CHAPTER SEVEN

MAJOR OBSERVATIONS, FINDINGS AND SUGGESTIONS

7.1 Introduction

7.2 Major Observations, Findings and Suggestions.
7.1 Introduction:

The P.D.S. in India has become one of the important economic and social aspects of a democratic government. The poor and a majority of middle class people have been able to breathe easily to some extent owing to the existence of P.D.S. despite several difficulties encountered by both the F.P.S. owners and card-holders. The reports of N.S.S.O. affirm that in the State of Karnataka the non-poor of both the urban and rural areas are the major beneficiaries in almost all the commodities distributed through the P.D.S. except jowar and pulses (Table II-28).

Even though state intervention in supplying essential commodities is inevitable in order to protect the poor and vulnerable section of the population in particular and all others in general from the continuously rising prices, it is a matter of serious concern that the P.D.S. has yet no systematic national policy.

The present research examined whether the P.D.S. is functioning satisfactorily or has any serious drawbacks by appraising the role of the P.D.S. in the total consumption of essential commodities, assessing the economic viability of F.P.S., evaluating the working of F.P.S. along with the opinions of the card-holders.
Following are the major observation and findings. Suggestions have also been made at appropriate places.

7.2 Major Observations, Findings and Suggestions:

1) It is disheartening to record the fact that still there are about 8 to 10 per cent of villages without the facility of a single F.P.S. even after the system has been in force for the last four decades and more. For example, the people of Aratai and Badagi get their quota distributed by the F.P.S. run by the Co-operative Society at Aigali. Similarly the people of Chikkatti village, about 3 kilometres away from Athani urban area, have to get their rations from the F.P.S. working in Athani urban market. The card-holders of Yakkanchi get their quota supplied by Badachi F.P.S.

The Government should immediately act to set up F.P.S. in these villages without delay.

2) It is found that some of the villages are attached to villages nearby and the result is that the villagers are prevented from reaching the ration shops on account of heavy rains or flush floods. For example, the village Tangadi is attached to the Shinal village F.P.S. These two villages are cut off from each other due to floods during the rainy season for a period of 2-3 months. During this period, the Tangadi village card-holders are naturally deprived of the rationed articles.
3) No single F.P.S. is found to have been serving exclusively either the Green Card-holders or the Saffron Card-holders.

Therefore, in order to make the P.D.S. more effective and to avoid discontent among the card-holders, separate F.P.S. should be opened for Green and Saffron Card-holders. This step should be immediately taken up in cases of all those shops where the number of Green cards and Saffron cards exceeds 508 and 692 respectively, as they can attain B.E.P.

4) The P.D.S. should function with an independent department at the taluka level with adequate staff. The Shirastedars (Dy. Tahasildar - Food) should be given an independent status and powers making them accountable for the efficient functioning of the P.D.S.

5) Sixty F.P.S. are organised as Co-operative Societies while forty are managed by a proprietor each (P.L.R.S.). Only one F.P.S. is run as a partnership firm. None has ventured to run a F.P.S. by forming a Joint Stock Company. Statutory restrictions (i.e. K.E.C.C. Order) are also some of the reasons for the absence of Joint Stock Companies in this area.

6) In case of F.P.S. run by Sixty Co-operative Societies, maintenance of books is done by the staff of the society and clubbed with usual society transactions. No separate accounts
for the P.D.S. transactions are maintained. Hence they are finding it difficult to ascertain the economic viability of running a F.P.S., as many of the common expenses are not rationally allocated between society transactions and the P.D.S. ones.

Therefore there is an urgent need for separating the P.D.S. transactions from those of the society.

7) The accounts maintained by the forty P.L.R.S. are found to be unsatisfactory. They neither appoint qualified accountants nor do they avail themselves of the services of expert professionals. The main reason for maintenance of some accounts and records by the owners or partners themselves is to maintain secrecy.

In order to improve the functioning of F.P.S. and to make them free from public criticism, it is suggested that periodic and systematic maintenance of accounts, displaying them on notice boards, verification of accounts etc. should be made compulsory. Since these agencies are working as intermediaries between the Government and the public for the distribution of subsidised rationed articles, they are bound to be accountable.

