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## Part III—Section 1(a)

General Statutory Rules, Notifications, Orders, Regulations, etc.,  
issued by Secretariat Departments.

### NOTIFICATIONS BY GOVERNMENT

#### NATIONAL FOOD SECURITY ACT, 2013

[G.O. Ms. No. 140, Co-operation, Food and Consumer Protection (B1) 14th December 2016,  
கார்த்திகை, 29, துன்முகி, திருவள்ளுவர் ஆண்டு-2047.]

#### NOTIFICATION

No. SRO A-4(a-1)/2017.—The following Notification of the Government of India Ministry of Consumer Affairs, Food and Public distribution (Department of Food and Public Distribution) New Delhi, the 27th October, 2014 is Republished:—

**G.S.R. 743(E)**.-In exercise of the powers conferred by clause (f) of sub-section (2) of Section 39 read with section 23 of the National Food Security Act, 2013 (20 of 2013), the Central Government, in consultation with the State Governments, hereby makes the following rules, namely :-

**1. Short title and commencement.**—(1) These rules may be called the Provisioning of Funds to State Governments for Short Supply of Foodgrains Rules, 2014.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**—In these rules, unless the context otherwise requires,-

(a) "Act" means the National Food Security Act, 2013 (20 of 2013);

(b) "Corporation" means the Food Corporation of India established under Section 3 of the Food Corporation Act, 1964 (37 of 1964);

(c) "entitled quantity of foodgrains" means the quantity of foodgrains to be allocated by the Central Government to the State Governments in accordance with Section 22 of the Act;

(d) words and expressions used but not defined in these rules shall have the meanings respectively assigned to them in the Act.

**3. Time limit for allocation of foodgrains.**—The Central Government and the State Governments shall adhere to the time limit specified in the Public Distribution System (Control) Order, 2001 for allocation of foodgrains and making them available for distribution to the persons entitled under the Act.

**4. Allocation and supply of foodgrains by Central Government to State Governments.**—The Central Government shall ensure that the entitled quantity of foodgrains is allocated from the central pool to the State Governments under the Targeted Public Distribution System and the regular supply of the allocated foodgrains reach the depots designated by the Central Government in each State.

**5. Manner of providing funds by Central Government.**—If the Central Government is unable to supply the required quantity of foodgrains to any State Government, it shall provide funds to the extent of short supply to that State Government, at the rate of difference between 1.25 times the minimum support price of the relevant foodgrains for that marketing season and the prices specified in Schedule I to the Act. .

**6. Funds to be provided in case of alternative arrangements by State Governments.**—(1) If the entitled quantity of foodgrains is not made available by the Central Government to any State Government, then that State Government may, to the extent of the short supply, make arrangements to deliver the entitlements under Chapter II of the Act through purchases from the open market.

(2) In case of purchase from the open market under Sub-rule (1), the Central Government shall provide funds to the State Government to the extent of short supply of foodgrains at the rate of difference between-

(i) the price at which the State Government has purchased the foodgrains and the prices specified in Schedule I to the Act; or

(ii) 1.25 times the minimum support price of the relevant foodgrains for that marketing season and the prices specified in Schedule I to the Act,

whichever is lower.

**7. Procedure for claiming funds by State Governments.**—In making claim for funds under rules 5 and 6, the State Government shall submit the claim to the Central Government along with all particulars indicating the following, namely:-

(i) quantity of short supply;

(ii) designated depot where short supply has occurred;

(iii) period of short supply;

(iv) proof of purchase of foodgrains from open market by the State Government, to deal with the short supply of foodgrains; and

(v) other necessary documents as may be considered necessary to establish the claim.

**8. Processing of claim by Central Government.**—(1) The Central Government shall forward the claims of the State Government received under rule 7 to the Corporation within fifteen days from the date of receipt of claim by it.

(2) The Corporation shall, after processing the claim of the State Government, send its observations to the Central Government within fifteen days from the date of receipt of the claim forwarded by the Central Government.

(3) After examination of the observations of the Corporation, the Central Government shall take a decision on the determination of claim within fifteen days from the date of receipt of observations made by the Corporation.

(4) The Central Government shall disburse the amount determined under sub-rule (3) to the State Government within fifteen days from the date of determination of the claim.

