

# Delhi State Civil Supplies Corporation: A Review

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The Delhi State Civil Supplies Corporation (DSCSC) falls under the Department of Food, Civil Supplies and Consumer Affairs, Government of NCT of Delhi. It was incorporated on 14 November 1980 with the main objective of distribution of Specified Food Articles (SFAs) through a network of Fair Price Shops (FPSs).

According to, Memorandum of Association, the Companies Act, 1956, the objectives of the DSCSC are broadly classified into the following three categories –

- Main
- Incidental
- Other

## **Main:**

*“To engage in, promote, develop, improve, counsel and finance production, purchase, procurement, processing, movement, transport, imports, exports, distribution and sale of foodstuffs, cement, coal, timber, building materials, beverages, pharmaceuticals, petroleum products, spirits and in other essential and consumable commodities.”*

Out of the 9 specific commodities enlisted, the Corporation is dealing with just three, as of now. (Foodstuffs, beverages, petroleum products)

The corporation dealt in soft coke and edible oil during its first year of operation. However, this activity was given up in 1992-93.

*“To provide services and assistance of all kinds to promote the objects for which the company is established”.*

## **Incidental:**

*“To undertake and participate in the procurement, storage, movement, sale and distribution of cement, coal, timber, and building materials and to set up depots and shops for these purposes.”*

The corporation has never dealt in building material, and timber. It used to deal in Cement during the period 1980-81. This was given up, as cement was easily available in the market.

*“To take over from Delhi Administration or Government of India any projects established with the objects of the company in view”*

## **Other:**

*“To purchase, charter, hire, build or otherwise acquire vehicles of any or every description for the use on or under land or water or in the air and to employ the same in the carriage of merchandise of all kinds or passengers and to carry on the business of dealers, vehicles, lorries, and motor cars etc.”*

Table I: Approved Budget Outlay for Civil Supplies in Rs ('000)

	2002-2003	2003-2004
Directorate of consumer affairs	15,000	10,000
Food and supplies department	30,000	25,000
Total	45,000	35,000

Estimate of expenditure on general economic services) 2003-2004: 1,73,155 Rs ('000)

Source – Union Budget 2002-2003 and 2003-2004, National Capital Territory of Delhi, Finance Department

**The corporation deals in the following fields:**

- Public Distribution System (PDS) (Rice, Wheat, Sugar & kerosene oil)
- IMFL Vends
- “Supurti” Salt & Tea
- LPG distribution
- Cyber Cafes

According to the annual report of the Corporation, 2001-2002, its turnover during the year was Rs 204.79 Crore as against Rs 263.79 crore in the previous year. The decrease in turnover was due to the decline in the business of salt, sugar and PDS operations, however, there was an increase in liquor sales due to an increase in liquor vends.

### Public Distribution System

The Delhi State Civil Supplies Corporation (DSCSC) was set up by the Government of Delhi with the main objective of distribution of Specified Food Articles (SFAs) through a network of Fair Price Shops (FPSs). Under the Public Distribution System (PDS), Central Govt. procures and supplies specified essential commodities to Govt. of NCT of Delhi at fixed Central Issue Prices. The main objective of the FPS is to supply subsidised provisions to the consumers.

At present, PDS in Delhi is confined to two cereals, wheat and rice, and two other essential commodities viz. sugar and kerosene oil. In Delhi, PDS comprises of a network of Fair Price Shops & Kerosene Oil Depots for making available specified articles at controlled prices through Household Consumer Cards, commonly known as ration cards. Kerosene oil is distributed through a separate consumer card called Blue Card issued to persons who do not use LPG.

As of now, only 10-11 FPSs are wholly owned by the DSCSC; private traders own the rest. Vacancies are taken out for the setting up of new fair price shops. There are separate quotas for SC/ST, Ex-Servicemen and general category people. The Food and Supply Department grants licenses to persons (private traders) wishing to open a FPS with the approval of the Commissioner. The DSCSC takes on the responsibility of supplying the foodstuffs to the “doorsteps of the FPS”. The FPSs lift their requirements from the warehouses of the DSCSC, which in turn procures them from the FCI godowns. According to the Company Secretary, DSCSC, the Delhi Government sets the prices. He however, had no idea about the last price revision.

