

Food Supply & Commerce Department

Public Distribution System (Control) Order 2001

Notification

The 15th February 2007

G.S.R.- 1, dated 20th February 2007 in exercise of power conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955) the Government of India, Ministry of Consumers Affairs, Food and Public Distribution (Department of Food and Public Distribution) has issued Public Distribution System (Control) Order, 2001 vide GSR. 630 (E) dated 31.8.2001 which extends to the whole of India. In accordance with clause 7 of the Public Distribution System (Control) Order, 2001, and vide GSR 392(E) dated 29.06.04 Public Distribution System (Control) (Amendment) Order, 2004 read with Section 3 of the Essential Commodities Act , 1955 (10 of 1955) the Governor of Bihar is hereby pleased to make with the prior concurrence of Government of India, the following order in connection with Fair Price Shops, as to issuance of licence , suspension /cancellation, terms and conditions and regulating the sale and distribution of the essential commodities .

Procedure for Issue of Licences

New licence of Fair Price Shops and its related working to licensee under Public Distribution System would be regulated through the provisions of Public Distribution System (Control) order 2001. Licensing Authority will terminate the agreement and provide new licence in form II to existing licensee after deposit of licence fee within six months.

Now, therefore, the provisions of "Bihar Trade Article (Licences Unification) order 1984, will not be applicable to fair price shops under the Public Distribution System.

2. Selection Committee for Issue of Licence :- Every application for the grant of licence shall be made to the respective licensing authority in prescribed Form-1. The licensing authority shall ensure the proper verification through Block Supply Officer/Supply Inspector and shall recommend its report to the District Level Selection Committee for consideration. This would not be applicable to existing licensees who shall be governed as per provision of para-1. The Selection Committee shall constitute of following officers.

Chairman - The District Magistrate.

Secretary - The Special Officer Rationing for Rationing Area, Patna, ADM (Supply) Patna for Patna district and for the remaining districts, the District Supply Officer/In charge District Supply Officer.

Members - (i) The Sub Divisional Officer of Respective Sub Division.
(ii) Any schedule caste / Schedule Tribe Officer posted in District.
(iii) The District Co-operative Officer.

The Licensing Authority shall issue Licence to Fair Price Shop, under Public Distribution System on the application recommended by above selection committee.

2. Now, for new licences approval of the Food Supply & Commerce Department is not required.

2.1 The Selection Committee shall take following facts into process in course of appointment for Fair Price Shops

- (i) According to 2001 Census, 1350 population in Urban areas and 1900 population in Rural areas have been fixed as one of the criteria for appointing new shops under Public Distribution System.
- (ii) There is a need to ensure that consumers need not travel more than two kilometers for accessing Fair Price Shops both in Urban and Rural areas.
- (iii) For remote and inaccessible area especially areas dominated by Scheduled Caste/Scheduled Tribe Fair Price Shops may be appointed for a population of 1,000.
- (iv) Reservation in allotment of Fair Price Shops are as follows :-

Scheduled Caste	-	16 Percent
Scheduled Tribe	-	01 Percent
Most Backward Class	-	18 Percent
Backward Class	-	12 Percent
Women Backward Class-		03 Percent

Compliance of above mentioned reservation shall be applicable to future vacancy.

2.2 Reservation criteria shall be applicable at Sub Division Level.

2.3 Following people and Institutions shall be given priority in allotment of Fair Price Shops, excluding compassionate cases .

2.4 Priority for issuance/New license shall be as follows

- (a) Self Help Group.
- (b) Gram Panchayat
- (c) Co-operative Society
- (d) Women/Co-operative Society run by women.
- (e) Ex-Army Co-operative Society.
- (f) Handicapped
- (g) Educated unemployed
- (h) Preference should be given to the applicant who is resident of concerned panchayat or ward.