[No. 15-9/2014-NFSA]

DEEPAK KUMAR, Jt. Secy.

(By Order of the Governor)

PRADEEP YADAV,  
Principal Secretary to Government.

#### NOTIFICATION

No. SRO A-4(a-2)/2017.—The following Notification of the Government of India Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) New Delhi, the 21st January, 2015 is Republished:—

**G.S.R. 48(E).**—In exercise of the powers conferred by clause (c) of sub-section (2) of Section 39 read with Section 8 of the National Food Security Act, 2013 (20 of 2013), the Central Government, after consultation with the State Governments, hereby makes the following rules, namely:-

**1. Short title and commencement.**—(1) These rules may be called the Food Security Allowance Rules, 2015.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**—(1) In these rules, unless the context otherwise requires,—

(a) "Act" means the National Food Security Act, 2013 (20 of 2013);

(b) "nodal officer" means an officer designated as such by the State Government under section 14 of the Act;

(c) "entitled person" means a person belonging to eligible households identified as such under the Act by the State Government and in possession of a valid ration card;

(2) words and expressions used but not defined in these rules shall have the meanings respectively assigned to them in the Act.

**3. Time limits for allocation of foodgrains.**—The Central Government and the State Governments shall adhere to the time limits provided in the Public Distribution System (Control) Order, 2001 or any other orders issued from time to time by Central Government, for allocation of foodgrains and making them available for distribution to the persons entitled under the Act.

**4. Payment of food security allowance in cases of non-supply of foodgrains.**—(1) The nodal officer shall verify, at the end of every month and at each fair price shop, the status of supply of foodgrains to the entitled persons covered under each fair price shop, as per their entitlement under the Act

(2) The nodal officer shall record in writing, the reasons for non-supply of entitled quantity of foodgrains to any entitled person.

(3) The nodal officer shall ensure payment of food security allowance to the entitled person in every case where entitled quantity of foodgrains has not been supplied due to non-availability of foodgrains at the fair price shop or for any unforeseen reasons.

(4) The nodal officer shall register a complaint with the District Grievance Redressal Officer forthwith where foodgrains have not been supplied due to any willful lapse of any fair price shop dealer.

**5. Verification of status of supply.**—The State Government shall use electronic methods, subject to availability of adequate infrastructure, for carrying out and recording the-

(i) month-end verification of status of distribution of foodgrains; and

(ii) reasons for non-distribution, if any, in respect of each fair price shop and place such details in the public domain.

**6. Computation of food security allowance.**—The amount of food security allowance admissible to entitled persons shall be computed by multiplying the difference between the 1.25 times the minimum support price of the relevant foodgrains for that marketing season and the prices specified in Schedule I to the Act, with the quantity of non-supply.

**7. Period within which food security allowance to be paid.**—The nodal officer shall ensure the payment of food security allowance by the end of the third week of the month following the month in which the non-supply occurred.

**8. Mode of payment of food security allowance.**—(1) The State Government shall ensure the payment of food security allowance to the entitled persons through bank accounts.

(2) If any entitled person has not opened a bank account, the initial payment of food security allowance to such person shall be made by cash:

Provided that the nodal officer shall ensure that a bank account is opened by such person within one month from the date of initial payment of the food security allowance.

**9. Food security allowance when not payable.**—The Food security allowance shall not be payable to an entitled person who does not visit the fair price shop to claim his entitlement during the month:

Provided that the nodal officer may exempt a person from visiting the fair price shop and claiming his entitlement, for reasons to be recorded in writing:

Provided further that the food security allowance shall not be payable to an entitled person who refuses to claim his entitlement on the ground of quality of foodgrains or on such other grounds.

**10. Summary report by Nodal Officer.**—The nodal officer shall, based on monthly verification of status of supply of foodgrains, specified in rule 4, submit a summary report to the District Magistrate, or any other officer authorised by the State Government for this purpose, by fifteenth day of the month following the month of distribution, indicating the cases of non-supply of foodgrains to the entitled persons, along with reasons and the remedial measure taken, wherever necessary .

