

SHRI KUMAR DEEPAK DAS: Sir, it is like an epidemic in my District. Thousands of patients are going to Mumbai and Vellore every year. This is like an epidemic. So, we need special super-speciality cancer treatment centre at Barpeta. Will the Government take care of this aspect?

SHRI GHULAM NABI AZAD: Sir, it is true that the cancer is increasing in our country, and, if one goes to Tata Memorial Hospital, Mumbai, you will find more rush than that on the railway station of Delhi or Mumbai. You have to reach to the Doctor over the heads of few thousand people. So, one has to go deep into this problem, and, I personally feel that unless we have, in each State capital a Tata-like institution, I do not think, we are going to come to any conclusion. Particularly, so far as the North-Eastern States are concerned, the Eastern and North-Eastern States are the ones who are really feeling the pinch of it because they have to go all the way to Mumbai for the treatment. We have some centres at the State capital, but we do not have them at the District level or sub-divisional level.

श्री रवि शंकर प्रसाद: सर, आप एम्स का काम पूरा करा दीजिए, बहुत समय से पेंडिंग है। ...*(व्यवधान)*... आप मंत्री बन गए हैं तो जो 6 एम्स हैं, उनका काम आप पूरा करा दीजिए।

SHRI BIRENDRA PRASAD BAISHYA: Sir, our point is that the ...*(Interruptions)*...

श्री सभापति: बैठ जाइए। उन्हें समाप्त कर लेने दीजिए। Please. ...*(Interruptions)*... He is answering the question. Dr. Sahib, please. ...*(Interruptions)*...

SHRI BIRENDRA PRASAD BAISHYA: Sir, according to the report of the World Health Organisation, maximum number of cancer patients are coming from the...*(Interruptions)*...

MR. CHAIRMAN: Mr. Baishya, it is not your turn. ...*(Interruptions)*... Have you finished your answer, Mr. Minister?

SHRI GHULAM NABI AZAD: Yes, Sir.

MR. CHAIRMAN: Question No. 405.

#### **CAG on wasteful expenses made by FCI**

\*405. SHRI N.K. SINGH:

SHRIMATI SHOBHANA BHARTIA:††

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

(a) whether CAG has recently pointed out several discrepancies in expenses incurred by the Food Corporation of India (FCI);

(b) if so, the facts and details thereof;

(c) whether there is a need to revamp the functioning of FCI and to bring in transparency;

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††The question was actually asked on the floor of the House by Shrimati Shobhana Bhartia.

(d) whether any responsibility has been fixed on FCI officials who have made wasteful expenses;

(e) if so, the details thereof; and

(f) the steps taken by Government to prevent such wasteful expenses in future?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): (a) to (f) A Statement is laid on the Table of the House.

***Statement***

(a) and (b) Yes, Sir. The CAG has in its report No. CA 24 of 2009-10 laid in the Parliament on 9th July, 2009 pointed out certain discrepancies in expenses incurred by the Food Corporation of India (FCI). The observations relate to undue benefit to Roller Flour Mills and Atta Chakkies, excess reimbursement of transportation charges, unjustified payment of work based wages to labour, avoidable expenditure on transportation, failure to recover the value of short/damaged gunny bales, extra expenditure on advertisement, excess recovery of interest charges, wasteful expenditure due to hiring of a private godown and irregular expenditure due to purchase of new vehicles.

As per the laid down procedure the action taken note duly vetted by the C and AG on these paras will be furnished to the Committee on Public Undertakings (COPU) for their examination.

(c) With a view to improve the working of the Food Corporation of India (FCI), Government of India, Ministry of Consumer Affairs, Food and Public Distribution had engaged M/s. McKinsey and Co. in November, 2004 to undertake a study of FCI. The main objective of the study was to bring about efficiency improvement in the FCI's functioning.

The major improvement initiatives recommended by M/s McKinsey and Co. are given in the Statement-I (*See below*).