This would serve the main purpose of ascertaining the economic viability of running a F.P.S. and to lay emphasis on
Government to release the necessary financial assistance if need be.

8) Further, it is suggested to arrange for orientation courses to all the F.P.S. owners on the subjects of maintenance of accounts, importance of accounting etc. once in a year. The course could be organised by the taluka level officers in consultation with the ministry of Food and Civil Supplies. The main stress in such orientation courses should be maintenance of accounts in particular and update their knowledge on the Government circulars, policies, and schemes.

9) A hand-book dealing with different aspects of P.D.S. should be brought out by the Department of Food and Civil Supplies and a separate section should be reserved in it for explaining the accounting procedure and such other aspects relating to accountability etc.

10) Athani taluka ranks fourth in the number of card-holders per F.P.S. but it occupies sixth place in the total number of F.P.S. working in the district. Thus, the number of card-holders to be served by each F.P.S. in Athani taluka is more as compared to the number served by a F.P.S. in other talukas.

Therefore there is a greater need of opening more shops, at least enough to equalise the number of card-holders per F.P.S.
11) Athani taluka is the biggest taluka in terms of Green card-holders and the second biggest in the total number of cards and population among the four D.P.A.P. talukas of the district. The average number of card-holders served by each F.P.S. is the highest in Athani taluka i.e. 532 cards per F.P.S. One F.P.S. for every 2000 population is the national norm. But in the area under study a F.P.S. serves approximately 2660 people which is more than the national norm.

12) There is a rule that the F.P.S. owner should distribute the quantity per card per month as directed by the authorities concerned. However, it is noticed that the actual quantity distributed per card per month for the same month by some of the shop-keepers was not the same. At one place 1500 grams of sugar per card was distributed while it was 1650 grams per card in another place (para 3.5 - C-(i), Chapter-Three).

13) There are some of the card-holders who are keeping themselves away from the P.D.S. for one reason or the other. The non-availability of kerosene is the single reason most often given for not drawing it from F.P.S. It is noticed in case of each and every card-holder that the quantity of kerosene supplied should be increased immediately. And its proper distribution should be ensured.

14) It is observed that the card-holders depend more on the open market for their requirement of sugar as the quantity
supplied by the P.D.S. is insufficient. Moreover a clear disparity is made between the urban and rural card-holders so far as allocation of sugar and kerosene is concerned. It is just 1.4 kgs. for rural card-holders while the urban card-holders get more than 3 kgs. per card per month. In case of kerosene, the quota for rural card-holders is just 2 litres per month per card, while it is 6 litres in Athani urban area and 10 litres in I.R.A. of district place.

Hence the system of distributing equal quantities of sugar and kerosene should be introduced in all the areas without differentiating between the rural and urban. This would help to a certain extent the migration of people from rural to urban areas. Truly speaking there should be higher quantity of supply of sugar and kerosene in rural areas so that the rapid and unwanted urbanisation could be stopped.

15) The authorities concerned announce every month the quantity of rationed articles to be distributed per card by a F.P.S. keeper and it usually varies from month to month. It is sad to note that this system has helped the F.P.S. owners to exploit the situation. Since the circulars are not exhibited on the notice board at every F.P.S. and no regular information is publicised, the card-holders are compelled to accept whatever quantity the F.P.S. keepers distribute.
Therefore this limitation could be overcome if the Government thinks of fixing the annual quantity per card. If not, it may be fixed at least for six or three months.

16) Every one wishes to have a ration card since it is useful for several things. But a very lengthy and cumbersome procedure is prescribed for obtaining it. A person shall have to wait for a long time unnecessarily even after complying with all the requirements.

As far as possible the procedure should be simplified and the new ration cards are to be distributed on yearly basis as against the prevailing practice of five years or more.

17) At present the working of F.P.S. is supervised by the revenue authorities who have other duties also to attend to. Often they cannot visit and inspect all the F.P.S. once a month.

