

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

LOK SABHA
UNSTARRED QUESTION NO. 607
TO BE ANSWERED ON 06TH FEBRUARY, 2018

LOSSES DUE TO CORRUPTION IN PDS

607. SHRI BHARTRUHARI MAHTAB:
SHRI RAHUL SHEWALE:
SHRI SANJAY DHOTRE:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government has conducted any evaluation study to check losses due to corruption and leakages in Public Distribution System (PDS) during each of the last three years and the current year;
- (b) if so, the details and outcome thereof and if not, the reasons therefor;
- (c) the number of cases of corruption and leakages in PDS that have come to the notice of the Government across the country during the said period along with the action taken thereon so far, State/UTwise;
- (d) whether the Government proposes to review the functioning of the PDS to address the issue of corruption/ leakages and other shortcomings;
- (e) if so, the details thereof and if not, the manner in which corruption/leakages and other shortcomings are likely to be addressed for effective implementation of the PDS in the country; and
- (f) the other steps taken/being taken by the Government in this regard?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a)&(b) An evaluation study on the functioning of TPDS/NFSA in six selected States i.e Assam, Bihar, Chhattisgarh, Karnataka, Uttar Pradesh and West Bengal was conducted by National Council of Applied Economic Research (NCAER) in 2014-15. The study revealed certain shortcomings/ deficiencies in the functioning of TPDS/NFSA such as inclusion/exclusion errors and leakages/ diversion of foodgrains, details of which are at Annexure -I & II. The evaluation study report submitted by NCAER was sent to the States concerned for taking necessary remedial measures.

(c) Targeted Public Distribution System (TPDS) is operated under the joint responsibility of the Central and the State/UT Governments. 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 allocation and distribution of foodgrains within the States/UTs, identification of eligible beneficiaries, issuance of ration cards to them and supervision over and monitoring of functioning of Fair Price Shops (FPSs) etc. rest with the concerned State /UT Governments. They are also competent to take action against those indulging in malpractices in TPDS by invoking provisions of relevant clauses of TPDS Control Order, 2015. Accordingly, complaints received in this department are forwarded to concerned State/UT for taking appropriate action. The number of complaints, received in the department during the last three years and current year, with respect to different State/UT Governments, is at Annexure-III.

National Food Security Act, 2013 provides for State Food Commission, District Grievance Redressal Officer, Vigilance Committees at FPS, Block, District, and State levels and social audit for the review and monitoring of the functioning of PDS.

(d) to (f) For effective implementation of the Public Distribution System (PDS), Government is implementing a scheme on "End-to-end Computerization of Targeted Public Distribution System (TPDS) Operations". The scheme comprises digitization of ration cards/beneficiary and other databases, online allocation, computerization of supply-chain management, setting up of transparency portal and grievance redressal mechanisms. Besides, Central Govt. has also asked States/UTs to opt for any of the two models of Direct Benefit Transfer – Cash transfer of food subsidy into the bank account of beneficiaries or Fair Price Shop (FPS) automation, which involves installation of Point of Sale (PoS) device at FPS, for authentication of beneficiaries and electronic capturing of transactions. The cash transfer of food subsidy is being implemented in 3 UTs namely Chandigarh, Puducherry w.e.f. 01-09-2015 and partially in Dadra & Nagar Haveli w.e.f. 01-03-2016. So far, more than 2.94 lakhs out of 5.27 lakhs, FPSs have been automated across the country.

ANNEXURE I

ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE UNSTARRED QUESTION NO. 607 DUE FOR ANSWER ON 06.02.2018 IN THE LOK SABHA.

(Study awarded – March,2014)
(Report submitted- September, 2015)

Inclusion/Excusion errors indicated in NCAER Report:

Sl. No.	State	Inclusion Error (in %)	Exclusion Error (in %)
1.	Assam	28.49	70.84
2.	Bihar	18.38	30.45
3.	Chhattisgarh	22.09	1.93
4.	Karnataka	31.24	16.02
5.	Uttar Pradesh	22.16	63.12
6.	West Bengal	46.6	29.77

ANNEXURE II

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE UNSTARRED QUESTION NO. 607 DUE FOR ANSWER ON 06.02.2018 IN THE LOK SABHA.

Consolidated figures of leakages/diversion of foodgrains (rice & wheat) indicated in NCAER Reports.

A. NFSA states

S. No.	State	Leakage (in%)
1.	Bihar	16.28
2.	Chhattisgarh	6.95
3.	Karnataka	17.34

B. Non- NFSA states

S.No.	State	Card category	Leakage (in %)	Overall average leakage (in %)
1.	Assam	APL	70.68	39.86
		BPL	36.76	
		AAY	12.13	
2.	Uttar Pradesh	APL	35.29	24.43
		BPL	32.87	
		AAY	5.13	
3.	West Bengal	APL	38.75	25.84
		BPL	28.19	
		AAY	10.59	

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE UNSTARRED QUESTION NO. 607 DUE FOR ANSWER ON 06.02.2018 IN THE LOK SABHA.

STATEMENT: COMPLAINTS ON TPDS RECEIVED IN THE DEPARTMENT FROM INDIVIDUALS, ORGANISATIONS & THROUGH MEDIA REPORTS ETC FROM 2015 TO 2018 (upto 31.01.2018)

S. No.	State/UT	2015	2016	2017	2018
1	Andhra Pradesh	8	5	10	2
2	Arunachal Pradesh	1	-	-	-
3	Assam	34	32	17	2
4	Bihar	106	81	169	18
5	Chhattisgarh	6	9	9	1
6	Delhi	113	91	98	7
7	Goa	-	1	2	-
8	Gujarat	8	12	9	1
9	Haryana	35	34	47	3
10	Himachal Pradesh	4	5	6	-
11	J&K	5	3	4	-
12	Jharkhand	32	29	35	7
13	Karnataka	16	22	28	1
14	Kerala	16	22	13	-
15	Madhya Pradesh	17	24	21	1
16	Maharashtra	48	62	77	3
17	Manipur	6	4	2	2
18	Meghalaya	7	9	-	-
19	Mizoram	-	-	2	-
20	Nagaland	-	2	2	-
21	Orissa	22	43	22	3
22	Punjab	10	7	5	2
23	Rajasthan	33	59	82	5
24	Sikkim	-	-	-	-
25	Tamil Nadu	22	33	31	2
26	Telangana	10	1	4	-
27	Tripura	-	1	1	-
28	Uttarakhand	24	21	22	2
29	Uttar Pradesh	197	461	445	41
30	West Bengal	32	29	49	2
31	A&N Island	-	1	-	-
32	Chandigarh	6	2	-	-
33	D& N Haveli	-	1	-	-
34	Puducherry	-	-	1	-
TOTAL		818	1106	1213	105