

## दिल्ली सरकारी राशन डीलर्स संघ - दिल्ली प्रदेश

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Sarkari Ration Dealers Sangh, I am enclosing herewith "A BRIEF

Dated 14th October, 2014

NOTE ON THE GRIEVANCES OF THE FAIR PRICE SHOPKEEPERS OF

ENTIRE DELHI" for your kind perusal and action as deemed appropriate in order to get the issues involved redressed by

As desired in a meeting with the office bearers of the Delhi

Former Chief Minister of Delhi & Hon'ble Governor of Kerala,

taking up with the concerned authorities at the earliest.

We are very hopeful that your intervention will go a long way in the interest in the maintenance of smooth Public Distribution

System in entire Delhi as well as provide great succor to the

entire fraternity of over 2400 fair price shopkeepers, their families as well as poor consumers dependent upon the PDS in

Delhi.

We eagerly await for your instructions in this regard.

Yours faithfully,

[SHIV KUMAR GARG]

PRESIDENT

MOBILE NO.9212567435

Encl.:- a.a.

## BRIEF NOTE ON GRIEVANCES OF THE FAIR PRICE SHOPKEEPERS OF ENTIRE DELHI

- 1. All the authorities of GONCT of Delhi & especially HIS EXCELLENCY THE LEIUTINENT GOVERNOR OF DELHI and the Principal Secretary-cum-Commissioner, Food & Supplies, Department of Food & Supplies may not be realizing the gravity of various problems & grievances faced by the entire fraternity of so called FAIR PRICE SHOPKEEPERS[FPSs] brought to their notice since October,2013 onwards in an aggressive manner several times formally in writing apart from by threats of NOTICE FOR NON DEPOSITION OF ADVANCE DRAFTS OF SFAs AND DHARNAS etc., the PDS in the Capital of India is virtually on the verge of collapsation very soon & chaotic conditions will be scene of the day all around. At least then only authorities would wake up, when it will be too late to cover up the damage already occurred.
- 2. Height of injustice earlier at the hands of the elected government or later under the prevailing Lt. Governor's rule in Delhi by their deaf & dumb attitude or indifferent style to resolve the genuine grievances has already forced the DSRDS to seek various reliefs by knocking the doors of the Hon'ble High Court of Delhi at New Delhi, & already the matter for stay of operation of N.F.S.Act,2013 in entire Delhi in pending adjudication as both the GONCT of Delhi as well as MOF.GOI are still to perform the obligatory functions as prescribed in the N.F.S.Act,2013 & is the root cause of litigation now.
- 3. The most burning and long outstanding only major problem relates to the remuneration payable to the FPSs in the form of commission or margin money on quantities of food grains distributed to the consumers. The ongoing rate is 35 paisa per kg or Rs35/per quintal of stocks distributed by the FPS..This rate was fixed on13th May, 1997.[Refer ANNEXURE-No I for details]In the intervening period of seventeen [17] years all attempts by us have not evinced a pragmatic or practical view by the authorities of Department of F&S to increase the same, even though the WADHWA COMMISSION,STANDING COMMITTEE OF PARLIAMENTARIANS for Delhi, ARVIND KEJRIWAL prior to his becoming CM of Delhi have recommended reasonable hike in the commission/margin money payable to the FPSs in order to make them a viable unit. Shri Arvind Kejriwal in JULY,2007 through an affidavit before WADHWA COMMISSION had suggested a minimum earning of Rs15,000/- per FPS in Delhi for their sustenance and economic viability & to discourage them from indulging into diversion of subsidized food grains into black markets. No heed was paid by the Department of F& S, GONCT, but continued its impugned & sponsored policies for reasons best known to the Department.
- 4. With the launching of the NFS Scheme under the NFS Act, 2013 in a great hurry-burry the role of the FPSs, who are an integral part of the PDS in Delhi, has further been ruined and made them paupers because of "administered pricing policy" of PURCHASE PRICE EQUALS TO SALE PRICE and huge amount of publicity in Delhi by GONCT viz, Rs 2/-per kg of wheat and Rs3/- per kg of rice at which FPSs will buy & sell. Irony of the matter is under the NFS Act, 2013 there is no mention about the rate of reward or commission or margin money payable to the FPSs. This is to be fixed by the GONCT.