In case the members of the village panchayats and registered youth clubs/association are empowered to inspect the F.P.S., a regular check over the working of F.P.S. could be ensured.

18) In eighty per cent of villages all the card-holders are served by a single F.P.S. while two shops are permitted in the rest of the area and the card-holders are allocated on an arbitrary basis. Out of 88 rural F.P.S., 18 have been serving
an exceptionally high number of more than 1000 card-holders each. Again 9 of them deal with over 1400 to 2000 card-holders each. In such cases, an additional shop should be started in order to serve the card-holders better.

19) Of the 100 F.P.S., as many as 60 are run by co-operative societies which means that the people of this area are well aware of the merits of co-operative form of business organisation. The co-operative societies are to be popularised in the remaining villages, too. This ensures the compliance of K.E.C.C. Order 1992. In the neighbouring State of Tamil Nadu, the F.P.S. are exclusively run (100%) by the co-operative societies.

20) No rigid compliance with the guidelines provided in the K.E.C.C. Order is ensured by the Government in permitting the forty P.L.R.S. They were granted permission on some other considerations (Table IV-5). The P.D.S. is a popular scheme which covers all the public. So the F.P.S. should be organised through co-operative societies only as there will not be any chances of issuing licences through personal influence. In the case of those villages where the co-operative societies are not functioning, it would be appreciated if the Department of Food and Civil Supplies itself comes forward to establish the F.P.S. If it is not possible for this department to cover all such villages, at least one or two F.P.S. should be started as a model.
21) The very purpose of the P.D.S. has failed in the case of F.P.S. attached to grocery shops where the owners of these shops often mix or substitute the rationed articles with their private articles. More than this, they are interested in increasing the sale of their private articles by compelling the card-holders to buy some private articles along with rationed articles.

This serious drawback could be overcome if the grocery shop-owners are not permitted to run the F.P.S.

22) Of the 100 F.P.S. keepers, 91 work for seven hours a day and the remaining nine for 8 hours. Though the convenience or inconvenience of individual card-holders is not taken into account, which is impractical also, by and large care is taken to satisfy the needs of a majority of the card-holders.

It is observed that there is no serious complaint against the working hours of F.P.S. However, the card-holders grumble over the number of working days in a month. Seventy-six per cent (608) respondents are of the opinion that the rationed articles should be distributed at least for the period of 15 to 20 days in a month. Further they desire that the shops should remain open necessarily on the local market day.

23) The registration of F.P.S. is compulsory as per the 'Order'. But sixty-four F.P.S. keepers felt the registration
cumbersome, while the remaining thirty-six found it easy. This calls for simplification of the registration procedure.

The respondents have also complained about the red-tapism and corruption at different levels. Such instances are to be thoroughly enquired into and the culprits be brought to book.

24) A majority (75%) of the F.P.S. keepers consider the expenses and incidental charges incurred for preparation of documents to be normal and manageable. But twenty-nine per cent of the (75%) respondents demand a reduction in the fees prescribed for registration, followed by seventy-one per cent of the shop-keepers insisting upon the cancellation of the whole fees.

It is better to reconsider revision and/or cancellation of the said fees on the ground of the plea of the respondents that the work undertaken by them is to be considered as service to the society and not business.

It would also perhaps help reduce their undesirable activities.

25) At present, there are no shops serving exclusively either the Schedule Tribe or the daily wage-earners or the people of hilly areas. In view of the scheme launched by the Government to revamp the P.D.S. by identifying the people
residing in tribal areas, a special arrangement for the distribution of rationed articles should be made through mobile vans or by setting up of a shop exclusively for them.

26) The capital invested for lifting the rationed articles by the urban shop-keepers is comparatively more than that of the rural shop-keepers. It is Rs.25000 to Rs.75000 in the urban area while rural shop-owners need between Rs.25000 and Rs.50000. Both the shop-keepers, however, feel it quite burdensome to arrange such huge amount. Therefore they are under pressure to realise the amount so locked in stock as early as possible, since they wish to meet their commitment made for getting the funds. The ultimate victims are the card-holders only, who are not given sufficient time to draw their quota.

