

# Looking at Regulatory Mechanism of India's Public Distribution System through Food Security Lens

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OIDA International Journal of Sustainable Development, Ontario International Development Agency, Canada

ISSN 1923-6654 (print) ISSN 1923-6662 (online) www.oidaijsd.com

Also available at <http://www.ssrn.com/link/OIDA-Intl-Journal-Sustainable-Dev.html>

**Abstract:** India's largest food security programme i.e. Public Distribution System (PDS) is being governed and regulated by Public Distribution System (Control) order, 2001 which was subsequently amended in the years 2004 and 2015. In 2015 it transformed into Targeted Public Distribution System (Control) order. Providing legality to such a gigantic programme is intended for its effective implementation. Public Distribution System aims to provide food to the population below poverty line at highly subsidised prices. This Indian Government's prestigious programme involves a massive population, highest food subsidy bills to country's exchequer. This enforcement has a huge role in providing fair stake to food to every poor person in the country. This order has provisions for supply and distribution, price control and fair access to food grains. It resulted in availability of food grains to millions of poor people at an affordable price. However, there was a change in philosophy with respect to provisioning of food grains with the enactment of the National Food Security Act 2013, since before this Act the supply of food grains under PDS was treated as a welfare measure only. After this legislation, the beneficiaries secured a legal right to get the food at a fair price through the PDS. Presently in most of the states the PDS is being regulated by both TPDS (Control) Order, 2015 and National Food Security Act, 2013. However, it was criticised for its inefficient beneficiary identification like higher error of inclusion of ineligible beneficiaries and exclusion of eligible beneficiaries and leakages in the entire supply chain and quality of food grains. This paper examines different provisions of the regulatory mechanisms that are governing the PDS in food security angle. It relies on secondary research along with, focus group discussions with the stakeholders. It will be discussed in detail with case study of Indian state of Telangana. Section 3(1) of NFSA ensures five kilograms of food grains per person per month which definitely meet the carbohydrate requirement of the population. However, it may not ensure nutritional security because the poor are not entitled for the protein diet. It is statutory to cover up to 75% of rural population and 50% of urban population under NFSA. In the instances like war, flood, severe drought where the states are not in a position to supply food grains, this act has a provision to provide food subsidy allowance which indirectly ensures food security to the poor. Digitization of all the PDS beneficiaries, "Aadhaar"<sup>1</sup> seeding, end to end computerization of PDS would reduce the leakages in the system which indirectly benefits the poor in accessing the right amount of food to which they are entitled to.

**Key words:** digitization; food security; public distribution; regulatory mechanism; supply chain

## Introduction

With a vision of providing food subsidy as an important element of the food security system in India, the gigantic subsidised food grain programme was introduced as Public Distribution System (PDS) during pre independence period in 1940 as a general entitlement scheme. In 1997, the PDS was revamped into Targeted PDS to reduce the burden on exchequer and spread its coverage to the most eligible section of the society by targeting Below Poverty Line (BPL) families<sup>2</sup>. Unlike universal PDS, this system was aimed to cover huge

<sup>1</sup> 12-digit unique identity number called Aadhaar to each resident provided by Unique Identification Authority of India (UIDAI)

<sup>2</sup> Below Poverty Line families are those families who have been identified by the government to supply food grains under PDS at very subsidised prices. These families are below the BPL which is an economic benchmark and poverty threshold used by government to determine the economic disadvantage and consider them to the government benefits.

