

F.No.1/19/2013-FI (Vol.II)
Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevan Deep Building,
New Delhi, dated the 8th May, 2013

To

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

Subject: Conference of District Collectors and LDMs of 78 districts for rollout of Direct Benefit Transfer- Phase II and of DBTL held on 29.4.2013 - regarding

Sir(s)/Madam(s),

In view of the discussions in the Conference of the District Collectors and LDMs on the rollout of Direct Benefit Transfer (DBT) in the 78 districts w.e.f. 01.07.2013 and the rollout of DBT on LPG in the 20 districts from 01.06.2013 or earlier and the rest in the country from 01.10.2013, the following issues need to be addressed by the banks on priority:-

Opening of Bank Accounts:

2. Based on the list of beneficiaries received by the LDM from the Departments in the format prescribed by Planning Commission, vide OM dated 26.12.2012, having details, inter-alia, of Bank Name, Account Number and Aadhaar (wherever available), action for opening the bank account of beneficiaries without bank account has to be initiated by the banks. It needs to be ensured that bank accounts are opened within a maximum period of 7 days from the date of receipt of application from the beneficiary. Supervisory Officers in the banks and the ED Incharge are expected to closely monitor the progress.
3. Details of the bank account opened must, on a regular basis, be conveyed to the scheme implementing department for updation of their database.

4. Banks must after a week of holding of the camp by the district administration for collection of information for the digitized database hold a follow up camp at the branch concerned till the process of account opening and issuance of pass book is completed.

5. Wherever scheme-wise list of beneficiaries is not available or is incomplete, the matter must be taken up by the LDM and higher authorities of Lead Bank with the District Collector concerned.

6. It has been reported that in some cases, bank branches were taking the position that account should be opened only with the service area branch. It should be ensured that the bank accounts are opened in the bank as per the choice of the beneficiary. The service area branch is, however, under the obligation to open the account if the beneficiary does not want account in any other branch.

Seeding of Aadhaar number in Bank Accounts:

7. Departments must be requested to furnish the list of beneficiaries with Aadhaar number (wherever available) after verification of the Aadhaar number. Such list duly verified and certified by the scheme implementing department should be used for seeding the bank account and there should be no need for the banks to reverify Aadhaar details which had been earlier verified by the department concerned. A customer of the bank is, however, free to approach his bank branch with a copy of Aadhaar letter issued by UIDAI and get his account seeded with Aadhaar.

8. The list of beneficiaries with bank account and Aadhaar, received from the Departments should be circulated to the banks concerned by the LDM immediately and in all cases within two days. The banks concerned should complete the seeding process on the day following the date of receipt.

9. The details of bank account seeded with Aadhaar must without fail be uploaded on the NPCI mapper at the end of every day and an officer of the bank should be made responsible for this.

10. Banks should also consider developing facilities for bulk seeding of Aadhaar (with proper validation) in case such facilities do not already exist.

11. LDMs can ascertain the status of seeding and uploading by various banks in the district, by furnishing the list of Aadhaar numbers to the Head office of the Lead bank, who should then use the "Aadhaar Lookup" facility developed by NPCI to inform the LDM the status of uploading of these Aadhaar numbers on the NPCI mapper. LDMs should then follow up with the District Coordinators of banks who have not completed the seeding and uploading process. Bank should also consider extending 'Aadhaar Lookup' facility to LDMs. Status of accounts seeded with Aadhaar must be available at branch concerned.

12. Banks should ensure that the use of alternate channels for furnishing seeding request as conveyed vide this Department's letter dated 22.04.2013 is implemented by 15.05.2013 as communicated earlier.

Strengthening of Banking Infrastructure in uncovered areas:

13. The process of mapping the service area and determining the requirement of banking infrastructure to serve the uncovered areas must be completed immediately in these district, if not already completed.

14. While the process of mapping will be undertaken at the district level and would be coordinated and ensured by the LDM, this would need to be aggregated at the state level by the SLBC and at the bank level by the bank concerned. The Field Officers of the banks should be assigned the responsibility of ensuring deployment of BCAs as per the schedule. Since each branch would generally be required to deploy additional 1-2 BCAs, this process can be completed very quickly. It should therefore be ensured that the Business Correspondents become functional (cash live) in all the 121 districts of Phase I (43) and Phase II (78) districts by 31.5.2013.

15. Banks need to ensure that the procurement of BC Transaction Device (Hand Held Device/ PoS Terminals/ Kiosk banking etc.) by the bank or by the vendor conforms to the standards circulated by the Indian Banks Association.

Installation of ATMs and Issuance of Debit Cards:

16. As already communicated, the installation of onsite ATM in these 121 districts must be completed by 30th June, 2013. It should be ensured that Debit Cards are issued to the beneficiaries under the scheme taken up for Direct Benefit Transfer.

Regional Rural Banks:

17. The sponsor banks will ensure that their RRBs also complete the above steps as per the schedule indicated. The mapping exercise and the provision of banking infrastructure would cover RRBs also.

18. So far 25 RRBs have been integrated with Aadhaar based payment with NPCI. Sponsor Banks need to ensure that the work in remaining banks is completed before 31.5.2013.

Regular Review in DLCC:

19. In every meeting of the DLCC, the status of readiness of the district, availability of digitized database of beneficiary, seeding and provision of banking infrastructure must be placed for review and follow up action.

Yours sincerely,

(Umesh Kumar)
Joint Secretary (BA)

Copy for information and necessary action:

1. Dy. Governor, RBI
2. District Collectors of 78 districts
3. CEO, IBA
4. LDMs of 78 districts