

Information & Guidance on
DIRECT BENEFITS TRANSFER



Government of India
Planning Commission
New Delhi

Planning Commission

(DBT Division)

Direct Benefit Transfer – Prerequisites for Roll out

The following conditions must be satisfied before benefits under any central schemes can be considered ready for transfer under the Direct Benefit Transfer (DBT) Scheme:

- (i) The digitized list of beneficiaries under the schemes must be prepared and authenticated by the Secretary to the Department concerned. The list of beneficiaries must be arranged district-wise.
- (ii) The district-wise list of beneficiaries must be handed over to the District Collector. The district-wise list needs to be seeded with Aadhaar numbers. These numbers will be either already available for a beneficiary **or** he/she will need to be enrolled on Tatkal basis. In the latter case, the Enrolment ID (EID) will serve as the ID number until the Aadhaar number is generated by UIDAI. The beneficiary list with the Aadhaar seeding must be sent to the Lead bank/Bank Branch.
- (iii) The Lead Bank of the district must ensure that a bank account is opened for each beneficiary. The Lead Bank must certify that bank accounts have been opened for all the beneficiaries (or at least 98 percent of the beneficiaries).
- (iv) The bank accounts shall be seeded with Aadhaar. It shall be the responsibility of the District Collector and the Lead Bank to organize camps etc. to ensure that each beneficiary/bank account holder obtains an Aadhaar and the bank account is seeded with Aadhaar. At least 80 per cent of the bank account must be seeded with Aadhaar before the district can be declared as ready for the roll out.

Since the Aadhaar is KYC (proof of identity and proof of address) for opening a bank account, the seeding of Aadhaar and the opening of the bank account can take place simultaneously.

- (v) There must be a sufficient number of Business Correspondents in each district to ensure that the beneficiary is able to access his/her bank account and withdraw the benefit. The District Collector and the Lead Bank must jointly certify that there is an adequate number of Business Correspondents in order to roll out the DBT schemes in that district. However, it is important to emphasize that the micro ATM

in the hands of Business Correspondents must be inter-operable and that the beneficiary must be able to withdraw his/her benefit through any Business Correspondent of any bank. This must be achieved within a definite timeframe so that all Business Correspondents appointed by any bank are inter-operable Business Correspondents.

- (vi) Since not all bank accounts will be seeded with Aadhaar on 01.01.2013, in the initial period the remittances to the beneficiaries' bank accounts which are seeded with Aadhaar will go through the Aadhaar Payment Bridge. In the remaining cases, payment will go through the existing channel.

However, it is made clear that, in a very short period, the remaining beneficiaries' accounts should also be seeded with Aadhaar and the payment to those bank accounts also should be through the Aadhaar Payment Bridge.

- (vii) Every department should lay down a timeline by which they will satisfy themselves all beneficiaries under the scheme(s) operated by the Department concerned have a bank account and all such bank accounts and all such bank accounts are seeded with Aadhaar. Once that is done, all payments should go to the bank accounts through the Aadhaar Payment Bridge. (In the intervening period, until this objective is achieved, the Business Correspondents appointed by the banks may continue to disburse the benefits as per the present practice).

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Direct Benefits Transfer - Plan Action

The Direct Benefits Transfer (DBT) programme envisages a switch from the present electronic transfer to bank accounts of the beneficiary to transfer of benefits directly to Aadhaar seeded bank accounts of the beneficiaries for the identified 34 Schemes in 43 districts of 16 States/UT.

2. As a first step you will need to ensure that all the intended beneficiaries have or get an Aadhaar number before commencement of the DBT. The levels of Aadhaar enrollment as well as number of bank accounts for beneficiaries of these programmes varies from districts to district.

3. A Plan of Action to commence the rollout of the DBT scheme has to be finalized by the District Collector. The following actions need to be completed before commencing DBTs rollouts:

- (i) Beneficiary data base has to be digitized.
- (ii) Aadhaar has to be "seeded" with beneficiary database. For this, adequate technology support is needed from NIC unit.
- (iii) Wherever beneficiaries do not have Aadhaar number, they will have to be enrolled for Aadhaar by the UIDAI Registrar.
- (iv) Wherever beneficiaries have bank accounts, it will need to be linked with Aadhaar number.
- (v) Wherever beneficiaries do not have bank accounts they will have to be opened, for which Aadhaar may be used as KYC, by the Lead Bank/Bank Branch. The new bank account will then be seeded with Aadhaar.
- (vi) An IEC campaign to be initiated to inform the beneficiaries of the programme and to encourage enrolment in Aadhaar and opening bank account.
- (vii) Robust but easy to access grievance redressal systems to be put in place to mitigate unforeseen hardships, system failures etc. and to **ensure there is no denial of service to beneficiaries without Aadhaar or bank accounts.**

4. If there are any inter sectoral dependencies then please flag them for us to resolve them at the earliest. A single point of contact may be designated to coordinate the implementation of the programme at the State Government level. In the Planning Commission, Ms. Nidhi Khare, Adviser will be the counterpart officer. Her email address is **nidhi.khare@nic.in**.

