

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

3rd Floor, Jeevandeep Building,
Parliament Street, New Delhi.
Dated, April 01, 2013

To

CMDs of Public Sector Banks

Subject: Extension of Direct Benefit Transfer to additional 78 Districts - regarding

Sir(s)/ Madam(s),

The Government has decided to extend the Direct Benefit Transfer Scheme to 78 more Districts w.e.f. 1.7.2013 (**Annex-I**). Detailed instructions have already been issued for opening of bank accounts, seeding of Aadhaar and strengthening of banking infrastructure in the districts covered under Direct Benefit Transfer. All Public Sector Banks are requested to ensure the following in these new 78 districts.

- (i) Lead District Manager of the districts concerned will obtain the list of beneficiaries, with details of bank account and Aadhaar (if available) from the District Collectors in the format prescribed by Planning Commission vide O.M. dated 26.12.2012. This would be circulated to the banks concerned as per their service area. Banks would ensure that bank account for the beneficiaries, wherever required, are opened by 31.5.2013. Detailed instructions have been issued vide this Department's letter No. 1/4/2013- FI dated 07.02.2013 (**Annex-II**).
- (ii) Banks would seed Aadhaar Number into the bank account of the beneficiaries based on the details received from the District Administration/ concerned Department. Since these Governmental agencies would have already verified the Aadhaar Number, there would be no need for the banks to reconfirm the Aadhaar. Aadhaar details received from the District Administration/ Department must be seeded promptly without delay and uploaded on the NPCI Mapper at the end of every day. Instructions have been issued on the subject from time to time, the latest being this Department's letter No.6/41/2012-FI dated 20.02.2013 (**Annex-III**).

- (iii) Banks would be required to strengthen the banking infrastructure, particularly in the areas so far not covered by the banking services. Detailed instructions were issued vide letter No.6/36/2012-FI dated 20.12.2012 (**Annex-IV**) for the mapping of the service area under each branch and assessing the requirement for strengthening of the banking infrastructure through new bank branches or BCA/CSC, as the case may be. This exercise for the entire country was required to be completed by 31.3.2013. Banks would on priority ensure that banking infrastructure is provided in the 78 identified districts by 31.5.2013.
- (iv) In pursuance of the Budget announcement 2013-14, all Public Sector Banks have prepared plans to install ATM at their branches by March, 2014. In view of the roll out of the Direct Benefit Transfer, it is important that the 43 districts of Phase-I and the 78 districts of Phase-II are taken up on priority for installation of ATMs. Banks must start identification and preparation of site immediately so that ATMs at all branches in these 121 districts is operational by 30.6.2013.
- (v) Banks would also need to undertake a focused programme for issuance of Debit Cards, particularly to the beneficiaries under the various schemes, so that they are able to draw the benefit as per their convenience. It should be ensured that account opening and issuance of Debit Card for all the beneficiaries is completed by 31.5.2013.

This issues with the approval of Secretary (FS).

Yours faithfully,

(Sandeep Kumar)
Director (FI)

Copy to:

- 1) CEO, IBA, HO, Mumbai.
- 2) SLBC Conveners of concerned States / UTs (of 78 districts)
- 3) Chairman of RRBs (through Sponsor Banks)
- 4) SO (FI), DFS- for uploading on the DFS website.

Annexure-I

List of 78 districts to be included in the 2nd phase of DBT rollout from 1.7.2013

S No.	Name of State/ UT	Name of District to be included in II Phase
1	Andhra Pradesh	Srikakulam
2		Krishna
3		Guntur
4		Adilabad
5		Cuddapah (YSR Kadapa)
6		Vizianagram
7		Kurnool
8		Nalgonda
9	Bihar	Arwal
10		Sheohar
11		Sheikhpura
12	Chhattisgarh	Dhamtari
13		Koriya
14	Delhi	Central Delhi
15		East Delhi
16		North Delhi
17		South West Delhi
18		West Delhi
19		South Delhi
20	Goa	South Goa
21	Gujarat	Mehsana
22		Valsad
23		Bhavnagar
24		Anand
25	Himachal Pradesh	Hamirpur
26		Una
27		Bilaspur
28		Mandi
29		Kullu
30		Solan
31	Jharkhand	Khunti
32		Lohardanga
33		Bokaro
34	Kerala	Palakkad
35		Kottayam
36		Ernakulum
37		Alappuzha
38		Idukki
39		Thiruvananthapuram

