

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

**LOK SABHA  
UNSTARRED QUESTION NO.4513  
TO BE ANSWERED ON 30<sup>TH</sup> MARCH, 2022**

**DIRECT BENEFIT TRANSFER PILOT SCHEME**

**4513. SHRIMATI HARSIMRAT KAUR BADAL:**

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

- (a) whether the Government has taken up Direct Benefit Transfer (DBT) pilot scheme in lieu of foodgrains in various parts of the country;
- (b) if so, the details thereof and the results achieved in all such areas where the Government had completed the pilot scheme or the scheme is going on;
- (c) the rationale behind starting DBT pilot scheme in the country;
- (d) the benefits the Government has accrued out of the said scheme; and
- (e) whether DBT scheme is a means to begin the era of non procurement of foodgrains from States like Punjab and Haryana, if so, the reasons therefor?

**A N S W E R  
MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND  
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(SADHVI NIRANJAN JYOTI)**

---

(a) & (b): A scheme of cash transfer of food subsidy directly into the bank account of beneficiaries of Public Distribution System instead of providing foodgrains is already being implemented on a pilot basis in the three Union Territories namely Chandigarh and Puducherry since September, 2015 and urban areas of Dadra and Nagar Haveli since March, 2016. The beneficiaries in these UTs are receiving the cash transfer in lieu of foodgrains which they use for purchase of foodgrains of their choice from open market.

.....2/-

**(c): The Direct Benefit Transfer (DBT) experiment aims to (i) reduce the need for huge physical movement of foodgrains (ii) provide greater autonomy to beneficiaries to choose their consumption basket (iii) enhance dietary diversity (iv) reduce leakages (v) facilitate better targeting (vi) promote financial inclusion.**

**(d): Yes, Sir. In the chosen areas, saving has accrued on account of no costs incurred on procurement incidentals, handling, storage, movement, distribution and other administrative overheads, in the direct benefit transfer pilot.**

**(e): The scheme of cash transfer of food subsidy scheme is implemented as per provisions of the Cash Transfer of Food Subsidy Rules, 2015, notified under the National Food Security Act, 2013 (NFSA) on 21.08.2015 which inter alia provides food subsidy in cash directly into the bank accounts of entitled households to enable purchase of entitled quantity of foodgrains from the open market. The scheme can be taken up in identified areas, subject to fulfillment of certain conditions regarding preparedness for its implementation like complete digitization and de-duplication of beneficiary database, seeding of bank account details in the digitized beneficiary database and availability of foodgrains in the open market. Identified area is defined under the Rules as State or Union Territory or any specified area within the State or Union Territory for which there is a written consent of the State Government for implementation of the scheme. It is therefore optional for the States/UTs to implement the cash transfer of food subsidy scheme or continue with distribution of foodgrains as per provisions of NFSA through fair price shops.**

\*\*\*\*\*