

## **POLICY NOTE ON FOOD AND CONSUMER PROTECTION**

**2011-2012**

### **INTRODUCTION**

The central theme of State Food Policy is complete elimination of hunger and the ways and means to achieve it. This is sought to be achieved by the implementation of a three pronged strategy of universal Public Distribution System (PDS), Management of food prices and providing adequate nutrition through fortification of Public Distribution System commodities.

2. Universal Public Distribution System is the heart and soul of State Food Policy. It is built on the principles of non-exclusion, easy access to Public Distribution System shops and adequate availability of food grain at an affordable price. Though Government of India advocates targeted public distribution system (TPDS), Government of Tamil Nadu is not in favour of rigid targeting, as it may lead to exclusion of large number of genuine Below Poverty Line (BPL) families and vulnerable Above Poverty Line (APL) families due to enumeration errors and improper bench marking. Poverty is a dynamic and relative concept and hence, it is difficult to design acceptable criteria and methodology to measure poverty. Thus any method used for identifying BPL families is bound to result in some amount of exclusion of deserving families. Further,

due to unforeseen natural calamities like droughts, floods and disaster, etc., a large number of vulnerable APL families may be forced into poverty trap again. Our rigid government system will not be able to respond quickly to such situation. Thus targeted public distribution system approach will always have some families outside the Public Distribution System at any point of time resulting in defeating the objective of total food security and elimination of hunger. On the other hand universal Public Distribution System in Tamil Nadu is based on principle of self selection. Only those who need subsidized food articles will go to the Public Distribution System shops and not the entire population. Based on these principles and out of years of experiences, Government of Tamil Nadu is convinced that universal public distribution system assures better food security to the people and therefore has decided to continue with it.

3. Carrying on along the same lines, Hon'ble Chief Minister has ordered the scheme of supply of rice free of cost to eligible rice cardholders under Public Distribution System as per their entitlement from 1.6.2011. Tamil Nadu is the only State in the country to launch such a scheme which has ensured total food security to all the poor and vulnerable people. Henceforth none in this state will be deprived of rice because of lack of money. Aware that this scheme can cause diversion and smuggling of rice, Government have stepped up anti-smuggling operations and 80 number of persons have been

booked under Black Marketing Act, from 15.05.2011 to 14.08.2011

4. Rising prices of food articles is of great concern to this Government as this can reduce the access of poor to food. Therefore, government have adopted multi-pronged approach to combat food inflation first is to continue the scheme of Special Public Distribution System till 31.12.2011. Under this, toor dal, urid dhal, atta, palmolein oil and condiments will continue to be supplied through Public Distribution System shops at subsidized rates as before. The second is to set up a price stabilization fund with a corpus of Rs.50 crore and with its support cooperatives/ state agencies are to intervene in the market at the time of rapidly rising prices. Third, is to take effective steps to augment productions and availability of food articles facing sizeable demand–supply mismatch like pulses and oil seeds. Government has also extended the Public Distribution System scheme in its entirety like free rice, subsidized sugar, wheat and kerosene and supply of special public distribution system commodities to Srilankan Tamils living in camps within the State.

5. All these entails a heavy burden on the Government. The budget estimate on food subsidy for the year 2010-2011 was Rs.3,950 crore. For the year 2011-2012 Rs.4,500 crore has been allotted for food subsidy.

6. Protecting consumers from unfair trade practices in the changing business environment and to create awareness and guide them for taking appropriate legal remedies is another vital function of this department. The Government takes care of the welfare of the consumers by creating awareness among consumers and providing legal and institutional framework for getting effective and quick remedies through State Consumer Disputes Redressal Commission and District Consumer Disputes Redressal Fora.

## CHAPTER - I

### PUBLIC DISTRIBUTION SYSTEM

7. Tamil Nadu implements universal public distribution system, under which no distinction is made between BPL and APL families. Though, Government of India has suggested targeted public distribution system (TPDS), the state government is of the view that cent percent targeting of BPL is not administratively feasible and can lead to large scale exclusion of genuinely poor families from Public Distribution System due to estimation and enumeration errors. The reasons for not following Targeted Public Distribution System in Tamil Nadu are detailed below:-

- (i) Providing food security to all, particularly to poor and vulnerable groups is the prime objective of Public Distribution System in Tamil Nadu. Classifying families as APL and BPL may severely affect food security to the poor because poverty is a dynamic concept and may change rapidly with events like failure of monsoon and frequent droughts and floods and even recession. Government system may not be flexible enough to react quickly in such a case.
- (ii) Poverty being a relative concept there is no acceptable criteria or methodology for error free enumeration. Further enumeration agency has to be very professional. Even

then there are ample chances of large scale errors and omission. Therefore targeting will necessarily result in high social cost.

8. Therefore the government is of the view that universal public distribution system assures better food security compared to Targeted Public Distribution System. However, only in case of Antyodaya Anna Yojana (AAY), Government selects beneficiary families identified by local bodies and provides them with 35 kg. of rice per month as per directions of Government of India. Enactment of National Food Security Act is under consideration of Government of India where targeting will be mandatory. The State Government has suggested to Government of India for providing a fool proof method of below poverty line (BPL) survey in case targeting is made mandatory.

9. National Food Security report No.508 level and pattern of Consumer Expenditure 2004-05 indicates that rice constitutes 92% of cereals consumed in the state and rice consumption per head varies from 10.17 kg in rural areas to 8.63 kg, in urban areas. Thus total consumption of rice is about 67.74 lakh tonnes of which nearly 56% is given through Public Distribution System free of cost.

10. Public Distribution System in Tamil Nadu is regulated by Commissioner of Civil Supplies and Consumer Protection Department (CCS & CP). At

district level, the functions of the department are implemented by District Supply and Consumer Protection officer. District Collectors are responsible for coordinating and monitoring implementation of Public Distribution System in the districts. In Chennai Joint Commissioner (Civil Supplies) carries out the same function.

11. Tamil Nadu Civil Supplies Corporation (TNCSC) acts as the wholesaler and warehousing agency. It lifts stocks from Food Corporation of India and stores them in its 222 operational godowns spread all over the State. From Tamil Nadu Civil Supplies Corporation operational godowns, the stocks are moved by lead cooperative societies / self lifting societies and delivered at the doorsteps of fair price shops. Similarly, sugar is moved by Tamil Nadu Civil Supplies Corporation from the respective cooperative/private sugar mills and distributed through its operational godowns. Every year, transport contractors are appointed for movement of goods from Food Corporation of India godowns to Tamil Nadu Civil Supplies Corporation operational godowns. Likewise, cooperatives also engage their own transport contractors through open tender system for moving stocks from Tamil Nadu Civil Supplies Corporation operational godowns to public distribution system outlets. Tamil Nadu Civil Supplies Corporation also procures various other essential commodities for Special Public Distribution System directly from the market through tenders or through designated Government of India agencies. In the case of kerosene, Public Distribution System

operating agencies like Cooperative societies / Tamil Nadu Civil Supplies Corporation take delivery from storage points of wholesale dealers and transport them to fair price shops / kerosene bunks for distribution to cardholders.

12. Movement of commodities to fair price shops is regulated through pre-designated route charts to prevent enroute diversion. Availability of sufficient stocks in fair price shops is monitored by District Collectors and officials belonging to Civil Supplies, revenue and Cooperative departments. Based on entitlements and after taking into account closing stock every month, net allotment is made through online at the district level. Commodities are indented by agencies running fair price shops and taken delivery according to the sales and storage space in shops within the allotment. Care is taken to ensure that the process of allotment, indents and movement of stocks goes on smoothly so as to make available Public Distribution System articles in sufficient quantity at any point of time.

