GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 1753
TO BE ANSWERED ON 29TH JULY, 2026

NON-VIABLE CONDITION OF FAIR PRICE SHOPS

1753 SHRI ASADUDDIN OWAISI:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government is aware of the non-viable conditions of the Fair Price Shops;

(b) if so, the details of steps are being taken by the Government contemplated to ensure their viability of at least Rs. 50,000/- per month per Shop by enhancement of margin;

(c) whether there is any proposal of the Union Government to direct the State Governments to assess the minimum number of beneficiaries to be linked with a Fair Price Shop for ensuring the viability of a Fair Price Shop;

(d) if so, whether the Union Government directs the State Government not to issue new licenses for new shops without assessing the viability of existing Fair Price Shops and if so, the details thereof; and

(e) whether the Union Government has any proposal to include other schemes for the Fair Price Shop Dealers to make their business viable, like Jan Poshan Kendra, Jan Aushadhi Prakalpa, etc. and if so, the details thereof?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a) to (b): Targeted Public Distribution System (TPDS) under National Food Security Act (NFSA), 2013 is operated under the joint responsibility of the Central and the State/ Union Territory (UT) Governments. Central Government is responsible for procurement, allocation and transportation of foodgrains upto the designated depots of the Food Corporation of India (FCI). The operational responsibilities for allocation of foodgrains within the States/ UTs, identification of eligible beneficiaries, issuance of ration cards to them, distribution of foodgrains to eligible beneficiaries under TPDS, issuance of license to Fair Price Shop dealers, supervision over and monitoring of functioning of FPSs etc. rest with the concerned State/ UT Governments.

As per sub-clause (7) of clause 9 of the TPDS (Control) Order, 2015, the State Government shall fix an amount as the fair price shop owner's margin, which shall be periodically reviewed for ensuring sustained viability of the fair price shop operations.
As per sub-clause (9) of Clause 9 of the TPDS (Control) Order, 2015, the State Government shall allow sale of commodities other than the foodgrains distributed under the TPDS at the fair price shop to improve the viability of the fair price shop operations.

The Central Government has limited role in determining the actual rate of fair price shop dealers' margin/ commission etc. The Central Government only provides the assistance to States/UTs for meeting the expenditure towards intra-State movement & handling of foodgrains and fair price shop dealers' margin under the NFSA, in accordance with the provisions of Food Security (Assistance to State Governments) Rules, 2015, which inter-alia provides for norms of expenditure and pattern of central sharing. In order to ensure viability of Fair Price Shops, the norms of central assistance towards FPS Dealers' margin have been enhanced w.e.f. April, 2026 from Rs.90 per quintal to Rs.100 per quintal for General Category States and from Rs.180 per quintal to Rs.195 per quintal for Special Category States.

However, State Governments are free to fix the actual rates, which can be higher than the norms of Central assistance prescribed by the Central Government. Central assistance will be limited to the rates prescribed by the Central Government or the actual average rates for the State as a whole, at which the expenditure was actually incurred by the State Government, whichever is lower.

It has been the endeavor of the Government to improve the financial viability of Fair Price Shops (FPSs) by providing additional business avenues to FPS dealers and enhancing beneficiary experience through the provision of value-added services at FPS. To improve the financial viability of FPSs, Government of India had requested all State/UT Governments to take up initiatives through FPSs such as providing banking services through tie-up with banks/corporate Banking Correspondents, banking and citizen-centric services of India Post Payment Bank (IPPB), Retail selling of small (5kg) LPG cylinders, Sale of other commodities/ general store items etc.

(c) & (d): As per sub-clause (5) of clause 9 of the TPDS (Control) Order, 2015, the licences to the Fair Price Shop Dealers shall be issued keeping in view the viability of the fair price shop.

Further, as per sub-clause (6) of clause 9 of the TPDS (Control) Order, 2015, the State Government shall ensure that the number of ration card holders attached to a fair price shop are reasonable, the fair price shop is so located that the consumer or ration card holder does not have to face difficulty to reach the fair price shop and that proper coverage is ensured in hilly, desert, tribal and such other areas difficult to access.

(e): Department of Food and Public Distribution has collaborated with the Ministry of Skill Development & Entrepreneurship (MSDE) to enhance the capacity and confidence of Fair Price Shop (FPS) dealers by equipping them with essential entrepreneurship and business management skills. Under this collaboration, NIESBUD (an autonomous institute under MSDE) has developed a specialized training programme for FPS dealers covering digital and financial literacy, e-commerce, retail management, and basic nutrition.

To date, approximately 325 FPS dealers across nine States—Rajasthan, Uttar Pradesh, Gujarat, Telangana, Karnataka, Odisha, Madhya Pradesh, Tamil Nadu and Bihar—have undergone this training. As a result, 90 FPS outlets have been converted into Jan Poshan Kendras (JPKs) across five cities: Hyderabad, Ghaziabad, Jaipur, Ahmedabad and Indore, improving their commercial viability and community outreach.

Pradhan Mantri Bhartiya Janaushadhi Pariyojana was launched by Department of Pharmaceuticals, Government of India to make quality generic medicines available at affordable prices for all citizens. Under this scheme, special outlets called Jan Aushadhi Kendras (JAKs) are opened across the country. These Kendras provide medicines that are about 50% to 80% cheaper than branded medicines, helping reduce healthcare expenses for patients.

The government has adopted a franchisee model for opening of JAKs by inviting online applications from individual entrepreneurs, non-governmental organisations, societies, trusts, firms, private companies, etc. through the website www.janaushadhi.gov.in. Any individual having a D. Pharma. or B. Pharma. qualification either herself/himself or any individual or organization that has employed a person with such a qualification as a pharmacist for obtaining drug licence from the State Licensing Authority concerned, is eligible to open a Jan Aushadhi Kendra.

There is no such proposal to include Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) through Fair Price Shops (FPSs).

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