CHAPTER-3
TARGETED PUBLIC DISTRIBUTION SYSTEM IN HARYANA

In the present chapter socio-economic profile of Haryana is given. Besides, a detailed description of PDS operation in the State has also formed the part of this chapter.

3.1 Profile of Haryana

Haryana is one of the most prominent States in India. It is the sixteenth largest State in terms of area and population. This State has a very plain and fertile land and is popularly known as the ‘Green Land of India.’ It is bounded by Punjab in the West, Uttar Pradesh in the East, Himachal Pradesh in the North and Rajasthan in the South. Union Territory of Delhi is landlocked on three sides by Haryana. Earlier this State was a part of Punjab. The passage of the Punjab Reorganization Act, 1966, led to the creation of this State on November 1, 1966. Chandigarh is the shared capital of both States even today.\(^1\) In geographical terms, this State can be divided into two natural areas viz. sub-Himalayan Terai and Indo-Gangetic plain. The plain which slopes North to South is very fertile. But the South-West part of Haryana is dry, sandy and barren. Only one river named Ghaggar passes through this State. Since Ghaggar is not a perennial river, people of Haryana have to face scarcity of water. The climate of this State is adverse-very hot in summer and very cold in winter.\(^2\)

The total area of this State is 44212 sq. kms. and according to the Census of 2001, its total population is 2,11,44,564. Majority of the population (about 73 percent) of the State resides in rural areas-rural population being 1,50,29,260 as against urban population, which is 61,15,304. Density of the State is 478 per sq. km. Since the number of males (1,13,63,953) is outnumbered in comparison to the female (97,80,611), so the sex ratio (per thousand of males to females) of this State is 861. The literacy rate of this State is 67.91. The male segment of the population is

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2 Ibid.
comparatively more educated than the female. There are 4 divisions, 21 districts, 48 sub-divisions, 70 tehsils, 119 blocks and 43 sub tehsils, 106 towns and 6,955 villages in the State. We can understand it clearly through the below mentioned table.

Table 3.1

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Items</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Area</td>
<td>44212 sq. km.</td>
</tr>
<tr>
<td>2</td>
<td>Population</td>
<td>21,14,4564</td>
</tr>
<tr>
<td>3</td>
<td>Rural Population</td>
<td>15029260 (71.08 percent)</td>
</tr>
<tr>
<td>4</td>
<td>Urban population</td>
<td>6115304 (28.92 percent)</td>
</tr>
<tr>
<td>5</td>
<td>Density of population</td>
<td>478 per sq. km.</td>
</tr>
<tr>
<td>6</td>
<td>Male</td>
<td>11363953</td>
</tr>
<tr>
<td>7</td>
<td>Female</td>
<td>9780611</td>
</tr>
<tr>
<td>8</td>
<td>Sex ratio</td>
<td>861</td>
</tr>
<tr>
<td>9</td>
<td>Literacy Rate</td>
<td>67.91</td>
</tr>
<tr>
<td>10</td>
<td>Male Literacy Rate</td>
<td>78.49</td>
</tr>
<tr>
<td>11</td>
<td>Female Literacy Rate</td>
<td>55.73</td>
</tr>
<tr>
<td>12</td>
<td>Division</td>
<td>4</td>
</tr>
<tr>
<td>13</td>
<td>Sub Divisions</td>
<td>48</td>
</tr>
<tr>
<td>14</td>
<td>Districts</td>
<td>21</td>
</tr>
<tr>
<td>15</td>
<td>Blocks</td>
<td>119</td>
</tr>
<tr>
<td>16</td>
<td>Towns</td>
<td>106</td>
</tr>
<tr>
<td>17</td>
<td>Villages</td>
<td>6,955</td>
</tr>
</tbody>
</table>


About 60 percent land of Haryana is irrigated and thus suitable for agriculture. Agriculture and cattle rearing are the main occupation of the people residing in Haryana. Thus the economy of Haryana is agrarian in nature. More than three-fourths of the total population here is employed in agriculture. Wheat and rice are the main crops of this State. Haryana is a surplus State in foodgrains production.
Besides, the people in Haryana are very fond of rearing murrah breed of buffalo and crossbred cows for milk production.\(^3\)

Besides agriculture and cattle rearing, the industrial base of the State is also very sound. As a result some of its cities like Gurgaon and Faridabad have also been growing rapidly as hub of commercial, industrial and agricultural marketing centers. Prominent industries in the State include automobiles, tyres, bicycles, glass, cement, paper, sugar milling, cotton and woolen textiles etc. Haryana is India’s largest producer of automobile spare parts. Haryana produces the largest number of tractors in the country. Famous Maruti Industry is situated in Gurgaon city of Haryana, which produces largest number of cars in the country. It is well known for its handloom products. Panipat has earned the reputation of being the “weaver's city” of India for its exquisite hand-tufted woolen carpets and colourful handloom products.\(^4\)

Haryana comes first after Goa in per capita income, which is Rs. 44151 per annum. Electricity is being supplied to each village of the State and Haryana is the first State in the country in which each village is connected with other with road and transport facilities. In the State the government has implemented several schemes of social welfare, the recent example is distribution of 100 yards plots to BPL families and many more.\(^5\) The State is also implementing all welfare oriented schemes of Central government very effectively, such as, the Targeted Public Distribution System and others.

### 3.2 TPDS in Haryana

The Targeted Public Distribution System is meant for streamlining the distribution of foodgrains and others essential commodities to the consumers at reasonable prices and to ensure the availability of foodgrains to families below the poverty line.

The TPDS is a scheme, which is sponsored by the Central government and in operation in all States/UTs of India. Haryana is no exception of it. In Haryana TPDS

\(^3\) [http://www.panipat.nic.in/animalhusbandry.html](http://www.panipat.nic.in/animalhusbandry.html) (visited on May 20, 2008).

\(^4\) [http://www.mapsofindia.com/stateprofiles/Haryana/indexhtml](http://www.mapsofindia.com/stateprofiles/Haryana/indexhtml)

\(^5\) Haryana Number One, Published by Department of Public Relation and Cultural Work, Govt. of Haryana, Chandigarh, 2008, pp. 21, 31.
is working well in administrative control of Haryana government and in direction and guidelines issued by the Central government, in this regard, from time to time.

The government of Haryana views the TPDS as an important constituent of a strategy for ensuring food security of the targeted population by ensuring availability of monthly quota of foodgrains to them as per entitlement. The government is committed to implement the TPDS to the best advantage of the beneficiaries with full transparency and efficiency of operation and accountability of authorities implementing it.6

At present, TPDS benefits the poorest of the poor identified families under the Antyodaya Anna Yojana (AAY) and other population living below the poverty line, identified as such within the overall norms approved by the Department of Food and Public Distribution, government of India. As regards people above the poverty line, the benefits under TPDS are restricted as per instructions issued from time to time.7

At the time of creation of Haryana, PDS was of a very small size having 1518 fair price shops, (988 in rural areas and 530 in urban areas) catering to about 15 lacs ration cardholders. However, with the passage of time it has expanded to almost every nook and corner of the State. It has been reorganized and streamlined from time to time to accommodate human needs.8 As on date, there is a big network of 9533 FPSs (6857 in rural areas and 2676 in urban areas) catering to about 52,93,995 ration cardholders having 24538447 units. Today, no consumer has to travel more than 1.5 km. to get PDS items. Essential commodities like, wheat, sugar, rice and kerosene oil are being distributed to the consumers through these FPSs at very reasonable and affordable prices.9

The main feature of TPDS is categorization of beneficiaries into three categories named as: APL, BPL and AAY and separate prices of commodities to each category. Moreover, ration cards of different colors are being given to each

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7 Ibid.
8 Office Record, Directorate, Department of Food and Supply, Government of Haryana, Chandigarh, As on 31-07-2002.
9 http://haryanafood.nic.in/profile_distribution.html (As on 31.3.2008).
category. In Haryana, the category-wise number of ration cards, unit covered under these cards and colour of these cards are as under:

Table 3.2

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Ration Cards</th>
<th>Units Covered</th>
<th>Colour of Ration Cards</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL</td>
<td>4463523</td>
<td>20492826</td>
<td>Green</td>
</tr>
<tr>
<td>BPL</td>
<td>538276</td>
<td>2642588</td>
<td>Yellow</td>
</tr>
<tr>
<td></td>
<td>*830472</td>
<td>**4045621</td>
<td></td>
</tr>
<tr>
<td>AAY</td>
<td>292196</td>
<td>1403033</td>
<td>Pink</td>
</tr>
<tr>
<td>Total</td>
<td>5293995</td>
<td>24538447</td>
<td></td>
</tr>
</tbody>
</table>

Source: http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008)

* Total no. of BPL families which includes both BPL and AAY families.
** Total population of BPL and AAY families covered under 830472 ration cards.

