

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

LOK SABHA
UNSTARRED QUESTION NO. 5325
TO BE ANSWERED ON 25TH MARCH, 2026

**VIABILITY AND OPERATIONAL STRENGTHENING OF FAIR PRICE SHOPS UNDER
NFSA**

5325. SHRI ANURAG SINGH THAKUR:

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

- (a): whether the Government is aware that a large number of Fair Price Shops (FPS) are commercially non-viable and if so, the details of the steps are proposed by the Government to ensure a minimum viability of at least Rs. 50,000 per shop;
- (b): the details of the measures to ensure uninterrupted supply to ration card holders when network/server failures or Aadhaar/fingerprint mismatches occur including any formal order preventing denial of rations;
- (c): whether dealers are permitted handling loss of foodgrains at 1 kg per quintal to justify shortages and who bears liability and if so, the details of the steps taken by the Government to ensure 100% weightment at doorstep delivery;
- (d): whether Union Government is likely to direct States to assess minimum beneficiaries per FPS before issuing new licences; and
- (e): whether there is any proposal of Government to allow FPS to sell rice and wheat under domestic open market sale scheme or to include dealers in schemes such as Jan Poshan/Jan Aushadhi to make them viable and if so, the details thereof?

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

(a): 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.

(b): The Department's notification issued vide SO No. 371 [E] dated 08/02/2017 [as amended from time to time] under Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 ("Aadhaar Act"), requires the individual beneficiaries having Ration Cards under NFSA to undergo Aadhaar authentication to receive subsidies under NFSA.

Further, all States/UTs vide this Department's letter dated 24/10/2017 that no genuine beneficiary/household shall be denied from receiving entitled quota of subsidized foodgrains due to failure of biometric/Aadhaar authentication due to network/connectivity/linking related issues, other technical reasons of poor biometrics of the beneficiary.

(c): 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.

(d): As per sub-clause (5) of clause 9 of the TPDS (Control) Order, 2015, the licences to the fair price shop dealers shall be issued keeping in view the viability of the fair price shop.

Further, as per sub-clause (6) of clause 9 of the TPDS (Control) Order, 2015, the State Government shall ensure that the number of ration card holders attached to a fair price shop are reasonable, the fair price shop is so located that the consumer or ration card holder does not have to face difficulty to reach the fair price shop and that proper coverage is ensured in hilly, desert, tribal and such other areas difficult to access.

(e): Under Open Market Sales Scheme (Domestic) [OMSS(D)], wheat and rice are sold under various categories. With a view to provide atta (wheat flour) and rice to general consumers at subsidized rates, Bharat Atta and Bharat Rice were launched under OMSS (D). These commodities are sold to general public by central cooperative organizations, NAFED, NCCF and Kendriya Bhandar through their own stores/mobile vans and/or E-commerce/big chain retailer only.

Department of Food and Public Distribution has collaborated with the Ministry of Skill Development & Entrepreneurship (MSDE) and 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.

The Pradhan Mantri Bhartiya Janaushadhi Pariyojana was launched by the Government of India to make quality generic medicines available at affordable prices for all citizens. Under this scheme, special outlets called Jan Aushadhi Kendras (JAKs) are opened across the country. These Kendras provide medicines that are about 50% to 80% cheaper than branded medicines, helping reduce healthcare expenses for patients.

The government has adopted a franchise model for opening of JAKs by inviting online applications from individual entrepreneurs, non-governmental organisations, societies, trusts, firms, private companies, etc. through the website www.janaushadhi.gov.in. Any individual having D. Pharma. or B. Pharma. qualification either herself/himself or any individual or organisation who has employed a person with such qualification as a pharmacist for obtaining drug licence from the State Licensing Authority concerned is eligible to open a Jan Aushadhi Kendra.