### **Fair price shops**

13. Fair price shops are run mostly by the cooperatives and by Tamil Nadu Civil Supplies Corporation. Unlike in other states, private traders are not allowed to run fair price shops. Village Panchayats have been authorized to run fair price shops. But so far, no Panchayat has come forward to run Fair Price Shops. As on 31.07.2011, the State has 32,760 public distribution system outlets of

which 24861 are full time and 7899 are part time as indicated below:-

Sl. No.	Agency	Full Time	Part Time	Total
1.	Tamil Nadu Civil Supplies Corporation	1248	121	1369
2.	Cooperatives (under RCS)	22924	7712	30636
3.	Other cooperatives	123	18	141
4.	Women Fair Price Shops, including Self Help Groups	555	48	603
5.	Mobile fair price shops run by Cooperatives	11	-	11
	<b>Total</b>	<b>24861</b>	<b>7899</b>	<b>32760</b>

14. To improve accessibility to Public Distribution System shops, it is necessary that they are located in close proximity to habitations. Accordingly, it has been permitted to open new fair price shops so that no cardholder walks more than 1.5 Kms subject to certain condition to safeguard financial viability of the agencies running fair price shops. This has ensured the reach of fair price shops to all remote and far-flung areas. The present norms for a full time and part time shop are a minimum of 500 and 150 cards respectively for rural areas and 800 and 150 cards respectively for urban areas. However, in genuine cases, shops are being permitted to be opened below this norm in case of

valid reasons such as remote, hilly terrain, law and order issues, etc. provided the villagers of the area are willing to provide a rent free accommodation for the part time shop.

### Family cards:

#### 15. 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 31.07.2011 are as follows:

Sl. No.	Type of Card	Commodities entitled	No. of Cards
1	Green Cards (Rice Option Cards)	All Commodities	1,85,31,983
2	White Cards (Sugar Option Cards)	All Commodities except rice	10,82,659
3	Khaki Cards ( Police Cards)	All Commodities	61,336
4	No Commodity Card (White Cards)	No Commodity	60,547
<b>Total</b>			<b>1,97,36,525</b>

## Antyodaya Anna Yojana (AAY)

16. Based on direction of Supreme Court of India in public interest litigation in PUCL vs. The Union of India, Government of India announced the Antyodaya Anna Yojana (AAY) scheme. Even though Government of Tamil Nadu does not classify families into BPL and APL, based on Supreme Court of India directions, poorest of poor (antyodaya) families have been identified through local bodies and Antyodaya Anna Yojana stampings have been made in family cards issued to these families. Numbers of families covered under Antyodaya Anna Yojana Scheme have been expanded periodically as per directions of the Government of India by selecting deserving families from amongst BPL families. Total number of Antyodaya Anna Yojana beneficiaries allotted to Tamil Nadu is 18,64,600. With a view to eliminating ineligible families from Antyodaya Anna Yojana scheme, periodic exercises are being conducted by Collectors. Collectors are filling up Antyodaya Anna Yojana vacancies caused due to elimination of ineligible beneficiaries from fresh list assessed by them. Antyodaya Anna Yojana cards are eligible for 35 kg. of rice per month. As per the orders of Government, this 35 kg of rice is being provided free of cost from 01.06.2011. This has ensured total food security to the poorest of the poor people in the State.

### Family Cards for transgender persons:

17. Transgender persons tend to live away from their family and therefore are not issued ration

cards. Seeing their plight, Government have decided to issue ration cards based on identity cards issued to them. As on 31.07.2011, 1223 such family cards have been issued and transgender persons living in a house as a group are being treated as a family for purpose of issue of family cards.

### Family cards for Police personnel:

18. As on 31.7.2011, 61,336 police cards have been issued to police personnel. Scale of supply and the subsidized price at which police cards are supplied essential commodities are as follows:

Sl. No.	Essential Commodity	Minimum quantity to be supplied to a family member in a month	Maximum quantity to be supplied to a family card in a month	Issue price
1.	Rice	5 Kg	20 Kg	free
2.	Sugar	1/2 Kg	2 Kg	Half the PDS Price
3.	Wheat	1/2 Kg	2 Kg	“
4.	Palmolein Oil	1/4 Kg	1 Kg	“
5.	Toor Dhall	1 Kg	4 Kg	“
6.	Urid Dhall	1 Kg	4 Kg	“
7	Kerosene	As per normal PDS Scale of Supply	As per normal PDS scale of supply	PDS issue price

## Scale of Supply of Commodities:

19. Essential commodities that are being supplied through Public Distribution System are rice, wheat, sugar and kerosene. Under Special public distribution system, Toor dhal, Urid dhal, Palmolein oil and Fortified Atta are distributed to cardholders. Details of commodities supplied, their prices and scale of supply are as follows:

### (A) RICE :

Price : Free of cost

Scale of supply : **Regular rice card:**  
4 Kgs per adult per month and 2 Kgs per child per month, districts except The Nilgris subject to minimum 12 kg. and maximum 20 kg. per card per month.

#### **Nilgiri district**

4 kg. per adult per month and 2 kg. per child per month subject to minimum 16 kg. maximum 24 kg. per card.

#### **AAY cards :**

35 Kg per month per card.

### (B) WHEAT

Price : Rs. 7.50

Scale of supply : 10 Kgs. per card per month in Chennai city and district headquarters and 5 Kgs per card per month in other areas.

### (C) SUGAR :

Price : Rs.13.50 per kg.

Scale of supply : **Regular cards:**  
 $\frac{1}{2}$  kg per head subject to a maximum 2 kg per card per month.

#### **Sugar option cards :**

3 kg. extra sugar in lieu of rice in addition to the scale noted above.

**(D) SCALE OF SUPPLY OF KEROSENE IN VARIOUS AREAS**

Sl. No	Place of Residence	Possession of LPG connection		
		No Cylinder	One Cylinder	Two Cylinder
1.	Chennai City and District Head Quarters	10 litres	3 litres	-
2.	Other Municipalities	6 litres	3 litres	-
3.	Township and Town Panchayats	5 litres	3 litres	-
4.	Village Panchayats	3 litres	3 litres	-

**Enhanced supply in hill areas - Nilgiris District**

1.	District Head Quarters	15 litres	3 litres	-
2.	Other Municipalities and Ketti	15 litres	3 litres	-
3.	Township and Town Panchayats	10 litres	3 litres	-
4.	Village Panchayats	5 + 5 litres	3 litres	-

**(E) Special Public Distribution System :**

Commodity	Rate	Scale of supply
Toor dhall	Rs.30.00	1 kg per card
Urid dhall	Rs.30.00	1 kg per card
Palmolein oil	Rs.25.00	1 litre per card
Fortified Atta	Rs.11.00	1 kg per card
Maligai Porulgul	Rs.25/- per packet	2 packets per card

**COMMODITIES DISTRIBUTED**

**Rice:**

20. Rice is the staple food of Tamil Nadu. While availability for a large portion of consumption needs of an average family has been taken care of under Public Distribution System, affordability of essential commodities to the poorest is another major issue. By ordering to supply rice free of cost to all the rice option cardholders, Hon'ble Chief Minister has ensured food security to all the vulnerable and poor people in the State.

21. Rice is obtained from central pool allotment under the Targeted Public Distribution System through Food Corporation of India. Present

monthly allotment of rice and the issue price of food corporation of India are indicated below:

Sl. No.	Category	Monthly allotment (In Metric tonnes)	Issue Price of FCI per kg.
1	AAY	65,262	Rs.3.00
2	BPL	1,04,936	Rs.5.65
3	APL	1,26,255	Rs.8.30

22. Monthly requirement of rice under Public Distribution System as per entitlement and other welfare schemes including Antyodaya Anna Yojana is about 3.82 lakh metric tonnes per month. 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 in Tamil Nadu under 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 under public distribution system in the State. Average monthly sales of rice under public distribution system, including AAY, in 2010-11 was around 3.17 lakh metric tonnes. In June 2011, it has gone up to 3.46 lakh metric tonnes. The increase in off-take is partly due to supplying rice free of cost ensuring availability in all the shops and due to improvement in quality of rice being supplied.

23. The shortfall between Government of India allotment of rice and monthly Public Distribution System Offtake viz., 30,000 metric tonnes, is being met from various adhoc allotment being made by Government of India from time to time. Currently an allotment of 3.72 lakh metric tonnes is being lifted, the last date being 31.03.2012.

**Present stock position of rice as on 31.07.2011**      **8,55,730 metric tonnes (including Paddy in hand converted as rice) which is about 2½ months requirement.**

### Wheat

24. Government of India allots 3783 metric tonnes of wheat per month under APL for public distribution system. Additionally, 10,000 metric tonnes of wheat per month has been allotted on adhoc basis to the State, from April 2008 onwards. In addition, Government of India has released a special adhoc additional allocation of 34,890 metric tonnes of wheat to TamilNadu for APL families under Targeted Public Distribution System at the price of Rs.8.45 per kg. Average allotment of wheat per month is about 15,000 metric tonnes.

25. As on 31.07.2011 the current stock of wheat in Tamil Nadu Civil Supplies Corporation in godown is 40,273 metric tones, which is about 2 months requirement.

26. Apart from distribution of wheat, Government also undertakes sale of fortified wheat flour (atta) at a subsidized price of Rs.11 per kg. Average monthly off-take of atta is 4,063 metric tonnes. This is being met by wheat sourced from special allotment of Government of India at the rate of Rs 8.45 per kg. The atta is fortified by D3300 IU of vitamin A, 1.5 mg. of Folic Acid and 60 mg. of Iron per kg. of atta.

### **Sugar**

27. Government of India allots 10833 metric tonnes of levy sugar on monthly basis specifying quantities to be released by each sugar mill from Tamil Nadu and Pondichery. Tamil Nadu Civil Supplies Corporation lifts such allotted sugar from concerned sugar mills and supplies to Public Distribution System outlets. The off-take of sugar under Public Distribution System is about 34,200 metric tonnes. per month. As Government of India's allotment of levy sugar is insufficient to meet the full requirement of cardholders, State Government, through Tamil Nadu Civil Supplies Corporation purchases non-levy sugar from Tamil Nadu Cooperative Sugar Federation at open market rates for supply to card holders. Differential cost between market price of non-levy sugar and PDS issue price is being met by Government of Tamil Nadu from food subsidy.

### **Kerosene**

28. Kerosene remains a flash point in our PDS system due to uni-lateral decision by Government of India. Government of India was giving 59852 KL of kerosene per month from 2004 to March 2010. In 2010-11, it was reduced to 52804 KL and from July 2011, it has drastically been reduced to 44572 KL per month. However, the offtake has remained steady at around 52000 KL. Therefore, from July 2011 onwards there has been severe pressure at retail points. In addition, because of short supply of kerosene, out of 55 lakh card holders who were issued cards subsequent to 2004 eligible card holders are being issued 3 litres / month irrespective of their place of residence. Hon'ble Chief Minister has sent a letter to Hon'ble Prime Minister to increase the allocation to 65140 KL/month to fully meet the requirement. Simultaneously, a drive has been launched from 15.06.2011 to identify families having LPG connection unstamped and to stamp them in the family cards so as to release the savings to eligible card holders. Initial estimate of such unstamped LPG cards is 50.24 lakh. It is expected that at the end of exercise a saving of 3,000 KL may be achieved. Since the gap will remain, action has to be taken to check illicit diversion of Public Distribution System kerosene to other uses.

29. Government of India has increased price of kerosene by Rs.2 per litre with effect from 26.05.2011. Consequently the State Government

has been forced to increase price of kerosene by Rs.2 per liter (taxes extra) from 01.08.2011. The retail selling price of kerosene ranges from Rs.13.60 to Rs.14.20 per litre depending upon the distance from the oil companies and distribution point. However, Government of Tamil Nadu continues to bear Rs.0.60 per litre as subsidy for the selling price of kerosene and under this head, the additional expenditure will be Rs. 30 crore for the year 2011-2012.

30. To streamline distribution of Kerosene, kerosene bunks have been set up for supplying kerosene. A Kerosene bunk normally serves about 5,000 to 15,000 cards. Distribution through bunks ensures assured availability of the stock through out the month, besides ensuring supply to cardholders in correct measure. At present there are 312 kerosene bunks, of which 269 bunks function under co-operatives and 43 under Tamil Nadu Civil Supplies Corporation. All the kerosene bunks have been provided hand held billing machines to track the sales, receipt and accounting of Public Distribution System kerosene on-line.

### **Special Public Distribution System**

31. Special PDS was started to protect the public from the spiraling prices of essential commodities. This has been extended upto 31-12-2011. Under Special Public Distribution System, toor dhal, urid dhal, fortified palmolein oil, fortified atta and maligai porulgal packets containing

spices and condiments are being distributed at subsidised price.

32. The scale of supply and issue price of these commodities are as follows:-

<b>S.No</b>	<b>Commodity</b>	<b>Scale of Supply (per card per month)</b>	<b>price per kg. (in Rs.)</b>
1.	Toor Dhall	1 kg.	30/-
2.	Urid Dhall	1 kg.	30/-
3.	Fortified Palmolein Oil	1 litre	25/-
4.	Fortified Atta	2 kg.	11/-
5.	Maligai Porul Packets	2 packets	25/- per packet

33. The Maligai porul packet contains 50 gms. each of turmeric powder, Chilly powder, bengal gram and cumin seeds, 25 gm each of fennel greek, mustard, broken urid dhal, pepper, 100 gm of coriander and 10 gm of garam masala, toor and urid dal are being purchased by Tamil Nadu Civil Supplies Corporation by open tender and also from

allotment made by Government of India Public Sector Undertaking. In specific circumstances, these items are being sourced from international markets. Palmolein is totally sourced from PEC, a Government of India Public Sector Undertaking.

34. The following activities highlight the action taken to strengthen the Public Distribution System:-

**(a) Supply of Electronic Weighing Machines**

Electronic weighing machines have been supplied to fair price shops run by TNCSC and Cooperatives. For Fair Price Shops run by women groups Electronic Weighing Machines will be supplied by Government.

**(b) Billing Machines in all Fair Price Shops**

Electronic Billing Machines have been supplied to all the fair price shops functioning in Chennai City. It is proposed to supply Electronic Billing Machines to fair price shops functioning in districts in a phased manner.

**(c) Conservation of Energy**

With a view to conserve energy, it has been proposed to supply Electronic Weighing Machines and Handheld Billing Machines with Solar power to the fair price shops functioning in the state.

**Issue of SMART Family Cards**

35. The validity of the existing family cards is 31.12.2011. As family cards are now being issued without any unique mechanism to identify duplication of members in more than one place, there are registration of members in family cards in more than one place which results in duplication of members as well as issue of bogus ration cards. Further, in the fair price shops, bogus billing are being prepared for family cards which have not been brought to fair price shops for purchase of commodity. With a view to eliminate this serious problem it has been proposed to replace the existing family cards in circulation by bio-metric based smart family cards. Director of census operations under National Population Registry is conducting bio-metric capturing of 10 finger prints and Iris of citizens to issue unique identification number. After completion of this process of bio-metric capturing, it has been proposed to adopt the data for issue of bio-metric smart family cards. The advantage is that since the data will be subjected to de-duplication, duplication of members and bogus cards will be eliminated. Further, in the fair price shops bills can be drawn only if the cards are physically brought to the fair price shop and hence, bogus billing will also be eliminated. It has been proposed to issue bio-metric based smart cards / family cards during the year 2012-2013, by replacing the existing cards.

## Food Subsidy

36. Issue price of essential commodities under Public Distribution System is significantly lower than those fixed by Government of India. As a result the State Government has to grant increased subsidy to the Tamil Nadu Civil Supplies Corporation. The subsidy is likely to increase this year on account of rice being supplied free of cost. Rs.4500 crore has been allocated in the budget for 2011-2012 towards this subsidy. The details of provision made towards subsidy and subsidy utilised from 2006-2007 to 2011-2012 are given below :-

S. No	Year	Budget provision (Rs. in crore)	Expenditure incurred (Rs. in crore)
1.	2006 – 2007	1950	1950
2.	2007 – 2008	1950	1950
3.	2008 – 2009	2700	2700
4.	2009 – 2010	4000	4000
5.	2010 – 2011	3950	3950
6.	2011 – 2012	4500	2000 (upto 31.07.2011)

## CHAPTER - II

### ADMINISTRATION OF PUBLIC DISTRIBUTION SYSTEM

37. The Department of Civil Supplies and Consumer Protection is the nodal department for administering the public distribution system. The officials of this department at state level, district level and at taluk level, coordinate with the cooperation department which runs large number of fair price shops and Tamil Nadu Civil Supplies Corporation which procures, stores and supply the essential commodities to public distribution outlets. Civil Supplies CID is the special police enforcement wing looking after enforcement activities besides the usual enforcement staff functioning under the Civil Supplies department. Public distribution system administration broadly consists of the family card management and distribution of essential commodities. Card management involves issue of new cards, mutations, deletions, additions and regular updation and reconciliation of the card data. Distribution of essential commodities involves monthly allotment, monitoring the movement, distributions, inspections, preventive measures to curb diversion, etc. The Taluk Supply Office/City Zonal Office being the nodal point for public contact on the redressal of grievances regarding family cards and distribution of essential commodities, this government is making all efforts to make these

offices public friendly. Simplifying the procedure for new card issue, mutations, responsive public grievances redressal mechanism, e-governance solutions to improve service level, intensive drive to eliminate bogus cards, intensive inspection and strict enforcement of law to curb illicit diversion are some of the measures to be indicated.

### **Simplification of procedures for the issue of new family cards**

38. Government have taken all initiatives to simplify the process of issuing ration cards and demystifying the entire process. It is expected that this will ensure that deserving families get ration cards without any hassle. To reduce time delay, card printing and data processing have been decentralized to the district level under the control of District Collectors, while in case of Chennai city it is under the control of Commissioner of Civil Supplies and Consumer Protection. After this government assumed office, the number of new cards issued to the eligible families upto 31.07.2011 is 1,13,425.

39. The following measures have been taken to improve the public services relating to family cards:

- a) A revised application format has been prescribed and made available through the department website, in taluk supply offices in districts and zonal offices in the city.

- b) A time limit of 60 days has been prescribed for new card applications in complete shape (with requisite documents). A system of weekly review of pending applications by Collectors has been put in place and delays have been reduced.
- c) Further, to ensure that applicants are informed of status of the printing of their ration card, a mobile SMS alert or an email alert is sent automatically to the applicant as soon as the new card is printed with their new card number to enable them to collect it from the TSO/AC office without delay. Applicants therefore are encouraged to provide their mobile phone or email address in their application form.
- d) An electronic workflow system containing online application facility has been field tested in Trichy district. The results are being evaluated and the software will be deployed across the state after making necessary modification. This will make card related transaction online and hassle free.
- e) A Citizens Charter has been prescribed for other services and is being monitored. Complete information on procedures for availing of new family cards and other services have been clearly outlined in English and Tamil and published on the department website [www.consumer.tn.gov.in](http://www.consumer.tn.gov.in)

40. In addition, the following long term measures have been proposed for further improvement of the quality of services provided to customers of various sectors at Civil Supplies taluk and zonal offices:-

- a) The office building for the office of the Assistant Commissioner, Ambathur is under construction at estimated cost of Rs.80 Lakh. The office building for the office of the Assistant Commissioner, Thousand Lights is under construction at a cost of Rs. 88.77 Lakh. **This year Rs.53.00 lakh has been set apart for construction of Assistant Commissioner's office at Saidapet zone.**
- b) A sum of Rs 25 lakh have been sanctioned for modernisation of City Zonal Offices and the work is in progress.
- c) Strengthening the surprise inspection and audit of taluk and zonal offices by constituting special teams at state level and organizing weekly inspections.

#### **Grievance redressal mechanism:**

41. Government gives highest importance to maintaining high levels of satisfaction for cardholders using Public Distribution System. Hence, resolution of complaints related to Public

Distribution System have received greatest possible attention at all levels. Complaints filed in the Chief Minister's Grievance Cell, office of Minister for Food, at various official levels and directly at the field offices are sent to concerned field officers i.e., Deputy Commissioners/Assistant Commissioners/District Supply Officer/Taluk Supply Officer, immediate action is being taken on them and reply is given to the complainant. In addition an online Grievance Registration System at the department website at [www.consumer.tn.gov.in](http://www.consumer.tn.gov.in). has been provided for the general public to file their complaints online.

- a) An online grievance registration mechanism has been put in place in the above website. In the period from 1.4.2011 to 31.07.2011, 156 online complaints were filed, out of which 39 were disposed of. Concerned District Supply and Consumer Protection Officers and Assistant Commissioners have been instructed to take action for disposing of 117 pending items.
- b) A State Consumer Help Line has been established in Civil Supplies Commissionerate. Complaints about Public Distribution System and as well as products and services can be referred over telephone or email to this State Consumer Helpline at [www.consumer@tn.gov.in](mailto:www.consumer@tn.gov.in) or 044-28592828. From 02.11.2009 to 30.06.2011, 1,05,073 complaints were received, out of which

54,543 were Interactive Voice Response System (IVRS) calls. Out of 62,989 attended calls, 12,459 were disposed of immediately as they related to queries or advise. 50,530 calls were treated as complaints for follow up and 47,061 have been disposed off successfully so far. Action is being initiated to resolve 3469 pending calls. Out of the 50,530 calls treated as complaints, 77% were Public Distribution System related, 16% were service sector related, 3% related to open market products and 4% related to other issues.

- c) District Public Distribution System Advisory Committees are formed under the Chairmanship of Collectors and Divisional Advisory Committees are formed under the Chairmanship of Revenue Divisional Officers for ensuring proper functioning of Public Distribution System. Representation is given to Voluntary Consumer organisations in the above councils and committees. State level Public Distribution System Advisory Committee functions under the Chairmanship of the Commissioner and meets every quarter.
- d) In addition, there is a monthly taluk level grievance redressal program and it is functioning effectively where officials of each taluk or zone go to a selected habitation every month to explain the procedures in

getting new ration cards including fair price shops services to the people and hear grievance of the card holders as well as applicants in that area.

### **E-Governance in Public Distribution System :**

42. E-services Project, under the national e-governance action plan of the department of information technology in the Government of India, is being implemented by this department with an assistance of Rs.4.92 crore of automating PDS activities and providing electronic services to citizens. Following are highlights of the project.

- a) Computer Hardware, ie., Desktop computers and printers, have been supplied to all offices of Deputy Commissioners, Assistant Commissioners in Chennai and all District and Taluk Supply Offices across the state and all district supply offices and all Taluk Supply Offices have been linked through Tamil Nadu State Wide Area Network (TNSWAN). Chennai City offices have been linked through broadband connections. Inter-office correspondence as well as correspondence with complainants has been largely switched to email.
- b) An Online Public Distribution System Allotment Software has been designed with help of NIC, and put to effective use . This online system has enabled compliance to

allotment procedures by Taluk offices, besides leading to substantial transparency. Further, this software is being updated from time to time to meet fresh requirements.

- c) An online service has been launched enabling citizens to login in <http://www.consumer.tn.gov.in/commodities.htm>, register their email address for a particular Fair Price Shop in any district and get details of allotments of essential commodities for the current month.
- d) Intimation regarding printing of family card is being sent through mobile phone as SMS or as e'mail, provided the applicants furnish their mobile number / email addresses in their application. This enables applicants to collect their ration cards as soon as it is printed.
- e) An SMS based Fair Price Shop stock monitoring system has been implemented by the Co-operatives department and Tamil Nadu Civil Supplies Corporation. Every evening a SMS containing the closing stock of each commodity is sent by the Fair Price Shop salesman to the central server. This enables all monitoring officials from taluk to State Level to ensure timely movement of stocks, especially of special Public Distribution System commodities. This stock information is also available to members of public via SMS if they send SMS to **Mobile**

**Numbers : 9789006492, 9789005450;**  
**PDS<space><District code><Shopcode>.**

- f) Handheld Billing Machines with GPRS connections have been installed in all Fair Price Shops in the city of Chennai, Tiruvallur and Krishnagiri Districts. These devices enable real time monitoring of sales and stocks in every shop. It is proposed to extend the project to rest of the State.
- g) Tamil Nadu Civil Supplies Corporation has commenced implementation of an Online Godown Monitoring System for enabling online capture of all transactions in godowns. This has been implemented in 222 godowns.
- h) Public Distribution System needs to be reformed by introducing a foolproof system which will eliminate bogus cards, bogus billing and such other malpractices. Such system should make the process of issue of new cards and changes therein easier and people friendly. At the same time it should also help in tracking movement of stock and sale of stocks on real time basis. Based on such lines, it is proposed to implement a total e-governance solutions. A consultant was appointed in 2010 and based on his report further action is being pursued. The proposed solution includes unique identity for each cardholder, installation of suitable devices in the shops to capture this identity

during transactions and integration of processes going on parallel lines in taluk offices, Corporation godowns, lead societies and Public Distribution System shops. Since unique identity is the key to this system State Government have proposed to Registrar General of Census, New Delhi to take up the task of biometric data capturing on behalf of State Government. Census Department has started the process in seven taluks of the State. Meanwhile the validity of existing ration cards stands extended to 31.12.2011 pending completion of capturing of Unique Identification (UID) data.

#### **Elimination of bogus cards**

43. 2011 census projects the population of Tamil Nadu at 7,21,38,958, whereas as per ELCOT ration card database, total number of family members is 8,37,57,610. The difference of 1,16,18,652 is due to duplication of same names in different cards and ghost or bogus cards. Because government incurs a subsidy of Rs.2400 per card per year, it is essential that bogus cards are eliminated at the earliest.

44. Towards this purpose, a 100% door to door verification for all the cards was conducted and after following due process, 14,29,374 family cards have been eliminated in 31 districts. Another 2,65,027 family cards have to be eliminated in Chennai City. The drive to eliminate bogus cards will be continued further.

## **CHAPER – III**

### **PROCUREMENT OF PADDY UNDER DECENTRALISED PROCUREMENT SYSTEM**

#### **Procurement of paddy**

45. Decentralised procurement system is in force in this State with effect from 01.10.2002. Tamil Nadu Civil Supplies Corporation is procuring paddy on behalf of Food Corporation of India. Paddy procured is processed through modern rice mills owned by Tamil Nadu Civil Supplies Corporation and through private hulling agents. Converted rice is adjusted against central pool allotment of Government of India and utilised in the public distribution system.

46. For Kharif Marketing Season 2010-2011 (from 01.10.2010 to 30.09.2011), Government of India have fixed minimum support price of paddy as Rs.1,000/- per quintal for common variety and Rs.1,030/- per quintal for Grade-A variety respectively. But, with a view to encourage farmers in this State and provide them a good procurement price, the State Government have procured common variety of paddy at Rs.1,050/- per quintal and Grade-A variety of paddy at Rs.1,100/- per quintal which is inclusive of an incentive of Rs.50/- for

common variety of paddy and Rs.70/- for Grade-A variety of paddy. For this purpose, the Government have provided Rs.200 crore in the budget for the year 2010-2011. Tamil Nadu Civil Supplies Corporation took procurement activities to the door steps of the farmers in the season by arranging to purchase paddy from the field itself by deputing official team with lorries from the farmers who had a stock of 300 bags and above. During Kharif Marketing Season 2010-11, upto 31.07.2011 a quantity of 21,06,360 metric tonnes of paddy has been procured.

47. Electronic weighing machines have been given to all direct purchase centres in delta districts to ensure correct weightment while procuring paddy in direct purchase centres.

48. The Tamil Nadu Civil Supplies Corporation has 23 Modern Rice Mills at various places in Tamil Nadu. The hulling capacity of these mills is 45,400 metric tonnes per month.

## **CHAPTER - IV**

### **ENFORCEMENT IN PUBLIC DISTRIBUTION SYSTEM**

49. The essential commodities are distributed under Public Distribution system at heavily subsidized prices and hence anti social elements tend to divert these commodities to black market. Hence, there is a pressing need to enforce the relevant laws and to prevent diversion by booking and prosecuting offenders.

50. Enforcement function is performed by Civil Supplies and Consumer Protection department. At the State level, the Commissioner of Civil Supplies is assisted by an Assistant Commissioner (Inspection) and a Flying Squad Superintendent while at district level, District Collector coordinates the enforcement under Public Distribution System. Flying squads are functioning in each district to keep vigilance on functioning of Public Distribution System and to control diversion of essential commodities.

51. Tamil Nadu Civil Supplies Corporation also has a Vigilance Officer with a team of officials working under the control of the Managing Director to collect intelligence on diversion of commodities from Tamil Nadu Civil Supplies Corporation godowns or while in transit from Food Corporation of India to Tamil Nadu Civil Supplies Corporation

godowns. Tamil Nadu Civil Supplies Corporation vigilance team conducts surprise raids on Tamil Nadu Civil Supplies Corporation godowns, hulling agents performing custom milling and Tamil Nadu Civil Supplies Corporation Fair Price Shops and launches necessary disciplinary action. All district and taluk level officers and flying squad Tahsildars have been provided with mobile phones to facilitate intelligence collection and coordination.

52. To take effective and focused action against large-scale diversion and smuggling of Public Distribution System commodities, a specialized agency, namely Civil Supplies CID wing has been set up under the charge of a senior police officer of the rank of Additional Director General of Police who is assisted by an officer in the rank of Inspector General of Police. This wing has a total strength of 236 located in 20 units spread all over the State. This wing carries out periodical inspections and raids and patrols the borders and important smuggling routes to curb diversion. It also initiates criminal action against those indulging in smuggling of Public Distribution System commodities. In extreme cases, steps are taken to cause preventive detention under the provision of Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, and Essential Commodities Act. Further, Civil Supplies CID wing concentrates on collection of vital intelligence and coordinates with Commissioner of Civil Supplies, District Collectors, Superintendent of Police and regular police to control smuggling of

Public Distribution System rice and other essential commodities. The progress under enforcement activities is given below:-

Year 2011	No. arrested	No. detained	Quantity seized (rice) (in Metric tonnes.	Quantity seized (kerosene) (in Litres)
January to July	8958	112	4738	200554

53. Further, the following additional measures have been taken up.

- a) Surprise raids by State level Special Enforcement Teams are being conducted with help of officers of known integrity belonging to Civil Supplies and Consumer Protection Department, Tamil Nadu Civil Supplies Corporation and Cooperatives.
- b) Control rooms have been opened in all districts including Chennai to receive information on diversion of Public Distribution System commodities. These phone numbers have been made public.
- c) Reward scheme of Rs.500/- for each information leading to seizure and Reward Scheme of Rs.200/- for information on each bogus cards identified and cancelled is being implemented.

- d) Action is being taken for cancellation of vehicle permit and driving license of offending vehicles and drivers involved in smuggling of Public Distribution System commodities.
- e) Special raids have been organised to curb black-marketing of subsidised domestic LPG cylinders.
- f) After this Government has come to power intensive Special raids have been conducted especially in border areas adjoining to neighbouring States and vehicles smuggling Public Distribution System rice along with the vehicles have been seized and prosecution launched against the offenders. This has created fear in the mind of anti social elements who are trying to smuggle Public Distribution System commodities.
- g) Certain Tamil Nadu Civil Supplies Corporation hulling agents indulging in recycling of Public Distribution System rice have been suspended and 28 such serious offenders have been blacklisted. The activities of hulling agents are closely monitored and severe action will be taken against hulling agents who are indulging in malpractices.

54. The Details of enforcement work carried out from 01.04.2011 to 31.07.2011 is furnished below:-

<b>Details</b>	<b>Quantity</b>
No. of raids conducted	11441
No. of persons arrested	5149
No. of vehicles seized	433
<b>Quantity of commodity seized:</b>	
PDS Rice	2661 metric tonnes.
PDS Kerosene	1,22,964 Litres.
Diesel	40 Litres.
Petrol	233 Litres
LPG Cylinders	4546 Nos.
No. of persons detained under Black Marketing Act	73

## CHAPTER-V

### PRICE SITUATION AND PRICE CONTROL MEASURES

55. Increase in prices, especially in those of essential commodities hits the poor hard and substantially reduces their well being. Therefore the Government is constantly on job, monitoring prices of essential commodities on daily basis and taking such remedial steps as and when the situation warrants.

56. Inflation management has become more complex because of increasing integration of markets across State and national boundaries. Global trends in food prices have a considerable impact on local prices. This is more pronounced in commodities like edible oil and pulses where India is not self sufficient and has to depend on imports. International crude prices today play a major role in determining price levels across the globe and Tamil Nadu is no exception to this trend. In such a scenario the task of price management is indeed complex and difficult.

57. Food inflation reached a peak of 19.83% during the week ended 19<sup>th</sup> December 2009. This has come down over last one year in the wake of bumper harvest of foodgrains, comfortable storage

portion and currently stands at 9.90% for the week ended 30.07.2011. Price scenario for the State in 2011-12 appears comfortable so far with increase in agricultural growth from 4% to 5.5%, increase in area under pulses and oil seeds, increase in productivity of paddy and sugarcane and additions to storage capacity. In last one year prices of rice, wheat and wheat products went up moderately on year to year basis, while prices of pulses and sugar have declined. Only prices of edible oil and spices have gone up because of increasing crude prices and supply constraints respectively.

58. Government is carefully monitoring the price trend and taking appropriate steps to mitigate the sufferings of common man. Accordingly it has initiated supply of rice upto 20 kg. free of cost to cardholders through Public Distribution System from 01.06.2011 and extended the scheme of Special Public Distribution System to 31.12.2011 wherein supply of subsidized pulses, palmolein, atta and spice packets to card holders will be continued.

59. In addition, the Honourable Chief Minister has ordered setting up of a price stabilization fund with a corpus of Rs.50 crore to enable cooperative societies / Tamil Nadu Civil Supplies Corporation to intervene in the market with a view to controlling the prices at a time when there is sudden spurt in price.

60. Concerted action is being taken to curb hoarding and black marketing so as to bring stability to food market. Government will continue to work for a stable price regime and to fight inflation with all the resources at its command.

## CHAPTER-VI

### CONSUMER PROTECTION

61. Next to elimination of hunger, consumer protection remains the topmost priority of the department. Of late the subject has gained importance in view of increasing size and complexity of markets, fast changing technology and expanding range of products. The main focus of consumer protection policy of the State Government will be to ensure that the goods and services are available to consumers at reasonable prices and quality as per laws of the land. In other words, the Government will take steps to ensure that the consumers get value for their money and not get cheated. This is sought to be achieved through a two-pronged process (i) by creating consumer awareness about the rights and duties and on the methods of redressal available and (ii) by setting up efficient redressal mechanism with sufficient powers to ensure quick redressal of grievances.

#### **Spreading Consumer Awareness:**

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

62. Realizing the need for creation of an State level umbrella organizations to take up various consumer welfare activities, Government have set up Tamil Nadu State Society for Consumer Protection and Empowerment (TANSSCOPE) in

12.12.2008 with the Commissioner of Civil Supplies and Consumer Protection as its President ex-officio and members drawn from both Government and non-Government sector. The society has been given the mandate to raise funds from State Government, Government of India and National and International agencies for undertaking Consumer Protection and awareness generation activities. Currently it is engaged in running the State Consumer Help line (SCHL), publishing the monthly journal “Nugarvor Kavasam” and is conducting training programs and workshops. Its total budget in 2010–2011 was Rs.1,44,42,616/- and in 2011–2012 it expects to spend Rs.1,64,03,616/- for consumer welfare activities. Government of India in 2010–2011 have provided Rs. 1,19,42,616/- to TANSCOPE for conducting various consumer awareness activities.

### State Consumer Helpline:

63. In consultation with Government of India, the State Government has established State Consumer Helpline within the office of Commissioner of Civil Supplies. For this purpose GOI have provided grant-in-aid of Rs.38,96,616/- for first year and Rs.22,71,616 for second year.

64. This help line is basically an alternate grievances redressal mechanism where a consumer can make complaints/ seek clarifications and the helpline will endeavour to get a remedy or give clarification by contacting the seller. The service is available in 3 languages – Tamil, English and Hindi.

The contact points for State helpline are given below:-

Telephone No:	e-mail address	Online Registration
044 – 28592828	<a href="mailto:consumer@tn.gov.in">consumer@tn.gov.in</a> , <a href="mailto:schtamilnadu@gmail.com">schtamilnadu@gmail.com</a> , <a href="mailto:sch@tn.gov.in">sch@tn.gov.in</a>	<a href="http://www.consumer.tn.gov.in">www.consumer.tn.gov.in</a>

### Consumer Advice Centre:

65. In addition to the State consumer Helpline, a Consumer Advice Centre is functioning on pilot basis in Chennai District to provide advice to the consumers regarding pre-purchase and post-purchase issues while buying goods / services. So far, 7,987 advisories have been issued by their center. After evaluation the option of extending this to other districts will be explored.

### Publicity and propaganda:

66. The department has taken special steps towards propagation of consumer awareness among common public especially among those living in rural and village areas, through electronic and print media like television, AM/FM radio, newspapers, magazines and publicity through train/bus, sign boards, posters, and has obtained grant-in-aid to a tune of Rs.40 lakh from Government of India. 14 short video films containing messages on consumer awareness and sustainable consumption have been

produced and are being telecast through Doordharshan Tamil Regional Service Poodigai Television channel. Similarly, Phone-in live program has been organized through “Podhigai” – Doordharshan Tamil Channel on monthly basis wherein experts drawn from department, industry and voluntary sector provide necessary information to the public.

### **Citizen Consumer Clubs**

67. Formation of Citizen Consumer Clubs is actively encouraged in all schools, Colleges and Polytechnics to enable the students to develop into pressure groups in consumer movement. Presently, in the State, Citizen Consumers Clubs have been established in 1000 schools and in 500 colleges with financial assistance of Rs.2.62 crore. TANSSCOPE has appointed four Regional Citizen Consumer Club (CCC) Co-ordinators at Chennai, Tiruchirpalli, Madurai and Coimbatore Regions to coordinate with these consumer clubs and to consolidate and expand their network.

### **Other activities**

68. Consumer awareness projects such as orientation-cum-training program, consumer festivals and outreach camps are being conducted. Similarly National Consumer Day is being celebrated at district and State levels. Seminars and workshops are being conducted on specific subjects like safe environment and sustainable consumption. Training

is being imparted to consumer activities belonging to voluntary consumer organizations. Awards are being given to selected District Collectors, Voluntary Consumer Organisation (VCO), Citizen Consumer Clubs for their contribution to furtherance of the cause of consumer protection.

### **State/District consumer protection council**

69. Consequent to the amendment of consumer protection rules composition of members of State and District Consumer Protection Council have to be formed. These bodies are to over see the consumer protection activities in their respective areas and to give necessary advice to Government.

### **Tamil Nadu State Consumer Welfare Fund**

70. State Government has constituted Tamil Nadu State Consumer Welfare Fund with contributions from State and Centre as seed money at Rs.50 lakh each. Tamil Nadu State consumer welfare fund rules 2007 has been notified which lays down modalities for utilizing corpus fund and for augmenting the fund. The fines and fees collected by State Consumer Disputes Redressal Commission and District Consumer fora are also being credited to this fund. The proceeds of this fund is being utilized to promote consumer education and research. To strengthen this fund Government of India has proposed to set up a corpus of Rs.10 crores with Central and State contribution in

the ratio of 75:25. It is under consideration of the State Government.

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

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

**WEB SITE : [www.consumer.tn.gov.in](http://www.consumer.tn.gov.in)**

72. An exclusive web site which contain valuable information for consumers like definitions, duties and responsibilities of consumers, etc. is being maintained through National Informatics Centre, Chennai. The said website displays details of all programmes on consumer protection / awareness, all publications of this Department besides having provision for filing complaints regarding exploitation of consumer rights. Also the website provides information relating to all the services provided by Civil Supplies and Consumer Protection Department.

### **Projects proposed for implementation during 2011-12**

73. The department proposes to conduct 3 special programs for increasing consumer awareness, namely:-

- a) Training of Self Help Groups on consumer protection.
- b) Training of farmers on consumer protection.
- c) Training of Presidents and members of District Fora.

Total cost of this initiative is estimate at Rs.128 lakh It is also proposed to create awareness on various aspects of mobile services and on rights and duties of investors in various financial instruments. After sanction of grant from Government of India, they will be implemented.

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

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

1. National Consumer Disputes Redressal Commission, New Delhi
2. State Consumer Disputes Redressal Commission (State head quarters)

3. District Consumer Disputes Redressal  
Fora (all district headquarters)

**National Consumer Disputes Redressal  
Commission**

75. The National Commission is the Apex quasi-judicial body for consumer dispute redressal. It has original jurisdiction of cases dealing with monetary value of over Rs.1 crore. It is also the Appellate and Revisional Authority over the decisions given by the State Consumer Disputes Redressal Commissions.

**State Consumer Disputes Redressal  
Commission**

76. Any consumer can file a complaint before the State Commission, provided the cost of goods or the sum of compensation asked for is more than Rs.20 lakh but less than Rs.1 crore. The State Commission in Chennai is headed by a retired High Court judge as the President with four Members, with 50% of members from judicial background. There is also a Registrar in the cadre of district judge to run the routine administration including that of district fora. The State Commission is the Appellate authority and Revisional authority for all the District Fora in the State. Since inception in 1992, 22,675 cases have been filed and 20,361 cases have been disposed of up to June 2011. A Circuit Bench has been constituted by the

Government at Madurai to clear the pending cases and to enable better access by consumer from southern parts of the State.

**District Consumer Disputes Redressal Fora**

77. As per Consumer Protection Act, 1986, every Revenue District should have a District Consumer Disputes Redressal Forum. As of now, there are 30 District Consumer Disputes Redressal Fora functioning in the State. A consumer can file the 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, in the cadre of retired District Judge and two members, one of whom has to be female. Since inception, 97,835 cases have been filed and 92,859 cases have been disposed of upto June 2011.

**Future Plan**

78. Department of Consumer Affairs, Government of India assists in creating infrastructure for consumer fora in form of buildings and other supporting infrastructure. This year Government of India has sanctioned Rs.3.94 crores for construction of own building for State Commission and District Fora of Chennai (North), Chennai (South), Namakkal, Nilgiris and Virudhunagar at Srivilliputhur. Action will be taken to provide own buildings to all district fora in a phased manner.

## CHAPTER-VII

### TAMIL NADU CIVIL SUPPLIES CORPORATION

79. The Tamil Nadu Civil Supplies Corporation was incorporated on 24<sup>th</sup> April 1972 under the Companies Act, 1956. Later, in 1975 it was converted as a State owned Public Sector Undertaking. This Corporation is mandated in procurement of essential commodities processing storage and distribution to Public Distribution System shops for distribution under the Public Distribution System. It also procures and distributes commodities required for other welfare schemes run by the Government. It is also mandated in providing services and expertise to other Government organization under taking similar activities.

80. It is a wholly owned State Government Public Sector Undertaking. The Managing Director and the Board of Directors are appointed by the Government of Tamil Nadu from among the senior IAS officers. For administrative convenience, the Corporation has 33 Regions, broadly corresponding with revenue districts, headed by Senior Regional Managers / Regional Managers in the cadre of District Revenue Officers / Deputy Collectors. There are 9119 regular employees on the roll of this Corporation.

### Godowns and storage facility

81. Out of the 386 godowns with a storage capacity of 11.03 lakh metric tonnes available Tamil Nadu Civil Supplies Corporation owns 211 godowns with a capacity of 6.59 lakh metric tonnes and also hires godowns of Tamil Nadu Warehousing Corporation, Central Warehousing Corporation and Private persons depending upon need. As the number of commodities distributed under Public Distribution System has increased, additional storage capacity is required in most of the regions. Tamil Nadu Civil Supplies Corporation has proposed to construct 85,000 metric tonnes capacity of godowns in its own premises and 30,000 metric tonnes capacity of godowns are proposed in the Handloom and Textiles Department lands by availing fund assistance from NABARD. **It is proposed to construct a new scientific godown of 1250 metric tonnes capacity at Fort – Tondaiyarpeta Taluk, Mint in Chennai district at a cost of Rs.60 lakh and another of 1200 Metric tonnes capacity at Mangalam village in Thirukazhukundram Taluk at Kancheepuram district at a cost of Rs.50 lakh.** Apart from this buffer godowns are also used to store paddy and other essential commodities.

### **Construction of direct purchase centres in non- delta districts :-**

82. In each financial year Tamil Nadu Civil Supplies Corporation has constructed 10 direct

purchase centres in the gifted lands in the delta districts of Thanjavur, Thiruvarur and Nagapattinam regions by availing fund assistance from Government.

### **Amudham departmental stores**

83. The Corporation also runs 21 Amudham departmental stores in Chennai and 4 stores in Cuddalore. These stores sell essential commodities including groceries at reasonable prices. Amudham departmental stores enjoy good patronage from poor and middle class for their quality products at the rates cheaper than other departmental stores and serve as an effective tool in controlling open market prices.

### **Free distribution of electric fan, mixie and grinder**

84. His Excellency the Governor of Tamil Nadu in his address in the Legislative Assembly on 3.6.2011 announced that the Government will procure and distribute electric fans, mixies and grinders to the women as prescribed and commence its distribution with effect from September 15<sup>th</sup>, 2011 on the occasion of the celebration of Perarignar Anna's birth day and that 25 lakh families will be covered during 2011-12 and that women beneficiaries belonging to families holding family cards which are eligible for drawing rice will get this benefit and that all of them will be covered in a phased manner. The Tamil Nadu Civil Supplies

Corporation has been entrusted with the task of procuring electric fans, mixies and grinders under this scheme following the procedure stipulated in the Tamil Nadu Transparency in Tenders Act, 1998 and Rules 2000. Accordingly, the Tamil Nadu Civil Supplies Corporation has been pursuing action to procure these items.

### **Monitoring**

85. Tamil Nadu Civil Supplies Corporation has also taken up other IT initiatives such as

- a) Computerisation of all godown activities.
- b) Providing Hand Held Billing machines in fair price shops for online monitoring of sales in Tamil Nadu Civil Supplies Corporation shops in Chennai.
- c) Introduction of Global Positioning System based lorry tracking to track the movement of rice loads from Food Corporation of India Depot to Tamil Nadu Civil Supplies Corporation godowns and from there to Fair Price Shops in Krishnagiri and Tiruvallur regions.
- d) Setting up control room in Tamil Nadu Civil Supplies Corporation Head Office for registering complaints from the farmers in Delta regions during the peak

procurement and to monitor the field point activities through various on-line monitoring systems.

- e) Monitoring the stock position of fair price shops through web application for which data is collected through Short Message Service.

## **CHAPTER – VIII**

### **TAMIL NADU WAREHOUSING CORPORATION**

86. The Tamil Nadu Warehousing Corporation was established in 1957 with the objective of providing scientific warehousing for agricultural produce, seeds, manures, fertilizers, agricultural implements and other notified commodities. Apart from the above, it also issues Warehouse Receipts so as to enable the farmers and dealers to get credit facility from the bank.

87. The storage space available in the Warehouses of this Corporation is 6.40 lakh metric tonnes spread over 58 locations. It is being utilized by various agencies such as Food Corporation of India, Tamil Nadu Civil Supplies Corporation, Tamil Nadu State Marketing Corporation, Cooperative Sugar Mills and Tamil Nadu Minerals and Metal Trading Corporation. The current occupancy rate is 83%.

## 88. Details of storage space

### a) Storage Capacity

Storage Capacity	No. of Godowns	Capacity (in metric tonnes.)	Utilisation	Percentage of Occupancy
Owned	55	629604	522763	83%
Hired	3	10782	10555	98%
<b>Total</b>	<b>58</b>	<b>640386</b>	<b>533318</b>	<b>83%</b>

### b) Customer wise utilization

Year	Average capacity	Percentage of utilization						TOTAL %
		FCI	TNCSC	CO-Op.	FERT	GOVT	OTHERS	
31.03.2011	6.38	9	23	4	2	6	39	83

## Construction of New / Additional Godowns

c) During 2010-11, the construction of following godowns has been completed as detailed below:-

S. No.	Place	Capacity in metric tonnes.
1.	Attur	3400
2.	Namakkal	3400
3.	Pattukottai	3400
	<b>Total</b>	<b>10200</b>

d) During 2011-2012, additional godowns will be constructed exclusively for Food Corporation of India to the extent of 30,000 metric tonnes under Private Entrepreneurs Godown 2008 scheme at two places viz. Chinnasalem (15000 metric tonnes) and Karaikudi (15000 metric tonnes)

## Capital / Financial position

89 (A). The authorized Share Capital of the Corporation is Rs.800/- lakh. The paid up Share Capital is Rs.761 lakh. The State Government and the Central Warehousing Corporation are the two share holders on 50:50 basis.

89 (B). As per the Provisional Annual Accounts for the year 2010-2011, the total income of the Corporation is Rs.3921 lakh as against the total income of Rs.3292.90 lakh during the earlier year. This Corporation earned Rs.991.16 lakh as profit before tax for the year 2009-2010 which is the highest profit earned by this Corporation from its inception. It is expected that the total income for the year 2010-2011 will be Rs.3921.00 lakh and the profit Rs.1354.25 lakh, before tax. The Board of Director of directors have declared and paid 10.5% of dividend i.e. Rs.79.90 lakh to the shareholders for the year 2009-10.

**DETAILS OF SCHEMES SANCTIONED UNDER  
PART-II SCHEMES FOR 2011-12**

(Rs. in Lakh)

Sl. No.	Name of the Scheme	Total Cost	Cost for 2011-12
<b>I</b>	<b>Civil Supplies Department</b>		
1.	Construction of New own building to the Assistant Commissioner Office, Saidapet Zone	53.00	53.00
2.	Implementation of Sevvottam and quality Management Systems under IS 15700-2005	3.00	3.00
3.	Modernisation – infrastructure – purchase of Wooden Racks	6.08	6.08
	<b>CCS &amp; CP Total</b>	<b>62.08</b>	<b>62.08</b>

<b>II</b>	<b>Tamil Nadu Civil Supplies Corporation</b>		
1.	Construction of 1250 MT capacity godown at Mint in Chennai District	60.00	60.00
2.	Construction of new godown of 1200 MT capacity at Managalam village in Thirukazhukundram Taluk at Kancheepuram District	50.00	50.00
	<b>TNCSC Total</b>	<b>110.00</b>	<b>110.00</b>
<b>III</b>	<b>State Consumer Disputes Redressal Commission</b>		
1.	Providing of Xerox machines to 11 Districts	8.25	8.25
2.	Providing of Additional Furniture to District Fora	3.00	3.00
3.	Providing of Law Books to State Consumer Disputes Redressal Commission and District Fora	3.06	3.06
	<b>SCDRC Total</b>	<b>14.31</b>	<b>14.31</b>
	<b>TOTAL</b>	<b>186.39</b>	<b>186.39</b>

90. The Department will undertake all activities required to continuously provide food security, nutrition security and consumer protection. Stern and impartial action will be taken against the smugglers of essential commodities. All steps that are necessary to safeguard the poor from the onslaught of rise in prices of essential commodities

will be taken. Under the visionary guidance of the Hon'ble Chief Minister, the department will continue to apply the latest developments of Information Technology in the implementation of the public distribution system so as to ensure consumer satisfaction.

**BUDHICHANDIRAN  
MINISTER FOR FOOD**

**ANNEXURE**

**ALLOTMENT FOR 2010-2011**

**(Rs. in Lakh)**

<b>Department</b>	<b>Revenue</b>	<b>Capital</b>	<b>Loan</b>	<b>Total</b>
Commissionerate of Civil Supplies and Consumer Protection.	461105.88	315.02	0.01	461420.91
State Consumer Dispute Redressal Commission	867.72	0.01	-	867.73
<b>Grand Total</b>	<b>461973.6</b>	<b>315.03</b>	<b>0.01</b>	<b>462288.64</b>