
- iii. Testing of Insecticidal incorporated Zero fly bags against stored insect pests in actual storage condition.

3.72 The performance of IGMRI, Hapur and its field stations under various activities during 2017-18 (upto December, 2017) is summarized below:

S. No.	Item /Activity	Annual Target (2017-18)	Achievement (upto December, 2017)	Projections upto 31.03.2018
1.	Long term/Short term Training Courses (LTTCs)	5	4	5
2.	Short Term Training Courses (STTCs)			
	1. Two weeks duration	9	7	9
	2. One week duration	6	4	6
3.	Analysis of foodgrain samples for			
	(i) Physical quality parameters (No. of samples)	1000	831	1000
	(ii) Mycotoxin contamination (No. of samples)	500	355	500
	(iii) Pesticide residue (No. of samples)	1500	1038	1500

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

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

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

3.74 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.

- 3.75 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 1166 foodgrain samples for physical parameters, 566 for protein determination and 542 for falling number in wheat samples have been analysed in CGAL during 2017-18 (upto December, 2017).

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

- 3.76 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.

- 3.77 The main objective of these cells is to ensure the quality of foodgrains at the time of storage. Surprise checks are conducted of food storage depots, by the officers of these cells to ensure the quality of foodgrains. It is also ensured that the guidelines/instructions issued by Government about proper storage and maintenance of foodgrains are followed by the FCI, CWC, SWCs and State agencies. These cells attend to various complaints received from MPs, VIPs, State Governments, media and consumers about the quality of foodgrains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspection/ investigations are communicated to the concerned authorities for taking remedial measures including action taken against the delinquents.

- 3.78 Performance of inspection and training activities carried out by Quality Control Cells during 2017-18 is as under:-

S.No.	Item/Activity	Annual Target (2017-18)	Progressive total upto December, 2017	Projection up to 31.3.2018
1.	Inspection of Food Storage Depots	1140	685	1140

Movement of Foodgrains

- 3.79 Movement of Foodgrains is as follows:

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

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

(B) New Modes of Transportation: FCI has undertaken a pilot project of multi-model transportation involving coastal shipping and road movement of rice from designated depots of Andhra Pradesh to designated depots in Kerala.

The operations were started in March 2014. The movement is in containers, therefore, quality is well maintained and there are less chances of contamination or pilferage, as is in the case of transportation through railways and roads. The number of handlings is also less and transit loss is also prevented. The only limitation could be the availability of boiled rice at Kakinada in Andhra Pradesh, which is the port of origin for these operations.

(C) Optimization of Movement of Foodgrains by FCI: Railways has undertaken major infrastructural development in North-East with

conversion of MG lines to BG. Due to which foodgrains are being inducted directly from Punjab/ Haryana to South Assam, Tripura, Manipur & Mizoram As a result of Gauge conversion, the dependability on Long route 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.



Movement of food grains

HTS Scheme Discontinuation

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

Food Subsidy

3.81 Food subsidy is provided in the budget of the Department to meet the difference between economic cost of foodgrains and their sales realization at Central Issue Prices fixed for NFSA and other welfare schemes. In addition, the Central Government also procures foodgrains for meeting the requirements of buffer stock. Hence, part of the food subsidy also goes towards meeting the carrying cost of buffer stock.

3.82 Since 2004-05, the MSP of wheat has increased from ₹ 630 per quintal to ₹ 1625.00 per quintal in RMS 2017-18. Similarly MSP of Paddy (Common) has increased from ₹ 560 per quintal to ₹ 1550.00 per quintal in KMS 2017-18. However the Central Issue Price (CIP) of wheat and rice for AAY, BPL and APL families has not been revised since 2002. As a result, the gap between economic cost and CIPs has been increasing and food subsidy incurred by the Government has risen substantially.

3.83 The subsidy is provided to FCI, which is the main instrument of the Government of India for procurement and distribution of wheat and rice under NFSA and other welfare schemes and for maintaining the buffer stock of foodgrains as a measure of food security.

3.84 This apart, seventeen (17) States, namely Andhra Pradesh, Telangana, Bihar, Madhya Pradesh, Chhattisgarh, West Bengal, Uttarakhand, Tamil Nadu, Andaman & Nicobar, Odisha, Gujarat, Karnataka, Kerala, Punjab, Rajasthan, Maharashtra and Jharkhand have joined the DCP Scheme under which they have undertaken the responsibility of not only procuring foodgrains from within the State but also distributing the same to the targeted population under NFSA and other welfare schemes. Under this scheme of Decentralized procurement, State specific economic cost is determined by the Government of India and the difference between the economic cost so fixed and the Central Issue Prices is passed on to the State as food subsidy.

3.85 The year-wise break-up of subsidy released for distribution of subsidised foodgrains and maintenance of buffer stocks during the last seven years and current financial year to FCI and the States operating the Decentralized Procurement Scheme is as follows:-

Year	Subsidy Released		
	FCI	States	Total
2007-08	27760.00	3500.00	31260.00
2008-09	36744.00	6924.00	43668.00
2009-10	46867.00	11375.00	58242.00
2010-11	50729.56	12200.00	62929.56
2011-12	59525.90	12845.00	72370.90
2012-13	71980.00	12574.00	84554.00
2013-14	75500.02	14240.00	89740.02
2014-15	91995.35	21175.81	113171.16
2015-16	112000.00	22919.00	134919.00
2016-17	103334.61*	27338.35	130672.96
2017-18 (as on 31.12.2017)	104901.15	32000.00	136901.15

*includes ₹ 25000 crore NSSF loan to FCI

Disaster Management

3.86 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/disaster.





Public Distribution System



Chapter - IV

- 4.1 The Public Distribution System (PDS) which was started to manage food supplies during scarcity has evolved as a system for distribution of foodgrains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society.
- 4.2 PDS is operated under the joint responsibility of the Central and the State Governments. The Central Government, through Food Corporation of India (FCI), has the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of ration cards, distribution of foodgrains through Fair Price Shop (FPS) and supervision of the functioning of Fair Price Shops (FPS) rests with the State Governments. Under the PDS, commodities, namely, wheat, rice and coarse grains are being allocated to the some of the States/UTs for distribution. States/UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt, spices, etc. as per their requirement.

Targeted Public Distribution System (TPDS)

- 4.3 The Government of India launched the TPDS in June, 1997 with focus on the poor. The coverage under TPDS was based on State-wise poverty estimates of the Planning Commission for 1993-94 and population projection of Registrar General of India for the year 1995. Subsequently, the base of the population projection was shifted to 01.03.2000. Accordingly, 652.03 lakh BPL households including AAY families were covered under TPDS and the remaining 1151.75 lakh households, at March, 2000 population base, under APL category.

Antyodaya Anna Yojana

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



A view of Fair Price Shop – Automation using e-Point of Sale Machine and Bio-metric Identification

Identification of Antyodaya

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

- i. Landless agriculture labourers, marginal farmers, rural artisans/craftsmen, such as potters, tanners, weavers, blacksmiths, carpenters, slum dwellers, and persons earning their livelihood on daily basis in the informal sector like porters, coolies, rickshaw pullers, hand cart pullers, fruit and flower sellers, snake charmers, rag-pickers, cobblers, destitute and other similar categories in both rural and urban areas;
- ii. Households headed by widows or terminally ill persons/disabled persons/persons aged 60 years or more with no assured means of subsistence or societal support;
- iii. Widows or terminally ill persons or disabled persons or persons aged 60 years or more or single women or single men with no family or societal support or assured means of subsistence;
- iv. All primitive tribal households;
- v. All HIV positive persons.

Lifting and Distribution of Ration Upto Six Months Under TPDS

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

- i. There should be no compulsion on the beneficiaries to lift their entitlements of upto six months in one go. To avoid

undue financial burden/inconvenience to the beneficiaries, this should be purely voluntary.

- ii. The existing system of lifting the quota every month and in instalments should be permitted to continue for those who are not interested or cannot afford to lift the entire quantity.
- iii. Adequate publicity should be made about the same. The bulk distribution of foodgrains may be made as far as possible in the presence of State Government officials, representative of PRIs, members of Vigilance Committees in Gram Sabha, NGOs concerned, etc. to ensure transparency.
- iv. Under NFSA 2013, the entitlements of foodgrains are to be distributed to the eligible households through TPDS. Hence, States/UTs have been intimated that the above referred facility for advance lifting and distribution of upto six months' ration under TPDS would also apply for NFSA allocations, subject to the observance of the terms and conditions stipulated in this Department's instructions.

Measures Taken to Strengthen TPDS

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

- (a) **Modernization of TPDS:** Modernization of Targeted Public Distribution System (TPDS) has been taken up by the Department of Food and Public Distribution with a view to addressing challenges such as leakages and diversion of foodgrains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievance redressal, etc. With an objective

to introduce best practices, transparency in TPDS operations and for achieving rightful targeting of food subsidy, Government is implementing a Plan Scheme on '**End-to-End Computerisation of TPDS Operations**' in collaboration with all the States/UTs under the 12th Five Year Plan (2012-17). The validity of scheme has been extended for two years i.e. up to March, 2019 after approval of Competent Authority without increasing project cost.

Component-I of the scheme includes –

- **Digitization of ration cards/ beneficiaries data**– Completed in all States/UTs. Details of 23.1 crore Ration Cards are available on transparency portals of States/UTs
- **Online allocation of foodgrains up to FPS level**– Implemented in 30 States/UTs
- **Computerisation of Supply Chain Management for foodgrains**– Implemented in 20 States/UTs
- **Transparency portals and grievance redressal mechanisms**– Transparency Portals and Online Grievance Registration system/ Toll-free helpline numbers (1967/1800-series) are available in all States/UTs

Component-II of the scheme includes –

- **Automation of Fair Price Shops** - More than 2.84 Lakh of 5.27 Lakh FPSs are automated in the country

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

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

FY'2012-17. The Department conveyed the administrative approval for the Scheme on 10.12.2012. Detailed Guidelines for the scheme were issued in September 2013. During the period 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 (up to 31.12.2017), financial assistance of ₹ 379.08 crore has been released to 31 States/UTs, NIC, etc.

- (ii) The status of implementation of various activities under computerization scheme as reported by the States/UTs upto 26.12.2017 is at **Annex-VI**

- (iii) **DBT (In-Kind) distribution of subsidized foodgrains:** Fair Price Shop (FPS) automation i.e. **Component-II** of the computerization scheme, involves issuance of foodgrains to eligible beneficiary after his/her successful authentication at the FPS using Point of Sale (PoS) device/mobile terminal. Department of Food & Public Distribution had issued guidelines on FPS automation, including technical specifications for PoS device in November 2014 to all States/UTs which were updated in May 2015. Government has approved ₹ 17/qtl. towards purchase and operations of the PoS device at FPS for automation under National Food Security Act (NFSA), 2013. Such expenditure would be shared between Centre and State Governments on 50:50 and 75:25 basis for General and Special Category States/UTs respectively. So far more than 2.84 lakh FPSs are automated by installing e-PoS devices across the country.

- (iv) **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.

(v) **Transparency Portal:** A National Transparency Portal for TPDS has been developed with the objective of providing all TPDS related data and information in the public domain. All States/UTs have been requested to maintain and update the data on the Portal through use of the TPDS application software. The Transparency Portal may be accessed at <http://pdspportal.nic.in>. The Portals of the respective State/UT Food and Civil Supplies Department may also be accessed through the links provided therein.

(vi) **Technical Partner:** NIC is the technical partner for the project. The Common Application Software (CAS) prepared by NIC has been offered to all States/UTs. Computerization of TPDS has also been declared a Mission Mode Project (MMP) under the National e-Governance Programme.

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

- i. Notification has been issued vide S.O. No. 317 (E) dated 08.02.2017 (as amended from time to time) under Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 which requires individual beneficiary to get his/her ration card authenticated to receive subsidies under NFSA and those who do not possess Aadhaar to make application for Aadhaar enrolment by giving their details to the UIDAI designated agency or as prescribed by the State/UT Governments.
- ii. The notification further provides that till the Aadhaar is assigned to the beneficiaries under NFSA, the entitlements shall be given to such individuals on production of ration card and either Aadhaar Enrolment ID slip or copy of his/her request made to the State/UT Government for Aadhaar Enrolment, along with any of the following

identification documents, namely: (i) Voter ID card issued by the Election Commission of India; or (ii) PAN Card issued by Income Tax Department; or (iii) valid Passport; or (iv) Driving License issued by Licensing authority under Motor Vehicles Act, 1988 (59 of 1988); or (v) Certificate of Identity having photo issued by the Gazetted officer or Tehsildar on an official letter head; or (vi) Address card having Name and Photo issued by Department of Posts; or (vii) Kisan Photo Passbook; or (viii) any other document as specified by the State Government or Union Territory Administration.

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

(c) Other initiatives taken to strengthen TPDS: Following initiatives have also been taken by this Department to strengthen TPDS:

- i. A pilot DBT (In-cash & In-kind) scheme on the pattern of "PAHAL" has been launched in Nagri Block of Ranchi District, Jharkhand w.e.f. October 2017. Under this scheme, the subsidy amount (economic cost – central issue price) is directly transferred into the bank accounts of the eligible NFSA beneficiaries in advance, in the beginning of the month, so that beneficiary could purchase his/her allocated foodgrains from

- the Fair Price Shop at Economic Cost of the foodgrains after authentication on Point of Sale (PoS) device. Central Issue Price is added by the beneficiary him/herself.
- ii. A few of the States/UTs have taken own steps to increase FPS dealer margin and increasing viability of FPSs over and above the dealer margin ₹ 70/Quintal and ₹ 143/Quintal given by the Government of India for general category and special category States/UTs respectively. Such States are Maharashtra (₹ 150/Qtl), Kerala (₹ 150/Qtl), Jharkhand (₹ 100 /Qtl), Gujarat (₹ 85 /Qtl).
 - iii. Intra state portability of ration cards has been introduced by some of the States/UTs. This enables PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State where ePoS device has been installed. Such states are Andhra Pradesh, Haryana, Jharkhand, Karnataka, Chhattisgarh (750 FPSs), and Telangana (2273 FPSs).
 - iv. A new scheme – ‘Integrated Management of PDS’ (IM-PDS) has also been approved to be implemented during FY 2018-19 and FY 2019-20 for establishing Public Distribution System Network (PDSN) to implement national level portability, central data repository and central monitoring system of PDS operations.
 - v. Annavitran Portal has been implemented to display electronic transactions made through ePoS devices towards the distribution of subsidized foodgrains to beneficiaries. This portal also shows national picture of Aadhaar authentication of beneficiaries besides allocated and distributed quantity of foodgrains up to district level.
 - vi. An online system for Central Allocation by the Department is being developed by NIC HQ for making the central allocation of foodgrains to States/UTs based on population coverage and previous month utilization certificate submitted by the State/UT Government. This will enforce implementation of online allocation and FPS automation for having seamless data transfer to central system. The same is planned to be launched by the Department in near future.
 - vii. A Central Dashboard for Ration Cards Management Systems, Online Allocation and Supply Chain Management Systems of States/UTs is being developed by NIC-HQ to monitor mentioned PDS operations of all States/UTs at the National Level.
 - viii. State Governments of Rajasthan and Andhra Pradesh have started initiatives called ‘Annapurna Bhandar’ and ‘Village Mall’ respectively which allows FPSs dealers to also sell certain FMCG products to increase their FPS viability. Through these initiatives, State Governments are enabling rural/low income group consumers with greater choice of FMCG products, at affordable prices, assured quality, increased accessibility and improved lifestyle, through their network of Fair Price Shops.

Vigilance Committees

- 4.8 Vigilance Committees have been in existence since the inception of the rationing system to ensure transparency and proper functioning of TPDS. NFSA, 2013 provides that Vigilance Committees shall supervise the implementation of all schemes under the Act, inform the District Grievance Redressal Officer of any violation of the provisions of the Act as well as any malpractice or misappropriation of funds found by it. Every State Government is thus required to setup Vigilance Committees at the State, District, Block and FPS levels consisting of such persons as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, Women and Destitute Persons or Persons with Disability. The TPDS (C) Order, 2015 stipulates that the meetings of the Committee shall be held

at least once every quarter at all levels. The date and periodicity of the meeting would be notified by the State Governments.

- 4.9 Clause 11(4) of the TPDS (C) Order, 2015 requires the State Governments to set up Vigilance Committees for the TPDS at the State, District, Block and fair price shop levels as per the provisions of the NFSA to perform functions as specified in the said Act. As per clause 11(5) of the TPDS (C) Order, 2015, meetings of the Vigilance Committees shall be held at least once in every quarter at all levels and the date and periodicity of the meeting shall be notified by the State Governments and given wide publicity. As per clause 11(6) of the TPDS (C) Order, 2015, the State Government shall send a report annually to the Central Government on the functioning of Vigilance Committees in the prescribed format. As per clause 11(7) of the TPDS (C) Order, 2015, the number of meetings held by the Vigilance Committees shall be displayed on the State web portal and the action taken on issues discussed in meetings of vigilance committees shall be reviewed in the next meeting.

Social Audit

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

Allotment Of Fair Price Shops To Institutions And Groups

- 4.11 Issue of licenses to fair price shops fall within the purview of State/UT Governments. However, as

per NFSA, 2013, States/UTs shall give preference to public institutions or public bodies such as Panchayats, Self Help Groups, Co-operatives, in licensing of fair price shops and management of fair price shop by women or their collectives. Clause 9(5) of the TPDS (C) Order, 2015 reiterates the provisions of NFSA, 2013.

- 4.12 As per reports received from State/UT Governments up to the end of March, 2017 out of 5.26 lakh fair price shops reported to be in operation in the country, about 1.43 lakh fair price shops have been allotted to Cooperatives, Women's Self Help Groups, Village Panchayats, Urban Local Bodies and other Self Help Groups in 33 States/UTs.

Sale of Non-PDS Items in FPS

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

Meeting With States/UTs

- 4.14 Operational issues of PDS under NFSA and their Computerisation are regularly reviewed through meetings, conferences, video conferencing, etc.
- i. A conference of State Food Ministers and Food Secretaries for promotion of Digital Payments in PDS was held on 19.01.2017 under the Chairmanship of Hon'ble Minister for Consumer Affairs, Food and Public Distribution.
 - ii. A two days National Conference of State Food Secretaries on "PDS Reforms and other

Initiatives” was held on 4th-5th December, 2017 at Vijayawada, Andhra Pradesh. The important aspect of PDS reforms which came up for discussion included the seamless working of the online systems, improving strategy for grievance redressal, enhancing outreach to deprived segment of the society, ensuring effective safeguards for non-denial of entitled foodgrains to the beneficiaries, and improving the viability of Fair Price shops.

- iii. Quarterly review meeting with States/UTs on implementation progress of End-to-end computerization of TPDS operations were held on 10th, 12th & 14th July, 2017 and 23rd, 25th, & 27th October, 2017.



Conference on PDS Reforms and Cashless Environment on 19.01.2017

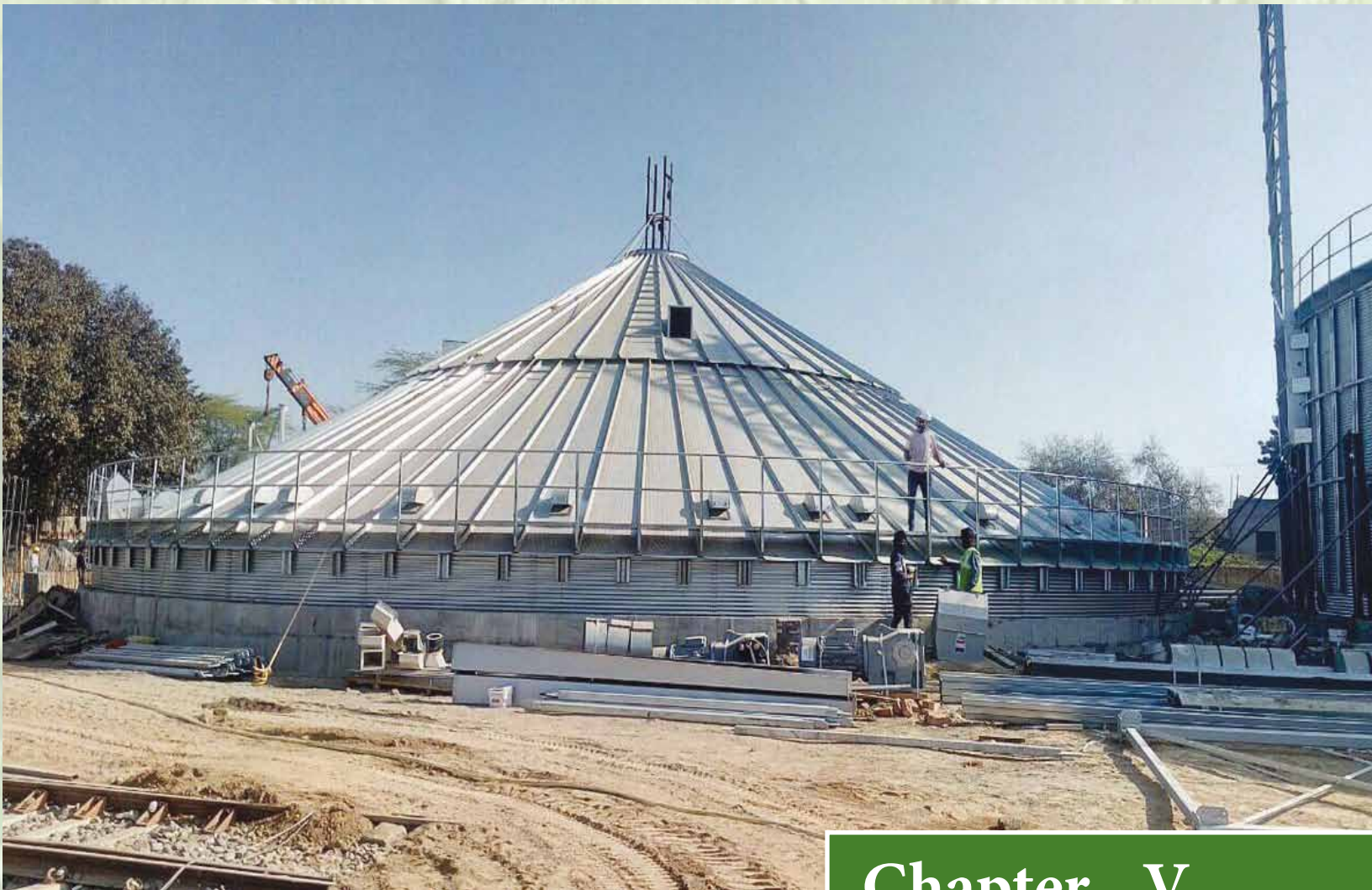
National Food Security Act, 2013

4.15 The National Food Security Act, 2013 (NFSA) was enacted in the year 2013 to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity. The Act inter alia entitles upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under TPDS, thus covering about two-thirds of the population. Eligible households comprise of priority households and Antyodaya Anna Yojana (AAY) households. Persons belonging to priority households are entitled to receive 5 Kg of foodgrains per person per month at subsidised

prices of ₹ 3/2/1 per Kg for rice/wheat/coarse grains. AAY households, which constitute the poorest of the poor, are entitled to receive 35 Kg of foodgrains per household per month @ ₹ 3/2/1 per Kg for rice/wheat/coarse grains.

- 4.16 The Act also contains provisions for nutritional support to pregnant women & lactating mothers and children upto fourteen years of age. Pregnant women and lactating mothers are entitled to meals, free of charge, during pregnancy and six months after the child birth as well as maternity benefit of not less than ₹ 6,000. Children upto 14 years of age are entitled to nutritious meals as per the prescribed nutritional standards. In case of non-supply of entitled foodgrains or meals, the beneficiaries are entitled to receive food security allowance. For effective implementation and monitoring, the Act also provides for setting up of grievance redressal mechanism at the District and State levels. Separate provisions have also been made for ensuring transparency and accountability.
- 4.17 The Act is being implemented in all the States/UTs and covering about 80.72 crore persons, against the intended total coverage of 81.34 crore persons under the Act. In the UTs of Chandigarh, Puducherry and urban areas of Dadra & Nagar Haveli, NFSA is being implemented in cash transfer mode under which cash equivalent to subsidy is being transferred directly into the Bank accounts of eligible households to enable them to purchase foodgrains from open market. More than 9 lakh beneficiaries are covered under the cash transfer scheme in three UTs, where it is being implemented, entailing monthly transfer of about ₹ 13 crore in the bank accounts of the beneficiaries.
- 4.18 NFSA provides for Central assistance to States/UTs to meet the expenditure incurred on intra-State movement of foodgrains and fair price shop dealers' margins. For this purpose, ₹ 2500 crore was released in 2016-17. An amount of ₹ 3072.72 crore has been released during 2017-18 (upto 31.12.2017).

