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**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)**

**PROCUREMENT, STORAGE AND DISTRIBUTION
OF FOODGRAINS BY FOOD CORPORATION OF INDIA**

THIRTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August 2021/ Sravana, 1943 (Saka)

(i)

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**PROCUREMENT, STORAGE AND DISTRIBUTION
OF FOODGRAINS BY FOOD CORPORATION OF INDIA**

Presented to Lok Sabha on 09.08.2021

Laid in Rajya Sabha on 09.08.2021



**LOK SABHA SECRETARIAT
NEW DELHI**

August 2021/ Sravana, 1943 (Saka)

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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. Shri Anil Firojiya
8. Shri Rajendra Dhedya Gavit
9. Shri Bhagwant Mann
10. Shri Khagen Murmu
11. Shri Mitesh Rameshbhai (Bakabhai) Patel
12. Shri Subrat Pathak
13. Smt. Himadri Singh
14. Smt. Kavita Singh
15. Shri Ganesan Selvam
16. Shri Nandigam Suresh
17. Shri Saptagiri Ulaka
18. Shri Rajmohan Unnithan
19. Shri Ve.Vaithilingam
20. Vacant
21. Vacant

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

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2020-2021) having been authorized by the Committee to present the Report on their behalf, present this Thirteenth Report (Seventeenth Lok Sabha) on the subject 'Procurement, Storage and Distribution of Foodgrains by Food Corporation of India' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The subject was selected by the Committee for examination during 2020-2021. The Committee took evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on the subject on 15.12.2020.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for placing before them the detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 27 July, 2021.

5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in thick type in Part - II of the Report.

**NEW DELHI;
27 July, 2021
05 Sravana 1943 (Saka)**

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

PART – I
REPORT
CHAPTER - I
PROCUREMENT OF FOODGRAINS

The Government policy of procurement of foodgrains has broad objectives of ensuring the Minimum Support Price (MSP) to the farmers and availability of foodgrains to the weaker sections at affordable prices. It also ensures effective market intervention thereby keeping the prices under check, also adding to the overall food security of the country. Food Corporation of India (FCI), the nodal central agency of Government of India, along with other State Agencies undertakes procurement of wheat and paddy under price support scheme. The procurement operations are majorly carried out by State Governments and its agencies.

1.2 Before the harvest, during each Rabi / Kharif Crop season, the Government of India declares MSP for procurement on the basis of the recommendation of the Commission of Agricultural Costs and Prices (CACP) which along with other factors, takes into consideration the cost of various agricultural inputs and the reasonable margin for the farmers for their produce. Farmers are made aware of the quality specifications and purchase system etc. to facilitate them to bring their produce conforming to the specifications.

1.3 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. (Page 1 BN)

1.4 FCI has also been assigned the additional task of procuring pulses & oilseeds under PSS Scheme. Coarse grains are procured by State Government Agencies for Central Pool with the prior approval of Department of Food and Public Distribution, GOI and to the extent these are issued under Targeted Public Distribution System (TPDS)/Other Welfare Schemes (OWS). (page 1 Q1(a) WR)

1.5 There exists a transparent & uniform policy for procurement by Govt. agencies across the country. Procurement is open ended. Under this policy, whatever foodgrains are offered by farmers within the stipulated procurement period, conforming

to the specifications prescribed by Government of India, are purchased at MSP by the Govt. agencies including FCI, for Central pool. However, if any producer/farmer gets better price in comparison to MSP, he is free to sell his produce in open market. (Page 8 WR)

Farmers retain a part of their produce for their self-consumption and seeds. The surplus is sold by them in the market. The surplus varies from farmer to farmer depending upon his size of land holding, productivity, family size, etc.

1.6 The details of production and procurement of Wheat for the last 3 years and current year and estimate of RMS 2020-21 is as under: (WR Q 6(a))

(Figs. in LMT)

S.No.	STATES/ UTs	RMS 2017-18		RMS 2018-19		RMS 2019-20		RMS 2020-21		
		Prod	Proc	Prod	Proc	Prod	Proc	Prod	Estimate	Proc
1	A.P. and Telangana	0.07	0.00	0.06	0.00	0.09	0.00	0.09	0.00	0.00
2	Assam	0.24	0.00	0.25	0.00	0.24	0.00	0.14	0.00	0.00
3	Bihar	51.11	0.00	61.04	0.18	64.66	0.03	55.80	2.00	0.05
4	Chhattisgarh	1.60	0.00	1.31	0.00	1.63	0.00	1.15	0.00	0.00
5	Gujarat	27.37	0.07	30.69	0.37	24.07	0.05	33.27	1.25	0.77
6	Haryana	115.47	74.32	107.62	87.84	125.74	93.20	118.76	95.00	74.00
7	H.P.	7.04	0.00	5.66	0.01	5.65	0.01	5.63	0.01	0.03
8	J&K	4.76	0.00	4.87	0.00	-	0.00	0.00	0.00	0.00
9	Jharkhand	4.25	0.00	4.69	0.00	3.02	0.00	4.39	0.00	0.00
10	Karnataka	1.71	0.00	2.30	0.00	1.64	0.00	1.80	0.00	0.00
11	M.P.	179.39	67.25	159.11	73.13	165.21	67.25	196.07	130.00	129.42
12	Maharashtra	18.75	0.00	16.97	0.00	12.49	0.00	17.94	0.17	0.00
13	Punjab	164.41	117.06	178.30	126.92	182.62	129.12	176.16	135.00	127.14
14	Rajasthan	89.85	12.45	93.69	15.32	100.83	14.11	109.16	21.74	22.25
15	UP	300.56	36.99	318.79	52.94	327.41	37.00	338.16	55.00	35.77
16	Uttarakhand	8.82	0.02	9.15	1.10	9.52	0.42	9.04	2.00	0.38
17	West Bengal	8.63	0.00	3.12	0.00	3.38	0.00	5.10	0.00	0.00
18	Others	1.09	0.08	1.05	0.14	7.76	0.13	5.94	0.32	0.11
	TOTAL	985.10	308.25	998.70	357.95	1035.96	341.33	1078.60	442.49	389.92

1.7 The details of production and procurement of rice for the last 3 years and current year and estimate of KMS 2020-21 (Kharif crop) is as under:

(Fig. in LMT)

S.No.	STATES/ UTs	KMS 2017-18		KMS 2018-19		KMS 2019-20		KMS 2020-21 (Kharif crop)		
		Prod.	Proc.	Prod.	Proc.	Prod.	Proc. (as on 11.11.2020)	Prod. \$	Estimate	Proc.*
1	A.P.	81.66	40.00	82.35	48.06	86.59	55.33	49.20	40.00	0.00
2	Telangana	62.62	36.18	66.70	51.90	79.28	74.54	36.43	50.00	1.83
3	Assam	52.84	0.35	52.21	1.03	49.85	2.11	40.93	3.60	0.00
4	Bihar	80.93	7.93	61.56	9.49	62.98	13.41	65.35	20.00	0.00
5	Chhattisgarh	49.31	32.55	65.27	39.71	67.75	52.24	68.90	60.00	0.00
6	Gujarat	18.91	0.00	19.12	0.09	19.83	0.14	20.51	0.35	0.04
7	H.P.	1.15	0.00	1.15	0.00	1.44	0.00	1.28	0.00	0.00
8	Haryana	45.23	39.92	46.16	39.41	48.24	43.03	44.13	44.00	35.58
9	J&K	5.13	0.13	0.00	0.09	0.00	0.10	0.00	0.13	0.11
10	Jharkhand	40.78	1.43	28.94	1.53	30.13	2.55	34.68	3.00	0.00
11	Karnataka	30.17	0.00	34.31	0.59	36.35	0.41	27.09	1.10	0.00
12	Kerala	5.21	3.29	5.78	4.65	6.06	4.83	4.50	3.25	0.10
13	M.P.	41.24	10.96	44.95	13.95	47.78	17.40	45.39	27.00	0.00
14	Maharashtra	27.31	1.79	32.76	5.80	28.98	11.57	28.75	12.00	0.00
15	Odisha	65.51	32.87	77.34	44.47	83.60	47.63	72.88	37.00	0.00
16	Punjab	133.82	118.33	128.22	113.34	117.79	108.76	114.58	113.00	124.18
17	Rajasthan	4.51	0.00	4.53	0.00	4.81	0.00	5.28	0.00	0.00
18	Tamil Nadu	66.39	10.11	61.31	12.94	71.71	22.04	58.86	17.00	3.07
19	U.P.	132.74	28.75	155.45	32.33	155.18	37.90	160.80	37.00	6.10
20	Uttarakhand	6.47	0.38	6.18	4.62	6.58	6.82	6.10	6.70	4.62
21	WB	149.67	16.73	162.42	19.79	158.81	18.38	113.33	23.80	0.00
22	Others	25.98	0.14	28.09	0.20	29.98	0.29	24.66	0.17	0.17
Total		1127.58	381.85	1164.78	443.99	1188.70	519.48	1023.66	499.10	175.81

*KMS 2020-21 is under progress. As on 11.11.2020.

1.8 The quantum of foodgrains procured by Govt. agencies directly from the farmers during 2017-18, 2018-19, 2019-20 and 2020-21 and prices are given as under:- (Page 4 Q3 WR)

Paddy:

Sl. No.	KMS	Paddy Procured (in LMT)	MSP (Common Paddy) (in Rs./Qtls)	MSP(Grade.A) (in Rs./Qtls)
1	2017-18	568.22	1550	1590
2	2018-19	660.11	1750	1770

3	2019-20	773.25	1815	1835
4	2020-21*	262.32	1868	1888

*KMS 2020-21 is under progress. As on 11.11.2020.

Wheat:

Sl. No.	RMS	Wheat Procured (in LMT)	MSP(in Rs./Qtls)
1	2017-18	308.24	1625
2	2018-19	357.95	1735
3	2019-20	341.32	1840
4	2020-21	389.92	1925

1.9 The Ministry has informed the overall scenario of procurement of foodgrains in the country as under:-

(in LMT)

KMS/RMS	Rice	Wheat	Coarsegrains				Pulses			
			Jowar	Bajra	Maize	Ragi	Moong	Urad	Tur	Chana
2017-18	381.84	308.24	0.02	0.20	0.47	0.00	-	-	-	-
2018-19	443.99	357.95	0.12	0.99	0.12	0.94	0.61	0.57	0.15	-
2019-20	519.48	341.32	0.23	1.00	1.15	1.93	-	-	0.10	0.15
2020-21*	175.80	389.92	-	1.00	0.05	-	-	-	-	-

*KMS 2020-21 is under progress. Data as on 11.11.2020.

1.10 The Committee enquired about the status/target in regard to procurement of wheat and rice during the year 2020-21 and whether the Department is hopeful of meeting the targets, to which the Department stated that estimates for procurement of Wheat and Rice are finalized by Govt. of India in consultation with State Food Secretaries in a meeting convened before the commencement of each marketing season. The detail of estimate and procurement of wheat and rice in RMS/KMS 2020-21 is as under:- (WR Q 1.(b))

(Page 5 Q 3(iv) WR)

(Figs. in LMT)

RMS	Estimate of Wheat	Procurement of Wheat	KMS*	Estimate of Rice	Procurement of Rice
2020-21	442.49	389.92	2020-21	499.10	175.80

*KMS 2020-21 is under progress. As on 11.11.2020.

1.11 The estimates are only indicative for smooth preparedness for undertaking unhindered procurement and not a target as such. The procurement being open ended, whatever stock is

brought to the mandies/procurement centres, conforming to specifications prescribed, is procured by the State agencies and FCI at MSP. Procurement depends upon multiple factors like Production, Market Surplus, MSP, Prevailing Market Rates, Demand Supply situation and participation of Private Traders etc. (Page 5 WR)

1.12 On being enquired whether there has been lesser procurement of foodgrains than the targets, the Department stated that the estimates are drawn up based on feedback from State Food Secretaries, around two months before market arrival of paddy and wheat. Any fluctuation in estimated production and actual production also results in variation in procurement. (page 10 Q 6(b) WR)

1.13 The procurement of rice has continuously increased during the last three years. In case of wheat, all time high quantity of 389.92 LMT of wheat was procured in RMS 2020-21 in comparison to 308.24 LMT of wheat procured during RMS 2017-18. The procurement of foodgrains is sufficient to fulfill the requirement under NFSA/OWS.

1.14 As regards the policy of procurement, the Secretary, Department of Food and Public Distribution, during evidence stated:- (page 19-20 proceedings)

“Sir, every year, before the start of the Rabi season and before the start of the Kharif season, two important conferences are held. Even this year it was held. This was held on virtual conference mode this time where Food Secretaries and Food Ministers of all the States are present and they disclose as to what is going to be their likely surplus which would be available for procurement. If the State is consuming themselves, then they will not offer that quantity for procurement. So, in that conference, before the procurement season starts, each State gives its surplus quantity of foodgrains. I can read out as I have the figures. Each State has given what is going to be procurement that they would like to be done and we go along with the recommendations of the State and we follow the numbers that they have given. At a later date, if for some reason, they want to increase that number or if they want to decrease that number, then they have to seek the Central Government's permission because our entire planning is based on the initial number. So, even this year when 168 lakh metric tonnes were the initial permission for Punjab and they wanted to go to 203 lakh metric tonnes, they sought our permission and we granted them due to covid circumstances.”

1.15 When enquired about the problems being faced by States in procurement, the Secretary, Department of Food and Public Distribution during evidence stated as under:- (page 19 proceedings)

“These are State specific issues. Generally, the FCI operations are supporting operations. If you see the total procurement happening now, then the FCI’s direct procurement is now less than 5 per cent. All operations are conducted by State agencies. For example, in Punjab, the Marketing Federation Ltd. (MARKFED) and 4 other agencies will procure.”

1.16 Asked about the steps taken or being taken by the Government to enhance the procurement, the Ministry stated that the steps taken to ensure remunerative prices are as under:- (Page 11-12 WR)

- 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 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.

- The Govt. Agencies have implemented the use of Expenditure Advance Transfer module (EAT) of Public Financial Module System (PFMS) while making payment, as mandated by the Ministry of Finance, GOI. The Govt. Agencies have to integrate their online payment system with PFMS portal and payment made directly to farmer's account *via* e-mode.
- 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.

