

No.2(1)-2017-SP-I
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Food and Public Distribution

Krishi Bhawan, New Delhi.
Dated 2nd June, 2017.

To

Principal Secretary/ Secretary,
Department of Food and Civil Supplies.
All States Governments/UT Administrations.
(As per list attached)

Subject: Revised guidelines for reimbursement of sugar subsidy to States/UTs for distribution of sugar under Public Distribution Systems (PDS) for Antyodaya Anna Yojana (AAY) families.

Sir,

I am directed to refer to D.O. letter of even number dated 12.05.2017 from Joint Secretary (Sugar) regarding the decisions taken by the Central Government while reviewing the existing system of distribution of sugar through the Public Distribution System (PDS) (copy enclosed) and to enclose herewith revised guidelines for reimbursement of sugar subsidy to States/UTs for distribution under PDS to AAY families. The guidelines are also available on the website of the Department i.e. www.dfpd.nic.in

Encls. : As above.

Yours faithfully,



(G. S. Sahu)
Director (Sugar Policy)
Tele No. 23383760

Copy also to :

- (i) Director (Finance), Deptt. of Food & PD
- (ii) Chief Director (Sugar), Dte. of Sugar & VO
- (iii) PS to Joint Secretary (S&SA)



GOVERNMENT OF INDIA
 DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION
 MINISTRY OF FOOD AND PUBLIC DISTRIBUTION
 NEW DELHI-110002
 JOINT SECRETARY
 GOVERNMENT OF INDIA
 MINISTRY OF FOOD AND PUBLIC DISTRIBUTION
 DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION
 NEW DELHI-110002

Subhasish Panda, IAS

Tel. 23382625
 Fax 23388302
 E-mail: jsssa.fpd@nic.in

12th May, 2017

Respected Sir,

As you are aware, sugar was being distributed at subsidized prices through the Public Distribution System (PDS). The Central Government was subsidizing the cost of sugar @Rs.18.50 per kg. The scheme was covering all BPL population of the country as per 2001 census and all the population of the North-Eastern States/Special Category/Hilly States and Island territories.

2. The National Food Security Act, 2013 (NFSA) is now being universally implemented by all 36 States/UTs. Under the NFSA, there is no identified category of BPL; however, the Antyodaya Anna Yojana (AAY) beneficiaries are clearly identified. The Government of India has reviewed the sugar subsidy scheme and has decided that it is imperative to give access to consumption of sugar, as a source of energy in diet, for the poorest of the poor section of the society i.e. AAY families. Accordingly, it has been decided that the existing system of sugar distribution through PDS may be continued as per the following:-

- i. The scheme of supply of subsidized sugar through PDS shall now be continued only for the coverage of AAY families. The AAY families will be provided 1 kg of sugar per family per month.
- ii. The current level of subsidy at Rs.18.50 per kg provided by the Central Government to States/UTs for distribution of sugar through PDS may be continued only for the AAY population as identified under the NFSA, 2013 and its corresponding Rules.
- iii. The States/UTs may continue to pass on any additional expenditure on account of transportation, handling and dealers' commission etc. over and above the retail issue price of Rs.13.50 per kg to the beneficiary or bear it themselves.

3. Pursuant to the above decisions, requisite amendments/modifications are being carried out in the guidelines for release of sugar subsidy which shall be issued shortly.

with regards,

Yours sincerely,

Subhasish Panda
 (Subhasish Panda)

o/c

RECEIVED
 UN

**Chief Secretaries
 all States/UT Administrations
 (As per list)**

F.No. 2(1) 2017-SP-1
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Food and Public Distribution

Krishi Bhawan, New Delhi
Dated the 1st June, 2017

Revised guidelines for reimbursement of sugar subsidy to States/UTs for distribution of sugar under Public Distribution System (PDS) for Antyodaya Anna Yojana (AAY) families