Recently, after much dithering and multiple surveys, the Haryana government has family come to a decision on the number of BPL families in the State, which is 8.58 lakh. According to Haryana government all these poor families will be entitled to benefits under welfare schemes being run by the Centre and State governments.10

As per provision, the number of BPL families in various States has to be within the estimates made by the government of India. In case of Haryana, the Centre has capped the number of poor households at 6.85 lakh (estimated). And as per the provision, the Centre would give its share of 75 percent in the Central schemes for only 6.85 lakh poor households with the remaining 25 percent coming from the State. Therefore, the State has decided to bear the expenses for providing benefits under the Central schemes to families (1.73 lakh), which did not make the cut as per the cap of poor households fixed by the government of India for the State.11

The Targeted Public Distribution System was announced to be launched by the Union government on the Republic Day, 1997. The scheme was, however,

10 Hindustan Times, New Delhi, July 15, 2008, p. 3.
11 Ibid.
implemented all over the country in June 1997, though in Haryana it was given effect in May, 1997, ahead of others. In Haryana, at present, as mentioned above, the scheme is serving about 5293995 families among which 830472 families are below poverty line. The scheme is in operation in each and every comer of the State through a wide network of 9533 FPSs (2676 in Urban and 6857 in Rural areas) and covered 24538447 poor population. Under this scheme foodgrains and other essential commodities like kerosene oil, are supplied to poor consumers at highly subsidized rates.

3.3 Antyodaya Anna Yojana in Haryana

Government of India launched the AAY in Haryana on 23-05-2001. Under this scheme 35 kg. wheat per family per month is being supplied to the Antyodaya families at the rate of Rs. 2.10 per kg. The transportation and dealers margin is borne by the State government @ 50 paise per kg, for which annual provision of 5.08 crore have been made under this scheme. The government of India is allocating 8317 tonne wheat (since 11/2006) per month to the State of Haryana for AAY families. Pink ration cards have been given to these families.

Under this scheme in the State so far, 15.33 percent of BPL families were identified as AAY families at the time of its inception, first expansion of AAY scheme was made during April 2003 covering 23 percent of BPL. The second expansion was made during August 2004 covering 30.66 percent of BPL families. The process for identification of additional AAY families is going on and this time the target is to cover 37.24 percent of BPL families as AAY beneficiaries.

At present, there is 292196 families in Haryana, benefited under AAY scheme. The AAY families are 35 percent of total BPL population as on date, in the State.

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12 Office Record, Directorate, Department of Food and Supply, Government of Haryana, Chandigarh, as on 31-07-2002.
13 http://haryanafood.nic.in/profile_distribution.html (As on 31.3.2008).
14 Office Record, Directorate, Department of Food and Supply, Government of Haryana, Chandigarh, as on 31-05-2007.
15 Ibid.
16 http://haryanafood.nic.in/profile_distribution.html (As on 31.3.2008).
3.4 Department of Food and Supply

In Haryana, TPDS is being run in administrative control and direction of Department of Food and Supply, government of Haryana in accordance with Central government’s guidelines issued from time to time to be implemented in all States/UTs for operating the scheme effectively.

The Food and Supply Department is performing the following main functions:

- Procurement of foodgrains under the minimum support price and levy scheme.
- Maintenance of health of stocks till those are delivered to FCI.
- Operation of Public Distribution System.
- Enforcement of various Control Orders under the Essential Commodities Act, 1955.
- Functions connected with implementation of the Consumers Protection Act, 1986.
- Enforcement of Provisions of the Weights and Measures Act and Rules framed there under.17

Thus, this Department operates the TPDS in Haryana and deals with each and every aspect of the distribution system. It obtains the State’s quota of foodgrains from the Central government through its wholesale agencies mainly Confed, and further delivers this quota to the retailers i.e. FPSs to be distributed to consumers. This Department also frames policies and plans regarding TPDS and authorizes several agencies to execute these effectively. Monitoring of distribution and fixation of prices of foodgrains etc. are also the main functions of this Department.

3.5 Organisational Set-up for TPDS in Haryana

The Department of Food and Supply, government of Haryana operationalizes TPDS in Haryana. In case of States, as per provision, it is the very Department of the State government, which constitutes its own organizational and administrative

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structures to operate its working regarding implementation of various schemes. The organization set-up for instituting TPDS in the State is as under:

**Organization Set-up for instituting TPDS in the State**

- **Political Head**
  - Minister, Deptt. of Food and Supply
  - Department Level

- **Financial Head**
  - Commissioner (IAS)

- **Administrative Head**
  - Director (IAS)
  - Additional Director
  - Joint Director
  - Deputy Director
  - Head Quarter Level

- **Head of Distt. Admn. For PDS**
  - District Food and Supply Controller
  - District Level
  - Distt. Food and Supply Officer
  - Assistant Food and Supply Officer
  - Inspector Food and Supply/Sub Insp. Food & Supply
  - Block/Sub Division Level
  - Fair Price Shop
  - Consumer

Source: Based on interview of District Food and Supply Controller, District Rohtak (As on 20/12/07).
So, it is clear that the entire organization operates in the direction and control of the Minister, Department of Food and Supply, government of Haryana, who is the head of the Department and is responsible for its success and failure. After the Minister, it comes the Commissioner, who deals with the financial matters of each type in the Department. He is the financial head of the Department.

**Director**, Department of Food and Supply is the head of PDS operation in the State. He is the real head of Department in relation with PDS. He bears the accountability of each aspect of the distribution within the State. He links the Department to the Central Ministry, receives orders and guidelines from the Centre and forwards the same to the State administration to be executed in favour of PDS or other matters. He keeps all the records/reports related with distribution in the State and keeps the Centre update about it, by sending monthly and other periodical reports. In short, he controls, regulates, directs and drives the PDS in the State. And all subordinate officials till the office of Deputy Director help him in exercising his duties and responsibilities.18

**At District level**, it is District Food and Supply Controller, who plays the key role in operating PDS in all respects. He directs and controls the distribution system at district level in accordance with the guidelines of the Director of Department of Food and Supply. He, with the help of his subordinate officials, checks the distribution regularly and sends reports of it and balance stocks etc. to the Director monthly. And ultimately, the FPSs, which play the basic role of distributing foodgrains and other commodities to the consumers. These are FPSs, which obtain the quota from the wholesalers, through ‘District Food and Supply Controller, and further distribute it to the consumers as per their entitlements. FPSs work under the supervision and control of DFSC and vigilance committees, which are made up of PRIs representatives and local consumers and look after the distribution at FPSs level.19

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18 Based on Interview of ‘District Food and Supply Controller’ District Rohtak.
19 Ibid.
3.6 **Scale of Issue and Issue Price**

In Haryana, as on date, mainly four items are being distributed to consumers, namely, wheat, rice, levy sugar and kerosene oil, under PDS at subsidized rates. The prices and scale of these commodities are as under:

### 3.6.1 Wheat

**Table 3.3**  
**Scale and CEPs of wheat**

<table>
<thead>
<tr>
<th>Category of Consumers</th>
<th>Scale in Kg. (Per family per month)</th>
<th>Central issue prices (Rs. per qtl.)</th>
<th>Consumer end Price (Rs. per kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL</td>
<td>25</td>
<td>610</td>
<td>6.86</td>
</tr>
<tr>
<td>BPL</td>
<td>25</td>
<td>415</td>
<td>4.84</td>
</tr>
<tr>
<td>AAY</td>
<td>35</td>
<td>200</td>
<td>2.10</td>
</tr>
</tbody>
</table>

Source: http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008)

As per provision of Central government, 35 kg. of foodgrains (wheat/rice or both in total scale of 35kg.) is distributed to the consumers, as per family per months. But in case of Haryana, 25kg. of wheat is being distributed to APL and BPL families, because the State has also distributed 10 kg. of rice to per family per months. The distribution of rice in this scale is being made since August, 2005. The prices of rice are as under:

### 3.6.2 Rice

**Table 3.4**  
**Scale and CEPs of Rice**

<table>
<thead>
<tr>
<th>Category of Consumers</th>
<th>Scale in Kg. (Per family per month)</th>
<th>Central issue prices (Rs. per qtl.)</th>
<th>Consumer end Price (Rs. per kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL</td>
<td>10</td>
<td>830</td>
<td>9.15</td>
</tr>
<tr>
<td>BPL</td>
<td>10</td>
<td>565</td>
<td>6.40</td>
</tr>
<tr>
<td>AAY*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008)

*In Haryana, rice is distributed to APL and BPL families only. AAY Families are given only wheat at a scale of 35 kg. per month per family at a very low price of Rs. 2.10 per kg.*
Table 3.4 shows the consumer end prices of rice in Haryana. CFPs of rice are Rs. 9.15 per kg. for APL and Rs 6.40 per kg. for BPL families. The table also shows scale of issue and CIPs of rice.