(d) and (e) Yes, Sir. Responsibility is fixed on FCI officials for wasteful expenditure. The details of disciplinary action taken against officials found responsible on account of wasteful expenditure in the last three years and current year are given in the Statement-II (*See below*).

(f) The details of the action taken by FCI to prevent such wasteful expenses in future are given in the Statement-III.

***Statement-I***

*Major improvement initiatives recommended by M/s McKinsey and Co. for FCI*

- (i) Financial restructuring through multi-tiered debt structure to reduce the interest burden;
- (ii) Network optimization through linear programming of Rail Movement (Grain Flow Management);

- (iii) Consolidation of Handling and Transport Contracts;
- (iv) Changes in use and sourcing pattern of gunny bags;
- (v) Cost reduction by direct procurement of foodgrains and exclusion of intermediates;
- (vi) Exploring avenues for revenue generation by optimum utilization of all existing assets like godowns;
- (vii) More cost effective and efficient utilization of human resources through rationalization, automation and better Performance Management System (People Management System);
- (viii) Smart Trading approach for global trading in foodgrains;
- (ix) Creation of Price Monitoring Cell;
- (x) Management of operational costs;
- (xi) Management of idle Assets;
- (xii) Vigilance Administration and;
- (xiii) Performance review through defined parameters and fixation of accountability.

***Statement-II***

*Details of disciplinary action taken against officials on account of wasteful expenditure*

Year	Disciplinary action initiated	Disciplinary action concluded and penalty imposed
2006	16	6
2007	11	11
2008	15	3
2009 (up to June)	3	—

Remarks

The disciplinary cases yet to be completed are pending with either Inquiry Officer or want of second stage advice from CVC.

***Statement-III***

*Details of remedial action taken by the FCI to check wasteful expenditure*

- (i) Two bid tender system is being followed to have a level playing field and to have transparency.
- (ii) Wide publicity to all Notice Inviting Tenders (NITs) to generate fair competition. The tender notices are also uploaded on FCI website to create competition.

- (iii) Placing results of tenders awarded with names of the successful tenderers and rates etc. on website to ensure transparency.
- (iv) Examination of
  - (a) Internal Audit Report
  - (b) CAG Audit Report
  - (c) Observations of inspections by Chief Technical Examiner of CVC.
- (v) In-Depth study of
  - (a) Handling and Transport Contracts.
  - (b) Purchase procedures in FCI
- (vi) Monitoring Progress of disposal of complaints and vigilance cases.
  - (a) Surveillance of officers with doubtful Integrity. These officers are not posted in sensitive positions to avoid any scope of corruption.
- (vii) Use of computers, payment through ECS, restrictions on payment in cash.
- (viii) Up-gradation of mechanical weighbridges to Electronic Weighbridges.

SHRIMATI SHOBHANA BHARTIYA: Sir, I would like to compliment the Minister for the very, very exhaustive answer and also for asking McKinsey to come and give open-ended suggestions on how best the FCI can improve its efficiency.

MR. CHAIRMAN: Question please. We are running out of time.

SHRIMATI SHOBHANA BHARTIYA: Sir, with that in mind, the Minister has stated that amongst the recommendations of McKinsey is smart trading approach for global trading in foodgrains. I would like to ask the Minister: is the Foodgrain Management Policy now open to buying from the international market as and when there is a need, realising that the volatility in the international market has reduced and we have sufficient foreign exchange reserves.

SHRI SHARAD PAWAR: Sir, we have to protect the interests of farmers and in such a situation it is difficult to accept the suggestion to allow or make open-ended import of anything.

MR. CHAIRMAN: Question Hour is over.

## WRITTEN ANSWERS TO STARRED QUESTIONS

### Setting up of power plant at Nabinagar, Bihar

\*406. SHRI TAPAN KUMAR SEN:

SHRI MOHAMMED AMIN:

Will the Minister of RAILWAYS be pleased to state:

- (a) when was it proposed to form a joint venture with NTPC for setting up of a 1000 MW power plant at Nabinagar, Bihar;