



### Chief Editor

**Dr. A. Singaraj**, M.A., M.Phil., Ph.D.

### Editor

**Mrs.M.Josephin Immaculate Ruba**

### Editorial Advisors

1. Dr.Yi-Lin Yu, Ph. D  
Associate Professor,  
Department of Advertising & Public Relations,  
Fu Jen Catholic University,  
Taipei, Taiwan.
2. Dr.G. Badri Narayanan, PhD,  
Research Economist,  
Center for Global Trade Analysis,  
Purdue University,  
West Lafayette,  
Indiana, USA.
3. Dr. Gajendra Naidu.J., M.Com, LL.M., M.B.A., PhD. MHRM  
Professor & Head,  
Faculty of Finance, Botho University,  
Gaborone Campus, Botho Education Park,  
Kgale, Gaborone, Botswana.
4. Dr. Ahmed Sebihi  
Associate Professor  
Islamic Culture and Social Sciences (ICSS),  
Department of General Education (DGE),  
Gulf Medical University (GMU), UAE.
5. Dr. Pradeep Kumar Choudhury,  
Assistant Professor,  
Institute for Studies in Industrial Development,  
An ICSSR Research Institute,  
New Delhi- 110070.India.
6. Dr. Sumita Bharat Goyal  
Assistant Professor,  
Department of Commerce,  
Central University of Rajasthan,  
Bandar Sindri, Dist-Ajmer,  
Rajasthan, India
7. Dr. C. Muniyandi, M.Sc., M. Phil., Ph. D,  
Assistant Professor,  
Department of Econometrics,  
School of Economics,  
Madurai Kamaraj University,  
Madurai-625021, Tamil Nadu, India.
8. Dr. B. Ravi Kumar,  
Assistant Professor  
Department of GBEH,  
Sree Vidyanikethan Engineering College,  
A.Rangampet, Tirupati,  
Andhra Pradesh, India
9. Dr. Gyanendra Awasthi, M.Sc., Ph.D., NET  
Associate Professor & HOD  
Department of Biochemistry,  
Dolphin (PG) Institute of Biomedical & Natural Sciences,  
Dehradun, Uttarakhand, India.
10. Dr. D.K. Awasthi, M.SC., Ph.D.  
Associate Professor  
Department of Chemistry, Sri J.N.P.G. College,  
Charbagh, Lucknow,  
Uttar Pradesh. India

ISSN (Online) : 2455 - 3662

SJIF Impact Factor :5.148

# EPRA International Journal of Multidisciplinary Research

Monthly Peer Reviewed & Indexed  
International Online Journal

Volume: 5 Issue: 1 January 2019



Published By :EPRA Publishing

CC License





**EPRA International Journal of  
Multidisciplinary Research (IJMR)** *Peer Reviewed Journal*

## **A STUDY ON PUBLIC DISTRIBUTION SYSTEM IN TELANGANA**

**G. Mahi charan**

Department of Humanities and Social  
Sciences, Jawaharlal Nehru Technological  
University, Hyderabad,  
Telangana, India.

**Dr. K. Sandhya**

Assistant Professor (C)  
Department of Humanities and Social Sciences  
Jawaharlal Nehru Technological University-  
College of Engineering, Hyderabad  
Telangana, India.

### **ABSTRACT**

*Public Distribution System in India is intended to ensure the food security to the poor by providing them essential commodities at a subsidized price by the government. Previously there used to be lot of malpractices like inadequate weighing machines, selling the items outside for higher rates and corruption in this system. This paper focus on the new system adopted by the Telangana government that is Electronic Point of Sale devices and Ration from Anywhere to decrease the malpractices and increase the transparency in the system. In this system ration is given to only those persons after their fingerprint authentication, exact quantity of the items measured through digital weighing machine is taken and is digitally recorded. So that government can have the accurate data of the quantity of products delivered which reduces malpractices. Previously Ration was delivered to the people only through particular shop allotted to them but now a person can take the ration from any ration shop.*

**KEY WORDS:** *e-PoS devices, Ration from anywhere, Public distribution system, Ration shop, Biometric.*

### **I. INTRODUCTION**

Public Distribution System is considered as most important instrument in the hands of State Governments for providing safety net to the poor against the rise in prices of essential commodities. Indian food security system, established by the Government of India under the Ministry of Consumer Affairs, Food and Public Distribution is to distribute subsidized food and non-food items to India's poor. Major commodities distributed include staple food grains, such as rice, wheat, salt, sugar, red gram dal and kerosene, through a network of fair price shops.

