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**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2016-2017)**

SIXTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

**COMPUTERIZATION OF TARGETED PUBLIC DISTRIBUTION SYSTEM
(TPDS)**

TWELFTH REPORT

**LOK SABHA SECRETARIAT
NEW DELHI**

November 2016/ Kartika, 1938 (Saka)

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(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

COMPUTERIZATION OF TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS)

Presented to Lok Sabha on 23.11.2016
Laid in Rajya Sabha on 23.11.2016

**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2016/ Kartika, 1938 (Saka)

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Standing Committee on Food, Consumer Affairs and Public Distribution (2015-16).

Shri J.C. Divakar Reddy, Chairperson

Lok Sabha

2.   Shri Anto Antony

3.   Shri R. K. Bharathimohan
4.   Shri Babu Lal Choudhary
5.   Shri Sanjay Haribhau Jadhav
6.   Shri Dinesh Kashyap
7.   Shri Dharmendra Kumar
8.   Shri Ravinder Kushawaha
9.   Smt. Sakuntala Laguri
10. Dr. Swami SakshiJi Maharaj
11. Shri Sunil Kumar Mondal
12. Shri Kamlesh Paswan
13. Shri Ram Chander Paswan
14. Shri C.S. Putta Raju
15. Smt. Priyanka Singh Rawat
16. Shri Midhun Reddy
17. Shri Bhola Singh
18. Shri Brijbhusan Sharan Singh
19. Shri Shibu Soren
20. Shri Prabhubhai Nagarbhai Vasava
21. Shri Nandi Yellaiah

Rajya Sabha

22. Shri Chunibhai Kanjibhai Gohel@
23.   Shri Shadi Lal Batra
24. Shri Ripun Bora*
25. Shri Mithun Chakraborty
26. Dr. Bhushan Lal Jangde
27. Dr. Prabhakar Kore
28. Ms. Rekha
29. Dr. K. Keshava Rao
30. Shri Veer Singh
31. Vacant@@

LOK SABHA SECRETARIAT

1. Shri P.V.L.N. Murthy   -   Joint Secretary
2. Shri Lovekesh Kumar Sharma   -   Director
3. Shri Khakhai Zou   -   Additional Director
4. Smt. Darshna Gulati Khanduja   -   Senior Executive Assistant

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*   Shri Ripun Bora, MP (RS) nominated to the Committee w.e.f. 20.05.2016 vice Shri Pankaj Bora, MP (RS) ceased to be a member of the Committee upon his retirement from the membership of Rajya Sabha w.e.f. 02.04.2016.

@ Shri Chunibhai Kanjibhai Gohel, MP(RS), nominated to the Committee w.e.f. 28.07.2016.

@@ vice Shri Dhiraj Prasad Sahu, MP (RS) ceased to be a member of the Committee upon his retirement from the membership of Rajya Sabha w.e.f. 07.07.2016.

Standing Committee on Food, Consumer Affairs and Public Distribution (2016-17).

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26. Shri Vinay Katiyar
27. Smt. M. C. Mary Kom
28. Ms. Rekha
29. Dr. K. Keshava Rao
30. Shri Amar Shankar Sable
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INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2015-16) having been authorized by the Committee to submit the Report on their behalf, present this Twelfth Report on the subject 'Computerization of Targeted Public Distribution System (TPDS)' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The subject was selected by the Committee for examination during the year 2014-15. The Committee was briefed on the subject by the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on 16th January, 2015. The Committee also took oral evidence of the representatives of the Department of Food and Public Distribution on 9th June, 2015. The subject was selected in 2015-16 again being an important subject as also evidence on the same was completed.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for placing before them the detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 23rd August, 2016.

5. For facility of reference and convenience, the Observations/Comments of the Committee have been printed in thick type in Part - II of the Report.

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 NEW DELHI;
<u>29 August, 2016</u>
07 Bhadrapada, 1938(Saka)

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J C DIVAKAR REDDY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

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Abbreviations

TPDS	**Targeted Public Distribution System**
FPS	**Fair Price Shop**
PoS	**Point of Sale**
DoF&PD	**Department of Food and Public Distribution**
DOT	**Department of Telecommunication**
NFSA	**National Food Security Act**
PDS	**Public Distribution System**
CCEA	**Cabinet Committee on Economic Affairs**
NIC	**National Informatics Centre**
MMP	**Mission Mode Project**
CAS	**Common Application Software**
NPR	**National Population Register**
FCI	**Food Corporation of India**
CAB	**Common Architecture Broker**
SPMU	**State Program Management Unit**
SECC	**Socio-Economic Caste Census**
UC	**Utilization Certificate**
NeGP	**National e-Governance Plan**
DEITY	**Department of Electronics and Information Technology**
DARPG	**Department of Administrative Reforms and Public Grievances**

Part – I

REPORT

A. Computerization of Targeted Public Distribution System (TPDS) – An Overview

A Plan scheme on 'End-to-end Computerization of TPDS Operations' in all States/UTs had been formulated on 50:50 cost sharing basis with States/UTs except for the North Eastern States, where cost is shared on 90:10 basis. In October, 2012, Government approved Component-I of the scheme with an outlay of ₹ 884.07 crore during the 12th Five Year Plan. Component-I of the Scheme comprises activities, namely, digitization of ration cards/beneficiary and other databases, computerization of supply-chain management, setting up of transparency portal and grievance redressal mechanisms. The pilot non-plan scheme for 'Smart Card based delivery of Essential Commodities' (approved in 2008-09 to be implemented in UT of Chandigarh and Haryana) and the pilot plan scheme on Computerization of TPDS operations (to be implemented in three districts each of four pilot States, namely, Andhra Pradesh, Assam, Chhattisgarh and Delhi) have been subsumed in the above referred scheme. Under the above-referred scheme, the Central share of funds is ₹ 489.37 crore whereas States/UTs will provide funds of ₹ 394.70 crore for the full period of 12th Plan. An amount of ₹ 41.69 crore had been released by the Government during 2012-13, ₹ 184.20 crore in 2013-14 and ₹ 33.81 crore in 2014-15. Allocation for the financial year 2015-16 (R.E.) is ₹ 60 crore. To eliminate leakages, 2 models have been suggested to states/UTs under Direct Benefit Transfer i.e. Direct Cash Transfer and Automation of Fair Price Shops (FPSs). UTs of Chandigarh and Puducherry have started direct cash transfer to beneficiaries w.e.f. September, 2015. Fair Price Shop (FPS) automation involves issuance of foodgrains to beneficiary after his/her successful authentication using Aadhaar at the FPS using Point of Sale (PoS) device/mobile terminal. DoF&PD had issued guidelines on FPS automation (including technical specifications for PoS device) in November, 2014 to all States/UTs which were updated in May 2015. Government has approved ₹ 17/-qtl. towards purchase and operations of the PoS device at FPS for automation under National Food Security Act (NFSA), 2013. Relevant Rules (Assistance to State Governments) under NFSA Act have been notified on 17-08-2015 and conveyed to the States/UTs. So far, more than 79000 FPSs are automated across the country.

B. Objectives of TPDS

1.2   The Public Distribution System (PDS) which started as a system to manage food supplies during scarcity has evolved as a system for distribution of foodgrains at affordable prices. Over the years, PDS has become an important part of Government's

policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodity distributed under it to a household or a section of the society.

1.3   When asked if in the absence of computerization of TPDS operations in various States in the country, the Public Distribution System that was started to manage food supplies during scarcity has somehow lost its purpose as there are reports of large scale diversion/leakages of foodgrains, the Department of Food and Public Distribution in a written note stated as follows:-

> **"**Despite reports of leakages and diversions of foodgrains, TPDS plays an important role in ensuring food security of the people, especially the poor and vulnerable. Government is however conscious of the need to strengthen the TPDS operations in order to check leakages and efforts in this direction, in coordination with State Govts. and UT Administrations are being made. End-to-end computerisation of TPDS operations is one of them."

C.   Progress of Targeted Public Distribution System (TPDS)

1.4   The broad sequence of events for Computerization of TPDS in the country is as under:-

(i)   In 2005, in the light of evaluation reports on TPDS by the Planning Commission, the Nine Point Action Plan was evolved in July 2006 which inter-alia emphasized undertaking of computerization of TPDS.

(ii)   On 23 February, 2009, a report by Justice Wadhawa Committee on Computerization of Targeted Public Distribution System (TPDS) was submitted to the Hon'ble Supreme Court that inter-alia recommended use of information technology in Public Distribution System (PDS), setting up of Centralized National Committee with representatives of NIC, DOT etc. addressing core issues of Central and State Committees with targets, setting up of independent monitoring Committee, web based system for PDS operation etc. Subsequently the Hon'ble Supreme Court has also directed the Central Government to apprise the progress made in different States/UTs with regard to Computerization of Targeted Public Distribution System (TPDS) by 12 March, 2012.

