

**40**

**STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD  
AND PUBLIC DISTRIBUTION (2023-2024)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF CONSUMER AFFAIRS, FOOD  
AND PUBLIC DISTRIBUTION  
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

**TRANSFORMING FAIR PRICE SHOPS**

**FORTIETH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February 2024/ Magha, 1945 (Saka)**

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*Presented to Lok Sabha on 07.02.2024  
Laid in Rajya Sabha on 07.02.2024*



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February 2024/ Magha, 1945 (Saka)**

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**Composition of the Standing Committee on Consumer Affairs, Food and Public  
Distribution (2023-24)**

Smt. Locket Chatterjee - Chairperson

**MEMBERS**

**Lok Sabha**

2. Dr. Farooq Abdullah
3. Shri Sudip Bandyopadhyay
4. Shri Shafiqur Rahman Barq
5. Shri Rajendra Dhedya Gavit
6. Shri Sanganna Amarappa Karadi
7. Shri Faizal P.P. Mohammed
8. Km. Debasree Chaudhuri
9. Dr. Amar Singh
10. Shri Anil Firojiya
11. Shri Ganesan Selvam
12. Shri Khagen Murmu
13. Shri Mitesh Rameshbhai Patel
14. Shri Subrat Pathak
15. Smt. Himadri Singh
16. Smt. Kavita Singh
17. Shri Nandigam Suresh
18. Shri Saptagiri Sankar Ulaka
19. Shri Rajmohan Unnithan
20. Shri Vaithilingam Ve.
21. Vacant

**Rajya Sabha**

22. Shri Satish Chandra Dubey
23. Dr. Fauzia Khan
24. Shri Rajmani Patel
25. Shri Sakaldeep Rajbhar
26. Dr. Ashok Bajpai
27. Shri Baburam Nishad
28. Shri C. Ve Shanmugam
29. Shri Prakash Chik Baraik
30. Vacant
31. Vacant

**LOK SABHA SECRETARIAT**

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary
4. Smt. Veena Luthra - Executive Officer

## INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and Public Distribution (2023-2024) having been authorized by the Committee to present the Report on their behalf, present this Fortieth Report (Seventeenth Lok Sabha) on the subject 'Transforming Fair Price Shops' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The subject was selected by the Committee for examination and report. The Committee was briefed on the subject by the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on 08.11.2023. Oral evidence of the representatives of the Department of Food and Public Distribution was held on 05.12.2023.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for placing before them the detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 06.02.2024.

5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in thick type in the Report.

**NEW DELHI;**  
**06 February, 2024**  
**17 Magha, 1945 (Saka)**

**LOCKET CHATTERJEE,**  
**Chairperson,**  
**Standing Committee on**  
**Consumer Affairs, Food and Public Distribution**

## **PART I**

### **CHAPTER I**

#### **INTRODUCTORY**

The Ministry of Consumer Affairs, Food and Public Distribution comes under jurisdiction of the Standing Committee on Consumer Affairs, Food and Public Distribution. The Ministry has following two Departments:-

- (a) Department of Food and Public Distribution; and
- (b) Department of Consumer Affairs

#### **(i) An Overview of Department of Food and Public Distribution**

1.2 The Department of Food and Public Distribution is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution. The main objective of the Department is to implement the National Food Security Act, 2013, throughout the country, to undertake price support operation through efficient procurement of wheat, paddy/rice and coarse grains and to strengthen the Targeted Public Distribution System.

1.3 Aligning with the vision i.e., “Ensuring food security for citizens of the country” of the Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, one of the main functions of the Department is “Implementation of the Public Distribution System (PDS) with special focus on the poor”.

#### **(ii) Public Distribution System (PDS)**

1.4 The Public Distribution System (PDS) evolved as a system of management of scarcity through distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government’s policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a

section of the society. PDS is operated under the joint responsibility of the Central and the State Governments. The Central Government, through Food Corporation of India (FCI), has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of Ration Cards and supervision of the functioning of Fair Price Shops (FPSs) etc., rest with the State Governments. Under the PDS, presently the commodities namely wheat, rice, sugar and kerosene are being allocated to the States/UTs for distribution. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as pulses, edible oils, iodized salt, spices, etc

1.5 The Department of Food and Public Distribution (DFPD) has made continuous efforts to enhance the viability and profitability of Fair Price Shops (FPSs). This initiative aims to ensure the long-term viability and sustainability of FPSs while simultaneously expanding the range of citizen-centric services offered and improving the overall experience for beneficiaries.

1.6 To enhance the viability and profitability of FPSs, the Central Government has undertaken various initiatives for FPS transformation and seeks regular updates on FPS transformation activities from the States/UTs for review and monitoring.



## CHAPTER II

### NATIONAL FOOD SECURITY ACT, (NFSA) 2013 VIS-A-VIS FAIR PRICE SHOPS

2.1 The Representatives of the Department of Food and Public Distribution informed the Committee at their sitting held on 5<sup>th</sup> December, 2023 that the National Food Security Act, (NFSA) 2013 provides food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality foodgrains at affordable prices to people to live a life with dignity. The Act came into force w.e.f. 5<sup>th</sup> July, 2013 and adopted in all States/UTs by November 2016.

2.2 The Committee asked the Department to share salient features of the National Food Security Act, (NFSA) 2013. In response, the Department, in their written relies submitted to the Committee as follows:

- (i) **Coverage and entitlement under Targeted Public Distribution System (TPDS):** Upto 75% of the rural population and 50% of the urban population will be covered under TPDS, with uniform entitlement of 5 kg per person per month. However, since Antyodaya Anna Yojana (AAY) households constitute poorest of the poor, and are presently entitled to 35 kg per household per month, entitlement of existing AAY households will be protected at 35 kg per household per month.
- (ii) **State-wise coverage:** Corresponding to the all India coverage of 75% and 50% in the rural and urban areas respectively, State-wise coverage will be determined by the Central Government. State-wise coverage has been determined by the Planning Commission (now NITI Ayog) on the basis of 2011-12 NSSO Household Consumption Expenditure Survey data. Coverage of State-wise beneficiaries is at **Annexure-I**.
- (iii) **Prices under TPDS and their revision:** The Government is distributing foodgrains free of cost w.e.f. January, 2022 under the Pradhan Mantri Garib Kalyan Anna Yojana.

- (iv) **Tide Over allocation:** In case, any State's foodgrains allocation, based on the prescribed coverage and entitlements under the Act, is lower than their current allocation, it **will be protected** upto the level of average offtake during 2010-11 to 2012-13 under normal TPDS, at prices to be determined by the Central Government. Existing prices for APL households i.e. Rs. 6.10 per kg for wheat and Rs 8.30 per kg for rice has been determined as issue prices for the additional allocation to protect the average offtake.
- (v) **Identification of Households:** Within the coverage under TPDS determined for each State, the work of identification of eligible households is to be done by States/UTs.
- (vi) **Nutritional Support to women and children:** Pregnant women and lactating mothers and children in the age group of 6 months to 14 years will be entitled to meals as per prescribed nutritional norms under Integrated Child Development Services (ICDS) and Mid-Day Meal (MDM) schemes. Higher nutritional norms have been prescribed for malnourished children upto 6 years of age.
- (vii) **Maternity Benefit:** Pregnant women and lactating mothers will also be entitled to receive maternity benefit of not less than Rs.6,000 as per scheme to be formulated by the Central Government.
- (viii) **Women Empowerment:** Eldest woman of the household of age 18 years or above will be the head of the household for the purpose of issuing of ration cards.
- (ix) **Grievance Redressal Mechanism:** Grievance redressal mechanism at the District and State levels. States will have the flexibility to use the existing machinery or set up separate mechanism.
- (x) **Cost of intra-State transportation & handling of foodgrains and FPS Dealers' margin:** Central Government will provide assistance to States in meeting the expenditure incurred by them on transportation of foodgrains within the State, its handling and FPS dealers' margin as per norms devised for this purpose.
- (xi) **Transparency and Accountability:** Provisions have been made for disclosure of records relating to PDS, social audits and setting up of Vigilance Committees in order to ensure transparency and accountability.

- (xii) **Food Security Allowance:** Provision for food security allowance to entitled beneficiaries in case of non-supply of entitled foodgrains or meals.
  
- (xiii) **Penalty:** Provision for penalty on public servant or authority, to be imposed by the State Food Commission, in case of failure to comply with the relief recommended by the District Grievance Redressal Officer.

**CHAPTER III**  
**TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS)**  
**VIS-A-VIS FAIR PRICE SHOPS**

**(i) Targeted Public Distribution System (TPDS)**

3.1 When enquired about Targeted Public Distribution System (TPDS), the Department in a written reply submitted that Department of Food and Public Distribution implemented Targeted Public Distribution System (TPDS), which was aimed at the ensuring food security of the people, especially the poor and vulnerable sections of the society i.e. Antyodaya families and Below Poverty Line families. Thereafter, End-To- End Computerization of TPDS operations scheme was also implemented to bring more transparency in the entire PDS operations and address issues related to leakages and diversion of foodgrains, inclusion and exclusion errors in identification of beneficiaries under TPDS, etc. The Department had implemented the Scheme in association with all States/UTs on cost sharing basis. The key activities of the scheme and their expected outcomes were:

- a. **Digitization of ration cards/beneficiary database** for correct identification of beneficiaries; removal of bogus cards and better targeting of food subsidies.
- b. **Online allocation of foodgrains** towards system generated allocation to bring transparency in allocation of foodgrains, up to the Fair Price Shops level.
- c. **Computerisation of Supply Chain Management** for ensuring timely availability of foodgrains at all FPSs for delivery to the targeted beneficiaries and also to check leakage/diversion of foodgrains.
- d. **Online Grievance Redressal/Toll Free Helplines** and creation of Transparency Portals to introduce transparency and public accountability in the implementation of TPDS.

A snapshot of achievements at the national level is summarised below:

- a. All **20.2 Cr.** ration cards covering more than **80 Cr.** beneficiaries under NFSA in the country are completely digitized in all States/UTs.
- b. Aadhaar seeding of about 99% ration cards and almost 97% beneficiaries at the national level have been achieved so far.
- c. Supply Chain Management of foodgrains has been computerized in **31 States/UTs** (except in two DBT Cash implementing UTs of Chandigarh and Puducherry. It is not applicable in Lakshadweep).
- d. Online allocation of foodgrains up to FPS levels is implemented in **all States/UTs**. (except in two DBT Cash implementing UTs of Chandigarh and Puducherry).
- e. Online grievance redressal mechanism/toll-free helplines and transparency portals are setup in **all States/UTs**.
- f. Further, 5.41 Lakh FPSs in the country are automated by installing electronic Point of Sale (ePoS) devices.

