

6

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2020-2021)**

SEVENTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

{Action Taken by the Government on the observations/ recommendations contained in the Second Report of the Committee (2019-2020) on Demands for Grants (2019-20) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)

SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2021/ Magha 1942 (Saka)

SIXTH REPORT

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2020-2021)**

(SEVENTEENTH LOK SABHA)

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

{Action Taken by the Government on the observations/ recommendations contained in the Second Report of the Committee (2019-2020) on Demands for Grants (2019-20) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)}

Presented to Lok Sabha on 10.02.2021

Laid in Rajya Sabha on 10.02.2021



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2021/ Magha 1942 (Saka)

CONTENTS

Composition of the Committee	(iv)
INTRODUCTION	(vi)
Chapter I Report.....	1
Chapter II Observations/Recommendations which have been accepted by the Government.....	31
Chapter III Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies.....	50
Chapter IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee	53
Chapter V Observations/Recommendations in respect of which final replies of the Government are still awaited.....	56

APPENDICES

(I) Minutes of Fifth sitting of the Committee held on 16.12.2020	59
(II) Analysis of the action taken by the Government on the observations/recommendations contained in the Second Report of the Standing Committee on Food, Consumer Affairs and Public Distribution (2019-2020)	61

Composition of the Standing Committee on Food, Consumer Affairs and Public Distribution (2020-2021):-

Shri Sudip Bandyopadhyay, Chairperson

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Karadi Sanganna Amarappa
4. Shri Girish Bhalchandra Bapat
5. Shri G. S. Basavaraj
6. Shri Shafiqur Rahman Barq
7. Ms. Pratima Bhoumik
8. Shri Anil Firojiya
9. Shri Rajendra Dhedy Gavitt
10. Shri Bhagwant Mann
11. Shri Khagen Murmu
12. Shri Mitesh Rameshbhai (Bakabhai) Patel
13. Shri Subrat Pathak
14. Dr. Sanjeev Kumar Singari
15. Smt. Himadri Singh
16. Smt. Kavita Singh
17. Shri Ganesan Selvam
18. Shri Ajay Misra Teni
19. Shri Saptagiri Ulaka
20. Shri Rajmohan Unnithan
21. Shri Ve.Vaithilingam

Rajya Sabha

22. Smt. Shanta Chhetri
23. Shri Satish Chandra Dubey
24. Smt. Roopa Ganguly
25. Shri K. G. Kenye
26. Dr. Fauzia Khan
27. Smt. M. C. Mary Kom
28. Shri Rajmani Patel
29. Shri Sakaldeep Rajbhar
30. Dr. Anbumani Ramadoss
31. Vacant

LOK SABHA SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri Khakhai Zou - Additional Director
4. Smt. Darshana Gulati Khanduja - Executive Officer

Composition of the Standing Committee on Food, Consumer Affairs and Public Distribution (2019-2020) :-

Shri Sudip Bandyopadhyay, Chairperson

LOK SABHA

2. Shri Karadi Sanganna Amarappa
3. Shri C. N. Annadurai
4. Shri Girish Bhalchandra Bapat
5. Shri G. S. Basavaraj
6. Ms. Pratima Bhoumik
7. Smt. Pramila Bisoyi
8. Shri Anil Firojiya
9. Shri Rajendra Dhedya Gavit
10. Shri Bhagwant Mann
11. Shri Khagen Murmu
12. Shri Mitesh Rameshbhai (Bakabhai) Patel
13. Shri Subrat Pathak
14. Shri Manne Srinivas Reddy
15. Dr. Sanjeev Kumar Singari
16. Smt. Himadri Singh
17. Smt. Kavita Singh
18. Shri Ajay Misra Teni
19. Shri Saptagiri Ulaka
20. Shri Rajmohan Unnithan
21. Shri Ve. Vaithilingam

RAJYA SABHA

22. Dr. (Smt.) Fauzia Tahseen Ahmed#
23. Smt. Shanta Chhetri
24. Shri Satish Chandra Dubey@
25. Smt. Roopa Ganguly\$
26. Shri K. G. Kenye
27. Smt. M. C. Mary Kom
28. Shri Rajmani Patel
29. Shri Sakaldeep Rajbhar
30. Dr. Anbumani Ramadoss
31. Shri Veer Singh

LOK SABHA SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri Khakhai Zou - Additional Director
4. Smt. Darshana Gulati Khanduja - Executive Officer

@ Nominated to the Committee w.e.f. 04.02.2020.

Vice Shri Amar Shankar Sable retired from Rajya Sabha w.e.f. 02.04.2020 and Dr. (Smt.) Fauzia Tahseen Ahmed nominated to the Committee w.e.f. 23.07.2020.

\$ Nominated to the Committee w.e.f. 23.07.2020

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2020-2021) having been authorized by the Committee to submit the Report on their behalf, present this Sixth Report on Action Taken by the Government on the Observations/Recommendations contained in the Second Report of the Committee (2019-2020) on Demands for Grants (2019-20) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Second Report was presented to Lok Sabha and laid in Rajya Sabha on 10.12.2019. The Government have furnished their replies indicating Action Taken on the recommendations contained in the Report on 4 March, 2020.

3. The Report was considered and adopted by the Committee at their sitting held on 16.12.2020.

4. An analysis of the action taken by the Government on Observations/Recommendations contained in the Report is given in **Appendix II**.

5. For facility of reference and convenience, the Observations/Comments of the Committee have been printed in thick type in the text of the Report.

**NEW DELHI;
16 DECEMBER, 2020
25 Agrahayana 1942 (Saka)**

**SUDIP BANDYOPADHYAY,
CHAIRPERSON,
Standing Committee on Food,
Consumer Affairs and Public Distribution.**

REPORT

CHAPTER - I

This Report of the Standing Committee on Food, Consumer Affairs and Public Distribution deals with the action taken by the Government on the Observations/Recommendations contained in the Second Report of the Committee (2019-2020), (17th Lok Sabha) on Demands for Grants (2019-20) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)

1.2 The Second Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 10.12.2019. It contained 16 observations/ recommendations. Action taken replies in respect of all the 16 observations/recommendations contained in the Report have been received and these have been categorized as follows:-

- (i) Recommendations which have been accepted by the Government -

Para Nos.:- 1.4, 3.4, 4.12, 4.13, 4.21, 4.33, 4.38, 4.41, 5.6, 5.23 and 6.5

- (ii) Recommendations which the Committee do not desire to pursue in view of the replies received from the Government -

Para Nos.:- 5.12 and 6.12

- (iii) Recommendations in respect of which replies of the Government have not been accepted by the Committee -

Para Nos.:- 5.22 and 6.16

- (iv) Recommendations in respect of which the interim replies of the Government have been received -

Para No. :- 5.29

1.3 The Committee desire that action taken notes on the Observations/Recommendations contained in Chapter I and final replies in

respect of recommendation for which only interim reply has been given by the Government, be furnished to the Committee expeditiously.

1.4 The Committee will now deal with action taken by the Government on some of the recommendations.

A. Need to implement online procurement system by FCI and other procuring State agencies

Recommendation (Para No. 4.12)

1.5 The Committee in their original report observed/recommended as follows:-

"The Committee note that the Food Corporation of India (FCI) along with the State Government agencies undertake procurement of foodgrains in the country to ensure Minimum Support Price (MSP) to the farmers and availability of foodgrains to the weaker sections at affordable prices. The Committee are given to understand that very good system of procurement has been made in some States where FCI or other State agencies register the farmers who want to sell their produce to them and also inform the farmers about the date and the centre on which they have to come for selling their produce. A limited number of farmers are called on a day to ensure that the farmers are not required to wait in long queues and avoid heavy rush. The Committee appreciate the steps taken by the Government and desire that the Department should take vigorous steps to implement this system in all the States/UTs. At the same time, the Committee also note that small farmers do not generally get information about registrations system and they are unable to avail the facility. In this context, the Committee desire that the FCI or State agencies should make adequate publicity in advance for registration of the farmers and sufficient time should also be given to them to come forward to sell their produce at the procurement centres. The Committee also desire that the farmers should be paid instantly for their produce sold at the procurement centres and should be compensated for any delay in this regard.

The Committee further observe that the farmers are not getting the Minimum Support Price (MSP) as declared by the Government and there are intermediaries/vyaparis in the Mandis who, in connivance with the FCI/State agencies officials somehow convince the farmers to sell their foodgrains at less price than MSP. The poor farmers are denied the benefits of MSP as declared by Government while the intermediaries/vyaparis make huge profits at the cost of the ignorant

farmers. The Committee, therefore, strongly recommend that the Government in coordination with States/UTs should look into the matter seriously on top priority in the interest of the farmers. The coordinated plan/efforts made in this regard be apprised to the Committee.”

1.6 The Ministry in its action taken reply has stated as under:-

"The Government of India/FCI along with various State Governments formulate procurement plan to procure foodgrains from the farmers. The steps taken to ensure remunerative price to farmers are:

- The Minimum Support Price (MSP) is announced by the Government of India at the beginning of the sowing season of crops on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) which determines the MSP based on the input costs and margin to farmers. FCI and State Govt. Agencies procure the foodgrains at MSP fixed by GOI.
- MSP (Minimum Support Price) operations are given wide publicity through pamphlets, banners, sign boards, radio, TV and advertisements through print & electronic media.
- Farmers are made aware of the quality specifications and purchase system etc. to facilitate the farmers to bring their produce conforming to the specifications.
- Procurement centres are opened by respective State Govt. Agencies/FCI taking into account the production, marketable surplus, convenience of farmers and availability of other logistics/infrastructure such as storage and transportation etc. Large number of temporary purchase centres in addition to the existing Mandis and depots/godowns are also established at key points for the convenience of the farmers.
- GOI decided to do away with the levy system of procurement of rice with effect from Kharif Marketing Season (KMS 2015-16), allowing the entire procurement of paddy to be done only by the State Agencies/FCI so that farmers directly get MSP announced by GOI.
- Payment to farmers is done largely through electronic mode or Account payee cheque by State Agencies/FCI other than in Punjab & Haryana where it is made to Arthiyas as per APMC Acts of the respective State.

Efforts are being made to make the payments to the farmers within 48 hours of purchase.

FCI and many State Governments have developed their own Online Procurement System which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. The other States have also been encouraged to procure the produce of the farmers online.

Through Depot Online System of FCI, farmers get latest/updated information regarding MSP declared, nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This not only reduces the waiting period for delivery of stock by the farmers but also enables the farmer to deliver stock as per his convenience in the nearest mandi. MSP is released through either electronic mode or Account payee cheque directly to the bank accounts of the farmers except in Punjab & Haryana where as per APMC Acts of the respective State, payment is made to Arthiyas.”

1.7 In their Original Report, the Committee had observed that farmers in Mandis are deprived of the benefits of Minimum Support Price (MSP) and intermediaries/Vyaparies are making huge profits at the cost of ignorant farmers. In the Action Taken Reply, the Department is silent thereon and it is not clear whether the matter has been looked into by the Department and specific efforts have been made by it in this regard. The Department has simply replied that payment to farmers is done largely through e-mode or A/c Payee Cheques by FCI and State Agencies. Further, the Department has informed that FCI and many State Governments have developed their own Online Procurement System which ushers in transparency and convenience to farmers, but it is not clear in the reply which States have adopted Online Procurement System. The Committee desire to be apprised of the same. The Committee, therefore, reiterate that the matter of

involvement of intermediaries/Vyaparies depriving the farmers of MSP should be looked into and sincere efforts should be made to convince other procuring States for adoption of Online Procurement System.