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Commencement of Rollout of Direct Benefits Transfer from 1.1. 2013

Background:

A decision was taken in the meeting of the National Committee on Direct Cash Transfers held by the Prime Minister that Direct Benefit Transfers will be rolled out from 1 January 2013 in 43 identified districts. The purpose of Direct Benefits Transfer is to ensure that benefits go to individuals bank accounts electronically, cutting down delays and diversions.

A lot of preparatory work had been done and a lot of work was going on in connection with the rollout. In this reference, Secretaries and their officers had visited all 43 districts to assess the preparedness for rollout of Direct Benefits Transfer. A meeting of District Collectors was held on 13 December 2012 to inform them about the preparatory steps to be taken for timely rollout of Direct Benefits Transfer. Review meetings had been taken by the Prime Minister to ensure preparations were moving ahead smoothly.

What is Direct Benefits Transfer and what does it cover:

- Government transfers cash benefits like scholarships, pensions, NREGA wages, etc. directly to the Bank or Post Office Accounts of identified beneficiaries under the Direct Benefits Transfer (DBT) programme. The shift to this will be done in a phased, time-bound manner after ensuring that the necessary systems are in place for Direct Benefits Transfer.

- Direct Benefits Transfer is not a substitute for delivery of public services which would continue to take place as per the normal delivery channels.

- Direct Benefits Transfer is not replacing food with cash under the Public Distribution System. The Government is committed to legislate the National Food Security Act.

What does Rollout on 1.1.2013 mean in practice:

- For the rollout began on 1.1.2013, **43** districts in 16 States had been identified for the first round of Direct Benefits Transfer under **26** selected schemes. The selection of 43 districts had been done on the basis of coverage of bank accounts and Aadhaar.
- The rollout had been phased based on:
 - a) The next installment being due either on 1.1.2013 or at a later date.
 - b) The list of beneficiaries being digitized in the concerned district.
 - c) The opening of bank accounts for beneficiaries in the concerned district.
 - d) Enrolment for Aadhaar numbers in the concerned district.
 - e) Seeding of bank accounts with Aadhaar numbers in the concerned district.
 - f) Availability of funds.
- Based on the level of preparedness and the ongoing nature of the rollout, Direct Benefits Transfer began from 1st January, 2013 as follows:
 - a) **Direct Benefit Transfer has been rolled out in 7 schemes in 20 districts on 1.1.2013 through a cash transfer into beneficiaries' bank accounts.** The list of these 7 schemes is enclosed as Annexure -1.
 - b) **In above 20 of the 43 districts, all future benefits transfer under all the 26 schemes, whenever they are due after 1.1.2013 as per their cycle, are being done through Direct Benefits Transfer (List of 20 Districts: Annexure-2).** There may be some phased rollout in a few schemes in some of these districts. In a sense, **these 20 districts are "live" for Direct Benefits Transfer from 1.1.2013.**

- c) **In 11 of the 43 districts**, all future benefits transfer under all the 26 schemes, whenever they are **due after 1.2.2013** as per their cycle, will be through Direct Benefits Transfer (List of 11 Districts: Annexure-3). In a sense, **these 11 districts go "live" for Direct Benefits Transfer from 1.2.2013.**
- d) **In the remaining 12 of the 43 districts**, all future benefits transfers under all the 26 schemes, whenever they are **due after 1.3.2013** as per their cycle, will be through Direct Benefits Transfer(List of 12 Districts: Annexure-4). In a sense, **these 12 districts go "live" for Direct Benefits Transfer from 1.3.2013.**
- e) **By 1.3.2013, Phase 1 of Direct benefits Transfer would have rolled out in all 43 districts** and all benefits would be flowing electronically to beneficiaries accounts in the 43 districts as and when their payments become due.
- It may be the case that not all 26 schemes may be present in all the 43 districts. Further, under some of the 26 schemes, the next installment will be due only next financial year.

Other Arrangements for Direct Benefits Transfer

- **Direct Benefits Transfer from the Centre has taken place either directly to the account of the beneficiary or through the State Government into the account of the beneficiary.**
- Beneficiaries with Post Office bank accounts will also be covered under DBT, but from June 2013 since ICT and Core Banking Solutions for post offices will take some time.
- **Withdrawal arrangements are being strengthened with respect to Direct Benefit Transfer** in the following way:
 - a) Initially beneficiaries are able to withdraw from their own bank branches or ATMs or Business Correspondents (BCs) wherever they exist. The system of

micro-ATMs and multiple BCs will roll out subsequently with full interoperability gradually.

