

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

RAJYA SABHA
UNSTARRED QUESTION NO.2437
TO BE ANSWERED ON 17TH DECEMBER, 2024

TRANSFORMATION OF FPSs INTO JPKs

2437 **SHRI RANDEEP SINGH SURJEWALA:**

Will the Minister of *Consumer Affairs, Food and Public Distribution* be pleased to state:

- (a) the details regarding the transformation of Fair Price Shops (FPS) into Jan Poshan Kendras (JPK), including the framework, functions and ownership structure of these centers;
- (b) the details of the method of compensating the dealers after the transformation since Fair Price Shop dealers are being paid margin money as handling charges by the State Government;
- (c) considering that Fair Price Shops are established by the State Government, in what manner the revenue earned by Jan Poshan Kendras will be handled, the details thereof; and
- (d) the procedure and framework for changing FPS dealership and in what manner the Invoice-based Financing loans will be repaid in such cases?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a): The Department of Food and Public Distribution has launched a pilot study to transform FPSs into 'Jan Poshan Kendras' (JPKs) in 60 FPSs-15 each in Ghaziabad, Jaipur, Ahmedabad, and Hyderabad.

The Government of India has undertaken the JPK pilot study to enhance the financial viability of FPS dealers while focusing on improving nutritional outcomes of the beneficiaries. The Government of India, in association with respective States, has been providing handholding assistance to these FPS shops by partnering with Small Industries Development Bank of India (SIDBI) for provision of working capital in the form of invoice financing and B2B online wholesale aggregators for sale of non-PDS items with particular focus on nutritional-dense items.

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Further, to address the skill development challenges, the department has imparted capacity building training through the Ministry of Skill Development & Entrepreneurship (MSDE) to boost the confidence of FPS owners and equip them with the essential entrepreneurship skills required for venturing into new business avenues.

The FPS dealers based on their interest and willingness may transform their shops into JPKs.

(b): Targeted Public Distribution System (TPDS) under the National Food Security Act, 2013 (NFSA) is operated under the joint responsibility of the Central and the State/UT Governments. The operational responsibility including issuance of licenses to Fair Price Shops (FPSs), supervision and monitoring of the functioning of Fair Price Shops etc., rest with the concerned State/UT Government. As per sub-clause (7) of clause 9 of the TPDS (Control) Order, 2015, the State Government shall fix an amount as the fair price shop owner's margin, which shall be periodically reviewed for ensuring sustained viability of the fair price shop operations. As per sub-clause (9) of Clause 9, the State Government shall allow sale of commodities other than the foodgrains distributed under the TPDS at the fair price shops to improve the viability of the fair price shop operations. Central Government has no role to play in determining the actual rate of fair price shop dealers' margin and payment thereof to FPS dealers.

The Central Government only provides the assistance to States/UTs for meeting the expenditure towards intra-State movement & handling of foodgrains and fair price shop dealers' margin under the NFSA in accordance with the provisions of Food Security (Assistance to State Governments) Rules, 2015 which inter-alia provides for norms of expenditure and pattern of central sharing. The Rules inter-alia provides for Central assistance towards basic margin and additional margin on the basis of actual quantity of foodgrains distributed to identified beneficiaries.

(c): There is no scheme or financial aid by the government for the JPK pilot. FPS dealers are identified and selected based on their willingness and interest by the states and onboarded to diversify in sale of non-PDS commodities. The additional revenue stream aims to enhance their financial viability.

(d): FPS dealers are identified and selected by the state government based on their willingness and interest to transform into JPKs. The department has partnered with SIDBI to offer working capital support to FPS dealers through an invoice financing credit model, providing them easier access to credit and finance. The invoice-based financing loans are repaid through the FPS Sahay mobile application developed by SIDBI.