B. Adoption of Decentralized Procurement Scheme (DCP) by States/UTs.

Recommendation (Para No. 4.13)

1.8 The Committee in the original report observed/recommended as under:

"The Committee regret to note that even after 21 years of launching the Decentralized Procurement Scheme and despite repeated recommendations by this Committee for taking concrete steps to try and convince the States/UTs to adopt the Scheme, only 17 States/UTs have adopted the Scheme so far. Noting that procurement of foodgrains is more cost effective under the DCP Scheme since non-decentralized procurement involves additional handling transaction of FCI taking over the stock of foodgrains and releasing them to the State Governments, the Committee feel that remaining States/UTs should also adopt the DCP Scheme at the earliest, as the Scheme is more cost effective and also saves on transportation cost. Further, it has become all the more essential for the States/UTs to adopt the DCP Scheme for smooth and successful implementation of National Food Security Act (NFSA) and Other Welfare Schemes (OWS). The Committee also note that the remaining States/UTs are not adopting the DCP Scheme due to shortage of funds, storage space, gunny bags, manpower etc. and an Evaluation Advisory Committee under NITI Aayog has been constituted to carry out performance evaluation of the Scheme. The Committee, therefore, strongly recommend that the Department should make vigorous efforts to extend every possible help and convince the remaining States/UTs to adopt the DCP Scheme by elaborating the benefits of the Scheme. The Committee also would like to be apprised of the findings of the Evaluation Advisory Committee under NITI Aayog constituted to evaluate the performance of the DCP Scheme."

1.9 The Ministry in its action taken reply has stated:-

"The Decentralized Procurement Scheme (DCP) was introduced by GOI with a view to increase participation of States in procurement and public distribution system. Under DCP system, the State Govt./its agencies procure, store and distribute (against GOI's allocation for TPDS/NFSA & OWS) rice /wheat within the State. The excess stocks

(Rice & wheat) procured by the State /its agencies are handed over to FCI in Central Pool. The expenditure incurred by the State Govt. on procurement, storage and distribution of DCP stocks are reimbursed by GOI on the laid down principles.

The Central Government encourages the States to adopt DCP mode of procurement. The status of DCP States is as under:

Sl.No.	State/UT	DCP adopted for
1.	A&N Islands	Rice
2.	Bihar	Rice/Wheat
3.	Chhattisgarh	Rice/Wheat
4.	Gujarat	Rice/Wheat
5.	Karnataka	Rice
6.	Kerala	Rice
7.	Madhya Pradesh	Rice/Wheat
8.	Odisha	Rice
9.	Tamil Nadu	Rice
10.	Uttarakhand	Rice/Wheat
11.	West Bengal	Rice/Wheat
12.	Andhra Pradesh	Rice
13.	Telangana	Rice
14.	Jharkhand (6 district only)	Rice
15.	Maharashtra	Rice
16.	Tripura (KMS 2018-19, Rabi Crop only)#	Rice
17.	Punjab*	Wheat

*Punjab is a DCP State for wheat from RMS 2016-17 onwards, but on request of Govt. of Punjab, FCI is participating in procurement operations in Punjab.

Tripura was DCP State for procurement of Paddy/rice in KMS 2018-19 (Rabi Crop only), FCI is procuring paddy under Hybrid Model in Tripura in the ongoing KMS 2019-20 (Kharif crop)

The Govt. is making all out efforts for implementing the scheme in all the States & regular follow-up is being made with the non-DCP States to adopt the DCP mode. The list of States which are operating under the DCP Schemes for Rice and Wheat is as under:

States undertaking Decentralized Procurement of Rice

S.N.	State	With Effect From
1	Uttarakhand	2002-03
2	Chhattisgarh	2001-02

S.N.	State	With Effect From
3	Odisha	2003-04
4	Tamil Nadu	2002-03
5	West Bengal	1997-98
6	Kerala	2004-05
7	Karnataka	2009-10
8	Madhya Pradesh	2007-08
9	Andhra Pradesh	Fully DCP for KMS 2015-16.
10	Bihar	2013-14
11.	Telangana	Fully DCP from KMS 2014-15.
12.	Maharashtra	2016-17
13.	Jharkhand	2016-17(only for 1 district),2017-18 (only for 5 Districts), 2018-19 (only for 6 Districts)
14.	Gujarat	2017-18
15	Andaman Nicobar	2003-04
16.	Tripura	# Tripura was DCP State for procurement of Paddy/rice in KMS

States Undertaking Decentralized Procurement of Wheat

S.N.	State	With Effect From
1.	Madhya Pradesh	1999-2000
2.	Uttarakhand	2003-04
3.	Chhattisgarh	2001-02
4.	Gujarat	2004-05
5.	West Bengal	2010-11
6.	Bihar	2014-15
7.	Punjab	*Punjab is a DCP State for wheat from RMS 2016-17 onwards, but on request of Govt. of Punjab, FCI is participating in procurement operations in Punjab.

The study entrusted to Niti Aayog for evaluation of DCP scheme is still underway.”

1.10 In their Original Report, the Committee had regretted to note that even after 21 years of launching the Decentralized Procurement Scheme (DCP) and despite repeated recommendations over the years, the Department had failed to convince all the States/UTs to adopt the DCP Scheme which had been adopted by 16 States for rice and 7 States for wheat. The Committee had, therefore, recommended the Department, *inter-alia*, to make earnest efforts to ascertain the problems being faced by the States/UTs and provide maximum assistance to all States/UTs to enable them to adopt DCP Scheme. The Department in its Action Taken Reply has stated that the Government is making all out efforts for implementation of the Scheme in all the States and regular follow-up is being made with the non-DCP States to adopt the DCP mode. The Committee are not convinced with the reply of the Department as the efforts made to ascertain the problems being faced by the States/UTs and to provide maximum possible assistance have not been indicated. While reiterating their recommendation, the Committee desire the Department to take concrete steps to convince all the remaining States/UTs to adopt DCP Scheme and extend all possible assistance to them for creation of necessary infrastructure for adoption of DCP Scheme. The Committee also regret that the study entrusted to NITI Aayog for evaluation of DCP Scheme is still underway and desire the Department to take up the matter with the NITI Aayog for expediting the study/evaluation of the Scheme and submission of report at the earliest.

C. Need to strengthen PDS operations

Recommendation (Para No. 4.33)

1.11 The Committee recommended as follows:-

"The Committee note that in order to improve the Public Distribution System (PDS) in the country, the Department is implementing another scheme of Integrated Management of Public Distribution System (IM-PDS) with effect from April, 2018. The main objective of this scheme is to implement nation-wide portability of benefits under the National Food Security Act (NFSA). In this scheme, migratory beneficiaries/ration card holders can lift their entitled foodgrains under NFSA from any ePoS enabled Fair Price Shop (FPS) anywhere in the county without the need of getting new ration card, through `One Nation One Ration Card` (ON-ORC) system, Inter-State portability of ration card holders has been implemented in four clusters of 2 adjoining States of Andhra Pradesh & Telangana, Gujarat & Maharashtra, Haryana & Rajasthan and Tamil Nadu & Kerala. This has enabled the migratory beneficiaries/ration card holders to lift their entitled foodgrains from any ePoS enabled FPS of their choice in the Paired States. Under the old system, beneficiaries were dependent on single FPS and subjected to the whims of FPS owners. Under the new system, the beneficiary is free to head to any FPS in order to have good quality of foodgrains as well as service. The ration card portability will curb corruption and improve access and service quality by restraining monopolies of FPS owners.

The Committee, therefore, urge the Department of Food and Public Distribution to expedite the installation of ePoS devices at all FPS and also complete Aadhaar seeding of Ration Cards in all the States/UTs for the successful implementation of the schemes on `End-to-End Computerization of PDS Operations` and `Integrated management of PDS` at the earliest in the interest of the vast population of the country particularly the migrant citizens."

1.12 The Ministry in its action taken note has stated:-

"Initially, the inter-State portability of ration card holders was implemented in four clusters of 2-adjointing States of Andhra Pradesh &

Telangana, Gujarat & Maharashtra, Haryana & Rajasthan and Tamil Nadu & Kerala. This has enabled the migratory beneficiaries/ration card holders to lift their entitled foodgrains.

Now, all four clusters, as above, have been integrated into single national-platform w.e.f. January 2020 along with 4 new/other States i.e. Goa, Jharkhand Madhya Pradesh and Tripura. Thereafter, rollout of National Portability in other States/UTs i.e. on-boarding on PDSN platform, shall be done as and when ePoS devices are installed at FPSs and biometric/Aadhaar authentication based distribution is enabled in the State/UT.

This Department is making vigorous efforts through meeting, VC, letters, advisories, etc. issued to States/UTs to expedite the installation of ePoS devices at all FPSs in respective States/UTs. This Department has also prepared guidelines for Fair Price Shop (FPS) automation, which have been shared with all States/UTs. So far, ePoS devices have been installed in about 4.79 lakh FPSs (about 88.9%) out of total 5.39 lakh FPSs. It is also to mention that Tamil Nadu State already completed FPS automation but biometric scanners have not been installed at FPSs for Aadhaar Authentication of beneficiaries which became hurdle to rollout National Portability in the State. Similarly, despite availability of ePoS device in all FPSs, 100% Aadhaar seeding in ration cards data and having successfully implemented the biometric/Aadhaar authentication of beneficiaries, Delhi Govt. has suspended the use of ePoS devices which is causing major obstacle in rolling out National Portability in Delhi State.

At present, overall Aadhaar seeding with Ration Cards (at least one member of household) has reached up to 89.6% at the National level. The progress of Aadhaar seeding in North Eastern States is slow mainly due to poor/negligible Aadhaar generation in Assam and Meghalaya. Department is regularly making all possible efforts to increase the Aadhaar seeding in ration card database. In this connection, Department has prepared and issued guidelines/best practices for increasing Aadhaar Seeding and validating Aadhaar numbers with all States/UTs. The matter is regularly being pursued with lagging States/UTs to expedite the Aadhaar seeding with Ration Cards. In this regard, the timeline provided to States/UTs through Notification issued by the Department under section- 7 of the Aadhaar Act (amended from time-to-time) has been extended up to 31/03/2020. "

1.13 The Committee in their Original Report urged the Department to expedite the installation of e-POS devices at all Fair Price Shops (FPSs) and also complete Aadhaar seeding of ration cards in all the States/UTs for successful implementation of the scheme on 'End-to-End Computerization of PDS operations' and 'Integrated Management of Public Distribution System'. The Department in its Action Taken Reply has stated that it is making vigorous efforts to expedite the installation of e-POS devices at all FPSs in respective States/UTs and also sharing guidelines for FPS automation. The Department has also stated that Delhi Government has suspended the use of e-POS devices despite successfully completing the biometric/e-Aadhaar authentication of beneficiaries. The Department, however, has not indicated the reasons for suspension of use of e-POS devices by the Delhi Government. The Committee desire that the Department should ascertain the reasons for suspending the use of e-POS by Delhi Government and apprise them of the same. The Committee are also not satisfied with the progress of computerization of PDS operations in the country. The Committee, therefore, reiterate their recommendation that the Department should take vigorous/concrete steps in time bound manner to expedite completion of Aadhaar seeding of ration cards at the earliest in all States/UTs especially in North-eastern States for successful implementation of Inter/Intra State portability of ration cards.

D. Need to expedite installation of e-POS devices in all Fair Price Shops in all States/UTs on priority.

Recommendation (Para No. 4.41)

1.14 The Committee recommended as follows:-

"The Committee note that, with a view to curbing leakages and diversion of foodgrains and bringing transparency in implementation of PDS, the Government is implementing the scheme of End-to-End Computerization of PDS operations under which technical and financial assistance is provided to States/UTs. The Committee further note that an amount of Rs. 23.98 crore was provided in RE 2018-19 under the scheme, out of which only Rs. 15.75 crore were spent. Further, under one of the several PDS reforms, 19 States/UTs have completed the installation of ePoS devices in almost all Fair Price Shops (FPS) which will ensure transparency in the distribution of foodgrains. The Committee are of the view that diversion of foodgrains meant for poorest of the poor is one of the biggest menace in the functioning of this important welfare scheme of the Government i.e. Public Distribution System. The Committee, therefore, desire that the Department should make vigorous efforts to expedite installation of ePoS devices in all FPSs in all the States/ UTs by using the funds available at their disposal for ensuring electronic distribution and record keeping of all transactions and authentication of beneficiaries to enable rightful targeting and plug leakages and diversion of foodgrains. The Committee also desire that stock carried forward to next month at FPSs should be regularly checked on monthly basis."