(iii)   In October, 2011 a Report of the Task Force on the IT Strategy for PDS and implementable solution for direct transfer of subsidy for Food and Kerosene had also come up with Chairman, Unique Identification Authority of India as Chairman and Secretaries of other Departments like Department of Expenditure, Department of Food and Public Distribution etc. as Members. The Report has

highlighted deficiencies in PDS and made various valuable recommendations regarding Computerization of TPDS operations.

(iv)   In 2013, the Government of India enacted the National Food Security Act (NFSA). The NFSA stipulates that for a period not exceeding 365 days after the commencement of the Act for identification of eligible households for receiving subsidized foodgrains under Targeted Public Distribution System (TPDS).

(v)   After completion of one year the progress of identification of beneficiaries was reviewed on 4th July, 2014 and 10th December, 2014 with 25 NFSA non-compliant States/UTs and on 3rd December, 2014 with 11 NFSA compliant States/UTs. In the process as the work regarding identification of beneficiaries and preparatory measures was not complete the 25 non-NFSA compliant States/UTs have been given extensions for doing the needful.The latest extension is upto 30 September, 2015.

(vi)   Very recently the High Level Committee on Re-structuring of FCI (January, 2015) has also underlined the need for faster computerization of TPDS operations. The subject matter has been raised before Parliament more than once underlining the need for quickening the pace of computerization.

D.   End-to-End Computerization of TPDS Operations Scheme

1.5   As part of efforts being made for modernisation of Targeted Public Distribution System (TPDS), Department of Food and Public Distribution is implementing a Plan Scheme on End-to-end Computerisation of TPDS Operations under 12th Five Year Plan (2012-17) on cost sharing basis with the States/UTs. Component-I of the Scheme was approved by Cabinet Committee on Economic Affairs (CCEA) in October, 2012 with funding requirement of Rs. 884.07 crore during 2012-17, which includes Government of India's share of Rs. 489.37 crore and States/UTs share of Rs. 394.70 crore. Costs are being shared on 90:10 basis in respect of North Eastern States and on 50:50 basis with other States/UTs.

1.6   Following are the key activities and their expected outcomes in the first phase:

i.   Digitization of Beneficiary Database - Enable correct identification of beneficiaries; removal of bogus cards and better targeting of food subsidies

ii.   Computerisation of Supply Chain Management - Timely availability of foodgrains to intended beneficiaries at FPS; check leakages/diversion

iii.   Grievance Redressal Mechanism and Transparency Portal - Introduce transparency & public accountability in the implementation of TPDS.

1.7   The Department conveyed administrative approval for the scheme to all States/UTs on 10.12.2012. The Scheme has been declared as a Mission Mode Project (MMP) by the Government. National Informatics Centre (NIC) is the technical partner under the scheme and has also developed a Common Application Software (CAS) which has been offered to all States/UTs. As up to 31.12.2014, Rs. 256.25 crore has been released to 24 States, NIC, etc. during financial years 2012-13 (Rs.41.69 crore), 2013-14 (Rs.187.05 crore) and 2014-15 (Rs.27.49 crore) under the scheme. A statement on release of funds to States/UTs, NIC, etc. is at **Annexure-I**.

Component I of the Scheme

1.8   Component-I of the Scheme was approved by Cabinet Committee on Economic Affairs (CCEA) in October, 2012. The Department of Food and Public Distribution has outlined the following key activities and their expected outcomes in the first phase:-

(i)   Digitization of Beneficiary Database - Enable correct identification of beneficiaries; removal of bogus cards and better targeting of food subsidies.

(ii) Computerization of Supply Chain Management - Timely availability of foodgrains to intended beneficiaries at FPS; check leakages/diversion.

(iii) Grievance Redressal Mechanism and Transparency Portal - Introduce transparency & public accountability in the implementation of TPDS.

1.9   The activity-wise progress of End-to-end Computerization of TPDS Operations as on 31.12.2014 is at **Annexure II.**

Fair Price Shop (FPS) Automation

1.10   Component-II of the scheme i.e. automation of fair price shops shall be taken up in the next phase keeping in view the progress of Aadhaar and National Population Register (NPR) enrolment in the country, availability of connectivity at ration shops, etc.

1.11   Component-II of TPDS computerisation involves automation of FPS. This will enable distribution of subsidised foodgrains under TPDS through fair price shops (FPSs) after biometric authentication of beneficiaries through Point of Sale (PoS) devices at FPS, and electronic recording of transactions. For installation of PoS devices at FPS level, technical specifications of the device have been finalised and shared with

States/UTs. The pattern of financing of PoS device in NFSA implementing States involves additional margin of Rs. 17 per quintal to FPS dealer and norms of Central Assistance for the same (50% in the case of general States/UTs and 75% in the case of 13 special category States/UTs) have also been finalised.

E.   Role of Government

1.12   The PDS is operated under the joint responsibility of the Central and the State Governments. The Central Government, through Food Corporation of India (FCI), has the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to the State Governments. In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor. Under the TPDS, States are required to formulate and implement foolproof arrangements for identification of the poor for delivery of foodgrains and for its distribution in a transparent and accountable manner at the FPS level.

1.13   In response to a query as to lack of coordination in Computerization of TPDS Operations, the Department of Food and Public Distribution in a written note stated as below:-

> "Under the ongoing scheme of end-to-end computerisation, technical and financial assistance is being provided to States/UTs. Common application software (CAS) for various components of the scheme has been developed by NIC and made available to States/UTs.   NIC also undertakes customisation of CAS at the request of States/UTs to meet their local requirements. Financial assistance as per the provisions of the scheme is released to States/UTs on the basis of proposals received from them. Based on their proposals, DOF&PD has released financial assistance to 28 States/UTs so far. Actual implementation of the computerisation scheme is however to be done by States/UTs for which detailed guidelines have been issued. Progress of computerisation in different States/UTs is regularly reviewed by the Department and outstanding issues, if any, are resolved on priority."

1.14   When asked about the reasons for slow progress of computerization of TPDS during all these years even after valuable and far reaching recommendations of Hon'ble Supreme Court appointed Wadhwa Committee and Directions by Hon'ble Supreme Court, the Department of Food and Public Distribution in a written note stated:-

> "A pilot scheme on 'Smart Card based delivery of essential commodities' was launched by DoF&PD in 2008 and another plan scheme on Computerisation of TPDS operations was started in 2009. Both these schemes were launched with different purpose and restricted to certain States. A comprehensive scheme of 'End-to-end Computerisation of TPDS operations' covering the entire country was started in December, 2012 which is in line with the recommendations of

Wadhwa Committee and directions of the Hon'ble Supreme Court. The two pilot schemes started earlier were subsumed in this comprehensive scheme.

Successful implementation of a large scale programme such as TPDS computerisation depends on a number of factors which inter alia include availability of appropriate technology, its cost-effectiveness, availability of necessary infrastructure and reliable connectivity throughout the country etc. Keeping all aspects in view, a comprehensive scheme of TPDS Computerisation could be started in December, 2012 .

The DoF&PD is providing financial and technical assistance to Sates/UTs for computerisation. Actual implementation however lies with States/UTs. Accordingly, depending upon their interest, status of its implementation varies across States/UTs. The DoF&PD views TPDS computerisation as an important reform measure for strengthening of TPDS in order to rid the system of its weaknesses. Progress in its implementation is regularly reviewed at various levels. Also, completion of the TPDS computerisation scheme has been made a pre-condition for implementation of NFSA by any State/UT."

1.15 On the question of any timelines given to States/UTs for Computerization of TPDS, the Department of Food and Public Distribution in a written note stated:-

"While seeking approval of the scheme, the Original timelines for digitisation of beneficiary database and computerisation of supply-chain were October, 2012 and March, 2013. After approval of the scheme in October 2012, the timelines were re-fixed to March, 2013 and October, 2013 to make it more realistic."

1.16 When pointed out that even after the Report of High Level Committee and this Standing Committee's repeated recommendations, the desirable progress is almost invisible at ground level and as many as 25 States/UTs are yet to computerize their operations, the Department of Food and Public Distribution in a written note stated:-

"It is clarified that 25 States/UTs were yet to implement NFSA as they had not completed various preparatory activities for its implementation, which inter alia included completion of all the components under the TPDS computerisation scheme. It is further informed that implementation of the Act with partial coverage has since started in West Bengal w.e.f. June, 2015 and accordingly the number of States/UTs where implementation of NFSA is yet to start is now 24.

