



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

**POLICY NOTE
2016-2017**

DEMAND No. 13

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GOVERNMENT OF TAMIL NADU
2016

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PREAMBLE

The Government of Tamil Nadu is committed to provide food security to all. In order to achieve this goal, the Government has been implementing Universal Public Distribution System. This system has been functioning effectively and is widely appreciated as an effective tool to provide food safety net to all.

2. The Government of India is advocating a Targeted Public Distribution System (TPDS) throughout the country. The Central Government has also enacted the National Food Security Act (NFSA), 2013 under which only 50.55% of State's population gets covered under the Public Distribution System. Likewise, there are various other provisions of the Act, which would affect the basic universal character of the Public Distribution System. The State Government has therefore

expressed its serious reservations regarding various provisions of the Act.

3. This Government is committed to controlling price rise, particularly of essential commodities. A Price Stabilisation Fund has therefore been established for market intervention with a corpus of Rs.100 crore. At times, when the prices of certain essential commodities fluctuate widely, this fund is utilized for procurement of essential commodities and supply to the public at cost price. Besides, to control the prices of essential commodities like pulses, oil, etc., Special Public Distribution System is implemented to supply Tur dal, Urad dal and Palmolein oil at subsidised rate to family cardholders through Public Distribution System. The entire subsidy towards this Special Public Distribution System is borne by the State Government.

Chapter 1

PUBLIC DISTRIBUTION SYSTEM

1.1 Introduction

Public Distribution System (PDS) in Tamil Nadu is universal and covers all the families without any exclusion. Coverage under Public Distribution System is not based upon any income criteria.

Providing food security to all, particularly to poor and vulnerable groups is the prime objective of the PDS in Tamil Nadu. Classifying families as Above Poverty Line (APL) and Below Poverty Line (BPL) may lead to exclusions adversely affecting food security to the poor. Tamil Nadu is a State where failure of monsoon and frequent droughts and floods affect a large number of potentially vulnerable families. Recent international developments and a global economic recession have severely affected the purchasing power of

families. Therefore, targeting a specific segment of the population and excluding a large number of vulnerable families from the Public Distribution System is unacceptable, since such classification will severely affect food security to vulnerable families. Hence, with a view to achieve food security, the Government of Tamil Nadu has been implementing a Universal Public Distribution System in this State for the past four decades, instead of a Targeted Public Distribution System as advocated by the Government of India.

The Civil Supplies and Consumer Protection Department implements policies of the Government relating to the Public Distribution System, enforces the provisions of Essential Commodities Act, 1955 and control orders issued thereunder. Over 90% of the Public Distribution System outlets are run by various Co-operative Societies functioning under the control of the Registrar of Co-operative Societies. Tamil Nadu

Civil Supplies Corporation runs most of the remaining outlets. In addition to these two agencies, Women Self Help Groups, Women and a few other societies are also running fair price shops.

Tamil Nadu Civil Supplies Corporation (TNCSC), which is a Government of Tamil Nadu undertaking lifts essential commodities like rice and wheat from Food Corporation of India and stores them in its 292 operational godowns spread all over the State. Similarly, sugar is moved by Tamil Nadu Civil Supplies Corporation from storage points, as indicated by the Tamil Nadu Sugar Federation, to its operational godowns. Tamil Nadu Civil Supplies Corporation also procures various other essential commodities for Special PDS directly from the market through tenders.

Movement of commodities to fair price shops is regulated through pre-designated route

charts to prevent en-route diversion. Availability of sufficient stocks in fair price shops is monitored by the District Collectors and officials of the Civil Supplies Department, Revenue and Cooperative Departments. Based on entitlements and after taking into account closing stock, net allotment is made online every month at the district level. Commodities are indented by agencies running fair price shops and delivery taken according to the sales and storage space in shops. Thus, availability of essential commodities is ensured in all Public Distribution System outlets and monitored very closely.

1.2 Ensuring Food Security to all the poor and needy people in Tamil Nadu.

Hon'ble Chief Minister has announced the scheme of supply of rice to cardholders under Public Distribution System at no cost from 01.06.2011. To implement the announcement, orders were issued and rice is being distributed to

eligible cardholders according to their entitlement at no cost.

Nowhere else in the country does such a noble scheme exist as the one being implemented in Tamil Nadu that ensures food security to all the poor and vulnerable people.

1.3 Fair Price Shops

Fair price shops are run predominantly by the Cooperatives 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 involved in running fair price shops. As of 30.06.2016, there are 34,686 fair price shops functioning in the State, of which 25,532 are full time and 9,154 are part time:

Sl. No	Agency	Full Time	Part Time	Total
1.	Tamil Nadu Civil Supplies Corporation	1,301	149	1,450
2.	Cooperatives (under RCS)	23,624	8,922	32,546
3.	Other cooperatives	136	36	172
4.	Women Fair Price Shops, including SHGs	468	47	515
5.	Mobile Fair Price Shops run by Cooperatives	3	0	3
	TOTAL	25,532	9,154	34,686

The Government has issued orders to open fair price shops nearer to the hamlets of card holders so that they will not have to walk more than 1.5 km from their residences to buy essential commodities. The Government has issued orders to reorganize the fair price shops in

such a way that in rural areas, full time fair price shops must have a minimum of 500 cards and a maximum of 800 cards, and in urban areas, a minimum of 800 cards and a maximum of 1000 cards.

