

Payment to FCI Modalities and Current Status

Regional Workshop with States

Kolkata

12th -13th December 2014

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 25th of the preceding month/quarter for requirements of food grains during the next month/quarter.

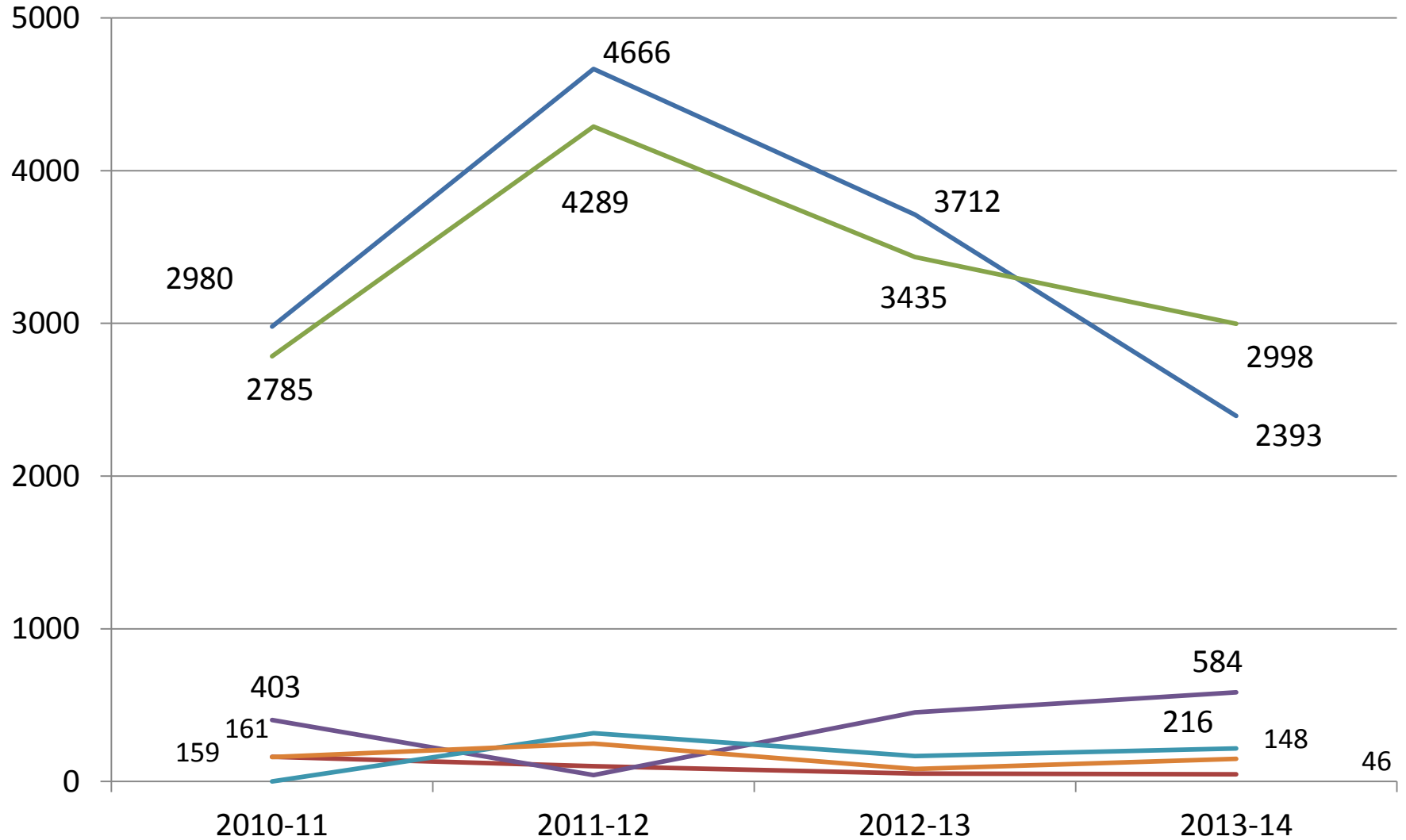
Payment to FCI

- FCI will raise bills by 10th 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 1st April, 2010.