2.5 Compassionate Cases :- On priority basis wife/husband, son, unmarried daughter, daughter in law, widow of deceased son would be allotted shops. Affidavit for no objection shall be obtained from rest of dependent as mentioned above. The application shall be accepted from the dependent within the two years from the date of death of the licensee.

2.6 Shops shall not be allotted to following people

- (a) Shops shall not be allotted to more than one member of a joint family. Following members shall be considered under the definition of family; Mother, Father, Brother, Sister in law, Wife, Son, Daughter in law, Step Brother. It shall come into force on the date of its notification.
- (b) Elected Mukhia, Sarpanch, Ward Member, Panchayat Samiti member, Zila Parishad Member, M.L.A, M.P, Member of Municipal Corporation and Municipality till their tenure.
- (c) Flour Mill owner.
- (d) Minor, Lunatic or is of unsound mind and undischarged insolvent.
- (e) Applicant shall not be given license if he/she is finally convicted under Essential Commodities Act, 1955 (Central Act 10 of 1955) .
- (f) If applicant holds the post of profit in the Government.

2.7 Compliance of Population and Reservation Criteria are necessary in process of allotting shops .

2.8 Licence Fee, Renewal Fee and Duplicate licence Fee

(a) **Licence Fee :-** Applicant recommended by the District Level Selection Committee shall be communicated by the Licensing Authority to deposit Licence Fee at the rate of Rs. 400/- (Four Hundred only) through treasury challan. After depositing licence fee applicant shall be issued licence by the Licensing Authority in prescribed Form II. Old licensee mentioned in para - 1 are also be required to deposit licence fee of Rs. 400/- (Four Hundred only) through Treasury Challan, then they shall be provided new licence. Old licensees need not submit application in Form I.

(b) **Renewal Fee :-**

The Licence shall be renewed for the period of five years by the Licensing Authority. On payment of licence fee of Rs. 400/- (Four hundred) only through Treasury Challan alongwith the application in prescribed form III. Licensing Authority will renew the licence. New licences will be renewed within one month after lapse of the period of five years from the date of issue of the licence. Late fees will be charged at the rate of Rs. 50/- per month and such renewal by payment of late fee will be permissible within eight months of the date validity of the licence.

- (i) The Licensing Authority shall provide renewed licence to every licensee within a month.
- (ii) Licence shall not be renewed during the suspension of the licence. After revocation of suspension the licence may be renewed by payment of full renewal fee in one instalment.

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(c) **Duplicate Licence Fee:-** If the licence is damaged, lost or destroyed the Licencee shall communicate at once to the licensing Authority. The Licensing Authority may issue a duplicate licence on submission on an application along with payment of Rs. 200/- (Two hundred) deposited through Treasury Challan.

3. Delegation of Power to the Licensing Authority

With the coming in force of the Public Distribution System (Control) Order 2001, under Public Distribution System the power of the Licensing Authority to grant of licence/renewal, issue of the identity card, terms and conditions of the licence, compliance of duties and responsibilities, suspension of licence and cancellation of licence of FPS dealers can not be delegated to any other Officer.

The Licensing Authority alone is authorised to ask show cause from a FPS dealers on receipt of report from an inspecting Officer.

4. Conduct of Licensees

1. The licensees shall

- (i) Abide by the duties and responsibilities indicated in the licence.
 - (ii) Maintain notice Board as per Annexure-1.
 - (iii) Display price and stock Board as per Annexure-2
 - (iv) Keep the Identity Card issued as per Annexure-3
 - (v) Keep the Identity Card issued to the representative of the FPS dealers as per Annexure-4
2. The ration card holder shall not be denied the Supply as per entitlement of the essential commodities, lying in stock by the fair price shop owner under the Public Distribution System.
 3. The Fair Price Shop owner shall not retain ration cards after the Supply of the essential commodities.
 4. Any ration card holder desirous of obtaining extracts from the records of a Fair Price Shop owner may make a written request to such owner along with deposit of Rs. 10/- (Ten) fixed as fee.
 5. Within fourteen days from the date of receipt of a request and the specified fee under sub clause(4), the Fair Price Shop owner shall provide such extracts of records to the ration card holder.