**(ii) One Nation One Ration Card (ONORC) plan**

3.2 The Committee desired to be apprised about One Nation One Ration Card (ONORC) plan), the Department in a written reply submitted as follows:

“Under the Targeted Public Distribution System (TPDS) reforms, the Department has implemented the **One Nation One Ration Card (ONORC) plan** aimed at the nation-wide portability of ration cards and beneficiaries covered under the National Food Security Act (NFSA).

- i. The ONORC plan is a **technology driven initiative of the Department** enabling the access of lesser privileged to their entitled ration (food security) anywhere in the country. Through this initiative, the food security of all 80 Crore NFSA beneficiaries has been made portable across the country and is proving to be very beneficial to the NFSA population who frequently change their place of dwelling in search of temporary employments, etc.
- ii. ONORC is an integral part of the Hon’ble Prime Minister’s ‘Technology Driven System Reforms’ under the Atma Nirbhar Bharat Abhiyan.

- III. ONORC provides an option to the NFSA beneficiaries to lift their entitled quota of foodgrains from any FPS of their choice, anywhere in the country, by using t h e i r **same/existing ration card with biometric/Aadhaar** authentication on an electronic Point of Sale (ePoS) device installed at the FPSs. It is also noteworthy that the families of NFSA beneficiary back home, can also avail the balance ration on the same ration card without any difficulty.
- IV. Starting with inter-State portability in just 4 States in August 2019, so far, the ONORC plan has been enabled in all **36 States/UTs** (*across the country*) covering around **80 Crore** NFSA beneficiaries, i.e., almost **100%** NFSA population in the country.
- V. Through the facility of inter-State and intra-State portability of ration cards under ONORC, the desirous beneficiaries are accessing their PMGKAY foodgrains from any FPS of choice, without being dependent on the 'mentioned/tagged' ration shop in their ration card. **Such flexibility was not available earlier under the traditional TPDS operations** when beneficiaries had to lose upon their food security benefits in the event of migration or being away from their village/town or designated FPS.
- VI. The key enablers of ONORC are, digitisation of ration cards data, Aadhaar seeding of beneficiaries with their ration cards, installation of ePoS devices at FPSs and enablement of biometrically authenticated FPS transactions. The ration card/beneficiary details and the available entitlements on the ration card are available online on any ePoS device from their home State/UT enabling seamless distribution of foodgrains to the beneficiaries through portable transactions.
- VII. Since inception of ONORC plan in August 2019 to till 08<sup>th</sup> December, 2023, more than **125 Crore** portability transactions have been recorded under the ONORC plan in the country, which includes both inter-State and intra-State transactions delivering both regular NFSA and PMGKAY foodgrains to the beneficiaries with flexibility.
- VIII. Since inception of the ONORC plan in August 2019 to till 08<sup>th</sup> December, 2023, States/UTs have delivered more than **241 LMT** foodgrains to NFSA beneficiaries vide inter-State and intra-State portability transactions.
- IX. Since ration cards and thus distribution of ration also has been made portable, it has greatly increased the Ease of Living of beneficiaries, as well as, it has helped minimizing the compliances / procedural issues of such beneficiaries."

## CHAPTER IV

### FAIR PRICE SHOPS

#### (i) Overview

4.1 Public Distribution System (PDS) is an important part of the Government's policy for ensuring food security of over **81 Crore** beneficiaries (persons) covered through over **23 Crore** ration cards in the country issued under the National Food Security Act, 2013 (NFSA) for distributing/delivering about **43 LMT** of highly subsidised foodgrains, namely Rice, Wheat and Coarse-grains through a network of about **5.4 Lakh** Fair Price Shops (FPSs) spread across all States/UTs. The PDS is operated under joint responsibilities of the Central and State/UT Governments, wherein this Department, through Food Corporation of India (FCI), has assumed the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to States/UTs. Whereas, the responsibility of identification of eligible households/beneficiaries, issuance of Ration Cards, Aadhaar seeding, FPS- wise allocation and distribution of foodgrains, authentication of beneficiaries, licensing and monitoring of FPSs, maintenance of all databases/records, etc. rest with the respective State/UT Government.

4.2 As per Section 2(4) of National Food Security Act, 2013, Fair Price Shop means a shop which has been licensed to distribute essential commodities by an order issued under section 3 of the Essential Commodities Act, 1955, to the ration card holders under the Targeted Public Distribution System.

4.3 For many years, PDS was plagued with several malpractices which prevented the Government benefits (subsidised foodgrains) from reaching the intended beneficiaries and resulted in major revenue loss for the Government. Leakages, pilferages and diversions of subsidised foodgrains were reported in the supply chain. Besides, manual PDS operations at the

Godown level, allocation, transportation of foodgrains, and standalone register-based maintenance of records at the FPSs/ration cards further couldn't restrict the FPS dealers and others to indulge in various malpractices.

4.4 Thus, to bring systemic reforms in the functioning of the PDS in the country, the D/o Food & Public Distribution in collaboration with all State Governments and Union Territories started the implementation of a plan scheme on 'End-to-End Computerization of Targeted Public Distribution System (TPDS) Operations' on cost sharing basis with the respective State/UT Governments. The components/activities of the scheme inter-alia include– (i) Digitization of ration cards/beneficiary database, (ii) Seeding of Aadhaar numbers of beneficiaries with their digitised ration cards data (iii) Online allocation of foodgrains up to FPS level, (iv) Computerisation of Supply Chain Management of foodgrains and (v) Setting up of online grievance redressal mechanism, toll-free helplines & transparency portals. Beside these, automation of Fair Price Shops (FPS Automation) is also being done in all States/UTs for enabling transparent and ensured delivery of foodgrains to intended beneficiaries preferably after their biometric/Aadhaar authentication for achieving the 'rightful targeting of food subsidy'.

#### **(ii) FPS Automation : Objectives & Progress**

4.5 Under PDS reforms, the Department, in collaboration with all States/UTs has implemented a scheme on 'End-to-End Computerization of TPDS Operations'. Under this scheme, ration cards/beneficiaries database have been completely digitized in all States/UTs, transparency portal and online grievance redressal facility/Toll-free number have been implemented in all States/UTs, online allocation has been implemented in all States/UTs (*except UTs of Chandigarh and Puducherry, which have adopted DBT Cash Transfer scheme*) and supply chain has been computerized in 31 States/UTs.



Further, the Automation of Fair Price Shops (FPS) is also being done in all States/UTs by installing electronic Point of Sale (ePoS) devices at the FPSs for the distribution of foodgrains in a transparent manner (*electronically*) and for unique identification of genuine beneficiaries through biometric/Aadhaar authentication on the ePoS device. This Department has also issued advisory to all the States/UTs to minimize the food-security hardships of the poor and vulnerable/needy beneficiaries by ensuring timely and transparent delivery of foodgrains to NFSA beneficiaries. State wise details of ePoS enabled Fair Price Shops (FPSs) is given below:

### State-Wise details of ePoS enabled Fair Price Shops (FPSs)

State & UTs	Total No. of FPSs	ePoS Enabled FPSs	Percentage
A&N Islands	416	416	100%
Andhra Pradesh	29,791	29,791	100%
Arunachal Pradesh	1,680	1,680	100%
Assam	34,300	34,286	100%
Bihar	50,951	50,951	100%
Chandigarh	NA	NA	NA
Chhattisgarh	13,675	13,675	100%
DNH & Daman & Diu	114	114	100%
Delhi	1,993	1,993	100%
Goa	452	452	100%
Gujarat	16,949	16,949	100%
Haryana	9,434	9,434	100%
Himachal Pradesh	5,219	5,155	99%
Jammu & Kashmir	6,737	6,737	100%
Jharkhand	25,228	25,228	100%
Karnataka	20,403	20,325	100%
Kerala	13,913	13,905	100%
Ladakh	404	404	100%
Lakshadweep	39	39	100%
Madhya Pradesh	27,377	27,127	99%
Maharashtra	52,642	52,642	100%
Manipur	2,339	2,339	100%
Meghalaya	4,735	4,727	100%
Mizoram	1,258	1,258	100%
Nagaland	1,783	1,774	99%
Odisha	12,044	12,044	100%
Puducherry	NA	NA	NA
Punjab	18,150	18,150	100%
Rajasthan	27,062	25,579	95%
Sikkim	1,312	1,312	100%
Tamil Nadu	34,805	34,805	100%
Telangana	17,246	17,246	100%
Tripura	2,057	2,057	100%
Uttarakhand	9,059	9,059	100%
Uttar Pradesh	79,216	79,216	100%
West Bengal	20,476	20,476	100%
<b>National Summary</b>	<b>5,43,259</b>	<b>5,41,345</b>	<b>~100%</b>

#### 4.6 Objective of FPS automation as under :

-

### Objective of FPS automation



#### A mechanism to ensure ...



4.7 The details of Fair Price Shop (FPS) Automation as submitted by DFPD in their background note is as follows :

Beside facilitating electronic transactions (for **transparency**) and biometric authentication (for **unique identification**) of beneficiaries, the ePoS device also transmit/upload the electronically generated data of all sale transactions i.e. distribution of subsidised foodgrains, to a centralised ePoS-server of the State/UT for FPS wise **electronic record-keeping** and display on respective States/UTs' **transparency portals** to maintain transparency of distribution in public domain. State/UT wise information, up to districts level, is also available on central **Annavitran portal** (<https://annavitran.nic.in>) which is fetched directly from the States/UTs servers using APIs/web-services.

4.8 Every month, based on number of eligible ration cards/beneficiaries tagged to each Fair Price Shop, the State/UT Government generates the FPS-wise allocation order as per the entitlements of each ration card in the FPS. The allocation details are then pushed electronically to all ePoS devices through a central server and accordingly

the FPS dealers acknowledge the receipt of foodgrains on the ePoS device and thereafter distribute the foodgrains to the beneficiaries as per their entitlements. At the end of month/distribution cycle the FPS-wise closing balances of foodgrains are also captured by the central server through these devices.

4.9 The process of FPS automation involves installation of **electronic Point of Sale (ePoS)** devices at the FPSs by respective States/UTs. For this activity the Department in consultation with NIC (Central Technical Partner) and UIDAI has prepared the guidelines for FPS automation along with specifications for ePoS devices/mobile terminals and issued the same to all States/UTs.

4.10 Since, the operational responsibilities of distribution and authentication of beneficiaries' rest with States/UTs, the States/UTs are required to acquire and install ePoS devices in all FPSs either through States' own or Central procurement procedures. In this regard, the Department had suggested the following business models to the States/UTs for acquiring the ePoS devices as below –

- a) **State Purchased Model:** State/UT Government tenders to purchases and provides the ePoS devices to all FPS dealers.
- b) **System Integrator Model:** State/UT Government contracts a System Integrator (SI)/vendor, through tender process for installation and maintenance of ePoS devices in all FPSs.
- c) **Hybrid Model:** State/UT Government tenders to purchases the ePoS devices and to contract a System Integrator/Vendor for the installation and maintenance of same in all FPSs.
- d) **FPS Dealers' Purchase Model:** FPS dealers purchase and install their own ePoS devices.

