

Office of Adviser (Admn.)  
CD/CF No. 3040.3/13  
Date 19/8/13  
Planning Commission, New Delhi

PRIME MINISTER'S OFFICE

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South Block,  
New Delhi – 110 011

**Subject: Summary Record of Discussions of the meeting of National Committee on Direct Benefit Transfer held on 5.8.2013**

Please find enclosed, for further necessary action, a copy of the Summary Record of Discussions of the meeting of National Committee on Direct Benefit Transfer held on 5.8.2013.

*Sw*  
(Sanjay Lohiya)  
Director  
Tel. No. 2301 8876

1. Home Secretary
2. Finance Secretary (Secretary, D/o Expenditure)
3. Secretary, D/o Financial Services
4. Secretary, D/o Posts
5. Secretary, D/o Electronics & IT
6. Secretary, D/o Rural Development
7. Secretary, D/o School Education & Literacy
8. Secretary, D/o Higher Education
9. Secretary, M/o Social Justice & Empowerment
10. Secretary, M/o Tribal Affairs
11. Secretary, M/o Minority Affairs
12. Secretary, D/o Health & Family Welfare
13. Secretary, M/o Labour & Employment
14. Secretary, D/o Women and Child Development
15. Secretary, M/o Petroleum & Natural Gas
16. Secretary, D/o Fertilizers
17. Secretary, D/o Food & Public Distribution
18. Director General, UIDAI
19. Secretary, Planning Commission
20. Mission Director, DBT, Planning Commission
21. Registrar General of India

PMO ID No. 360/31/C/34/2012-ES.2 (Vol-12)

Dated 13.8.2013

Copy to : Smt. Nidhi Khare, Advisor, Planning Commission

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**Summary Record of Discussions of the 4<sup>th</sup> Meeting of  
the National Committee on DBT  
held at 7, RCR at 6.00 p.m. on 5.8.2013**

List of members present is at *Annexure-1*.

2. The **Prime Minister** opened the proceedings by asking the Principal Secretary to PM to present the items on the Agenda.

3. **Principal Secretary** to PM made a detailed presentation covering the four items listed in the Agenda. The four Agenda items covered were:

Agenda 1: Review of the Rollout of DBT in Phase-I (43 districts), Phase-II (78 districts), DBT-LPG (20 districts) and Online Postal Banking Services.

Agenda 2: Routing of funds in Centrally Sponsored Schemes or Central Sector Schemes where beneficiary identification and maintenance of beneficiary lists is done at the state level or below - either directly from Government of India to beneficiaries OR through state governments.

Agenda 3: Transfer of LPG Subsidy through DBT - the continuation of the two-price system of sale of LPG cylinders and the timeline for switchover to a single price.

Agenda 4: The next Phases of Rollout of LPG Subsidy through DBT

A copy of the presentation made by the Principal Secretary is at *Annexure-2*. The main points in the presentation are covered below.

4. **Agenda 1: DBT Rollout Review:**

Principal Secretary gave an overview of the rollout of DBT so far, including the level of digitisation of databases, the level of Aadhaar and bank account penetration of beneficiaries, the number and value of DBT transactions and the challenges that continue to be there. Some of the main points made by him were:

- i. **Data Quality:** Currently, only data on DBT going through APB and CPSMS is captured and reported easily. Transfers taking place through NEFT outside of these two systems have to be manually collected and collated. This highlights the necessity of quickly moving to an Aadhaar based payments system (APB &



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CPSMS), otherwise, the true benefits of DBT in terms of improving processes and speeding up transfers will not happen.

- ii. **Dominance of a few large schemes:** If the data of beneficiaries is broken up further, of the 39.76 lakh beneficiaries covered, JSY and the 4 post-matric scholarships account for ~33 lakh beneficiaries (83%).
- iii. **Database digitization:** This continues to be a challenge. Having digitised databases is the starting point for any DBT. In many schemes, beneficiary lists were never ever collected or compiled at the central level. For many schemes, DBT was the first time they started checking lists. **Departments will need to start the process of digitisation in all districts, irrespective of the rollout of DBT** as this is a critical activity which need not wait and can be done in parallel.
- iv. **Re-engineering processes:** The crux of the problem is that re-engineering of processes has not happened and must be an absolute priority if DBT is to expand any further. Doing the next set of districts will be impossible if process re-engineering is not done and one will face all the bottlenecks we have been facing so far. This has to be the top-most priority for the programme.
- v. **Aadhaar Enrolment:** Enrolment in Aadhaar has caught up in Phase-I and is excellent now. In Phase-II, it is less than 25% in 14 districts which is a matter of concern. These districts are in UP, Bihar, Chhattisgarh, Gujarat and Uttarakhand. Aadhaar enrolment in UIDAI districts is no longer a constraint.
  - a. There are 160 districts with >50% coverage
  - b. There are 160 districts with 25% - 50% coverage
  - c. There are 300 districts with <25% coverage
- vi. **NPR Biometric collection:** RGI has to work hard in UP, Bihar, Chhattisgarh, West Bengal, Odisha, J&K and NE states to improve coverage.
- vii. **Bank Account opening:** Opening accounts is happening. However, there are difficult pockets where this needs to be tackled.
- viii. **Post Office Banking System:** The rollout of Core Banking is badly behind schedule. The tender for placing orders for handheld devices has been cancelled and is yet to be placed. It is not likely that the postal system will be ready for

