

**GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION**

**LOK SABHA
UNSTARRED QUESTION NO. 3396
TO BE ANSWERED ON 16th MARCH, 2021**

RELEASE OF RURAL DEVELOPMENT FUND TO PUNJAB

**3396. SHRI GURJEET SINGH AUJLA:
SHRI RAVNEET SINGH BITTU:**

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the release of Rural Development Fund (RDF) to the State of Punjab has been withheld;**
- (b) if so, the reasons therefor;**
- (c) the manner in which 1800 mandis and 70000 Km. of rural link roads in Punjab be maintained since the State is not receiving any rural development fund;**
- (d) whether there is any precedent of non-release of RDF funds to the State of Punjab in preceding years;**
- (e) whether the Government is taking any initiative to ensure the early release of the RDF Funds to the State of Punjab;**
- (f) if so, the details thereof and if not, the reasons therefor; and**
- (g) whether a Rural Development Fund component is proposed to be added to the Food Corporation of India (FCI) cost sheet to allow cash withdrawal for food procurement by mandis and if so, the details thereof?**

**A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &
PUBLIC DISTRIBUTION
(SHRI DANVE RAOSAHEB DADARAO)**

(a) to (g): Admissible amount of Provisional/Advance Food Subsidy is released to Decentralized Procurement (DCP) States such as Punjab, based on their quarter-wise claims.

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The claims from State Government towards food subsidy are processed keeping in view the opening and closing balance of stock, procurement, allocation and distribution of food grains, Food Corporation of India (FCI) reconciliation, Utilization Certificate, Economic Cost of foodgrains etc., among others. For the release of subsidy to State Governments, Department of Food and Public Distribution (DFPD) also issues a Provisional Cost (PCS) for every State containing Minimum Support Price and various other incidentals including Statutory charges.

Reimbursement of incidentals and statutory charges is governed by the extant principles on the subject. These principles were last revised by DFPD on 24.02.2020 on the recommendations of a Sub-Committee, consisting of Secretaries/ Principal Secretaries of major procuring States including that of Punjab.

As per these Revised Principles dated 24.02.2020, only those Statutory Charges, which are being utilized for improvement of infrastructure and facilities to augment the quality of Procurement Centres, should be part of the claims for financial assistance, whereas as per Notification of the Punjab Rural Development Act, 1987 issued by Punjab Government, the Rural Development Fee (RDF) can be utilized for other purposes also like medical dispensaries, improvement of sanitation, construction of rural roads, etc. in addition to the improvement of Procurement Centres. As the purposes for which RDF is being used by the State Government were not fully in line with the Revised Principles, information was sought from the State Government on the portion of RDF being utilized towards improvement of facilities at Procurement Centres. Till the requisite information is received and issue is resolved, as an interim measure, DFPD has allowed release of 1% of Minimum Support Price (MSP) as RDF to the State Government for Kharif Marketing Season (KMS) 2020-21.

All the concerned State Governments including the Government of Punjab, have been requested to furnish certain inputs relating to statutory charges (except Mandi fee). The matter relating to RDF will be finalized on the basis of inputs received from State Governments.
