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PDS (Control) Order, 2001

Targeted Public Distribution System (TPDS)

ANTYODAYA ANNA YOJANA (AAY)

Vigilance Committees

PUBLIC DISTRIBUTION SYSTEM (CONTROL) ORDER, 2001

GSR No.630(E)-Whereas the Central Government is of the opinion that it is necessary and expedient so to do for maintaining supplies and securing availability and distribution of essential commodities under the Public Distribution System; Now, therefore, in exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following order, namely: -

1. Short title, extent and commencement:-

- (1) This order may be called the Public Distribution System (Control) Order, 2001.
- (2) It extends to the whole of India.
- (3) It shall come into force on the date of its publication in the Official Gazette.

2. Definitions:-

- (a) 'Act' means the Essential Commodities Act, 1955 (10 of 1955);

- (b) "Appellate Authority" means an authority appointed as such by the State Government under Paragraph 7 of the Annexe to this Order;
- (c) ' authority' means any officer not below the rank of Inspector in the State Government dealing with Food and Civil Supplies;
- (d) 'Above Poverty Line Families' means those families who have been issued Above Poverty Line (APL) ration cards by the State Governments for issue of foodgrains under the Public Distribution System;
- (e) 'Antyodaya families' means those poorest families from amongst Below Poverty Line (BPL) families identified by the State Governments and entitled to receive foodgrains under the Antyodaya Anna Yojana;
- (f) 'authorised nominee' means the concerned Department of State Government or a Corporation or a company owned by it or a co-operative;
- (g) 'Below Poverty Line families' means those families who have been identified by the State Government for issue of foodgrains at specially subsidized rates adopting the estimates of poverty given by the Central Government;
- (h) 'eligible applicant' means an individual who is resident of a State and fulfills the conditions for getting a ration card as may be prescribed by the State Government;
- (i) 'essential commodities' means essential commodities as defined under the Act;
- (j) 'fair price shop' means a shop, which has been licensed to distribute essential commodities by an order issued under section 3 of the Act, to the ration card holders under the Public Distribution System;
- (k) 'fair price shop owner' means a person and includes a cooperative society or a corporation or a company of a State Government or a Gram Panchayat or any other body in whose name a shop has been licensed to distribute essential commodities under the Public Distribution System;
- (l) 'Public Distribution System' means the system for distribution of essential commodities to the ration cardholders through the fair price shops, such as rice, wheat, sugar, edible oils, kerosene and such other commodities as are notified by the Central Government under clause (a) of section 2 of the Act;
- (m) 'ration card' means a document issued under an order or authority of the State Government for the purchase of essential commodities under the Public Distribution System from the fair price shop;
- (n) 'State' includes a Union territory;
- (o) 'State Government' includes Administration of a Union territory;

3. Identification of families living below the poverty line:

The State Governments shall identify families living Below Poverty Line as per paragraph 1 of the Annexe to this Order.

4. Ration Cards:

The State Government shall issue distinctive ration cards to Above Poverty Line, Below Poverty Line and Antyodaya families and shall conduct periodical review and checking of the ration cards as per paragraph 2 of the Annexe to this Order.

5. Scale of issue and issue price:

The Central Government shall make available to the State Governments foodgrains for distribution under the Public Distribution System at such scales and prices as provided in paragraph 3 of the Annexe to this Order.

6. Distribution:

(1) The procedure for distribution of foodgrains by the Food Corporation of India to the State Governments or their nominated agencies, shall be as per paragraph 4 of the Annexe to this Order.

(2) Fair price shop owners shall take delivery of stocks from authorised nominees of the State Governments to ensure that essential commodities are available at the fair price shop within first week of the month for which the allotment is made.

(3) The district authority entrusted with the responsibility of implementing the Public Distribution System shall ensure that the stocks allocated to the fair price shops are physically delivered to them by the authorised nominee within the stipulated time.

(4) The authority or any person authorised by it in this behalf or any other person, who is engaged in the distribution and handling of essential commodities under the Public Distribution System, shall not willfully indulge in substitution or adulteration or diversion or theft of stocks from Central godowns to fair price shop premises or at the premises of the fair price shop.