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any form of DBT (except in AP which has a different system in place) till March 2014.

- ix. **Seeding of bank accounts:** This is a problematic area. Till this is done, funds will not flow through APB which means there is no reliable way of checking whether DBT is happening or not.

5. **Agenda 2: Funds Flow Routing:**

Principal Secretary pointed out that there is a need for clarity on the funds transfer goal of DBT. Is the goal to ensure direct transfer of funds to the beneficiary through an electronic process directly from the Central Government or is this to be done through the least number of layers, and in some cases through states, depending on the nature and features of the scheme. A decision on this necessary because a variety of issues had been raised by departments and states including the level of cooperation from state governments, the level of state contribution, lack of administrative and technical capacity, accounting for committed liability of states, collection of beneficiary data is with states and there should be no separation of responsibility from authority. He mentioned that doing DBT directly from the Centre has some advantages in that there is a clear identification of the benefit with the Central Government, schemes can be tracked much better and scholarships and pensions can be released more often and in a timely manner. If a DBT system is in place with due re-engineering, states can route their benefits also in the same manner. The National Committee has to decide whether the funds flow to the beneficiary should be directly from the centre or through the states or other intermediate levels.

6. **Agenda 3: Timeline for switchover to a single price in DBT-LPG**

Principal Secretary mentioned that DBT in LPG has proved to be successful. In the 20 districts it is operating in, there are **72.3 lakh consumers of whom 16.6 lakh consumers are getting subsidy** through DBT. There have been **32.6 lakh transactions** in 2 months transferring **Rs 131 crores**. The challenge is bank account seeding which varies between 25% - 55%. The switchover from a dual price system to a single price system is due from the cut-off date of 3 months (1.9.2013). This will provide a sense of urgency and make people share their details and speed up seeding. If the date is postponed, DBT-LPG will be impossible to rollout in the rest of the country as consumers will be sure of further postponements and there will be no sense of urgency to the DBT-LPG programme.

7. Agenda 4: The next Phases of Rollout of DBT- LPG:

Secretary, Petroleum made a presentation on the current status of DBT-LPG rollout and a possible way forward in rolling it out in future. His suggestion was that DBT-LPG could be rolled out in 146 districts where Aadhaar penetration is currently >50%. This could be done in a phased manner till March 2014 and the rest of the country could be covered subsequently. A copy of his presentation is at *Annexure-3*.

Discussion - Main Points

8. There was a detailed discussion on all the agenda items. Some of the points made by the Ministers on the main issues for decision were:

i. Rollout:

- a. There are many problems and inadequacies that still need to be addressed as DBT is expanded further.
- b. Digitisation databases and collection of databases at the Centre is not happening as much as it should. Many Ministries continue to say that they do not have lists.
- c. Re-engineering of processes, which is essential for successful DBT, is not taking place. Re-engineering is necessary and will need to be done.
- d. DBT brings immense benefits through elimination of duplication, removing falsification, huge savings and timely delivery to beneficiaries.
- e. It is time to crack the whip and move faster for which it is necessary to take hard decisions and implement them.
- f. Banks have been issued instructions to directly get Aadhaar numbers of account holders.
- g. Any future rollout will need to be completed by 31.12.2013.
- h. Many schemes have dynamic and not static lists which means lists have to be compiled periodically. There are difficulties in updating and transferring data to the centre.
- i. There is no technical reason why digitised lists cannot be there, whether they are static or dynamic.
- j. DBT is not direct to bank account only but direct to family of beneficiary
- k. Practical experience in Andhra Pradesh has shown that Post Offices have delivered and not banks. Bank seeding is a real bottleneck. Decisions on Banking Correspondent compensation need to be transmitted to banks.