5. Duties and responsibilities of Fair Price Shop dealer

The Fair Price Shop owner shall,

- (i) Sale of essential commodities as per the entitlement of ration card holders at the retail issue prices fixed by the Food Supply & Commerce Department, Bihar under the Public Distribution System.
- (ii) Display of information on a notice at a prominent place in the shop on daily basis regarding (a) list of BPL, Antyodaya and Annapurna beneficiaries, (b) entitlement of essential commodities, (c) scale of issue, (d) retail issue prices, (e) timings of opening and closing of the fair price shop (f) stocks of essential commodities received during the month (g) opening and closing stock of essential commodities and (h)

the authority for redressal of grievances/lodging complaints with respect to quality and quantity of essential commodities under the Public Distribution System.

- (iii) Maintenance of records of ration card holders (APL, BPL, Antyodaya and Annapurna) stock register, issue or sale register,
- (iv) Furnishing of copies of specified documents, namely, ration card register, stock register, sale register to the Inspecting Authority Block Supply Officer or as directed by Licensing Authority .
- (v) Display of samples of foodgrains being supplies through the fair price shop.
- (vi) Production of books and records relating to the allotment and distribution of essential commodities to the inspecting authority and furnishing of such information as may be called for by the inspecting or licensing authority.
- (vii) Accounting of the actual distribution of essential commodities and the balance stock at the end of the month to the Block Supply Officer or as directed by Licensing Authority with a copy to the Gram Panchayat;
- (viii) Opening and closing of the fair price shop as per the prescribed timings displayed on the notice board.

6. **Working period and holiday** - No other holiday shall be admissible to FPS dealer except Gazzetted holiday and weekly closing i.e Monday. The FPS shops shall open between 7 A.M to 1 P.M during the month March to August and from 8.00 A.M to 2 P.M during September to February.

Due to unavoidable reason if the FPS Dealer is unable to conduct the working of shops for limited period then he shall submit an application before the Licensing Authority. The Licensing Authority may allow the said period just after making an alternative arrangement for availability of Essential Commodities to the Consumers.

7. **Suspension and Cancellation of the Licence:-**

(i) In the light of Hon'ble Supreme Court order in Civil Writ petition 196/2001, action will be taken against the licensee in following situation :-

Licensees, who

- (a) do not keep their shops open throughout the month during the stipulated period,
- (b) fail to provide grain to BPL families strictly at BPL rates and no higher,
- (c) keep the cards BPL household with them,
- (d) make false entries in the BPL cards,
- (e) engage in black marketing or siphoning away grains to the open market and hand over such ration shops to such other person/organisations shall make themselves liable for cancellation of their license. The concerned authorities/functionaries would not show any laxity on the subject.

- (ii) If any licensee contravenes the provision, terms of the licence, duties responsibilities and order of State Government then the Licensing Authority shall suspend / Canceled the licence by a written order.
- ✱(iii) If F.I.R. is lodged against FPS dealers for contravention of an order issued under Essential Commodities Act, 1955, their licence shall be suspended till the matter is pending before the Court of Law.
- (iv) It shall be necessary to ask show cause by the Licensing Authority to licensee before suspending licence. Licensee will be given a reasonable opportunity stating his case against the proposed cancellation.
- ✱(v) Suspension of licence shall be for a maximum period of ninety days. In the mean time records relating to suspension of licence should be sent to the District Level Selection Committee within a fortnight from the date of suspension of licence. The Selection Committee after due enquiry shall recommend for revocation of suspension the Licensing Authority shall act accordingly.
- (vi) Allocation to FPS dealers shall not be discontinued under any circumstance. In case of suspension or cancellation of licence allocation to a FPS dealer should be tagged to the nearest FPS dealer.
- (vii) After suspension of licence of the Licensee the consumers shall be tagged to the nearest FPS shops by the respective Block Supply Officer/In charge Block Supply Officer/Supply Inspector.
- (viii) In general circumstances the tagging of consumers shall not be changed.
- (ix) All Consumers of APL, BPL and Antyodaya living within the area earmarked for a FPS dealer should be tagged to such a FPS dealer.