Explanation

For the purpose of this clause:

(i) 'diversion' means unauthorized movement or delivery of essential commodities released from central godowns but not reaching the intended beneficiaries under the Public Distribution System.

(ii) 'substitution' means replacement of essential commodities released from central godowns with the same articles of inferior quality for distribution to the intended beneficiaries under the Public Distribution System.

7. Licensing:

(1) The procedure for issue of licenses or authorization to the fair price shops for the distribution of essential commodities under Public Distribution System and duties and responsibilities of the fair price shop owners shall be as per paragraph 5 of the Annexure to this Order.

(2) The ration card holder shall not be denied the supply as per entitlement of the essential commodities, lying in stock, by the fair price shop owner under the Public Distribution System;

(3) The fair price shop owner shall not retain ration cards after the supply of the essential commodities.

(4) Any ration card holder desirous of obtaining extracts from the records of a fair price shop owner may make a written request to such owner along with deposit of the fee specified by the State Government.

(4A) Within fourteen days from the date of receipt of a request and the specified fee under sub-clause (4), the fair price shop owner shall provide such extracts of records to the ration card holder.

8. Monitoring:

The procedure for monitoring of the Public Distribution System including the functioning of the fair price shops by the State Governments shall be as per paragraph 6 of the Annexure to this Order.

9. Penalty:

If any person contravenes any provisions of this Order under clauses 3,4,6 and 7, he shall be liable to punishment under Section 7 of the Act.

10. Power of search and seizure:

(1) An authority authorised by State Government, shall be competent to inspect or summon such records or documents as may be considered by him necessary for examination and take extracts or copies of any records or documents produced before him.

(2) If the said authority has reasons to believe on receipt of a complaint or otherwise that there has been any contravention of the provisions of this Order or with a view to securing compliance with this Order, he may enter, inspect or search the fair price shop or any premises relevant to transactions of business of the fair price shop.

(3) The said authority may also search, seize or remove such books of accounts or stocks of essential commodities where such authority has reason to believe that these have been used or will be used in contravention of the provisions of this order.

(3A) The authority conducting search and seizure under sub-clause (3) shall inform the State Government or an officer authorised by it in this behalf, the details of the search conducted and the stocks of essential commodities so seized by them under that clause.

(4) The provisions of section 100 of the Code of Criminal Procedure 1973, relating to search and seizure shall so far as may be, apply to search and seizure under this Order.

11. Appeal:

(1) All appeals shall lie before the Appellate Authority appointed under paragraph 7 of the Annexe to this Order

(2) Any person aggrieved by an order of the designated authority denying the issue or renewal of a ration card or cancellation of the ration card may appeal to the Appellate Authority within thirty days of the date of receipt of the order.

(3) Any person aggrieved by an order of the designated authority denying the issue or renewal of the licence to the fair price shop owner, or cancellation of the licence may appeal to the Appellate Authority within thirty days of the date of receipt of the order and the Appellate Authority shall, as far as practicable, dispose the appeal within a period of sixty days.

(4) No such appeal shall be disposed of unless the aggrieved person has been given a reasonable opportunity of being heard.

(5) Pending the disposal of an appeal, the Appellate Authority may direct that the order under appeal shall not take effect for such period as the authority may consider necessary for giving a reasonable opportunity to the other party under sub-clause (4) or until the appeal is disposed off, whichever is earlier.

12. Protection of action taken under Order:

No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Order.

13. Power of Central Government to give directions:

The Central Government may give such directions as it may deem necessary to State Government for execution of all or any of the provisions of this Order and the State Government shall comply with such directions.

14. Provisions of the Order to prevail over previous Orders of State Governments:

The provisions of this Order shall have effect notwithstanding anything to the contrary contained in any Order made by a State Government or by an officer of such State Government before the commencement of this Order except as respects anything done, or omitted to be done thereunder before such commencement:

(S.C. BRAHMA)
JOINT SECRETARY TO THE GOVERNMENT OF INDIA

Annexe to the Public Distribution System Control Order, 2001

[See clauses 3,4,5,6,7, 8,10 & 12]

1. Identification of families living below the poverty line:

(1) State Governments shall formulate suitable guidelines for the purpose of identification of families living Below the Poverty Line (BPL), including the Antyodaya families, as per the estimates adopted by the Central Government. Care will be taken to ensure that the families so identified are really the poorest. The exercise of identification of BPL and Antyodaya families, wherever it has not been done already, shall be completed within three months of the issue of this Order.

