



**FOOD AND CONSUMER PROTECTION  
(COOPERATION, FOOD AND CONSUMER  
PROTECTION DEPARTMENT)**

**POLICY NOTE  
2018-2019**

**DEMAND No : 13**

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Government of Tamil Nadu  
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## **PREAMBLE**

The Government of Tamil Nadu is committed to provide food security to every person. In order to achieve this goal, our State has been implementing a unique Universal Public Distribution System without any discrimination covering all the families. This system has been widely appreciated as an effective tool to provide food security to all.

For better monitoring and providing timely supply the commodities to the Public Distribution System shops, End to End computerization has been implemented in Tamil Nadu and all Fair Price Shops have been provided with Point of Sale device (PoS) to distribute essential commodities to the card holders. This system has helped in eradicating duplicate family cards/units and in streamlining allocation of rice and other commodities under Public Distribution System.

To manage the responsibilities of procurement, storage and distribution of essential commodities under the Public Distribution System, Tamil Nadu Civil Supplies Corporation have been established.

The Tamil Nadu Warehousing Corporation is established to provide scientific storage facilities to farmers and other trading distributors. This Corporation builds and operates Warehouses to enhance the storage facilities with a view to reduce the losses of commodities.

Consumer Protection is of paramount importance and this Government ensures consumer protection through an efficient redressal mechanism with sufficient powers to ensure quick redressal of grievance.

The Government of Tamil Nadu have constituted a Price Monitoring Committee in the State which meets periodically to take necessary steps to control increase in prices of essential commodities.

A dedicated enforcement wing has been functioning to curb illegal diversion and hoarding of essential commodities.

## **Chapter - 1**

### **PUBLIC DISTRIBUTION SYSTEM**

#### **1.1 Introduction**

The State of Tamil Nadu extends the benefits of Public Distribution System to all families without making any discrimination on the basis of their economic status and hence it is universal in character. Universal Public Distribution System has been widely appreciated as an effective tool to provide food security net to everybody without any exclusion.

National Food Security Act, 2013 (NFSA) was implemented in the State with effect from 01.11.2016 by following the pattern of supply of rice as mandated under NFSA with protection of erstwhile scale of supply for all rice cardholders retaining the universal character of Public Distribution System (PDS). The rice is supplied

free of cost to every card holder with effect from 01.06.2011.

'End-to-End computerization of Public Distribution System' has helped in automating transactions at fair price shops, monitoring the movement and availability of food grains at various points of supply. It has also brought in transparency and easy access of the services rendered by the department to the public. Smart family cards have completely replaced the old paper based cards.

## **1.2 Role of Civil Supplies and Consumer Protection Department**

Civil Supplies and Consumer Protection Department implements the policies of the Government relating to the Public Distribution System and enforces the provisions of Essential Commodities Act 1955 and Control orders issued there under.

In addition to the above, this department plays a major role in Consumer protection activities. Dissemination of knowledge on consumer rights and consumer laws among the general public and school & college students, through Voluntary Consumer Organizations (VCOs) and Citizen Consumer Clubs (CCCs) is carried out by this department.

### **1.3 Role of Tamil Nadu Civil Supplies Corporation (TNCSC)**

Tamil Nadu Civil Supplies Corporation (TNCSC), a State owned Public Sector undertaking, procures, stores and distributes essential commodities like rice and wheat from Food Corporation of India for the Public Distribution System (PDS). It also moves sugar from storage points as indicated by the Tamil Nadu Sugar Federation to its operational godowns in addition to procuring it from open market as and when necessary. It also procures



various other essential commodities for Special Public Distribution System directly from the market through tenders.

#### **1.4 Fair Price Shops**

Fair price shops are run mainly by Co-operatives and a limited number of fair price shops are managed by Tamil Nadu Civil Supplies Corporation. A salient feature of Public Distribution System in Tamil Nadu is that private traders are not allowed in running fair price shops.

In the process of End to End computerization of Public Distribution System, all the fair price shops have been provided with **Point of Sale (PoS)** devices to distribute essential commodities to the cardholders.

At present, all the activities of the fair price shops have been computerized resulting in online allocation of commodities for Public Distribution System (PDS), real time monitoring

of movement of commodities, availability of commodities at godowns and fair price shops and distribution of commodities to cardholders.

As on 31.05.2018, 35,169 fair price shops are functioning in the State, of which 25,589 are full time and 9,580 are part time as indicated below:

<b>Sl. No</b>	<b>Agency</b>	<b>Full Time</b>	<b>Part Time</b>	<b>Total</b>
1.	Tamil Nadu Civil Supplies Corporation	1178	277	1455
2.	Cooperatives (under RCS)	23727	9100	32827
3.	Other Cooperatives	314	162	476
4.	Women Fair Price Shops, including SHGs	370	41	411
	<b>Total</b>	25589	9580	35169

In order to help the people living in remote and inaccessible far-flung areas, hilly areas or areas that are prone to law and order problems, the State Government has taken efforts to

establish fair price shops within a convenient reach of the cardholders, so that they will not have to walk more than 1.5 km from their residence to buy essential commodities. The Government have also permitted to open new fair price shops, wherever necessary, by relaxing the guidelines prescribed.

## **1.5 Smart Family Cards**

The Hon'ble Chief Minister of Tamil Nadu launched the distribution of smart cards on 1<sup>st</sup> April 2017. As on 31.05.2018 **1,96,16,093** smart cards have been printed and issued to cardholders.

### **1.5.1 Family Card categories**

Based on their needs and preferences, families in the State are provided the liberty to choose the type of family card. Family cards are categorized into five major types based on their

entitlements and as per NFSA norms. The types of cards, entitlements and numbers as on 31.05.2018 are as follows:

<b>Sl. No</b>	<b>Type of Card</b>	<b>Commodities entitled</b>	<b>No. of Cards</b>
1.	PHH	All Commodities including Rice	76,99,940
2.	PHH-AAY	All Commodities including 35 kgs of Rice	18,64,600
3.	NPHH	All Commodities including Rice	90,08,842
4.	NPHH-S	Sugar option cards (All Commodities except Rice)	10,01,605
5.	NPHH-NC	No Commodities	41,106
		<b>Total</b>	<b>1,96,16,093</b>

(PHH – Priority Households; NPHH – Non-Priority Households; AAY – Antyodaya Anna Yojana)

### **1.5.2 AAY Family Cards**

Antyodaya Anna Yojana (AAY) family cards are issued to the poorest of the poor (Antyodaya) families identified through periodic

field verifications by the District Collectors and stampings have been made in family cards issued to them. The coverage under Antyodya Anna Yojana Scheme has been expanded periodically as per directions of the Government of India by selecting the poorest of the poor families amongst BPL families. The total number of AAY beneficiaries allotted to Tamil Nadu is 18,64,600.

AAY beneficiaries are provided 35 kg of rice free of cost from 01.06.2011. This has ensured total food security to the most vulnerable sections of the society.

### **1.5.3 Family Cards for Transgenders**

Transgenders are recognized as a part of the society and family cards are being issued to them. As on 31.05.2018, 2,293 family cards have been issued to transgenders in the State.

#### **1.5.4 Family cards for Police / Prison / Forest Department Personnel**

Even though, the smart cards in the State are categorized under five major types, certain categories of the uniformed services such as Police Personnel ranking from second grade constables to Inspectors, the Forest department personnel ranging from Cavady to Forest Ranger and Prison personnel from second grade warden to Deputy Jailor are issued Non Priority House Hold (NPHH) cards tagged as 'Police cards' in the PoS device provided in the fair price shop. As a welfare measure to the Uniformed Services Personnel, the following essential commodities such as Dal, Sugar and Palmolein Oil are provided to the Police personnel through the fair price shops at half the rate of PDS issue price.

Sugar : Rs.12.50

Dal : Rs.15.00

Palmolein Oil : Rs.12.50

As on 31.05.2018, 64,450 family cards are in circulation.

### **1.5.5 Cards for Old Age Pensioners (OAP CARDS)**

Apart from 1,96,16,093 smart family cards printed and issued, there exists 4,31,475 Old Age Pensioners cards. 5 Kg of rice are issued to these cards without cost per month.

