

## ABSTRACT

This paper tries to identify the leakages in the PDS at various levels and consider suitable alternatives such as Cash Transfers in an attempt to improve the existing system through proper planning so that the PDS is targeted particularly to the weaker section of the society. It also tries to estimate the proportion of grain "diverted" from the Public Distribution System (PDS) to the open market, by matching state offtake figures published by the government, with household purchase reported by the National Sample Survey (NSS). The paper also discusses possible reasons for the functioning of the PDS in a state like Tamil Nadu where the role of PDS has been substantially felt as well as an underperforming state like Gujarat and the possible measures undertaken to raise the effectiveness of the PDS in the form of a case study analysis along with a brief survey to test the functioning and the effectiveness of the Public Distribution System in India.