people of BPL category to supply food grains at a much subsidised prices. There are different agencies involved in entire supply chain of food grains right from farmer to beneficiary. Until decentralised procurement policy came into existence, the central government procured the grain and would supply to the entire country. By keeping the market volatilities, escalating procurement prices, inadequate storage structures and to benefit local farmers to fetch from MSP (Minimum Support Price)<sup>3</sup> decentralised paddy/wheat procurement has been started and at present it is being adopted by states like Punjab, Haryana, Andhra Pradesh, Telangana<sup>4</sup> etc. The entire PDS is being governed by different legislations and orders. The major act that governs entire procurement, supply, movement and distribution of food grains is Essential Commodities act, 1955. The basic regulatory eye watching the public distribution is Targeted Public Distribution System (Control) Order, 2015. It was evolved under section 3(A) of Essential commodities Act (10 of 1955) and it was the supersession and amended one of the PDS (Control) order, 2001, 2004. After enactment of National Food Security Act (NFSA) in 2013 the PDS became a right based entitlement scheme rather than a welfare measure. At present, a few states are implementing PDS through NFSA, 2013, Telangana is one among them which will be taken as a case study and discussed in detail in the later part of this paper.

### Provisions and prospects of Targeted Public Distribution (Control) Order, 2015

Under TPDs the food grains mostly cereals viz paddy and wheat the staple food of Indians are being supplied for two categories of people. One is Anthyodaya<sup>5</sup> households in which the poorest of the poor of the state will be covered. In the second category the eligible priority households (PHH)<sup>6</sup> which are below poverty line will be covered. The Anthyodaya households are eligible to get 35 kg of cereals whereas the PHH are entitled to get 5kg/ per head /per month. These households are been given differential eligibility cards called Ration Cards<sup>7</sup>. Clause 3 of this Order had the provision of identification of eligible households.

*Anthyodaya Cards and powers of Union and State Governments:* The union government has fixed the number of Anthyodaya cards per state based on population census as well as the BPL survey data. At any cost, the states have to adhere to the norms and they do not have the right to identify new Anthyodaya cards in the event of these households getting migrated to other states or attaining improved income status and the total number of Anthyodaya cards are to be restricted to that extent. Upon reduction of Anthyodaya cards the states are eligible to increase the PHH cards to not exceeding the maximum limit provided. Though it sounds good, it creates a bit of confusion to the states to which people have migrated because the state has no right to increase the number of Anthyodaya cards beyond their limit. Then the people mostly the nomadic, destitute etc are liable to exclude from the ambit of PDS once they are migrated to other states. There is a provision to review the list of eligible beneficiaries from time to time to weed out ineligible beneficiaries and include the eligible poor. However, it is the most crucial part in the implementation process which was highly criticised by many studies. There are lot many factors responsible right from political involvement to inefficient monitoring mechanisms in vogue for poor implementation. However with technological intervention a few states are doing better and becoming ideal ones which will be discussed in the later part of this paper.

Though state governments can issue ration cards to the citizens of India residing in a particular state, this order has a provision to issue these cards to such persons who got the refugee status certificate and they are also entitled to the benefit. Actually it was not there in the original order, however on humanitarian grounds these refugees are also allowed to avail the benefits of the PDS. There is a provision to maintain the quality of the food grains right from the storage point to the designated depots as prescribed by Food Safety and Standards Act, 2006. In the states adopting decentralised procurement it became easier to maintain the quality of grains since the grains are procured locally and there is not much waiting period or storage period. The state governments have to promulgate the respective control orders providing all the clauses of the original central act and state specific features will be mentioned in the relevant clauses. One such order is Andhra Pradesh State Public Distribution System (Control) Order, 2008 which is being implemented in Telangana state even after bifurcation. However the clause 17(A) of this order sometimes creates hurdles in booking the cases against the contraveners. The clause provides that “No FPS dealer or card holder or

<sup>3</sup>MSP is a form of market intervention by the Government of India to insure agricultural producers against any sharp fall in farm prices.

<sup>4</sup> It is 29th state of India formed on 2d June, 2014 after bifurcation of Andhra Pradesh state

<sup>5</sup> Poorest of the poor ie. Poorest among the BPL families identified to supply 35 kg of food grains under TPDS

<sup>6</sup> The household belong to BPL category which includes vulnerable sections of the society such as landless agricultural labourers, marginal farmers, rural artisans/craftsmen such as potters, tappers, weavers, black-smith, carpenters etc. in the rural areas and slum dwellers and persons earning their livelihood on daily basis in the informal sector like potters, rickshaw-pullers, cart-pullers, fruit and flower sellers on the pavement, etc. in urban areas. In addition these category nomadic, destitute will also included.