1.15 The Ministry in its action taken reply has stated as below:-

"This Department is making vigorous efforts through meetings, video conferences, letters, advisories, etc. to persuade States/UTs to expedite the installation of ePoS devices at all FPSs in respective States/UTs. This Department has also prepared guidelines for Fair Price Shop (FPS) automation, which have been shared with all States/UTs. So far, ePoS devices have been installed in about 4.79 lakh FPSs out of total 5.39 lakh FPSs. As regards financial assistance, Government has approved FPS dealers' margins (@ Rs. 87/qtl.) under NFSA which also includes reimbursement of Rs. 17/qtl. for their expenditure towards purchase and operations of the ePoS devices/mobile terminals at FPSs

for FPS automation. Such expenditure would be shared between Centre and State Govts. on 75:25 basis for special category States/UTs and on 50:50 basis for general category States/UTs. Further, the ePoS application has a provision to capture the FPS-wise and commodity-wise closing balances of foodgrains every month.”

1.16 In their Original Report, the Committee urged the Department to expedite installation of e-POS devices in all FPSs in all the States/UTs. The Department in its Action Taken Reply has stated that it is making vigorous efforts and shared guidelines for FPSs automation with all States/UTs. The Department has also stated that Government has approved FPS dealers' margin of Rs. 87/qtl. under NFSA which also includes reimbursement of Rs. 17/qtl. for their expenditure towards purchase and operation of e-POS devices/mobile terminals at FPSs for PDS automation. The Committee while appreciating the efforts made by the Government for installation of e-POS devices in all FPSs in all States/UTs are of the opinion that pace of automation is still very slow since out of total 5.39 lakh FPSs, only 4.79 lakh FPSs have installed e-POS devices. The Committee, therefore, desire that the Department should follow up the matter with the remaining States/UTs and also closely monitor and expedite the installation of e-POS devices in remaining FPSs in all States/UTs at the earliest in a time bound manner.

E. Need to expedite payment of dues and liabilities of FCI

Recommendation (Para No. 5.6)

1.17 The Committee in their original report observed/ recommended as follows:-

“The Committee are very much concerned to note that a large amount of FCI dues are still outstanding against the Ministry of Rural development (RD), Ministry of Human Resource Development (HRD) and Ministry of External Affairs on account of foodgrains provided to them by FCI under various welfare schemes on payment basis.

The Committee are surprised to note that no time limit has been fixed for making payment by the Ministry of Rural Development for foodgrains supplied under Sampoorna Grameen Rozgar Yojana (SGRY) Schemes which had been closed on 31.03.2008. In respect of Mid-day Meal Scheme (MDM) of the Ministry of Human Resource Development, there is time limit of 20 days for making payment after submission of bills in the subsequent month (time for submission of bills is 10 days) by the District Authorities under the Decentralized Scheme of Payment. However, the prescribed time limit is not adhered to strictly by the Ministry of Human Resource Development/District Authorities. The Committee find that despite various steps taken by the Department of Food and Public Distribution and FCI and convening various meetings with the concerned Ministries/Departments and making regular correspondence, the arrears have not been cleared. The Committee view this with grave concern, keeping in view the fact that the FCI itself has a huge amount of loan liability and has to pay interest thereon resulting in requirement of more subsidy for it. The amount of dues realised by FCI from the Ministries of Rural Development, HRD and External Affairs may be utilized for reducing its own loan liability.

The Committee, therefore, reiterate their recommendation made in their earlier reports for liquidation of these outstanding dues of FCI at the earliest in a time bound manner and apprise the Committee of the further action taken by the Government in this regard and the outcome thereof.”

1.18 The Ministry in its action taken reply has stated as noted below:-

“Department of Food & PD and FCI is pursuing the matter with the concerned Ministries for liquidating the outstanding dues of FCI. This

Department has convened meeting on 25.07.2018 & 28.12.2018 with concerned Ministries/Departments and these Departments were requested repeatedly to expedite the liquidation of the outstanding dues vide letter dated 17.01.2019, 11.02.2019, 28.03.2019 and 05.07.2019. The status (as on 31.12.2019) of outstanding dues to FCI from different Ministries/States is as below:

Ministry/State	Amount (in crores)
MoRD	2452.96
MoHRD	220.53
MoEA	47.99
Central Govt PSUs such as STC, BSNL, PEC, MMTC	64.98
State Govt such as Maharashtra, Tripura	3.39
MoD	0.94
NAFED	0.17
Total	2790.96

1.19 The Committee noted in their Original Report that a large amount of FCI dues were outstanding against the Ministry of Rural Development, Ministry of Human Resource Development and Ministry of External Affairs. The Committee, accordingly, recommended the Department/FCI for liquidation of these outstanding dues of FCI at the earliest in a time bound manner. In its Action Taken Reply, the Government has stated that Department/FCI is pursuing the matter with the concerned Ministries for liquidation of outstanding dues of FCI. The Department had convened various meetings with the concerned Departments and repeatedly requested them through various letters written on different dates but still an amount of Rs. 2790.96 crore was outstanding with these Ministries as on 31.12.2019. The Committee, therefore, reiterate their recommendation and desire the Department to take up the matter at the highest level for expeditious liquidation of the outstanding dues to reduce the burden on Food Subsidy Bill.

F. Need to achieve physical and financial target in respect of construction of godowns in North-Eastern States.

Recommendation (Para No. 5.22)

1.20 The Committee in their original report observed/ recommended as follows:-

“The Committee note that FCI’s owned storage capacity is constructed under Central Sector Scheme and the FCI is also augmenting capacity through private investors, CWC and SWCs in Public Private Partnership (PPP) mode under Private Entrepreneurs Guarantee (PEG) Scheme. However, the Food Corporation of India (FCI) could not achieve physical and financial targets set for construction of godowns during 2018-19 in respect of the North-Eastern (NE) States. The Committee also note that physical target set for construction of godowns during 2018-19 in North-Eastern States was 22,100 MT and actual achievement was 17,100 MT. The Department has informed that the problems being faced by FCI in construction of godowns in NE Region are mainly due to difficult terrains, frequent bandhs and issues with regard to land acquisition, law and order situation and inclement weather which adversely affected construction work in the North Eastern States. Inadequacy of storage space in any State poses a serious threat to smooth functioning of Public Distribution System. The Committee, therefore, desire that the Department of Food and Public Distribution should take up the matter urgently at highest level and pursue with the State Governments for acquisition of lands and take over the lands already acquired in these States. The Committee further desire the Department to include the North-Eastern States in its perspective plan drawn for the coming years and make sincere efforts for achieving physical and financial targets for construction of godowns.”

1.21 The Ministry in its action taken reply has stated as noted below:-

“There are many reasons as accepted and have led to such non-achievement of physical targets. However the financial target of Rs.61.90 cr. was achieved against the target of Rs 45.00 cr. It is pertinent to mention that the implementation of Central Sector Scheme consists of flow chart ranging from identification of land to the final completion of project involving numerous State Govt, agencies, local inhabitants and finally the construction agency to accomplish the project in a time frame contending with many local tribal issues/culture/ disturbance, which are not at all, under the control of Food Corporation of India.

The targets for construction of godown in any particular year are conceptualized based on the ongoing works and under the assumption that construction activities at site will be smooth and the construction agency will be able to perform to the best of its capability. It is well known fact that actual completion of godowns depends upon many local factors such as accessibility to site connecting road conditions, inclement weather condition and local disturbances which most of the time slow down the projected progress of work.

In case of acquisition of land parcels for construction of godowns in NE Region, there is abnormal delay in processing the case starting from identification of land, conduct of Social Impact Study, costing of land, demarcation of land and finally the removal of encumbrances such as electricity lines, houses, kachcha paths, water pipe lines etc, which takes years together and finally taking over of land by FCI. These reasons are beyond our control and State Government is regularly approached for resolving the issues but time taken is always uncertain, even with the best efforts of this Department.

The approach of State Govt. starting from offering of land to final handing over of land takes years and is beyond the control of FCI, though it continuously pursues the case with State Authorities. Regular efforts are made to complete the project, monitoring and planning.

Even if physical target was not achieved in the year 2018-19, financial target was well achieved to the tune of Rs 61.90 Cr. against the target of Rs. 45 Cr. on overall implementation and construction of the scheme in North Eastern Region. Thus, the whole process of Construction of Godowns under this scheme is multidimensional and is dependent on many issues which are beyond the control of Food Corporation of India/this Department in most of cases.”

1.22 The Committee in their Original Report pointed out the non-achievement of physical targets set for construction of godowns in North-Eastern States. The Department in its Action Taken Reply has pointed out that in case of acquisition of land parcels for construction of godowns in NE Region, there is abnormal delay in processing the case starting from identification of land, conduct of Social Impact Study, costing of land, demarcation of land and finally the removal of encumbrances such as electricity lines, houses, kachcha paths, water pipelines etc, which takes years together and finally taking over of land by FCI. These reasons are beyond its control and State Government is regularly approached for resolving the issues but time taken is always uncertain, even with the best efforts of the Department. The approach of State Govt. starting from offering of land to final handing over of land takes years and is beyond the control of FCI, though it continuously pursues the case with State Authorities. The Department has also informed that regular efforts are also made to complete the project, monitoring and planning. The Committee are not convinced with this reply of the Government which it has been giving for the last many years for non-achievement of the targets. The Committee are of the view that monitoring mechanism in this regard needs to be strengthened and desire the Government to make concerted efforts in this direction and persuade State Authorities to resolve the issues within a stipulated time period to achieve the targets set in respect of construction of godowns in North-Eastern States. The Committee would like to be informed of the efforts made in this regard.

G. Need to achieve target in respect of steel silos

Recommendation (Para No. 5.23)

1.23 The Committee in their original report observed/ recommended as follows:-

“The Committee note that the target for construction of steel silos by FCI/State Governments during 2019-20 is 50 LMT but capacity completed upto 31.08.2019 was only 0.50 LMT. The Committee further note that in case of construction of silos with railway siding, the primary bottleneck in implementation of the projects remains the requirement of land. In order to solve the issue, FCI has contracted M/s RITES to study whether a hub-and-spoke model of silos with containerized movement would be more effective. In this connection, the Ministry has envisaged to construct only stand-alone silos of appropriate capacity both in procuring & consuming areas with capacities smaller than/upto 50,000 MT scattered over a large number of catchment areas in the procuring locations and near to end consumers in the consuming areas. A cluster of stand-alone silos in procuring regions within a radius of say 50 Km may be linked to Container Rail Terminal (CRT)/existing FCI silo/Private Freight Terminal (PFT). Similar facilities in consuming region may be linked to a number of stand-alone consuming silos within a radius of say 100 km. Hence, the silos will need smaller land parcel and less capital investment on curtailed land parcel. The Department has also approved an action plan for construction of steel silos in the country for a capacity of 100 LMT in Public Private Partnership (PPP) mode by 2020, for modernizing storage infrastructure and improving shelf life of stored foodgrains. The Committee understand that the use of storage silo has several advantages as they need less area to store the same amount of foodgrains as compared to the conventional warehouse. Moreover, the foodgrains are stored in optimal conditions in silos besides being cost effective. The Committee, therefore, recommend that the Ministry should make sincere efforts to speedily achieve the set targets for construction of silos by closely monitoring the progress of various projects at the highest level of the Government.”

