

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

LOK SABHA
UNSTARRED QUESTION NO.2586
TO BE ANSWERED ON 11TH DECEMBER, 2024

NON-VIABLE CONDITIONS OF FAIR PRICE SHOPS

2586. 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 concerned about the non-viable conditions of the Fair Price Shops across the country;
- (b) if so, the steps taken to ensure their viability with a minimum margin of Rs. 50,000/- per month per shop;
- (c) the steps taken by the Government to minimize the harassment of the rationees due to non-availability of network, server down, mis-match of fingerprints, etc.; and
- (d) the reasons for not allowing sale of various essential commodities through fair price shops for enhancing their viability which helps to check the spiralling prices of such commodities?

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

(a): 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.

Further, a Jan Poshan Kendra pilot study is being conducted to improve viability of 60 FPSs across 4 cities, i.e. Hyderabad, Ghaziabad, Jaipur and Ahmedabad. 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.

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.

(b): 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 in April 2022.

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.

(c): All States/UTs have been advised that no genuine beneficiary or household shall be denied from receiving entitled quota of subsidized foodgrains only for want of Aadhaar or due to failure of biometric/Aadhaar authentication due to network/connectivity/linking related issues, other technical reasons, or poor biometrics of the beneficiary. It is also advised that Aadhaar authentication of beneficiaries either biometrically or IRIS or through Aadhaar-OTP (SMS on beneficiary mobile) through ePoS device should be the most preferred mode of authentication. Alternatively, PDS-OTP (SMS on beneficiary mobile), if available, may also be used to authenticate the transaction. If any States/UT devise any other methodology of authentication of beneficiaries during distribution of foodgrains, then, concerned State/UT may ensure that such distribution takes place in the presence of a responsible Government Officer/Employee for ensuring the delivery of foodgrains to right persons/beneficiaries. It is also suggested that transaction receipt from ePoS device must be given to all beneficiaries after the transaction in case of PM-GKAY.

(d): 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.
