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**STANDING COMMITTEE ON FOOD, CONSUMER
AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021)**

SEVENTEENTH LOK SABHA

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

**STRENGTHENING OF PUBLIC DISTRIBUTION SYSTEM –
AUGMENTING USE OF TECHNOLOGICAL MEANS AND
IMPLEMENTATION OF ‘ONE NATION, ONE RATION
CARD’ SCHEME**

TWELFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2021/ Phalguna 1942 (Saka)

(i)

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Presented to Lok Sabha on 19.03.2021

Laid in Rajya Sabha on 19.03.2021



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2021/ Phalguna, 1942 (Saka)

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Composition of the Standing Committee on Food, Consumer Affairs and Public Distribution (2020-2021):-

Shri Sudip Bandyopadhyay, Chairperson

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Karadi Sanganna Amarappa
4. Shri Girish Bhalchandra Bapat
5. Shri G. S. Basavaraj
6. Shri Shafiqur Rahman Barq
7. Ms. Pratima Bhoumik
8. Shri Anil Firojiya
9. Shri Rajendra Dhedy Gavitt
10. Shri Bhagwant Mann
11. Shri Khagen Murmu
12. Shri Mitesh Rameshbhai (Bakabhai) Patel
13. Shri Subrat Pathak
14. Dr. Sanjeev Kumar Singari
15. Smt. Himadri Singh
16. Smt. Kavita Singh
17. Shri Ganesan Selvam
18. Shri Ajay Misra Teni
19. Shri Saptagiri Ulaka
20. Shri Rajmohan Unnithan
21. Shri Ve. Vaithilingam

Rajya Sabha

22. Smt. Shanta Chhetri
23. Shri Satish Chandra Dubey
24. Smt. Roopa Ganguly
25. Shri K. G. Kenye
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27. Smt. M. C. Mary Kom
28. Shri Rajmani Patel
29. Shri Sakaldeep Rajbhar
30. Dr. Anbumani Ramadoss
31. Vacant

LOK SABHA SECRETARIAT

- | | | |
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| 2. Shri Lovekesh Kumar Sharma | - | Director |
| 3. Shri Khakhai Zou | - | Additional Director |
| 4. Shri Dong Lianthang Tonsing | - | Under Secretary |
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INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2020-2021) having been authorized by the Committee to submit the Report on their behalf, present this Twelfth Report on the subject "Strengthening Public Distribution System - Augmenting use of Technological Means and Implementation of 'One Nation, One Ration Card' Scheme" pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food & Public Distribution).

2. The Committee examined/scrutinized the materials furnished by the Department of Food and Public Distribution on 23.11.2020, 18.12.2020 and 30.12.2020. The Committee took evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on 07 January, 2021.

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 appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the subject.

4. The Draft Report was considered and adopted by the Committee at their sitting held on 17 March, 2021.

5. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in bold type in the body of the Report.

**NEW DELHI;
18 March, 2021
27 Phalgun, 1942 (Saka)**

**SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution**

PART I

REPORT

CHAPTER I

INTRODUCTORY

The primary policy objective of the Department of Food & Public Distribution, one of the two Departments of the Ministry of Consumer Affairs, Food and Public Distribution (MOCAF & PD), is to ensure food security for the country through timely and efficient procurement and distribution of Foodgrains.

1.2 Public Distribution System (PDS) has come along way since the 1960s, from a welfare-based scheme for distribution of foodgrains in urban areas for addressing food shortages to a “rights based” system under the National Food Security Act, (NFSA) 2013 that is the epitome of national food security for more than 80 crore people across 36 States/UTs in the country. Eligible Antyodaya Anna Yojna (AAY) households, which constitute the poorest of the poor, are entitled to receive 35 Kg of foodgrains per household per month, whereas persons belonging to Priority Household (PHH) are entitled to receive 5kg of foodgrains per person per month at subsidized prices of Rs. 3/2/1 per Kg for Rice/Wheat/Coarse-grains respectively. The ‘One Nation, One Ration Card’ (ONORC) Scheme is being implemented as part of the Integrated Management of Public Distribution System (IM-PDS) to implement the nation-wide portability of ration cards under NFSA.

1.3 The Standing Committee on Food, Consumer Affairs and Public Distribution (2019-2020) as well as (2020-2021) selected the subject "Strengthening Public Distribution System - Augmenting use of Technological Means and Implementation of 'One Nation, One Ration Card' Scheme" for examination and Report. Accordingly, briefing and oral evidence on the subject were held on 17 January, 2020 and 7 January, 2021 respectively.

1.4 The Committee s examination of the subject, "Strengthening Public Distribution System - Augmenting use of Technological Means and Implementation of 'One Nation, One Ration Card' Scheme", include Integrated Management of Public Distribution System (IM-PDS), Identification of Beneficiaries, Fair Price Shops, Foodgrain Logistics, Challenges Faced by the States and Direct Benefit Transfer.

CHAPTER II

INTEGRATED MANAGEMENT OF PUBLIC DISTRIBUTION SYSTEM (IM-PDS)

To sustain the reforms brought in the functioning of Targeted Public Distribution System (TPDS) by the scheme on End-to-End Computerization of TPDS Operations and to introduce new reforms and initiatives, the Department of Food & Public Distribution in association with State/UT Governments has started the implementation of a central sector scheme, namely Integrated Management of Public Distribution System (IM-PDS), approved for implementation in all States/UTs with a total outlay of Rs. 127.30 Cr. w.e.f. April 2018 for a period of two years. The validity of the scheme has been extended up to 31.03.2022 without escalation in the total project cost.

2.2 The main objective of the scheme is to introduce nation-wide portability in the distribution of foodgrains under NFSA, i.e. eligible ration card holders/beneficiaries covered under NFSA shall be able to lift their entitled foodgrains from any Fair Price Shop (FPS) of their choice anywhere in the country, by using their same/existing ration card after biometric/Aadhaar authentication on electronic Point of Sale (ePoS) device at the FPS through 'One Nation, One Ration Card' (ONORC) scheme by quoting either their ration card number or the Aadhar number. Thus, this facility can be enabled at the FPSs having operational ePoS devices with biometric/Aadhaar authentication facilities.

2.3 This ONORC scheme aims to empower all migrant beneficiaries (such as labourers, daily-wagers, urban poor like rag-pickers, street-dwellers, temporary workers in both organised and un-organised sectors, domestic workers and many more) to be self-reliant for their food-security anywhere in the country, by overcoming the constraint of ration card tagged to a particular FPS and get deprived of their subsidized foodgrains due to migration.

2.4 In the implementation of IM-PDS, NIC is supporting the Department of Food & Public Distribution through technical manpower for development of software applications / modules, software utilities, mobile applications and various other technical aspects of the scheme.

2.5 In a written reply, the Committee have been informed that, up to December 2020, the facility for portability of ration card under ONORC scheme has been seamlessly enabled in 32 States/UTs, namely Andaman & Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Bihar, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Ladakh, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and Uttarakhand.

Allocation and Utilisation of Funds

2.6 The details of release of fund to States/UTs and National Informatics Centre (NIC)/NICServices Inc. (NICS) (HQ) and NICS/CPMU (Central Project Monitoring Unit) under IM-PDS during the Financial Years 2018-19, 2019-20 and extended period of 2020-21 is as given below :

S. N.	Name of State/UT	Fund released (in Rs.)			Total
		2018-19	2019-20	2020-21	
1	Andhra Pradesh	61,83,780			61,83,780
2	Assam	88,80,000			88,80,000
3	Telengana	38,16,220	2,58,10,980	37,03,400	3,33,30,600
4	Manipur	27,60,000	6,81,240		34,41,240
5	Mizoram	25,20,000	5,78,940		30,98,940
6	Nagaland	32,40,000	34,08,460	39,81,444	1,06,29,904
7	Sikkim	15,60,000	3,97,260	13,04,840	32,62,100
8	Tripura	25,20,000	27,00,000		52,20,000
9	Maharashtra	50,00,000	96,01,780		1,46,01,780
10	Meghalaya	32,40,000	9,27,060		41,67,060
11	Gujarat	88,80,000	28,07,640		1,16,87,640
12	Rajasthan	50,00,000	72,02,020		1,22,02,020
13	Uttar Pradesh	81,00,000			81,00,000
14	Himachal Pradesh	30,00,000	14,70,900	29,80,200	74,51,100
15	Arunachal Pradesh	52,80,000	18,79,860		71,59,860
16	Madhya Pradesh		1,71,84,060		1,71,84,060