Storage



Chapter - V

Storage of Foodgrains and Augmentation of Storage Capacity

- 5.1 Procurement, in the last few years, has touched new heights given remunerative MSPs coupled with better operational outreach. As a result, Central Pool Stocks had increased from 196.38 lakh MT as on 01.04.2008 to a peak level 823.17 lakh MT as on 01.06.2012. The position of stocks in the Central Pool as on 01.11.2017 was 378.77 lakh MT.
- 5.2 Total storage capacity available with FCI is 360.68 lakh MT as on 30.11.2017. Storage capacities, both Covered and CAP, available with State Agencies for Central Pool stock of foodgrains is 365.68 lakh MT. As a result, total of 726.18 lakh MT of storage capacity was available for storage of Central Pool stock of foodgrains. The detailed statement is at **Annex-VII**.
- 5.3 Storage capacity available with FCI is concentrated mainly in the procuring hub located in the Northern Zone. The Northern Zone has about 68% of the total available storage capacity, the Southern Zone has about 12%, Western Zone has about 10%, Eastern Zone has about 8% and North-Eastern Zone has about 2% of the total available storage capacity. As stated above, around 64% of the storage capacity is concentrated in 7 major procuring States i.e. Punjab, Haryana, Uttar Pradesh, Andhra Pradesh, Telangana, Madhya Pradesh and Chhattisgarh, while about 8% storage capacity is available in the four newly emerging

procuring States of Bihar, Odisha, Jharkhand and West Bengal. Capacity enhancement as per requirement is taking place through PPP mode through creation of conventional godowns as well as steel silos.

PEG Scheme for Construction of Godowns

- 5.4 To overcome storage constraints and ensure safe stocking of foodgrains across the country, the Government is implementing the Private Entrepreneurs Guarantee (PEG) Scheme for construction of storage godowns in PPP 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 the storage space already available.
- 5.5 Under the PEG scheme, FCI gives a guarantee of 10 years to private investors and 9 years to CWC/SWCs/State Agencies. A capacity of 150.99 lakh MT has been sanctioned for construction of PEG godowns in 21 States. A capacity of 139.92 lakh MT has been completed and a capacity of 7.67 lakh MT is under construction upto 30.11.2017. State-wise status of PEG scheme upto 31.11.2017 is at **Annex-VIII**.
- 5.6 A capacity of 2.61 lakh MT has been completed during the year from 31.03.2017 upto 30.11.2017.



Warehouses

SILOS – Scientific Storage of Food Grains

5.7 Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing of foodgrains in bulk. It ensures better preservation of foodgrains and enhances its shelf life. If foodgrains are stored in Silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to foodgrains storage in bags in conventional warehouses. Further, since land availability in existing FCI godowns is scarce, it would be prudent to shift to storage of foodgrains in Silos as it requires approximately 1/3rd land as compared

to conventional storage warehouses. Moreover, Silos can be operated round the clock which would bring in flexibility and would improve overall efficiency. As such, construction of Silos and utilization of Silos for storing and transportation of foodgrains in bulk would be beneficial to the nation as a whole besides also creating an efficient Food Supply Chain Management System. Accordingly, FCI has planned to modernize its storage facilities by construction of modern steel Silos on a PPP mode.

5.8 FCI had constructed steel silos of 5.50 lakh MT capacity in 2008 in Public Private Partnership (PPP) mode, in two circuits as per details given below:

Circuit-I		Circuit-II	
Location	Capacity	Location	Capacity
Base Depot Moga (Pb)	2,00,000 MT	Base Depot Kaithal (Hr)	2,00,000 MT
<i>Field Depots:</i>		<i>Field Depots:</i>	
Chennai (TN)	25,000 MT	Navi Mumbai (MH)	50,000 MT
Coimbatore (TN)	25,000 MT	Hooghly (WB)	25,000 MT
Bangalore (KN)	25,000 MT		
Total	2,75,000 MT	Total	2,75,000 MT

5.9 In pursuance to recommendations of High Level Committee headed by Shri Shanta Kumar, Hon'ble MP, 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 in a phased manner as follows:

Year	Selection of Silo Operator (LMT)	Silo Completion (LMT)
2016-17	36.25 (Phase - 1)	5.00
2017-18	29.00 (Phase - 2)	15.00
2018-19	34.75 (Phase - 3)	30.00
2019-20	Completion of all silos	50.00
Total	100.00	100.00

5.10 Construction will be done in PPP mode through FCI, State Governments and other agencies like CWC. 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.

5.11 The progress of construction of silos, as on 30.11.2017, is given below:-

Phase-I (2016-17):

Agency	Target (in LMT)	Achievement			
		Selection of Silo operator (in LMT)	No. of locations	Completion of Silos (LMT)	No. of locations
FCI	18.00	16.00	32	0.25	1
CWC	0.50				
State Govts.					
Punjab	12.25	17.00	31	1.50	3
Madhya Pradesh	5.00	4.50	9	4.50	9
Maharashtra	0.50	-	-		
Total	36.25	37.50	72	6.25	13

Phase-II (2017-18):

Agency	Target (in LMT)	Achievement			
		Selection of Silo operator (in LMT)	No. of locations	Comple- tion of Silos (LMT)	No. of locations
FCI	10.00	1.00	2		
CWC	1.50				
State Govts.					
Punjab	7.00				
Haryana	2.00				
Bihar	5.00				
Rajasthan	3.50				
Total	29.00	1.00	2		

5.12 FCI has issued tenders for further 10.00 lakh MT. FCI has also finalized locations for floating tenders of total capacity of 1.00 lakh MT in West Bengal (1 location).

5.13 FCI has awarded contract for conduct of a study by professional experts to M/s PWC on 24.07.2017 for assessment of storage requirement, technology for storage of pulses, etc.

5.14 CWC has initiated action for 50,000 MT silos at Nabha (Punjab). The latest re-tender has been opened on 07.11.2017.

5.15 High Level Committee (HLC) for silos has identified locations for issue of tenders by State Government Agencies of Punjab (1 location, 1.00 LMT) and Haryana (7 locations, 4.50 LMT).

Central Sector (Plan) Scheme for Construction of Storage Godowns

5.16 The Department is implementing a Central Sector (Plan) Scheme for construction of godowns with focus on augmenting capacity in the North Eastern Region alongwith few other States.

5.17 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 Sikkim for this purpose, considering their difficult geographical conditions.

5.18 During 12th Five Year Plan, a capacity of 1,17,680 MT in North Eastern (NE) States and 20,000 MT in other than NE States has been completed by FCI. Further, a capacity of 46,495 MT has been created by State Governments.

5.19 The scheme would be continued for next three years, i.e. 2017-18 to 2019-20. There is a plan to create a capacity of 2,52,330 MT with a financial outlay of ₹ 455.72 crore, out of which 2,10,440 MT capacity (₹ 379.71 crore) is to be created by FCI and 41,890 MT capacity (₹ 76.01) by State Governments of NER including Sikkim. The



Silo storage facility for food grains

projected physical and financial targets for these three years are at **Annex-IX**.

- 5.20 As on 30.11.2017, a capacity of 4,590 MT has been completed by FCI and 4500 MT by State Governments in 2017-18. An amount of ₹ 19.75 crore has been released to State Governments and ₹ 12.17 crore to FCI till 30.11.2017



Storage Godowns

Online Depot Management System (ODMS)

- 5.22 FCI has implemented this system to automate all the operations at the depot level and eliminate usage of manual registers by capturing data online at source and on a real time basis.
- 5.23 Depot Online System (DOS) is operational at all 526 functional depots of FCI at present. DOS has also been implemented at all 156 depots of

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



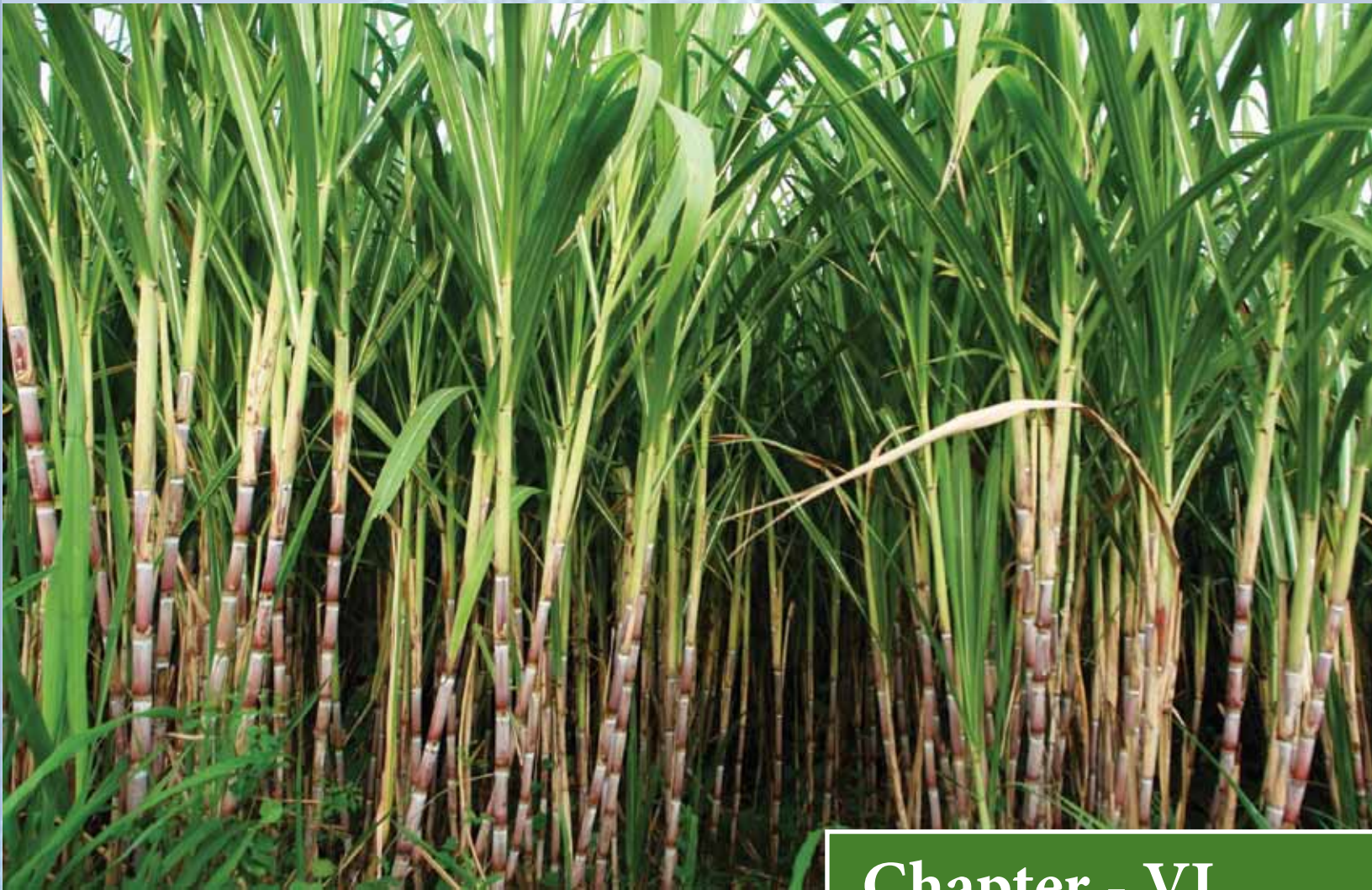
CWC which have been hired by FCI for storage of foodgrains.

Installation of CCTV Cameras

- 5.24 CCTV Cameras have been installed at 426 depots of FCI, for effective security surveillance to minimize theft, pilferage etc. In addition, Central Warehousing Corporation (CWC) has also installed CCTV Cameras in 50 warehouses.

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Sugar



Chapter - VI

- 6.1 Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers & their families and around 5 lakh workers directly employed in sugar mills. Employment is also generated in various ancillary activities relating to transport, trade, servicing of machinery and supply of agricultural inputs. India is the second largest producer of sugar in the world and the largest consumer. Today Indian sugar industry's annual output is worth approximately ₹ 80,000 crore.
- 6.2 There are 732 installed sugar factories in the country as on 30.09.2017, with sufficient crushing capacity to produce around 338 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 2500-5000 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	327
2	Private	362
3	Public	43
	Total	732*

*Includes refineries

Sugarcane Pricing Policy

- 6.3 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:-
- cost of production of sugarcane;
 - return to the growers from alternative crops and the general trend of prices of agricultural commodities;
 - availability of sugar to consumers at a fair price;
 - price at which sugar produced from sugarcane is sold by sugar producers;
 - recovery of sugar from sugarcane;
 - the realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value;
 - reasonable margins for the growers of sugarcane on account of risk and profits.
- 6.4 Under the FRP system, the farmers are not required to wait till the end of the season or for any announcement of the profits by sugar mills or the Government. The new system assures margins on account of profit and risk to farmers and is not dependent on the performance of any individual sugar mill.
- 6.5 In order to ensure that higher sugar recoveries are adequately rewarded and considering variations amongst sugar mills, the FRP is linked to a basic recovery rate of sugar, with a premium payable to farmers for higher recoveries of sugar from sugarcane.
- 6.6 Accordingly, FRP for 2017-18 sugar season has been fixed at ₹ 255 per qtl. linked to a basic recovery of 9.5% subject to a premium of ₹ 2.68 per qtl for every 0.1 percentage point increase above that level.

- 6.7 The FRP of sugarcane payable by sugar factories for each sugar season from 2009-10 to 2017-18 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%

De-Regulation of Sugar Sector on the Recommendations of Dr. C. Rangarajan Committee Report

- 6.8 The year 2013-14 was a water-shed for the sugar industry. The Central Government considered the recommendations of the committee headed by Dr. C. Rangarajan on de-regulation of sugar sector and decided to discontinue the system of levy obligations on mills for sugar produced after September, 2012 and abolished the regulated release mechanism on open market sale of sugar. The de-regulation of the sugar sector was undertaken to improve the financial health of sugar mills, enhance cash flows, reduce inventory costs and also result in timely payments of cane price to sugarcane farmers. The recommendations of the Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula have been left to State Governments for adoption and implementation, as considered appropriate by them. The gist of recommendations of the Committee and action taken by the Government thereon is given at **Annex-XI**.

Review of Existing System for Distribution of Sugar through PDS to Antyodaya Anna Yojana (AAY) Families

- 6.9 Sugar was distributed through the Targeted Public Distribution System (TPDS) by the States/UTs at subsidized prices for which the Central Government was reimbursing @ 18.50 per kg of sugar distributed by the participating State Governments /UT Administrations. 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 that it is imperative 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, the Central Government has 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. They will be provided 1 kg of sugar per family per month.
- (ii) The current level of subsidy at ₹ 18.50 per kg provided by the Central Government to States/UTs for distribution of sugar through PDS may be continued for the AAY population. The States/UTs may continue to pass on any additional expenditure on account of transportation, handling and dealers' commission etc. over and above the retail issue price of ₹ 13.50 per kg to the beneficiary or bear it themselves.

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

Sugar Standard

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

Production, Consumption and Stocks of Sugar

- 6.12 Sugar production in India has been cyclic in nature. Every few years of high sugar production are followed by low production periods. From the sugar season 2010-11 to 2015-16, the country could generate surpluses for export. But due to continuous drought like situation in Maharashtra & Karnataka during the last two sugar seasons, the production of sugar in the sugar season 2016-17 has been lower than the domestic demand. However, with the carry-over stock of 77.10 lakh MT of earlier sugar season and production of 202 lakh MT, the sugar availability was sufficient to meet the domestic demand. Season wise production of sugar from 2012-13 and onwards is given below:-

Sugar Season (October-September)	Production of Sugar (in lakh MT)
2012-13	258.58*
2013-14	245.54
2014-15	284.63

Sugar Season (October-September)	Production of Sugar (in lakh MT)
2015-16	251.21
2016-17 (Provisional)	202.27
2017-18 (Projected)	248.85

*-includes 6.76 lakh MT white sugar produced from imported raw sugar.

- 6.13 The closing stocks of sugar at the end of each sugar season from 2012-13 and onwards are given below:-

Sugar Season	Closing Stock (in lakh MT)
2012-13	91.09
2013-14	72.13
2014-15	88.76
2015-16	77.10
2016-17 (Provisional)	39.62

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

Ex-Mill & Retail Prices of Sugar

- 6.15 The range of price of sugar (S-30 Grade) in the major centres of the country from sugar season 2009-10 to 2016-17 (upto September, 2017), was as under:-

Sugar Season (October - September)	*Range of Ex- mill Prices (₹ per quintal)	**Range of retail prices (₹ per kg.)
2009-10	2500-4400	25.00-47.00
2010-11	2350-3090	28.00-34.00
2011-12	2540-3735	31.17-43.70
2012-13	2810-3685	32.74-41.00
2013-14	2420-3300	31.00-36.00

Sugar Season (October - September)	*Range of Ex- mill Prices (₹ per quintal)	**Range of retail prices (₹ per kg.)
2014-15	2050-2860	29.35-35.87
2015-16	2350-3500	30.55-41.00
2016-17	3394-3712	40.76-43.48

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

** Price Monitoring Cell, Department of Consumer Affairs

Export of Sugar

- 6.16 Sugar is an essential commodity. Its sales, delivery from mills, and distribution were regulated by the Government under 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).
- 6.17 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 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.
- 6.18 During the surplus phase of 2006-07 and 2007-08 sugar seasons, the sugar exports were permitted without release orders vide notification dated 31.07.2007. Subsequently, the necessity of obtaining release order was reintroduced from 01.01.2009, in view of drop in sugar production. However, due to surplus production during 2010-11 sugar season, Government permitted exports under OGL on the strength of the release order.

- 6.19 The phase of surplus production continued and the Government vide Notification No. 1059 (E) dated 11.05.2012 has again dispensed with the requirement of export release orders. Thereafter, the export of sugar was allowed free subject to prior registration of quantity with DGFT. Subsequently, w.e.f. 07.09.2015, the requirement for prior registration (RC) was dispensed. As per current policy, export of sugar under OGL is free subject to payment of 20% custom duty w.e.f. 16.06.2016.

Import of Sugar

- 6.20 Import of sugar, which was placed under Open General License (OGL) with zero duty in March, 1994, continued with zero duty upto 27.04.1999. The Government imposed a basic customs duty of 5% and a countervailing duty of ₹ 850.00 per tonne on imported sugar w.e.f. 28.04.1998. The basic custom duty was increased from 5% to 20% w.e.f. 14.04.1999 in addition to the countervailing duty. In the Union Budget for the year 1999-2000, duty on imported sugar was further increased from 20% to 25% with surcharge of 10%. The customs duty on imports of sugar was again increased to 40% on 30.12.1999 and 60% on 09.02.2000 along with continuance of countervailing duty of ₹ 950/- per ton (w.e.f. 01.03.2008) plus 3% education cess.
- 6.21 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.
- 6.22 Due to surplus stocks of sugar in the country and in order to check any possible imports, the Government increased the import duty from 15% to 25% on 21.08.2014, which was subsequently increased to 40% w.e.f. 30.04.2015, which was subsequently increased to 50% w.e.f. 10.07.2017

which is still in vogue.

6.23 In order to minimise the regional imbalances in demand and supply for keeping the sugar prices at reasonable level, the Government permitted 8 lakh MT of raw sugar import by sugar mills in two tranches of 5 lakh MT at 0% duty and 3 lakh MT at 25% duty for domestic consumption. During the current sugar season 2017-18, the sugar production is estimated to be at 248.85 lakh MT which is sufficient to meet the domestic requirement.

6.24 As per information published by DGCIS, Kolkata, the export/import of sugar from sugar season 2009-10 to 2016-17 is given below:

Export of Sugar

Sugar Season (Oct-Sept)	Quantity (in lakh MT) *
2009-10	2.371
2010-11	28.14
2011-12	36.74
2012-13	12.02
2013-14	26.85

Sugar Season (Oct-Sept)	Quantity (in lakh MT) *
2014-15	24.32
2015-16	37.98
2016-17	21.30

Import of Sugar

Sugar Season	Quantity (in lakh MT)*
2009-10	41.80
2010-11	3.65
2011-12	1.886
2012-13	17.12
2013-14	10.788
2014-15	12.82
2015-16	19.06
2016-17	26.82

*Includes quantity under Advanced Authorisation Scheme.

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

(₹ in crore)

Season	Position as on	Total Price Payable	Total Price paid	Arrears	% of arrears on price Payable
2017-18	30/11/2017	4,824.49	1,923.69	2,900.80	60.13
2016-17	30/11/2016	3,040.39	1,223.54	1,816.85	59.76
2015-16	30/11/2015	1,740.06	244.51	1,495.55	85.95
2014-15	30/11/2014	2,282.94	543.31	1,739.63	76.20
2013-14	30/11/2013	1,883.91	601.11	1,282.80	68.09
2012-13	30/11/2012	2,741.04	1,504.18	1,236.86	45.12

- 6.26 The Position of cane price payment and arrears for sugar season 2016-17 as on 30.11.2017 is as under:-

	(₹ in crore)
Cane Price Payable	4,824.49
Cane Price Paid	1,923.69
Cane Price Arrears	2,900.80
Percentage of Cane Price Arrears on Cane Price Payable	60.13

Ethanol Blended Petrol Programme (EBP Programme)

- 6.27 Ethanol is an agro-based product, mainly produced from a by-product of the sugar industry, namely molasses. The Ethanol Blending Petrol Programme (EBP) seeks to achieve blending of Ethanol with motor spirit with a view to reducing pollution, conserve foreign exchange and increase value addition in the sugar industry enabling them to meet their obligations, especially payment of cane price to farmers.
- 6.28 The Central Government has scaled up blending targets from 5% to 10% under the Ethanol Blending Petrol Programme (EBP). The procedure of procurement of ethanol under the EBP has been simplified to streamline the entire ethanol supply chain and remunerative ex-depot price of ethanol has been fixed. To facilitate achieving of new blending targets, a “grid” which networks distilleries to OMC depots and details quantities to be supplied has been worked out. State-wise demand profile has also been projected, keeping in view distances, capacities and other sectoral demands. In the year 2013-14, ethanol supplied for blending was only 38 crore litres, whereas in 2014-15, under the modified EBP, supplies increased to 67 crore litres. In the ethanol season 2015-16, the ethanol supply was historically high and reached 111 crore litres achieving 4.2% of blending. In the ethanol season 2016-17, out of 80 crore litres contracted about 66.51 crore litres have been supplied so far.

Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014)

- 6.29 The Government on 03.01.2014 notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans by banks as additional working capital to sugar mills, for clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of the current sugar season to sugarcane farmers. The interest cost for five years is being borne by the Government under the Scheme. ₹ 6485.69 crore loan has been disbursed by banks under the scheme. An amount of ₹ 2330.96 crore has been released to the banks so far for subvention of interest on the loan availed by the sugar factories.

Soft Loan Scheme

- 6.30 A scheme was notified on 23.06.2015 to provide soft loan to the sugar mills to facilitate clearance of cane price arrears of sugar season 2014-15. ₹ 4213 crore of soft loan have been disbursed by the banks under the scheme. Interest subvention upto 10% p.a. during moratorium period of one year is borne by the Government. About 32 lakh farmers have been benefitted. An amount of ₹ 431.70 crore has been released to the banks for subvention of interest on the loan availed by sugar factories.

Levy Sugar Price Equalisation Fund (LSPEF)

- 6.31 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.

6.32 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.

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

6.34 During the current Financial Year 2017-18 (up to 31.10.2017), an amount of ₹ 84,740,853.49/- has been recovered from various sugar mills. In the year 2016-17, an amount of ₹ 139,000,705.24/- was recovered and remitted to the said Fund. Till date total recovery of ₹ 1,587,636,412.32/- has been made & details thereof are given at **Annex-XIII**.

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

Sugar Development Fund

6.36 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.

6.37 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 The Taxation Laws Amendment Act, 2017 dated 05.05.2017 has abolished the Sugar Cess Act, 1982.

6.38 During the period from 1982-83 to 2017-18 (up to 30.06.2017), a net Cess amount of ₹ 12,834.44 crore has been collected. Out of this, till 30.06.2017, an amount of ₹ 9774.00 crore has been transferred to the Sugar Development Fund.

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

- a. Making loans for facilitating the rehabilitation and modernization of any sugar factory;
- b. Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated;
- c. Making loans to any sugar factory to implement a project of bagasse-based co-generation of power;
- d. Making loans to a sugar factory for production of anhydrous alcohol or ethanol;
- e. Making loans to sugar factory for conversion of existing Ethanol plant into Zero Liquid Discharge (ZLD);
- f. Making grants for the purpose of carrying out any research project aimed at the promotion and development of any aspect of sugar industry;
- g. Defraying expenditure on internal transport and freight charges on export shipment of sugar;

- h. Defraying expenditure for the purpose of building up and maintenance of buffer stock with a view to stabilizing price of sugar;
- i. Defraying expenditure for the purpose of financial assistance to sugar factories towards interest on loans given in terms of any scheme approved by the Central Government from time to time;
- j. Defraying expenditure on marketing and promotion service for raw sugar production;
- k. Defraying expenditure on Interest subvention on scheme for extending soft loan to sugar mills;
- l. Defraying expenditure on production subsidy to sugar mills to offset cost of cane and facilitate timely payment of cane price dues to farmers;
- m. Defraying any other expenditure for the purpose of the Act.