Apparently, before the establishment of the DSCSC, the PDS in Delhi was in a sorry state of affairs. The private FPS owners had to deploy their own employees and their own trucks to pick up the rice, wheat, and sugar from the FCI godowns. In order to obtain “good quality” foodstuffs, the private traders had to pay a bribe to the FCI. Once the foodstuff was loaded in the trucks, the FCI would move out of the picture. Somewhere along the way (from the FCI to the FPS) the foodstuff would be offloaded and make its way to “black markets”. Very little, if any, of the procured foodstuff actually found itself at the “doorsteps of the FPS”

The DSCSC claims to have got rid of such malpractice. Even if the trucks are not wholly owned by the DSCSC, the drivers are their employees. Also, they have their own staff at the FCI as well. So according to them, the goods reach the FPSs safely. However, it does not help their case that despite this, the FPS's are mostly short on supplies.

In 1999, a system of Targeted Public Distribution System (TPDS) was introduced in Delhi. Under this, the population of Delhi was categorised as Above Poverty Line (APL) and Below Poverty Line (BPL). It also defined the people who are eligible for the Antodaya Anna Scheme and Annapurna scheme.

There is no specified system of defining those people who fall under the Below Poverty Line (BPL) category. The Ration Officer at the Sector 9, R.K.Puram Ration Office says, *"we simply give them the form. They fill it up and bring it back to us. We do not go back to check what they claim in their respective forms. If we go to their Jhuggis, we shall find TV's, Coolers, AC's – maybe even mobile phones – who can say?"*

Table 2: Targeted Public Distribution System - Priced Schemes

Scheme	Price (Rs.) of Rice per kg	Amount of rice Supplied (Kg)	Price (Rs.) of Wheat Per kg	Amount of wheat supplied (kg)
TPDS (Jhuggi ration card holder/BPL – income household below Rs.24,000/-per annum)	6.15	10	4.65	25
Antodaya Anna (poorest of poor ration holders; so far – 30,285 persons/families)	3.00	10	2.00	25

Source – DSCSC, <http://delhigovt.nic.in/newdelhi/dept/food/fpds5.asp>

- On studying the above table, one is forced to question the difference between persons and families.

Under the Annapurna Scheme, supply of free food grain @ 10 kg. per head, per month free of cost is provided to the people who are more than 65 years of age but are not receiving old age pension from the Government. The applicants must be "destitute" in the sense of having little or no regular means of subsistence from his/her own source of income or through financial support from family members or other sources. One hundred and eighty three persons have been identified under this scheme. This number is surprisingly low for a city like Delhi, which has more than enough people who could avail this scheme. In all probability, most people are not even aware that such a scheme exists.

In case of distribution of foodgrains to the APL category, the FPS's operate with a margin of 30 paise per bag of rice, 30 paise per bag of wheat and 10 paise per bag of sugar.

What needs to be noted is that supplies of SFAs to APL have reduced considerably due to higher prices of rice and wheat. (APL families constitute a major portion of Delhi's population). Thus, the corporation has been incurring losses due to the changes in the PDS policy.

Table 3: Profit and Loss Account for the year ended 31<sup>st</sup> march 2002

Particulars	Previous Year (31.03.2001), Rs Crore	Current Year (31.03.2002) Rs Crore
Income	265.83	207.55
Expenditure	266.85	209.45
Loss	1.025	1.89

Source – Delhi State Civil Supplies Corporation Limited.2003. 21<sup>st</sup> Annual Report. Department of Food, Civil Supplies and Consumer Affairs, Government of NCT of Delhi.

**Note:**

- Income includes Sales from distribution and handling and Other Income.
- Expenditure includes Cost of goods sold, Distribution and handling expenses, Administrative Expenses and Depreciation.

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Another reason why the Corporation seems to be making losses is that the government of Delhi has not revised the transport rates since 1997. Therefore, for example, if the corporation should be earning Rs 20 for every bag of rice it transports, Rs18 goes towards transportation. In effect, the Corporation ends up with just Rs 2. These rates depend upon area/distance to be covered. Add to that the prices of petrol/diesel, which are forever changing.

Table 4: Distribution of Rice & Wheat under TPDS

Amount of Rice & Wheat supplied under	Previous Year,2001-2002	Current Year,2002-2003
TPDS	1,112,000 MT	2,680,000 MT
Antodaya & Annapurna	1,939MT	11,476 MT

Source – Document provided by the Delhi State Civil Supplies Corporation Limited office at Aram Bagh, New Delhi.2003

Table 5: Retail Prices for card holders (as on 1.4.2002) In Rs

Commodity	APL	BPL	Antyodaya
Wheat (per kg.)	6.60	4.65	2.00
Rice (per kg.)	8.80	6.15	3.00
Sugar (per kg.)	Not entitled	13.50	13.50
Kerosene (per litre)	8.98	8.98	8.98

Source – Delhi State Civil Supplies Corporation, <http://delhigovt.nic.in/newdelhi/dept/food/fpds3.asp>

According to the Ration Office at Sector 9, R.K.Puram, the price of rice and wheat for the APL population is Rs 7.80 and Rs 5.60 respectively (as told on 16/06/2003).