3.6.3 Sugar

In Haryana, at present, sugar is made available only to BPL and AAY families at scale of 3 kg. per family per month. The retail issue price of sugar is, (as fixed by the Central government in March 1, 2001), 13.50 per kg. and it is continuing.\textsuperscript{20} Though the Centre has fixed the scale of sugar as 500 gms. per family member per month to a household, with effect from February 1, 2001, the State is distributing it at a scale of 3 kg. per family per month. This is done, by the purpose, to distribute a certain quantity of the same to consumer and to increase the lifting of sugar. As per provision, the State are free to make addition and deletion in the quantity of the commodity in accordance with the circumstances and as per availability of the same, but only on the approval of the Centre.\textsuperscript{21}

3.6.4 Kerosene Oil

Kerosene oil is being distributed through FPSs to the consumers, which are not gas holders (LPG-Gas) at a scale of 11 liters to BPL and AAY families and 3 liters to APL families, per month. The retail price of Kerosene oil is Rs. 8.96 to 9.77 per liter (with effect from April, 2005). Kerosene oil is being arranged through 154 wholesalers and 17 retailers in the State and lifting of it is almost cent percent. The monthly allocation of kerosene oil, as on date, is 15593 Kelo liters.\textsuperscript{22}

So it is clear that in Haryana, mainly wheat, rice, sugar and Kerosene oil are being distributed through FPSs to the consumers as per scale and prices fixed by the Central government and as per lifting or availability or as per the scale and prices defined by the government of Haryana in accordance with the circumstances.

\textsuperscript{20} http://haryanafood.nic.in/profile_distribution.html (As on 31.3.2008).
\textsuperscript{21} Citizen Charter, Department of Food and Supply, Government of Haryana, Chandigarh, 2007, p. 8.
\textsuperscript{22} http://haryanafood.nic.in/profile_distribution.html (As on 31.3.2008).
3.7 Quality of Foodgrains

Only ‘Fair Average Quality’ of foodgrains duly approved by the district level committee constituted under the chairmanship of Deputy Commissioner, are lifted and joint samples are drawn by the committee consisting of concerned ‘District Food and Supply Controller’, District Food and Supply Officer (DFSO), Assistant Food and Supply Officer, District Manager and Assistant Manager of Confed, representatives of the depot holders association and head analyst of Food and Supply Department. So, its clear that in Haryana a good quality of foodgrains and other commodities, are being supplied to the targeted population/beneficiaries.

Moreover, the quality of foodgrains is also checked and verified by the Central agencies, working in the Central Department of Food and Supply, on regular basis and sometimes surprise checking of quality of foodgrains is also made by the Central agencies, constituted for this purpose.

3.8 Allocation/Lifting of Foodgrains

Foodgrains (wheat/rice) are being allocated to State/UTs from the Central pool, to be distributed under TPDS. This allocation is made on the basis of ‘past ten years, annual average lifting of the State and as per the requirement made by the State in accordance with the number of families covered under TPDS. The allotment is made on the name of Director, Food and Supply, on yearly basis. He, further, informs the District Food and Supply Controllers about the allocation. Lifting/offtake is made on monthly basis by Confed (the wholesaler) in accordance with the requirement made by all DFSCs, then the Confed further allocates the foodgrains to FPSs to be distributed to the consumers.

The under given are the figures, which show the allocation and lifting of wheat and rice under TPDS in Haryana.

23 Model Citizens’ Charter, Department of Food and Supply, Government of Haryana, Chandigarh, 2008, p. 3.
24 Ibid.
26 http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008).
Wheat

Table 3.5

 Allocation/Lifting of Wheat

(Fig. in Million Tones)

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation</th>
<th>Lifting</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>198550</td>
<td>98995</td>
<td>57 percent</td>
</tr>
<tr>
<td>1998-99</td>
<td>156600</td>
<td>75376</td>
<td>48 percent</td>
</tr>
<tr>
<td>1999-00</td>
<td>156600</td>
<td>53439</td>
<td>34 percent</td>
</tr>
<tr>
<td>2000-01</td>
<td>184560</td>
<td>48577</td>
<td>26 percent</td>
</tr>
<tr>
<td>2001-02</td>
<td>199482</td>
<td>95352</td>
<td>44 percent</td>
</tr>
<tr>
<td>2002-03</td>
<td>1456698</td>
<td>277527</td>
<td>19 percent</td>
</tr>
<tr>
<td>2003-04</td>
<td>1335872</td>
<td>376953</td>
<td>28.2 percent</td>
</tr>
<tr>
<td>2004-05</td>
<td>1342776</td>
<td>434776</td>
<td>32.4 percent</td>
</tr>
<tr>
<td>2005-06</td>
<td>1092601</td>
<td>268594</td>
<td>24.6 percent</td>
</tr>
<tr>
<td>2006-07</td>
<td>463498</td>
<td>253238</td>
<td>54.6 percent</td>
</tr>
<tr>
<td>2007-08</td>
<td>382176</td>
<td>255126</td>
<td>66.7 percent</td>
</tr>
</tbody>
</table>

Source: http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008).

Rice

Table 3.6

 Allocation/Lifting of Rice

(Fig. in Million Tones)

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation</th>
<th>Lifting</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>250175</td>
<td>32438</td>
<td>13.0 percent</td>
</tr>
<tr>
<td>2006-07</td>
<td>365294</td>
<td>61080</td>
<td>16.7 percent</td>
</tr>
<tr>
<td>2007-08</td>
<td>69720</td>
<td>62054</td>
<td>89.0 percent</td>
</tr>
</tbody>
</table>

Source: http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008).

After studying the above made description it comes out that lifting of foodgrains is very low in Haryana in comparison of allocation, which shows the poor purchasing of foodgrain by consumers. It can be said, that in Haryana, people are less interested in buying foodgrains from FPSs.
3.9 Fair Price Shops

Fair price shops/ration depots are the base of distribution system, because these are the medium through which PDS is operationalised in real manners, i.e. PDS functions through FPSs and essential commodities, like foodgrains, are distributions to consumers through these shops. At present, in Haryana, as mentioned before, 9533(2676 in Urban and 6857 in rural areas) FPSs are working effectively and providing services to 5293995 poor families. At present, no person has to travel more than 1.5 km. to get his requirement of commodities sold at control rates.

3.9.1 Opening/Closing of FPSs

The fair price shops shall be open on all the days except Monday, as detailed below:

| Season    | Period                  | Time                        |
|-----------|-------------------------|                            |
| Summer    | 1 April to 30th September | 8:00 AM to 12:00 noon      |
|           |                         | 5:00 AM to 8:00 PM         |
| Winter    | 1st October to 31st March | 8:00 AM to 12:00 noon      |
|           |                         | 4:00 PM to 7:00 PM         |

The card holders can get their entitled allotment on any day any time indicated above. The food grains shall be supplied in full monthly entitlement within the month. 27

3.9.2 Issuance of Licence to FPSs

On vailability of rations depotsFPSs vacancy, the licence for the same is given to a person, who is permanent resident of the area and whose name is recommended by gram panchayat in rural and member of municipal council of the ward in urban areas. The procedure of issuing a licence to the fair price shop for distribution of essential commodities under the PDS is as under:

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27Model Citizens’ Charter, Department of Food and Supply, Government of Haryana, Chandigarh, 2008, p. 4.
Table 3.7
Procedure of Issuing Licence to FPSs

<table>
<thead>
<tr>
<th>Name of work</th>
<th>Document required</th>
<th>Fee / Security (Rs.)</th>
<th>Competent authority</th>
<th>Time limit</th>
<th>Authority to whom complaint is to be made *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of licence to FPS. (on receipt of application)</td>
<td>Prescribed application form</td>
<td>Fee =100</td>
<td>District Food and Supply Controller</td>
<td>One month</td>
<td>Deputy Commissioner of the concerned District</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Security=1000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewal of Licence of FPS</td>
<td>Prescribed form before the 31st March of each year</td>
<td>Rs. =100</td>
<td>DFSC</td>
<td>15 Days</td>
<td>DC of the concerned District</td>
</tr>
</tbody>
</table>

Source: Model Citizens’ Charter, Department of Food and Supply, government of Haryana, Chandigarh, 2008.
* In case of wrong allotment of depot, complaints can be made to Deputy Commissioner of the concerned District.

3.9.3 Validity of Licence of FPS

Each PDS licence is valid upto 31st March of the year i.e. the licence is issued for a period of one year (April 1st to 31st of March). But on account of irregularities found or contravention of PDS Control Order, 2002, licence can be cancelled i.e. if holder of licence, issued under PDS Control Order, 2002, contravene any of the terms or conditions of the licence then without prejudice to any other action that may be against him, his licence shall be liable to be cancelled or suspended.28

3.9.4 Coverage of FPS

Generally, on an average, a FPS/Depot covers 600 ration cards. In case, the number of cards exceeds 1200, more than one FPS can be constituted/allotted for the same village or wards in urban areas. In rural areas, if the no. of cards is less than 600, than the village, even after this, can be allotted a depot or can be jointed with the FPS of the nearby village, which comes under the distance of 1.5 km. or less.29

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28 Model Citizens’ Charter, Department of Food and Supply, Government of Haryana, Chandigarh, 2008, p. 4.
3.9.5 **Duties and Responsibility**

The duties and responsibilities of FPSs owners are as under:

- Sale of essential commodities as per the entitlement of ration card holder at the retail prices, fixed by the State government under the Public Distribution System.