6.40 Sugar Development Fund is an important source of funds for providing loans at concessional rate to sugar factories to modernize and expand their capacity and utilize the by-products like bagasse and molasses to improve revenue generation and their viability. A brief description of loans granted from Sugar Development Fund is given at **Annex-XIV**. The amount disbursed to various sugar mills for various schemes during financial year 2017-18 (up to 31.12.2017) is as follows:

Sl. No.	Name of Scheme	Amount disbursed (₹ in Crore)
i.	Admn. of Sugar Development Fund	₹ 6.13
ii.	Loan to sugar factories for modernization/ rehabilitation of plant and machinery, including expansion of crushing capacity	₹94.44
iii.	Loans to sugar factories for sugar cane development	₹ 8.72

Sl. No.	Name of Scheme	Amount disbursed (₹ in Crore)
iv.	Loans to sugar factories for bagasse based cogeneration power projects	₹194.01
v.	Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	₹35.35
vi.	Scheme for Extending Financial Assistance to Sugar undertaking 2014	₹210.68
vii.	Interest on subvention on scheme for extending soft loan to sugar mill 2015	₹6.36
viii.	Production Subsidy to sugar mills to offset cost of cane and facilitate timely payment of cane price dues to farmers (upto 30.11.2017)	₹16.55
Total		₹572.24

6.41 A List of SDF beneficiaries (non-official recipients of Government funds) who have received financial assistance in respect of Scheme of Modernisation, Cane development, Cogeneration, Ethanol, SEFASU-2014 and Soft Loans is at **Annex-XV**.

6.42 During the financial year 2017-18 (up to 30.09.2017), an amount of ₹ 247.33 crore has been recovered from various sugar mills from the outstanding recoverable dues of SDF loans.

Minimum Indicative Export Quotas (MIEQ)

6.43 With a view to improve domestic sugar price sentiments, the Government fixed indicative export targets for each mill proportionate to their sugar production so as to evacuate 4 mMT of sugar stocks. No export subsidy or incentive was offered and the industry was expected to export at prevailing international prices. It was expected that with stock evacuation, domestic sugar prices would increase and reach levels more supportive of cane prices. These were the Minimum Indicative Export Quotas (MIEQ). The industry could export greater quantities, and

was at liberty to export raw, white or refined sugar depending on global market demand. The Quotas were also made tradable. However, since sugar prices improved subsequently and price levels became compatible with FRP of cane (₹ 230/ qtl) notified for the sugar season 2015-16, it was no longer required to promote export of sugar. Hence, MIEQ was withdrawn w.e.f. 08.06.2016.

Production Subsidy Scheme

6.44 The Government vide notification dated 02.12.2015 extended production subsidy@ ₹ 4.50 per quintal to sugar mills to offset cost of cane and facilitate timely payment of cane price dues of farmers for the current sugar season 2015-16. Consequent upon sugar prices reaching substantially higher levels than required for operational viability of the sugar industry, the Central Government withdrew the production subsidy scheme vide notification dated 19.05.2016. Since the production subsidy scheme was withdrawn before time, the Central Government has decided to disburse the performance based production subsidy for cane crushed during 2015-16 sugar season till the tenancy of the scheme. Under the scheme, so far ₹ 520 crores have been disbursed as production subsidy to 210 sugar mills.

Imposition of Stock Holding & Turnover Limits on Dealers of Sugar

6.45 With a view to keep the sugar prices at reasonable level and to ensure smooth supply of sugar for consumers, the Central Government imposed stock holding and turnover limits on sugar vide notification dated 29.04.2016. The directions were issued that no dealer of sugar shall hold any stock for a period exceeding thirty days from the date of receipt by him of such stock and shall not keep sugar in stock at any time in excess of the quantities mentioned against each:-

Kolkata and extended area: Dealers who bring

sugar from outside West Bengal: 10000 Qtls; and in other places – 5000 Qtls.

6.46 Further the period of stock holding and turnover limits on dealers of sugar was extended from time to time upto 31.12.2017. However, keeping in view the improvement in production and availability of sugar in the sugar season 2017-18, the stock holding limit and turnover limit has been withdrawn with effect from 19.12.2017.

Imposition of Stock Holding Limits on Sugar Mills:

6.47 In order to keep a check on price of sugar and to ensure adequate supply of sugar to consumers at a reasonable price, the Central Government has also imposed stock holding limits on producers of sugar for the month of September & October 2017 vide order dated 28.08.2017 as per the following:

“No producer of sugar shall hold any stock of sugar in excess of the quantities at the end of the month mentioned below:

- (a) September, 2017: 21% of the total sugar available with them during 2016-17 sugar season.
- (b) October 2017 : 8% of the total sugar available with them during 2016-17 sugar season.

Import of Sugar Under Tariff Rate Quota

6.48 In order to remove regional production imbalance in the country and to ensure availability of sugar price, duty free import of 5 lakh MT of raw sugar was allowed in the sugar season 2016-17. Further to supplement the availability of sugar in Southern India and to stabilize sugar price, an additional import of 3 lakh MT of was sugar through southern ports of India at 25% import duty under Tariff Rate Quota was allowed through millers/refineries. The import was open

to millers/refineries who have their own capacity to convert raw sugar into refined/white. The scheme was operated by Directorate General of Foreign Trade (DGFT).

National Sugar Institute, Kanpur

6.49 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 2017-18 academic session, 240 students were admitted in various courses conducted by the institute:

- i. Associateship of National Sugar Institute in Sugar Technology.
- ii. Associateship of National Sugar Institute in Sugar Engineering.
- iii. Post Graduate Diploma in Industrial Fermentation & Alcohol Technology.
- iv. Post Graduate Diploma in Sugarcane Productivity & Maturity Management.
- v. Post Graduate Diploma in Industrial Instrumentation & Process Automation.
- vi. Sugar Engineering Certificate Course.
- vii. Sugar Boiling Certificate Course.
- viii. Certificate Course in Quality Control.

6.50 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. Two courses namely, “Diploma in Industrial Instrumentation & Process Automation” and Diploma in Sugarcane Productivity and Maturity

Management” were introduced w.e.f. academic session 2017-18.

Global Training Programme:

6.51 The National Sugar Institute, Kanpur organized following Customized Training Programmes for other countries:

- i. Three months training programme on Sugar Refining for the Chemical Engineers of M/s Yemen Company for Sugar Refining, Hodeida, Republic of Yemen.



Trainees of M/s Yemen Company for Sugar Refining, Hodeida, Republic of Yemen

- ii. Three weeks training programme for the distillery personnel of M/s Army Welfare Project Ltd., Bhutan on Boiler Operations, Boiler Water Management, Quality Control and Distillery Operations.



Trainees of M/s Army Welfare Project Ltd., Bhutan with Joint Secretary (Sugar)

Other Training Programmes

6.52 Four weeks Customized Training Programme for the Graduate Engineer Trainees of M/s EID Parry (India) Ltd., Chennai was organized at the Institute. Theoretical as well as practical training was imparted to the trainees on various techniques



Training programme on :ETP operation & Techniques of effluent/waste water analysis

of milling, co-generation, juice extraction, clarification, evaporation and crystallization etc. Two training programmes on "ETP operation & techniques of effluent/ waste water analysis were conducted during 1st & 3rd Week of September 2017 for the factory professionals from various sugar producing states.



Research

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

- i. Investigation on micro-flora in different combination of press mud using different sources for biogas production.
- ii. Isolation and purification of yeast strains from saccharine materials and their performance for fermentative production of alcohol.
- iii. Preservation of sugarcane juice.
- iv. Studies on clarification of cane juice and other sugar liquors with bagasse derived bio-char.
- v. Studies on synthesis of glycosidic surfactants using by-product (bagasse) of sugar industry.

- vi. Improvement in sugar quality by clarification of intermediate boiling house products.
- vii. Treatment of effluent / waste water streams of sugar industry using Electro-coagulation and techniques.

6.54 Based on the research work carried out and studies undertaken, 25 papers were either published in reputed journals or presented during various international & national seminars/conferences/conventions.

Consultancy

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

various other issues. During the period, more than 125 sugar factories/ distilleries and other related organizations availed the services of the Institute, for such purposes. In addition to this, institute provided its services to various states in recruitment of technical staff for their sugar and allied units. The institute is also rendering its services to following overseas clients:

- i. M/s Tembo Sugars Ltd., Kenya for setting of a 1500 TCD expandable with 2500 TCD Sugar plant with Co-generation & ethanol facilities.
- ii. M/s Kibos Sugar Refinery & Industries Ltd., Kisumu, Kenya for its plantation white sugar, sugar refinery, co-generation & distillation units.

Seminars, Symposiums and Workshop

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

- a. Two days National Seminar organized jointly by NSI-CSA University of Agri. & Technology on "Integrated approach for enhancing sugarcane & farm productivity by adopting improved cultivation and analytical practices" on 6th-7th April, 2017 at NSI, Kanpur.

- b. One-day National Workshop on "Reduction in Bagasse Moisture-Technological Options" organized by the Institute on 17th April, 2017 at NSI Kanpur.
- c. One-day National Seminar organized jointly by NSI-JPMA on "Sustainability of Sugar Industry-Management of Resources" on 20th April, 2017 at Pune.
- d. One day National Seminar organized jointly by NSI, Kanpur and SNSI Belagavi (Karnataka) on the topic of "Advance Technologies for Raw-Refined and Speciality Sugar Production" on 28th August 2017.
- e. SUGAR TECH 2017 organized jointly by NSI-CII at Lucknow on 20.09.2017. Honble Minister of Sugarcane Development and Industries, Shri Suresh Rana and Principle Secretary (Sugar) Government of U.P also graced the occasion.
- f. One day National Workshop on "Upcoming technologies for the treatment of effluent in sugar industry" was organized by the institute on 24.10.2017 at NSI, Kanpur.

Visitors from Abroad

6.57 A delegation of Ethiopian Sugar Corporation visited the Institute and reached to an understanding for seeking institute assistance in building a "Sugar Academy" at Ethiopia. The delegation also desired to seek institute assistance in conducting short duration training



Officials of Ethiopian Sugar Corporation visiting the Institute



programmes, consultancy on capacity expansion and improvement in technical efficiency of existing plants.

- 6.58 The Ethiopian Sugar Corporation also desired to seek institute help in setting up new integrated sugar complexes so as to cope up with their domestic sugar requirements.
- 6.59 Another delegation from M/s Tembo Sugar Mills Ltd., Malindi, Kenya also visited the institute for seeking technical assistance for their upcoming 1500 TCD expandable to 2500 TCD sugar plant to be integrated with 8 MW co-generation and 30 KLPD molasses based distillery.

Publication

- 6.60 The institute published “E-NEWSLETTER”, on quarterly basis so as to propagate the teaching, research and other activities of the institute. The institute published “SHARKARA”, a technical journal on quarterly basis so as to create awareness about new technologies in sugar processing, ethanol production and on other innovations. The institute also undertook publication of a data book “Sugarcane & Sugar Related Statistics with Technical Efficiency Parameters obtained by Indian Sugar Factories-2017”.

Sugar Standard Grades

- 6.61 After the approval of the Expert Committee on the Sugar Standards during its meeting held on 28.09.2017 under the Chairmanship of Director, National Sugar Institute, seven Sugar Standard

grades, L-31, L-30, M-31, M-30, S-31, S-30 and SS-31 were released so as to facilitate marking and marketing of plantation white Sugar during Sugar season 2017-18.



Indian Sugar Standards Grades for Season 2017-18

Development of Infrastructural Facilities

- 6.62 Shri Ravikant, Secretary (Food & Public Distribution) visited the institute along with Shri Subhashis Panda, Joint Secretary (Sugar & Administration) and laid the foundation stone for construction of a Training Centre and Hostel cum Guest House. This will facilitate conducting short duration training programmes keeping in view the requirement of the sugar and allied industry, refresher courses for the in-service personnel of the sugar industry, workshops on important issues and seminars etc.,

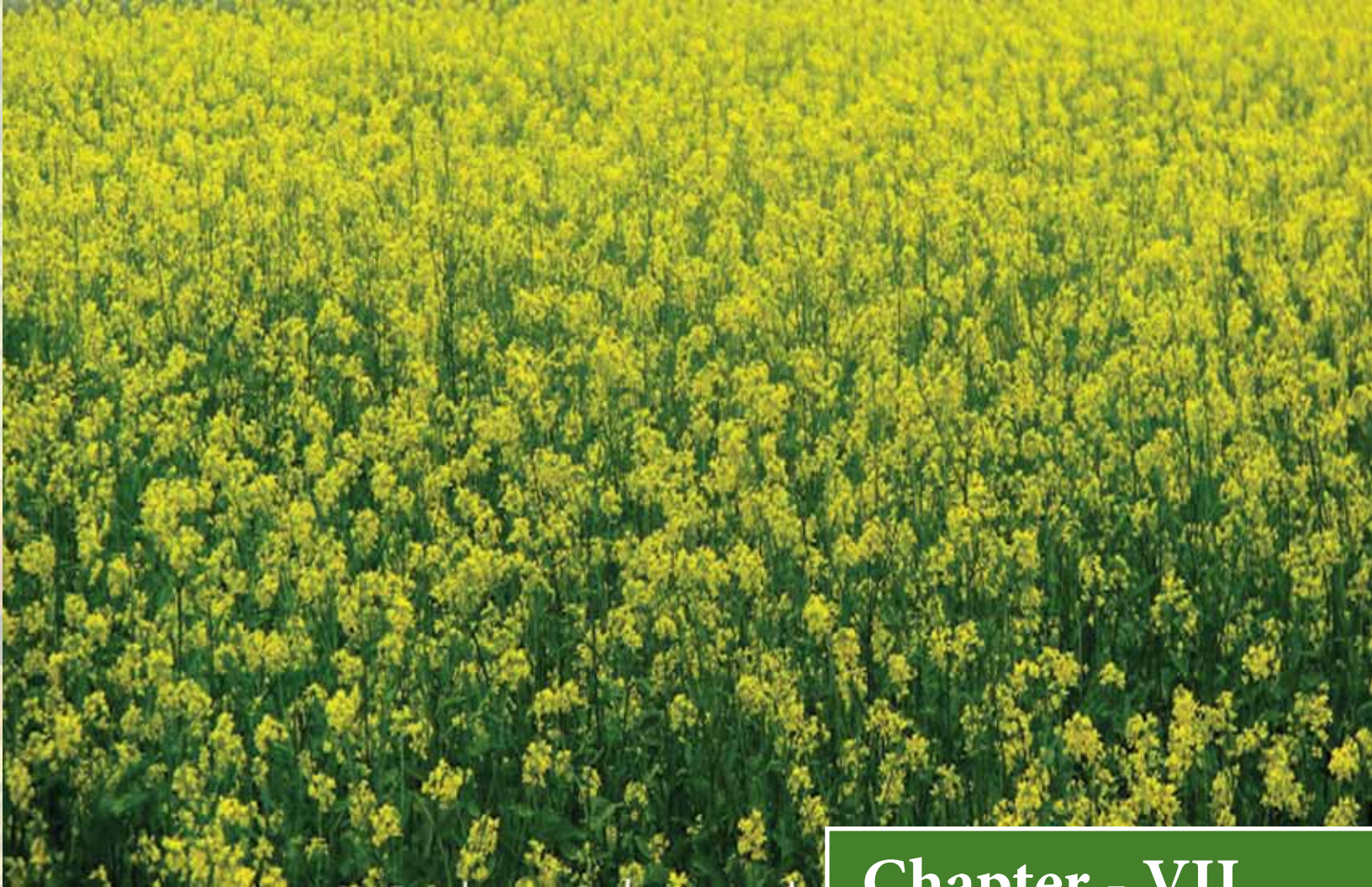


Laying of foundation stone of Training Centre and Hostel cum Guest House, NSI, Kanpur by Secretary (F&PD)





Edible Oils



Chapter - VII



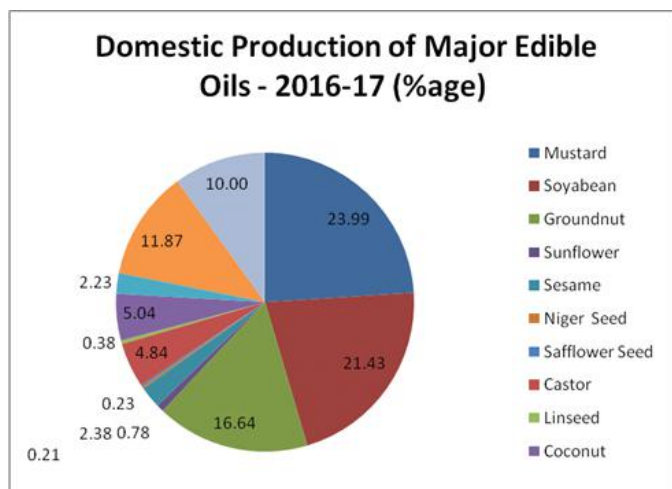
7.1 Edible oils and Fats are essential ingredients for a wholesome and balanced diet and are vital items of mass consumption. The Directorate of Sugar and Vegetable Oils (DSVO) under this Department seeks to coordinate management of edible oils in the country through a multi-pronged strategy, namely, (i) assessment of the domestic demand for edible oils and its availability from domestic sources. Mismatch of demand and supply is met through import of edible oils so as to maintain their prices at reasonable level; (ii) It also closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures whenever necessary. The DSVO is staffed with qualified technical people who assist the Ministry in the coordinated management of Vegetable Oils particularly relating to production/availability and monitoring of prices.

Main Edible Oils

7.2 There are two sources of oils viz. primary source and secondary source. The primary sources of oil are nine principal oilseeds viz. groundnut, rapeseed/mustard, soyabean, sunflower, sesame, niger, safflower, castor and linseeds. Edible oils obtained through secondary sources include coconut, cottonseed, palm, rice bran and oilseed cakes. The production of nine principal oilseeds and availability of edible oils from domestic sources (primary source and secondary source) for the last three years and the estimated production for 2016-17 are given at **Annex- XVI**.

7.3 As per the 4th Advance Estimates of Ministry of Agriculture released on 16.08.2017 for 2016-17, estimated Oilseeds production is about 320.97 lakh MT and estimated production of oils from these oilseeds in 2016-17 comes to about 73.09 lakh MT. The total availability of edible oils from primary as well as secondary sources is estimated at 100.99 lakh MT.

7.4 Vegetable Oil Products Production and Availability (Regulation) Order, 2011 which came into force w.e.f. 07.09.2011 is administered by the Directorate. 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 as specified in the Schedule-I, and obtain a registration certificate as specified in Schedule (II) of the said order. So far 658 edible oil refining industries and solvent extraction units have been registered under the said order till 04.10.2017.



Assessment of Production and Supply of Edible Oils

7.5 The production of domestic oilseeds has shown an increase since 2003-04. As oilseeds are cultivated on marginal land and largely dependent on rainfall, their production has been stagnant for the last couple of years. Favorable climatic conditions all over the country during the past year has 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 shortfall is made good by imports.

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

(Qty in million MT)

Year (Nov.-Oct.)	Production of oilseeds*	Domestic Availabil- ity of Edible Oils**	Imports of Edible Oils***	Total Availability/ Consumption
2012-13	30.94	9.22	10.60	19.82
2013-14	32.75	10.19	10.97	21.16
2014-15	27.51	9.20	13.85	23.05
2015-16	25.25	8.63	14.85	23.48
2016-17	32.09 [§]	10.09	9.61	

(upto June, 2017)

Source :

* Ministry of Agriculture

** Directorate of Sugar and Vegetable Oils

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

§ As per 4th Advance Estimates of the Department of Agriculture, Cooperation & Farmers Welfare.

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

(Kg. per annum)

YEAR	2012-13	2013-14	2014-15	2015-16	2016-17
INDIA	15.4	16.2	17	19	18.9
WORLD	26.3	27	30	30.5	28

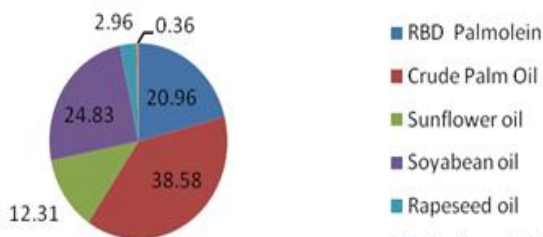
Import Policy on Edible Oils

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

7.9 In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. With effect from 11th August, 2017, the import duty on crude and refined palm oils was revised to 15% and 25% respectively and import duty on crude Soyabean oil was revised to 17.5%. Import duty on all other crude and refined oils remained at 12.5% and 20% respectively.

7.10 Around 60% of domestic demand of edible oils is met through imports. The total import of edible oils in 2016-17 Financial Year was 140 Lakh MT. The major edible oils imported are Crude Palm Oil, Soyabean Oil and Sunflower Oil which constituted 38.58%, 24.83% and 12.31% respectively of the total imports during F/Y 2016-17, while RBD Palmolein constituted 20.96 % of total edible oil imports.

Import of Edible Oils -2016-17 (%age)



Export of Vegetable Oils, Oilseeds and De-Oiled Meal

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

(Qty. in lakh MT)
(Value in ₹ crore)

Year (April- March)	Oil Seeds		Vegetable Oils		De-Oiled Meal	
	Qty.	Value	Qty.	Value	Qty.	Value
2012-13	9.40	7450.95	0.36	470.48	65.78	16519.53
2013-14	9.82	7830.26	0.23	323.85	98.30	17070.01
2014-15	14.29	10637.45	0.42	580.13	39.04	8129.17
2015-16	10.90	8175.68	0.31	522.94	20.56	3599.55
2016-17	12.40	9103.98	0.60	779.97	26.32	5410.09

Source: DGCIS

Tariff Value

7.12 In order to check the instances of under-invoicing of Edible Oil imports, the Government had fixed tariff value on import of Crude Palm Oil, RBD Palm Oil and RBD Palmolein vide Notification dated 03.8.2001 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.

Some of the Measures Taken by the Government

7.13 Export of edible oils has been banned w.e.f. 17.03.2008, which was extended from time to time. Vide notification dated 25.03.2013, prohibition on export of edible oils has been extended with certain exemptions, till further orders:

- (i) The exemptions include export of Castor oil, Coconut oil from all EDI Ports and through Land Custom Stations (LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders,
- (ii) Edible oils produced out of minor forest produce,
- (iii) Organic edible oils, subject to export contracts being registered and certified 'Organic' by Agricultural & Processed Food Products Export Development Authority (APEDA).
- (iv) Export of edible oils in branded consumer packs of upto 5 Kg. is permitted with a Minimum Export Price of USD 900 per MT vide notification dated 06.02. 2015.
- (v) Export of Rice Bran Oil in bulk has been exempted from the prohibition on export of edible oils vide notification dated 06.08.2015.
- (vi) Export of Groundnut Oil, Sesame Oil, Soyabean Oil and Maize (Corn) Oil in bulk has been exempted from the prohibition on export of edible oils vide notification dated 27.03.2017.
- (vii) State Governments have been allowed to impose stock limits on edible oils and oilseeds upto 30.09.2018.



International Co-operation



Chapter - VIII

- 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 Organization (FAO), International Grains Council (IGC) and International Sugar Organization (ISO) etc. Interface of Department of Food & Public Distribution with these organizations is handled by International Cooperation (IC) Section of the Department.

SAARC Food Bank

- 8.2 In pursuance of the decision taken in the 14th SAARC Summit held in New Delhi on 3rd-4th April, 2007, the Heads of States of South Asian Association for Regional Cooperation (SAARC) countries have signed the Agreement to establish the SAARC Food Bank. The Food Bank will supplement national efforts to provide food security to the people of the region. The agreement on Establishing the SAARC Food Bank has since been ratified by the President of India on 17.04.2007. As per this agreement, SAARC Food Bank shall have a reserve of foodgrains to be maintained by each member states consisting of either wheat or rice, or a combination of both as assessed share of the country.
- 8.3 India's initial assessed share in the reserve was 1,53,200 MT out of a total share of 2,43,000 MT. The assessed share is presently kept as 3,06,400 MT out of a total share of 4,86,000 MT. The reserves have been kept in different strategic locations in the designated godowns of Food Corporation of India (FCI). Joint Secretary (IC), Department of Food & Public Distribution has been designated as a Member of SAARC Food Bank Board to represent India. The Board has considered and agreed to the proposal to designate the Central Grain Analysis Laboratory (CGAL), New Delhi as the regional reference laboratory for SAARC Food Bank.
- 8.4 The Ninth SAARC Food Bank Board (SFB) meeting has been held on 21st-22nd September,

2016 in Kathmandu, Nepal. India represented the meeting at the level of 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 (Male, 2nd-3rd September, 2015), matters related to amending the Agreement on establishing the SAARC Food Bank, collaboration and cooperation with the International Organizations (e.g. FAO, IFAD, WFP etc.) to enhance regional food security. A presentation by SAARC Agriculture Centre on the status of the SAARC Food Bank Information System (SFBIS) was also made. The Tenth SAARC Food Bank Board (SFB) meeting is proposed to be held in Islamabad, Pakistan.