Contrary to the information given on the website, people falling under the APL category too get sugar at Rs13.50/kg.

Table 6: PDS prices versus Market prices

Commodity	APL (Rs per kg)	BPL (Rs per kg)	Antodaya (Rs per kg)	Retail (Rs per kg)	Wholesale (Rs per Qtl)
Rice	6.60	4.65	2.00	12.00	940
Wheat	8.80	6.15	3.00	7	645
Sugar	Not entitled	13.50	14.50		1370
Salt	5.50 (free f low), 4.50 (iodised)			6.00	480
Tea	500 gms – Rs 27 (MRP Rs.30) 250 gms – Rs 10 (MRP Rs13)			110	95 (per kg)

Source – DSCSC, <http://delhigovt.nic.in/newdelhi/dept/food/fpds3.asp>  
(Market price as on 21/08/2002)

***"Ration card ab ration ke liye bekaar hai."***

On visiting the Jindal Flour Mill at the Sector 8 market at R.K.Puram, some very interesting facts were unearthed. At one point of time, this outlet would supply ration to thousands of ration cardholders. As of today, the total number of ration cardholders they serve is just nine. Blame it on the government's TPDS policy as a result of which only the Jhuggi/BPL cardholders take ration from here. This outlet has stopped procuring grains from the government. An interesting thing to note is their claim that earlier they would get their supplies from the Food Corporation of India – and not the DSCSC (the main objective of which is to supply the ration to the FPS's). Not much can be said about the quality of the foodgrain that was supplied by the FCI to, atleast, this shop. Often the grains would be bad and under such circumstances, there was no way of returning the rotten grain back to the FCI. There have been instances when they themselves had to clean the grain before selling it. As one employee states, *"ration card ab ration ke liye bekaar hai."*

Another ration shop owner at the Sector 9, R.K.Puram Ration Office admits that the FPSs procure their grains from other private traders and sell the same to the ration cardholders if they have to. He also says that most ration shop owners run multiple businesses. Once he shuts down his shop in the afternoon, he acts as a property dealer. Added to this is the land he owns in his village, which too acts as a source of income.

Table 7: PDS Statistics (as on 15.11.2002)

1. a) No. of Permanent Ration Cards	34,03,539
b) No. of Jhuggi Ration Cards ( TPDS + Antodaya)	3,50,538
c) No. of Temporary Ration Cards	1,617
Total no. of Food Cards (a+b+c)	37,55,694
2. Total no. of Fair Price Shops	3,172
3. Total no. of Kerosene Oil Depots	2,550

Source – Delhi State Civil Supplies Corporation Limited <http://delhigovt.nic.in/newdelhi/dept/food/fpds4.asp>

With reference to the above table, one wonders what the difference is between permanent and jhuggi ration cardholders. When the Company Secretary, DSCSC, was questioned on this, his response was "there is no difference between the two."

Household consumer cardholders are categorised on the following basis:

- Wheat or rice eater.
- LPG or kerosene user
- Jhuggi Ration card holder(JRC) & Permanent Ration Card holder (PRC)

The entitlement, subject to allocation from Govt. of India, of each category is as follows:

Table 9: Scale of Entitlement

**Cereals:**

Category	Entitlement (for APL,BPL,Antodaya)
Rice eating	rice- 25 kg per card per month, and wheat- 10 kg per card per month
Wheat eating	wheat - 25 kg per card per month, and rice-10 kg per card per month

**Sugar:**

Card holders	Quantity
Above poverty line (APL)	Nil
Below poverty line (BPL)	1200 grams per unit per month

**Kerosene Oil:**

The entitlement of kerosene oil in respect of Blue Cardholders depends on the number of unit contained in the Blue Card as follows:

Unit	Quantity (in litres)Per fortnight	Quantity (in litres) Per Month
Upto 1-5	7	14
Upto 6	8	16
Upto 7	9	18
Upto 8	10	20
Upto 9 & above	11	22
LPG Users	Nil.	

Source – Delhi State Civil Supplies Corporation Limited, <http://delhigovt.nic.in/newdelhi/dept/food/fpds2.asp>

The retail Price of Kerosene oil (Blue) under Public Distribution System (PDS) is Rs 8.98 /- per litre.