Delay in Payment to FCI

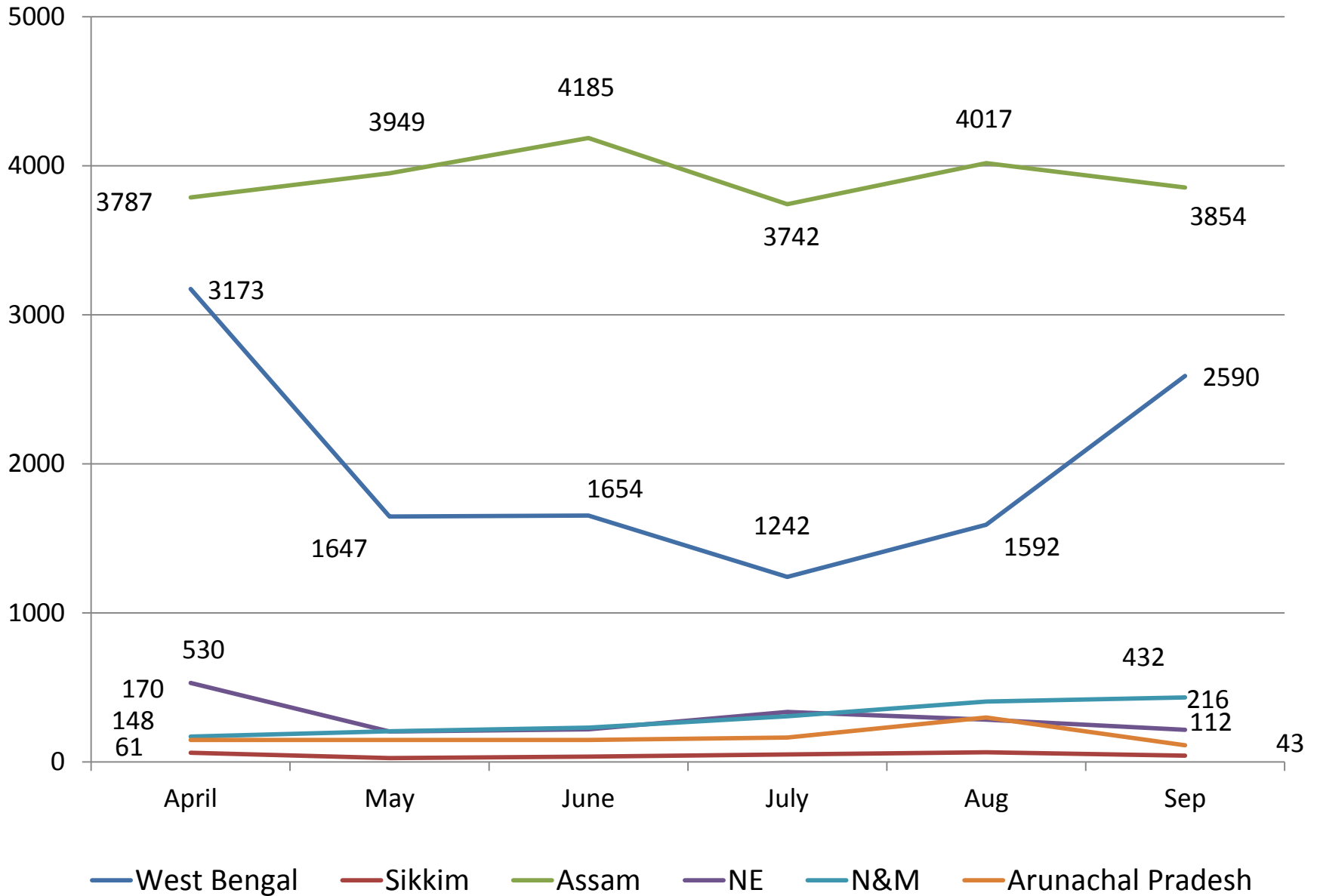
- District Authorities in the States/UTs are not making payment towards the cost of food grains to FCI within the stipulated 20 days from the date of receipt of bill.
- States/UTs have cumulative outstanding month wise bills for more than 400 Cr. during 2014

Year wise Outstanding Payment (Rs in lakhs)



— West Bengal — Sikkim — Assam — NE — N&M — Arunachal Pradesh

Month wise pending bills – 2014 (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 1st 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