

## INNOVATIVE SCHEME

### AAMAR DUKAN

#### Guidelines

#### **1. Objective**

With a view to strengthening the Public Distribution system, the Government of Assam has decided to introduce more non PDS items in the PDS basket of commodities, so that both the general public and the PDS retailers reap benefits. It has been observed that the PDS commodities transacted by the FP shops at the cutting edge level of the Distribution network, do not make the FP shops viable to the desired level of profitability. There is scope of the FPs in terms of time and space to accommodate non PDS items to be transacted from the shops. The viability of the FPs, in terms of the livelihood concerns of the PDS licencees, is intended to be improved, by making the shops attractive to the consumer appeal, through the trading of selected non PDS items. The general public, in addition to the FIC holders, will also have access to the basket of essential commodities at lesser price.

At the inception, during the Rongali Bihu festival in April 2010, a pilot scheme involving the 638 FPs of Guwahati city under the jurisdiction of Kamrup Metropolitan District was implemented in a participatory and experimental mode. The features of the effort were as under :-

- (1) Meetings were held with the Distributors, Stockists, Wholesalers, Sub-Wholesalers and retailers to sensitise them of the scheme
- (2) The modality of the scheme was that the Distributors, Stockists and Wholesalers would issue adequate quantities of selected commodities on the basis of demand, at their landing cost plus minimum profit to the FP shops by eliminating the intermediate agencies.
- (3) The issue price at both levels was determined upon mutual agreement between the Distributors / Stockists/ Wholesalers and the FP shops, which was much below the printed MRP based on the landing cost and minimal profit
- (4) The FP shops were allowed to add Rs 2 only per kg/liter as profit and transportation
- (5) The FP shops created a sustainable platform so that their bargaining power in the market enhance as a single entity.
- (6) The selected items were edible oils ( Mustard oil, refined oil, soya oil, tea packets, packed Atta, packaged iodised salt, branded rice that have printed MRP ), potatoes, onions, sugar, pulses ( masur dal ), common rice
- (7) The Distributors / Stockists / Wholesalers were benefited by getting bulk customers through the scheme which resulted in lesser cost to the FIC holder / customer, without disturbing the existing Distributors / Stockists / Wholesalers margin.

- (8) The additional basket of commodities made available and ..... by the FP shops attracted customers in addition to their tagged PIC holders
- (9) The products were transacted between the Distributors / Stockists / Wholesalers and the FP shops in both delivery mode and pick up mode.
- (10) The additional products were mostly MRP based fast moving consumer goods (FMCG)
- (11) All FPs agreed to install conspicuous Flexisignboards of deep blue colour in front of their shops. These display boards announced the availability of the items that were agreed to be transacted by the selected FPs at the agreed reduced prices.
- (12) All FP shops displayed the prefixed prices on the display boards located in front of the shops
- (13) The prices that were agreed and prefixed both at the Distributor / stockist / wholesale level and the retail FP shop level were made stable for one month upto the conclusion of Bihu festival.
- ✓ (14) The prices of the commodities agreed upon to be transacted by the FPs were widely publicized through the print and electronic media (Newslive and print media)
- ✓ (15) The Govt acted only as a catalyst and there were no fund implications on the State exchequer.
- (16) Review meetings were held fortnightly so that the market adjustments in terms of prices and volume could be pragmatically accommodated in the scheme.
- (17) All transactions between the FPs and the Distributors / Stockists / Wholesalers were done purely on cash basis

## 2. The proposal

Considering the success of the scheme as above during the last Rongali Bihu, the Govt of Assam then decided to embark upon the scheme throughout the State. The features envisaged in the same were as follows -

- 1) The State target for the scheme is 10,000 shops then, but for the year 2014-15, based on the fund of Rs 500 lakhs made available, the target for providing assistance for innovative AAMAR DUKANS is 755.
- 2) The scheme will have a brand name of "AAMAR DUKAN!" and the logo of "Jago Grahak Jago" as publicized by the Govt of India

- 3) The same will be implemented on a pilot basis in all 27 Districts of the State

- ✓ 4) The modality of the scheme will be that the Distributors, Stockists and Wholesalers will issue adequate quantities of selected commodities on the basis of demand, at their landing cost plus minimum profit to the selected group of FP shops by eliminating the existing intermediate agencies.
- ✓ 5) MoUs will be prepared by the Deputy Commissioner / Principal Secretary of Councils / Subdivisional officers (civil) upon mutual agreement and signed by the Distributors, Stockists and Wholesalers on one part and the FP shops in the other part for assured supply of selected commodities in terms of quality and quantity, and also the period for which the prices at both levels will remain valid until next review.
- ✓ 6) Should there be a fall in Wholesale/ Distributor / Stockist prices of the commodities during the intervening period between review meetings, the items will be made available by them and by the FP shops at reduced prices to the FIC holders / customers. On the contrary, should there be a rise in prices during the same period, the prices should be maintained at the agreed level.
- 7) The FP shops created a sustainable platform so that their bargaining power in the market enhance as a single entity.
- ✓ 8) All selected FPs will install conspicuous Flexisignboards of yellow colour with green letters in front of their shops. These display boards will announce the availability of the items that will be transacted by the selected FPs at the agreed reduced prices.
- 9) The criteria for selection of FPs will be as under :-
- 10) Urban areas ( Municipal Corporation, Municipal Boards and Town Committees) -
  - a. One to three shops for every ward in the urban areas depending on the population concentration and demand, preferably in market areas.
  - b. One shop in every WCCS counter.
  - c. All Industrial towns - 5 to 10 shops
  - d. All District Headquarters - at least 25 FP shops
  - e. All Subdivisional Headquarters - At least 15 shops
- 11) Rural areas -
  - a. One shop in every GPSS/LAMPs area, which may also be attached to the GPSS PDS outlet.
  - b. One shop in every major/ established market area frequented by people on a regular basis
  - c. Two-three shops in every Block Headquarters
- 12) Other criteria for selection of FP shops
  - a. Each shop may either be in rented or own premises but must be free from dispute / litigation in Courts of law
  - b. Each shop must have a valid renewed PDS licence .