Therefore, the Government should either provide initial capital or grant a month's buyer's credit to F.P.S. owners. In case the Government is hesitant to make such arrangement, the alternate arrangements like providing funds at concessional rate of interest through financial institutions should be made.

27) The order of preference given by the P.L.R.S. for raising the funds is own savings, loan from co-operative banks and commercial banks, friends and private money-lenders. But in practice, the rural shop-keepers are forced to go invariably
to private money-lenders as a first resort since the other alternative sources of capital are not readily available to them. They borrow from money-lenders at a very prohibitive rate of interest of about sixty per cent per annum.

Any scheme to provide finance at a concessional rate of interest is most welcome and essential.

28) It is found that only three shop-keepers in the rural area requiring capital less than Rs.25000/- have availed themselves of bank loans purely against personal security. One of the respondents has received the loan under the 'Chaitanya Yojana' (i.e. a scheme for self-help to unemployed youths) from a bank for running the F.P.S. Some such facility should be extended in all the suitable cases.

29) The only method of payment ordered by the Government for lifting a month's quota is to pay the entire amount in the form of a demand draft in advance. On the one hand, the shop-keepers are not fully equipped with ready sources of capital and on the other hand the Government insists that they pay the entire amount in advance. This practice drives them to borrow money at a prohibitive rate of interest from money-lenders and have to wait till the entire quota is sold to card-holders for realising the amount so blocked. This has become a grave problem and it needs a different method of payment for lifting viz. provision of buyer's credit.
30) The present procedure of lifting the quota is too cumbersome and tedious. It is also noticed that there is no fixed schedule followed by the authorities concerned in issuing the permits and delivery of rationed quota to the shop-keepers. Every respondent is fed-up with the necessity of paying frequent visits to the taluka office and wholesale depot for making enquiries and getting transport.

They are very eagerly waiting for a change in the present system and expect the authorities to stick to the schedule of delivery time so that they can also plan properly for the distribution of rationed articles on time to the card-holders.

31) To the surprise of the researcher he learnt that frequent visits and enquiries are not necessary for procurement of kerosene. Moreover, the wholesale nominees deliver the kerosene within fixed time at the door-step of the F.P.S. keepers.

32) It would be more convenient and helpful for the rural shop-keepers if the Government permits them to lift the monthly quota in two instalments as is in practice in the neighbouring State of Kerala. This would solve the problem of storage and the finance of rural respondents. In addition, it reduces the financial burden of the rural poor. With the introduction of this method, the percentage of the card-holders allowing their
quota to lapse will be considerably be reduced. And it will go a long way in fulfilling the objectives of the P.D.S.

33) All the F.P.S. owners are in an embarrassing situation as they are not allowed to lapse their allotted quota merely on account of the foodgrains being of poor quality. At the same time, they have to convince the card-holders with regard to the poor quality of foodgrains supplied by the Government.

Hence the Government should procure good quality foodgrains.

34) Eighty-two F.P.S. owners of rural and ten of the urban area are of the opinion that the quantity of rationed articles fixed per card is quite inadequate. This is still acute in case of sugar and kerosene.

Taking into account the requirements of the card-holders, the quantity of the items supplied per card should be increased.

35) Under the existing quota per family card system, the F.P.S. owners are finding it difficult to attain B.E.P. sales. Therefore the quantity per card should be increased. This will also ensure attainment of B.E.P. sales.

36) It is ascertained that there is no provision for recovery of the losses due to short supply, shrinkage.
weighment, pilferage etc. This is the reason why the F.P.S. owners indulge in malpractices willy nilly. Therefore they demand 1 kilo extra for every bag of 100 kilograms. This is a genuine demand and its fulfilment will definitely help check malpractices.

37) The shop-owners sell the articles on 'First come-First served' basis as per the quota fixed by the authorities. This practice deprives some of the card-holders who come late to draw their quota due to shortage or loss of foodgrains. In such cases the shop-keepers are quite helpless but the ultimate sufferers are the card-holders. Such card-holders do not enjoy even the carry-over facility.

