

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

STARRED QUESTION NO:7

ANSWERED ON:24.02.2015

CORRUPTION IN PDS

Adsul Shri Anandrao ;Vellaigounder Shri Elumalai

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

(a) the quantum of various items allocated and actually distributed under the Public Distribution System (PDS) during each of the last three years and the current year, State-wise;

(b) whether the Government has taken note of the cases of corruption/irregularities in the PDS including diversions and thefts drawing criticism from various agencies including the Central Vigilance Commission;

(c) if so, the details thereof and the reaction of the Government thereto indicating the quantum of subsidy provided and the extent of diversion/theft reported during each of the last three years and the current year, State-wise; and

(d) whether the Government has formulated any programme/ scheme including computerisation of PDS and direct cash transfer to check corruption/irregularities and loss of subsidy; if so, the details thereof and the action taken thereon?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAMVILAS PASWAN)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 07 DUE FOR ANSWER ON 24.02.2015 IN THE LOK SABHA

(a): State-wise details of the allocation and offtake of foodgrains (rice and wheat) under Targeted Public Distribution System (TPDS), allotment of PDS Kerosene (SKO) and sugar during the last three years and current year are at Annex I to VII.

(b) & (c): There have been complaints about alleged irregularities in the functioning of TPDS including diversions, theft of foodgrains etc. in some States/ regions in the country. TPDS is operated under the joint responsibilities of the Central and the State/ UT Governments wherein the operational responsibilities for its implementation within the State/UT rest with concerned State/UT Governments. Therefore, as and when complaints are received by the Government from individuals and organizations as well as through press reports, these are referred to the State/UT Governments concerned for inquiry and appropriate action. State/UT-wise number of complaints received during the last three years and the current year is at Annex-VIII.

For better targeting of food subsidies, removing bogus ration cards, ensuring timely availability of foodgrains, check on leakage/diversion of foodgrains, introducing public accountability, etc., Government has taken various steps in implementation of the TPDS in States/UTs. The PDS (Control) Order, 2001 mandates the States/UTs to take action for smooth functioning of TPDS. The National Food Security Act(NFSA), 2013 prescribes essential reforms in the TPDS. Government has taken up with States/UTs for implementing measures such as door-step delivery of foodgrains, correct identification of beneficiaries, improve foodgrains offtake, monitoring and vigilance, improving viability of fair price shop operations. Best practices among States/UTs in TPDS implementation are shared for use by other States/UTs. With a view to modernize the system, the Government has initiated a Plan Scheme on End-to-end Computerisation of TPDS Operations on cost sharing basis with States/UTs which would facilitate digitization of ration cards/beneficiary and other databases, computerisation of supply-chain management, setting up of transparency portals and grievance redressal mechanisms.

States/UTs participating in the Decentralized Procurement Scheme (DCP), undertake procurement of foodgrains on behalf of Govt. of India and its distribution under TPDS and Other Welfare Schemes. Difference between the State specific economic cost and the Central Issue Price is released to the DCP States as food subsidy. In the case of non-DCP States, they are provided foodgrains at subsidized rates by Food Corporation of India (FCI) and the subsidy is paid to FCI. The details of subsidy provided during the last three years and the current year are at Annex IX. No data regarding the quantum of diversion/theft, based on any recent evaluation study, is available. However, based on surveys of National Sample Survey Organization (NSSO), estimates of diversion from PDS have been inferred in certain studies which are only indicative in nature.

(d) This Department is implementing a Plan Scheme on 'End-to-end Computerisation of TPDS Operations' under 12th Five Year Plan (2012-17) on cost sharing basis with the States/UTs. Component-I of the Scheme was approved by Cabinet Committee on Economic Affairs (CCEA) in October, 2012 with funding requirement of Rs. 884.07 crore which includes Govt. of India's share of Rs. 489.37

crore and States/UTs' share of Rs. 394.70 crore. Costs are being shared on 90:10 basis in respect of North Eastern States and on 50:50 basis with other States/UTs. So far, financial assistance has been provided to 25 States/UTs. Direct transfer of cash subsidy is one of the options discussed in various forum for checking diversion of foodgrains. Its implementation however depends upon readiness of States/UTs in terms of digitization and de-duplication of beneficiary data-base seeded with bank account numbers and it can be taken upon specific requests from States/UTs.