In remote, far-flung areas, hilly regions or places which are prone to law and order problems, the Government is granting permission to open new fair price shops by relaxing prescribed guidelines even if there are fewer family cards. If the number of cards in the parent fair price shop is more than 500 after the breakup and if the number of cards in the proposed part time shop is more than 150 with a distance of more than 1.5 k.m., the District Collectors have been empowered to open part time fair price shops.

1.4 Family Cards

1.4.1 Family Card Options

Families in Tamil Nadu are given the option of choosing the type of family card based on their needs and preferences. The types of family cards, entitlements and numbers as on 30.06.2016 are as follows:

Sl. No.	Type of Card	Commodities entitled	No. of Cards
1.	Green Cards (Rice Option Cards)	All Commodities	1,91,53,352
2.	White Cards (Sugar Option Cards)	All Commodities except rice	10,79,387
3.	Khaki Cards (Police Cards)	All Commodities	66,478
4.	No Commodity Card (White/None Cards)	No Commodity	65,169
Total			2,03,64,386

1.4.2 Antyodaya Anna Yojana (AAY) Family Cards

The Government of Tamil Nadu does not classify families into BPL and APL for the purpose of coverage under Public Distribution System. However, based on the directions of Hon'ble Supreme Court of India, poorest of the poor (Antyodaya) families have been identified and Antyodaya Anna Yojana (AAY) stampings have been made in family cards issued to these families. The total number of AAY family cards allotted to Tamil Nadu is 18,64,600. With a view to eliminating ineligible families from AAY scheme, periodic verification exercises are being conducted by the District Collectors/Assistant Commissioners.

As announced by the Hon'ble Chief Minister, AAY beneficiaries who are poorest of the poor are provided 35 kg of rice at no cost from 01.06.2011.

1.4.3 Family Cards for Transgenders

In the State of Tamil Nadu, transgenders are recognized as a part of society and family cards are being issued to them. As on 30.06.2016, 2,135 family cards have been issued to transgenders in the State.

1.4.4 Issue of new family cards

To reduce the printing time of new family cards, that were formerly printed centrally at Chennai, ELCOT, orders were issued empowering the District Collectors to print new family cards in their respective Districts. By this arrangement, 16,20,128 new family cards were issued from 01.06.2011 to 30.06.2016 in the State.

1.4.5 Elimination of Bogus Cards

Elimination of bogus family cards through verification is an important task for ensuring distribution of highly subsidized essential

commodities to the genuine cardholders. The card issuing authorities were given instructions regarding elimination of ineligible / bogus cards through door to door intensive verification of family cards registered in a fair price shop. From 01.06.2011 to 30.06.2016, 4,85,123 bogus family cards were eliminated through such verification. The elimination of bogus cards is an ongoing process.

1.5 Scale of Supply of Commodities

Essential commodities distributed to the card holders through the Public Distribution System are rice, wheat, sugar and kerosene. Under Special Public Distribution System, Tur dal, Urad dal, Palmolein oil are distributed to cardholders. Details of commodities supplied, price and scale of supply are as follows:

Name of the Commodity	Price	Scale of Supply
Rice	At no cost (as per Hon'ble Chief Minister's Announcement w.e.f 01.06.2011)	4 Kgs per adult and 2 Kgs per child per month, subject to a minimum of 12 kgs and maximum of 20 kgs., per month per card except The Nilgris District. For The Nilgris District, minimum of 16 Kgs and maximum of 24 Kgs per card. Under AAY 35 Kg per family.
Sugar	Rs.13.50per Kg	500 grams per head per month subject to a maximum of 2 kgs per month. Additional 3 kgs are supplied to sugar option card holders in lieu of rice.
Wheat	Rs. 7.50 per kg	10 kgs. per card per month in Chennai City and district headquarters and 5 kgs per card per month in other areas.
Kerosene	Rs.13.60 to Rs.14.20 per Litre	Supply will be based on LPG connections and total allotment of Kerosene
Tur dal*	Rs.30/- per kg	1 kg per card
Urad dal	Rs.30/- per kg	1 kg per card
Palmolein oil	Rs.25/- per kg	1 litre per card

* Canadian yellow lentil dal is being supplied as substitute for Tur dal.

1.6 Rice

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

Category	Monthly allotment (in MTs)	Issue Price (Rs.) (Per K.g)
Antyodaya Anna Yojana (AAY)	65,262	3.00
Below Poverty Line (BPL)	1,04,936	5.65
Above Poverty Line (APL)	1,26,255	8.30

Monthly entitlement of rice under Public Distribution System and other welfare schemes including AAY is about 3.96 lakh MT per month. The Government of Tamil Nadu is fully utilizing allotments made under APL, BPL and AAY quota. Rice which is obtained from custom milling of

paddy procured from farmers under a Decentralized Procurement System by Tamil Nadu Civil Supplies Corporation on behalf of the Government of India is also adjusted against the central pool allotment and utilized for the public distribution system in the State. The Present monthly off-take of rice under the Public Distribution System, including AAY, is about 3.23 lakh MT.

The shortfall between the Government of India's allotment of rice and the monthly Public Distribution System off-take is met from the Open Market Sales Scheme of the Government of India.

1.7 Sugar

The Government of India previously allotted levy sugar of 10,835 MT per month. The policy of levy sugar obligation to sugar factories was scrapped by the Government of India and levy sugar allotment to the States was withdrawn with

effect from 01.07.2013. However, subsidy of Rs.18.50 per kg only for the allocation of 10,820 MT sugar continues to be provided by the Government of India to those States that have a retail selling price of sugar at Rs.13.50 per kg. in fair price shops. As a result, on behalf of the Government of Tamil Nadu, the Tamil Nadu Civil Supplies Corporation procures sugar at open market rates through Tamil Nadu Co-operative Sugar Federation. Even though, the Government of India has scrapped the levy sugar obligation, the State Government is determined to continue distribution of 36,500 MT of sugar every month to family cardholders without any change in the selling price. The additional cost due to this arrangement is being borne by the State Government.