The Central Government has reviewed the existing system of distribution of sugar through Public Distribution System (PDS) and decided to provide subsidy for distribution of sugar under the PDS to only the Antyodaya Anna Yojana (AAY) families as identified under the National Food Security Act, 2013 and its relevant Rules. Accordingly, in supersession of the earlier guidelines, the revised guidelines for reimbursement of sugar subsidy to States/UTs for distribution under PDS to AAY families would be as follows:-

- (i) The current level of subsidy at Rs. 18.50 per kg being given by Central Government will be continued for restricted coverage of AAY families only, who will be provided 1 kg of sugar per family per month. The State/UT wise quota for sugar distribution to AAY families is attached at Enclosure-I for reference.
- (ii) The States / UTs distributing sugar (conforming to ISS grades) under the Public Distributing System (PDS) will be reimbursed the subsidy, limited to the actual quantity distributed to the number of AAY families as identified under NFSA, 2013 at the rate of 1 kg per family per month. However, the States / UTs are allowed to either absorb the additional cost, if any, on account of handling, transportation and dealer's commission or pass it on to consumers by including it in the Retail Issue Price (RIP).
- (iii) The task of procuring sugar should be undertaken by the States / UTs through a transparent procurement system of Advertised Tender Enquiry. The State Governments/ UTs should also adopt e-tendering for procurement of sugar. In case the methodology adopted is other than e-tendering, the State Governments/ UTs should clearly communicate the reason for such deviation and also mention the degree of transparency reflected in the procurement process. The role of Central Government shall be limited to

providing the agreed amount of subsidy. Any disputes between the procuring agencies suppliers and States / UTs are to be settled between them.

- (iv) State / UT Governments shall monitor and ensure that the distribution of sugar reaches the targeted beneficiaries i.e. AAY families on time. Sugar is to be distributed on month-to-month basis within each quarter. However, in case there occurs any delay in distribution of sugar, a certificate for delay in distribution is to be submitted by Principal Secretary/ Secretary along with the reason for delay in the prescribed format given at **Enclosure -II**. If the explanation of delay and its subsequent actual distribution is found unsatisfactory then future subsidy may be withheld till the issue is resolved.
- (v) In order to adhere to the time schedule for distribution of sugar, the State Governments/ UTs are requested to plan the procurement in such a manner that the distribution is made on a month-to-month basis to avoid delayed distribution.
- (vi) The Central Government will grant advance subsidy to facilitate State Governments / UT administrations for procurement of sugar. The advance would be limited to 90% of the estimated quarterly subsidy claim of the State/UT for distribution of sugar through PDS to those States/UTs who make a request for the same. The willing States/UTs are required to submit a proposal in the enclosed **Proforma-I** (Advance sugar subsidy pre receipted bill). The amount of the advance subsidy will however be reduced by an amount equivalent to the un-lifted pending levy sugar. The subsidy would be calculated @ Rs. 18.50/- per kg for the net quantity arrived at in this regard. The quantity of advance sugar subsidy for any subsequent quarter would be based on the actual distribution of sugar through PDS during the preceding quarter. The proposal for advance subsidy for the subsequent quarter(s) is to be submitted along with the Utilization Certificate (UC) of the previous quarter(s) (**Proforma-II enclosed**).
- (vii) States/UTs shall be required to submit the subsidy claim in the enclosed **Proforma-III** along with the **Annexure-I to III** and shall also be required to submit prior intimation about the authorized signatories, the Department/Nominated agency for the scheme and the account details etc. in whose favour the subsidy reimbursements are to be released, which invariably will be through ECS.