**11. Complaint regarding quality of foodgrains.**—Any complaint relating to quality of foodgrains shall be made by the complainant to the District Grievance Redressal Officer in writing seeking redressal of this complaint, which shall be inquired into and decided by the District Grievance Redressal Officer or any other officer authorised by the State Government within a period not exceeding fifteen days.

**12. Distribution of more than one month entitlement.**—Where the State Governments follow the practice of supply of more than one month's entitlement at a time, appropriate arrangements for verification of supply of such entitlements to the entitled persons shall be undertaken by the concerned State Government so as to ensure distribution of foodgrains as per the entitlements or payment of food security allowance to eligible persons in case of non-supply of entitled quantity of foodgrains.

**13. State Governments competent to issue directions.**—The State Governments, if considered necessary, may issue such directions for the implementation of these rules, as deemed fit.

[F. No. 15-59/2013-NFSA]

DEEPAK KUMAR, Jt. Secy.

(By Order of the Governor)

PRADEEP YADAV,  
*Principal Secretary to Government.*

#### NOTIFICATION

No. SRO A-4(a-3)/2017.—The following Notification of the Government of India Ministry of Consumer Affairs, Food and Public Distribution Department of Food and Public Distribution, New Delhi, the 17th August 2015 is Republished.—

**G.S.R. 636(E).**—In exercise of the powers conferred by clause (e) of sub-section (2) of section 39 read with clause (d) of sub-section (4) of Section 22 of the National Food Security Act, 2013 (20 of 2013), the Central Government, after consultation with the State Governments, hereby makes the following rules, namely:—

**1. Short title and commencement.**— (1) The Food Security (Assistance to State Governments) Rules, 2015. (2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**— In these rules, unless the context otherwise requires,—

(a) "Aadhaar number" means the identification number issued to an individual by the Unique Identification Authority of India;

(b) "Act" means the National Food Security Act, 2013 (20 of 2013);

(c) "designated depots" means the depots specified from time to time, State-wise, by the Central Government, for the purpose of distribution of foodgrains;

(d) "entitled persons and households" means persons or households identified by the State Government to receive subsidised foodgrains under section 3 of the Act;

(e) "handling" means loading and unloading of foodgrains involved in intra-State movement;

(f) "intra-State movement" means movement of foodgrains within a State from the designated depots and delivering it at the door-step of fair price shops and shall include all stages in this process;

(g) "point of sale device" means a device to be installed and operated at fair price shops for identification of entitled persons and households for delivery of foodgrains, based on 'Aadhaar number' or other authentication tools, specified by the Central Government from time to time;

(h) "system integrator" means an agency engaged by the State Government to purchase, install and maintain the point of sale device at fair price shops in the State;

(i) 'tide over allocation' means foodgrains allocated to a State or Union territory, if any, under second proviso to sub-section (1) of section 3 of the Act, over and above the allocation for entitled persons and households;

(j) the words and expressions used but not defined in these rules shall have the meanings assigned to them in the Act.

**3. Time limit for allocation of foodgrains.**—The Central Government and the State Government shall adhere to the time limits provided in the Public Distribution System (Control) Order, 2015, as amended from time to time, or any other order issued by the Central Government in this regard, for allocation of foodgrains and delivery upto the fair price shops.

**4. Duty of the Central Government.-** The Central Government shall allocate foodgrains under Targeted Public Distribution System from Central Pool to 'the State Governments under the Act and provide for its movement upto designated depots.

**5. Duty of the State Governments.-**It shall be the duty of the State Government to take delivery of foodgrains under Targeted Public Distribution System from the designated depots, ensure its delivery through their authorised agencies upto the door-step of fair price shops and to ensure its supply to entitled persons and households at prices specified in Schedule I of the Act.

**6. Assistance from Central Government.-**(1) The Central Government shall assist the State Government to meet the expenditure incurred by it on intra-State movement, handling of foodgrains and margins paid to fair price shop dealers, for distribution of foodgrains allocated for the entitled persons and households.

(2) No such assistance shall be payable in respect of 'tide over allocation'.