Decentralized Procurement Scheme (DCP)

1.17 Under Decentralized Procurement Scheme (DCP), introduced in 1997-98, foodgrains is procured, stored and distributed by the State Governments themselves. Under this scheme, the States procure, store and issue foodgrains under TPDS and other welfare schemes of the Government of India. The decentralized system of procurement has the objectives to ensure that MSP is passed in a focused way on to the farmers, and to encourage procurement in non-traditional States, thereby extending the benefits of MSP to local farmers, which also saves on transportation cost. This also enables procurement of foodgrains more suited to local taste for distribution under the PDS. (Page 36 Report 3)

1.18 Under DCP system, the State Govt. and its agencies procure, store and distribute (against GOI's allocation for TPDS & OWS) rice /wheat/coarse grains within the State. The excess stocks (rice & wheat) procured by the State and 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 cost of surplus stocks handed over to FCI is reimbursed by FCI to the State Govt. /agencies as per GOI cost sheet. GOI has always been emphasizing that States should adopt DCP mode for procurement and distributions of foodgrains. The details of DCP States is as under:

(A) STATES UNDERTAKING DECENTRALISED PROCUREMENT OF RICE

DCP for 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.	Gujarat	2017-18
14.	Andaman Nicobar	2003-04
15.	Tripura	KMS 2018-19 and KMS 2019-20 (Rabi Crop)

(B) STATES UNDERTAKING DECENTRALISED PROCUREMENT OF WHEAT

DCP for 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	Maharashtra	2020-21
8	Punjab*	2014-15

Note:

1. ***Punjab** was DCP State for Wheat from RMS 2014-15, but on request of State Govt, FCI is participating in procurement operations.
2. **Uttar Pradesh** was DCP for KMS 1999- 2000 to KMS 2009-10 and RMS 1999-2000 to RMS 2010-11. Procurement of wheat & rice is under Non-DCP mode.
3. **Rajasthan** was DCP for wheat in RMS 2013-14 to 2015-16 (for 1 district) and 2016-17 (for 9 districts). From RMS 2017-18 onwards wheat is procured under Non-DCP mode.
4. **Jharkhand** was DCP for KMS 2016-17 (only for 1 district) 2017-18 (only for 5 District), 2018-19 (only for 6 District). They have adopted Non-DCP in KMS 2019-20.

1.19 Majority of the States undertake procurement of wheat and paddy under DCP mode and use their own portal for procurement operations. They make online payment to the farmers through their State portal except Punjab where payment to farmers are being done through arthiyas. (Page 2 – BN)

Since adoption of DCP mode requires substantial responsibility on the part of the State Govt. like arrangements for funds, storage space, gunny, manpower etc. they hesitate to adopt the same. However, regular efforts are made to persuade them to adopt the DCP mode by addressing their concerns. (page 23 WR)

1.20 The Ministry also stated that regular interactions are made by Government of India (GOI) with the State Governments and suitable amendments are made as per the need from time to time. The Decentralized Procurement States have to focus on improving the quality of stocks received and its safe preservation. Problems reported by State Govts. are suitably addressed by GOI from time to time and necessary amendments are made in the scheme. (page 24 WR)

1.21 The Committee also enquired whether any performance evaluation of the DCP scheme has been done, to which the Ministry stated that on the request of this Department, an Evaluation Advisory Committee under NITI Aayog has been constituted to carry out performance evaluation of the DCP scheme. (page 25 WR) The study entrusted to Niti Aayog for evaluation of DCP scheme is still underway. (page 26 WR)

1.22 The Ministry has stated that the State Government and its agencies in Decentralized States have implemented the use of Expenditure Advance Transfer module (EAT) of Public Financial Module System (PFMS) while making payment, as mandated by the Ministry of Finance, GOI. The State Govt. has to integrate their online payment system with PFMS portal and payment made directly to farmer's account *via* e-mode. In Non-Decentralized States, FCI and State agencies have also implemented PFMS module make direct transfer of payment into the farmer's bank account through online mode.

1.23 FCI and State Govt agencies have adopted web services introduced by GOI/NIC for integration with National Food Procurement Portal (NFPP) so that real time procurement data may be pushed on NFPP. (page 3-4 BN)

CHAPTER - II

STORAGE OF FOODGRAINS

(i) Introduction

The Department of Food and Public Distribution has the responsibility to ensure availability of sufficient storage capacities in various States for procurement of foodgrains as well as distribution under Targeted Public Distribution System (TPDS)/National Food Security Act (NFSA). This responsibility is executed through Food Corporation of India (FCI), which has its own network of storage infrastructure. FCI also hires additional storage facilities from Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs) for the storage of foodgrains procured by the Government agencies for Central Pool.

2.2 The existing storage facilities are mainly conventional godowns wherein the foodgrains are stacked in bags. This ensures maximum protection from sun, rain, storm, etc. Necessary prophylactic (spraying of insecticides) and curative measures (fumigation) are carried out regularly for the control of insects/pests. However, during peak procurement periods, FCI also resorts to Cover & Plinth (CAP) facilities for short-term storage of foodgrains. Even, CAP storage is also a scientific method of storage as foodgrain bags are stacked on dunnages on a raised plinth and covered with plastic sheets lashed by nylon ropes vertically to prevent damage to the covers due to high velocity winds, rain, dust, storms, etc. (Page 8 BN)

2.3 When asked about comparative statement of total storage capacity available with FCI Covered/CAP and owned/hired, stock held there and capacity utilization during 2017-18, 2018-19, 2019-20 and 2020-21 (till date) year-wise, the Ministry furnished the following information: (page 37 Q28 (a) WR)

(Fig. in LMT)

As on	COVERED			CAP			GRAND TOTAL
			TOTAL COVERED	OWNED	HIRED	TOTAL CAP	
	TOTAL OWNED	TOTAL HIRED					

01.06.2017	CAPACITY	128.23	207.45	335.68	26.02	0.00	26.02	361.70
	STOCKS	89.9	205.02	294.92	1.99	0.00	1.99	296.91
	UTILIZATION(%)	70	99	88	8	0	8	82
01.06.2018	CAPACITY	128.42	226.62	355.04	26.02	0.00	26.02	381.06
	STOCKS	103.00	229.26	332.26	2.71	0.00	2.71	334.97
	UTILIZATION(%)	80	101	94	10	0	10	88
01.06.2019	CAPACITY	127.33	246.44	373.77	26.02	1.04	27.06	400.83
	STOCKS	107.76	226.35	334.11	4.70	1.19	5.89	340.00
	UTILIZATION(%)	85	92	89	18	114	22	85
01.06.2020	CAPACITY	127.77	257.09	384.86	26.02	1.64	27.66	412.52
	STOCKS	95.54	243.15	338.69	5.14	2.17	7.31	346.00
	UTILIZATION(%)	75	95	88	20	132	26	84

In addition to the above, State agencies are also having a capacity of 405.29 LMT including 289.26 covered & 116.03 CAP capacity with them for storing of foodgrains. (page 37 WR)

2.4 Asked whether it is a fact that percentage utilization of hired capacity is more than owned, the Ministry replied affirmatively and stated that the utilization of FCI owned covered capacity has been between 70-85% and in case of hired covered capacity utilization has been between 92-101%. (page 38 Q 28 (b) WR)

2.5 As regards the steps taken to maximize utilization of owned capacity, the Ministry stated as under:- (page 38-39 WR)

“As far as the lower utilization of owned capacity as compared to the hired capacity is concerned, it may please be noted that this is a rather natural phenomenon due to the following reasons:

- The Storage Capacity is hired only when there is absolute necessity of the same which becomes all the more reason for it to be fully/more utilized.
- The owned capacity once constructed at a particular place/location cannot be shifted if the same is required at a different location due to changed procurement pattern or change in off take of foodgrains on account of consumer preference etc. whereas the hired capacity can be de hired and re-hired as per the requirement making its utilization more than the owned capacity.
- Owned capacities are created at certain remote/hill areas also keeping in view the regional requirements where private parties do not come forward to offer hired capacity. Higher utilization of capacity in such places is not possible due to various factors such as difficult terrain, improper infrastructure, climatic conditions, limitation of

railways/other transportation facilities etc. Examples of the same are NE Zone, Himachal Pradesh, J&K etc.

- Many a times hired capacity is taken on AUB (Actual Utilization Basis) where the capacity hired is shown equal to stock stored there in making the capacity utilization 100%, thereby increasing the overall capacity utilization of hired capacity as compared to owned capacity.
- Some part of the owned capacity remains under repair and maintenance resulting in overall less utilization as compared to hired capacity because the hired capacity is taken only when it is fully storage worthy.
- Often it is not cost effective to undertake long distance transportation and double handling of food grains just to ensure utilization of FCI vacant space at far off places in place of hiring the fresh storage space at the place where it is required because of proximity to the procurement or consumption centres.
- CAP capacity is used only for storage of wheat and, many a times, this becomes the reason for low utilization of CAP capacity as compared to covered capacity which can be used for all the commodities. However, the underlying fact remains that the CAP storage capacity constitutes a very small fraction of total storage capacity i.e. only 26.07 LMT against 408.34 MT total capacity.

2.6 Further, it is brought to the attention that adequate checks and balances are in place in the form of Internal Audit and CAG audit so as to ensure proper utilization of available capacity whether owned or hired and to ensure that no infructuous expenditure is made on account of rental charges by hiring the godowns unnecessarily. Review of capacity utilization is also carried out by Regional Offices/Zonal Offices/FCI HQs. to ensure optimum utilization of storage capacity and to minimize the cost of storage.

2.7 In response to a query as to how much storage capacity has been constructed by FCI during 2017-18, 2018-19, 2019-20 and 2020-21 (till date) and also what were the targets and actual achievement for construction of godowns (physical and financial) during this period in the wake of implementation of NFSA 2013, the Ministry stated that capacity is augmented in FCI through various schemes and furnished the details of capacity created under Private Entrepreneur's Guarantee (PEG), Central Sector Scheme (CSS) and Silos Schemes as under: (page 48 Q 34 (a) WR)

Year	Capacity in LMT		
	Private Entrepreneurs Guarantee (PEG)	Silo Storage capacity constructed by FCI	Central Sector Scheme (North-Eastern States only)
2017-2018	4.06	0.25	0.08
2018-2019	1.40	0.50	0.17

2019-2020	1.47	0.50	0.03
2020-2021 (as on 01.11.2020)	0.42	1.00	Nil

2.8 The year-wise details of capacity added *vis-a-vis* targets under PEG scheme are as below:- (page 120-121 WR DFG Q 68(a))

Year	Target (in LMT)	Capacity added under PEG scheme(in LMT)
2018-19	Nil	1.40
2019-20	Nil	1.46
2020-21 (upto Dec., 20)	Nil	0.43
Total	Nil	3.29

2.9 Silo Storage capacity constructed by FCI during the last three years is 2 LMT and a capacity of 20.00 LMT is under various stages of implementation. The year-wise details as under:

Year	Capacity (in LMT)
2018-19	0.50
2019-20	0.50
2020-21	1.00
Total	2.00

2.10 There is no financial investment by FCI in silo construction under Public Private Partnership (PPP) mode. In addition, FCI is creating new godowns using Central funds with focus on NE States. The Physical and Financial targets in respect of construction of godowns in various States during 2018-19, 2019-20 and 2020-21 (till date) are as below:

Year	North East				Other than North East			
	Physical (MT)		Financial (Rs. Crore)		Physical (MT)		Financial (Rs. Crore)	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
2018-19	22100	17100	42.50	52.44	18340	18340	2.50	9.46
2019-20	25000	2500	45.00	27.96	2240	Nil	4.00	4.28

2020-21 (as on 31.01.21)	30020	Nil	45.00	13.64	6220	Nil	16.00	3.07
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2.11 The Buffer Norms and requirement of Operational Stock is as under: (Page 39 WR)

Fig. In Lakh MT

As on	Operational Stock			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
1st April	115.80	44.60	160.40	20.00	30.00	210.40
1st July	115.40	245.80	361.20	20.00	30.00	411.20
1st October	82.50	175.20	257.70	20.00	30.00	307.70
1st January	56.10	108.00	164.10	20.00	30.00	214.10

2.12 Asked about the latest position as to the construction of godowns in J&K, NE States, A&N and Lakshadweep islands, and whether Government is facing any difficulties in construction of godowns in NE States, J&K, A&N and Lakshadweep Islands, the Ministry stated that as per the approval for increasing the storage capacity of godown for FCI under 12th Five Year Plan, Ministry has revised the 12th Five Year Plan Scheme in the light of budget and time constraint in NE and Other than NE (ONE). Capacity to be created under scheme is 3,08,130 MT (2,28,570-NE and 79,560-ONE), which includes 6 new locations Silchar(Assam), Zunheboto(Nagaland), Champai(Mizoram), Dumka Ph-II (Jharkhand), Itkhor(Jharkhand) and Poreyahat (Jharkhand). A storage capacity of 1,83,550 MT (1,45,210-NE at 24 locations & 38,340-other than NE at 6 locations) has been completed upto 31.08.2020 under extended 12th five year plan (2017-2022). Construction works for storage godowns are in progress for 56,240 MT (30,020-NE & 26,220 – other than NE) at 8 locations all over India. Plan scheme work for 25,000 MT (Kokrajhar- 15,000MT and Sairang- 10,000 MT) in NE is likely to be taken up shortly.

