

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1788
ANSWERED ON:01.12.2011
DIRECT SUBSIDY SCHEME
Rao Shri Sambasiva Rayapati

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government is working out on direct subsidies on kerosene and LPG to include a unified payment infrastructure; and
(b) if so, the details thereof and the views of each State including Andhra Pradesh in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) & (b): Yes, Madam. Ministry of Finance has constituted a Task Force to suggest an implementable solution for direct transfer of Cash Subsidy for LPG, Kerosene and Fertilizers. Mandate of the Task Force was subsequently enlarged by including IT Strategy of PDS and direct transfer of subsidy for food, and Aadhaar enabled payment infrastructure for transfer of subsidy.

The Task Force has submitted its Interim Report on Direct Transfer of Cash Subsidy of Kerosene and LPG and suggested a mechanism which will use customer's Aadhaar Enabled Bank Account (AEBA) to transfer subsidy. The Core Subsidy Management System (CSMS) will maintain the subsidy accounts of all beneficiaries, and all policies related to subsidy management

In line with the recommendations of the Task Force, this Ministry has taken initiative to launch Pilot studies to introduce direct transfer of cash subsidy for domestic LPG, at Hyderabad (Andhra Pradesh) & Mysore (Karnataka).

As far as Kerosene is concerned, the State Governments of Delhi, Maharashtra, Karnataka, Andhra Pradesh, Odisha, Madhya Pradesh, Rajasthan and Bihar have expressed willingness to conduct the pilot study for direct transfer of subsidy. Response from other States/UTs is awaited.