As regards progress in TPDS computerisation, 23 States/UTs have reported digitisation of their beneficiary database, 13 are doing online allocation, 6 have computerised their supply-chain management, etc."

1.17 Asked about the practical difficulties coming in the way of end-to-end computerization of TPDS operations, the Department of Food and Public Distribution in a written note stated:-

"......... actual implementation of the scheme rest with the States/UTs. Therefore, the most critical factor affecting progress of the scheme is initiative on the part of the States/UTs for its implementation. The scheme has progressed well wherever State Govts./UT Administrations have shown interest. As far as digitisation of beneficiary database is concerned, the progress in some of the States/UTs which are in process of migrating from the existing TPDS to NFSA has been slow due to delay in finalisation of the list of NFSA beneficiaries. Besides, there are other issues which affected States' progress such as delay in beneficiary data digitisation, Aadhaar generation and consequent seeding, finalisation & process of procurement of computers, etc."

1.18   When asked as to the difficulties that a State faces so far as implementation of this scheme are concerned, the Secretary, during evidence stated as under:-

"Sir, there were some difficulties as I have learned. I believe those have been encountered and overcome by the Department also. One of the major issues was that many States had their different systems of digitalization of their own transparency system. Many States had done this work. Now want it all on a common portal. Therefore, there were some transition issues which we have been able to provide with them now with an interface of a software which allows them to be able to transfer their data on the national portal.

The other was that States are facing problems regarding weeding and cross-checking of ration-cards. It is a very huge task. In some of the States, there are large number of people are involved, as I just mentioned to you about 4.5 to 5 crore ration cards in UP. So, the verification process also takes time.

Thirdly, many States are taking their decision whether to come on to the NFSA or not. So, as our presentation would have showed you that there are about 11 States- some of them partially and some of them fully- which have come on board. These are major decisions which the States have to take and they have a verification issue which is a colossal issue in some States. Having said that, at some places, the purchase of the hardware which is involved has not taken place.

So, there are a series of difficulties. But as I submitted to the hon. Committee, we will take up each State, we will take up their difficulties, we will take up whatever we think should be enforced and be a little more aggressive about it so that this good practice does not go waste."

F.   Digitization of Beneficiary Data

(i)   FPS and Godown Data

1.19   On the issue of digitization of beneficiary data relating to FPS data and Godown data, the level of work done is stated to be almost 100% in all the States/UTs. However, apprehending that most of the work is on paper and far from reality in different States

particularly in Uttar Pradesh and West Bengal, the Committee wanted to know about the system of verification of data available with the Department of Food and Public Distribution as also with States/UTs and whether the States/UTs are reporting the factual position. The Committee further enquired whether the Department of Food and Public Distribution have independent evaluations for correct reporting of data. The Department of Food and Public Distribution in a note stated as under:-

> "The Department relies on the information furnished by States/UTs. Information furnished by them is matched with the information made available on the State PDS Portal. The Department also undertakes independent evaluation study in functioning of TPDS from time to time."

1.20   The Department of Food and Public Distribution has stated that data regarding FPS and Godowns in most of the States is in the process of being verified and States are to push data in standard format. Asked whether the work of data verification/pushing data in Standard format has been completed, the Department of Food and Public Distribution in a note stated:-

> "Data of States/UTs which are using Common Application Software (CAS), developed by National Informatics Centre (NIC), is already in the standardised format. For the rest, NIC has developed a Common Architecture Broker (CAB) through which data of the States/UTs not using CAS can be standardized. So far, 24 States/UTs have placed their beneficiary data of at least one district in standardised format through CAB."

1.21   On the question of difficulties, if any, in the way for FPS and Godown data verification by different States/UTs, the Department of Food and Public Distribution stated:-

> "These activities are to be completed by States/UTs and no difficulties in this regard has been reported by States/UTs."

1.22   The Secretary, Department of Food and Public Distribution further stated during evidence as below:-

> "Our chart shows 100% transparency. However, we are not totally satisfied. Sir, Uttar Pradesh is not in one of our active States, The classification we have done, in that we will have to work hard. We should be able to interrogate States and we should be able to establish the correct satisfaction about those numbers."

(ii)   Digitization of Ration Cards

1.23   With regard to Ration Card Data, the level of work done among the States/UTs is at varying degree. In big States like Uttar Pradesh, Assam and Odisha, the work done is as low as 48%, 44% and 2%. In small States like Haryana and Himachal Pradesh, it is

66% and 65%. In Uttarakhand, it is only 5%. Further in North Eastern States where the work done is at 54% in Manipur and is as low as 2% in Nagaland.

1.24 Asked whether Ration Card digitization has undergone any change during the last six months in different States/UTs, the Department of Food and Public Distribution replied in the affirmative and furnished the updated details as under:-

Statement showing comparison of status of digitisation in last 6 months

	Ration Card Data Digitization	
	As on 19.11.2014	As on 31.05.2015
Andaman & Nicobar Islands	100%	100%
Andhra Pradesh	100%	100%
Arunachal Pradesh	76%	76%
Assam	**15%**	99%
Bihar	100%	100%
Chandigarh	100%	100%
Chhattisgarh	100%	100%
Dadra and Nagar Haveli	57%	100%
Daman and Diu	100%	100%
Delhi	100%	100%
Goa	96%	96%
Gujarat	100%	100%
Haryana	2%	100%
Himachal Pradesh	**65%**	100%
Jammu and Kashmir	**87%**	98%
Jharkhand	100%	100%
Karnataka	100%	100%
Kerala	100%	100%
Lakshadweep	100%	100%
Madhya Pradesh	100%	100%
Maharashtra	100%	100%
Manipur	54%	92%
Meghalaya	-	-
Mizoram	**79%**	100%
Nagaland	2%	51%
Odisha	-	96%
Puducherry	100%	100%
Punjab	85%	81%
Rajasthan	53%	96%
Sikkim	100%	100%
Tamil Nadu	100%	100%
Telangana	100%	100%
Tripura	86%	100%
Uttar Pradesh	**59%**	80%
Uttarakhand	**5%**	34%
West Bengal	79%	86%

1.25   When enquired about the reasons as to why big States of Uttar Pradesh, Assam, and Odisha are lagging behind in the area of digitization of Ration Cards, the Department of Food and Public Distribution in a note stated:-

> "Assam and Odisha have recently reported to have digitised more than 90% of the database. Besides, Uttar Pradesh has also reported about 80% digitisation".

1.26   When enquired further whether there is any difficulty with prosperous States of Haryana and Himachal Pradesh for not doing well in digitization of ration card data in their States, the Department of Food and Public Distribution in a note stated that as per latest information, beneficiary data has been completely digitised in these two States.

1.27   In respect of Small States like Uttarakhand and some North-Eastern States of Manipur and Nagaland, the Department of Food and Public Distribution in a note stated as below:-

> "As far as DoF&PD is concerned, technical solution as well as financial assistance have been provided to all the above mentioned States. The low progress in these States is perhaps due to lack of initiatives by the State Govts."

(iii)   Online allocation

1.28   As per State-wise progress of work done as on 31.05.2015 on online allocation **(Annexure-III),** it may be seen that it has been implemented in Chhatisgarh, Delhi, Gujarat, Karnataka and Maharashtra whereas 'yes' has been indicated against Andhra Pradesh, Madhya Pradesh, Odisha, Tamil Nadu and Telengana. Further, 'In Progress' has been shown against the States of A&N Islands, Bihar, Goa, Meghalaya, Mizoram and Nagaland. Besides 'Not Operational' has been indicated against Chandigarh. In addition, no information has been shown against Assam, Dadra and Nagar Haveli, Daman and Diu, Himachal Pradesh, Jammu & Kashmir, Kerala, Lakshyadweep, Manipur, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh and Uttarakhand.

1.29   Asked about the reasons that implementation of online allocation is concentrated only in four States of Chhatisgarh, Gujarat, Karnataka and Maharashtra and as to why the remaining State Governments are not that active in implementation of online allocation in their respective States and what does the term 'Yes' convey with regard to online allocation in respect of different States, the Department of Food and Public Distribution in a note stated:-

> "Online Allocation is now implemented in 13 States, namely, Andhra Pradesh, Bihar, Chhattisgarh, Delhi, Goa, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Tamil Nadu, Telangana and West Bengal, Department is pursuing with all States to implement the same. It is clarified that there is no

difference between 'yes' and 'implemented'. Both the terms mean that online allocation has been implemented."

