

F. No. I-11011/40/2013
Government of India
Planning Commission
DBT Division

Yojana Bhawan, Sansad Marg,
New Delhi.
Dated: 12.4.2013

OFFICE MEMORANDUM #5

Subject: - Direct Benefit Transfer (DBT) - Consolidated Instructions for guidance on various issues related to Banks.

Department of Financial Services, Ministry of Finance has issued various instructions to the banks from time to time with respect to the implementation of DBT. In continuation of earlier OMs, the undersigned is directed to consolidate and circulate the following instructions as issued directly by Department of Financial Services:-

S.No.	Circular No	Date of Issue	Section	Subject	Addressed To
1.	6/41/2012- FI (Vol.III)	March 4, 2013	Financial Inclusion	Seeding of Aadhaar Number in CBS for Direct Benefit Transfer for LPG	CEOs of all PSBs
2.	6/41/2012 - FI	February 20, 2013	Financial Inclusion	Direct Benefit Transfer- Seeding of bank accounts with Aadhaar Number	CEOs of PSBs and CEO, IBA
3.	F. No. 6/41/2012 - FI	February 18, 2013	Financial Inclusion	Direct Benefit Transfer - Preparation of Board Approved Implementation Plan	PSB,RRB
4.	6/23/2012 - FI (Vol II)	January 10, 2013	Financial Inclusion	Opening of Bank Accounts for DBT	CEOs of PSBs and Chairmen of RRBs

2. The above documents are available on the link
<http://financialservices.gov.in/ncapp/FIDBT/circularindex.aspx>

3. This issues with the approval of Chairman, Executive Committee on Direct Benefits Transfer.

sd/-
(Nidhi Khare)
Adviser (DBT)
Tel: 011-2309 6584
Fax: 2309 6802

Encl: As above

To:

1. Shri Ajit Seth, Cabinet Secretary, Rashtrapati Bhawan, New Delhi.
2. Shri Pulok Chatterji, Pr. Secretary to PM, South Block, New Delhi.
3. Shri R.S. Gujral, Secretary, D/o Expenditure, North Block, New Delhi.
4. Shri Rajiv Takru, Secretary, D/o Financial Services, M/o Finance. New Delhi.
5. Shri K. Desiraju, Secretary, D/o Health & Family Welfare, Nirman Bhawan, New Delhi.
6. Shri Ashok Thakur, Secretary, Department of Higher Education, Shastri Bhawan, New Delhi.
7. Smt. Vibha Puri Das, Secretary, M/o Tribal Affairs, Shastri Bhawan, New Delhi.
8. Shri Sutanu Behuria, Secretary, M/o Minority Affairs, Paryavaran Bhawan, New Delhi.
9. Shri Mrityunjay Sarangi, Secretary, M/o Labour & Employment, Shram Shakti Bhawan, New Delhi.
10. Shri Prem Narain, Secretary, M/o Women & Child Development, Shastri Bhawan, New Delhi.
11. Shri S. Vijay Kumar, Secretary, M/o Rural Development, Krishi Bhawan, New Delhi.
12. Shri Anil Goswami, Secretary, Social Justice & Empowerment Shastri Bhawan, New Delhi.
13. Shri Rajarshi Bhattacharyan, Secretary, D/o School Education, Shastri Bhawan, New Delhi.
14. Shri Sudhir Kumar, Secretary, D/o Food & Public Distribution, Krishi Bhawan, New Delhi.
15. Shri Sudhir Mittal, Secretary, D/o Fertilizers, Shastri Bhawan, New Delhi.
16. Shri Vivek Rae, Secretary, M/o Petroleum & Natural Gas, Shastri Bhawan, New Delhi.
17. Ms. P. Gopinath, Secretary, D/o Posts, Dak Bhawan, New Delhi.
18. Shri J. Satyanarayana, Secretary, D/o Electronics & IT, Electronic Niketan, CGO Complex, New Delhi.
19. Shri V.S. Madan, DG, UIDAI, Jeevan Bharati Bldg. New Delhi.

F.No.6/41/2012-FI(Vol.III)
Government of India
Ministry of Finance
Department of Financial Services

.....
3rd Floor, Jeevan Deep Building,
Parliament Street, New Delhi
Dated the 4th March, 2013

To

Chairman/ CMDs of all
PSBs

**Subject: Seeding of Aadhaar Number in CBS for Direct Benefit Transfer
for LPG**

Sir(s) / Madam(s),

Please refer to this Department's earlier communication dated 31st December, 2012 regarding seeding of Aadhaar into the bank account of the beneficiaries under Direct Benefit Transfer. Planning Commission has also issued guidelines vide O.M. dated 26th December, 2012 for camps to be organized at the district level for collection of information about beneficiaries bank account and Aadhaar which shall be supplied to the banks for electronic seeding.