FAO and Committee on World Food Security (CFS)

- 8.5 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 for review and follow-up of policies concerning world food security, including food production and physical and economic access to food. India is a member to both FAO and CFS.
- 8.6 The 44th Session of the Committee on World Food Security (CFS) was held at FAO Headquarters in Rome, Italy from 9th -13th October, 2017 which was attended by the then Secretary (F&PD) and Economic Adviser (NFSA). Inter-alia the deliberation on the following issues was made during the Session:-
- i. CFS and the Sustainable Development Goals (SDGs)
 - ii. CFS and nutrition
 - iii. Policy Convergence

- iv. CFS Work streams Activity updates
- v. Critical and Emerging issues for Food Security and Nutrition

G-20 Matters

8.7 A Steering Committee has been constituted in the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) under the Chairmanship of Secretary (AC&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. This Department 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. G20 Leaders' Summit was held on 7th-8th July, 2017, at Hamburg wherein inter-alia the matter relating to Food Security and Nutrition was discussed.

International Grains Council (IGC)

8.8 India is a member of the International Grains Council (IGC), an intergovernmental forum of exporting and importing countries which was known as International Wheat Council up to 1995. It administers the Grains Trade Convention 1995. The IGC Secretariat, based in London since 1949, also serve as secretariat for 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 01.07.1995. IGC has two categories 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. This Department pays India's Annual membership contribution to the Council.

8.9 45th Session of International Grains Council (IGC) and IGC Grain Conference was held on 5th and 6th June, 2016 at London, U.K. where Indian delegation comprising of Shri S.P. Kar, Executive Director, FCI and Shri Ramesh Kumar, Under Secretary (Impex & IC) had attended Council Session and IGC Grains Conference. 46th Session of IGC has been held from 4th-6th, December, 2017 at Brussels, Belgium which was attended by Shri Kamal Datta, Joint Secretary, Department of Food and Public Distribution.

World Food Programme (WFP)

8.10 WFP in collaboration with the Government of Odisha is implementing fortification of school meals with multiple micro nutrients, reaching upto 2,00,000 school children aged 6-14 years daily through the Mid-Day Meal Scheme.

8.11 In Kerala, WFP is focusing on reducing micro nutrient malnutrition among children below 3 years of age by assuring fortification of take-home rations provided through the Government scheme. Training has been provided to anganwadi workers on the use of tools for the improved nutritional status of children, feeding and cooking practices. WFP has also been providing technical support for the Central project Monitoring Unit of DFPD for end to end computerisation of TPDS operations.

WFP'S Country Strategic Plan (CSP) 2015-18

8.12 The new Country Strategic Plan (CSP) 2015-2018 has been signed between the UN World Food Programme (UNWFP) and Government of India under Department of Agriculture, Cooperation and Farmers Welfare. Department of Food & P.D. has been made the nodal department for

the strategic priority area relating to supporting the state Governments to build a scalable implementation approach that enhances the effectiveness and efficiency of the National Food Security Act for its implementation.

- 8.13 Under this plan, WFP is focused around providing technical assistance on ensuring access to safe, nutritious and sufficient food for all people all year round and ensuring ending malnutrition according to internationally agreed targets, with a focus on stunting and wasting for children under 5 years of age, and addressing the nutritional needs of adolescent girls, pregnant and lactating women, and older persons.

Annual Work Plan (AWP) of WFP

- 8.14 AWP, 2017 focuses on supporting the National and State Governments to strengthen the food based social safety nets for improved access, accuracy and efficiency. Through introduction of the use of globally-recognized technical design principles and technology in managing the food supply chain, targeting and delivery mechanisms of the schemes covered under NFSA, the work plan proposes to ensure that the right people receive the right entitlements. The work plan proposes the following activities which will lead

to improved subsidy targeting and coverage, reduced leakages and enhanced beneficiary convenience:

- i. Improvement of TPDS programme through technological solutions and improved service delivery system
- ii. Piloting Best Practice Model of the TPDS Food Basket.
- iii. Piloting the Direct Benefit Transfers for Public Distribution System/food based safety nets

World Trade Organization (WTO)

- 8.15 The Meeting of the WTO Committee on Agriculture (Special Session) was held from 17th - 20th October, 2017 in Geneva, Switzerland which was attended by delegation comprising of Joint Secretary, WDRA and Joint Secretary (Policy & FCI), Department of Food and Public Distribution. The meeting was very crucial in view of the fact that issues deliberated in the meeting were negotiated for outcomes in the Eleventh Ministerial Conference of the WTO held in Buenos Aires, Argentina on 10th-13th December, 2017.



Swachhhta and Other Activities of the Department



Chapter - IX

Swachh Bharat Abhiyan

- 9.1 On 2nd October, 2014, Hon'ble Prime Minister of India had given a call for Swachh Bharat as a mass movement to realize Gandhiji's dream of a clean India by the 150th birth anniversary of Mahatma Gandhi in 2019. To make this move a great success and also to achieve the set targets by 2019, the Department along with its Attached & Subordinate Offices and CPSEs continued their efforts.
- 9.2 In order to keep the working environment neat and clean, white-washing and deep cleaning of the rooms in the Department is being done in phased manner in every month. Pest control and rodent control of the corridors and rooms are being done at regular intervals.
- 9.3 The Department observed two Swachhta Pakhwadas during 2017: one from 15th – 31st May, 2017 and second "Swachhta Hi Sewa" campaign – Special cleanliness drive from 15th September, 2017 to 2nd October, 2017.
- 9.4 The activities during these Pakhwadas were planned in consultation with all the associated organizations of this Department including FCI, CWC, CRWC, WDRA, NSI Kanpur, etc. Details of some of the activities carried out during campaign "Swachhta Hi Sewa" special cleanliness drive is as under:-
- Oath of Swachhta was administered to the officials in the Department by Hon'ble Minister of State (CA, F&PD) on 15.09.2017. Oath was also administered in all its Offices of the Department and PSUs at HQs as well as at regional offices.
 - Swachhta pledge was followed by cleanliness drive by Hon'ble MoS (CA, F&PD), Secretary (FPD) and officers and staff in the Department in Krishi Bhawan premises.
 - To create awareness amongst the general public on the need for "SWACHHTA" several street plays were organized by the Department and its organizations. Nukkad Natak was organized at Boat Club near Kendriya Sachivalaya metro station on 15.09.2017 and 25.09.2017. On 28.09.2017, it was organised in Krishi Bhawan.
 - Swacchta activities were undertaken by the officials of CWC in their residential area in Mayur Vihar on 17.09.2017.
 - Several processions/morning rally and sanitation drives in public areas were carried out by the Department and its organizations to generate awareness on "Swachhta and Shramdan" for cleanliness.
 - The Department organized one blood donation camp in each Pakhwada/ Campaign in collaboration with Red Cross Society of India in Krishi Bhawan. The intention was to emphasize on Sewa leading to Swachhta and to encourage volunteerism. Total 109 persons donated blood on this occasion.
 - To keep cleanliness of the office, floor officers were appointed for each floor for taking stock of the cleanliness, meetings were held with them from time to time and remedial measures were taken in cooperation with CPWD, wherever necessary.
 - Six rooms have been identified for modernization/renovation under ARPG plan and proposal submitted to CPWD for providing estimate and drawings.
 - A running trophy has been constituted in the Department which is given to the cleanest section of the Department after an inspection every three months.
 - Drawing competition on the theme "Swachhta" was organized on 01.10.2017 for the wards of officials of DFPD and its organization. The intention was to spread the message of Swachhta among the children.

- Banners/flex boards on Swachhta were displayed at different places by the Department and all its organizations to create awareness in public.
- A special drive, recording, reviewing and weeding out of old records was carried out in each Pakhwada/Campaign. Total 3120 files were reviewed for retention and 2159 files were weeded out after review.
- To improve hygiene in the office space, dustbins have been placed in rooms/corridors.
- To create awareness on a sustained basis Swachh Bharat Logo has been printed on stationery items.

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

9.6 Senior Officers of DFPD participated in Gram Sabha Meetings on 2nd October 2017 in different states during the SHS campaign to conduct social audit of the Public Distribution System under NFSA and to sensitize citizens about sanitation and hygiene. On the occasion social

audit was initiated by sharing the following information with the citizens/beneficiaries:-

- Entitlement of foodgrains for children, pregnant women, mothers etc.;
- Retail issue price;
- Grievance redressal mechanism, Vigilance Committee, District Grievance Redressal Officers and State Food Commission;
- Helpline/Toll free numbers;
- Reading out NFSA beneficiary list;
- Measures taken for transparency and accountability;
- Invited suggestions for improvement;
- Organised special drive for cleanliness in Fair Price Shops;
- Heard the experience of beneficiaries regarding PDS;
- Apart from all these, the States/UTs have also been requested to organise special drive/camps for updating of beneficiaries list and Aadhar seeding of ration cards. They have also been requested to organise drawing/poster making competition in schools on the theme of Food Security and Nutrition.



Cleanliness Drive at Patna



Street Plays

9.7 Continuing activities on Swachhta during the whole year:-

- Pest and Rodent control measures are being undertaken at regular intervals.
- Digital Notice Board at Reception in Krishi Bhawan and at the office of Hon'ble Minister

is continuously displaying, messages and photos of swachhta activities, inert alia.

- Oxygen emitting plants are placed in the corridors.
- Three file Compactors have been installed for ensuring decluttering of the Sections.



Cleanliness Drive inside Krishi Bhawan



Nukkad Natak on Swachhta by DFPD outside Krishi Bhawan



Shramdaan at Mayur Vihar residential area



Blood Donation Camp



Drawing Competition

Redressal of Public and Staff Grievances

- 9.8 Public Grievance (PG) Cell of the Department under Joint Secretary (Storage & PG) is entrusted with the responsibility of redressal of public and staff grievances. PG Cell of the Department, receives the grievances/representations from two sources i.e. electronically on pgportal.gov.in and through post. These grievances/representations are monitored regularly by JS (Storage & PG) with Nodal Officers of organizations concerned viz FCI, CWC, CRWC, NSI, PAO (Pay & Accounts Office) and Administrative Divisions of the Department.
- 9.9 The progress report for the period 01.04.2017 to 31.12.2017 of Public Grievances received in the Department is as follows: -

Total Public Grievances pending as on 31.03.2017	209
Additional Public Grievances received during the year	2623
Total Public Grievances	2832
Total Public Grievances disposed of	2683
Total Public Grievances Pending as on 31.12.2017	149
Percentage of disposal	95%

Women Empowerment

- 9.10 Necessary steps have been taken by the Department and the organizations under its control to provide a healthy work environment to its women employees. Department functions on the principle of gender equality and no

discrimination is made on this account. Based on the guidelines issued by the National Commission for Women and Department of Personnel & Training (DoPT), a Complaint Committee has been set up in the Department to attend to the complaints of its women employees.

Reservation

9.11 The instructions issued by the DoPT from time to time regarding representation of Scheduled

Castes, Scheduled Tribes, Other Backward Classes and persons with disabilities and for filling up of backlog vacancies reserved for these categories are followed.

9.12 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 31.12.2017) is given in the table below:

Groups	Total No. of Employees	SC	ST	OBC	No. of Differently Abled Persons				Ex-Ser-vice Men	Total No. of Women Employees
					VH	HH	OH	TOTAL		
Gr. 'A'	103	19	5	7	-	-	1	1	-	10
Gr. 'B'	265	39	11	42	1	1	5	7	-	79
Gr. 'C'	322	87	26	72	2	-	2	4	2	30
Total	690	145	42	121	3	1	8	12	2	119

Filling up of vacancies for Persons with Disabilities (PwDs)

9.13 The Hon'ble Supreme Court in its judgment dated 08.10.2013 in the matter of Civil Appeal No. 9096 of 2003 arising out of SLP (Civil) No. 7541 of 2009 titled Union of India & Anr. V/s National Federation of Blind & Ors had *inter-alia* held that the computation of reservation for Persons with Disabilities (PwDs) has to be computed in case of Group A, B, C & D posts in an identical manner, i.e. computing 3% reservation on total number of vacancies in the cadre strength. Accordingly, DoPT directed to compute the number of vacancies available in all the cadres under administrative control of the Department including Attached & Subordinate Offices and CPSEs in the aforesaid manner and to fill them up in a time-bound manner.

9.14 272 vacancies had been identified under this Department and its attached and subordinate offices/autonomous bodies/CPSEs for PwDs and reported to DoPT. The Department had also drawn up an Action Plan in consultation with all the concerned agencies and by continuous efforts, all 272 vacancies have been filled up.

Activities for Development of North Eastern (NE) Region

(A) Activities of FCI in NE Region

Strengthening of PDS

9.15 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 Sikkim)

9.16 The Department is implementing a Central Sector (Plan) Scheme for construction of godowns with focus on augmenting capacity in the North Eastern Region alongwith few other States. In addition, the Department has been requesting the State Governments to create intermediate storage capacities at Block/Taluka level to store foodgrains collected from FCI depots, for further

distribution to fair price shops. This is necessary to improve the supply chain logistics for TPDS. While construction of intermediate godowns is the responsibility of the State Governments, the Department has been providing plan funds to Governments of the NE States including Sikkim for this purpose, considering their difficult geographical conditions.

(B) Activities of CWC in NE Region

9.17 CWC is operating 11 warehouses in the North Eastern Region, with a total storage capacity of 1.36 lakh MT with 77% occupancy as on 30.11.2017. The average occupancy of these warehouses was 81%, 80%, 78%, 72% and 77% for the year 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 (Apr-Nov'17) respectively. The State-wise capacities being operated by the CWC in the North Eastern Region is detailed below:

State / Warehouse	Capacity in MT
Assam	
Amingaon	20000
Dhubri	12100
Maligaon	9183
Jorhat-I	10500
Jorhat-II	5000
Sorbhog	17200
FSD, Nilam Bazar	5000
Total	78983
Nagaland	
Dimapur	13000
Tripura	
Agartala	22927
Agartala CS	4750
ICP Agartala	16750
Total	44427
Grand Total	136410

Tribal Sub Plan

9.18 With a view to provide infrastructure and financial support, the Department is implementing "End-to-end Computerization of TPDS Operation" under 12th Five Year Plan (2012-17) on 50:50 cost sharing basis with States/UTs, except for North Eastern States, where sharing is on 90:10 basis. The Scheme has separate Budget sub- Head for Tribal Sub Plan (TSP). Under the Scheme, funds are being provided for Data Centre Infrastructure, PCs, System software, Networking etc. at State Food & Civil Supplies Department, District Offices and Block level officers. However, no fund has been allocated from BE 2017-18 under this scheme.

Progressive use of Hindi

9.19 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 2017-18, the Department has been making vigorous efforts to promote the use of Hindi in its official work. For this purpose, 03 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 training was also imparted to them to work in Hindi on computers.

9.20 The Department was awarded 3rd 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 2016-17. In a prize distribution ceremony held in the Rashtrapati Bhawan on 14.09.2017 to commemorate Hindi Divas, the then Secretary (Food and Public Distribution) Ms. Preeti Sudan received the prestigious award from the Hon'ble President of India, Shri Ramnath Kovind.



Hon'ble President of India distributing 3rd prize under Rajbhasha Kirti Puraskar Scheme to the then Secretary, F&PD Ms. Preeti Sudan

Department has received the honour for the fourth consecutive year.

9.21 The Department has an Official Language Implementation Committee (OLIC) to review the progress made in the use of Hindi in the official work of various Sections/Desks of the Department, its attached and subordinate offices and Public Sector Undertakings under its administrative control. During the year under review, quarterly meetings of the Official Language Implementation Committee were held regularly under the chairmanship of Joint Secretary (Impex & Official Language) and follow up action on the decisions taken therein was ensured. In pursuance of a decision taken in the meeting of OLIC, a special meeting of the heads of sub-ordinate offices of the Department located in C region was held under the chairmanship of Deputy Secretary (Impex & OL) on 10.11.2017 to review the position of use of Hindi in the official work of the Quality Control Cells located in Kolkata, Hyderabad, Bhubaneswar and Bangalore.

9.22 During the year under review inspections of 43 offices and 8 sections/desks of the Department was carried out to assess the use of Hindi in their official work and the position of implementation of orders issued by the Department of Official Language. During the year, under Rule 10(4) of the Official Language Rules, 1976, 5 District offices of FCI and 4 warehouses of CWC, wherein 80% employees have acquired working knowledge of

Hindi, have been notified in the Gazette of India.

9.23 In order to create an environment conducive for the use of Hindi in official work and to generate interest among employees, a 'Hindi Fortnight' was organized from 1st to 15th September, 2017. Various competitions viz. Hindi noting & drafting, Hindi Translation, Rajbhasha Gyan Pratiyogita, Hindi Dictation, Hindi Typewriting and Hindi Poetry recitation were organized for the officers/employees of the Department. In a function organized on 22.09.2017 Hon'ble Minister for Consumer Affairs, Food & Public Distribution gave away cash prizes to the winners.

9.24 Under the Shield/Trophy Scheme introduced for Attached/Sub-ordinate offices of this Department for excellent implementation of the Official Language policy, FCI, New Delhi, CWC, New Delhi, and NSI, Kanpur were awarded shields as First, Second and Third prize respectively for the year 2016-17. Similarly, from among the regional offices of FCI and CWC located in A, B and C regions, FCI, Regional Office, Lucknow, CWC Regional Office, Ahmedabad and FCI Zonal Office, Chennai were awarded trophies as first, second and third prize. Besides this, from among the offices located in C region, Regional Offices located in Bangalore & Kolkata, were awarded a special prize. Heads of these offices received the shields and trophies from Hon'ble Minister. Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution also graced the function.

9.25 An award Scheme has also been introduced for promoting use of Hindi in the official work of various sections of the Department and to encourage the officers/staff to do their noting/drafting in Hindi. The scheme has provision to select an officer and a Section/Desk to receive a trophy. Accordingly, on the recommendation of the selection committee, ICT section and Shri Suresh Sharma, Deputy Secretary were awarded trophies for the Year 2016-17.

9.26 Website of the Department is bilingual and it is updated on regular basis. Publicity material



Hon'ble Minister distributing prizes



brought out by the Department is being issued in bilingual form (in Hindi and English). All the forms and standard drafts being used in the official work of the Department are available in Hindi and English.

Training

9.27 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.

9.28 The Training Cell under Establishment Division liaises with training institutions like, Institute of Secretariat Training & Management (ISTM), National Informatics Centre (NIC) and IIPA etc. for imparting training to the staff and officers of the Department. The details of the officials of this Department, who attended various training programmes within the country during 2016-17 and 2017-18 (April to December, 2017) are as under:-

Category	2016-17	2017-18
Gazetted	08	22
Non-Gazetted	11	17

e-Governance Initiatives Under Digital India Programme

9.29 The Department has been playing a pioneer role in propagating IT based solutions to facilitate rapid growth and transformation in the ICT culture leading to efficient and effective delivery of services. The Department is constantly in the pursuit of developing/implementing state of the art application software related to various areas of importance. It has also undertaken various projects related to capacity building and is also following Central Government e-Governance action plan. Various initiatives taken under e-governance to make Digital India Programme successful are as follows:

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

The Department is implementing a Plan Scheme on 'End-to-End Computerisation' of TPDS Operations on cost sharing basis with States/UTs. Costs are being shared on 90:10 basis with North Eastern States and on 50:50 basis with other states/UTs. The scheme is a Mission Mode Project (MMP) under the National e-Governance Programme.

ii. Direct Benefit Transfer (DBT):

The 'Cash Transfer of Food Subsidy Rules, 2015' was notified on 21.08.2015, under the National

Food Security Act, 2013. The Rules stipulate that the Direct Benefit Transfer (DBT) Scheme shall be implemented in identified areas for which there is a written consent of the State Governments for implementation of the scheme. Section (5) of the Rules stipulate that the amount of food subsidy payable to beneficiaries shall be computed by multiplying entitled quantity of food grains with difference between 1.25 times applicable Minimum Support Price (MSP) and the Central Issue Price (CIP) or as may be revised from time to time by the Central Government. DBT is being implemented on pilot basis in UTs of Chandigarh and Puducherry w.e.f. September, 2015 and part of Dadra & Nagar Haveli from March, 2016.

iii. Computerization for management of sugar and edible oil sector:

In order to improve and systemize data management system in sugar sector, the Directorate of Sugar and Vegetable Oil under the Department has developed a web based platform (esugar.nic.in) for online submission of inputs by 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. Similarly, online registration facility for Edible Oil Processing Units is operational since May, 2014 (evegoils.nic.in). Registered units are providing production data on processing of vegetable oils online which in turn helps in policy formulation.

iv. Parliament Questions/Answers online:

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

v. "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 intranet about 30,536 books and journals. The Open Access Catalogue has been published on the public website <http://eg4.nic.in>.

vi. 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 work flow, role based file routing, role based access mechanism, central repository of documents, electronic file movement and online forms facilitates a paperless office. The Department has implemented e-Office products such as the File Management System (FMS), Knowledge Management System (KMS), Leave Management System (LMS), Annual Performance Appraisal Report (e-APAR) and considerable progress has been achieved in Personnel Information Management System (PIMS). Employee Services like e-Notice Board, e-Pay Slip, e-Income Tax Statement have 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. Most of the sections in the Department are working through e-files. Regular training was given to all staff members to make them comfortable with e-Office products and bring about the behavioral

change for switching to e-filing. The number of e-Files created/ opened as a percentage of the total files in the Department is consistently more than 90% since April, 2017.

vii. Digitization of Records:

The work for digitization of the old and current physical files in the Department has been taken up since January, 2017. The aggregate percentage of e-files on e-Office portal has jumped to around 83% in December, 2017 from 13% in March, 2017 due to digitization of physical files and subsequent migration from physical to electronic files on e-Office and closure of inactive physical files. The scanning of the files is going on since January, 2017 and 15694 files (34,64,114 pages) have been scanned till 31.12.2017.

viii. 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 online and also pay slips may be viewed in the system by the concerned user through his/her login.

ix. Training to Staff:

Training requirement of DFPD was assessed and to improve productivity of the officers, staff and data entry operators, sensitization training for 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, 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.

- x. Ministry of Human Resource Development is conducting Smart India Hackathon 2018 (SIH-2018). The Department of Food & Public

Distribution is participant in the SIH, 2018 and the organizations under this Department identified 9 governance-related challenges/ problems which could be solved by digital technologies (software). Out of these 9 problem statements, 5 problem statements were selected/ shortlisted by Ministry of Human Resource Development for SIH, 2018 for online submission of ideas and evaluation.

- xi. AEBAS (Aadhar Enabled Biometric Attendance System) has been installed in the Department for maintaining punctuality. The manual system of attendance registers have been totally done away with.
- xii. CWC has already computerized many of its core processes. The Integrated Check Posts, Air Cargo Complexes have already been computerized. The FCI's Depot Online System (DOS) has already been commissioned in 156 warehouses of the Corporation. The Pay Roll System, CPF & Pension System, Vigilance Information System and e-tendering have already been implemented. The File Tracking System which was first implemented in the Vigilance Division has been rolled out at Corporate Office and training is being imparted to the employees. In the year 2018-19, Corporation has planned to implement Warehouse Management System (WMS) at 356 warehouses for which the work has already been awarded and software development is in progress. For automation of CFS/ICDs, it is planned to implement the online cloud-based system as a pilot by November, 2017 and to be rolled out at all CFS/ICDs by March, 2018. Further, for catering to the Accounting needs in view of the GST implementation, the Tally ERP Package on cloud-based technology has been planned to be implemented in the year 2018-19. In HR functions, the employee service records are being digitized. The Performance Appraisal System has already been made online. The Leave Management System shall also be implemented in the year 2018-19 for which the work order has been placed.