**7. Norms and pattern of Central assistance.-**(1) The norms of Central assistance (in ₹ per quintal) to the State Government and Union territory and share of the Central Government (in percentage) shall be limited as under:

Category of State and Union Territories	Norms of expenditure (Rate in ₹ per quintal)			Central share (in per cent.)
	Intra-State movement and handling	Fair Price Shop dealers margin		
		Basic	Additional margin for sale through point of sale device	
General	65	70	17	50
Special	100	143	17	75

**Explanation-** For the purposes of this rule-

(1) "General Category States and Union territories" means the following;

- (i) Andhra Pradesh;
- (ii) Bihar;
- (iii) Chhattisgarh;
- (iv) Goa;
- (v) Gujarat;
- (vi) Haryana;
- (vii) Jharkhand;
- (viii) Karnataka;
- (ix) Kerala;
- (x) Madhya Pradesh;
- (xi) Maharashtra;
- (xii) Odisha;
- (xiii) Punjab;
- (xiv) Rajasthan;
- (xv) Tamil Nadu;
- (xvi) Telangana;
- (xvii) Uttar Pradesh;
- (xviii) West Bengal;
- (xix) Chandigarh;

- (xx) Dadra and Nagar Havel;
- (xxi) Daman and Diu;
- (xxii) Delhi; and
- (xxiii) Puducherry.

(2) "Special Category States and Union Territories" means the following-

- (i) Arunachal Pradesh;
- (ii) Assam;
- (iii) Himachal Pradesh;
- (iv) Jammu and Kashmir;
- (v) Manipur
- (vi) Meghalaya;
- (vii) Mizoram;
- (viii) Nagaland;
- (ix) Sikkim;
- (x) Tripura;
- (xi) Uttarakhand;
- (xii) Andaman and Nicobar Islands; and
- (xiii) Lakshadweep.

(2) The additional margin provided in sub-rule (1) is towards the cost of purchase, operation and maintenance of the point of sale device, its running expenses and incentive for its use.

(3) The additional margin shall be payable for the fair price shop which has installed a point of sale device and shall be limited to the transactions made through it

(4) The additional margin shall be released on the basis of a certificate from the State Government supported by the documents, indicating the following, namely:-

- (a) number of fair price shops at which the point of sale devices have been installed and are functional; and
- (b) the details of all transactions using the point of sale devices.

(5) The State Government shall furnish the details of all transactions made through the point of sale devices in public domain.

(6) The State Government shall have the flexibility in choosing any of the following models for the installation of point of sale device, namely:-

- (a) the State Government may purchase, install and maintain the point of sale device.
- (b) the State Government may select a system integrator to purchase, install and maintain the point of sale device;
- (c) the fair price shop dealer may purchase, install and maintain the point of sale device.

(7) The State Government shall determine the basis for apportioning the additional margin for sale through point of sale device among different stakeholders, depending upon the model chosen.

(8) The State Government shall have the flexibility to allow differential margins within the State taking into consideration the location of shops and number of ration cards attached to the shops:

Provided that the Central assistance shall be limited to the rates specified in sub-rule (l) of rule 7 or the actual average rates for the State as a whole, at which the expenditure was actually incurred by the State Government, whichever is lower.

(9) For the expenditure on intra-State movement and handling of foodgrains, Central assistance shall be limited to the rates specified in sub-rule (1) of rule 7 or the actual average rates for the State as a whole at which expenditure was incurred by the State Government, whichever is lower.

**8. Advance payment of margins to fair price shop dealers.**-(1) The State Government shall ensure the payment of fair price shop dealers' margin in advance by way of adjusting the same in prices of foodgrains to be paid by fair price shop dealers, or through other appropriate mechanism.

(2) If the price of foodgrains payable by fair price shop dealers in any State or Union territory is lower than the fair price shop dealers' margin, the State Government shall ensure upfront payment of margin. in full, to fair price shop dealers.

**9. Effective date of Central assistance.**- The Central assistance to the State Government shall be effective from the date of allocation of foodgrains under the Act and shall be only for allocations made for entitled persons and households.

**10. Release of Central assistance.**-(1) In the first year of the implementation of the Act, seventy five per cent. of the total Central share of expenditure, calculated on the basis of estimated annual allocation of food grains for the entitled persons and households, the norms of expenditure and Central share as mentioned in sub-rule (1) of rule 7 shall be released to the State Government in advance as first instalment, at the beginning of financial year.

(2) The balance twenty five per cent. of the Central assistance shall be released in the following financial year.