- Display of information on a notice at a prominent place in the Shop on daily basis regarding:
  a) List of BPL/AAY beneficiaries,
  b) Entitlement of essential commodities,
  c) Scale of issue,
  d) Retail issue price,
  e) Timing of opening and closing of FPS,
  f) Stock of essential commodities received during the months,
  g) Opening and closing stock of essential commodities and
  h) The authority for redressal of grievances/lodging complaints with respect of quantity and quality of essential commodities under the PDS.\(^{30}\)

- Maintaince of records of ration card holder (APL/BPL/AAY), stock register, issue or sale register.

- Furnishing of copies of specified documents, namely ration card register, stock register and sale register, to the office of the Gram Panchayat or nagar palikas or vigilance committee or any other body authorized for the purpose.

- Display of samples of foodgrains being supplied through the fair price shop.

- Production of books and records relating to the allotment and distribution made, to the inspecting agency and furnishing such information as may be called for the authority.

- Accountal of the actual distribution and the balance stock at the end of the month to the concerned authority with a copy to the gram panchayat and nagarpalika.\(^{31}\)

\(^{30}\) Model Citizens' Charter, Department of Food and Supply, Government of Haryana, Chandigarh, 2008, p. 4.

\(^{31}\) Ibid, pp. 4-5.
Above mentioned are the duties and responsibilities of FPS owner and he is expected to carry out these duties in an efficient and transparent way. On avoiding these duties, any consumer or gram panchayat member can make a complaint, to district administration and District Food and Supply Controller, against him.

3.9.6 Inspection and Checking

Each fair price shop has been allotted to either Inspector, Food and Supply or Sub Inspector Food and Supply for inspection who submits a monthly PDS diary of each fair price shop allotted to him, in which details about the distribution of essential commodities are highlighted. All the District Food and Supply Controllers, District Food and Supply Officers and Assistant Food and Supply Officers are required to submit a monthly PDS dairy of 2, 2 and 8 fair price shop respectively. The fair price shops are also being inspected by the senior officers of Directorate of Food and Supply Department, from time to time. The functioning of FPSs is also inspected and controlled by the Central government and by its teems or committees or any other authority appointed or constituted for this purpose from time to time.

3.9.7 Margins of Various Commodities

The depot holders are not given any fixed salaries for their services of distributing essential commodities to consumers or operating the FPS. They just receive the margins of various commodities, fixed for depot holders, as per the rule or governments guidelines. Margins of various commodities for wholesalers and for retailers (FPSs holders) are as under:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Wholesale</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>32.00</td>
<td>Rs. 18.00+empty bag of Rs. 9 (Per bag of 50 kg.)</td>
</tr>
<tr>
<td>Rice</td>
<td>32.00</td>
<td>Rs. 18.00+empty bag of Rs. 9 (Per bag 5 to 50 kg.)</td>
</tr>
<tr>
<td>Sugar</td>
<td>71.62</td>
<td>Rs. 19.58+empty bag of Rs. 10 (Per bag of 50 kg.)</td>
</tr>
<tr>
<td>Kerosene oil</td>
<td>243 per K. liter</td>
<td>Rs. 165 per K. liter</td>
</tr>
</tbody>
</table>

Source: http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008).

32 Ibid, p. 5.
33 Ibid.
Thus, with the help of above said margins, on an average, a FPS owner earns, approximately Rs. 1500-2000 per month if he distributed the quota of foodgrains defined for his FPS in accordance with the ration cards covered by his shop. \(^{34}\)

### 3.9.8 Details of Expenditure of FPS

There is some expenditure, made by FPS in its working, details of which is given below:

<table>
<thead>
<tr>
<th>Items</th>
<th>Urban (Expenditure in Rs.)</th>
<th>Rural (Expenditure in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent of shop</td>
<td>700.00</td>
<td>300.00</td>
</tr>
<tr>
<td>Electricity and water charges</td>
<td>150.00</td>
<td>150.00</td>
</tr>
<tr>
<td>Stationary</td>
<td>150.00</td>
<td>50.00</td>
</tr>
<tr>
<td>Transportation charges of Sugar</td>
<td>30.00</td>
<td>45.00</td>
</tr>
<tr>
<td>Total</td>
<td>430</td>
<td>545</td>
</tr>
</tbody>
</table>

Source: [http://haryanafood.nic.in/profile_distribution.html](http://haryanafood.nic.in/profile_distribution.html) (as on 31.3.2008).

Even for this expenditure, FPS are not paid anything and the FPS owner bears all the expenditure on his own.

### 3.9.9 How FPS Works

FPS is the means, which is the key of PDS operation. It does the important/basic work of distributing PDS items/services to the consumers/the targeted beneficiaries. To have this important job done, the FPS works in the control and direction of District Food and Supply Controller. It distributes the essential commodities namely, wheat, sugar and Karosene oil to the consumer, which are being supplied to FPS from DFSC through his agencies authorized for it. Rice is stopped to be distributed under PDS, in Haryana since June 2008. \(^{35}\) So, now wheat,

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\(^{34}\) [http://haryanafood.nic.in/profile_distribution.html](http://haryanafood.nic.in/profile_distribution.html) (As on 31.3.2008).

\(^{35}\) Office Record, District Controller of Food and Supply, District Rohtak (As on 31.9.2008).

63
sugar and Kerosene oil are the items, which are distributed to consumers through FPSs.

**In Case of Distribution of Wheat** each FPS submits the amount for the quota, needed to be distributed in the coming month, on or before the 25th of the current month to the Confed (the wholesaler of foodgrains in Haryana). The quota/quantity of wheat is defined in accordance with the balance stock of the current month and the extra requirement of the same, according to ration cards. After receiving the demands for wheat from all over the District, the Confed prepares a final list of quantity of wheat to be lifted from the FCI. After this Confed takes the approval or release order, in this regard, from the DFSC and lifting of wheat is made from FCI godowns. Then the Confed, further delivers the wheat, as per quota defined, to the FPSs at door-step, before the 10th of the month. And after receiving the quota, FPSs delivered it to the consumers, as per entitlement and as per rate fixed by the government.36

**In case of sugar,** like in case of wheat, the depot holder submits the amount on or before 25th of the current month to the Confed. But in case of sugar door step delivery is not made by the Confed. The FPSs on its own have to take the delivery to the shop and transportation charges for the same is borne by the FPS. After this, sugar is distributed to consumers as per entitlement.37

**In case of distribution of Kerosene oil,** same like wheat and sugar, the FPS makes the submission of amount in advance to the wholesaler for the same and it (the wholesaler for kerosene oil) makes the delivery to FPS at door-step. The delivery of Kerosene oil to FPS is verified, by representative of district administration and vigilance committees at local level, in accordance to make the distribution of kerosene oil more effective and transparent. After all this, i.e. after having delivery of the Kerosene, it is being distributed is presence of local vigilance committee or any other body authorized for it.38

After the above made discussion it can be said that it is the FPS, in the distribution system, which operates the PDS. So, it is the need that these shops

36 Ibid.  
37 Ibid.  
38 Ibid.
should be directed and controlled effectively, to bring transparency in distribution and to benefit the consumers more and more.

3.10 Issue of Ration Cards

Every family residing in the State is entitled for a ration card under the regulations as prevalent from time to time. The following procedure is followed in this regard:-

- At first, any citizen, interested in having a ration card, makes a demand for the same through the application form (D-1), which is provided by the office of Assistant Food and Supply Officer/Inspector Food and Supply, along with two passport size family photographs. The D-1 form and one family photograph must be attested by Gazetted Officer or a person nominated by the State government, such as Municipal Councillor or Sarpanch etc.

- Every application for ration card will be duly acknowledged on the spot and the acknowledgement slip will indicate the date on which the ration card can be collected, in case all information as required have been correctly given and it has been possible for the authorities to do the required verification and complete the various formalities.

- In case the ration card is not ready for collection on the date as specified in the acknowledgement slip, the reason for the delay and the likely date by which the card will be available will also be invariably intimated.39

- All ration card holders will be suitably advised and given appropriate guidance regarding the fair price shop at which they could register their cards for obtaining supplies. Any difficulty faced by the card holder in this regard will be resolved within two days by deputing appropriate inspecting officials to the FPS under intimation to the card holder.

- Complaints/Grievances regarding inclusion or non-inclusion in the below poverty line target group will be dealt with by the Department of Rural Development and Department of Urban Development of the State

39 Model Citizens' Charter, Department of Food and Supply, Government of Haryana, Chandigarh, 2008, pp.1-2
government, who are identifying such families in rural and urban areas respectively.

- The APL/BPL/AAY families will be issued green/yellow/pink colour ration cards respectively which will entitle them to obtain the PDS items at special/subsidized rates.