2.13 Land for storage capacity of 43,340 MT (28,340-NE and 15,000-Other than NE) has been identified and is likely to be handed over to FCI shortly at 4 locations (3 locations-NE and 1 location-other than NE) i.e. Silchar/Assam (20,000 MT, 50% land cost already

deposited), Zunheboto/Nagaland (5,000 MT) and Champai/Mizoram (3,340 MT) in NE and Dumka Ph-II (15,000 MT) in other than NE. Detail of all the above is given as under:-

Sl. No	Year	No. of projects	Cap. (MT)	State	Location	Capacity (MT)
1.	Capacity completed					
i.	FY 2012-13	2	2910	Manipur	Senapati	1660
					Jiribam	1250
ii.	FY 2013-14	1	2500	Arunachal Pradesh	Ziro	2500
iii.	FY 2014-15	6	43,480	Assam	North Lakhimpur	2500
					Jogighopa	2000
					Hojai	2500
					Changsari	25000 (part cap.)
					Bindukuri	5000 (part cap.)
				Arunachal Pradesh	Seppa	1670
					Anini	640
				Meghalaya	Tura	2500
				Nagaland	Dimapur	1670 (Part cap.)
iv.	FY 2015-16	7	64810	Assam	Changsari	25000 (part cap.)
					Bindukuri	20000 (Part cap.)
					Karimganj	5000
				Arunachal Pradesh	Tawang	1670
					Yingkiang	640
				Nagaland	Dimapur	7500
				Tripura	Kumarghat	5000
V	FY 2016-17	2	3980	Arunachal Pradesh	Anjaw (Khuppa)	640
					Lohit (Tezu)	3340
vi.	FY 2017-18	2	7930	Nagaland	Kohima	4590
				Arunachal Pradesh	Bomdila	3340
vii.	FY 2018-19	3	17100	Manipur	Thoubal	2500
					Imphal East	10000
					Bishnupur	4600
Viii	FY 2019-20	1	2500	Manipur	Churachandpur	2500
TOTAL CAP. REALIZED		24	1,45,210			
2.	Work in Progress					
		5	30,020	Assam	Jonai/Dhemaji	20000
				Arunachal Pradesh	Aalo	1670
					Roing	1120
				Manipur	Tamenglong	4730
				Meghalaya	Baghmara	2500
3.	Work being taken up					
		2	25,000	Mizoram	Sairang	10000
				Assam	Kokrajhar	15000
4.	Land identified, yet to be handed over by State Govt.					
		3	28,340	Assam	Silchar	20000
				Nagaland	Zunheboto	5000
				Mizoram	Champai	3340
5.	Capacity dropped due to land, funds and time constraint					
		24	1,52,090	Assam	Bongaigaon	35000
					Darrang	7500
					Morigaon	10000
					KarbiAnlong West	10000

					Charaideo	5000
					N.C. Hills (DimalHasao)	3340
				Arunachal Pradesh	Upper Subansiri (Daporijo)	1670
					KurungKumey	2240
					Longding	2500
					Namsai	1670
				Manipur	Chandel	2500
					Pherzawl	640
					Churachandpur	3340
				Meghalaya	Umroi	5000
				Nagaland	Kiphire	3340
					Longleng	1670
					Phek	3340
				Sikkim	Dentum	5000
					South Sikkim	3340
				Tripura	Sekerkote/Jirania	20000
					North Tripura	5000
					Dhalai	7500
					Khowai	5000
					South Tripura	7500
6.	Reduction in capacity due to constraint in land		6500	Nagaland	Dimapur	830
				Manipur	Bishnupur	400
					Tamenglong	270
				Mizoram	Sairang	5000
	TOTAL	58	3,87,160			

2.14 Further, a capacity of 1.42 LMT has been approved during the 57th HLC dated 06.10.2020 for construction of godowns in NE regions for which tender process will start soon. The details are as under:

(Fig. in MT)

Sl. No.	Region	Capacity Approved
1.	Assam	74000
2.	Meghalya	6680
3.	Nagaland	13000
4.	Tripura	49000
Total		142680

Silos:-The details of the silos under implementation in different States of the country are as under:

(Fig. in LMT)

Agency	State	Completed	Under implementation	Total
FCI	Assam	0	0.5	0.5
	Bihar	0	5.5	5.5
	Delhi	0	0.5	0.5
	Gujarat	0	2	2
	Haryana	0	2.5	2.5
	Punjab	2.25	2	4.25
	Uttar Pradesh	0	4	4
	West Bengal	0	3	3
Total		2.25	20	22.25
State Govt.	Madhya Pradesh	4.5	0	4.5
	Punjab	1.5	0	1.5
	Uttar Pradesh	0	1.5	1.5
Total		6	1.5	7.5
A. Total		8.25	21.5	29.75

2.15 As regards NE states, FCI has awarded silo capacity of 50,000 MT under Viability Gap Funding (VGF) mode at Changsari in Assam. The Concession Agreement for the project has been signed on 15.09.2016 and at present, the project is under implementation and is likely to be completed by 01.12.2020. No other silo capacity is being constructed in NE States, J&K, A&N and Lakshadweep Islands. (page 49-51 Q 34 d WR)

2.16 The Ministry has stated that there has been no losses in FCI on account of shortage of storage facilities. However, in order to create proper storage facilities, FCI has taken various steps to augment the scientific storage infrastructure steps as under:

(1) **Construction of godowns under Private Entrepreneur Guarantee Scheme:** Under the scheme, 152.40 LMT has been sanctioned. Construction has been completed for 144.06 LMT and construction of 6.35 LMT is under progress. The State-wise details are as under:-

Note:	<ol style="list-style-type: none"> 1 A capacity 6.95LMT has been approved by 53rd HLC Meeting for U.P Region. 2 A total capacity of 0.41LMT has been approved by Ministry as well as 53rd HLC Meeting across Jharkhand(23000 MT), Assam(6000MT) and Gujarat (12000MT) 3 In Andhra Pradesh, guarantee expired for 0.20LMT (shrikakulam) and contract for 0.30LMT(Biccavole) was terminated APSWC, both are still shown in Completed Stats. 4 56th HLC dated 13.02.2020 has agreed to the proposal of state govt.of W.B to remove the godwon under RIDF scheme the capacity of 60,000 MT in West Bengal (Guskara(5000), Memari(5000), Bhatar(5000), ketugram(5000), Monteshwar(5000), Bholpur(5000), Sainthia(5000), Basirhat(5000) and godown at Haldia(20000) constructed by WBSWC on their own land. Accordingly, removed from net approved capacity. 5 56th HLC dated 13.02.2020 has approved the recommendations of SLC to accept the rates of 90000MT in Bihar region (Chapra -20000, Jamui-20000, Vaishali-20000, Siwan-10000, Ara-10000, Araria-10000) and rate for 15000MT in Meghalaya Region (Shillong-10000 and Byrinahat-5000MT). Subsequently added in sanctioned capacity 6 56th HLC dated 13.02.2020 has approved the recommendation of SLC to delete the capacity of 12000MT(Narmada) in Gujarat and same can be constructed in future if Railway godshed comes in Narmada District accordingly, removed from net approved capacity.
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As regards construction of godowns, the same are constructed scientifically as per BIS norms and also Central Public Works Department (CPWD) specifications for safe storage of food grains. Further, in order to ensure safe storage of food grains, all major components of godowns such as roofing, flooring, railway sidings, roads, street light, weighbridge etc. are being maintained/ repaired on regular basis to up keep the warehouses through sanctioned funds by FCI.

(2.) Construction of godowns under Plan Scheme:

(3.) CAP Hiring Scheme-2019:-Government of India approved a Scheme for construction of Cover & Plinth (CAP) as temporary storage facilities on the lines of PEG Scheme in major procuring regions viz Punjab, Haryana, Uttar Pradesh & Madhya Pradesh for guarantee hiring by FCI for three years to accommodate the Wheat stocks to be procured during ensuing RMS 2020-21. Under this scheme a capacity of 16.13LMT has been constructed.

(4.) Private Warehousing Scheme(PWS)-Under PWS scheme, godowns are hired by FCI from private parties on lease + services basis through open tender enquiry minimum for a period of one year extendable by maximum another one year (can be de-hired in the extended period after giving three months' notice). GMs (Region), FCI can sanction rates upto Rs. 6.76 per quintal per month, EDs (Zone), FCI upto Rs. 8.60 per quintal per month. This scheme has been extended upto 31.03.2021.

(5.) Silos-In order to upgrade and modernize the storage facilities, based on recommendations of High Level Committee headed by Shri Shanta Kumar, Government of India chalked out an Action Plan for construction of steel silos on PPP (Public-Private Partnership) mode in the country for a capacity of 100 LMT. A capacity of 13.75 LMT is complete and put to use which includes capacity of 5.50 LMT created under circuit model in 2007-2009.

2.17 FCI also reviewed the existing model of silos which is with railway siding. It has been observed that the main constraint for timely completion of silos is delay/difficulty in acquisition of suitable land parcel by the concessionaire as acquisition of land with Railway siding requires

strip of land with 1.5 km length. Moreover, protracted negotiation with numerous small land owners to acquire complete land parcel also delays land purchase by concessionaires. To overcome the problems faced in existing silo projects, FCI is shifting to Hub & Spoke model of silo construction under which the silos are planned to be constructed as road fed with containerized bulk movement which would require lesser size of land than that for rail-fed silo. Hence, it would be easier to find such land parcels by the concessionaires. The tender documents and list of 100 locations (35.8 LMT) for silo construction under Hub & Spoke model have been approved by HLC dated 21.09.2020 and have been forwarded to M/o CA,F&PD on 01.10.2020 for approval. The current status of Silo construction is as under:-

STATEMENT SHOWING AGENCY-WISE STATE-WISE STATUS OF SILO CONSTRUCTION

(Fig. In LMT)

Agency	State	Target as per Action Plan	Completed	Contracts Awarded				Awarded to State Govt. on nomination	Total	Locations Approved by HLC for Hub & Spoke	Locations to be identified	Rice Silos to be implemented after outcome of Pilot Project	Grand Total
				Under Construction	Partial Land acquired	Land Not Acquired	Total						
FCI	Assam	0.5	0	0.5	0	0	0.5	0	0.5	35.875	18.275	15.1	30.75 + 69.25
	Bihar	4.5	0	1.5	0.5	3.5	5.5	0	5.5				
	Chattisgarh	1	0	0	0	0	0	0	0				
	Delhi	1	0	0	0	0.5	0.5	0	0.5				
	Gujarat	1	0	1.5	0	0.5	2	0	2				
	Karnataka	0.25	0	0	0	0	0	0	0				
	Haryana	3	0	2	0	0.5	2.5	0	2.5				
	Maharashtra	1	0	0	0	0	0	0	0				
	Punjab	4.25	2.25	2	0	0	2	0	4.25				
	Rajasthan	1.5	0	0	0	0	0	0	0				
	Uttar Pradesh	7	0	1.5	1.5	1	4	0	4				
West Bengal	4	0	0	0.5	2.5	3	0	3					
Total		29	2.25	9	2.5	8.5	20	0	22.25				
CWC	Punjab	2.5	0	0	0	0	0	0	0				
State Govt.	Andhra Pradesh	3.5	0	0	0	0	0	0	0				
	Bihar	5	0	0	0	0	0	0	0				
	Gujrat	2	0	0	0	0	0	0	0				

	Haryana	6.5	0	0	0	0	0	0	0				
	MadhyaPradesh	10	4.5	0	0	0	0	0	4.5				
	Maharashtra	0.5	0	0	0	0	0	0	0				
	Orrisa	2	0	0	0	0	0	0	0				
	Punjab	24.25	1.5	0	0	0	0	1	2.5				
	Rajasthan	4.75	0	0	0	0	0	0	0				
	Telangana	1.5	0	0	0	0	0	0	0				
	Uttar Pradesh	5	0	0	0	1.5	1.5	0	1.5				
	West Bengal	3.5	0	0	0	0	0	0	0				
	TOTAL	68.5	6	0	0	1.5	1.5	1	8.5				
G.TOTAL		100	8.25	9	2.5	10	21.5	1	30.75	35.875	18.275	15.1	100

2.18 Enquired whether there is any perspective plan for construction of mini godowns in various districts/talukas of various States, the Ministry stated that there is no such plan for construction of mini godowns (page 49, WR)

(ii) Action Plan for Construction of 100 LMT silo capacity.

2.19 As per recommendations of HLC, Government of India chalked out an action plan for construction of steel silos across the country for a capacity of 100 LMT to be executed by FCI, State Govts & CWC under public-private partnership (PPP) mode. These silos will have facilities for storage and handling of grains in bulk.

2.20 In pursuance of the 100 LMT action plan, Silos a capacity of 8.25 LMT silo is complete and put to use. Further the capacity of 21.5 LMT is under various stages of implementation. The State-wise, Agency -wise status of silo construction is as appended below:

STATEMENT SHOWING AGENCY-WISE & STATE-WISE STATUS OF SILO CONSTRUCTION

(Fig. In LMT)

Agency	State	Target as per Action Plan	Completed	Contracts Awarded				Awarded to State Govt. on nomination	Total	Locations Approved by HLC for Hub & Spoke	Locations to be identified	Rice Silos to be implemented after outcome of Pilot Project	Grand Total
				Under Construction	Partial Land acquired	Land Not Acquired	Total						
FCI	Assam	0.5	0	0.5	0	0	0.5	0	0.5	35.875	18.275	15.1	30.75 + 69.25
	Bihar	4.5	0	1.5	0.5	3.5	5.5	0	5.5				
	Chattisgarh	1	0	0	0	0	0	0	0				
	Delhi	1	0	0	0	0.5	0.5	0	0.5				
	Gujarat	1	0	1.5	0	0.5	2	0	2				
	Karnataka	0.25	0	0	0	0	0	0	0				
	Haryana	3	0	2	0	0.5	2.5	0	2.5				
	Maharashtra	1	0	0	0	0	0	0	0				
	Punjab	4.25	2.25	2	0	0	2	0	4.25				
	Rajasthan	1.5	0	0	0	0	0	0	0				
	Uttar Pradesh	7	0	1.5	1.5	1	4	0	4				
West Bengal	4	0	0	0.5	2.5	3	0	3					
Total		29	2.25	9	2.5	8.5	20	0	22.25				
CWC	Punjab	2.5	0	0	0	0	0	0	0	35.875	18.275	15.1	30.75 + 69.25
State Govt.	AndhraPradesh	3.5	0	0	0	0	0	0	0				
	Bihar	5	0	0	0	0	0	0	0				
	Gujrat	2	0	0	0	0	0	0	0				
	Haryana	6.5	0	0	0	0	0	0	0				
	MadhyaPradesh	10	4.5	0	0	0	0	0	4.5				
	Maharashtra	0.5	0	0	0	0	0	0	0				
	Orrisa	2	0	0	0	0	0	0	0				
	Punjab	24.25	1.5	0	0	0	0	1	2.5				
	Rajasthan	4.75	0	0	0	0	0	0	0				
	Telangana	1.5	0	0	0	0	0	0	0				
Uttar Pradesh	5	0	0	0	1.5	1.5	0	1.5					
West Bengal	3.5	0	0	0	0	0	0	0					
Total		68.5	6	0	0	1.5	1.5	1	8.5				
G.TOTAL		100	8.25	9	2.5	10	21.5	1	30.75	35.875	18.275	15.1	100

These Silos are mostly with Railway Sidings. However, there has been delay in execution of Silos with Railway Sidings side due to complexity of land required for rail siding, FCI has conducted study by M/s RITES and it was decided with approval of government to adopt Hub & Spoke model of Silos with containerized bulk movement. In this model the HLC has recommended a capacity of 35.875 LMT at 100 locations and has also accepted the changes in the tender documents. The list of locations along with the tender documents has been sent to government for approval in October 2020. Tenders for construction of Silos under Hub and Spoke model shall be invited on receipt of approval from Government.