38) It is found that the F.P.S. owners are not permitted to lift only the selected and required items. If at all the owner wishes to lapse the quota, he has to lapse all the items sanctioned to him. Indeed this is a draconian provision in the P.D.S. The shop-owners should be given a free hand to select the items required in genuine circumstances.

In case of kerosene, there is no such bottleneck as the distributing agency is different.

39) There were 32 shop-keepers who allowed their quota to lapse. The predominant reason offered for the lapse of quota is scarcity of funds. The other impediments are the poor quality of articles and non-availability of transportation on time.
The remedial measures to be taken are the provision of finance on suitable terms, supply of quality goods and insisting that the transport contractor render services promptly.

40) It is also seen that the nine shop-owners were allowing the quota to lapse due to excessive number of cards allotted to them. This problem can be solved either by fixing a reasonable (i.e. about 1000 cards) number of cards to be served by such shop-keepers or by allowing two shops to serve the Green and Saffron cards separately.

41) Almost all the F.P.S. owners are found to be seriously worried about the continuous losses arising out of short supply at the wholesale depot. The very system of weighing of several bags together itself is defective. Minor variation in weighment or negligence in weighment leads to a substantial reduction in actual quantity available for distribution. Further, they also lose a few kilos while distributing small quantity for every card-holder. This kind of loss being inherent in the system of the loss to the shop-owners is inevitable.

It is recommended that some specific provisions like free distribution of extra quantity of rationed articles to make up for such losses be made.

42) It was found that none of the P.L.R.S. possesses the proper knowledge of ascertaining the profit or loss from
running a F.P.S. In fact it is a technical matter. Unless a clear distinction between direct and indirect (explicit and implicit) costs is made, the true profit or loss cannot be ascertained. These P.L.R.S. keepers should be well trained in computing the results from these operations. This would benefit shop-keepers to place before the Government the real position of running a F.P.S. and it would enlighten the Government to revise the commission payable to them.

The method adopted by all the co-operative societies in ascertaining the profit or loss from running a F.P.S. is not totally different from that of the method adopted by the P.L.R.S.

43) It is wrong to conclude that a low percentage of commission alone does not necessarily lead to incurring of loss. The profit or loss depends upon various factors like number of cards served, rate of commission, fixed and variable expenses, other incidental expenses etc.

However, a majority of eighty-eight shop-keepers express outright that running of F.P.S. is not profitable at all and their conclusions are, of course, based on the low rate of margin fixed by the Government. (Para- 4-6.1-Chapter Four).

44) All the shop-owners regretfully shared their views on the rates of commission (i.e. retailers margin) fixed by the
Government which, in their opinion is very low, unremunerative and unattractive. They also deplore that the commission does not justify even their investment. They are totally unhappy on this issue. Some of the respondents (five) have gone to the extent of challenging anybody who disproves their statement.

Therefore it is suggested that there should be an upward revision of the rate of commission on justifiable grounds.

45) Over the years, the cost of living and general price index show a rising trend. This should also be reflected in the retailer's margin. On the contrary, it is quite disheartening to note that the retailer's margin is showing a constant declining trend i.e. 0.68 per cent, 0.625 per cent and 0.421 per cent in 1982, 1984 and 1993 respectively in the case of sugar, whereas it was 5.26 per cent, 3.75 per cent and 3.09 per cent in 1983, 1986 and 1993 respectively in the case of rice. It is only fair that with the constantly rising index of the cost of living, there should be proportionate rise in the retailer's margin. However it must not be done by increasing the retailer prices of rationed items.

46) It is seen that great injustice has been made to all the rural F.P.S. keepers by recovering a higher amount of administrative charges (Rs.18.84) from them than from the urban (Rs.14.84) F.P.S. owners. The Government is recovering Rs.4/-
(i.e. Rs.18.84 - Rs.14.84) per quintal towards administrative charges from rural shop-keepers by cutting down their profit margin i.e. from Rs.16.00 to Rs.12.00 (Refer cost sheets A and B of 4-6.3 - iii, Chapter Four).