### **1.5.6 Elimination of Duplicate Cards**

Periodical door to door intensive verification of family cards by the family card issuing authorities helps in elimination of duplicate family cards. This exercise is of prime importance, as it ensures distribution of highly subsidized essential commodities to the genuine cardholders. During the period from 01.06.2011, 5,47,550 duplicate family cards were eliminated through field verification. After the seeding of Aadhaar numbers in beneficiaries database in the year 2016-2017, approximately 10 lakhs

ineligible cards were eliminated and as a result 1.40 crore units got reduced.

## **1.6 Scale of Supply of Commodities**

Rice, wheat, sugar and kerosene are the essential commodities distributed to the cardholders through Public Distribution System. In addition to this, Tur dal and Palmolein oil are distributed to cardholders under Special Public Distribution System. Details of commodities supplied, price and scale of supply are as follows:

<b>Sl. No</b>	<b>Name of the Commodity</b>	<b>Price per Kg or litre</b>	<b>Scale of Supply</b>
1	Rice	Free of Cost (w.e.f 01.06.2011)	All rice cardholders are eligible for 5 kg of rice per person (including a child) per month or erstwhile entitlement (prior to NFSA) whichever is higher. All AAY cards are supplied with 35 Kg per month.



2	Sugar	Rs.13.50/- per Kg for AAY cards and Rs.25/- for all other cards	500 grams per head per month subject to a maximum of 2 kgs per month. In the case of sugar option cardholders, 500 grams per head per month plus an additional quantity of 3 Kg of sugar subject to a maximum of 5 kg per month.
3	Wheat	As per G.O. (Ms.) No. 16, Co-operation, Food & Consumer Protection Dept., dated 02.02.2017, wheat issued at free of cost.	Out of the rice entitlement of a family card, 10 kgs per month in Chennai City and district headquarters and 5 kgs per month in other areas are issued in lieu of rice at free of cost subject to the availability of wheat.
4	Kerosene	Ranging from Rs.13.60 to Rs.14.20 per litre	Ranges from 3-15 litres per family card depending upon the possession of LPG connection and place of residence of the family cardholders.
5	Tur dal	Rs.30/- per kg	1 kg per card
6	Palmolein oil	Rs.25/- per litre	1 litre per card

### 1.6.1 Rice

Rice is the staple food of Tamil Nadu. It is drawn from central pool allotment under the Public Distribution System through Food Corporation of India. Present monthly allotment of rice and the prevailing issue price by the Food Corporation of India are indicated below:

<b>Sl. No</b>	<b>Category</b>	<b>Monthly Allotment (In MTs)</b>	<b>Issue Price of FCI per kg</b>
1.	AAY	57,437	Rs.3.00
2.	PHH	1,35,784	Rs.3.00
3.	Tide Over	99,773	Rs.8.30
	<b>Total</b>	<b>2,92,994</b>	

The average monthly off-take of Rice is 3.17 lakh MT.

### 1.6.2 Sugar

Government of India, on abolition of levy sugar system from June 2013, had advised the States to make alternative arrangement to

procure sugar for Public Distribution System. But it assured to provide subsidy by means of reimbursement at Rs.18.50 per kg for those States which continue to have the retail price of Rs.13.50 per kg at fair price shops. This subsidy was made available for a limited quantity of 10,820 MTs per month.

However, from 01.06.2017, this quantity of 10,820 MTs per month was also reduced further by Government of India and the subsidy amount of Rs.18.50 per kg was allowed only to AAY families, i.e., 1864 MTs only. This increased the subsidy burden of the State Government. In order to bring down the subsidy burden to some extent, the State Government revised the selling price of sugar to Rs.25/- per kg for all other cards except AAY family cards from 01.11.2017, in G.O.Ms.No.149, Co-operation, Food and

Consumer Protection Department dated 27.10.2017.

### **1.6.3 Wheat**

The Government of India is allocating 13,485 MTs of wheat every month to Tamil Nadu under Targeted Public Distribution System, under the National Food Security Act, 2013. From 02.02.2017, wheat is supplied to the cardholders free of cost in lieu of rice. Out of the rice entitlement of family card, the cardholders may, at their own will, get 10 kg of wheat in Chennai city and District Head Quarters and 5 kg in other areas in lieu of rice at free of cost, subject to availability at the fair price shop.

## **1.7 Kerosene**

### **1.7.1 Kerosene Allotment**

Government of India has gradually reduced the State's kerosene allotment, at

present kerosene allotment accounts to 38% of the State's requirement (i.e.) 16,148 KL from October 2017 onwards. But, the kerosene requirement per month to all the kerosene eligible cardholders is 42,668 KL. The State Government has been continuously requesting the Government of India to restore the kerosene allotment to satisfy the requirement of eligible family cardholders, as per existing scale of supply. The State Government has also registered protest through various modes against unprecedented increase in ex-storage price of kerosene by Rs.8.62/- per litre by the Government of India from 01.07.2016 and requested for complete withdrawal of price hike. PDS kerosene is being distributed to the eligible family cardholders at retail selling price ranging from Rs.13.60 to Rs.14.20 per litre, with effect from 01.08.2011.

### **1.7.2 Kerosene Bunks**

Kerosene retail bunks are established to streamline distribution of kerosene to family cardholders. A kerosene bunk normally serves about 5,000 to 15,000 family cards. Distribution through bunks ensures assured availability of the stock throughout the month, besides ensuring supply of kerosene to family cardholders in correct measure. At present, there are 291 kerosene bunks, of which 255 bunks function under Co-operatives and 36 under Tamil Nadu Civil Supplies Corporation. All the kerosene bunks are provided with Point of Sale (PoS) machines.

### **1.8 Special Public Distribution System**

Under Special Public Distribution System, Tur dal and Palmolein oil are supplied to all the card holders, so as to keep the price hike of

these commodities under control. Every month, around 20,000 MTs of Tur dal and 1,50,00,000 litres (pouches) of Palmolein oil are being distributed to all the cardholders at subsidized price. As per G.O.(Ms) No.14, Co-operation, Food and Consumer Protection Department, dated: 29.01.2018, the supply of Tur dal / Canadian Yellow Lentil and Palmolein oil is extended upto February, 2019.

### **1.9 Supply of rice to minorities during Ramzan**

The Government provides special allotment of raw rice to mosques for preparing 'Nonbu Kanji' during 'Ramzan' month. For the year 2018, 5,284.28 MT of raw rice was distributed to nearly about 2,927 mosques for Ramzan at the rate of Rs.1/- per kg across the State. It cost Rs.52,84,289 to Government exchequer.

### **1.10 Distribution of Pongal Gift Hamper**

All rice cardholders, Police cardholders and Srilankan Tamils residing in camps were given 1 Kg raw rice, 1 Kg sugar and 2 feet long sugarcane with 20 gms cashew and kismis and 5 gms cardamom through fair price shops to celebrate Pongal festival for the year 2018.

### **1.11 National Food Security Act, 2013**

National Food Security Act, 2013 has been implemented in the State with effect from 1<sup>st</sup> November 2016. As per the Act, entitlement of rice is 5 kg per member to the PHH cards. However, while taking a decision to implement the Act, it was ensured that all rice option cardholders get erstwhile entitlement or entitlement of 5 kg per member, whichever is higher, free of cost. Thus, the universal



character of Public Distribution System is retained.

Though, the scale of supply is same for all, irrespective of Priority or Non Priority Households, Priority Households (PHH) were identified in order to fulfill the requirement of the NFSA. Accordingly, guidelines were issued by the Government on 27.10.2016, to identify PHHs and NPHHs in accordance with the percentage for urban (37.79%) and rural areas (62.55%) as determined by the Government of India. The final beneficiaries list of PHHs and NPHHs are hosted on the website [www.tnpds.gov.in](http://www.tnpds.gov.in)

### **1.11.1 Vigilance Committees**

Vigilance Committees have been formed at fair price shop level, Taluk level / Zone level, District level and State level to ensure that the

benefits of Public Distribution System reach the right persons under Tamil Nadu Food Security Rules 2017. The Vigilance Committees at the State / District level shall meet at least once in a quarter and Taluk / Zone level and Shop level at least once in a month.