(iii) Storage and Transit Loss

2.21 The Ministry furnished the details regarding storage, transit and pilferage losses for the last three years as under:- (page 154-155 WR)

Storage Losses

(Quantity in MT, Value in Crores)

Year	Wheat				Rice				Wheat+Rice				MoU Target
	Qty Received	Qty Loss	% Loss	Values	Qty Received	Qty Loss	% Loss	Values	Qty Received	Qty Loss	% Loss	Values	
2017-18*	41911785	-189751	-0.45	-364.01	49419009	79668	0.16	223.25	91330794	-110083	-0.12	-140.76	Not fixed
2018-19#	45646680	-221587	-0.49	-440.91	46166262	90198	0.19	264.94	91812942	-131389	-0.14	-175.97	Not fixed
2019-20**	38206408	-165793	-0.43	-344.3	40589546	85332	0.21	262.03	78795954	-80461	-0.10	-82.27	0.00 (Excellent), 0.07 (Very Good) n Rice
2020-21**(Upto Oct'20)	33047597	-128815	-0.39	-267.51	44654459	83882	0.19	257.58	77702056	-44933	-0.06	-9.93	

Transit Loss

(Qty in MT, Value in Crores)

Year	Wheat				Rice				Wheat+Rice				
	Qty Liquidated	Qty Loss	% Loss	Values	Qty Moved	Qty Loss	% Loss	Values	Qty Received	Qty Loss	% Loss	Values	
2017-18*	20294075	35038	0.17	67.21	25379343	77510	0.31	219.18	45673418	112548	0.25	286.39	0.371 (Excellent Grade),
2018-19#	17981807	29179	0.16	58.02	23518147	74197	0.32	218.83	41499954	103376	0.25	276.85	0.294 (Excellent Grade)
2019-20**	12006907	31486	0.26	65.39	17891754	65213	0.36	200.25	29898661	96699	0.32	265.64	0.28 (Excellent Grade)
2020-21**(Upto Oct'20)	11182484	23779	0.21	49.38	20106581	75408	0.38	231.56	31289065	99187	0.32	280.94	

1. * indicates Audited Figures; 2. # indicates Unaudited figures; 3. (-) Minus indicates GAIN; 4. The total value of Wheat + Rice includes Paddy; 5. ** indicates Operational Figures.

Details on the Theft Pilferage losses for the period of 2017 to 2021 (till date)

(Qty in MT, Value in Lakh)

Commodity	2017-18		2018-19		2019-20		2020-21 (Provisional)	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Wheat	10.75	2.06	125.06	24.87	84.34	17.55	14.63	3.25
Rice	94.67	27.12	130.64	38.85	83.40	25.80	10.03	3.17
Paddy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2.22 When enquired about measures taken to obviate such losses, the Ministry stated as under:-
(page 156-157 WR)

Steps taken to control Storage Losses:

- The position of storage losses is being reviewed in every MPR meeting and monitored regularly at HQ level and EDs (Zone)/GMs(R) are instructed to intensify inspections of depots showing higher storage losses.
- Covered storage capacity has been added so that foodgrains can be stored in scientific covered storage and CAP storage can be totally avoided.
- Periodical prophylactic and curative treatment of stocks is undertaken to keep the stocks Pest-Free.
- Security staffs of FCI, Home Guards and other external agencies are being deployed at depots to ensure safety and security of the stock.
- Security inspections and Surprise checks of depots are undertaken at various levels.
- Initiative has been taken to install CCTV cameras in all owned depots for surveillance and better supervision.
- Physical measures like installation of barbed wire fencing of the boundary walls, provision of street lights for illumination of godowns and proper locking of the sheds are taken to secure the godowns.
- Strict Disciplinary action is taken against the FCI staff responsible for unjustified losses if any reported from FCI depots.
- Unjustified losses noticed are recovered from the agencies like CWC/SWC and State Agencies and PEG godowns as per existing norms.

Steps taken to control Transit Losses:

- The concerned EDs (Zone)/ GMs (Region) are being continuously pursued to closely monitor the trend and take effective steps to bring down the losses.

Region-wise trend of TL is being reviewed in every MPR meeting and monitored regularly.

- Spreading of Polythene Sheet on the floor of railway wagons to retrieve the spilled-over grains, has been introduced.
- 'SOP' regarding Joint Verification of High TL cases has been laid down vide circular dated 23.12.2015 and 16.02.2017.
- Depots incurring high level losses in a month are inspected at the level of EDs (Zone), GMs Region) and other senior officers.
- Special Squad checking at selected rail heads and destination/ dispatch centers is being undertaken by the field offices.
- Proper weighment and accounting of the stocks at the time of receipt and issue is ensured.
- Disciplinary action is initiated against delinquents wherever abnormal/unjustified transit losses are reported.
- Deployment of independent Consignment Certification Squad (ICCS) at the time of loading and unloading of rakes is being ensured.

2.23 When asked about any complaint regarding storage and transit losses of FCI has been registered with the Vigilance Division of the Ministry of Consumer Affairs, Food and Public Distribution, the Ministry informed that no cases have been received in respect of this subject matter. (Page 159, Q 63(a), WR)

2.24 The Committee also enquired about action being taken against the officials responsible for transit and storage losses in FCI, to which the Ministry furnished that number of cases initiated against FCI Officers held responsible for unjustified transit and storage losses during 2017-18, 2018-19, 2019-20, and 2020-21 (till Sep-20) as below: (Page 169-170 Q 63(c) WR)

Year	TRANSIT LOSSES		STORAGE LOSSES	
	Major	Minor	Major	Minor
2017-18	4	160	10	289
2018-19	4	149	3	263
2019-20	4	110	10	248
2020-21 (till Sep-20)	0	44	3	151

2.25 The number of cases pending for unjustifiable transit and storage losses as on 30 Sep 2020 are as under:

TRANSIT LOSSES		STORAGE LOSSES	
Major	Minor	Major	Minor

1	17	8	81
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2.26 The Ministry has stated that the time-frame for disposal of disciplinary cases has been fixed vide the CVC Circular No. No.000/VGL/18 Dated 23-05-2000 as under:-

S.No	State of Investigation or inquiry	Time Limit
1.	Decision as to whether the complaint involves a vigilance angle.	One month from receipt of the complaint.
2.	Decision on complaint, whether to be filed or to be entrusted to CBI or to be taken up for investigation by departmental agency or to be sent to the concerned administrative authority for necessary action.	-do-
3.	Conducting investigation and submission of report.	Three months.
4.	Department's comments on the CBI reports in cases requiring Commission's advice.	One month from the date of receipt of CBI's report by the CVO/Disciplinary Authority.
5.	Referring departmental investigation reports to the Commission for advice.	One month from the date of receipt of investigation report.
6.	Reconsideration of the Commission's advice, if required.	One month from the date of receipt of Commission's advice.
7.	Issue of charge-sheet, if required.	One month from the date of receipt Commission's advice. Two months from the date of receipt investigation report
8.	Time for submission of defence statement.	Ordinarily ten days or as specified in CDA Rules.
9.	Consideration of defence statement.	15 (Fifteen) days.
10.	Issue of final orders in minor penalty cases.	Two months from the receipt of defence statement.
11.	Appointment of IO/PO in major penalty cases	Immediately after receipt and consideration of defence statement.
12.	Conducting departmental inquiry and submission of report.	Six months from the date of appointment of IO/PO.
13.	Sending a copy of the IO's report to the Charged Officer for his representation.	i) Within 15 days of receipt of IO's report if any of the Articles of charge has been held as proved; ii) 15 days if all charges held as not proved. Reasons for disagreement with IO's findings to be communicated

14.	Consideration of CO's representation and forwarding IO's report to Commission for second stage advice.	the	One month from the date of receipt of representation.
15.	Issuance of orders on the Inquiry report.		i) One month from the date of Commission's advice. ii) Two months from the date of receipt of IO's report if Commission's advice was not required.

2.27 As regards to the number of cases pending against FCI officials responsible for transit and storage losses and the reasons for pendency, the Ministry has furnished the following information:- (Page 169, WR Q 63 (d))

TRANSIT LOSSES		STORAGE LOSSES	
Major	Minor	Major	Minor
1	17	8	81

(iv) Damaged Foodgrains (Page 177 WR)

2.28 The Ministry further stated that during storage of foodgrains scientific code of practices for safe storage is followed. In spite of all precautions, some quantity of foodgrains may get damaged/become non-issuable due to various reasons such as storage pests' attack, leakages in godowns, procurement of poor quality stocks, exposure to rains, floods, negligence on the part of concerned persons in taking precautionary measures etc.

2.29 The State-wise and year-wise details of damaged foodgrains accrued in FCI godowns for last three years viz., 2017-18, 2018-19 and 2019-20 are as under :- (page 53 to 57 (WR))

Details on the quantity and value of damaged foodgrains accrued in FCI during 2017-18

Sl. No.	Zone/Region	Total accrued quantity of damaged wheat (in MTs)	Value of damaged wheat (in Rs.) calculated on Tender rate for Feed-1 for Feed-1 @ 60% of MSP* i.e. Rs. 9750/MT	Total accrued quantity of damaged rice (in MTs)	Cost of damaged rice (in Rs.) calculated on Tender rate for Feed-1 for Feed-1 @ 60% of MSP* i.e. Rs. 13147.20/MT	Total value of damaged foodgrains (in Rs.)
East Zone						
1	Bihar	486.409	4742487.75	1130.192	14858860.26	19601348.01
2	Jharkhand	0	0	44.584	586154.76	586154.76
3	Orissa	0.315	3071.25	0	0.00	3071.25
4	West Bengal	0	0	0	0	0
Zone Total		486.724	4745559	1174.776	15445015.03	20190574.03
NE ZONE						
1	Assam	12.256	119496	315.454	4147336.83	4266832.83
2	Arunachal Pradesh	0	0	0	0	0
3	NEF(Megh./Mizo/ Tripura)	0	0	91.803	1206952.40	1206952.40
4	Nagaland	0	0	0	0	0
5	Manipur	0	0	0	0	0
Zone Total		12.256	119496	407.257	5354289.23	5473785.23
North Zone						
1	Delhi	13.982	136324.5	0	0	136324.5
2	Haryana	0	0	0	0	0
3	Himachal Pradesh	0	0	0	0	0
4	Jammu & Kashmir	0	0	0	0	0
5	Punjab	37.619	366785.25	173.435	2280184.632	2646969.882
6	Rajasthan	1.255	12236.25	0.049	644.2128	12880.4628
7	Uttar Pradesh	230.160	2244060	12.690	166837.97	2410897.97
8	Uttarakhand	0	0	0	0	0
Zone Total		283.016	2759406	186.174	2447666.81	5207072.81
South Zone						
1	Andhra Pradesh	0	0	0	0	0
2	Kerala	0	0	1.501	19733.95	19733.95
3	Karnataka	27.843	271469.25	47.2	620547.84	892017.09
4	Tamil Nadu	0	0	15.812	207883.53	207883.53
Zone Total		27.843	271469.25	64.513	848165.31	1119634.56
West Zone						
1	Gujarat	5.489	53517.75	0.819	10767.56	64285.31
2	Maharashtra	4.442	43309.5	10.177	133799.0544	177108.5544
3	Madhya Pradesh	0	0	0	0	0

4	Chhattisgarh	0	0	0	0	0
Zone Total		9.931	96827.25	10.996	144566.61	241393.86
COUNTRY TOTAL		819.770	7992757.5	1843.716	24239703.00	32232460.50

Remarks:

- *1 MSP of the crop year in which stocks were detected as damaged has been adopted as a base.
2. The value is estimated based on the assumption that stocks have been liquidated under Feed-I category.

Details on the quantity and value of damaged foodgrains accrued in FCI during 2018-19

Sl. No.	Zone/Region	Total accrued quantity of damaged wheat (in MTs)	Value of damaged wheat (in Rs.) calculated on Tender rate for Feed-1 for Feed-1 @ 60% of MSP* i.e. Rs. 10410/MT	Total accrued quantity of damaged rice (in MTs)	Cost of damaged rice (in Rs.) calculated on Tender rate for Feed-1 for Feed-1 @ 60% of MSP* i.e. Rs. 13853/MT	Total value of damaged foodgrains (in Rs.)
East Zone						
1	Bihar	1267.687	13196621.67	2299.967	31861442.85	45058064.52
2	Jharkhand	0	0.00	31.244	432823.13	432823.13
3	Orissa	1.57	16343.70	0	0	16343.70
4	West Bengal	4.51	46949.10	7.78	107776.34	154725.44
Zone Total		1273.767	13259914.47	2338.991	32402042.32	45661956.79
NE ZONE						
1	Assam	0	0	867.733	12020705.25	12020705.25
2	Arunachal Pradesh	0	0	0	0	0
3	NEF(Megh./Mizo/ Tripura)	0	0	57.982	803224.646	803224.65
4	Nagaland	0	0	0	0	0
5	Manipur	0	0	0	0	0
Zone Total		0	0.00	925.715	12823929.90	12823929.90
North Zone						
1	Delhi	1.874	19508.34	0.174	2410.42	21918.76
2	Haryana	0	0	0	0	0
3	Himachal Pradesh	0	0	0	0	0
4	Jammu & Kashmir	0	0	0	0	0
5	Punjab	19.936	207533.76	298.315	4132557.70	4340091.46
6	Rajasthan	0.158	1644.78	0	0	1644.78
7	Uttar Pradesh	17.486	182029.26	98.298	1361722.19	1543751.45
8	Uttarakhand	0	0	0	0	0
Zone Total		39.454	410716.14	396.787	5496690.31	5907406.45
South Zone						
1	Andhra Pradesh	0	0	0	0	0
2	Kerala	64.024	666489.84	48.736	675139.81	1341629.65
3	Karnataka	0	0	53.224	737312.072	737312.07
4	Tamil Nadu	0	0	6.472	89656.616	89656.62
Zone Total		64.024	666489.84	108.432	1502108.50	2168598.34

West Zone						
1	Gujarat	19.199	199861.59	0	0	199861.59
2	Maharashtra	16.151	168131.91	18.815	260644.20	428776.105
3	Madhya Pradesh	0	0	4.97	68849.41	68849.41
4	Chhattisgarh	7.057	73463.37	0	0	73463.37
Zone Total		42.407	441456.87	23.785	329493.61	770950.48
COUNTRY TOTAL		1419.652	14778577.32	3793.710	52554264.63	67332841.95

Remarks:

*1 MSP of the crop year in which stocks were detected as damaged has been adopted as a base.

