

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

LOK SABHA
STARRED QUESTION NO. 59
TO BE ANSWERED ON 23RD JULY, 2025

SUPPORT FOR FAIR PRICE SHOPS

***59. SHRI CAPTAIN VIRIATO FERNANDES:**

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government is aware of the financially non-viable Fair Price Shops (FPSs) in Goa with several shops closed and over 400 shops facing financial distress and pending commission dues of nearly Rs. one crore;
- (b) the details of specific measures being taken by the Government to support these FPSs and ensuring their long-term viability under the Public Distribution System other than Common Service Centres (CSCs) scheme; and
- (c) the manner in which the Government plans to assist in the effective implementation of initiatives like the 'Compensation to FPS Dealers' scheme and the Jan Poshan Kendra programme to address challenges such as low profit margins, operational losses and declining ration card usage, while ensuring uninterrupted access to subsidised foodgrains for beneficiaries in Goa?

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA
STARRED QUESTION NO. 59* FOR ANSWER ON 23rd JULY, 2025 REGARDING
'SUPPORT FOR FAIR PRICE SHOPS'

(a) to (c): 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 Rule 8 of the Food Security (Assistance to State Governments) Rules, 2015, it is responsibility of the State Government to ensure the payment of fair price shop dealers' margin in advance by way of adjusting the same in prices of foodgrains to be paid by fair price shop dealers, or through other appropriate mechanism. If the price of foodgrains payable by fair price shop dealers in any State or Union territory is lower than the fair price shop dealers' margin, the State Government shall ensure upfront payment of margin, in full, to fair price shop dealers. Thus, the Central Government has no role in fixing the actual rate of fair price shop dealers' margin or payment thereof to FPS dealers.

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 (as amended from time to time) 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 31st March, 2022)	Revised norms (Rate in rupee per quintal) (w.e.f. 1.4.2022)
General Category States/UTs	Transportation & handling	65	70
	FPS Dealers Margin	70	90
	Additional margin	17	21
Special category States/UTs	Transportation & handling	100	105
	FPS Dealers Margin	143	180
	Additional margin	17	26

Special category states includes Sikkim, Himachal Pradesh, Jammu & Kashmir, Ladakh, Uttarakhand, Andaman & Nicobar Islands, Lakshadweep and seven north east states.

However, 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.

As per sub-clause (9) of Clause 9 of the 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.

As per the information received from State Government of Goa, they have engaged in making Fair Price Shops (FPSs) in the State financially more viable. However, 8 FPSs have surrendered their license in last two financial years due to various reasons such as death, old age, health conditions and only 2 out of 8 FPS have surrendered due to financial reasons.

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 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.

In addition, the State Government of Goa has implemented doorstep delivery of foodgrains initiative to eliminate the burden of transportation of cost of FPS dealers. Under this initiative, foodgrains are transported directly to FPS by authorized logistics providers.

Further, a Jan Poshan Kendra pilot has been undertaken to improve viability of 90 FPSs across 5 cities, i.e. Hyderabad, Ghaziabad, Jaipur, Ahmedabad & Indore. The Government of India has undertaken this pilot study to enhance the financial viability of FPS dealers while focusing on improving nutritional outcomes of the beneficiaries.
