

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

UNSTARRED QUESTION NO:4573

ANSWERED ON:30.08.2011

DIVERSION UNDER PDS .

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

- (a) whether any study/studies have been conducted on the functioning of the Public Distribution System by various agencies including Tata Economic Consultancy Services;
- (b) if so, the details and the outcome thereof;
- (c) whether the Government has launched/proposes to launch any campaign to stop diversion and black marketing of PDS items;
- (d) if so, the details and the outcome thereof; and
- (e) the details of the raids conducted to check diversion under PDS cases of diversion/black marketing unearthed, quantum and value of foodgrains seized and the action taken against those responsible during each of the last three years and the current year, State-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (e): Targeted Public Distribution System (TPDS) is operated under the joint responsibility of Central Government and State/Union Territory (UT) Governments. The Central Government is responsible for procurement, allocation and transportation of foodgrains upto the designated depots of the Food Corporation of India. The operational responsibilities for lifting and distributing the allocated foodgrains within the States/UTs, identification of eligible Below Poverty Line (BPL) families, issuance of ration cards to them and supervision over distribution of allocated foodgrains to eligible card holders through the Fair Price Shops (FPSs) are of the State/UT Governments. There had been complaints about shortcomings in TPDS, including diversion of foodgrains. For independent feedback, the TPDS was got evaluated by Tata Economic Consultancy Services (TECS), New Delhi (1998). TECS study reported diversion of wheat, rice and sugar in many States. Subsequently, TPDS has been got evaluated by Programme Evaluation Organization (PEO) of Planning Commission (2005) and ORG Marg, New Delhi (2005), National Council of Applied Economic Research (NCAER) (2007 & 2009) and Indian Institute of Public Administration (IIPA) (2010 & 2011). These studies have also reported leakages/diversion of foodgrains and inclusion / exclusion errors among others. Strengthening and streamlining of the TPDS is a continuous process. In order to maintain supplies and securing availability and distribution of essential commodities, Public Distribution System (Control) Order, 2001 notified on August 31, 2001 mandates the State and UT Governments to carry out all required action to ensure smooth functioning of TPDS. An offence committed in violation of the provisions of this Order is liable for penal action under the Essential Commodities Act, 1955. State and UT Governments have been directed in July 2006 to implement 9-point Action Plan for streamlining working of TPDS. Utilisation Certificates (UCs) for the foodgrains allocated to State Government are obtained regularly from the State Governments. Reports are also being sought periodically from State/UT Governments regarding irregularities in TPDS and the action taken by them on such cases. The State Governments/UT Administrations have reported action such as inspections, raids, issue of show cause notice/ lodging of FIR, suspension/cancellation of FPS licences, arrest/prosecution/conviction, etc. A statement is enclosed at Annexure. However, the quantum and value of foodgrains seized by States/UTs is not maintained. Further, instructions have been issued to all States/UTs to take action as per law against the families/persons found in possession of bogus/ineligible ration cards. As a result, States/UTs have reported deletion of 209.55 lakh bogus/ineligible ration cards from July, 2006 onwards. Government has regularly reviewed and also has issued instructions to States/Union Territories to strengthen functioning of TPDS by improving monitoring mechanism and vigilance, increased transparency in functioning of TPDS, adoption of revised Model Citizen's Charter, use of Information and Communication Technology (ICT) tools and improving the efficiency of Fair Price Shop operations.