

CAG Report Summary

Implementation of National Food Security Act, 2013

- The Comptroller and Auditor General of India (CAG) submitted a report on the ‘Preparedness for Implementation of the National Food Security Act (NFSA), 2013’ on April 29, 2016. The objectives of conducting the audit were to assess whether states and union territories (UTs) had: (i) identified eligible households and issued ration cards to the beneficiaries, (ii) developed an adequate infrastructure to implement the Act, (iii) initiated reforms with regard to the existing Targeted Public Distribution Scheme (TPDS), and (iv) put in place an effective grievance redressal system and monitoring mechanism. Key findings of the audit report include:
 - **Identification of eligible beneficiaries:** It was observed that since the NFSA was enacted in 2013, 18 states/UTs had implemented it as of March 2015. Only 51% of the eligible beneficiaries in the country had been identified. The NFSA states that respective states have to notify guidelines for identifying priority households under NFSA. However, CAG found that barring Chhattisgarh, Delhi and Jharkhand, states had simply re-stamped old ration cards (under TPDS) as being NFSA compliant without carrying out a fresh process of identification. Most states had also failed to adhere to provision of the Act which mandates having the ration cards in the name of women in the household who are above 18 years of age.
 - **Implementation of NFSA:** The NFSA had provided a deadline of one year for states to complete its implementation. Only 11 states completed the identification of beneficiaries within this deadline. The Ministry extended this timeline three times, the last being in September 2015. Subsequently, 7 more states identified beneficiaries by October 2015.
 - **Infrastructure and logistics:** The states/UTs were reported to have inadequate infrastructure to handle the logistics of storage and movement of food grains under NFSA. The CAG noted that 95% of the food grains in the country are transported by railways. After implementing NFSA, the quantity of food grains transported between states would be expected to increase, indicating a higher requirement of rakes (group of freight wagons) for the transportation of food grains. The CAG stated that 20% more rakes would be required for this purpose. However, it was observed that the availability of rakes had been falling short of their requirement (shortfall of 13% to 18%) from 2010-11 to 2014-15.
 - With regard to storage capacity, it was found that the available capacity in states was inadequate for the allocated quantity of food grains. As of October 2015, of the 233 godowns sanctioned for construction in Maharashtra, only 93 had been completed. In Assam, although the storage capacity was enough for the state’s allocation, the conditions of the godown were found to be too damp for storage. Some of the storage in Jharkhand was also found to be unfit, either because of its remote location or the damaged condition of the godowns.
 - **Doorstep delivery of food grains:** The Act states that it is the state governments’ responsibility to deliver food grains from state depots to fair price shops (FPS), and on to entitled beneficiaries. It was observed that doorstep delivery was only happening in Bihar and Delhi. In Maharashtra, doorstep delivery of food grains was done only in tribal and drought prone areas of the state, while in Uttar Pradesh, doorstep delivery was being done in a few districts (15 out of 75) by hiring contractors.
 - **Grievance redressal and monitoring mechanisms:** The NFSA states that every state must have (i) a grievance redressal mechanism, (ii) a District Grievance Redressal Officer (DGRO), (iii) a State Food Commission, and (iv) Vigilance Committees at the state, district, block, and fair price shop levels, to monitor the implementation of the Act.
 - As of March 2015, all nine states which were selected by CAG had set up an internal grievance mechanism of a toll free number. In terms of monitoring, state level Vigilance Committees were set up in six out of nine states. However, they were not set up in most districts. In addition, state governments had either not conducted inspections to monitor the implementation of the Act, or the frequency of inspections was lower than the targeted number (at least once every six months) under the Act.

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