GOVERNMENT OF INDIA

MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

**RAJYA SABHA**

UNSTARRED QUESTION NO. 70

TO BE ANSWERED ON 21st JUNE, 2019

**UNDERPAID FOOD SUBSIDY BILL**

70. SHRI SANJAY SINGH:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the Central Government has underpaid food subsidy bill by C:\Users\Kamal\Desktop\images[1].jpg69,394 crores in the financial year 2018-19;

(b) if so, the reasons therefor;

(c) whether it is also a fact that this might lead Food Corporation of India (FCI) to raise funds at huge costs from external sources; and

(d) if so, the measures Central Government would undertake to avoid burdening FCI to raise funds from external sources?

**A N S W E R**

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(**SHRI** **RAMVILAS PASWAN**)

(a) to (d): Department of Food & Public Distribution has released Rs 1,40,098 crores (which includes National Small Savings Fund (NSSF) loan of Rs 70,000 crores) as subsidy to Food Corporation of India for Financial Year 2018-19. In addition, the Department has released subsidy of Rs 31,029.485 crores to DCP states.

In addition to this fund, the working capital requirement of FCI is financed through a mix of debt and equity. The debt comprises of National Small Savings Fund (NSSF) loans and Ways and Means Advance, both provided by Government of India, Cash Credit Limit facilities from consortium of banks backed by Government of India guarantee and long term Government guaranteed bonds. In addition, FCI is also availing unsecured Short Term Loans (STL) from scheduled banks to tide over cash flow mismatch.

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