The complete status of End-to-End Computerization of TPDS is at **Annexure III.**

1.30   Asked if the work of online allocation in A&N Islands, Bihar, Goa, Meghalaya, Mizoram and Nagaland has been completed and by when it will be over, the Department of Food and Public Distribution in a written note stated:-

"Online allocation has been implemented in State of Bihar and Goa, while in Andaman & Nicobar Islands, Meghalaya, Mizoram and Nagaland, it is in process of implementation. Since these activities are to be completed by State Govts. it is not possible for DoF&PD to indicate an exact timeline."

G.   Supply Chain Management

1.31   The Department of Food and Public Distribution has shown that Supply Chain Management has been 'implemented' only in Chhatisgarh, Delhi and Karnataka and it is 'in progress' in A&N Islands, Bihar, Goa, Gujarat, Madhya Pradesh whereas against Tamil Nadu 'Yes' has been shown. In respect of other States/UTs, 'no information' has been shown.

1.32   When asked about the reasons that progress on supply chain is visible only in three States of Chhatisgarh, Delhi and Karnataka, the Department of Food and Public Distribution in a note stated:-

"Supply-chain management has been reported to be computerised in 6 States, namely, Bihar, Chhattisgarh, Delhi, Goa, Karnataka and Tamil Nadu."

1.33   Regarding the progress of work in supply chain in A&N Islands, Bihar, Goa, Gujarat and Madhya Pradesh, the Department of Food and Public Distribution in a note stated:-

"Supply-chain management has now been reported to be computerised in Bihar and Goa, while it is reported to be in process of implementation in the States/UTs of Andaman & Nicobar Islands, Gujarat and Madhya Pradesh. Of these three States, an amount of Rs.4.23 crore released as Central assistance for all the components of the scheme including supply-chain management to Himachal Pradesh on 20.11.2013, whereas Andaman & Nicobar Islandsand Gujarat have not availed any Central assistance."

The Department of Food and Public Distribution has admitted that the work has been delayed.

1.34   Asked in what way State Governments/UTs are responsible for the slow work, the Department of Food and Public Distribution in a note stated:-

"The DoF&PD is extending financial and technical assistance to all the States/UTs for TPDS computerisation. Actual implementation of the scheme

rests with States/UTs. As far as this Department is concerned, Central share of financial assistance has been given to 28 States/UTs for TPDS computerisation, an institutional structure has been shared for ensuring proper & timely implementation of the scheme and NIC has provided a Common Application Software (CAS) which is as per the scheme provisions. There is no proposal of any State/UT for financial assistance pending with DoF&PD. After having received the technical and financial assistance it is the responsibility of States/UTs to ensure completion of activities under the scheme in a time bound manner."

1.35   When asked whether there is any roadmap to finish the work in a time bound manner, the Department of Food and Public Distribution in a note stated:-

"As such, the timelines for computerisation of supply-chain is well past but the progress in many States/UTs is not satisfactory. The Department has been consistently pursuing with the States/UTs to expedite the computerisation of TPDS and the same is also made a pre-requisite for implementation of NFSA. States/UTs which have implemented NFSA, but have not completed all the activities as per TPDS computerization program have been requested to complete the same by July 2015, as after this date, foodgrains allocation might be restricted to the digitized list of beneficiaries provided on the State Portal. Those States/UTs which have not implemented NFSA, have been asked to complete TPDS computerization by September 2015, failing which no additional allocation would be made and beyond December 2015, foodgrains allocation would be as per the digitized list provided on the respective States' portal."

H.   Transparency Portal and Grievance Redressal Mechanism

(i)   Progress on Transparency Portal

1.36   The Grievance Redressal Mechanism and Transparency Portal indicates varying degree of implementation and State-wise data shows 'yes' in respect of almost all States/UTs barring Bihar, J&K, Lakshadweep, Manipur, Mizoram, Rajasthan, Tamil Nadu, Telengana, Tripura.

1.37   Enquired whether the term 'yes' means that Transparency Portal is operational in these States/UTs, the Department of Food and Public Distribution stated -

"'Yes' means it has been reported implemented by States/UTs."

1.38   Asked by when the Transparency Portal would be available in rest of the States/UTs, the Department of Food and Public Distribution in their replies stated as under-

"Progress under all the components of the TPDS computerisation scheme is reviewed regularly. However, as the actual implementation rests with the States/UTs, it is not possible to indicate an exact time-frame for its completion since the action for the same has to be taken by States/UTs."

(ii)   Progress on Online Grievance

1.39   The State-wise data in online grievance shows 'Yes' in almost all the States/UTs barring Arunachal Pradesh, Assam, Dadra and Nagar Haveli, Daman & Diu, J&K, Karnataka, Kerala, Manipur, Nagaland, Punjab, Sikkim, Telengana, Tripura and Uttarakhand.

1.40   Asked whether the Department have prepared any road map in this regard, the Department in their replies stated that -

> **"**Progress under all the components of the TPDS computerisation scheme is reviewed regularly. Also TPDS computerisation has been made a pre-condition for implementation of NFSA by any State/UT."

1.41   As regards completion of work relating to the online grievance in remaining States/UTs, the Department of Food and Public Distribution in their replies stated as under-

> **"**The DoF&PD has been regularly pursuing the States/UTs for time-bound completion of all the activities under TPDS computerisation scheme. However, as this activity is to be completed by States/UTs, it is difficult to indicate a time-frame."

(iii)   Progress on Toll Free Number

1.42   When pointed out that the issue of Toll free number indicates 'yes' in almost all States/UTs excluding Daman & Diu, Jharkhand, Lakshadweep, Puducherry, Punjab, Tamil Nadu, Tripura and Uttarakhand as on 31.12.2014, the Department of Food and Public Distribution clarified that the term means it has been reported implemented by States/UTs."

1.43   The Committee pointed out that barring Delhi, Andhra Pradesh, Telengana, Chandigarh, Sikkim, Punjab and Himachal Pradesh, the progress of work done in Ration Cards with Aadhaar seeding in remaining States/UTs is almost nil. For instance in big States like Madhya Pradesh, it is as low as 18% whereas in Maharashtra and Uttar Pradesh is 1% and zero, respectively.

1.44   On being enquired why the performance is slow in this area, the Department of Food and Public Distribution in their replies stated as under -

> "In some States/UTs, Aadhaar enrolment, generation and issuance itself is not complete. Secondly, the Aadhaar seeding progress varies across States/UTs depending upon pro-activeness of the State Food Departments. Some of the States have been capturing ration cards number at the time of Aadhaar

enrolment, and some have seeded Aadhaar in the ration card database while digitisation. Progress in Aadhaar enrolment and digitisation of beneficiary / ration card database therefore has a direct bearing on Aadhaar seeding. In some States/UTs the PDS beneficiaries data was initially digitised without Aadhaar numbers, and, therefore, Aadhaar seeding was required to be done afresh, which is a time-taking process."

J. Financial Performance

(i) Financial Requirement

1.45   The Department of Food and Public Distribution has stated that financial estimate of Rs. 884.07 crore for (2012-17) has been approved in October, 2012 by Cabinet Committee on Economic Affairs for End-to-End computerization in the country. Out of Rs. 884.07 crore Government of India's share is Rs. 489.37 crore and States/UTs share is Rs. 394.70 crore. The broad allocations (Cost heads) are as under:-

	Cost Heads	Amount in Crore
I	Centre	17.27
II	States/UTs	808.96
	(i) Supply Chain Management	480.14
	(ii) Digitization	189.78
	(iii) FPS Automation	-
	(iv) Transparency Portal	58.78
	(v) Misc	80.27
	Sub-total States/UTs	826.23
	Contingency @ 7% (Centre and States)	57.84
	Grand Total	884.07

(ii) Funds Releases vis-a-vis utilization

1.46   The State/UT-wise details of funds released and utilised in last three years 2012-13, 2013-14, 2014-15 and 2015-16 as on 31.05.2015 are as under:-

(Rs. in crore)

S. No.	State/UT	Funds released					Cumulative expenditure reported
		2012-13	2013-14	2014-15	2015-16	Total	
1.	Andhra Pradesh/ (including Telengana)	-	19.42	1.19	-	20.61	2.97
2.	Arunachal Pradesh			2.00	5.11	7.11	
3.	Assam	-	9.87	9.86	-	19.73	