- (viii) The reimbursement claims of States/UTs, complete in all respects, will be settled on quarterly basis. Normally, distribution of sugar for a particular quarter will not be allowed to be extended in the future quarters. However, such aberration(s) may be considered on case to case basis with certification by competent authority of the State Govt.
- (ix) In cases where the Central Government is in a position to meet some of the requirements of sugar for PDS (through the pending levy obligations on the sugar mills), till the levy account is finally settled, the fixed subsidy @ Rs. 18.50 per kg, would be disbursable for the remaining quantity procured from open market for distribution and for the requirements met through levy route, the subsidy reimbursements would be through FCI as was being done under the previous system.
- (x) The nodal office with regard to all communications and subsidy claims shall be Directorate of Sugar and Vegetable Oils, Department of Food & PD, Ministry of Consumer Affairs, Food & Public Distribution, Krishi Bhawan, New Delhi- 110001. (Tel. No. 011-23383760 Fax. No. 011-23382373). The subsidy claims are to be submitted through on-line module of the Department at the web address of <http://egrains.nic.in/sugarsubsidy>. A signed hard copy of the advance sugar subsidy claim as well as subsequent claims needs to be sent to office of Director (Sugar and Vegetable Oil).
- (xi) The new guidelines would come into effect from the date of issue of these guidelines and will remain in force till further orders.

PRE-RECEIPTED BILL

Advance Sugar Subsidy Bill reimbursable by Govt. of India for New PDS Scheme

Name of the State/UT: _____

Department of _____

PRE-RECEIPTED BILL

No. :

Date :

Period :

Item	No of AAY families identified	PDS sugar quota of the state for AAY families (in MT)		Qty. likely to be distributed to AAY families during the quarter	Availability of sugar through levy route	Sugar likely to be procured through open market (5-6) (quantity in MT)	Rate of subsidy (Rs/MT)	Total Amount of advance subsidy (in Rs.) 90% of (7x8)
		For the month	For the Quarter					
1	2	3	4	5	6	7	8	9
							Rs. 18500/-	
Less: Advance subsidy received during previous quarter and remaining unutilized as per UC of previous quarter								
Net amount to be received from Govt. of India								

It is certified that:-

1. The claim has been prepared only for procurement and distribution of sugar through PDS limited to the quantity based on quota allocation to the state for AAY families.
2. The claim is based on likely distribution of sugar through PDS to AAY families at the Retail Issue Price of Rs.....per kg.
3. The claim has not been preferred earlier.

Financial Head

(Signature with name, date and official seal)

Authorized 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 where procurement and distribution is done by the Department of the State Government or by the Financial head and authorized signatory of the nominated agency where procurement and distribution is done by the nominated corporation of the State Government.

Form GFR-19-A
[See Rule 212(1)]
Form of Utilization Certificate

S. No.	Sanction No. & date	Amount (in Rs.)
1		
	Total	

Certified that out of Rs. _____ sanctioned as * _____ Sugar Subsidy for the period _____ in the favour of _____ under this Ministry / Department letter given in the above table and Rs. _____ on account unspent balance of the previous period, a sum of Rs. _____ has been utilized for the purpose of procurement and distribution of sugar under the PDS Scheme to only the Antyodaya Anna Yojana (AAY) families for which it was sanctioned and that the balance of Rs. _____ remaining unutilized at the end of the year has been surrendered to Government (Vide no _____ dated _____) will be adjusted toward the subsidy payable during the next and subsequent period.

2. Certified that I have satisfied myself that the conditions on which the sugar subsidy was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for purpose for which it was sanctioned.

Kinds of Check exercised:

- 1.
- 2.
- 3.
- 4.
- 5.

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

Authorized 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 where procurement and distribution is done by the Department of the State Government or by the Financial head and authorized signatory of the nominated agency where procurement and distribution is done by the nominated corporation of the State Government.

* Use word 'advance' or 'final' whichever is applicable.

