

**ANNEX-I**  
(refer Executive Summary)

No.9-3/2012-FC.II  
Government of India  
Ministry of Consumer Affairs, Food & Public Distribution  
Department of Food & Public Distribution

Krishi Bhavan, New Delhi  
Dated: January 24, 2013

To

Shri John K. Sellate,  
Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board-IV,  
O/o the Principal Director of Commercial  
Audit & Ex-Officio Member, Audit Board-IV  
16-20, Barakhamba Lane, New Delhi-01.

Reference: Letter No.Rep/1-650/MAB-IV/PA/SM/FCI dated 23.01.2013

Subject: Minutes of the Exit Conference on draft Performance Audit on  
'Storage Management Movement of Foodgrains in FCI'

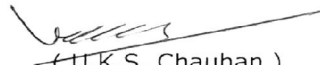
Sir,

Kindly refer to your letter cited above. A copy of the minutes of the Exit Conference on draft Performance Audit Report of FCI held on 22.01.2013 along with the Ministry's replies on its recommendations, duly signed by the undersigned is enclosed herewith for your kindly necessary action.

Thanking you

Yours faithfully,


Encl: as above.

  
(U.K.S. Chauhan )  
Joint Secretary(P&FCI)  
Tel.No.011-2338 2512  
Fax No.011-2338 9358  
e-mail: [jspolicy.fpd@nic.in](mailto:jspolicy.fpd@nic.in)

Sl. No.	Recommendations of Audit	Ministry's replies (January 2013)
1	The GOI/FCI should take necessary steps to augment procurement of foodgrains and also increase direct procurement by FCI and DCP States in view of increasing requirement for Targeted Public Distribution System and Other Welfare Schemes.	Partly accepted.  In order to provide efficient and expansive price support coverage to farmers, the policy of the Ministry is to encourage States to undertake procurement in decentralised mode. FCI will continue to provide necessary guidelines and support to States in augmenting procurement.
2	The GOI may consider fixing minimum buffer norm together with component wise quantities of foodgrains for example for food security reserve, emergency situations and price stabilisation etc. The GOI should also consider fixing maximum level of buffer norms with a view to bring in greater certainty in management of food stock of Central Pool.	Partially accepted.  Government will shortly revise the minimum buffer norms but fixing maximum level of buffer norms is not practical at present. Decision to off load the excess stock will have to be taken on year to year basis looking into situation at that time.
3	The GOI may entrust responsibility of ensuring maintenance of foodgrains stock, handled by various agencies, at the level prescribed under buffer norms for single point accountability.	Accepted.  FCI is already vested with the responsibility.
4	The GOI should expedite rationalisation of the cost structure of foodgrains in the context of levy of statutory and non-statutory charges imposed by different States in view of heavy subsidy payout.	Accepted.
5	The GOI/FCI should take a strategic view/conduct a detailed cost benefit analysis to decide the mix of owned and hired storage capacity and augment the storage capacity accordingly instead of solely depending on outside agencies.	Accepted to conduct the required a detailed cost benefit analysis.  However, Government has already decided to augment the storage capacity only through short-term and long-term hiring of godowns, except for North-Eastern States including Sikkim and certain special cases.
6	FCI should ensure optimal utilization of existing storage capacity for timely evacuation of foodgrains from procuring States to consuming States to reduce the carry over charges payable to SGAs.	Accepted.
7	In view of dismal storage capacity addition during last five years, GOI/FCI should expedite the ongoing augmentation plan	Accepted.




	under various programmes (PEG 2008/PEG 2009 and Plan Scheme for NE and other States) to overcome the bottlenecks/constraints faced in various States in consultation/collaboration with respective State Governments.	
8	The GOI should establish a formal mechanism involving Ministry of Railways and Department of Food/FCI to streamline the movement activities. The existing operational constraints of the Railways in supply of rakes as per the requirement of FCI should be addressed urgently.	Accepted.  A Co-ordination Committee consisting of Joint Secretary (P&FCI), D/o F&PD, Executing Director (Traffic Transportation), Ministry of railways and Executive Director (T), FCI has been constituted to consider various issues arising between the FCI and Railways on weekly basis.
9	FCI should streamline and strengthen the existing system of reconciliation of missing and unconnected wagons and settlement of refund claims with the Railways.	Accepted.  Already there are Zonal level joint committees to reconcile the missing and unconnected wagons and to resolve the settlement of refund claims.
10	The GOI/FCI should review the existing guidelines and consider devising a more efficient mechanism for regular and timely settlement of hill transport subsidy claims between FCI and States in consultation with State Governments.	Existing guidelines are sufficient for timely settlement of HTS claims, however, delays are due to non-submission of claims or non-submission of documents supporting the claims by some States.
11	FCI should review the internal control arrangement with a view to strengthen manpower and to increase internal audit activities and coverage of physical verification of stock.	Accepted.
12	FCI should consider strengthening supervision and control of FCI Headquarters over internal audit and physical verification activities to ensure independence.	Accepted.