### **1.11.2 Grievance Redressal Mechanism**

District Revenue Officers have been appointed as District Grievance Redressal Officers (DGROs) to redress the grievances of public. In Chennai city, the Deputy Commissioner (city) North / South act as District Grievance Redressal Officers. The contact details of DGROs have been publicized in web portal and public areas. A sound and robust grievance redressal system, which includes dedicated toll free numbers 1967 and 1800 425 5901 for the use of cardholders and online facility has been put in place.

### **1.11.3 State Food Commission**

The Government of Tamil Nadu have constituted State Food Commission on 16.02.2018 as envisaged in the National Food Security Act, 2013 with a Chairperson and 5 members. The State Food Commission is currently functioning from 28.02.2018.

### **1.12 End to End computerization in Public Distribution System and Issue of smart card**

In Tamil Nadu, End to End Computerization of Public Distribution System is being implemented through a System Integrator. All fair price shops have been provided with Point of Sale (PoS) devices to distribute essential commodities to the cardholders.

The End to End Computerization of Public Distribution System has enabled online allocation of commodities for Public Distribution

System, real time monitoring of movement of commodities at godowns and fair price shops and ensuring distribution of commodities to cardholders as per entitlement. The new system has helped in eradicating duplicate family cards / units.

This system also helps the public to have an easy access to the services of the Department, viz., to apply online for new family cards, mutations in family cards, etc. Thus, it has saved time and travel to the Taluk Supply Offices by the public.

### **1.13 Food Subsidy**

Under Public Distribution System and Special Public Distribution System essential commodities are issued to the public at highly subsidized rates. Rice is being distributed at free of cost. Rs.6,000 crore has been allocated as Food Subsidy for the Financial Year 2018-2019.

## **Chapter - 2**

### **CONSUMER PROTECTION**

#### **2.1 Introduction**

Tamil Nadu has a vibrant consumer base; hence consumer protection is of paramount importance to this department, next only to ensuring Food Security. The main aim of consumer protection is to ensure that goods and services are available to consumers at best prices without compromising on the quality or service.

By educating the consumers about their rights, responsibilities and the available methods of redressal of consumer grievances, the Government strives to create an aware consumer base. The Government also ensures Consumer Protection by setting up efficient redressal mechanisms with sufficient powers to ensure quick redressal of grievances.

## **2.2 Legal Redressal of Consumer grievances**

Under the Consumer Protection Act, 1986, a three tier quasi-judicial machinery at the National, State and District level has been established as follows: -

1. National Consumer Disputes Redressal Commission
2. State Consumer Disputes Redressal Commission and
3. District Consumer Disputes Redressal Fora.

### **2.2.1 National Consumer Disputes Redressal Commission**

The National Commission is the Apex quasi-judicial body functioning at New Delhi. It has original jurisdiction of cases dealing with monetary value of Rs.1 crore and above. The National Commission is also having appellate jurisdiction and revisional jurisdiction over the State Consumer Disputes Redressal Commission.

### **2.2.2 State Consumer Disputes Redressal Commission**

Any consumer can file a complaint before the State Commission provided the cost of goods/ services or the sum of compensation sought for is more than Rs.20 lakhs but less than Rs.1 crore. The State Commission is headed by a retired High Court Judge as the President with two Judicial Members and two non-judicial Members, one of whom is a female Member. On the administrative side, there is a Registrar, the Head of Department for dealing with the administrative matters of the State Commission and 31-District Fora. Considering the welfare of the consumers in the southern Districts, a Circuit Bench of State Commission at Madurai is functioning from 11.08.2012.

The State Commission, Chennai & Circuit Bench of State Commission, Madurai is having the Appellate and Revisional jurisdiction for the

respective District Fora in their jurisdiction. Since inception 28,957 cases have been filed and out of which 24,953 cases have been disposed of upto May 2018 which works out to 86.17%. The details of cases filed and disposed off by the State Commission and Circuit Bench of State Commission, Madurai from January 2017 to May 2018 are given below :-

Months	APPEAL PETITIONS					CONSUMER COMPLAINTS				
	Pending at the beginning	No. of Cases Filed	Total	No. of Cases disposed	Balance at the end of the month	Pending at the beginning	No. of Cases Filed	Total	No. of Cases disposed	Balance at the end of the month
Jan-17	1770	33	1803	7	1796	1351	16	1367	2	1365
Feb-17	1796	71	1867	7	1860	1365	8	1373	7	1366
Mar-17	1860	76	1936	14	1922	1366	34	1400	4	1396
Apr-17	1922	38	1960	19	1941	1396	31	1427	2	1425
May-17	1941	56	1997	-	1997	1425	36	1461	-	1461
June-17	1997	34	2031	9	2022	1461	25	1486	2	1484
July-17	2022	46	2068	30	2038	1484	48	1532	1	1531



Aug-17	2038	49	2087	16	2071	1531	45	1576	4	1572
Sep-17	2071	33	2104	18	2086	1572	21	1593	3	1590
Oct-17	2086	8	2094	7	2087	1590	33	1623	6	1617
Nov-17	2087	24	2111	18	2093	1617	18	1635	15	1620
Dec-17	2093	61	2154	15	2139	1620	35	1655	12	1643
Jan-18	2139	21	2160	13	2147	1643	17	1660	12	1648
Feb-18	2147	27	2174	30	2144	1648	28	1676	6	1670
Mar-18	2144	51	2195	26	2169	1670	23	1693	10	1683
Apr-18	2169	57	2226	21	2205	1683	18	1701	13	1688
May-18	2205	15	2220	4	2216	1688	11	1699	1	1698

### **2.2.3 District Consumer Disputes Redressal Fora**

As per Consumer Protection Act, 1986, every Revenue District should have a District Consumer Disputes Redressal Forum. The District Consumer Disputes Redressal Fora are quasi-judicial bodies functioning in 31-Districts in the State where a consumer can file a complaint before the District Forum in his/her district, provided the cost of goods or compensation sought for does not exceed Rs.20 lakhs. Each District Forum consists of a President – who is a retired District Judge – with two members, one of whom is a female

member. Since inception 1,18,859 cases have been filed and out of which 1,09,713 cases have been disposed of upto May 2018 which works out to 92.30%. The details of cases filed and disposed off by the District Consumer Disputes Redressal Fora in the State from January 2017 to May 2018 are given below :-

<b>Months</b>	<b>Pending at the beginning of the month</b>	<b>No. of cases filed</b>	<b>Total</b>	<b>Cases disposed</b>	<b>No. of cases pending</b>
Jan-17	8721	202	8923	212	8711
Feb-17	8711	231	8942	190	8752
Mar-17	8752	277	9029	156	8873
Apr-17	8873	234	9107	147	8960
May-17	8960	228	9188	161	9027
June-17	9027	202	9229	147	9082
July-17	9082	283	9365	195	9170
Aug-2017	9170	205	9375	207	9168
Sep-2017	9168	191	9359	196	9163
Oct-2017	9163	239	9402	210	9192

Nov-2017	9192	256	9448	209	9239
Dec-2017	9239	225	9464	206	9258
Jan-2018	9258	234	9492	242	9250
Feb-2018	9250	236	9486	269	9217
Mar-2018	9217	198	9415	270	9145
Apr-2018	9145	332	9477	347	9130
May-2018	9130	284	9414	268	9146

### **2.3 Mediation Advisory Centre**

Mediation Advisory Centre, one of the modes of Alternate Disputes Resolution, in the form of facilitated negotiation, in which a trained and neutral third party, called the mediator, assists the opposing parties to reach a mutually satisfying settlement of their disputes, without following any rigid procedure and at no cost, was established on a pilot project and started functioning from 15.12.2011. Now, the Government of Tamil Nadu have taken over the operation of Mediation Advisory Centre for further continuation at State Level.

## **2.4 Future Plan**

Steps are being taken to get land at free of cost from the concerned District Collectors and Principal District Judges for the construction of own building for the remaining 19 District Fora.

At present, the Government have issued orders in G.O.Ms.No.99, Co-operation, Food & Consumer Protection (H2) Department, Dated: 18.07.2017 bifurcating three combined District Fora to function as independent District Forum. Accordingly, the combined District Fora, viz., Thiruvannamalai, Tuticorin & Villupuram were bifurcated from the District Forum, Vellore, Tirunelveli & Cuddalore respectively and they are functioning independently. Steps are being taken for the remaining two combined District Fora viz., Ramanathapuram & Pudukkottai to function independently in the near future.