This scheme was first launched during the Second World War in February 1944 and was launched in the current form in June 1947. In Telangana state, the beneficiaries were identified for issue of Food Security Cards covering all priority groups with an objective to

provide subsidized food grains and other essential commodities to all the eligible households under implementation of the National Food Security Act, 2013. The entire data of all the persons identified for Food Security Cards has been digitized, seeded with Aadhar numbers. The seeding of Aadhar with the ration cards through e-PDS is helping the department to remove duplicates and cards in the name of non-existing/dead/migrated persons. The National Informatics Center has provided security measures to keep the information strictly and to maintain confidentiality.

There are three different types of cards issued to the people based on their economic status. Food Security cards are issued to the below poverty line (BPL) population. Each person in the family gets 6 kg of rice per month at 1 rupee per kg. Antyodaya Food security cards are issued to the poorest of the poor persons,

Single persons and disabled persons under which 35kg of rice is given per month at 1 Rupee per kg. Annapurna cards are issued to the senior citizens with no other means of survival, under which 10kg of rice is distributed free.

Firstly, the central government procures the food grains like rice, wheat, pulses, etc. from the farmers at a Minimum Support Price (MSP), food grains are stored in the godowns of the states and it is done with the help of the Food Corporation of India (FCI). State government ensures that these food grains are transported to the fair price shops (or the ration shops) efficiently. The identified recipients are issued with a ration card, with the help of which they are able to get these essential food grains at a fair price.

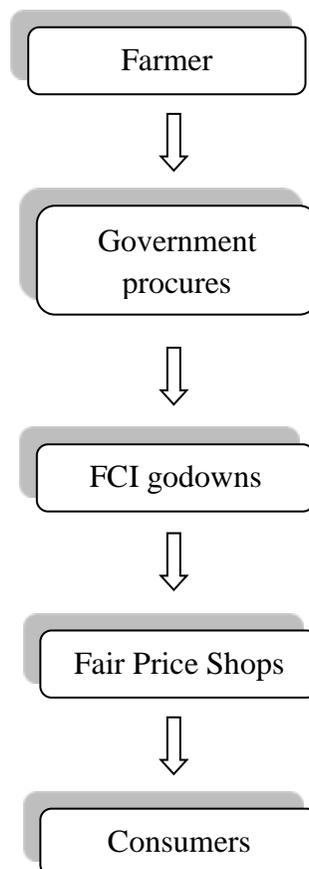
Objectives of the public distribution system are:

- Ensuring availability of food grains to the beneficiaries or weaker sections of the society at subsidized prices.
- Make the market immune of price fluctuations and thus ensure availability of food grains at a stable price round the year.

- Implement social justice by following the concept of equity over equality.
- Work as a support to poverty-alleviation schemes running under the government. For e.g. Mid-day meal, ICDS, etc.
- Tap and abolish the malpractices of hoarding and black marketing.
- Nullify the existing differences in the supply and demand of everyday commodities.

Main problems in public distribution system are:

- Diversion of food grains from PDS
- Being unable to track the goods
- Improper weighing machines
- Slow processing speed
- Bogus cards
- Manipulating the records of closing stock
- Supplying inferior quality of food grains
- Charging more than the prescribed rates
- Because of migration to new places, difficult to take ration because of fixed ration shop.



**Figure 1: Different phases in public distribution system.**

## II. OBJECTIVE

Previous ration allocation system was offline one. Due to the offline system corruption was more. Ration dealers falsified the records for their personal benefit. They sold the products at maximum price. There was lack of transparency between the dealer and the consumer. Telangana government adopted new system of delivering goods through Ration from anywhere and electronic point of sale devices. The study is to find the customers perceptions towards this system and to find advantages of the new system and changes done to the old system. To find out the loopholes in the system and to recommend policy measures for PDS reforms.

## III. METHODOLOGY

The research involves the study of fair price shops, consumers and Public distribution system in Nizamabad, Kamareddy, Karimnagar and Warangal districts of Telangana. Data were collected by direct interview with customers and ration dealers. Secondary data was collected from various books, journals, papers.

## IV. DISCUSSION

13,84,465 transactions out of total 71,48,644 transactions in 17018 fair price shops in Telangana in December 2018 got their ration using portability method. By this we can say that many of the consumers are benefitted with the current portability system. About 20% of the total transactions done in the fair price shops are done by using portability method.