4.11 The Department informed the Committee that the joint efforts of this Department and States/UTs, have resulted in the operationalisation of e-PoS devices at all about 5.5 Lakh FPSs. Also, at present, nearly **97%** of total monthly ePoS transactions in the country (in States/UTs having ePoS devices), are being done after **biometric/Aadhaar authentication** of beneficiaries on a **monthly basis**. Thus because of ePoS devices coupled with Aadhaar seeding in ration cards, the State/UT Governments are able to –

- a) **Reduce ineligible lifting** of highly subsidized foodgrains.

- b) Enable **rightful targeting** of food subsidy i.e., distribution of subsidized foodgrains to **genuine/real** beneficiaries only.
- c) **Real-time monitoring** of transactions happening at the FPSs and availability of transaction details in the Public Domain.
- d) **Visibility of FPS-wise stocks** on State/UT Portals and Central Dashboard.
- e) **Improved transparency** and accountability in last-mile delivery of subsidized foodgrains meant for the food security of beneficiaries covered under the Act.
- f) **Accuracy** in the availability of monthly closing balance and allotments for the subsequent month **due to the elimination of manual intervention**.
- g) **Information dissemination** to beneficiaries in terms of **actual quantity issued** and the **amount payable** by beneficiaries while purchasing of foodgrains through ePoS printed **receipt, voice announcement, and/or SMSs**.
- h) Improved **beneficiary satisfaction**.
- i) Availability of **electronic data for archival and data analytics** for detection of malpractices/leakages and for bringing continuous improvements in PDS operations.
- j) **Portability of ration cards** (Intra-State and Inter-State).

## Key benefits realized from FPS automation



Foodgrain distribution by Aadhaar biometric/other authentication.



Portability (Intra-State and Inter-State).



Removal of manual record keeping in register/paper.



Real-time monitoring on State Portal and Central Dashboard.



Improved transparency and accountability.



Accuracy in closing balance and allotment.



Use of weighment for electronic recording of foodgrain delivery at FPSs.



Electronic recording of FPS inspection, biometric authentication of inspection team, etc.



Dissemination of actual quantity and amount to beneficiaries while purchasing of foodgrains through receipt, voice and SMSs.



Advanced data analytic techniques detected wrong practices/leakages

4.12 On the matter of working of e-PoS devices at FPS, the representatives of Department deposited before the Committee at their sitting held on 08.11.2023 as under :-

“उनको कम वजन दिया जाता है। हमारे अपर सचिव ने बताया कि अब हम कोशिश कर रहे हैं कि जो ई-पाँस मशीन्स हैं, उनको इंटीग्रेट करें या उनको ई-वेज स्केल से लिंक करें। अगर उनका इलेक्ट्रॉनिक वेजस्केल से लिंक होगा, तो जितना वजन कर रहे हैं, ई-पाँसमशीन की रसीद में उसका वजन आएगा। अभी ई-पाँस मशीन से जो निकलता है, वह पांच किलो लिख देता है, तो हम पांच किलो मान लेते हैं। अगर वह पांच किलो से कम दे रहा है, अगर ई-पाँस मशीन इलेक्ट्रॉनिक वेज स्केल से लिंक हो जाएगी, यदि वह चार किलो देगा, तो रसीद में भी चार किलो ही आएगा। वह कार्य कई राज्यों में चल रहा है। कई राज्यों ने इसको पूरा भी कर दिया है। हम इसी के लिए एडिशनल डीलर मार्जिंग भी दे रहे हैं। स्पेशल कैटेगरी स्टेट्स के लिए 26 रुपये दे रहे हैं और नॉर्मल कैटेगरी स्टेट्स के लिए प्रतिक्रिटल 21 रुपये दे रहे हैं।

जब हर राज्य में या हर एफपीएस दुकान में यह लागू हो जाएगा, तो जो कम वजन की शिकायत आ रही है, वह शिकायत भी काफी हद तक दूर हो जाएगी।“

4.13 It may be summarised that the use of ePoS devices in PDS has resulted in enabling sustainable reforms in the overall distribution process of subsidised foodgrains under NFSA. The ePoS devices are based on the POS/micro-ATM platform which is universally accepted model which is compatible with UIDAI's approved biometric authentication devices such as finger print scanner, IRIS scanner, etc. This platform has the capability to be replicated to suit the requirements of any Department/Service by installing customised front-end ePoS application software and suitable backend application. The same devices can also be used for digitizing the beneficiary data, Aadhaar seeding, enabling e-KYC/Authentication, digital payments, etc.

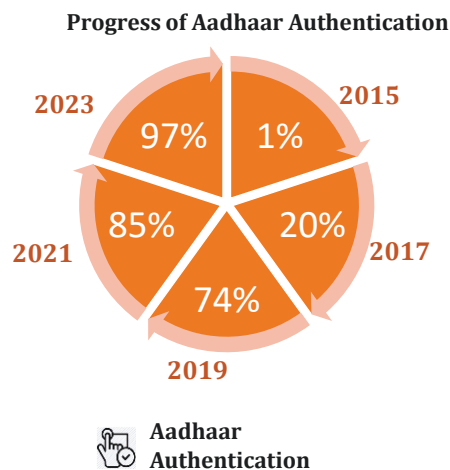
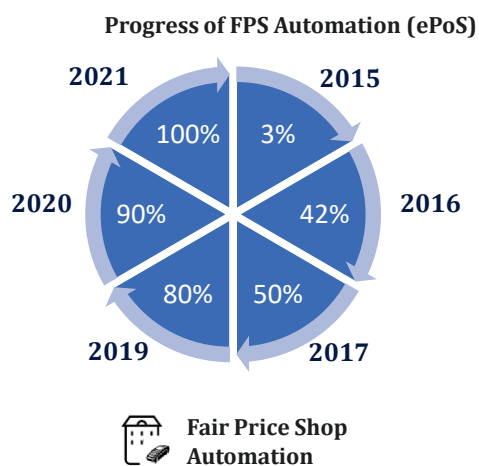
4.14 As regard financial assistance to States/U, this Department has notified **“The Food Security (Assistance to State Governments) Rules 2015”** under NFSA which provides for reimbursement of an additional FPS dealers' margin to States/UTs under NFSA at the rate of **Rs. 21 (General State) / Rs. 26 (Special State) per quintal** of foodgrains distributed through the ePoS devices, over and above the existing FPS dealer margin of **Rs. 90 (General State)/ Rs. 180 (Special State) per quintal**, to meet up the expenditure incurred towards the purchasing cost,

operational/running expenses, maintenance of ePoS devices and incentives for their use. Such expenditure would be shared between Centre and State/UT Governments on **75:25** basis for Special Category States/UTs and on a **50:50** basis for General Category States/UTs.

4.15 The Committee asked the Department to furnish the progress made so far in FPS Automation and future planning in FPS Automation. In response, the Department informed that their Department in association with all States/UTs is implementing a scheme on 'End to End Computerization of PDS Operations' under PDS reforms. The scheme includes automation of Fair Price Shop (FPS) by installation of electronic Point of Sale (ePoS) devices at FPSs for electronic recording of sale transactions and authentication of beneficiaries at the FPS, etc. Out of total 5.43 lakh FPSs across the country, about 5.41 lakh FPSs have been automated so far.

4.16 Progress of FPS Automation (ePoS) and Aadhaar Authentication are shown below :

### Progress of FPS Automation and Aadhaar Authentication



4.17 On automation of FPS, the representatives of Department deposited before the Committee at their sitting held on 05.12.2023 as under :-

“हमारे जितने भी राशनशॉप्स हैं, लगभग 5.48 लाख राशन शॉप्स में ऑटोमेशन का काम समाप्त हो गया है। इसके अलावा, हर दुकान में ई-पॉस मशीन के जरिए राशन दिये जा रहे हैं। ऑलमोस्ट 98 परसेंट राशन का वितरण आधार ऑथेंटिकेशन के जरिए हो रहा है। इसके अलावा, मनरेगा में मॉडल एफपीएस के कंस्ट्रक्शन का काम शुरू हो गया है। ‘वन नेशन, वन राशनकार्ड’ के तहत किसी भी कोने में, जो भी हिताधिकारी है, उसको राशनकार्ड या आधार नम्बर के माध्यम से राशन उपलब्ध कराया जा सकता है।

दूसरी बात यह थी कि हम फेयर प्राइस शॉप्स के ऑपरेशंस कैसे बढ़ाएं, कैसे वाइबिलिटी बढ़ाएं? उसके लिए हमने कुछ कार्यक्रमों को हाथ में लिया था। उसमें कॉमन सर्विस सेंटर्स के साथ हमने करीब 30,000 फेयर प्राइस शॉप्स के लिए एओयू किया है। इंडियन पेमेंट पोस्ट बैंक के साथ भी हमने एमओयू किया है, जिससे जो फेयर प्राइस शॉप्स हैं, उन्हें कॉमन सर्विस सेंटर्स और इंडियन पेमेंट पोस्ट बैंक की सुविधाएं भी इसके माध्यम से दी जा रही हैं। सभी राज्यों में आज के दिन नॉनपीडीएस कमोडिटीज के लिए भी हमने उनको फ्लेक्सिबिलिटी दी है, कि अगर वे चाहें, तो वे नॉनपीडीएस कमोडिटीज की बिक्री भी कर सकते हैं।“



## CHAPTER V

### TRANSFORMING FAIR PRICE SHOPS

5.1 Annual Report (2022-23) of Department has enumerated the following initiatives on Fair Price Shops (FPSs) Transformation :

DFPD has undertaken various technology-based interventions in the Public Distribution System (PDS) to improve transparency in operations, prevention of leakages, and diversion of foodgrains. Simultaneously, it has been the endeavour of the DFPD to improve the financial viability of Fair Price Shops (FPS) by providing additional business avenues to FPS dealers and enhancing beneficiary satisfaction through the provision of value added services at FPS. Consequently, DFPD has requested all State/UT governments to implement the following additional services at the FPS:

- Common Service Centre (CSC) services
- Banking services through a tie-up with banks/ corporate BCs
- Banking and citizen-centric services of India Post Payment Bank (IPPB)
- Retail selling of small (5kg) LPG cylinders
- Sale of other commodities/ general store items
- Converting FPS into a 'Public Data Office' under the PM-WANI scheme
- Providing MUDRA loans to FPS dealers for capital augmentation.