- b) The one lakh Common Service Centers set up by the Department of IT are being engaged to serve as a BC in Gram Panchayats where BCs are not functional today.
- c) Banks have also been asked to expand their reach to provide banking services to every 1000-1500 households through a BC or CSC. Work is being done to make the BCs interoperable over a period of time.
- d) Banks have floated a tender for 20 lakh Micro-ATMs which will be interoperable and will have facility for biometric scanning and Aadhaar authentication.

Next Steps in Rollout

- **Once the programme has stabilized in these 43 districts, it will be rolled out in phases in other parts of the country over 2013 after a careful assessment of readiness.**
- Direct Transfer of Subsidies for food, fertilizer and kerosene is not being contemplated at present. This will take more time as the issues of entitlement are more complex.

Annexure-1

Details of 7 Identified Schemes rolled out from 1.1.2013

S. No	Ministry	Name of the Scheme	No. of Districts	Name of the States/Districts	Number of beneficiaries (estimated)
1.	M/o Social Justice and Empowerment	Post-matric scholarship for SC students	7	Puducherry, Nawanshahr, Fatehgarh Sahib, Gurdaspur, Anantpur, East Godavari, Diu)	48,000
2.	M/o Social Justice and Empowerment	Pre-matric scholarship for SC students	1	East Godavari	24,000
3.	M/o Social Justice and Empowerment	Post-matric scholarship for OBC students	6	Puducherry, Alwar, Anantpur, East Godavari, Daman, North Goa	105,000
4.	M/o Tribal Affairs	Post-matric scholarship for ST students -	3	Tumkur, Waynad, Harda	4,800
5.	M/o Women and child Development	Indira Gandhi Matrutva Sahyog Yojana	6	Dharwar, Puducherry, NW Delhi, Diu, North Goa, Amaravati	55,000
6.	M/o Women and child Development	Dhanalakshmi Scheme	1	Fatehgarh Sahib	8,000
7.	M/o Labour and Employment	Stipend to trainees under the scheme of welfare of SC/ST job seekers through Coaching-cum-Guidance and Vocational Training	10 States	Karnataka, Kerala, Haryana, Punjab, Delhi, MP, Rajasthan, AP, Maharashtra, Jharkhand	650
				Total	2,45,450

Annexure-2

List of 20 districts for roll-out of Direct Benefits Transfer from 1.1.2013

S. No.	District	State/UT
1	Tumkur	Karnataka
2	Mysore	Karnataka
3	Dharwar	Karnataka
4	Puducherry	Puducherry
5	Chandigarh	Chandigarh
6	SBS Nagar/Nawanshahar	Punjab
7	North-East Delhi	Delhi
8	North-West Delhi	Delhi
9	Hoshangabad	Madhya Pradesh
10	East Nimar (Khandwa)	Madhya Pradesh
11	Harda	Madhya Pradesh
12	Ajmer	Rajasthan
13	Udaipur	Rajasthan
14	Alwar	Rajasthan
15	Hyderabad	Andhra Pradesh
16	Anantpur	Andhra Pradesh
17	Chittoor	Andhra Pradesh
18	East Godavari	Andhra Pradesh
19	Diu	Daman and Diu
20	Daman	Daman and Diu

Annexure-3

List of 11 districts for roll-out of Direct Benefits Transfer from 1.2.2013

S. No.	District	State
1	Pathanamthitta	Kerala
2	Ambala	Haryana
3	Gurdaspur	Punjab
4	Sikkim West	Sikkim
5	Sikkim East	Sikkim
6	Rangareddy	Andhra Pradesh
7	North Goa	Goa
8	Wardha	Maharashtra
9	Amravati	Maharashtra
10	Saraikela – Kharsawan	Jharkhand
11	Ranchi	Jharkhand

Annexure-4

List of 12 districts for roll-out of Direct Benefits Transfer from 1.3.2013

S. No.	District	State
1	Wayanad	Kerala
2	Sonepat	Haryana
3	Fatehgarh Sahib	Punjab
4	Khowai	Tripura
5	Tripura West	Tripura
6	Dhalai	Tripura
7	Tripura North	Tripura
8	Mumbai + Suburban	Maharashtra
9	Pune	Maharashtra
10	Nandurbar	Maharashtra
11	Ramgarh	Jharkhand
12	Hazaribag	Jharkhand

For more information kindly log on to dbtportal.nic.in. DBT Portal is designed by Planning Commission for providing and sharing information regarding Direct Benefits Transfer to all. For searching on this portal please log on or register for viewing, uploading and sharing the related information. District Collectors are requested to register themselves on Portal to facilitate greater information sharing on this subject