

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

UNSTARRED QUESTION NO:872

ANSWERED ON:27.11.2012

CASH SUBSIDY

Bajwa Shri Partap Singh;Chaudhary Shri Jayant;Ramasubbu Shri S.

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

- (a) whether the Government has introduced cash transfer scheme or proposes to replace the present system of supplying of goods to the beneficiaries under Public Distribution System (PDS) with a new system;
- (b) if so, the details and the salient features of the said scheme along with the response of the beneficiaries thereon and the funds allocated for the purpose;
- (c) whether it is proposed to extend the scheme throughout the country in the near future;
- (d) if so, the details thereof ; and
- (e) if not, the reasons therefor ?

**Answer**

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

(a) to (e): The Department proposes to introduce a pilot scheme for direct transfer of food subsidy under Targeted Public Distribution System (TPDS). Under the proposed scheme, foodgrains will be issued by Food Corporation of India at an appropriate cost near market price. The cash subsidy equal to the difference in the appropriate cost and the present issue price will be credited to the bank account of the beneficiary in advance to enable the beneficiary to purchase the foodgrains at this cost. The proposal does not involve dismantling the TPDS as foodgrains shall continue to be distributed to the beneficiaries under TPDS through the Fair Price Shops.

It is proposed to undertake the pilot scheme in six UTs, namely Chandigarh, Puducherry, Andaman & Nicobar Islands, Lakshadweep, Dadra & Nagar Haveli and Daman & Diu. The scheme is expected to check leakages/diversion of foodgrains under TPDS and test the feasibility of launch of the scheme in other States. The details of the scheme will be finalized in consultation with Union Territories, etc.