

CASE STUDY ON

## AADHAR BASED GAS CYLINDER DISTRIBUTION APPLICATION



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**Overview :**

LPG for household consumption is nearly 89% of total LPG off-take in India. Total LPG consumption in the country for the year 2011-12 is projected to be more than 16.5 MMT (million metric tonnes) and is expected to grow at 8–9%. LPG for domestic cooking is heavily subsidized. There have been various problems in the issue of these subsidized cylinders including fake identities, lack of processes to verify genuineness and to reduce the time taken for reconciliation.

**Business Challenge :**

**Use of Fake Identities to Draw Subsidies**

Over the years, such trends of diversion have been facilitated by obtaining more than one LPG connection per household violating the LPG Control Order. This is achieved through duplicate and/or fake connections. Multiple connections provide enough opportunity to draw subsidized cylinders and use them for purposes other than domestic cooking.

**Lack of Strong Process to Verify Receipt by Genuine Beneficiary**

LPG cylinders are home delivered. At the time of delivery, the household identity is manually verified and the receipt is acknowledged by the resident/family member. Hence, the current process of LPG distribution to customers has a weak form of verification and consent from a residential consumer at the time of acceptance of delivery. Being a manual process, the system does not have a fool-proof re-verification mechanism.

**Lack of Portability of Identity and Quality of Service**

The access to subsidized LPG requires sufficient proof for local address and identity, and with an increasing migratory population, this becomes a bottleneck. In addition, in the current system an LPG customer has his/her connection mapped to a specific OMC distributor in his/her locality, binding them to the distributor.

**Customer :**

IOCL Distributors

**Proposed Solution :**

At the time of enrolment, the Aadhaar number is validated through biometric and demographic authentication. The customer places a refill request to the distributor through various channels depending on the channel offered by the distributor (i.e. manual, telephone, IVRS, SMS and web). The refill request is updated automatically or the distributor enters the same in the application. Distributor loads the details of the day's delivery into a POS device. When the cylinder is delivered, GPS location is captured and compared with the database. The delivery boy carries the POS device and filled cylinders to the customer premises. Aadhaar authentication request of the customer is sent to CIDR (UIDAI system). Online verification response is sent from CIDR to the POS device, followed by receipt of the empty cylinder, printing of the cash memo and payment is collected at market price against delivery. The information from the hand-held device is uploaded onto the OMC's central system using GSM/GPRS real time. The central server sends a batch file with the Aadhaar number of the customer (beneficiary) and subsidy amount to be paid to the sponsor bank. The sponsor bank initiates cash transfer through the NPCI Gateway to the bank account of the customer.

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**VISIONTEK Products Used :**

- VISIONTEK GL-11 POS with GPS

**Benefits :**

**Government**

1. Remove duplicates and reduce leakages by linking beneficiary record with Aadhaar.
2. Able to utilize development funds more effectively.
3. Reduce cost of service delivery.
4. Enhance accountability and traceability of service delivery to actual beneficiaries.
5. Better engagement with residents through self-service applications.
6. Facilitate direct subsidy transfer to beneficiary accounts.

**Industry/Enterprises (Oil and Gas companies)**

1. Lower customer acquisition cost and better compliance.
2. Reduced transaction fraud by enhancing customer verification.
3. Prevent subsidy leakages and enable direct subsidy transfers.
4. Easier to implement single customer view across services.

**Residents**

1. Portable and universal identity that can be authenticated anytime, anywhere.
2. Receive full eligible welfare payments directly from the government without any delay.
3. Eliminate fraud by middlemen and benefits being siphoned off by an intermediate impostor

**Customer Support :**

VISIONTEK's Aadhar based gas distribution solution helped the gas distribution company/dealer to enhance their customer satisfaction, bring in transparency in the delivery system & to reduce the subsidy outgo. The Gas distribution dealers could address each of the above business challenges using our fool-proof solution.

For more details on POS products visit : [www.transaction-terminals.com](http://www.transaction-terminals.com)



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