17	Chhattisgarh		92,35,200		92,35,200
18	Odisha		1,01,58,360		1,01,58,360
19	Kerala		56,12,100		56,12,100
20	Goa		9,92,070		9,92,070
21	Daman & Diu and D&NH		9,72,000	16,79,300	26,51,300
22	Jharkhand		90,33,360		90,33,360
23	Karnataka		1,05,87,300	70,58,200	1,76,45,500
24	Uttarakhand		39,00,620		39,00,620
25	Haryana		76,30,500		76,30,500
26	Dadra & Nagar Haveli		1011720*		
27	Punjab		80,55,420		80,55,420
28	Bihar		1,46,23,020		1,46,23,020
29	Tamil Nadu		1,24,54,380		1,24,54,380
30	J&K		68,13,600		68,13,600
31	Lakshadweep			7,58,340	7,58,340
32	Andaman & Nicobar			5,37,100	5,37,100
Total		6,99,80,000	17,47,18,130	2,20,02,824	26,67,00,954
1	NIC/NICSI(HQ)	16,46,36,453	88,04,934	1,95,47,559	19,29,88,946
2	NICSI/CPMU	1,53,63,308	1,86,20,149	1,59,76,209	4,99,59,666
Total		17,99,99,761	2,74,25,083	3,55,23,768	24,29,48,612
Grant Total		24,99,79,761	20,21,43,213	5,75,26,592	50,96,49,566

*Sanction of Rs. 10,11,720/- was released to UT of Dadra & Nagar Haveli in FY 2019-20. But the funds could not be utilized by UT in FY and this amount has been lapsed.

Authenticity of Information

2.7 Asked whether the Department of Food & Public Distribution has ever tried to confirm the authenticity of information regarding on-boarding of States into the national portability network of IMPDS, the Department submitted:

DFPD has issued guidelines for onboarding of States into the National Portability. In this regard technical requirements for onboarding have been given and verified by NIC. <http://www.impds.nic.in/portal> has also been developed by NIC for State-wise real-time information.

CHAPTER III

IDENTIFICATION OF BENEFICIARIES

In order to maintain supplies and securing availability and distribution of essential commodities, in exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), Public Distribution System (Control) Order, 2001 mandates the State and UT Governments to carry out all required action to ensure smooth functioning of TPDS. To bring the PDS Control Order in consonance with NFSA 2013, TPDS (Control) Order 2015 (the Control Order, 2015) has been notified by the Department of Food and Public Distribution on 20/03/2015.

3.2 The Department of Food and Public Distribution submitted to the Committee that the operational responsibilities with regard to implementation of TPDS rest with the concerned State/UT Governments. Under NFSA, coverage has been de-linked from poverty estimates and is under two categories, namely AAY Households and PHH households. As per NFSA, AAY households are to be identified by State Government as per criteria applicable to the said scheme. AAY is an ongoing scheme and such households are already identified. PHHs are to be identified by States as per criteria evolved by them. Different States have adopted different criteria.

3.3 In Clause 3 (13-14) of the Control Order, 2015, it has been prescribed states that the State Government shall regularly review the list of the eligible households for the purpose of deletion of ineligible households or inclusion of eligible households. During the review, the State Government shall take into account, *inter-alia*, the increase

in the number of eligible households or their members due to migration in to the State, birth, marriage, change in social and economic status and the decrease in the number of eligible households or their members due to migration outside the State, death, marriage, change in social or economic status. The Control Order, 2015 also states that the total number of eligible households after the review shall not exceed the ceilings prescribed in column 6 of the following table:

S. No.	State/ UT	Population (Census 2011)	Coverage					Antyodaya Anna Yojana (Number of families)*
			as percentage of population		Number of persons to be covered			
			Rural	Urban	Rural	Urban	Total	
1	2	3	4(i)	4(ii)	5(i)	5(ii)	5(iii)	6
1	Andhra Pradesh	84,665,533	60.96	41.14	34,327,666	11,664,731	45,992,397	1,557,800
2	Arunachal Pradesh	1,382,611	66.31	51.55	708,963	161,581	870,545	38,000
3	Assam	31,169,272	84.17	60.35	22,541,160	2,648,614	25,189,775	704,000
4	Bihar	103,804,637	85.12	74.53	78,374,264	8,742,078	87,116,341	2,501,000
5	Chhattisgarh	25,540,196	84.25	59.98	16,516,082	3,560,735	20,076,817	718,900
6	Delhi (NCT)	16,753,235	37.69	43.59	158,041	7,119,954	7,277,995	156,800

7	Goa	1,457,723	42.24	33.02	232,917	299,263	532,181	18,400
8	Gujarat	60,383,628	74.64	48.25	25,878,298	12,406,431	38,284,729	812,800
9	Haryana	25,353,081	54.61	41.05	9,027,848	3,621,262	12,649,110	302,500
10	Himachal Pradesh	6,856,509	56.23	30.99	3,468,157	213,429	3,681,586	197,100
11	Jammu and Kashmir	12,548,926	63.55	47.10	5,805,178	1,608,044	7,413,222	282,200
12	Jharkhand	32,966,238	86.48	60.20	21,651,951	4,773,434	26,425,385	917,900
13	Karnataka	61,130,704	76.04	49.36	28,554,943	11,638,187	40,193,130	1,199,700
14	Kerala	33,387,677	52.63	39.50	9,186,833	6,293,208	15,480,040	595,800
15	Madhya Pradesh	72,597,565	80.10	62.61	42,082,857	12,559,357	54,642,214	1,581,600
16	Maharashtra	112,372,972	76.32	45.34	46,971,481	23,045,203	70,016,683	2,505,300
17	Manipur	2,855,794	88.56	85.75	1,790,364	715,287	2,505,651	63,600
18	Meghalaya	2,964,007	77.79	50.87	1,842,823	302,695	2,145,517	70,200
19	Mizoram	1,091,014	81.88	48.60	433,175	273,121	706,296	26,100
20	Nagaland	1,980,602	79.83	61.98	1,123,097	355,605	1,478,702	47,500
21	Odisha	41,947,358	82.17	55.77	28,719,429	3,901,738	32,621,167	1,264,500
22	Punjab	27,704,236	54.79	44.83	9,487,875	4,656,688	14,144,562	179,400
23	Rajasthan	68,621,012	69.09	53.00	35,609,149	9,052,811	44,661,960	932,100
24	Sikkim	607,688	75.74	40.36	345,346	61,237	406,582	16,500

25	Tamil Nadu	72,138,958	62.55	37.79	23,261,863	13,207,503	36,469,365	1,864,600
26	Tripura	3,671,032	74.75	49.54	2,025,763	476,070	2,501,833	113,100
27	Uttar Pradesh	199,581,477	79.56	64.43	123,406,329	28,652,314	152,058,643	4,094,500
28	Uttarakhand	10,116,752	65.26	52.05	4,584,895	1,608,953	6,193,849	190,900
29	West Bengal	91,347,736	74.47	47.55	46,330,525	13,853,246	60,183,770	1,985,700
30	A&N Islands	379,944	24.94	1.70	60,956	2,304	63,260	10,700
31	Chandigarh	1,054,686	38.54	47.26	11,178	484,737	495,915	8,800
32	Dadra and Nagar Haveli	342,853	84.19	51.54	154,088	82,376	236,464	6,900
33	Daman and Diu	242,911	26.66	56.47	16,084	103,103	119,187	1,500
34	Lakshadweep	64,429	35.30	33.56	4,985	16,883	21,868	1,200
35	Puducherry	1,244,464	59.68	46.94	235,343	399,048	634,390	32,200
Total		1,210,327,463	75	50	624,929,906	188,561,229	813,491,135	24,999,800

* Within the total State-wise number of persons to be covered under National Food Security Act, 2013, as indicated in Column 5(iii).

3.4 The Committee have also been informed that identification of 100% of intended beneficiaries is completed in 15 States/Union Territories such as Andhra Pradesh, Bihar, Chattisgarh, Goa, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttarakhand, West Bengal and Lakshadweep. As regards rest of the states, the status of identification of intended beneficiaries vary from State to State. For example as on 9 September, 2020, Arunachal Pradesh has completed

94.27% identification. Similarly the position with respect of Assam is 99.85%, Delhi 99.94%, Gujarat 99.92%, Himachal Pradesh 77.80%, Jharkhand 99.79%, Manipur 98.44%, Meghalaya 99.98%, Mizoram 94.65%, Nagaland 94.98%, Odisha 99.20%, Sikkim 93.30%, Telangana 99.96%, Tripura 99.24%, Uttar Pradesh 96.30%, Andaman & Nicobar Islands 96.61%, Dadra, Nagar Haveli & Daman and Diu 70.91%, Chandigarh (DBT) 56.34%, Puducherry (DBT) 99.43%, J&K 99.61% and Ladakh 99.99%.