- xiii. CRWC: Railtel connectivity was extended to 8 terminals in financial year 2016-17, in addition to 7 terminals already connected in 2015-16. With the implementation of Railtel connectivity across CRWC terminals and Corporate Office, all systems are interconnected in a virtual LAN, enabling fast and secure access and data sharing.
- xiv. WDRA has undertaken a Transformation Plan which inter alia envisages creation of an IT Ecosystem for its major activities. Under transformation plan, WDRA finalized two applicants, namely, Central Depository Services Limited (CDSL) and National Commodity and Derivatives Exchange Ltd. (NCDEX) to set up electronic repository systems for creation and management of electronic Negotiable Warehouse Receipt (e-NWR). Both the applicants formed separate companies - CDSL Commodity Repository Limited (CCRL) and National E-Repository Limited (NERL). Both companies have established the electronic repositories system and registration have been issued to them on 26.09.2017 by Shri Ram Vilas Paswan, Hon'ble Minister of CA, F&PD to commence operations. The e-NWR System will be fully operational by March, 2018. Further, WDRA engaged a System Integrator for development and deployment of IT applications for its internal automation and business processes. In first phase, WDRA e-Portal was developed and launched on 26.09.2017 with two IT applications - Online Warehouse Registration Module and Inspection of Warehouses Module. Warehouse updation/modification module has also been developed. Development of other IT applications for registration renewal/surrender/cancellation, surveillance and monitoring system, grievance redressal system, internal automation for HR/ Finance, etc. are in progress.
- xv. Digital Signature Certificates have been provided to almost all the officers of the Department and all the employees has been instructed to use digital signature or e-sign compulsorily in electronic files to authenticate their noting.
- xvi. Department's website is being monitored and updated on regular basis. All the acts, rules and notifications/orders concerning the Department have been uploaded on the Department's website and a hyperlink for the retrieval of the concerned acts from India Code Information System (ICIS) website has been provided on the Department's website in pursuance of instruction from DAR&PG. Linking of the Department's website through Social Media viz. Facebook, Twitter is being worked upon. A twitter account has been opened for the Department (<https://twitter.com/fooddeptgoi>). 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 of the Department.
- xvii. Continuous efforts are being made in the Department and its Organizations for exploring more items which can be made online to make the Digital India Programme successful both at the National and State/UT level.

Summary of Audit Observations

- 9.30 Position of pending audit observations and a summary of few important audit observations included in the C&AG Reports since 2005 (Civil & Commercial) and action taken by the Department thereon as on 31.10.2017 are at **Annex-XVII**.

Vigilance Set-Up

- 9.31 In the Department, Vigilance Administration is headed by CVO (Joint Secretary Level) on additional charge basis. The Vigilance Administration of two Schedule 'A' PSUs viz. FCI and CWC, are headed by full time CVOs (JS level) based on their respective headquarters at Delhi. All three CVOs work in tandem. In the Department, a Director, an Under Secretary and a Section Officer, besides two ministerial staff assist the CVO. In both PSUs there are full

fledged Vigilance Departments, with dedicated hierarchy, overseeing the Vigilance aspects of FCI & CWC. In other out- station subordinate offices, a suitable senior officer is entrusted with the work of Vigilance Administration.

- 9.32 Vigilance Division follows the guiding principles prescribed and instructions issued from time to time by CVC and DOPT. Stress on the principle of preventive rather than punitive is being laid by addressing the faulty systems and procedural flaws which permit acts of omission and commission. Scrutiny of complaints and initiation of appropriate investigation measures, follow-up action on the same is being done. Latest technology available (IT) is harnessed to tackle corruption apart from extent rules & regulations and other innovative solutions to check corruption. Tools like rotational transfers, digitization, e-office (File Management System, Knowledge Management System etc.), thorough checking of annual property return are being applied to eradicate corruption.
- 9.33 Simplification of rules and procedures for the general public is being ensured to avoid needless interface between citizens and government functionaries. Simultaneously, e- procurement is being emphasized to ensure absolutely clean Govt. purchases. Sevottam/ Citizen Charter and Public Grievance redressal mechanism have also been put in place. FAQs have been hosted in the Department's website to provide basic information to the public about various functions of the Department and to clear their general doubts.
- 9.34 In pursuance of the directions of CVC, Vigilance Awareness Week was observed from 30.10.2017 to 04.11.2017, with the theme of "My Vision-corruption free India". In both the PSUs, and its Subordinate Offices, Vigilance Awareness Week was observed during which posters, lectures, seminars, debates and essay competition were organised.



Administering oath during Vigilance Awareness Week

Implementation of Right To Information Act, 2005

- 9.35 The Right to Information Act 2005 came into force w. e. f. 12th 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.
- 9.36 To deal with the request for information, officers of the level of Under Secretaries have been designated as Central Public information Officers (CPIOs) for their respective Divisions in the Department. Deputy Secretaries/Directors in the Department, have been designated as Appellate Authorities. For filing request / appeal, the details of the CPIOs and Appellate Authorities are available on the website of the Department <http://dfpd.nic.in> and <http://dfpd.nic.in/dfpd-rti.htm> which is updated from time to time.
- 9.37 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 <http://dfpd.nic.in> -RTI-Manuals for information of the public and these manuals are being updated regularly. Similarly, information in respect of FCI, CWC, Directorate of Sugar

and Vegetable Oils can also be accessed at <http://fciweb.nic.in>, <http://cewacor.nic.in/index.php>, <http://dfpd.nic.in/SAVO-about.htm> respectively.

- 9.38 The Department has refurbished its website to make it more citizen-centric. It is also being ensured that the contents available on the website are regularly updated through Content Management System to make information more meaningful. Seven utility softwares relating to Government to Government (G-2-G) interface are also operational on the Department's intranet.
- 9.39 For pro-active disclosure of information under RTI Act, 2005 and to monitor the disposal of

RTI requests online, 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 online. Accordingly, entry of all request received in the Department under RTI Act, 2005 are being made through the RTI-MIS software.

- 9.40 During the period 01.04.2017 to 31.12.2017, a total of 117 requests were received physically and 638 through Online. Further, all the requests were disposed off within the prescribed time limit. During this period 54 appeals were filed before various Appellate Authorities of this Department.

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Central Public Sector Enterprises and Regulatory Authority



Chapter - X

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

A. Food Corporation of India

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

Organisational Set-Up

10.3 The FCI co-ordinates its functions through a country-wide network of offices with Headquarters at New Delhi and 5 Zonal Offices, 24 Regional Offices, 1 Special Regional Office at Imphal covering the political State of Manipur, 1 Port Office and 162 District Offices.

Staff Position

10.4 The Category-wise staff position for the quarter ending 30.09.2017 is as under:

Category	Sanctioned Strength	Men in Position
Category-I	1111	896
Category-II	6221	4398
Category-III	27345	14738
Category-IV	7361	2678
Total	42038	22710

Capital Structure

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

(₹ in crore)

	As on 31.03.2014	As on 31.03.2015	As on 31.03.2016	As on 31.03.2017	As on 30.12.2017
Authorised Capital	3500.00	3500.00	3500.00	3500.00	3500.00
Subscribed Capital					
(i) Working Capital	1484.00	1484.00	1484.00	1484.00	1484.00
(ii) Const. of Godowns & Silos **	1081.31	1168.15	1235.85	1271.60	1283.77
(iii) ISFM Project	96.74	96.74	96.74	91.58	91.58
(iv) Others	13.90	13.90	13.90	13.90	13.90
Total	2675.95	2762.79	2830.49	2861.08	2873.25
** Equity release for NE during the year	NIL	71.84	67.70	35.75	12.17

Audit & Accounts

10.6 The responsibility of auditing of the Annual Accounts of the FCI rests with the Comptroller and Auditor General of India (C&AG). Annual Accounts for the year 2015-16 has been placed

in Rajya Sabha on 31.03.2017 and Lok Sabha on 11.04.2017. The accounts for 2016-17 have been approved by the Board in its 383rd meeting held on 28.10.2017 and then it has been submitted to the C&AG. C&AG is likely to complete audit

by 29.12.2017, and draft audit report issued by C&AG on 11.12.2017. Final audit report is likely to be submitted by C&AG on 15.02.2018. Audited Accounts and Audit Report are likely to be approved by the Board by 05.03.2018. Printed

Accounts will be sent to the Ministry for onward submission to both the House of Parliament in 12.03.2018. The Turnover of the Corporation for the last six years is as given below:-

(₹ In crore)

Year	Purchases	Turnover		Total (Sales+Subsidy)
		Sales Realisation	Subsidy on Food Grains	
2011-12	87,888.64	26,686.92	68,697.06	95,383.98
2012-13	1,01,923.28	39,849.73	80,563.18	1,20,412.91
2013-14	1,03,947.80	38,356.90	89,492.14	1,27,849.04
2014-15	1,06,804.21	29,757.01	1,05,007.02	1,34,764.03
2015-16	1,16,508.52	29,286.94	1,02,425.07	1,31,712.01
2016-17	1,11,375.61	22,114.78	1,09,135.93	1,31,250.71

Procurement of Foodgrains

Wheat Procurement

10.7 During RMS 2017-18, total procurement of wheat for the Central Pool was 308.24 Lakh MT as against 229.61 Lakh MT during RMS 2016-17. Punjab, Haryana, Madhya Pradesh, Uttar Pradesh and Rajasthan have accounted for more than 95.91% of the total procurement of wheat during RMS 2017-18.

Paddy/ Rice Procurement

10.8 The total quantity of paddy procurement during KMS 2016-17 was 568.21 lakh MT as against 510.22 lakh MT procured during previous KMS 2015-16. Current Paddy procurement season i.e. KMS 2017-18 has commenced with effect from 21.09.2017. State wise Paddy procurement during last two seasons is as given below:

(in lakh MT)

S.NO.	STATE	KMS 2015-16	KMS 2016-17
1.	A.P	64.72	55.59
2.	TELANGANA	23.57	53.66
3.	ASSAM	0.63	0.69

S.NO.	STATE	KMS 2015-16	KMS 2016-17
4.	BIHAR	18.26	18.42
5.	CHANDIGARH	0.24	0.19
6.	CHHATTISGARH	51.37	60.03
7.	HARYANA	42.70	53.48
8.	JHARKHAND	3.03	2.07
9.	J&K	0.10	0.12
10.	KARNATAKA	0.81	0.00
11.	KERALA	5.62	4.53
12.	M.P	12.67	19.61
13.	MAHARASHTRA	3.43	4.61
14.	ODISHA	50.29	54.18
15.	PUDUCHERY	0.00	0.00
16.	PUNJAB	139.56	164.96
17.	RAJASTHAN	0.00	0.00
18.	TAMIL NADU	17.79	2.11
19.	U.P	43.44	35.14
20.	UTTARAKHAND	8.93	10.54
21.	WEST BENGAL	23.06	28.28
	TOTAL	510.22	568.21

10.9 The State-wise procurement of rice for last two Marketing Season is as under:

(in lakh MT)

Sl.No.	STATES/ UTs	KMS 2015-16	KMS 2016-17
1	A.P.	43.36	37.24
2	Telangana	15.79	35.96
3	Assam	0.42	0.46
4	Bihar	12.25	12.34
5	Chandigarh	0.16	0.13
6	Chhattisgarh	34.42	40.22
7	Haryana	28.61	35.83
8	Jharkhand	2.06	1.39
9	J&K	0.07	0.08
10	Karnataka	0.55	0.00
11	Kerala	3.82	3.08
12	M.P.	8.49	13.14
13	Maharashtra	2.30	3.09
14	Odisha	33.69	36.30
15	Puducherry	0.00	0.00
16	Punjab	93.50	110.52
17	Rajasthan	0.00	0.00
18	Tamil Nadu	11.92	1.44
19	U.P.	29.10	23.54
20	Uttarakhand	5.98	7.06
21	West Bengal	15.68	19.23
22	Others	0.01	0.01
Total		342.18	381.06

Procurement of Coarse Grains

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

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

REGION	KMS 2017-18*			
	Jowar	Bajra	Maize	Ragi
Maharashtra	1326	-	20471	-
M.P.	264	3789	-	-
Haryana	-	31347	-	-
Total	1590	35136	20471	-

*KMS 2017-18 is under progress. Figures as on 31.12.2017

Procurement of Pulses

10.11 FCI has procured 15200.74 MT of Chana & 4335.57 MT of Masur during RMS 2016-17 in addition to 20273.56 MT Tur and 4.72 MT Urad in KMS 2015-16. During KMS 2016-17 FCI has procured around 64737.24 MT of Moong, 18234.69 MT Urad and 175299.03 MT of Tur.

(In MT)

Agencies	KMS 2015-16		RMS 2016-17		KMS 2016-17		
	TUR	URAD	CHANA	MASUR	TUR	URAD	MOONG
FCI	20273.56	4.72	15200.74	4335.57	175299.03	18234.69	64737.24
SFAC	5258	3122.90	25026.43	1232.50	71078.79	10746.05	26224.54
NAFED	20000.79	1764.03	20266.16	2987.68	919666.75	59601.63	128886.27
Total	45532.35	4891.66	60493.33	8555.75	1166044.57	88582.37	219848.05

FCI has not taken part in procurement of pulses during RMS 2017-18 and is also not participating in pulses procurement as of now in KMS 2017-18

Stock Management

10.12 The stock holding under central pool as on 01.12.2017 is 347.91 lakh MT (Rice 131.26 lakh MT; Wheat 216.65 lakh MT). In addition to it, 253.80 lakh MT paddy is also available in central pool. The Crop Year wise position of issuable stock in central pool as on 01.12.2017 is as under:

(In lakh MT)

Crop Year	Wheat		Rice (excluding unmilled paddy)	
	Stocks	%age of stocks	Stocks	%age of stocks
2017-18	202.91	95.09	19.94	15.02
2016-17	10.20	4.78	106.67	84.61
2015-16	0.04	0.02	0.46	0.36
2014-15	0.23	0.11	0.00	0.00
Total	213.38		127.07	

Remark: (i) The stock position excludes stocks in transit, Upgradable/ Non-issuable and stocks under ICAR study. (ii) Above quantities includes 0.17 lakh MT wheat (2014-15), 0.65 lakh MT wheat (2016-17) & 3.45 lakh MT wheat (2017-18) in SILOs. (iii) Efforts are being made to completely liquidate old crop year stocks (more than 02 year old). By 31.03.2018, entire wheat and rice of crop year 2015-16 & earlier will be liquidated.

Import & Export

10.13 A quantity of 100 MT Raw Rice Common was issued to STC in April, 2017 for supply to Sri Lanka as draught assistance.

10.14 500 MT Raw Rice Grade 'A' was issued to the nominated agency of Ministry of External Affairs in August, 2017 for supply to Zimbabwe as humanitarian assistance.

10.15 500 MT raw Rice Grade 'A' was issued to the nominated agency of Ministry of External Affairs in August, 2017 for supply to Lesotho as humanitarian assistance.

10.16 1000 MT Raw Rice Grade 'A' was issued to the nominated agency of Ministry of External Affairs in August, 2017 for supply to Namibia as humanitarian assistance.

10.17 1.10 lakh MT fresh wheat of 2017-18 crop year, in double bags, is to be delivered upto February, 2018 to the nominated agency of Ministry of External Affairs for supply to Afghanistan under GoI's donation as humanitarian assistance. Against this, 67,342.142 MT wheat in double bag has already been issued in September-December, 2017 to the nominated agency of Ministry of External Affairs for supply to Afghanistan. Out of this, 60,024.440 MT of wheat has already been shipped to Afghanistan.

Quality Control

10.18 The Quality Control (QC) wing of FCI is entrusted with enormous task of procurement & preservation of foodgrains. The foodgrains are procured as per laid down specifications of Govt. of India and inspected regularly during storage to monitor the quality. Representative samples of the stocks are drawn for physical analysis to ensure whether the quality standard meets the parameters of laid down Specifications of Government of India.

10.19 The method of analysis for rice samples is followed as given in Bureau of Indian Standard "Method of analysis for Foodgrains" No's IS: 4333 (Part-1):1996 and IS: 4333 (Part- II): 2002 "Terminology for Foodgrains" IS: 2813-1995 as amended from time to time. The District and Depot laboratories undertake physical analysis of foodgrains of procured Rice as per Uniform Specification issued by Govt. of India. Analysis of food grains involves physical as well as chemical parameters. Currently, physical analysis is done manually.

10.20 The senior QC Officers undertake frequent visits to the procurement & storage points to inspect the quality of foodgrain stocks and further sensitize the QC staff on the spot to

ensure procurement of foodgrains conforming to specifications and its maintenance during storage at all levels. Appropriate action is also initiated against defaulters, if any, in order to tighten the supervisory arrangement and fix responsibilities on all found responsible for procurement of stocks beyond laid down parameters. Long term/short term trainings are held on regular basis for QC staff on procurement and preservation of foodgrain management.

10.21 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.

10.22 The foodgrain stocks strictly conforming to laid

down specifications of Govt. of India are issued under PDS to various State Governments by adopting joint sampling system scrupulously.

Liquidation of Wheat stock stored in CAP/ Open plinths

10.23 In order to prevent deterioration of stock due to heavy rains observed in many parts of the country, the movement of stocks from CAP/ open plinths has been monitored on weekly basis. During the year 2017-18, as on 17.12.2017, about 99.43% of wheat stock (2017-18) stored in CAP has been liquidated including 100% from Rajasthan, UP and Haryana. Rest of the stocks is under liquidation and it is estimated that by 15.01.2018 entire wheat stock from CAP/ Open storage will be liquidated.

S.No	Region	Agency	Opening Balance as on 23.05.2017		Quantity liquidated		Closing Balance as on 17.12.2017	
			Quantity (in MT)		Quantity (in MT)		Quantity (in MT)	
			Katcha	Pucca	Katcha	Pucca	Katcha	Pucca
1	Rajasthan	FCI	0	124698	0	124698	0	0
2	Haryana	SGA	291656	1016855	291656	1016855	0	0
3	Punjab	FCI	0	208828	0	208828	0	0
		SGA	383422	2954528	383422	2926658	0	20243
4	UP	FCI	0	114556	0	114556	0	0
TOTAL			675078	4419465	675078	4391595	0	20243

Non-Issuable (Damaged) Foodgrains and its Disposal

10.24 Foodgrains which do not conform to FSSAI norms and further cannot be reconditioned for normal issue are considered as 'Non-Issuable'. Damage to the stock may occur in the Covered/CAP storage or in transit. Such stocks need to be salvaged to segregate sound grains for issue under normal channel. Stocks not fit for normal issue will be declared as 'Non-Issuable foodgrains'. The Non-Issuable stocks on receipt in the godowns or detected in the depot, are properly checked and segregated on the basis of condition and

proportion of sound grains present in different lots.

10.25 The non-issuable foodgrains classified under various categories are disposed off as per procedure. Fresh allocations and sale of non-issuable foodgrains held by the FCI and State Agencies is made only to bona-fide registered parties to avoid circulation of non-issuable foodgrains into the market. Executive Directors (Zone) & General Managers (Region) are vested with full power for disposal of Non-Issuable foodgrains.

10.26 Total quantity of 636 MT of damaged foodgrains accrued during 2017-18 (upto 01.12.2017) as per the break up given below against handling of 292.74 lakh MT in 2017-18 upto 01.12.2017:

Reasons for damage	Quantity (in MT)
Quality complaints	38
Prolonged storage	03
Negligence	10
Cyclone/ Rain	06
Transit damage	193
Others	386
Total	636

QC Initiatives

10.27 As per recommendations of HLC and subsequent decision taken by Govt. of India, FCI has drawn a roadmap for strengthening its quality control infrastructure and modernization of laboratories.

- Computerized rice analyzers (Annadarpan smart machines) from CDAC and OSAW have been installed in 15 depots on pilot basis. 20 more CDAC machines i.e. at least one in each procuring district of Punjab, Haryana, Chhattisgarh, Andhra Pradesh and Orissa are being installed.
- Process of modernisation of IFS Lab, Gurgaon for testing of chemical parameters, as prescribed by FSSAI, is under process. Project agreement for modernization of QC lab at IFS Gurugram has been signed between CFTRI and FCI. Model Tender Form (MTF) received from CFTRI is customized as per the requirement and existing norms of FCI which is under examination with Legal/Finance Division of FCI, Hqrs.

Maintenance and Upgradation of Depots

10.28 For routine maintenance, upgradation of Engg. 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 2017-18	Expenditure incurred till 31.12.2017
AR &MO	20000.00	5798.63
CC Road	10000.00	2929.42
Minor Capital work	10000.00	1258.34
Weighbridges - Additional/new/Upgradation	336.00	82.74

Training

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

10.30 The major achievements of IFS during the period 2017-18 (upto 31.12.2017) are:-

- Various training programs involving 473 In-service officers/ officials have been conducted in IFS Gurugram.
- Total of 251 newly recruited Management Trainees were imparted Orientation Training in IFS, Gurugram.

10.31 In addition to the training at IFS, 115 officers of FCI were nominated in management development programs/workshops/conferences etc. in professional Institutes of repute viz. ISB Hyderabad, NALSAR Hyderabad, National Institute of Solar Energy Gurugram, ASCI Hyderabad, IIM Calcutta, National Institute of Plant Health Management NIPHM Hyderabad, Indian Grain Storage Management and Research

Institute (IGMRI), SCOPE Delhi, IIT Guwahati, IIPA New Delhi, NIFM Faridabad, NISG, ICAI, NCCBM Hyderabad, ISTM etc..

10.32 FCI in collaboration with ISTM, New Delhi has conducted 07 days training programme to 204 Organizational Specific officers / officials of FCI on 'Reservation for SCs, STs, OBCs & Maintenance of Rosters', Noting Drafting and RTI Act, 2005 for CPIO & Appellate authority. NIPM, Hyderabad has also conducted 01 customized programme for 26 QC Officers of FCI on 'Stored Grain Pest Management'.

10.33 In order to keep pace with the changing environment in view of globalization and liberalization policy of GoI, 05 senior level management officers were also deputed abroad to attend various training/ conferences.

10.34 In addition to the training efforts at the corporate level, training programs are also conducted by Zonal Offices located at Noida, Mumbai, Kolkata, Chennai, and Guwahati. At Zonal level 1122 and

446 employees have been imparted In-service and Induction Training respectively.

10.35 Approximately 2642 FCI officers/ officials have been trained in the period 2017-18 till 31.12.2017.

10.36 During this period, FCI Headquarters also sanctioned training/ internship to approximately 56 students from various recognized Universities and Professional Institutes.

10.37 Projections upto 31.03.2018 for in-service training and Induction training to be conducted at IFS Gurugram and various Zonal offices is 1220 & 55 respectively. Also 03 training programs imparting training to approximately 50 officers/ officials have been planned by FCI Headquarters till 31.03.2018.

SC/ST Employees in FCI

10.38 Statement showing the representation of SCs/STs in services of FCI as on 30.09.2017 is as under:

CATEGORY	Sanctioned Strength*	Total No. of Employees*	No. of SC	No. of ST
Cat.I	1111	896	236	132
Cat.II	6221	4398	877	725
Cat.III	27345	14738	3141	1368
Cat.IV (Excluding Safaiwala)		2657	863	354
Cat.IV (Safaiwala)	7361	21	13	1
Grand Total	42038	22710	5130	2580

Computerization in FCI

Integrated Information System for Food Grains Management (IISFM)

10.39 Government had sanctioned "Integrated Information System for Food Grains Management" (IISFM) Project as a plan Scheme, with a total estimate cost of ₹ 96.74 Crore, in August, 2003, in its Xth Five Year Plan, to put in place an on-line MIS for stock position in any FCI Depot, at any given point of time. The IISFM

project has been successfully implemented in all FCI Depots, including the depots under North East Zone, covering all seven North Eastern States.

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

NIC, in 2005, developed District Information System for Food Grain Management (DISFM), an online application, to enable the FCI Districts to

enter the fortnightly stock position, to fulfill FCI's reporting needs. This is a web based MIS system, working through the central server located at NIC. All FCI Zonal offices, Regional offices, District Offices and Headquarters can generate fortnight stock position and off-take MIS reports, along with State/UT-wise reports through this application. DISFM is fully functional in all FCI District Offices.

B) IISFM Rapid Reporting Service (IRRS)

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

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

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

C) IRRS in DCP/Major Procuring States

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

The other major procuring States viz. Haryana

and Uttar Pradesh are continuously being pursued and encouraged to use IRRS to report the central pool stocks information available with them.

LAN/WAN Restructuring and Bandwidth Up-Gradation

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

- a) **Bandwidth Up-Gradation:** FCI has established network bandwidth of 34 Mbps for HQ, 10 Mbps for ZOs & ROs and 4 Mbps for sensitive DOs and 2 Mbps for other DOs through BSNL. Point to point lease line connectivity has been provided between FCI offices up to District level and the corresponding NIC offices.
- b) **LAN/WAN Restructuring:** The existing LAN/WAN infrastructure in the FCI offices upto District level, has been restructured with latest active (routers, switches etc.) and passive network items, which is IPv6 Compliant.

Video Conferencing

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

Cyber Security Policy

10.42 The 'Cyber Security Policy' has been finalized and approved by the BoD, FCI on 31.07.2014 and has been circulated to all concerned for compliance. Cyber security policy was framed and implemented in the FCI in the year 2014 with the help of cert-in. Security Audit of FCI website is already done and its clearance certificate has already been taken from the NIC.

