

CASE STUDY ON

E-GOVERNANCE PUBLIC DISTRIBUTION SYSTEM MANAGEMENT



email: sales@visiontek.co.in
www.visiontek.co.in

Overview :

The Food and Civil Supplies Department of Chattisgarh Government has been battling various issues like corruption, misuse of rations allotted to the fair price shops (FPS) by the vendors, misappropriation of commodities by shadows who use fake ration cards. The Food and Civil Supplies Department has requested for a solution to track the issue of flow of ration in the FPS to the beneficiary.

Business Challenge / Problem :

India's public distribution system (PDS), comprising of more than 4,62,000 FPS, better known as ration shops, and responsible for distributing to more than 160 million families, is one of the biggest of its kind in the world. At present, commodities namely rice, wheat, kerosene and sugar are being allocated to the states for being distributed under the PDS.

Each family is issued a ration card using which they get their monthly supply of subsidised commodities. A below poverty line (BPL) card holder should be given 35 kg of food grains and the card holder above BPL should be given 15 kg of food grain as per the norms of the PDS.

However, there are concerns about the efficiency of the distribution process.

Reports show that 32% of the BPL families who have been issued ration cards cannot be traced. At the national level, it was found that 36% of wheat supplies, 31% of rice and 23% of sugar supplies were diverted from the system.

The common irregularities reported in the PDS were

Ration diversion to the open market : Many FPS dealers resort to malpractice, illegal diversions of commodities, hoarding and black marketing. The FPS owner takes the commodities issued to him by the Food and Civil Supplies Department and sells it at a higher price to retail shops. The government, which gives these commodities at subsidized prices, incurs a loss.

Overcharging : The owner sometimes demands a higher rate for the commodities from the consumer as there is no one to monitor his activities.

Fake ID cards : Identification of households to be denoted BPL status and distribution to the granted PDS services has been highly irregular. A consumer is liable to fraud by patrons who produce fake ration cards.

Many BPL families are not able to acquire ration cards because they are seasonal migrant workers or because they live in unauthorized colonies.

Customer :

Food and Civil Supplies Department of any State Government / Union Territories.

Our customers include Haryana PDS, Raipur Core PDS, pilot projects in R.R. District, Andhra Pradesh and pilot projects in Tamil Nadu and Pondicherry PDS.

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Solution Description :

Fair Price Shop are equipped with a POS device with GPRS connectivity and an STQC-certified fingerprint sensor. Each beneficiary (BPL family) is provided with a smart ration card (SRC) with all his details. He produces his SRC to the FPS owner to collect his ration as per entitlement. The FPS owner inserts the SRC in the POS device. The owner then takes a fingerprint reading of the beneficiary on the fingerprint scanner for authentication. Information such as the ration card number, member name, fingerprint template and bioauthentication is produced. Now, POS ID, FPS smart card number and FPS ID are sent to the central server through GPRS.

If the records match, the FPS owner enters the quantities to be issued to the beneficiary and submits it to the central server. Commodities are issued to the beneficiary and FPS ID, transaction ID, ration card number and goods withdrawn are saved in the transaction table. Food balances are reduced with the quantities withdrawn in the server. Two receipts, one for the beneficiary and another for the FPS dealer are issued.

If there is no GPRS connectivity, the receipt is generated after storing the quantity details with some flag in the smart card of the beneficiary as well as on the FPS card with a unique transaction ID.

When the beneficiary's card, flagged to indicate offline issue is inserted into any POS in the system, the details will be updated in the central server, if the transaction has not yet been updated from FPS card. The beneficiary card offline issue flag will be updated accordingly.

When the FPS's card flagged to indicate offline issue is inserted in any POS with connectivity, all the offline transactions stored in the card will be updated in the server. If any transaction has already been updated from beneficiary's card it will not be updated again. The offline issue flag will be updated accordingly.

VISIONTEK Products Used :

- VISIONTEK 94 POS
- GL-11

Benefits :

The beneficiary can choose to go to any FPS as their food account balances are maintained on the server and on the smart card. This helps migrant workers acquire their entitled quantity of essential commodities.

Using fingerprint-based authentication reduces leakages and the probability of manual error during the distribution of ration.

As the system is automated, a beneficiary prefers to go to an FPS which uses a POS terminal promptly and transparently. Such automation aids the government in monitoring the FPS through the beneficiaries. As a result, the FPS which commit fraud and perform badly are identified and weeded out automatically as a result of competition.

The transaction data recorded would be updated into the public domain and thus enable public scrutiny and social auditing of the FPS. The details of withdrawals are sent through short message services to the beneficiary's registered mobile number.

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Stock and inventory accounting and MIS become more effective as the transactions are real time and are updated onto the central server automatically. Therefore, when the FPS is about to run out of stock, it becomes easier for the Food and Civil Supplies Department to verify and replenish the stock easily.

Shadows that use false authentication can be identified and removed easily through the use of biometrics.

Remarks :

Using VISIONTEK POS 94/GL-11 in automating the PDS enabled the government to monitor the FPS in a more efficient way to eliminate fraud in the system. The Chief Minister of Chattisgarh, Dr. Raman Singh referred to the hand-held terminal (HHT) as "Annapurna ATM" as it resulted in reduction of complaints, increased satisfaction, transparency and velocity of distribution of commodities. This has made the people very happy.

For more details on POS products visit : www.transaction-terminals.com



LINKWELL TELESYSYEMS PVT. LTD. 1-11-252/1B, Behind Shoppers Stop, Begumpet, Hyderabad 500 016.

Tel: +91 40 66388000, Fax: +91 40 66388006, email: sales@visiontek.co.in | www.visiontek.co.in

Regional Offices : Ahmedabad ▪ Bangalore ▪ Chennai ▪ Kolkata ▪ Mumbai ▪ Noida ▪ Pune

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