1.8 Wheat

The Government of India is allocating 13,783 MT of wheat every month to Tamil Nadu

under a Targeted Public Distribution System. The Government of India also allocates an additional allotment of 3,108 MT of wheat per month.

1.9 Kerosene

The monthly requirement of Kerosene under Public Distribution System to family cardholders as on 30.06.2016 is 59,000 KL. The Government of India has drastically reduced the kerosene allotment to this State from 59,780 KL in March 2010 to 25,704 KL in July, 2016. This allotted quantity accounts for only 44% of the State's requirement i.e. 59,000 KL per month. The Government of India has been requested to enhance the Public Distribution System Kerosene allotment in order to fulfill the requirement of family cardholders. As the Government of India's allotment is insufficient, all the eligible new family cards issued from the year 2004 are being distributed only 3 litres of kerosene per month.

Public Distribution System Kerosene is being distributed to eligible family cardholders at retail selling price ranging from Rs.13.60 to Rs.14.20 per litre, with effect from 01.08.2011.

To streamline distribution, kerosene retail bunks are established for supplying kerosene to family cardholders. A Kerosene bunk normally serves about 5,000 to 15,000 family card holders. Distribution through bunks ensures assured availability of stock throughout the month besides ensuring supply of kerosene to family cardholders in correct measure. At present, there are 297 kerosene bunks, of which 260 bunks are run by the Cooperatives and 37 by Tamil Nadu Civil Supplies Corporation.

1.10 Special Public Distribution System

Tur dal, Urad dal and Palmolein oil are supplied to the cardholders under Special Public Distribution System. Every month, around 13,461

MT of Tur dal, 7,000 MT of Urad dal and 1,50,00,000 litres (packets) of Palmolein Oil are being distributed to cardholders at a subsidized price.

1.11 Supply of rice to mosques during Ramzan

The Government has provided special allotment of 4,942 MT of raw rice for preparing “Nonbu Kanji” for Ramzan during 2016.

1.12 END TO END COMPUTERISATION OF PUBLIC DISTRIBUTION SYSTEM AND ISSUE OF SMART CARDS

Computerization is being implemented through a System Integrator who has been entrusted with the task of maintaining the system for further period of 5 years after state-wide implementation. Aadhaar information is being collected for creating a new family card data base which is necessary to issue of smart cards under the Public Distribution System.

All the Fair Price Shops are provided with Point of Sale Devices, which will help in capturing Aadhaar linked data. On collection of such information, a valid and updated data set of Public Distribution System beneficiaries will be available for issue of smart cards. It is planned to issue smart cards by end of 2016.

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 no cost. Rs.5,300 crore was allocated as Food Subsidy for the Financial Year 2015-2016. The details of utilization of food subsidy are as given below:

Sl. No.	Commodities	Subsidy (Rs. In Crore)
1.	Rice	3,458.50
2.	Sugar	632.00
3.	Kerosene	51.50
4.	Under Special Public Distribution System a) Tur dal/Canadian yellow lentil b) Urad dal c) Palmolein Oil	1,158.00
Total		5,300.00

The subsidy amount of Rs.5,500 crore (Rupees Five thousand and five hundred crore only) has been allotted for the Financial Year 2016-2017.

Chapter 2

PRICE CONTROL MEASURES

2.1 Increase in prices of essential commodities has an adverse impact on food and nutritional security of millions of consumers, particularly the people from economically weaker sections. The prices of essential commodities are volatile. The reason for increase in prices is mainly attributed to crop specific demand and supply mismatch, coupled with panic reaction to shortage. This Government is critically monitoring the price trend of various essential commodities and taking all efforts to protect the poor and downtrodden from the adverse impact of price rise.

2.2 The Government has constituted the **State Level Price Monitoring Committee** which recommends necessary steps to control the prices of Essential Commodities. The Committee

meets as often as necessary to monitor price trends and suggests corrective measures to contain prices particularly of rice, pulses, oil seeds, vegetables etc.

2.3 The Government has constituted the Price Stabilisation Fund (PSF) with a corpus of Rs.100 crore, for effective market intervention. This fund is utilized for procuring select commodities which are prone to abnormal price fluctuation and to sell them through the Cooperative retail outlets and Amudham departmental stores at cost price to the consumers.

2.4 Following are some of the important initiatives taken by the Government to check the open market prices of essential commodities:

- 1,000 MT of Tur Dal, 1,000 MT of Urad dal, 35 MT of Chilly, 50 MT of Tamarind and 24,000 litre of Gingelly oil were procured and sold by

the Registrar of Co-operative Societies utilizing the Price Stabilisation Fund.

- To curtail Tur dal price in open market, Tamil Nadu Civil Supplies Corporation procured 680 MT of Unmilled Tur dal from Metals and Minerals Trading Corporation (MMTC) and sold at affordable price.
- The Government has sanctioned Rs. 20 crore as one time grant from PSF for opening of 100 AMMA AMUDHAM Departmental Stores.