2. The value is estimated based on the assumption that stocks have been liquidated under Feed-I category.

Details on the quantity and value of damaged foodgrains accrued in FCI during 2019-20

Sl. No.	Zone/Region	Total accrued Quantity of damaged Wheat (In MTs)	Value of Damaged Wheat (in Rs.) calculated on Tender rate for Feed-1 @ 60% of MSP* i.e. Rs. 11040/MT	Total accrued Quantity of damaged Rice (In MTs)	Cost of Damaged Rice (in Rs.) calculated on Tender rate for Feed @ 60% of MSP* i.e. Rs.15529.41 /MT	Total value of damaged foodgrains (in Rs.)
EAST ZONE						
1	BIHAR	0.036	397.44	0	0	397.44
2	JHARKHAND	0	0	0	0	0.00
3	ORISSA	86.229	951968.16	0.87	13510.5867	965478.75
4	WEST BENGAL	0	0	0	0	0
ZONE TOTAL		86.265	952365.6	0.87	13510.5867	965876.19
NE ZONE						
1	ASSAM	0	0	2.147	33341.64327	33341.64
2	ARUNACHAL PRADESH	0	0	0	0	0
3	NEF(MEGH./MIZO/T.PURA)	0	0	26.84	416809.3644	416809.3644
4	NAGALAND	0	0	0	0	0
5	MANIPUR	0	0	0	0	0
ZONE TOTAL		0	0	28.987	450151.0077	450151.01
NORTH ZONE						
1	DELHI	43.617	481531.68	0	0	481531.68
2	HARYANA	0	0	286	4441411.26	4441411.26
3	HIMACHAL PRADESH	0	0	0	0	0
4	JAMMU & KASHMIR	0	0	0	0	0
5	PUNJAB	15.831	174774.24	39.985	620943.4589	795717.6989
6	RAJASTHAN	1.283	14164.32	0.698	10839.52818	25003.84818

7	UTTAR PRADESH	8.918	98454.72	16.88	262136.4408	360591.1608
8	UTTRAKHAND	0	0	0	0	0
ZONE TOTAL		69.649	768924.96	343.563	5335330.688	6104255.648
SOUTH ZONE						
1	ANDHRA PRADESH	0	0	640.421	9945360.282	9945360.282
2	KERALA	3.341	36884.64	28.425	441423.4793	478308.1193
3	KARNATAKA	0	0	9.817	152452.218	152452.218
4	TAMIL NADU	0.036	397.44	1.413	21943.05633	22340.49633
ZONE TOTAL		3.377	37282.08	680.076	10561179.04	10598461.12
WEST ZONE						
1	GUJARAT	693.971	7661439.84	0	0	7661439.84
2	MAHARASHTRA	11.203	123681.12	6.9315	107642.1054	231323.2254
3	MADHYA PRADESH	0	0	0	0	0
4	CHHATTISGARH	0	0	5.4645	84860.46095	84860.46095
ZONE TOTAL		705.174	7785120.96	12.396	192502.5664	7977623.526
COUNTRY TOTAL		864.465	9543693.6	1065.892	16552673.88	26096367.48

Remarks:

- *1 MSP of the crop year in which stocks were detected as damaged has been adopted as a base.
- 2. The value is estimated based on the assumption that stocks have been liquidated under Feed-I category.

2.30 In response to a query regarding supply of poor quality of foodgrains or damaged foodgrains, unfit for human consumption that have come to the notice of the FCI/Government during the last three years and the current year (including foodgrains, pulses, etc. supplied under Pradhan Mantri Garib Kalyan Package) and the details of the corrective measures taken thereon, the Ministry furnished the details on the complaints received by FCI regarding distribution of sub-standard foodgrains under Public Distribution System (PDS) during last three years and current year as under: (page 205 WR)

Sl.	Year	Name of State	Description of the Complaint	Action Taken
1	2017-18	Uttarakhand	□□□□□□□□ □ □□□□□□□ □□ □□□□□□□□	□□□□□□ □□□□□ □□□□ □□□□ □□□□□□□□ □□□□□□□□□□ □□□□ □□□□□ □□□□□ □□□□□□□ □□□□ □□□□□□□ □□□□□ □□□□□□

				<p> ଶୁଣାଯାଇଛି ଯେ ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା/ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା: ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା, ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା 7(3)/ଶୁଣା ଶୁଣା/ଶୁଣା/ ଶୁଣା. ଶୁଣା. ଶୁଣା/2017-18 ଶୁଣା 11/12.09.2017 ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା (ଶୁଣା), ଶୁଣା ଶୁଣା ଶୁଣା, ଶୁଣା ଶୁଣା, ଶୁଣା ଶୁଣା ଶୁଣା (CLO), ଶୁଣା ଶୁଣା ଶୁଣା, ଶୁଣା, ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା ଶୁଣା </p>
3		Orissa	Corruption and poor quality of rice in two depots of OSCSC Ltd, Balasore District with the influence of transport contractor.	<p> A joint Committee of FCI and State govt. has visited RRC depots which are under complaint and the fair price shops where the food grains are being supplied from the said depots. On analysis of the stocks available in the depot found FAQ. Moreover, it is also noticed that no complaint has been lodged towards supply of poor quality of Rice neither from retailer nor from consumer as stated by the committee in their report. The committee report along with the comments of State Authorities have duly been forwarded to all concerned vide this office letter no. QC-21/2011-12 dated 15.04.2018. </p>
	2018-19	NIL	NIL	NIL

4	2019-20	Maharashtra	Showing reluctance to accept the URS Wheat 2019-20 under Osmanabad District	Taking the cognizance of the complaint, AGM (QC), Manager (QC) FCI DO Pune verified the issue. Joint meeting with Collector/DSO have been arranged and entire guidelines/instructions received from Govt.of India regarding issue of URS Wheat 2019-20 stocks by over-riding priority have been shown and submitted. Brief regarding quality of stocks has also been given. It has also been confirmed that Joint sampling procedure at the time of issue of URS Wheat stocks has been strictly followed and due certificate regarding quality of stocks have been taken. Thus, the complaint has been resolved.
5			Showing reluctance to accept the URS Wheat 2019-20 under Sindhudurg District	Taking the cognizance of the complaint, Manager (QC), FCI DO Pune was nominated for inspection/ verification of the issued stocks. Joint meeting with DSO/FPS shop owners have been arranged and entire guidelines/instructions received from Govt. of India regarding issue of URS Wheat 2019-20 stocks by over-riding priority have been reiterated. It has been confirmed that Joint sampling procedure at the time of issue of URS Wheat stocks has been strictly followed and due certificate regarding Quality of the stocks has also been taken. Thus, the complaint has been resolved.
6			Media News dated 4/4/2019 in Daily Lokmat	The matter was investigated by AGM (QC) D.O. Nagpur. And as per the report, the stocks have been issued to the PDS by following Joint sampling

			<p>Akola followed by a Reference from Collector Akola No.□□□□14(1)/□.□□. (□□□□□)/□□□□-111/2019 dt d.8/04/2019 regarding Poor Quality Wheat stocks issued from CWC Akola-I.</p>	<p>and the State Govt. representative has jointly certified that the stocks are conforming to FSSA and are pest free. Further inspected stocks at CWC Akola-I were found FAQ However, directions to CWC Officials have been issued to strictly follow the Joint sampling procedure so that such complaints can be avoided in future. . Hence, the complaint not substantiated.</p>
7	2020-21	Andaman & Nicobar Island	<p>Received from Govt. of A&N Islands letter dated 13.01.2020 regarding Supply of good quality foodgrains under PDS forwarded by Ministry of CAF&PD Letter no.1-7/2018-P.D II dated 21.01.2020.</p>	<p>Taking the cognizance of the complaint, Ministry has been informed by Hqrs vide Letter dated 27.02.2020 that Wheat stocks under reference when jointly analysed by FCI and Andaman & Nicobar Islands UT Officials and were, found well within specifications. it has been further informed that only FAQ foodgrains are being supplied to Andaman & Nicobar Islands. However, GM (Region) Andhra Pradesh has also been advised to ensure supply of good quality stocks to the Andaman & Nicobar administration following the joint sampling procedure. Thus the complaint has been resolved.</p>

2.31 Accrual of damaged foodgrains is mainly due to Natural Calamities like Cyclone/Flood. In addition to this, negligible quantity become Non-issuable due to the following reasons:

- Transit damages viz enroute damage in wagon/truck due to contamination, wagon roof leakage etc.
- In some cases due to negligence of officials/ officers, for which suitable disciplinary action against defaulters are invariably taken.
- In some cases due to negligence of officials/ officers, for which suitable disciplinary action against defaulters, where ever found guilty, are invariably taken.

2.32 When asked about details of action plan of the Government to avoid such losses in future, the Ministry stated that action plan has been drawn to keep the damages to bare minimum as under: (page 58 WR)

- Stocks are issued on FIFO Principle.
- Instructions have been issued not to store any stock in un-scientific (Katcha) plinths.
- Efforts are also being made to minimize storage of foodgrains in Cover & Plinth (CAP) storage especially in consuming states.
- A drive has been launched to carry out effective prophylactic and curative treatment of stocks and regular inspections are being carried out to minimize damage to stocks.
- Damage Monitoring Cells have been set up at District, Regional and Zonal levels to regularly monitor quality of stocks and reduce damages.

2.33 Regarding the steps taken for safe storage and preservation of foodgrains in FCI godowns, the Ministry stated that the following precautionary and remedial steps are mandated to be followed by FCI for safe storage and preservation of foodgrains: (page 58 Q 36 (c) WR)

- All godowns are constructed as per specifications.
- Foodgrains are stored by adopting proper scientific code of storage practices.
- Adequate dunnage materials such as wooden Polly crates, bamboo mats, polythene sheets are used to check migration of moisture from the floor.
- Fumigation covers, nylon ropes, nets and insecticides for control of stored grain insect pests are provided in all the godowns.
- Prophylactic (spraying of insecticides) and curative treatments (fumigation) are carried out regularly and timely in godowns for the control of stored grain insect pests.
- Effective rat control measures, both in covered godowns as well as in CAP storage are used.
- Foodgrains in 'Cover and Plinth' (CAP) storage are stored on elevated plinths and wooden crates are used as dunnage material. Stacks are to be properly covered with

specifically fabricated low-density black polythene water -proof covers and tied with nylon ropes/nets.

- Regular periodic inspections of the stocks/godowns are undertaken by qualified and trained staff including senior officers.
- The principle of “First in First Out” (FIFO) is followed to the extent possible so as to avoid longer storage of foodgrains in godowns.
- Only covered rail wagons are used for movement of foodgrains so as to avoid damage during transit.
- By taking above precautionary steps, the percentage of damaged foodgrains against offtake during 2019-20 was 0.004% only.

CHAPTER - III

DISTRIBUTION OF FOODGRAINS

The Targeted Public Distribution System (TPDS) is governed as per the provisions of the National Food Security Act, 2013 (NFSA) and is operated under the joint responsibility of the Central and the State Governments. The Central Government, through Food Corporation of India (FCI), has the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of ration cards, distribution of foodgrains through Fair Price Shop (FPS) and supervision of the functioning of Fair Price Shops (FPS) rests with the State Governments. Under the PDS, commodities, namely, wheat, rice and coarse grains are being allocated to the States/UTs for distribution. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt, spices, etc. as per their requirement. Further, FCI is not directly involved in distribution of foodgrains to beneficiaries. (Page 197 WR)

3.2 Replying to a query regarding the steps/initiatives that have been taken to improve the foodgrains distribution network in the country, the Ministry stated that under Public Distribution System (PDS) reforms, to bring efficiency and transparency in the distribution of highly subsidised foodgrains across the country, the Department in association with all States/UTs had implemented “End-to-End Computerisation of TPDS Operations” scheme and significant progress has been achieved at the national level as summarized below:-

- All 23.5 Cr. ration cards covering more than 80 Cr. beneficiaries under National Food Security Act, 2013 (NFSA) have been completely digitized in all States/UTs.
- About 90% ration cards and 86% beneficiaries are Aadhaar seeded at the national level.
- About 4.9 Lakh (91%) out of total 5.4 Lakh FPSs in the country are automated using ePoS devices across 32 States/UTs. (Not applicable in two DBT Cash Transfer UTs of Chandigarh and Puducherry).
- Supply Chain Management of foodgrains is computerized in 31 States/UTs. (Not applicable in two DBT UTs and Lakshadweep).
- Online grievance redressal mechanism/toll-free helplines and transparency portals are setup in all States/UTs.

One Nation One Ration Card Plan

3.3 Presently, more than 70% foodgrains are being distributed through biometric/Aadhaar based electronic transactions on monthly basis in the country. Further, while leveraging strong foundations of these technology-driven reforms, Department has started the implementation of “Integrated Management of Public Distribution System” (IM-PDS) scheme w.e.f. April 2018. The main objective of this scheme is to implement the nation-wide portability ration cards for the distribution of subsidised foodgrains/benefits under NFSA through ‘One Nation One Ration Card (ONORC) plan’. This system enables, all NFSA beneficiaries to lift their entitled foodgrains from any Fair Price Shop (FPS) of their choice in the country by using their same/existing ration card and biometrically/Aadhaar authenticating the ePoS transaction at the time of lifting of foodgrains. This is now also a part of the PM’s Technology Driven System Reforms under the *Atma Nirbhar Bharat Abhiyan*.

3.4 During evidence, the Secretary, Department of Food and Public Distribution stated:- (page 22-23 proceedings)

“Today, 100 per cent ration cards have been digitised. The hon. Member also raised some questions, which are very relevant. After the digitisation of ration cards, what has happened is that each ration card has the number of beneficiaries listed on this. So, each beneficiary’s Aadhaar seeding has been done with the ration card. So, at the moment, the ration cards of 93 per cent of the total beneficiaries across the country has been linked with the Aadhaar number.