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4.	Bihar	-	17.89		-	17.89	6.00
5.	Chhattisgarh	-	3.35		-	3.35	
6.	Goa	-	1.87		-	1.87	
7.	Himachal Pradesh	-	4.24		-	4.24	
8.	Jammu & Kashmir	-	6.11		-	6.11	0.50
9.	Kerala	-	7.30		-	7.30	0.86
10.	Jharkhand	-	9.47		-	9.47	3.40
11.	Lakshadweep*	-	0.70*	0.70*	-	1.40*	
12.	Madhya Pradesh	5.43	11.91		-	17.34	8.54
13.	Maharashtra	-	20.92		-	20.92	11.00
14.	Manipur	2.60	1.64		-	4.24	0.32
15.	Meghalaya	-	5.51		-	5.51	
16.	Mizoram	4.91	-		-	4.91	0.8742
17.	Nagaland	3.39	2.14		-	5.53	
18.	Odisha	11.08	-		-	11.08	2.23
19.	Punjab	7.79	-		-	7.79	
20	Puducherry	-	-	1.40	-	1.40	
21.	Rajasthan			13.89	-	13.89	
22.	Tamil Nadu	-	11.83		-	11.83	
23.	Tripura	-	5.85		-	5.85	
24.	Uttar Pradesh	-	28.33	2.66	-	30.99	7.80
25.	Uttarakhand	5.24	-		-	5.24	2.00
26.	West Bengal	-	15.17		-	15.17	10.00
27.	Daman & Diu				0.74	0.74	
	Total	**40.44**	**183.52**	**31.70**	**5.85**	**261.51**	**56.49**

1.47 Asked the reasons why against the Government of India' share of Rs. 489.37 crore for 2012-17 only Rs. 261.51 crore has been released to States/UTs in first three years so far upto 31.05.2015 of current Plan, the Department of Food and Public Distribution in their replies clarified as under-

"Under the scheme, based on proposals for financial assistance received from several States/UTs, 1st instalment of Central share of funds totaling Rs. 269.17 crore has been sanctioned to 28 States/UTs, NIC, etc. upto 31.05.2015. Some of the practical problems faced by States/UTs include delay in procurement of hardware, connectivity at offices and godowns, setting of State Program Management Unit (SPMU), training of personnel, etc. DoF&PD has been pursuing with the States/UTs to send their request for release of 2nd instalment which is subject to completion of aforesaid activities and submission of Utilization Certificates (UCs). However, no State/UT has fulfilled requisite conditions for release of 2nd instalment of Central share."

1.48   Asked about the reasons for slow pace of utilization of funds, the Secretary, Department of Food and Public Distribution stated:-

"Sir, the States utilise some of the funds even in the process of getting their digitalisation apparatus set up, in the computerisation software set up, etc. So, there are interim expenditures which take place, which if the State reports to us that this much expenditure has taken place, then the next tranche of funds is released. We cannot wait for the whole end process before we release the next one. There are interim expenditures which are legitimate expenditures against which utilisation and expenditure statements are taken, and the next tranche is released. There will always be some funds with the States because they have to move forward and work on these issues."

1.49   During evidence, the Secretary, Department of Food and Public Distribution further submitted as below:-

"If you look at this detailed chart, this is the standard. The Government of India does not release funds unless it has an UC. For instance, in case of Andhra Pradesh, which includes the Telangana figures here, in 2013-14, they have released Rs. 19.42 crore. They reported some interim progress and expenditure and then in 2014-15, a very small amount of Rs. 1.19 lakh was released. If I take Arunachal Pradesh, Rs. 2 crore was released to them in 2014-15. They showed some progress and then we have released Rs. 5.11 crore this year. If you take another instance, Andhra did show an expenditure of about Rs. 3 crore. Another State which has shown some expenditure is Himachal. Jammu and Kashmir has shown a very small amount. Kerala has shown a small expenditure. Jharkhand has shown an expenditure of about Rs. 3.40 crore. Madhya Pradesh has shown has an expenditure of Rs. 8.54 crore. Maharashtra has shown one of the highest expenditure, as I can see on the chart. It is about Rs. 11 crore so far. Uttar Pradesh has shown an expenditure of Rs. 7.80 crore. West Bengal has shown an expenditure of about Rs. 10 crore."

1.50   The Committee further wanted to know besides State Governments/UTs whether Central Government was not responsible for the low utilization, the Secretary, Department of Food and Public Distribution further clarified:-

"As in a federal system, it is a joint arrangement. But the execution of the food and public distribution programme is with the State Governments. The Central Government, on its part, has (a) endeavoured and has extended help in the shape of funding based on performance and based on expenditure; (b) the Central Government has assisted them with all the software needed for digitalisation for online end to end. That is the other major assistance that we are giving. Fund assistance is linked with that digitalisation and that transparency being brought into the process. Therefore, it is linked to their performance. I have worked in other Ministries also. The Central Government continues to provide technical and fund support based on their performance."

1.51 The Secretary, Department of Food and Public Distribution further deposed that funds cannot be released without corresponding Utilization Certificates in hand for earlier released funds.

1.52 The Committee pointed out that responsibility of State Government is well known, however, for how long the Central Government that is while releasing funds, will remain quite particularly when the Committee in their previous Reports have already recommended need for greater utilization of funds. The Committee also wanted to know the action the Department of Food and Public Distribution is contemplating against States/UTs which are lagging in this regard. The Secretary, Department of Food and Public Distribution at this replied:-

"I do not think we are keeping quiet. Let me reassure the Committee. It has to be based on performance........What I have learnt since I have joined the Department, a great deal of effort has been made both at the Ministerial level and certainly at my predecessor's level for continued engagement and review with the State Governments on progress and roll out of the scheme. That has been a fairly intensive effort and a dialogue with the States by the Secretary and by the Joint Secretaries concerned has been virtually on a weekly basis either on video conferencing or in the conferences of the Secretaries. What I am also informed is that the Central Government through the Department of Food and Public Distribution has also to inform the States that if this effort at computerisation and digitalisation is slow, then from September 2015 onwards, we will not make food grains allocations. This is a very major stick and not a carrot part which has been informed to the State. If you will not bring out any progress on this issue, it will have impact on foodgrains allocations."

1.53 The Committee also enquired for how long the Department of Food and Public Distribution will keep on requesting the States/UTs. On this issue, the Secretary, Department of Food and Public Distribution stated:-

"I am of the view that this has already been announced and we would take it seriously. I can assure the hon. Committee that I will give this the foremost attention, now that I have taken over, and continue to dialogue with States. The principles of using both carrot and stick is an effective way to be able to help the States and at the same time, to be able to enforce it. We will continue to do that."

K.   Implementation Constraints

1.54   During briefing, the representatives of Department of Food and Public Distribution has admitted before the Committee that progress among States has been slow and uneven due to delay in finalization of action plan by States, late submission of their financial proposals, practical problems during implementation, NFSA etc.

1.55   When asked about the difficulties that are coming in the way of implementation of end-to-end computerization of TPDS, the Ministry in their written replies stated that actual implementation of the scheme rest with the States/UTs. Therefore, the most critical factor affecting progress of the scheme is initiative on the part of the States/UTs for its implementation. The scheme has progressed well wherever State Govts./UT Administrations have shown interest. As far as digitisation of beneficiary database is concerned, the progress in some of the States/UTs which are in process of the migrating from existing TPDS to NFSA has been slow due to delay in finalisation of the list of NFSA beneficiaries. Besides, there are other issues which affected States' progress is delay in beneficiary data digitisation, Aadhaar generation and consequent seeding, finalisation & process of procurement of computers, etc.

1.56   When the Committee wanted to know the States/UTs that are slow in finalizing their action plans, the representative of the Department of Food and Public Distribution stated as below: -

> **"**States/UTs which are slow and not showing much progress are namely, Andaman & Nicobar Islands, Arunachal Pradesh, Assam, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Kerala, Lakshadweep, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh, and Uttarakhand."

1.57   Regarding the States/UTs that are late in submission of their financial proposals, the Department stated that the scheme was launched in December 2012. However, due to delay in receipt of complete proposal in all respect funds under the scheme could be released to 9 States/UTs namely, Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Kerala, Rajasthan, Daman & Diu, Lakshadweep and Puducherry only after January 2014. Till date, financial assistance has been released to 28 States/UTs (including Telangana) based on their financial proposals/ action plans. Status in respect of remaining States/UTs is as follows:

> i.   Dadra & Nagar Haveli - Revised proposal, signed MoU, confirmation for setting up of SAC & SPeMT still awaited.

ii.   Chandigarh and Haryana - UCs for funds released earlier under a pilot scheme, which has now been subsumed in the current scheme, not received

iii.   Delhi - Amount payable as 1st instalment is less than amount paid under pilot scheme; 2nd instalment is to be released on receipt of the proposal from them after activities under Component-I are completed

iv.   Gujarat and Karnataka have not sought funds for Component-I of the scheme.

v.   Andaman & Nicobar Islands, and Sikkim have also not sought funds from the scheme."

1.58   Asked about the practical problems being faced during implementation by States/UTs in this regard, the Department of Food and Public Distribution stated that -

"Some of the practical problems faced by States/UTs include delay in procurement of hardware, connectivity at offices and godowns, setting of State Program Management Unit (SPMU), training of personnel, etc."