DSCSC has been entrusted with procurement and distribution of the allocated quota of levy sugar for Delhi since February 1995. However, with the introduction of the TPDS, the government decided not to issue levy sugar to the APL population. Amongst the BPL population too, the demand for levy sugar has gone down due to the abundant availability of sugar in the open market at almost the same rates. This has brought down the earnings of the corporation considerably.

Table 10: Amount of sugar sold

Previous Year, 2001-2002	Current Year,2002-2003
11,055MT	6,185 MT

Source – Document provided by the Delhi State Civil Supplies Corporation Limited office at Aram Bagh, New Delhi.2003.

The corporation also supplies refined iodised salt in two varieties and tea under the brand name "Supurti". These are also being made available at the DSCSC's Aaputri Bhavan Office.

The Corporation also has a LPG distribution centre at Ashok Vihar.

## IMFL Vends

There were about 50 vends in Delhi, before the Corporation took over the liquor trade in 1979-1980. Prior to that the Delhi State Industrial Development Corporation (DSIDC) or the Delhi Travel and Tourism Development Corporation (DTTDC) were running these.

At present, the total number of vends in the city is around 150. Of these, the DSCSC runs 62 L-2 vends and 6 L-10 vends. (L-2 is the license for IMFL while L-10 is the license for country liquor.)

The Corporation's Company Secretary claims that all its vends are wholly self owned. It is the excise department that grants licenses to the dealers/manufacturers and the DSCSC procures the liquor from the same.

However, another employee says that now vends are being privately owned as well. The system in this case works in the following manner- the vend owner places an order for liquor with the excise department, which in turn forwards this order to the DSCSC. The corporation procures the liquor from L-1 (wholesale) merchants and supplies it to the vends. Slightly off on a tangent – As per the Delhi Government order No. F10 (77)/95-fin. (G)/124-127 dated 30<sup>th</sup> may, 2000, every Corporation selling liquor gives a small portion of its total sales from liquor as "administrative expenses contribution" towards flyover fee to DTTDC (which also undertakes the construction of flyovers in the capital)

One only has to look at the figures to realise that the bulk of the corporation's revenue comes from sale of liquor. It operates with a margin of 3.80%.

Table II: Activity in Liquor

Year	Sales (in Crore)	Excise Revenue Contribution (in Crore)	Sales Tax Contribution (in Crore)	Flyover Cess Contribution (in Crore)
2000- 2001	208.69	102.33	34.51	2.056 (0.98%)
2001-2002	223.30	110.42	36.71	3.776 (1.69%)
2002-2003 (unaudited)	250.03	125.00	40.40	9.503 (3.8%)

Source – Document provided by the Delhi State Civil Supplies Corporation Limited office at Aram Bagh.2003

### Note:

1. The excise revenue contribution forms approximately 50% of the total sales.
2. The sales tax contribution forms approximately 16% of the total sales.
3. The flyover cess contribution, however, fluctuates from year to year. (Indicated in brackets in above table). As of March 2002, a sum of Rs 37.76 Lac stands debited for this purpose. The figure for the previous year is Rs 20.55 Lac. (DSCSC 21<sup>st</sup> Annual Report, page 53, point 16).

When questioned about this, the Company Secretary maintains that it remains fixed from year to year. However, when this fluctuation was brought to his notice, his reply was "I don't know much about this"

The corporation pays excise duty to the excise department on purchase of goods and collects the same from consumers at the time of sales. Therefore, excise duty forms a part of the cost of goods as well as the revenue from them.

The corporation has dealt in other commodities from time to time. It launched the "Bazaar On Wheels" scheme in 1983-84. This involved distribution of fruits and vegetables through mobile vans.

The corporation also supplied the same to the Department of Social Welfare. However, this activity too was given up due to the following reasons:

1. the *mandi-wallahs* and the people at the DSW would get into “agreements” as a result of which the supplies would get siphoned off.
2. The DSW did not pay its bills to the DSCSC.

The corporation undertook distribution of exercise books in 1984-85 as the government provided them with *controlled paper*. Similarly, during the years 1985-86 to 1987-88, the corporation was nominated as the wholesale agency for the distribution of *controlled cloth* in the Capital. However, once the govt withdrew its subsidy on these items, both these activities came to a standstill.

In times of crisis, the corporation is expected to procure and provide other essential commodities as well.

