

Summary of Recommendations

- *As persuasive measures may take time to yield results, the Ministry may consider implementing the recommendation of the High Level Committee and declare a procurement price inclusive of a uniform maximum limit of allowance for State levies.*
- *The Ministry may fix final charges for non-statutory incidentals only on the basis of audited statements of actual expenditure incurred in support of such charges. Pending submission of such statements, FCI's rates may be treated as provisional rates, subject to adjustment on the submission of actual expenditure statements.*
- *The Ministry should periodically assess the pattern of actual state-wise economic cost of procurement of foodgrains under the DCP scheme, and compare such costs with corresponding FCI costs on an ongoing basis. This would help in ensuring that the subsidy burden is reduced.*
- *The Ministry may ensure that all cases of diversion of foodgrains, inadequate or excess offtake of foodgrains and suspect or bogus ration cards are investigated by the State Governments. Lessons learnt from such investigations may be circulated to State Governments for the latter to take special steps to avoid their recurrence.*
- *The Ministry may, in close consultation with State Governments, critically review the state of functioning of Fair Price Shops in a time bound programme so that practical solutions are found to make them yield sufficient returns while ensuring that delinquent ones are closed/ penalised.*
- *Quality control at the time of procurement needs to be strengthened, if necessary by introducing a system of incentives and disincentives so that the stipulated level of inspection at various levels is enforced so as to ensure that sub-standard foodgrains are not procured.*
- *A mechanism of surprise inspection of stocks intended for PDS and other welfare schemes may be introduced and strictly enforced in coordination with State Governments to ensure that sub-standard foodgrains are not distributed.*
- *The Ministry may critically review the existing procedures and instructions for strengthening the monitoring of the distribution of foodgrains including the Area Officers scheme, inspection by District Level Officers and Vigilance Committees besides the system of receipt of Utilisation Certificates. The difficulties in implementation of the instructions would need to be identified in consultation with State Governments, by constituting a special committee who may be asked to frame practicable steps to strengthen the existing system of monitoring.*