

Standing Committee Report Summary

Modernisation of Public Distribution System: Strengthening Technical Database

- The Standing Committee on Consumer Affairs, Food and Public Distribution (Chair: Ms Kanimozhi Karunanidhi) presented its report on the 'Modernisation of Public Distribution System (PDS): Strengthening Technical Database' on July 23, 2026. The Committee noted following progress on the modernisation of PDS: (i) complete digitisation of 20.5 crore ration cards covering around 80 crore beneficiaries, (ii) Aadhaar seeding of 99.8% ration cards and 99.3% beneficiaries, (iii) automation of about 5.5 lakh out of 5.51 lakh fair price shops, and (iv) nationwide portability. It also noted that 6.8 crore ration cards were weeded out between 2013 and 2025, improving targeting of subsidy. Key observations and recommendations of the Committee include:

- **Verification of beneficiaries:** The Committee observed that under the National Food Security Act, 2013, the ceiling for coverage under PDS is 81.35 crore beneficiaries. It noted that the current number of beneficiaries is below this ceiling, and about 79 lakh beneficiaries could still be added. The Committee also noted that 2.91 crore suspect beneficiaries have been identified. These include categories such as: (i) 2.2 crore inactive ration cards, (ii) 30 lakh duplicate beneficiaries, (iii) 34 lakh deceased beneficiaries, and (iv) 5.6 lakh beneficiaries above 100 years of age. The Committee recommended that time-bound verification drives be done to verify such beneficiaries and inclusion of left-out eligible households.

- **Operational challenges:** The Committee observed that state case studies reveal recurring operational constraints such as: (i) biometric authentication failures among elderly persons and manual labourers, (ii) poor network connectivity, (iii) incomplete module customisation, (iv) pending grievance redressal, and (v) uneven acceptance of route optimisation. It recommended that each state/UT should be required to prepare a time-bound reform agenda to address these issues. A quarterly review should be conducted at the central level.

It further noted that 99.6% of Fair Price Shops have been automated with ePoS system along with offline functionality. However, issues with connectivity still linger. The Committee recommended the Department to: (i) prepare a focussed action plan for all no-network and difficult-terrain FPS, and (ii) ensure reliable offline sync, alternate authentication modes, and strengthened last mile connectivity.

- **SMART-PDS:** The Committee observed that the Scheme for Modernisation and Reforms Through Technology (SMART)-PDS envisages a national-level digital infrastructure for allocation, distribution, and management of foodgrains. It was launched as a centrally sponsored scheme in April 2023. The Committee recommended that its core components must be made functional across all states/UTs in a standardised manner. It also recommended that the system should have a strong focus on: (i) multilingual accessibility, (ii) usability at the field level, (iii) real-time grievance redressal, and (iv) institutional acceptance of route optimisation.
- **Assessment of DBT model:** The Committee observed that since 2015-16, the Direct Benefit Transfer (DBT) model is being implemented in UTs of: (i) Chandigarh, (ii) Puducherry, and (iii) Dadra & Nagar Haveli. It involves cash transfer in lieu of subsidised food grains. It recommended that a structured and periodic comparative assessment of the DBT model in these UTs must take place before contemplating any wider replication.
- **Expansion of CBDC pilot:** The Committee observed that the Central Bank Digital Currency (CBDC) is being piloted for subsidy delivery in PDS. CBDC is the digital form of paper currency issued by the Reserve Bank of India. It noted the CBDC can help in enhancing transparency, improving targeting, and reducing leakages. It recommended that the CBDC pilot be expanded.

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