(2) State Governments shall get the lists of BPL and Antyodaya families reviewed every year for the purpose of deletion of ineligible families and inclusion of eligible families.

(3) While undertaking the exercise of identification or review of BPL and Antyodaya families, each State Government shall prescribe a suitable proforma to be filled up by or on behalf of the head of a family.

(4) The data provided in the prescribed proforma shall be verified by the authority designated by the State Government for the purpose. The said authority shall also certify the correctness of the information contained in the proforma.

(5) Gram Sabhas shall finalise the list of beneficiaries belonging to BPL and Antyodaya categories drawn up by the designated authority in respect of the area under their respective jurisdiction.

(6) Where there are no Gram Sabhas, the local representative bodies shall finalise the list of beneficiaries belonging to BPL and Antyodaya categories within their respective jurisdiction.

(7) The designated authority of the State Government or the local representative bodies including Gram Sabhas and Gram Panchayats which have been entrusted with the task of identification of beneficiaries, shall verify and certify the information in the prescribed proforma for BPL and Antyodaya families.

2. Ration Cards:

(1) State Governments shall ensure that no eligible applicant is denied a ration card under the Public Distribution System.

(2) The ration card holder shall be entitled to draw essential commodities from a fair price shop on weekly basis.

(3) State Government shall issue distinctive ration cards to APL, BPL and Antyodaya families.

(4) The designated authority shall issue a ration card within one month of the date of receipt of the application after necessary checks and verification.

(5) State Governments shall specify a timeframe for making additions or alterations in the ration card. In case this time limit is not adhered to, the reasons therefor shall be intimated to the applicant in writing.

(6) State Government shall conduct periodical checking of ration cards to weed out ineligible and bogus ration cards and bogus units in ration cards.

(7) A ration card shall be valid for a period of five years from the date of its issue unless it is suspended or cancelled earlier. A ration card shall be issued afresh or renewed after fresh verification of antecedents and such other checks as may be prescribed by the State Governments in this regard.

(8) Elimination of bogus ration cards as well as bogus units in the ration cards shall be a continuous exercise by the State Governments to check diversion of essential commodities.

(9) Ration cards shall not be used as documents of identity.

3. Scale of issue and issue price:

(1) The Central Government shall make available to the State Governments foodgrains for distribution under the Public Distribution System to various categories of beneficiaries at such scales and prices, as may be specified from time to time.

(2) The State Governments shall not divert the allocations made by the Central Government for distribution under the Public Distribution System.

4. Distribution:

(1) The Food Corporation of India (FCI) or any other agency designated for the purpose by the Central Government shall ensure physical delivery of foodgrains of fair average quality to State Governments for distribution under the Public Distribution System, as per the allocations made by the Central Government, within two weeks of the receipt of payment from the State Governments and issue of release orders.

(2) State Governments shall, on getting allocation of foodgrains from the Central Government, issue district-wise allocation orders authorising their agencies or nominees to draw foodgrains from the FCI within ten days of the receipt of allocation orders made by the Government of India

(3) The designated authority of the State Government shall ensure delivery of one copy of allocation order made to the fair price shop simultaneously to Gram Panchayats or Nagar Palikas or Vigilance Committees or any other body nominated for monitoring the functioning of the fair price shops by the concerned State Government and such order shall specify:-

(i) Number of cards and units;

(ii) Balance in hand; and

(iii) Allocation made for each month in respect of a fair price shop.

(4) Gram Panchayats or Nagar Palikas or Vigilance Committees or any other body nominated for monitoring the functioning of the fair price shop by State Governments shall display the stocks of essential commodities allotted during the month to the fair price shops on a notice board outside their office.

(5) While making monthly allocations to the fair price shops the designated authority of State Governments shall take into account the balance stock, if any, lying un-distributed with the fair price shop owners for the subsequent allocations.