Subsidy Claim (Final bill) for distribution of sugar under Public Distribution System to only the Antyodaya Anna Yojana (AAY) families as identified under the National Food Security Act, 2013 and its relevant Rules for the

Period from

_____ to _____

1. Name of the State/UT:
2. Claim for the quarter ending:
3. Bill No.:
4. Distribution of sugar:

Period	Number of AAY families covered (in Lakh)	Monthly Quantity Distributed (Qty. in MT)
1	2	3
1 st Month of the quarter		
2 nd Month of the quarter		
Last month of the quarter		

5. Calculation of subsidy:

Quantity Distributed out of levy allocations to AAY families (Qty. in MT)	Quantity Distributed out of Open Market Purchases to AAY families (Qty. in MT)	Total Distribution (Qty. in MT) (1+2)	Subsidy Amount @ Rs. 18.50 per KG on quantity distributed against column No.2 (in Rs.)
1	2	3	4
Total			

Subsidy claim for the quarter ending _____ is Rs. _____ (Rs. _____ in words)

1. Certified that the above information is correct.
2. **It is also certified that the sugar has been distributed in PDS under the scheme to AAY families at retail issue price of Rs.....per kg. which is not more than the difference between cost of sale of sugar including handling, transportation, dealer commissions etc. and Rs. 18.50 per kg.**
3. The Annexures I to III duly certified are enclosed herewith.

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

Authorized 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 where procurement and distribution is done by the Department of the State Government or by the Financial head and authorized signatory of the nominated agency where procurement and distribution is done by the nominated corporation of the State Government

Government of India
Ministry of Consumer Affairs, Food and Public Distribution

Sl.	States/UT's	AAY Families (In Lakh)	Monthly quota @ 1 kg per family (In MT)	Quarterly quota (In MT)	Annual quota (In MT)
1	Andhra Pradesh	9.586	958.60	2875.80	11503
2	Arunachal Pradesh	0.38	38.00	114.00	456
3	Assam	7.04	704.00	2112.00	8448
4	Bihar	25.01	2501.00	7503.00	30012
5	Chhattisgarh	7.189	718.90	2156.70	8627
6	Delhi	1.568	156.80	470.40	1882
7	Goa	0.184	18.40	55.20	221
8	Gujarat	8.128	812.80	2438.40	9754
9	Haryana	3.025	302.50	907.50	3630
10	Himachal Pradesh	1.971	197.10	591.30	2365
11	Jammu & Kashmir	2.822	282.20	846.60	3386
12	Jharkhand	9.179	917.90	2753.70	11015
13	Karnataka	11.997	1199.70	3599.10	14396
14	Kerala	5.958	595.80	1787.40	7150
15	Madhya Pradesh	15.816	1581.60	4744.80	18979
16	Maharashtra	25.053	2505.30	7515.90	30064
17	Manipur	0.636	63.60	190.80	763
18	Meghalaya	0.702	70.20	210.60	842
19	Mizoram	0.261	26.10	78.30	313
20	Nagaland	0.475	47.50	142.50	570
21	Odisha	12.645	1264.50	3793.50	15174
22	Punjab	1.794	179.40	538.20	2153
23	Rajasthan	9.321	932.10	2796.30	11185
24	Sikkim	0.165	16.50	49.50	198
25	Tamil Nadu	18.646	1864.60	5593.80	22375
26	Telangana	5.992	599.20	1797.60	7190
27	Tripura	1.131	113.10	339.30	1357
28	Uttar Pradesh	40.945	4094.50	12283.50	49134
29	Uttrakhand	1.909	190.90	572.70	2291
30	West Bengal	19.857	1985.70	5957.10	23828
31	A&N	0.107	10.70	32.10	128
32	Daman & Diu	0.015	1.50	4.50	18
33	Dadar & nagar Haveli	0.069	6.90	20.70	83
34	Lakshadweep	0.012	1.20	3.60	14
35	Chandigarh	0.088	8.80	26.40	106
36	Pudducherry	0.322	32.20	96.60	386
	Grand Total	249.998	24999.80	74999.40	299998

State/UT wise quota of sugar for PDS to AAY families

Enclosure-II

A. State/UT.....

Quarterly quota (MT) included in the present claim:

Sugar subsidy claim period: April-June/ July-Sept./Oct-Dec./Jan.-March for year.....