3.5 Asked whether convergence is made with other ministries/departments/States/UTs, in the matter of identification of beneficiaries, the Department of Food & Public Distribution stated in a written reply as under:

"Targeted Public Distribution System (TPDS) is operated under the joint responsibility of the Central and the State/Union Territory (UT) Governments. Thus, all operational responsibility of TPDS lies with concerned States/UTs and also to device suitable mechanism (including convergence with other departments within States etc.) to identify eligible beneficiaries for issuance of ration cards".

3.6 In Clause 3 (6) of the Control Order, 2015 it has been prescribed that for the purpose of allocation of subsidized foodgrains under Targeted Public Distribution System by the Central Government, there shall be no increase in the State-wise number of persons covered under Targeted Public Distribution System till the data from the next population Census, after the commencement of the Order, becomes available.

Aadhaar Seeding / De-duplication of Ration Cards

3.7 The Department also apprised the Committee that the total number of ration cards issued under NFSA as on 9.12.2020 was 23,66,57,824 out of which 90.5% (21,42,29,880 ration cards) had been Aadhaar seeded. The process of identification and deletion of bogus/ineligible/multiple ration cards, is aided by the digitization of ration cards database and further supported by Aadhaar based de-duplication of ration cards/beneficiaries. As per the reports available from States/UTs, so far, as an outcome of digitization of ration cards/beneficiaries, de-duplication due to Aadhaar seeding, transfer/migration/deaths of beneficiaries, change of economic status of the beneficiary household and during the run-up to and implementation of NFSA, a total of 4.39 Crore ration cards had been deleted by the States/UTs during the years 2013 to 2020 (upto October, 2020), which is a continuous process.

CHAPTER - IV

FAIR PRICE SHOPS

Issue of new licenses to fair price shops and their renewal fall within the purview of State/UT Governments. However, as per NFSA, 2013, States/UTs shall give preference to public institutions or public bodies such as Panchayats, Self Help Groups, Co-operatives, in licensing of fair price shops and management of fair price shop by women or their collectives. Clause 9(5) of the TPDS (C) Order, 2015 reiterates the provisions of NFSA, 2013.

Automation of FPSs

4.2 The Department of Food & Public Distribution apprised the Committee that as per clause 11 (15) of the Control Order, 2015 the State Government shall ensure monitoring of the end-to end operations of the Targeted Public Distribution System through the electronic platform. End-to-end operations include activities relating to digitisation of beneficiary, ration cards and other data bases; computerisation of supply-chain management; setting up of transparency portal, grievance redressal mechanism and Fair Price Shop automation.

4.3 The Department has also informed that the automation of FPSs is being done by means of installing ePoS devices at the FPSs for transparent distribution of highly subsidized foodgrains after biometric/authentication i.e. unique identification of genuinely eligible beneficiaries under the Act, for achieving the rightful targeting of food subsidy . Besides authentication of beneficiaries, the ePoS devices also upload

the electronic records of all sale transactions to centralized ePoS servers in respective States/UTs that ensures transparency. The uploaded transaction data are available on respective States/UTs transparency/ePoS portals as well as on central Annavitran portal (<https://annavitran.nic.in>).

4.4 The Department had issued guidelines on FPS automation, including technical specifications for ePoS device in November 2014 to all States/UTs which were updated in May 2015. 91% FPSs out of total 5.40 lakh FPSs are automated by installing ePoS devices across the country.

Laggard States

4.5 As per information furnished by the Department, the State-wise status of FPS automation, **as on 09.12.2020**, is as follows:

SN	State/UT	Total FPS	Operational ePoS	FPS Automation(%)
1	Andaman and Nicobar	464	445	96%
2	Andhra Pradesh	28,936	28,936	100%
3	Arunachal Pradesh	1,943	683	35%
4	Assam	38,237	0	0%
5	Bihar	47,032	47,021	100%
6	Chandigarh	NA	NA	NA

7	Chhatisgarh	12,304	12,004	98%
8	DNH&DD	114	114	100%
9	Delhi	2,018	0	0%
10	Goa	456	456	100%
11	Gujarat	17,210	17,210	100%
12	Haryana	9,526	9,526	100%
13	Himachal Pradesh	4,934	4,934	100%
14	Jammu & Kashmir	6,002	6,002	100%
15	Jharkhand	25,532	25,532	100%
16	Karnataka	19,935	19,762	99%
17	Kerala	14,189	14,155	100%
18	Ladakh	409	409	100%
19	Lakshadweep	39	39	100%
20	Madhya Pradesh	25,133	25,099	100%
21	Maharashtra	52,532	52,532	100%
22	Manipur	2,333	2,307	99%
23	Meghalaya	4,709	3,930	83%
24	Mizoram	1,241	1,233	99%
25	Nagaland	1,623	1,619	100%
26	Odisha	12,577	12,577	100%
27	Puducherry	NA	NA	NA
28	Punjab	17,525	17,525	100%
29	Rajasthan	25,682	25,579	100%

30	Sikkim	1,362	1,352	99%
31	Tamil Nadu	34,776	34,776	100%
32	Telangana	17,170	17,170	100%
33	Tripura	1,806	1,806	100%
34	Uttar Pradesh	80,493	80,493	100%
35	Uttarakhand	9,908	7,634	77%
36	West Bengal	20,261	20,261	100%
	Summary	5,38,411	4,93,121	91.6%

4.6 In connection with FPS automation, the Department had convened multiple meetings/Video Conferences with concerned stakeholders and also sent number of letters from the level of Hon ble Minister of CA,F&PD, Secretary (FPD) and Joint Secretary (BP,PD) to laggard States to roll-out ePoS device at FPSs for foodgrain distribution. Technical assistance from NIC HQ has also been offered to States/UTs for the purpose. The Department has also stated that Delhi has 100% seeding at Ration card level but does not have ePoS devices at FPSs; Assam has not installed e-PoS device and has negligible Aadhaar seeding; Chhattisgarh has 98% ePoS installation, however, the devices are not yet compatible for performing biometric authentication; and West Bengal with 100% ePoS automation and about 80% Aadhaar seeding in Ration cards, has not started biometric authentication

4.7 With regard to the case of Delhi where ePOS machines have not been operational, the representative of the Department also deposed during evidence held on 7th January, 2021 that there were more than 2000 shops in Delhi, whose automation was running/operational before last week in the month of April, 2018, Ever since the scheme of portability was implemented, the issue was followed up with Delhi and other big States. The latest development is that Bharat Electronics, the supplier has already installed ten machines for testing purposes. The Union Government has told the Chief Secretary of Delhi that 100 more machines were coming from the supplier as assured by them. The Ministry took a review meeting on 4 January, 2021, wherein the State Government of Delhi was told to strictly observe the milestones that they had promised as 31st March happens to be the deadline to commence. The Ministry was feeling confident that in the near future, with the cooperation of everybody, it would have the machines in Delhi ration shops up and running again.

Business Models on ePOS

4.8 In a written reply, the Department of Food & Public Distribution has stated that for the purpose of acquiring and installing the requisite ePoS devices at FPSs, the Department had suggested the following business models to States/UTs - (1) State Purchased Model, wherein State/UT Government tenders to purchase and provide the ePoS devices to all FPS dealers; (2) System Integrator Model, wherein State/UT Government contracts a System Integrator (SI)/vendor, through tender process for installation and maintenance of ePoS devices in all FPSs; (3) Hybrid

Model, wherein State/UT Government tenders to purchase the ePoS devices and to contract a System Integrator/Vendor for the installation and maintenance of same in all FPSs; and (4) FPS Dealers Purchased Model, wherein FPS dealers purchase and install their own ePoS devices.

4.9 Asked about the details of models adopted by various States, the Department informed that the Committee that the State Governments of Rajasthan, Tamil Nadu, Odisha and Andhra Pradesh adopted State Purchased Model; Karnataka, Chhattisgarh and Gujarat adopted FPS Owner Purchased Model; and in rest of the States the Government adopted the System Integrator Model.

Connectivity Issues

4.10 The National Informatics Centre (NIC) being central technical partner of the Department of Food & Public Distribution for the implementation of technology driven schemes for PDS reforms, is supporting the Department through the following activities:

Setting up of central repository of all ration cards/beneficiaries under NFSA in the country

De-duplication & Analysis of ration cards/beneficiaries

Development of Web/ Mobile application/web-services

Development of Management Information System (MIS) & Web Portals

Technical Support to States/UTs for existing CAS applications / FPS Automation (ePoS software)

4.11 As regards, the difficulty in implementing Aadhaar based biometric transactions at some of the FPSs located in the shadow areas with limited or no data connectivity, States have been advised for making alternative arrangements like Data Cards/ Mobile Hotspot for ensuring better internet connectivity. The Department of Food & Public Distribution has pursued the matter with Department of Telecom (DoT) for establishing uninterrupted and high-speed internet connectivity by laying optical cables and has also asked States/UTs to share the requisite details of poorly connected FPSs for remedial action. Further, the Department has also advised all States/UTs that genuine beneficiaries/ households shall not be denied from their entitled foodgrains under NFSA only on the ground of not possessing an Aadhaar number, or due to any technical failure of ePoS device.

