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PUBLIC DISTRIBUTION SYSTEM (CONTROL) ORDER, 2001

GSR No.630(E)-Whereas the Central Government is of the opinion that it is necessary and expedient so to do for maintaining supplies and securing availability and distribution of essential commodities under the Public Distribution System;

Now, therefore, in exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following order, namely: -

1. Short title, extent and commencement:-

(1) This order may be called the Public Distribution System (Control) Order, 2001.

(2) It extends to the whole of India.

(3) It shall come into force on the date of its publication in the Official Gazette.

2. Definitions:-

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

(b) "***Appellate Authority***" means an authority appointed as such by the State Government under Paragraph 7 of the Annexe to this Order;

(c) '**authority**' means any officer not below the rank of Inspector in the State Government dealing with Food and Civil Supplies;

(d) '**Above Poverty Line Families**' means those families who have been issued Above Poverty Line (APL) ration cards by the State Governments for issue of foodgrains under the Public Distribution System;

(e) '**Antyodaya families**' means those poorest families from amongst Below Poverty Line (BPL) families identified by the State Governments and entitled to receive foodgrains under the Antyodaya Anna Yojana;

(f) '**authorised nominee**' means the concerned Department of State Government or a Corporation or a company owned by it or a co-operative;

(g) '**Below Poverty Line families**' means those families who have been identified by the State Government for issue of foodgrains at specially subsidized rates adopting the estimates of poverty given by the Central Government;

(h) '**eligible applicant**' means an individual who is resident of a State and fulfills the conditions for getting a ration card as may be prescribed by the State Government;

(i) '**essential commodities**' means essential commodities as defined under the Act;

(j) '**fair price shop**' means a shop, which has been licensed to distribute essential commodities by an order issued under section 3 of the Act, to the ration card holders under the Public Distribution System;

(k) '**fair price shop owner**' means a person and includes a cooperative society or a corporation or a

company of a State Government or a Gram Panchayat or any other body in whose name a shop has been licensed to distribute essential commodities under the Public Distribution System;

(l) **'Public Distribution System'** means the system for distribution of essential commodities to the ration cardholders through the fair price shops, such as rice, wheat, sugar, edible oils, kerosene and such other commodities as are notified by the Central Government under clause (a) of section 2 of the Act;

(m) **'ration card'** means a document issued under an order or authority of the State Government for the purchase of essential commodities under the Public Distribution System from the fair price shop;

(n) **'State'** includes a Union territory;

(o) **'State Government'** includes Administration of a Union territory;

3. Identification of families living below the poverty line:

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

4. Ration Cards:.

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

5. Scale of issue and issue price:

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

6. Distribution:

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

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

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

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

Explanation

For the purpose of this clause:

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

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

7. Licensing:

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

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

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

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

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

8. Monitoring:

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

9. Penalty:

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

10. Power of search and seizure :

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

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

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

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

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

11. Appeal:

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

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

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

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

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

12. Protection of action taken under Order:

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

13. Power of Central Government to give directions:

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

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

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

(S.C. BRAHMA)

JOINT SECRETARY TO THE GOVERNMENT OF INDIA

Annexe to the Public Distribution System Control Order, 2001

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

1. Identification of families living below the poverty line:

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

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

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

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

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

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

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

2. Ration Cards:

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

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

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

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

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

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

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

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

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

3. Scale of issue and issue price:

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

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

4. Distribution:

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

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

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

(i) Number of cards and units;

(ii) Balance in hand; and

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

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

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

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

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

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

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

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

5. Licencing:

State Governments shall issue an order under section 3 of the Act for regulating the sale and distribution of the essential commodities. The licenses to the fair price shop owners shall be issued

under the said order by the 'designated authority' appointed by the State Government and the authority shall lay down the duties and responsibilities of the fair price shop owner. The responsibilities and duties of fair price shop owners shall include, inter alia:

- (i) sale of essential commodities as per the entitlement of ration card holders at the retail issue prices fixed by the concerned State Government under the Public Distribution System;
- (ii) display of information on a notice at a prominent place in the shop on daily basis regarding (a) list of BPL and Antodaya beneficiaries, (b) entitlement of essential commodities, (c) scale of issue, (d) retail issue prices, (e) timings of opening and closing of the fair price shop, (f) stock of essential commodities received during the month, (g) opening and closing stock of essential commodities and (h) the authority for redressal of grievances/lodging complaints with respect to quality and quantity of essential commodities under the Public Distribution System;
- (iii) maintenance of records of ration card holders (APL, BPL and Antyodaya), stock register, issue or sale register;
- (iv) furnishing of copies of specified documents, namely, ration card register, stock register, sale register to the office of the Gram Panchayat or Nagar Palika or Vigilance Committee or any other body authorized by State Governments for the purpose;
- (v) display of samples of foodgrains being supplied through the fair price shop;
- (vi) production of books and records relating to the allotment and distribution of essential commodities to the inspecting agency and furnishing of such information as may be called for by the designated authority;
- (vii) accountal of the actual distribution of essential commodities and the balance stock at the end of the month to the designated authority of the concerned State Government with a copy to the Gram Panchayat;
- (viii) opening and closing of the fair price shop as per the prescribed timings displayed on the notice board.

6. Monitoring:

- (1) State Governments shall ensure a proper system of monitoring of fair price shops and prescribe model sale register, stock register and ration card register.
- (2) State Governments shall ensure regular inspections of fair price shops not less than once in six months by the designated authority. State Governments may issue orders specifying the inspection schedule, list of check points and the authority responsible for ensuring compliance with the said orders.
- (3) Meetings of the Vigilance Committees on the Public Distribution System at the State, District, Block and FPS level shall be held on a regular basis. The date and periodicity shall be notified by State Governments However, the periodicity shall not be less than one meeting a quarter at all levels.
- (4) State Governments shall ensure a periodic system of reporting and the complete information in this regard shall be sent in the prescribed form as follows:
 - (i) By fair price shops to the District Authorities by the 7th of the month following the month for which allocation is made in Form 'A'.

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

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

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

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

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

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

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

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

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

[1] As amended by the Public Distribution System (Control) (Amendment) Order, 2004.