5. Section 22(4)(d) of the NFS Act,2013 under CHAPTER VIII on OBLIGATIONS OF CENTRAL GOVERNMENT FOR FOOD SECURITY inter-alia prescribed:-

QOUTE "Without prejudice to sub-section (1), the Central Government shall.-----(d) provide assistance to the State Government in meeting the expenditure incurred by it towards intra-State movement ,handling of food grains and margin money paid to the fair price shop dealers, in accordance with such norms and manner as may be prescribed by the Central Government: and"

UNQUOTE

Refer ANNEXURE-No II for details.

The Central Government has yet to advise the GONCT of Delhi about the norms and manner about the margins payable to the FPSs in Delhi.

This being the legal & official position, it is beyond comprehension of DSRDS how the Special Commissioner, Shri U.K.Tyagi, Department of F&S, informed us in a pre-scheduled meeting with the Commissioner [F&S] on 24<sup>th</sup> September, 2014 that the Department has now obtained the approval for increasing the rate of margin money to Re0.70 paise per kg and a NOTIFICATION about it will soon be released. Shri S.S.Yadav, IAS, Commissioner [F&S], however, did not attend the meeting fixed by him only with the representatives of the DSRDS after almost one month's wait.

The aforementioned unilateral decision of increasing the margin money to Re0.70 paise per kg [Rs70/- p.q] by the Department of F&S, GONCT is absolutely NOT repeat NOT acceptable to the FPSs of entire Delhi. This decision when conveyed by us to all the FPSs Delhi, they unanimously wanted a GENERAL BODY ASSEMBLY/MEET, which was organized under the banner of DSRDS on 30<sup>th</sup> September, 2014 at A-I, Community Hall, also known as Sahib Singh Verma Community Hall, Keshav Puram, Delhi-110035.

All the members present had decided to tender en-mass resignations of their licenses to the Lt. Governor, Delhi, and make the PDS suffer in Delhi even though it would have made the poor consumers/ration card-holders also suffer. This move was, however, prevented with the timely advice & intervention of worthy Shmt. Shiela Dikshit, Former Chief Minister of Delhi and Former Governor of Kerala State.

6. The basic reasons for non acceptability of the ex-parte decision under processing for increasing the margin money to Re0.70 paise per kg [Rs70/- per quintal] is that it will not at all help even in meeting the running/operating expenses of the FPS, what to talk about survival of dependent families of the FPS owners. They have been serving the PDS in Delhi for the last more than four decades. At this stage majority of them are aged persons, who cannot even get any alternative jobs or venues of earnings to survive. Complete details of our shop expenses have been repeatedly explained to the worthy Commissioner [F&S]. In a detailed & exhaustive representation in October,2013 and again in January,2014 submitted to the Commissioner [F&S] & all others concerned minute details of expenses incurable by a FPS have been given, based upon which the DSRDS requested for increasing the rate of margin money to Rs2.80 per kg,[Rs280/- per quintal] which alone will help a FPS get a net earning of about Rs18,000 to Rs20,000/-p.m. after meeting the shop expenses or they will get almost a return equal to a class IV government employee's salary.

paise per kg as mentioned in para 5 aforesaid, which is also grossly unjustified obviously when reckoned w.r.t. our justified demand of Rs2.80 per kg. The proposed hike implies just 25% of our demand.

We are giving below details of expenses incurred/to be incurred by a FPS in Delhi for ready reference & perusal as follows:-

Α	RENT OF THE SHOP [AVERAGE] The GONCT has recently hiked the circle rates of different localities in Delhi by 20%.  Let the rental value be assessed & fixed/adopted accordingly, the only difference will be that it may be Rs10,000/- in Burari or Nand Nagri area as against Rs25,000/- in G.K or South Extension	15,000/-		
В	ELECTRICITY CHARGES OF THE SHOP At each FPS power is consumed for electronic weighing scale, exhaust fan, normal fan, tube light plus one bulb inside & one outside & now onwards it may be for the Sales Device/Machine as well	2,000/-		
С	LABOUR CHARGES OF AN UNSKILLED LABOUR AT SHOP FOR 8,554/- FILLING/WEIGHING ETC As per the latest minimum wages revised & fixed in Delhi w.e.f. 01 <sup>st</sup> April,2014 by the Labour Department of GONCT for an unskilled labour. [Refer ANNEXURE-No III for details]			
D	STATIONARY CHARGES Each shop has to arrange stationary as per norms of the Department for cash memos/sales registers[category-wise]/ration cards register/stocks register/carbons etc	1,000/-		
E	BANK DRAFT CHARGES FOR COST OF SFAS	500/-		
F	LOSS OF INTEREST ON CAPITAL BLOCKED	1,000/-		
G	METROLOGY EXPENSES ON STAMPING OF WEIGHT/SHORTAGES/DAMAGES/WEIGHMENT CHARGES AT THE TIMEOF RECEIPTS OF SFAS etc	150/-		
Н	EXPENSES ON MAINTENANCE OF BOOKS OF ACCOUNTS/FILING OF INCOME TAX RETURNS ETC	1,000/-		
argum .	VARNER CHARGES/BAKSHISH UNOFFICIALLY DEMANDED/CHARGED BY LABOURERS OF TRANSPORT CONTRACTORS OF DSCSC LTD AT THE TIME OF UNLOADING SFAS IN THE PREMISES OF FPSs@ Rs10/- per quintal	1,000/-		
J	HIDDEN CHARGES UNIVERSALLY KNOWN TO DEPARTMENT AT THE TIME OF RENEWAL OF AUTHORISATION ETC-	1,000/-		
К	UNFORESEEN MISLANEOUS EXPENSES/PETROL/CONVEYANCE/MOBILE PHONE CHARGES,etc	3,000/-		