(John K. Sellate)

Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board – IV.



(U. K. S. Chauhan)

Joint Secretary (Policy & FCI)  
Department of Food & Public  
Distribution.

**ANNEX – II**  
**Commodity wise stock of food grains in the**  
**Central Pool vis-à-vis minimum buffer norms**  
(refer para 1.7)

As on	Wheat			Rice		
	Actual	Minimum	Surplus (+)/ Short (-)	Actual	Minimum	Surplus (+)/ Short (-)
01.04.2006	20.09	40.00	-19.91	136.75	122.00	14.75
01.07.2006	82.07	171.00	-88.93	111.43	98.00	13.43
01.10.2006	64.12	110.00	-45.88	59.70	52.00	7.70
01.01.2007	54.28	82.00	-27.72	119.77	118.00	1.77
01.04.2007	47.03	40.00	7.03	131.72	122.00	9.72
01.07.2007	129.26	171.00	-41.74	109.77	98.00	11.77
01.10.2007	101.21	110.00	-8.79	54.89	52.00	2.89
01.01.2008	77.12	82.00	-4.88	114.75	118.00	-3.25
01.04.2008	58.03	40.00	18.03	138.35	122.00	16.35
01.07.2008	249.12	201.00	48.12	112.49	98.00	14.49
01.10.2008	220.25	140.00	80.25	78.63	52.00	26.63
01.01.2009	182.12	112.00	70.12	175.76	138.00	37.76
01.04.2009	134.29	70.00	64.29	216.04	142.00	74.04
01.07.2009	329.22	201.00	128.22	196.16	118.00	78.16
01.10.2009	284.57	140.00	144.57	153.49	72.00	81.49
01.01.2010	230.92	112.00	118.92	243.53	138.00	105.53
01.04.2010	161.25	70.00	91.25	267.13	142.00	125.13
01.07.2010	335.84	201.00	134.84	242.66	118.00	124.66
01.10.2010	277.77	140.00	137.77	184.44	72.00	112.44
01.01.2011	215.40	112.00	103.40	255.80	138.00	117.80
01.04.2011	153.64	70.00	83.64	288.20	142.00	146.20
01.07.2011	371.49	201.00	170.49	268.57	118.00	150.57
01.10.2011	314.26	140.00	174.26	203.59	72.00	131.59
01.01.2012	256.76	112.00	144.76	297.18	138.00	159.18
01.04.2012	199.52	70.00	129.52	333.50	142.00	191.50

## Total stock of food grains (wheat & rice) in the Central Pool vis-à-vis minimum buffer norms

As on	Wheat		Rice		Wheat and rice actual	Wheat and rice minimum
	Actual	Minimum	Actual	Minimum		
01.04.2006	20.09	40.00	136.75	122.00	156.84	162.00
01.07.2006	82.07	171.00	111.43	98.00	193.5	269.00
01.10.2006	64.12	110.00	59.70	52.00	123.82	162.00
01.01.2007	54.28	82.00	119.77	118.00	174.05	200.00
01.04.2007	47.03	40.00	131.72	122.00	178.75	162.00
01.07.2007	129.26	171.00	109.77	98.00	239.03	269.00
01.10.2007	101.21	110.00	54.89	52.00	156.10	162.00
01.01.2008	77.12	82.00	114.75	118.00	191.87	200.00
01.04.2008	58.03	40.00	138.35	122.00	196.38	162.00
01.07.2008	249.12	201.00	112.49	98.00	361.61	299.00
01.10.2008	220.25	140.00	78.63	52.00	298.88	192.00
01.01.2009	182.12	112.00	175.76	138.00	357.88	250.00
01.04.2009	134.29	70.00	216.04	142.00	350.33	212.00
01.07.2009	329.22	201.00	196.16	118.00	525.38	319.00
01.10.2009	284.57	140.00	153.49	72.00	438.06	212.00
01.01.2010	230.92	112.00	243.53	138.00	474.45	250.00
01.04.2010	161.25	70.00	267.13	142.00	428.38	212.00
01.07.2010	335.84	201.00	242.66	118.00	578.50	319.00
01.10.2010	277.77	140.00	184.44	72.00	462.21	212.00
01.01.2011	215.40	112.00	255.80	138.00	471.20	250.00
01.04.2011	153.64	70.00	288.20	142.00	441.84	212.00
01.07.2011	371.49	201.00	268.57	118.00	640.06	319.00
01.10.2011	314.26	140.00	203.59	72.00	517.85	212.00
01.01.2012	256.76	112.00	297.18	138.00	553.94	250.00
01.04.2012	199.52	70.00	333.50	142.00	533.02	212.00

