

CHAPTER I

EXECUTIVE SUMMARY

1.1 INTRODUCTION

Public Distribution System (PDS) is a social safety net ensuring the provision of essential commodities to the targeted population at subsidized prices. The PDS at its very inception as an important welfare policy of the government was meant for managing food scarcity and ensuring the affordability of the food grains. The primary objectives of PDS from its origin have been to ensure price stability, food security, rationing in times of scarcity and keep a check on the private trade. PDS policies have been dealt within the successive five-year plans in India. The Twelfth Five Year Plan (2012-17) emphasized expansion of Aadhaar numbers and opening of the bank accounts which allow the possibility of transferring benefits directly to the beneficiaries.

Indian food security system, established by the Government of India under Ministry of Consumer Affairs, Food and Public Distribution is to distribute subsidized food and non-food items to India's poor. The items under the Public Distribution System include flour, rice, kerosene, sugar and other necessities of life at reasonable and fixed prices. The Government distributes these items through network of ration shops (fair price shops). There is different distribution mechanisms used under the scheme. These are based on the categorization of people below and above property line. To enable this facility, ration card is provided to the beneficiaries. By holding this ration card, the beneficiaries will be available with their monthly gains from the ration shops and this was a traditional system.

These ration shops are likely to become a permanent feature of our social life. They are the best and the most successful means to curb unsocial elements and to keep the price within reasonable limits. These shops are gone a long way to stabilise price of articles of daily consumption. However, Public Distribution System has been criticized for its urban bias and failure to save the poorer sections

of the population effectively. The targeted Public Distribution System is costly and gives rise to much corruption in the process of extricating the poor from those who are less needy. The ration shop dealers resort to malpractices. They divert the grains of the open market to get better margin. Some dealers sell poor quality grains to ration shops. Still others open their shops irregularly, and some dealers weigh less and cheat illiterate customers.

Kerala State has the privilege of having the best system of Public Distribution in the whole country. The system is evenly spread over the whole state without any distinction between urban or rural to ensure equitable distribution of the food grains at a fairly low cost to all people especially to the weaker sections of the population. There is a very good network of wholesale and retail outlets for the distribution of rationed articles under the Public Distribution System.

In order to make the Rationing system high tech the government implemented e-PoS machine in Ration Shops in Kerala. With this, the public distribution mechanism in the state will move into the Aadhaar-enabled PDS (AePDS) mode. As part of enforcing the National Food Security Act (NFSA), the e-PoS machines are expected to bring in transparency in the distribution of the food grain quota and check the corruption that has been rampant in PDS. Under the new system, ration goods will be distributed to beneficiaries after validation of biometric identification.

From April 10 onwards, ration will be supplied using this system. With this, people cannot buy ration using other's ration cards. Presently, the details of the remaining stock in the shops is being linked to the new system.

As per the new scheme, the card holder will be correctly identified and the allotted quantity of supply will be distributed. The consumers will be recognized by cross checking their fingerprint in Aadhar using the biometric system in the machine. The name and details of all the members will be displayed on the screen, when the card number is entered. As the finger is touched on the machine, the ration supply allotted for each card and its price also will be displayed and the bill be printed.

The authorities expect the ration system will become transparent with the implementation of the new system. 21 ration shops in the district distribute ration using E – pos machines since March and it was found to be completely successfully.

The machine was designed by Vision Tech in Andhra. Its battery is durable for 10 hours, so that the power shortage will not affect the functioning of the machine. Since it works on all SIM cards, network range also does not affect it. Experts have been appointed to resolve the technical errors. The biggest advantage of Supply co Chain Management System is that all the information will be known right from the products taken from the godown. The remaining stock detail will also be available accurately if the excess stock can be added to the share of APL and state subsidy categories. The machines has facility or connect with Adhar, so that those who do not have Aaadhar can by products with the OTP sent to their registered phone number. The consumers who cannot come in person to buy the ration due to physical incapable may get their support at home in future.