8. Disposal of Essential Commodities after Suspension/cancellation of licence

In situation of cancellation/suspension of licence issued under the Public Distribution System (Control) Order 2001 to FPS dealers, the food grains/essential commodities in stock shall be distributed at fixed rate and quantum to the consumers attached to the particular dealer by the Block Supply Officer/In charge Block Supply Officer/Supply Inspector within 30 days of receipt the order. The sale amount received shall be return to the licensee.

9. Transfer of Licence

The licence shall not be transferred to any other member of the family/any other person. There can not be any partner in the licence.

10. Agreement

There shall be no agreement in addition to the licence. After terminating the previous agreement, the old licensee would be provided with New Licence in Form II within six month.

11. The Identity Card of the Licensee/The Representative Licensee

The Licensing Authority shall issue identity card to every licensee/the representative of the licensee as per Annexure 3 and 4.

The Essential Commodities shall be lifted after presenting identity card by the licensee/the representative of licensee.

12. Changes in Licence

- (i) If the licensee wants to change the storage or business premises to any other site other than the one mentioned in the licence then therein afresh petition shall be submitted to the Licensing Authority.
- (ii) The Licensing Authority shall give permission after necessary enquiry to change the business premises in the licence within 15 days of receipt of petition and necessary entries should be made in the licence and also in the licence register maintained in the office. If the Licensing Authority does not give permission of change of location within a period of 15 days the licensee will be entitled to store essential commodities at the new location.

13. Payment of Commission admissible to the FPS Dealer

The Licensing Authority shall be responsible for the payment of admissible commission to the FPS dealer within two months from the date of lifting/distribution of Essential Commodities under various schemes of the Department.

14. Consequences of Conviction

Where a licensee has been convicted by a court of law for the contravention of any order made under section-3 of the Essential Commodities Act, 1955 (Central Act 10 of 1955) the Licensing Authority shall by order in writing cancel his licence.

Provided that where such conviction is set aside in any appeal or revision, the Licensing Authority may, on an application by the dealer whose licence has been cancelled, restore, the licence to such dealer.

15. Appeal

- (i) Any person aggrieved by an order of the Licensing Authority denying the issue or renewal of the licence to the Fair Price Shop owner or cancellation of the licence may appeal to the Appellate Authority notified under Public Distribution System (control) Order 2001 within thirty days of the date of receipt of the order and the Appellate Authority shall as far as practicable, dispose the appeal within a period of Sixty days.
- (ii) No such appeal shall be disposed of unless the aggrieved person has been given a reasonable opportunity of being heard.
- (iii) Pending the disposal of an appeal, the Appellate Authority may direct that the order under appeal shall not take effect for such period as the authority may consider necessary for giving a reasonable opportunity to the other party under sub clause(ii) or until the appeal is disposed off, whichever is earlier.
- (iv) The orders for suspension/cancellation of licence and revocation of suspended /cancelled licence, issued by the Appellate Authority and the licensing Authority should be by a speaking order.

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16. Exemption

The provisions of "Public Distribution System (Control) order 2001" shall not be applicable to the purchase, sale or storage for sale of any trade article by or on behalf of :

- (i) The Central Government
- (ii) The State Government.
- (iii) The officers, Departments Institution or other organisation of the State Govt. or such agencies approved by the State Govt.
- (iv) Any Central or State Level Co-operative Society (except the P.D.S. shops)

