

# Standing Committee Report Summary

## Strengthening of Public Distribution System- Augmenting Use of Technological Means and Implementation of One Nation, One Ration Card Scheme

- The Standing Committee on Food, Consumer Affairs, and Public Distribution (Chair: Mr. Sudip Bandyopadhyay) submitted its report on the subject ‘Strengthening of Public Distribution System- Augmenting Use of Technological Means and Implementation of One Nation, One Ration Card Scheme’ on March 19, 2021. India’s Public Distribution System (PDS) provides subsidised food through a network of Fair Price Shops (FPS) to beneficiaries identified by state governments. The One Nation-One Ration Card (ONORC) scheme was launched in 2019 to enable nation-wide portability and allow beneficiaries across India access to PDS. Key observations and recommendations include:
  - **Disparity in implementation of ONORC:** The Committee highlighted disparities in implementation by various state governments. For instance, Chhattisgarh and Assam are yet to onboard the portability grid, while 32 other states and union territories have concluded the process. Onboarding the portability grid allows beneficiaries from one state to claim entitlements in other states. The Committee also highlighted that State Vigilance Committees constituted to monitor the implementation of ONORC and functioning of PDS in states do not meet regularly. The Committee recommended the central government’s Department of Food and Public Distribution to monitor implementation in states.
  - **Identification and targeting of beneficiaries:** The Committee noted that 100% of intended beneficiaries under PDS have been identified in 15 states. The Committee recommended coordinating functions of identification with government departments. The Committee also highlighted that some state governments have not initiated biometric authentication of beneficiaries. For instance, all FPSs in West Bengal have been automated. However, it has not yet initiated biometric authentication of beneficiaries. The Committee also recommended identifying districts and areas with more migrant workers to ensure availability of foodgrains there.
  - **Technical difficulties and compatibility:** The Committee highlighted that 13,000 FPSs are in areas with chronically poor internet connectivity. The Committee recommended the National Informatics Centre to develop a device or mobile application for the use of FPS dealers in such areas to record transactions offline and eventually upload sale transactions to a centralised Electronic Point-of-Sale (ePoS) server. The Committee noted that in states where dealers or owners of FPSs purchase ePoS devices, guidelines must be established to ensure compatibility of devices purchased.
  - **Margins for Fair Price Shops:** The Committee highlighted that FPSs currently get a margin of Rs 70 (in general category states) and Rs 143 (in special category states) for every quintal of food grain sold. The Committee recommended increasing the margin.
  - **Movement of foodgrains:** The FCI undertakes movement of foodgrains from procuring and surplus regions to depots in consuming and deficit regions. This is based on communication of demands by FPS dealers. The Committee recommended issuing broad guidelines which are uniformly applicable across states stipulating a minimum intervening time in communication of requirement of foodgrains by an FPS dealer. The Committee also suggested automating FCI operations through application of depot online systems in owned and hired godowns.
  - **Direct Benefit Transfer (DBT):** The Committee noted that the use of DBT helps in savings for government owing to reduction in to administrative burden and costs incurred towards operation of PDS. However, the Committee observed that beneficiaries spend a higher cost as compared to benefits under the erstwhile PDS due to: (i) multiple visits required to ensure transfers, (ii) a higher waiting time for cash withdrawal, and (iii) inadequate availability of foodgrains in the open market. The Committee recommended utilising direct cash transfers in suitable cases, while maintaining the PDS infrastructure, especially for migrant beneficiaries.
  - **Awareness:** The Committee recommended registering mobile numbers of all members of beneficiary families to notify them of: (i) stock positions in FPSs, (ii) portability transactions, (iii) ration drawn and in balance, and (iii) existing orders and schemes implemented under PDS through SMS in local languages in a simple format.

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