(6) State Governments shall make arrangements for taking delivery of essential commodities issued by the Central Government by their designated agencies or nominees from the FCI depots/godowns and ensure further delivery to the fair price shop within the first week of the month for which allocation is made.

(7) Before making the payment to the FCI the representatives of State Governments or their nominees and the FCI shall conduct joint inspection of the stocks of foodgrains intended for issue to ensure that the stocks conform to the prescribed quality specifications.

(8) The FCI shall issue to the State Governments stack-wise sealed samples of the stocks of foodgrains supplied to them for distribution under the Public Distribution System at the time of despatch.

(9) State Governments shall exercise necessary checks to ensure that full quantity lifted by them reaches their godowns and in turn the fair price shops.

(10) State Governments shall ensure that stocks of essential commodities under the Public Distribution System, as issued from the FCI godowns, are not replaced by stocks of inferior quality during storage, transit or any other stage till delivery to the ration card holder.

5. Licensing:

State Governments shall issue an order under section 3 of the Act for regulating the sale and distribution of the essential commodities. The licenses to the fair price shop owners shall be issued under the said order by the 'designated authority' appointed by the State Government and the authority shall lay down the duties and responsibilities of the fair price shop owner. The responsibilities and duties of fair price shop owners shall include, inter alia:

(i) sale of essential commodities as per the entitlement of ration card holders at the retail issue prices fixed by the concerned State Government under the Public Distribution System;

(ii) display of information on a notice at a prominent place in the shop on daily basis regarding (a) list of BPL and Antodaya beneficiaries, (b) entitlement of essential commodities, (c) scale of issue, (d) retail issue prices, (e) timings of opening and closing of the fair price shop, (f) stock of essential commodities received during the month, (g) opening and closing stock of essential commodities and (h) the authority for redressal of grievances/lodging complaints with respect to quality and quantity of essential commodities under the Public Distribution System;

(iii) maintenance of records of ration card holders (APL, BPL and Antyodaya), stock register, issue or sale register;

(iv) furnishing of copies of specified documents, namely, ration card register, stock register, sale register to the office of the Gram Panchayat or Nagar Palika or Vigilance Committee or any other body authorized by State Governments for the purpose;

(v) display of samples of foodgrains being supplied through the fair price shop;

(vi) production of books and records relating to the allotment and distribution of essential commodities to the inspecting agency and furnishing of such information as may be called for by the designated authority;

(vii) accountal of the actual distribution of essential commodities and the balance stock at the end of the month to the designated authority of the concerned State Government with a copy to the Gram Panchayat;

(viii) opening and closing of the fair price shop as per the prescribed timings displayed on the notice board.

6. Monitoring:

(1) State Governments shall ensure a proper system of monitoring of fair price shops and prescribe model sale register, stock register and ration card register.

(2) State Governments shall ensure regular inspections of fair price shops not less than once in six months by the designated authority. State Governments may issue orders specifying the inspection schedule, list of check points and the authority responsible for ensuring compliance with the said orders.

(3) Meetings of the Vigilance Committees on the Public Distribution System at the State, District, Block and FPS level shall be held on a regular basis. The date and periodicity shall be notified by State Governments However, the periodicity shall not be less than one meeting a quarter at all levels.

(4) State Governments shall ensure a periodic system of reporting and the complete information in this regard shall be sent in the prescribed form as follows:

(i) By fair price shops to the District Authorities by the 7th of the month following the month for which allocation is made in Form 'A'.

(ii) By the District Authorities to State Government by the 15th of the month following the month for which allocation is made in Form 'B'.

(iii) By the State Government to the Central Government by the end of the month following the month for which allocation is made in Form 'C'.

(5) Future allocation of foodgrains to States shall be linked to the receipt of regular reports from the respective States and furnishing of utilization certificates by them within a period of two months from the month for which allocation is made.

(6) State Governments shall ensure monitoring of the functioning of the Public Distribution System at the fair price shop level through the computer network of the NIC installed in the District NIC centers. For this purpose computerized codes shall be issued to each FPS in the district.

(7) State Governments shall educate the ration card holders regarding their rights and privileges under the Public Distribution System by use of electronic and print media as well as display boards outside fair price shops.