Sl.No	Items	
1	Tendering Process (TP) adopted	
2	If TP is other than e-tendering, give reason for such adoption	
3	Degree of Transparency conceived in the TP (in case other than e-tendering)	
4	Month /Date on which tendering began	
5	Month of procurement	
6	Month in which sugar is to be distributed	
7	Actual month of distribution of sugar	
8	Delay in distribution in month (s) [7-6]	
9	Was the delayed quota delivered along with normal quota for the month? If no, give details	
10	Is sugar being distributed for all the 12 months? Indicate yes/no. If no, give details	
11	In case of delayed quota and subsequent distribution, whether adequate publicity/information were provided to beneficiaries	
12	Remarks/Comments	

(Note: Above information is to be provided since the start of the scheme in the State/UT year-wise)

B. The following details may be provided on the format given below:

Sl.No.	Items	
1	Cost of procurement of sugar inclusive of packing, delivery etc.	
2	State Issue Price of sugar being charged by the State/UT from the beneficiaries.	
3	If State Issue Price of sugar is more than Rs. 13.50/Kg then details of the additional cost passed on to consumers.	
4	Mechanism established in the State/UT for monitoring/Checking to prevent leakages, if any and action taken (descriptive).	

Name of the State/UT _____
 Department of _____

Subsidy claim: _____
 Bill No. _____
 Date _____

1. Statement of showing details of procurement of sugar through Open Market during the period from _____ to _____

Date	Purchase from #	Method of Purchase *	Quantity (in MT)	Value (in Rs.)	Average Rate (in Rs.)
1	2	3	4	5	6
Total during the quarter					

Indicate the name of the sugar mills/trading agency etc.

* Indicate whether through Tender, MOU or any other arrangement.

2. Statement showing details of procurement of sugar through levy route during the period from _____ to _____

Levy No. and Date	R.O. Name of the Sugar Mill	Allocated quantity (in MT)	Date of lifting	Lifted Quantity (in MT)	Value (in Rs.)	Rate in Rs.)
1	2	3	4	5	6	7
Total during the quarter						

Certified that:

1. The open market procurement has been made by following transparent procedure as per State Government/ UT Administration norms.
2. The quantity procured is as per ISS specifications

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

Authorized 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 where procurement and distribution is done by the department of the State Govt. by the Financial head and the authorized signatory of the nominated agency where procurement and distribution is done by the nominated corporation of the State Government.

Name of the State/UT: _____
 Department of _____

Subsidy claim: _____
 Bill No: _____
 Date: _____

Statement showing quarter wise actual quantity of sugar distributed to AAY families during the period
 _____ to _____

Quarter/Year	Quota as per Govt.	Distribution (Qty. in MT)	
	Regular (Monthly Quota x 3)	For Regular Quota	Cumulative Qty.
1	2	3	4
1 st Quarter (April to June)			
2 nd Quarter (July to September)			
3 rd Quarter (October to December)			
4 th Quarter (January to March)			

1. Certified that the quantity shown above were actually distributed during the quarter to the targeted beneficiaries as per GOI norms.

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

Authorized Signatory
 (Signature with name, date and official seal)

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

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Name of the State/UT: _____

Department of _____

Subsidy claim: _____

Bill No: _____

Date: _____

Statement showing quarter wise procurement, Distribution and stock of sugar during the period _____ to _____

Quarter/Year	Opening Balance			Procurement			Distribution			Closing Balance		
	Through Open Market	Through Levy Route	Total	Through Open Market	Through Levy Route	Total	Through Open Market	Through Levy Route	Total	Through Open Market	Through Levy Route	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
1 st Quarter (April to June)												
2 nd Quarter (July to September)												
3 rd Quarter (October to December)												
4 th Quarter (January to March)												
Total												

Certified that the above information is correct.

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

Authorized Signatory
(Signature with name, date and official seal)

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

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