- The duration of ration cards will be five years. But in case of wrong/false information given in D-I form, ration card can be cancelled on recommendation of gram panchayat or municipal councillor or FPS holder etc. 40

The time limit for preparation of ration card/addition deletion etc. is as under:-

**Table 3.10**

**Procedure of issuing Ration Cards to Consumers**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Item Work</th>
<th>Time limit</th>
<th>Authority to whom complaints is to be made</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Issue of New ration card (on receipt of D-I form)</td>
<td>15 days</td>
<td>District Food and Supply Controller</td>
</tr>
<tr>
<td>2</td>
<td>Issuance of new ration card on receipt of surrender certificate</td>
<td>7 days</td>
<td>Do</td>
</tr>
<tr>
<td>3</td>
<td>Issuance of duplicate ration card</td>
<td>7 days</td>
<td>Do</td>
</tr>
<tr>
<td>4</td>
<td>Inclusion / deletion of family member</td>
<td>7 days</td>
<td>Do</td>
</tr>
<tr>
<td>5</td>
<td>Change of address within same jurisdiction</td>
<td>3 days</td>
<td>Do</td>
</tr>
<tr>
<td>6</td>
<td>Change of address including change of FPS</td>
<td>3 days</td>
<td>Do</td>
</tr>
<tr>
<td>7</td>
<td>Issuance of surrender certificate</td>
<td>Same day</td>
<td>Do</td>
</tr>
</tbody>
</table>

Source: Model Citizens' Charter, Department of Food and Supply, government of Haryana, Chandigarh, 2008, p.2

Note – Surrender certificate is issued in case of change is residence for other State/District/Place. In this case the ration card holder should obtain surrender/deletion certificate after depositing the ration card. This certificate enables him to be issued new ration card form the authority of his new address, where he is migrated.

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40 Ibid, p. 2
So issuing of ration cards to the consumers of various categories, is also an important part of the TPDS. Because these cards enable the consumers to have their PDS items from the FPSs. The consumers have to present these cards to FPS owner at the time of distribution, for identification and for making entry of distribution in these cards about the date and quantity of foodgrains and other commodities etc. Thus, ration card play very important role in PDS operation, that’s why, it can be said that a high level of caution should be made in issuing such cards, specially in the case of BPL/AAY families, because these are the families for which the TPDS came in existence. These cards also enable the BPL/AAY families to be benefited under several schemes of the Centre/State government, launched specially for this section of the society.

3.11 Control Machanism for TPDS in Haryana

To ensure proper distribution of essential commodities and to check the corrupt practices in the PDS, a regular inspection of the distribution process is needed. The Haryana government has made several policies/strategies in this context, the main to be discussed are as under:

The Essential Commodities Act, 1995, protects the interest of consumers. It is an important and main legislation governing the production, procurement, price control and distribution of essential commodities.

PDS (Control) Order, 2001, which defines the procedure of working for FPSs and scale/CIPs of foodgrains and others essential commodities. It also has provisions regarding inspection of FPSs by State government official and the field staff of the Department of Food and Supply.

The Consumer Protection Act, 1986, enacted on 24.12.1986 is an innovation in the Indian context to provide better protection to the interests of the consumers. The Haryana government lays great stress on safe guarding the interest of the consumer of the State and notified Haryana Consumer Protection Rules, 2004 vide notification, dated 17.3.2004. The PDS in Haryana is also controlled by this Act and by the rules made under this Act.⁴¹

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**Area Officer Scheme**, under which the officer, appointed by the Centre visits his allotted State, with an element of surprise and make assessment about the working of FPSs, FCI godowns etc. He also raids at the time of distribution at FPSs and meets to consumers to know the irregularities of the distribution system.

**Visits by the Director** himself and by headquarter official of the Department of Food and Supply, are also an important mechanism in its own, through these visits/surprise raids the official exercise a high level of control on the PDS. And above all the office of the DFSC at the District level which exercise the 100 percent control over the distribution system with help of its subordinate officials.

**The Committees**, constituted under the provisions of the State government for this purpose, such as – vigilance committees at State/district/block level, are playing very important role of controlling the PDS. Besides, the committees, constituted by the State, from time to time, for some special purposes, regarding PDS operation, are also an important element to control the PDS. Moreover, the VCs at village/ward level, through which the consumers control the distribution on their own. These committees are very important part of controlling the PDS at its working level when the PDS comes in the direct touch of the beneficiaries.42

The above said is the control mechanism of the State government to control and streamline the functioning of PDS in the State. Moreover, the orders and guidelines of the Central government issued from time to time and arrangement in this context, by the State government on its own, are also the means by which the PDS operation is controlled.

### 3.12 Achievement of PDS in Haryana

In Haryana, the TPDS is working well in the control and directions of the Department of Food and Supply, government of Haryana and in accordance with the guidelines and strategies issued by the Central government. The achievements of TPDS in Haryana can be described as under:

- The TPDS is serving about 52.93 lakh poor families in the State among with 8.30 lakh are BPL families.

42 [http://haryanafood.nic.in/profile_distribution.html](http://haryanafood.nic.in/profile_distribution.html) (As on 31.3.2008).
• In Haryana there is a vide network of 9533 FPSs, which is providing PDS services effectively to the poor needy section of the society.

• TPDS is serving about 3 lakh poorest of the poor families, under its AAY scheme, in Haryana.43

Celebration of National Consumer Day – For the purpose of generating awareness among the consumers of the State, the National Consumer Day is celebrated on 24th of December of each year. In this connection, meetings, rallies, functions are organized by the district administration in collaboration with others agencies involved for promoting consumer welfare. Posters/Pamphlets on consumer awareness are also distributed.44

Celebration of World Consumer Right Day – The day is celebrated on 15th March of each year for making the masses of the State aware of the consumer rights. In this regard, the seminars to educate the consumers are also organized in all the district by involving non-governmental organizations (NGOs).

Setting up of Consumer Clubs in the Schools- To educate the children about the rights of the consumer and to mobilize youngsters by instilling in them the spirit of protection of consumer rights. 135 consumer clubs in 6 districts have been set up in the month of January 2006. Efforts are being made through the Deputy Commissioners and DFSCs for opening of more Consumer Clubs in the schools located in remote areas of the State. Financial assistance in this regard is being provided by the Central government.

Jagriti Shivir Yojana – To create awareness among rural people specially among the poorer sections (i.e. the targeted beneficiaries), and to undertake concerted campaign aimed at generating awareness among the poorest sections in rural areas, such shivirs are being organized by the State government which is also an achievement of TPDS in Haryana.45

The State government is organizing many training programmes for improving the skill of its officials/personnel dealing with the PDS operation. The

43 Ibid.
government has organized some training programmes even for the members of vigilance committees working at village/ward level. Recently, in 2006-07 the State government has organized a training programme for the members of VCs at FPSs level.46

In June 2008, the government of Haryana launched the ‘Food Stamps’ scheme in PDS for controlling the diversion of foodgrains from the PDS. The scheme is launched in Sirsa district of the State on pilot basis and if the result will be good and satisfying, the government is proposed to launch this scheme to another districts of the State.47

In July 2008, the government has submitted a proposal of Rs. 173 crore to the Centre for launching ‘Smart Card’ system in the State to strengthen the PDS. And this proposal is expected to get the go-ahead from the Centre soon. If this proposal gets approval to be launched in Haryana (on pilot basis, in some or one district of the State) then Haryana will be the only State in the country, which will provide PDS service through the Smart Card.48

On the base of above made description, it can be said that the government of Haryana is doing well in direction to make the PDS more beneficial to the targeted people. And it also can be said that the PDS is working well in the State and it is supposed that it will work well in the future also.

3.13 Evaluation of TPDS in Haryana

The government of Haryana has taken various steps in direction to make the PDS more focused and beneficial to poor consumers, even after this, the distribution system is facing many problems, like, diversion/black marketing of foodgrains, poor quality of foodgrains, inefficiency in issuing ration cards to targeted people, corruption at FPSs level and many more. Here are some examples:

- In an operation run by State government in 2006, hundreds of licences of FPSs were cancelled on basis of irregularities. As per news, the cases of

47 Hindustan Times, New Delhi, June 20, 2008, p. 3.
48 Hindustan Times, New Delhi, August 29, 2008, p. 5.
diversion of foodgrains and other commodities, adulteration and hoarding etc. have been increased four times in comparison of last year and are increasing day by day.49

- The police (In Uchana, District Jind) recovered 3204 liters of PDS kerosene, which was targeted to sell in black-market.50

- The police uncovered a racket, which was accused of making bogus ration cards in Gurgoan. Hundreds of bogus ration cards recovered from this racket along with other documents being used in this work. A case has been registered.51

- The Haryana Food and Supply Department has cancelled the licences of 276 dealers (FPSs owner) for allegedly committing irregularities in PDS. Besides, as many as 29 case has also been registered with police against the dealers for including in malpractices in the distribution of PDS items.52

- The government of Haryana has conducted a fresh survey to identify the BPL families in the State, to be benefited under several welfare schemes of Centre and State, like PDS and others. But the government was criticized for making irregularities in this survey, such as, exclusion of the real poor and needy people from the BPL list and inclusion of well to do families/ non-targeted families.53 Many opposition parties, like, BJP, INLD and newly formed Haryana Janhit Congress (BL), criticised the ruling Congress Party for irregularities in identifying BPL families and demonstrate in this regard all over the State. The BJP demanded annulment of the draft list and an impartial survey in the State to identify the poor households.54