<sup>7</sup> The card that issued by the state governments which uses to establish BPL families eligibility and entitlement. It is not a proof of identity.

any person shall be allowed to cause interruption or interfere with the process of smooth distribution of scheduled commodities under PDS or other government schemes at any level right from Food Corporation godown point to Fair Price Shop (FPS)<sup>8</sup> point, till the scheduled commodity reaches the intended beneficiary". The mischievous traders/ middlemen take advantage of this clause and argue in the court of law that there is no mention about the utilization of food grains after it reaches the intended beneficiary.

*Multiple Authorities:* Under Clause 3 of this Order, the state government has the power to licence and regulate the fair shops which are the key points through which the food grains are supplied to the ration card holder's door step. However, in the states like Telangana, Andhra Pradesh the licensing authority and food grains allocating and distribution authority is different. The licensing authority is revenue department and the food grains allocation to fair price shops is done by Civil Supplies Department. Since two parallel structures are controlling the supply, distribution, price monitoring, in some instances it creates confusion at the ground level. During the focus group discussions it was deliberated that entire supply and regulation of food grains by a single authority would result in smooth functioning of PDS system.

*Issues related to access at FPS:* The survey conducted in 2002 revealed that only one-third of the households have access to the PDS in Rajasthan [1]. Using National Sample Survey data 2004–05 it was pointed out that the system failed to reach the poor in most states except in the southern states of Andhra Pradesh (In 2014 the state was bifurcated as Telangana and Andhra Pradesh), Tamil Nadu and Kerala[2]. For smooth supply of food grains the order has enunciated that there must be one fair price shop for a reasonable number of ration cards; in Telangana it is approximately for 300 ration cards. This provision would hold well in case of tribal areas even though the households/ration cards are not qualifying the eligible number. The food grains are to be distributed in the timings which are mostly convenient to the general public. It has the provision to distribute the food grains even in instalments with an aim not to deprive any cardholder amid lack of money to access entire quantity of food grains at one instance. Though this order has a provision to display the sample of food grains distributed at FPS to ensure the quality, however in reality it is out of picture in many cases. After decentralized procurement policy in place in many states including Telangana, there would be no waiting or storage period to hold the food grains beyond a reasonable time. Therefore, there is less scope to compromise the quality of food grains. In the previous order there is no definite provision to curtail the inclusion and exclusion errors, reduce the leakages which are very frequently remarked by different studies. However this amended TPDS has a provision to digitize entire ration card data base by including the unique identification number (Aadhaar number) and ensure that the addition or deletion or modification of any ration card has to be taken through the specially designed software programme as to automatically update. During 2006-2015 under PDS (control) Order, 2001 there were 7,418,703 inspections made to the FPS in India, 10,739,77 raids conducted, 232,072 FPS licences suspended/cancelled/showcase notices issued/FIR lodged and finally 38,714 persons were convicted. This trend showed that only half percent of the persons were convicted out of 7.4 million inspections spread over entire country over a period of 9 years.

### **Powers and Purview of National Food Security Act, 2013**

There was a big shift in India's food distribution system after enactment of National Food Security Act in 2013. It gives statutory backup to the TPDS and made the supply of food grains to the poor as an entitlement, right rather than a welfare measure. In ideal situation, the identification of beneficiaries under the NFSA is based on the Socio Economic and Caste Census (SECC), 2011, which uses several more criteria beyond the income-expenditure method used in the previous rounds of the BPL census. However, it has given freedom to the states to use their own criteria for selecting beneficiaries to cover more poor. Interestingly the Telangana government used this provision and it has increased the land limit in rural areas to exercise the income levels and based on that formula it covers 86 percent of population under TPDS at present.

