

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:5221
ANSWERED ON:08.05.2012
AADHAR IN PDS
Punia Shri P.L. ;Siricilla Shri Rajaiah

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government proposes to converge Aadhar with Public Distribution System (PDS) and the direct cash transfer system to check diversion;
- (b) if so, the details thereof;
- (c) whether any pilot project was launched or proposed to be launched to test the effectiveness of Aadhar before its introduction in direct cash transfer;
- (d) if so, the details and the outcome thereof;
- (e) whether the views of the States and other stakeholders have been obtained in this regard; and
- (f) if so, the details thereof and the response received thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (f): A Task Force had been constituted under the Chairmanship of Shri Nandan Nilekani, Chairman, Unique Identification Authority of India (UIDAI), to recommend and implement a solution for direct transfer of subsidies on kerosene, LPG and fertilizer to the intended beneficiaries. The terms of reference of the Task Force were extended to the reforms of Public Distribution System (PDS), including an IT Strategy for PDS and an implementable solution for direct transfer of subsidies on food and kerosene. The Task Force in its report has inter-alia recommended the setting up of a dedicated institutional mechanism to implement end-to-end computerization of PDS across the country called the PDS Network (PDSN). It mentions that a common software platform for PDS can be developed for all States, with the flexibility to configure policies, prices, and administrative structures. This Department is in the process of setting up the PDSN.

The Report inter-alia has also recommended that the software will make it possible for the State Government to decide to offer choice to the beneficiaries in receiving their entitlements in kind (food/kerosene) or cash. It further mentions that the State Government can channel subsidies to Aadhar-enabled bank accounts, and beneficiaries can access these accounts through Aadhaar authentication. This will enable the State Governments to directly transfer subsidy to the intended beneficiary using the Aadhaar Payments Bridge and Aadhar Enabled Payments System.

Proposals have been received by the Government from some State Governments like Bihar, Delhi, Haryana and Uttar Pradesh for direct disbursement of food subsidy in cash to Below Poverty Line (BPL)/Antyodaya Anna Yojana (AAY) families on pilot basis instead of distribution of foodgrains and sugar to them under TPDS. Based on these proposals, a draft scheme was prepared to test the feasibility of this alternative mode of transfer of food subsidy to BPL/AAY families under TPDS. Under the said scheme, the Department of Food and Public Distribution will make allocation of funds for disbursement of cash subsidy based upon the number of AAY and BPL ration cards. The proposed scheme is under examination and the final contours of the scheme will be worked out in consultation with the above referred States and concerned agencies like Ministry of Finance (Department of Expenditure) and Planning Commission.