- Licences of 32 depot holders were cancelled and cases were registered against six depot holders after checks conducted by the Food and Supply

49 Dainik Bhashkar, Panipat (Haryana), June 12, 2006, p.3.
50 Hindustan Times, New Delhi, August 10, 2007, p. 3.
51 Hindustan Times, New Delhi, August 28, 2007, p. 3.
52 Hindustan Times, New Delhi, October 9, 2007, p. 3.
53 Hindustan Times, New Delhi, December 13, 2007, p. 3.
54 Hindustan Times, New Delhi, December 14, 2007, p. 3.
Department, in Jind district, on public demand. It was also found that as many as 30 percent of the ration card holder in the district were either bogus while another 20 percent of them do not drawn their ration regularly, and BPL cards have also been issued to some well-to-do families.\(^{55}\)

- An auditor of DFSC office (Yamuna Nagar district) was caught red handed by a team of Haryana Vigilance Bureau, for taking bribes from a depot holder. Earlier too, the team has arrested ‘Assistant Food and Supply Officer’ of the same district for taking bribes from a depot holder.\(^{56}\)

- In Haryana, 40.6 percent of PDS kerosene is being diverted and finding its way in open market or purchased without a card, and there is also a huge diversion of wheat and sugar from PDS.\(^{57}\)

- The police have arrested four person, including a Sub-Inspector Food and Supply and depot holder for allegedly selling 21 bags of PDS wheat in the open market.\(^{58}\)

- According to the report by Tata Economic Consultancy services prepared for Food Ministry, 53 percent of PDS wheat is being diverted in Haryana and the rates of rice and sugar diversion, available under PDS, are similar.\(^{59}\)

- In Jhajjar district the police have registered a case against a depot holder of Humayunpur village, who was accused of selling 50 bags of PDS wheat to a shopkeeper of other village. He was selling the wheat to the shopkeeper, the villagers noticed him and raised an alarm. Later they called the police. The police seized the wheat and registered a case.\(^{60}\)

- The police seized 260 bags of PDS wheat targeted to be sold in black-market from Gohana-Sonepat road near Gohana. It was found that the

\(^{55}\) Hindustan Times, New Delhi, March 22, 2008, p. 3.
\(^{56}\) Dainik Bhashkar, Panipat (Haryana), May 29, 2008, P.2.
\(^{57}\) Hindustan Times, New Delhi, July 3, 2008, p. 5.
\(^{58}\) Hindustan Times, New Delhi, August 27, 2008, p. 3.
\(^{59}\) Hindustan Times, New Delhi, August 9, 2007, p. 6.
\(^{60}\) Danik Tribune, Chandigarh, December 12, 2008, p. 2.
wheat was meant to distribute to the poor consumers of ward-1 and ward-16 of Gohana town, but the depot holders of both depots were trying to sell it in open market.\textsuperscript{61}

- There is a lot of corruption in TPDS in Haryana. The increasing number of cases registered with police shows how efficiently the TPDS is working in the State, the details of such cases, in last few years, is as under:

**Table 3.11**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of cases registered with police</td>
<td>20</td>
<td>59</td>
<td>26</td>
<td>54</td>
</tr>
<tr>
<td>Person arrested</td>
<td>10</td>
<td>45</td>
<td>13</td>
<td>36</td>
</tr>
<tr>
<td>No. of licences cancelled</td>
<td>189</td>
<td>402</td>
<td>405</td>
<td>628</td>
</tr>
<tr>
<td>No. of dealers whose security forfeited</td>
<td>1379</td>
<td>2026</td>
<td>1999</td>
<td>2094</td>
</tr>
<tr>
<td>Amount of security forfeited (Rs.)</td>
<td>681200</td>
<td>1481400</td>
<td>1256800</td>
<td>1441600</td>
</tr>
</tbody>
</table>

Source: [http://haryanafood.nic.in/profile_distribution.html](http://haryanafood.nic.in/profile_distribution.html) (As on 31.3.2008).

Note: sometimes, the security of FPSs is forfeited by the authority on irregularities basis, rather than, cancellation of licences.

On the basis of above made description, it is clear that that the TPDS is facing a lot of corruption. Even after the enforcement of various Control Orders, constituent of several vigilance committees and over all control by DFSCs and other field official; FPSs are ignoring their duties and escaping from their responsibilities. The main reason behind this is issuance of FPSs licence to corrupt people. The authority itself, takes bribes for this from these people (the FPSs holders). Another reason is, exclusion of the poor and inclusion of non poor families in BPL families and existence of bogus ration cards. Besides, high-level diversion of PDS items, black marketing and hording etc. and increasing number of cases registered with

\textsuperscript{61} Punjab Kesary, Hissar Haryana, January 30, 2009, p. 3.
police against corrupt official and depot holders, show clearly the failure of the TPDS. So it can be can be said that the TPDS is serving some corrupt official and depot holders on the name of the poor households. The need of the time is that corruption in TPDS should be controlled and in this regard, the government should make initiative in an effective manner. Only on controlling the corruption, the PDS can be made beneficial to the targeted families, otherwise it will remain a source of profit for some corrupt people.

3.14 Measures Taken to Strengthen the TPDS in the State

To provide PDS services in an effective and efficient way, the government of Haryana is following all the rules, regulations and guidelines issued by the Centre form time to time. The State has adopted all the measures and strategies guided by the Centre to strengthen the Distribution System, alongwith its own arrangements for which the State government is legally authorized. For example: 'Citizen Charter', 'PDS (Control) Order, 2001', 'vigilance committees', 'Essential Commodities Act- 1955' and meeting/conferences etc. all measures of Centre, have been adopted by the State government and are being implemented effectively.

In case of meeting/conferences, organized and sponsored by the Centre, for improving the skill of officials dealing with PDS operation, the State government cooperate with the Centre, and it itself organizes such type of meetings/seminars/conferences for updating the working of its employees engaged in the PDS. Financial assistance for such kind of programmes is being provided by Centre but the States also have to bear the expenses for these programmes fully or partially at sometimes, specially when the States organizes such meetings on their own. The main thing is that the discussion and arguments held in these programmes are proved beneficial in developing new policies and strategies for the betterment of the PDS. Moreover, several committees have also been constituted by the State government to make the distribution more beneficial to consumers, more transparent and corruption free. These committees are as under:-

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63 Ibid.
3.14.1 State Food Advisory Committee

This committee has been set up under the chairmanship of State Food and Supply Minister. It has 33 official and non-official members. The committee meets once in four months and reviews the prices and availability of essential commodities.

3.14.2 District Food Advisory Committee

These committees have been set up under the chairmanship of Deputy Commissioners and local MLAs, representative of trade unions, housewives, SC/BC and consumer welfare bodies are the members of the committee. This committee reviews the positions of essential commodities every month i.e. the Committee examines the quality, quantity, prices and proper distribution of PDS items to be distributed in the district.

3.14.3 Sub-Divisional Advisory Committee

These committees have been set up under the chairmanship of Sub-Divisional Officers (Civil) (SDMs). Apart from MLAs, local people are its members. This committee also reviews the positions of essential commodities every month.64

The re-constitution process of all these three Committees is under process. The State government wants to make these committees more effective and powerful, so that these can work successfully. That’s why, the government is re-constituting these committees.65

3.14.4 Village/Ward Level Committee

These committees are constituted to keep a watchful eye on the distribution of essential commodities. These committees exercise a regular check on the distribution. The members of these committees are as under:

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64 Information about PDS, Directorate, Department of Food and Supply Government of Haryana, Chandigarh, 2004, P.1
65 http://haryanafood.nic.in/profile_distribution.html (As on 31.3.2008).
These committees are known as vigilance committees (VCs) and the essential commodities are distributed to card holders in the presence of these committees which certify the proper distribution of PDS items at FPSs level.66

The government of Haryana has constituted one more committee in this regard, named as ‘Price Monitoring Committee’. This committee has been set-up at the State level, which review the prices of essential commodities every month. The princes of commodities are collected form two districts on weekly basis and sent to government of India.67

3.14.5 Involvement of PRIs in PDS

The States government also involves the PRIs in PDS operation, because these are the institutions, which play and can play an important role for the betterment of distribution system. The role of these institutions can be understood as under.

Gram Panchayat

- Recommendation for allotment of ration depots.
- Attesting power of D-1 from (Application form for issuing of ration cards and making addition and deletion in ration cards).
- In proper distribution of PDS commodities.
- To hear and settle local complaints on PDS.
- By constituting VCs at village level.

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66 Ibid.
67 Ibid.
• Make a report once in the month to the panchayat samiti about the functioning of PDS.

**Panchayat Samiti**

• Perform the supervisory functions about the functioning of PDS in the village and hear complaints etc. under jurisdiction.

• Make a report to zila parishad about it.