(8) State Governments shall issue and adopt the Citizen's Charter based on the model Citizens Charter issued by the Central Government.

(9) The designated authority shall direct the concerned fair price shop owner to provide relevant extracts of the documents maintained by him on an application made by a beneficiary, on payment of a prescribed fee.

7. **Appellate Authority:** The State Governments shall appoint an officer of that Government not below the rank of Additional District Magistrate of a District as "Appellate Authority" for exercising the powers conferred upon and discharging the functions assigned to him under this Order.

Provided that an appeal pending before an appellate authority immediately before the commencement of the Public Distribution System (Control) Amendment Order, 2004 shall be disposed of by such authority as if this amendment had not taken place.

Targeted Public Distribution System (TPDS)

PUBLIC DISTRIBUTION SYSTEM

INTRODUCTION

1.1 The Public Distribution System (PDS) evolved as a system of management of scarcity and for distribution of food grains 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 commodities distributed under it to a household or a section of the society.

1.2 PDS is operated under the joint responsibility of the Central and the State Governments. The Central government, through FCI, has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The operational responsibility including allocation within State, identification of families below the poverty line, issue of Ration Cards and supervision of the functioning of FPS, rest with the State Governments. Under the PDS presently the commodities namely wheat, rice, sugar and kerosene, are being allocated to the States/UTs for distribution. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as cloth, exercise books, pulses, salt and tea etc.

EVOLUTION OF PUBLIC DISTRIBUTION SYSTEM

2.1 Public Distribution of essential commodities had been in existence in India during the inter-war period. PDS, with its focus on distribution of food grains in urban scarcity areas, had emanated from the critical food shortages of 1960. PDS had substantially contributed to the containment of rise in food grains prices and ensured access of food to urban consumers. As the national agricultural production had grown in the aftermath of Green Revolution, the outreach of PDS was extended to tribal blocks and areas of high incidence of poverty in the 1970s and 1980s.

2.2 PDS, till 1992, was a general entitlement scheme for all consumers without any specific target. Revamped Public Distribution System (RPDS) was launched in June 1992 in 1775 blocks throughout the country.

2.3 The Targeted Public Distribution System (TPDS) was introduced with effect from June 1997.

REVAMPED PUBLIC DISTRIBUTION SYSTEM (RPDS)

3.1 The Revamped Public Distribution System (RPDS) was launched in June, 1992 with a view to strengthen and streamline the PDS as well as to improve its reach in the far-flung, hilly, remote and inaccessible areas where a substantial section of the poor live. It covered 1775

blocks wherein area specific programmes such as the Drought Prone Area Programme (DPAP), Integrated Tribal Development Projects (ITDP), Desert Development Programme (DDP) and certain Designated Hill Areas (DHA) identified in consultation with State Governments for special focus, with respect to improvement of the PDS infrastructure. Food grains for distribution in RPDS areas were issued to the States at 50 paise below the Central Issue Price. The scale of issue was up to 20 kg per card.

3.2 The RPDS included area approach for ensuring effective reach of the PDS commodities, their delivery by State Governments at the doorstep of FPSs in the identified areas, additional ration cards to the left out families, infrastructure requirements like additional Fair Price Shops, storage capacity etc. and additional commodities such as tea, salt, pulses, soap etc. for distribution through PDS outlets.

TARGETTED PUBLIC DISTRIBUTION SYSTEM (TPDS)

4.1 The PDS, till 1992 was a general entitlement scheme for all consumers without special targets. The RPDS was launched in 1992 in 1775 blocks in tribal, hill and drought prone areas. PDS as it stood earlier, had been widely criticized for its failure to serve the population Below the Poverty Line (BPL), its urban bias, limited coverage in the States with high concentration of the rural poor and lack of transparent and accountable arrangements for delivery.

4.2 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 food grains and for its distribution in a transparent and accountable manner at the FPS level.