(3) The admissibility of total annual Central assistance and its amount shall be calculated out on the basis of,-

(a) the quantity of food grains actually distributed during the financial year under the Act, I

(b) actual per. quintal rates at which the expenditure was incurred by the State Government or Union territory on intra-State movement and handling of food grains and margins paid to fair price shop dealers, or the norms of expenditure specified in sub-rule (1) of rule (7), whichever is lower; and

(c) norms of Central share specified in sub-rule (1) of rule 7.

(4) After release of first instalment, if any amount is due, it shall be released as the second instalment.

(5) In case of release of excess amount in the first instalment, the same shall be adjusted against due Central assistance for the subsequent financial year.

(6) For release. of second instalment, the State Government shall furnish information in the proform prescribed at Schedule I and Schedule II to these rules.

(7) In subsequent years, Central assistance shall be calculated on the basis of;

(a) estimated annual allocation of food grains for the entitled persons and households to the State;

(b) the actual per quintal rates at which expenditure was incurred by the State Government or Union territory during the previous year on intra-State transportation and handling of food grains and margin paid to the fair shop dealers separately or the norms of expenditure mentioned in sub-rule (1) of rule 7 whichever is lower; and

(c) norms of Central share specified in sub-rule (1) of rule 7.

(8) Seventy five per cent. of the Central assistance estimated under sub-rule (7), shall be released as first instalment in the beginning of the financial year.

(9) The balance twenty five per cent. Central assistance shall be released as second instalment in the next financial year subject to the conditions specified in sub-rules (3) (4) (5) and (6).

**11. Release of Central assistance for previous years.**-In States and Union territories where implementation of the Act had started in the year(s) before coming into force of these rules, release of due Central assistance for previous years shall be made on the basis of information to be furnished by the States or Union territories, as the case may be, in the proformas prescribed at Schedule I and Schedule II to these rules.

**12. Utilisation certificate.**- The State Government and Union territory shall submit utilisation certificate in prescribed proforma to the Central Government, as provided under General Financial Rules, 2005.

## SCHEDULE-I

## PROFORMA

(See sub-rule (6) of rule 10 and rule 11)

Name of the State/UT \_\_\_\_\_

Department of \_\_\_\_\_

Claim for release of second/final instalment of Central assistance on intra-State movement and handling of foodgrains

Bill No.....

Date.....

Statement showing distribution of foodgrains through Targeted Public Distribution System under National Food Security Act, 2013 and expenditure incurred on intra-State movement and handling of foodgrains during the year.....

Foodgrains	Quantity of Foodgrains (in quintals)		Actual expenditure on intra- State movement and handling of foodgrains by State or Union territory		Expenditure on intra- State movement and handling of foodgrains as per approved norms* (in ₹ in lakhs)	Central assistance	
	Allocated by Department of Food and Public Distribution	Actual quantity distributed by the State or Union territory under National Food Security Act, 2013	Rates (₹ per quintal)	Total Expenditure incurred (in ₹ in lakhs)		Percent- age*	Total due (% in col.7 to be applied to lower of col.5 or 6) (in ₹ in lakhs)
1	2	3	4	5	6	7	8
Wheat							
Rice							
Coarsegrains							
<b>Total</b>		... -					

Less: Advance Central assistance received during the year (in ₹ in lakhs)

Net amount to be received from Government of India (in ₹ in lakhs)

It is certified that:—

1. The above information is correct.
2. The claim has been prepared only for foodgrains actually distributed through Targeted Public Distribution System under National Food Security Act, 2013 out of the allocation made by Department of Food and Public Distribution.
3. The claim is based on the actual expenditure incurred on intra-State movement and handling of foodgrains.
4. The claim has not been preferred earlier.
5. The amount being claimed through above proforma have not been claimed/ shall not be claimed from the Government of India/Food Corporation of India as part of procurement incidental/economic cost, in the finalisation of procurement incidentals cost sheet by the Government of India for the relevant marketing season for respective commodity under consideration.

Financial Head  
(Signature with name, date and official seal)Authorised signatory  
(Signature with name, date and official seal)



Principal Secretary/Secretary

Food and Civil Supplies

(Signature with name, date and official seal)

**Note:** The certificate may be signed by the Financial Head and the authorized signatory of the department concerned with distribution of foodgrains under National Food Security Act, 2013 or the nominated agency duly authorized by that department to do so.