2. Considering the large number of beneficiaries for the Direct Benefit Transfer for the LPG, it has been decided that the beneficiaries would approach the banks with documents of their Aadhaar Number. The banks would seed the Aadhaar into the beneficiaries bank account. It must be ensured that the seeding of beneficiaries Aadhaar into the bank account takes place without delay, based on the Aadhaar letter issued by UIDAI. Banks would also need to ensure that the Aadhaar Number, thus, seeded are uploaded on the NPCI Mapper at the end of every day.

3. It is requested to bring these directions to the notice of all branches and issue instructions that whenever beneficiaries approach the banks, the seeding is done promptly. The Supervisory Officers should also be advised to closely monitor the progress. Prompt and adequate action should be taken wherever any instance of dereliction of duty in the implementation of these directions is observed. Similar instructions may also be issued for the RRBs sponsored by the Public Sector Banks.

This issues with the approval of Secretary (FS)

Yours sincerely,

(Sandeep Kumar)
Director (FI)

Copy to:

1. Director General, UIDAI, : for information please.
2. Secretary, Ministry of Petroleum & Natural Gas, Shastri Bhawan, N.Delhi
3. Shri B.R.Subramaniam, JS, Prime Minister's Office, South Block, N.Delhi
4. CEO, IBA : for circulation among the private and foreign banks

F.No. 6/41/2012 - FI
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep Building, Sansad Marg
New Delhi, dated the 20th February, 2013

To

1. CEOs of all Public Sector Banks,
2. CEO, IBA

Sub: Direct Benefit Transfer – Seeding of bank accounts with Aadhaar Number.

Sir(s)/ Madam(s),

During review of the progress of seeding of beneficiary bank account with Aadhaar based as per the information received from the departments in the 43 pilot districts, it has been noted that in many districts, considerable gap exists between details received & bank accounts seeded with Aadhaar.

2. Banks are required to issue specific directions to the Lead District Managers in the districts where bank have Lead Bank Responsibility to ensure:
 - i. Close coordination with District Collector to collect details of beneficiaries, their bank account and Aadhaar Number in electronic form. Detailed instructions have been issued by the Planning Commission vide OM No 1-11011/40/2012-DCT dated 08.01.2013.
 - ii. LDMs must without any delay supply bankwise information to the various banks in the district.
 - iii. LDMs must also obtain feedback on accounts seeded with Aadhaar and reasons for rejections.
 - iv. Cases of rejections must be immediately sent to the District Collector/Department for rectification.

3. Banks must also advise all their branches to ensure that:
 - i. The Aadhaar details of the beneficiaries received through the LDM are immediately seeded into the bank account on the same day.
 - ii. To report the status back to LDM. Cases of rejections must be conveyed with reasons.

4. Banks must also ensure that details of bank account seeded with Aadhaar are mapped on the NPCI mapper at the end of every day.

5. During the meeting with CEOs of PSBs on 22.02.2013, Secretary (FS) would also be discussing the issue.

Yours Sincerely,

(Umesh Kumar)

Joint Secretary (BA)

Department of Financial Services

F. No. 6/41/2012 – FI
Government of India
Ministry of Finance
Department of Financial Services

*Jeevan Deep Building, Sansad Marg
New Delhi, dated the 18th February, 2013*

To,

CEOs of all Public Sector Banks

Chairperson of All Regional Rural Banks

**Sub: Direct Benefit Transfer – Preparation of Board Approved
Implementation Plan**

Sir (s) / Madam (s)

As you are aware, the Government of India has introduced the scheme of Direct Benefit Transfer (DBT) in respect of 26 schemes w.e.f 1st January, 2013. The scheme has already been rolled out in 31 districts and is to be rolled out in additional 12 districts on 1st March, 2013, taking the total number of pilot districts to 43. The DBT scheme is likely to be quickly extended to other districts and schemes in a phased manner.

2. Banks, particularly Public Sector banks and Regional Rural Banks because of their widespread presence in rural areas, have an important role in the successful roll out of Direct Benefit Transfer. In particular, Banks are required to:

- i. Assist concerned Government Departments to ensure that every beneficiary has an account has a bank account as per his/her choice (A beneficiary may, however, as per his choice instead have an account in a post office).
- ii. Be ready with Aadhaar Payment Bridge of NPCI, seed the bank accounts with Aadhaar and upload the same on NPCI Mapper. All PSBs have since joined Aadhaar payment Bridge.
- iii. Undertake Electronic Fund Transfer into the account of beneficiaries based on payment advice received from concerned Government Departments.
- iv. Ensure availability of banking infrastructure for the beneficiaries' to with draw the amount through various access points, viz. Branch, ATM and Business Correspondent Agents (BCAs).