In October 1998, the government of Delhi gave the corporation a loan of Rs 500 lac for *procurement and supply of onions for Public distribution*. However, the corporation advanced this money to Hindustan Vegetable Oil Company (HVOC) for financing purchase of Palmolien Oil (*edible oil*) as Delhi was then facing a major crisis owing to dropsy deaths. The corporation does not regard this as an “unauthorised diversion of funds” (as alleged by the auditors). The corporation owes Rs 213.79 lac to the government of Delhi as balance of loan. (*Delhi State Civil Supplies Corporation Limited 21<sup>st</sup> Annual Report. Page 19-20*)

As per the corporation’s accounts, they have to receive Rs 213.79 lac from HVOC and repay the same to the government of Delhi. So, “*no provision of doubtful debt and interest on loan amount for the financial year 2001-02 has been created*”.

All this when the auditors report that

1. “*The balance is considered doubtful of recovery as it (hvoc) is neither paying nor has it confirmed its liability.*”
2. “*HVOC has been declared a sick unit and process of liquidation has started.*”

Interest amounting to Rs 55.59 lac on the outstanding government loan has not been provided by the corporation for the period february 2000 to 31<sup>st</sup> march 2002. (This has been shown as a contingent liability)

Interest pertaining to the period up to 31<sup>st</sup> march 2001 = Rs 29.93 lac

Interest pertaining to the period up to 31<sup>st</sup> march 2002 = Rs 25.66 lac

All this implies (for the year 2001-02)

1. An understatement of loss by Rs 239.45 lac (Rs 213.79 lac + Rs 25.66 lac)
2. Under statement of current liabilities by Rs 55.59 lac
3. Over statement of Loans and Advances by Rs 213.79 lac
4. Overstatement of Reserve and Surplus by Rs 29.93 lac

The corporation also supplies dietary items and kerosene oil to various relief camps where migrants from J&K are given shelter. During the year 2002-2003, the corporation supplied 1728.5 quintals of dietary items and 30,000 litres of kerosene oil. During the year 2002-2003, approximately Rs 49 lac was recovered on this account. The payments have been outstanding for the last 6-7 years. The Deputy Commissioners of the camps keep saying that they’ve lost the bills. The Corporation on its part keeps sending them copies of the bills.

on one hand, the Corporation says that it is the Delhi Government that dictates the activities to be undertaken by them, on the other hand they claim that they write to the Delhi Government as and when they feel it’s involvement is required.

## Cyber Cafes

According to the DSCSC annual report, 2001-2002, page 25, “*This business is not covered under the Objects clause of Memorandum and Articles of Association of the Corporation and hence is ultravires of the provisions of the*

*Companies Act, 1956.* In reply to the Auditors Report for the financial year 2001-2002, the management's reply was that the coverage of this activity "was referred to a consultant".

The corporation in all opened four cyber cafes of which only two are functional as of now.

Cyber café income was Rs 9,48,145 while the expenses as on 31<sup>st</sup> march 2002 were Rs 3,50,629.77

*"The ninth five year plan (1997-2002) of the government of NCT of Delhi envisaged construction of additional godowns to enable the Delhi State Civil Supplies Corporation Limited to help the government in ensuring equal distribution of sugar and increasing the availability of wheat and wheat products during off season."* - (CAG Report, for year ended March 2002)

The Delhi Government sanctioned a grant of Rs 4.35 crore between May 1998 and April 2000 for the construction of two additional godowns (each with a capacity of 3500 MTs) at Siraspur. The construction was to be undertaken by the Delhi State Industrial Development Corporation (DSIDC). As per the sanction letter of the government, the construction should have been completed by March 2000. However, till October 2002, the work was still in progress. The expenditure incurred was Rs 3.16 Crore till March 2002. It is surprising that such a decision was taken, keeping in mind the following facts:

- At the time of taking the decision, maximum utilisation of existing space amounted to 45% to 53% only. (1996-97 to 1997-98)
- The Management itself admitted that due to a change in the PDS policy, activity in wheat, rice and sugar had been substantially reduced.
- The utilisation of existing godowns at Siraspur ranged between 2198.80 MTs (63%) and 3330.05 MTs (95%) during 1998-1999 to 2002-03 (up to October 2002)

## Surplus manpower

Ever since the corporation has witnessed a decline in its PDS activity and the stoppage of the Bazaar on Wheels scheme, there has been a surplus of labour. The total number of employees in the Corporation is 842. A study conducted by a professional organisation<sup>1</sup> identified 352 of these as surplus. The income of the corporation has gone down drastically while expenditure has remained static. The main share of expenditure is the salary and wages of the staff- this constitutes 75% of the total expenditure. This includes

- director's remuneration
- salaries/wages
- contribution to gratuity trust fund
- contribution to provident fund and other funds
- staff welfare

The Department claims that these surplus employees have been relocated in various other Government Departments and Allied Agencies. But according to the Company Secretary, they still remain on the payroll of the Corporation. He says that this surplus labour is often used for miscellaneous works. About 100 of them were sent for a particular "Yamuna Saaf Karo" project. Another 50 were given the duty of tearing up old ration cards.