- l. If D/o Posts empowers Post Master Generals to sign up technology service providers, things can move faster through Post Offices.
- m. Post Offices are not an immediate solution. Banking Correspondents are a post-bank / bank account matter. The DBT Mission should address BC issues for the medium term. At the moment, the focus should be on bank accounts.
- n. There is a need for a complete a IT solution which identifies benefits, eligibility criteria and has a workflow based approval and funds release system.
- o. Small schemes should be universalised under DBT.

ii. **Funds flow:**

- a. Ideal DBT is one that transfers directly through the CPSMS and APB. This should be the ultimate aim.
- b. Direct is not necessarily direct from Delhi as states provide much more in many schemes.
- c. It is impractical to have two pipes for funds flow, one for the centre and one for states.. This would be counter-productive.
- d. Insisting on transfers from the centre will slow down DBT rollout.
- e. DBT was clearly conceived as a scheme for routing funds directly to the beneficiary from the centre.
- f. There is the problem of addressing committed liability of states in schemes.
- g. Non-digitisation leads to a lot of corruption. People need to know how much is being given and who is giving the benefit. Therefore DBT should be direct from the source.

iii. **Time line for switchover to single price for DBT-LPG**

- a. There should be no postponement of the switchover to a single price system for LPG sales after the 3 month transition period.

iv. **DBT-LPG Rollout**

- a. There is a need for visible impact and DBT-LPG is the one with the maximum visibility and impact.
- b. Rollout of DBT-LPG should be much faster covering 142 districts by 1.9.2013 and 150 districts by 1.11.2013.

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- c. 80% is the maximum number of consumers who will come forward with Aadhaar details. The rest may be duplicate consumers or may not be interested in the subsidy.
  - d. Rolling out DBT-LPG needs a preparatory period and bank seeding is a constraint in rolling out
  - e. OMCs have complete digitised lists and have no constraints.
  - f. LPG is one scheme which can have immediate nation-wide impact. It can easily cover 50% of the country.

### Decisions

9. After the detailed discussion in which all the above points were elaborated and discussed, it was decided that:

i. The timeline for switchover to a single price in DBT-LPG:

- a. The OMCs will be allowed to discontinue sale of cylinders at subsidized rates to consumers who have not reported their bank account and Aadhaar numbers and have not had their accounts seeded with Aadhaar numbers by 31.8.2013, i.e., the completion of the three month switchover period, in the 20 districts where DBT-LPG has been in operation.
- b. They will continue to be eligible to get their subsidy through DBT as soon as they report their bank account and Aadhaar numbers and have had their bank accounts seeded with Aadhaar numbers.
- c. For each subsequent expansion to new districts, OMCs will give a grace period of 3 months from the date of rollout for the switchover to a single price and discontinuing sale of cylinders at subsidized rates to consumers.

ii. The next Phase of Rollout of DBT- LPG

- a. Further expansion of the programme for DBT of LPG subsidy will be finalized by Minister, MoPNG in consultation with the Finance Minister after the meeting to be held by Mission Director on 13.8.2013. This would be communicated by 16.8.2013.

iii. Funds Flow

- a. The Executive Committee will examine all 25 selected schemes in DBT and the 3 pension schemes of NSAP, to recommend, within September