## TOTAL EXPENSES APPROXIMATELY [ A TO K ] Rs 34,204/- p.m.

Approximately Rs34,000/- to Rs 35,000/- p.m. is spent. These may vary from shop to shop but these are in any case not less than Rs34,000/ p.m. for any shop.

7. As per proposal of the Department in January, 2014[Refer ANNEXURE-No IV for details] when it recommended increase in margin money to Re1.00 per kg [or Rs100/- p. q.] it considered that given a standard of 1000 ration cards attached with each shop having a family size of 4.5 and @5 kg per kg p.m. the average allocation of food grains will be 225 Quintals p.m. With these calculations, the margin money payable to the FPSs will be Rs22,500/- p.m. out of which they may have to spend on rent of the shop, electricity charges, wages, labour charges, stationary etc. thereby ensuring at least Rs10,000/- p.m. ,which are marginally higher than daily wages of a skilled labour.

Anyone will appreciate how impractical or non pragmatic approach was followed even when it considered increase in margin money to Re1.00 per kg [Rs100/- p.q.] in January, 2014 or again in July,2014 with the objective that each FPS owner should earn at least a monthly income of Rs10,000/- after meeting its expenses in running the shop. As per this proposal also the FPS owner is to pay his labourer's wages of Rs8554/- who weighs the grain at the time of sale/issues etc but FPS owner should be satisfied & contend with just Rs10,000/- for him & his family. Does it sound a logical preposition from any angle? While the Department accepts & agrees there are unavoidable expenses in running a shop, but forgets to adopt it at the level as per prevailing market conditions or trends. Why? Interestingly net earning of Rs10,000/-p.m. is reckoned by the Department w.r.t. a standard of 1,000 ration cards tagged with each FPS which is far from ground reality. The skewed character of number of ration cards tagged with F.P.Ss all over Delhi is well known to the Department & is as shown below as per their own records but the Department keeps its eyes closed deliberately while examining proposals of such vital interests for reasons best known to it.

FPSs	FPSs	FPSs	FPSs	FPSs	Total No of
Allocation	Allocation	Allocation	Allocation	Allocation	FPSs in
between	between	between	between	above	Delhi
0-50Qtls	50-100Qtls	100-200Qtls	200-300Qtls	300Qtls	
519	783	887	171	35	2395
21.70%	32.70%	37.00%	7.00%	1.50%	100%
Rs1,750/-*	Rs3,500/-*	Rs7,000/-*	Rs10,500/-*	Rs13,000/-*	

NOTE:- 1]\*Maximum income of a FPS net of expenses on margin money @ Rs35/-Per Quintal/Per Month

- 2] Above details relate official records for the month of October, 2014,taken from the website of the Department.
- 3] Zone-wise No of FPSs showing allocations of SFAs in quintals, for the month of October, 2014 [Refer ANNEXURE-No IV for details]

It will be abundantly clear from the above Table that 92% [2360 of the total 2395] of the F.P.Ss have less than 300 Quintals of monthly allocations of SFAs and have to survive with just Rs7,000/- or less of earnings per month. Is it possible in a city like Delhi/New Delhi the Capital of India? Does it not mean and show malafide intentions of the Department in forcing helpless F.P.Ss to work as a bonded labour?

