

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

LOK SABHA
UNSTARRED QUESTION NO. 3185
TO BE ANSWERED ON 11TH MARCH, 2026

MODERNISATION OF FAIR PRICE SHOPS

3185. SHRI KAMAKHYA PRASAD TASA:

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

(a) whether it is a fact that the modernisation of Fair Price Shops (FPS) by the Government aims to transform traditional, paper-based ration shops into efficient, transparent and digitally-enabled "Jan Poshan Kendras" (Nutritional Hubs);

(b) if so, the details thereof;

(c) the details of the number and percentage of Fair Price Shops (FPS) that have been digitised and equipped with electronic Point of Sale (ePoS) devices across the country;

(d) whether the Government has evaluated the impact of FPS digitisation on curbing leakages and improving beneficiary experience;

(e) if so, the details thereof; and

(f) the details of the steps being taken by the Government to ensure FPS viability and expand services beyond foodgrain distribution?

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

(a) to (e): As part of the technology driven Targeted Public Distribution System (TPDS) reforms and with the aim to enhance transparency and efficiency in the TPDS, ration cards/beneficiaries database have completely been digitized (100%) in all States/UTs. Further, for better tracking of foodgrains distribution, 99.8 % i.e. 5.50 Lakhs out of 5.51 Lakhs Fair Price Shops (FPSs) have been automated by installing ePoS devices for the distribution of foodgrains in a transparent manner (electronically) through biometric/Aadhaar authentication of beneficiaries.

(f): Under sub-clause (7) of clause 9 of the TPDS (Control) Order, 2015, it is the sole responsibility of the State Government to fix fair price shop owner's margin, and this shall be periodically reviewed for ensuring sustained viability of the fair price shop operations.

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.

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.

Further, the Department has linked the payment of additional dealer margins to States/UTs with the requirement that ePoS devices be integrated with e-weighing scales. This measure incentivises States/UTs to adopt the linkage, ensuring that beneficiaries receive the accurately measured quantity of their entitled foodgrains.

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 shop 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 had 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.

The Department has also partnered with the Ministry of Skill Development & Entrepreneurship (MSDE) to enhance the capacity and confidence of Fair Price Shop (FPS) dealers by equipping them with essential entrepreneurship and business management skills. Under this collaboration, NIESBUD (an autonomous institute under MSDE) has developed a specialised training programme for FPS dealers covering digital and financial literacy, e-commerce, retail management, and basic nutrition. To date, approximately 325 FPS dealers across nine States—Rajasthan, Uttar Pradesh, Gujarat, Telangana, Karnataka, Odisha, Madhya Pradesh, Tamil Nadu, and Bihar—have undergone this training. As a result, 90 FPS outlets have been converted into Jan Poshan Kendras (JPKs) across five cities: Hyderabad, Ghaziabad, Jaipur, Ahmedabad, and Indore, improving their commercial viability and community outreach.