Market Borrowings

Cash Credit Facility

10.43 The FCI was availing a Cash Credit Limit (CCL) of ₹ 54,495 crore from a Consortium of 68 banks led by State Bank of India against a single default guarantee provided by the Government of India. GoI sanctioned and released a term loan (NSSF) of ₹ 45,000 crore to FCI on 22.02.2017. On release of NSSF loan to FCI its CC limit and GoI guarantee was reduced to ₹ 9,495 crore, comprising of ₹ 8,945 crore for the food operation and ₹ 500 crore for pulses operation. The rate of interest charged on this CCL consist of average MCLR (One year) of top 5 leading banks of the Consortium having highest share plus a positive spread of 50 bps (spread revised w.e.f. 01.12.2016) The interest rate varies with any change in MCLR of 5 major banks and/or revision of spread.

10.44 The effective monthly compounding interest rate charged by the consortium of banks from 01.12.2017 is 9.04% p.a.

Short Term Loan (STL)

10.45 As a measure to meet the short term requirement over and above the Cash Credit Limit, the FCI has the approval of its Board of Directors to avail STL from the scheduled Banks to the extent of ₹ 50,000 crore during the financial year 2017-18 and 2018-19. As on 31.12.2017, the Corporation has availed STL of ₹ 52,063.72 crore through tenders. Outstanding STL as on 31.12.2017 was ₹ 11,471.36 crore. STLs are availed by FCI from different banks for one month tenure at their respective quoted rate ranging from 7.45% to 8.20%. This has resulted in a savings of ₹ 44.30 crore during FY 2017-18 (upto 31.12.2017).

Issue of Bonds

10.46 Total outstanding Long Term Government Guaranteed Bonds as on 31.12.2017 is ₹ 13,000.00 crore.

Ways & Means Advance

10.47 During the financial year 2017-18, GoI has

allocated WMA of ₹ 50,000 crore for FCI as compared to ₹ 40,000 crore in previous year. Out of total allocated amount ₹ 50,000 crore, corporation has availed ₹ 6,100 crore in 2017-18 till 31.12.2017. WMA carry an interest rate equivalent to average 364 days T-bill rate.

National Small Savings Fund (NSSF) Loan

10.48 GoI sanctioned and released NSSF loan of ₹ 45000 crore on 22.02.2017 to FCI repayable in 5 equal installments in next 5 years. In addition to this, another NSSF loan of ₹ 25,000 crore repayable in 5 equal installment in next 5 years was sanctioned to FCI on 31.03.2017 by withdrawing subsidy of an equivalent amount as per approval of the Department of Economic Affairs, Ministry of Finance. Thus, the total NSSF Loan sanctioned & Released to FCI by GoI in 2016-17 comes to ₹ 70,000 crore at an interest rate of 8.80% p.a. payable semi-annually. First installment of principal NSSF loan repayment of ₹ 14,000 crore is due in the FY 2017-18. The Government of India will make separate budgetary provision for repayment of Principal Loan amount & interest payment.

(B) Central Warehousing Corporation (CWC)

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

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

- To acquire and build godowns and warehouses at suitable places in India or abroad;
- 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;
- To arrange facilities for the transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses;
 - To subscribe to the share capital of a State Warehousing Corporations;
 - To act as agent for the purpose of purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities as defined in section 2, on behalf of a company as defined in the Companies Act, 1956 (1 of 1956) or a body corporate established by an Act of Parliament or of a State Legislature or a Cooperative Society;
 - 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 its functions as enumerated in the Warehousing Corporations Act, 1962;
 - To establish subsidiary companies;
 - To carry out such other functions as may be prescribed;
 - To undertake disinfection services outside its warehouses in respect of agricultural produce or notified commodities;
 - To provide consultancy services, assistance, finance, programmes or projects related to agricultural produce or other notified commodities and to undertake any other activities considered incidental to its functions; and

- To operate warehouses, create infrastructure and arrange facilities for storage, handling and transport of agriculture produce, seeds, manures, fertilizers, agriculture implements, notified commodities, bonded cargo, air cargo, containerized cargo and liquid cargo. Further, the Corporation may also provide marketing and other warehousing related services in respect of agriculture produce or notified commodities.

Capital Structure

10.51 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 2017-18 (upto 30.11.2017). 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	1,474.40
3.	Other Scheduled Banks	1,091.83
4.	Insurance Companies including Life Insurance Corporation of India	477.74
5.	Cooperative Societies	14.87
6.	Recognized Associations dealing in agricultural produce	0.71
7.	Companies dealing in agricultural produce etc.	0.05
Total		6,802.10

Grant of Schedule 'A' Status

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

Growth in Storage Capacity

10.53 The storage capacity operated by CWC as well as its capacity utilization has gradually increased over past few years which is as follows:

(Capacity in lakh MT)				
Installed Storage capacity as on	Own	Hired #	Total	Capacity Utilization (%) during March
31.03.2007	67.00	35.20	102.20	74
31.03.2008	67.63	31.15	98.78	76
31.03.2009	67.60	37.65	105.25	86
31.03.2010	68.46	37.52	105.98	85
31.03.2011	69.85	32.62	102.47	86
31.03.2012	71.81	29.04	100.85	91
31.03.2013	73.95	34.07	108.02	91
31.03.2014	75.96	28.97	104.93	80
31.03.2015	75.78	39.16	114.94	84
31.03.2016	77.31	31.11	108.42	78
31.03.2017	77.37	22.41	99.78	78
30.09.2017	78.15	22.55	100.70	76

includes covered hired, management warehouse and open capacity.

Capacity Addition

10.54 Details of the storage capacity constructed by CWC from 2012-13 to 2016-17 and projected for 2017-18 are as under:

Financial Year	(In lakh MT)					
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Planned)
Capacity Constructed	2.35	2.21	1.90	1.62	0.95	0.66

10.55 Further CWC has envisaged to construct Rail Linked 50000 MT silos at CW, Nabha (Punjab) in the year 2018-19

10.56 CWC has undertaken a special drive for upgradation of warehouses and identified 140 warehouses for upgradation, out of which 72 centres have been upgraded till 30.11.2017 and remaining centres have been planned to be upgraded during the year 2017-18 and 2018-19. The details of the state-wise storage capacity created by CWC during 2016-17 are as under:

Sr. No.	State	Capacity in MT
1	Bihar	10000
2.	Kerala	2000
3.	Telangana	7900
4.	Chhattisgarh	18900
5.	Karnataka	5000
6.	Uttar Pradesh	7750
7.	Odisha	5000
8.	Rajasthan	10000
9.	Andhra Pradesh	9900
10.	West Bengal	18600
Total		95050

Capacity Utilisation

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

Year	Owned/Covered (LMT)			Hired # (LMT)			Total (LMT)		
	Avg. Capacity	Utili- zation	% age	Capacity	Utili- zation	% age	Capacity	Utili- zation	% age
2012-13	72.71	68.17	94	29.63	26.74	90	102.34	94.91	93
2013-14	74.14	63.26	85	31.41	27.50	88	105.55	90.76	86
2014-15	75.85	58.65	77	30.36	26.74	88	106.21	85.39	80
2015-16	76.64	56.35	74	38.47	35.47	92	115.11	91.82	80
2016-17	75.68	54.32	72	23.97	19.95	83	99.65	74.27	75
2017-18* (upto 30.11.17)	76.60*	61.58	80	22.57	16.74	74	99.17*	78.32	79

Includes management warehouses and open storage capacity.

* indicates operational Storage capacity.

Turnover, Profit And Dividend

10.58 CWC has been a consistently profit making and dividend paying CPSE. CWC paid dividend @ 142% for the year 2016-17 as against 88% of the equity for the year 2015-16. The details of turnover, Profit Before Tax and dividend paid during the years 2012-13 to 2016-17 and 2017-18 (upto November) are given in the following table:

Year	Turnover	Profit Before Tax	Dividend Paid (₹ in Crore)		
			Central Govt.	Others	Total
2012-13	1406.70	209.23	15.34	12.53	27.87
2013-14	1528.19	256.47	17.96	14.67	32.63
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 (upto 30.11.17)	1012.72	80.00	-	-	-

Pest Control Services

10.59 The Corporation has been rendering Pest Control Services to a varied group of clients both private and public with the aim to prevent the economic and health loss caused by pests, rodents and

termites by using ISI marked/WHO approved/eco-friendly pesticides. The Corporation earned gross revenue of ₹ 19.66 crore during the year 2016-17. The gross revenue earned up to 30.11.2017 has been ₹ 10.61 crore during current financial year. There has been a significant growth

in the segment of disinfestations of Railway Coaches which fetched revenue of ₹ 7.61 crore by way of treatment of 432961 AC, non-AC Rail coaches & pantry cars during the year 2016-17. CWC has disinfested 213056 Railway coaches from April, 2017 to November, 2017 and earned a revenue of ₹ 2.48 crore. CWC provides PCS to large no. of customers like railways, airlines, airport authority, sea port trust, corporate houses, importers and exporters, real-estate, flour millers, farmers and traders.

- 10.60 The Corporation has obtained accreditation of its officers under International Standard for Phyto-Sanitary Measures (ISPM -15) and Australian Fumigation Accreditation Scheme (AFAS) – India Program of AQIS Standards. Besides, Corporation is also registered as fumigation agency and has accreditation for its fumigation operators under NSPM-12 & NSPM-22. The Corporation undertakes quarantine fumigation of cargo and fumigation of export containers and shipments with Methyl Bromide/ Aluminum Phosphide and Aircraft disinfestations/fumigation as per need of customers.

Integrated Check Posts

- 10.61 CWC is operating the Cargo Terminal of the Integrated Check Post (ICP) at Attari (Punjab), Agartala (Tripura) and Petrapole (West Bengal) facilitating the import/export trade between India and Pakistan and Indo Bangladesh borders through land route. LPAI has awarded operation & management of ICP-Attari to CWC for another 3 years w.e.f. 08.04.2017.
- 10.62 The management of the facility 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.
- 10.63 The handling operations of Cargo Terminal at ICP, Agartala (Tripura) on the Indo-Bangladesh border was also assigned by LPAI to CWC initially for a period of one year on similar terms

and conditions as of ICP, Attari. ICP Agartala has commenced operations from 21.11.2013 and extended upto November, 2018.

State Warehousing Corporations

- 10.64 CWC has 19 associates, the State Warehousing Corporations (SWCs). The total investment of the Central Warehousing Corporation, which is 50% shareholder in the equity capital of the SWCs, as on 30.11.2017 was ₹ 61.79 crore. As on 30.11.2017 (Provisional), the SWCs operated 1764 warehouses with a total capacity of 271.82 lakh MT. The SWCs have constructed additional capacity of 6.40 lakh MT during 2016-17.

Central Railside Warehouse Company Limited (CRWC)

- 10.65 CRWC, a PSU under Ministry of Consumer Affairs, Department of Food and Public Distribution, incorporated on 10.07.2007 under Companies Act, 1956, having an equity paid-up share capital of ₹ 40.56 crore. The entire paid-up share capital of the Company is being held by CWC.

- 10.66 As on 31.03.2018, CRWC would be operating 20 RWCs with an approx. installed capacity of 3,46,267 MT. The units together with their installed capacities would be as follows:-

As on 31.03.2018

Sl. No.	Name of RWC	Capacity (in MT)
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

Sl. No.	Name of RWC	Capacity (in MT)
11.	Roza, Shahjahanpur	18,400
12.	Kandla, Gujarat	32,200
13.	Korrukupet, Chennai	30,292
14.	Hatia, Ranchi	12,800
15.	Saswad Road, Pune	18,700
16.	Dehri-on-Sone, Bihar	11,700
17.	Dankuni, Kolkata	13,750
18.	Mysore, Karnataka	12,500
19.	Jogeshwari, Mumbai	19,000
20.	Pahleja	13,800
TOTAL		3,46,267

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

(Figures in MT)

Particular	2015-16	2016-17	2017-18 (Tentative)
Total Installed Capacity	3,29,467	3,32,467	3,46,267

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

(Figures in Nos.)

Particular	2015-16	2016-17	2017-18 (Tentative)
No. of Wagons Handled	1,32,292	1,23,664	1,24,999

10.69 The Financial results of the Company for the year 2016-17 as compared to the previous year are

given below:

(₹ in lakh)

Particulars	2016-17	2017-18 (tentative)
Gross Revenue	8671.10	9704.45
Gross Expenditure	6699.44	7224.62
Profit before tax (PBT)	1971.66	2479.83
Tax Expense	703.41	858.22
Profit after Tax (PAT)	1268.25	1621.61
Earnings per Share (₹)	3.13	4.00

10.70 During the year CRWC has paid Dividend @15% of the paid up capital amounting to ₹ 6,08,40,000 (excluding Corporate Dividend Tax) to CWC.

Awards

10.71 During the year CRWC has been awarded with following awards:

1. Awarded under “Best Warehousing Company – Railways” category at India Cargo Awards West & South on 14-10-2017 at Ahmedabad.
2. Awarded under “Best Warehousing Company – Railways” category at India Cargo Awards North & East on 20-12-2017 at New Delhi.
3. Awarded 2nd Prize by the Institute of Cost Accountants of India for Excellence in Cost Management – 2016 in Transport & Logistics sector.



India Cargo Award



2nd Prize for Excellence in Cost Management-2016 in Transport & Logistics Sector

Projects & Business Expansion

Pahleja: Construction of 13800 MTC RWC at Pahleja (Bihar) in place of existing terminal at Dehri-On-Sone has been completed in December, 2017.

Nellore: A Joint venture agreement got executed amongst IFFCO Kisan SEZ (IKSEZ), Indian Potash Limited (IPL) and CRWC on 26.02.2016 for development of Intergrated Railside Warehouse Complex and freight terminal at Nellore. The phase-I of the project will involve construction of 5000 MT General Warehouse and 2000 MT Cold Storage along with container stacking area, truck parking space, roads, etc in an area on 10 acres.

Fatuha: Railway approval for Construction of 20,400 MT warehouse at Fatuha, Bihar has been obtained and the work has been taken up.

Jogeshwari, Mumbai: Construction of 3000 MT warehouse and an office building admeasuring approx. 380 sq. mt. at Jogeshwari, Mumbai has been completed and operations commenced on 17.05.2017.

Additional RWCs are being planned at New Jalpaiguri, Chalthan, Indore, Mancheshwar for which detailed feasibility & engineering works are in progress.

Other Business Initiatives:

10.72 CRWC executed a MoU with NHAI for construction of MMLP in Guwahati in association with Assam State Govt.

10.73 CRWC in association with MSTC conceived and launched an exclusive agri-portal named e- Rashtriya Agri Kisan Mandi (e-RaKAM) in August, 2017. The portal provides a linkage between buyers and sellers for agri-commodities. The portal has already started auctioning of agri-commodities for NAFED, MMTTC, Jeevika, KASAM, etc. Agencies such as TRIFED, State Civil Supplies Corporations, FPOs, agricultural universities are being roped in for trading and marketing purposes.

Human Resource Management

10.74 CRWC is having 57 officials on its roll on regular basis as on 05.01.2018 in different professions in HR, Finance, Engineering, Logistics & Marketing etc at various levels. During this year 10 officials in different discipline have been recruited during the third phase recruitment. Company has conducted 86 days training programme for its regular and contract officials.

(C) Hindustan Vegetable Oils Corporation Limited (HVOC)

10.75 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 Banalore and Chennai, Due to continued losses, the company was referred to BIFR and declared sick in 1999. The company is now under liquidation under the supervision of the High Court of Delhi.

10.76 All of the employees of the Corporation except one, have since accepted various voluntary separation/retirement schemes offered in 2001, 2014 and 2016. The lone employee who did not apply for IVRS has been retrenched as per provision of the scheme. All the units except Breakfast Food Unit (BFFU) located in Delhi were closed in the year 2001. The Breakfast Food Unit (BFFU) of HVOC, discontinued its operation from June, 2011. The liquidator has so far disposed off the moveable assets of the units at Chennai, Mumbai, Amritsar, Bangalore and Kanpur.

10.77 The company has made a loss of ₹ 54.80 crore in the year 2016-17, mainly due to interest expenses on Government Loan without any production work. The company has total liability of ₹ 431.19 crore towards the Government, comprising of

₹ 95.62 crore as loan and ₹ 335.57 crore as interest due but no paid. The company has no outstanding loans from any bank.

(D) Warehousing Development & Regulatory Authority (WDRA)

10.78 WDRA was set up by the Government of India on 26.10.2010 under the provisions of the Warehousing (Development and Regulation) Act, 2007. The Authority has its office at New Delhi. The Authority consists of the Chairperson and two full time Members.

Objectives

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

Functions

10.80 The responsibility of the Authority is to implement the provisions of the Act, rules and regulations and to regulate and promote orderly growth of the warehousing business in the country. The main activities of the Authority are listed below:

- i. Registration of Warehouses and Cold Storages.
- ii. Implementation of Negotiable Warehouse Receipt system.

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

Regulation of Warehousing Business

10.81 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 WDRA after fulfilling the prescribed norms in respect of the concerned warehouse or warehouses.

Requirement for Registration of Warehouses

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

10.83 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 the inspection guidelines. The Authority has empanelled six (06) Inspection Agencies for undertaking various inspections on its behalf.

Activities Initiated by the Authority

10.84 The Authority initiated following activities during the year 2017-18:-

- (i) **Appointment of Accreditation Agencies:** The requirement of physical infrastructure of warehouse(s) are to be inspected through

the inspection agency 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 WDRA has engaged six (06) inspection agencies for undertaking various warehouse inspections on its behalf.

(ii) **Notification of Agricultural Commodities:** The Authority has notified 123 agricultural commodities including cereals, pulses, oilseeds, vegetable oils, spices, edible nuts and miscellaneous items like rubber, tobacco, tea, coffee and makhana for issuing NWRs 26 horticulture commodities have also been notified for issuance of NWRs by cold storages.

(iii) **Registration of Warehouses:** During the year 2017-18 (as on 31.12.2017), WDRA has registered 158 warehouses (Cumulative total 1594 and active 904). The warehouses issued 7098 Negotiable warehouse Receipts (cumulative total 81038) against the commodities stored therein of value of ₹ 347.66 crores (cumulative total ₹ 5928.90 crore). 31 e-NWR have been issued against the commodities stored therein of a value of ₹ 3.372 crore.

(iv) **Integration of PACSs with NWR:** The WDRA has taken initiative to integrate the Primary Agriculture Cooperative Societies (PACSs) warehouses under the negotiable warehouse receipt system so that the small and marginal farmers may get benefit from this scheme. Under the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 and notification about requirement of security deposit, in case of the applicant/ warehouseman is a Farmer Producer Organization (FPO) or a Co-operative, the fee shall be ₹ 5,000/- per warehouse, the net worth should be positive only and security deposit would be ₹ 50,000/- fixed per warehouse.

(v) Introduction of NWR System in cold storages:

The WDRA in consultation with the National Horticulture Mission (NHM) and National Horticulture Board (NHB) has also introduced Negotiable Warehouse Receipt system in cold storages so that the growers/farmers producing horticulture produce may store these commodities in cold storages and may avail the benefits of loan on NWRs issued by the registered cold storages. 26 horticulture commodities such as Potato, Dehydrated Onion, Garlic, Ginger, Turmeric, Apple and Resins etc. have been notified. The basic requirements for cold storages have been finalized by a Committee appointed by Govt. of India under the Chairmanship of Managing Director, National Horticulture Board.

(vi) Training and awareness programme:

Since inception, a total of 555 awareness programmes for 27750 farmers/traders have been organized with the help of various institutions. During 2017-18, up to 31.12.2017, a total of 31 awareness programmes for 1550 farmers/traders have been organized. It is expected that by 31st March, 2018, a total of 100 awareness programme shall be organised covering 5,000 farmers during the year, 2017-18. It is also expected that 06 training programme for warehousemen of warehouses registered with WDRA would be organised covering 240 participants.

(vii) Transformation of WDRA - Initiatives for better governance:-

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

The Transformation Plan has been approved by the Department of Food & Public Distribution, envisages a complete revamp of the WDRA's functioning. Key points of focus include the following:

- i. Market surveys and studies to generate information about the warehousing sector.
- ii. Re-writing the existing rules and regulations with a focus towards building NWRs as credible instruments of trade.
- iii. Putting in place robust inspection and supervision framework.
- iv. Electronification / dematerialisation of NWRs by setting up of the repository for electronic-NWR.
- v. Deployment of IT Ecosystem in WDRA including internal automation and business processes.

Following are the activities taken up in 2017-18 under the Transformation Plan:

- i. The qualitative Survey on warehousing was conducted by NIPFP and final report was submitted. Three annual quantitative surveys on warehousing for 2015-16, 2016-17 and 2017-18 were conducted by M/s TNS India Pvt. Limited and final reports were submitted.
- ii. New warehouse registration rule, namely, Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 and amendments thereto have been notified vide GSR 165 (E) dated 23.02.2017 and 1040 (E) dated 22.08.2017, respectively.
- iii. Guidelines on empanelment of Inspection agencies and Inspection of warehouses have been issued on 03.03.2017.
- iv. Electronic Negotiable Warehouse Receipts Regulations has been notified on 29.6.2017.

- v. Central Depository Services Limited (CDSL) and National Commodity and Derivatives Exchange Ltd. (NCDEX) have been finalized for setting up electronic repository systems for creation and management of electronic Negotiable Warehouse Receipt (e-NWR). Both the applicants have formed separate companies - CDSL Commodity Repository Limited (CCRL) and National E-Repository Limited (NERL). Both the Repositories have completed all the tasks for setting up the repository system and the Registration Certificates have been issued to them on 26.09.2017 to commence operations. Repositories have started operations for issuing e-NWRs.
- vi. The WDRA Portal for Online Warehouse Registration, Inspection & warehouse updation/modification Modules has been launched on 26.09.2017.

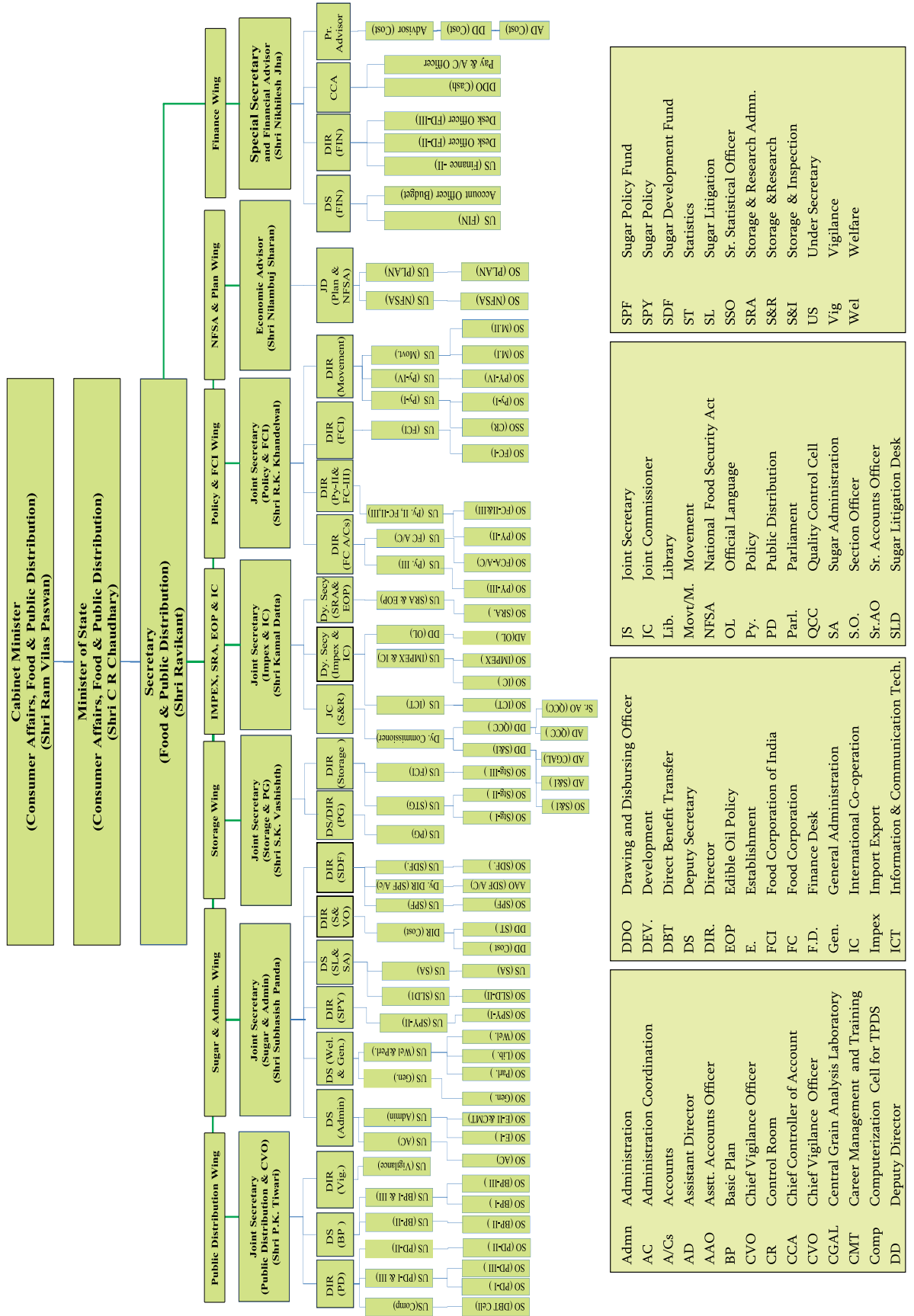
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Annexure I-XVII



Annexures

Annexure-I ORGANISATIONAL STRUCTURE OF DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION



Annexure-II

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

Group	Department	SRA Hqrs.	IGMRI, Hapur & Field Stations	QCC	Dte. of Sugar & Vegetable Oils	NSI, Kanpur	Total
'A'	70	05	11	24	12	54	176
'B'	260	10	26	40	15	20	371
'C'	233	12	57	68	24	233	627
Total	563	27	94	132	51	307	1174

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
2012-13	F&PD	17	126.00	86835.66	86961.66	85.00	96790.72	96875.72	83.39	96782.02	96865.41
2013-14	F&PD	17	259.00	101469.64	101728.64	200.00	103406.17	103606.17	194.07	103404.16	103598.23
2014-15	F&PD	17	330.00	125954.34	126284.34	150.00	134326.54	134476.54	146.05	129303.00	129449.05
2015-16	F&PD	18	212.00	136325.55	136537.55	165.00	162084.41	162249.41	160.53	161922.11	162082.64
2016-17	F&PD	17	150.00	152554.11	152704.11	147.00	192045.51	192192.51	123.89	139946.56	140070.45
2017-18	F&PD	16									
			Capital	Revenue	Total	Capital	Revenue	Total	Capital *	Revenue*	Total*
			50523.05	150952.64	201475.69	50499.65	146309.57	196809.22	6431.63	141008.32	147439.95
2018-19	F&PD	16	50424.10	173735.00	224159.10						

* Expenditure upto 31.12.2017 including authorization.

