

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 2655
TO BE ANSWERED ON 2ND AUGUST, 2016

RELEASE OF SUBSIDY TO FCI

2655. SHRIMATI VANAROJA R.:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Food Corporation of India (FCI) was forced to avail short term loans during the last three years due to delay in release of subsidy fund;
- (b) if so, the details thereof and the reasons for the delay in release of the funds; and
- (c) the corrective steps proposed in this regard?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) to (b): No Madam. There is no delay in release of Food Subsidy to Food Corporation of India (FCI) and fund allocated in the budget for Food Subsidy is released on time as per monthly/quarterly expenditure plan. However, even though Government has substantially increased the budgetary allocation for food subsidy in recent years but owing to other pressing financial commitments it has not been possible for Government to allocate funds for food subsidy in the budget as per projected requirements of FCI. In order to meet the shortfall, FCI has been availing short term loans (STL) to ensure smooth procurement operations. The details of short term loans (STL) availed by FCI during the last three years including current year are given below:-

(Rs. in crore)

Sl.	Financial year	STL raised	Outstanding STL as on 31 st March of the Financial Year
1	2013-14	35,150	16,250
2	2014-15	59,415	28,805
3	2015-16	70,820	26,375
4	2016-17 (upto 25.07.2016)	24,975	1,770

(c): In addition to increase in the budgetary allocation for food subsidy, Government has also time-to-time taken various other steps to ensure that sufficient fund is available with FCI for undertaking procurement operations. Some of these steps are sanction of Cash Credit Limit (CCL), sanction of Ways and Means Advance (WMA) and extending Government Guarantee to FCI for issue of bonds for mobilizing funds so that food procurement operations are not adversely affected.