4.12 During oral evidence, the representatives of the Department further stated that they found that nearly 13,000 FPSs in the country are in chronically poorly connected areas where the machines are not getting connectivity.

FPS Dealer Margin

4.13 The Department of Food and Public Distribution has in a written reply stated that as per the The Food Security (Assistance to State Governments) Rules, 2015, for every quintal of foodgrain sold, the FPS dealer earns a margin of Rs. 70 (+ 17 as additional margin for sale through point of sale device) in General Category States/UTs with Central Share of 50% and Rs. 143 (+ 17 as additional margin for sale through point of sale device) in Special Category States/UTs with Central Share of 75%. In so far as revision of the margin is concerned, the Department stated that the matter was taken up

with Expenditure Finance Committee which suggested that the matter would need to be reformulated for consideration by the EFC for the next cycle of the Finance Commission and also to get a third party evaluation done. The operational duration of the current Fifteenth Finance Commission, established in the year 2017, is 2021-2026.

4.14 With greater infusion of technology and structural reforms and process re-engineering, it has become necessary to keep the States/UTs, districts and sub-district level functionaries and other officials associated with PDS abreast with the changes and latest happenings in the PDS operations across different parts of the country, so that they can be active and informed participants in the process of change. Besides, there are several new initiatives in the areas of data analysis, viability of FPSs, portability of ration cards, dashboarding of data/reports, social audits, oversight and monitoring mechanism under NFSA, etc. which need to be understood clearly and properly practiced as a routine.

4.15 The Department has stated that it has no information about the cost of setting up of a FPS with all the necessary equipment .

Stocks in FPS

4.16 In a written reply, the Ministry stated that Food Corporation of India (FCI) undertakes movement of foodgrains from FCI depots in procuring /surplus regions to FCI depots in consuming /deficit regions, whereas lifting and movement of foodgrains from FCI depots to State/UT depots for issue in PDS is being done by the respective State/UT.

4.17 Clause 6 (1) of the Control Order, 2015 states that the FCI shall ensure physical delivery of foodgrains of prescribed quality specifications upto designated depots in each State for distribution under the Targeted Public Distribution System, as per the allocation made by the Central Government, within seven working days of the receipt of payment from the State Government.

4.18 Clause 7 (11) of the Control Order, 2015 states that the State Government shall devise suitable mechanism for transportation of foodgrains from the Corporation godown to the intermediate godown and the door-step delivery of the foodgrains to the fair price shop. Asked about the procedure of payment against stock received from State Depots by a FPS dealer and average time taken along with changes envisaged therein, the Department submitted to the Committee as under :

“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. The operational responsibility including allocation within State, identification of eligible families, issue of ration cards, distribution of foodgrains through FPS and supervision of the functioning of FPS rests with the State Governments .

Notification About Commodities

4.19 Clause 4 (7&9) of the Control Order, 2015 says that the State Government shall prescribe a suitable form of application for new ration card and modification in the existing ration card which may include requisite details including Aadhaar number, bank account details, and mobile telephone number.

4.20 Asked whether beneficiaries are notified the details of commodities issued and balance remaining through their Registered Mobile Numbers, the Department stated in a written reply:

“Under PDS, the responsibility of identification of beneficiaries and distributing the foodgrains to them through FPSs lies with the State/UT Governments. An important objective of the FPSs automation is to ensure transparency of functioning and States/UTs that have operationalised ePoS in their FPSs have the option to issue paper/e-receipt to beneficiaries with details of commodities issued and balance remaining etc.

In order to effectively handle the public grievances under NFSA, all States/UTs have setup toll-free helpline numbers 1967/1800 series. All States/UTs *vide* letter dated 26th June 2020 have been requested to operationalize the 14445 short-code/toll-free number for ONORC and utilize the same for information dissemination/awareness about ONORC .

Frequency of Transactions

4.21 The Department of Food & Public Distribution has furnished a snapshot of overall portability transaction during August, 2019 to November 2020 as follows:

Sl.	Month/Year	Intra-State Portability Transactions	Inter-State Portability Transactions	Total Portability Transactions under ONORC
1	Aug. 2019	78,86,812	240	78,87,052
2	Sept. 2019	82,15,245	1,195	82,16,440
3	Oct. 2019	90,11,267	1,105	90,12,372
4	Nov. 2019	1,03,14,956	1,326	1,03,16,282
5	Dec. 2019	87,38,053	652	87,38,705
6	Jan. 2020	1,21,25,879	574	1,21,26,453
7	Feb. 2020	1,23,91,093	734	1,23,91,827
8	Mar. 2020	1,17,57,129	594	1,17,57,723
9	Apr. 2020	1,13,24,732	351	1,13,25,083
10	May 2020	99,67,993	378	99,68,371
11	Jun. 2020	1,13,11,437	510	1,13,11,947
12	Jul. 2020	1,41,99,617	1,859	1,42,01,476
13	Aug. 2020	1,52,60,220	2,358	1,52,62,578

14	Sep., 2020	1,62,03,306	3,169	1,62,06,475
15	Oct., 2020	1,81,17,758	3,578	1,81,21,336
16	Nov., 2020	1,29,59,374	3,464	1,29,62,838
	Total	18,97,84,871	22,087	18,98,06,958
	Total Transactions			18.98 Crore

4.22 Asked about the reasons for low rate of inter-State transactions, the Ministry has stated in a written reply:

“Inter-State portability transactions is yet to pick-up due to the Covid-19 related restrictions imposed by many States on biometric authentication of beneficiaries. It has been also observed that lack of awareness on part of beneficiaries may be also a reason for prevailing rate of inter-State transactions

4.23 The Ministry has further submitted before the Committee about the steps taken by it to overcome the same as:

Regular time-to-time reviews of the implementation/rollout of ONORC plan at the level of Hon ble Minister of CA,F&PD with State Food Ministers and at the level of Secretary (DFPD) and Joint Secretary with State Food Secretaries for resolution of challenges/bottlenecks if any. In addition, following steps have also been taken to overcome the lower portability transactions :

Advised all States/UTs to (a) step up efforts for wide-publicity, awareness generation and targeting of intended target group; and (b) identify top migrants sending/receiving districts and collaborate with concerned DCs/DMs, industry associations, civil societies, NGOs, etc. in such districts to undertake focused awareness generation in those districts / identified places.

Media campaign through FM and Community radio channels across the States/UTs implementing ONORC.

Sharing various available IEC materials (infographics, posters/ banner/ pamphlets) with all States/UTs and PIB for wide-scale multi-modal publicity, display at prominent places and sharing through Social Media platforms.

Dedicated helpline number (14445) for migrant beneficiaries has been rolled out in States/UTs .

Items Distributed

4.24 The NFSA entitles up to 75% of the rural population and up to 50% of the urban population Rice, Wheat and Coarse-grains at highly subsidised prices of Rs. 3, 2 and 1 per Kg. respectively.

4.25 Asked whether more items are planned to be distributed, the Department stated that there is no such proposal to include more items for supply through network of FPSs in future. However, as per Clause 9(9) of the Control Order, 2015, the State/ UT Governments can allow the sale of commodities other than the foodgrains distributed under TPDS at the FPSs to improve the financial viability of their operations.

4.26 The Department has further submitted to the Committee that atta is being distributed in J&K, Sikkim and Tripura and fortified atta in Haryana & West Bengal.

4.27 During oral evidence a representative of the Department further stated that in PDS, 60 to 65 per cent of foodgrains happens to be rice or in rice form and that they have been working on an initiative, a pilot project, for the fortification of rice.

Drawing Portions of Entitlement

4.28 Clause 10 (2) of the Control Order, 2015 states that the ration card holder may draw his full entitlement of foodgrains in more than one installment. The Department also apprised the Committee that under ONORC scheme any member of family may withdraw required quantity of foodgrains (within entitled quota) from any FPS of their choice after biometric/Aadhaar authentication on an electronic Point of Sale (ePoS) device.