No doubt the administrative expenses in distribution of rationed articles to rural areas is slightly more, which could have been recovered through Government subsidy instead of making up the same from retailers' margin. The discriminatory policy of Government in fixing the retailers' margin for urban and rural areas has led to the discontentment of rural shop-keepers.

47) The proposal made by eighty-five shop-keepers with regard to the fixation of a salary for them and their willingness to work as Government employees, is to be seriously considered. In a way their proposal is fair and equitable on the ground of the real position that exists. Taking into account the current quantity per card and the retailers' margin, they are sustaining chronic losses. (Refer Profit and Loss A/c. - para 4-6.1 - Chapter Four).

48) Fifty-four per cent of the shop-owners have felt that the transportation charges are unreasonably high in case they arrange private carriers for transportation of foodgrains. In fact, the transport charges of Government transport contractor are reasonable provided he renders service regularly and on time.
The F.P.S. owners should be informed to take themselves of the transport facility from the approved Government transport contractor only and at the same time he must be asked to render timely and efficient service.

All the respondents demand reimbursement of any additional transportation costs if incurred by hiring private carriers for transporting of rationed articles.

49) At the national level twelve commodities are listed to be distributed through the P.D.S. However, in Athani taluka only five commodities are made available. Of these five items, all the 100 F.P.S. keepers receive rice, sugar and wheat. But kerosene is supplied to 73 shops and only 5 shops received cloth for some time.

The F.P.S. owners of this area should be supplied with other items which are being distributed elsewhere in the country.

50) Though jowar is the main staple food of the people in this area and its price is ruling on par with rice and sugar, it is surprising to note that it has not received the attention of the P.D.S. Jowar needs to be included in the P.D.S. list so as to satisfy both the shop-keepers and the card-holders of this area. Similarly other items like soaps, cloth, edible oil, match boxes, pulses etc. may be included in the P.D.S.
51) Barring very negligible percentages of 6 per cent, 07 per cent, 17 per cent and 37 per cent in respect of rice, wheat, sugar and kerosene respectively, the shop-keepers have faced the complaints from every card-holder about the dissatisfaction over the sub-standard quality of the items supplied.

This is the one of the reasons why the F.P.S. owners suffer from poor off-take of ration articles.

52) On the one hand the shop-owners do not have proper storage and godown facility and on the other hand the card-holders cannot arrange to draw their quota within the stipulated time.

Therefore the shop-keepers, specially the P.L.R.S., are eager to dispose of the ration articles within 7 to 8 days. But it is satisfactory to note that almost all the co-operative societies possess their own godowns and they do not follow the method followed by P.L.R.S. For this reason, only the co-operative society should be allowed to undertake the P.D.S. work.

53) The personnel management is the most neglected aspect in the P.D.S. No systematic procedure is followed for the recruitment, training, salary, promotion, etc. of the staff required for running a F.P.S.

All the forty P.L.R.S. manage with the help of an assistant taken on an ad hoc basis. And in the case of sixty
co-operative societies the services of their own staff are utilised for the P.D.S. purpose.

Proper staff is to be appointed to ensure the effective functioning of F.P.S. Unless job security and reward for the services are given, no efficient services can be expected.

54) As many as fifty-seven shop-keepers have bitter experience of the unpleasant behaviour of the card-holders. And the rest forty-three shop-keepers expressed their satisfaction.

The reason for misbehaviour is the illiteracy of the card-holders. This problem is still more serious in rural areas.

Imparting the necessary education solves a majority of problems as illiteracy is the cause of mis-understanding and rude behaviour. The special schemes like 'Akshar Prabha' launched by the Government of Karnataka under Mass Literacy Programme would go a long way in solving the problems.

55) The honesty of twenty-one F.P.S. owners needs to be appreciated for frankly admitting the fact that the complaints were lodged against them by the card-holders. These complaints were pertaining to improper billing and quality of foodgrains supplied.