## **2.5 Tamil Nadu State Society for Consumer Protection and Empowerment (TANSSCOPE)**

In order to create a State level umbrella organization, to take up various consumer welfare activities, Government have set up ***Tamil Nadu State Society for Consumer Protection and Empowerment (TANSSCOPE)*** with the Commissioner of Civil Supplies and Consumer Protection as its President and members from both Government and non-Government sector. It is engaged in running the State Consumer Helpline (SCH) and publishing the monthly journal “Nugarvor Kavasam” and conducting training programs and workshops.

## **2.6 State Consumer Help Line**

State Consumer Help Line functioning in the office of the Commissioner of Civil Supplies and Consumer Protection is manned by four call operators. It serves as an alternate grievances redressal mechanism, where a consumer can make complaints / seek clarifications and the

helpline will endeavor to solve the issues raised by the complainant.

This helpline can be contacted as below:

Telephone No	044-28592828
E.Mail address	<a href="mailto:consumer@tn.gov.in">consumer@tn.gov.in</a> <a href="mailto:schtamilnadu@gmail.com">schtamilnadu@gmail.com</a>
Online Registration	<a href="http://www.consumer.tn.gov.in">www.consumer.tn.gov.in</a>
Mobile Number to send SMS	8680018002 8680028003

## **2.7 Tamil Nadu Nugarvor Kavasam – a monthly magazine on consumer awareness**

“Tamil Nadu Nugarvor Kavasam” a monthly magazine is being published and distributed to all Government Offices, Voluntary Consumers Organizations and Public Libraries in the State to create awareness among consumers about their rights, laws and rules. It has been registered with Registrar of Newspapers of India and priced at Rs.10 per copy. At present it has a monthly subscriber base of 6,000.

## **Chapter - 3**

### **PRICE CONTROL MEASURES**

#### **3.1 Introduction**

Tamil Nadu Government has been continuously taking various steps to protect the poor and vulnerable sections of people from the increase in prices of essential commodities. Due to several factors like the gap between supply and demand, seasonal vagaries, availability of essential commodities dwindles and it leads to hike in the prices of those commodities. In order to overcome such a situation, a close monitoring system has been put in place that helps in taking remedial measures, as and when necessary.

#### **3.2 Measures taken by the Government of Tamil Nadu**

- Government of Tamil Nadu had allocated Rs.50 crore as corpus fund to manage

increase in price of essential commodities under the Price Stabilisation Fund. Whenever there is an increase in the price of any essential commodity in the open market, with a pre-determined notion to control its prices, Government purchases that commodity from the production centres and sells it through the retail outlets of Amudham and Co-operative stores which are run by the Civil Supplies Corporation and Registrar of Co-operative Societies.

- The Government have also sanctioned Rs.20 crore as one time grant from Price Stabilization Fund for opening of 100 Amma Amudham Departmental Stores to curb price rise of essential commodities during 2015.



- The Government have constituted the **Price Monitoring Committee** in the State under the Chairmanship of the Hon'ble Food Minister, which meets periodically to take necessary steps to control increase in prices of Essential Commodities. The Committee monitors price trends and suggests corrective measures to contain price rise of essential commodities, particularly rice, pulses, oil seeds and to ensure adequate availability of these items in the market. Meeting will be convened by the Monitoring Committee then and there, to control / monitor the price by keeping a close watch on the price trend.
  
- In Tamil Nadu, Consumer Co-operative Stores and Tamil Nadu Civil Supplies Corporation, runs 70 Farm fresh consumer outlets and 2 Mobile shops to control

increase in the prices of vegetables. They procure vegetables from the production centres directly and sell the produce according to the market needs.

- The Tamil Nadu Government distributes tur dal/ masoor dal/Canadian Yellow Lentil at a subsidized rate of Rs.30/- per Kg and palmolein at Rs.25/- per litre under the Special Public Distribution System to all cardholders for the benefit of poor and vulnerable sections of the people from the increase in prices of pulses and cooking oil in the open market.

## **Chapter - 4**

# **TAMIL NADU CIVIL SUPPLIES CORPORATION**

### **4.1 Introduction**

Tamil Nadu Civil Supplies Corporation was incorporated in the year 1972. It is a State owned Public Sector Undertaking Company registered under Section 33 of the Companies Act, 1956. Later, the Corporation was registered on 1<sup>st</sup> April 2010 under Section 25 of the Companies Act, 1956 in the name "TAMIL NADU CIVIL SUPPLIES CORPORATION". The Corporation is entrusted with the responsibilities of procurement, storage and distribution of essential commodities under the Public Distribution System (PDS), Special Public Distribution System and Puratchi Thalaivar MGR Noon Meal Programme.

## **4.2 Organisational Setup**

Tamil Nadu Civil Supplies Corporation is headed by The Hon'ble Minister for Food and Civil Supplies as Chairman of the Board of Directors.

There are 33 Regional offices situated in the districts headed by Senior Regional Managers/ Regional Managers. A total of 7,261 permanent employees are working in the Head office, Regional offices, Godowns, Modern Rice Mills, Fair Price Shops and Amudham Departmental Stores spread throughout the State. 4,024 seasonal employees are also working in Direct Purchase Centers. In addition, 6029 loadmen and 8726 seasonal loadmen are working in the godowns and modern rice mills of the Corporation.

### **4.3 Activities and Services**

The Prime objective of TNCSC is procurement, storage and distribution of rice, sugar, wheat, tur dal / Canadian yellow lentil, palmolein oil and kerosene for supply to the family card holders under Public Distribution System / Special Public Distribution System. The Corporation has the following infrastructure facilities:

- a) 284 Godowns with storage capacity of 12.28 lakh metric tonnes.
- b) 1,455 Fair Price Shops (fulltime shops – 1178 and part time shops – 277)
- c) 21 Modern Rice Mills
- d) 72 Amma Amudham Departmental Stores in 30 Districts
- e) 22 Amudham Departmental Stores in Chennai and Cuddalore
- f) 3 Petrol / Diesel Bunks
- g) 36 Kerosene Bunks
- h) 5 LPG distribution points
- i) Direct Purchase Centres (current year 1447)

## **4.4 Supply of essential commodities to Public Distribution System**

### **4.4.1 Rice**

Rice required for supply under Public Distribution System is drawn partially from central pool allotment under NFSA (National Food Security Act 2013) through Food Corporation of India and partially through custom milled rice from TNCSC. Under the NFSA, 2.93 LMT of rice is allotted monthly by Government of India. The prevailing issue price by the Food Corporation of India for various category of rice are given below:-

<b>Sl. No</b>	<b>Category</b>	<b>Monthly allotment (in MTs)</b>	<b>Price (Rupees per Kg.)</b>
1.	Antyodaya Anna Yojana (AAY)	57437.202	3.00
2.	Priority cards	135783.900	3.00
3.	Tide over	99773.138	8.30
	<b>Total</b>	<b>292994.240</b>	

The monthly off take of rice for Public Distribution System and other welfare schemes is around 3.20 LMT. The Government of Tamil Nadu is fully utilizing the allotment of 2.93 LMT made under AAY, Priority and Tide-over Quota. Rice obtained from custom milling of paddy procured from farmers under decentralized procurement system by Tamil Nadu Civil Supplies Corporation on behalf of the Government of India is adjusted against the central pool allotment and utilized for the Public Distribution System in the State. As the current monthly off-take of rice under the Public Distribution System is about 3.17 LMT, the gap between the Government of India's quantum of allotment and the monthly off-take under Public Distribution System is met by purchasing the shortfall quantity of rice from Government of India under Tide Over Sales Scheme and from other State Government Civil Supplies Corporations.

## **Liftment of Rice for Public Distribution system**

2.93 lakh MT of rice per month is lifted from the Food Corporation of India depots in Tamil Nadu by Tamil Nadu Civil Supplies Corporation. Food Corporation of India maintains buffer stock of 9.64 LMT of rice in 46 godowns as on 31.05.2018.

### **4.4.2 Sugar**

Sugar is also being distributed to the family card holders of Tamil Nadu under Public Distribution System. Approximately, a quantity of 32,000 MT of Sugar is consumed by the family card holders per month under Public Distribution System. The subsidized selling price of sugar for the Public Distribution System cards is Rs.25/- per Kg and the selling price for AAY cards is Rs.13.50/- per Kg. The difference between the average market price at which the



Government procure sugar and subsidized price is met by State Government. The additional expenditure of Rs.578.40 crore per annum for the supply of sugar to family card holders in Public Distribution System is met under State food subsidy.