Inclusion of Persons with Disability

4.29 Section 38, Chapter-XIII of the NFSA, 2013 states that the Central Government may, from time to time, give such directions, as it may consider necessary, to the State Governments for the effective implementation of the provisions of this Act and the State Governments shall comply with such directions. The Department of Food and Public Distribution has in a written reply stated that all States/UTs have been directed under Section 38 of NFSA to ensure that all the disabled persons who are eligible as per the identification criteria of beneficiaries under the Act are covered under the Act. Further, States/UTs have been requested

to create / maintain data for monitoring and record purposes. Video Conferences were also held on 24.07.2020 and 28.08.2020 with all the States/Union Territories under the Chairmanship of Secretary, DFPD to discuss the issues relating to inclusion of disabled persons under National Food Security Act, 2013.

4.30 The following directions have been issued to States/UTs on 07.09.2020 under Section 38 of NFSA :

1. Disability as separate criteria within the eligibility criteria may be identified by all States/UTs for inclusion of persons with disability, subject to exclusion criteria, for coverage under the National Food Security Act, 2013.
2. It may be ensured that all the disabled persons, who are eligible as per identification criteria of beneficiaries under NFSA, are covered under the Act. Those who are not already covered should be covered with fresh ration cards to be issued as per the existing/ revised eligibility criteria that include disability as separate criteria.
3. If a disabled candidate/person is at par with another general candidate/person, preference should be given to disabled person.
4. No disabled person otherwise eligible shall be denied on the ground that the State has exhausted its upper limit under NFSA. In case such a situation arises, inclusion of disabled person shall take precedence. She/he may be given precedence over those persons who may be either at par or above in terms of consumption expenditure criteria.

5. All the States/UTs shall ensure and direct the concerned District Administration to put in place an appropriate mechanism and whole machinery may be mobilised in a mission mode for compliance of these directions.

4.31 The Department also stated that States/UTs were directed to send monthly status report for action taken in this regard. Accordingly Lakshadweep, Madhya Pradesh, Uttar Pradesh, Telangana, West Bengal and Rajasthan have submitted their action taken report and for rest of the States/UTs a reminder has been issued.

Grievance Redressal

4.32 With a view to effectively handle the public grievances under NFSA, all States/UTs have set up toll-free number/online grievance redressal systems in their respective portals in addition to the existence of District Grievance Redressal Officers (DGROs) and State Food Commissions (SFCs). With the help of such mechanisms in place, the States/UTs are able to effectively address the grievances related to foodgrain distribution. The States/UTs of Delhi, Goa, J&K, Kerala, Manipur, Nagaland and Puducherry have designated some statutory body to function as State Food Commission and rest of the States/UTs have independently constituted State Food Commission.

4.33 Asked whether any initiatives have been taken to ensure that States/UTs are acting proactively against impediments, if any, in effective enforcement of laws

relevant to the operating/functioning of FPSs, the Department stated in a written reply:

Targeted Public Distribution System (TPDS) is operated under the joint responsibility of the Central and State/UT Governments. Central Govt. is responsible for procurement, allocation and transportation of foodgrains upto the designated depots of the FCI. The operational responsibilities for allocation and distribution of foodgrains within the States/UTs, identification of eligible beneficiaries/families, issuance of ration cards to them and supervision and monitoring of functioning of FPSs (FPSs) rest with the concerned State/UT Government. Therefore, as and when shortcomings/complaints are received by this Department, these are referred to the concerned State/UT Govt. for inquiry and appropriate action

Vigilance Committees

4.34 Vigilance Committees have been in existence since the inception of the rationing system to ensure transparency and proper functioning of TPDS. Presently, every State Government is required to set up Vigilance Committees at the State, District, Block and FPS levels consisting of such persons as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, Women and Destitute Persons or Persons with Disability. The Control Order, 2015 stipulates that the meetings of the Committee shall be held at least once every quarter at all levels. The date and

periodicity of the meeting would be notified by the State Governments and given wide publicity.

4.35 The State Level Vigilance Committees are supposed to hold meeting once in three months (i.e. 4 times in a year). During the period from 2012-13 to 2018-19, the Gujarat State level Vigilance Committee held meeting thrice a year. Arunachal Pradesh had such meeting only once in 2016-17, Assam had such meeting only once in 2017-18, Bihar had twice in 2015-16, Chattisgarh had 7 times in 2012-13 and 8 times in 2013-14, Karnataka had thrice in 2017-18 and once in 2018-19, Kerala had thrice in 2012-13, twice in 2013-14 and once in 2014-15, Manipur had once each in 2012-13 and 2013-14, Nagaland had 4 times each in 2014-15 and 2015-16, Sikkim had once in 2013-14 and Tamil Nadu and Uttar Pradesh had 4 times each in 2018-19. In rest of the States/UTs no State level Vigilance Committee meeting had ever taken place in 7 years.

CHAPTER V

FOODGRAIN LOGISTICS

Food Procurement Portal

The Department of Food and Public Distribution has developed National Food Procurement Portal (NFPP) (nfpp.nic.in) to monitor the entire gamut of procurement operations under Minimum Support Price (MSP) for central pool starting with the registration of farmers to the final disbursement of MSP to them, to enable online compilation of procurement data for the country as a whole on real-time basis, to generate analytical reports based on this information and to promote transparency by bringing information into the public domain. The Department has stated that the FCI, which had a storage capacity of 409.49 Lakh Metric Tonne as on 30.11.2020, ensures procurement of foodgrains through MSP as per policy finalized by Ministry of Consumer Affairs, Food & Public Distribution (MOCAFPD) to secure availability of foodgrains in its depots situated at every nook and corner of the country.

5.2 Stocks are moved from surplus States to deficit States as per the requirement of foodgrains of the State/UT under Public Distribution System/Other Welfare Schemes. Movement planning is done on monthly basis as per the requirement of the States/UTs and final plan of movement is shared with all the stake holders involved in the movement planning. State/UT Governments or their nominated agencies lift the stocks of foodgrains from the depots of FCI against the allotment orders issued

by the Government of India and distribute the same to the end consumers through their retail distribution network like FPSs, Co-operatives, etc.

Depot Online System

5.3 As per the directions of the MOCAFPD, FCI has implemented the Depot Online System (DOS) Application, to automate all the operations at FCI Depots with the vision to transform the food supply chain management through innovative use of technology for ensuring transparency, reliability and efficiency of procurement, storage and distribution operations.

5.4 Currently, the application is functional in FCI owned depots across the country and is also being rolled out in hired godowns of FCI. The stock position and related details are available at all levels, in the form of reports and dashboard.

Mechanised Handling of Foodgrains

5.5 The Committee have been informed that Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing of foodgrains in bulk. It ensures better preservation of foodgrains and enhances its shelf life. The Department has also stated that if foodgrains are stored in Silos and transported in bulk, losses due to theft, pilferage and transportation are negligible compared to foodgrains storage in bags in conventional warehouses. Silo construction requires approximately 1/3rd land as compared to conventional storage warehouses. Moreover, Silos can be operated round the clock which would bring in flexibility and

would improve overall efficiency. The movement is being done through specialized wagons which have high pay-load and being faster, saves time besides minimizing transit losses. As such, construction of Silos and utilization of Silos for storing and transportation of foodgrains in bulk becomes beneficial to the nation as a whole besides contributing in improving the efficiency of Railways as well as creating an efficient Food Supply Chain Management System.

5.6 The Department has further stated that the Government has approved action plan for construction of 100 LMT Silo and that as on 31.10.2020, Silos with a capacity of 8.25 LMT(16 Locations) has been put to use and Silos with capacity of 21.50 LMT (43 Locations) are under various stages of implementation. Considering the delay in acquiring land with railway siding and other issues involved in Silos with Railway Siding, GoI has given in-principle Approval for Silos under Hub & Spoke Model in which spoke silos are road fed and containerized bulk movement can be made. The tender documents and list of 100 locations (11 hub & 89 spokes) of 35.8 LMT capacities under Hub & Spoke model has been recommended by HLC and sent to GOI for approval, so as to initiate tendering process.

5.7 The representatives of the Department further deposed during evidence:

"It was the Shanta Kumar Committee which was constituted by the Government which had suggested that we should not only automate our godowns but also we should construct silos. The purpose was basically bulk handling, bulk movement and bulk transportation. So, we had submitted it in our earlier Committee meetings also. But we did not succeed the way we had envisaged.

The reason was basically that all the silos were supposed to come up in locations which had a railway rake siding facility, loading as well as unloading. This land was not available because for any railway movement, the land parcel is a long and narrow one. It requires something like 1.5 km of small narrow land parcel. That was not possible. Right now, the Department has changed its track and we are basically going for something known as the hub and spoke model. Wherever we have the hub, it will be surrounded by the standalone silos so that it can support road movement as well as rail movement whenever the need arises. They call it the hub and spoke model. You are very much right when you mentioned about the people who are going to come in this process. Basically, it is of open tender. Earlier, the size of the silos was really very big in the range of 2 lakh metric tonnes".