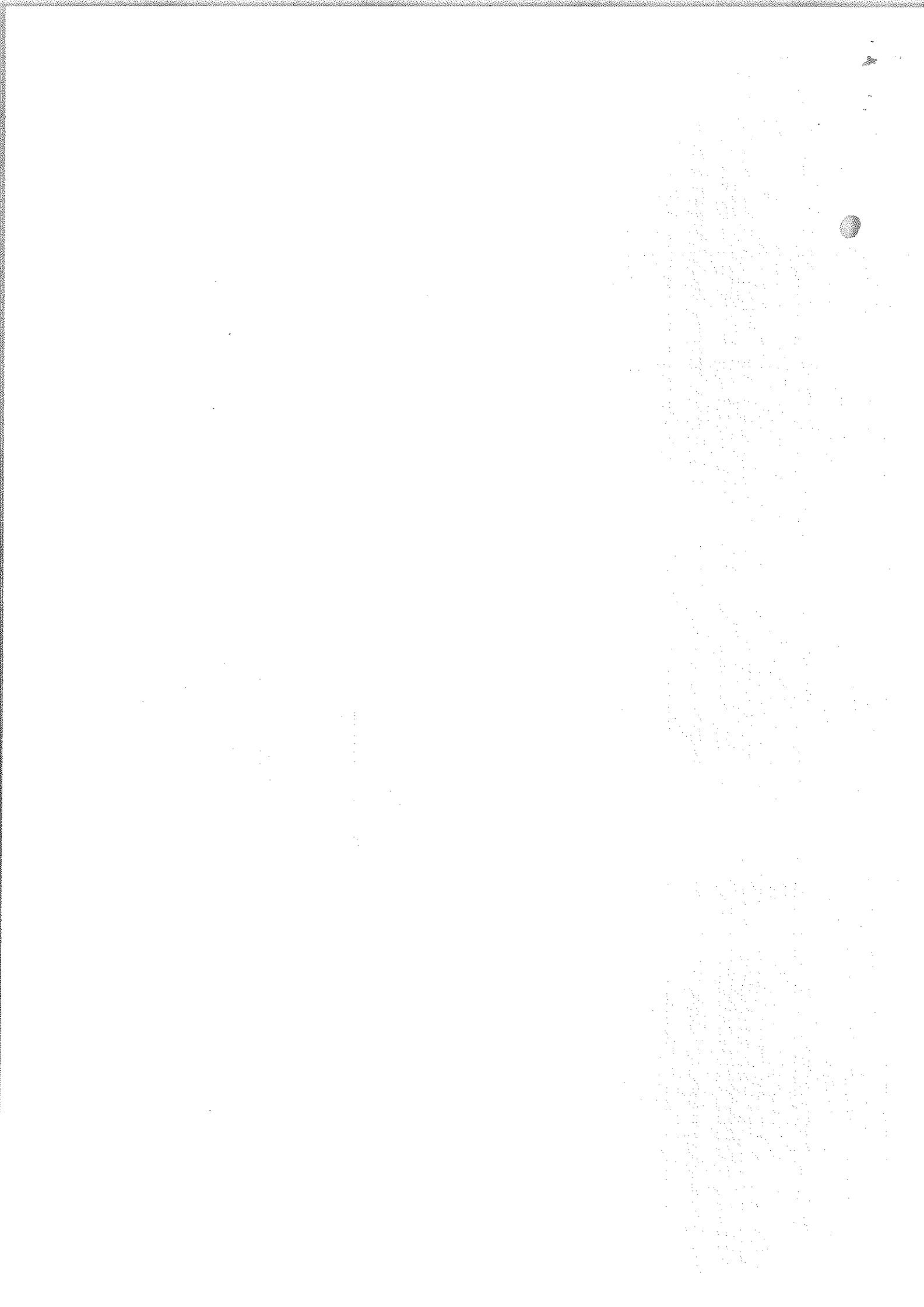


2013, which schemes need to continue to send the central share through the State Consolidated Fund or any other intermediate agency in 2013-14.

iv. Further Rollout of DBT

- a. The Executive Committee will also recommend, within September 2013, the possible rollout plan for the 25 selected schemes and the 3 pension schemes of NSAP beyond the current 121 districts.

The meeting ended with a Vote of Thanks to the chair.



**List of participants**

1. Shri P. Chidambaram, Finance Minister
2. Shri Ghulam Nabi Azad, Minister of Health & Family Welfare
3. Shri M. Veerappa Moily, Minister of Petroleum & Natural Gas
4. Shri Kapil Sibal, Minister of Communication & IT
5. Shri Sis Ram Ola, Minister of Labour & Employment
6. Kum. Selja, Minister of Social Justice & Empowerment
7. Shri Jairam Ramesh, Minister of Rural Development
8. Shri V. Kishore Chandra Deo, Minister of Tribal Affairs
9. Shri M.M. Pallam Raju, Minister of Human Resources Development
10. Shri K. Rehman Khan, Minister of Minority Affairs
11. Dr. M.S. Ahluwalia, Deputy Chairman, Planning Commission
12. Shri Nandan Nilakeni, Chairman, UIDAI
13. Smt. Krishna Tirath, MoS(I/C) of Women & Child Development
14. Shri K.V. Thomas, MoS(I/C) of Consumer Affairs, F&PD
15. Shri Srikant Jena, MoS(I/C) of Chemical & Fertilizers
16. Shri Ajit Seth, Cabinet Secretary
17. Shri R.S. Gujral, Finance Secretary
18. Shri Anil Goswami, Home Secretary
19. Smt. Sindhushree Kullar, Secretary, Planning Commission
20. Smt. Vibha Puri Das, Secretary, Ministry of Tribal Affairs
21. Shri S. Vijayakumar, Secretary, Ministry of Rural Development
22. Shri J. Satyanarayana, Secretary, Department of Electronics & IT
23. Shri Mrutyunjay Sarangi, Secretary, M/o Labour & Employment
24. Shri Ashok Thakur, Secretary, Department of Higher Education
25. Ms. Nita Chowdhury, Secretary, D/o Women & Child Development
26. Shri K.N. Desiraju, Secretary, M/o Health & Family Welfare
27. Shri R. Bhattacharya, Secretary, D/o School Education & Literacy
28. Shri Vivek Rae, Secretary, M/o Petroleum & Natural Gas
29. Shri Rajiv Takru, Secretary, Department of Financial Services
30. Shri Ravi Mathur, Secretary, Ministry of Minority Affairs
31. Shri Sudhir Bhargava, Secretary, M/o Social Justice & Empowerment
32. Shri Vijay S. Madan, DG, UIDAI
33. Ms. Kalpana Tewari, Member (Planning), D/o Posts