\* Approved norms and percentage of Central assistance as prescribed in sub-rule (1) of rule 7.

## SCHEDULE-II

## PROFORMA

(See sub-rule (6) of rule 10 and rule II)

Name of the State/UT \_\_\_\_\_

Department of \_\_\_\_\_

Claim for release of second/final instalment of Central assistance for expenditure incurred on margins to fair price shop dealers

Bill No.....

Date.....

(A) Statement showing distribution of foodgrains through Targeted Public Distribution System under National Food Security Act, 2013 and expenditure incurred on margins to fair price shop dealers during the year \_\_\_\_\_

Foodgrains	Foodgrains (in quintals)		Actual expenditure on payment of margins to fair price shop dealers by State or Union territory		Expenditure on margins fair price shop dealers as per approved norms* (in ₹ in lakhs)	Central assistance	
	Allocated by Department of Food and Public Distribution	Actually distributed by the State or Union Territory under National Food Security Act, 2013	Rates (₹ per quintal)	Total Expenditure incurred (in ₹ in lakhs)		Percent tage*	Total due (% in col.7 to be applied to lower of col.5 or 6) (in ₹ in lakhs)
1	2	3	4	5	6	7	8
Wheat							
Rice							
Coarsegrains							
<b>Total</b>		... -					

Wheat

Rice

Coarsegrains

**Total**

... -

Less: Advance Central assistance received during the year (in ₹ in lakhs)

Net amount to be received from Government of India (in ₹ in lakhs)

(B) Table showing additional margin payable to fair price shop dealers for sale of foodgrains under National Food Security Act, 2013 through point of sale device during the year. \_\_\_\_\_

S.No.	Item	No./Amount
1.	Total number of fair price shops in the State/UT.	
2.	Number of fair price shops where point of sale device has been installed.	
3.	Number of fair price shops where point of sale device was functioning during the year.	
4.	Quantity of foodgrains distributed through point of sale device during the year.	
5.	Amount of additional margin payable to fair price shop dealers @ Rs.17 per quintal for distribution of foodgrains through fair price shops using point of sale device (for quantity mentioned at S.No.4). (in ₹ in lakhs)	
6.	Share of additional margin payable by Central Government* (out of 5 above)	
7.	Advance Central assistance received during the year (in Rs. in lakhs) 2013	
8.	Net amount to be received from Government of India (In Rs. in lakhs) (6-7)	

(C) It is certified that:-

1. the above information is correct.
2. The claim has been prepared only for foodgrains actually distributed through Targeted Public Distribution System under National Food Security Act, 2013 out of the allocation made by Department of Food and Public Distribution.
3. The claim is based on the actual expenditure incurred on margins paid to fair price shop dealers.
4. The claim has not been preferred earlier.

Financial Head  
(Signature with name, date and official seal)  
Principal Secretary/Secretary

Authorised signatory  
(Signature with name, date and official seal)

Food and Civil Supplies  
(Signature with name, date and official seal)

**Note:** The certificate may be signed by the Financial Head and the authorised signatory of the department concerned with distribution of foodgrains under National Food Security Act, 2013 or the nominated agency duly authorised by that department to do so.

\*Approved norms and percentage of Central Assistance as prescribed in sub-rule (1) of rule 7.

(By Order of the Governor)

PRADEEP YADAV,  
Principal Secretary to Government.

No. SRO A-4(a-4)/2017.—The following Notification of the Government of India Ministry of Consumer Affairs, Food and Public Distribution Department of Food and Public Distribution New Delhi, the 21st August 2015 is Republished.—

#### NOTIFICATION

**G.S.R. 649(E).**—In exercise of the powers conferred by clause (d) of sub-section (2) of Section 39 read with clause (h) of sub-section (2) of Section 12 of the National Food Security Act, 2013 (20 of 2013), the Central Government, after consultation with the State Governments, hereby makes the following rules, namely:-

**1. Short title and Commencement.**— (1) These rules may be called the Cash Transfer of Food Subsidy Rules, 2015.  
(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**—(1) In these rules, unless the context otherwise requires,-

