



# **Payment to FCI Modalities and Current Status**

**Regional Workshop with States**

**Puri, Odisha**

**15<sup>th</sup>-16<sup>th</sup> January, 2015**

# Supply of Food grains -MDMS

- Food Corporation of India supplies Fair Average Quality (FAQ) food grains to States/UTs under all Welfare Schemes such as TPDS, ICDS, MDMS etc.
- Food grain is supplied on post payment basis only under MDMS.

# Lifting of Food grains

- States/UTs are to maintain a buffer stock of one month food grains at the schools.
- States/UTs can lift food grains from FCI by 25<sup>th</sup> of the preceding month/quarter for requirements of food grains during the next month/quarter.

# Payment to FCI

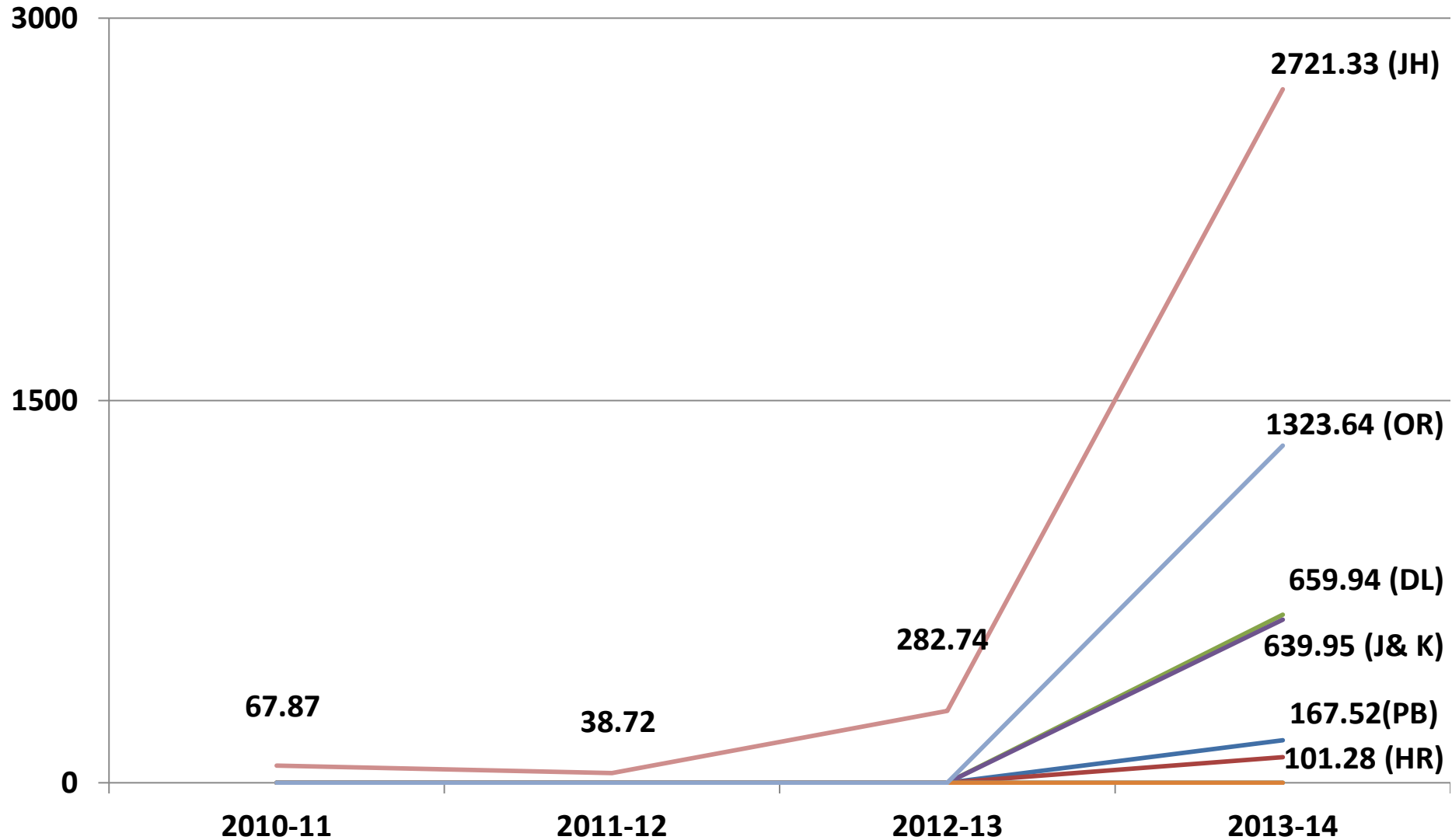
- FCI will raise bills by 10<sup>th</sup> day of the next month from the month of lifting of food grains
- States/UTs would make payment within 20 days from the date of receipt of bill.
- Payment of cost of food grains has been decentralized at district level from 1<sup>st</sup> April, 2010.