This is an act to provide food and nutritional security by ensuring access to adequate quantity of quality food at affordable prices. This Act envisages entitling a uniform quantity of 5kg/head/month through TPDS for priority households and 35 kg/household under Anthyodaya Anna Yojana scheme. At very affordable prices of Rs. 3/2/1/ for rice, wheat and coarse grains respectively for a period of three years from the date of commencement of the Act could be supplied. Thereafter prices will be suitably linked to Minimum Support Price (MSP). However, in Telangana state the government is issuing at the rate of 6kg/head without any upper limit of family members. The entitlements under TPDS implemented through this Act shall extend up to 75percent of rural community and 50

<sup>8</sup> A Fair Price shop is a business premises through which a retail dealer appointed or authorised or approved by or on behalf of the state governments to distribute the food grains under TPDS

percent of urban community. For instance in Telangana state 28.6million population (86% of total population) were covered under PDS. NFSA envisaged reforms in TPDS to curtail leakages by using technology. It pronounced ‘‘Aadhaar’’ seeding for unique identification, with biometric information of entitled beneficiaries for proper targeting of benefits under this Act, end to end computerization for transparent recording of transactions at all levels. Accordingly the TPDS (Control) order also made amendments by including these provisions in the amended order of TPDS in 2015.

*Women Centric Legislation:* NFSA is women centric legislation enacted with an aim not to deprive women in accessing food through gender discrimination. This Act envisaged that the ration cards are to be issued in the name of eldest women of a family who crosses the age of 18 years. In the absence of elder female member the ration cards are to be issued in the name of men. Once the minor girl attain the age of 18 years the ration card will be converted in the name of female.

*Allowances in case of unforeseen situations:* Furthermore, this Act has a provision to supplement the beneficiary by providing Food security allowances in case the state failed to supply food grains under PDS in any unforeseen situations. This provision would create confidence among the poor that there will not be any fear to their food security even in the unforeseen situations like drought, floods, war etc.

*Pro Local Government:* These Acts believe in local governance and both the NFSA, 2013 and TPDS, 2015 provide various provisions for involvement of Panchayat Raj institutions/urban municipalities. This provision would help in smooth running of the scheme. One way it would help in verifying the genuineness of beneficiaries and distribution of food grains to the right persons. However, in most of the states panchayats do not know their exact role in the implementation process. There is every need to make aware the local bodies about other provisions of this Act as well as their roles and responsibilities in the wake of food security.

*Monitoring and Grievance Redressal:* The NFSA has placed a provision for a strong monitoring and grievance redressal system. A evaluation study taken up by National Council of Applied Economic Research (NCAER), New Delhi reported that though there were provision for monitoring in place there are many complaints in many states of the study like Assam, Bihar, Chhattisgarh, Uttar Pradesh, Karnataka and West Bengal irrespective of their performance since Karnataka and Chhattisgarh are known as best performers in implementation of TPDS. The evaluators of NCAER suggested unbiased inspection of FPSs by the state department of food and civil supply should be arranged on a regular basis. At present, inspectors visit FPSs only occasionally, and they do not always check all the registers in the FPS. The process involves corruption. Introducing a corruption-free monitoring mechanism will be crucial to the success of the food security programme [4].

In spite of the criticism about the functioning of the TPDS, it indisputably plays an important role in covering the food grain requirement of poor families reported by respondents when a field survey done. He observed that the share of grain purchase from the PDS also increased over the past decade, mainly because of an increase in entitlement [3]. While the open market price has increased steadily due to food inflation, the PDS price of grain has been kept low, resulting in an increase in food subsidy. The difference between the open market and PDS prices is one of the most important reasons for the high usage of the PDS among the poor. This ratio is even higher in NFSA states than in the states that still follow the TPDS. It is promising to note that the PDS leads to positive welfare for the beneficiary households.