17. Repeal

- (i) The pending cases against the FPS Dealers, previous to instant notification under Public Distribution System (Control) order, 2001 would be governed by the orders in operation at the time of filling of such cases.
- (ii) Previously issued letters circulars, orders, directions relating to Licence, procedure of licence, licence fee, renewal fee, duplicate licence fee, conduct of licensees, working period and holiday of licensee, suspension and cancellation of the licence, search and seizure, suspension of licence/disposal of essential commodities after cancellation, transfer of licence, agreement, identity card of licensee and their representative, change in business premises, consequences of conviction under Essential Commodities Act, 1955 and the appeal will be treated to be annulled from the date of notification. Although the orders, directions, letters and circulars, relating to strengthening of the Public Distribution System and various schemes shall remain applicable.
- (iii) The earlier circular issued from time to time with respect to Monitoring, which are not repugnant to the provisions of Public Distribution system (Control) order, 2001 shall be continue and deemed to be notified under Public Distribution System (Control) order, 2001.

(Pra.4.vi.2-04/2001)

By the order of Governor of Bihar

(Suresh Kumar Verma)
Joint Secretary to the Govt.

Form - I

Application Form for grant of licence of Fair Price Shop under Public Distribution System

To,

The Licensing Officer

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Sir,

I, hereby apply for the grant of licence under the Public Distribution System (Control) Order 2001. The required particulars are given hereunder :-

1. Applicant's Particulars

(a) Name :	(b) Educational Qualification :
(c) Name of the Father/Husband :	(d) Age :
2. Residential Address of the applicant (Permanent & Present)

(a) House No. / Holding No.
(b) Mohalla / Ward No.
(c) Village / Town / Block
(d) Police Station
(e) District
3. Detail of place of Business

(a) Village / Ward No. (With Mohalla); where licence is required
(b) Village / Shop No.
(c) Holding No.
(d) Area
(e) Khata No. Khesara No.
(f) Boundary
(g) Mohalla / Ward No.
(h) Village / Town
(i) Police Station
(j) District
4. The place of shop is own or rental ? If rental, enclose details herein .
5. Did the applicant hold the licence of other business ?
6. Has the applicant even been convicted by a Court of Law for Contravention of any order issued under Essential Commodities Act, 1955 during last three years.
7. Whether the applicant was declared or adjusted as an insolvent by a Court.
8. Is any criminal case pending against the applicant's
9. Has the applicant claim for the reservation ? If yes, enclose Caste Certificate issued by the Block Development Officer.

10. Has the applicant hold the post of profit in the Government ? If yes, give full details.
11. Is the applicant hold Government Service ? If yes, give full details .
12. Has the applicant Flour Mill (Aata Chakki) ?
13. Whether the applicant is Mukhiya, Sarpanch, Ward Member, Member of the Panchayat Samiti, Member of the Zila Parishad, Legislature, M.P. Elected Member of the Corporation & Municipality.

I hereby declare that the particulars mentioned at serial no. 1 to 13 above are true to the best of my knowledge and belief and nothing has been concealed therein. In future, if any above mentioned matter is found false, then legal action will be taken against me.

I have carefully read/understood the provisions of the Public Distribution System (Control) Order 2001 and I agree to abide by them.

Place :

Date :

Signature of the applicant

Form - II

Licence to a Fair Price Shop under Public Distribution System (Control) Order 2001

Licence No.

Challan No. Date

Name of the Licensee, Name of the Father/Husband

Address

Photo of the licensee
attested by the
Concerned Supply
Inspector & Counter
Signed by the
Licensing Authority

DUTIES & RESPONSIBILITIES

1. Subject to the provisions of the Public Distribution System (Control) Order 2001 and under the duties and responsibilities of the licence, I hereby authorised shri to store Essential Commodities at following place to regulate purchase, sale and distribution of the Essential Commodities under Public Distribution System.