(a) 'Aadhaar number' means the identification number issued by the Unique Identification Authority of India;

(b) 'Act' means the National Food Security Act, 2013 (20 of 2013);

(c) 'Bank account of entitled household' means the bank account of any of the members of entitled household in any bank following the Core Banking System, indicated by the head of the household in the digitised beneficiary database. for receiving cash transfer of food subsidy;

(d) "Bank account details" means number of the bank account of entitled household along with the Indian Financial System Code of that bank;

(e) "Beneficiary database" means list of all the entitled households, along with the details of the members;

(f) "Central Issue Price" means price of foodgrains specified for eligible households in Schedule I of the Act and price of food- grains determined by the Central Government from time to time for 'tide over' allocation under sub-section (l) of Section 3 of the Act;

(g) "entitled households" means the eligible households referred to in the Act and households receiving subsidised foodgrains from the State Government out of 'tide over' allocation. who or which possess a valid ration card;

(h) "entitled quantity of foodgrains" means quantity of foodgrains to be distributed to eligible households under sub-section (l) of Section 3 of the Act or quantity of foodgrains distributed by the State Government to other entitled households, if any, out of the 'tide over' allocation;

(i) "Identified areas" means a 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;

(j) "Public Financial Management System" means a web-based online transaction processing system established by the Controller General of Accounts, Ministry of Finance, Government of India for fund management, e-payment and Management Information System;

(k) "Scheme" means a system to provide food subsidy in cash directly into the bank accounts of entitled households to enable purchase of the entitled quantity of foodgrains from the open market;

(l) "State agency" means a Department or Corporation or Office designated by the State Government to receive the cash subsidy from the Central Government in a separate bank account and credit the due subsidy into the bank accounts of the entitled households, based on their entitled quantity of foodgrains;

(m) "tide over allocation" means foodgrains allocated to States or Union territories, if any, under the second proviso to sub-section (l) of Section 3 of the Act.

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings as assigned to them in the Act.

3. (1) The State Government may implement the Scheme with the approval of the Central Government.

(2) The Scheme shall be implemented in the identified areas:

Provided that the prevailing system of distribution of foodgrains through Targeted Public Distribution System shall continue in the remaining areas.

4. **Conditions for implementing the Scheme.**-The State Government shall implement the Scheme in any identified areas subject to the following conditions, namely:-

(a) complete digitisation and de-duplication of beneficiary database;

(b) seeding of bank account details and Aadhaar number, if available, in the digitised beneficiary database;

(c) ensuring adequate availability of foodgrains in the open market; and

(d) identification of a State agency, having a separate bank account, to receive the cash subsidy from the Central Government for the entitled households and to transfer the due amount of subsidy into the bank accounts of entitled households through Public Financial Management System.

5. **Computation of food subsidy.** -The amount of food subsidy payable to a entitled household shall be computed by multiplying entitled quantity of foodgrains with difference between 1.25 times applicable Minimum Support Price (derived Minimum Support Price in the case of rice) and the Central Issue Prices, or as may be revised from time to time, by the Central Government.

6. **Modalities of Cash transfer of food subsidy.**-( 1) The State Government shall prepare the digitised beneficiary database of the identified area, seeded with bank account details and Aadhaar number, if available, keeping in view the total coverage for the State or Union territory determined under the Act for receiving subsidised foodgrains.

(2) The digitised beneficiary database for the identified area, seeded with bank account details and Aadhaar number, if available, shall be shared by the State Government on the portal of the Public Financial Management System for scrutiny, verification and validation of Aadhaar number and bank account details.

(3) The findings of the scrutiny done by the Public Financial Management System shall be shared with the State Government.

(4) The State Government shall address the issues raised in the findings of the Public Financial Management System and place the final digitised beneficiary database for the identified area, seeded with bank account details and Aadhaar number, if available, on the Public Financial Management System portal.

(5) On the basis of final digitised beneficiary database, the entitled quantity of foodgrains and formula for computation of cash food subsidy under rule 5, the State Government shall also prepare and place a summary proposal, on the Public Financial Management System portal, as per the proforma annexed to these Rules, for transfer of due cash subsidy by the Central Government into the bank account of the State Agency.