4.3 The scheme, when introduced, was intended to benefit about 6 crore poor families for whom a quantity of about 72 lakh tonnes of food grains was earmarked annually. The identification of the poor under the scheme is done by the States as per State-wise poverty estimates of the Planning Commission for 1993-94 based on the methodology of the "Expert Group on estimation of proportion and number of poor" chaired by Late Prof Lakdawala. The allocation of food grains to the States/UTs was made on the basis of average consumption in the past i.e. average annual off-take of food grains under the PDS during the past ten years at the time of introduction of TPDS.

4.4 The quantum of food grains in excess of the requirement of BPL families was provided to the State as 'transitory allocation' for which a quantum of 103 lakh tonnes of food grains was earmarked annually. Over and above the TPDS allocation, additional allocation to States was also given. The transitory allocation was intended for continuation of benefit of subsidized food grains to the population Above the Poverty Line (APL) as any sudden withdrawal of benefits existing under PDS from them was not considered desirable. The transitory allocation was issued at prices, which were subsidized but were higher than the prices for the BPL quota of food grains.

4.5 Keeping in view the consensus on increasing the allocation of food grains to BPL families, and to better target the food subsidy, Government of India increased the allocation to BPL families from 10 kg to 20kg of food grains per family per month at 50% of the economic cost and allocation to APL families at economic cost w.e.f. 1.4.2000. The allocation of APL families was retained at the same level as at the time of introduction of TPDS but the Central Issue Prices (CIP) for APL were fixed at 100% of economic cost from that date so that the entire consumer subsidy could be directed to the benefit of the BPL population.

4.6 The number of BPL families has been increased w.e.f. 1.12.2000 by shifting the base to the population projections of the Registrar General as on 1.3.2000 instead of the earlier population projections of 1995. With this increase the total number of BPL families is 652.03 lakh as against 596.23 lakh families originally estimated when TPDS was introduced in June 1997.

4.7 The end retail price is fixed by the States/UTs after taking into account margins for wholesalers/retailers, transportations charges, levies, local taxes etc. Under the TPDS the States were requested to issue food-grains at a difference of not more than 50 paise per kg over and above the CIP for BPL families. Flexibility to States/UTs has been given in the matter of fixing the retail issue prices by removing the restriction of 50 paise per kg over and above the CIP for distribution of food grains under TPDS except with respect to Antyodaya Anna Yojana where the end retail price is to be retained at Rs. 2/ a Kg. for wheat and Rs. 3/a Kg. for rice.

IDENTIFICATION OF BPL FAMILIES UNDER TPDS

5. To work out the population below the poverty line under the TPDS, there was a general consensus at the Food Minister's conference held in August 1996, for adopting the methodology used by the expert groups set up by the Planning Commission under the Chairmanship of Late Prof. Lakadawala. The BPL households were determined on the basis of population projections of the Registrar General of India for 1995 and the State wise poverty estimates of the Planning Commission for 1993-94. The total number of BPL households so determined was 596.23 lakh. Guidelines for implementing the TPDS were issued in which the State Governments had been advised to identify the BPL families by involving the Gram Panchayats and Nagar Palikas. While doing so the thrust should be to include the really poor and vulnerable sections of the society such as landless agricultural labourers, marginal farmers, rural artisans/craftsmen such as potters, tappers, weavers, black-smith, carpenters etc. in the rural areas and slum dwellers and persons earning their livelihood on daily basis in the informal sector like potters, rickshaw-pullers, cart-pullers, fruit and flower sellers on the pavement etc. in urban areas. The Gram Panchayats and Gram-Sabhas should also be involved in the identification of eligible families.

The number of BPL families has been increased w.e.f. 1.12.2000 by shifting the base to the population projections of the Registrar General as on 1.3.2000 instead of the earlier population projections of 1995. With this increase the total number of BPL families is 652.03 lakh as against 596.23 lakh families originally estimated when TPDS was introduced in June 1997.

ANTYODAYA ANNA YOJANA (AAY)

6.1 AAY is a step in the direction of making TPDS aim at reducing hunger among the poorest segments of the BPL population. A National Sample Survey Exercise points towards the fact that about 5 % of the total population in the country sleeps without two square meals a day. This section of the population can be called as “hungry”. In order to make TPDS more focused and targeted towards this category of population, the “Antyodaya Anna Yojana” (AAY) was launched in December, 2000 for one crore poorest of the poor families.