Details of the Storage Place

- (a) Khata Khesare Holding No.
- (b) Area of the shop
- (c) Detail of the shop
- (d) Address
- (e) Boundary of the shop
- (f) Name of the shop owner and address if the shop is rental

2. Details of the Essential Commodities :

- (i) Foodgrains
- (ii) Edible Oil
- (iii) Kerosene Oil
- (iv) Sugar
- (v) Cloth
- (vi) Other Commodities

3. (a) The licensee shall maintain the stock and sale register according to the instruction issued by the Food Supply & Commerce Department, Bihar. The quantity of the Essential Commodities in the register will be entered in the following manner :-

- (i) Foodgrains in Quintal or Kilogram.
- (ii) Edible Oil / Kerosene Oil - in litre

(b) The licensee shall maintain all entries of the Stock register before the next opening day of the shop.

4. The licensee shall open shop daily except the Gazetted holiday/weekly closing and display "Notice Board" outside the shop as well "Price and Stock" display Board be kept at conspicuous place in the shop. Notice Board and the price and stock Display Board should be made as per annexure - 1 & 2 respectively.
5. The licensee shall display the list of beneficiaries of BPL, Antyodaya and Annapurna at conspicuous place.
6. The licensee shall distribute essential commodities as per entitlement to the ration card holders at the retail issue prices.
7. The licensee shall not sale or propose to sale essential commodities to Consumers at higher price.
8. The licensee shall issue cash memo (as per annexer-5) at every sale to the consumer following name and address of the consumer with their signature/thumb impression. The carbon copy (Duplicate copy) of the cash memo shall be also printed as original copy, following name of licensee, licence no. and address.
9. The licensee shall return the ration card to its holder after the entry of the Supplied Essential Commodities. The licensee shall not hold the ration cards at any circumstances.
10. The licence will get a joint sample of the foodgrains at the time of lifting and display it easily conspicuous place.
11. The licensee on demand shall produce the correct information about his business to the concerned and comply with the orders time to time issued by the State Government , Commissioners, District Magistrate and the Licensing Authority.
12. The licensee shall produce stock & sale registers of the Essential Commodities to the inspecting authority for inspection, verification and sampling as and when required.
13. The licensee shall maintain "Inspection Register" and Complaint/Advice Book". The licensee shall make available the "Complaint/Advice Book" to the consumers on demand to lodge the complaint regarding the problem faced during the issue of ration, quality and quantity of Essential Commodities.
14. The licensee shall comply with the provisions of the Bihar Ration Coupon Scheme 2006 & the Bihar Kerosene Oil Coupon Scheme 2006.
15. The licensee shall keep licence and all types of registers/Books and cash memo in shop.
16. The licensee shall keep the Essential Commodities in proper manner and take adequate measures to prevent it from the damages due to ground moisture, rains insects rodents, birds, fire and such other cause are avoided .

Annexure - 1

Fair Price Shop under Public Distribution System (Control) Order 2001

(Food Supply & Commerce Department)

"NOTICE BOARD"

Date

1. Name of the Fair Price Shop's Dealer
2. Address
3. Ward No.
4. Licence No.
5. Time for opening of the Shop : 7.00 A.M. to 1.00 P.M. during March to August. 8.00 A.M to 2.00 P.M during September to February.

Every Monday shall be closing day

(Note : Size of the Board - 3 ' × 2 ' . Base shall be in yellow colour and entries therein by in Black colour)

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Annexure - 2

(It shall be hooked at the conspicuous place of shop)

(Price and Stock Display Board)

1. Name of the Dealers of the Fair Price Shop Date
 2. Name of the Licensee :
 3. Ration Cards Tagged to the shop
- | | | | |
|--|--------------|---------------------------------|--------------|
| | <u>Wheat</u> | <u>Allotment</u>
<u>Rice</u> | <u>K.Oil</u> |
|--|--------------|---------------------------------|--------------|
- (1) No. of the A.P.L. Cards / Units :
 - (2) No. of the B.P.L. Cards :
 - (3) No. of the Annapurna Ration Cards :
 - (4) No. of the Antyodaya Ration Cards :

Sl.No.	Name of the Commodities	To day's Stock Qtls. K.gram	To day's receipt	Total	Rate per kilo/litre	Admissible quantity per card/unit	Remarks
1.	Wheat						
2.	Rice						
3.	Sugar						
4.	Edible Oil						
5.	Kerosene Oil						
6.	Others						
7.							
8.							
9.							