1.24 The Ministry in its action taken reply has stated as under:-

“As on 31.01.2020, a capacity of 7.25 LMT of silos has been created. FCI has already awarded work for silos of 21.00 LMT capacity

which is under implementation. In order to mitigate the issues being faced in construction of silos, FCI and Department of Food & Public Distribution reviews and monitors the progress of construction regularly. The silo developers, Independent Engineers & Auditors, Railways and concerned State Government Authorities are also pursued with. Further, FCI is also reviewing the existing model of silos with railway siding. The savings in silos is primarily in bulk handling and movement of foodgrains. Keeping this in view, FCI has envisaged to construct road side silos with bulk handling and movement. The movement of foodgrains shall be carried out in bulk in containers which will reduce the requirement of land, project cost etc. Additionally, existing godowns of FCI, CWC, SWC can then be used to construct silos, without railway sidings leading to faster progress in construction of silos. Accordingly, a study has been conducted by FCI through M/s RITES to assess the feasibility of hub and spoke model of silos with containerized movement. The final report has been submitted by M/s RITES is under consideration.”

1.25 The Committee in their Original Report expressed concern about the non-achievement of targets in respect of construction of steel silos by FCI/State Governments during the year 2019-20. The Department in its Action Taken Reply has stated that in case of implementation of the projects, the problem of requirement of land remains and to solve the issue, FCI has contracted M/S RITES to assess the feasibility of a hub-and-spoke model of silos with containerized movement. Accordingly, a study has been conducted by M/S RITES and the report is under consideration. The Committee while reiterating their recommendation to make sincere/vigorous efforts to achieve the set targets in respect of construction of steel silos by closely monitoring the pace of the projects, desire that the consideration of the report be taken up on top priority and they may be apprised of the outcome thereof.

H. Recovery of pilferage losses

Recommendation (Para No. 5.29)

1.26 The Committee in their original report observed/ recommended as follows:-

"The Committee note that the Government has taken several steps to control storage, transit and pilferage losses such as periodical prophylactic and curative treatment, deployment of security staff, security inspections and surprise checks, installation of CCTV cameras, etc. However, despite various initiatives/measures taken, the storage, transit and pilferage losses in respect of wheat and rice are still very high. Transit losses in respect of wheat have reduced to some extent i.e. Rs. 6721.42 lakhs (2017-18) to Rs. 5769.09 lakhs (2018-19). Transit loss in respect of rice during 2017-18 was Rs. 21924.50 lakhs which has been reduced to Rs. 21480.14 lakhs in 2018-19. So far as pilferage loss in respect of wheat and rice is concerned, it has gone up in 2018-19 (i.e. Rs. 24.82 lakhs and Rs. 122.49 lakhs respectively) as compared to 2017-18 (i.e. Rs. 2.06 lakhs and Rs. 27.12 lakhs respectively). The Committee also note the FCI has recovered these pilferage losses. In this context, the Committee desire to be informed of the names of individuals/godowns from whom/which the loss has been recovered. The Committee also desire the Government to ensure more stringent enforcement of the laid down preventive measures during the next financial year to wipe out such losses."

1.27 The Ministry in its action taken reply has stated as under:-

"The details on the theft/pilferage cases along with Quantity/value involved during the period of 2017-18 and 2018-19 are as under:

Commodity	Details	2017-18		2018-19 (Final)*	
		Quantity (In Qtl.)	Value (In Lakh)	Quantity (In Qtl.)	Value (In Lakh)
Wheat	Theft/Pilferage	107.5	2.06	1250.56	24.87
Rice	Theft/Pilferage	946.72	27.12	1306.39133	38.85

*Previously provided figures for financial year 2018-19 were provisional, now audited figures have been provided.

The godowns wise detail in this regard is as follows:

Name of Depots	Commodity	Quantity in Quintals	Amount (in rupees)
2017-18			
Shaktinagar FCI Covered	Wheat	0.98720	1893.79/-
Faridabad FCI Covered	Wheat	47.50000	91121.15/-
National Depot Sri Ganganagar	Wheat	26.52245	50879.08/-
Bamanhari CWC Covered	Wheat	18.00000	34530.12/-
SWC Bartara	Wheat	4.00000	7673.36/-
Bhomaiya FCI Covered	Wheat	3.98620	7646.89/-
CWC-II Raigarh	Wheat	6.50000	12469.21/-
	Total	107.49585	2,06,213.59/-
National Depot DO North Lakhimpur	Rice	6.85000	19624.57/-
Faridkot FCI Covered	Rice	41.00000	117460.90/-
Jagraon FCI Covred	Rice	818.80000	2345780.12/-
Patiala (New) FCI Covered	Rice	13.50000	38676.15/-
Dharamkot FCI Covered	Rice	66.56715	190708.23/-
	Total	946.71715	27,12,249.96/-
2018-19			
Gaya FCI Covered	Wheat	52.17495	103747.80/-
Ferozepur FCI Covered	Wheat	220.00000	437461.20/-
Dharamkot FCI Covered	Wheat	767.09500	1525337.72/-
Ajitwal Pvt Covered	Wheat	166.87000	331814.32/-
SWC Banda	Wheat	44.42300	88333.36/-
	Total	1250.56295	24,86,694.40/-
Sonepat FCI Covred	Rice	1.19550	3306.31/-
Bhatinda FCI Covred	Rice	206.80000	615058.36/-
Faridkot FCI Covered	Rice	252.47000	750888.70/-
Chawapail FCI Covered	Rice	211.50000	629036.96/-
Gonda FCI Covered	Rice	0.49360	1468.05/-
Chamarajnar-II	Rice	618.83423	1840518.20/-
Raichur FCI Covered	Rice	15.09800	44904.02/-
	Total	1306.39133	38,85,180.59/-

In respect of recovery, the action taken report will be submitted once the details are received from FCI.

Preventive measures taken to wipe out the theft/pilferage of foodgrains during storage are as follows:

- Installation of barbed wires fencing on boundary walls and provision of high mast lights in the godowns/complexes.
- Deployment of Security staff of FCI as well as other agencies i.e. Home Guards, DGR sponsored Security agency, Special Police Officers and State Armed Police on need basis.
- Security Inspections as well as surprise checks of the depots are conducted from time to time at various levels to detect the security lapses, if any, though during past few years the mandatory inspection are lacking from Hqrs. and Zonal office level.
- Lodging of FIRs in cases where theft/pilferage/misappropriation have come to notice. Departmental action including recovery has been resorted to as deterrent measure. Recovery of theft/pilferage/misappropriation in full also acts as a deterrent for future occurrence also.
- Installation of CCTV cameras to enhance electronic Surveillance in depots through CPSE's."

1.28 In their Original Report, the Committee desired to be informed of the names of individuals/godown from whom/which the pilferage loss has been recovered and also ensure stringent enforcement of the laid down preventive measures during the next financial year to wipe out such losses. The Department in its Action Taken Reply has simply stated the names of godowns with their respective quantity/amount of losses due to theft/pilferage and has also promised to submit the action taken report on recovery once the details are received from FCI. The Committee, therefore, desire to be apprised of the details of the recovery status at the earliest from each individual/godown. The Committee further urge the Department to strictly monitor the implementation of the several preventive measures taken to wipe out the theft/pilferage of foodgrains with utmost sincerity.

I. Need to reduce cane price arrears

Recommendation (Para No. 6.16)

1.29 The Committee in their original report observed/ recommended as follows:-

“The Committee are constrained to note that a total amount of Rs. 11784.38 crore is outstanding as cane price arrears for payment to the farmers. This amount include arrears of Rs. 9443.92 crore, Rs. 325.96 crore and Rs. 2014.49 crore for the years 2018-19, 2017-18 and 2016-17 and earlier years, respectively. The Committee also note that the Government has not been able to enforce the provisions of Sugarcane (Control) Order, 1966. The Committee also note that the increase of blending percentage of ethanol from 5% to 10% into motor fuel as well as fixation of remunerative prices of ethanol produced from different feed stock has also increased the production of ethanol for which mills are getting remunerative price, thereby improving the liquidity position of sugar mills. Despite all such steps taken, cane arrears have not reduced. The Committee, therefore, urge the Government to prevail upon the State Governments/UT Administrations for enforcing the provisions of Sugarcane (Control) Order, 1966 and also to strictly monitor the performance of sugar mills in regard to making early payment of cane price to farmers.”

1.30 The Ministry in its action taken reply has stated as under:-

“As on 31.01.2020, around Rs. 12636 crore is outstanding as cane price price arrears for payment to the farmers. This amount include arrears of Rs.8161 crore for the current season 2019-20 and Rs. 2219 crore, Rs. 255 crore and Rs. 2001 crore for the sugar season 2018-19, 2017-18 & 2016-17 and earlier years respectively. The Central Government has already taken various steps in order to help the sugar mills to liquidate their cane arrears of the farmers. Further, the Government is pursuing with the States from time to time to make efforts to clear the cane dues of the farmers, as the power of Sugarcane (Control) Order, 1966 has already been delegated to the States and to take action against the defaulting sugar mills.”

1.31 In their Original Report, the Committee urged the Department to prevail upon the State Governments/UT Administrations for enforcing the provisions of Sugarcane (Control) Order, 1966 and to strictly monitor the performance of sugar mills to facilitate early payment of cane price arrears. The Department in its Action Taken Reply has stated that the Central Government has already taken various steps to help the sugar mills to liquidate their cane arrears. The Committee feel that the arrears which are still outstanding to the tune of Rs. 12636 crore as on 31.01.2020, need to be reduced for improving the financial health of the farmers. The Committee also would like to be apprised of the impact of increase of ethanol blending from 5% to 10% on the sugar mills/industry and to what extent it has helped in reducing the cane price arrears. Besides, the details of action taken, if any, by the States/UTs under the Sugarcane (Control) Order, 1966 against the defaulting sugar mills for not clearing cane price arrears may also be furnished for the consideration of the Committee.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.4)

2.1 The Committee note that the Action Taken Replies in respect of the Observations/Recommendations contained in the Twentieth Report of the Committee (Sixteenth Lok Sabha) were furnished by the Government a few days after the stipulated period of three months and the Statement by the minister under Direction 73-A was made within the stipulated six months period. An analysis of the action taken by the Government revealed that 69.23% Recommendations of the Committee had been accepted by the Government. The Committee did not desire to pursue 7.69% Recommendations. The replies of the Government in respect of 7.69% Recommendations had not been accepted by the Committee and in respect of 15.39% of Recommendations; the Government had furnished interim replies. The Committee hope and trust that the Department will adhere to the laid down stipulations in future, in letter and spirit and inform them of the status of implementation of the recommendations, the replies in respect of which were of interim nature and also in respect of those replies that had not been accepted by the Committee and commented on in their Action Taken Report.

Reply of the Government

2.2 Noted for compliance.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 3.4)

2.3 The Committee note that BE for Revenue Schemes during 2018-19 was Rs. 173735 crore which was raised at RE stage to Rs. 176983.12 crore but Actual Expenditure was Rs. 106693.67 crore. The Committee further note that for Capital Schemes during 2018-19, BE was Rs. 50424.10 crore which was also raised at RE stage to Rs. 51534.00 crore but Actual Expenditure was 12853.23 crore. The Committee feel that the allocation was raised at RE stage so as to utilize more funds for the schemes but they are dismayed to see that the actual utilization of the amount was less than the BE. It shows lack of proper monitoring and coordination by the Department over various schemes.