You will kindly appreciate that such impugned sponsored policy full of pitfalls adopted by the Department over the years is only responsible for a few FPSs indulging into unfair

- practices of diversion, under compulsive conditions. As a result majority of other innocent FPS owner are made to suffer the threats of raids or surprise inspections etc as a part of exercise by the Department to create fear psycho amongst all the shopkeepers. This is nothing but "official terrorism" created by the GONCT through its most important Department looking after the food for the poor involving direct public interest.

  The so called surprise checks or raids on the shops are also used as a tool to exploit the innocent shopkeepers, which is a universal truth.
- 8. Now assuming in case the GONCT raises the margin money to Re0.70 per kg [Rs70/- p. q.] & being accepted by the Department of F&S, it would simply imply that the FPS owner should satisfy itself with just Rs7,000/- p.m. net earning / income ,instead of Rs10,000/- p.m. department itself wanted and proposed in January,2014. What a great rationale in shift of its own stand?
- 9. In view of the factual position indicated above, ever since 1<sup>st</sup> September, 2013 when the N. F. S. Act, 2013 was launched in Delhi or even before, all the FPS owners have completely depleted there capital base by spending from their own sources gradually in meeting the deficit every month in their earning vis-à-vis excessive expenses in running of their shops.[There has been total erosion of their capital base]. Financial plight of every FPS can also be understood from the fact that even the margin money @ 0.35 per kg [Rs35/-p. q.] is also never paid in time by the Department of F&S. The earlier dues of over four-five years towards margin money from September, 2009 to August, 2013 legally payable to the FPSs, were paid only during 2013-14 last year that too after the intervention & directions of the Hon'ble High Court of Delhi at New Delhi. Even in respect of last six months, April, 2014 to September, 2014, the margin money even @ Re0.35 paise per kg is yet to be paid by the Department. This shows clearly how much serious or callous is the Department of F&S towards genuine necessities of the F.P.Ss? If some F.P.Ss indulge into diversionary activities, who is responsible for forcing them to do so?
- 10. REDUCTION IN NUMBER OF RATION CARDS TAGGED WITH EVERY FPS:-The Department of F&S has the obligation to identify the beneficiaries namely "priority households" as per the guidelines it may device. Sh. S.S.Yadav, IAS, Commissioner (F&S ) has been adamant for issuing ration cards only to those who have the AADHAR CARDS. As such it is made mandatory by the Department of F&S. This is despite the fact there are clear directions of the Hon'ble Supreme Court of India dated 24th March, 2014 as well as directions of the Division Bench of the Hon'ble High Court of Delhi at New Delhi dated 4<sup>th</sup> April,2014 to the contrary. This is resulting into lesser number of ration cards tagged with the F.P.Ss because all those poor, aged, illiterate, jhuggi-dwellers or daily wage earners have not been able to vet register for AADHAR CARDS. Although this is a matter of contempt of court but adamancy of the Department for insisting AADHAR CARDS [Even sometimes demanding Registration Nos under N.P.R.[National Population Register] has resulted into elimination of a large number of ration cards or beneficiaries from the lists of eligible consumers & Shri S.S.Yadav, Commissioner [F&S] has been claiming huge savings caused to the government as though those were bogus ration cards. Though it is the prerogative of the Department to identify the eligible beneficiaries amongst the poor in whatever manner it feels necessary and we do not wish to interfere in this matter yet it has to abide by the judicial directions of the Supreme Court of India as well as the Division Bench of the High

manning the department. The net effect of all this pervert actions is lesser allocation of monthly quantities of SFAs with each F.P.S. making their earnings adversely affected on the one hand & on the other hand poor people eligible to subsidized food grains also deprived the benefit under the noble scheme passed by the Parliament.

- 11. REDUCED MONTHLY ALLOCATIONS FOR EVERY FPS:-Under the provisions of the N.F.S.Act,2013 monthly allocations have been reduced because of the entitlement of each consumer is allowed on per person basis [4kg wheat and 1kg rice] as against entitlement on per card basis[25kgs wheat and 10kgs rice] which was adopted previously I.e, prior to introduction of N.F.S.Act,2013. This has also lead to reduced monthly allocations of all the FPSs & consequently net income for each & every F.P.S has also gone down. In reality both the consumers as well as shopkeepers are made to suffer.

for timely intervention in order to resolve the burning issue of revision of margin money/commission payable to the F.P.Ss in Delhi in public interest. Please save our souls, on S.O.S basis.