In addition, DFPD has been pursuing all States/UT governments to implement the following initiatives as part of FPS transformation.

- Installation of Closed-circuit television (CCTV) cameras at FPS
- Linking automatic weighing scales with e-PoS machines
- Installation of display/information boards at FPS
- Uniform branding/ painting of FPS for easy identification

5.2 The Department in their background note to the meeting held on 5.12.2023 and post evidence replies also submitted various initiatives for transforming FPSs which are enumerated in the successive paras.

## **(i) Collaboration and linkages with other Ministries/Departments for transforming Fair Price Shops**

5.3 The Department in their background note submitted to the Committee about the Collaboration and linkages with other Ministries/Departments for transforming Fair Price Shops as under :-

- i. The Department of Food & Public Distribution (DFPD) has strived to improve the profitability of Fair Price Shops (FPSs) to ensure their long-term viability and sustainability, offering a wide range of citizen-centric services and an enhanced beneficiary experience.
- ii. To strengthen the viability and profitability of FPSs, the department has implemented various initiatives for FPS transformation and regularly seeks updates on FPS transformation activities from the States/Union Territories for review and monitoring.
- iii. DFPD has signed a Memorandum of Understanding (MoU) with CSC e-Governance Services India Ltd for the delivery of CSC services in consultation with the respective State/UT.
- iv. Similarly, DFPD has collaborated with other ministries/departments, such as India Post Payments Bank (IPPB) and the Department of Financial Services, to enable FPS dealers to provide additional services.

5.4 The Committee asked the Department to share experience in respect to collaboration with other Ministries/Departments. In response, the Department, in their written replies submitted to the Committee as follows :

“The collaboration experience with different Ministries/Departments has been quite positive and the collaboration has been instrumental in enabling FPS dealers to expand their services and offerings, providing credit support for their growth and business expansion.”

5.5 In this context, the Representatives of the Department apprised the Committee at their sitting held on 05.12.2023 as under:

“एफपीएस दुकानदार हैं, उनकी इनकम कैसे बढ़ाई जा सकती है? इसके लिए हमने एक असेसमेंट किया था कि उनको क्या-क्या स्किल ट्रेनिंग दी जा सकती है? इसमें हमने यह इनश्योर

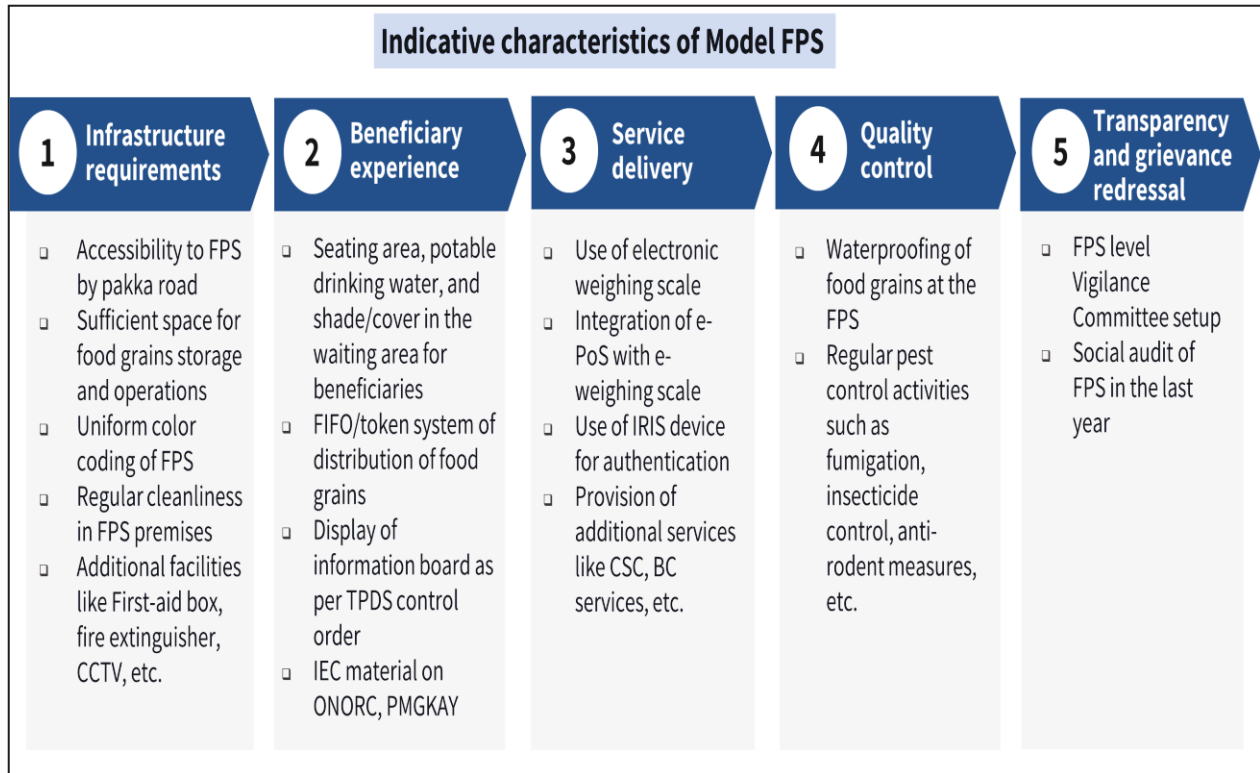
किया था कि उनका एजुकेशनल लेवल क्या है? उनके पास क्या इनफ्रास्ट्रक्चर है और वे क्या करना चाहते हैं? क्या वे और भी किसी उपयोगी बिजनेस में आना चाहते हैं? इस बात को लेकर हमने एक स्किलट्रेनिंग की कार्यशाला करने की तैयारी की है, जिसमें मिनिस्ट्री ऑफ स्किलडेवलपमेंट एंड इंटरप्रेनयोरशिप के साथ मिलकर हमने एक करिकुलम बनाने की कोशिश की है। इसमें खानगी क्षेत्र की जो दो कंपनियां – मेटा और वाधवानी फाउंडेशन, इन दोनों कंपनियों के साथ हमारी चर्चा चालू है, जिनके साथ हम एक करिकुलम और कोर्स डिजाइन करेंगे। इस ऑनलाइन कोर्स को डिजाइन करने के बाद हम उनको बिलकुल फ्री ट्रेनिंग देंगे और साथ ही साथ फिजिकल इनफ्रास्ट्रक्चर के माध्यम से, फिजिकल क्लास रूम्स के माध्यम से स्टेट वाइज और डिस्ट्रिक्ट वाइज ट्रेनिंग देनी होगी, तो उन कार्यशालाओं का भी हम क्रियान्वयन करेंगे। “

**(ii) Model Fair Price Shops (FPSs) and construction of FPSs under MGNREGA**

5.6 Ministry of Rural Development stated that as per Schedule-I of MGNREGA, the construction of food grain storage structures for implementing the provisions of NFSA, 2013 is a permissible activity and accordingly States/UTs have been advised that they may construct Food Grain Storage Structures under the MGNREGA, which may be utilized as Fair Price Shops to distribute foodgrains under NFSA, 2013. However, it should be ensured that construction of such buildings is done on government land only. All the States/UTs are also being continuously followed up to implement this initiative.

5.7 Under the FPS transformation initiative, this department has requested all the States/UTs to identify and develop 75 model FPSs in their respective States/UTs by utilizing the MGNREGA funds for the construction and upgradation of FPSs.

5.8 The indicative characteristics for developing model FPSs are shown in the infographic below :



**(iii) MUDRA loans to FPS dealers for capital augmentation**

5.9 The Committee desired to be apprised about the steps taken by the government to provide loans at lower interest rates to FPS dealers for capital augmentation, the Department in a written reply, submitted as follows :-

“MUDRA loans empower FPS dealers, aiding in capital augmentation to enterprise into other income-generating activities/services. The Department assists in streamlining the application process for loans, ensuring smooth communication between the dealers and financial institutions through lead banks and State food departments.

Pradhan Mantri Mudra Yojana (PMMY) is being implemented by all scheduled commercial banks including Regional Rural Banks. As per information received from Public Sector Banks (PSBs), as on 24 November, 2023, a total of 1,15,803 loans have been extended to FPS dealers since the inception of PMMY on 08 August, 2015.”

5.10 Regarding the MUDRA loan, the Representatives of the Department apprised the Committee at their sitting held on 05.12.2023 as under:

“नेक्स्ट विषय मुद्रालोन का है। यह डीएफएस – डिपार्टमेंट ऑफ फाइनेंशियल सर्विसेज की तरफ से दिया जा रहा है। हमने पहले भी इस बारे में अवगत कराया है। हम इसको भी एक्टिवली फॉलो कर रहे हैं। 24,360 मुद्रा लोन जो सरकारी क्षेत्र के बैंक्स हैं, उनके द्वारा एफपीएस दुकानदारों को हमने दिया है। इसके अंतर्गत अभी तक 552.82 करोड़ रुपए का हमने इनको लोन दिया है, ताकि वे अपनी आर्थिक समृद्धि में कोई भी अगर कार्य करना चाहें, तो वे कार्य कर सकते हैं। वे यदि कोई छोटा-मोटा रिटेल बिजनेस अपने एग्जिस्टिंग इनफ्रास्ट्रक्चर में बढ़ाना चाहें, तो बढ़ा सकते हैं।”

**(iv) District-level CSC awareness workshops for FPS dealers**

5.11 The Committee were informed that 42,739 FPSs have been onboarded as CSCs. In addition, 2,33,098 FPSs have been whitelisted for onboarding. State-wise list of CSC-IDs created, is placed at **Annexure-II**.

During Phase-I, the CSC awareness workshop for FPSs dealers has been completed in 25 districts across 8 States in March-April 2023 with a total participation of approx. 6000 FPSs dealers.

In Phase-II (May-July), the awareness workshops were conducted in 75 districts of Uttar Pradesh and 42 Aspirational Districts across Arunachal Pradesh, Assam, Haryana, HP, J&K, Karnataka, Kerala, MP, Punjab, Sikkim, and Uttarakhand with a total participation of around 17000 FPS dealers.