CHAPTER - VI

TRAINING AND ORIENTATION

The Ministry has in a written reply stated that with greater infusion of technology and structural reforms and process re-engineering undertaken by the States/UTs for efficient implementation of TPDS operations, it has become necessary to keep the States/UTs, districts and sub-district level functionaries and other officials associated with PDS abreast with the changes and latest happenings in the PDS operations across different parts of the country, so that they can be active and informed participants in the process of change. Besides, there are several new initiatives in the areas of data analysis, viability of FPSs, portability of ration cards, dashboarding of data/reports, social audits, oversight and monitoring mechanism under NFSA, etc. which need to be understood clearly and properly practiced as a routine.

6.2 To attain these objectives, financial assistance is provided to the states/ UTs for conducting training programmes for their officials engaged in PDS operation. Under the scheme, Central Government provides financial assistance @ Rs. 500/- per trainee per day. Maximum assistance per training programme would be Rs. 50,000/- and the maximum duration of the training programmes would be five working days.

6.3 In view of changing work conditions due the COVID-19 outbreak, online training on effective implementation of ONORC scheme was conducted for over 50 participants from 5 North Eastern States Manipur, Mizoram, Nagaland, Sikkim and Tripura and for over 35 participants from UT of Jammu & Kashmir.

6.4 The Department has also stated that the IM-PDS scheme also includes activities like improving the quality of implementation by introducing data security and information standards/benchmarks and providing handholding support to States/UTs and facilitating cross-learning and sharing of best practices among States/UTs.

6.5 Asked whether NIC engineers are put on standby to sort out even minor glitches hindering the smooth functioning of ePOS machines, the Department stated that NIC provides support to DFPD as Technical partners for implementing FPS automation and IM-PDS Scheme across the country that it is supporting all States/UTs for the upgradation of ePOS application software to enable national portability features. The NIC manpower train the State technical officers and other field level functionaries for smooth implementation of One Nation One Ration Card scheme.

CHAPTER VII

DIRECT BENEFIT TRANSFER (DBT)

Chapter VI of the NFSA mandates that the eldest woman who is not less than eighteen years of age, in every eligible household, shall be head of the household for the purpose of issue of ration cards.

7.2 To eliminate leakages, the Department has suggested two models to States/UTs under Direct Benefit Transfer Scheme i.e. Direct Cash Transfer and Automation of FPSs (FPSs). Cash Transfer of Food Subsidy Rules, 2015 have been notified in August, 2015. Direct Cash Transfer scheme has already been started in UTs of Chandigarh and Puducherry from the month of September, 2015 and part of Dadra & Nagar Haveli from March, 2016.

Merits

7.3 The Department stated in a written note that Direct Cash Transfer gives option to beneficiaries to buy food grains of their choice. The beneficiary can diversify food options depending on dietary preferences. It will also lead to savings to the Government due to high administrative burden and costs on account of procurement, storage and distribution of foodgrains.

Demerits

7.4 On the other hand there are reports of beneficiaries who end up spending higher cost in accessing DBT than erstwhile PDS due to distance, multiple visits, and higher waiting time for cash withdrawal each month. There are also reports of inadequate availability of the food grain in the open market.

7.5 Asked whether the spirit of Chapter VI of NFSA is incorporated in the DBT bank accounts, the Department, in reply, submitted:

As per Section 13 of the National Food Security Act, 2013 the eldest woman who is not less than eighteen years of age, in every eligible household, shall be head of the household for the purpose of issue of ration cards. Where a household at any time does not have a woman or a woman of eighteen years of age or above, but has a female member below the age of eighteen years, then, the eldest male member of the household shall be the head of the household for the purpose of issue of ration card and the female member, on attaining the age of eighteen years, shall become the head of the household for such ration cards in place of such male member.”

7.6 The provision is applicable for all the States/UTs implementing the NFSA whether in DBT Cash or DBT Kind mode. Out of the total 2,45,418 Households in the Union Territories of Chandigarh, Dadra and Nagar Haveli (Urban) and Puducherry, where the DBT-Cash pilot is underway, 1,16,982 Households have Female as Head of Family (incorporated as way of DBT Bank Account).

7.7 A UT wise detailed segregation of Female Headed Households is as given below:

Union Territory	Total Household	Female headed Household
Chandigarh	63,722	61,854
Dadra & Nagar Haveli (Urban)	9,058	8,951
Puducherry	1,72,638	46,177

*As on 24th December 2020

PART II

OBSERVATIONS/RECOMMENDATIONS

1. ALLOCATION AND UTILISATION OF FUNDS FOR IM-PDS

The Committee note that to sustain the reforms brought in the functioning of Targeted Public Distribution System (TPDS), the Department has started Integrated Management of Public Distribution System (IM-PDS), approved for implementation in all States/UTs with a total outlay of Rs. 127.30 Cr. w.e.f. April 2018 for a period of two years. The validity of the scheme has been extended up to 31.03.2022 without escalation in the total project cost. Upto December 2020, the facility for portability of ration card under One Nation One Ration Card (ONORC) Scheme has been seamlessly enabled in 32 States/UTs, namely Andaman & Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Bihar, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Ladakh, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and Uttarakhand. Funds to the tune of Rs. 50,96,49,566 have been released under the Scheme. Assam (which received Rs. 88,80,000 during the Financial Year 2018-19) and Chhattisgarh (which received Rs. 92,35,200 during the Financial Year 2019-20) have not onboarded the portability grid. The Committee desire the Government to also look into the requirements of Ladakh, Chandigarh and Puducherry and release

funds for these States/UTs, if required. Also funds utilization by States/UTs including the States of Assam and Chattisgarh should be scrupulously scrutinized and utilization certificates obtained from all recipients of the funds.

2. AUTHENTICITY OF INFORMATION

The main objective of the One Nation One Ration Card (ONORC) scheme is to introduce nation-wide portability in the distribution of foodgrains under the National Food Security Act, 2013 (NFSA), i.e. eligible ration card holders/beneficiaries covered under NFSA shall be able to lift their entitled foodgrains from any Fair Price Shop (FPS) of their choice anywhere in the country, by using their same/existing ration card after biometric/Aadhaar authentication on electronic Point of Sale (ePoS) device at the FPS. So far 32 States/UTs have onboarded the national portability grid. The Committee note that the National Informatics Centre (NIC) being central technical partner of the Department for the implementation of technology driven schemes for Public Distribution System reforms is supporting the Department through technical manpower for development of software applications/modules, software utilities, mobile applications and various other technical aspects of the scheme. The Committee, therefore, recommend that NIC should be asked to take measures to rope in ordinary citizens in verification of the stocks at FPSs and working of the ePOS machines attached therewith. The Committee hope that the remaining States/UTs will be joining the Scheme at the earliest so that the beneficiaries under the NFSA are able to lift the foodgrains entitlements

from any FPS in any State/UT across the nation by using their existing ration card after biometric/Aadhaar authentication.

3. IDENTIFICATION OF BENEFICIARIES

The Committee note that under the National Food Security Act (NFSA), 2013, identification of 100% of intended beneficiaries is completed in 15 States/UTs and that identification in other States/Union Territories is at various stages of completion. The Committee also note that the process of identification and deletion of bogus/ineligible/multiple ration cards, is aided by the digitization of ration cards database and further supported by Aadhaar based de-duplication of ration cards/beneficiaries. They desire that the functions of identification/de-duplication may be coordinated with with various Divisions/Departments of the Government that are custodians of related matters including land records. For this the tool/data base used in identification of beneficiary by States/UTs should be got linked to such data as available elsewhere with potential to help in determining the income of the beneficiary family. As the population census is being prepared in the current year or the next, the Committee desire that the Government should finalise the list of eligible households taking into account COVID-19 pandemic and lockdown of the economy resulting in dislocation of families, reverse migration and change in income level of many families in various States/UTs across the country.

4. LAGGARD STATES

The Committee observe that as on 9.12.2020, 4,93,121 FPSs which is 91.6% of total 5,38,411 FPSs in the country are automated by installing electronic Point of Sale (ePoS) devices for transparent distribution of foodgrains under TPDS. They are happy to note that in 23 States/UTs, 100% of FPSs have been automated. However, the Committee are concerned that no FPS is operational on ePOS in Assam and NCT of Delhi. Moreover, West Bengal that already achieved 100% FPS Automation, has not started biometric authentication. All these drawbacks still linger even after Department had convened multiple meetings/Video Conferences with concerned stakeholders and also sent number of letters from the level of Hon ble Minister of CA,F&PD, Secretary (FPD) and Joint Secretary (BP&PD). They desire that the issue of Aadhaar seeding and FPS automation in Assam, Delhi and West Bengal be sorted out at the highest level so that the aim to empower all migrant beneficiaries in such States may be realized under the ONORC Scheme at the earliest.

