

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

UNSTARRED QUESTION NO:6311

ANSWERED ON:15.05.2012

CASH FOR FOOD SUBSIDY

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

- (a) whether the Government has formulated any scheme for direct transfer of food subsidy in cash to the below Poverty Line and Antyodaya Anna Yojana beneficiaries, instead of distributing foodgrains to them;
- (b) if so, the details thereof;
- (c) the action taken to implement the scheme effectively and in a transparent manner;
- (d) whether the Government has introduced biometric smart card to streamline the Public Distribution system on a pilot basis; and
- (e) if so, the details thereof and the time by which it is likely to be extended to the entire country?

Answer

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

(a) to (c): Proposals have been received by the Government from some State Governments namely 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 Targeted Public Distribution System (TPDS). Under the proposed scheme, Government will allocate funds directly to district authorities for disbursement of cash subsidy based upon the number of AAY and BPL ration cards in the selected pilot districts. The district authorities will open an exclusive account for this purpose in the treasury bank branch. The district offices will disburse the amount of food subsidy to the respective bank/post office accounts of AAY and BPL ration cardholders on the basis of their entitlements. The draft scheme is under preparation to test the feasibility of this alternative mode of transfer of food subsidy to BPL/AAY families under TPDS.

(d) and (e): Government has approved implementation of a pilot scheme on Smart Card based delivery of essential commodities under TPDS in Chandigarh Union territory (UT) and State of Haryana. Under the scheme, the existing ration cards will be replaced by Smart Cards which will have biometric features of adult members of beneficiary families, based on which verification of genuineness of the beneficiary family will take place and thereafter the essential commodities will be issued to them from the fair price shops.

End-to-end Computerization of PDS in all States/UTs is being undertaken under 12th Five Year Plan (2012-17). Under the proposed scheme, use of bar-coded ration cards, food coupons, smart cards etc. could be chosen as per the requirements of States/UTs.