5.12 During the sitting of the Committee held on 05.12.2023, the Representatives of the Department informed the Committee as under:

“एफपीएस और सीएससी की जो सुविधाएं हैं, जो लास्ट बार हमारी चर्चा हुई थी, उसके अनुसार हमने एनेक्जर-1 में भी दिखाया है कि किस-किस स्टेट में कितनी सी एससी की सुविधाएं लोग ले रहे हैं और यदि नहीं हैं, तो उनके भी कारण हैं। यह सारा डेटा हमने सीएससी के माध्यम से ही कलेक्ट किया है। इसमें हमने वाइट लिस्ट किया है कि हर स्टेट में कितनी राशन की दुकानें हैं और कितने लोग हैं? हमने सभी से संपर्क करने की कोशिश की है कि अगर आप चाहें तो सीएससी की सुविधा आप ले सकते हैं, जिससे आपकी इनकम आवक में वृद्धि होगी। इसमें हर स्टेट की अपनी-अपनी स्टेज है, जिस स्टेज पर वहां क्रियान्वयन हो रहा है। इसमें हमारे डिपार्टमेंट की तरफ से हमने हर जगह पर लोगों से संपर्क करने की कोशिश की है। हमने 4,200 सैपल सीएससीज़ लेकर वहां स्टडी करने की कोशिश की है, जिनमें से मेजर, करीब 80 परसेंट का हमारे सर्वे हो गया है। रॉ-डेटा हमें सीएससी के द्वारा मिला है। इसमें ट्रेनिंग, नीड असेसमेंट,

क्रेडिट इनफ्रास्ट्रक्चर, इनफ्रास्ट्रक्चर कितना है और उसकी शैक्षणिक योग्यता कितनी है, इसके अनुसार हम लेकर जिस-जिस जगह पर हम सीएससी की सेवाएं दे सकते हैं, उन जगहों पर हम देने का कार्य कर रहे हैं।“

**(v) Increase sale of non-PDS commodities at FPSs**

5.13 As per Clause 9(9) of TPDS Control Order, 2015, State Government shall allow sale of commodities other than the foodgrains distributed under the TPDS at the FPS to improve the viability of the FPS operations.

Additionally, States/UTs have been advised that FPS owners may be encouraged to sell non-PDS items through PDS outlets for an extra income. States/UTs may also explore the possibility for empanelment of suppliers to provide other products such as Khadi/Ayush products/MSME products through FPSs. A statement indicating essential commodities distributed by State Governments in addition to wheat, rice, coarse grain, sugar and SKO through PDS outlets is at **Annexure-III**.

5.14 On the matter of sale of non-PDS commodities at FPSs, the representatives of Department deposited before the Committee at their sitting held on 08.11.2023 as under :-

“नॉन पीडीएस कमोडिटीज़ के बारे में एक और बात कही गई है। हमने टीपीडीएस कंट्रोल ऑर्डर में भी राज्यों को फ्रीडम दी है। अगर वे चाहे तो नॉनपीडीएस कमोडिटी स्टोर कर सकते हैं। ..... आज की तारीख में सभी राज्यों ने उनको पूरी छूट दी है कि वे नॉनपीडीएस कमोडिटी भी स्टोर कर सकते हैं। “

**(vi) India Post Payments Bank (IPPB)**

5.15 The Committee were informed that 3164 FPSs have been enabled to provide banking financial services and postal services through India Post Payment Bank (IPPB)/DoP across Andhra Pradesh, Bihar, Gujarat, Karnataka, Madhya Pradesh, Odisha, Rajasthan and Telangana.

**(vii) Skill training to FPS Dealers**

5.16 Regarding skill training to FPS Dealers, the Department informed the Committee that discussions are ongoing with M/o Skill Development and Entrepreneurship to provide training to FPS owners to equip them with the essential entrepreneurship skills required for venturing into new business avenues. The discussions are at early stage.

**(viii) Other Efforts**

5.17 Other efforts for transforming Fair Price Shops are shown below :

**Other efforts for transforming Fair Price Shops**



**Common Services Centers (CSC)**

~43,000 FPSs enabled as CSCs

Serving as access points for the delivery of various B2C & G2C services

**India Post Payments Bank (IPPB)/  
Department of Posts (DoP)**

~3,200 FPSs enabled as Banking Correspondents (BCs)

To provide banking financial services and postal services



**MUDRA loans through the  
Department of Financial Services**

24,360 MUDRA loans to FPS dealers amounting to Rs. 552.82 crores.

For capital augmentation and business diversification.

**Sale of non-PDS commodities**

TPDS Control Order 2015 allows the sale of non-PDS items at FPSs

General store items like oil, pulses, salt, spices, etc.

**(ix) Roadmap**

5.18 The Committee desired to be apprised about the roadmap drawn if any, for FPS transformation, the Department in a written reply, submitted as follows:-

“FPS Transformation is a continuous evolving process and the road map planned to be taken in future is as follows:

- Identification of need (training, credit etc.) of FPS dealers through a baseline survey being conducted by CSC;
- Training of FPS dealers through requisite skill trainings offered by Ministry of Skill Development and Entrepreneurship (under Pradhan Mantri Kaushal Vikas Yojana) and Ministry of Rural Development (under Rural Development and Self Employment Training Institute);
- Providing access to credit through existing Pradhan Mantri MudraYojana;
- Effective coordination and monitoring will be done by the State/UT.”



## CHAPTER VI

### VIGILANCE COMMITTEES

6.1 The Department in their background note submitted to the Committee about the constitution of Vigilance Committees (VCs) as under :-

“In order to supervise the implementation of all the schemes under the National Food Security Act, 2013 (NFSA), Section 29 of the Act provides for constitution of Vigilance Committees (VCs) by the State Government at four levels i.e. State, District, Block and fair price shop levels for ensuring transparency and proper functioning of the Targeted Public Distribution System and accountability of the functionaries in such system. The VCs shall be consisting of such persons, as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, women and destitute persons or persons with disability.”

6.2 The Department in their background note submitted to the Committee about the functions of Vigilance Committees (VCs) as under :-

“The Vigilance Committees shall perform the following functions, namely: -

- (a) regularly supervise the implementation of all schemes under this Act;
- (b) inform the District Grievance Redressal Officer, in writing, of any violation of the provisions of this Act; and
- (c) inform the District Grievance Redressal Officer, in writing, of any malpractice or misappropriation of funds found by it.”

6.3 In this regard, Annual Report (2022-23) of Department has enumerated the following Clause of the TPDS (Control) Order, 2015 :

- i. The TPDS (Control) Order, 2015 stipulates that the meetings of the Committee shall be held at least once every quarter at all levels. The date and periodicity of the meeting would be notified by the State Governments.
- ii. Clause 11(4) of the TPDS (C) Order, 2015 requires the State Governments to set up Vigilance Committees for the TPDS at the State, District, Block and fair price shop levels as per the provisions of the NFSA to perform functions as specified in the said Act.
- iii. Clause 11(5) of the TPDS (C) Order, 2015 requires meetings of the Vigilance Committees shall be held at least once in every quarter at all levels and the

date and periodicity of the meeting shall be notified by the State Governments and given wide publicity.

- iv. Clause 11(6) of the TPDS (C) Order, 2015 requires that State Government shall send a report annually to the Central Government on the functioning of Vigilance Committees in the prescribed format.
- v. Clause 11(7) of the TPDS (C) Order, 2015 requires that number of meetings held by the Vigilance Committees shall be displayed on the State web portal and the action taken on issues discussed in meetings of vigilance committees shall be reviewed in the next meeting.

6.4 On the matter of working of Vigilance Committees, the representatives of Department deposited before the Committee at their sitting held on 08.11.2023 as under :-

“ये पूरा एफपीएस का ऑपरेशन है। यह भारत सरकार और राज्य सरकारों की साझेदारी है। अगर राज्य सरकार जागरूकता के साथ काम नहीं करेगी या उनको भारत सरकार की तरफ से मदद नहीं मिलेगी, तो निश्चित रूप से इसमें बाधाएं आएंगी। हमारा यही मानना है कि अगर विजिलेंस कमेटियां ठीक तरह से काम करें, अगर राज्य सरकार का उनकी मॉनिटरिंग, सुपरविजन, ऑपरेशन के ऊपर नज़र रहे, तो निश्चित रूप से उनका जो कार्यकलाप है, जो उनकी गतिविधि है, उसमें सुधार आएगा।“

6.5 On the matter of working of Vigilance Committees at FPS level, the representatives of Department also deposited before the Committee at their sitting held on 05.12.2023 as under :-

“विजिलेंस कमेटी सेक्शन 29 के अनुसार चार लेवल्स पर होती है। यह स्टेट लेवल, डिस्ट्रिक लेवल, ब्लॉक लेवल और फेयर प्राइस शॉप के लेवल पर यानी राशन दुकान के लेवल पर होती है। इसका मूल उद्देश्य यह है कि वहाँ ट्रांसपेरेंसी हो और जिन लोगों को, जो टारगेटेड लाभार्थी हैं, उनको आराम से राशन मिले और जितनी उनकी एलिजिबिलिटी है, उसी दर से उन्हें राशन मिल जाए। इसमें कमेटी की रचना राज्य सरकार के द्वारा होती है। इसमें हम यह सुनिश्चित करते हैं कि इसमें अनुसूचित जाति, जनजाति, महिलाएं और जो पर्सन विद डिसेबिलिटी हैं, उनको भी योग्यता के अनुसार भागीदारी मिले। इसका मूल उद्देश्य है कि यह कमेटी रेगुलरली सुपरवाइज कर सके कि यह इम्प्लीमेंटेशन, एनएफएसए एक्ट का क्रियान्वयन ठीक से हो रहा है या नहीं हो रहा है। साथ ही साथ डिस्ट्रिक ग्रीवांस रिड्रेशल ऑफिसर को अगर किसी जगह पर कोई भी प्रॉब्लम हो रही होगी तो वे ध्यान आकृष्ट कर सकते हैं। अगर किसी भी जगह पर मालप्रैक्टिस हो रही होगी या उचित दर पर राशन नहीं मिल रहा होगा या उचित मात्रा नहीं मिल रही होगी तो इन चीजों को भी विजिलेंस कमेटी सुनिश्चित करेगी।“

6.6 Further, on the matter of awareness, the representatives of Department deposited before the Committee at their sitting held on 08.11.2023 as under :-

“जो वजन दिया जाता है, वह पाँच किलो या अगर उनकी पाँच किलो की पात्रता है तो उससे कम दिया जाता है। यह शिकायत कई फोरम में की जाती है। उसके लिए जैसे अभी आपने विजिलेंस कमेटी के बारे में कहा है, एक्चुअली इसका समाधान यह है कि लोगों में ज्यादा जागरूकता आए। जागरूकता के लिए विजिलेंस कमेटी और एफसीआई की कंसल्टेटिव कमेटीज हैं, जिसमें कई सदस्य रहते हैं। उसके अंदर एमपीज और एमएलएज भी रहते हैं। उनका यह भी एक दायित्व है कि वे एफसीआई के विभिन्न स्टोरेज प्वाइंट्स और फेयर प्राइस शॉप के स्टोरेज प्वाइंट्स पर जा कर देख सकते हैं।“

## CHAPTER VII

### CHALLENGES AND INITIATIVES

7.1 The Committee asked the Department to share various challenges being faced by the Department/State Government for FPS transformation and initiatives taken by the Department to strengthen the viability and profitability of FPSs. In response, the Department, in their written relies submitted to the Committee as follows :

“In order to augment the viability of FPSs, DFPD has collaborated with CSC e Governance Services India Ltd for delivery of citizen-centric services at FPSs, tie-up with India Post Payments Banks for enabling FPS dealers to work as Business Correspondents for providing banking and financial services, sale of non-PDS commodities at the FPSs, credit linkages to dealers for business expansion, among others to provide additional business avenues to FPS dealers.