Currently each person in a family is given rice of 6kg irrespective of the number of persons. Previously it was 5kg per person and maximum quantity of rice supplied was 20kg per family even if there are more than 4 persons in a family. 1.74 MT of rice per month is allocated in entire Telangana.

There are about 87.80 lakh ration cards covering 2.81 crore beneficiaries in Telangana. According to comprehensive household survey there are 1.05 crore households. This mean that more than 80% of the households come under BPL category. Out of 87.80 Lakh ration cards only 70.52 lakh ration cards had their ration in the December, 2018 which says that 20% of the households did not take the ration, these households hold card just for the sake of availing Arogya Sri, etc.

For distributing rice at Rs 1 per kg, the government is spending Rs 27 per kg, i.e. the government is bearing subsidy of Rs 26 per kg. In 23 months, since introduction of the e-PoS project till

February 2018, as many as 4.20 crores transactions are carried out. A total of Rs 578.90 crore value of 2,15,759 metric tons of rice is saved to the government in entire Telangana state.

Commodities are distributed from the 1<sup>st</sup> to the 15<sup>th</sup> of every month at ration shops. Commodities will be provided to districts from Civil Supplies head office on the 16<sup>th</sup> of the month. Between 16<sup>th</sup> and 18<sup>th</sup> of every month ration dealers will have to pay their demand drafts (DD's) at Mee Seva centres. Regional officers will then issue the release orders of the dealers who have paid the demand drafts to the Mandal Level Stockist (MLS) point. Once the godown in-charge receives the release order, commodity distribution will begin. From the 16<sup>th</sup> to the 30<sup>th</sup> of every month stage-II transporters will deliver stock from MLS points to ration shops. From the 1<sup>st</sup> to the 15<sup>th</sup> of every month stage-I transport contractors will then carry the commodities to Civil Supplies Mandal Level godowns.

T-Ration (Telangana Ration) android mobile application is launched to bring the transparency about Telangana State Public Distribution System to the common people of the state as well as the Department of Consumer Affairs, government of Telangana. Majorly, Telangana Ration app has two modules G2C and G2G. G2C (Government to Citizen) refers to the services delivered by the government to the citizens of the state. The G2C services are developed to reach the individual beneficiary of National Food Security Cards to know about their Food Security Card application details, Stock allocated to Fair Price Shops and respective FSCs for every month, details of transactions occur on the individual FSC in each month, real time availability of stocks in corresponding FPS, status of Release Orders paid by FPS dealers and FPS locations map. G2G: Government to Government services (G2G) is the electronic sharing of data and/or information between government agencies / departments or organizations. The objective of G2G is to support e-Government initiatives by improving communication, accountability, data accessing and data sharing. Making use of this app, the government officials can check the statistical information about National Food Security Cards of Telangana state such as Application Status, Units associated with FSC, % of Aadhaar Seeding, Dynamic Key Register, e-PoS transactions, Real time stocks available at MLS (Mandal Level Stock) points and buffer godowns, etc.

#### 4.1 Changes:

OLD SYSTEM	NEW SYSTEM	RESULT
Any person who produces ration card can get ration.	A person gets ration only after his fingerprint scanning is done and verified.	Illegal selling of ration was removed.
No tracking system to track the goods.	Automatic system to track the food grains e-PoS was introduced. Civil supplies transport vehicles tracked through GPS.	No diversion of food grains.
Big queues in front of ration shops to take the ration.	Queues were decreased because of use of automated machines.	Time for transaction has reduced.
Normal weighing balance with weights was used.	Digital weighing balances which are linked to e-PoS machines are used.	We can know the exact quantity of food grains delivered to the consumer.
Use of registers and manual entry of data.	Fully automated system no registers are needed. Data is directly stored in servers with the help of internet.	Processing speed has increased. But in some areas due to low internet connectivity and failure of Biometric scan for elderly persons with calloused palms speed has decreased.
More fake ration cards in circulation.	Use of Aadhaar enabled payment system has reduced the fake ration cards.	No fake ration cards.
Ration dealers used to show Nil closing balance and sell the remaining goods in the market.	e-PoS machines automatically records the quantity of goods pending in the shop, no chance for the dealers to show Nil balance.	Exact quantity of goods remaining in the shop and exact quantity of goods distributed to the consumers can be known.
Consumer used to get ration from a particular shop allotted to them.	Portability system was introduced consumer can get ration from any of the ration shop in the state.	Useful for the people who migrate in search of work. 20% of the transactions every month are done in different shops other than the allotted shops.