After this, the next stage was the bio authentication. This is, at the moment, happening through two processes. One was the touch. So, with the bio authentication of the finger print, the number of that person’s will get validated. The entire data is with the Central Repository. So, this data base is maintained by the Central Government, and the respective States also have a mirror data at the State level. So, during 2013, 2014 and 2018, we started matching the Aadhaar numbers. As you must have read in the newspapers also, almost 4.39 crore beneficiaries were found to be either bogus or inactive; and they were deleted. It is because the Aadhaar numbers did not match or they were just not there, so their names were deleted. They were replaced by the State Governments since the identification is with the powers of the State Governments. So, they were replaced by the new bio authenticated beneficiaries in the ration database.”

3.5 So far, the One Nation One Ration Card plan is seamlessly enabled in 32 States/UTs covering about 69 crore beneficiaries (86% NFSA populations), namely, Andaman & Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Bihar, Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Mizoram, Maharashtra, Meghalaya,

Odisha, Sikkim, Rajasthan, Punjab, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Jammu & Kashmir, Uttarakhand, Nagaland, Manipur, Ladakh, Lakshadweep, Chandigarh and Puducherry. Further, it is targeted to integrate the remaining 4 States/UTs under ONORC by 31st March 2021 depending upon their readiness. (Page 198-199 WR)

3.6 About the total requirement of foodgrains i.e. Wheat and Rice for implementation of the National Food Security Act, 2013 in the country, the Ministry stated that maximum coverage to be covered under NFSA is 81.35 crore, against which presently 80.61 crore persons have been identified at present for receiving highly subsidized foodgrains. Coverage under the Act is under two categories- households covered under Antodya Anna Yojana (AAY) and Priority Households (PH). The monthly entitlement of foodgrains is 5 kg/person for eligible households under PH and 35kg/family for AAY Households. Total Annual Allocation under the Act is 541.97 lakh tones including 26.89 lakh ton tide over allocation. (page 200 Q 82 WR)

3.7 In response to whether there has been any complaint regarding irregularities in the supply of foodgrains under PDS to the States during 2017-18, 2018-19, 2019-20 and 2020-21 (till date), the Ministry stated that TPDS is operated under the joint responsibility of the Central and the State/Union Territory (UT) Governments wherein the operational responsibilities for implementation of TPDS within the State/UT rest with the State/UT Governments concerned. Therefore, as and when complaints are received by the Government from individuals and organizations as well as through press reports, these are referred to the State/UT Governments concerned, if required, for inquiry and appropriate action at the level of concerned State/UT.

Complaints relate to leakage/diversion of foodgrains, or foodgrains not reaching the intended beneficiaries, issuance of ration cards to ineligible persons, quality and quantity of foodgrains, FPS related matters, etc. in some States/regions in the country. Total 1213, 941, 855 and 2469 number of complaints have been received during year 2017, 2018, 2019 and 2020 (upto October, 2020) respectively. (Page 204 Q 86 WR)

3.8 With regard to the number of complaints regarding supply of rotten foodgrains received during the last three years and current year so far, the Ministry stated that there have been reports about irregularities in implementation of TPDS in certain regions/States in the country

including supply of rotten foodgrains. Since operational responsibilities of TPDS rest with the concerned, State/UT Government, as and when complaints are received from individuals and organizations as well as through press reports, they are sent to State/UT Governments concerned for inquiry and appropriate action at the State/UT level. A statement indicating State-wise number of complaints on TPDS received in the Department during the last three years and current year from 2017, 2018, 2019 and 2020 (till date) (upto October, 2020) is as under:- (page 201 Q 83 WR)

Statement on complaints on TPDS received in the department from individuals, organisations & through media reports etc from 2017 to 2020 (upto 31.10.2020)

S. No.	State/UT	2017	2018	2019	2020
1	Andhra Pradesh	10	6	6	24
2	Arunachal Pradesh	-	1	1	1
3	Assam	17	7	8	44
4	Bihar	169	135	119	356
5	Chhattisgarh	9	9	7	16
6	Delhi	98	76	81	221
7	Goa	2	-	1	1
8	Gujarat	9	8	9	43
9	Haryana	47	35	39	114
10	Himachal Pradesh	6	1	1	3
11	J&K	4	5	3	8
12	Jharkhand	35	33	17	61
13	Karnataka	28	15	18	76
14	Kerala	13	11	11	18
15	Madhya Pradesh	21	24	26	61
16	Maharashtra	77	34	24	153
17	Manipur	2	2	-	1
18	Meghalaya	-	-	1	2
19	Mizoram	2	-	-	
20	Nagaland	2	-	1	1
21	Orissa	22	16	16	51
22	Punjab	5	22	14	36
23	Rajasthan	82	38	24	61
24	Sikkim	-	-	-	
25	Tamil Nadu	31	27	16	51

26	Telangana	4	3	3	20
27	Tripura	1	-	-	3
28	Uttarakhand	22	15	14	28
29	Uttar Pradesh	445	369	343	769
30	West Bengal	49	43	51	233
31	A&N Island	-	1	-	
32	Chandigarh	-	2	-	5
33	D& N Haveli	-	-	-	2
34	Daman & Diu	-	-	-	
35	Lakshadweep	-	1	-	
36	Puducherry	1	2	1	6
TOTAL		1213	941	855	2469

3.9 The Ministry stated that the FCI does not bifurcate the requirement of FCI under various schemes and endeavours to maintain smooth supply of foodgrains for all schemes such as NFSA, OWS, OMSS (D) and PMGKAY. In this connection, a record quantity of foodgrains has been moved from procuring States to consuming States in order to meet the demand of NFSA, OWS, OMSS (D) and PMGKAY. FCI has positioned sufficient quantity of foodgrains stocks in various depots throughout the country to maintain smooth supply of foodgrains by States. FCI has moved all-time record number of rakes during Covid-19 pandemic period. Against All-India Inter Region movement of 184.92 LMT quantity (5593 rakes) during April'19 to October'19, FCI has moved 354.57 LMT quantity (11425 rakes) during April' 20 to October' 20."

Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY): Additional free-of-cost foodgrain for all NFSA beneficiaries @ 5 Kg/person/month (over & above regular monthly entitlements under NFSA): (Page 211 WR)

a) In the month of March 2020, pursuant to the announcement of pro-poor 'Pradhan Mantri Garib Kalyan Package (PMGKP)' to ameliorate the hardships faced by the poor due to economic disruptions caused by the Covid-19 outbreak in the country, this Department on 30/03/2020, had initially allocated a total of about 121.43 Lakh Metric Tons (LMT) foodgrain (Rice/Wheat) under the PM-GKAY (Phase-I) to all States/UTs for additional free-of-cost foodgrain distribution to about all 80+ Crore beneficiaries covered under National Food Security Act, 2013 (NFSA), at the scale of 5 Kg per person per month for a period of three months (April-June 2020), over and above regular monthly NFSA foodgrain entitlements, so that poor and vulnerable families/beneficiaries do not suffer on account of non-availability of foodgrains and are able to access the same easily without facing any financial distress.

b) Further, keeping in view the need for continuous food-security support to the poor and the needy, the PM-GKAY has been extended further for a period of next 5 months upto November 2020 i.e. PM-GKAY (Phase-II). Accordingly, this Department on 30/06/2020 had allocated another 201 Lakh MT foodgrain under PM-GKAY (Phase-II) for free-of-cost additional distribution to about all 80+ Crore NFSA beneficiaries in the country during July to November 2020.

c) As regard distribution is concerned, under PM-GKAY (Phase-I), States/UT combined have lifted a total of more than 117.46 LMT (98.8%) of total allocated foodgrain from the FCI/Central Pool, and have reported a total distribution of nearly 111.6 LMT (93%) of allocated foodgrain for the period of three months April-June, 2020, as per following month wise-details:

- 94% of April quota to about 75.04 Crore beneficiaries,
- 93.8% of May quota to about 74.91 Crore beneficiaries, and
- 91.7% of June quota to about 73.24 Crore beneficiaries.

d) Whereas, under PMGKAY (Phase-II), as per the report upto 10/11/2020, States/UT combined have lifted a total of more than 167.55 LMT of total allocated foodgrain from the FCI/Central Pool, and have reported a total distribution of nearly 149 LMT of allocated foodgrain for the period of July and Nov. 2020, as per following month wise-details:

- 37.01 LMT (91.9%) of July quota to about 74.03 Crore beneficiaries,
- 37.3 LMT (92.6%) of August quota to about 74.6 Crore beneficiaries,
- 37.6 LMT (93.4%) of Sept. quota to about 75.2 Crore beneficiaries,
- 31.9 LMT (79.2%) of Oct. quota* to about 63.8 Crore beneficiaries and
- 4.9 LMT (12.2%) of Nov. quota* to about 9.8 Crore beneficiaries

Foodgrain distribution for the months of October and November is still going on. Distribution is likely to improve further in due course of distribution as some States are distributing 2-months/3-months quota or entire quota in one-go with varied distribution cycles.

CHAPTER – IV

IRREGULARITIES BY OFFICERS/STAFF OF FOOD CORPORATION OF INDIA

4.1 In response to a query about the details of incidence of corruption and bribery cases in FCI during the last three years and current year, the Ministry furnished the information as below:- (page 179 WR)

Sl.NO	Region	Year	Case	Complaint against (If specified)	Status of the Case	Brief Status
1	Kerala	2017	Cheating, criminal misconduct, conspiracy, breach of trust by public servant.	Shri. A.C. Ramakrishnan Manager (D)(A1) and Shri. P. Gireeshan Asst. Grade II (D) FSD, Meenngadi (A2)	Chargesheet issued under Reg. 58 on 15.11.17 to Sh. Ramakrishnan. IO Report under process at ZO level. The Penalty imposed on 16.10.18 upon Sh. Gireesan P., AG-II (D). Trial is pending before the Hon'ble court of special judge-II, CBI Ernakulam in CC 3/19. now the case stands posted to 21.04.2020 for preliminary hearing.	Departmental action completed.
2	Punjab	2017	Illegal gratification	Sh Pankaj Singh AG-II (T)	(i)C/s under reg. 58 was issued to Sh. Pankaj Kumar Singh, AG-II(T) on 12.06.2018. Disciplinary proceedings are stayed by the Punjab High Court. Next date of hearing fixed for 03.11.2020 for prosecution evidence.	Departmental proceedings stayed by Court
3	J&K	2017	Criminal conspiracy, cheating & criminal Misconduct (Abuse of official position)	FCI Officials, State Govt. officials and contractors	CBI Enquiry is under process. Vide DO Letter from GM (Vig), FCI Hqrs. dated: 05.12.2018, the GM (R)s of J&K Region and Punjab Region have been instructed to initiate action against the delinquents on the basis of Audit Squad report received from ZO(N). Action has been initiated by RO Jammu & Kashmir and Punjab. Chargesheet has been issued by	Departmental action under process

					PB & 16 SCN issue be GM(J&K) to Cat.-II/III and others.	
4	Punjab	2017	Demanded Rs 114000 for cleaing of transport bills/-	Prabha Shankar AG-II (D) and Praveen Kumar AG-II (D)	Chargesheet Issued on 19.12.2018 under Major Penalty. The case is stayed by Hon'be High Court of Punjab and Haryana which was at prosecution evidence stage.	Departmental proceedings stayed by Court
5	Kerala	2017	Cheating, criminal misconduct, conspiracy, breach of trust by public servant.	[1] Smt. Ansamma Mani M(D) [2] Shri. Naveen K Narayanan A.G.I (D), [3] Shri. Sreeraj A A.G. II(Tech.) [4] Shri. Madhusoodhana M.K. A.G. III (D) and [5] Shri. C.K. Preman A.G. II (D)	CBI has registered FIR No. 16 (A) / 2017 / CBI / ACB / Cochin dated 29.12.2017 against Smt. Ansamma Mani M(D) Shri. Naveen K Narayanan A.G.I (D), Shri. Sreeraj A A.G. II(Tech.) Shri. Madhusoodhana M.K. A.G. III (D) and Shri. C.K. Preman A.G. II (D). CS Vig.4(15)/17/KER dt. 29.8.17 issued to M(D) under Reg-58. CS No. Vig.4(4)/17 dt. 22.8.17 issued to Seeraj, Madhusoodhanan, Preman under Reg-58. No Disciplinary against Naveen. Penalty imposed vide No. Vig.4(4)/17 dt.25.1.19 upon Preman by reduction of rank AG-II to AG-II at initial stage and penalty, reduction to three stage for two years imposed upon Madhusoodhanan and Seeraj. Penalty upon Ansamma Mani, M(D) by reduction of two stage of pay with cummulative effect. vide order dated 14.01.19. RO, Kerala informed on 02.11.19 that Prosecution saction was sought by CBI on 30.9.19 and given on 02.11.2019.	Departmental action completed.
6	Jharkhand	2018	Proc2/Kharif /2017-18/inspectio	Sri Arbind Paswan, AG-III(D)	RO Patna vide letter dated 02.01.2019 to Supt. Of Police CBI, ACB, Patna with a copy to this office has requested CBI to intimate the present status of these cases. This office vide letter dated	Departmental action completed.

			n		<p>05.02.2019 has requested RO, Patna to keep this office updated about any development in these cases.</p> <p>Penalty of dismissal imposed and rigorous imprisonment for 4 years. But High Court has acquitted the CO and instructed for reinstatement to FCI.</p>	
7	Punjab	2018	Trap Case by CBI	Manish Kumar Yadav AG-III (T) and Jagdish Lal AG-I (D)	<p>RO PB vide order dt. 20.09.2018 has revoked the suspension of SH. Jagdish Lal, AG-I(D) & Sh. Manish Kr. Yadav, AG-I(D) and the services of these officials wouldn't be utilized on sensitive seats during pendency of disciplinary proceedings.</p> <p>Chargesheets under major penalty have been issued vide order dated 02.08.2018.</p> <p>Disciplinary proceedings are stayed by the Punjab High Court.</p> <p>Next date of hearing for prosecution evidence is fixed for 06.11.2020.</p>	Departmental proceedings stayed by Court
8	Punjab	2018	Trap Case by CBI	Virender Singh M (D), Krishan Kumar M (QC) and Bhogal M (Soma)	<p>ZO (N) vide letter dt. 22.11.18 intimated that CBI has requested prosecution sanction against Sh. Veerendra Singh (M) & Sh. Kishan Lal M(QC) has been sent to CBI on 16.11.18.</p> <p>Disciplinary action against Sh. Veerendra Singh, M(D) , Sh. Kishan Lal, M(QC) and Sh.Ghanshyam Yadav, AG-III(T) has already been initiated under Regulation 58 vide Memo dated 19.12.2018.</p> <p>Disciplinary proceedings are stayed by the Punjab High Court for Sh. Veerendra Singh and Kishan Lal</p> <p>Next date of hearing is fixed for 15.12.2020 for precharge.</p>	Pending at CBI / ACB Court

