

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

**LOK SABHA**  
STARRED QUESTION NO.22  
TO BE ANSWERED ON 27<sup>th</sup> NOVEMBER, 2024

**TRANSFORMATION OF FPSs INTO JAN POSHAN KENDRA**

\*22 SHRI EATALA RAJENDER:  
SMT. D K ARUNA:

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

- (a) whether the Union Government has launched a programme to transform Fair Price Shops (FPSs) into Jan Poshan Kendra and if so, the facts along with the objectives thereof including the names of the States selected therefor;
- (b) the number of Fair Price Shops transformed in various States particularly in Amroha and Hapur districts of Amroha Parliamentary Constituency of Uttar Pradesh;
- (c) whether there is a need to further strengthen food security ecosystem while bringing in transparency, ensuring strict quality control, curb malnutrition and also prevent leakages in the system and if so, the details of the steps taken by the Union Government in this regard;
- (d) whether the dealers of these shops across India have demanded to raise their income level; and
- (e) if so, the response of the Union Government thereon and the steps taken to provide solution to the demand of said dealers?

**A N S W E R**  
MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION AND  
MINISTRY OF NEW AND RENEWABLE ENERGY  
(SHRI PRALHAD JOSHI)

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(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO. 22 FOR ANSWER ON 27.11.2024 IN THE LOK SABHA.

**(a) and (b):** The Department of Food and Public Distribution has launched a pilot program to transform the 60 Fair Price Shops (FPSs) into Jan Poshan Kendra on 20<sup>th</sup> August, 2024.

This pilot program has been launched in the states/districts of Gujarat (Ahmedabad), Telangana (Hyderabad), Rajasthan (Jaipur) and Uttar Pradesh (Ghaziabad).

The Government of India has undertaken this pilot program 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 and B2B online wholesale aggregators for sale of non-PDS items with particular focus on nutritional-dense items. 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.

**(c):** Government of India has undertaken various technology-based interventions in the Public Distribution System (PDS) to improve transparency in operations, prevention of leakages and diversion of food grains.

As part of the technology driven Public Distribution System (PDS) reforms, with the aim to improve the efficiency and transparency of the PDS and to address various challenges such as leakages and diversion of foodgrains, ration cards/beneficiaries database have been completely digitized in all States/UTs. The transparency portal and online grievance redressal facility/Toll-free number have been implemented in all States/UTs. Also, online allocation has been implemented in all States/UTs (except UTs of Chandigarh and Puducherry which have adopted DBT Cash Transfer scheme) and supply chain has been computerized in 31 States/UTs. Further, more than 5.41 Lakh out of total 5.43 Lakh Fair Price Shops (FPSs) in the country have been automated by installing ePoS devices for the distribution of foodgrains in a transparent manner (electronically) through biometric/ Aadhaar authentication of beneficiaries.

Further, this Department has formulated and issued a Quality Control Manual, in order to maintain the quality standards of foodgrains from procurement to its distribution to the eligible beneficiaries through various social security programmes of Government of India.

The Act provides that pregnant women and lactating mothers and children in the age group of 6 months to 14 years are entitled to meals as per prescribed nutritional norms under Integrated Child Development Services (ICDS) and PM-POSHAN schemes. Higher nutritional norms are prescribed for malnourished children upto 6 years of age. In order to improve the nutritional standards in targeted beneficiaries, the Government has revised the nutritional norms specified in Schedule-II of the Act, vide notification dated 25.01.2023.

In order to achieve uniform nutritional impact of fortified rice among the targeted population, the Government of India is supplying fortified rice throughout the Targeted Public Distribution System (TPDS), Pradhan Mantri Poshan Shakti Nirman (PM POSHAN) Scheme, and Integrated Child Development Services (ICDS) Scheme and in Other Welfare Schemes (OWS) in all States and Union Territories (UTs). The initiative was scaled up in three phases - Phase I (2021-22) covering ICDS & PM-POSHAN, Phase II (2022-23) covering ICDS, PM-POSHAN and 291 Aspirational & High Burden districts under TPDS and Phase III (2023-24) covering ICDS, PM POSHAN and all districts under TPDS. Custom-milled rice has been replaced with fortified rice in every scheme of the Government and 100% coverage of distribution of fortified rice has been achieved by March, 2024. The Cabinet has approved the continuation of this Central Sector Initiative (fully funded by the Government) upto December, 2028.

The Act also provides for a robust Grievance Redressal and Transparency mechanism i.e. Vigilance Committees, Social Audit etc. to facilitate implementation of provisions of the Act.

Public Distribution System (PDS) is operated under the joint responsibility of the Central and State/UT Governments. Central Govt. is responsible for procurement, allocation and transportation of foodgrains upto the designated depots of the FCI. The operational responsibilities for allocation and distribution of foodgrains within the States/UTs, identification of eligible beneficiaries/families, issuance of ration cards to them and supervision and monitoring of functioning of Fair Price Shops (FPSs) rest with the concerned State/UT Government. Helpline number 1967/ 1300-State series number is operational in all the States/ UTs for contacting and redressal of their grievances and filing any type of complaints by the NFSA beneficiaries. As and when complaints including leakages and corruption are received in this Department from any source, they are sent to State/UT Governments concerned for inquiry and appropriate action.

An offence committed in violation of the provisions of TPDS (C) Order, 2015 is liable for penal action under the Essential Commodities Act, 1955. Thus, the Order empowers State/UT Governments to take punitive action in case of contravention of relevant provisions of these Orders.

**(d) and (e):** Representations are received from various Fair Price Shop Dealer Associations registered across the country from time to time regarding enhancement of their margin. The same was examined and reply was given stating that:

i. 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.

ii. Central Government has no role to play in determining the actual rate of fair price shop dealers' margin/commission/honorarium etc. and making payment to fair price shops. 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 was enhanced as per the details given below:

Category of States	Component of FPS margin	Pre-revised norms (Rate in rupee per quintal) (Upto 31.03.2022)	Revised norms (Rate in rupee per quintal) (W.e.f. 01.04.2022)
General Category States/UTs	FPS Dealers Margin	70	90
	Additional margin	17	21
Special category States/UTs	FPS Dealers Margin	143	180
	Additional margin	17	26

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.

iii. At present, no proposal for further enhancement of margin is under consideration by the Government.

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