Note: The GOI created food security reserve of 50 LMT which includes 30 LMT of wheat w.e.f. 1 July 2008 and 20 LMT of rice w.e.f. 1 January 2009 over and above the existing quarterly buffer norms.

## ANNEX - III

## 1. Scope of audit -Sample selection in respect of FCI (refer para 1.13)

Sl. No.	Regional Offices	District Offices	No. of godowns
1	Punjab	Sangrur, Amritsar, Ferozepur and Ludhiana (four)	16 out of 60 (27 per cent)
2	Haryana	Kurukshetra and Karnal (two)	6 out of 25 (25 per cent)
3	Andhra Pradesh	Kakinada, TP Gudem, Nellore and Karimnagar (four)	8 out of 18 (44 per cent)
4	Chhattisgarh	Durg and Raipur (two)	4 out of 11 (36 per cent)
5	West Bengal	Burdwan, Midnapur, Birbhum, Bankura and Jalpaiguri (five)	5 out of 5 (100 per cent)
6	Bihar	Patna and Midnapur (two)	4 out of 7 (57 per cent)
7	Kerala	Kozhikode and Thiruvananthapuram (two)	4 out of 6 (67 per cent)
8	Assam	Guwahati and Dibrugarh (two)	4 out of 7 (57 per cent)

## 2. Sample selection in respect of State Government Agencies

State	State Government Agencies	Offices at	No. of godowns
Punjab	Punjab State Warehousing Corporation (PSWC)	Sangrur	5 out of 19 (26 per cent)
		Ferozepur	3 out of 11 (27 per cent)
		Ludhiana	4 out of 13 (31 per cent)
		Amritsar	2 out of 7 (29 per cent)
	Punjab State Civil Supplies Corporation Limited (PUNSUP)	Sangrur	4 out of 16 (25 per cent)
		Ferozepur	2 out of 6 (33 per cent)
		Ludhiana	2 out of 8 (25 per cent)
		Amritsar	2 out of 8 (25 per cent)
Haryana	Haryana Warehousing Corporation (HWC)	Ambala	2 out of 4 (50 per cent)
		Karnal	3 out of 9 (33 per cent)
		Panipat	2 out of 6 (33 per cent)
		Yamuna Nagar	2 out of 4 (50 per cent)
		Kurukshetra	3 out of 9 (33 per cent)
		Kaithal	4 out of 13 (31 per cent)
	Haryana Food and Supply Department	Ambala	2 out of 2 (100 per cent)
		Karnal	2 out of 3 (67 per cent)
		Panipat	Nil
		Yamuna Nagar	1 out of 1 (100 per cent)
		Kurukshetra	2 out of 3 (67 per cent)
		Kaithal	2 out of 2 (100 per cent)

### 3. Sample selection in respect of Central Warehousing Corporation

Sl. No.	Regional Offices	District Offices	No. of godowns
1	Punjab	Sangrur, Amritsar, Ferozepur and Ludhiana (four)	6 (Abohar-I, Abohar-II, Amritsar BD, Fazilka-I and Chandigarh)
2	Haryana	Kurukshetra and Karnal (two)	7 (Kaithal, Assandh, Indri, Karnal I, II and III, Kurukshetra and Ladwa)
3	Andhra Pradesh	Kakinada, TP Gudem, Nellore and Karimnagar (four)	5 (Kakinada, TP Gudem, Nellore, Karimnagar-I & II)
4	Chhattisgarh	Durg and Raipur (two)	8 (Durg, Bharatpara I & II, Raipur I to V)
5	West Bengal	Burdwan, Midnapur, Birbhum, Bankura and Jalpaiguri (five)	10 (Bishnupur, Burdwan-I & II, Sarul, Raninagar, Belda, CFS-Haldia, Chandrakona Road, Durgachak and Kharagpur)
6	Bihar	Patna and Midnapur (two)	3 (Fatuha, Mokama and Mussallpur)
7	Kerala	Kozhikode and Thiruvananthapuram (two)	1 (Thiruvananthapuram)
8	Assam	Guwahati and Dibrugarh (two)	Nil