Annexure-IV

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

(In lakh MT)

AS ON	WHEAT		RICE		TOTAL	
	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms
01.07.2013	423.97	201	315.08	118	739.05	319
01.10.2013	361.00	140	190.33	72	551.33	212
01.01.2014	280.47	112	146.98	138	427.45	250
01.04.2014	178.34	70	202.78	142	381.12	212
01.07.2014	398.01	201	212.36	118	610.37	319
01.10.2014	322.63	140	154.22	72	476.85	212
01.01.2015	251.13	138.00	117.43	76.10	368.56	214.10
01.04.2015	172.21	74.60	170.94	135.80	343.15	210.40
01.07.2015	386.80	275.80	158.95	135.40	545.75	411.20
01.10.2015	324.50	205.20	125.78	102.50	450.28	307.70
01.01.2016	237.88	138.00	126.89	76.10	364.77	214.10
01.04.2016	145.38	74.60	221.61	135.80	366.99	210.40
01.07.2016	301.81	275.80	194.14	135.40	495.95	411.20
01.10.2016	213.28	205.20	144.74	102.50	358.02	307.70
01.01.2017	137.47	128.00	134.75	86.10	272.22	214.10
01.04.2017	80.59	64.60	230.81	145.80	311.40	210.40
01.07.2017	322.75	275.80	210.44	135.40	533.19	411.20
01.10.2017	258.66	205.20	163.07	102.50	421.73	307.70

Note 1: Revised norms is w.e.f. 22.1.2015

Annexure-V

TOTAL STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.12.2017

(Figs. 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	1.87	3.23	5.10	0.48	0.00	0.48	2.35	3.23	5.58
Jharkhand	1.28	0.25	1.53	0.00	0.00	0.00	1.28	0.25	1.53
Odisha	0.50	1.19	1.69	4.79	0.00	4.79	5.29	1.19	6.48
West Bengal	0.35	5.31	5.66	4.68	0.00	4.68	5.03	5.31	10.34
Zonal Total	4.00	9.98	13.98	9.95	0.00	9.95	13.95	9.98	23.93
Assam	2.47	0.10	2.57	0.00	0.00	0.00	2.47	0.10	2.57
Arunachal Pr.	0.15	0.00	0.15	0.00	0.00	0.00	0.15	0.00	0.15
Tripura	0.16	0.02	0.18	0.00	0.00	0.00	0.16	0.02	0.18
Mizoram	0.11	0.00	0.11	0.00	0.00	0.00	0.11	0.00	0.11
Meghalaya	0.15	0.01	0.16	0.00	0.00	0.00	0.15	0.01	0.16
Manipur	0.20	0.03	0.23	0.00	0.00	0.00	0.20	0.03	0.23
Nagaland	0.25	0.00	0.25	0.00	0.00	0.00	0.25	0.00	0.25
Zonal Total	3.49	0.16	3.65	0.00	0.00	0.00	3.49	0.16	3.65
Delhi	0.18	1.99	2.17	0.00	0.00	0.00	0.18	1.99	2.17
Haryana	8.77	29.45	38.22	0.00	17.16	17.16	8.77	46.61	55.38
Himachal Pr.	0.10	0.28	0.38	0.00	0.00	0.00	0.10	0.28	0.38
J&K	1.22	0.65	1.87	0.00	0.00	0.00	1.22	0.65	1.87
Punjab	40.93	20.58	61.51	0.00	38.91	38.91	40.93	59.49	100.42
Rajasthan	0.18	14.09	14.27	0.00	0.00	0.00	0.18	14.09	14.27
Uttar Pr.	10.67	19.13	29.80	0.00	0.00	0.00	10.67	19.13	29.80
Uttarakhand	0.83	0.36	1.19	0.04	0.00	0.04	0.87	0.36	1.23
Zonal Total	62.88	86.53	149.41	0.04	56.07	56.11	62.92	142.60	205.52
Andhra Pr.	0.54	0.20	0.74	9.15	0.00	9.15	9.69	0.20	9.89
Karnataka	4.17	0.44	4.61	0.00	0.00	0.00	4.17	0.44	4.61
Kerala	2.58	0.50	3.08	0.21	0.00	0.21	2.79	0.50	3.29
Tamil Nadu	7.07	0.59	7.66	1.31	0.00	1.31	8.38	0.59	8.97
Telangana	7.29	0.19	7.48	1.33	0.00	1.33	8.62	0.19	8.81
Zonal Total	21.65	1.92	23.57	12.00	0.00	12.00	33.65	1.92	35.57
Gujarat	1.14	2.96	4.10	0.00	0.00	0.00	1.14	2.96	4.10
Maharashtra	5.34	8.46	13.80	0.00	0.00	0.00	5.34	8.46	13.80
Madhya Pr.	0.02	2.40	2.42	4.43	45.36	49.79	4.45	47.76	52.21
Chhattisgarh	0.70	0.26	0.96	1.58	0.00	1.58	2.28	0.26	2.54
Zonal Total	7.20	14.08	21.28	6.01	45.36	51.37	13.21	59.44	72.65
Total	99.22	112.67	211.89	28.00	101.43	129.43	127.22	214.10	341.32
Wheat lying in mandies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stock in Transit	4.04	2.55	6.59	0.00	0.00	0.00	4.04	2.55	6.59
Total (All India)	103.26	115.22	218.48	28.00	101.43	129.43	131.26	216.65	347.91

1. Transit figures are estimated.
2. Rice does not include unmilled paddy with FCI/State Agencies in terms of rice.
3. Total quantity of unmilled paddy with FCI and State Agencies = 253.80 LMT (FCI 2.71 LMT; State Agencies = 251.09 LMT). CMR that could be derived taking out-turn ratio as 67% = 170.05 LMT.
4. Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included unmilled paddy lying with FCI and State Agencies in terms of rice, therefore, for any trend analysis of level of stocks with previous years, the figures in preceding note shall be added in the total stock of rice.

Annexure-VI

STATUS OF END-TO-END COMPUTERIZATION OF PDS OPERATIONS

(as on 26.12.2017)

Sl.	States/UTs	Digitization of Ration Cards	Aadhaar Seeding in RCs	Online Allocation of Foodgrains	Computerization of Supply Chain Management	Transparency Portal	Online Grievance Redressal	Toll Free Helpline Numbers	Total No. of Fair Price Shops	No. of FPSs with Operational ePoS
1	Andhra Pradesh	100%	100%	Implemented	Implemented	Yes	Yes	Yes	28,663	28,663
2	A & N Islands	100%	100%	Implemented	Implemented	Yes	Yes	Yes	482	373
3	Arunachal Pradesh	100%	45%	-	-	Yes	-	Yes	1,731	0
4	Assam	100%	0%	Implemented	-	Yes	Yes	Yes	38,238	0
5	Bihar	100%	82%	Implemented	Implemented	Yes	Yes	Yes	41,483	59
6	Chandigarh	100%	99%	NA	NA	Yes	Yes	Yes	0	0
7	Chhattisgarh	100%	99%	Implemented	Implemented	Yes	Yes	Yes	12,299	11,899
8	D & N Haveli	100%	97%	Implemented	Implemented	Yes	Yes	Yes	62	62
9	Daman & Diu	100%	100%	Implemented	Implemented	Yes	Yes	Yes	51	51
10	Delhi	100%	100%	Implemented	Implemented	Yes	Yes	Yes	2,254	90
11	Goa	100%	100%	Implemented	Implemented	Yes	Yes	Yes	446	42
12	Gujarat	100%	97%	Implemented	Implemented	Yes	Yes	Yes	17,209	17,209
13	Haryana	100%	89%	Implemented	Implemented	Yes	Yes	Yes	9,491	9,491
14	Himachal Pradesh	100%	93%	Implemented	Implemented	Yes	Yes	Yes	4,928	4,888
15	Jammu & Kashmir	100%	56%	Implemented	-	Yes	Yes	Yes	5,970	0
16	Jharkhand	100%	97%	Implemented	Implemented	Yes	Yes	Yes	23,356	23,115
17	Karnataka	100%	100%	Implemented	Implemented	Yes	Yes	Yes	20,334	16,143
18	Kerala	100%	99%	Implemented	-	Yes	Yes	Yes	14,335	0
19	Lakshadweep	100%	98%	-	NA	Yes	Yes	Yes	39	0
20	Madhya Pradesh	100%	91%	Implemented	Implemented	Yes	Yes	Yes	22,469	22,469
21	Maharashtra	100%	87%	Implemented	Implemented	Yes	Yes	Yes	52,505	51,079
22	Manipur	100%	31%	Partial	-	Yes	Yes	Yes	2,154	0
23	Meghalaya	100%	0%	-	-	Yes	Yes	Yes	4,651	0
24	Mizoram	100%	73%	Implemented	-	Yes	Yes	Yes	1,247	0
25	Nagaland	100%	33%	-	-	Yes	Yes	Yes	1,691	0
26	Odisha	100%	90%	Implemented	Implemented	Yes	Yes	Yes	13,306	13,306
27	Puducherry	100%	100%	NA	NA	Yes	Yes	Yes	0	0
28	Punjab	100%	97%	Implemented	-	Yes	Yes	Yes	16,657	0
29	Rajasthan	100%	98%	Implemented	-	Yes	Yes	Yes	25,928	25,793
30	Sikkim	100%	85%	Implemented	-	Yes	Yes	Yes	1,421	44
31	Tamil Nadu	100%	100%	Implemented	Implemented	Yes	Yes	Yes	34,773	34,773
32	Telangana	100%	100%	Implemented	Implemented	Yes	Yes	Yes	17,159	11,339
33	Tripura	100%	98%	Implemented	Implemented	Yes	Yes	Yes	1,807	25
34	Uttar Pradesh	100%	85%	Implemented	-	Yes	Yes	Yes	80,457	13,186
35	Uttarakhand	100%	90%	Implemented	-	Yes	Yes	Yes	9,212	8
36	West Bengal	100%	63%	Implemented	Implemented	Yes	Yes	Yes	20,278	0
		100%	81.75%	30	20	36	35	36	5,27,086	2,84,107

Annexure-VII

STORAGE CAPACITY WITH FCI AND STATE GOVT.AGENCIES AS ON 30.11.2017 (Figures in LMT)

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	Hired	Owned	CAP	Covered	Hired	Owned	CAP	
East	1	Bihar	3.66	4.25	1.00	0.00	7.91	1.00	15.61	23.52	1.00
	2	Jharkhand	0.67	2.47	0.05	0.00	3.14	0.05	0.37	3.51	0.05
	3	Orissa	3.12	2.20	0.00	0.00	5.32	-	8.77	14.09	-
	4	West Bengal	8.50	1.27	0.51	0.00	9.77	0.51	8.58	18.35	0.51
	5	Assam	3.00	0.95	0.00	0.00	3.95	-	-	3.95	-
N.E.	6	Arunachal Pd	0.24	0.02	0.00	0.00	0.26	-	-	0.26	-
	7	Meghalaya	0.13	0.09	0.00	0.00	0.22	-	-	0.22	-
	8	Mizoram	0.25	0.00	0.00	0.00	0.25	-	0.68	0.93	-
	9	Tripura	0.36	0.08	0.00	0.00	0.44	-	0.50	0.94	-
	10	Manipur	0.28	0.04	0.00	0.00	0.32	-	-	0.32	-
North	11	Nagaland	0.29	0.08	0.00	0.00	0.37	-	0.07	0.44	-
	12	Delhi	3.36	0.00	0.31	0.00	3.36	0.31	-	3.36	0.31
	13	Haryana	7.68	43.52	3.33	0.00	51.20	3.33	31.99	17.75	21.08
	14	Himachal Pd.	0.19	0.31	0.00	0.00	0.50	-	-	-	0.50
	15	J & K	1.03	1.66	0.10	0.00	2.69	0.10	-	-	2.69
South	16	Punjab	22.24	83.78	7.31	0.00	106.02	7.31	44.84	69.55	76.86
	17	Rajasthan	7.20	9.20	1.85	0.00	16.40	1.85	2.07	0.15	2.00
	18	Uttar Pradesh	14.95	31.40	5.19	0.00	46.35	5.19	7.52	-	5.19
	19	Uttarakhand	0.66	0.93	0.21	0.00	1.59	0.21	2.24	-	2.21
	20	Andhra Pradesh	7.36	0.60	1.60	0.00	7.96	1.60	18.93	-	1.60
West	21	Telangana	5.37	5.04	1.02	0.00	10.41	1.02	11.92	-	1.02
	22	Kerala	5.29	0.05	0.21	0.00	5.34	0.21	1.62	-	6.96
	23	Karnataka	3.81	2.99	1.36	0.00	6.80	1.36	2.71	-	9.51
	24	Tamil Nadu	6.24	3.90	0.31	0.00	10.14	0.31	10.61	10.65	10.96
	25	Gujarat	5.00	1.16	0.27	0.00	6.16	0.27	2.47	-	8.63
Grand Total	26	Maharashtra	8.85	8.61	1.02	0.00	17.46	1.02	15.47	-	33.13
	27	Goa	0.15	0.05	0.00	0.00	0.20	-	72.32	0.03	75.71
	28	Madhya Pradesh	3.37	0.02	0.36	0.00	3.39	0.36	8.08	-	14.82
	29	Chhattisgarh	5.12	1.62	0.01	0.00	6.74	0.01	267.37	98.13	602.03
	Total	128.37	206.29	26.02	-	334.66	26.02	360.68	365.50	726.18	124.15
Grand Total	334.66	26.02	360.68	365.50	726.18	124.15					

Annexure-VIII

STATE-WISE STATUS OF IMPLEMENTATION OF PEG SCHEME
AS ON 30.11.2017

(Figures in lakh MT)

SL	State	Capacity of Tenders finalized	Capacity completed	Capacity under construction	Capacity yet to start
1	Assam	0.50	0.25	0	0.25
2	Andhra Pradesh	1.13	0.88	0.25	0
3	Bihar	4.47	3.10	0.70	0.57
4	Chhattisgarh	5.42	5.37	0.05	0
5	Gujarat	0.50	0.50	0	0
6	Haryana	35.00	34.35	0.32	0.33
7	Himachal Pradesh	1.24	0.24	0.88	0.12
8	Jammu & Kashmir	2.41	1.55	0.86	0
9	Jharkhand	3.48	1.93	0.45	1.10
10	Karnataka	2.41	2.41	0	0
11	Kerala	0.05	0.05	0	0
12	Madhya Pradesh	13.80	12.84	0.96	0
13	Maharashtra	5.65	5.65	0	0
14	Odisha	3.60	3.15	0.38	0.07
15	Punjab	44.93	44.93	0	0
16	Rajasthan	2.35	2.20	0.15	0
17	Tamil Nadu	2.65	2.00	0.55	0.10
18	Telangana	3.19	2.69	0.50	0
19	Uttarakhand	0.10	0	0.10	0
20	Uttar Pradesh	15.26	13.99	1.92	0.35
21	West Bengal	2.85	1.74	0.60	0.51
Total		150.99	139.92	7.67	3.40

Annexure-IX

THE PROJECTED PHYSICAL AND FINANCIAL TARGETS FOR 2017-20

Agency	States	2017-18		2018-19		2019-20		Total	
		Physical (in MT)	Financial (₹ in Cr.)	Physical (in MT)	Financial (₹ in Cr.)	Physical (in MT)	Financial (₹ in Cr.)	Physical (in MT)	Financial (₹ in Cr.)
FCI	Assam	10000	25.00	20000	66.25	12500	33.20	42500	124.45
	Arunachal Pradesh	5010	5.00	1120	5.45	0	0.00	6130	10.45
	Manipur	20000	7.00	5000	34.13	0	2.35	25000	43.48
	Meghalaya	2500	3.00	5000	6.03	0	4.00	7500	13.03
	Mizoram	0	0.00	0	0.00	10000	40.00	10000	40.00
	Nagaland	4590	2.00	0	0.48	0	0.00	4590	2.48
	Sikkim	0	0.00	0	0.00	3500	5.80	3500	5.80
	Tripura	0	5.00	10000	35.00	10000	35.72	20000	75.72
	Total NE	42100	47.00	41120	147.34	36000	121.07	119220	315.41
	Himachal Pradesh	3980	6.98	5580	11.00	1660	4.72	11220	22.70
	Kerala	15000	9.99	0	1.64	0	0.00	15000	11.63
	Jharkhand	0	13.50	15000	19.50	50000	37.25	65000	70.25
	Total ONE	18980	30.47	20580	32.14	51660	41.97	91220	104.58
	Total (NE + ONE)	61,080	77.47	61,700	179.48	87,660	163.04	2,10,440	419.99
Total after taking into account unspent balance from XII th FYP (-₹ 40.28 Cr.)									379.71
State Govts.	Assam	6000	13.61	20000	9.13	5000	5.32	31000	28.06
	Arunachal Pradesh	275	8.04	1920	2.71	1405	8.07	3600	18.82
	Nagaland	3840	4.00	0	0.00	0	0.00	3840	4.00
	Sikkim	1750	10.00	1200	11.21	500	3.92	3450	25.13
	Total	11865	35.65	23120	23.05	6905	17.31	41890	76.01
Grand Total (FCI + State Govt.)		72,945	113.12	84820	202.53	94,565	180.35	2,52,330	455.72

Annexure-X

STORAGE CAPACITY AVAILABLE WITH FCI AND THE PERCENTAGE UTILISATION

(in lakh MT)

Position as on	Covered			CAP			Grand Total	% age utilization
	Owned	Hired	Total	Owned	Hired	Total		
30.06.2013	129.96	225.23	355.19	26.37	10.23	36.60	391.79	84
30.06.2014	130.09	224.03	354.12	26.38	6.90	33.28	387.40	82
30.06.2015	127.40	217.90	345.30	26.02	1.68	27.70	373.00	82
30.06.2016	128.13	207.10	335.23	26.02	0.66	26.68	361.91	77
30.06.2017	128.13	209.29	337.52	26.02	0.00	26.02	363.54	82

IMPLEMENTATION OF RECOMMENDATIONS OF DR. RANGARAJAN COMMITTEE

Issues	Gist of Recommendations	Status
Cane Area Reservation	Over a period of time, states should encourage development of market-based long-term contractual arrangements, and phase out cane reservation area and bonding. In the interim, the current system may continue.	States have been requested to consider the recommendations for implementation as deemed fit. So far, none of the States have taken action, current system continues. There is no reservation of area in Maharashtra
Minimum Distance Criteria	It is not in the interest of development of sugarcane farmers or the sugar sector, and may be dispensed with as and when a state does away with cane reservation area and bonding.	States have been requested to consider the recommendations for implementation as deemed fit. So far, none of the States have taken action, current system continues.
Sugarcane Price Revenue Sharing	Based on an analysis of the data available for the by-products (molasses and bagasse/cogeneration), the revenue-sharing ratio has been estimated to amount to roughly 75% of the ex-mill sugar price alone.	States have been requested to consider the recommendations for implementation as deemed fit. So far only Karnataka & Maharashtra have passed state Acts to implement this recommendation.
Levy Sugar	Levy sugar may be dispensed with. The states which want to provide sugar under PDS may henceforth procure it from the market directly according to their requirement and may also fix the issue price. However, since currently there is an implicit cross-subsidy on account of the levy, some level of Central support to help states meet the cost to be incurred on this account may be provided for a transitory period.	Central Government has abolished levy on sugar produce after 1 st October, 2012. Procurement for PDS operation is being made from the open market by the states/UTs and Government is providing a fixed subsidy @ ₹ 18.50 per kg for restricted coverage to AAY families only who will be provided 1 kg of sugar per family per month.
Regulated Release Mechanism	This mechanism is not serving any useful purpose, and may be dispensed with.	Release mechanism has been dispensed with.
Trade Policy	As per the committee, trade policies on sugar should be stable. Appropriate tariff instruments like a moderate export duty not exceeding 5 per cent ordinarily, as opposed to quantitative restrictions, should be used to meet domestic requirements of sugar in an economically efficient manner.	Import and export of sugar is free without quantitative restrictions, but subject to prevailing rate of custom duty. Import duty has been enhanced from 25% to 40% w.e.f. 29.4.2015; which has now been enhanced to 50% w.e.f. 10.07.2017. Custom duty @ 20% has been imposed on export of sugar vide Department of Revenue's notification no. 37/2016 dated 16.06.2016.
By-products	There should be no quantitative or movement restrictions on by products like molasses and ethanol. The prices of the by-products should be market-determined with no earmarked end-use allocations. There should be no regulatory hurdles preventing sugar mills from selling their surplus power to any consumer.	Excise duty on potable alcohol/ liquor is a major source of revenue for the State Govts. Restriction on movement of ethanol and levying of taxes and duties on it by State Governments continue to be an impediment in successful implementation of EBP. The Department of Industrial Policy and promotion has now amended the I (D&R) Act, 1951 vide notification No. 27 of 2016 dated 14.5.2016. With this amendment, the States can legislate, control and/or levy taxes and duties on liquor meant for human consumption only. Other than that i.e. denatured ethanol, which is not meant for human consumption, will be controlled by the Central Government only. With the amendment of I(D&R) Act, 1951 not only the movement of fuel grade ethanol will become smoother but the industry will be encouraged to produce more ethanol thereby increasing the blending percentage with petrol further.
Compulsory Jute Packing	May be dispensed with.	The compulsory packaging of sugar in jute bags has been relaxed further. Only 20% of the production is to be mandatorily packed in jute bags.