Network connectivity in remote parts of the country is one of the major challenges being faced in the transformation of FPSs. In addition to this, FPS dealers face various challenges which are critical to the success of aforementioned activities such as lack of entrepreneur skills, digital and financial literacy, among others. To address the skill development challenges, this Department is exploring possibilities for conducting capacity building programs or short term skill development courses through Ministry of Rural Development (MoRD) and the Ministry of Skill Development & Entrepreneurship (MSDE) that boost the confidence of FPS owners and equip them with essential entrepreneurship skills required for venturing into new business avenues.”

7.2 The Department, in their written relies submitted to the Committee as follows :

“Further, with respect to challenges such as fake/ineligible ration cards, it is stated that as per the Targeted Public Distribution System (TPDS) Control Order, 2015, the review of ration cards/beneficiaries list, identification of ineligible/duplicate ration cards and inclusion of genuine eligible beneficiaries/households is the responsibility of the concerned State/UT Government. However, under instructions from this Department, States/UTs continuously review the `beneficiaries list and issue new ration cards to the eligible households/beneficiaries in place of duplicate / cancelled beneficiaries/ ration cards under the prescribed ceiling limit of the National Food Security Act (NFSA), to achieve the rightful targeting of subsidised food grains.”

## Part-II

### Observations/Recommendations

1. The Committee note that Department of Food and Public Distribution implemented Targeted Public Distribution System (TPDS), which was aimed at the ensuring food security of the people, especially the poor and vulnerable sections of the society i.e. Antyodaya families and Below Poverty Line families. Thereafter, End-To- End Computerization of TPDS operations scheme was also implemented to bring more transparency in the entire PDS operations and address issues related to leakages and diversion of foodgrains, inclusion and exclusion errors in identification of beneficiaries under TPDS, etc. The Committee further note that the Department is implementing the Scheme in association with all States/UTs on cost sharing basis. The Committee note with satisfaction that the key activities of the scheme and its expected outcome like Digitization of ration cards for beneficiary database for correct identification, online allocation of foodgrains towards system generated allocation to bring transparency in allocation of foodgrains, up to the Fair Price Shops level, computerisation of Supply Chain Management for ensuring timely availability of foodgrains at all FPSs for delivery to the targeted beneficiaries have been a great success so far. Further, they also acknowledge the efforts of the Department in checking leakage/diversion of foodgrains, Online Redressal of grievances, Toll Free Helplines and creation of Transparency Portals to introduce transparency and public accountability in the implementation of TPDS. The Committee appreciate the various steps taken by the Government/State Governments for implementation of Targeted Public Distribution System (TPDS) for ensuring food security to the people, especially the poor and vulnerable sections of the society i.e. Antyodaya families and Below Poverty Line families. The Committee hope that the Department will continue their efforts in this direction for reaping expected results.

2. The Committee note that under the Targeted Public Distribution System (TPDS) reforms, the Department has implemented the One Nation One Ration Card (ONORC) plan aimed at the nation-wide portability of ration cards and beneficiaries covered under the National Food Security Act (NFSA), 2013. The Committee also note that since inception of ONORC plan in August 2019 till 08<sup>th</sup> December, 2023, more than 125 Crore portability transactions have been recorded under the ONORC plan in the country, which include both inter-State and intra-State transactions delivering both regular NFSA and PMGKAY foodgrains to the beneficiaries with flexibility. The Committee observe that during the same period States/UTs have delivered more than 241 LMT foodgrains to NFSA beneficiaries. While appreciating the efforts of the Department w.r.t. ONORC plan, the Committee recommend the Department to address the challenges such as fake/ineligible ration cards and coordinate with State/UTs for ensuring continuous review of beneficiaries' list and facilitate them to issue new ration cards to the eligible households/beneficiaries under the prescribed ceiling limit of the National Food Security Act (NFSA), 2013, to achieve the rightful targeting of subsidised food grains.

3. The Committee note that as per Section 2(4) of National Food Security Act, 2013, Fair Price Shop means a shop which has been licensed to distribute essential commodities by an order issued under section 3 of the Essential Commodities Act, 1955, to the ration card holders under the Targeted Public Distribution System. State & UT Governments are responsible for licensing, regulation, monitoring, and operation of FPSs. Preference is accorded to public institutions such as panchayats, SHG, cooperative societies and management of FPS by women or their collectives. The Committee further note that Public Distribution System (PDS) is an important part of the Government's policy for ensuring food security of over 81 Crore beneficiaries (persons) covered through over 23 Crore ration cards in the country issued under the National Food Security Act, 2013 (NFSA) for distributing/delivering about 43 LMT of highly subsidised foodgrains, like Rice, Wheat and Coarse-grains through a network of about 5.4

Lakh Fair Price Shops (FPSs) spread across all States/UTs. The PDS is operated under joint responsibilities of the Central and State/UT Governments, wherein this Department, through Food Corporation of India (FCI), has assumed the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to States/UTs. Whereas, the responsibility of identification of eligible households/beneficiaries, issuance of Ration Cards, Aadhaar seeding, FPS- wise allocation and distribution of foodgrains, authentication of beneficiaries, licensing and monitoring of FPSs, maintenance of all databases/records, etc. rest with the respective State/UT Government. The Committee note with satisfaction that the Department has been running the herculean task of providing subsidized food grains to the eligible beneficiaries through the effective mechanism of PDS which involves a larger network of FPSs. They understand that this requires great coordination among the State/UT Governments and hope that the Department will continue their earnest efforts for efficient functioning of the PDS and FPS and apprise the Committee accordingly.

4. The Committee note that under PDS reforms, the Department, in collaboration with all States/UTs has implemented a scheme on 'End-to-End Computerization of TPDS Operations'. Under this scheme, ration cards/beneficiaries database have been completely digitized in all States/UTs, transparency portal and online grievance redressal facility/Toll-free number have been implemented in all States/UTs, online allocation has been implemented in all States/UTs (*except UTs of Chandigarh and Puducherry, which have adopted DBT Cash Transfer scheme*) and supply chain has been computerized in 31 States/UTs. Further, the Automation of Fair Price Shops (FPS) is also being done in all States/UTs by installing electronic Point of Sale (ePoS) devices at the FPSs for the distribution of foodgrains in a transparent manner (*electronically*) and for unique identification of genuine beneficiaries through biometric/Aadhaar authentication on the ePoS device. The Committee appreciate PDS reforms carried out by the Department in collaboration with all States/UTs by implementing a scheme on 'End-to-End Computerization of TPDS Operations'. The Committee specifically desire that the Department should ensure that all

ePoS are connected with weighing machines and synchronized so that the beneficiaries could get the exact quantity of ration.

5. The Committee note that FPS Transformation is a continuous evolving process and the road map planned to be taken in future by the Department include (i) Identification of need (training, credit etc.) of FPS dealers through a baseline survey being conducted by CSC; (ii) Training of FPS dealers through requisite skill trainings offered by Ministry of Skill Development and Entrepreneurship (under Pradhan Mantri Kaushal Vikas Yojana) and Ministry of Rural Development (under Rural Development and Self Employment Training Institute); (iii) Providing access to credit through existing Pradhan Mantri Mudra Yojana; and (iv) Effective coordination and monitoring will be done by the State/UT. While appreciating the road map planned to be taken in future to improve the profitability of Fair Price Shops (FPSs) to ensure their long-term viability and sustainability, the Committee recommend that the Department should also involve State/UT Governments, Self Help Groups and Ration Dealer Associations for its better understanding and outcome which will eventually strengthen the viability and profitability of FPSs.

6. The Committee note with satisfaction that under the FPS transformation initiative, this department has requested all the States/UTs to identify and develop 75 model FPSs in their respective States/UTs by utilizing the MGNREGA funds for the construction and upgradation of FPSs. The Committee also note that as per information received from Public Sector Banks (PSBs), as on 24 November, 2023, a total of 1,15,803 loans have been extended to FPS dealers since the inception of PMMY on 08 August, 2015. The Committee observe that In regard to District-level CSC awareness workshops for FPS dealers, 42,739 FPSs have been onboarded as CSCs. In addition, 2,33,098 FPSs have been whitelisted for onboarding. The Committee also observe that States/UTs have been advised that FPS owners may be encouraged to sell non-PDS items through PDS outlets for an extra income. States/UTs may also explore the possibility for empanelment of suppliers to provide other products such as Khadi/Ayush products/MSME products through FPSs. Further, 3164 FPSs have been enabled to provide banking financial services and postal services through India Post



Payment Bank (IPPB)/DoP across Andhra Pradesh, Bihar, Gujarat, Karnataka, Madhya Pradesh, Odisha, Rajasthan and Telangana. While applauding the aforementioned efforts made by Department, the Committee desire that a monitoring cell at the highest level be formed to track the progress of model FPS in all the states so that their earnest efforts may culminate into the desired results. The Committee may also be apprised about the progress made in this direction.

7. The Committee note that in order to supervise the implementation of all the schemes under the National Food Security Act, 2013 (NFSA), Section 29 of the Act provides for constitution of Vigilance Committees (VCs) by the State Government at four levels i.e. State, District, Block and fair price shop levels for ensuring transparency and proper functioning of the Targeted Public Distribution System and accountability of the functionaries in such system. The Committee further note that the functions of the Vigilance Committees are (a) regularly supervise the implementation of all schemes under the Act; (b) inform the District Grievance Redressal Officer, in writing, of any violation of the provisions of the Act; and (c) inform the District Grievance Redressal Officer, in writing, of any malpractice or misappropriation of funds found by it. The Committee observe that main objective of the Vigilance Committee is that there should be transparency and accountability and the people who are the targeted beneficiaries should get ration comfortably and at the same rate as per their eligibility. The Committee believe that without the dedicated efforts of the Department and State/UT Governments, transparency, accountability of the functionaries and proper functioning of the Targeted Public Distribution System is not possible. The Committee, therefore, suggest suitable steps be taken by Department in coordination with the State/UT Governments for improvement of working of Vigilance Committees in order to ensure transparency and accountability.