9	Gujarat	2018	Trapped by ACB Baroda for Bribe of RS.1000/-. Both Official have been suspended by this office from 16.10.2018	Shri Hemant Parashar, AG-III(D) & Shri Neeraj Kumar, AG-II(D)	On Bail, Chargesheet filed by ACB, Baroda. Official was suspended vide order dated 16.10.2018, on review of the same, Suspension was extended vide order dated 29.01.2019. Suspension has been revoked on 29.04.2019. Prosecution Sanction has been accorded in r/o both the Official on 07.01.2019. Shri Hemant Varshney, AGM(A/Cs) ,FCI,RO Ahmedabad appointed as IO and Shri Maulik Joshi, M(D), FCI, RO Ahmedabad appointed as PO on 14.05.19. DEP is under process at RO level. - Criminal case no 11/2018 is pending before the Hon'ble District & Session Court, Vadodara. Penalty imposed on CO vide order dated 21.10.2020.	Departmental action completed.
10	Uttar Pradesh	2018	Criminal conspiracy & illegal gratification based on the complaint dated 03.07.2018 made by Sh.Subodh Kumar Singh	Sh.Brijesh, M(QC), PEG Arjunaha, Kushinagar & Sh.Sushant Kumar, AG-III(D), Depot-In-Charge, PEG Arjunaha, Kushinagar	Chargesheet under major regulation has been issued vide memorandum no.Vig.4(26)/ROLKO/GKP/2018 dated 05.12.18. Reply of COs awaited as COs are in Jail. Committee has been formed to review the suspension. This office vide letter dated 16.04.2019 requested RO(UP) to furnish the latest status of the case and details of departmental action taken against the delinquents. Chargesheet has been issued u/s 58 to both delinquents. Pending for prosecution evidence.	Departmental action under process
11	Uttar Pradesh		Demanding and accepting illegal gratification. Public	Nitesh Kumar Pandey, AG-II(T),	This office vide letter dated 18.04.019 requested RO(UP) to follow the matter with CBI & take necessary action in the matter and furnish the latest status of the case along with	Departmental action under process

	h	2019	servants obtains or accept an undue advantage with intention to perform of public duty improperly or dishonestly based on the complaint adted 20.01.2019.	Raghwapur, Deoria	details of departmental action taken against the delinquents. Reminder 17.06.2019, 22.07.2019 & 26.08.2019. The delinquent is in Jail. Prosecution sanction has been granted. Chargesheet has been issued under Reg. 58 on 12.05.2020. Pending for prosecution evidence at CBI Court	
12	Jharkhand	2019	Trap case in connection with hiring of godown by FCI	Sh.Atallah Sikander, AGM(Genl.), the then Area Manager, DO, Ranchi	Suspension has been revoked with immediate effect, without prejudice to the disciplinary proceedings and criminal case pending against him vide order no 37(06)/2018/EZ/Jhk/922 dated 17.06.2019. Next date of hearing is fixed for 23.11.2020.	Departmental action under process
13	Madhya Pradesh	2019	Charges of demand of illegal gratification	Shri Vinod Kumar, Manager(D) & Shri Kirti Sagar Mishra, AG-III(D)	Deemed Suspended w.e.f 13.03.2019. Suspension was extended for another 90 days with effect from 11.06.2019. Suspension has been revoked vide Order No.Vig.4(03)/DO Sagar/2019 dated 07.09.2019. Draft Charge sheet UR-58 has been requested from GM(R), Bhopal for initiating DEP against Shri Vinod Kumar, Manager(D). Shri Kirti Sagar Mishra, AG-III(D), Deemed Suspended w.e.f 13.03.2019. Suspension was extended for another 90 days with effect from 11.06.2019. Suspension has been revoked vide Order No.Vig.4(03)/DO Sagar/2019 dated 07.09.2019. Court Stayed the disciplinary proceedings.	Departmental proceedings stayed by Court

14	Uttar Pradesh	2019	<p>Demanding and accepting bribe of Rs 10,400/- from complainant Shri Narendra Mishra.</p> <p>Demand of undue advantage by public servant with intention to perform of public duty improperly or dishonestly based on the complaint dated 13.05.2019 made by Shri Narendra Mishra</p>	<p>Shri Syed Mehadi Hasan Rizvi, AG-I(D), unit In-charge, FCI, Talkatora, Lucknow</p>	<p>This office vide letter dated 17.06.2019 requested RO (UP) to take necessary action in the matter & follow up the matter with CBI and furnish latest status of the case along with details of departmental action taken against the delinquent. Reminder dated 22.07.2019, 26.08.2019. Prosecution sanction granted by GM(UP).</p> <p>Suspension has been revoked. C/s is being issued. Next Date of hearing is fixed for 19.11.2020.</p>	<p>Departmental action under process</p>
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Summary

Departmental Action Completed	4
Departmental Action under process	5
Pending at CBI / ACB Court	1
Departmental Proceeding Stayed by Court	4
Total Cases	14

4.2 When asked to furnish details of vigilance cases against officials of FCI registered during 2017-18, 2018-19, 2019-20 and 2020-21 (till date) and also the number of cases referred to CBI/CVC during the above period and the status of each case, the Ministry stated as under:- (page 184 WR)

Details of Vigilance Cases registered during 2017-18 to 2020-21 (Till Sep-20):-

Year	NO. OF CASES			ACCEPTANCE OF ILLEGAL GRATIFICATION/ DISPROPORTIONATE ASSETS		PURCHASE OF SUB-STANDARD STOCKS		AWARD OF CONTRACT		TRANSIT LOSSES		STORAGE LOSSES		DOWNGRADE /DAMAGE OF STOCKS		DEFALCATION / MISAPPROPRIATION OF STOCKS,A/Cs ETC.		ADMN. LAPSES/ MISC.	
	major	minor	total	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor
2017-18	64	753	817	2	0	1	28	1	5	4	160	10	289	2	16	21	40	23	215
2018-19	92	736	828	6	2	6	55	6	5	4	149	3	263	6	11	13	46	48	205
2019-20	71	620	691	2	0	3	63	4	1	4	110	10	248	0	7	11	29	37	162
2020-21(till Sep-20)	36	370	406	1	0	2	60	15	7	0	44	3	151	0	0	3	3	12	105

Number of cases referred to CBI / CVC during 2017-18 to 2020-21 (Till Sep-20)

Year	CBI	CVC
2017-18	1	0
2018-19	1	2
2019-20	1	3
2020-21	3	3

4.3 Asked as to what extent the Government is able to curb the menace of corruption in FCI and also the steps being taken / proposed to be taken to check corruption, the Ministry stated that in order to effectively carry out objectives of FCI and curb the instances of corruption, circulars / advisories are issued on a regular basis and inspections are carried out at various levels. Further, following preventive measures aimed to reduce the scope for corruption/ irregularities/ frauds are being taken: (WR – page 185-187)

1. Preventive measures in Procurement:

- Through periodical checks and surveys, it is ensured that the MSP payments to the farmers and payments to State Govts. and its Agencies are made within the stipulated timeframe through e- payment system.
- Pictorial depiction of quality parameters in rice is introduced to field functionaries and also put up in public domain as a ready visual reference to bring accuracy in analysis of rice quality.
- Regular Inspections and test checks of the procurement reports are made to ensure conformity as per GOI specifications. In case of any deviation, responsibility fixation is done on the delinquents.
- Process Audit is done for tagging of mandis/mills to depots.
- Online issue of A-Note (Acceptance Note) to the foodgrains suppliers has been introduced to capture real-time and accurate information.
- Identity-blind/ Coding system for marking samples of foodgrains is implemented to ensure unbiased analysis of foodgrain quality.
- Computerized Rice Analyzers (Annadarpan Smart) have been installed at 30 locations of 07 major procuring regions namely Punjab, Haryana, Uttar Pradesh, Orissa, West Bengal, Chhattisgarh and Andhra Pradesh. The said regions carry out rice acceptance operations using these analyzers.

2. Preventive measures in Storage and Contracts

- A comprehensive on-line depot management system FCI Depot Online System (DOS) has been implemented in FCI own depots. This will help to improve and automate record keeping as well as provide real-time data/ information about the activities in godowns as well as bring in transparency and reliability in day-to-day operations.
- E-tendering has been made mandatory for all contracts above the value of Rupees Two Lakhs.
- Norms are defined alongwith proper reporting mechanism and fixation of responsibility for storage shortages reaching abnormal levels due to misappropriation / theft & pilferage of foodgrains.
- Regular inspections keep a check on damage of foodgrains / misappropriation / storage shortages beyond normal levels.

- Sensitive Districts have been identified on the basis of specific parameters and are constantly reviewed from time to time. This has been reviewed vide Circular No. 1/2019 dated 18.01.2019.
- CCTV Cameras are installed in owned godowns to keep a check on instances of various irregularities in day to day operations.
- Grievance Redressal Committees are constituted to address the grievances of contractors.

3. Preventive measures in Transportation/ Movement

- E-tendering and tender results are published on FCI website as well as on GOI website for enabling ease of access, prompt dissemination of information and transparency.
- Assessment of transit losses is made based on the trend reports. Cases of abnormal transit losses call for fixation of responsibility. Responsibility in case of abnormal Transit losses is invariably fixed.
- Independent Consignment Certification Squad (ICCS) is deputed at the time of loading and unloading of foodgrains moved through Railways.

4. Preventive measures in Distribution

- Stock quality is verified by Joint Sampling at the time of issue to the State Govt. agency.
- Open Market Sale of Foodgrains is done only through e-auction.

5. Preventive measures in matters related to Labour

- Regular review of handling cost is done. Investigation is mandatorily done in case of depot involving high handling costs.
- Making investigation necessary in cases where Department labourers and Direct Payment System (DPS) labourers earn monthly wages of more than 1 Lakh and 50,000 respectively.
- Process of installation of Aadhar Number based Biometric Attendance Machines for labour is also initiated to prevent proxy labour.

4.4 In response to a specific query whether any complaint has been registered against GM, FCI, Haryana for malafide action during the last three years, the Ministry stated as under:-(page 221 Replies LOPs)

Complaint against GM(Hry)				
Sl. No	Complaint Date	Complainant	Gist Of Complaint	Financial Loss
1	Dec-19	Sh. Sunil Kumar	The complainant alleged appointment of day to day contracts at Gohana and Jind and thus not following guidelines for appointing of regular contract by inviting tender at least six months before the expiry of on-going contracts.	Under Examination
2	Jun-20	Sh. Hunny Bansal/Sh. Deepak Garg	The complainant alleged that to favour Ex-HTC Sh. Gaurav Kumar, the TE dt. 28.03.2020 for HTC Alewa Nagura, Philukhera and Julana was scrapped and fresh TE was invited on 09.04.2020.	
3	Jul-20	Sh. Krishna Sharma, RS Labour	M/s Zora Singh was favoured in TE dated 13.05.2015 by GM(Hry) overruling opinion of AGM(Law), Hry to defend the case in Supreme Court.	
4	Nov-20	Sh. Tejinder pal Singh	Technical bids of M/s Sahib transport Co. were rejected for not submitting previous partnership deeds, however during TE 03.10.19, tender was awarded to Karnail Singh & Co. which was also partner of another firm.	
5	Dec-20	Sh. Varun	Artificial Overvaluation of Contracts- HTC Jind & Madina in order to disqualify inexperienced contractors.	

4.5 Asked further whether any complaint has been registered against Manager (Commercial), FCI of Udaipur District in corruption case, the Ministry stated as under:- (page 224 Replies LOPs)

S/No	Complaint details	Gist Of Complaint	Action Taken
1	a. Complaint made by Sh. K.D Charan Dt: 20.09.2018	Insertion of wrong clause scale point	Chargesheets have been issued to 19 officers/officials (1 Cat.II &

	b. Complaint made by Rajasthan Transport Co, Dt16.10.2019	works are mentioned along with other handling operation in the mandi.	18 Cat.III) U/R 58 vide Memorandum dated 03/04.11.2020 against the irregularities observed.
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4.6 When asked whether there is any complaint against the Manager (A/C), FCI Udaipur regarding misutilization of public money, the Ministry stated as under:- (page 225 Replies LOPs)

S/No	Complainant details	Gist Of Complaint	Action Taken
	Complaint made by Sh. K.D. Charan Dt: 17.11.2019	<p>Complaint was received against Sh.Sunil Kumar Bhatnagar, Manager(A/cs), FCI DO Udaipur regarding wrongly payment drawn by him.</p> <ol style="list-style-type: none"> 1. Claiming false medical and LTC benefits for his father & mother 2. Discrepancies in refund off Mandi Tax in r/o wheat sold under OMSS under DO Udaipur during the year 2013-14 3. Interest loss on account of delay in claiming MDM bills (Mid-day meal) for the period Dec,2017 to March,2018 	Chargesheet U/R 58 and 60 A of FCI (Staff) Regulation, 1971 was issued to Sh. Sunil Kumar Bhatnagar, Ex-Manager(A/cs) , FCI DO Udaipur, dated 23/24.12.2019. Further a penalty of reduction to the minimum of the payscale on the date of supernannuation with cumulative effect adversely effecting his terminal benefits was imposed on the CO on 27.01.2021.

Part – II

OBSERVATIONS/RECOMMENDATIONS

1. *Procurement of foodgrains*

The Committee observe that the Department of Food and Public Distribution is the nodal department with regard to the formulation and implementation of national policies on foodgrains relating to procurement, movement, scientific research, storage, distribution and sale. The Committee further observe that wheat procurement at Rabi Market Season (RMS) for the years 2017-18, 2018-19, 2019-20 and 2020-21 were 308.24, 357.95, 341.32 and 389.92 LMT respectively and rice procurement at Kharif Market Season (KMS) for the years 2017-18, 2018-19 and 2019-20 were 381.84, 443.99 and 519.48 LMT respectively. Farmers retain a part of their produce for their self-consumption and seeds. The surplus is sold by them in the market. The surplus varies from farmer to farmer depending upon his size of land holding, productivity, family size etc. The Committee note that the Minimum Support Price (MSP) is announced by the Government of India at the beginning of sowing season of crops on the basis of the recommendations of the Commission for Agricultural Costs and Prices which determines the MSP based on the input costs and margin to farmers. FCI and State Government Agencies procure the foodgrains at MSP. The Committee also note that FCI operations in this regard are supporting operations. Presently, FCI's direct procurement is less than 5 percent. All operations are conducted by State Agencies. The Committee recommend that Government/FCI should assist the State Governments for creation of adequate infrastructure in the States for ensuring effective procurement.