Annexure-XII

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

(in lakh MT)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17 (Provisional)
Carry- over opening stocks with sugar mills from Previous season	66.01	91.09	72.13	90.00	77.10
Production of Sugar	251.82	245.54	284.63	251.21	202.27
Imports	6.76	1.05	-	-	5.00
Estimated Total availability	324.59	337.68	356.76	341.21	284.37
Dispatches from mills for Internal consumption	230.00	243.00	256.00	247.61	244.25
Exports under OGL	3.5	22.55	12.00	16.50	0.50
Domestic Raw Despatches	-	-	-	-	-
Total Estimated releases/Dispatches	233.50	265.55	268.00	264.11	244.75
Estimated Closing Stocks with sugar mills at the end of season	91.09	72.13	88.76	77.10	39.62

Annexure-XIII

RECOVERY OF AMOUNT IN RESPECT OF LSPEF

Year	Credits	Transfer to FCI	Prog. Total
1976-1977	₹ 1,94,21,813.15	-	₹ 1,94,21,813.15
1977-1978	₹ 1,94,71,945.87	-	₹ 3,88,93,759.02
1978-1979	₹ 1,18,72,622.14	-	₹ 5,07,66,381.16
1979-1980	₹ 84,23,366.51	-	₹ 5,91,89,747.67
1980-1981	₹ 34,84,097.40	-	₹ 6,26,73,845.07
1981-1982	₹ 39,50,185.11	-	₹ 6,66,24,030.18
1982-1983	₹ 8,53,756.30	-	₹ 6,74,77,786.48
1983-1984	₹ 13,54,444.52	-	₹ 6,88,32,231.00
1983-1984	₹ 0.00	(-) ₹ 2,24,00,000	₹ 4,64,32,231.00
1984-1985	₹ 1,27,85,849.19	-	₹ 5,92,18,080.19
1985-1986	₹ 2,50,29,726.56	-	₹ 8,42,47,806.75
1986-1987	₹ 1,94,40,067.71	-	₹ 10,36,87,874.46
1987-1988	₹ 42,79,968.68	-	₹ 10,79,67,843.14
1988-1989	₹ 88,35,326.85	-	₹ 11,68,03,169.99
1989-1990	₹ 13,93,717.62	-	₹ 11,81,96,887.61
1990-1991	₹ 1,61,03,954.69	-	₹ 13,43,00,842.30
1991-1992	₹ 1,79,54,291.68	-	₹ 15,22,55,133.98
1992-1993	₹ 2,18,37,080.81	-	₹ 17,40,92,214.79
1993-1994	₹ 53,63,892.95	-	₹ 17,94,56,107.74
1994-1995	₹ 15,60,154.79	-	₹ 18,10,16,262.53
1995-1996	₹ 2,48,127.05	-	₹ 18,12,64,389.58
1996-1997	₹ 73,33,019.62	-	₹ 18,85,97,409.20
1997-1998	₹ 40,80,806.42	-	₹ 19,26,78,215.62
1998-1999	₹ 4,53,40,758.88	-	₹ 23,80,18,974.50
1999-2000	₹ 2,64,59,302.53	-	₹ 26,44,78,277.03
2000-2001	₹ 5,84,90,922.69	-	₹ 32,29,69,199.72
2001-2002	₹ 5,43,78,084.65	-	₹ 37,73,47,284.37
2002-2003	₹ 9,56,01,869.49	-	₹ 47,29,49,153.86
2003-2004	₹ 6,26,02,032.00	-	₹ 53,55,51,185.86
2004-2005	₹ 1,31,54,985.57	-	₹ 54,87,06,171.43
2005-2006	₹ 5,83,06,196.70	-	₹ 60,70,12,368.13
2006-2007	₹ 6,38,27,854.76	-	₹ 67,08,40,222.89
2007-2008	₹ 9,03,94,805.86	-	₹ 76,12,35,028.75
2008-2009	₹ 3,78,59,404.00	-	₹ 79,90,94,432.75
2009-2010	₹ 12,64,62,637.00	-	₹ 92,55,57,069.75
2010-2011	₹ 5,07,52,539.74	-	₹ 97,63,09,609.49
2011-2012	₹ 15,62,79,443.60	-	₹ 1,13,25,89,053.09
2012-2013	₹ 9,26,00,848.30	-	₹ 1,22,51,89,901.39
2013-2014	₹ 6,35,58,586.94	-	₹ 1,28,87,48,488.33
2014-2015	₹ 3,52,38,444.28	-	₹ 1,32,39,86,932.61
2015-2016	₹ 4,78,57,403.10	-	₹ 1,37,18,44,335.71
2016-2017	₹ 13,90,00,705.24	(-) ₹ 79,49,482.12	₹ 1,50,28,95,558.83
2017-2018 (upto 31.12.2017)	₹ 8,47,40,853.49		₹ 1,58,76,36,412.32
TOTAL	₹ 1,61,79,85,894.44		

BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND

Scheme	Modernisation/ Rehabilitation	Cane Development	Cogeneration	Ethanol
Purpose	For carrying out modernisation and expansion of sugar factory	For undertaking any scheme for development of sugarcane in the area in which sugar factory is situated.	To implement a project of bagasse-based co-generation of power.	To a sugar factory for production of anhydrous alcohol or ethanol from molasses.
SDF Loan	40% of the project cost	Maximum ₹ 5.40 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)
Rate of interest	2% per annum below the Bank Rate (as notified by RBI) prevailing on the date of release			
Moratorium	5 years	3 years	3 years	1 year
Repayment	Loan along with interest due thereon shall be recoverable in half yearly instalments not exceeding ten. Commencement of repayment- after 1 year from the date of repayment/ payment of institutional loan and interest in full or on the expiry of 5 years from the date of disbursement, whichever earlier.	Loan shall be repaid in equal half yearly instalments 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 drawal of loan	Loan shall be repaid in half yearly instalments 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 instalment of the repayment of the principal.	Loan from the Fund along with the interest due thereon shall be recovered in half-yearly instalments 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.
Loan disbursed during the year 2017-18. (Upto 31.12.2017)	₹ 94.44 crore (BE ₹ 150 crore)	₹ 8.72 crore (BE ₹ 25 crore)	₹ 194.01 crore (BE ₹ 200 crore)	₹ 35.35 crore (BE ₹ 100 crore)
Loan disbursed so far since inception (upto 31.12.2017)	₹ 3276.05 crore	₹ 1067.44 crore	₹ 2965.94 crore	₹ 772.53 crore

Annexure-XV

DISBURSEMENT FOR THE FY 2017-18 (AS ON 31.12.2017)

Sl. No.	Name of Sugar Factory	Scheme	Amt Released (in ₹)
1	M/s Gobind Sugar Mills Ltd. P.O. aira Estate, Dist. Lakhimpur Kheri, Uttar Pradesh	Cogeneration	₹ 37,11,40,000.00
2	M/s Shri Siddheshwar Sahakari Sakhar Karkhana Ltd., At Kumathe, Taluka North Solapur, Dist Solapur, Maharashtra – 413224	Cogeneration	₹ 20,03,94,400.00
3	M/s The Krishna Sahakari Sakkarre Karkhana, Niyamit, At Post-Sankontti, Taluk-Athani, Distt.-Belguam, Karnataka	Cogeneration	₹ 18,52,81,000.00
4	M/s Dnyaneshwar SSK Ltd. Dnyaneshwarnagar-414605, Tal-Newasa, Dist. Ahmednagar, Maharashtra	Cogeneration	₹ 24,22,80,000.00
5	M/s Jai Hind Sugars Pvt. Ltd. Achegaon, Taluka - South Solapur, Dist. Solapur, Maharashtra	Cogeneration	₹ 6,33,70,000.00
6	M/s Shri Sai Priya Sugars Ltd., Veerbhadreshwar Nilaya, Siddarameshwar Colony, Kudachi Road, at Post & Tal Jamkhandi, Dist. Bagalkot, Karnataka	Cogeneration	₹ 33,55,63,500.00
7	M/s. NSL Sugars Ltd. – Unit-II (Lessee of Sahakare Sakkare Karkhane Niyamit, Aland) Village Bhusanoor Taluk Aland District Gulbarga, Karnataka	Cogeneration	₹ 26,00,74,000.00
8	M/s Bannari Amman Sugars Limited, Kunthur Village, Kollegal Taluk, Chamrajnagar District, Karnataka-571440	Cogeneration	₹ 6,66,000.00
9	M/s DCM Shriram, Ajbapur, U.P.	Cogeneration	₹ 17,65,96,100.00
10	M/s Bannari Amman Sugars Limited, Kunthur Village, Kollegal Taluk, Chamrajnagar District, Karnataka-571440	Cogeneration	₹ 10,47,20,500.00
Total			₹ 1,94,00,85,500.00
1	M/s.Bannari Amman Sugars Ltd., Kunthur village, Kollegal Taluk, Chamrajnagar district, Karnataka	Modernization	₹ 25,60,17,894.00
2	M/s Shri Sai Priya Sugars Ltd., Veerbhadreshwar Nilaya, Siddarameshwar Colony, Kudachi Road, at Post & Tal Jamkhandi, Dist. Bagalkot, Karnataka	Modernization	₹ 32,03,64,000.00
3	M/s. NSL Sugars Ltd. – Unit-II (Lessee of Sahakare Sakkare Karkhane Niyamit, Aland) Village Bhusanoor Taluk Aland District Gulbarga, Karnataka	Modernization	₹ 5,65,07,206.00
4	M/s EID Parry (I) Ltd., Dist. Nellikuppam, Cuddalore, Tamil Nadu	Modernization	₹ 10,80,00,000.00
5	M/s Siddhi Sugar and Allied Industries Ltd., Ujana, Tal. Ahmedpur, Dist. Latur, Maharashtra	Modernization	₹ 7,70,00,000.00
6	M/s. NSL Sugars Ltd. – Unit-II (Lessee of Sahakare Sakkare Karkhane Niyamit, Aland) Village Bhusanoor Taluk Aland District Gulbarga, Karnataka	Modernization	₹ 12,64,92,794.00
Total			₹ 94,43,81,894.00
1	M/s Sitaram Maharaj Sakhar Karkhana (Khardi) Ltd. Khardi, Taluka-Pandharpur, Dist. Solapur, Maharashtra	Cane Development	₹ 1,80,00,000.00
2	M/s Bhairavnath Sugar Work Ltd. At Sonari, Taluka Paranda dist-Osamanabad, Maharashtra	Cane Development	₹ 1,77,21,000.00
3	M/s Bhairavnath Sugar Work Ltd. Unit 2, At Vihal, Taluka karmala dist-Solapur, Maharashtra	Cane Development	₹ 1,77,21,000.00
4	M/s Prabhulingeshwar Sugars & Chemicals Ltd., Siddapur, Tq. Jamkhandi Dist: Bagalkot, Karnataka-587302	Cane Development	₹ 99,00,000.00
5	M/s EDI Parry (India) Ltd. sugar Unit at Hullati Village, Haliyal Taluk, Uttara kannada District, Karnataka	Cane Development	₹ 2,38,95,000.00
Total			₹ 8,72,37,000.00
1	M/s Kisan Sahakari Chini Mills Ltd. Sneh Road, Najibabad, Bijnor, Uttar pradesh	Ethanol/ZLD	₹ 6,28,07,000.00
2	M/s Krantiagrani Dr. G.D. Bapu Lad SSK Ltd. Kundal Taluka- Palus, Distt, Sangli, Maharshtra	Ethanol/ZLD	₹ 12,01,77,500.00
3	M/s Jakraya Sugar Ltd.watwale, Taluka Mohol, District- Solapur, Maharashtra	Ethanol/ZLD	₹ 10,76,74,000.00
4	M/s Kisan Sahakari Chini Mills Ltd. Sneh Road, Najibabad, Bijnor, Uttar pradesh	Ethanol/ZLD	₹ 6,28,07,000.00
Total			₹ 35,34,65,500.00
1	(TUFS cell) State Bank of India, NGN Vidya Marg, Hariman Circle, Mumbai-400001	SEFASU-2014	₹ 2,10,68,29,187.00
Total			₹ 2,10,68,29,187.00
1	(TUFS cell) State Bank of India, NGN Vidya Marg, Hariman Circle, Mumbai-400001	Soft Loan 2015	₹ 6,36,00,000.00
Total			₹ 6,36,00,000.00

Annexure-XVI

ESTIMATED DOMESTIC PRODUCTION, IMPORT AND TOTAL AVAILABILITY OF EDIBLE OILS (OILS-WISE) DURING THE YEARS

2013-14, 2014-15, 2015-16, 2016-17
(NOVEMBER TO OCTOBER)

(Quantity in Lakh MT)

Name of Oilseed	2013-14		2014-15		2015-16*			2016-17**				
	Oilseed	Oil	Oilseed	Oil	Oilseed			Oil	Oilseed			
					Kharif	Rabi	Total		Kharif	Rabi	Total	Oil
A. Primary Source												
Rapeseed/Mustard	78.77	24.42	62.82	19.47	-	67.97	67.97	21.08	-	79.77	79.77	24.74
Soyabean	118.60	18.97	103.74	16.60	85.70	-	85.70	13.73	137.94	-	137.94	22.10
Groundnut	97.14	22.34	74.02	17.02	53.68	13.65	67.33	15.27	62.21	13.43	75.65	17.16
Sunflower	5.04	1.66	4.34	1.43	0.66	2.30	2.96	0.98	0.97	1.43	2.41	0.80
Sesame	7.15	2.21	8.68	2.57	8.50	-	8.50	2.65	7.84	-	7.84	2.45
Niger Seed	0.98	0.29	0.76	0.23	0.74	-	0.74	0.21	0.83	-	0.83	0.24
Safflower Seed	1.13	0.31	0.90	0.27	-	0.53	0.53	0.15	-	0.78	0.78	0.22
Castor	17.27	6.91	18.70	7.48	17.52	-	17.52	6.16	14.21	-	14.21	4.99
Linseed	1.41	0.41	1.55	0.47	-	1.25	1.25	0.32	-	1.54	1.54	0.39
Sub Total	327.49	77.52	275.11	65.54	166.80	85.70	252.50	60.55	224.01	96.95	320.97	73.09
B. Secondary Source												
Coconut		5.3		4.8	-	-	-	4.32	-	-	-	5.20
Palm Oil		1.38		1.71	-	-	-	1.98	-	-	-	2.30
Cottonseed		12.40		12.15	-	-	-	10.05	-	-	-	12.24
Rice Bran		8.1		9.2	-	-	-	9.9	-	-	-	10.31
Solvent Extracted Oils		3.1		3.0	-	-	-	3.5	-	-	-	2.85
Tree & Forest Origin		1.2		1.6	-	-	-	1.5	-	-	-	1.5
Sub Total		31.48		32.46	-	-	-	31.25	-	-	-	34.40
Total (A+B)		109.00		98.00	-	-	-	91.87	-	-	-	107.49
C. Less: Export & Industrial Use		7.10		5.94	-	-	-	5.50	-	-	-	6.50
D. Net Domestic Availability		101.90		92.06	-	-	-	86.30	-	-	-	100.99
E. Import Of Edible Oils \$		109.76		138.53	-	-	-	148.50	-	-	-	112.29 (upto July, 17)
F. Total Availability/ Consumption Of Edible Oils From Domestic And Import Sources		211.66		230.59	-	-	-	234.80	-	-	-	

* Based on Final Estimates (declared by Ministry of Agriculture on 15.02.2017).

** Based on 4th Advance Estimates (declared by Ministry of Agriculture on 16.08.2017).

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

POSITION OF PENDING AUDIT PARAS (As on 04.01.2018)

Total No. of Paras	Reply sent to CAG	Submitted to PAC/COPU
25	5	20

SUMMARY OF THE PENDING AUDIT PARAS CIVIL 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% of the total procurement during 2012-13.

Action Taken by the Department: Comments of concerned Divisions of this Department as well as State Governments were sought on the recommendations/observations contained in the Report which has been received. Accordingly, para-wise reply/ATN has been sent to C&AG on 08.02.2017. C&AG vide letter dated 22.11.2017 has furnished the first vetting remarks. The vetting remarks of the audit have been forwarded to the concerned Departments/States/Divisions for comments on 01.12.2017.

COMMERCIAL PARAS

Para No. 6.5 of Report No. 3 of 2011-12: Irregular payment of VAT to Yanam Rice Millers (₹ 7.04 Cr.):

Government of Andhra Pradesh got the paddy milled by rice mills in Yanam (Puducherry) and delivers the rice to FCI. The FCI paid procurement price of levy rice along with CST to these millers. The Puducherry VAT Act, 2007 exempted foodgrains including rice and

pulses from VAT. Hence tax was not payable to these millers by FCI. This tax was not remitted by Yanam millers to Government of Andhra Pradesh. As such, FCI paid ₹ 7.04 crore of irregular payment as tax.

Action Taken by the Department: Vetting remarks from Audit received and same has been sent to FCI on 14.12.2015 for furnishing updated status. The matter is subjudice. FCI has intimated that Yanam Rice Millers Court Cases has been posted for hearing on 29.12.2017 in the District Court, Kakinada. Updates are awaited from FCI.

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

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

Action taken by the Department: The matter is subjudice. FCI intimated vide their letter dated 23.06.2014 that the liable party has requested a meeting for fixation of settlement of amount as party has not found feasible the high interest imposed by FCI. The party has proposed to make the payment of actual amount (Principal) if FCI agree the same. GM (Gujarat) has in the meanwhile, directed the AGM (Port Office) to file money suit against M/s Kailash Enterprises at Gandhi Nagar Court and to explore the possibility of recovery of the dues through the Revenue Recovery Act. The ED (West) also formed a Committee of three senior officers to look into the counter claim raised by SCH&T contractor, report of which is awaited.

FCI, Regional Office, Ahmadabad vide e-mail dated

22.06.2016 informed that Govt. has ordered to set up one Commercial Tribunal at Rajkot for cases having value more than ₹ 1 crore. Since the money suit filed by FCI at Gandhidham Court is having recovery value of more than ₹ 12 crore, the same has been transferred from Gandhidham Court to Commercial Tribunal Court, Rajkot. Now Rajkot Tribunal will issue notice for hearing and further hearing in aforesaid case will be heard by Commercial Tribunal, Rajkot. FCI vide letter dated 13.12.2017 has informed that in the matter of SCS No.40/2016 (Money suit), hearing have been completed for submission of documents by M/s Kailash Enterprises & the matter has been adjourned for 21.12.2017. On hearing on 21.12.2017, the Hon'ble Court has fixed next date on 25.01.2018 and FCI's final decision or the suggestion of the Hon'ble Judge is to be apprised by this Department. Further, FCI vide e-mail dated 12.12.2017 has informed that in CC No. 4698/2015, the Hon'ble Court adjourned the matter to 10.01.2018.

Para No. 6.1 of Report No. 21 of 2015: Excess payment on gunny depreciation

FCI made excess payment of ₹ 11.53 crore on gunny depreciation to State Government and their agencies during KMS 2010-11 to 2012-13 on purchase of Custom Milled Rice.

Action taken by the Department: ATN sent to Audit on 19.02.2015. Further, vetting remarks of Audit received on 02.09.2015 and sent to FCI for their comments on 03.09.2015. FCI furnished their comments vide letter dated 05.01.2016. Accordingly, ATN dully concurred in, was sent to Audit. Further vetting remarks of Audit received and the same was sent to FCI on 27.05.2016 for comments. Based on the reply received from FCI, ATN duly vetted by IFD was sent to Audit on 10.10.2016. Revised ATN conveying the updated recovery position has been sent on 18.01.2017. No response received from the Audit. Letter dated 01.01.2018 sent to Audit for response on the ATN. FCI has also been requested to furnish the updated information.

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

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: ATN was forwarded to C&AG vide this Department's letter dated 25.05.2017. In response, C&AG vide letter dated 09.08.2017 rejected the request of this Department to drop the para alongwith verification remarks. Letter sent to FCI on 12.09.2017 seeking ATN consisting complete details of ₹ 80 lakh. FCI vide letter dated 29.12.2017 has furnished an updated ATN alongwith details of balance amount of ₹ 80 lakh alongwith detail sheet of interest claim settled/untenable/balance. Accordingly, ATN has been prepared and the file is under submission.

Para No. 5.5 of Report No. 21 of 2015: Avoidable payment of terminal charges

FCI paid to the Railways non-leviable destination terminal charges amounting to ₹ 5.01 crore in respect of its own siding from July, 2007 to March, 2013.

Action taken by the Department: ATN sent to Audit vide letter dated 16.02.2016 for vetting. Verification remarks of Audit received on 06.05.2016, which was sent to FCI for comments/follow up action on 11.05.2016. FCI vide letter dated 20.06.2016 furnished their comments. After detailed deliberation with FCI, Audit was requested vide letter dated 29.11.2016 to furnish necessary details of FCI sidings. Details of FCI sidings were sent to FCI and reply from FCI has been sent to Audit vide letter dated 20.03.2017. Vetting remarks received from Audit has been sent to FCI for comments, vide letter dated 25.07.2017. Reply has been received from FCI on 27.09.2017. Reply to vetting remarks sent to Audit vide letter dated 20.12.2017

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

While finalising tenders for export of wheat, Food Corporation of India did not compare the rates offered at different ports, which resulted in short realisation to the tune of ₹ 13.75 crore. The Corporation also incurred avoidable expenditure of ₹ 20.67 crore due to bulking of stock at ports and the balance stock not exported was transported back to various depots. Excess payment of ₹ 6.22 crore was also made to Handling and Transport (H&T) contactors due to application of wrong clause. Unjustified payment of ₹ 8.01 crore was also made to Clearing and Handling Agents (CHAs) for work under their scope but not carried out by the CHAs. Failure to

pursue claims timely and vigorously resulted in non-receipt of Service Tax Refund from Central Public Sector Undertakings (CPSUs) amounting to ₹ 20.09 crore.

Action taken by the Department: FCI was requested to furnish complete reply of all sub-pars of para No.5.1. FCI's reply received and based on the same, ATN has been sent to the Audit on 31.01.2017. Vetting remarks of C&AG has been received vide letter dated 02.06.2017, which was examined in consultation with FCI. Further clarification has been sought from FCI vide letter dated 09.10.2017. {In respect of sub-para No.5.1.2.1(a), 5.1.2.1(b), 5.1.2.3(a), 5.1.2.3(b), 5.1.2.3(d), 5.1.2.3(f) and 5.1.2.3(i)} 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) have been sent to the Audit vide letter dated 25.10.2017. ATN on the remaining sub-paras has been sent to Audit on 02.01.2018

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

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

Action taken by the Department: A copy of the vetting remarks of C&AG forwarded to FCI. Comments of FCI had been received and forwarded to the Comptroller and Auditor General of India for vetting. Further, CAG has returned the same with the remarks that C&AG is not satisfied with the reply of FCI. The same was forwarded to FCI for reply. Further, clarification sought from FCI on 21.12.2017. Revised reply of FCI has been received on 07.12.2017 which is under consideration.

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

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

Action taken by the Department: Comments/ATN has been received from FCI. The matter has been processed in concurrence of IFD and sent to CAG vide letter dated 06.03.2017 for dropping the Para. Vetting remarks of the Audit received vide letter dated 28.04.2017. The reply received from FCI vide letter dated 25.05.2017 was not covering all points/issues raised by the audit in its vetting remarks. Hence, FCI was requested again to furnish specific comments on all the observations. Reply received from FCI on 11.07.2017. ATN sent to the Audit on 21.07.2017.

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: FCI was asked to furnish comments in ATN format vide letter dated 7.11.2016 and subsequent reminders dated 25.11.2016, 16.12.2016 and D. O. letter dated 20.01.2017. Reply/comments furnished by FCI vide letter dated 01.02.2017 was incomplete. FCI was reminded vide letter dated 20.02.2017, 20.03.2017 and 04.05.2017. Reply of FCI

received on 23.06.2017 was incomplete. FCI has been asked to furnish complete information vide letter dated 14.08.2017 and 05.09.2017. Reply received from FCI on 27.09.2017. ATN sent to C&AG on 13.11.2017.

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

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

Action taken by the Department: FCI was asked to furnish comments in ATN format vide letter dated 07.11.2016 and subsequent reminder dated 25.11.2016 and 16.12.2016. Reply received from FCI vide letter dated 10.01.2017. ATN sent to Audit vide letter dated 20.01.2017. So far no response received from the Audit. Audit has been asked to furnish verification remarks vide letter dated 30.08.2017 & 02.11.2017 and email dated 17.11.2017 and 29.11.2017. Reply of the Audit is awaited.

Report No.18 of 2017: Compliance audit Union Government Food Corporation of India Reports of Ministry of Consumer Affairs, Food and Public Distribution

This Report contains results of three areas covered in audit viz. Debt Management, Labour Management and 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.

Action taken by the Department: New para/report. ATN/reply was sought from FCI vide letter dated 31.08.2017. In response, FCI furnished ATN/Reply vide letter dated 19.09.2017. Comments of FCI and concerned Divisions have been incorporated in the ATN/Reply to be sent to C&AG.

Para No. 6.1.12 of Report No. 3 of 2005: Irregular refund without ensuring interest of the Corporation – UP (₹ 75 lakh)

The zonal management of FCI refunded ₹ 75 lakh to a private party without ensuring the interest of the Corporation.

Action taken by the Department: C&AG vide their letter dated 07.09.2017 have sent back the ATN with their observations and have mentioned that since the ATN's have been forwarded thrice by this Department to C&AG for vetting, the observations of the C&AG on the Para may be sent to COPU. File for sending all the three Action Taken Notes submitted by the Department to C&AG for vetting alongwith the observations/vetting remarks of the Audit has been submitted separately for obtaining the approval of Hon'ble Minister before sending it to COPU. Hon'ble MoS, CA&FPD has desired some clarifications which are to be pursued with FCI.





Hon'ble Minister for consumer Affairs, Food and Public Distribution, Shri Ram Vilas Paswan lighting the lamp to inaugurate the National Level Conference on PDS Reforms and Cashless Environment



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