4. Name, Address and Telephone No. of the Local Officer
(Consumers, to whom complain)
5. Name, Address & Telephone no. of the State Level Complain Cell,
Public Complain Cell, Food Supply & Commerce Deptt., Old Secretariat, Patna
Tel. No. 0612-2222099
6. "Complain-cum-Advice Book" shall be available with the dealer.

Note :

- (i) Size of the Notice Board shall be of 4' × 2½'.
- (ii) Allotted Commodities shall be entered in the column " Name of the Commodities" as per tagged cards to the shop.
- (iii) Base of the Notice Board shall be in Black Colour & entries there in White Colour.

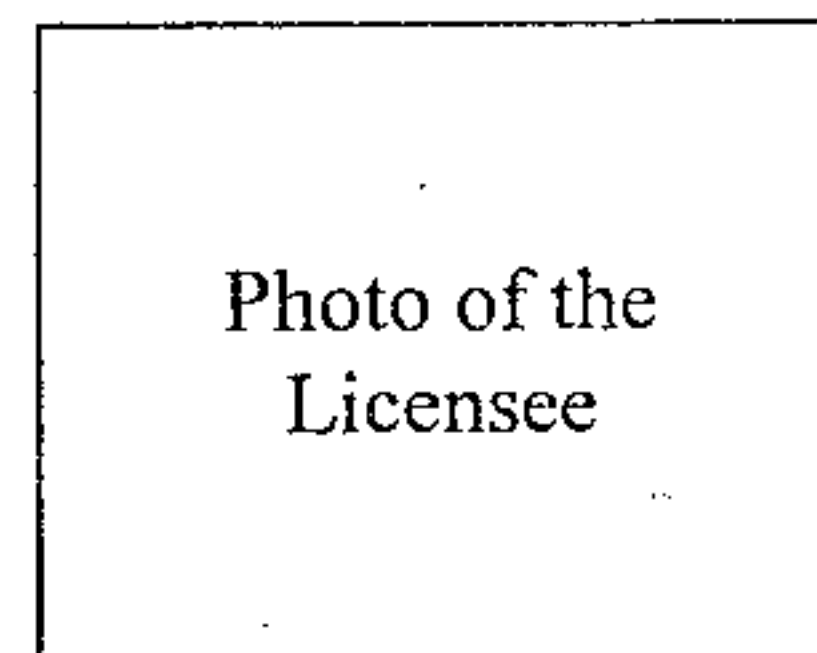
Annexure - 3

Specimen of identity card for the licensee

Name of the Office :-

No. of the Identity Card :

1. Name of the Fair Price Shop's Dealer
2. Licence No.
3. Address
4. Ward No.
5. Signature of the Licensee
6. Valid date (Till the next renewal date of the licence)



(Attested by Mukhiya /
Ward Commissioner /
Ward Counselor)

Sig. of the Supply
Inspector

Sig. of the Marketing Officer /
Block Supply Officer

Sig. & Seal of the
Licensing Authority

Annexure - 4**Specimen of the Identity Card of the representative of the licensee**
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Name of the Office

Identity Card No.

1. Name of the Woman/Handicapped and Sick Public Distribution System dealer

2. Licence No.

3. Address

Photo of the
LicenseePhoto of the
Nominated
Representative(Attested by Mukhiya / Ward
Commissioner / Ward Counselor)

4. Name & address of the nominated representative.

5. Signature of the nominated representative.

6. Signature of the Licensee.

7. Date of Validity (till the next renewal date of the licence)

Sig. of the Supply
InspectorSig. of the Marketing Officer /
Block Supply OfficerSig. & Seal of the
Licensing Authority