**Zila Parishad**

Supervision and monthly review of availability of PDS items and distribution thereof in their jurisdiction with the concerned District Food and Supply Controller.\(^{68}\)

The above mentioned are the point on which PRIs are effectively working or they should working for the welfare of the local poor households.

### 3.14.6 Consumer Welfare Fund

As per guideline of government of India, the State government has framed the Haryana Consumers Welfare Fund Rules, 2005. Under these rules consumer Welfare Fund has been set up by providing Rs. 50.00 lacs (Rs. 25 lacs by the State government and Rs. 25 lacs by Central government) in the month of February 2006. The objective of this fund is to provide financial assistance to protect and promote the welfare of the consumers and strengthen the voluntary consumer movement in the country particularly in rural areas.\(^{69}\)

The financial assistance from the Consumer Welfare Fund is to be given for following purpose:-

• Production and distribution of literature and audio-visual material for spreading consumer literary and awareness building programmes for consumer education,

• Setting up facilities for training and research in consumer education and related matters on national or regional basis,

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\(^{68}\) Model Citizens' Charter, Department of Food and Supply, Government of Haryana, Chandigarh, 2008, pp. 5-6.


77
• Community based rural awareness projects,
• Setting up of Consumer Product Testing Laboratories,
• Setting up of complaint handling/counseling/guidance mechanism like Consumer Guidance Bureau,
• Building up infrastructure facilities for organising consumer education activities on a permanent basis at the District/Taluk levels etc., and
• The projects not covered by the above, but in the opinion of the government to maximize consumer welfare.

3.14.7 Weights and Measures Organisation

To ensure justice to the consumers by ensuring use of correct weights and measures in the transaction through which they purchase goods and receive services, the government of Haryana has been set up a Weights and Measurement Organisation. The work of this organization is governed by the Central Act, namely Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures Enforcement Act, 1985 and various rules made under these Acts. Under this act, the manufacturers and sellers of any weights and measures are required to obtain a licence which allows them to operate within set of terms and conditions of the Act. Inspector of Weights and Measures conduct inspection of the licence and trading premises and ensure that weights and measures are duly verified and stamped and other provisions of the Act and Rules made there under are complied with.

In case of PDS, the Weights and Measures Organization of Haryana government, plays an important role of providing verified weights and measures to FPSs to be used for distributing foodgrains and others commodities to the consumers.

3.15 Plan Schemes for Strengthening the PDS in Haryana

The government of Haryana has taken various steps in direction of the Central government for strengthening PDS in Haryana, such as, by the help of

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70 Ibid, p.10.
71 Ibid, p.11.
financial assistance by the Centre, computerisation of PDS in Haryana is almost
done and the State government is organizing many workshops/training programmes
for official and employees dealings with PDS and even for members of VCs (at
village and ward level). Moreover, the government of Haryana is planning to
launch ‘Food Stamps’ and ‘the Smart Cards’ system in the State.

3.15.1 Food Stamps

In order to provide food security and reduce corruption in the PDS, the
government of Haryana will launch a food stamp programme in rural area of Sirsa
district next month. As per the scheme, each eligible household will be issued
stamps as per the family size and entitlement for procuring wheat, rice, sugar and
kerosene oil from the fair price shops. The shopkeeper will have to maintain record
of the stamps received from the beneficiaries for accounting and to show lifting of
food stock. The programme will be started in rural areas from July 1, 2008. It will be
launched in urban areas a month later and this idea is to curb diversion of
foodgrains. This scheme is launched on pilot basis and results are awaited.

3.15.2 Smart Card

As per the plan, Haryana government will soon show the smart card way to
curb corruption in the PDS. The State has submitted a Rs. 173 crore proposal to the
Centre for a biometric based smart card delivery system for foodgrains and kerosene
oil to beneficiaries under the PDS. Union Finance Minister had selected Haryana,
alongwith the Union Territory of Chandigarh, for introduction of smart card on a
pilot basis to check leakage and diversion from the PDS. As per the plan, ration
cards will be replaced with smart cards and the biometric of each member (above the
age of 12 years) of the beneficiaries family stored in them. The beneficiaries will
have to carry the smart card to the depot where a terminal will be installed to match
the fingerprints with the one on the card, before releasing foodgrains and other
commodities. The entry of the ration issued will be made on the smart card. The
State- of art online system will have a complete record of the wheat, sugar, rice and
k. oil stocks, releases made to FPSs or depots and distribution to beneficiaries.

72 http://haryanafood.nic.in/profile_distribution.html (As on 31.3.2008).
73 Hindustan Times, New Delhi, June 20, 2008, P.3
74 Hindustan Times, New Delhi, July 03, 2008, p.5.
According to sources of State government, “The detailed project report is ready to be presented before officials of the Union Ministry of Food and Supply, Finance and Information and Technology. If approved, the government of Haryana will be ready to roll it in at least two districts in October 2008. The plan is to have it in place in all district within two years.\textsuperscript{75}

The Haryana State Electronic Development Corporation is the nodal agency for the implementation of the project in the State. Under the project, all District Food and Supply Officers, FPSs owners, Confed and FCI centers will be provided with a ‘Smart Transaction Terminal (STT) which will serve as a single integrated device to perform sales transactions. The device will be capable of authenticating the card and fingerprints of the consumer. It will also generate receipt of the transaction once successfully performed etc.\textsuperscript{76} The proposal which was submitted last month, is expected to get the go-ahead from the Central government soon. And after this, Haryana will be the first State in the country, alongwith UT of Chandigarh, to go for the Smart Cards for the Public Distribution System.\textsuperscript{77}

This description (mainly the proposed ‘Smart Card’ scheme) shows the proposed plan scheme of Haryana government in direction to strengthen the operation of TPDS and to control the corrupt practices in the distribution system. Truly, if the ‘Smart Card’ system is launched, there will be a transparent and corruption free PDS in the State, which will benefit the targeted population in real manners.

3.16 Study Area (Rohtak district)

As mentioned, district Rohtak of Haryana, is the study area of the present study. The researcher has studied the working of TPDS in the district (in rural as well as urban areas of the district) and collected the primary data to draw the real picture of working of TPDS in the district. In the present chapter socio-economic profile of district Rohtak is given. Besides, working and coverage of TPDS in the district has also been discussed.
3.16.1 Profile of Rohtak district

This district has a glorious and long historical past right from Mughal phase to the British phase. When Haryana came into existence, Rohtak emerged as a full-fledged district. It was given a shape with four tehsils i.e. Rohtak, Sonepat, Jhajjar and Gohana with Nahar and Meham as sub-tehsils of Jhajjar and Gohana tehsils respectively. In December 1972, Sonepat was given the status of district by bifurcating Rohtak district and Gohana and Sonepat tehsils were allotted to it.

Tehsil of Bahadurgarh was created in 1973 from Jhajjar tehsil. In 1973 Meham sub-tehsil was up-graded as tehsil. One more tehsil, Kosli was created out of Jhajjar tehsil and Nahar sub-tehsil was abolished and the bifurcated Rohtak district was now comprised of five tehsils, namely Rohtak, Bahadurgarh, Jajjar, Meham and Kosli. In November 1989, reorganisation of districts took place and Gohana tehsil was given attached with Rohtak district. Three sub-tehsils of Badli, Matanhail and Beri were created in July 1992 and Gohana tehsil was again transferred to Sonepat district. However, later on, the sub-tehsil of Badli was abolished. In July 1997, Jhajjar district was created after bifurcating Rohtak district. At present, Rohtak district consists of Rohtak and Meham tehsils.

This district is located in the South-East region of Haryana. It is surrounded by Jind and Sonepat districts on the North, Jhajjar district on the South, Jhajjar and Sonepat on the East and Hissar and Bhiwani on the West. This town is 75 kms. away from Dehli and is situated on National Highway No. 10. It is well connected by rail and road to the important places of the country.

The district is having an area of 1775 sq. kms. Population of the district, as per 2001-Census, is 940128 out of which males and females are 509085 and 431090 respectively. Its rural population (610524) is almost double than its urban population (329604). The sex ratio of this district is 847. The density of population is 539 per sq. km. The literacy rate of this district is 73.72 percent. Its male literacy rate is 83.23 and female literacy rate is 62.59. There are 5 Blocks, 3 towns and 147 Villages in the district. The five blocks of the district are, Rohtak (57 villages),

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79 http://www.haryanaonline.in/profile/districts/rohtak.asp (visited on April 30, 08.)
Meham (25 villages), Lakhan Majra (13 villages), Kalanaur (28 villages) and Sampla (24 villages).  