#### 4.2 Advantages

- No fake ration cards
- Theft of food grains decreased
- Accurate measuring devices
- Identification of distinct users
- Tracking the food grains
- Increase in transparency
- Convenient store locations because of ration from anywhere
- User friendly
- Access to authorized person only
- Active contribution towards digital India

- Time taken to take ration decreased, decrease queue lines
- No registers to enter data, fully digital

#### 4.3 Challenges

- Internet connectivity in remote areas
- Security of the system can be compromised through Tampering
- Ration dealers should update themselves to the new machines

#### 4.4 Limitations

- Currently in many places consumers are facing problem with biometric scanning

mainly old persons with calloused palms and persons working in masonry works and brick kilns.

- Shops are open up to 15<sup>th</sup> of every month so it's a problem for the pensioners who receive their pension late.
- Compulsory internet connection.

## V. SUGGESTIONS

- It would be better if the ration shops are kept open for all the days in a month so that people who receive their pension late that is after 15<sup>th</sup> also can take ration.
- It would be better if the alternate to biometric that is iris scanning is implemented faster.
- In some remote areas there is a problem of slow internet connection, so high speed internet connectivity should be used.
- It would be better if fine rice is distributed through the public distribution system because many people are not eating the fat rice, they just take the ration and sell them outside for high price.

## VI. CONCLUSION

In old ration distribution system data were to be stored in registers manually which had a lot of scope to corrupt practices like manipulating the data, diverting the food grains, Dealer keeping fake ration cards with them but with this system adopted by the Telangana government, all information is stored in database, the higher authority can check the details as and when it's necessary by means of servers. The ration is tracked from the godowns to the final stage where it reaches the final consumer. This system avoided the corruption in rationing system to a large extent by providing transparency at each level. This system also have some challenges like low internet connectivity in remote areas, biometric failure sometimes. Government has some alternatives to this like Iris scanning and providing high speed internet connections in some areas which can overcome this challenges. This system is very accurate, which is used for real-time applications. This is more efficient and better system compared to the past systems.

## VII. REFERENCES

1. Justice Wadhwa Committee, (2007). Report on Public Distribution System, <http://pdscvc.nic.in/report%20on%20computerisation%20of%20PDS.htm>,
2. Shivabhakt Mhalasakant Hanamant1, Suraj V.S., Moresk Mukhedkar "Automization of Rationing System" *IJCEM International Journal of Computational Engineering & Management*, Vol. 17 Issue 6, November 2014 ISSN (Online): 2230-7893.
3. S.Valarmathy, R.Ramani, Fahim Akhtar., "Programmed Ration Material Distributions Based on GSM and RFID

*Innovation"*, Published in *Intelligent Systems and Applications*, 2013, 11, 47-54, October, 2013.

4. K. Arul Ganesh, S.Kanagasubaraaja, R Prabha, G.Mohesh Viswanath, "Biometric Device Using Smart Card in Public Distributed System", Published in 22<sup>nd</sup> IRF International Conference, 29<sup>th</sup> March 2015, Chennai, India, ISBN: 978-93-82702-83-2.
5. Poonam N.Jadhav, Supriya U.Sawant, Reshma T.Patil, Poonam M.Patil, Ankush S.Chougale, "A Step Towards Digital India Using Smart Ration Card", Published in *International Journal of Modern Trends in Engineering and Research (IJMTER)* Vol. 03, Issue 02, February 2016 ISSN (Print): 2393-8161; ISSN (Online):23499745.
6. <https://munsifdaily.in/ration-from-anywhere-upto-20th-of-every-month-in-hyderabad/>
7. <http://www.newindianexpress.com/cities/hyderabad/2018/feb/19/after-ration-shops-cut-supply-time-pensioners-worried-about-food-security-1775452.html>
8. <https://telanganatoday.com/fps-portability-scheme-a-hit-with-migrants>
9. <https://telanganatoday.com/ration-beneficiaries-1st-every-month-cv-anand>
10. <https://www.thehindu.com/todays-paper/tp-national/tp-telangana/t-ration-mobile-app-launched/article19648584.ece>
11. <https://www.deccanchronicle.com/nation/current-affairs/070818/telangana-fair-price-shops-to-have-iris-recognition.html>
12. <https://epds.telangana.gov.in/FoodSecurityAct/>
13. <https://epos.telangana.gov.in/>
14. <https://www.moneycontrol.com/news/trends/current-affairs-trends/telangana-govt-saved-2-lakh-tonnes-of-pds-rice-through-epos-project-2513989.html>