### **Challenges in implementation of Essential Commodities Act, 1955**

Entire supply, distribution of food grains under PDS are being controlled and governed by EC Act, 1955. Any violation of the Act or the PDS (Control) Order made under section 3(A), action can be taken either for confiscation of material and or penal action against the contravener. Under Sec. 6-A of the Act, power is given to the district Collector for confiscation of the essential commodity for contravention of the order made under Section 3. Under Section 7, power is given to the criminal court to punish a person who contravenes the order made under Section 3. The two jurisdictions are different. Under Section 6-A, the Collector can only confiscate the commodity. He cannot convict a person for contravention of the order and sentence him to imprisonment. Under Section 7, a Magistrate can convict a person and sentence him to imprisonment. He cannot however, confiscate the essential commodity. He can only forfeit it. Merely because the Collector has not chosen to confiscate the essential commodity under Section 6-A does not mean that the Magistrate cannot convict a person under Section 7 for contravention of the order made under Section 3. Confiscation of property is not a condition precedent to prosecution and conviction of an offender. The confiscation proceedings are independent of and unconnected with taking cognizance of the offence for purposes of punishing contravention of the Act or Order made there under. Hence even if the confiscation proceedings under Section 6-A are dropped, it has no effect on the criminal proceedings from the stage of taking cognizance [5].

*Lengthy Procedure:* The district Magistrate/Collector could prosecute and if believes in the claim he could give orders for confiscation of the food grains supplied under PDS. In Telangana state the 6(A) proceedings are being taken up by the Collector (CS). Because of very lengthy procedures in obtaining 6(A) proceedings the regulatory authorities like Revenue Inspector/ Deputy Tahsildhar/ Assistant Supply Officers in general are reluctant to book the cases against the violators. As per this provision, immediately after seizure of food grains from any FPS who violates any of the provision of the Act or the TPDS(C) order, the seized material has to handover to the another FPS dealer who is next to his door. However, the stocks are to be distributed from the seized premises to avoid inconvenience to the ration card holders in lifting the food grains. There is no compulsion to stop allotment to the seized FPS until the final orders are obtained. But there is every chance to do mischief by the guilty FPS dealer in such instances. However, this provision was kept in good faith and for smooth running of the scheme.

In general, the cases are booked under the circumstances like 1) variations of accounts at Fair Price Shop, 2) Illegal Transportation of PDS stock through vehicles other than Stage-1, stage-II vehicles<sup>9</sup>, 3) Unauthorised storage in private godowns and 4) Food grains purchased from card holders and selling at higher prices in open market. However, in the aforesaid mentioned 4<sup>th</sup> situation it is a little bit difficult for the authorities to prove the food grains belong to PDS scheme. It is further aggravated by the way of lifting ban orders of Government of India on hoarding of rice and paddy during 2014 in view of glut of stocks. It is a boon to the mischievous elements to collect rice from the card holders, hoard and divert into the open market. The authorities are in bit of ambiguity and face difficulties in booking the cases either on the grounds of hoarding the stock or as PDS material.

*Over-burdened Regulatory Officers:* It was observed that the field constraints like transport of the seized material to the safe custody/ police station, searching of safe custodian for the material until the release orders were obtained etc became burden on the regulatory officer in the field. On the other hand for the penal prosecution also the field level officers felt it is as an additional burden to them. This type of field constraints made them less motivated in booking cases.