6.2 AAY contemplates identification of one crore poorest of the poor families from amongst the number of BPL families covered under TPDS within the States and providing them food grains at a highly subsidized rate of Rs.2/ per kg. for wheat and Rs. 3/ per kg for rice. The States/UTs are required to bear the distribution cost, including margin to dealers and retailers as well as the transportation cost. Thus the entire food subsidy is being passed on to the consumers under the scheme.

6.3 The scale of issue that was initially 25 kg per family per month has been increased to 35 kg per family per month with effect from 1st April 2002.

FIRST EXPANSION OF AAY

7. The AAY Scheme has been expanded in 2003-2004 by adding another 50 lakh BPL households headed by widows or terminally ill persons or disabled persons or persons aged 60 years or more with no assured means of subsistence or societal support. With this increase, 1.5 crore (i.e. 23% of BPL) families have been covered under the AAY.

SECOND EXPANSION OF AAY

8. As announced in the Union Budget 2004-05, the AAY has been further expanded by another 50 lakh BPL families by including, inter alia, all households at the risk of hunger. Orders to this effect have been issued on 3rd August 2004. In order to identify these households, the guidelines stipulate the following criteria: --

Ø Landless agriculture labourers, marginal farmers, rural artisans, /craftsmen, such as potters, tanners, weavers, blacksmiths, carpenters, slum dwellers, and persons earning their livelihood, on daily basis in the informal sector like porters, coolies, rickshaw pullers, hand cart pullers, fruit and flower sellers, snake charmers, rag pickers, cobblers, destitutes and other similar categories irrespective of rural or urban areas.

Ø Households headed by widows or terminally ill persons or disabled persons or persons aged 60 years or more with no assured means of subsistence or societal support.

Ø Widows or terminally ill persons or disabled persons or persons aged 60 years or more or single women or single men with no family or societal support or assured means of subsistence.

Ø All primitive tribal households.

With this increase, the number of AAY families has been increased to 2 crore (i.e. 30.66% of BPL) families.

THIRD EXPANSION OF AAY

9.1 As announced in the Union Budget 2005-06, the AAY has further been expanded to cover another 50 lakh BPL households thus increasing its coverage to 2.5 crore households.(i.e. 38% of BPL)

9.2 The status of identification of households under AAY (Normal, 1st expansion, 2nd expansion and 3rd expansion) is given in Annexure. The defaulting States/UTs are reminded regularly as a part of monitoring.

IDENTIFICATION OF ANTYODAYA FAMILIES AND ALLOCATION OF FOOD GRAINS:

10. The identification of the Antyodaya families and issuing of distinctive Ration Cards to these families is the responsibility of the concerned State Governments. Detailed guidelines were issued to the States/UTs for identification of the Antyodaya families under the AAY and additional Antyodaya families under the expanded AAY. Allocation of food grains under the scheme is being released to the States/UTs on the basis of issue of distinctive AAY Ration Cards to the identified Antyodaya families. The present monthly allocation of food grains under AAY is around 7.27 lakh tonnes per month.

SCALE OF ISSUE OF FOOD-GRAINS UNDER TPDS

11. Since 1997, the Scale of issue of the BPL families has been gradually increased from 10 kg. to 35 kg. per family per month. The scale of issue was increased from 10 kg. to 20 kg. per family per month with effect from 1.4.2000. The allocation for APL families has been retained at the same level as at the time of introduction of TPDS (i.e. 10 kg. per family per month). The allocation of food grains for the BPL families has been further increased from 20 kg to 25 kg. per family per month with effect from July, 2001. Initially, the Antyodaya families were provided 25 kg. of food grains per family per month at the time of launching of the scheme. The scale of issue under APL, BPL and AAY has been revised to 35 kg per family per month with effect from 1.4.2002 with a view to enhancing the food security at the household level.

CENTRAL ISSUE PRICE (CIP)

12. The present Central Issue Price (CIP) of food grains being supplied under TPDS is as under: -

(Figure in Rs. per kg.)

Commodity	APL	BPL	AAY
Rice	8.30	5.65	3.00
Wheat	6.10	4.15	2.00

ACHIEVEMENTS OF TPDS

13.