# Delay in Payment to FCI

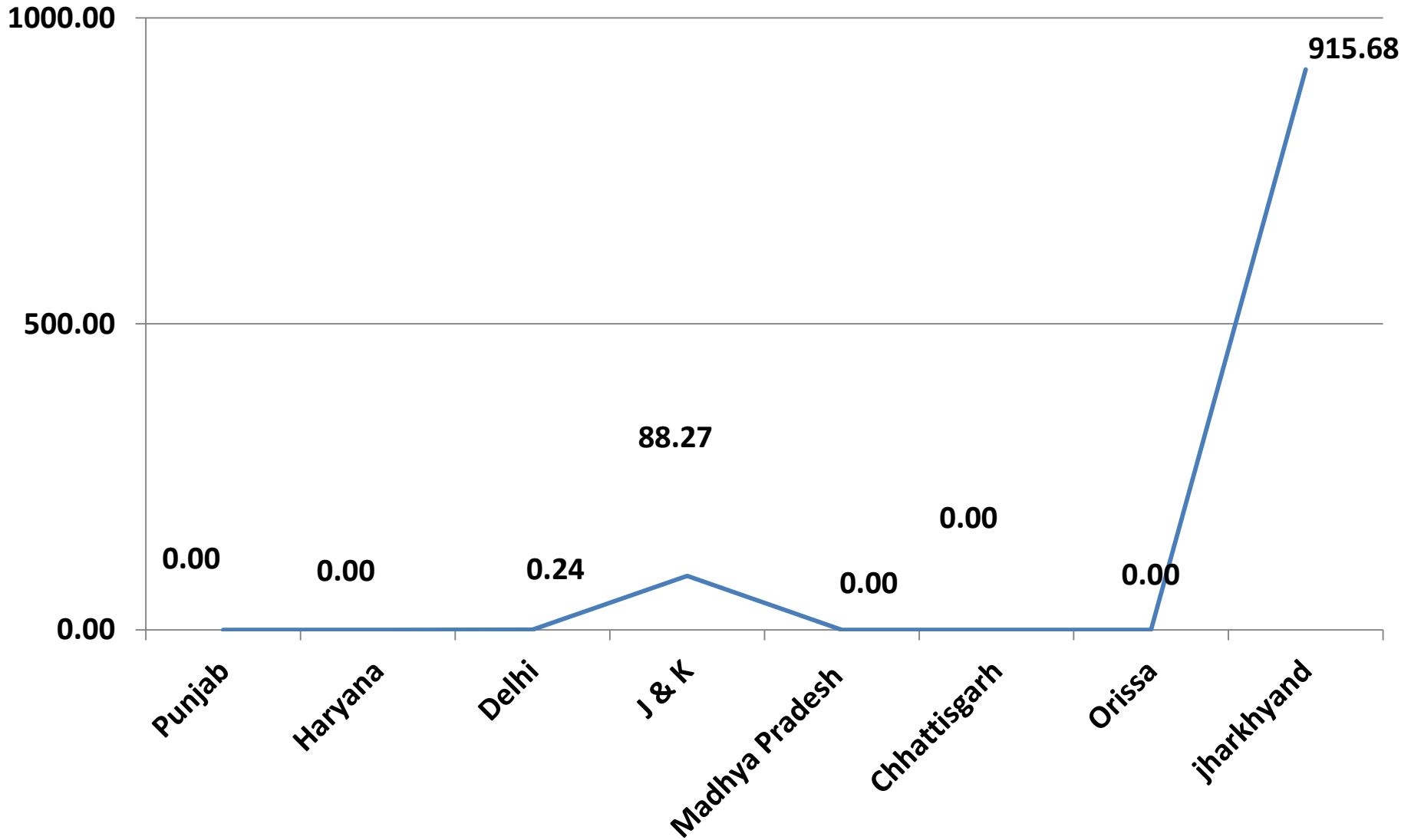


- District Authorities in the States/UTs are not making payment towards the cost of food grains to FCI within the stipulated 20 days from the date of receipt of bill.
- States/UTs have cumulative outstanding month wise bills for more than 400 Cr. during 2014

