

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

LOK SABHA
UNSTARRED QUESTION NO. 4252
TO BE ANSWERED ON 18TH MARCH, 2026

SUSTAINABILITY OF FAIR PRICE SHOPS

4252. SHRI SHAFI PARAMBIL:

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

- (a): whether the Government is aware of the non-viable conditions of the Fair Price Shops in the country;
- (b): if so, the details of steps are being taken by the Government contemplated to ensure the viability and sustainability of the Fair Price Shops across the country;
- (c): whether the Union Government is not inclined to appreciate the ground reality of handling loss being incurred by the Fair Price Shop Dealers during distribution of ration and stacking and storing of stocks and allow them a handling loss of foodgrains at one kilogram per quintal so as to enable the Dealers to justify the shortages on this count without shouldering any responsibility to the State Governments and UTs; and
- (d): if so, the details thereof along with the reaction of the Government thereon?

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

(a) to (b): In the Targeted Public Distribution System (TPDS) under the National Food Security Act, 2013 (NFSA), the operational responsibility including issuance of licenses to Fair Price Shops (FPSs), supervision and monitoring of the functioning of Fair Price Shops etc., rests with the concerned State/UT Government.

As per sub-clause (7) of clause 9 of the TPDS (Control) Order, 2015, it is the 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.

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.

(c) to (d): As per sub-clause (2) of Clause 11 of the TPDS (Control) Order, 2015, the State Government shall ensure that stocks of foodgrains under the Targeted Public Distribution System, as issued from the Corporation godowns, are not replaced or tampered with during storage, transit or any other stage till delivery to the ration card holder.

State Governments vide letter dated 10.05.2021 are advised to take necessary action to ensure that handling losses to FPS dealers are minimized. Any decision to provide compensation to FPS dealers for handling losses rests with the State Government.