### Referring to the DSCSC, 21<sup>st</sup> Annual Report 2001-2002,

1. "Loans and advances include a sum of Rs 17,28,535.61 (18.61 lakhs) due from employees against shortages up to 2001-2002. The efforts are being made to recover the same." (- Page 52, pt.5). These claims should be written off as they involve court cases or people who have left the corporation.
2. Loans and advances amount to Rs 9.40 Crore as on 31<sup>st</sup> March 2002. (-Page 41, schedule IX)

According to the CAG, this includes a sum of Rs 11.65 lac shown as recoverable from ex-employees of the Corporation. However, as these people are no longer with the company, the chances of recovery of

<sup>1</sup> The document provided by the DSCSC does not specify the name of the organisation. The Company Secretary was not available for comment.

this amount are almost non existent. But, non -provision of this amount has resulted in understatement of loss for the year by Rs 11.65. (Page 57, pt. 1.1, Annual Report 2001-2002).

**Table 12: Financial Position of the Corporation as on 31<sup>st</sup> march, 2002**

(In Rupees lac)

	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
<b>A. SALES</b>					
IMFL	154.21	155.28	154.69	174.20	186.59
Other Activities (including sugar)	81.19	105.96	80.02	88.78	16.42
<b>Total Sales</b>	<b>235.40</b>	<b>261.24</b>	<b>234.71</b>	<b>262.98</b>	<b>203.01</b>
<b>B. Transportation Receipt (wheat/rice/sugar t)</b>	<b>8.91</b>	<b>11.48</b>	<b>2.41</b>	<b>0.80</b>	<b>1.78</b>
<b>Total (A+B)</b>	<b>244.31</b>	<b>272.72</b>	<b>237.12</b>	<b>263.78</b>	<b>204.79</b>
<b>Profit (Loss)</b>	<b>2.57</b>	<b>4.45</b>	<b>(2.17)</b>	<b>(1.08)</b>	<b>(1.95)</b>

Source – Document provided by Delhi State Civil Supplies Corporation Limited office at Aram Bagh, New Delhi.2003

**Table 13: Turnover:**

ACTIVITY	Year 2000-2001 , (Rs Crore)	Year 2001-2002,(Rs Crore)
<b>SALES</b>		
IMFL	1,74.20	1,86.59
Retail Outlets/FPS/Institutional Supplies	6.28	0.53
LPG	1.099	1.16
Levy Sugar	79.70	14.32
Salt	1.69	0.39
<b>RECEIPTS</b>		
Transportation of PDS/Atta/Sugar	0.8032	1.77
<b>Total</b>	<b>263.78</b>	<b>2,04.79</b>

Source – Delhi State Civil Supplies Corporation Limited.2003. 21<sup>st</sup> Annual Report.page 9 Department of Food, Civil Supplies and Consumer Affairs, Government of NCT of Delhi.

The Corporation has undertaken numerous activities ever since its inception in 1980. However, State Civil Supplies Corporations throughout the country are facing the effects of lowered subsidies as a part of

the liberalisation policy of the GOI. Delhi being a region, which is considered to have a majority of its population belonging to the APL category, subsidies have been severely cut down making the PDS regime nearly defunct. All the members on the Board of the Corporation are employees of the Delhi Government. They are more frequently transferred than retained within the Corporation. Thus, there is no scope for anyone to take an initiative to turn around the losses of the Corporation. At the same time, the Corporation seems to be used by the Delhi Government for promoting its own interests (be it in the matter of onions or cyber cafes). The Board has hardly any autonomy. The Government is the chief agency in deciding which activities will be taken up. The Corporation is its pawn in these matters. There is no doubt that the core business of the DSCSC has been severely affected: major chunk of its revenue now comes from its trading in liquor. It is interesting to note that the DSCSC has not been given an outlay under the 10<sup>th</sup> five-year plan for its activities. This further strengthens the feeling that it might be operating in its final stages.