The Committee also note that the lower staff (technical and non-technical) posted at procurement centres sometimes refuse to procure the produce of farmers on non-bonafide technical reasons thereby causing great hardships to the farmers and thus leading to distress sale. Farmers are also at times harassed in the name of moisture content in the produce. The Committee, therefore, desire that if the stock conforms to Fair Average Quality (FAQ) norms, it should not be rejected on flimsy grounds. The Committee further desire that FCI should organize interaction programmes for the officials so that they understand the responsibility of procurement operations to avoid harassment of farmers.

2. Decentralized Procurement

The Committee are dismayed to note that even after 23 years of its inception, the Decentralized Procurement Scheme(DCP) has been undertaken only by 8 States for wheat and 15 States for rice. The Committee feel that DCP Scheme has contributed remarkably to the increased efficiency of Public Distribution System by making it possible to supply foodgrains suited to local taste. Though DCP Scheme is not mandatory for States, the Department should look at its advantages and encourage its adoption in non-traditional States also. The Committee believe that the Government will take vigorous steps to motivate the remaining States to adopt DCP Scheme so that the cost of distribution can be saved and the benefit of MSP reaches every doorstep. To achieve this, the Department/FCI should take steps for creation of necessary infrastructure in coordination with the State Governments in a time-bound manner.

3. Storage and Transit Losses

The Committee note that despite various initiatives taken by the Department to reduce the storage and transit losses, the transit losses are still very high i.e. Rs. 280.94 crore in 2020-21 (upto October, 2020). The Committee feel that strict action should be taken against the delinquent officials and they should not escape accountability for unjustified losses. The Committee also feel that it should be the continuous endeavour of FCI to minimize the operational cost by controlling the operational losses and other overheads. The Committee, therefore, believe that the Department should continue to make vigorous efforts to reduce and minimize the storage and transit losses of foodgrains during the year 2021-22 and beyond to prevent the food subsidy from rising further and also to reduce the burden on public exchequer and tax payer of the country.

The Committee further note that the number of cases (major and minor offences) initiated against officials of FCI for unjustified transit losses during the years 2018-19, 2019-20 and 2020-21 (till September, 2020) are 153, 114 and 44 and for storage losses, these are 266, 258 and 154 respectively. The number of cases (major and minor) pending for unjustified transit and storage losses as on 30 September, 2020 stand at 18 and 89 respectively. The Committee recommend that FCI should fix its own standards/set guidelines/checklist so that employees become extra careful and vigilant in the matter of foodgrains stocks so that minimum loss is caused to this public corporation on this account. The Committee also desire that the framework for addressing the pendency of legal cases at Department level should be reviewed to

include such essential ingredients necessary for streamlining the procedure currently followed, establishing a monitoring system of pending legal cases and taking other necessary steps for disposal of all pending cases against the delinquent officials expeditiously in a time-bound manner.

4. *Storage Capacity*

The Committee note that despite adequate checks and balances in the form of internal audit, CAG Audit and review of capacity utilization by Regional/Zonal Officers/FCI Headquarters to ensure optimum utilization of storage capacity to minimize the cost of storage, capacity utilization of covered/hired and CAP/hired (as on 01.06.2020) is still very high i.e. 95% and 132% respectively. The corresponding owned capacity utilization is 75% and 20% respectively. The reasons cited by the Ministry for under- utilization of owned capacity do not seem to be convincing i.e. owned capacity is under repair and maintenance. The Committee desire that hiring of godowns should be resorted to only when it is absolutely necessary, and that efforts should be made to minimize the rent paid to various agencies in this regard. The Committee, therefore, strongly recommend that FCI should utilize their own storage capacity to the maximum (whether covered or CAP) before hiring any storage capacity in order to save precious funds spent on taking the storage space on rent.

5. *Construction of Godowns*

The Committee are concerned to note that during the year 2020-21, FCI could not achieve physical and financial targets for construction of godowns. During the year 2020-21 (as on 31.01.2021) the physical target set for construction of godowns in North-Eastern States was 30020 MT, but its achievement in this regard was NIL. So far

as financial target is concerned, it was Rs. 45 crore but its achievement in this respect was Rs. 13.64 crore.

Similarly, during the year 2020-21, for States other than North-East, the physical target was 6220 MT but achievement was NIL. Financial target was Rs. 16 crore but achievement was only Rs. 3.07 crore. The Ministry has also informed that land for storage capacity of 43,340 MT (28,340 – NE and 15000- other than NE) has been identified and is likely to be handed over to FCI shortly at 4 locations (3 locations – NE and 1 location-other than NE). The Committee also note that construction of silos completed by FCI and State Governments is 8.25 LMT, and 21.5 LMT is under implementation. The Committee desire that the Department/FCI should make sincere efforts to expedite completion of on-going godown construction projects particularly in J&K, NE States, Andaman & Nicobar and Lakshadweep Islands. In the opinion of the Committee, existence of sufficient storage capacity in these States is a pre-requisite for the people of the States to reap the benefits of Public Distribution System. The Committee understand the problem faced by FCI in construction of godowns in NE Region which are mainly due to difficult terrain, frequent bandhs, and land acquisition restrictions, law and order situation and inclement weather which affects construction work. The Committee, therefore, recommend that the Department should take up the matter with the States/UTs at the highest level to solve the problem of storage. The Committee also recommend that mini godowns should be created in different parts of the States/UTs.

6. Damaged Foodgrains

The Committee are concerned to observe that during the years, i.e. 2017-18, 2018-19 and 2019-20, total value of damaged foodgrains recorded is very high viz. Rs. 32232460.50, Rs. 67332841.95 and Rs. 26096367.48 respectively. The Committee note that accrual of damaged foodgrains is mainly due to storage pests' attack, leakages in godowns, procurement of poor quality stocks, exposure to rains, floods, or due to negligence of officials/officers, etc. The Committee feel that damage done to foodgrains due to natural calamities like rains/floods is beyond human control. But the damages to foodgrains due to negligence of officials/officers can be avoided to the maximum extent by keeping a strict vigil and holding them accountable. The Committee also feel that the movement of foodgrains to distribution centres is also very slow. As a result, huge piling of foodgrains and rotting takes place, thereby causing heavy losses. The Committee recommend that the Department should give special attention to the major wheat producing States, such as Punjab and Haryana and create adequate storage capacity in such States. The Department should also consider creation of storage space in other States such as Rajasthan, Maharashtra and Tamil Nadu where the non-cultivable land can be used to institute modern silos/godowns for storing foodgrains which will serve as a supply centre to both northern and southern regions.

The Committee further feel that the matter is being approached in a very casual manner by the Government in a country where incidence of hunger and malnutrition are still reported, and hence, such careless losses are a matter of grave concern. The

Committee, therefore, recommend that utmost care should be taken to ensure that the foodgrains do not get damaged/spoiled by taking adequate scientific storage measures and fixing responsibilities on officials/officers for accrual of damaged foodgrains.

7. Diversion of Foodgrains

The Committee feel that diversion of foodgrains meant for the poorest of the poor is the biggest menace in the functioning of one of the important welfare schemes of Government, i.e. Public Distribution System (PDS). The Committee note the large number of complaints on TPDS received in the Department from individuals, organizations and through media reports etc., from 2017 to 2020 (upto 31.10.2020) from Uttarakhand, Bihar, Uttar Pradesh, Delhi, Haryana and various other States. The Committee find that during the years, i.e. 2017, 2018, 2019 and 2020, the total number of complaints received in the Department were 1213, 941, 855 and 2469 respectively. These complaints related generally to leakages/diversion of foodgrains, foodgrains not reaching the intended beneficiary, issuance of ration cards to ineligible persons, quality and quantity of foodgrains and other FPS related matters in different States/ regions in the country. Under PDS (Control) Order, 2001, the constitution of Vigilance Committee by the States/UTs at Fair Price Shop (FPS) level is mandatory. In addition to the aforesaid system, the Ministry gets the Utilization Certificate (UC) from various State Governments that help in monitoring the PDS Scheme. In spite of the elaborate system of monitoring, the diversion of foodgrains still continues. Besides evolving various systems of monitoring mechanism, it is pertinent to ensure that these systems work properly. In view of the aforesaid position, the Committee strongly recommend to the Department to ensure that the

various monitoring mechanism work properly failing which the objective of having mechanism of monitoring is really defeated. The Committee further desire that Government should take the issue of monitoring seriously as it will help preventing and reducing cases of diversion of foodgrains/complaints emerging from different parts of the country. Since crores of rupees are being spent for allocating subsidized foodgrains to the poorest of the poor in the country every year, it is vital that the benefits thereof reach the intended sections of the society.

8. *Corruption in FCI*

The Committee are pained to know that despite taking various remedial measures, a large number of vigilance cases have been registered against FCI officials during the years 2017-18, 2018-19, 2019-20 and 2020-21 (till September, 2020) i.e. 817, 828, 691 and 406 respectively. The Committee also observe that a complaint against GM (Haryana) is pending and in the case of Manager (Commercial), Udaipur District and Manager (Accounts), Udaipur- charge sheets have been issued/penalty imposed. The Committee further find that during 2020-21, 3 cases have been referred to the Central Bureau of Investigation (CBI) and 3 cases to the Central Vigilance Commission (CVC). The Committee are of the view that corruption in FCI may spiral out of control if strict action is not taken. The Committee, therefore, recommend that FCI should strengthen its vigilance mechanism in coordination with the States/UTs so as to detect corrupt practices by FCI officers and take stringent punitive action against them, if found guilty. The Committee also desire that senior officers should be held accountable to uproot the evil of corruption. The Committee further desire that the Public Distribution System should be made more transparent and accountable. The

Committee are of the opinion that FCI staff may be transferred after a fixed period to avoid creation of vested interests. The Committee further recommend that efforts should be made for early disposal of pending cases as delay in disposal of vigilance cases would encourage corrupt practices and undermine the authority of law.

NEW DELHI;
27 JULY, 2021
05 SRAVANA 1943 (Saka)

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

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021) HELD ON TUESDAY, 15 DECEMBER, 2020

The Committee sat from 1500 hrs. to 1730 hrs. in Committee Room No. '2', First Floor, Block A, Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

Members

Lok Sabha

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

Rajya Sabha

13. Smt. Shanta Chhetri
14. Shri Satish Chandra Dubey
15. Smt. Roopa Ganguly
16. Dr. Fauzia Khan
17. Shri Rajmani Patel

SECRETARIAT

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

WITNESSES

SI No.	Name	Designation
1.	Shri Sudhanshu Pandey	Secretary
2.	Shri Edwin Kulbhusan Majhi	Additional Secretary
3.	Shri Gudey Srinivas	Additional Secretary & FA
4.	Shri Sanjeev Kumar	CMD, FCI
5.	Shri Arun Kumar Shrivastava	MD, CWC

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of the Department of Food and Public Distribution on the subject 'Procurement, Storage and Distribution of Foodgrains by Food Corporation of India'.

[The witnesses were then called in.]

3. The Chairperson then welcomed the representatives of Department of Food and Public Distribution to the sitting and apprised them about Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings. Thereafter, the witnesses introduced themselves and then briefed the Committee through a power point presentation on various aspects of the subject 'Procurement, Storage and Distribution of Foodgrains by Food Corporation of India'. The Committee then held detailed discussion on various issues pertaining to the subject. The main issues covered, inter-alia, included Policy Framework, Buffer Norms, Procurement, Offtake, Storage Capacity with FCI and State Government/Agencies, Silos, Movement of Foodgrains, Excess of Central Pool stocks over

stocking norms, Transit losses, Storage losses, Factors influencing the steady increase of subsidy, Efforts for improving operational performance, FCI during Covid Pandemic, Procurement during Pandemic, Movement of Foodgrains during Pandemic etc. The queries raised by the Chairperson and the Members on various issues during the course of discussion were responded to by the witnesses.

4. The Hon'ble Chairperson then thanked the Secretary, Department of Food and Public Distribution and other witnesses for their free and frank discussion and directed the Secretary, Department of Food and Public Distribution to furnish information to the Committee on the issues that remained unanswered/partially answered and also some further clarifications in connection with detailed examination of the subject.

[The *Witnesses* then *withdrew*.]

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021) HELD ON TUESDAY, 27 JULY, 2021

The Committee sat from 1500 hrs. to 1545 hrs. in Committee Room No. '139', First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

Members

Lok Sabha

2. Shri Karadi Sanganna Amarappa
3. Shri Girish Bhalchandra Bapat
4. Shri Shafiqur Rahman Barq
5. Shri Anil Firojiya
6. Shri Khagen Murmu
7. Shri Mitesh Rameshbhai (Bakabhai) Patel
8. Smt. Himadri Singh
9. Smt. Kavita Singh
10. Shri Ganesan Selvam
11. Shri Saptagiri Ulaka
12. Shri Rajmohan Unnithan
13. Shri Ve. Vaithilingam

Rajya Sabha

14. Smt. Shanta Chhetri
15. Shri Satish Chandra Dubey
16. Dr. Fauzia Khan
17. Shri Sakaldeep Rajbhar

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri Khakhai Zou - Additional Director

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the Draft Report on the subject 'Procurement, Storage and Distribution of Foodgrains by Food Corporation of India' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

3. Thereafter, the Committee took up for consideration the Draft Report. After due deliberations, the Committee unanimously adopted the said Draft Report without any amendment/modification and authorized the Chairperson to finalize the aforesaid Draft Report in the light of verbal and consequential changes and also in the light of factual verification from the concerned Department and present the same to Parliament in the current Monsoon Session of Parliament.

4. XXXX XXXXX XXXX XXXX XXXX
5. XXXX XXXXX XXXX XXXX XXXX

The Committee then adjourned.

XXXX Matter does not relate to the Report.