#### **4.4.3 Wheat**

Since November 2016, a quantity of 13,485 MT of wheat is being allocated to Tamil Nadu by Government of India under National Food Security Act, 2013.

Accordingly, wheat is being supplied free of cost to all the willing rice card holders who have opted for wheat, in lieu of rice, subject to availability at the fair price shops.

#### **4.5 Special Public Distribution System**

Government introduced the Special Public Distribution System through which pulses and

packed fortified palmolein oil are distributed to the family cardholders, to control the rise in prices of pulses and edible oil in the open market. The Fortified RBD Palmolein oil contains Vitamin A – 25 IU & Vitamin D-2 IU in each gram. Tur dal and Palmolein Oil are being supplied to the family cardholders under Special Public Distribution System. A quantity of 20,000 MT of Tur dal and 156 Lakh litres of Palmolein oil are being purchased.

#### **4.6 Movement of commodities to the Fair Price Shops**

Generally, 60% of the monthly allotment of various commodities is moved to the Public Distribution System shops between 25<sup>th</sup> of the preceding month to 5<sup>th</sup> of the current month. The balance 40% of the allotment is moved by 20<sup>th</sup> of current month. Recently, instructions have been given to commence the advance

movement for the succeeding month as soon as the regular movement for the current month is completed, which will ensure timely completion of Public Distribution System movement from the Godowns to Fair Price shops.

#### **4.7 Procurement of Paddy from Farmers**

Tamil Nadu Civil Supplies Corporation is the agency nominated by the Government of India for procurement of paddy on behalf of Food Corporation of India under the decentralized procurement scheme since Kharif Marketing Season (KMS) 2002-2003. The Government have also authorized the Co-operatives and National Co-operative Consumer Federation (NCCF) to procure paddy in non-delta districts. Minimum Support Price (MSP) per quintal of paddy fixed by the Government of India and the incentive announced by the Government of Tamil Nadu for KMS 2017-2018 are detailed below:-

<b>Paddy Variety</b>	<b>GOI's MSP (per quintal) Rs.</b>	<b>Incentive by Government of Tamil Nadu (per quintal) Rs.</b>	<b>Price paid to Farmers (per quintal) Rs.</b>
Grade 'A'	1,590/-	70/-	1,660/-
Common	1,550/-	50/-	1,600/-

**Paddy Procurement details for**  
**KMS 2017-2018**

<b>KMS</b>	<b>No of DPC Opened</b>	<b>Grade A (Qty. in MTs)</b>	<b>COMMON (Qty. in MTs)</b>	<b>Total Paddy Procured (Qty. in MTs)</b>	<b>Total Rate per quintal</b>		<b>No. of Beneficiaries (Farmers)</b>
					<b>Grade A (Rs.)</b>	<b>Common (Rs.)</b>	
2017-18 (as on 31.05.18)	1,447	10,02,249	1,52,223	11,54,472	1,660	1,600	3,05,717

Payment released by ECS during KMS 2017-2018 is Rs.1907.29 Crore.

### **Procurement Details KMS 2017-2018**

TNCSC	:	11,22,692
NCCF	:	27,195
Co-operative	:	4,585
Total Paddy Procurement	:	<u>11,54,472</u>

Rs. 77,76,85,800 has been provided as incentive to the farmers.

#### **4.7.1 Custom Milled Rice**

The paddy procured from the farmers is processed for conversion into rice through 21 Modern Rice Mills owned by the Corporation and 368 rice mills of private hulling agents enrolled with Tamil Nadu Civil Supplies Corporation. The Corporation utilizes the hulled rice along with the rice lifted from Food Corporation of India (FCI) for Public Distribution System against the monthly requirement of the State. The Government of India releases subsidy for the

Custom Milled Rice based on the economic cost fixed by them.

## **4.8 Infrastructure owned by Tamil Nadu Civil Supplies Corporation**

### **4.8.1 Storage Capacity**

Tamil Nadu Civil Supplies Corporation operates 284 Godowns with storage and handling capacity of 12.28 lakh MT, of which 234 Godowns with a capacity of 10.84 lakh MT are owned by it and the remaining 50 Godowns having 1.44 lakh MT capacity are hired from Tamil Nadu Warehousing Corporation. The Government give top priority to strengthen the storage facilities to ensure safe storage of the commodities meant for Public Distribution System.

In the last seven years, the Government have sanctioned construction of Godowns at 201 locations for a total capacity of 7.46 lakh MT at

an estimated cost of Rs.852.57 crore with NABARD line of credit, out of which construction of 125 Godowns with storage capacity of 4.77 lakh MT have been completed at a cost of Rs.467.20 crore.

#### **4.8.2 SILO for Paddy storage**

Construction of SILO for paddy with a total capacity of 50,000 MT has been completed at Erukkur Village in Nagapattinam District at a revised estimated cost of Rs.64.27 Crore. This SILO is used for storing the paddy for long term without any weight loss with low maintenance cost and to protect the paddy from the natural calamities.

#### **4.8.3 Construction of Fair Price Shops**

Out of the total 35,169 Fair Price Shops in Tamil Nadu, Tamil Nadu Civil Supplies

Corporation operates 1,455 Fair Price Shops in 26 Regions, of which 124 are running in own buildings, 1115 in rental buildings and 216 in rent-free buildings. Construction of own buildings for 125 Fair Price Shops have been taken up, out of which 88 works have been completed.

#### **4.8.4 Construction of Direct Purchase Centres**

TNCSC opens Direct Purchase Centres to procure paddy directly from the farmers. Each Direct Purchase Centre has an area of about 33 cents with storage facility of minimum 100 MT and is equipped with facilities such as Drying platform, Winnowing machine, electronic weighing scale and moisture meter etc., Direct Purchase Centres are opened every year throughout the State on the basis of requests from farmers.



The Government is committed to provide permanent infrastructure to the Direct Purchase Centres as they play a crucial role in farmer's welfare. Accordingly, measures for creating permanent infrastructure for Direct purchase Centres have been taken up in a phased manner. 311 Direct Purchase Centres are already functioning in own buildings (constructed upto 2011). Further, the Government have announced to construct 335 DPC during the period 2011-2012 to 2017-2018 out of which, 210 DPCs has been completed at an estimated cost of Rs.63.80 Crore.

#### **4.8.5 Facilitation of Paddy Drying Platforms**

The Government have taken up construction of Paddy Drying Platforms in the Delta Districts of Thanjavur, Thiruvarur and Nagapattinam in order to avoid the losses occurring in drying the paddy to the moisture level specified by the Government and cleaning

and grading of paddy. Out of 335 works, 285 works completed at an estimated cost of Rs. 21.42 Crore.

#### **4.8.6 Modern Rice Mills (MRM)**

Tamil Nadu Civil Supplies Corporation has 21 Modern Rice Mills with a monthly hulling capacity of 52500 MT. Boiled Rice is produced in 15 mills and Raw Rice is produced in 6 mills. In order to improve hulling capacity and quality of rice, these mills are being modernized in a phased manner. 7 Modern Rice Mills were modernised in the I<sup>st</sup> phase at a cost of Rs.26.27 crore. In the II<sup>nd</sup> phase, 7 other MRMs have been modernised at a cost of Rs.32.60 crore. Modernization of the remaining 7 MRMs has also been taken up in III<sup>rd</sup> phase at a cost of Rs.36 crore in the year 2015-2016. Works are in progress.

#### **4.8.7 Automation facility to TNCSC Godowns**

At present, Tamil Nadu Civil Supplies Corporation is having 10.84 lakh MT of storage capacity in 234 own godowns. Activities like Loading/ unloading, conveying and stacking of Public Distribution system commodities to the required height are being carried out manually by the loadmen. Besides Public Distribution system, the loadmen have also to handle other commodities such as cement etc. They have to attend to both receipt as well as issue of commodities. They also attend to weightment and stitching of commodity bags. There has been avoidable delay in movement of commodities to the ration shops. Therefore, to avoid delay in handling of Public Distribution system commodities and to minimize the difficulties due to shortage of loadmen and for improving the efficiency of handling system, it becomes quite necessary to mechanise the

godowns. Therefore, it is being provided conveyor system for loading, unloading and stacker arrangements along with Generator, Generator shed, wiring panel arrangements etc., to the TNCSC. It is also proposed to provide Fork Lift facilities.