Chapter 3

CONSUMER PROTECTION

3.1 Introduction

Next to elimination of hunger, consumer protection remains the topmost priority of the Government. The main focus of consumer protection is to ensure that goods and services are available to consumers at best prices and of right quality. Unfair trade practices need to be identified and regulated to prevent exploitation of gullible consumers. The Government has taken steps to ensure that the consumers get value for their money and are not cheated. It is intended to be achieved (i) by creating awareness among consumers about their rights and responsibilities and on the methods of redressal available; (ii) by setting up of efficient redressal mechanism with sufficient powers to ensure quick redressal of grievances.

3.2 Redressal of Consumer Grievances

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

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

3.2.1 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 over Rs.1 crore. The National Commission also has the appellate jurisdiction

and revisional jurisdiction over the State Consumer Disputes Redressal Commission.

3.2.2. State Consumer Disputes Redressal Commission

Any consumer can file a complaint before the State Commission, provided the cost of goods/services or the compensation asked for is more than Rs.20 lakh 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 the thirty District Fora. The State Commission is the Appellate authority and Revisional authority for all the District Fora in the State. Since inception, 27,445 cases have been filed and out of which, 24,497 cases have

been disposed of up to June, 2016. The disposal of cases works out to 89.25%.

Hon'ble Chief Minister inaugurated on 11.08.2012 a Circuit Bench of the State Commission at Madurai that caters to the needs of consumers in 13 southern districts.

3.2.3 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 thirty 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 asked for does not exceed Rs.20 lakh. Each District Forum consists of a President, who is a retired District Judge, and with two members, one of whom is a female member.

Since inception, 1,13,564 cases have been filed and out of which, 1,05,028 cases have been disposed of upto June, 2016, which works out to 92.48%.

Hon'ble Chief Minister has inaugurated on 24.02.2014 the newly constructed building for State Consumer Disputes Redressal Commission and District Consumer Disputes Redressal Fora for North and South Chennai at Frazer Bridge Road, Park Town, Chennai-3. The construction for the District Consumer Disputes Redressal Fora building at Namakkal is under progress. Two new District Consumer Disputes Redressal Fora for the newly formed Districts at Tiruppur and Ariyalur have been sanctioned.

3.2.4. Mediation Advisory Centre

Mediation Advisory Centre, one of the modes of Alternate Dispute 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 satisfactory settlement to their dispute without following any rigid procedure at no cost, was established as a pilot project at the instance of the Government of India and started functioning from 15.12.2011 at Chennai.

Now, the Government of Tamil Nadu has proposed to take over the operation of Mediation Advisory Centre (MAC) for further continuation at an estimate cost of Rs.3.00 lakh per year.

3.3. Tamil Nadu State Society for Consumer Protection and Empowerment (TANSSCOPE)

Realizing the need for creation of State level umbrella organization to take up various consumer welfare activities, the Government has set up ***Tamil Nadu State Society for Consumer Protection and Empowerment (TANSSCOPE)*** on 12.12.2008 with the

Commissioner of Civil Supplies and Consumer Protection as its Ex-officio President and members from both Government and non-Government sector. Currently, it is engaged in running the State Consumer Helpline (SCH), publishing the monthly journal "Nugarvor Kavasam" and conducting training programs/workshops.

3.4 State Consumer Help Line

The TANSSCOPE Society under the presidentship of Commissioner of Civil Supplies and Consumer Protection Department is carrying out activities relating to consumer protection and consumer education.

The State Consumer Helpline is an alternate grievances redressal mechanism where a consumer can make complaints / seek clarifications and the helpline will endeavour to redress a remedy or give clarification by contacting the vendor. The service is available in

Tamil and English. The services may also be availed by the following means:

Telephone No.	e-Mail address	Online Registration
044-28592828	consumer@tn.gov.in schtamilnadu@gmail.com	http://www.consumer.tn.gov.in

Mobile Numbers to send SMS
86 8001 8002, 86 8002 8003

3.4.1 Tamil Nadu Nugarvor Kavasam – a monthly magazine on consumer awareness

To educate consumers about their rights and about laws, Standards, Rules and Codes in various sectors through print media, a monthly magazine “Tamil Nadu Nugarvor Kavasam” is being published and distributed to all Government Offices, Voluntary Consumer Organizations and Public Libraries in the State. It has been registered with Registrar of Newspapers of India and is priced at Rs.10 per copy. At present, it has a subscriber base of 8,500.

3.5 Website: www.consumer.tn.gov.in

An exclusive web site, which contains valuable information for consumers like definitions, duties and responsibilities of consumers etc., is being maintained through National Informatics Centre, Chennai. The said website contains details of all programmes on consumer protection/ awareness, all publications

of this Department besides having provision for filing complaints regarding violation of consumer rights. The website also provides information relating to all the services provided by Civil Supplies and Consumer Protection Department.

Chapter 4

TAMIL NADU CIVIL SUPPLIES CORPORATION

4.1 Organisational setup

Tamil Nadu Civil Supplies Corporation is a State owned Public Sector Company registered under the Companies Act, 1956. The Corporation is now registered under section 25 of the Companies Act, 1956 in the name "TAMIL NADU CIVIL SUPPLIES CORPORATION" with effect from 01.04.2010. It procures, stores and distributes essential commodities for the Public Distribution System (PDS), Special Public Distribution System and Noon Meal Programme.

There are 11 Directors in the Board of the Corporation including Chairman. Minister for Food and Civil Supplies is the Chairman of the

Board of Directors of Tamil Nadu Civil Supplies Corporation. The Managing Director looks after the day to day administration of the Corporation.

The Corporation has 33 Regions with each region coinciding with each Revenue District except Chennai. Chennai has been regrouped into two regions namely, North and South Chennai to cater to the needs of people. There are 8,183 permanent employees on roll, besides 6,631 loadmen working in the godowns and Modern Rice Mills of the Corporation.

