

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

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*Jeevan Deep Building, Sansad Marg  
New Delhi, dated the 18<sup>th</sup> 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 1<sup>st</sup> January, 2013. The scheme has already been rolled out in 31 districts and is to be rolled out in additional 12 districts on 1<sup>st</sup> 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](mailto: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