8. The Committee note that the Department of Food & Public Distribution (DFPD) has strived to improve the profitability of Fair Price Shops (FPSs) to ensure their long-term viability and sustainability, offering a wide range of citizen-centric services and an enhanced beneficiary experience. The Committee

further note that for strengthen the viability and profitability of FPSs, the department has implemented various initiatives for FPS transformation and regularly seeks updates on FPS transformation activities from the States/Union Territories for review and monitoring. The Committee observe that DFPD has signed a Memorandum of Understanding (MoU) with CSC e-Governance Services India Ltd for the delivery of CSC services in consultation with the respective State/UT. The Committee further note that DFPD has collaborated with other ministries/departments, such as India Post Payments Bank (IPPB) and the Department of Financial Services, to enable FPS dealers to provide additional services. While appreciating the progressive steps taken by the Department to improve the profitability of Fair Price Shops (FPSs) to ensure their long-term viability and sustainability, the Committee desire that the Department should continue their efforts with other ministries/departments for strengthening the viability and profitability of FPSs and also explore more options and if need be guidance/ involvement of people's representatives may also be considered.

New Delhi;  
06 February, 2024  
17 Magha, 1945 (Saka)

LOCKET CHATTERJEE,  
Chairperson,  
Standing Committee on  
Consumer Affairs, Food and Public Distribution

## Annexure I

## Coverage of beneficiaries under the National Food Security Act, 2013

Sl. No.	States/ UTs	Impl. Month	Percentage Coverage		Accepted No. of persons under NFSA (in lakh)	Ceiling of AAY HH (in lakh)	Present coverage (In lakh) – As on 20.11.2023				
			Rural	Urban			AAY		Priority	Total persons	% of accepted persons
							No. of families	No. of persons			
1	Andhra Pradesh	Dec-15	60.96	41.14	268.23	9.09	9.08	23.52	244.70	268.22	100.00%
2	Arunachal Pradesh	Apr-16	66.31	51.55	8.71	0.38	0.38	1.50	6.90	8.40	96.48%
3	Assam	Dec-15	84.17	60.35	251.90	7.04	6.92	28.08	223.08	251.17	99.71%
4	Bihar	Mar-14	85.12	74.53	871.16	25.01	25.01	125.05	746.11	871.16	100.00%
5	Chhattisgarh	Jan-14	84.25	59.98	200.77	7.19	7.19	20.42	180.35	200.77	100.00%
6	Delhi	Oct-13	37.69	43.59	72.78	1.57	0.69	2.78	70.00	72.78	100.00%
7	Goa	Dec-15	42.24	33.02	5.32	0.18	0.12	0.46	4.86	5.32	100.00%
8	Gujarat	Apr-16	74.64	48.25	382.84	8.13	7.73	35.53	316.07	351.60	91.84%
9	Haryana	Sep-13	54.61	41.05	126.49	3.03	2.68	11.35	115.14	126.49	100.00%
10	Himachal Pradesh	Oct-13	56.23	30.99	36.82	1.97	1.82	7.67	20.98	28.64	77.80%
11	Jharkhand	Oct-15	86.48	60.20	264.25	9.18	8.94	34.76	229.43	264.19	99.98%
12	Karnataka	Jan-14	76.04	49.36	401.93	12.00	10.97	43.91	358.02	401.93	100.00%
13	Kerala	Nov-16	52.63	39.50	154.80	5.96	5.96	25.59	129.21	154.80	100.00%

14	Madhya Pradesh	Mar-14	80.10	62.61	546.42	15.82	14.63	54.93	479.86	534.79	97.87%
15	Maharashtra	Feb-14	76.32	45.34	700.17	25.05	25.05	108.01	592.16	700.17	100.00%
16	Manipur	Apr-16	88.56	85.75	25.06	0.64	0.64	1.82	18.26	20.08	80.14%
17	Meghalaya	Feb-16	77.79	50.87	21.46	0.70	0.70	2.91	18.54	21.46	100.00%
18	Mizoram	Mar-16	81.88	48.60	7.06	0.26	0.26	0.64	6.19	6.83	96.71%
19	Nagaland	Jul-16	79.83	61.98	14.79	0.48	0.48	2.11	11.94	14.05	94.98%
20	Odisha	Nov-15	82.17	55.77	326.21	12.65	12.53	37.81	287.22	325.03	99.64%
21	Punjab	Dec-13	54.79	44.83	141.51	1.79	1.79	7.71	133.80	141.51	100.00%
22	Rajasthan	Oct-13	69.09	53.00	446.62	9.32	6.29	22.29	417.72	440.01	98.52%
23	Sikkim	Jan-16	75.74	40.36	4.06	0.17	0.17	0.57	3.24	3.81	93.91%
24	Tamil Nadu	Nov-16	62.55	37.79	364.70	18.65	18.64	65.78	298.34	364.12	99.84%
25	Telangana	Oct-15	60.96	41.14	191.70	6.49	5.67	15.29	176.33	191.62	99.96%
26	Tripura	Sep-15	74.75	49.54	25.02	1.13	1.09	4.62	19.81	24.43	97.65%
27	Uttar Pradesh	Jan-16	79.56	64.43	1520.61	40.95	40.89	132.92	1370.85	1503.77	98.89%
28	Uttarakhand	Oct-15	65.26	52.05	61.94	1.91	1.84	7.92	54.02	61.94	100.00%
29	West Bengal	Jun-15	74.47	47.55	601.84	19.86	16.42	54.99	546.85	601.84	100.00%
30	A&N	Mar-16	24.94	1.70	0.63	0.11	0.04	0.14	0.46	0.61	96.61%
31	DNH&DD	Nov-15	69.93	54.17	3.56	0.08	0.05	0.24	2.45	2.69	75.60%
32	Lakshadweep	Aug-15	35.30	33.56	0.22	0.01	0.01	0.04	0.18	0.22	99.06%
33	Chandigarh (DBT)	Feb-14	38.54	47.26	4.96	0.09	0.00	0.01	2.98	2.99	60.28%
34	Puducherry	Sep-	59.6	46.9	6.34	0.32	0.25	0.82	5.52	6.34	99.99%

	(DBT)	15	8	4							
35	J&K	Feb-16	63.93	46.93	72.69	2.76	2.33	10.61	61.80	72.41	99.61%
36	Ladakh	Feb-16	55.65	41.62	1.44	0.06	0.06	0.29	1.15	1.44	99.99%
Total			75.00	50.00	8135.01	250.00	237.30	893.09	7154.55	8047.64	98.93%

**State-wise list of CSC-IDs created**

<b>State / UT</b>	<b>CSC IDs Created</b>
Uttarakhand	4,063
Gujarat	6,365
Telangana	21
Himachal Pradesh	1,308
Madhya Pradesh	1,356
Jharkhand	6,671
Mizoram	0
Rajasthan	4,596
Meghalaya	576
Maharashtra	6,667
Delhi	1
Tamil Nadu	1,553
Haryana	634
Uttar Pradesh	3,704
West Bengal	0
Puducherry	0
Jammu and Kashmir	2,470
Tripura	51
Kerala	117
Assam	26
Bihar	1
Punjab	47
Sikkim	353
Lakshadweep	0
Arunachal Pradesh	84
Karnataka	1,032
Dadra And Nagar Haveli	0
Daman and Diu	0
Andhra Pradesh	1
Chhattisgarh	0
Chandigarh	0
Manipur	0
Nagaland	0
Odisha	977
Goa	65
<b>Total</b>	<b>42,739</b>

Annexure III

Statement indicating Essential commodities distributed by State Governments in addition to wheat, rice, coarse-grain, sugar and SKO through PDS outlets.

राज्य सरकारों द्वारा सार्वजनिक वितरण प्रणाली के बिक्री केन्द्रों के माध्यम से गेहूं, चावल, मोटा अनाज, चीनी तथा सुपरियर केरोसीन ऑयल के अतिरिक्त वितरित आवश्यक वस्तुओं को दर्शाने वाला विवरण

(Compilation of information received from States/UTs by 30.06.2023)

(दिनांक 30.06.2023 तक राज्य/संघ राज्य क्षेत्र से प्राप्त सूचना का □□□□□ )

S. No क्र. सं	State/UT राज्य /संघ राज्य क्षेत्र	Essential Commodity (other than wheat, rice, coarse-grain, sugar and SKO) आवश्यक वस्तुएं (गेहूं, चावल, मोटा अनाज, चीनी तथा सुपरियर केरोसीन ऑयल के अतिरिक्त)	Qty. allotted per family per month प्रति परिवार प्रति माह आबंटित मात्रा	Issue price per kg./ltrs किलोग्राम/लीटर निर्गम मूल्य	Scheme operational since से जारी योजना	Date of Reporting by the State/UT राज्य /संघ राज्य क्षेत्र द्वारा सूचित करने की तिथि
1	Andhra Pradesh आंध्र प्रदेश	Red Gram Dal	1 kg.	Rs. 67/- per kg	2015	02 .05.2023
		Double Fortified Salt	1 kg.	Rs. 12/- per kg	February, 2017	
2	Arunachal Pradesh	Nil	Nil	Nil	Nil	24.05.2023
3	Bihar	Nil	Nil	Nil	Nil	26.05.2023
4	Chhattisgarh छत्तीसगढ़	Refined Iodized Salt	2 Kg in scheduled areas & 1 kg non-scheduled area per ration card	Free of cost	2004	09.05.2023

			(AAY and PHH card)			
		Gud (Jaggery)	2kg per ration card (AAY, PHH, Nihshakt and Nirashrit card) in Baster Division	Rs. 17/-	2020	
		Whole Gram	2 kg in per ration card (AAY and PHH card) Scheduled Block and MADA Region	Rs. 05/-	2013	
5	Delhi	NIL	NIL	NIL	NIL	06.07.2023
6	Goa	NIL	NIL	NIL	NIL	09.05.2023
7	Gujarat गुजरात	Refined Iodized Salt	1kg upto 6 member per card  2kg above 6 member per card (BPL/AAY ration card)	Rs. 1/- per kg	2009	24.07.2020
		Refined Cotton seed Oil	1 ltr. per card(in August, 20 & November, 20) BPL/AAY ration Card	Rs. 50/- ltrs. (As decide by State Govt.)	1980-81	
8	Himachal Pradesh हिमाचल प्रदेश	1.Urd Sabut	1 kg	1. Rs.40-75/-per kg	1.4.2007	24.07.2020
		2.Mong Sabut	1 kg	2. Rs.55/- per kg	1.4.2007	
		3.Malka	1 kg	3. Rs.75/- per kg	1.4.2007	
		4.Dal Chana	1 kg	4. Rs.40-50/- per kg	1.4.2007	



