

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

UNSTARRED QUESTION NO:1367

ANSWERED ON:03.03.2015

LEAKAGES IN PDS .

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

(a) whether any micro ground level research has been conducted regarding the leakages of foodgrain through the Public Distribution System (PDS), if so, the details and the outcome thereof indicating the names of the States where the leakages have been maximum, State-wise;

(b) whether the introduction of Information Technology including digitization of records, GPS installation, smart return etc. has resulted in sharp fall in grain leakages in Public distribution System between 2004-2005 and 2011-2012;

(c) if so, the details thereof indicating the names of the States that have achieved complete digitization and the time by which it is likely to be completed in other States, State-wise;

(d) whether the Government proposes to launch alternate schemes including cash transfer under PDS to plug these leakages, if so, the details and the present status thereof; and

(e) whether the Committee constituted to suggest measures for improving PDS has submitted its report, if so, the details thereof indicating the observations and recommendations made and the action taken thereon; and

(f) the steps taken to increasingly deploy IT in PDS and make it more effective along with the assistance being provided to the States for the purpose?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAOSAHEB PATIL DANVE)

(a) & (b): No, Madam. No such ground level study has been conducted in recent years.

However, based on National Sample Survey Office (NSSO) data on consumption expenditure and off-take of foodgrains, some independent researchers have inferred about the extent of leakages from PDS, which are only indicative in nature. Using this approach, it has been observed in a recent paper by Prof. Jean Dreze and Ms. Reetika Khera in the Economic & Political Weekly that there has been a decline in the leakages from PDS, from 54% in 2004-05 to 42% in 2011-12. It has been further observed that this decline has been driven by States which have taken serious PDS reforms in recent years.

(c): With a view to modernise the PDS and to check leakages and diversion, Government is implementing a scheme on End-to-end Computerisation of TPDS Operations, which inter- alia includes digitisation of beneficiary data base. As reported by States/Union Territories (UTs), ration cards/beneficiary data base has been digitised in 20 States namely Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Sikkim, Tamil Nadu, Telangana and in all 7 UTs. However, the progress among remaining States is uneven due to delay in finalization of action plans by States, late submission of their financial proposals, practical problems faced during implementation, promulgation of NFSA, etc. They have been requested to complete the digitisation of ration card/beneficiary database at the earliest.

(d): There are various methods to check leakages and diversion of foodgrains. Direct Transfer of Cash Subsidy is one of such options, which has also been discussed in various forums. Its implementation however depends upon readiness of States/UTs in terms of digitization and de-duplication of beneficiaries database, seeded with bank accounts numbers, and it can be taken upon specific request from States/UTs.

(e): No such committee has been constituted.

(f): The Department is implementing a Plan on End-to-end Computerisation of TPDS Operations under 12th Five Year Plan (2012-17) on cost sharing basis with the States/ UTs. Costs are being shared on 90:10 basis in respect of North Eastern States and on 50:50 basis with other States/UTs.