*Low Conviction rates:* Though the regulatory officer book the cases and the number of persons prosecuted under this Act has grown steadily, the rate of conviction remains very low. It is also evident from the all India statistics during 2006-2008; state and union territory governments prosecuted 14,541 persons under the provisions of EC Act, 1955 and secured conviction in 2,310 cases. Up to 2007, out of 235,405 raids conducted in different states, 6,944 persons were arrested, 4,872 persons were prosecuted and 1,022 persons were convicted<sup>10</sup>. In 2009 as on 31<sup>st</sup> August, 2,533 persons had been prosecuted and 37 convicted<sup>11</sup>. In many cases the public authorities could not establish the fact before the court of law because of ground level problems like production of non proper panchnama<sup>12</sup>, witnesses etc. As the field officers lack legal knowledge, burden with their mandatory works like revenue matters, etc made them not to be proactive in seizure of commodities or booking of cases. It was felt the dearth need on the part of the government that for each district a legal cell has to be established to assist the officers who exercises the powers under EC Act or any such act/ Orders made under the Act to make advices and file the cases against the offenders. In Rangareddy district of Telangana state, the rate of cases has increased from 56 during 2010 to 335 during 2016(Up to July) under this provision<sup>13</sup>. As per the AP State Public Distribution System (Control) Order, 2008 the government has appointed multiple officers like Revenue Inspectors, Checking Inspector/Enquiry Inspector (Civil supplies), Deputy Tahsildhar (Civil Supplies)/ Grain Purchasing Assistant/ Deputy Tahsildhar (Revenue) or any Gazetted Officer of Vigilance and Enforcement Department/ not below the rank of Sub Inspector of Police to enter, inspect, search and seize the material of food grains supplied under PDS. Because of multiple authorities involved in the monitoring system, the number of cases might be increased. The smooth running of PDS depends upon how the Act is being implemented, how the authorities are exercising their powers, for which administrative support in terms of budgetary allocation, legal aid etc are needed. Further, a heavy burden lies on the judiciary to dispense these cases swiftly and ensure that justice is carried out expeditiously and the guilty are penalized keeping in view of country's food security.

<sup>9</sup>Through the GPS tracked vehicles, in the first stage, the commodities are sent from the Civil Supplies godowns to the Mandal Level Stock (MLS) points. In the second stage, the commodities are sent to the FPS dealers.

<sup>10</sup> www.indiastat.com

<sup>11</sup> [www.forum4finance.com/2010/01/15/essential-commodities-act/](http://www.forum4finance.com/2010/01/15/essential-commodities-act/)

<sup>12</sup> Panchanama is 'record of observation by at least five people.' As 'Panchanama' is in the form of document which has been prepared during investigation it plays very important role in establishing guilt of accused. Moreover sometimes it becomes key in the appreciation of evidence by the court.

<sup>13</sup> .Records of District Supply Officer, Rangareddy district, Telangana, India

### Suggestions to strengthen the regulation of Public Distribution System

- *Set up District Level Legal Cell:* The District level Legal Cells would facilitate the regulatory authority in support of the legal related matters. It would facilitate in filing the cases which would reduce the burden on the field machinery. This cell not only deals with the PDS but also the other orders promulgated under EC Act, 2015 like Fertilizer Control Order, 1985, Drug (Price Control) Order, 2013 etc.
- *Budgetary provision:* In the state budgets, provision should be made to meet the expenses of the field functionaries during booking the cases, filing the cases, to attend the court trials etc.
- *Administrative support:* Since the revenue authorities who are implementing the PDS in the field are over burdened with the multiple works. Administrative support should be given to the officers who are engaged in the PDS related cases.
- *Set up Fast Track Courts:* Fast Track courts for dealing with economic offences should be set up to try the cases under EC Act and Indian Penal Code. In the state like Telangana a separate fast track court is available at the state capital city of Hyderabad to settle the issues related all utilities. However it is required to set up at district level for easy access to authorities as well as public.