**ANNEX - IV**  
**Past Audit Coverage (refer para 1.16)**

Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
1	Para no. 6.1 of report no. 16/2006 (Civil)	Avoidable expenditure of ₹ 3.31 crore was incurred during 2003-04 to 2004-05 at Manmad and Nagpur (Maharashtra) on rebooking of food grains rakes to alternative destinations, as adequate vacant space was not available in the godowns at the original destinations. This could have been avoided through a proper assessment of vacant godown space and drawal of food grains by the states.	The similar instances of rebooking of rakes were noticed during review of records in district offices in Manmad & Nagpur and also at Borivali in Maharashtra Region. Expenditure on rebooking increased from ₹ 2.38 crore in 2006-07 to ₹ 10.48 crore in 2010-11, indicating lack of planning and coordination with State Government and Railways.
2	Para no. 6.2 of report no. 16/2006 (Civil)	As of March 2005, FCI's pending claims against the Railways amounted to ₹ 796.45 crore. This included 7583 cases of claims for refund of freight amounting to ₹ 37.41 crore which had been pending for period ranging from 12 to 27 years. Railways rejected the claims and FCI did not pursue such claims further.	Claims were pending with the Railways for long time which are being pursued by FCI. Some claims were not settled due to want of relevant records. As on 31 March, 2012, 10252 cases of claims for refund of freight amounting to ₹ 58.11 crore were pending.
3	Para no. 6.3 of report no. 16/2006 (Civil)	During the period 2000-2005, FCI paid total demurrage of ₹ 51.57 crore, despite paying overtime allowance (OTA) and incentive of ₹ 70.81 crore and ₹ 599.91 crore respectively to the departmental labour. In fact, the average annual incentive paid per labourer increased from ₹ 10,221 to ₹ 27,193 over this period.	An amount of ₹ 357.12 crore was paid on account of demurrage/ wharfage during the period 2006-07 to 2011-12 with an average of ₹ 59.52 crore per year. Payment of demurrage charges showed an increasing trend over the period from ₹ 22.73 crore (2006-07) to ₹ 132.51 crore (2011-12).



Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
4	Para no. 6.4.2 of report no. 16/2006 (Civil)	<p>Incurrence of avoidable expenditure on handling and transportation due to hiring of godowns located beyond eight kilometers.</p> <p>i) Avoidable expenditure of ₹ 30.51 lakh on transportation of stocks from Vizianagaram to Cheepurupalli SWC depot.</p> <p>ii) Avoidable expenditure of ₹ 116.85 lakh on transportation of food grains stocks from SWC Kotabommali.</p>	<p>i) The movement of stocks Ex. North to SWC Cheepurpalli was made only during 2002-03. On the basis of audit observation, the stocks from SWC Cheepurpalli was made by diverting the mill levy stocks of neighbouring district office FCI Srikakulam. For this diversion no additional transport charges was paid to the rice millers. The mill levy stocks were directly delivered from mill to the depot. The transport charges were restricted to least of railway freight or actual road transport. Thus, there was no extra expenditure like moving the stocks from rail-head or vice-versa.</p> <p>Hence no further comments.</p> <p>ii) No stocks were received into the depot. Rice mills tagged to the depot were delivering levy rice and once the godowns are full, the levy is transferred to neighbouring DO FCI Vizag for direct delivery. No rail movement of stocks was resorted into or out of this depot.</p> <p>However, during January 2010 to March 2010 Boiled Rice stocks accepted under levy was subject to movement to distant rail-head (8086.298 MT) on which transportation charges of ₹ 11.38 lakh was incurred.</p> <p>During 2011-12, no boiled rice stocks were received by bridging of stocks between depot and railhead.</p>

Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
5	Para no. 6.4.3 of report no. 16/2006 (Civil)	Avoidable expenditure of ₹ 1.43 crore between December 2002 and March 2005 due to injudicious selection of Seven Years Guarantee Scheme (SYGS) godown at Jadcherla over the CWC godown at the Mahaboobnagar, which was locationally more advantageous.	CWC Mahaboobnagar is under continuous hire of DO FCI Tarnaka and it was observed that boiled rice stocks were accepted at SWC Jadcherla during the period 2005-06 to 2010-11 and was moved to distant railhead ignoring the cost advantage in accepting the levy boiled rice stocks at CWC Mahaboobnagar. The Extra expenditure in this regard was ₹ 1.37 crore for the period 2005-06 to 2011-12.
6	Para no. 6.4.4 of report no. 16/2006 (Civil)	The FCI Manual for Movement and Storage stipulated that godowns with a capacity of 25,000 MT or higher should have their own railway siding facilities. Failure to consider this aspect at the time of hiring 25 godowns under the SYGS resulted in avoidable expenditure of ₹13.88 crore till December, 2004 on account of handling of stocks at Railway goods shed.	Almost all the depots under SYGS were continued after the expiry of guarantee period. From the test check of records, it was observed that the stocks were issued for local PDS. The rail movement of stocks from these non-siding depots for the period 2005-06 to end of guarantee period (2008-09), FCI incurred ₹ 68.14 crore towards handling and transportation (Handling ₹44.01 crore and Transportation ₹24.13 crore). This expenditure could have been avoided had there been railway siding at these depots under SYGS.
7	Para no. 6.4.5 of report no. 16/2006 (Civil)	Due to non-construction of railway sidings in the godowns of Andhra Pradesh (AP) SWC, an additional expenditure of ₹ 1.53 crore was incurred on transportation of food grains from these godowns at Renigunta and Janakampet for rail movement by FCI upto March, 2005.	FCI is releasing the storage charges only to the extent of 60 per cent of the rate. FCI has incurred additional expenditure of ₹ 18.86 lakh on movement of stocks from SWC Janakampet during the period September 2005 to April 2009. As against this the storage charges recovered (40 per cent) were ₹ 18.90 lakh and thus FCI had recovered the additional cost in full. In respect of SWC Renigunta the storage charges were also restricted to 60 per cent with balance 40 per cent cut.

Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
8	Para no. 6.5.1.1 of report no. 16/2006 (Civil)	During 2000-04, FCI incurred total loss of ₹ 556.88 crore on account of transit shortages of 6.37 LMT of food grains. The factor responsible for transit loss in food grains were pilferage and theft en route, driage, multiple handling, different modes of weightment, weak texture of gunnies and brushing bags, etc.	During 2006-07 to 2011-12, FCI incurred total loss of ₹ 1,235.02 crore on transit shortages of 8.94 LMT of food grains.
9	Para no. 6.5.1.2 of report no. 16/2006 (Civil)	Audit noted that FCI had not set any norms for transit and storage losses till date. Norms were stated to have not been set for transit losses, as this could have encouraged inefficiency and pilferage. As per the laid down procedure, however, all cases of transit losses were to be investigated and disciplinary action, where necessary, taken against staff/ officers found responsible for such losses.	No norms for transit and storage losses were fixed (March 2012).
10	Para no. 6.5.1.3 of report no. 16/2006 (Civil)	FCI had incurred Storage losses of ₹ 842.31 crore involving a quantity of 8.49 LMT of food grains which amounted to 0.33 percent of total quantity of food grains issued during 2000-2004.	During 2006-07 to 2011-12, FCI incurred total loss of ₹ 1,395.00 crore on storage shortages of 8.41 LMT of food grains.
11	Para no. 6.5.1.4 of report no. 16/2006 (Civil)	Pendency of Storage and Transit losses amounting to ₹ 532.87 crore due to abnormal delays in investigating at various levels of FCI.	Transit and storage losses to the extent of ₹ 933.05 crore were pending regularisation at the beginning of 2006-07 and continued to remain at ₹ 1,058.26 crore at the end of March 2012 for the period since 1980-81.
12	Para no. 6.5.1.5 of report no. 16/2006 (Civil)	The absence of norms for Transit and storage losses.	No norms for transit and storage losses were fixed (March 2012).

Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
13	Para no. 6.1.6 of report no. 9/2009 (Commercial)	<p>Failure to get the FCI owned railway sidings under DO Non Port depots (West Bengal region) notified as independent stations resulted in avoidable payment of siding charges of ₹ 5.19 crore to railways during the period 2003-04 to 2008-09.</p> <p>Consignment of food grains could be booked directly to the sidings on through basis up to the ultimate point, i.e., buffer point at siding and payment of siding charges could have been avoided by getting the sidings notified as independent stations.</p>	<p>At the instance of Audit, joint inspection was conducted by FCI and Railways and it was observed that construction of the full track for making placement on 'through distance basis' with escape line for the engine is not feasible.</p>
14	Para no. 5.2.8 of report no. 24/2009-10 (Commercial)	<p>FCI incurred wasteful expenditure of ₹ 1.66 crore due to hiring of private godown when sufficient space was available in their own godown in Food Storage Depot (FSD) Pune during the period July 2004 to October 2006.</p>	<p>It was stated that rail head at FSD Pune was denotified for two point unloading. FCI would be left with no other option but to unload the entire rake at other points with availability of rail sidings and then to move the stock by road to FSD Pune.</p> <p>Audit, however, observed that the audit para highlighted the wasteful expenditure only prior to the denotification as stated above.</p> <p>Hence the matter remains unresolved.</p>

Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
15	Para no. 7.2.7 of report no. 11/2007 (commercial)	<p>The direct link to Tripura state was discontinued from April, 1997 due to gauge conversion (from MG to BG) and hence MG wagons could not be booked directly to Tripura state from Northern states. FCI started booking consignments to New Bongaigaon which were then rebooked to Tripura state without availing of the telescopic rates of freight. Thus, rebooking of rakes at New Bongaigaon resulted in avoidable expenditure of ₹ 3.73 crore.</p>	<p>After the issue was highlighted by audit, FCI lodged claim with the Railways for refund. The Railways, however, repudiated the refund claims on the ground that prior to 15 November 2006, there was no provision for allowing telescopic rate benefit and the claims were time barred.</p>
16	Para no. 6.1.2 of report no. 9/2009 (Commercial)	<p>In Punjab, average storage loss in rice during the period 2003-04 to 2007-08 was 1.02 <i>per cent</i> whereas in Haryana region where climatic condition was similar the average storage loss in rice was observed as 0.33 <i>per cent</i> only. When compared to Haryana region, excess storage losses of 3.23 LMT valuing ₹ 450.65 crore was observed in Punjab region during the period 2003-04 to 2007-08. No reasons were available on record for this wide variation in percentage of storage loss in the two neighbouring regions.</p> <p>Misappropriation of stocks cannot be ruled out in the cases of high percentage of storage loss.</p>	<p>No norms for storage loss were fixed by the Ministry.</p> <p>Board of Directors of FCI has approved handing over a comprehensive study on storage loss norms to Indian Council for Agricultural Research (ICAR).</p>

Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
17	Para no. 7.2.2 of report no. 11/2007 (Commercial)	While fixing final rates for Custom Milled Rice (CMR), transportation charges were allowed to rice millers without considering the element of transportation charges paid along with provisional rates resulting in excess payment of ₹ 406.21 crore to State Governments and their agencies during 1998-99 to 2002-03.	The rates fixed by the GOI for CMR delivered by State Government/ Agencies of Punjab and Haryana in the Central Pool from the year 2003-04 onwards provide only for transportation charges of paddy and rice on actual basis for distance beyond eight kilometers subject to the maximum of rates fixed by the District Magistrate. No separate transportation charges for transportation of paddy or rice upto eight kilometers were being allowed.
18	Para no. 5.2.2 of report no. 24/2009-10 (Commercial)	The transportation charges for delivery of rice beyond eight kilometers were paid at higher rates in Punjab and Haryana regions in violation of the GOI instructions resulting in excess reimbursement of ₹ 7.65 crore during 2004-05 and 2005-06.	No payment for transportation of paddy beyond eight kilometers by State Government/Agencies was being made by FCI. As regard payments for transportation of rice beyond eight kilometers, the payments, wherever claimed by millers, were being made at the rates fixed by FCI, being lower than the District Commissioner rates.

Sl. No.	Para no & year of the report	Brief of the Para	Current status/Action taken
19	Para no. 7.2.1 of report no. 12/2006	An amount of ₹ 185.76 crore was released to the Government of Arunachal Pradesh (GoAP) against Hill Transport Subsidy (HTS) in excess of the permissible limit laid down by the GOI. This resulted in interest loss of ₹ 20.34 crore on the blockage of fund due to excess release.	<p>In August 2011, follow-up Audit observed excess payment to GoAP (upto 2004-05) was still ₹ 39.20 crore.</p> <p>Despite that, <i>ad-hoc</i> payments of ₹ 24.07 crore (September 2007) and ₹ 21.69 crore (September 2010) for the period 2007-10 were made by the regional office, Assam under orders of the Ministry.</p> <p>Management stated (July 2012) that though an amount of ₹ 39.20 crore had not been adjusted, 2245 bills for ₹ 39.38 crore pertaining to the period 2003-06 have been submitted to FCI by GoAP.</p> <p>As against the HTS claims of ₹ 86.56 crore for 2007-10, a provisional advance of ₹ 45.76 crore was released to GoAP, thus there is no excess payment and loss of interest on this account.</p> <p>Audit, however, observed that total ad-hoc payment made to GoAP without adjustment of HTS claims had reached ₹ 84.96 crore. The rate for reimbursement of HTS to GoAP from April 2007 onwards had not been decided by the GOI till July 2012 though a committee to examine the issue was constituted in May 2007.</p>