5. BUSINESS MODELS ON ePOS

In order to acquire and install the requisite electronic Point of Sale (ePOS) devices in Fair Price Shops (FPSs), to facilitate implementation of the One Nation, One Ration Card Scheme, the State Governments of Rajasthan, Tamil Nadu, Odisha and Andhra Pradesh procure and maintain the devices through

a vendor under State Purchased Model; in Karnataka, Chhattisgarh and Gujarat FPS owner procures and maintains the same under Owner Purchased Model; and rest of the States/UTs have adopted the System Integrator Model for complete rollout of FPS automation. A look at the status of FPS automation as on 9 December, 2020 shows that there is 100% automation in States that adopt the State Purchased Model, which is an encouraging sign. The devices in Chattisgarh which adopted Owner Purchase Model are not compatible for performing biometric authentication. The Committee feel that in the States/Union Territories where FPS Dealers/Owner Purchase Model is adopted, compatibility of the devices for performing the required functions should be ensured.

6. CONNECTIVITY ISSUES

National Informatics Centre is supporting the Department of Food and Public Distribution through technical manpower for development of software applications with regard to implementation of One Nation, One Ration Card Scheme. They also note that the Department has difficulty in implementing Aadhaar based biometric transactions and that nearly 13,000 FPSs in the country are in chronically poorly connected areas. They also note the fact that States have been advised for making alternative arrangements like Data Cards/ Mobile Hotspot for ensuring better internet connectivity which has been pursued with Department of Telecom (DoT). The Committee appreciate the

fact that Department has advised all States/UTs that genuine beneficiaries/ households shall not be denied from their entitled foodgrains under NFSA only on the ground of not possessing an Aadhaar number, or due to any technical failure of ePoS device. The Committee desire that NIC may be asked to develop a device or mobile application for use of FPS dealers in such areas which may facilitate recording of transaction offline for eventual uploading of all sale transactions to centralized ePoS servers or central repository. The Committee also desire the Government to consider the possibility of taking advantage of the fifth generation mobile technology for this purpose.

7. FPS DEALER MARGIN

As per the Food Security (Assistance to State Government) Rules, National Food Security Act, 2013, for every quintal of foodgrain sold, the Fair Price Shop (FPS) dealer earns a margin of Rs. 70(+ Rs. 17 as additional margin for sale through electronic point of sale device in General Category States with Central share of 50% and Rs. 143 (+ Rs. 17 as additional margin for sale through point of sale device in Special Category States with Central share of 75% and that the matter of increasing the margin would be re-considered by the Expenditure Finance Commission for the next cycle of the Finance Commission and also to get a third party evaluation done. The fair price shops are an important part of the system to ensure food security for more than 80 crore poor people in the country. The Committee, therefore, recommend that

the matter may be treated as urgent and decision in this regard may be taken at the earliest possible duly following the prescribed procedures.

8. STOCKS IN FPS

In the implementation of the National Food Security Act, 2013 and One Nation One Ration Card Scheme, FCI undertakes movement of foodgrains from FCI depots in procuring /surplus regions to FCI depots in consuming /deficit regions and that lifting and movement of foodgrains from FCI depots to State/UT depots for issue to PDS is being done by the respective State/UTs. The Committee are, however, constrained to note that the Union Government has no information about procedure on re-bonding of foodgrains in Fair Price Shops (FPSs). The Committee, therefore, desire that the Union Government should have a relook at the issue with a view to issuing a broad guidelines applicable uniformly across all the States/UTs, to be followed in reloading foodgrains stocks in FPS and the payment thereof, invariably suggesting a minimum intervening time between communication of the requirement of FPS dealer, who may need a good measure of independence in the matter, to delivery/lifting. Also districts/places of a State/UT with preponderance of migrant workers should be accurately identified for use in logistic planning. The Committee feel that such an arrangement is necessary as the new dispensation empowers beneficiaries with portability of entitlement.

9. NOTIFICATION ABOUT COMMODITIES

The Committee observe that under the National Food Security Act (NFSA), 2013, while Antyodaya Anna Yojana (AAY) households, which constitute poorest of the poor are entitled to 35 kg of foodgrains per family per month, Priority Households (PHH) are entitled to 5 kg of foodgrains per person per month at a uniform rate of Rs. 3/2/1 for rice, wheat and coarse-grains respectively. They also note that: (i) Fair Price Shops (FPSs) have the option to issue paper/e-receipt to beneficiaries with details of commodities issued and balance remaining etc.; (ii) all States/UTs have set up toll-free helpline numbers 1967/1800 series and that States/UTs have been requested on 26 June 2020 to operationalize the 14445 short-code/toll-free number for One Nation One Ration Card (ONORC) and utilize the same for information dissemination/awareness about ONORC scheme. The Committee desire the Government to make arrangements wherein all mobile phone numbers of all members of the beneficiary family are registered which may be used to notify them of the stock position in FPS frequently visited by them. Also instead of leaving it to the FPS owners or State/UT Governments, vital information such as the beneficiary's entitlement, ration drawn and ration still in the balance, be got conveyed at all the Registered Mobile Numbers of the family by short messaging service (SMS) notification.

10. FREQUENCY OF TRANSACTION

The Committee note that 91% of the total available Fair Price Shops (FPSs) in the country as on 18.12.2020 are equipped with electronic point of sale (ePOS) device. A look at the snapshot of the portability transactions under the One Nation, One Ration Card (ONORC) Scheme shows an encouraging rate in intra-State transaction whereas there is low rate of inter-State transaction due to the Covid-19 related restrictions imposed by many States on biometric authentication of beneficiaries and lack of awareness on part of beneficiaries. The Committee also note that regular time-to-time reviews of the implementation/rollout of ONORC scheme at the level of Hon ble Minister of CA,F&PD with State Food Ministers and at the level of Secretary (DFPD) and Joint Secretary with State Food Secretaries for resolution of challenges/bottlenecks have been undertaken. The Committee also note that the Government has stepped up efforts for wide-publicity, awareness generation and identify top migrants sending/receiving districts and collaborate with concerned DCs/DMs, industry associations, civil societies, NGOs, etc. in such districts to undertake focused awareness generation in those districts / identified places apart from Media campaign through FM and Community radio channels across the States/UTs implementing ONORC. While appreciating the efforts of the Government, the Committee desire that information in this regard may also be communicated on the Registered Mobile Numbers of beneficiaries and also prominently displayed on the Fair Price Shops.

11. ITEMS DISTRIBUTED

Under the National Food Security Act, 2013 (NFSA), Rice, Wheat and Coarse grains are distributed to the beneficiaries at highly subsidised prices of Rs. 3, 2 and 1 per Kg. respectively. The Committee also note with appreciation the fact that atta is being distributed in J&K, Sikkim and Tripura and fortified atta is distributed in Haryana and West Bengal. Such practice, the Committee hope, would ease the problem of NFSA beneficiaries, who are poor and unable to manage the time and resources for grinding/milling wheat into flour. The Committee, therefore, desire that the Government should give option to beneficiaries in all States/UTs under NFSA to receive wheat or atta within entitled quota, as per beneficiary s preference.

12. DRAWING PORTIONS OF ENTITLEMENT

The Committee observe that under the One Nation One Ration Card (ONORC) Scheme, any member of a beneficiary family may withdraw required quantity of foodgrain (within entitled quota) from any Fair Price Shop (FPS) of their choice after biometric/Aadhaar authentication on an electronic Point of Sale (ePoS) device and the remaining quantity of entitled foodgrains may be lifted by other family members as per the TPDS Control Order 2015. A beneficiary family may draw their full entitlement of foodgrains in more than one installment. The Committee are of the view that the poor and illiterate beneficiaries in remote rural areas may be made aware of the Schemes. The Committee, therefore, recommend that the Order should be communicated in

simple language preferably in local dialect of the beneficiary through her/his Registered Mobile Phone number and also prominently displayed on Fair Price Shops.