The Committee also note that the Ministry faces various difficulties in the implementation of schemes/ projects viz. identification and acquisition of land by State Governments, difficult terrain, inclement weather and remoteness of the location particularly in the North-eastern region; lack of proposals from State/ UTs and pending Utilization Certificates etc. for augmentation of storage capacity of foodgrains as well as for strengthening of PDS operations in the country. The Committee are, however, not convinced with the plea of the Department attributing the shortfall in Actual Expenditure to these problems. The Committee feel that such issues can be taken care of by proper planning and coordination with the States/ UTs. The Committee also feel that the Department has not been able to improve its monitoring mechanism over various schemes for the last many years and there is no visible improvement in coordinating efforts with the various States/ UTs. The Committee, therefore, desire that the Department of Food & Public Distribution should regularly persuade the States/ UTs to furnish financial proposals/ Utilization Certificates and also take further initiatives to ensure that the outlays earmarked for different schemes/ programmes are fully utilized during the financial year.

Reply of the Government

2.4 The Department puts in utmost effort to make the Estimates of provision realistic. However, despite this effort, less expenditure occurred under both Revenue and Capital schemes.

In this regards, the major saving under Revenue Scheme occurred under the 'Food Subsidy' scheme in which against the demand of ₹167098 crore, ₹140098 crore was allocated in RE 2018-19. Out of this, ₹138123 crore had already been provided in BE 2018-19 and additional of ₹1975 crore was approved in RE 2018-19 which had been provided through 3rd Supplementary of ₹ 1864.71 crore and re-appropriation of remaining fund i.e. ₹110.29 crore.

The entire allocation was released to FCI. However, later in a policy decision, Ministry of Finance restricted the expenditure to ₹70098 crore only and as per the direction, the balance of ₹70000 crore (including re-appropriated amount) was surrendered to Ministry of Finance and substituted by NSSF Loan of ₹70000 crore sanctioned on 30.03.2019 (₹65000 crore) and 31.03.2019 (₹5000 crore)

So far as less expenditure under Capital Schemes is concerned, this was mainly due to less release of 'Ways and Means Advance' i.e. release of Rs. 12000 crore only against the allocation of Rs. 50000 crore. This saving occurred due to non-approval of Ministry of Finance for release of balance amount of Ways and Means Advance. This advance is provided to FCI as per their cash flow requirement and is repaid within the same financial year by FCI. Hence, this advance is budget neutral and there was no actual saving under this scheme.

However, major savings apart from 'Ways and Means Advance' scheme occurred under the 'Investment in Equity Capital of FCI' scheme. An equity capital of Rs. 1000 crore was allocated for investment in FCI towards restructuring of its capital financing. However, due to limited space under authorized capital and pending approval of Ministry of Finance to enhance the same (from existing Rs. 3500 crore to Rs. 10000 crore), only Rs. 500 crore could be infused as equity in FCI during 2018-19 and saving of Rs. 500 crore occurred under this scheme.

Further, shortfall in actual expenditure under various components of 'Strengthening of PDS Operations' is mainly due to following reasons:

- (a) Non-receipt of proposals and pending UCs or receipt of incomplete/wrong proposal and UCs, from the States/UTs under 'Generating Awareness' and 'Assistance to State Food Commission' components,
- (b) technical issues faced in GeM / PFMS portal under 'e-Governance' component,
- (c) non-receipt of sufficient nominations of the officers for participating in training programmes from States/UTs resulting in low participation and cancellation of some programmes under 'Training' component and
- (d) It was expected earlier that for release of 2nd installment all the selected Monitoring Institutions (MIs) would submit demand for release of second installment along with expenditure statement in addition to 02 quarter reports as per ToR dated 23.05.2018. However, same had not been received from all MIs engaged in undertaking concurrent evaluation study under 'Evaluation, Monitoring & Research' component.

Department regularly persuades the States/UTs to furnish financial complete proposals/ Utilization Certificates in time, to send nominations and proper proposals for conducting training and MIs to submit expenditure statement and reports in time.

Similarly, the reason which leads to delay in completion of planning works as well as actual execution of works at ground under 'storage and godowns' scheme besides difficult terrain, inclement weather condition and local disturbances cannot be ignored. It is well known fact that delay by State Government starting from offering of land to final handing over of land takes years together.

Once the land is taken over, the planning works like selection of agency, preparation and approval of preliminary estimate based on soil investigation, calling of e-tenders and final award of works take anywhere between 6-9 months at the most which is bare minimum required to complete the planning of works. Thereafter, once the work starts, depending on capacity generally the work is completed with a period of 2-3 years. All efforts in the field /regions, by monitoring and planning cell at FCI are made to complete the project.

As far as low utilization of funds is concerned, it is stated that during the previous years, the proposals were received and fund was during the previous years, the proposals were received and fund was released to the States/UTs on the basis of information provided by them in Schedules prescribed under Food Security (Assistance to State Government) Rules, 2015. An amount of Rs.2500 Crore, Rs.4500 Crore and Rs.3883 Crore had been utilized during the financial year 2016-17, 2017-18 and 2018-19 respectively. Some of the reasons for low expenditure during 2019-20 are as follows:

(a) Due to non-receipt of proposal and pending UCs or receipt of incomplete/wrong proposal and UCs, from the States/UTs, the expenditure during 2019-20 has been low.

(b) During the current year, in an attempt to Strengthen the process of due diligence, States were required to furnish certain additional certificates and documents. These were not submitted by many States along with their claim proposals and this has delayed the release of funds. Some of these documents include Certificates of payment of fair price shop dealers' margin, certificate of door step delivery, certificates of inclusion exclusion criteria etc.

(c) On recommendations of IFD, new practice of examination of the proposal and working out the admissible amount of Central assistance was adopted during the current year. In the new practice, the details of foodgrains distribution on Annavitran portal have been checked in addition to offtake reported by the Food Corporation of India. Several claims delayed due to this.

(d) As per the instruction of the Department of Expenditure, Ministry of Finance, Government of India, the fund is being released through EAT module on PFMS. As it is for the first time for the NFSA Division as well as the State Government, difficulties are being faced.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 4.12)

2.5 The Committee note that the Food Corporation of India (FCI) along with the State Government agencies undertake procurement of foodgrains in the country to ensure Minimum Support Price (MSP) to the farmers and availability of foodgrains to the weaker sections at affordable prices. The Committee are given to understand that very good system or procurement has been made in some States where FCI or other State agencies register the farmers who want to sell their produce to them and also inform the farmers about the date and the centre on which they have to come for selling their produce. A limited number of farmers are called on a day to ensure that the farmers are not required to wait in long queues and avoid heavy rush. The Committee appreciate the steps taken by the Government and desire that the Department should take vigorous steps to implement this system in all the States/UTs. At the same time, the Committee also note that small farmers do not generally get information about registrations system and they are unable to avail the facility. In this context, the Committee desire that the FCI or State agencies should make adequate publicity in advance for registration of the farmers and sufficient time should also be given to them to come forward to sell their produce at the procurement centres. The Committee also desire that the farmers should be paid instantly for their produce sold at the procurement centres and should be compensated for any delay in this regard.

The Committee further observe that the farmers are not getting the Minimum Support Price (MSP) as declared by the Government and there are intermediaries/vyaparis in the Mandis who, in connivance with the FCI/State agencies officials somehow convince the farmers to sell their foodgrains at less price than MSP. The poor farmers are denied the benefits of MSP as declared by Government while the intermediaries/vyaparis make huge profits at the cost of the ignorant farmers. The Committee, therefore, strongly recommend that the Government in coordination with States/UTs should look into the matter seriously on top priority in the interest of the farmers. The coordinated plan/efforts made in this regard be appraised to the Committee.

Reply of the Government

2.6 The Government of India/FCI along with various State Governments formulate procurement plan to procure foodgrains from the farmers. The steps taken to ensure remunerative price to farmers are:

- The Minimum Support Price (MSP) is announced by the Government of India at the beginning of the sowing season of crops on the basis of the

recommendations of the Commission for Agricultural Costs and Prices (CACP) which determines the MSP based on the input costs and margin to farmers. FCI and State Govt. Agencies procure the foodgrains at MSP fixed by GOI.

- MSP (Minimum Support Price) operations are given wide publicity through pamphlets, banners, sign boards radio, TV and advertisements through print & electronic media.
- Farmers are made aware of the quality specifications and purchase system etc. to facilitate the farmers to bring their produce conforming to the specifications.
- Procurement centres are opened by respective State Govt. Agencies/FCI taking into account the production, marketable surplus, convenience of farmers and availability of other logistics/infrastructure such as storage and transportation etc. Large number of temporary purchase centres in addition to the existing Mandis and depots/godowns are also established at key points for the convenience of the farmers.
- GOI decided to do away with the levy system of procurement of rice with effect from Kharif Marketing Season (KMS 2015-16), allowing the entire procurement of paddy to be done only by the State Agencies/FCI so that farmers directly get MSP announced by GOI.
- Payment to farmers is done largely through electronic mode or Account payee cheque by State Agencies/FCI other than in Punjab & Haryana where it is made to Arthiyas as per APMC Acts of the respective State. Efforts are being made to make the payments to the farmers within 48 hours of purchase.

FCI and many State Governments have developed their own Online Procurement System which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. The other States have also been encouraged to procure the produce of the farmers online.

Through Depot Online System of FCI, farmers get latest/updated information regarding MSP declared, nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This not only reduces the waiting period for delivery of stock by the farmers but also enables the farmer to deliver stock as per his convenience in the nearest mandi. MSP is released through either electronic mode or Account payee cheque directly to the bank

accounts of the farmers except in Punjab & Haryana whereas per APMC Acts of the respective state, payment is made to Arthiyas.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.7 of Chapter -I of the Report)

Recommendation (Para No. 4.13)

2.7 The Committee regret to note that even after 21 years of launching the Decentralized Procurement Scheme and despite repeated recommendations by this Committee for taking concrete steps to try and convince the States/UTs to adopt the scheme, only 17 States/UTs have adopted the scheme so far. Noting that procurement of foodgrains is more cost effective under the DCP scheme since non-decentralized procurement involves additional handling transaction of FCI taking over the stock of foodgrains and releasing them to the State Governments, the Committee feel that remaining States/UTs should also adopt the DCP scheme at the earliest, as the scheme is more cost effective and also saves on transportation cost. Further, it has become all the more essential for the States/UTs to adopt the DCP Scheme for smooth and successful implementation of National Food Security Act (NFSA) and Other Welfare Schemes (OWS). The Committee also note the remaining States/UTs are not adopting the DCP Scheme due to shortage of funds, storage space, gunny bags, manpower etc. and an Evaluation Advisory Committee under NITI Aayog has been constituted to carry our performance evaluation of the scheme. The Committee, therefore, strongly recommend that the Department should make vigorous efforts to extend every possible help and convince the remaining States/UTs to adopts the DCP Scheme by elaborating the benefits of the scheme. The Committee also would like to be apprised of the findings of the Evaluation Advisory Committee under NITI Aayog constituted to evaluate the performance of the DCP Scheme.

Reply of the Government

2.8 The Decentralized Procurement Scheme (DCP) was introduced by GOI with a view to increase participation of states in procurement and public distribution system. Under DCP system, the State Govt./its agencies procure, store and distribute (against GOI's allocation for TPDS/NFSA & OWS) rice /wheat within the state . The excess stocks (Rice & wheat) procured by the State /its agencies are handed over to FCI in Central Pool. The expenditure incurred by the State Govt. on procurement, storage and distribution of DCP stocks are reimbursed by GOI on the laid down principles.

The Central Government encourages the states to adopt DCP mode of procurement. The status of DCP states is as under:

Sl.No.	State/UT	DCP adopted for
18.	A&N Islands	Rice
19.	Bihar	Rice/Wheat
20.	Chhattisgarh	Rice/Wheat
21.	Gujarat	Rice/Wheat
22.	Karnataka	Rice
23.	Kerala	Rice
24.	Madhya Pradesh	Rice/Wheat
25.	Odisha	Rice
26.	Tamil Nadu	Rice
27.	Uttarakhand	Rice/Wheat
28.	West Bengal	Rice/Wheat
29.	Andhra Pradesh	Rice
30.	Telangana	Rice
31.	Jharkhand (6 district only)	Rice
32.	Maharashtra	Rice
33.	Tripura (KMS 2018-19, Rabi Crop only)#	Rice
34.	Punjab*	Wheat

*Punjab is a DCP State for wheat from RMS 2016-17 onwards, but on request of Govt. of Punjab, FCI is participating in procurement operations in Punjab.

Tripura was DCP State for procurement of Paddy/rice in KMS 2018-19 (Rabi Crop only), FCI is procuring paddy under Hybrid Model in Tripura in the ongoing KMS 2019-20 (Kharif crop)

The Govt. is making all out efforts for implementing the scheme in all the states & regular follow-up is being made with the non-DCP states to adopt the DCP mode. The list of States which are operating under the DCP Schemes for Rice and Wheat is as under:

States undertaking Decentralized Procurement of Rice

S.N.	State	With Effect From
1	Uttarakhand	2002-03
2	Chhattisgarh	2001-02
3	Odisha	2003-04
4	Tamil Nadu	2002-03
5	West Bengal	1997-98
6	Kerala	2004-05
7	Karnataka	2009-10
8	Madhya Pradesh	2007-08
9	Andhra Pradesh	Fully DCP for KMS 2015-16.
10	Bihar	2013-14
11.	Telangana	Fully DCP from KMS 2014-15.
12.	Maharashtra	2016-17
13.	Jharkhand	2016-17(only for 1 district),2017-18 (only for 5 Districts), 2018-19 (only for 6 Districts)
14.	Gujarat	2017-18
15	Andaman Nicobar	2003-04
16.	Tripura	# Tripura was DCP State for procurement of Paddy/rice in KMS

States Undertaking Decentralized Procurement of Wheat

S.N.	State	With Effect From
1.	Madhya Pradesh	1999-2000
2.	Uttarakhand	2003-04
3.	Chhattisgarh	2001-02
4.	Gujarat	2004-05
5.	West Bengal	2010-11
6.	Bihar	2014-15
7.	Punjab	*Punjab is a DCP State for wheat from RMS 2016-17 onwards, but on request of Govt. of Punjab, FCI is participating in procurement operations in Punjab.

The study entrusted to Niti Aayog for evaluation of DCP scheme is still underway.

Comments of the Committee

(Please see Para No.1.10 of Chapter -I of the Report)

Recommendation (Para No. 4.21)

2.9 The Committee note that the amount of food subsidy released to Food Corporation of (FCI) and Decentralized Procurement (DCP) States is continuously on the rise, which can be attributed to increase in Minimum Support Price (MSP) of wheat and rice vis a vis Central Issue Price (CIP), increased offtake of foodgrains under Targeted Public Distribution System (TPDS) and implementation of National Food Security Act (NFSA) in all the States/UTs etc. The Government have taken several steps to contain the food subsidy, such as encouraging decentralized procurement and distribution of foodgrains; issue of bonds by FCI at lower coupon rates; improving the operational efficiency of FCI; bringing in overall cost effectiveness in the operation of FCI and bringing down the level of surplus foodgrain stock through more liquidation under Open Market Sale Scheme etc. While appreciating these efforts of the Government, the Committee, the Committee however, desire that the Department should make even more vigorous efforts for containing food subsidy including encouraging involvement of private sector in transportation and storage of foodgrains without compromising on the regular supply and availability of subsidized foodgrains to the targeted beneficiaries.

Action taken by the Government

2.10 This Department is fully aware about the need for containing the increase in Food subsidy and are making regular efforts. The Government has taken several measures to contain the food subsidy, which include:

- Encouraging decentralized procurement and distribution of foodgrains.
- Issue of bonds by the FCI at lower coupon rates, backed by Government guarantee.
- Improving the operational efficiency of the FCI.
- Negotiating with the banks of the consortium of food credit to reduce the rate of interest on cash credit.

- Bringing in overall cost-effectiveness in the operation of FCI.
- Bringing down the level of surplus food grains stock through more liquidation under Open Market Sale Scheme and optimization of procurement through increasing market competitiveness.

As far as storage sector is concerned, depending on requirement in specific areas and for modernization of the storage facilities, the Government implements the following schemes for construction of godowns and silos in Public Private Partnership (PPP) mode for storage of Central Pool Stocks in the country:

- **Private Entrepreneurs Guarantee (PEG) Scheme:** Under this Scheme, which was formulated in 2008, storage capacity is created by private parties, Central Warehousing Corporation (CWC) and State Government Agencies for guaranteed hiring by FCI. A capacity of 143.63 LMT has been created as on 31.01.2020. Under this scheme, no funds are allocated by Government for construction of godowns and full investment is done by the private parties/CWC/State Agencies.
- **Construction of Steel Silos:** In addition to conventional godowns, Government of India has also approved an action plan for construction of steel silos in the country for a capacity of 100 LMT in Public Private Partnership (PPP) mode for modernizing storage infrastructure and improving shelf life of stored foodgrains. Against this, as on 31.01.2020, steel silos of 7.25 LMT capacity have been created.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 4.33)

2.11 The Committee note that in order to improve the Public Distribution System (PDS) in the country, the Department is implementing another scheme of Integrated Management of Public Distribution System (IM-PDS) with effect from April, 2018. The main objective of this scheme is to implement nation-wide portability of benefits under the National Food Security Act (NFSA). In this scheme, migratory beneficiaries/ration card holders can lift their entitled foodgrains under NFSA from and ePoS enabled Fair Price Shop (FPS) anywhere in the county without the need of getting new ration card, through `One Nation One Ration Card` (ON-ORC) system, Inter-State portability of ration card holders has been implemented in four clusters of 2 adjoining states of Andhra Pradesh & Telangana, Gujarat & Maharashtra, Haryana & Rajasthan and Tamil Nadu &

Kerala. This has enabled the migratory beneficiaries/ration card holders to lift their entitled foodgrains from and ePoS enabled FPS of their choice in the Paired States. Under the old system, beneficiaries were dependent on single FPS and subjected to the whims of FPS owners. Under the new system, the beneficiary is free to head to any FPS in order to have good quality of foodgrains as well as service. The ration card portability will curb corruption and improve access and service quality by restraining monopolies of FPS owners.

The Committee, therefore, urge the Department of Food and Public Distribution to expedite the installation of ePoS devices at all FPS and also complete Aadhaar seeding of Ration Cards in all the states/UTs for the successful implementation of the schemes on `End-to-End Computerization of PDS Operations` and `Integrated management to PDS` at the earliest in the interest of the vast population of the country particularly the migrant citizens.

Reply of the Government

2.12 Initially, the inter-State portability of ration card holders was implemented in four clusters of 2-adjointing States of Andhra Pradesh & Telangana, Gujarat & Maharashtra, Haryana & Rajasthan and Tamil Nadu & Kerala. This has enabled the migratory beneficiaries/ration card holders to lift their entitled foodgrains.

Now, all four clusters, as above, have been integrated into single national-platform w.e.f. January 2020 along with 4 new/other States i.e. Goa, Jharkhand Madhya Pradesh and Tripura. Thereafter, rollout of National Portability in other States/UTs i.e. on-boarding on PDSN platform, shall be done as and when ePoS devices are installed at FPSs and biometric/Aadhaar authentication based distribution is enabled in the State/UT.

This Department is making vigorous efforts through meeting, VC, letters, advisories, etc. issued to States/UTs to expedite the installation of ePoS devices at all FPSs in respective States/UTs. This Department has also prepared guidelines for Fair Price Shop (FPS) automation, which have been shared with all States/UTs. So far, ePoS devices have been installed in about 4.79 lakh FPSs (about 88.9%) out of total 5.39 lakh FPSs. It is also to mention that Tamil Nadu State already completed FPS automation but biometric scanners have not been installed at FPSs for Aadhaar Authentication of beneficiaries which became hurdle to rollout National Portability in the State. Similarly, despite availability of ePoS device in all FPSs, 100% Aadhaar seeding in ration cards data and having successfully implemented the biometric/Aadhaar authentication of beneficiaries, Delhi Govt. has suspended the use of ePoS devices which is causing major obstacle in rolling out National Portability in Delhi State.

At present, overall Aadhaar seeding with Ration Cards (at least one member of household) has reached up to 89.6% at the National level. The progress of Aadhaar seeding in North Eastern States is slow mainly due to poor/negligible Aadhaar generation in Assam and Meghalaya. Department is regularly making all possible efforts to increase the Aadhaar seeding in ration card database. In this connection, Department has prepared and issued guidelines/best practices for increasing Aadhaar Seeding and validating Aadhaar numbers with all States/UTs. The matter is regularly being pursued with lagging States/UTs to expedite the Aadhaar seeding with Ration Cards. In this regard, the timeline provided to States/UTs through Notification issued by the Department under section- 7 of the Aadhaar Act (amended from time-to-time) has been extended up to 31/03/2020.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.13 of Chapter -I of the Report)

Recommendation (Para No. 4.38)

2.13 The Committee note that under technology-led PDS reforms by the Department such as digitization of ration cards/beneficiary records de-duplication due to Aadhaar seeding, due to transfer/migration/death and change in economic status of beneficiaries etc., a total of 1.49 crore bogus ration cards have been detected/cancelled in all States/UTs during the years 2016 to 2018. The Committee desire the Department should take even more pro-active steps in consultation with State/UT Governments to review the list of eligible households comprising of priority households and AAY households on continuous basis while ensuring that genuine/eligible households are not deprived of the benefits of the Public Distribution System.

Action taken by the Government

2.14 This department has issued necessary instructions and advisories to all States/UTs that no person/household shall be deleted from the list of eligible households and denied subsidized foodgrains or cash transfer of Food subsidy under NFSA only on the ground of not possessing Aadhaar. Deletion from ration card database shall only happen after proper verification of the ration card holder which establishes beyond reasonable doubt that the entry pertaining to the said ration card holder is not genuine. The de-duplication of digitized ration cards/beneficiary records is being carried out by National Informatics Centre

being technical partner to implement the Computerization scheme. The results are being shared with respective States for necessary action.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 4.41)

2.15 The Committee note that, with a view to curbing leakages and diversion of foodgrains and bringing transparency in implementation of PDS, the Government is implementing the scheme of End-to-End Computerization of PDS operations under which technical and financial assistance is provided to states/UTs. The Committee further note that an amount of Rs. 23.98 crore was provided in RE 2018-19 under the scheme, out of which only Rs. 15.75 crore were spent. Further, under one of the several PDS reforms, 19 States/UTs have completed the installation of ePoS devices in almost all Fair Price Shops (FPS) which will ensure transparency in the distribution of foodgrains. The Committee are of the view that diversion of foodgrains meant for poorest of the poor is one of the biggest menace in the functioning of this important welfare scheme of the Government i.e. Public Distribution System. The Committee, therefore, desire that the Department should make vigorous efforts to expedite installation of ePoS devices in all FPSs in all the States/ UTs by using the funds available at their disposal for ensuring electronic distribution and record keeping of all transactions and authentication of beneficiaries to enable rightful targeting and plug leakages and diversion of foodgrains. The Committee also desire that stock carried forward to next month at FPSs should be regularly checked on monthly basis.

Action taken by the Government

2.16 This Department is making vigorous efforts through meetings, video conferences, letters, advisories, etc. to persuade States/UTs to expedite the installation of ePoS devices at all FPSs in respective States/UTs. This Department has also prepared guidelines for Fair Price Shop (FPS) automation, which have been shared with all States/UTs. So far, ePoS devices have been installed in about 4.79 lakh FPSs out of total 5.39 lakh FPSs. As regards financial assistance, Government has approved FPS dealers' margins (@ Rs. 87/qtl.) under NFSA which also includes reimbursement of Rs. 17/qtl. for their expenditure towards purchase and operations of the ePoS devices/mobile terminals at FPSs for FPS automation. Such expenditure would be shared

between Centre and State Govts. on 75:25 basis for special category States/UTs and on 50:50 basis for general category States/UTs. Further, the ePoS application has a provision to capture the FPS-wise and commodity-wise closing balances of foodgrains every month.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.16 of Chapter -I of the Report)

Recommendation (Para No. 5.6)

2.17 The Committee are very much concerned to note that a large amount of FCI dues are still outstanding against the Ministry of Rural development (RD), Ministry of Human Resource Development (HRD) and Ministry of External Affairs on account of foodgrains provided to them by FCI under various welfare schemes on payment basis.

The Committee are surprised to note that no time limit has been fixed for making payment by the Ministry of Rural Development for foodgrains supplied under Sampoorna Grameen Rozgar Yojana (SGRY) Schemes which had been closed on 31.03.2008. In respect of Mid-day Meal Scheme (MDM) of the Ministry of Human Resource Development, there is time limit of 20 days for making payment after submission of bills in the subsequent month (time for submission of bills is 10 days) by the District Authorities under the Decentralized Scheme of Payment. However, the prescribed time limit is not adhered to strictly by the Ministry of Human Resource Development/District Authorities. The Committee find that despite various steps taken by the Department of Food and Public Distribution and FCI and convening various meetings with the concerned Ministries/Departments and making regular correspondence, the arrears have not been cleared. The Committee view this with grave concern, keeping in view the fact that the FCI itself has a huge amount of loan liability and has to pay interest thereon resulting in requirement of more subsidy for it. The amount of dues realised by FCI from the Ministries of Rural Development, HRD and External Affairs may be utilized for reducing its own loan liability.

The Committee, therefore, reiterate their recommendation made in their earlier reports for liquidation of these outstanding dues of FCI at the earliest in a

time bound manner and apprise the Committee of the further action taken by the Government in this regard and the outcome thereof.

Action taken by the Government

2.18 Department of Food & PD and FCI is pursuing the matter with the concerned Ministries for liquidating the outstanding dues of FCI. This Department has convened meeting on 25.07.2018 & 28.12.2018 with concerned Ministries/Departments and these Departments were requested repeatedly to expedite the liquidation of the outstanding dues vide letter dated 17.01.2019, 11.02.2019, 28.03.2019 and 05.07.2019. The status (as on 31.12.2019) of outstanding dues to FCI from different Ministries/States is as below:

Ministry/State	Amount (in crores)
MoRD	2452.96
MoHRD	220.53
MoEA	47.99
Central Govt PSUs such as STC, BSNL, PEC, MMTC	64.98
State Govt such as Maharashtra, Tripura	3.39
MoD	0.94
NAFED	0.17
Total	2790.96

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.19 of Chapter -I of the Report)

Recommendation (Para No. 5.23)

2.19 The Committee note that the target for construction of steel silos by FCI/State Governments during 2019-20 is 50 LMT but capacity completed upto 31.08.2019 was only 0.50 LMT. The Committee further note that in case of construction of silos with railway siding, the primary bottleneck in implementation of the projects remains the requirement of land. In order to solve the issue, FCI has contracted M/s RITES to study whether a hub-and-spoke model of silos with containerized movement would be more effective. In this connection, the Ministry

has envisaged to construct only stand-alone silos of appropriate capacity both in procuring & consuming areas with capacities smaller than/upto 50,000 MT scattered over a large number of catchment areas in the procuring locations and near to end consumers in the consuming areas. A cluster of stand-alone silos in procuring regions within a radius of say 50 Km may be linked to Container Rail Terminal (CRT)/existing FCI silo/Private Freight Terminal (PFT). Similar facilities in consuming region may be linked to a number of stand-alone consuming silos within a radius of say 100 km. Hence, the silos will need smaller land parcel and less capital investment on curtailed land parcel. The Department has also approved an action plan for construction of steel silos in the country for a capacity of 100 LMT in Public Private Partnership (PPP) mode by 2020, for modernizing storage infrastructure and improving shelf life of stored foodgrains. The Committee understand that the use of storage silo has several advantages as they need less area to store the same amount of foodgrains as compared to the conventional warehouse. Moreover, the foodgrains are stored in optimal conditions in silos besides being cost effective. The Committee, therefore, recommend that the Ministry should make sincere efforts to speedily achieve the set targets for construction of silos by closely monitoring the progress of various projects at the highest level of the Government.

Action taken by the Government

2.20 As on 31.01.2020, a capacity of 7.25 LMT of silos has been created. FCI has already awarded work for silos of 21.00 LMT capacity which is under implementation. In order to mitigate the issues being faced in construction of silos, FCI and Department of Food & Public Distribution reviews and monitors the progress of construction regularly. The silo developers, Independent Engineers & Auditors, Railways and concerned State Government Authorities are also pursued with. Further, FCI is also reviewing the existing model of silos with railway siding. The savings in silos is primarily in bulk handling and movement of foodgrains. Keeping this in view, FCI has envisaged to construct road side silos with bulk handling and movement. The movement of foodgrains shall be carried out in bulk in containers which will reduce the requirement of land, project cost etc. Additionally, existing godowns of FCI, CWC, SWC can then be used to construct silos, without railway sidings leading to faster progress in construction of silos. Accordingly, a study has been conducted by FCI through M/s RITES to assess the feasibility of hub and spoke model of silos with containerized movement. The final report has been submitted by M/s RITES is under consideration.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)]

Comments of the Committee

(Please see Para No.1.25 of Chapter -I of the Report)

Recommendation (Para No. 6.5)

2.21 The Committee are happy to note that the country has been producing sugar more than the domestic requirement from the year 2010-11 onwards (except during sugar season 2016-17), which has also encouraged export of sugar. The Committee hope that the Department should continue to make sincere efforts in encouraging sugarcane farmers to take all steps to increase sugarcane production by declaring timely and adequate Fair and Remunerative Price of Sugarcane to attract farmers for cultivation of sugarcane crop thereby ensuring adequate production of sugar by the sugar mills and to boost possible export. This will also ensure that sugarcane remains equally competitive with other food/cash crops. The Committee expect the Department to continue taking effective/ vigorous steps in this regard.

Action taken by the Government

2.22 The recommendation of the Committee has been noted.

To protect the interest of Sugarcane growers, DFPD fixes the Fair and Remunerative Price (FRP) of sugarcane before commencement of every sugar season having regard to the factors mentioned in the Sugarcane (control) Order, 1966, based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders.

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 FRP also assures remunerative return to farmers, irrespective of the fact whether sugar mills generate profit or not and is not dependent on the performance of any individual sugar mill. 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.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)

O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Para No. 5.12)

3.1 The Committee note that adequate checks and balances are in place in the form of Internal Audit and Comptroller & Auditor General (CAG) audit so as to ensure proper utilization of available storage capacity whether owned or hired. Review of capacity utilization is also carried out by Regional Offices/Zonal Offices/ FCI Headquarters to ensure optimum utilization of storage capacity. However, capacity utilization of FCI during 2018-19 for Covered (owned storage capacity) is 74% and for Covered (hired storage capacity) is 88%. Further, capacity utilization of FCI during 2018-19 for CAP (owned storage capacity) is only 9% but CAP (hired capacity) is 93%. The Committee fail to understand the reasons for such a gross under- utilization of owned CAP storage capacity which is 9% only. The Committee feel that adequate efforts were not made to utilize the CAP space owned by FCI. The Committee are not convinced with the reasons cited by the Department for under-utilization of owned capacity, such as, owned capacity remains under repair and maintenance; it is not cost effective to take long distance transportation etc. The Committee, therefore, desire that hiring of godowns Covered as well as CAP are resorted to only when it is absolutely essential or where owned storage capacity of FCI is not available so as to incur minimum expenditure on account of hiring storage capacity. FCI should ensure that their owned capacity is utilized to the maximum before hiring any storage capacity in order to save the scarce funds being spent on hiring the storage space to the extent possible.

The Committee would also like to be apprised of the detailed process of making contracts/tenders for hiring the storage space so as to enable the Committee to analyze the position and comment further in this regard.

Reply of the Government

3.2 The reason for low utilization of owned Covered and Plinth (CAP) capacity of FCI is that CAP capacity is used only for storage of wheat. However, the CAP storage capacity constitutes a small fraction of total storage capacity of FCI i.e. only 26.21 LMT against 401.87 MT total capacity and the hired CAP is meagre i.e. 0.19 LMT. However, field units have been stressed out to get the CAP capacity repaired, whenever required, and to use them at the earliest.

Regarding details of hiring the storage space, it is informed that in order to address the challenge of extremely high levels of stocks in Central Pool the Private Warehousing Scheme (PWS), 2010, was circulated. Godowns under PWS can be hired as a last resort after hiring all the capacity available with

Central Warehousing Corporation (CWC)/State Warehousing Corporations (SWCs)/State Agencies/PEG capacity available with them. CWC and SWCs may also be requested to hire any capacity from private investor and offer the same to FCI on reservation basis.

Under PWS scheme, godowns are hired by FCI from private parties on “Lease with Services” basis as well as “Lease only” through open tender enquiry for a minimum period of two years extendable by another one year (maximum). Some salient features of PWS Scheme are as under:-

- a) Minimum capacity of godown shall be 25,00 MT (however, for hilly area it shall be 1670 MT).
- b) The godowns can be de-hired in the extended period after giving three months’ prior notice to the party.
- c) The godown should have been scientifically constructed, with weigh bridge facilities and office building.
- d) The Delegation of Power (DoP) in terms of rates of godown hiring is as follows:

DoP	Rate
General Manager (Region)	Rs. 6.76/quintal/month
Executive Director (Zone)	Rs. 8.60/quintal/month
Headquarters	Beyond Rs. 8.60/quintal/month

- e) The PWS scheme has now been extended up to 31.03.2021.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Recommendation (Para No. 6.12)

3.3 The Committee note that the Government of India have created a buffer stock of Sugar of 30 Lakh Metric Tonnes (LMT) and 40 LMT for the period from 1st July 2018 to 30th June 2019 and from 1st August 2019 to 31st July, 2020 respectively. The Committee are of the opinion that buffer stock of sugar is very much essential to meet any situation in the years of deficit sugar production. The Committee feel that creation of buffer stock of sugar is a positive step for the sugar industry and sugarcane farmers as it is anticipated that it would boost the industry by not only providing cash support to farmers (in the form of compensation for carrying cost of stock) but also to improve the demand/supply situation in the domestic market and the consequent support to the sugar prices. These factors could result in liquidity improvement of sugar mills, thus supporting the cane payments to farmers. This move will also certainly facilitate payment of cane

arrears. The Committee, therefore, desire that Government should take appropriate measures to maintain a strategic stock of sugar after 31st July, 2020 also.

Reply of the Government

3.4 In wake of huge opening stock for current sugar season 2019-20 which is likely to affect the liquidity position of sugar mills, the Government has created the buffer stock of 40 LMT of sugar for one year from 1st August, 2019 to 31st July, 2020. Creation of buffer stock would help in maintaining demand supply balance, since sugar under buffer stock will not enter the market, thereby stabilizing sugar prices. It will also help to improve the liquidity of the sugar mills, thereby helping in clearance of cane dues of farmers.

Further, regarding the recommendation for creating strategic buffer stock after 31st July, 2020, it is stated that DFPD is monitoring the sugar sector scenario on a regular basis and appropriate decision on continuation of buffer stock will be taken in due course in the interest of all stakeholders.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Para No. 5.22)

4.1 The Committee note that FCI's owned storage capacity is constructed under Central Sector Scheme and the FCI is also augmenting capacity through private investors, CWC and SWCs in Public Private Partnership (PPP) mode under Private Entrepreneurs Guarantee (PEG) Scheme. However, the Food Corporation of India (FCI) could not achieve physical and financial targets set for construction of godowns during 2018-19 in respect of the North-Eastern (NE) States. The Committee also note that physical target set for construction of godowns during 2018-19 in North-Eastern States was 22,100 MT and actual achievement was 17,100 MT. The Department has informed that the problems being faced by FCI in construction of godowns in NE Region are mainly due to difficult terrains, frequent bandhs and issues with regard to land acquisition, law and order situation and inclement weather which adversely affected construction work in the North Eastern States. Inadequacy of storage space in any State poses a serious threat to smooth functioning of Public Distribution System. The Committee, therefore, desire that the Department of Food and Public Distribution should take up the matter urgently at highest level and pursue with the State Governments for acquisition of lands and take over the lands already acquired in these States. The Committee further desire the Department to include the North-Eastern States in its perspective plan drawn for the coming years and make sincere efforts for achieving physical and financial targets for construction of godowns.

Reply of the Government

4.2 There are many reasons as accepted and have led to such non-achievement of physical targets. However the financial target of Rs.61.90 cr. was achieved against the target of Rs 45.00 cr. It is pertinent to mention that the implementation of Central Sector Scheme consists of flow chart ranging from identification of land to the final completion of project involving numerous State Govt, agencies, local inhabitants and finally the construction agency to accomplish the project in a time frame contending with many local tribal issues/culture/ disturbance, which are not at all, under the control of Food Corporation of India.

The targets for construction of godown in any particular year are conceptualized based on the ongoing works and under the assumption that construction activities at site will be smooth and the construction agency will be able to perform to the best of its capability. It is well known fact that actual completion of godowns depends upon many local factors such as accessibility to site connecting road conditions, inclement weather condition and local disturbances which most of the time slow down the projected progress of work.

In case of acquisition of land parcels for construction of godowns in NE Region, there is abnormal delay in processing the case starting from identification of land, conduct of Social Impact Study, costing of land, demarcation of land and finally the removal of encumbrances such as electricity lines, houses, kacha paths, water pipe lines etc, which takes years together and finally taking over of land by FCI. These reasons are beyond our control and State Government is regularly approached for resolving the issues but time taken is always uncertain, even with the best efforts of this Department.

The approach of State Govt. starting from offering of land to final handing over of land takes years and is beyond the control of FCI, though it continuously pursues the case with State Authorities. Regular efforts are made to complete the project, monitoring and planning.

Even if physical target was not achieved in the year 2018-19, financial target was well achieved to the tune of Rs 61.90 Cr. against the target of Rs. 45 Cr. on overall implementation and construction of the scheme in North Eastern Region. Thus, the whole process of Construction of Godowns under this scheme is multidimensional and is dependent on many issues which are beyond the control of Food Corporation of India/this Department in most of cases.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.22 of Chapter -I of the Report)

Recommendation (Para No. 6.16)

4.3 The Committee are constrained to note that a total amount of Rs. 11784.38 crore is outstanding as cane price arrears for payment to the farmers.

This amount include arrears of Rs. 9443.92 crore, Rs. 325.96 crore and Rs. 2014.49 crore for the years 2018-19, 2017-18 and 2016-17 and earlier years, respectively. The Committee also note that the Government has not been able to enforce the provisions of Sugarcane (Control) Order, 1966. The Committee also note that the increase of blending percentage of ethanol from 5% to 10% into motor fuel as well as fixation of remunerative prices of ethanol produced from different feed stock has also increased the production of ethanol for which mills are getting remunerative price, thereby improving the liquidity position of sugar mills. Despite all such steps taken, cane arrears have not reduced. The Committee, therefore, urge the Government to prevail upon the State Governments/UT Administrations for enforcing the provisions of Sugarcane (Control) Order, 1966 and also to strictly monitor the performance of sugar mills in regard to making early payment of cane price to farmers.

Reply of the Government

4.4 As on 31.01.2020, around Rs. 12636 crore is outstanding as cane price arrears for payment to the farmers. This amount include arrears of Rs.8161 crore for the current season 2019-20 and Rs. 2219 crore, Rs. 255 crore and Rs. 2001 crore for the sugar season 2018-19, 2017-18 & 2016-17 and earlier years respectively. The Central Government has already taken various steps in order to help the sugar mills to liquidate their cane arrears of the farmers. Further, the Government is pursuing with the States from time to time to make efforts to clear the cane dues of the farmers, as the power of Sugarcane (Control) Order, 1966 has already been delegated to the States and to take action against the defaulting sugar mills.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.31 of Chapter -I of the Report)

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation (Para No. 5.29)

5.1 The Committee note that the Government has taken several steps to control storage, transit and pilferage losses such as periodical prophylactic and curative treatment, deployment of security staff, security inspections and surprise checks, installation of CCTV cameras, etc. However, despite various initiatives/measures taken, the storage, transit and pilferage losses in respect of wheat and rice are still very high. Transit losses in respect of wheat have reduced to some extent i.e. Rs. 6721.42 lakhs (2017-18) to Rs. 5769.09 lakhs (2018-19). Transit loss in respect of rice during 2017-18 was Rs. 21924.50 lakhs which has been reduced to Rs. 21480.14 lakhs in 2018-19. So far as pilferage loss in respect of wheat and rice is concerned, it has gone up in 2018-19 (i.e. Rs. 24.82 lakhs and Rs. 122.49 lakhs respectively) as compared to 2017-18 (i.e. Rs. 2.06 lakhs and Rs. 27.12 lakhs respectively). The committee also note the FCI has recovered these pilferage losses. In this context, the Committee desire to be informed of the names of individuals/godowns from whom/which the loss has been recovered. The committee also desire the Government to ensure more stringent enforcement of the laid down preventive measures during the next financial year to wipe out such losses.

Reply of the Government

5.2 The details on the theft/pilferage cases along with Quantity/value involved during the period of 2017-18 and 2018-19 are as under:

Commodity	Details	2017-18		2018-19 (Final)*	
		Quantity (In Qtl.)	Value (In Lakh)	Quantity (In Qtl.)	Value (In Lakh)
Wheat	Theft/Pilferage	107.5	2.06	1250.56	24.87
Rice	Theft/Pilferage	946.72	27.12	1306.39133	38.85

*Previously provided figures for financial year 2018-19 were provisional, now audited figures have been provided.

The godowns wise detail in this regard is as follows:

Name of Depots	Commodity	Quantity in Quintals	Amount (in rupees)
2017-18			
Shaktinagar FCI Covered	Wheat	0.98720	1893.79/-
Faridabad FCI Covered	Wheat	47.50000	91121.15/-
National Depot Sri Ganganagar	Wheat	26.52245	50879.08/-
Bamanhari CWC Covered	Wheat	18.00000	34530.12/-
SWC Bartara	Wheat	4.00000	7673.36/-
Bhomaiya FCI Covered	Wheat	3.98620	7646.89/-
CWC-II Raigarh	Wheat	6.50000	12469.21/-
	Total	107.49585	2,06,213.59/-
National Depot DO North Lakhimpur	Rice	6.85000	19624.57/-
Faridkot FCI Covered	Rice	41.00000	117460.90/-
Jagraon FCI Covered	Rice	818.80000	2345780.12/-
Patiala (New) FCI Covered	Rice	13.50000	38676.15/-
Dharamkot FCI Covered	Rice	66.56715	190708.23/-
	Total	946.71715	27,12,249.96/-
2018-19			
Gaya FCI Covered	Wheat	52.17495	103747.80/-
Ferozpur FCI Covered	Wheat	220.00000	437461.20/-
Dharamkot FCI Covered	Wheat	767.09500	1525337.72/-
Ajitwal Pvt Covered	Wheat	166.87000	331814.32/-
SWC Banda	Wheat	44.42300	88333.36/-
	Total	1250.56295	24,86,694.40/-
Sonepat FCI Covered	Rice	1.19550	3306.31/-
Bhatinda FCI Covered	Rice	206.80000	615058.36/-
Faridkot FCI Covered	Rice	252.47000	750888.70/-
Chawapail FCI Covered	Rice	211.50000	629036.96/-
Gonda FCI Covered	Rice	0.49360	1468.05/-
Chamarajnar-II	Rice	618.83423	1840518.20/-
Raichur FCI Covered	Rice	15.09800	44904.02/-
	Total	1306.39133	38,85,180.59/-

In respect of recovery, the action taken report will be submitted once the details are received from FCI.

Preventive measures taken to wipe out the theft/pilferage of foodgrains during storage are as follows:

- Installation of barbed wires fencing on boundary walls and provision of high mast lights in the godowns/complexes.

- Deployment of Security staff of FCI as well as other agencies i.e. Home Guards, DGR sponsored Security agency, Special Police Officers and state armed Police on need basis.
- Security Inspections as well as surprise checks of the depots are conducted from time to time at various levels to detect the security lapses, if any, though during part few years the mandatory inspection are lacking from Hqrs. And Zonal office level.
- Lodging of FIRs in cases where theft/pilferage/misappropriation have come to notice. Departmental action including recovery has been resorted to as deterrent measure. Recovery of theft/pilferage/misappropriation in full also acts as a deterrent for future occurrence also.
- Installation of CCTV cameras to enhance electronic Surveillance in depots through CPSE's.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)
O.M. No.G-20017/06/2019-AC Dated the 3rd March, 2020]

Comments of the Committee

(Please see Para No.1.28 of Chapter -I of the Report)

**NEW DELHI;
16 December, 2020
25, Agrahayana 1942 (Saka)**

**SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution.**

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021)
HELD ON WEDNESDAY, 16 DECEMBER, 2020**

The Committee sat from 1100 hrs. to 1300 hrs. in Committee Room 'D',
Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

Members

Lok Sabha

2. Shri Karadi Sanganna Amarappa
3. Ms. Pratima Bhoumik
4. Shri Anil Firojiya
5. Shri Bhagwant Mann
6. Shri Khagen Murmu
7. Shri Mitesh Rameshbhai (Bakabhai) Patel
8. Shri Subrat Pathak
9. Smt. Himadri Singh
10. Smt. Kavita Singh
11. Shri Ajay Misra Teni
12. Shri Saptagiri Ulaka
13. Shri Rajmohan Unnithan
14. Shri Ve. Vaithilingam

Rajya Sabha

15. Shri Satish Chandra Dubey
16. Smt. Roopa Ganguly
17. Dr. Fauzia Khan
18. Shri Rajmani Patel

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to: (i) adopt 4 draft Reports on Action Taken by the Government on observations/recommendations contained in Reports on Demands for Grants (2019-20) and also for the year 2020-21 pertaining to the Department of Food and Public Distribution and Department of Consumer Affairs; and (ii) XXXX XXXX XXXX. The Committee unanimously adopted the 4 draft Action Taken Reports without any modifications/amendments.

XXXXXX

3. XXXX XXXX XXXX XXXX XXXX XXXX

4. XXXX XXXX XXXX XXXX XXXX XXXX

XXXXXX

XXXX XXXX

The Committee then adjourned.

XXXXXX *Matter does not pertain to the Report*

APPENDIX II

(Vide Para No. 4 of Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE SECOND REPORT OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2019-20)

(SEVENTEENTH LOK SABHA)

- (i) Total number of Recommendations: 16
- (ii) Observations/Recommendations which have been accepted by the Government :
- Para Nos. :- 1.4, 3.4, 4.12, 4.13, 4.21, 4.33, 4.38,4.41, 5.6, 5.23 and 6..5
- (Chapter – II, Total -11)
Percentage : 68.75%
- (iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government
- Para Nos. 5.12 and 6.12
- (Chapter – III, Total - 2)
Percentage : 12.50%
- (iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
- Para Nos. 5.22 and 6.16
- (Chapter – IV, Total -2)
Percentage : 12.50%
- (v) Observations/Recommendations in respect of which the interim replies of the Government have been received.
- Para No.:- 5.29
- (Chapter – V, Total - 1)
Percentage : 6.25%