3. Considering the importance of the Direct benefit Transfer Scheme, it is necessary that each Bank prepares a Comprehensive Plan for Implementation of

Direct Benefit Transfer for the area assigned to the bank as its service area in rural areas and wards allocated in Urban Areas. This will enable the Banks to have a clear focus on all the activities to be completed at various levels and their time frame. The implementation plan will inter alia include:

- i. Assessment of the strengthening of banking infrastructure through the mapping exercise for the allocated service area. This will include identification of the number and location of new bank branches to be opened, ATMs to be installed and Business Correspondent Agents to be engaged or Common Service Centres to be engaged as Business Correspondent Agents. Month and Region wise plan for their roll out should also be finalised.
- ii. Activities to be undertaken by the bank for complete inter operability of the bank customers. A customer at bank branch should be able to transact at the BCA and a customer enrolled at BCA should be able to transact at bank branch or any other channel. The customer of a bank must be able to transact through the BCA of any other bank also. Banks must quickly migrate to an inter-operable environment.
- iii. Ensuring that every beneficiary in the service area of the bank has a bank account. This account can be with any other bank or with a post office if the beneficiary so desires. This will require close coordination with the respective District Collectors and implementing agencies. Scheme wise details of beneficiaries would be collected from the respective Departments through the District Collectors by the respective Lead District Managers and circulated to the Banks as per their service area. Based on this bank accounts where ever needed must be opened.
- iv. Ensuring that every beneficiary under the schemes taken up under Direct Benefit Transfer is issued an ATM Debit card.
- v. Installation of onsite ATM at each bank branch and other suitable locations.
- vi. Ensuring that the RRBs sponsored by the PSB are also ready with Aadhaar Payment Bridge which has now been subsumed into National Automated Clearing House by NPCI.
- vii. Ensuring that the Bank is ready with kiosk based banking solution to engage Common Service Centres as BCAs.
- viii. Instructions for implementation of DBT, opening of bank accounts, collection of Aadhaar details from the District Administration/beneficiary, mapping of bank account details on NPCI Mapper, uploading of DBT files, informing the sponsoring department about the success/failure of the DBT advice and generation of MIS must be clearly spelt out at all levels.

4. Implementation Plan, as stated at para 3 above, should be prepared for the Region/Zone, and various administrative hierarchies and aggregated into a Bank level Plan. This will allow the responsibilities to be clearly defined at various levels. The Implementation Plan must be prepared by 28.2.2013 and a copy sent to this department at fi-dfs@nic.in. The Implementation Plan must be placed before the Board at its next meeting and got approved. In case of any changes, a copy of the approved plan must also be sent to this Department.
5. Progress of implementation of this Plan must be reviewed by the CMD of the Bank every fortnight. The progress must also be placed before the Board in every meeting for review.
6. Sponsor Banks will also ensure that Implementation Plans are also prepared for each RRB.
7. This issues with the approval of Secretary Financial Services.

Yours faithfully,

(Sandeep Kumar)
Director (FI)

Copy to the following for information and necessary action:

1. Deputy Governor, Reserve Bank of India,
2. CEO, Indian Banks 'Association, Mumbai

F.No. 6/23/2012 – FI (Vol II)
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep Building, Sansad Marg
New Delhi, dated the 10th January, 2013

To

1. CEOs of all Public Sector Banks,
2. Chairman of all RRBs (through Sponsor Banks)

Sub: Opening of Bank Accounts for Direct Benefit Transfer

Sir(s)/ Madam(s),

I am directed to refer to this Department's letter no. 8/11/2011-FI dated 15.05.2012 and the subsequent instructions issued vide letters of even number dated 24.07.2012, 03.08.2012 and no. 6/41/2012-FI dated 16.11.2012 for opening of one account per family. This was done to ensure that every family in the country has access to banking facilities and banks have been conducting this campaign for the past 6 to 8 months.

2. It has been reported that a few banks are insisting that benefits under Direct Benefit Transfer scheme have to be received only in a joint family account. It is clarified that while the campaign for one account per family shall continue, banks have to ensure that wherever the beneficiary wants, a separate bank account in the name of beneficiary should be opened.

3. As already advised, the beneficiaries may also be encouraged to add their name in the existing account of the family members, if any.

4. All banks are accordingly, requested to ensure opening of bank accounts of beneficiaries as per these guidelines.

This issues with the approval of Secretary (FS)

Yours faithfully,

(Sandeep Kumar)

Director (FI)

Copy to:

1. Secretary, Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment, Shastri Bhawan, New Delhi 110 001 w.r.t his DO letter No 1-17/2012-plan Div. dated 08.01.2013
2. Secretary of other Scheme Implementing Ministries/ Departments, Govt. of India
3. All SLBC Convenors
4. CEO, IBA
5. LDMs of 43 Pilot Districts
6. Nodal Officers of DFS in SLBC