13. INCLUSION OF PERSONS WITH DISABILITY UNDER NFSA

The Committee observe that the Department issued directions under Section 38 of the National Food Security Act, 2013 (NFSA) to all the States/UTs stating, *inter alia* that disability as separate criteria within the eligibility criteria may be identified by all States/UTs for inclusion of persons with disability, subject to exclusion criteria, for coverage under NFSA; preference be given to disabled person who happensto be at par with general candidate/person; a database of disabled persons covered under NFSA shall be created/ maintained separately and suitable mechanism of monitoring and reporting accordingly be put in place for compliance; no disabled person otherwise eligible should be denied on the ground that the State has exhausted its upper limit under NFSA; and that all States/UTs shall ensure and direct the concerned District Administration to put in place an appropriate mechanism and whole machinery may be mobilised in a mission mode for compliance of these directions. States/UTs of Lakshdweep, Madhya Pradesh, Uttar Pradesh, Telangana, West Bengal and Rajasthan have submitted their action taken reports while rest of the States/UTs have been reminded to do the same. The Committee, while appreciating the steps taken by the Government, recommend that the Ministry should vigorously pursue the rest of the

States/UTs to furnish status of action taken by them on the directions issued by the Union Government. The Committee also desire that the Ministry may consider setting up an inter-ministerial co-ordination committee to make productive use of data available elsewhere in implementation of the NFSA and One Nation One Ration Card Scheme.

14. GRIEVANCE REDRESSAL

The Committee note that with the setting up of toll-free number/online grievance redressal systems and the existence of District Grievance Redressal Officers (DGROs) and State Food Commissions (SFCs), States/UTs are able to effectively address the grievances related to foodgrain distribution under the National Food Security Act, 2013 (NFSA). They also note that the States/UTs of Delhi, Goa, J&K, Kerala, Manipur, Nagaland and Puducherry have designated some statutory body to function as State Food Commission and rest of the States/UTs have independently constituted State Food Commission. While appreciating the position of grievance redressal at the District and State levels, the Committee desire the Union Government to ensure that States/UTs should keep the channels for grievance redressal open and accessible to the public at all times. The DGROs and SFCs should also be made to identify and keep record of the flaws in the system that come to their notice, if any, which would be used in any event of revision of the system in future.

15. VIGILANCE COMMITTEES

Every State Government is required to setup Vigilance Committees State, District, Block and FPS levels with regard to implementation of NFSA consisting of such persons as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, Women and Destitute Persons or Persons with Disability and meetings held at least once every quarter at all levels. However, there have hardly been any regular meetings of the State level Vigilance Committees except that of the State of Gujarat, that too 3 meetings per year (during the 7 year period from 2012-13 to 2018-19) out of 4 meetings in a year mandated by the TPDS Control Order, 2015. Arunachal Pradesh had such meeting only once in 2016-17, Assam had such meeting only once in 2017-18, Bihar had twice in 2015-16, Chhattisgarh had 7 times in 2012-13 and 8 times in 2013-14, Karnataka had thrice in 2017-18 and once in 2018-19, Kerala had thrice in 2012-13, twice in 2013-14 and once in 2014-15, Manipur had once each in 2012-13 and 2013-14, Nagaland had 4 times each in 2014-15 and 2015-16, Sikkim had once in 2013-14, Tamil Nadu and Uttar Pradesh had 4 times in 2018-19. In rest of the States/UTs no State level Vigilance Committee meeting had ever taken place during the said 7 years. This speaks volumes about poor vigilance at the State level. Even the few States that held State Level Vigilance Committees meetings, the meetings were held irregularly. For example, though Chattisgarh held such meeting in excess of the mandated 4 times in 2012-13 and 2013-14, discontinued thereafter, Nagaland held such meeting 4 times each in 2014-15 and 2015-16, and didn't continue thereafter. Similarly, Tamil Nadu and Uttar

Pradesh held the meetings 4 times each in 2018-19 only. The Committee, therefore, strongly recommend that the Department of Food and Public Distribution should monitor regularly and ensure timely and regular convening of not only State Level Vigilance Committee meetings, but also at the District, Block and FPS levels so that NFSA beneficiaries actually reap the benefits of the welfare schemes of the Government.

16. FOODGRAIN LOGISTICS

In the operation of Targeted Public Distribution, State/UT Governments or their nominated agencies lift the stocks of foodgrains from the depots of Food Corporation of India (FCI), which has a total storage capacity of 409.49 Lakh Metric Tonne (LMT), against the allotment orders issued by the Government of India and distribute the same to the end consumers through their retail distribution network like Fair Price Shop (FPS), Co-operatives, etc. The FCI has implemented the Depot Online System (DOS) application, to automate all the operations at FCI Depots with the vision to transform the food supply chain management through innovative use of technology for ensuring transparency, reliability and efficiency of procurement, storage and distribution operations. Currently, the application is functional in FCI owned depots across the country and is also being rolled out in hired godowns of FCI. The stock position and related details are available at all levels, in the form of reports and dashboard. The Committee also note the Government has approved action plan for construction of 100 LMT capacity Silo that apart from

Silos with a capacity of 8.25 LMT at 16 Locations are being put to use and Silos with capacity of 21.50 LMT at 43 Locations are under various stages of implementation,. The Committee note that apart from better preservation of foodgrain and enhancing shelf-life, Silos will bring flexibility and improve overall efficiency which will ultimately reduce losses. As such, they desire that the Government should, while ensuring modernization of storage facilities, accelerate the construction of such Silos and improve the efficiency level in existing storage facilities in the interest of the nation. Also the Government should ensure automation of FCI operations through efficient application of Depot Online System (DOS) in FCI owned and hired godowns. They desire that such measures should be taken in right earnest to ensure that losses are minimised to the extent possible. The Committee also desire that vehicles transporting foodgrains should be tracked with GPS device.

17. TRAINING AND ORIENTATION

The Committee observe that with greater infusion of technology and structural reforms and process re- engineering undertaken by the States/UTs for efficient implementation of Targeted Public Distribution System (TPDS) operations, it has become necessary to keep the States/UTs, districts and sub-district level functionaries and other officials associated with Public Distribution System (PDS) abreast with the changes and latest happenings in PDS operations across different parts of the country, so that they can be active and informed participants in the process of change in view of the fact that there are several

new initiatives in the areas of data analysis, viability of Fair Price Shops (FPSs), portability of ration cards, dashboarding of data/reports, social audits, oversight and monitoring mechanism under the National Food Security Act, 2013 (NFSA), etc. which need to be understood clearly and properly practiced as a routine. With these objectives, financial assistance @ Rs. 500/- per trainee per day with a maximum assistance per training programme of Rs. 50,000/- and the maximum duration of the training programmes being five working days, is provided by the Central Government. In spite of the COVID-19 outbreak, online training has been imparted to 50 participants from 5 North Eastern States Manipur, Mizoram, Nagaland, Sikkim and Tripura and for over 35 participants from UT of Jammu & Kashmir. The Committee also note that the Integrated Management of Public Distribution System (IM-PDS) scheme also includes activities like Improving the quality of implementation by introducing data security and information standards/benchmarks and providing handholding support to States/UTs and facilitating cross-learning and sharing of best practices among States/UTs. Besides, the Committee also note that the National Informatics Centre (NIC) State manpower train the State technical officers and other field level functionaries for smooth implementation of ONORC Scheme. The Committee, therefore, recommend that training programmes, be it real time or online, should be continued with the view to ensuring hassle free operation of the technology driven food distribution system. In addition to this, emphasis should also be given on handholding support to FPS dealers by introducing a scheme of incentive for

every visit and support given to FPS by the technical officers or field level functionaries for smooth implementation of ONORC Scheme.

18. DIRECT BENEFIT TRANSFER

The Committee note that the Direct Benefit Transfer (DBT) system gives the option to beneficiaries to buy foodgrains of their choice, diversify food options depending on dietary preferences while it leads to Government savings due to high administrative burden and costs on account of procurement, storage and distribution of foodgrains through Fair Price Shops. The Committee have also been informed about beneficiaries ending up spending higher cost in accessing DBT than erstwhile PDS due to distance, multiple visits, and higher waiting time for cash withdrawal each month. The Committee also note that there were reports of inadequate availability of the foodgrain in the open market. The system of DBT is in operation in Union Territories of Chandigarh, Dadra & Nagar Haveli (Urban) with significant female headed households and Puducherry. Given the fact that the provision mandating the eldest woman who is not less than eighteen years of age, in every eligible household, shall be Head of the household for the purpose of issue of ration cards, for all States/UTs implementing NFSA is applicable in DBT Cash system too, misuse of the cash by a male member of the family is not likely. The Committee, therefore, desire that the Government should make a feasibility study on introducing DBT Cash as per suitability, in urban areas,

while allowing PDS infrastructure to function for the benefit of migrant beneficiaries hailing from rural areas to obtain their foodgrain entitlement under NFSA in urban areas.

**NEW DELHI;
18 March, 2021
27 Phalguna, 1942 (Saka)**

**SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution**