

Demand No. 13
POLICY NOTE ON FOOD AND CONSUMER PROTECTION
2009-2010

Introduction

Universal food security is the core object of the food policy of the state. Government of Tamil Nadu have been single-mindedly pursuing the fundamental goal of eliminating hunger from the state. **Right to food is implicit in the fundamental right to life**, as recognized by the Supreme Court of India. Our State Government recognizes this fact and strives to ensure that **no** family in the state goes hungry, due to poverty or lack of access to food grains in the state. Therefore, universal public distribution system is followed in the state, which fulfils this objective of universal food security. The public distribution system in the state, thus, ensures easy access, adequate availability of food grains at an affordable rates to all needy families. By eliminating hunger and poverty among the people, Tamil Nadu is marching ahead in the path of growth.

2. Significant importance being accorded by the Government of Tamil Nadu to food security is evident from the historically important order on the very first day of assuming charge on 13th May 2006 by the Hon'ble Chief Minister, reducing the issue price of rice under public distribution system from Rs.3.50 per kilogram to Rs. 2 per kilogram. Further, taking note of the spurt in national and global prices of various food commodities, it has further reduced the issue price of rice from Rs.2 per kilogram to Re. 1 per kilogram with effect from 15th September 2008, thereby fulfilled the dream of Peraringnar Anna. This has helped in dispelling penury amongst the poor like darkness melts before the sun and **the people who suffer for want of a small quantity of food have been supplied with pots overflowing with rice**. The question, "Do people having no money shall always suffer?" asked in the yester years has been answered now. By this remarkable feat, the state Government have virtually guaranteed food security to every family in the state. It is noteworthy to mention here that Tamil Nadu is the only state in the country to issue rice at such lowest price under public distribution system. This initiative taken by the State government is being emulated by other states now.

3. With a view to contain open market prices of key essential commodities such as dhall, edible oil etc., and to reduce adverse impact of price rise on the common man and to provide nutrition security to the poor, particularly women and children, the State government have launched a special scheme with effect from 14.04.2007. Under this special scheme, toor dhall, urid dhall, palmolein oil are procured in open market and supplied to cardholders at substantial subsidy. Besides these, triple fortified atta, rava and maida are also supplied at subsidised prices. As a result, poor families are able to purchase these essential commodities at incomparably affordable rates. This special scheme functions as reliable price moderation programme against inflation and price rise and safeguards the vulnerable and downtrodden families.

4. Promotion of consumer welfare is another thrust area of this department. Though, there has been increasing awareness of consumer rights in recent years, the level of awareness needs to keep pace with the emerging new and deceptive marketing techniques and unfair trade practices. Government is taking all out efforts to create awareness through media campaigns, publication, training programmes and workshops with the help of voluntary consumer organisations on the exploitative trade practices of traders and manufacturers, besides guiding consumers on the need and know-how to safeguard themselves against such practices. While the Government's objective is to create awareness among consumers to protect themselves against exploitation, Government strives its level best to strengthen legal remedies available.

CHAPTER- I

Public Distribution System

Government of Tamil Nadu has been implementing universal public distribution system in this state instead of the targeted public distribution system advocated by the Government of India. Tamil Nadu is a state where failure of monsoon and frequent droughts and cyclone affect large number of potentially vulnerable families. Hence, classifying certain families as Above Poverty Line (APL) and excluding them from the benefit of public distribution system would be very risky and tantamount to abandoning them during distress. Further, the process of identifying Below Poverty Line (BPL) families itself is fraught with errors and bias and hence it will lead to difficulties and confusion in achieving the desired objective. Evaluation of Targeted public distribution system in other states reveals disturbingly high levels of errors of exclusion of deserving families. Social and human development costs of targeted public distribution system, due to high errors of exclusions, are too high to be ignored. Therefore, targeting a specific segment of population as BPL or APL and excluding large number of vulnerable families under public distribution system is felt administratively unacceptable and sociologically unethical by the Government. On the other hand, universal public distribution system in Tamil Nadu envisages that every family living and cooking separately is entitled to a family card and thus assures universal food security. It is left to the choice of the families themselves to buy rice or other commodities according to their need.

2. Universal public distribution system has worked well and even during difficult periods, the price levels of food grains have been kept under control. As a result, there is **no** starvation death and chronic hunger in this state. With a view to further strengthen the network of food security provided to families, the state has stepped up food subsidy to the extent of Rs.2800 crores for this year with the sole objective of protecting poor and vulnerable sections of society.

3. Public distribution system is regulated by civil supplies and consumer protection department. At district level, the department is headed by a District Supply and Consumer Protection Officer, while it is headed by Deputy Commissioner and District Consumer Protection Officer in Chennai and its suburban areas. District Collectors are responsible for coordinating and monitoring the implementation of public distribution system in all districts, except Chennai. The Joint Commissioner supervises this item of work in Chennai and suburban areas.

4. Tamilnadu Civil Supplies Corporation (TNCSC) is a Government agency which lifts stock from Food Corporation of India and stores essential commodities in its 212 operational godowns spread all over the state for distribution under public distribution system. Stocks are moved by lead cooperative societies from the Tamilnadu Civil Supplies Corporation operational godowns according to the monthly allotment and delivered at the doorsteps of fair price shops. Similarly, sugar is moved by Tamilnadu 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 Tamilnadu Civil Supplies Corporation operational godowns. Likewise, cooperatives also engage their own transport contractors through open tender system for moving stocks from Tamilnadu Civil Supplies Corporation operational godowns to public distribution system outlets. Tamilnadu 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, cooperative societies and Tamilnadu Civil Supplies Corporation either take delivery from storage points of private

wholesale dealers in barrels and transport them to fair price shops or wholesale dealers deliver kerosene directly to fair price shops in tanker lorries. In the case of kerosene bunks, stocks are supplied by whole sale dealers through tanker lorries.

5. 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, officials of Civil Supplies department, Revenue and Cooperative departments. Based on entitlements and after taking into account the closing stock every month, net allotment is made at the district level and commodities are indented by agencies running fair price shops and taken delivery according to sales and storage space in shops. Thus, availability of essential commodities is ensured in all public distribution system outlets and monitored very closely.

A. Fair Price Shops

6. Fair price shops are run predominantly by cooperatives and a limited number of fair price shops by Tamilnadu Civil Supplies Corporation. In Tamil Nadu private traders are not allowed to run fair price shops. With a view to encourage rural women folk and to improve their living standards, Government have permitted women self-help groups to run fair price shops. The number of fair price shops run by women self-help groups is 646 as on 31.3.09. Similarly, village panchayats have also been authorized to run fair price shops. Necessary guidelines have already been issued by the Rural Development and Panchayat Raj Department. However, so far, no panchayat has come forward to run fair price shops.

7. It is the endeavour of this Government to see that the public distribution system outlets are located in close proximity to habitations. Government have ordered opening of new fair price shops in such a way that no cardholder walks more than 1.5 kilometres. Government stipulates the minimum number of cards as 500 per shop in rural area and not less than 800 cards per shop in urban area. This has ensured establishment of fair price shops in close proximity of the respective residential area. Requests for part-time shops are being accepted in exceptional cases even if the number of cards is less than the stipulated number, by relaxing the stipulated conditions for valid reasons such as remote, hilly terrain, law and order issues, etc. But in such cases, the villagers of the area should provide rent-free accommodation for the part time shop. This Government have opened 1250 additional part time fair price shops and 148 new shops from 01.06.2006 to 31.03.2009. This has improved the accessibility of public distribution system to cardholders.

8. 30,036 fair price shops comprising 23,568 full time shops and 6468 part-time shops are functioning in Tamilnadu. Out of these, 505 are having more than 2000 family cards. Hence there are difficulties in issuing commodities to the public. **It is, therefore, proposed to bifurcate fair price shops having more than 2000 family cards during the current year.**

9. In Chennai city 914 fair price shops are run by cooperatives and 366 fair price shops are run by Tamilnadu civil supplies corporation. Out of these, 522 fair price shops run by cooperatives and 134 fair price shops run by Tamil nadu civil supplies corporation require alternate sites as the shops in the sites are in dilapidated condition. Further the shops are located in inaccessible places. Hence for the convenience of the public, it is proposed to construct newly designed own buildings for the fair price shops for the convenience of the public so as to have easy accessibility. **As a first step it is proposed to construct newly designed own buildings for the fair price shops in 251 places in Chennai city at a cost of Rs.8.785 crores.**

10. As on 31.3.2009, the state has 30,036 public distribution system outlets of which 23,568 are full time and 6,468 are part-time, as indicated below:-

Sl. No	Agency	Full time	Part time	Total
1.	Tamilnadu civil supplies corporation	1097	90	1187
2.	Co-operatives under Registrar of Co-operative Societies	21715	6284	27999
3.	Other co-operatives under functional Registrars	176	15	191
4.	Women fair price shops, including self help groups	567	79	646
5.	Mobile fair price shops run by cooperatives	13	-	13
Total		23568	6468	30036

B. Family Cards

11. Families in this state 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 31.3.2009 are as follows:-

SI No	Types of card	Commodities entitled	Number of cards
1.	Green cards (rice option cards)	All commodities	1,69,91,493
	i) General		
	ii) Antyodaya Annayojana		
	iii) Total		1,88,35,895
2.	White cards (sugar option cards)	All commodities, except rice	10,98,775
3.	Khaki cards (Police cards)	All commodities	56,734
4.	No commodity card (white colour)	No commodity	64,703
Total			2,00,56,107

(i) Antyodaya Annayojana Family Cards

12. Based on the direction of Supreme Court of India in a public interest litigation (PUCL vs. the Union of India), Government of India announced the AAY scheme. Even though Government of Tamil Nadu does not classify families into BPL and APL, poorest of poor (antyodaya) families have been identified based on Supreme Court of India directions and their cards stamped with Antyodaya Annayojana (AAY) seal. Number of families covered under AAY scheme has been stepped up periodically as per directions of the Government of India by selecting deserving poorest of the poor families from amongst BPL families. Total number of

AAY beneficiaries allotted to Tamil Nadu is 18,64,600. With a view to eliminate ineligible families and to include the eligible families under AAY scheme, periodic verification exercises are being conducted by the District Collectors.

(ii) Family Cards for Transgender persons

13. The fact that transgender persons suffer social ostracism and tend to live away from their families along with other transgender persons causes disgraceful embarrassment to Government. There is need to modify the concept of family, as applied to ration cards, in their case. Government of Tamil Nadu, after recognizing their plight, have formed a Welfare Board for transgender persons and have issued identity cards. District Collectors have been authorised to issue family cards to transgender persons based on such identity card after due verification. The number of cards issued to transgender persons in this state is 658 as on 31.3.2009.

(iii) Family cards for Police personnel

14. While moving the demand on Home Department on the floor of the Legislative Assembly on 12.05.2008, Hon'ble Chief Minister has indicated that existing system of supply of subsidized essential commodities for police personnel through Circle Inspectors is a cumbersome process and ineffective. Hence, Hon'ble Chief Minister has announced that subsidized essential commodities will be supplied to police cards through fair price shops nearest to the residence of their families from 01.10.2008. In order to implement the above scheme new inner sheets have been attached to 27,976 existing police (khaki) cards. For those police personnel having regular family cards and for those who do not have family card, 27,313 new police cards have been issued. Thus, 55,289 police cards to police personnel are under circulation as on 31.3.2009. Scale of supply and the subsidized price at of essential commodities supplied to them are indicated below:-

SI 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
1.	Rice	5 kilogram	20 kilogram
2.	Sugar	½ kilogram	2 kilogram
3.	Wheat	½ kilogram	2 kilogram
4.	Palmolein oil	¼ litre	1 litre
5.	Toor dhall	1 kilogram	4 kilogram
6.	Urid dhall	1 kilogram	4 kilogram
7.	Rava and maida	¾ kilogram	3 kilogram

Rice, sugar, wheat, palmolein oil, toor dhall and urid dhall are issued at 50% of the public distribution system rate. Rava and maida are sold at Rs.3 less than the public distribution system issue rate for each kilogram. Kerosene is supplied as per entitlement and at rates applicable to public distribution system.

C. Scale of supply of commodities

15. Essential commodities supplied through public distribution system are rice, wheat, sugar and kerosene. Under special public distribution system, commodities distributed to cardholders are toor dhall, urid dhall, palmolein oil, fortified wheat flour, rava and maida. Details of commodities supplied, their prices and scale of supply per month are as follows:-

Sl. No	Name of the Commodity	Price	Scale of supply per family
1	<u>Public Distribution System</u> Rice	Re.1.00 per kilogram	(i) <u>Andyodaya Anna Yojana</u> AAY - 35 kilogram per month irrespective of its size. (ii) <u>Other cards</u> 4 kilograms per adult and 2 kilograms per child per month, subject to a minimum of 12 kilograms and maximum of 20 kilograms per month In the Nilgris District where minimum of 16 kilograms and maximum of 24 kilograms per card is supplied.
2.	Sugar	Rs.13.50 per kilogram	500 grams per head per month subject to a maximum of 2 kilograms per month. Additional 3 kilograms are supplied to sugar option cardholders in lieu of rice.
3.	Wheat	Rs. 7.50 per kilogram	Upto 10 kilograms. per card per month in Chennai city and district headquarters and upto 5 kilograms per card per month in other areas
4.	Kerosene	Rs.8.40 to Rs.9.00 per	Ranges from 3-15 litres per card

		litre	depending upon the location
Under Special Public Distribution System			
5	Toor dhall	Rs.32 per kilogram	1 kilogram
6	Urid dhall	Rs.36 per kilogram	1 kilogram
7	Palmolein oil	Rs.30 per litre	1 litre
8	Rava	Rs.17 per kilogram	1 kilogram
9	Maida	Rs.16 per kilogram	1 kilogram
10	Fortified wheat flour	Rs.11 per kilogram	1 kilogram

Even though Government of India is supplying rice at the rate of Rs.3 per kilogram under AAY, the State Government is subsidising it further and supplying at Re.1/- per kilogram.

D.Scale of supply of kerosene

16. At present Central Government allocated 59,852 KL of Kerosene per month. This is adequate only to meet the requirement of family cards issued prior to 2004. After 2004, 43.86 lakhs new family cards were issued for which State government continue to press the central government for additional allocation. The scale of supply of kerosene under public distribution system to cardholders who were in possession of cards prior to 2004 is given below:-

Sl. No	Place	Without LPG	Single LPG
1	Chennai City/District headquarters	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
5.	The Nilgris District		
	i) Headquarters	15 litres	3 litres
	ii) Other municipalities	15 litres	3 litres
	iii) Townships and Town Panchayats	10 litres	3 litres
	iv) Village panchayats	5+5 litres	3 litres

For the 43.86 lakhs cards issued subsequent to 2004, savings in stock is assessed periodically and 3 litres per card is being supplied at present. Kerosene is not supplied to the cardholders who have double cylinder LPG connections.

E. Distribution of essential commodities under public distribution system

17. "NSS Report No. 508: Level and Pattern of Consumer Expenditure, 2004-05" indicates that, in Tamil Nadu, rice constitutes 93% of cereals consumed in rural areas while it is 91% in urban areas. The report also indicates that the rice consumption per capita per month is 10.165 kilogram in rural areas and 8.632 kilogram in urban areas. Wheat consumption per capita per month is 0.34 kilogram in rural areas and 0.784 kilogram in urban areas. Thus, an average family of 4 persons, the rice consumption per month is about 41 kilogram in rural areas and 35 kilogram in urban areas. In case of AAY cards, the card meets about 85% of rice needs in rural areas and 100% of needs in urban areas for a average family of 4 persons. The public distribution system provides about 50% of the rice needs of cardholders on an average and hence plays a vital role in keeping away hunger and starvation at times of shortage and penury.

(i) Rice

18. Rice is obtained mainly from central pool allotment under the targeted public distribution system through Food Corporation of India. Nearly one third of the requirement is being met from the custom milled rice obtained through local procurement of paddy which is adjusted against the central pool allotment and utilised in the state. Present monthly allotment of rice by the Government of India and its issue price are given below:-

Sl No	Category	Monthly allotment (in Metric tonnes)	Issue price per kilogram
1.	Antyodaya Annayojana	65,262	Rs.3.00
2.	Below poverty line	1,04,936	Rs.5.65
3.	Above poverty line	1,26,255	Rs.8.30
Total		2,96,453	

Monthly requirement of rice at present as per entitlement under public distribution system including AAY is about 3.15 lakh metric tonnes per month. Government of Tamil Nadu is fully utilizing allotments made by Government of India under APL, BPL and AAY quota. Rice, which is obtained from custom milling of paddy procured in Tamil Nadu under decentralized procurement system by Tamilnadu 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. The average monthly off-take of rice under public distribution system during 2008-2009, excluding AAY is about 2.46 lakhs metric tonnes as against the present allocation of 2,31,191 Metric tonnes. Owing to the increase in the open market price of rice, off-take of rice under public distribution system is also on the increase. As the present off-take is higher than the allotment made by Government of India, State Government is pressing the Central Government to revise the allocation at least to match the off-take level.

19. The off-take of rice under public distribution system for the last 5 years is given below:-

Year	Off-take (in Metric tonnes)		
	PDS	AAY	Total
2004-05	22,17,796	3,11,695	25,29,491
2005-06	27,08,079	5,15,429	32,23,508
2006-07	27,20,852	6,41,937	33,62,789
2007-08	27,33,159	6,51,092	33,84,251
2008-09	29,54,786	6,77,231	36,32,017

(ii) Wheat

20. The allotment of wheat by Government of India was in the order of 10,000 metric tonnes upto May 2006. Subsequently, the allotment was drastically reduced to 3783 metric tonnes from June 2006. Because of the persistent efforts taken by the state government by pressing central government for additional allotment of wheat, Government of India have now provided an additional adhoc allotment of 10,000 metric tonnes from September 2008 to March 2009, besides the regular allotment of 3783 metric tonnes per month. A quantity of 2500 metric tonnes of wheat per month has been utilised for production and supply of fortified wheat flour with Vitamin-A, Iron and Folic acid under special public distribution system. This has benefited the people of Tamil Nadu in combating vitamin and mineral deficiencies. Government of India has additionally allocated 30,000 MTs of wheat at economic rate and this wheat will be utilised for stepping up the conversion and supply of fortified wheat flour from the present level of 2500 MTs to 5000 MTs per month.

21. The quantity of wheat distributed under public distribution system for the last 5 years is given below:-

Year	Quantity distributed (In Metric tonnes)
2004-05	63,961
2005-06	71,007
2006-07	75,077
2007-08	91,167
2008-09	98,874

Government of India have allotted 50,000 Metric tonnes of wheat at market price in October 2008. This wheat is being used for conversion into rava / maida for distribution under special public distribution system.

(iii) Sugar

22 Government of India allot levy sugar on monthly basis specifying quantities to be released by each sugar mill from Tamil Nadu and Puducherry. This allotment is sub-allocated to various districts. Tamilnadu Civil Supplies Corporation is lifting sugar stocks from sugar mills and distributing it through public distribution system. At present average monthly allotment of levy sugar at levy rates by Government of India is 11,285 Metric tonnes. As Government of India's allotment of levy sugar is insufficient to meet the full requirement of cardholders, Tamil Nadu Civil Supplies Corporation is purchasing non-levy sugar from Tamil Nadu Cooperative Sugar Federation at open market rates for supply to card holders, through Tamilnadu Civil Supplies Corporation. The average monthly sale of sugar to cardholders was around 29,018.3 metric tonnes for the year 2008-2009. Of late, purchases by cardholders have gone up due

to increase in the open market price of sugar. Differential cost between market price of non-levy sugar and public distribution system issue price is being made good by the Government of Tamil Nadu from food subsidy.

23. The off-take of sugar under public distribution system for the last 5 years is given below:-

Year	Quantity distributed (in Metric tonnes)
2004-05	2,21,204
2005-06	3,30,515
2006-07	3,53,000
2007-08	2,90,048
2008-09	3,48,220

(iv) Kerosene

24. Government of India have been gradually reducing monthly allocation of kerosene from 81,109 kilo litres in 2002 to 59,852 kilo litres in 2008 based on number of LPG connections available. This allotment of kerosene by Government of India is sufficient to meet the needs of the cardholders possessing cards prior to 2004. New family cards were issued to 43, 86,517 eligible families from 2004. These cardholders have not been able to get full entitlement of kerosene due to non-availability of kerosene allotment from Government of India. However, massive efforts to save kerosene have been carried out through stamping of LPG connection details in family cards. From . 1.4.2008 till 31.3.2009, 1724 KL of kerosene has been saved through LPG stamping and is being utilized for purpose of supplying minimum quantity kerosene to 43, 86,517 new family cardholders who have not been supplied with kerosene earlier. With this saving, Government of Tamil Nadu announced that all the new cardholders would be supplied with one litre of kerosene every month with effect from Pongal 2008 and 3 litres per card per month with effect from August 2008.

25. The off-take of kerosene under public distribution system for the last five years is given below:-

Year	Quantity distributed (in Kilo litres)
2004-05	7,01,420
2005-06	6,86,018
2006-07	6,58,835
2007-08	6,62,987
2008-09	7,21,621

26. Government have decided to regulate supply of kerosene to manage the present short supply. Until July 2008, handcart men were selling 50 litres of kerosene given daily for a period of 25 days in a month in the open market. The total monthly allotment to handcart men was 2855 kilo litres. Complaints were pouring in that this supply of kerosene to handcart men was being diverted and sold in the black market, while 43.86 lakh cardholders were suffering for want of sufficient kerosene for their daily cooking needs. As allotment of kerosene by Government of India is insufficient to meet the full entitlement of new cardholders, State

Government have issued orders that handcart men licenses be converted into kerosene retail licenses. The licenses will be attached with not less than 500 cards relating to a specific fair price shop and supply of kerosene will be 1250 litres per month for supply to card holders of that fair price shop to which these retailers are attached. With this quantity of 2855 kilo litres of kerosene available every month by this arrangement, Government have issued orders enhancing supply of kerosene to new cardholders to 3 litres per month with effect from August 2008. Challenging the above orders of the Government, associations of handcart men-turned-retailers have filed writ petitions before the Hon'ble High Court and the writ petitions are pending.

27. Retail selling price of kerosene under public distribution system is fixed at Rs.8.40 to Rs.9.00 per litre with effect from 01.03.2002 depending on the distance between oil supply terminals of oil companies and kerosene wholesale points.

28. The differential cost of kerosene between the procurement price from oil companies and the issue price under public distribution system is 60 paise per litre. This increased cost has not been passed on to the cardholders but it is being met by the State Government with effect from 1.1.2001. Total subsidy for supply of kerosene under public distribution system works out to Rs. 4.29 crores per year. This does not take into account subsidy incurred by Government of India which heavily subsidises production of kerosene by oil companies.

29. To streamline the distribution of kerosene, State Government have issued orders to put up kerosene bunk 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 cooperatives and 43 under Tamilnadu Civil Supplies Corporation. Out of the 269 kerosene bunks run by the cooperative department 53 bunks have been provided with online billing machines to track the sales, receipts and accounting of public distribution system kerosene. **It is planned that all kerosene bunks will be provided with billing machines in 2009-2010.**

(v) Commodities issued under special public distribution system

30. As there was sudden increase in the open market price of certain essential commodities like pulses and edible oil in 2007-2008, which prolonged in 2008-2009 too, State Government introduced special public distribution system with effect from 14.04.2007 in Chennai city and suburban areas and with effect from 1st May 2007 in other districts. Under this system, Tamilnadu Civil Supplies Corporation procures essential commodities like toor dhal, urid dhal and palmolein oil in open market for supply under this special scheme. Wheat under public distribution system is converted to fortified wheat flour while wheat obtained under OMSS scheme of Food Corporation of India is being converted into rava and maida by custom milling. These items are also sold to cardholders at subsidised prices as part of the special scheme. **It has also been proposed to supply fortified maida and palmolein under this scheme.** Government have issued orders for the continuance of this scheme until July 2009.

31. Details of quantity supplied from 14.04.2007 to 31.03.2009 are given below:-

Sl. No.	Commodities	Quantity supplied (in Metric tonnes)
1	Toor dhal	97,970
2	Urid dhal	41,659
3	Palmolein oil	1,07,963

	(kilo litre)	
4	Fortified atta	37,512
5	Rava	4,135
6	Maida	14,461

(vi) Subsidised grocery items

32. With a view to help poor people who are affected by the increasing prices of spices and condiments, Government have issued orders for the supply of a packet of 10 varieties of spices and condiments every month to each cardholder for Rs.50 per packet. Even though these commodities cost around Rs.80 - Rs.100 per packet on bulk purchase, State Government bears the difference between the procurement cost and the issue price as subsidy. From 02.10.2008 to 31.03.2009, The number of packets sold through public distribution system outlets is 1,16,58,997.

(vii) Free Pongal pack

33. Government of Tamil Nadu have announced that the first day of 'Thai month' will be reckoned as Tamil New Year Day from this year. The State Government have announced that, this year, a free gift pack containing raw rice (500 gms) jaggery (500 gms.) green dhall (100 gms.) cashew, dried grapes and cardamom (20 gm.) be supplied to all cardholders (except the optional no commodity card holders) through public distribution system for the celebration of Pongal. Under this scheme, 1,84,30,500 cardholders received free pongal packets. State Government allocated Rs 70 crores for this special scheme.

F. Food Subsidy

34 Issue price of essential commodities under public distribution system is significantly less than issue price fixed by Government of India. As a result, State Government sanctioned a sizeable quantum of subsidy to Tamilnadu Civil Supplies Corporation. Details of provision made towards subsidy and the subsidy utilised for the last six years are given below:-

(Rupees in crores)

Year	Budget allocation	Subsidy utilised
2003-2004	800	734.85
2004-2005	1035	1017.78
2005-2006	1200	1559.64
2006-2007	1950	1833.02
2007-2008	1950	1961.06
2008-2009	2700	2988.00**
2009-2010	2800 (Proposed)	--

** unaudited figures

Chapter –II
Administering Public Distribution System

Making taluk supply and city zonal offices consumer friendly and modern, Issue of new family cards to eligible families incorporating the changes into the family card data base and maintain it up-to-date etc., are crucial for the effective administration of public distribution system. Government is giving importance for streamlining and simplifying procedures and regulations.

(i) Simplification of procedures for the issue of new family cards

2. 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. The number of new cards issued to the eligible families from 09.08.2006 to 31.03.2009 is 12, 51,780. The following measures have been taken to reduce delay in the issue of family cards:-

- A revised application format has been prescribed since February 2008 and made available through the department website, in taluk supply offices in districts and zonal offices in the city:
- All Taluk Supply Offices and Assistant Commissioners' offices have been directed to issue acknowledgement slip with serial number, date of receipt and date on which the reply is due to all applicants without fail.
- Further Taluk Supply Offices and Assistant Commissioners' offices are sending replies to applicants through post cards either when the printed card is ready or application is rejected.
- 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.
- 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
- An online card holder grievance registration mechanism has been put in place in the above website;

3. 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:-

- Modernisation of city zonal offices and taluk supply offices.
- Training and sensitisation of zonal and taluk supply officers and staff.
- Strengthening the surprise inspection and audit of taluk and zonal offices.

(ii) Enforcement

4. Essential commodities are distributed under public distribution system at heavily subsidized price. This gives scope for the anti social elements to divert these commodities to black market. Hence, Government have to take massive efforts to detect and curb these offences and bring to book the offenders.

5. Enforcement function is performed by Civil supplies and consumer protection department and Civil supplies CID wing. At the state level, the Commissioner of civil supplies and consumer protection department is assisted by an Assistant Commissioner (Inspection) and a flying squad Superintendent. At district level, District Collector coordinates the enforcement under public distribution system. Flying squads in Chennai and in each district keep vigilance on functioning of public distribution system and to control diversion of essential commodities.

6. To strengthen the monitoring mechanism, advisory committees on the public distribution system under the chairmanship of District Collectors have been constituted in districts and revenue divisions in which peoples' representatives and representatives of voluntary consumer organisations are members. Further, peoples' representatives like Member of Legislative Assembly, Member of Parliament, Mayors and other functionaries like Presidents of village panchayats are authorized to visit and check fair price shops within their jurisdiction, keep vigil on their activities and quality of service to the cardholders.

7. All District and Taluk Supply Officers were provided mobile phones in 2006-2007 leading to better enforcement and effectiveness. Flying squads functioning under the Collectors have been made more effective by providing them with new vehicles. All flying squad tahsildars have been provided with mobile phones in 2008-2009 with monthly ceiling of Rs 800 for use in collecting intelligence and organising raids. A system of performance review of flying squads and replacement of ineffective officers or officers of poor integrity has commenced to ensure quality of enforcement.

8. Tamilnadu 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 Tamilnadu civil supplies corporation godowns or while in transit from Food Corporation of India to Tamilnadu civil supplies corporation godowns. Tamilnadu civil supplies corporation vigilance team conducts surprise raids on godowns, hulling agents performing custom milling and fair price shops run by it and launches necessary disciplinary action. Similarly, special inspection teams under the control of Registrar of Co-operative societies are involved in the inspection of fair price shops run by co-operatives.

9. Civil supplies CID wing has been functioning under the charge of a senior police officer in the rank of Additional Director General of Police and assisted by an Inspector General of Police. This wing has a total strength of 236 police personnel located in 20 units spread all over the state. Periodical inspections and raids are being carried out to curb illegal diversion and take severe action against culprits and anti-social elements who indulge in smuggling of public

distribution system rice and other essential commodities. Preventive detention is being resorted to under the Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act 1980, Goondas Act and Essential Commodities Act 1955. Further, Civil supplies CID wing concentrates on collection of vital intelligence and book the anti social elements indulging in large-scale smuggling of public distribution system commodities.

10. During the year 2007-2008, five border patrol teams were constituted under Civil supplies CID to keep vigil on border districts, viz. Kanniyakumari, Tirunelveli, Coimbatore, Krishnagiri and Vellore. Border patrol teams were initially working under the dual control of Civil supplies CID and District Collector. With a view to improving their operations and to bring them under a single command, in the year 2008, border patrol teams have been brought under the control of Additional Director General of Police, Civil supplies CID.

11. Civil supplies CID units have been provided with telephone connectivity during the year 2007-2008. Besides sanctioning additional strength of 40 personnel to enable reorganization of Civil supplies CID and better control, four additional units at Tiruvallur, Tiruvannamalai, Thanjavur and Thoothukudi have been formed to give a special thrust to better enforcement in these districts.

12. During 2008-2009, 1,42,923 quintal of rice, 6,54,215 litre of kerosene 11,110 litre of petrol, 66,919 litre of diesel, 15,154 LPG cylinders were seized by the enforcement authorities. In 2008, 135 persons were detained under Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980. Out of this, in 25 cases, detention was confirmed and in 56 cases detention was revoked and 54 cases are pending. This historically highest number of detentions indicates the seriousness of this government in taking all efforts to curb diversion. Year-wise details of quantity of public distribution system rice and kerosene seized, persons arrested and persons detained under Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980 are as follows:-

Sl. No	Year	No. of persons arrested	No. of persons detained under PBMSEC Act / Goondas Act	Quantity of PDS rice seized (Metric tonnes)	Quantity of kerosene Seized (kilo litre)
1.	2004	250	1	4,712	222
2.	2005	793	7	6395	608
3.	2006	1969	75	13014	525
4.	2007	2399	63	20036	595
5.	2008	4040	135	14901	613
6.	2009 (up to 31.3.2009)	1594	38	3,680	176

Further, the following additional measures were taken up:-

- Surprise raids by state level special enforcement teams have been commenced with help of officers of known integrity belonging to civil supplies and consumer protection department, Tamilnadu civil supplies corporation and cooperatives department. Similar inspections are being conducted in all other districts also.

- 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.
- Criminal prosecution for fair price shops malpractices has been launched against certain fair price shop employees. In 2008-2009 upto 31.3.2009, 55 cases were filed against fair price shops salesmen involved in malpractice cases.
- 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. In 2008, 92 motor vehicle licenses have been cancelled and 7 driving licenses of smugglers have been cancelled. During 2009, up to 31.3.2009, about 70 vehicle licenses and 4 driving licenses have been cancelled.
- Steps have been taken to provide A-registers of each fair price shops in the department website so that the public can give information about existence of bogus cards. The data will be available to the public before the end of 2009.
- Special raids have been organised to curb black-marketing of subsidised domestic LPG cylinders. 15,592 LPG cylinders have been seized and 1 case has been filed against LPG dealers in 2008.
- Special raids have been conducted against lorries, minibuses and vehicles using public distribution system kerosene as fuel for the first time and such offending vehicles have been seized. This has acted as a deterrent for misuse of public distribution system kerosene.
- Certain Tamilnadu civil supplies corporation hulling agents indulging in recycling of public distribution system rice have been suspended and 28 such serious offenders have been blacklisted.

(iii) Elimination of bogus cards

13. In order to eliminate bogus cards, District Collectors have been directed to carry out verification of family cards. Regular targets for verification from special revenue inspector cadre to the level of district supply and consumer protection officer has been prescribed and the officials are periodically verifying the family cards to eliminate bogus cards. Deletion of bogus cards on regular basis by officials of this department is given below-

Sl. No.	Year	Bogus cards eliminated
1	2004	29,007
2	2005	15,302
3	2006	32,027
4	2007	64,554
5	2008	2,00,350
6	2009 (up to 31.3.09)	37,819

14. Having realized that this routine department level exercise would not lead to substantial and effective elimination of bogus cards, Government have issued orders for the 100% door-to-door verification of the cards in circulation by deploying officials from all departments on a mission mode for a period of one month. In the first phase, verification work was taken up in Coimbatore and Tiruchirappalli districts and subsequently in Anna Nagar zone in Chennai city. After verification, 2,09,362 family cards in Coimbatore district, 1,04,485 family cards in Tiruchirappalli district and 38,509 cards in Anna Nagar zone were suspected to be bogus and stop-supply orders have been issued for these suspected bogus cards. An opportunity of 30 days time has been given for such cardholders to file an appeal. After field verification, genuine cards will be restored and cancellation orders will be issued to cards, which are finally identified as bogus.

15. In the second phase, the scheme has been taken up in Vellore, Salem, Karur, Namakkal, Dharmapuri, Krishnagiri, Theni, Thoothukudi, Cuddalore and Nagapattinam districts. Such intensive verification in the rest of the districts will be taken up shortly and it is expected to help the department for weeding out substantial numbers of ghost cards by the end of the year 2009.

(iv) Public complaints redressal mechanism

16. Government have placed utmost importance in enabling highest levels of satisfaction for cardholders under public distribution system. Hence, redressal of complaints related to public distribution system has received greatest possible attention at all levels. Complaints were filed in the Chief Minister's Special Cell, office of Minister for Food, at various official levels and directly at the field offices. In addition, an online Grievance Registration System at the department website at www.consumer.tn.gov.in is also available.

17. 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 has been given to voluntary consumer organisations in the above councils and committees. The state level public distribution system advisory committee, which functions under the chairmanship of the Commissioner, meets every quarter.

18. In addition, Hon'ble Minister for Food announced the launch of a monthly taluk level grievance redressal programme to make available the administration for redressal of grievances at the doorsteps of people. Officials of each taluk or zone go to a selected habitation every month and explain the procedures of getting new ration cards as well as other services including fair price shop services and hear the grievances of cardholders, the public and aspirants for new cards in that area. This scheme has been lauded well and the response received from the public is due to the following reasons:-

- A substantial number of requests relating to address change, name inclusions, name deletions, etc., are settled on the spot. cardholders are relieved of the burden of travelling long distances repeatedly to meet officials;
- Cardholders are able to meet officials and get their doubts clarified on procedures and therefore, the compliance of rules by the cardholders is better;

During 2008-2009, Civil Supplies and Consumer Protection Department conducted 1987 camps and received 1, 03,222 grievance petitions. Out of these, 87,581 grievances were disposed off.

19. The following additional measures are proposed during the current year to redress the grievances of the public:-

- **The year 2009-2010 will be observed as consumer service year in Taluk supply offices, Assistant commissioners' offices and fair price shops.**
- **A state level call centre will be established with separate telephone number to redress the grievances under public distribution system.**
- **A separate consumer redressal day for public distribution system will be conducted in the collectorates by District Collector once in three months.**

(v) E-governance in public distribution system

20. This department is implementing E-services project under the National E-governance action plan of the department of information technology in the Government of India with an assistance of Rs.4.92 crores for automating public distribution system activities and providing electronic services to citizens. Following are the highlights of the project:

- Computer hardware, i.e., desktop computers and printers have been supplied to all offices of deputy commissioners, assistant commissioners in Chennai and to all district and taluk supply offices across the state in 2008. By this effort, the office of Commissioner of civil supplies, all taluk and district 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 e-mail.
- Online public distribution system allotment software has been designed with the help of NIC, tested for the last 4 months and put to effective use. This online system has enabled strict compliance to allotment procedures by taluk offices, besides leading to substantial transparency. Online allotment data will be thrown open to public by end 2009.
- An online service has been launched in January 2009 enabling all citizens to login to <http://www.consumer.tn.gov.in.commodities.htm>, register their e-mail address for a particular fair price shop in any district and get details of allotments of essential commodities for the current month. A similar facility for getting this data through mobile phones will be launched shortly.
- An online public distribution system kerosene tracking system has been launched with help of oil companies to track every tanker of kerosene from the time of invoicing at the oil terminal till it reaches the district. Officials and public can view movement of each tanker at <http://59.96.0.8/SKO> (user name : SKO, password : SKO)
- Family card information in the online ration card database maintained by ELCOT has been largely outdated due to passage of time and now, it is brought up to date in all

taluks through an online taluk / zonal level. Family card data updation scheme has been implemented from March 2008 till date. Data entry operators hired by ELCOT are providing updation services on a daily basis through taluk level computers. Services of data entry operators funded under e-services project till December 2008 have been proposed to be extended till December 2009 from State Government funds to enable database to be updated on a real time basis. This will enable the department to generate monthly allotment based on electronic database from August, 2009.

- An SMS based fair price shop stock monitoring system has been setup by cooperatives department to track the stock of every commodity in each fair price shop on a daily basis. This system has enabled Joint Registrar and other officials to identify fair price shop with critical stocks daily and move stocks swiftly. This can be viewed at <http://www.remotedatacentre.com>
- All taluk supply offices have also been provided with phones through TNSWAN audio ports. For the first time, taluk supply offices can be reached at zero cost through these TNSWAN phones.

21. The above data updation process will bear full fruit only if allotment to fair price shops is made directly and automatically from the database, leading to total eradication of computational errors in allotments and result in savings of essential commodities. Civil supplies and Consumer Protection Department has proposed development of an online transaction-based workflow system. Workflow based application software would be deployed in all taluk / zonal offices to provide quick services to cardholders. It is also proposed to provide online services to cardholders, including application for new cards as well as changes to cards. After its introduction, cardholders will be able to access services “anywhere, anytime” through internet at their homes or through internet kiosks. It is proposed to implement such changes along with the work of replacing the existing family cards in the coming year.

22. In Chennai city 914 fair price shops are run by cooperatives whereas 366 fair price shops are run by Tamil nadu civil supplies corporation. In order to monitor bogus billing and to ensure proper supply of commodities to public, hand held billing machines have been introduced in all the fair price shops in Anna Nagar zone in Chennai. Based on this, it is proposed to establish hand held billing machines in all the fair price shops in Chennai city and in 19 retail kerosene bunks at a cost of Rs. 57 lakhs during 2009-2010.

(vii) Strengthening Civil supplies and consumer protection department

23. Owing to the series of measures initiated and new schemes launched under public distribution system by Government, day-to-day administration has become complex and increased manifold compared to previous years. Hence, there is need to strengthen the organisation in terms of quantity and quality. As such, the following measures were taken to enable improving the quality of governance provided by this department:-

- 90 posts in various districts and 32 posts in zonal offices in Chennai city kept unfilled for over 5 years had lapsed and Government have sanctioned filling up these posts in December 2008. This will enable the department to streamline the work in certain urban taluks where the daily workload has become enormous.

- Government have sanctioned 31 posts of Manager (Systems) to train department staff regularly in use of hardware and various software packages and to monitor E-governance implementation taking note of the increasing use of Information technology in public distribution system. These 31 posts have been filled up in 2008 through employment exchange. Services of these 31 Managers have had a positive impact on Information Technology implementation and use.
- Keeping in mind the increasing population in the suburbs of Chennai and inability of existing zonal offices in Chennai city to cope up with work burden, Government announced the formation of two new zonal offices by reorganising some of the 14 existing offices. Government have issued orders bifurcating Tambaram zone into two with 62 shops in the reduced Tambaram zone and 60 shops in the newly formed Sholinganallur zone. Thiruvotriyur, Villivakkam and Ambattur zones have been reorganised into 4 zones i.e. Thiruvotriyur zone with 99 shops, Ambathur zone with 96 shops, Villivakkam Zone with 58 shops and newly formed Avadi zone with 68 shops. The two new zonal offices at Sholinganallur and Avadi are functioning from 28.02.2009. These measures will enable the zonal offices concerned to offer services to cardholders faster and more efficiently.
- Annual training programmes for all taluk and zonal office staff will be conducted regularly from 2009-2010. Government of India have sanctioned a sum of Rs.12,79,500 for providing training to the staff involved in the functioning of public distribution system.
- **It is proposed to construct own buildings for Assistant commissioner's office, Tambaram at a cost of Rs.70 lakhs during the current year.**

Chapter –III

Procurement of paddy under Decentralised Procurement System

Decentralised procurement system is in force in this state with effect from 01.10.2002. Tamilnadu civil supplies corporation is procuring paddy on behalf of Food Corporation of India. Paddy procured is processed through modern rice mills owned by Tamilnadu 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.

2. For Kharif Marketing Season 2008-2009, Government of India have fixed minimum support price of paddy as Rs. 850 per quintal for common variety and Rs. 880 per quintal for Grade-A variety with an incentive of Rs.50 per quintal over and above minimum support price. However, with a view to encourage farmers in this state and provide them a good procurement price, State Government have announced Rs. 1000/- per quintal for common variety and Rs.1050/- per quintal for Grade-A variety of paddy as procurement price. During Kharif Marketing Season 2008-2009, upto 31.5.2009 a quantity of 16,46,819 metric tonnes of paddy has been procured.

3. Quantity of paddy procured, hulled and custom milled rice utilized under public distribution system in the last 5 kharif marketing season is given below:-

(All in Metric tonnes)

Year	Quantity of paddy procured	Paddy hulled in		Rice produced and Utilised
		Modern rice mills	Private hulling agents	
2003-2004	3,09,579	1,62,130	1,45,846	2,08,486
2004-2005	9,72,630	2,72,602	6,84,568	6,46,581
2005-2006	13,81,570	2,29,150	11,43,888	9,30,265
2006-2007	16,07,803	2,39,943	13,58,364	10,79,300
2007-2008	14,49,464	2,51,998	11,82,762	9,72,028
2008-2009	16,46,819	1,47,189	8,71,072	6,58,719

4. For the custom milled rice adjusted against the central pool allotment Government of India is providing subsidy to cover the cost difference between the economic cost and Food Corporation of India issue price. Details of subsidy received from the Government of India for the last 5 years are given below:-

Sl. No.	Kharif marketing season	Amount of subsidy received (Rupees in crores)
1	2004-2005	49.86
2	2005-2006	195.07
3	2006-2007	366.52
4	2007-2008	290.84
5	2008-2009	474.88

5. Electronic weighing machines have been given to all direct purchase centres to ensure correct weighment while procuring paddy in direct purchase centres. 1100 scales were purchased at a cost of Rs. 77 lakhs for this purpose during 2008-2009.

Chapter-IV

Supply of free LPG connections

The scheme for supplying free LPG connection with double-burner gas stove was launched in 2006-2007 to benefit families not having LPG connections. The Government have introduced this scheme to provide energy security to households and to protect women from the adverse health effects of using fuels like fire wood, cow dung, etc.,

2. During the year 2006-2007, the Government sanctioned 3 lakhs gas connections to beneficiaries at a cost of Rs.60 crores. During the year 2007-2008, Government of India released 8 lakh connections under this scheme at the cost of Rs.160 crores. This 8 lakh connections have been distributed to beneficiaries till 2.3.2009. For the year 2008-2009, Government of India have released only 6 lakh gas connections. The State Government provided Rs.161.45 crores for this purpose. As allotment of connections by Government of India was received only in fag end of the financial year, and since model code of conduct was in force during recent elections, there has been some delay in the commissioning of these stoves. This target is likely to be completed by August 2009.

3. For the year 2009-2010, the State Government have allocated Rs.140 crores for 6 lakh connections under this scheme.

Chapter - V
Price Control Measures

A separate monitoring cell is functioning in the office of Commissioner of civil supplies and consumer protection which keeps a close watch on the changing price situation. A monitoring committee under the chairmanship of the Chief Secretary is also periodically reviews the price situation. A Price watch committee has been constituted under the chairmanship of Hon'ble Food Minister with Chief Secretary, Secretary (Co-operation, Food and Consumer Protection), Secretary (Finance), Secretary (Agriculture), Commissioner (Civil Supplies and Consumer Protection Department) as members to control and monitor the price trend in state level.

2. Unprecedented global rise in prices of essential commodities in the last one year, led to starvation, chronic hunger and breakdown of law and order in many parts of the world. India had also been affected as international prices of essential commodities during April 2008 to March 2009 showed an upward and later a downward trend. Hike in international crude oil prices during the last week of June 2008, lack of rainfall in the beginning of Kharif season, flood situation during northeast monsoon in the delta districts in Tamil Nadu and the lorry strike contributed to high prices of essential commodities. Therefore, various significant price control measures were taken to contain the price rise to protect the common people from the clutches of price rise.

3. Both the Government of India and the Government of Tamil Nadu have been taking effective steps in monitoring and taking policy decisions in reducing the adverse impact of prices on the common man through a series of policy measures.

4. The State government have taken the following steps to control price rise:-

- Issuing rice at the rate of Rs.2/- per kilogram under public distribution system to all cardholders from 03.06.2006 and at the reduced price of Re.1 per kilogram from 15.09.2008 onwards.
- Issue of certain essential commodities at subsidized rates to the public as follows under the special public distribution system:-

Commodity	Price (in Rupees/ Kilogram)
Toor dhall	32.00
Urid dhall	36.00
Maida	16.00
Rava (sooji)	17.00
Fortified atta	11.00
Palmolein oil	30.00 (per litre)

The scheme has been extended up to 31.07.2009.

- Reduced sales tax for wheat from 4% to 2% during the 2007-08 Budget.
- Slashed 4% sales tax and surcharge on toor dhal, gramdhal, moongdhal and urid dhal during 2006-07 budget.
- Removed 4% sales tax for other pulses viz, Mochai, Karamani, Kollu and Channa during 2006-07 budget.
- Slashed 1% Sales tax on edible oil viz., sunflower oil, palmolein, soya oil during 2007-08 budget.
- Issued control orders imposing stock limits on rice mill owners and wholesale and retail dealers to hold rice, wheat and pulses.
- Reduced 2% sales tax on diesel
- Subsidising at Rs.30/- for single LPG cylinder holders
- Turmeric, coriander and chilly are exempted from levy of tax subject to the condition that the turn over should not exceed Rs.500 crores per annum. This concession has also been extended to turmeric powder, coriander powder and chilly powder.
- Levy of purchases tax on vegetable oil, pulses and grams, turmeric, chilly and coriander under section 12 of Tamil Nadu VAT act 2006 have been exempted from 01.04.2008.
- From 01.01.2007, 1% sales tax on groundnut oil, gingilly oil and coconut oil have been exempted.
- Purchased 50,000 MT of open market sale scheme wheat from Food Corporation of India for increasing supply of wheat to public distribution system as well as for supply of rava and maida.
- Indigenous cement has been supplied to the consumers at the rate of Rs.200/- per bag whereas imported cement has been supplied at Rs.220/- per bag.
- Reduction of sales tax by 4% for mustard, thil and soambu.
- Issue of free pongal packets containing rice, green dhal, jaggery, cashew, resins and cardamom to all card holders on account of Tamil New Year and Pongal.

Chapter – VI **Consumer Protection**

The focus of consumer protection policy of state government is to ensure that the consumers are not exploited through unfair trade practices. In view of complexity of the market place, ever-changing technology and impact of globalization, consumers need to be protected. Trade practices need to be regulated to prevent exploitation of gullible consumers and enable consumers to reach higher states of well being. Antiquated laws and codes need to be re-engineered to move into a framework of consumer empowerment.

A. Objectives of the state consumer protection policies

- **Protect life and health** of consumers from poor quality and unsafe goods and services
- **Ensure** redressal of grievances of consumers properly and quickly through district fora and state commission and state and district consumer protection councils;
- **Ensure** that goods and services are made available in market at right price and accurate weight;
- **Identify and eliminate** unfair and restrictive trade practices;
- **Educate** consumers and make them aware of their rights and protect themselves from fraudulent traders;
- **Impart training** to various stakeholders, i.e., government departments, non-governmental organisations and consumer activists to create an awareness;

B. Key consumer protection activities

- Government of India have provided financial support for various special schemes such as citizen consumer clubs, district consumer information centres, awareness campaigns, training programmes, infrastructure for state consumer disputes redressal commission and district consumer fora, etc., New schemes such as establishment of state-level consumer help line etc., have been initiated.
- Awards for Districts Collectors for exceptional performance in consumer grievance redressal have been sanctioned to motivate better performance. The first set of awards were issued on World Consumer Day 2009, to Namakkal, Tirunelveli and Pudukottai Districts.
- Performance of district consumer protection councils functioning under Collectors are reviewed from time to time;
- The department had written to Vice Chancellors of all universities in the state requesting them to introduce consumer protection laws in distance education and regular courses. University of Madras, Dr Ambedkar Law University and Madurai Kamaraj University have complied with this request, framed syllabi and are likely to begin the courses in the

coming academic year. These courses will enable common people to learn about consumer laws, rights and regulations.

- Civil supplies and consumer protection department formally joined as a Government-member of Consumers International, an international federation of consumer groups, that has representation in several bodies of United Nations like World Health Organisation. In the coming years, collaboration with Consumer International would enable the department to identify and solve a greater number of consumer issues.

C. Special consumer protection initiatives

In Tamil Nadu, Government have initiated various schemes to instill awareness on consumer education and rights among public and students. The details are as follows:-

(i) Awareness amongst rural masses

Rs.29 lakhs was sanctioned as grant-in-aid by Government of India in 2008-09 for awareness generation at district level. Out of this, a sum of Rs.93,550/- was released to each district for spreading consumer awareness amongst rural masses at grass root level through print media, cultural events and other consumer education-oriented programmes as per guidelines of Government of India and consumer awareness programmes were organised by District Collectors.

(ii) Awareness for Panchayat Level Federations of Self Help Groups

In order to spread consumer awareness messages up to village level, a scheme was taken up with assistance of Government of India at an overall cost of Rs.69.90 lakhs released in 2007-2008 in this process, 9000 members of self-help groups were trained at 300 blocks throughout the State, who in turn provided awareness to village people, living in 900 villages covering 100 to 150 people per village. The second phase of sensitisation of self-help groups, panchayat level federations will be undertaken in 2009-2010 with the second phase grant from Government of India.

(iii) Training and sensitisation of government officials

In order to improve quality of services delivered through key consumer related government departments and offices, a scheme was taken up with assistance of government of India. In 2007-08 an amount of Rs.10.92 lakhs was sanctioned to provide training-cum-orientation to such officials. Officials of major departments like Civil supplies and consumer protection department, Transport department, Telephones, Railways, Agriculture, Tamil Nadu Electricity Board, etc., were identified and provided training - cum - orientation at the District Collectorate in 3 batches. Thus in every district 150 officials were provided the said orientation covering 4500 officials throughout the state between December 2008 to January 2009. During this programme, booklets highlighting salient features of Consumer Protection Act, 1986, Right to Information Act, 2005 and role of government officials in providing efficient and effective services to citizen were provided. Consumer awareness DVD films and power - point presentation were used in an interactive mode. Orientation has been provided in partnership with leading trained members of voluntary consumer organisations selected for each district. It is proposed to extend this training and sensitisation process to more such officials in 2009-2010.

(jv) State consumer helpline

Government of India have instructed all State Governments to establish a State Help Line for counselling consumers and redress grievances. For purpose of establishment of "State Consumer Helpline" as an alternate consumer disputes redressal mechanism, Rs.27.60 lakhs was sanctioned as grant-in-aid by Government of India. State help line will be put in place shortly. Government of India support will continue for 5 years. After 5 years, the State Help Line will be fully funded by the State Government.

(v) Tamil Nadu State Consumer Protection and Empowerment Agency (TANSCOPE)

In order to run the State Consumer Help line and to undertake a number of related consumer activities such as publication of Nugarvor Kavasam, Government have approved formation of a state level society called Tamil Nadu State Society for Consumer Protection and Empowerment (TANSCOPE). This society will also take steps to raise funds from State Government, National and International agencies for undertaking consumer protection and awareness generation activities in a larger scale. TANSCOPE has been registered under Tamil Nadu Registration of societies Act with registration No. 70/2009 and it will begin full operations with launch of State Consumer Helpline by June 2009.

(vi) Citizen consumer clubs in 500 colleges

Formation of citizen consumer clubs is actively encouraged in all high schools, colleges and polytechnics and facilitation to enable them to develop into resource groups. School consumer clubs are encouraged to take student/members to go for outreach camps to local neighbourhoods to conduct consumer education shows, demonstrations on adulteration, frauds, etc.,

- The process of establishing consumer clubs in schools started during 2005-06. In 500 schools such clubs were established. A sum of Rs.50 lakhs was released to 500 more schools for consumer clubs established during 2007-08 @ Rs.10000/- per consumer club. Thus, a total sum of Rs.1.50 crores was released to 1000 schools for establishment of consumer clubs. These consumer clubs are functioning well and students are showing keen interest in gaining knowledge about consumer protection.
- Consequent upon the good performance of these school citizen consumer clubs, while moving the demand on the floor of the Assembly during budget session 2008-2009, Hon'ble Minister for Food has announced college citizen consumer clubs will be established in 500 colleges during 2008-09. For this purpose, Rs.12.50 lakhs was released from Tamil Nadu State Consumer Welfare Fund to grant financial assistance to 500 colleges where consumer clubs are established, following the announcement of Hon'ble Minister for Food. Formation of clubs and release of financial assistance to colleges @ Rs.2500/- is under process. As on date, 196 citizen consumer clubs have been formed. Action is being taken to complete formation of the rest of the target shortly.
- "Handbook for Citizen Consumer Clubs" and "Teachers Reference Guide for Citizen Consumer Clubs" have been published, circulated to all citizen consumer clubs and uploaded to our website for use of public and students.

(vii) Tamilnadu state consumer welfare fund

State Government have constituted a corpus fund with contribution from State and Centre as seed money @ Rs.50 lakhs each in the ratio of 50:50. The Tamil Nadu State Consumer Welfare Fund rules have been notified narrating modalities for utilizing corpus fund. The further accumulation of funds will be through credit of punitive fines imposed by State Consumer Disputes Redressal Commission and District Consumer Disputes Fora and fees paid by the consumers before District Consumer Disputes Fora and State Commission while filing complaints. Tamil Nadu State Consumer Welfare Fund would be used effectively to promote consumer education through media, voluntary consumer organisations and research as per the guidelines issued in Tamil Nadu State Consumer Welfare Fund Rules.

- Out of Rs.1 crore, a sum of Rs.32 lakhs was spent for producing short films in DVD format about consumer awareness and telecast through doordarshan during 2008 and 2009. This DVD has also been screened in various resident welfare association and college consumer club programmes across the state and has been well received.
- Further, Rs.12.50 lakhs was released from corpus fund to grant financial assistance to 500 college citizen consumer clubs as per announcement of Hon'ble Minister for Food.

(viii) Workshops and seminars on consumer problems in key sectors

State government will seek to achieve the objective to educate consumers and make them aware of their rights and redressal mechanism. Especially, ignorance of consumers, particularly rural consumers, is mainly responsible for their exploitation. To assess problem faced by consumers in various sectors, workshops have been held in the last few years. Civil Supplies and Consumer Protection Department conducted workshops on Mobile phone communications, Credit cards, Drugs, Real Estate, and Unfair Trade Practices. During 2008–2009 the following workshops were organised:-

- In this process, during 2008, awareness camps on consumer protection have been conducted at 7 places for office bearers and members of over 200 Resident Welfare Associations of North Chennai. Finally, a mass awareness camp with participation of all the Resident Welfare Association of North Chennai was conducted at Nehru Indoor Auditorium and the same was presided over by Hon'ble Minister for Food. It is proposed to expand this scheme to other metropolitan areas in 2009.
- Further, in order to spread consumer education and awareness among students, a district-level competition-cum-exhibition for student of citizen consumer clubs called consumer festival was celebrated in MOP Vaishnav College, Chennai, co-ordinating all members of school/college Citizen Consumer Clubs on 15.11.2008. Over 45 school Citizen Consumer Clubs from all over Chennai participated. Taking note of the successful conduct of this event, Rs. 60,000 was released to all remaining 29 districts to conduct Consumer Festivals in January 2009. This event has given the opportunity for all student Citizen Consumer Clubs to get together under issues in Consumer Welfare and participate in competitions relating to consumer awareness. This will henceforth be an annual district level event.

- A workshop on consumer protection in Gold and Jewellery sector was conducted on 5.7.2008. Policy recommendations have been sent to various agencies based on the proceedings of this workshop. More such sectoral workshops will be held in 2009.

(ix) Monthly magazine - Nugarvor Kavasam

To educate consumers about their rights, in general, and laws, standards, rules and codes in each sector through print media, a newly designed quarterly magazine "Nugarvor Kavasam" is being published by Commissioner of Civil Supplies and Consumer Protection and being distributed free of cost to all Government offices, voluntary consumer organizations and public libraries in the State.

- Nugarvor Kavasam has been registered in 2008-2009 with the Registrar of Newspapers of India (RNI) and priced at Rs. 10.
- Process of collecting annual subscription from public libraries, voluntary consumer organizations and citizen consumer clubs and from public is being carried out.
- Increase of circulation of magazine substantially from the present 7,000 copies which will reduce printing charges to Government to a great extent so that magazine becomes self-financing to a large extent. Until such time, the magazine will be subsidised through government grants.

(x) Website for consumers

Government of Tamil Nadu have launched a website exclusive for use of consumers at www.consumer.tn.gov.in.

- This website contains comprehensive information relating to consumer protection, with provision for online registration of consumer complaints. During 2008-09, 395 complaints have been received and 278 complaints have been resolved successfully by intervention of this department.
- The website also hosts information on public distribution system and fair price shops procedures. From January 2009, information on commodities allotted to each fair price shop every month is being made available to any cardholder through e-mail on registration in our website.

D. Legal Redressal of Consumer grievances

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

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 Re.1 crore. The National Commission also has the Appellate jurisdiction and also Revisional jurisdiction over the State Consumer Disputes Redressal Commissions in the country.

State Consumer Disputes Redressal Commission

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 lakhs but less than Rs.1 crore. The State Commission is headed by a retired High Court judge as the President, with two Members, one of whom is a female member. On the administrative side, there is a Registrar who is the Head of Department for dealing with the administrative matters of the State Commission and the thirty District For a. The State Commission is the Appellate authority and Revisional authority for all the District Fora in the State. Since inception 20,565 cases has been filed and out of which 17,791 cases have been disposed of upto May' 2009 which workout to 86.42 %.

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 For a are quasi-judicial bodies functioning in thirty districts in the State where a consumer can file the complaint before the District Forum in his/her district, provided the cost of foods or compensation asked for does not exceed Rs.20 lakhs. Each District Forum consists of a President – who is a retired District judge – with two members, one of whom is a female member. Since inception 89,856 cases have been filed and out of which 81,906 cases have been disposed of upto May 2009 which workout to 91.15%

A sum of Rs.1 crore and 58 lakhs has been allotted for construction of own building at Madurai, Trichirapalli, Erode, Thiruvannamalai and Tanjore District and the construction work are in progress.

Future Plan

A set of strategy has been formulated keeping in view the policy guidelines of the government for the 11th Five Year Plan period. This will incorporate various aspects of strengthening the consumer protection activities by improving the department infrastructure and also creating a sector specific awareness besides effectively coordinating various stakeholders like voluntary consumer organisation, Government departments etc., Government will continue to give priority for promoting the consumer protection activities through voluntary consumer organization by providing necessary support. State Government will ensure that the consumer fora at district and state level are functioning effectively. Further, it will also constitute the State and District consumer protection councils to provide adequate platform for the exchange of ideas and views for further strengthening the consumer protection movement in the state.

Chapter-VII

Tamil Nadu Civil Supplies Corporation

The Tamilnadu civil supplies corporation was incorporated on 24th April 1972 under the Companies Act, 1956. Later, in 1975 it was converted as a state owned public sector undertaking. The main functions of the corporation are procurement of essential commodities, storage, movement of stocks to godowns and transporting the stocks to fair price shops. It also procures and distributes pulses and other commodities required for the various welfare schemes implemented by the Government.

2. The Managing Director and the Board of Directors of this Corporation are appointed by the State government. For administrative convenience, the corporation has 31 regions headed by Senior Regional Managers / Regional Managers in the cadre of District Revenue Officers / Deputy Collectors. There are 8474 regular employees on the rolls of the Corporation.

3. The functions of the corporation under various fields are as follows:-

(i)Public distribution system

Tamilnadu civil supplies corporation is the wholesale agent for lifting commodities like rice, wheat from the depots of Food Corporation of India and sugar from sugar mills to its 212 operational godowns and distribute it to public distribution system outlets. Tamilnadu civil supplies corporation is also running 1187 fair price shops in the state.

(ii)Special public distribution system

Under this special scheme, the corporation procures and supplies toor dhall, urid dhall, palmolien oil, rava, maida and atta to the public distribution system outlets at subsidised rates. In the case of palmolein oil, central government Public Sector Undertaking viz., Project Equipment Corporation Ltd., is importing and supplying the oil to Tamilnadu civil supplies corporation with Government of India subsidy until 31.3.2009.

So far 1,24,381 metric tonnes of toor dhall, 49,244 metric tonnes of urid dhall and 1,107.54 lakhs litres of palmolien oil in one litre pouches are procured and supplied to the public distribution system outlets. 33,232 metric tonnes of fortified atta, 4,958 metric tonnes of rava and 18,546 metric tonnes of maida were milled and supplied through public distribution system outlets.

(iii) Procurement of paddy

Under decentralized procurement, paddy is procured from the farmers at the rates fixed by the Government through direct purchase centres. The paddy procured is hulled by 23 modern rice mills owned by the corporation and by private hulling agents and distributed through public distribution system reckoning it as allotment from the central pool.

In order to improve the infrastructural facilities buildings are being constructed in a phased manner. The District Collectors are permitted to open direct purchase centres for every

season according to the need. The Tamilnadu civil supplies corporation has constructed 224 direct purchase centres in Delta regions up to 2007-2008. Further, 15 direct purchase centres have also been constructed by utilizing Tsunami relief fund. As on date, 239 direct purchase centres are functioning. It has been proposed to construct 10 direct purchase centres by availing NABARD loan during the financial year 2008-2009 and the works are in progress.

(iv) Modern rice mills and hulling of paddy

The Corporation has 23 modern rice mills. The average hulling capacity of these mills is 35,000 metric tonnes per month. During 2008-2009, upto 31.5.09 modern rice mills under the corporation hulled 1, 47,819 metric tonnes of paddy. In order to improve the hulling capacity and to produce quality rice, **it is proposed to completely modernise 7 par boiled rice mills at a cost of Rs.21 crores in the coming year.**

(v) Supply of cement at control price

In order to control the rising price of cement, Government have started to sell indigenous cement at concessional price at Rs.200/- per bag. So far 5,68,748 metric tonnes received, 5, 63,955 metric tonnes sold and 4788 Metric tonnes are available at Tamilnadu civil supplies corporation godown.

(vi) Storage facilities

There are 212 operational godowns run by the Tamilnadu civil supplies corporation. Out of these, 173 godowns having a capacity of 4.88 lakh metric tonnes are owned by Tamilnadu civil supplies corporation and they are all scientific godowns. Out of the remaining 39 rental godowns, 10 godowns are functioning in the buildings owned by Tamilnadu warehousing corporation, which are also scientific. The remaining godowns are private godowns. Further 53 buffer godowns are run by Tamilnadu civil supplies corporation, of which 32 godowns are owned godowns and 21 godowns are hired godowns. In all, 265 godowns with a capacity of 8.40 lakhs metric tonnes are run by Tamilnadu civil supplies corporation. At Gudiyatham a new building is constructed at a cost of Rs. 35 lakhs during 2007-2008. Sanction has been accorded for construction of a godown with 1000 Mts capacity at a cost of Rs.35 lakhs at Ettayapuram in Tuticorin District during 2008-09. **It is proposed to construct a godown with 1000 metric tonnes capacity at a cost of Rs.35 lakhs at Keevalur in Nagapattinam district during 2009-2010.**

(vii) Amudham departmental stores

The corporation also purchases and sells non-rationed commodities at reasonable prices to the public through its Amudham departmental stores. There are 26 such departmental stores under the control of the corporation. 22 are located in Chennai corporation area and the remaining 4 are in Cuddalore district. Total sales turnover of the departmental stores during 2008-09 is Rs.27.12 crores, which is an increase of 42% over previous year. It has earned a profit of Rs. 65.99 lakhs during 2008-09. Efforts are being made to modernize these stores to improve its sales.

(viii) Other activities

Every month Tamilnadu civil supplies corporation supplies rice and other commodities to the various welfare schemes implemented by the Government viz., Puratchi Thalaivar MGR Noon Meal Programme, old age pensioners' scheme, Integrated child development scheme, SC / ST students hostels. The Tamilnadu civil supplies corporation also procures and distributes essential commodities required by the personnel of police, fire service, prisons and forest departments under the public distribution system.

Petrol / Diesel bunks are run in Cuddalore, Vellore and Thanjavur Districts and gas units are run in Tiruvannamalai, Tiruchirapalli, Ooty and Ramanathapuram districts.

It also moves rice from the godowns of Food Corporation of India for issue under the Government of India's schemes of Sampoorana Gramin Rozgar Yojana, Annapoorana and Antyodaya Anna Yojana.

(ix) Public distribution system lorry tracking system through global positioning system

This project is implemented on pilot basis in two districts only viz., Thiruvallur and Krishnagiri with an objective of ensuring proper delivery of essential commodities without diversion. 40 global positioning system tracking units per district were fixed on rental basis in 40 lorries provided by transport contractors of the 2 districts by M/s SPECS system Hyderabad. Reports are generated with web application software developed by M/s SPECS system, Hyderabad and available in their website. This system will be evaluated and extended further to cover the movement from Tamilnadu civil supplies corporation godown to public distribution system outlets in future and considered for extension throughout state in due course.

(x) Godown computerization

Integrated information system for the food grains management (IISFM) has been launched in 8 decentralised procurement states by Government of India. Tamil Nadu is one of the states covered under the project. Under this project, Government of India have provided funds for computerizing all operational godowns for which 270 hardware had been supplied by Food Corporation of India to Tamilnadu civil supplies corporation. National Informatics Centre, New Delhi is preparing customerised software, which should be installed in all the godowns shortly. It is expected that in 2009-2010, all the godowns will be fully computerized making the information flow accurate and faster. This will also ensure that the data integration between Food Corporation of India and Tamilnadu civil supplies corporation and Tamilnadu civil supplies corporation up to the distribution network will be made effective and functional.

(xi) Financial status

The present authorized capital of the corporation is Rs.50 crores. Of this, the paid up capital is Rs.39.01 crores as on 31.03.2009. During 2008-2009, the Government sanctioned Rs.2700/- crores as food subsidy. An amount of Rs.2800 crores has been provided as food subsidy for the year 2009-2010.

Chapter-VIII **Tamil Nadu Warehousing Corporation**

The Tamilnadu warehousing corporation was established under the Agricultural Produce (Development and Warehousing) Corporation Act, 1956 was subsequently replaced by Warehousing Corporation Act 1962. The Tamilnadu warehousing corporation commenced its activities with effect from 2nd May 1958.

2. At present, the corporation is headed by a non-official Chairman. The Head Office is located at Guindy, Chennai. There are seven regions headed by regional managers, located at Cuddalore, Dindigul, Kancheepuram, Mettupalayam, Salem, Tiruchirapalli and Tirunelveli.

3. The functions of the corporation are given below:-

(i) Key Activities

- The corporation has setup warehouses in 60 places located throughout the state.
- The corporation acquires land and builds warehouses on scientific lines at potential places after conducting market surveys.
- Provides negotiable instruments i.e. warehouse receipts to producers, agriculturists, dealers and others to get credit facilities from the banks.
 - The corporation appoints handling and transport contractors for clearing the goods, loading/unloading and transportation of stocks for the convenience of depositors.
 - The corporation also carries out disinfestation services in their own godowns as well as in various Government and private buildings.

(ii) Organisational set up

The general superintendence and management of the affairs of the Corporation vest with the Board of Directors comprising of ten directors, nominated by the Central Warehousing Corporation and the State government of Tamil Nadu equally. The Managing Director has been appointed by the State Government in the cadre of I.A.S officer. The Board acts on business principles having regard to public interest and is guided by such instructions on question of policy as may be given by the State Government or Central Warehousing Corporation.

These warehouses are manned by technically qualified warehouse managers and other supporting staff. For exercising direct supervision, the warehouses are periodically inspected by Senior Regional Manager/Regional Managers. For effective control, vigilance / flying squad and internal audit personnel from Head office conduct periodical and surprise inspections.

(iii) Storage capacity and its utilisation

The storage space available in the warehouses of Tamilnadu warehousing corporation located at 60 places spread all over Tamil Nadu is utilized by various depositors and Government agencies. To cite a few, Food Corporation of India, Tamilnadu civil supplies

corporation Ltd., Tamil Nadu Text Book Corporation Ltd., Tamil Nadu State Marketing Corporation Ltd., NAFED, Telecommunications, Co-operative Sugar Mills, MMTC etc., Fertilizer manufacturing Companies, Cement consuming Departments, Election Department, the Tamil Nadu Handloom Weavers Cooperative Society Ltd, traders/merchants and farmers make use of the godowns.

Apart from that, nearly 50 private depositors have also utilizing warehousing facilities of Tamilnadu warehousing corporation during the year 2008-2009.

The details of storage capacity and its utilization as on 31.03.2009 are furnished below-

Storage capacity	(In lakh metric tonnes)
Owned	6.15
Hired	0.17
Total	6.32

Average occupancy from April 2008 to March 2009 is 86%

(iv) Business development initiatives

- The Tamilnadu warehousing corporation has undertaken management services in the campus of M/s Savorit India Ltd from December 2007.
- For the past three years this corporation has been successfully carrying out the contract of carrying and forwarding agent at Tirumangalam warehouse awarded by M/s Indian Oil Corporation for their lubricant products at Madurai covering 16 revenue districts of Madurai, Sivaganga, Theni, Ramnad, Dindugal , Tiruchy, Thanjavur, Tiruvarur, Nagapattinam, Tuticorin, Tirunelveli, Virudhunagar. Pudukottai, Perambalur, Kanniyakumari and Karaikal. This contract commenced from 1-7-2005 is for a period of 5 years.
- Tamilnadu warehousing corporation has undertaken management services for MMTC at Chennai warehouse from 9.8.2008

(v) Credit facilities to the clients

During 2007-08 various depositors have availed Rs 94.40 crores of loan from various banks by pledging 2971 warehouse receipts. In 2008-2009 various depositors have availed Rs 179.68 Crores of loan by pledging 5244 warehouse receipts.

(vi) Creation of additional storage facilities

The construction of an additional godown with a storage capacity of 5500 Metric tonnes at Meelavittan warehouse will be ready for occupation shortly. The construction of additional godowns at Palladam with a capacity of 3400 Metric tonnes and at Avinashi godown with a capacity of 2000 Metric tonnes has been completed and put in to use. **It has been decided to take construction of additional godowns at Dindigul warehouse (2000 metric tonnes) and**

to construct owned godowns at Kallakurichi with a capacity of 3400 metric tonnes during 2009-2010. Apart from that, it has been decided to construct 2400 metric tonnes of godown at Tuticorin Port at the land allotted by Tuticorin Port Trust.

(vii) Tsunami relief construction work

The repairing works at Tsunami affected warehouses at Thoothukudi and Cuddalore at an estimate of Rs.232.25 lakhs have been taken up in 2007-08 and works have been completed. In respect of Nagapattinam warehouse the repairing works have been undertaken at an estimate of Rs. 74.00 lakhs during 2008-2009.

(viii) Computerisation

The Corporation is taking steps to integrate all the regional offices with head office through networking with a view to achieve a paperless office. Management Information System, integrating all warehouses with regional office and head office will be taken up as a next step.

(ix) Financial status

The authorised share capital of the corporation is Rs 800 lakhs. The paid up share capital is Rs.761 lakhs. The State Government and the Central Warehousing Corporation are the two shareholders on 50:50 basis.

During the year 2007-2008, the total income of the Corporation was Rs 2275.76 lakhs as against the total income of Rs 2040.55 lakhs during the earlier year. This Corporation earned highest profit of Rs. 769.07 lakhs as profit for the 50th Golden Jubilee year of 2007-2008. It is expected that the income for the year 2008-2009 will be Rs.2500 lakhs and the profit will be Rs.671.45 lakhs for that year. The Board of Directors have resolved to declare 6.5% of dividend (Rs. 49.46 lakh) to the shareholders for the year 2007-2008. Dividend recommended by the Directors comes to 12.10% of the post tax profit of Rs.408.45 lakhs for 2007-2008.

**E.V.VELU
MINISTER FOR FOOD**