4.2 Infrastructure

Essential commodities such as rice, sugar, wheat, Tur dal, Urad dal, Palmolein oil and Kerosene are procured, stored and supplied by the Tamil Nadu Civil Supplies Corporation through Public Distribution System. To facilitate the storage and distribution activities, the Corporation operates,

- (a) 292 godowns with a total storage capacity of 12.73 lakh MT.
- (b) 1,450 fair price shops.
- (c) 21 Modern Rice Mills.
- (d) 54 AMMA Amudham Departmental Stores in 25 Districts
- (e) 23 Amudham Departmental Stores.
- (f) 3 Petrol / Diesel Bunks.
- (g) 5 LPG distribution points.
- (h) 37 Kerosene Bunks.
- (i) Direct Purchase Centres as per necessity. (1,808 in the current season)

4.3 Construction Activities

4.3.1 Godowns

Tamil Nadu Civil Supplies Corporation operates 292 godowns with a capacity of 12.73 lakh MT, of which 221 godowns with a capacity of 9.82 lakh MT are owned by the Corporation and

remaining godowns are hired from Tamil Nadu Warehousing Corporation, Central Warehousing Corporation and private owners. The Government gives utmost priority to strengthening the storage facility for PDS. The Government has sanctioned construction of godowns at 165 locations for a capacity of 6.88 lakh MT at an estimated cost of Rs.739.01 crore with NABARD line of credit. Of these, 106 godowns at a cost of Rs.164.22 crore and with a capacity of 2.49 lakh MT have been completed.

4.3.2 Silo

Construction of SILO (Paddy) with a total capacity of 50,000 MT has been taken up at Erukkur in Nagapattinam District at an estimated cost of Rs.58.48 crore. NABCONS (NABARD Consultancy Service) has been engaged as a Project Management Consultant for implementing the project.

4.3.3 Fair Price Shops

Tamil Nadu Civil Supplies Corporation operates 1,450 shops in 26 regions. Daily stock position of commodities is monitored through SMS. Construction of Fair Price Shops is being taken up in a phased manner. In the first phase, 9 shops were taken up in the year 2014-15. Of which, 6 buildings have been completed.

4.3.4 Direct Purchase Centres

Direct Purchase Centres are opened to procure paddy directly from the farmers. Normally, a Direct Purchase Centre will have an area of about 33 cents with storage facility of 100 MT and drying platform, winnowing machine, electronic weighing scale and moisture meter. Direct Purchase Centres are opened every year throughout the State, particularly in the Delta Districts. During Kharif Marketing Season (KMS)

2015-16, 1,808 Direct Purchase Centres were opened.

The Government is committed to provide permanent infrastructure to the Direct Purchase Centres as they play a crucial role in procurement. Accordingly, creation of permanent infrastructure for Direct Purchase Centres is being taken up in a phased manner. 311 Direct purchase Centres are already functioning in own buildings. 260 DPCs have been taken up for creating permanent infrastructure in the last five years. Of which, 85 DPCs at a cost of Rs.22.70 crore have been completed.

4.3.5 Modern Rice Mills (MRM)

Tamil Nadu Civil Supplies Corporation has 21 Modern Rice Mills with a monthly hulling capacity of 47,000 MT. Boiled Rice is produced in 15 mills and Raw Rice in other 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 taken up for modernisation in the first phase at a cost of Rs.26.27 crore. In the second phase, 7 other MRMs have been taken up in the year 2014-15 for modernization at a cost of Rs.32.60 crore and works are nearing completion. Modernization of the remaining 7 MRMs has also been taken up in third phase at a cost of Rs.36 crore in the year 2015-2016.

4.4 Activities

4.4.1 Amudham Departmental Stores

The prime objective of the Amudham departmental stores is to market commodities such as Pulses and Cereals, Fast Moving Consumer Goods at reasonable rates and thereby control price rise in the open market effectively. Tamil Nadu Civil Supplies Corporation

runs 20 Amudham Departmental Stores in Chennai district and 3 in Cuddalore district.

The turn over details of Amudham Departmental Stores are tabulated below:

Sl. No.	Year	Turn Over (Rs. in Crore)
1	2011-12	35.48
2	2012-13	36.23
3	2013-14	51.59
4	2014-15	58.12
5	2015-16	45.34

4.4.2 Amma Amudham Departmental Stores

Hon'ble Chief Minister has inaugurated 54 Amma Amudham Departmental Stores in 25 districts on 11.01.2016. The Government is keen to upscale the coverage by opening more Amma

Amudham Departmental Stores across the State for the benefit of common people.

4.4.3 Petrol / Diesel Bunks

Petrol / Diesel bunks are also operated by the Tamil Nadu Civil Supplies Corporation at Neyveli, Thirupathur and Pattukottai.

4.4.4 LPG Distribution Points

Tamil Nadu Civil Supplies Corporation is doing agency work of LPG distribution at Tiruchirapalli, Tiruvannamalai, The Nilgiris, Ramanathapuram and Mandapam.

4.4.5 Kerosene Bunks

The Tamil Nadu Civil Supplies Corporation has 37 Kerosene bunks in 14 regions of which 29 are retail bunks, 7 are both retail and wholesale bunks, and the remaining one is an exclusive wholesale bunk.

4.4.6 Liftment of Rice for PDS

Tamil Nadu Civil Supplies Corporation lifts 3.23 lakh MT of rice per month from the Food Corporation of India depots in Tamil Nadu.