		Edible oil (Any one out of Refined Oil or Mustard Oil)	1 ltr. upto 2 family members & 2 ltr. more than 2 family members	Rs. 88/- per ltr.(Mustard Oil)	1.4.2007	
		Iodised Salt	1kg per ration card	Rs. 4 per kg/ per ration card	1.4.2007	
9	Mizoram	Nil	Nil	Nil	Nil	01.06.2023
10	Odisha	Nil	Nil	Nil	Nil	17.05.2023
11	Punjab	Pulses Urad dal under PMGKAY	1 Kg	-	2020	08.07.2020
		Atta under Atam Nirbhar Bharat (ANB)	5 Kg per Member	-	2020	
		Chana Whole under ANB	1/2 kg per member	-	2020	
12	Tamil Nadu तमिलनाडु	Tur Dal	1kg per card	Rs. 30/-	14.04.2007	07.11.2022
		Palmolein Oil	1ltr. per card	Rs.25/- per ltr.	14.04.2007	
13	Telangana	Nil	Nil	Nil	Nil	27.04.2023
14	Tripura त्रिपुरा	Masoor Dal	1kg/family per month to all Ration Card Holders.	For NFSA-Rs. 59.00/Kg & For Non-NFSA-Rs. 84.00/Kg	January, 2019	26.04.2023

		Sugar	1kg/family per month to all Ration Card Holders.	Rs. 23.00/kg	April, 2019	
		Salt	RC having (1 to 2 Members)- 1 kg/RC  RC having (3 to 5 Members)- 2 kg/RC  RC having (6 or above Members)- 3kg/RC	Rs. 7.00/Kg	1970	
		Tea	100 gm consumer pack, As per requirement by Beneficiaries	Rs.20.00/Packet	September, 2019	
		Soya Chunk	100 gm consumer pack, As per requirement by Beneficiaries	Rs.16.00/Packet	December, 2022	

		Non PDS product like FMCG products, SHG Products & Van-dhan Products	As per requirement by Beneficiaries	As open market price	January, 2022	09.04.2021  31.05.2023
15	Uttarakhand <b>उत्तराखंड</b>	DAL (Masoor & Urad Dal)	2 Kg. per card per month	<ul style="list-style-type: none"> <li>• Masoor dal @Rs. 62.00/Kg</li> <li>• Urad Dals @Rs. 71.00/Kg</li> </ul>	12.09.2019	09.04.2021
16	Jharkhand	Free Flow Iodized Salt	1Kg/family	Rs. 01.00	Since 2004-05	31.05.2023

Note: 25 State/UT Governments namely, Assam, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Punjab, Rajasthan, Sikkim, Tamil Nadu, Uttar Pradesh, Uttarakhand A&N Island, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep, Puducherry and Ladakh have reported that they are not distributing essential commodities in addition to wheat, rice, coarse-grain, sugar and SKO through PDS outlets.

**MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2023-2024) HELD ON WEDNESDAY, 8<sup>TH</sup> NOVEMBER, 2023**

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

Smt. Locket Chatterjee - Chairperson

**Members**

**Lok Sabha**

2. Shri Khagen Murmu
3. Shri Mitesh Rameshbhai Patel
4. Shri Ganesan Selvam
5. Dr. Amar Singh
6. Smt. Kavita Singh
7. Shri Vaithilingam Ve.

**Rajya Sabha**

8. Shri Sakaldeep Rajbhar
9. Shri C. Ve Shanmugam
10. Shri Prakash Chik Baraik

**SECRETARIAT**

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary
4. Shri Dong Lianthang Tonsing - Deputy Secretary

### LIST OF WITNESSES

<b>Sl No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri Sanjeev Chopra	Secretary (Food &PD)
2.	Shri Shantmanu	AS&FA
3.	Ms. Richa Sharma	AS (Policy & FCI)
4.	Shri Suneel Sachdeva	Director (NFSA)

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened to have briefing by the representatives of the Department of Food and Public Distribution on the subject 'Transforming Fair Price Shops'.

(The witnesses were called in)

3. The Chairperson, then welcomed the representatives of the Department of Food and Public Distribution to the sitting and invited their attention to Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings.

4. The Chairperson in the welcome remarks requested the witnesses to apprise the Committee about initiatives taken by the Department to strengthen the viability and profitability of Fair Price Shops, transformation by providing additional business avenues to FPS dealers and provision of value-added services at FPS, Collaboration with other Ministries/Departments for transforming Fair Price Shops, current status of Model Fair Price Shops, steps taken by DFPD for implementation of additional services at the FPS such as Common Service Centre (CSC) services, banking services through tie-up with banks/corporate BCs, sale of other commodities/general store items, details of roadmap drawn for FPS transformation, current status of Model Fair Price Shops,

constrains/challenges faced the Department and steps taken by the Department to address those challenges etc.

5. The representatives of the Department of Food and Public Distribution made a power point presentation before the Committee on the various aspects of the subject 'Transforming Fair Price Shops' such as progress of Fair Price Shop Automation, overview of Fair Price Shops, Improvement in Infrastructure of FPSs, Key benefits realized from FPS automation, Construction of model FPSs through MGNREGA etc.

6. The Committee then sought certain clarifications on the issues related to the subject such as steps taken/being taken by Government to improve the viability of FPSs, various constraints/challenges being faced by the Department/State Government for FPS transformation, details of roadmap drawn for FPS transformation, current status of Model Fair Price Shops, Steps taken by the Government to increase sale of non-PDS commodities at FPSs etc. The representatives of the Department replied to various queries raised/clarifications sought by the Members on the subject. The Committee directed the Department to furnish the written replies to those queries/clarifications which could not be clarified/replied to.

7. The Hon'ble Chairperson thanked the representatives of the Department of Food and Public Distribution for appearing before the Committee and furnishing valuable information on the subject.

[The Witnesses then withdrew]

8. xxxx xxxx xxxx xxxx.

A copy of the verbatim proceedings has been kept.

The Committee then adjourned.

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xxxx Matter does not relate to the Report.

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2023-2024) HELD ON TUESDAY, 5<sup>TH</sup> DECEMBER, 2023**

The Committee sat from 1600 hrs. to 1700 hrs. in Committee Room No. 4, Extension to Parliament House Annexe, New Delhi.

**PRESENT**

Smt. Locket Chatterjee - Chairperson

**Members**

**Lok Sabha**

11. Shri Shafiqur Rahman Barq
12. Ms. Debasree Chaudhuri
13. Shri Rajendra D. Gavit
14. Shri Khagen Murmu
15. Shri Mitesh Rameshbhai Patel
16. Shri Ganesan Selvam
17. Dr. Amar Singh
18. Smt. Himadri Singh
19. Smt. Kavita Singh
20. Shri Rajmohan Unnithan

**Rajya Sabha**

21. Dr. Ashok Bajpai
22. Shri Satish Chandra Dubey
23. Shri Baburam Nishad
24. Shri Rajmani Patel
25. Shri Prakash Chik Baraik

**SECRETARIAT**

5. Dr. Ram Raj Rai - Joint Secretary
6. Dr. Vatsala Joshi - Director
7. Dr. Mohit Rajan - Deputy Secretary
8. Shri Dong Lianthang Tonsing - Deputy Secretary

### LIST OF WITNESSES

<b>Sl No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri Sanjeev Chopra	Secretary (Food &PD)
2.	Shri Shantmanu	AS&FA
3.	Shri Ravi Shanakar	Director (PD)
4.	Shri Suneel Sachdeva	Director (NFSA)

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of the Department of Food and Public Distribution in connection with examination of the subject 'Transforming Fair Price Shops'.

(The witnesses were called in)

3. The Chairperson, then welcomed the representatives of the Department of Food and Public Distribution to the sitting and invited their attention to Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings.

4. The Chairperson in the welcome remarks requested the witnesses to apprise the Committee about initiatives taken by the Department to strengthen the viability and profitability of Fair Price Shops by providing additional business avenues to FPS dealers, collaboration with other Ministries/Departments to enable FPS dealers to provide additional services, various challenges faced the Department in the way of modernization of TPDS operations like inclusion & exclusion errors, leakage & diversion, fake/ineligible ration cards etc. and steps taken by the Department to address those challenges etc.

5. The representatives of the Department of Food and Public Distribution made a power point presentation before the Committee on the various aspects of the subject



'Transforming Fair Price Shops' such as progress of Fair Price Shop Automation, overview of Fair Price Shops, Key benefits realized from FPS automation, Update on Initiative to provide skill training to FPS Dealers, Enabling FPS with CSC Services in States/UTs, Working & Functions of Vigilance Committee.

6. The Committee then sought certain clarifications on the issues related to the subject such as Steps taken by the government to increase sale of non-PDS commodities at FPSs, steps taken by the government to provide loans at lower interest rates to FPS dealers for capital augmentation, coordination mechanism between the Central Government and State Governments for time-bound implementation of transformation process, current status of Model Fair Price Shops (FPS) and construction of FPSs under MGNREGA etc. The representatives of the Department replied to various queries raised/clarifications sought by the Members on the subject. The Committee directed the Department to furnish the written replies to those queries/clarifications which could not be clarified/replied to.

7. The Hon'ble Chairperson thanked the representatives of the Department of Food and Public Distribution for appearing before the Committee and furnishing valuable information on the subject.

[The Witnesses then withdrew]

A copy of the verbatim proceedings has been kept.

The Committee then adjourned.

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**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2023-24) HELD ON TUESDAY, 6<sup>TH</sup> FEBRUARY, 2024**

The Committee sat from 1030 hrs. to 1100 hrs. in Chairperson's Chamber, Room No. 140, Third Floor, Samvidhan Sadan, New Delhi.

**PRESENT**

Smt. Locket Chatterjee - Chairperson

**Members**

**Lok Sabha**

2. Dr. Farooq Abdullah
3. Shri Faizal P.P. Mohammed
4. Shri Rajendra Dhedyia Gavit
5. Shri Khagen Murmu
6. Shri Mitesh Rameshbhai Patel
7. Shri Ganesan Selvam
8. Dr. Amar Singh
9. Shri Rajmohan Unnithan

**Rajya Sabha**

10. Dr. Ashok Bajpai
11. Shri Satish Chandra Dubey
12. Dr. Fauzia Khan
13. Shri Baburam Nishad
14. Shri Sakaldeep Rajbhar

**SECRETARIAT**

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the following Draft Reports:

(i) xxxx xxxx xxxx xxxx;

(ii) Draft Report on the subject, 'Transforming Fair Price Shops' pertaining to the Department of Food and Public Distribution.

3. Thereafter, the Committee took up for consideration the Draft Reports.

4. After some deliberations, the Committee adopted both the Draft Reports without any amendments/modifications.

5. The Committee then authorized Hon'ble Chairperson to finalize the report and present/lay the same in both Houses of Parliament.

**The Committee then adjourned.**

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xxxx Matter does not relate to the Report.