

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

LOK SABHA
UNSTARRED QUESTION NO.287
TO BE ANSWERED ON 24th JULY, 2024

NON-VIABLE CONDITIONS OF FAIR PRICE SHOPS

287 PROF. SOUGATA RAY:

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 is aware of the non-viable conditions of Fair Price Shops of the country;
- (b) if so, the details thereof;
- (c) whether the Government has taken any action to ensure minimum income of Rs. 50,000/- per month to each Fair Price Shop by enhancing or margin;
- (d) if so, the details thereof;
- (e) the steps taken so far by the Government to ensure the implementation of various assurances given by the Government on 16.12.2022 regarding various issues faced by Fair Price Shops; and
- (f) the details of steps taken by the Government to manage the handling loss?

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

(a) & (b): The Public Distribution System (PDS) is operated under joint responsibilities of the Central and State/UT Governments. The operational responsibilities such as licensing and monitoring of Fair Price Shops (FPSs) rest with the respective State/UT Government.

As per sub-clause (9) of Clause 9 of the Targeted Public Distribution System (TPDS) Control Order, 2015, 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.

It has been the endeavor of the Government to improve the financial viability of Fair Price Shops (FPSs) by providing additional business avenues to FPS dealers and enhancing beneficiary experience through the provision of value-added services at FPS. To improve the financial viability of FPSs, Government of India has requested all State/UT Governments to take up initiatives through FPSs such as providing Common Service Centre (CSC) services, Banking services through tie-up with banks/ corporate Banking Correspondents, Banking and citizen-centric services of India Post Payment Bank (IPPB), Retail selling of small (5kg) LPG cylinders, Sale of other commodities/ general store items etc.

(c) to (d): 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.

Central Government has no role to play in determining the actual rate of fair price shop dealers' margin/ commission/ honorarium etc. 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. In order to ensure viability of Fair Price Shops, the norms of FPS Dealers margin has also been enhanced.

Further, the State Governments are free to fix the actual rates, which can be higher than the norms specified in the rules. Central assistance will be limited to the rates specified in the Rules or the actual average rates for the State as a whole, at which the expenditure was actually incurred by the State Government, whichever is lower.

At present, no proposal for further enhancement of margin is under consideration by the Department of Food & Public Distribution, Government of India.

(e): With regard to reply furnished by Govt of India on 16.12.2022 for Rajya Sabha Un-Starred Question Number 1214 raised by Hon'ble MP Shri Binoy Viswam, it is informed that, at present, due to aadhar seeding and installation of ePoS devices at the FPSs, more than 98% of transactions in the country are done through biometric authentication on the monthly basis, bringing transparency in the system. However, all the states/UTs have also been advised that no genuine beneficiary/household shall be denied from receiving entitled quota of subsidized food grains only for want of aadhar or due to failure of biometric/aadhar authentication due to network/connectivity /linking related issues, other technical reasons or poor biometrics of the beneficiary.

(f): Government of India has taken a number of initiatives to keep operational losses such as storage and transit losses at barest minimum levels which includes periodical inspections/monitoring, periodical prophylactic and curative treatment of foodgrains stocks, installation of CCTV cameras and barbed wire fencing the boundary walls, spreading of polythene sheet on the floor of railway wagons, implementation of high security cable seals on wagons and deployment of independent Consignment Certification Squad (ICCs) etc.