4.4.7 Movement of commodities to the Fair Price Shops

Generally, 60% of the monthly allotment of various commodities is moved to the PDS shops from 25th of the preceding month to 5th of the current month. The balance of 40% is moved by 20th of current month. If there is any leftover quantity, it is moved to concerned shops after getting prior permission of the concerned authorities.

4.4.8 Issue of commodities to Amma Unavagam

Tamilnadu Civil Supplies Corporation is supplying rice for all 'Amma Unavagam' functioning in all the Districts. It also supplies wheat for all the Amma Unavagam functioning in

Chennai Corporation Limit. As on 30.06.2016, a quantity of 24,286 MT of Rice and 3,435 MT of wheat has been issued to Amma Unavagam.

4.4.9 Rs.20/- per Kg Rice Scheme

Hon'ble Chief Minister has launched the scheme of sale of rice at the rate of Rs.20/- per Kg on 17.04.2013 as a market intervention measure. Single boiled cum sortexed rice is sold under the scheme through the Amudam Departmental Stores, Co-operative Wholesale Stores and dedicated outlets. As on 30.06.2016, 9,661 MT rice has been sold under this scheme.

4.4.10 Farm Fresh Vegetable Shops

Hon'ble Chief Minister has launched the scheme of farm fresh consumer outlets on 20.06.2013 to sell fresh vegetables at a reasonable price to the public as market intervention measure. Tamil Nadu Civil Supplies Corporation operates 16 outlets in Chennai. A

quantity of 828.537 MT of vegetables has been sold at a reasonable price to public as on 30.06.2016.

4.4.11 Sale of Amma Salt

Hon'ble Chief Minister has launched the scheme for sale of "Amma Salt" on 11.06.2014. Three varieties of salt namely 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 owned Amudham Retail Shops and Amudham Departmental Stores for the benefit of common people with a view to eradicate Iodine Deficiency Disorder.

4.4.12 Procurement of Paddy

Tamil Nadu Civil Supplies Corporation has been authorized by the Government of India to procure paddy under the Decentralised Procurement Scheme since Kharif Marketing

Season (KMS) 2002-03. The Government has also authorised the Cooperatives and National Cooperative Consumer Federation (NCCF) to procure paddy in non-delta districts. Minimum Support Price (MSP) fixed by the Government of India and the incentive announced by the Government of Tamil Nadu for the KMS 2015-2016 are detailed below: -

Variety	GOI's MSP (Rs./ Per Quintal)	Incentive by Govt. of Tamil Nadu (Rs./ Per Quintal)	Total (Rs./ Per Quintal)
Paddy Grade A	1450	70	1520
Paddy Common	1410	50	1460

4.4.13 Custom Milled Rice

Paddy procured from the farmers through Direct Purchase Centres is hulled into rice through the Modern Rice Mills owned by the Corporation and 422 rice mills of private hulling agents, engaged by 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 entitlement of the State. The Government of India releases subsidy for the Custom Milled Rice based on the economic cost fixed by them

4.4.14 Special Public Distribution System

To control the rise in price of pulses and palmolein oil in the open market, the Government has introduced the Special Public Distribution System by distributing pulses and packed palmolein oil to the family cardholders.

Under Special Public Distribution system, Tur dal, Urad dal and Palmolein oil are being supplied to the family cardholders. Every month 13,461 MT of Tur dal, 7,000 MT of Urad dal and 15,000 kilolitre Palmolein oil are being purchased

and supplied to the family cardholders at highly subsidized price.

The selling rates for Tur dal, Urad dal and Palmolein oil are as follows:

Commodity	Monthly allotted quantity (in MT)	Quantity issued per card holder	Selling price (dal per Kg. / oil per litre)
Tur dal	13,461	1 Kg.	Rs.30/-
Urad dal	7,000	1 Kg.	Rs.30/-
Palmolein oil	1,50,00,000 (pouches)	1 litre (910 gms)	Rs.25/-

The Government of Tamilnadu bears the entire subsidy for these commodities under Special Public Distribution System.

4.4.15 Amma Cement Supply Scheme

Hon'ble Chief Minister has inaugurated sale of "Amma Cement" Scheme on 05.01.2015. 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 authorisation 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 500 Sq.Ft – 250 bags
	501- 1000 Sq.Ft – 500 bags
	1001–1500 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.

4.5 Monitoring

Tamil Nadu Civil Supplies Corporation has taken several measures for effective monitoring of Public Distribution System which include;

- a) Computerisation of godown activities.
- b) Global Positioning System based lorry tracking to monitor the movement of essential commodities in Krishnagiri and Thiruvallur regions.
- c) SMS alert on the stock position of commodities in the fair price shops on daily basis.

4.6 Financial status

The Corporation has an authorised share capital of Rs.100.00 crore and paid up share capital of Rs.67.73 crore.

The turnover of the Corporation in the year 2015–2016 was Rs.8,750 crore. During 2016-2017, a sum of Rs.5,500 crore has been provided in the Budget as food subsidy.

Chapter 5

TAMIL NADU WAREHOUSING CORPORATION

5.1 Introduction

Tamil Nadu Warehousing Corporation, established under the Agricultural Produce (Development and Warehousing) Corporation Act, 1956, commenced its activities with effect from 2nd May 1958. Tamil Nadu Warehousing Corporation (TNWC) has been functioning with 7 Regions, each under the control of Senior Regional Manager/Regional Manager, with headquarters at Cuddalore, Dindigul, Kancheepuram, Mettupalayam, Salem, Tiruchirappalli and Tirunelveli.