(6) The Central Government shall transfer, on monthly basis, the total cash subsidy for the final digitised beneficiary database of the State or Union territory, computed in accordance with the provisions of Rule 5, into the bank account of the State agency.

(7) In case, the State Government is further subsidising the foodgrains beyond the Central Issue Prices under the Act, for all the entitled households or a part thereof, the State Government shall clearly earmark in the digitised beneficiary database such of the entitled households which are eligible to receive additional subsidy from the State Government and amount of State subsidy in cash for each of such entitled households and credit the total amount of State subsidy into the bank account of State Agency.

(8) The State agency shall credit the consolidated amount of entitled cash subsidy comprising of Central subsidy in accordance with the provisions of rule 5 and State subsidy as per the provisions of sub-rule (7), if applicable, into the individual bank accounts of entitled households in the digitised beneficiary database. on monthly basis, through the Public Financial Management System by following procedure specified by Controller General of Accounts, Ministry of Finance, Government of India, from time to time.

(9) All the activities specified in sub-rules (1) to (8) shall be made online.

(10) The digitised beneficiary database for monthly transfer of cash subsidy from the Central Government to the State agency and from the state agency to the entitled households shall be deemed to be frozen for that particular month.

(11) The State Government shall undertake regular online updation of digitised beneficiary database, to ensure that cash transfer is being made only in the bank accounts of entitled households.

(12) The State Government shall take into account deletions or cancellation of ration cards, before sending summary proposal under sub-rule (5) for subsequent months.

(13) The State Government shall endeavour to ensure foodgrains entitlement of targeted beneficiaries specified in the Act, through cash transfer under the Scheme.

**7. Timelines.**-(1) The State Government shall, in accordance with the provisions of sub-rule (4) of rule 6, share the final digitised beneficiary database on the Public Financial Management System portal by 10th day of the preceding month.

(2) State Government shall, in accordance with provisions of sub-rule (5) of rule 6, place a summary proposal by 10th day of the preceding month, for monthly transfer of cash subsidy by the Central Government into the bank account of State Agency.

(3) The Central Government shall, in accordance with provisions of sub-rule (6) of rule 6, after due scrutiny of the proposal of the State Government. credit the total due cash subsidy on monthly basis into the bank account of State Agency by 15th day of the preceding month.

(4) The State Agency shall, in accordance with provisions of sub-rule (8) of rule 6, transfer the cash subsidy on monthly basis into the bank accounts of entitled households by last week of the previous month.

**8. Concurrent Evaluation.**-(1) State Government shall get the effectiveness of the Scheme, in ensuring food security of the targeted beneficiaries, evaluated concurrently and submit the first report to the Central Government at the end of six months of implementation of the Scheme.

(2) The State Government shall submit second report to the Central Government at the end of one year of implementation of the Scheme.

**9. Utilisation Certificate.-** The State Government shall submit utilisation certificate in a specified proforma to the Central Government, in accordance with provisions of the General Financial Rules, 2005.

[No.3-7/2015-NFSA]  
NILAMBUJ SHARAN. Economic Adviser

PROFORMA

[See rule 6(5)]

(a) Name of the State/Union territory

(b) Area (s) within the State/ Union territory identified for implementation of the scheme:

(c) Details regarding the area (s) identified for implementation of the scheme:

Details of Entitled Households	Total number in the identified area (s)	Foodgrains requirement # (in tons)			Estimated Amount of monthly cash transfer (Rs. in Crore)	Balance, if any, out of earlier transfer of cash subsidy to the State Agency (Rs. in Crore)
		Wheat	Rice	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Antyodaya Anna Yojana households						
Persons in the above mentioned Antyodaya Anna Yojana households						
Persons belonging to priority households						
Tide over allocation*						

# At the rate of 35 kilogram per households per month for Antyodaya Anna Yojana households and at the rate of 5 kilogram per person per month for priority households.

\* Please indicate the number of households being covered out of this allocation and the scale of issue in column (2).

*Note:* The number of persons and households indicated in column (2) should be as per the final digitised and de-duplicated beneficiary data-base, as defined under Rule 2 (e), seeded with bank account details and Aadhaar number, if available.

(By Order of the Governor)

PRADEEP YADAV,  
Principal Secretary to Government.