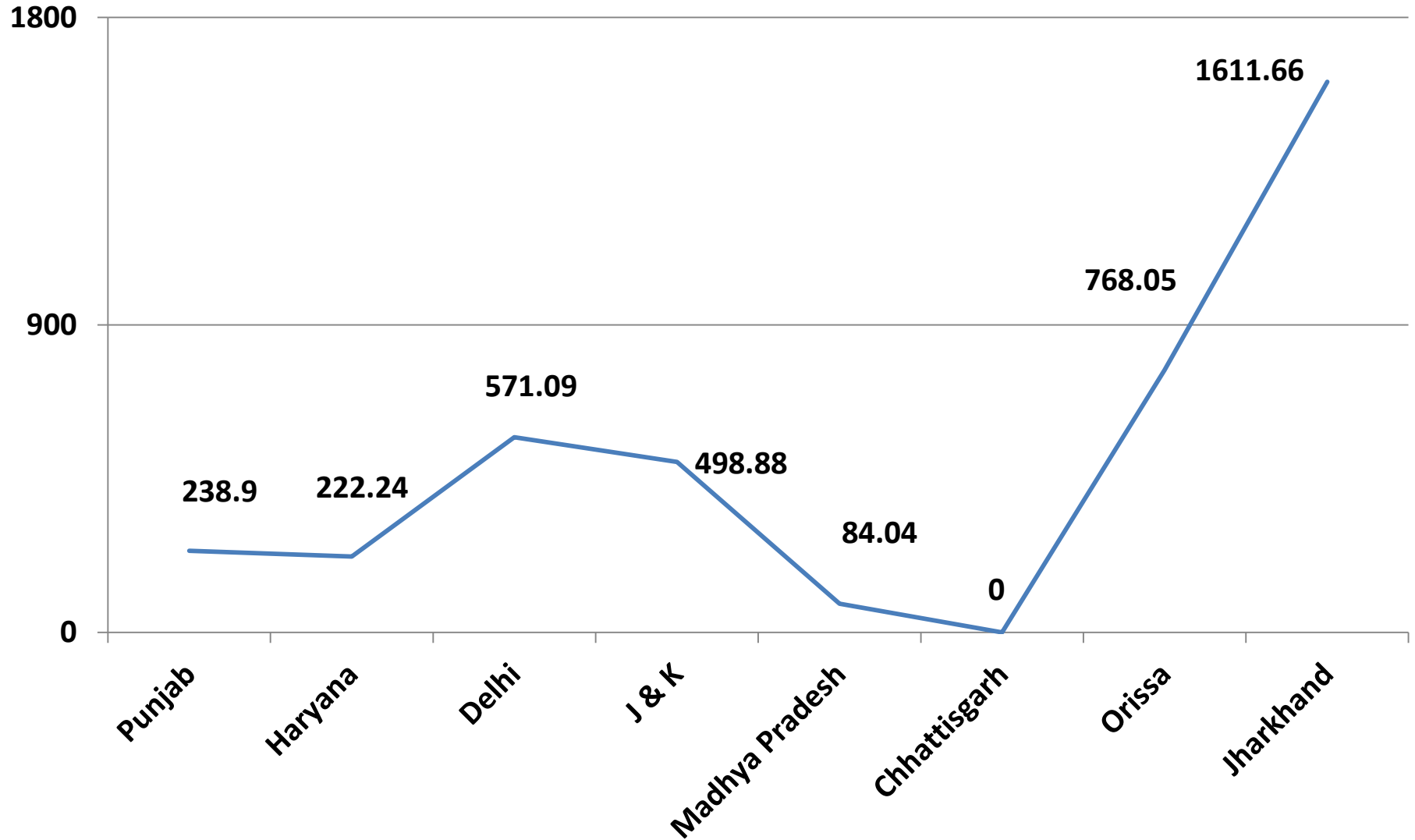
# Year wise Outstanding Payment (Rs in lakhs)



# O/S as on 30.11.2014- For 2010-11 to 2013-14 (Rs. in lakh)



# O/S as on 30.11.2014- For 2014-15 (Rs. in lakh)





# Effect of Pending Payments



- FCI is paying heavy interest on the loan taken by it for procuring and supply of food grains under MDMS.
- Ministry of Consumer Affairs, Food & Public Distribution has informed during September, 2014 that the system of pre-payment of food grain would be effective from 1<sup>st</sup> April, 2015.

# Remedial Action



- As envisaged under MDM Guidelines, State Nodal Officers should hold monthly meetings with the FCI officers.
- These meetings would provide a platform for resolving bottlenecks and reconciliation of figure of payment to FCI.
- e-payment to FCI.

***Thank You***