5.2 Activities

The Corporation has warehouses at 55 places throughout the State. The main activity of the Corporation is to provide scientific storage facilities to farmers, trading community and other institutions with a view to reducing storage loss. The Corporation acquires land and builds warehouses on scientific method at potential places after conducting market survey. It also provides Negotiable Warehouse Receipts to the producers, dealers and others to get credit facilities from the banks. Besides, the Corporation carries out disinfestations/pest control services in their own godowns as well as in various Government and private buildings as part of its commercial activities.

5.3 Organisational set-up

General superintendence and management of the affairs of the Corporation is vested with the

Board of Directors, comprising 11 Directors including Chairman. 5 Directors are nominated by the Government of Tamil Nadu and 5 Directors are nominated by the Central Warehousing Corporation. The Chairman of the Board of Directors and Managing Director are appointed by the State Government.

The Board acts on sound business principles having regard to public interest and is guided by the State Government as well as Central Warehousing Corporation from time to time.

5.4 Storage Capacity

The total Storage Capacity of TNWC warehouses is 6.74 lakh MT, of which 6.52 lakh MT is in its own warehouses and 0.22 lakh MT is in hired premises.

5.4.1 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.

Tamil Nadu Warehousing Corporation is constantly maintaining above 90% occupancy from the month of June 2015 onwards.

5.5. Warehouse Users and Rebates in Storage Charges

Tamil Nadu Warehousing Corporation is extending rebate to Government departments, Public Sector Undertakings and farmers on the storage tariff as below:-

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	20
11	Indian Tobacco Company (ITC)	Tobacco	20
12	Food Corporation of India	Storage charges fixed by the Central Government are adopted	

5.6. Action taken to improve the storage capacity and installation of weighbridges

The Corporation has substantially increased its storage capacity in the last five years. As announced on the floor of the Assembly on 23.4.2012, one godown with a capacity of 3,400 MTs. has been constructed at an estimated cost of Rs. 2.39 crore in Nagappattinam Warehouse Complex (Nagappattinam District).

As per the announcement made by Hon'ble Chief Minister on the floor of Assembly on 06.05.2013, the Corporation has taken up construction of 8 new godowns and 7 additional godowns with a capacity of 65,400 MT at an estimated cost of Rs.67.72 crore.

The Corporation has installed 7 Nos. of Pit Type Electronic Lorry Weighbridges at the estimated cost of Rs.107.73 lakh with a

capacity of 60 MT each at Maduranthakam, Karaikudi, Aruppukottai, Kovilpatti, Thirumangalam, Vellore and Krishnagiri Warehouses in the year 2015. The Corporation has undertaken installation of 8 Nos. of Pit Less Type Electronic Lorry Weighbridges with a capacity of 60 MT each at Muthur, Pattinamkathan, Cuddalore, Kallakurichi, Mayiladuthurai, Musiri, Pudukkottai and Aranthangi Warehouses at the estimated cost of Rs.1.31 crore, in the year 2015-16.

5.7 Purchase of Ultra Violet Light Traps

As announced on the floor of the Assembly on 3.9.2015, 162 nos. of Ultra Violet Light Traps (Pest Control Machine) were procured at the cost of Rs.9.31 lakh and installed in 22 warehouses,

where FCI food grain stocks are stored so as to maintain the stocks in pest free condition.

5.8 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 2015-2016, the Corporation earned revenue of Rs.52.36 lakh from such activities

5.9 Training

In order to create awareness on the **“Methods of Scientific Storage and Quality Control for Agricultural Produces”**, the Corporation has conducted awareness programmes to 1570 farmers and warehouse staff in the month of February 2016 at 7 Regional Head Quarters by incurring an expenditure of Rs.35.20 lakh. A set of hand sprayer and 500 ml. chemicals i.e. Malathion and DDVP to the total

value of Rs.1650/- each were supplied to the participants.

5.10 Financial Performance

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

(Rs. in crore)

Description	2012-2013	2013-2014	2014-	2015-
Paid up Share capital (50% each of State Govt. and CWC)	7.61	7.61	7.61	7.61
Gross income	40.50	49.35	57.71	60.65
Expenditure	31.42	26.13	30.69	33.06
Profit before Tax	9.06	23.22	27.22	28.00

5.11 Dividend

Tamil Nadu Warehousing Corporation has paid dividend of 30% on paid up share capital, amounting to Rs.2.28 crore to the shareholders for the year 2014-2015. The net profit of the

Corporation for the year 2014-2015 was Rs.17.67 crore.

5.12 Corporate Social Responsibility

During the year 2015-2016, the Corporation has sanctioned a sum of Rs.11.83 lakh to the State Commissioner for the Welfare of Differently Abled, Chennai for the purchase of 2 battery operated Buggy vehicles including the honorarium for 2 drivers for 12 months as one time assistance.

5.13 Credit Facilities through Negotiable Warehouse Receipts

Tamil Nadu Warehousing Corporation has got 36 warehouses registered under Warehousing Development and Regulation Act, 2007. Warehousing Development and Regulatory Authority (WDRA) have supplied Negotiable Warehouse Receipt books for issuing to 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 from the Nationalised and Scheduled Banks by pledging Negotiable Warehouse Receipts (NWR). In the year 2015-2016, 2,597 Negotiable Warehouse Receipts were issued and loans to the tune of Rs.186.10 crore were availed.

