

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

**LOK SABHA**  
UNSTARRED QUESTION NO.2619  
TO BE ANSWERED ON 11<sup>TH</sup> DECEMBER, 2024

**CORRUPTION IN PUBLIC DISTRIBUTION SYSTEM**

2619. SHRI SUBBARAYAN K:  
COM. SELVARAJ V:

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

- (a) whether Government's attention has been drawn to a report made analyzing data from the Household Consumption Expenditure Survey (HCES) and Food Corporation of India (FCI's) monthly off take numbers from August 2022 to July 2023 wherein it is estimated that nearly 28% of foodgrains supplied by FCI and State Governments never reached the intended beneficiaries and the economic loss to the exchequer is estimated to be more than Rs. 69,000 crore;
- (b) if so, the details thereof; and
- (c) the details of the reforms proposed to be made to address the corruption in the public distribution system?

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

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(a) to (c): The Targeted Public Distribution System (TPDS) is governed under National Food Security Act (NFSA), 2013 and it is operated under the joint responsibility of the Central and the State/ Union Territory (UT) governments. The operational responsibilities for allocation of foodgrains within the States/ UTs, identification of eligible beneficiaries, issuance of ration cards to them, distribution of foodgrains to the eligible beneficiaries under TPDS, issuance of license to the Fair Price Shop dealers, supervision over and monitoring of functioning of Fair Price Shops (FPSs) etc. rest with the concerned State/ UT Governments.

The report of 28% food grains do not reach beneficiaries erroneously conflates offtake and distribution. Offtake refers to the quantity of food grains lifted by the States from the Central depots, while distribution represents the delivery of these grains to the beneficiaries. Offtake figures also account for stocks in transit, buffer allocations, operational reserves and stock for OWS (other welfare schemes) which are not immediately distributed to the households. By failing to account for these distinctions, the report's leakage estimates are fundamentally incorrect.

Under the technology driven Public Distribution System (PDS) reforms, ration cards/beneficiaries database have been completely digitized in all States/UTs also 99.8% Ration Cards are seeded with Aadhaar number at national level. Foodgrain distribution is operationalised through 5.41 lakh e-PoS devices, covering nearly all Fair Price shops in the country. These e-PoS devices enable Aadhar authentication of beneficiary during distribution process enabling principle of rightful targeting. About 98% foodgrain distribution is being done through Aadhaar authentication, reducing leakages to ineligible beneficiaries and ensuring rightful targeting.

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