#### **4.8.8 Special repair works to old godowns and Modern Rice Mills of TNCSC**

At present, TNCSC is having 234 owned godown with a total storage capacity of 10.84 lakh MT, of which 68 Godowns are more than 40 years old and they require essential special repair works such as, replacing of damaged roofing, re-construction of damaged compound wall, repair the damaged flooring, loading platform and roads etc., and the above repair works are proposed to be carried out in a phased manner.

#### **4.8.9 Strengthening the damaged road and improvement to the compound wall of the owned godown of TNCSC**

The roads and compound wall of the TNCSC godowns are in damaged condition and movement of Public Distribution System commodities from godowns is very difficult in rainy seasons. Hence, in order to avoid the above inconvenience, Government have announced to strengthen the damaged roads of godowns located at Thiruvanmiyur in Chennai District at an estimated cost of Rs.74.50 Lakh, Senapathipalayam in Coimbatore District at an estimated cost Rs.52.00 Lakh, Ooty in Nilgiris District at an estimated cost of Rs.49.50 Lakh and to safeguard the godown premises by providing compound wall at an estimated cost of Rs.24.00 Lakh at Neelagiri Therku Thottam in Thanjavur District. The above improvement works have been taken up at an estimated cost of Rs.2.00 Crore based on the above

announcement, by providing additional fund allocation in the maintenance head of TNCSC.

## **4.9 Other services provided by TNCSC**

### **4.9.1 Amudham Departmental Stores**

The prime objective of the Amudham Departmental Stores is to market commodities such as pulses and cereals and fast moving consumer goods (FMCG) at reasonable rates and thereby control the price rise in the open market effectively. Tamil Nadu Civil Supplies Corporation operates 22 Amudham Departmental Stores, out of which 19 stores are in Chennai city and 3 stores are running in Cuddalore district.

### **4.9.2 Amma Amudham Departmental Stores**

Tamil Nadu Civil Supplies Corporation runs 72 Amma Amudham Departmental Stores in 30 Districts. The total business done in 2017-2018 is Rs. 3.12 Crore.

### **4.9.3 Petrol / Diesel Bunks**

Petrol / Diesel bunks are also operated by the Tamil Nadu Civil Supplies Corporation at Neyveli, Thirupathur and Pattukottai. The Net Profit for the year 2017-18 is Rs.1.03 Crore.

### **4.9.4 LPG Distribution Points**

Tamil Nadu Civil Supplies Corporation has taken up agency of LPG distribution at Tiruchirapalli, Tiruvannamalai, The Nilgiris, Ramanathapuram and Mandapam. The Net Profit for the year 2017-2018 is Rs.1.80 Crore.

### **4.9.5 Kerosene Bunks**

Tamil Nadu Civil Supplies Corporation operates 36 Kerosene bunks in 14 regions, of which 28 are retail bunks, 7 are both retail and wholesale bunks and 1 is an exclusive wholesale bunk.

## **4.9.6 Farm Fresh Vegetable Shops**

Farm Fresh Vegetable Shops are being run by Tamil Nadu Civil Supplies Corporation to sell vegetables at reasonable prices. Tamil Nadu Civil Supplies Corporation operates 14 outlets in Chennai. Vegetables worth of Rs.2.69 Crore have been sold for the period from June 2013 to May 2018.

## **4.10 Other Support Services**

### **4.10.1 Amma Cement Supply Scheme**

Under this scheme 50 Kg cement bags are being sold at Rs.190/- per bag (including Taxes) to the low and middle income people. The beneficiaries will be eligible to get cement bags for construction and repair works based on the following criteria.



Proof of document	Approved plan or an authorization from Village Administrative Officer/Revenue Inspector /Overseer /Road Inspector of Rural Development and Panchayat Raj Department.
Repair of building	Minimum 10 bags – Maximum 100 bags
House Construction- Allowed upto a maximum Size of 1500 Sq.Ft., @ 50 bags per 100 Sq.Ft.	Upto 500Sq.Ft – 250 bags
	501 – 1000 Sq.Ft – 500 bags
	1000 - 1500 Sq.Ft – 750 bags

Tamil Nadu Cements Corporation (TANCEM) is the nodal agency to make cement available to the Tamil Nadu Civil Supplies Corporation, which in turn distributes to public.

**Details of Receipt, Issues and Closing  
Balance of Amma Cement bags  
Period from April 2017 to May 2018**

Opening balance ( bags)	Receipt (bags)	Total (bags)	Total Issues (bags)	Closing balance (bags)	Total cost (Rs.3.50) Total Bags issued (in Rs.)
14805	9588054	9602859	9561965	40894	33466877.50

#### **4.10.2 Sale of Amma Salt**

Three Varieties of salt i.e., Refined Free Flow Iodised Salt, Double Fortified Salt and Low Sodium Salt supplied by Tamil Nadu Salt Corporation are being sold in Tamil Nadu Civil Supplies Corporation Amudham Retail Shops, Amudham Departmental Stores and Amma Amudham Departmental Stores for the benefit of common people with a view to eradicate Iodine Deficiency Disorder. On an average, 254 MTs of salt is being sold per month through these outlets.

#### **4.10.3 Ooty Tea**

The Government have ordered for sale of Ooty tea to the general public through Public Distribution System outlets. Accordingly, Tamil Nadu Civil Supplies Corporation sells Ooty Tea at Rs.19/- per 100 grams through Public Distribution System shops and Amudham Departmental Stores run by the corporation.

Further, Government have ordered for selling of TANTEA also in Tamil Nadu Civil Supplies Corporation Public Distribution system Shops and Departmental Stores. TANTEA is priced at Rs.21/- per 100 grams.

## **4. 11 IT Initiatives**

### **4.11.1 e-Governance initiatives**

The 'End to End Computerisation of Public Distribution System' has enabled online allocation of commodities for Public Distribution System, real time monitoring of procurement of commodities, movement of commodities, ensuring availability of adequate commodities at Godowns and fair price shop and ensuring distribution of commodities to cardholders as per entitlement. All fair price shops including part time fair price shops have been provided with **Point of Sale (PoS)** devices to distribute essential commodities to the cardholders.

### **4.11.2 Godown Computerisation**

All Operational and Buffer Godowns have been computerized and various reports are generated for preparing quantity and accounts reports.

### **4.12 Quality Control System**

Tamil Nadu Civil Supplies Corporation has a well established Quality monitoring and Quality control mechanisms through which the quality of essential commodities such as rice, wheat, sugar, pulses, oil etc. procured and stored in godowns is assessed constantly. Samples are drawn and tested regularly. Space management is done on scientific basis and disinfestation and other preventive measures are taken to ensure the integrity of the commodities on regular basis and to prevent storage losses.

The moisture meters, lab kits for analysis, black polythene covers for fumigation purpose, dunnage materials for stacking, ultra violet light

traps and foot sprayers for infestation control have been supplied to each godown to ensure 100% quality of commodities. Similar quality measures have also been put in place at modern rice mills and departmental stores.

#### **4.13 Financial Status**

The Corporation has an authorized share capital of Rs.100.00 Crore and paid up share capital of Rs.71.73 crore.

The turnover of the Corporation from 2013-2014 to 2016-2017 are as follows:-

<b>Year</b>	<b>Rs.in Crore</b>
2013 - 2014	Rs. 8936.58 Crore
2014 - 2015	Rs. 8422.55 Crore
2015 - 2016	Rs.10153.42 Crore
2016 - 2017	Rs. 9739.99 Crore (Tentative)

For the financial year 2018-2019, Government have provided a sum of Rs.6000.00 crore towards food subsidy.

## Tamil Nadu Civil Supplies Corporation



Hon'ble Chief Minister of Tamil Nadu inaugurated 15 Godowns Constructed at Nagapattinam, Vellore and Erode Districts.