Chapter 6

ENFORCEMENT

6.1 Introduction

Rice is distributed at no cost while other essential commodities are supplied under Public Distribution System at subsidized prices. Due to huge variations in prices of essential commodities in the open market compared to the subsidized rates at PDS shops, anti-social elements tend to divert these commodities to black market. The State Government has been taking various measures to curb this menace.

6.2 Implementation

For effective enforcement, an exclusive wing i.e. Civil Supplies Crime Investigation Department (CS-CID) headed by Director General of Police has been set up. 33 Civil Supplies Crime Investigation Department Units have also been created covering the entire State to ensure

effective enforcement under Essential Commodities Act, 1955. Besides, five Special Patrol Teams for the border districts i.e. Kanniyakumari, Coimbatore, Tirunelveli, Krishnagiri and Vellore districts, are also on constant vigil. Periodical inspections and raids are being carried out to curb illegal diversion of essential commodities. Stringent action against culprits and anti-social elements indulging in smuggling of Public Distribution System commodities is taken. During 01.04.2015 to 31.03.2016, 6,380 cases were booked, 6,330 persons arrested and 1,583 vehicles seized by Civil Supplies CID. Due to strict enforcement activities approximately 1,457.7 MT of PDS rice has been saved. Further, 193 notorious smugglers were detained during 01.04.2015 to 31.03.2016 under the Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980. Tamil Nadu Civil Supplies Corporation also has a Vigilance

Wing with a team of officials working under the control of the Managing Director to check diversion while moving commodities from Food Corporation of India godowns to Tamil Nadu Civil Supplies Corporation godowns and to the fair price shops.

6.3 Enforcement Activities by the Commissioner of Civil Supplies and Consumer Protection Department

To strengthen the monitoring mechanism, **Advisory Committees** on the Public Distribution System have been constituted in Districts and Revenue Divisions in which peoples' representatives and representatives of Voluntary Consumer Organisations are members. Flying Squads, functioning under the District Collectors, have been made more effective by providing them with new vehicles. All flying Squad Tahsildars have been provided with mobile phones with monthly ceiling of Rs.800/- for collecting intelligence and to organize raids. In

Chennai, the Deputy Commissioners of Civil Supplies, North and South coordinate all enforcement activities.

6.4 Additional Measures Taken

- A Reward scheme with cash award of Rs.1,000/- for each information leading to seizure of essential commodities is being implemented.
- Action is taken for cancellation of vehicle permit and driving license of offenders and drivers involved in smuggling of PDS commodities
- Special raids are organized to curb black-marketing of subsidized domestic LPG Cylinders.
- Licenses of Tamil Nadu Civil Supplies Corporation hulling agents indulging in recycling of PDS rice are cancelled provisionally.

6.5 Performance

Enforcement work carried out by the Civil Supplies CID from 16.05.2011 to 30.06.2016 is as follows :

Sl. No.	Particulars	2011 to 2016 (16.05.2011 to 30.06.2016)			
1.	Cases Detected under the EC Act, 1955	41,905			
2.	Total Seizure	Cases	Qty.	Value	
	a) PDS Rice (Qtls.)	24,542	93,970.21	5,30,93,169	
	b) PDS Kerosene (Ltrs.)	4,959	2,94,618	44,19,270	
	c) LPG Cylinder (Nos.)	11,492	16,645	1,49,80,500	
	d) Others (Value)	912		5,65,78,367	
3.	Total Value of the Property in Rupees	12,90,71,306			
4.	Total Arrests Effectuated	30,340			
5.	Total No. of Vehicles Seized	2 Wlr.	3 Wlr.	4 Wlr.	Total
		4,602	411	1,770	6,783

6.	Detention under the PBMMS EC Act, 1980	PDS Rice Case	-	846
		PDS Kerosene Case	-	30
		LPG Cylinder Case	-	1
		Adulteration Oil Case	-	2
		Malpractice (FP Shop)	-	1
		PDS Dhall	-	1
		Total	-	881

Effective performance of the State in enforcement has been appreciated in the Conference of Food Ministers held in New Delhi on 04.07.2014. The Ministry of Consumer Affairs, Food & Public Distribution, Government of India, vide its letter No.S8/2/2015-ECR&E dated 07.05.2015 sent to all the Chief Secretaries and Directors General of Police of all the States / UTs in India, among other things, had a special mention of the trail-blazing performance of Tamil Nadu CS-CID as detailed below:

“Tamil Nadu has Civil Supplies CID of Police for essential commodities, that are working effectively. The other States need to emulate the

proactive approach adopted by TAMIL NADU to ensure zero tolerance to black marketing, hoarding and profiteering in the trade and supply of essential commodities so that the benefits of Government schemes reach the targeted beneficiaries.”

On 24.06.2015, the Government of India, vide their letter No.S-13/38/2015-ECR&E Dt.24.06.2015 sent to the Home Department, Government of Tamil Nadu, has conveyed their intentions to replicate the Tamil Nadu Model in other states of India in the following words:

“I am directed to say that this department is considering replication of the Policing system of Tamil Nadu in other States dedicated to Civil Supplies Crimes i.e. implementation of the Essential Commodities Act, 1955 and the prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980.”

Conclusion

It is the endeavour of the Food and Consumer Protection Department to ensure food security to all and to safeguard the interests of consumers. The department has taken several steps in this regard and is committed to take further necessary steps to strengthen the Public Distribution System.

Under the dynamic leadership of Hon'ble Chief Minister, the Government will continue to safeguard the interests of the people, particularly poor and downtrodden by ensuring food security to all and keeping the prices of essential commodities under control.

R. KAMARAJ
Minister for Food and Civil Supplies