### Case Study-Telangana state, India: Implementation of the National Food Security Act in Telangana

The NFSA, 2013 mandates to supply 5 kg of rice per head @ Rs. 3 per kg without any ceiling on number of family members. It also restricts the eligibility criteria on those households with three-room houses and those having 5 acres dry or 2 acres wetland in addition to the income limit. However, in order to increase the coverage of the people to avail TPDS, Government of Telangana enhanced the income limit for rural areas to Rs. 0.15 million and to Rs.0.20 million in urban areas. The ceiling on holding of land has also been increased to 3.5 acres of wetland and 7.5 acres of dry land<sup>14</sup>. This would facilitate to cover more people under public distribution system with a secured entitlement of food grains. As per the new Act, TPDS covers about 82 percentage of total State's population (28.6 million) as against the Government of India coverage of 19.1 million people at 5kg per unit under NFSA, 2013. At present, the Telangana State Government is supplying rice at 6 kgs per person at Rs.1 per kg without any upper limit of the number of persons in the family. A quantity of 0.18 million MTs of rice is being released per month under the Scheme. The budget allocation of Rs.22000millions has been provided for rice subsidy scheme during 2015-16 which is almost 2 percent of total state budget. In addition to rice the government is also supplying a kilogram of Red gram dal by providing a flat subsidy of Rs.50/- per kg to the ration card holders along with a kilogram of iodised salt keeping the nutritional security of poor in view. It was observed in a stakeholders meeting conducted in rural village of Medak district, Telangana state that at present more than 75 % of beneficiaries are consuming the PDS rice, which was earlier criticized and diverted to open market for its poor quality. This was accounted for the state is being adopting decentralised procurement through which local paddy is procured and it is being supplied locally which meet the local preferences. It is being appreciable that the decentralised procurement could benefit the system by reducing the diversion of food grains in addition to reduce in cost in supply chain.

### Reforms in Targeted Public Distribution System in Telangana

As a techno savvy practice and adherence to provisions made in the NFSA, 2013 and TPDS (Control) Order, 2015, Government of Telangana has imbibed technology in the entire PDS to eliminate bogus ration cards, to curtail leakages in entire supply chain etc. Government of Telangana renamed the ration cards as Food Security Cards.

*Aadhaar Seeding:* The entire beneficiaries of Food security cards had been seeded with 12 digit unique number (Aadhar) for identification of beneficiary. Before Aadhaar seeding there were 8.42 million households (2011 Census) having 9.17million ration cards in Telangana state which shows the flaw in the PDS. Within three months of its implementation 1.17million bogus cards (non-existing/dead/migrated persons/ duplication) and 7.41million units were weeded out and could save 22,830 MTs of rice in December 2014<sup>15</sup>. As on day the seeding of Aadhaar through e-PDS resulted in a removal of about 2.1 million bogus cards which could save Rs.321.7 million per month for the State's exchequer<sup>16</sup>.

*Fair Price Shop Automation with ePoS (Electronic Point of Sale) devices:* The ePoS devices work with Aadhaar based biometry, wherein the biometrics (finger prints of the members of the ration card) will be captured at the time

<sup>14</sup> <http://www.civilsupplies.telangana.gov.in/Gazette%20of%20telanganaFS%20Rules.27.2.16.pdf>

<sup>15</sup> [http://www.mmp.cips.org.in/documents/Workshops/2015/16-18\\_April/16th-Apr/Smart-PDS-in-Telangana.pdf](http://www.mmp.cips.org.in/documents/Workshops/2015/16-18_April/16th-Apr/Smart-PDS-in-Telangana.pdf)

<sup>16</sup> <http://www.thehansindia.com/posts/index/Telangana/2016-07-25/Public-Distribution-System-in-Bangaru-Telangana/244538>

of draw of the ration of food grains or other commodities supplied under PDS. Ration will be delivered to them only when the biometric finger prints are matched. Thus, ePoS implementation will not only provide ration to the genuine beneficiaries but also results in saving subsidy burden on Government by way of removing bogus draws. At present, automation ePoS devices is being implemented in 1545 Fair Price Shop in GHMC (Greater Hyderabad Municipal Corporation) area on pilot basis. However, a study done in Karnataka state which is adopting the same on a pilot basis faces some field level teething problems like interrupted power supply, inadequate internet connection, no battery backup etc. Sometimes it is miserable to old people to read their thumb impressions in the ePoS machines since they are doing hard manual works, their thumb impressions are worn out<sup>17</sup>. This type of petty issues may be over come in due course.