The below mentioned table can be helpful in understanding the district at a glance

**Table-3.12**

**Rohtak district at a Glance**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Items</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Area</td>
<td>1745 sq. kms.</td>
</tr>
<tr>
<td>2</td>
<td>Population (2001)</td>
<td>940128</td>
</tr>
<tr>
<td>3</td>
<td>Rural Population</td>
<td>610520</td>
</tr>
<tr>
<td>4</td>
<td>Urban population</td>
<td>329604</td>
</tr>
<tr>
<td>5</td>
<td>Density</td>
<td>539 persons, per sq. km.</td>
</tr>
<tr>
<td>6</td>
<td>Male and female</td>
<td>509038 and 431090</td>
</tr>
<tr>
<td>7</td>
<td>Sex ratio</td>
<td>847</td>
</tr>
<tr>
<td>8</td>
<td>Literacy Rate</td>
<td>73.72 percent (83.23 percent male and 62.59 percent female)</td>
</tr>
<tr>
<td>9</td>
<td>Tehsils</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>Block</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Towns</td>
<td>3</td>
</tr>
<tr>
<td>12</td>
<td>Village</td>
<td>147</td>
</tr>
</tbody>
</table>

Source: http://www.haryanaonline.in/profile/districts/rohtak.asp (visited on April 30, 2008.)

The economy of the district is mainly based on agriculture. Cattle rearing and agriculture are the main professions of the people. About 51.89 percent of the total population is engaged in agriculture and allied activities, 7.68 percent in cottage and household industries and the rest is engaged in other activities. 83 percent of the total geographical area of this district is under cultivation. The main crops are wheat, rice, sugarcane and bajra etc. Underground water level of this district is relatively high. Moreover, the district has better facilities to provide to the people in respect of education and medical or health facilities. PGIMS, Rohtak and M.D.U., Rohtak are two milestones in this regard.  

**3.16.2 TPDS in Rohtak district**

TPDS is in operation in the district since it was launched in Haryana in May, 1997. At present, it is serving 2,30,923 poor and needy families of the district. It can be understand by studying the below mentioned table:-
Table 3.13
Details of Ration cards and Units covered Under TPDS in Rohtak district

<table>
<thead>
<tr>
<th>Ration Cards</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL</td>
<td>79068</td>
<td>109438</td>
<td>188506</td>
<td>361630</td>
<td>481386</td>
<td>843016</td>
</tr>
<tr>
<td>BPL</td>
<td>12594</td>
<td>17128</td>
<td>29722</td>
<td>54652</td>
<td>85623</td>
<td>140275</td>
</tr>
<tr>
<td>AAY</td>
<td>5494</td>
<td>7201</td>
<td>12695</td>
<td>23924</td>
<td>34795</td>
<td>58719</td>
</tr>
<tr>
<td>Total</td>
<td>79156</td>
<td>133767</td>
<td>230923</td>
<td>440206</td>
<td>601804</td>
<td>1042010</td>
</tr>
</tbody>
</table>

Source: Office record, DFSC Rohtak, as on 31-12-2007.

The above-mentioned table 3.13 makes it clear that 10,42,010 poor people are being benefited through TPDS in Rohtak district. In the district TPDS operates through a network of 277 fair price shops (203 in rural and 74 in urban areas).

The following table presents the block wise details of number of FPSs, number of villages and number of FPSs covered under the study from each block of the district.

Table 3.14
Block-wise Number of FPSs and Number of FPSs selected for Study from each Block

<table>
<thead>
<tr>
<th>Name of Block</th>
<th>No. of villages</th>
<th>No. of FPSs</th>
<th>No. of FPSs selected for study</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Total</td>
</tr>
<tr>
<td>Rohtak</td>
<td>57</td>
<td>81</td>
<td>35</td>
</tr>
<tr>
<td>Meham</td>
<td>25</td>
<td>34</td>
<td>17</td>
</tr>
<tr>
<td>Sampla</td>
<td>24</td>
<td>32</td>
<td>9</td>
</tr>
<tr>
<td>Kalanaur</td>
<td>28</td>
<td>41</td>
<td>13</td>
</tr>
<tr>
<td>Lakhani Majra</td>
<td>13</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>147</td>
<td>203</td>
<td>74</td>
</tr>
</tbody>
</table>

Source: Office Record, DFSC, Rohtak, on 31-12-2007.

The table 3.14 shows the blockwise number of villages, number of FPSs and number of FPSs selected for the study from each block of the district. The name of village and number of wards (in urban areas), covered under study from each block, are like this (i) from Rohtak block- Bhaluath, Brahmanvas, Sanghi, Makrauli Kalan, Dobh, Kanheli, Bhagwatipur, Samargopalpur and ward no. 1, 11, and 21 of the
Rohtak city, (ii) from Kalanaur block- Baniani, Sundana, Kahnaur, Bhali Anandpur and ward no. 6 of Kalanaur town, (iii) from Sampla block- Ismaeela, Kharawar, Kherisadh and Ward 3 of Sampla town, (iv) from Mahem block- Bharan, Madina, Sisarkhas and Ward no. 2 and 13 of Mahem town and (v) from Lakhan Majra block- Lakhan Majra and Sundurpur village.

Foodgrains (mainly wheat) and other essential commodities like-sugar and kerosin oil are being distributed to consumers through these FPSs at reasonable prices and in defined scales. The consumer end prices of the commodities are fixed by the State government, in accordance with guidelines of Central government, issued from time to time. The scales of the commodities are also changed on recommendations or guidelines of the Centre government.

In the district TPDS is working in direction and control of district Food and Supply Controller (DFSC). The DFSC and his office along with other allied offices or agencies like Confed and FCI etc. operates and coordinates the distribution system. Being head of the department, the DFSE excises the overall control over the distribution system and is responsible for its success and failure. He and his subordinates (like IFS/SIFS at block/tehsil) keep a regular check on the distribution at FPSs level to avoid any kind of corrupt practices and to benefit the targeted and needy section of the society in true manners.

To control the distribution at FPSs, the DFSC and his subordinated inspect the shops according to the below described table:-

<table>
<thead>
<tr>
<th>Table 3.15</th>
<th>Inspection of FPSs</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFSC</td>
<td>DFSO</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Citizens Charter, Department of Food and Supply, Govt. of Haryana, Chandigarh, 2008.

The DFSC inspects 2 FPSs each month selecting one from each area rural and urban. DFSO and AFSO inspects 5 and 8 depots respectively during each months, just to bring transparency in distribution system. The IFS/SIFSs are exercise 100 percent checking over the depots allotted to them, thus a very strong control mechanism is in existence to operate the TPDS in an efficient way. Besides, vigilance committees at FPS level control the distribution overall. These committees
are being constituted of members of PRIs/urban local bodies and local consumers. Thus these are the medium of controlling the TPDS by consumers on their own.

Moreover, the **District Food and Supply Advisory Committee**, plays an important role by reviewing from time to time, the arrangements made for distribution of commodities under PDS. The committee also suggests ways and means to improve and streamline the distribution system and advise the district administration on steps to be taken to ensure fair distribution of items under PDS. Apart from this, the committee advises the administration on checking price rise. The Deputy Commissioner (DC) is the chairman of this committee and SP and district Manager of Confed, are two other official members and DFSC is its member secretary. There are some other members of the committee which are from the locality and represent the consumers.  

The below made description shows the role of DFSC and district administration in PDS operation at district level.

**Role of DFSC**

The DFSC is the main authority at district level, who deals with each and every aspect of distribution system. His role can be explained under following points-

- To issue ration cards to the consumers and to entertain complaints in this regard,
- To issue licences to FPSs and deals with the complaints in this regard,
- To control, coordinate and direct the PDS,
- To ensure supply of PDS items to FPSs at proper time,
- To take action against defaulters,
- To issue guidelines and temporary arrangement (when needed) regarding the distribution,
- To keep all the records of the distribution within the district and to send monthly PDS diary to the headquarter,
- To coordinate with allied offices and agencies dealing with PDS.
- To generate new ideas or new strategies for the betterment of PDS.

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82 Hindustan Times, New Delhi, January 17, 2007, p. 3.
To increase people participation through formulating several vigilance committees.

To take part or to be part of many committees constituted to streamline the PDS, such as ‘district Food and Supply Advisory Committee etc.’

Role of Deputy Commissioner

Being head of district administration and chairman of ‘District Food and Supply Advisory Committee’ the Deputy Commissioner plays an important role in operation of public distribution. His role can be discussed as under:

- Exercise overall control over administration of PDS,
- Entertains complaints of consumers about irregularities in working of FPSs, issuing ration cards to targeted people, issuing licence of FPSs to right man, cancellation of these licences etc.
- Formulate, suggest and implement new polices/rules/guidelines regarding PDS.

Role of Superintendent of Police (SP)

SP is the head of district police administration. So, he is the authority who controls and can control the so called corrupt practices in PDS operation. Moreover, he is a member officer of District Food and Supply Advisory Committee, and being a member of this committee he can suggest several ways & means for the betterment of the PDS.

In brief, TPDS in Rohtak district is in operation and follows all rules and regulation, which are formulated by the State government in directions and guidelines issued by the Central government from time to time in this regard. Issue Prices and Scales of commodities are same as all over Haryana. Procedure of distribution is same and all terms and conditions are being fulfilled properly. The DFSC and his subordinate officials maintain the distribution system efficiently, with the help of district administration and other State/Central agencies dealing with it.

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83 Based on Interview of DFSC, Rohtak.