

Most ration shops in AP do Aadhaar-authentication

Though the progress on using direct benefits transfer (DBT) to give cash to those buying food in ration shops in the public distribution system (PDS) is still limited—mainly LPG subsidies flow through DBT—there has been progress in eliminating fake users in ration shops, though this is limited to a handful of states so far. Going by the progress, within a year or so, the government may well be able to boast of the kind of savings the prime minister talked of in the case of LPG subsidies—in his Independence-Day speech, he spoke of saving R15,000 crore a year by weeding out fake customers. The savings are to take place at three levels—by cutting out theft as the grain moves from FCI godowns to ration shops, by weeding out fake ration cards and by ensuring that all those with genuine ration cards get all the rations due to them.

A total of 11 states have, so far, automated their supply-chain. This does not yet include the populous state of Uttar Pradesh—Bihar, though, has implemented this. Almost 40% of all ration cards have been seeded with Aadhaar numbers which means that, as far as these cards are concerned, there are no fake users. All ration cards in Andhra Pradesh and Telangana have been seeded with Aadhaar, but the progress in Uttar Pradesh is a poor 20%. The advantage of this is that, in the process of the Aadhaar seeding itself, a large number of fake users get removed. In the case of Andhra Pradesh, for instance, while there were 4.53 crore ration card users before the seeding was done, this fell to 3.86 crore after the seeding; for Telangana, the number fell from 3.08 crore to 2.82 crore and from 0.96 crore to 0.70 crore in the case of Delhi. In states like Andhra Pradesh, this has been taken even further by giving each ration shop a point of sale (PoS) device where, when the ration is taken, the PoS device captures the buyers' biometrics and verifies them online with the Aadhaar database to ensure the person at the ration shop is the same individual in whose name the ration card has been issued or a member of his/her family. While there is a possibility that the number of users may further fall with this second level of check, the most important thing is that once this is fully done, there will be no diversion of grain. At a national level, the progress is very poor at just 13%—once again, Andhra Pradesh is at the top with nearly all its ration shops equipped with PoS devices. What is heartening, however, is that once the Aadhaar seeding is done, ensuring each ration shop has a PoS device is relatively simple. This is one big reform the Modi government can justifiably be proud of, and the [Congress](#) can feel satisfied that it set the ball in motion.