Table.1 Status of ration cards, allotment of rice, off take under PDS during 2010-11 to 2016(Upto July) in Rangareddy district, Telangana state, India

Year	Number of Ration cards as on April of every year	Allotment in MT	Off take in MT
2010	905191	178981	178981
2011	943777	188953	187655
2012	1098033	208914	205140
2013	1039922	196998	199037
2014	1078193	189049	188047
2015	1163284	202446	175461
2016(Upto July)	1146789	118570	103359

Source: Records of District Supply Officer, Rangareddy district, Telangana, India, 2016

By the end of 2015, entire data has been computerised and data base is linked with Aadhaar. During 2016 the ePoS has been introduced and it is being rolled out in 684 urban and 75 rural FPS of Rangareddy district. It can be clearly observed from the above Table that up to 2014 almost entire allotted rice is drawn from FPS. Once the entire system is computerised and biometric system was introduced, the genuine beneficiaries only utilized the scheme leaving a balance stock of 15211 MT of rice un lifted. As shown in the Table, the off take is less than the allotment in the first half year of 2016 which accounts for about a saving of 13 percent in the rice. It clearly showed that the leakages can be arrested and it is being proved that this can pave way to roll out the e PoS throughout the state to curtail the leakages.

*End-to-end Computerisation of Targeted Public Distribution System:* The “e PDS” software 'End to End Computerisation' of TPDS' was developed by National Informatics Centre (NIC) is being implemented as part of reforms suggested in NFSA, 2013. The software would help in the Food Security Card management, allocation of essential commodities by Civil Supplies Department, movement of food grains, revamping FPS as electronic point of sales (ePos) and providing Grievance Redressal.

*GPS tracking of vehicles:* The government has initiated to install the Global Positioning System (GPS) gadget in all the vehicles ferrying food grains from godowns to the Fair Price Shops (FPS) to monitor their movement. The main objective is to continuously track the movement of vehicles to ensure that the ration commodities are properly and timely delivered to the rations shops and are not diverted to the open market. The control room based at the district headquarters would continuously track vehicles to ensure proper and timely supplies to the FPSs. Any deviation in the movement of the vehicles bypassing the prescribed route map will be noted by the control room personnel and accordingly action will be taken against the contravener.

*Grievance Redressal Mechanism:* As per the NFSA, 2013, a dedicated grievances redressal cell is set up to for receiving complaints and queries from the public and being forwarded to the concerned officers for grievance redressal.

<sup>17</sup>[http://articles.economicstimes.indiatimes.com/2016-05-28/news/73407138\\_1\\_aadhaar-number-authentication-pds-beneficiaries](http://articles.economicstimes.indiatimes.com/2016-05-28/news/73407138_1_aadhaar-number-authentication-pds-beneficiaries)

## **Conclusion**

The public policy if protected and governed by law and enforcement it would result in improvement of its efficacy and would protect the rights of people. However, India is not lagging behind stringent regulations, but its strict vigilance and implementation in the field encounters criticism. The massive, probably the world's largest food security programme i.e. Public Distribution System is being governed and protected by two major acts: Essential Commodity Act, 1955, National Food Security Act, 2013 and an order promulgated under EC Act i.e. Targeted Public Distribution System (Control) Order, 2015. The National Food Security Act provides the right to the people below BPL to access food through public distribution system. Though the food subsidy programmes covers 66 % percent of country's population, it is being criticised for its leakages, higher errors in inclusion of ineligible and exclusion of eligible beneficiaries etc. To make the system transparent, accountable and make it equitable and secure food to all the eligible, Government of India made the technology usage in entire process by providing suitable sections in NFSA, 2013, Accordingly a few states are being proactive and in the forefront of technology usage. Telangana is one such state which is adopting Aadhar seeding (unique identification number) of entire beneficiary data base, end to end computerization of entire supply chain, piloting of e PoS would result in elimination of bogus/ ghost ration cards, reduce leakages and could save a few millions of rupees to the states exchequer. However, during implementation of these acts, field level problems are to be analysed and required policy/administrative/legal support has to be provided. This would enable the field functionaries implement the regulations judiciously and effectively to secure the right of the poor in accessing the food.

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