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34. Dr. R.C. Chandramouli, Registrar General of India
  35. Shri S. Sundaresan, Mission Director, DBT
  36. Smt. Nidhi Khare, Advisor, Planning Commission

**From PMO**

1. Shri Pulok Chatterji, Principal Secretary, to PM
2. Shri Pankaj Pachauri, Communication Advisor
3. Shri B.V.R. Subrahmanyam, JS to PM
4. Smt. Anu Garg, JS to PM
5. Shri Sanjay Lohiya, Director

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MEETING OF THE  
NATIONAL COMMITTEE  
ON

DIRECT BENEFITS TRANSFER  
(DBT)  
PROGRAMME

5 August 2013

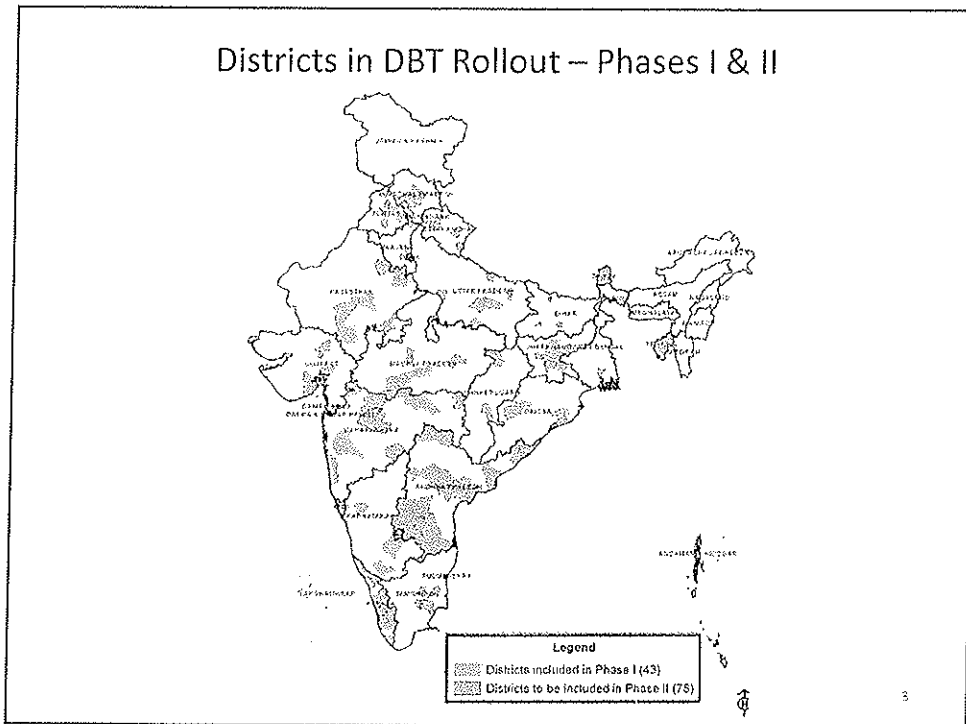
APPROVED ROLLOUT PROGRAMME

FOR 25 SELECTED SCHEMES

PHASE 1 FROM 1.1.2013: 43 DISTRICTS

PHASE 2 FROM 1.7.2013: 78 DISTRICTS  
(45 UIDAI, 33 NPR)

TOTAL 121 DISTRICTS IN 26 STATES/UTs



**NATIONAL SOCIAL ASSISTANCE  
PROGRAMME OF MORD**

Widow Pension Scheme  
National Disability Pension Scheme  
National Old Age Pension Scheme

DBT to roll out from 1.7. 2013 in 121  
Districts

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## 25 SCHEMES, 121 DISTRICTS