56) Lack of seriousness over the complaints lodged is
observed with all the persons in the P.D.S. channel. The card-holders complain against the shop-keepers, the shop-keepers in turn complain against their immediate officers, the officers in turn put the blame on the Government. Thus there is a lot of passing the buck. The problems remain.

A committee with power should be constituted at the taluka level to attend to all the complaints both from the shop-keepers and the card-holders.

57) The Government should give serious thought before announcing any increase in the issue price of P.D.S. articles. It must not blindly increase the issue price because the procurement price is higher. This would immediately result in the sales of P.D.S. items dropping, as it happened recently in the case of rice and wheat where sales dropped by 30 per cent because of hike of 21 per cent and 23 per cent in their prices.

58) The present system of distributing P.D.S. items on quota per family card system is quite unsatisfactory as it does not guarantee the families a minimum supply of their requirements. Eighty-five per cent of the shop-keepers suggest on basis of the number of members in a family. And the quota fixed should be at least fifty per cent of their monthly family requirements.

59) The introduction of the system of distribution of ration items per family card has resulted into creation of
bogus cards. Earlier to this when there was the unit system, then also people used to mention bogus names as members in the ration cards and used to grab more share in the P.D.S. items. Hence it is clear that regardless of any system, the people cheat the Government in one way or other. This is the reason why the card-holders hesitate to show ration cards to any stranger.

Thus the solution for this problem lies with the integrity of the card-holders.

60) In rural areas the poor are identified and are issued with the Green cards - who get ration articles at cheaper rates. It is regretfully noted that no such identification is done so far in Athani urban area and not even the Green cards are issued. No distinction is made between the poor and non-poor which should have been actually done in this area long back.

61) Consumers' councils play a vital role in protecting the interests of the card-holders. But unfortunately the consumers movement has not gained momentum in this area due to the illiteracy of the card-holders, which is more than sixty per cent.

More and more efforts are called for improving the literacy level.
62) Only 25 per cent to 30 per cent of the total requirements of a medium size family (3 to 5 members) are met by the P.D.S. There exists a very wide scope for enhancing the activities of the P.D.S.

63) It is quite disappointing to learn that the card-holders (746 respondents) of this area are totally ignorant of the calories of food required for maintaining sound health. Naturally their intake of nutritious food is unscientific. So, the people of this area should be trained by organising health camps, door-to-door campaign, street dramas etc. with regard to the quantity and quality of the food to be taken.

63) As high as seventy to eighty per cent of daily wage-earner, street occurs, agriculturists and backward class people mainly prefer the F.P.S. as a source of their requirements. It is mainly due to the family conditions and the low prices charged for the P.D.S. items. Any further deterioration in the quality of services by the P.D.S. will adversely affect the standard of living of these catagories of people.

64) In Athani urban area, the number of cards allotted to each F.P.S. is on an arbitrary basis. This has caused greater inconvenience to the card-holders. So the allocation of cards should be on a more practical basis. Further the researcher noticed that all the F.P.S. are concentrated in the market
area. They must be dispersed to the respective ward areas of the card-holders for the sake of convenience.

65) Quite awkward and embarrassing is the situation in front of every shop. The card-holders do not follow the queue system and the F.P.S. keepers do not worry about it. Disputes and quarrels among the card-holders, and between the F.P.S. owners and card-holders for one or the other reason like inadequacy of quota, non-issue of bills, wrong weighment, price differences etc. are every day affair in the P.D.S. The F.P.S. owners must be polite to and co-operative with the card-holders as it is a kind of service and not a business. Otherwise the card-holders may revolt against the whole P.D.S.

66) Unless there is a marked difference between the P.D.S. price and open market price, the P.D.S. will lose its importance and its continuance itself will be at stake.

67) It is ascertained that nearly 20 per cent to 25 per cent of the card-holders allow their quota to lapse for one or the other reason. This helps the F.P.S. owners to reap the benefit by divering the undrawn quota to the black market. This is so because a few people possess ration cards for purposes other than availing themselves of rationed articles.

