

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:1550

ANSWERED ON:03.08.2010

ALLEGED CORRUPTION IN PDS

Ahir Shri Hansraj Gangaram; Joshi Shri Pralhad Venkatesh; Nirupam Shri Sanjay Brijkishorilal ; Owaisi Shri Asaduddin; Ram Shri Purnmasi; Shanavas Shri M. I.; Singh Shri Ganesh

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

- (a) whether the Public Distribution System in the country has been identified by the Wadhwa Committee as the most corrupt and inefficient, plagued by black marketing, bogus cards and diversion of food grains;
- (b) if so, the details thereof and the reaction of the Government thereon;
- (c) whether the Government proposes the use of IT enabled solution for services like stock registers and issuance of ration cards and also prevention of leakages;
- (d) if so, the details thereof and the assistance provided/proposed to be provided to the States in this regard; and
- (e) the details of fake ration cards detected and cancelled during each of the last three years, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b). Central Vigilance Committee has referred to certain deficiencies/shortcomings in the functioning of Targeted Public Distribution System (TPDS) and has made recommendations for strengthening of TPDS. A gist of recommendations contained in the Committee's reports, which are common to most of the States/UTs as well as report on Computerization of TPDS Operations, is at Annex-I. The reports of the Committee relating to States/ Union Territories (UTs) have been sent to concerned State/UT Governments to examine and send comments along with their action taken report. TPDS is operated under the joint responsibility of the Central and the State/UT Governments. The operational responsibilities for allocation of food grains within the States/UTs, identification of eligible Below Poverty Line (BPL) families, issuance of ration cards to them and supervision over and monitoring of functioning of Fair Price Shops (FPSs) rest with the concerned State/UT Government. Government has issued directions to State Governments to streamline functioning of TPDS by enforcing provisions of PDS (Control) Order, 2001. Besides this, the Government has also issued instructions to States/UTs to strengthen TPDS by improving monitoring mechanism and vigilance, increased transparency in functioning of TPDS, use of Information and Communication Technology (ICT) tools and improving the efficiency of Fair Price Shop operations.

(c)&(d) Government of India has approved implementation of the scheme of computerization of TPDS operations in phased manner to improve the efficiency and effectiveness of the TPDS. In the first phase, the scheme has been approved to be implemented on pilot basis in three districts each of Andhra Pradesh, Assam, Chhattisgarh and Delhi and piloting of food grain bag tracking in one district in Chhattisgarh with the outlay of Rs. 53.47 crore. First installment of Rs.14.77 crore (Andhra Pradesh – Rs.4.405 crore, Assam – Rs. 3.485 crore, Chhattisgarh – Rs.4.085 crore and Delhi – Rs.2.80 crore) has been released to the State Governments.

To improve quality of delivery of services under TPDS and to assess reliability of new technologies, a pilot scheme on Smart Card based delivery of essential commodities was approved for Chandigarh UT and Haryana with an outlay of Rs.142.29 crore. Under the scheme, existing ration cards are to be replaced by Smart Cards. These Smart Cards as well as Smart Card transaction terminals will store details of transactions of TPDS commodities issued. The delivery of essential commodities to Smart Card holder's families will be made from the fair price shops only after verification of genuineness of the smart card holder through smart card transaction terminal. The smart cards as well as smart card transaction terminals will store details of transactions of TPDS commodities issued. An amount of Rs.25 crore to the Government of Haryana, Rs.1.10 crore to Chandigarh UT and Rs. 1.00 crore to National Informatics Center (NIC) has been released in advance as first installment. Chandigarh UT Administration and Government of Haryana have completed trial run on 7th June, 2010 and 17th June, 2010 respectively.

(e): As reported by the State/UT Governments, the details of bogus/ineligible ration cards deleted and cancelled by them during 2008, 2009 and 2010 is at Annex-II.

ANNEX-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (b) OF THE UNSTARRED QUESTION No. 1550 FOR ANSWER ON 03.08.2010 IN THE LOK SABHA

CENTRAL VIGILANCE COMMITTEE REPORT ON TPDS IN STATES/UTs (RECOMMENDATIONS COMMON TO MOST STATES/UTs) AND REPORT ON COMPUTERISATION OF PDS OPERATIONS

1. Income criterion for poverty be revisited. This should not be less than minimum wage for agricultural labour.
2. Poverty in urban areas to be based upon minimum wage payable to an unskilled workman in the area.
3. Above Poverty Line (APL) as a category be abolished. Alternatively, the APL category be restricted to households having annual income of Rs. 1 lakh.
4. Global Positioning System (GPS) be installed on vehicles transporting TPDS foodgrains for tracking their movement.
5. Reconstitute and activate Vigilance Committees, which should meet at regular intervals.
6. Fair Price Shop (FPS) be allotted to persons or groups having kirana/ grocery stores. Sale of non-PDS rice and wheat not to be allowed from such FPS.
7. Fresh licenses to be granted in transparent manner.
8. Door step delivery of foodgrains to FPSs.
9. There is a need for rationalizing the number of beneficiaries attached to each FPS to make the shops financially viable.
10. Complaint redressal mechanism with 24 hour helpline for lodging complaints by beneficiaries and follow up action.
11. Supply of TPDS foodgrains in small packages of 5-10 kg in HDPE bags.
12. Facility of mobile FPS especially in remote/ tribal areas to be encouraged.
13. Zero tolerance towards corruption. Strict penal action/departmental action be taken against offenders. Strengthening of enforcement and anti-hoarding machinery.
14. Independent agency to monitor working of TPDS – Ombudsman/Regulator be set up.
15. Political influence in operation of TPDS should be done away with.
16. Introduction of computerisation of the entire distribution chain, right from the procurement process and ending with retail distribution by the FPS dealers.