AS ON 31.07.2013

- 39.76 LAKH BENEFICIARIES
- 56% HAVE BANK ACCOUNTS
- 25.3% HAVE AADHAR AND BANK ACCOUNTS
- 9.62% BANK ACCOUNTS SEEDED

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## 25 SCHEMES

FROM 1.1.2013 TO 31.7.2013

- 3.18 LAKH TRANSACTIONS THROUGH DBT
- RS. 135.18 CRORES

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## National Social Assistance Programme

Upto 31.7.2013

- 16.73 LAKH TRANSACTIONS
- RS. 57.77 CRORES

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## AADHAR/NPR PENETRATION

AS ON 31.7.2013

- PHASE 1
  - 39/43 DISTRICTS > 60%
  - 4/43 DISTRICTS BETWEEN 50-60%
- PHASE 2
  - 42/78 DISTRICTS > 60%
  - 15/78 DISTRICTS BETWEEN 50-60%
  - 7/78 DISTRICTS BETWEEN 25-50%
  - 7/78 DISTRICTS BETWEEN 10-25%
  - 7/78 DISTRICTS < 10%

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## 33 DISTRICTS OF NPR

AS ON 31.7.2013

- TARGET WAS TO ACHIEVE MORE THAN 70% COVERAGE BY 30.6.2013
  - 15/33 DISTRICTS ACHIEVED < 60%
  - 7/33 DISTRICTS ACHIEVED < 10%
  - 5/33 DISTRICTS BETWEEN 10-25%

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## Challenges in DBT

### ❖ Opening Bank Accounts

- Banks not present everywhere
- Postal system nowhere near being ready for DBT

### ❖ Seeding Bank Accounts

- ❖ **Process re-engineering** by Departments to facilitate DBT on large scale – still poor

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## NEXT PHASE OF ROLLOUT

- PERHAPS 50-100 DISTRICTS (TO BE CHOSEN ON BASIS OF AADHAR/NPR COVERAGE) FROM 1.10.2013 AFTER STABILIZATION OF DBT IN 121 DISTRICTS
- SMALLER SCHEMES COULD PERHAPS ROLL OUT COUNTRYWIDE
- RECOMMENDATION IN SEPTEMBER 2013

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## DBT FOR LPG SUBSIDY

- APPROVED PROGRAMME:
- IN 20 DISTRICTS FROM 15.5.2013
- IN 51 DISTRICTS OF PHASE 1 WHEN AADHAR ENROLMENT OF CONSUMERS CROSSES A THRESHOLD

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## DBT FOR LPG SUBSIDY

AS ON 31.7.2013

- 20 DISTRICTS IN 10 STATES/UTs
- TOTAL NUMBER OF CONSUMERS: 72.3 LAKHS
  - NUMBER OF CONSUMERS GIVEN SUBSIDY THROUGH DBT: 16.6 LAKHS
- TOTAL SUBSIDY TRANSFERRED THROUGH DBT: RS. 131 CRORES
  - AADHAR PENETRATION > 65% IN ALL 20 DISTRICTS
  - BANK ACCOUNT SEEDING: 25-54%

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## POST OFFICES

- 16,000 POST OFFICES IN 51 DISTRICTS OF PHASE 1
- INCLUSION IN CORE BANKING SYSTEM AND ICT ENABLEMENT WAS TO BE ACHIEVED BY 30.9.2013
- DATE HAS NOW SLIPPED TO 31.3.2014

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### STEPS TAKEN TO ENABLE DIRECT TRANSFER FROM CENTRE

- ONLINE SYSTEM FOR CREATION OF DIGITIZED  
DATABASES OF BENEFICIARIES
- AADHAR PAYMENT BRIDGE SYSTEM (APBS)
  - DBT MIS SYSTEM
- CPSMS NOW FACILITATES PAYMENT THROUGH  
APBS, NECS AND NEFT
  - STANDARDIZED FORMATS
  - ELECTRONIC PAYMENT ADVICE

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### STEPS TAKEN TO ENABLE DIRECT TRANSFER FROM CENTRE

- CPSMS NOW ALSO FACILITATES  
SCHEMEWISE MIS
- CONFIRMATION OF TRANSFER  
THROUGH CPSMS IS DEEMED  
UTILIZATION CERTIFICATE

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- GENERAL APPROVAL FOR DIRECT TRANSFER OF CENTRAL SHARE FROM CENTRAL MINISTRY TO BANK ACCOUNT OF BENEFICIARY

❖ INSTRUCTIONS ARE FOR:

- **COLLECTING AUTHENTICATED BENEFICIARY DATA / DATABASES FROM STATES**
- **RELEASE BENEFITS DIRECTLY FROM CENTRE THROUGH DBT**

- DRAFT CABINET NOTE BY PLANNING COMMISSION

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## PERCEIVED ADVANTAGES OF DIRECT TRANSFER FROM CENTRE

- Clear identification of benefit with Central Government
- Schemes can be tracked much better
- Targeted delivery
- Timely delivery
- Elimination of delays in receiving UCs
- Elimination of dependence on States for introducing DBT

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## OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

### \* MoSJE AND MoTA

- SCHEMES ENVISAGE THAT STATES WILL BE IMPLEMENTING AUTHORITY AND BE RESPONSIBLE FOR IDENTIFICATION OF BENEFICIARIES, TIMELY PAYMENTS, ETC.
- SUBSTANTIAL PART OF THE PAYABLE SCHOLARSHIP IS BORNE BY THE STATES
  - CONCURRENCE OF THE STATES IS NECESSARY
  - MINISTRIES HAVE ONLY SKELETON STAFF
- NO SYSTEM OF RECEIVING LISTS OF BENEFICIARIES FROM STATES

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## OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

### \* MoTA

- ARCHITECTURE OF POST MATRIC SCHOLARSHIP SCHEME DUE FOR MAJOR REVAMP

### \* MoHFW

- JANANI SURAKSHA YOJNA FUNDS ROUTED THROUGH STATE AND DISTRICT HEALTH SOCIETIES

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## OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

\* MoRD

- DIRECT FLOW FROM CENTRE WILL SEND WRONG POLITICAL SIGNALS
- STATE CONTRIBUTION IS OFTEN MUCH MORE THAN CENTRAL CONTRIBUTION
- SIGNIFICANT PAYMENTS MADE THROUGH POST OFFICES, MONEY ORDERS AND CASH
  - MONEY SHOULD FLOW TO THE STATE CONSOLIDATED FUND WITH PENALTIES ON STATE FOR DELAYED TRANSFER

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## OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

- JANANI SURAKSHA YOJNA OF MoHFW
- POST MATRIC SCHOLARSHIP FOR SC STUDENTS OF MoSJE
- POST MATRIC SCHOLARSHIP FOR OBC STUDENTS OF MoSJE
- PRE MATRIC SCHOLARSHIP FOR SC STUDENTS OF MoSJE
  - POST MATRIC SCHOLARSHIP FOR ST STUDENTS OF MoTA

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## OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

- THESE 5 SCHEMES ACCOUNT FOR 83% OF BENEFICIARIES IN 121 DISTRICTS
- THREE PENSION SCHEMES OF MoRD UNDER NSAP ALSO INCLINED TO TRANSFER THROUGH STATES
- IMPLICATION: ALMOST ALL CENTRAL FUNDS WILL CONTINUE TO FLOW THROUGH STATES AND NOT DIRECTLY

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## OBJECTIONS FROM STATES TO DIRECT TRANSFER FROM CENTRE

- CM TAMIL NADU
- OPPOSED TO DIRECT TRANSFER FROM CENTRE
- DIRECT TRANSFER WILL DIVORCE RESPONSIBILITY FROM ACCOUNTABILITY
  - MANY ARE ONLY PILOT SCHEMES
  - DBT WILL BECOME UNMANAGEABLE AND CREATE ADMINISTRATIVE PROBLEMS
- SHOULD ROUTE ALL FUNDS THROUGH STATE GOVERNMENT

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## OBJECTIONS FROM STATES TO DIRECT TRANSFER FROM CENTRE

- ANDHRA PRADESH
- HAVE A BETTER WAY OF DOING DBT FROM  
STATE LEVEL

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## DUAL SYSTEM OF PAYMENT OF LPG SUBSIDY

- BY DBT THROUGH APBS
- SUBSIDIZED CYLINDER ON CASH PAYMENT (TO END BY  
31.8.2013)
  - ❖ WITHOUT A FIXED CUT-OFF DATE TO MOVE TO  
SINGLE PRICE SYSTEM, CONSUMERS HAVE NO  
INCENTIVE TO HAVE ACCOUNTS SEEDED.
  - ❖ IN CASE SWITCHOVER DATE IS POSTPONED,  
UNIVERSALIZATION OF DBT-LPG WILL BE DIFFICULTAS  
CONSUMERS WILL BE SURE THAT THE 3 MONTHS  
SWITCHOVER PERIOD IS EXTENDABLE.