**ANNEX - V**  
(refer para 3.2.3)

**Capacity available against food grains requirement  
of four months**

Sl. No.	State	Capacity available to meet food grains requirement for number of days					
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1	Andhra Pradesh	279	302	296	244	260	311
2	Arunachal Pradesh	57	51	63	53	61	61
3	Assam	48	58	59	50	39	35
4	Bihar	42	56	57	51	54	48
5	Chandigarh	1210	6960	1368	1050	1480	1673
6	Chhattisgarh	250	472	213	168	184	176
7	Delhi	155	173	196	147	128	115
8	Goa	51	150	106	82	58	49
9	Gujarat	82	163	162	113	101	98
10	Haryana	863	1469	1165	712	876	952
11	Himachal Pradesh	19	19	17	13	12	13
12	Jammu and Kashmir	48	52	54	45	40	36
13	Jharkhand	33	38	36	28	25	27
14	Karnataka	63	72	83	111	94	89
15	Kerala	81	150	144	111	94	96
16	Madhya Pradesh	61	95	81	76	92	60
17	Maharashtra	102	179	155	111	114	126
18	Manipur	49	63	24	45	35	34
19	Meghalaya	64	66	67	50	39	24
20	Mizoram	74	41	37	42	38	43
21	Nagaland	68	72	55	59	58	46
22	Odisha	83	112	103	93	77	74
23	Puducherry	207	283	405	259	272	289
24	Punjab	2638	6904	3032	1343	1955	2116
25	Rajasthan	118	214	205	152	190	240
26	Sikkim	78	83	73	73	66	60
27	Tamil Nadu	51	53	66	68	62	67
28	Tripura	37	47	46	47	45	81
29	Uttar Pradesh	99	170	163	114	107	180
30	Uttarakhand	106	146	102	130	117	93
31	West Bengal	61	110	107	83	77	78

