

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

UNSTARRED QUESTION NO:2021

ANSWERED ON:17.12.2013

CORRUPTION IN PDS

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

- (a) whether corruption including leakages, diversion, issuance of fake cards etc. has adversely affected the operation of Targetted Public Distribution System (TPDS) and effective implementation of National Food Security Act (NFSA);
- (b) if so, the details thereof along with the instruments/regulations available with the Government to effectively monitor and check such cases in future;
- (c) whether the conference of Food Minister of States/UTs has also suggested certain measures to check corruption and effectively implement the scheme and if so, the details thereof and the reaction of the Government thereto;
- (d) the corrective steps taken/proposed to be taken in this regard including computerisation/digitalisation, developing scientific method for identification of beneficiaries, monitoring through Global Positioning System etc.; and
- (e) whether the Government has formulated/notified any regulations/norms regarding setting up of Fair Price Shops in the States and if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

(PROF. K.V. THOMAS)

(a) & (b): There have been complaints about irregularities in the functioning of Targetted Public Distribution System (TPDS) including leakages, diversion, etc. in some States / regions in the country. TPDS is operated under the joint responsibility of the Central and the State / UT Governments wherein the operational responsibilities for implementation of TPDS within States/UTs rest with the concerned State / UT Governments. Therefore, as and when complaints are received by the Government from individuals and organizations as well through press reports, these are referred to the State / UT Governments concerned for inquiry and appropriate action. In order to maintain supplies and securing availability and distribution of essential commodities, Public Distribution System (Control) Order, 2001 has been notified which mandates the State and UT Governments to carry out all required action to ensure smooth functioning of TPDS. As provided under the said Order, the State and UT Governments are to take action against those indulging in malpractices in TPDS by invoking provisions of clauses 8 & 9 of the said Order. An offence committed in violation of the provisions of this Order is liable for penal action under the Essential Commodities Act, 1955. State/UT Governments are also required to take action under Prevention of Black marketing and Maintenance of Supplies of Essential Commodities Act, 1980. Besides, State/UT Governments have also issued their respective PDS (Control) Orders in exercise of powers conferred under section 3 of the Essential Commodities Act, 1955. The National Food Security Act, (NFSA) 2013, notified on 10.09.2013, provides for reforms in the TPDS which inter-alia include doorstep delivery of foodgrains, application of information and technology tools including end-to-end computerization, full transparency of records, etc. NFSA, 2013, also provides for grievance redressal authorities at the District and State levels.

(c) & (d): A Conference of Food Ministers and officials of States/UTs was held on 30th September – 1st October, 2013 in New Delhi to discuss issues relating to implementation of NFSA, 2013. The Conference inter-alia recommended evolving fair and transparent criteria for correct identification of beneficiaries, actual identification of beneficiaries in a transparent and foolproof manner, strengthening of TPDS including door-step delivery of foodgrains, completion of ongoing activities for computerization of TPDS in a time-bound manner, completion of the storage capacities sanctioned under Private Entrepreneurs Guarantee (PEG) scheme etc. The recommendations of the Conference have been sent to all States / UTs for necessary action. As part of the steps taken for modernisation of the TPDS, Government has approved Component-I of the Plan Scheme for End-to-End Computerisation of TPDS Operations, which inter-alia comprises digitization of ration card/beneficiary and other databases, computerization of supply-chain management, setting up of transparency portal and grievance redressal mechanisms. Since the above-referred scheme already covers computerisation of the supply-chain management, use of Global Positioning System (GPS) is not required.

(e): The Public Distribution System (Control) Order, 2001 inter-alia stipulates that State Governments shall issue an order under section 3 of the Essential Commodities Act, 1955 for regulating the sale and distribution of the essential commodities. The licenses to the Fair Price Shop (FPS) owners are issued by the 'designated authority' appointed by the State Governments. Government has

advised States/UTs from time to time to take necessary measures such as giving preference to self-help groups, cooperatives, panchayats, etc. for grant of FPS licenses, improving the viability of FPSs, etc. Further action to ensure effective functioning of FPSs is to be taken by the State Governments/UT Administrations.