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## DUAL SYSTEM OF PAYMENT OF LPG SUBSIDY

- ❖ IF SUBSIDIZED CYLINDER ON CASH PAYMENT IS DISCONTINUED FROM 1.9.2013, CONSUMERS WILL REMAIN ELIGIBLE FOR SUBSIDY THROUGH DBT.

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## DECISION 1

- SHOULD DIRECT TRANSFER OF CENTRAL SHARE TO BANK ACCOUNTS OF BENEFICIARIES BY CENTRAL MINISTRIES FOR SELECTED SCHEMES BE MADE MANDATORY?
  - OR
  - SHOULD IT BE LEFT TO THE MINISTRIES TO DECIDE WHETHER THEY WANT TO CONTINUE TO SEND CENTRAL SHARES THROUGH STATE GOVERNMENTS OR OTHER INTERMEDIATE AGENCIES?

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## DECISION 2

- SHOULD OMCs BE ALLOWED TO DISCONTINUE SALE OF CYLINDERS AT SUBSIDIZED RATES AFTER 31.8.2013 IN THE 20 DISTRICTS?

• OR

- SHOULD THE DATE BE EXTENDED BEYOND 31.8.2013 AND THE OMCs BE ASKED TO CONTINUE WITH THE DUAL SYSTEM OF LPG SUBSIDY PAYMENT?

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# Thank You

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07-08-2013

MEETING OF THE  
NATIONAL COMMITTEE  
ON  
**DIRECT BENEFITS  
TRANSFER  
(DBT)  
PROGRAMME**  
5 AUGUST 2013

**AGENDA ITEM 4**

Rollout  
of LPG subsidy  
by  
DBT

## Current Aadhaar Saturation\*

Current/Future Aadhaar Roll Out				Already launched	Not launched
#	Present Aadhaar Saturation	Number of Districts	Months Reqd. To Reach 90% saturation		
1	>90%	21	Done	14	7
2	80-90%	32	2-3	3	29
3	70-80%	36	3-4	2	34
4	60-70%	31	4-6	1	30
5	50-60%	46	6-8	0	46
6	40-50%	44	8-12	0	44
7	30-40%	73	12-18	0	73
8	20-30%	65	18-21	0	65
9	10-20%	60	21-24	0	60
10	0-10%	242	24-27	0	242
<b>TOTAL</b>		<b>650</b>		<b>20</b>	<b>630</b>

ASSUMPTIONS: 1. The above timelines are based on current pace of enrolments  
 2. The actual timelines may vary depending on any changes in processing capacity at UIDAI.  
 3. The enrolment timelines for RGI districts is subject to confirmation by them.

\* Source - UIDAI

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## Proposed Schedule

Phase	Aadhaar Saturation	Number of Districts	During
I	>80%	20	Already Launched
II	>50%	146	2013-2014
III	30-50%	117	2014-2015
IV	<30%	367	2014-15 and 2015-16

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## Phase II

	Number of Districts	Aadhaar Saturation	Launch on
a.	36	> 80%	1.10.13
b.	34	70-80%	1.12.13
c.	30	60-70%	1.1.14
d.	46	50-60%	1.2.14

TOTAL OF 146 DISTRICTS WILL BE UNDER PHASE- II OF DBTL DURING FY 13-14

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## Risk Factors Under Phase II

- ▣ Current Aadhaar seeding levels near zero
- ▣ Inadequate seeding levels in LPG/Bank database when grace period ends especially for Phase II (a) and (b) districts – may lead to consumer unrest/law and order problems nearing end of grace period.
- ▣ Aadhaar saturation <80% in 76 Phase II(c) and (d) districts when scheme is launched in January/February 2014.

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## Learning from Phase I

- ▣ Required around 6 months to reach 60% seeding in LPG database in 20 districts
- ▣ Preparatory Activities – requires 3 months
  - IEC (SMS, FM, Paper, Aakaashvani, door to door)
  - District wise Training of Dealers/field officers, Workshops on DBTL (seeding process/ RASF verification)
  - Meetings with Collectors
  - Setting up of District Level Committee and IEC by district administration after that.

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## Challenges Ahead

- ▣ Expeditionious conversion of EID to UID and delivery of Aadhaar letters
- ▣ Returned Transactions to be reduced to <0.1% (0.5-0.8% currently).
- ▣ Actionable and standardized return codes by banks.
- ▣ Single Point of contacts for wrong transactions in banks
- ▣ Lack of visibility to consumer on Bank Seeding process – LPG seeding is visible on website/call centre.
- ▣ Call centre for banks/NPCI for Aadhaar seeding/mapping issues

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THANK YOU