**ANNEX - VI**  
(refer para 3.4.4)

Region	Region wise vacant space available with CWC which was offered to FCI (Capacity in MT)														Total			
	Months	Almhd.	Benglu.	Bhopal	Bhubr.	Chd.	Chennai	Cuw.	Hydhd.	Jaipur	Kochi	Kolkata	Luw.	Mumbai		Punkl.	Patna	Raipur
May,09	80,000			49,000		66,000				14,000			78,000					2,87,000
Sep,09				1,41,000	22,000				65,000	39,400			1,80,000			11,000		4,58,400
Dec,09	25,100	45,000		1,52,200	27,000	1,45,200	15,000	6,000	1,55,500	45,500			2,58,500	52,400	37,500	13,700		10,15,900
Jan,10	25,100	42,890		1,98,656	15,600	1,50,294	21,911	14,125	1,51,000	69,000	2,371	62,707	1,88,000	1,06,783	68,000	19,212		11,35,649
Feb,10	26,000	19,600		2,03,300	41,800	1,58,150	12,600	8,500	1,18,000	92,500		25,000	1,92,000	40,600	62,200	15,400		10,15,650
Mar,10	59,000				19,300	1,51,850	10,000	1,500	58,900	66,000	6,000	20,750	1,82,500	34,500	55,000	20,000		6,85,300
Apr,10	10,425	7,819				47,104		9,420	20,000		9,777	27,118	1,52,700	40,600	7,400	20,965		3,53,328
Jul,10		11,000		45,600		20,000	3,000		37,500			35,500	87,600		24,000	10,700		2,74,900
Aug,10		34,000		45,900	1,300	37,500	3,000	6,351	65,000	10,500	1,406	28,250	1,41,400		34,470	10,700		4,19,777
Sept,10		31,600		88,300	3,000	55,100		8,444	1,11,000	21,200		43,203	2,11,256		44,270	5,000		6,22,373
Oct,10	19,500	17,600		90,000		52,900			1,08,000	24,600	11,700	28,750	2,84,100	1,250	38,670	7,300		6,84,370
Nov,10	19,500	34,860		1,26,900		59,500			1,28,300	33,400	13,000	35,850	2,93,400		28,700	8,200		7,81,610
Dec,10	21,000	49,000		1,21,700		62,500			84,300	44,000	12,000	37,400	2,63,500		34,000	8,200		7,37,600
Jan,11	16,500	28,400		1,26,500	15,000	68,400		6,900	58,000	72,100	10,755	37,500	1,81,000	15,000	34,370	8,200		6,78,625
Feb,11	13,500	13,600		1,39,500	12,000	61,100			28,500	79,500	7,800	31,000	1,11,000		40,370	8,200		5,46,070
Mar,11	60,000	10,800		33,600	14,000	52,500	7,500		19,500	9,500	9,400	20,750	1,09,000		16,970	8,200		3,71,720
Apr,11	60,000				3,000		7,500		21,000	4,900	10,755	20,750	54,000		5,770			1,87,675
May,11	60,000				1,600		7,500		15,000	1,800	9,700	16,100	39,600		2,370			1,53,670
June,11	10,000			20,000			12,500		26,400	1,800	18,900	8,300	44,600		2,000			1,44,500
July,11	10,000			50,050			10,500		15,250	4,300	7,120	9,300	52,000					1,58,520
Aug,11				73,000			7,500		70,500			8,300	49,000					2,08,300
Sep,11	10,000	11,000		84,700	10,000	10,500	10,500		31,500	13,500		8,300	52,500		12,140			2,54,640
Oct,11	4,500	9,700		70,000	13,500	13,500	3,000		54,800	21,800		36,800	55,000	8,500	14,140		50,500	3,55,740
Nov,11	4,500	18,000		79,000	15,600	10,500	6,800		68,800	13,200	15,400	36,800	56,000		11,140	3,200	93,574	4,32,514
Dec,11	4,600	11,500		72,600	29,200	10,500	3,000		54,500	40,100	12,700	32,800	63,000	2,500	6,370	3,200	81,574	4,06,644
Jan,12	4,500	12,000		1,06,800	25,200	8,500	3,000		39,700	55,200	8,000	4,800	58,000	2,500	6,370	3,200		3,37,870
Feb,12	4,500	5,000		1,15,900	22,600	10,000			17,600	7,700	12,200	4,800	44,000		1,370	3,200	5,000	2,53,870
Mar,12	4,500	4,000		5,000	32,900	10,000	30,000		11,250	2,200	13,000		59,500		9,230	3,200	5,000	1,89,780

**ANNEX - VII**  
(refer para 3.5.3)

**Capacity finalised under PEG scheme with dates**

Sl. No.	Name of state	Storage capacity finalized as on 31 March 2011 (in MT)	Date of finalization	Actual storage capacity added as on 31 March 2012 (in MT)
1	Andhra Pradesh	36,000	30.04.2009	1,47,100
		1,91,000	26.07.2010	
		3,29,000	05.08.2010	
2	Bihar	3,00,000	22.05.2009	10,000
3	Chhattisgarh	2,17,000	03.03.2011	74,750
		5,000	22.05.2009	
4	Gujarat	45,000	22.05.2009	
		3,07,000	22.05.2009	
5	Haryana	38,80,000	12.06.2009	5,59,130
6	Himachal Pradesh	1,42,550	22.06.2009	
7	Jammu & Kashmir	3,61,690	22.06.2009	10,000
8	Jharkhand	1,75,000	22.05.2009	
9	Kerala	15,000	30.04.2009	
10	Karnataka	1,00,000	30.04.2009	53,350
		1,05,000	22.01.2010	
		4,31,000	14.09.2010	
11	Madhya Pradesh	1,40,000	24.09.2010	33,000
		2,95,000	14.09.2010	
12	Maharashtra	99,500	22.05.2009	2,01,900
		7,05,000	30.08.2010	
		10,000	06.09.2010	
		15,000	03.03.2011	
13	Odisha	3,00,000	26.07.2010	1,32,000
14	Punjab	51,25,000	12.06.2009	15,08,640
15	Rajasthan	2,60,000	06.09.2010	20,000
16	Tamil Nadu	30,000	12.06.2009	60,000
		3,15,000	25.05.2009	
17	Uttar Pradesh	15,33,000	02.08.2010	7,000
		11,48,000	06.09.2010	
18	Uttarakhand	25,000	01.06.2010	
19	West Bengal	1,56,000	26.07.2010	
<b>Total</b>		<b>1,67,97,340*</b>		<b>28,16,870</b>

\*Out of 167.97 LMT, 15 LMT was not to be constructed. So 152.97 LMT was the final space to be constructed at the end of March 2011. However, 151.96 LMT was approved at the end of March 2012.