- c. Each shop must not have been implicated in any breach of laws/ rules in consequence of which its license was suspended or subjected to penalties under the EC Act and its subservient Control orders
- d. Each shop must be presently dealing with non PDS items in addition to PDS items
- ✓ e. Each shop must be financially viable in terms of volume of business and profit.
- f. The shop must have sufficient ventilation, light and space to allow comfortable movement of customers and stocking space
- ✓ g. The shop must remain open throughout the month subject to compliance with provisions of the Shops and Establishments Act
- ✓ h. The selected shop must issue cash memo for each transaction as per prevalent laws
- i. The shop should remain open throughout the day
- ✓ j. The shop should maintain cash book and stock register which should be updated on a daily basis.
- ✓ k. Each shop should have a unique identifying number.
- ✓ 13) The Deputy Commissioners / Principal Secretaries of Councils / Subdivisional Officers (civil) will hold meetings every fortnight with the Local Stockists / Distributors / Wholesalers to ensure quality, quantity, price stability.
- ✓ 14) The performance of the FP shops will be reviewed fortnightly by the Deputy Commissioner/ Principal Secretary of Councils for sadar subdivisions and the Subdivisional officer for the mofussil subdivisions
- ✓ 15) The issue price at both levels will be determined upon mutual agreement between the Distributors / Stockists/ Wholesalers and the FP shops, which should be much below the printed MRP based on the landing cost and minimal profit. This should not affect the benefits that may be provided by any manufacturer / Company under any special scheme that may be announced from time to time.
- 16) The FP shops will be allowed to add a maximum of Rs 3 only per kg/liter which includes both profit and transportation.
- ✓ 17) The Deputy Commissioners / Subdivisional officers will facilitate negotiations with plastic bag distributors so that the packing bags are made available at reduced costs, which will further reduce the end retail price of the items.
- \* 18) The Deputy Commissioners / Subdivisional officers will explore the possibility of creating a pool of mobile vans with the design and logo which will sell the recommended items on location demand basis.
- 19) The items suggested to be transacted under the scheme are -
  - a. Rice
  - b. Branded / Premium rice

- d. Gur
- e. Pulses ( Masur Dal)
- f. Pulses ( Moong Dal)
- g. Packaged iodised Salt ( Tata, Nirma , Captain Cook etc )
- ~~h. FDS iodised salt~~
- i. Biscuits and confectionary
- j. Packaged Atta
- k. Packaged Maida
- l. Packaged suji
- m. Tooth paste
- n. Soaps ( bathing and washing)
- o. Packaged tea ( Tata, Golaghat , Nameri, etc etc )
- p. Spices ( MDH, Sona etc Agmark/ FPO products )
- q. Packaged Ghee
- r. Packaged Butter
- s. Chana Gota
- t. Moong Gota
- u. Potato
- v. Onion
- w. Edible oils ( Mustard , Soya , Dalda , Vegetable, Refined etc)

- 20) The Distributors / Stockists / Wholesalers will be benefited by getting bulk customers through the scheme which will result in lesser cost to the FIC holder / customer, without disturbing the existing Distributors / Stockists / Wholesalers margin.
- 21) The products to be transacted between the Distributors / Stockists / Wholesalers and the FP shops in both delivery mode and pick up mode, depending upon convenience of both parties .
- ✓/22) The Deputy Commissioner / Principal Secretary of Councils / Subdivisional officers may decide to add additional MRP based fast moving consumer goods (FMCG) in the prescribed list of commodities.
- ✓/23) The prices of the commodities to be agreed upon for transactions by the Distributors / Stockists / Wholesalers and the selected FPs will be widely publicized through the print and electronic media
- ✓/24) The Govt will act as a catalyst and there will be no fund implications on the State exchequer.
- ✓/25) Review meetings will be held fortnightly by the Deputy Commissioner / Principal Secretary of Councils / Subdivisional officers ( Civil ) so that the market adjustments in terms of prices and volume could be pragmatically and progressively accommodated in the scheme .
- ✓/26) All transactions between the FPs and the Distributors / Stockists / Wholesalers will be done purely on cash basis
- ✓/27) Separate records such as stock register, sales day register, voucher file, ~~return file, cash book, cash memo~~ etc will be maintained in the FP

- 28) Returns in prescribed format will have to be submitted fortnightly by the FPs, Wholesalers / Stockists / Distributors to the Deputy Commissioner / Principal Secretary of Councils / Subdivisional officers ( Civil )
- 29) The Deputy Commissioner / Principal Secretary of Councils / Subdivisional officers ( Civil ) will submit fortnightly return in prescribed format to the Principal Secretary , F,CS and CA and the Director of F,CS and CA
- ✓ 30) Compliance and enforcement will be done through the Food, Civil Supplies and Consumer Affairs Department field officers, who will have powers of inspection, search and seizure under the provisions of the Essential Commodities Act and Control orders thereunder.
- ✓ 31) The monitoring will be done by the existing Vigilance and Monitoring Committees for PDS/TPDS items at the FP shop / Agent levels, GPSS/ WCCS/LAMPS level , Subdivisional level and District level at regular intervals.
- 32) The scheme cost implications are enclosed herewith.

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