68) There are a series of problems faced by the card-holders as mentioned in Table V-27.
69) The card-holders of both urban and rural areas have seriously objected to the quality of cereals, i.e. rice and wheat supplied at F.P.S. They opine that the articles sold are unfit for human consumption (Plate-V.1). Sometimes the government itself releases inferior quality foodgrains while the F.P.S. owners also adulterate to their advantage.

The government should take adequate and timely steps for making quality goods available. Similarly rigorous and deterrent punishments should be meted out to dishonest and unfair F.P.S. owners indulging in any kind of malpractices.

70) Eighty-four per cent and seventy-six per cent of beneficiaries from rural and urban areas respectively reject summarily the system of supply of commodities in packages as the quantity of wheat and rice supplied is generally more.

Therefore the present system of distribution should be continued.

71) Nearly eighty-six per cent of rural and sixty-four per cent of urban card-holders have expressed their dissatisfaction over the weighment procedure and the instrument used for weighing. It is also the contention of the F.P.S. owners that they too get less weighment from the wholesale suppliers. This loss in turn is passed on to the card-holders.
The gauge system followed for distribution of kerosene to retailers should be done away with. Instead automatic mechanical devices must be used to ensure correct quantity of kerosene supplied to F.P.S. keepers.

72) The F.P.S. keepers adopt some unscrupulous methods in making good their losses like pulling down the pan, tying of pieces of iron and magnet, deliberately spilling the foodgrains out of bags, etc. Such dishonest practices should be curbed by increasing the frequency of inspection by Food Inspectors. At present there is only one Food Inspector for all the four rural circles.

73) Another way of recovering the loss on account of adulterated foodgrains is by distributing compulsorily and proportionately to all the card-holders separately. They do it by disclosing the fact of having received such poor quality items from the Government itself. The researcher has actually witnessed the scene of distributing 500 grams of cement and colour-mixed rice along with 6.5 kgs. of rice (Plate - V.1).

The government must advise the F.P.S. owners to replace such foodgrains instead of penalising the innocent card-holders.

74) The measurement instruments for kerosene should be in good condition. They must be leak-proof. The authority concerned should take necessary steps.
75) The card-holders favour more of punishing the guilty F.P.S. owners than rewarding the fair ones (Table V-43).

76) The voluntary organisation to protect the interest of the consumers like consumers' councils, consumers' forum etc. are totally absent in this area. Frustration (Table V-45), lack of initiation and leadership quality among the card-holders are the major hurdles against forming of such organisations.

The national and international voluntary organisations can contribute their services in this field by organising training, coaching or seminars etc. for the card-holders and helping them in formation of consumers' councils.

77) The Consumer Disputes Redressal Agencies are formed at the district level (District Forum), State level (State Commission) and at national level (National Commission). On the same lines, the Taluka Forum should be set up at the taluka level so that the card-holders can have easy access to and immediate redressal of their problems.

In the meanwhile the Jagruta Samitis as constituted by the Dy. Commissioner for every F.P.S. should be activated and their role needs to be emphasized and increased.

78) Rural and Urban card-holders (69% and 58% respectively) think that it is not justifiable to issue the ration cards to all the classes of people (poor and non-poor). The P.D.S. should be restricted exclusively to the poor class.
79) Nearly one-third of the card-holders have complained about the non-preparation and issue of proper bills for the purchases made by them from F.P.S. Though the other two-thirds card-holders were in receipt of bills, they could not be read and the contents understood. (Table V-51).

80) Despite the multifarious problems faced by the card-holders, it is surprising to note their reluctance to complain against any serious discrepancies. They are accustomed to live with the problems since they know that their complaints fall on deaf ears.

81) We can give a shot to the arm of the P.D.S. provided the rich are kept out of the system, the shop-keepers work honestly, the Government takes real interest and the dealers discharge their work as a service to the society.

82) The researcher fears that sooner or later the P.D.S. will degenerate into 'Poor Distribution System' or 'Political Drama Show' in case the Government does not weed out the defects plaguing the system.