SILo Storage for paddy (50,000 MT) constructed at Erukkur Village, Sirkazhi Taluk in Nagapattinam District

## Tamil Nadu Civil Supplies Corporation



5000 MT Capacity of Godown at Irumbuthalai Village,  
Papanasam Taluk in Thanjavur District



2000 MT Capacity of Godown at Athani Village,  
Anthiyur Taluk in Erode District

## Tamil Nadu Civil Supplies Corporation



Hon'ble Chief Minister of Tamil Nadu issued 31 Compassionate grounds appointments in Tamil Nadu Civil Supplies Corporation on 13.10.2017



Hon'ble Chief Minister of Tamil Nadu has issued 20 Compassionate grounds appointments to the legal heir of the deceased employees of TNCSC and appointment order to seasonal bill clerk and helper who were worked in DPC of TNCSC on 04.06.2018



## Tamil Nadu Civil Supplies Corporation



Direct Purchase Centre at Akkaraikottai Village in Thiruvallur District



Amutham Retail Shop at Vyasarpadi in Chennai

## **TAMIL NADU WAREHOUSING CORPORATION**

### **5.1 Introduction**

Tamil Nadu Warehousing Corporation was established to provide scientific storage facilities to farmers and other trading institutions to ensure proper storage of agricultural and other products. It was established under Agricultural Produce (Development and Warehousing) Corporation Act, 1956 in May, 1958.

### **5.2 Activities**

Corporation builds and operates warehouses to enhance the storage capacity with a view to reduce storage losses of commodities. Based on market survey, these storage facilities are created throughout the State to ensure that

farmers and traders in every part of the State can utilise these godowns for storing their produce. As of May 2018, TNWC has 270 Warehouses at 57 locations.

### **5.3 Organisational set-up**

Tamil Nadu Warehousing Corporation functions through 7 regional offices located at Cuddalore, Dindigul, Kancheepuram, Mettupalayam, Salem, Tiruchirappalli and Tirunelveli. These regional offices are managed by Senior Regional Manager/Regional Manager and the Godowns are managed by Warehouse Manager. The overall management and monitoring is done by a Board of Directors with 11 members. The Chairman and 5 Directors are nominated by Government of Tamil Nadu and 5 Directors are nominated by Central Warehousing Corporation.

## **5.4 Storage Capacity**

The total Storage Capacity available with TNWC is 7.32 lakh MT, of which 7.28 lakh MT is in its own warehouses and 0.04 lakh MT is in hired premises.

## **5.5 Utilisation**

The storage space available in the warehouses of the Corporation is primarily utilised by Food Corporation of India, Tamil Nadu Civil Supplies Corporation, Tamil Nadu Text Book and Education Services Corporation, Aavin, Tamil Nadu State Marketing Corporation, Sugar Mills, Fertilizer Companies, TANFED, ITC, TNPL, NAFED, private traders and farmers.

The Tamil Nadu Warehousing Corporation maintained an average of 79% occupancy during the Financial Year 2017-2018.

## 5.6 Warehouse Users and Rebates in Storage Charges

Tamil Nadu Warehousing Corporation extends the following rebates to Government departments, Public Sector Undertakings and farmers on the standard tariff:

Sl. No.	Warehouse User	Commodity	Rebate in percentage
1	Farmers	Food grains	30
2	Tamil Nadu Civil Supplies Corporation	Food grains	30
3	Tamil Nadu Text Book and Education Services Corporation	Note books & Text books	25
4	Revenue Department	Electronic Voting Machines	20
5	Co-operative Sugar Mills	Sugar	20
6	Aavin	Dairy products	20
7	Public Sector Fertilizer manufacturing companies like MFL, IFFCO, FACT and KRIBHCO	Fertilizer	10
8	Co-optex/ Co-operative Societies/TANFED / NAFED, etc.	Dhoties / Sarees & Agricultural commodities like copra, maize etc.	10
9	TASMAC	IMFL	10
10	TNPL	Paper products	30
11	Indian Tobacco Company (ITC)	Wheat	22
12	Food Corporation of India	Storage charges fixed by the Central Government are adopted	

## 5.7 Action taken to improve the storage capacity and installation of weighbridges

To ensure that commodity losses are minimized, the Corporation has substantially increased its storage capacity in the last five years.

The following new godowns have been constructed recently:

Sl. No.	Name of the Location	No.of Godowns	Capacity (in MT)	Estimated cost (in Crore)
1.	Nallampalli Village, Dharmapuri District.	3 (New)	15,000	17.00
2.	Gobichettipalayam Village, Pappireddipatti Taluk, Dharmapuri District.	1 (New)	5,000	6.00
3.	Aruppukottai Warehouse Complex, Virudunagar District.	1 (Addl.)	3,500	3.20
4.	Krishnagiri Warehouse Complex, Krishnagiri District.	1 (Addl.)	5,000	4.90
5.	Nanjikottai Warehouse Complex, Thanjavur District.	2 (Addl.)	7,000	6.40
<b>Total</b>		<b>8</b>	<b>35,500</b>	<b>37.50</b>

## **5.8 Initiatives to improve storage conditions**

### **5.8.1 Installation of Electronic Weighbridges**

The Corporation has installed 2 Nos. of Pit Less Type Electronic Lorry Weighbridges with a capacity of 60 MT each at Manamadurai and Rajapalayam Warehouses at the estimated cost of Rs.38.00 Lakhs in the year 2017-2018.

### **5.8.2 Purchase of Ultra Violet Light Traps**

As announced by the Hon'ble Minister for Food and Civil Supplies on the floor of the Assembly during 2017-2018, 239 Ultra Violet Light Traps (Pest Control Machine) were procured at the cost of Rs.15.00 Lakhs and supplied to 26 Warehouses, so as to maintain the stocks in pest free condition.

### **5.8.3 Pest control activities**

The Corporation is providing pest control services to the Government Departments,

Government Undertaking Corporations and Co-operative Banks, etc. During the year 2017-2018 the Corporation earned revenue of Rs. 58.00 lakh from such activities.

## 5.9 Financial Performance

The financial performance of the Corporation for the last 4 years is given below:

Description	2014 - 2015	2015 - 2016	2016 - 2017	2017-2018 (Tentative)
	(Rs.in Crore)			
Paid up Share capital (50% each of State Govt. and CWC)	7.61	7.61	7.61	7.61
Gross income	57.71	60.30	64.64	80.00
Expenditure	30.69	35.80	34.74	48.29
<b>Gross Profit</b>	<b>27.22</b>	<b>24.50</b>	<b>31.18</b>	<b>32.29</b>



## **5.10 Dividend**

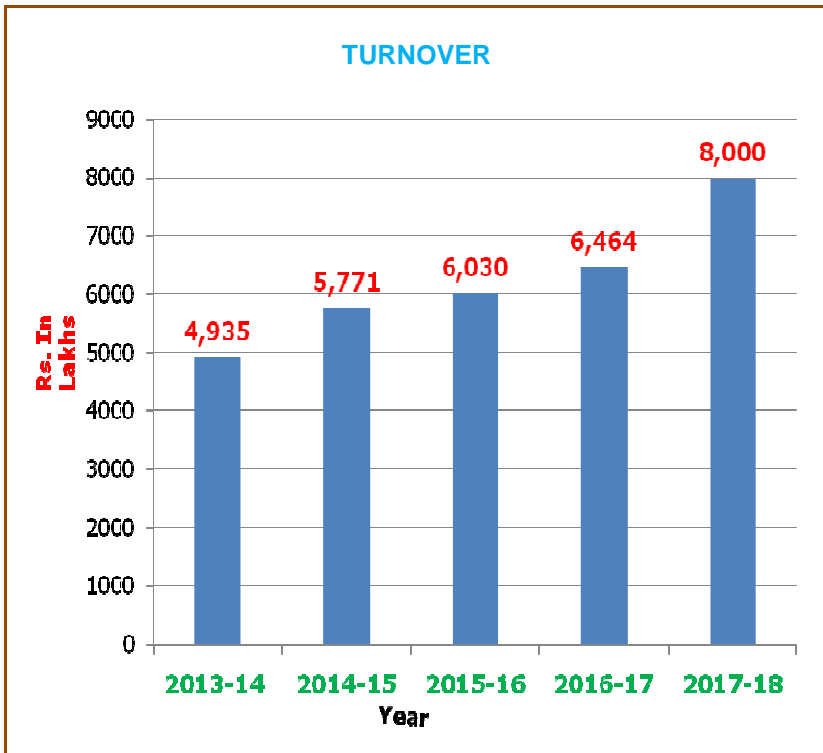
Tamil Nadu Warehousing Corporation has proposed to pay 30% Dividend on Net Profit of Rs.19.69 crore amounting to Rs. 5.91 Crore to the shareholders for the year 2016-2017.