- Ø After June 1997, PDS has now become pro-poor.
- Ø The urban bias has been completely eliminated as a larger proportion of BPL families are living in rural areas.
- Ø Though PDS is supplemental in nature, but now the enhanced allocation of food grains fulfills around 50% of the cereal requirement every month of an average BPL household.
- Ø The CIP of food grains for BPL families has not been revised since 25.07.2000.
- Ø In accordance with the commitment of the Government to create a hunger free India and to reform the PDS so as to serve the poorest of the poor, the AAY scheme was launched in December 2000. The CIP for AAY category was kept lowest i.e. Rs.2/- a kg for wheat and Rs.3/- a kg for rice. The number of AAY households has been increased to 2.5 crores.

STREAMLINING OF TPDS

14 No increase in CIP of BPL: -

The Central Issue Price for wheat and rice for BPL families is Rs. 4.15 per kg and Rs. 5.65 per kg. This has remained constant since 25.7.2000 and has not been increased since last two and half years taking in to account their low purchasing power. This is approximately 48% of the economic cost of FCI. The CIP for AAY families has also remained unchanged.

15 Basis of Allocation and BPL estimates of Planning Commission: -

As per the latest Poverty Estimates of the Planning Commission (1999-2000), the poverty ratio at national level has come down from 36.15% in 1993-94 to 26.10% during 1999-2000 (with State-wise variations). The allocation of food grains under the TPDS however, continues to be made on the basis of estimates of poverty of 1993-94, which are higher. This allocation based on 1993-94 poverty estimates, have been further revised upwards, and based on the population

projection, as on 1st April 2000 thereby increasing the monthly allocation to the State Governments.

MEASURES TAKEN TO STRENGTHEN TPDS

16 Citizen's Charter

The Citizens' Charter (issued in November 1997), for adoption by the State Governments, is to provide services in a transparent and accountable manner under PDS.

17 PDS (Control) Order, 2001

The Order, inter alia, covers a range of areas relating to correct identification of BPL families, issue of Ration Cards, proper distribution, and monitoring of PDS related operations. Contraventions of the provisions of the Order are punishable under the Essential Commodities Act, 1955.

18 Area Officers' Scheme

From February 2000 the Ministry has appointed Area Officers for different States/UTs to coordinate with the State Governments/UTs for regular and effective monitoring of PDS.

19 Meetings /Conferences

This Department organized five Regional Conferences for strengthening the Targeted Public Distribution System during 2005-06. A Conference of State Food Ministers' /Food Secretaries were organized on 29.3.2006 at New Delhi for the purpose of strengthening of TPDS. The minutes of the meeting have been sent to all the concerned for taking necessary action thereon.

Vigilance Committees

Vigilance Committees

Vigilance Committees have been in existence since the inception of the rationing system. The Central Government has been requesting the State Governments from time to time to activate PDS Vigilance Committees and reconstitute them, if not done so, by associating members from amongst the card holders and consumer activists as well as Member of Parliament.

In the Model Citizens' Charter, issued in November, 1997, constitution of Vigilance Committees by the State Governments at the level of Panchayat /Ward, Taluk, District and State/UT has been emphasised. In the guidelines issued in June 1999 for the Involvement of the Panchayati Raj Institutions in the implementation of TPDS, it is mentioned that the Gram Panchayat/Gram Sabha should be encouraged to form FPS committees. The main functions of Vigilance Committee are to ensure smooth functioning of PDS and redressal of problems related with it.

Vigilance Committees are at present functioning in most of the States at the following levels:

1. FPS level
2. Block/Mandal/Taluk level
3. District level
4. State level

The Government has issued instruction to Constitute Vigilance Committees by the States/UTs concerned at Panchyat, Block, District and the State/UT level drawing members from the Government, social organisations, consumer organization and local bodies to periodically review the functioning of the schemes/fair price shops under PDS. Instructions also issued to all the States/UTs to involve sarpanch, Pradhan, Pramukh, Food Minister/Food Secretaries as the Chairman of the Vigilance Committees at village/FPS, block, districts and state level respectively.

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