1.59   The Committee also wanted to know the difficulties that are generally faced in Computerization of TPDS with regard to implementation of NFSA, the Department of Food and Public Distribution stated that Computerisation of TPDS as per the ongoing scheme has been made a pre-condition for implementation of NFSA. Some of the States which are in the process of migrating from existing TPDS to NFSA, the digitisation of the beneficiary database has been delayed due to delay in identification / finalisation of beneficiaries under NFSA.

1.60   When enquired about the progress of work in A&N Islands, the Department of Food and Public Distribution stated that-

"The UT is not using Common Application Software (CAS) made available to all the States/UTs by NIC. The UT Administration has also not availed Central assistance under the scheme and has been using funds from its own resources. As per the information available with the Department, the TPDS computerisation in the UT being implemented through a vendor and the activities namely, online allocation, computeristion of supply-chain management are yet to be implemented in the UT.

1.61   Regarding the National e-Governance Plan (NeGP) with particular reference to Computerization of TPDS in the country, the Department of Food and Public Distribution in their written replies stated as under-

"The National e-Governance Plan (NeGP) has been formulated by the Department of Electronics and Information Technology (DEITY) and Department of

Administrative Reforms and Public Grievances (DARPG). The Union Government approved the NeGP, comprising of 27 Mission Mode Projects (MMPs) and 10 components on May 18, 2006.The NeGP aims at improving delivery of Government services to citizens and businesses with the following vision:"Make all Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency & reliability of such services at affordable costs to realise the basic needs of the common man."

Release of funds under Component-I of the Scheme on End-to-end Computerisation of TPDS Operations during the Financial Years 2012-13, 2013-14 and 2014-15.

(as on 31.12.2014)

(Rs. in crore)

S. No.	State/UT	Funds released			
		2012-13	2013-14	2014-15	Total
1.	Andhra Pradesh	-	19.42	1.19	20.61
2.	Assam	-	9.87	9.86	19.73
3.	Bihar	-	17.89		17.89
4.	Chhattisgarh	-	3.35		3.35
5.	Goa	-	1.87		1.87
6.	Himachal Pradesh	-	4.24		4.24
7.	Jammu & Kashmir	-	6.11		6.11
8.	Kerala	-	7.30		7.30
9.	Jharkhand	-	9.47		9.47
10.	Lakshadweep	-	0.70		0.70
11.	Madhya Pradesh	5.43	11.91		17.34
12.	Maharashtra	-	20.92		20.92
13.	Manipur	2.60	1.64		4.24
14.	Meghalaya	-	5.51		5.51
15.	Mizoram	4.91	-		4.91
16.	Nagaland	3.39	2.14		5.53
17.	Odisha	11.08	-		11.08
18.	Punjab	7.79	-		7.79
19.	Rajesthan			13.89	13.89
20.	Tamil Nadu	-	11.83		11.83
21.	Tripura	-	5.85		5.85
22.	Uttar Pradesh	-	28.33		28.33
23.	Uttarakhand	5.24	-		5.24
24.	West Bengal	-	15.17		15.17
	Total	**40.44**	**183.52**	**24.94**	**248.90**

B

S. No.	NIC(H.Q)	2012-13	2013-14	2014-15	Total
1.	NIC through NICSI	0.54	-	-	0.54
2.	NIC	-	0.90		0.90
3.	NIC	-	2.00	2.11	4.11
	Total	**0.54**	**2.90**	**2.11**	**5.55**

C

S. No.	NICSI (for CPMU services) and Consultant	2012-13	2013-14	2014-15	Total
1	NICSI	0.71	0.60	0.40	1.71
2.	Consultant	-	0.03	0.04	0.07
	Total	**0.71**	**0.63**	**0.45**	**1.79**
	Grand Total (A+B+C)	**41.69**	**187.05**	**27.51**	**256.25**

Status of End-to-end Computerization of TPDS Operations as on 31.12.2014

	FPS Data*	Godowns data*	Ration Card Data*	Online allocation	Supply-chain	Transparency Portal	Online grievance	Toll free number
Andaman & Nicobar Islands	100%	-	100%	In Progress	In Progress	Yes	Yes	Yes
Andhra Pradesh	100%	100%	100%	Yes	-	Yes	Yes	Yes
Arunachal Pradesh	100%	64%	76%	Few locations	-	Yes	-	Yes
Assam	100%	100%	**44%**	-	-	-	-	Yes
Bihar	100%	100%	100%	In progress	In progress	Yes	Yes	Yes
Chandigarh	100%	100%	100%	Not operational	-	Yes	Yes	Yes
Chhattisgarh	100%	100%	100%	Implemented	Implemented	Yes	Yes	Yes
Dadra and Nagar Haveli	100%	100%	**100%**	-	-	Yes	-	Yes
Daman and Diu	100%	100%	100%	-	-	Yes	-	-
Delhi	100%	n/a	100%	Implemented	Implemented	Yes	Yes	Yes
Goa	89%	100%	96%	In Progress	In Progress	Yes	Yes	Yes
Gujarat	100%	100%	100%	Implemented	In Progress	Yes	Yes	Yes
Haryana	100%	100%	**66%**	Only 4 blocks	-	Yes	Yes	Yes
Himachal Pradesh	100%	100%	**65%**	-	-	Yes	Yes	Yes
Jammu and Kashmir	100%	100%	**87%**	-	-	-	-	Yes
Jharkhand	100%	100%	100%	3 Districts	-	Yes	Yes	-
Karnataka	100%	100%	100%	Implemented	Implemented	Yes	-	Yes
Kerala	100%	100%	100%	-	-	Yes	-	Yes
Lakshadweep	100%	100%	100%	-	-	-	-	-
Madhya Pradesh	100%	100%	100%	Yes	In progress	Yes	Yes	Yes
Maharashtra	100%	100%	100%	Implemented	-	Yes	Yes	Yes
Manipur	100%	100%	54%	-	-	-	-	Yes
Meghalaya	97%	100%	-	In Progress	-	Yes	Yes	Yes
Mizoram	100%	100%	**83%**	In Progress	-	-	Yes	Yes
Nagaland	100%	100%	2%	In Progress	-	Yes	-	Yes
Odisha	100%	100%	**2%**	Yes	Partially	Yes	Yes	Yes
Puducherry	100%	n/a	100%	2 divisions	2 divisions	Yes	Yes	-
Punjab	100%	100%	**86%**	-	-	Yes	-	-
Rajasthan	**84%**	100%	**92%**	-	-	-	Yes	Yes
Sikkim	100%	100%	100%	-	-	Yes	-	Yes
Tamil Nadu	100%	100%	100%	Yes	Yes	-	Yes	-
Telangana	100%	100%	100%	Yes		-	-	Yes
Tripura	100%	100%	**90%**	-	-	-	-	-
Uttar Pradesh	100%	100%	**48%**	-	-	Yes	Yes	Yes
Uttarakhand	100%	100%	**5%**	-	-	Yes	-	-
West Bengal	100%	100%	**80%**	In 3 districts	-	Yes	Yes	Yes

Data in most States is in the process of being verified. Some States are to push data in standard format.
Statement prepared based on inputs from States/UTs

Statement on status of End-to-end Computerization of TPDS Operations

(as on 31.05.2015)

	Ration Card Data Digitization *	Online allocation	Supply-chain	Transparency Portal	Online grievance	Toll free number
Andaman & Nicobar Islands	100%	In Progress	In Progress	Yes	Yes	Yes
Andhra Pradesh	100%	Implemented	11 districts	Yes	Yes	Yes
Arunachal Pradesh	76%	Few locations	-	Yes	-	Yes
Assam	99%	Trial run in 4 districts	-	-	Trial run in 4 districts	Yes
Bihar	100%	Implemented	Implemented	Yes	Yes	Yes
Chandigarh	100%	Not operational	-	Yes	Yes	Yes
Chhattisgarh	100%	Implemented	Implemented	Yes	Yes	Yes
Dadra and Nagar Haveli	100%	-	-	Yes	-	Yes
Daman and Diu	100%	-	-	Yes	-	-
Delhi	100%	Implemented	Implemented	Yes	Yes	Yes
Goa	96%	Implemented	Implemented	Yes	Yes	Yes
Gujarat	100%	Implemented	In Progress	Yes	Yes	Yes
Haryana	100%	Only 4 blocks	-	Yes	Yes	Yes
Himachal Pradesh	100%	-	-	Yes	Yes	Yes
Jammu and Kashmir	98%	In progress		-	-	Yes
Jharkhand	100%	3 Districts		Yes	Yes	-
Karnataka	100%	Implemented	Implemented	Yes	-	Yes
Kerala	100%	-	-	Yes	-	Yes
Lakshadweep	100%	-	-	-	-	-
Madhya Pradesh	100%	Implemented	In progress	Yes	Yes	Yes
Maharashtra	100%	Implemented	2 districts	Yes	Yes	Yes
Manipur	92%	-	-	-	-	Yes
Meghalaya	-	-	-	Yes	Yes	Yes
Mizoram	100%	**In Progress**	**-**	**-**	**Yes**	Yes
Nagaland	51%	In Progress	-	Yes	-	Yes
Odisha	96%	Implemented	Partially	Yes	Yes	Yes
Puducherry	100%	2 divisions	2 divisions	Yes	Yes	-
Punjab	81%	-	-	-	-	-
Rajasthan	96%	-	-	-	Yes	Yes
Sikkim	100%	-	-	Yes	-	Yes
Tamil Nadu	100%	Implemented	Implemented	-	-	-
Telangana	100%	Implemented	In progress	-	-	Yes
Tripura	100%	-	-	-	-	-
Uttar Pradesh	80%	-	-	Yes	Yes	Yes
Uttarakhand	34%	-	-	Yes	-	-
West Bengal	86%	Implemented	In progress	Yes	Yes	Yes

Part - II

Observations/Recommendations

1.   <u>**General observations on Computerization of TPDS**</u>

The Committee observe that in order to provide infrastructure and financial support to States/UTs, Government has approved a Plan Scheme on 'End-to-End Computerization of TPDS Operations' in October, 2012 to be implemented during the 12th Five Year Plan (2012-17) in all States/UTs with a total cost of Rs. 884.07 crore for implementing Component -I of the scheme on cost sharing basis in the ratio of 90:10 in NE States and 50:50 in other States/UTs. The Committee also note that the administrative approval of the scheme has been issued by the Department to all States/UTs on 10.12.2012 and the Guidelines for implementation have also been prepared and sent to the States/UTs. The Committee further note that the Government of India as well as the States/UTs have initiated the work for implementation of Component-I of the scheme which comprises the digitization of beneficiary data bases, computerization of supply chain management, and setting up of transparency portal/grievance redressal mechanism. Component-II of the scheme i.e. automation of fair price shops shall be taken up in the next phase keeping in view the progress of Aadhaar enrolment, National Population Registration, availability of connectivity at ration shops etc. While appreciating the steps taken by the Government as well as the States/UTs, the Committee are, however constrained to observe that the progress of work of computerization is progressing at snail's pace and it, in their considered opinion, would negate the benefits reaching out the masses. Therefore, the Committee urge the Department of Food and Public Distribution to impress upon the States/UTs to speed up the work on war-footing and complete the work in a time bound manner so as to improve the over-all functioning of the TPDS operations in the country.

2. **Progress with regard to Ration Card with Aadhaar Seeding**

The Committee are constrained to note the slow pace of progress with regard to Ration Card with Aadhaar Seeding. The Committee find that progress of work relating to Aadhaar Card Seeding is almost zero in Arunachal Pradesh, Bihar, Chhatisgarh, Gujarat, J&K, Karnataka, Manipur, Meghalaya, Odisha, Sikkim, Uttarakhand, U.P., West Bengal and in Lakshadweep. In big States like Madhya Pradesh, it is as low as 18% whereas in Maharashtra and Rajasthan, it is just only 1%. The Committee have been informed that in some States/UTs, Aadhaar enrolment, generation and issuance itself is not complete and the Aadhaar Seeding progress varies across States/UTs depending upon pro-activeness of the State Food Department and in some States/UTs, the PDS beneficiaries data was initially digitized without Aadhaar numbers and therefore, Aadhaar Seeding was required to be done afresh which is a time taking process. The Committee feel that Department of Food and Public Distribution need to make concerted efforts for expeditious completion of work relating to Aadhaar Seeding of the ration cards in all the States/Union Territories in the country in a time bound manner. They further desire the Government to look into the problem areas in this regard and engage proactively with the States that are lagging in this direction.

3.   Digitization of Databases.

The Committee note that digitization of ration cards will ensure availability of beneficiary information in electronic form and also enable ration card services like addition/ deletion/ modification of beneficiaries. Further, it will also enable validation and de-duplication of data and also compare with databases of Aadhaar, NPR, SECC, electoral data etc. besides automatic generation of SMS alerts for ration card related requests. The Committee also note that the digitization of other databases on information, FPSs, godowns etc. and hosting of such data on State portals without restriction on public access would go a long way in addressing the grievances of the consumers at large. The Committee also observe that the digitization of database will enable the availability of correct and upto date list of beneficiaries on public portal and also removal of bogus ration cards and better targeting of food subsidies. **They, however, are sceptic of the 100% achievements shown in respect of FPS data, Godown data and Ration Card data furnished to them in respect of many of the States. They, therefore, desire that the authenticity of the data furnished by States be cross-checked with the ground situation available in the States, especially in respect of States like Uttar Pradesh, West Bengal, Assam, Gujarat etc. They desire to be apprised of the factual status in this regard.**   The Committee further desire that complete digitization of databases should be taken up expeditiously by the States/UTs in the interest of streamlining the operation of PDS in the country. They also desire that specific timelines need to be indicated for each of the activities so as to ensure real time end-to-end computerization of TPDS operations in the entire country. They further desire to be apprised of the steps taken in this direction.

4. On line Allocation of Ration

The Committee have been informed that on-line allocation has been implemented in 12 States namely Andhra Pradesh, Delhi, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Tamil Nadu and Telengana. The scheme has been started in few districts namely, Arunachal Pradesh, Haryana, Jharkhand, Puducherry & West Bengal. The scheme of on-line allocation is in the process of implementation in A&N Islands, Bihar, Meghalaya, Mizoram and Nagaland while in rest of the States/UTs, it has not been yet initiated. They are, however, constrained to note that the Department has not indicated the exact timeline by when the process would be completed while passing the buck to States on the specious plea that these activities are to be undertaken by State Governments. The Committee are not convinced with this argument and desire that the Department should make all out efforts in consultation with concerned State Governments/UT Administrations for completion of work of online allocation of ration in a time bound manner and the States be pushed to complete this process by the end of this fiscal year so that the intended benefit of the computerization process is visible.

5. **Supply Chain Management**

The Committee note that Supply Chain Management component will enable on-line allocation of orders to be generated based on State Allocation Policy and beneficiary data. Further, District/Fair Price Shop-wise allocation order will also be put on State Portal and sent on-line to FCI, District F&CS Offices etc. The Computerization of Supply Chain Management will also facilitate on-line generation of release orders/ truck challans / delivery orders and enable a person to access commodity information relating to lifting of commodity and SMS alerts to all beneficiaries as well as checking of stock position at godown at the portal. The Committee, however, note that computerization of Supply Chain Management has been implemented in only 3-4 States while some others are progressing slowly. It is needless to mention that apart from other areas, the computerization of Supply Chain Management would ensure correct account of foodgrains allocated and delivered at FPS, ensure efficient and timely delivery of foodgrains to beneficiaries and also help in checking leakages and diversion. As such, the Committee are of the firm opinion that computerization of Supply Chain Management will go a long way in solving the various problems in the existing PDS system. The Committee, therefore, recommend that the Department should take up the job of Supply Chain Management in consultation with all State Governments/UT Administrations on top priority with a fixed timeline. They desire to be informed of the progress made in this direction.

6. PDS Portal

The Committee note that Computerization of Targeted Public Distribution System (TPDS) includes setting up of PDS Portal by all the States/UTs. Such PDS Portal will host all information relating to PDS and also provide linkage among various PDS data bases, provision for registration and tracking of grievances and this will be openly accessible to the public for 24 hours. The State PDS Portal will also be linked with the National Portal. The Committee, therefore, feel that setting up of PDS Portal by the States/UTs should be given topmost priority as it will go a long way in ensuring the efficient functioning of PDS operations in the country. The Department of Food and Public Distribution should, therefore, take up the matter with the States/UTs to expedite setting up of PDS Portals at the earliest.

7. Grievance Redressal

The Committee note that for the convenience of the consumers, all the States/UTs are supposed to have Common Number 1967 and 1800 Toll Free Number series for grievance redressal and these are being set up in the States/UTs. They further note that so far 28 States/UTs are having 1967/1800 number series. The Committee are, however, constrained to note that these helpline numbers are not helpful in solving the day to day problems being faced by the consumers and it is common knowledge that such toll free numbers are usually not responsive to the needs of the users and most of the time go unattended to by the authorities. Nevertheless the proper functioning of such help line numbers will enhance transparency and public accountability in the implementation of TPDS. The Committee, therefore, urge upon the Department as also the State Governments/UTs to streamline the functioning of these helpline numbers so as to make them functional in the interest of the consumers. The Committee also urge the Department to impress upon the remaining States/UTs to set up the toll free number and further to make it operational in the States/UTs where it has already been set up. They desire to be informed of the progress made in this regard.

8.   Monitoring by the Department.

The Committee are concerned to note that various problems are being faced by States/UTs during implementation of the scheme such as procurement of hardware, connectivity of the offices and godowns, setting of State Programme Management Unit and training of personnel etc. In this context, the Committee desire the Department of Food and Public Distribution to strengthen its monitoring apparatus and also persuade States/UT Administrations to take vigorous steps to overcome/resolve aforesaid practical problems at the earliest.

9.   Implementation Constraint

The scheme of Computerization of TPDS have been launched in December, 2012. During their deposition before the Committee, the representatives of Department of Food and Public Distribution have admitted that progress amongst States/UTs has been slow and uneven. Reasons cited were due to delay in finalization of action plan by States, late submission of their financial proposals and various other practical problems due to implementation of NFSA etc. The Committee find that till now financial assistance has been released to 28 States/UTs (including Telengana) based on their financial proposals/action plans. The Committee also note that in Chandigarh and Haryana, Utilization Certificate for funds released under a Pilot Scheme has not been yet received. In Delhi, amount payable as 1st instalment is less than amount paid under Pilot Scheme, second instalment is to be released on receipt of the proposal from them for activities completed under Component -I. Gujarat, Karnataka, A&N Islands and Sikkim have also not furnished the proposal for funds under Component - I. The Committee regret that this scheme like other schemes of the Department has suffered for want of sufficient proposals and utilization certificates from the States/UTs. In the opinion of the Committee, it is the lack of coordination with the State Government and weak monitoring over the scheme on the part of the Department. The Committee desire that the Department should make sincere efforts for getting the utilization certificates from the concerned States/UTs. The Committee, therefore, recommend that the Government should take up the matter with State Government/UT Administration at highest level and find out the reasons for non submission of utilization certificates and sufficient proposals and persuade them to implement the scheme so that allocated funds are fully utilized in the financial year itself.

10.   Financial Performance

The Committee are constrained to observe that financial performance under the scheme is far from satisfactory. They observe that on the one hand, out of the Central share of Rs. 489.37 crore so far Rs. 261.51 crore only have been released to the States during the last three financial years viz. 2012-13, 2013-14, 2014-15 including for 2015-16 (upto 31.05.2015). On the other hand, the cumulative expenditure reported for this period is a meagre amount of Rs. 56.49 crore implying at the same time that the States have not been able to spend about Rs. 205.02 crore. Further, though funds were released to 27 States/UTs, 14 States have not shown/reported any expenditure for the above period. This speaks volumes of the performance of this vital scheme aimed to prevent leakages, diversions in supply of foodgrains – an important component in the Government's policy for management of food economy of the country. It is further disconcerting to observe that in the process, while the State Governments have not been able to utilize the funds available during 12th Plan period, the efforts made by the Department of Food and Public Distribution too leave much to be desired. Though funds were allocated to many States, the Department was not able to track the progress of implementation and utilization of funds properly. The Committee, therefore, desire the Government to take concerted steps to closely monitor the progress of implementation of the scheme across States so as to achieve the desired goal of minimizing leakages and diversions, if not altogether eliminating the same, thereby attain transparency to a large extent. They desire to be informed of the progress made with regard to utilization of funds, receipt of Utilization Certificates etc. as at the end of June, 2016 within three months of presentation of this Report to the Houses of Parliament.

 NEW DELHI;   J C DIVAKAR REDDY,
 23 August, 2016   Chairperson,
01 Bhadrapada, 1938(Saka)   Standing Committee on Food,
                                                              Consumer Affairs and Public Distribution

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2014-15) HELD ON TUESDAY, THE 9 JUNE, 2015

The Committee sat from 1130 hrs. to 1220 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri J.C. Divakar Reddy, MP   -   Chairperson

Members

Lok Sabha

2. Shri Anto Antony
3. Shri Babu Lal Choudhary
4. Shri Dharmendra Kumar
5. Shri Ravinder Kushawaha
6. Dr. Sakshi Maharaj
7. Shri R.K. Bharti Mohan
8. Shri Sunil Kumar Mondal
9. Shri Ram Chander Paswan
10. Sh. C. S. Putta Raju
11. Smt. Priyanka Singh Rawat
12. Shri P.V. Mithun Reddy
13. Shri Bhola Singh
14. Shri Brij Bhusan Sharan Singh

Rajya Sabha

15. Shri K.K Ragesh

SECRETARIAT

1. Shri P.K.Misra   -   Additional Secretary
2. Shri A.K.Shah   -   Director
3. Shri Lovekesh Kumar Sharma -   Additional Director
4. Shri Khakhai Zou   -   Under Secretary

**The Representatives of the Department of Food and Public Distribution
(Ministry of Consumer Affairs, Food and Public Distribution)**

Sl No.	Name	Designation
1.	Ms. Vrinda Sarup	Secretary
2.	Shri U.K. S. Chauhan	Joint Secretary, Policy & Food Corporation of India(P&FCI)
3.	Shri Gautam Gosh	Deputy Director General, National Informatics Center (NIC)
4.	Shri D.K. Gupta	Director, Public Distribution (PD)
5.	Shri Nilambuj Sharan	Director, National Food Security Act (NFSA)

2.   At the outset, the Chairperson welcomed the Members of the Committee to the sitting convened for taking oral evidence of the representatives of Department of Food and Public Distribution (Ministry of Consumer Affairs, Food and Public Distribution) on the subject **"Computerization of Targeted Public Distribution System".**

[Witnesses were then called in]

3.   The Chairperson then welcomed the representatives of the Department of Food and Public Distribution (Ministry of Consumer Affairs, Food and Public Distribution) to the sitting and apprised them about Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings. After permission from the Chairperson, the Secretary, Department of Food & Public Distribution made a Power Point presentation. The main issues that come up for discussion, inter-alia, include, nil progress of Computerization of Targeted Public Distribution System Operations in almost all States/UTs in the country even after three years of implementation of the current Plan (2012-17), scheme of "End to End Computerization of Targeted Public Distribution System" in the country, need for regular visits of representatives of the Department of Food and Public Distribution/NIC in States/UTs that are lagging behind in implementation of the Scheme etc. The queries raised by the Chairperson and the Members on the various issues during the course of discussion were responded to by the representatives of the Department of Food and Public Distribution.

4.   The Hon'ble Chairperson then thanked the Secretary and other representatives of the Department of Food and Public Distribution (Ministry of Consumer Affairs, Food and Public Distribution) for deposing before the Committee.

[*Witnesses* then *withdrew]*

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

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MINUTES OF THE TWENTY-SECOND SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2015-16) HELD ON TUESDAY, 23 AUGUST, 2016

The Committee sat from 1100 hrs. to 1145 hrs. in Committee Room No. '53', First Floor, Parliament House, New Delhi.

PRESENT

Shri J.C. Divakar Reddy   -   Chairperson

Members

Lok Sabha

2. Shri Anto Antony
3. Shri R.K.Bharathi Mohan
4. Shri Babu Lal Choudhary
5. Shri Sanjay Haribhau Jadhav
6. Shri Dharmendra Kumar
7. Shri Sakuntala Laguri
8. Dr. Swami Sakshiji Maharaj
9. Shri Sunil Kumar Mondal
10. Shri Ram Chander Paswan
11. Shri C.S.Puttaraju
12. Shri Bhola Singh
13. Shri Brij Bhusan Sharan Singh
14. Shri Prabhubhai Nagarbhai Vasava
15. Shri Nandi Yellaiah

Rajya Sabha

16. Shri Shadi Lal Batra
17. Dr. Bhushan Lal Jangde
18. Dr. K.Keshava Rao
19. Shri Veer Singh

SECRETARIAT

1. Shri P.V.L.N. Murthy   -   Joint Secretary
2. Shri Khakhai Zou   -   Additional Director

2.   At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration of the Draft Report on the subject 'Computerization of Targeted Public Distribution System (TPDS)' pertaining to the Department of Food and Public Distribution under the Ministry of Consumer Affairs, Food and Public Distribution.

3.   Thereafter, the Committee took up for consideration the Draft Report. After brief discussion, the Committee adopted the Draft Report with slight modifications.

4.   The Committee then authorized the Chairperson to finalize the aforesaid Draft Report in the light of factual verifications from the concerned Department and present the same to both Houses of Parliament.

The Committee then adjourned.

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