## **5.11 Credit Facilities through Negotiable Warehouse Receipts**

Tamil Nadu Warehousing Corporation has registered 36 Warehouses under "**Warehousing Development and Regulation Act, 2007**". Warehousing Development and Regulatory Authority (WDRA) have supplied Negotiable Warehouse Receipt books for issuing to the farmers and private depositors, who utilise storage facilities, for availing Bank Loan. The farmers / depositors are availing Bank loan of 60% to 80% on the value of agricultural produce deposited at the Warehouses of T.N.W.C. from the Nationalised and Scheduled Banks by pledging Negotiable Warehouse Receipts (NWR).

In the year 2017-2018, **1481** Negotiable Warehouse Receipts were issued and loans to the tune of Rs **119.17** Crore were availed by the users.

### TAMIL NADU WAREHOUSING CORPORATION, CHENNAI-32



## TAMIL NADU WAREHOUSING CORPORATION



Nanjikottai Warehouse, Thanjavur District.



Aruppukkottai Warehouse, Virudhunagar District.

## **Chapter - 6**

# **ENFORCEMENT**

### **6.1 Introduction**

The Civil Supplies CID enforces the two Acts, viz. (i) The Essential Commodities Act, 1955 (EC Act) and (ii) The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980 (PBM Act) and various control orders issued by the Government of India and Government of Tamil Nadu under the above Acts. The EC Act deals with arrest, seizure, confiscation, trial, etc. The PBM Act deals with the preventive detention of notorious smugglers, booked under the EC Act, for a period of 6 months.

## **6.2 Civil Supplies CID – Organisational setup and functions**

The Civil Supplies CID is functioning under an Additional Director General of Police with one Inspector General of Police, two Superintendents of Police (at Chennai and Madurai Region) and four Deputy Superintendents of Police (at Chennai, Coimbatore, Trichy and Madurai). There are 33 Civil Supplies CID Units. 22 Units are headed by Inspectors of Police and 11 units by Sub-Inspectors of Police. In addition to these five Special Patrol Teams for the border districts i.e., Kanniyakumari, Coimbatore, Tirunelveli, Krishnagiri and Vellore districts are functioning.

## **6.3 Achievements of the Civil Supplies CID**

From 01.01.2017 to 31.05.2018, 8,232 cases were registered by the Civil Supplies CID. The following essential commodities have been seized by Civil Supplies CID:

- 1) 19,824.71 Quintals of  
PDS Rice worth : Rs. 1,12,00,960
- 2) 33,094 Litres of PDS  
Kerosene worth : Rs. 4,96,410
- 3) 379 LPG Cylinders worth : Rs. 3,36,100

Other commodities like Pulses, Petrol, Diesel, Solvent etc., worth Rs.2,91,853 have also been seized. The total seizure value of the commodities is Rs.1,23,25,323. 6,801 accused were arrested and 1,727 vehicles were seized.

Most of the smugglers active in Southern States have been neutralised. Smuggling of rice by trains, ships, huge lorries have been reduced drastically.

#### **6.4 Detention Under PBM Act**

From 01.01.2017 to 31.05.2018, 120 notorious smugglers were detained under the Prevention of Black Marketing and Maintenance

of Supplies of Essential Commodities Act, 1980 (PBM Act) and lodged in the prison.

## **6.5 New Initiatives During 2017 - 2018**

In the last year, a new initiative of Stakeholders Committees and Meetings was introduced. The Stakeholders comprise of citizens from all walks of life, like the general public who are ration card holders, transport drivers, transport contractors, godown staff, loadmen, civil supplies retired staff etc. The Stakeholders meetings are frequently held by the CSCID unit officers of the district. More than 5000 people have attended 350 meetings and around 400 people got enrolled as Friends of CSCID. These meetings have been useful in providing strategic inputs that helped in enforcement as well as in intelligence collection. They have also given very valuable suggestions during the meetings. The grievances expressed

by them have been followed up for redressal. Around hundred such issues were taken up and were resolved. This has led to rise in the satisfaction level of the citizens.

The Civil Supplies CID has also taken up the KYC initiative. The 'Know Your Customer' concept is innovated as '**Know Your Criminal**' for all units of the State. The endeavor is to track the past repetitive offenders and follow their movements to prevent illegal acts of smuggling and hoarding in the present and in future too.

The Stakeholders inputs have led to detection of quality cases. Few of such cases were first time detections. They are the landmark cases involving diversion and malpractice. Such detections have posed a huge deterrence for the offenders and to a great extent curtailed the potential of future leakages.



To curtail the flow of smuggling of PDS Commodities several night raids were conducted in many check posts and seizures were made. Men and officers of Civil Supplies CID were deputed to check on the borders to curb smuggling of PDS Commodities to other States. Photographs of notorious rice smugglers were taken and pasted in the border areas of the State for identifying the notorious rice smugglers so as to arrest them.

Train raids were organized in the running trains from Tamil Nadu to Andhra Pradesh and Karnataka, to curb smuggling of PDS Rice from Tamil Nadu to other States. During the years 1975 to 2012, the Section 6(A) Essential Commodities Act, 1955 regarding confiscation and levying of fine in lieu of confiscation was wrongly interpreted and because of which the enforcement stood weakened. As per Section 6(A) of the Essential Commodities Act,

confiscated vehicles should be released to the owner after collecting the vehicle's current market value as fine. But, from 1975 upto 2012 the market value of smuggled goods in that vehicle was assessed and the fine amount was collected. As per the instruction of Tamil Nadu Government in 2012 the above mistake was corrected and huge amounts are being collected as fine amounts from the smugglers of PDS rice, which has broken the backbone of the smugglers.

## **6.6 Implementation of CCTNS Project**

As part of CCTNS implementation in the Civil Supplies CID, to have better control over smugglers and smuggling activities, site survey computers with accessories were provided by the SCRB. To feed the crime data in the CIPRUS software, training is being imparted to the CSCID personnel.

## **6.7 Sanction of ETR to CSCID Personnel**

An Extra Time Remuneration (ETR) of Rs.800/- per person per month is being made available for the first time for the Police personnel in CSCID from 2014.

## **6.8 Broadband connection**

All the CSCID Units have been provided with Broadband internet connectivity.

## **6.9 Accolades from Government of India**

It is the policy of Tamil Nadu Government that smuggling activities should be crushed with an iron hand. The Civil Supplies CID has been taking all out efforts round the clock to completely put down smuggling activities and excellent results have been achieved. Tamil Nadu is number one State in the Country with regards to containing smuggling activities in essential commodities.

The Ministry of Consumer Affairs, Food & Public Distribution, Government of India, Dated: 07.05.2015 sent to all the Chief Secretaries and DGPs of all the States / UTs in India, among other things, had a Special mention of the trail-blazing performance of TN CSCID as follows :

“Tamil Nadu has Civil Supplies CID of Police for essential commodities that is working effectively. The other States need to emulate the proactive approach adopted by Tamil Nadu to ensure zero tolerance to Black Marketing, Hoarding & profiteering in the trade & supply of essential commodities so that the benefits of Government schemes reach the targeted beneficiaries.”

### **6.10 Construction of New Building**

To accelerate and refine the function of the Civil Supplies CID, a new building is being constructed for its Head office at a cost of Rs.3.69 crore and the work is in final stages.

## **CONCLUSION**

The Food and Consumer Protection Department continuously strives to ensure food security to all persons in Tamil Nadu. The Government has taken steps to streamline the delivery system to ensure timely delivery of essential food items. The extensive network of PDS shops are functioning to ensure that interests of poor and downtrodden are safeguarded. Government will continue to take necessary steps to ensure food security to all and to keep prices of essential commodities under check.

The Government recognizes the importance of protection of consumer rights. Besides creation of a robust infrastructure for consumer grievance redressal, steps have been taken to make people aware of their rights and duties as consumers.

**R. KAMARAJ**

**Minister for Food and Civil Supplies**