40		Kozhikode
41		Thrissur
42		Kannur
43	Lakshadweep	Lakshadweep
44	Madhya Pradesh	Burhanpur
45		Bhopal
46		Jabalpur
47	Maharashtra	Aurangabad (MH)
48		Gondiya
49		Jalgaon
50		Jalna
51		Latur
52		Ratnagiri
53	Odisha	Bolangir
54		Puri
55		Cuttack
56		Sonapur
57	Puducherry	Yanam
58	Punjab	Jalandhar
59		Barnala
60	Rajasthan	Jhunjhunu
61		Pali
62		Kota
63	Sikkim	South
64		North
65	Tamilnadu	Ariyalur
66		Pudukottai
67		Tirucherrapalli
68	Uttar Pradesh	Etawah
69		Chitrakoot
70		Sant Kabir Nagar
71		Shrawasti
72		Rae Bareilly
73		Amethi
74	Uttarakhand	Bageshwar
75		Champawat
76		Tehri Garhwal
77	West Bengal	Coochbehar
78		Howrah

F.No.1/4/2013-FI
Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevandeep Building,
Parliament Street, New Delhi.
Dated, February 7, 2013

To

The CMDs of Public Sector Banks

Sir(s)/ Madam(s),

Your kind attention is invited to the deliberations in the meeting on February 5, 2013 at New Delhi to review the Financial Inclusion and Direct Benefit Transfer where the status of opening of bank account for the beneficiaries under various schemes was also reviewed. As the benefits under the 26 schemes (List at Annexure-I) presently identified for Direct Benefit Transfer have to be made into the their bank account, it is necessary that bank accounts in case of these beneficiaries are opened wherever such accounts are not available.

2. The Direct Benefit Transfer scheme is presently being implemented in 43 pilot districts (List at Annexure-II) and will be rolled out in the rest of the country in phased manner. During this period, more schemes are likely to be added. Banks are requested to ensure the following:

- (i) Issue instructions to their Lead Bank Managers, where their Bank has the Lead Bank responsibilities, to obtain from the respective District Collectors schemewise list of beneficiaries along with their bank account details. Such a list may be in digitized form, if available.
- (ii) Lead District Manager should supply this information to the banks in the districts.
- (iii) Each Bank branch will identify the beneficiaries within its service area who do not have a bank account. The banks would contact such beneficiaries and ensure that their bank accounts are opened before 21.3.2013. It is clarified that it will be the beneficiaries choice to decide the bank where

he/ she wishes to open the account. In case there is no such choice or no other bank is available, the service area bank will be required to open the bank account.

- (iv) Information about the accounts opened should be shared with the concerned Collector and Department implementing the scheme for updation of their database.
 - (v) Wherever the beneficiary already has Aadhaar, details thereof should also be collected at the time of opening of accounts and seeded into the bank system as well as on the NPCI Mapper.
3. Timelines for implementation are:
- (i) Banks would immediately issue instructions to their Lead District Managers. The lists from the Collectors shall be obtained and distributed to the bank branches within 10 days.
 - (ii) Lead Bank Managers will obtain the information from the District Collector concerned under intimation to the Bank Head Office.
 - (iii) Banks would ensure that opening of accounts, wherever required, is to be completed by 21.3.2013.
4. Review
- (i) Progress of sending beneficiary details to the bank branches in the District will be reviewed on 22.2.2013 with the banks after the meeting of the Management Committee of the IBA and the status of final implementation in the next meeting on 22.3.2013.
 - (ii) CMDs shall personally monitor the progress and assume full responsibility for the successful implementation as above.

This has the approval of Secretary (FS).

Yours faithfully,
(Jitendar Kumar Mehan)
Under Secretary to Govt. of India (FI)
Ph: 23748767; e-mail: fi-dfs@nic.in

Copy to: 1. Chief Executive, IBA, Mumbai

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. 6/36/2012-FI
Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevan Deep Building,
SansadMarg, New Delhi,
Dated the 20th December, 2012

To

1. CMDs of all Public Sector Banks,
2. Chairman of all RRBs (through sponsor Banks) ,
3. All SLBC Convenors

Sub: Mapping of Gram Panchayats and Planning for BCA/CSCs for Direct Cash Transfer – Sub Service Area Approach – Regarding

Sir/ Madam,

Under the Financial Inclusion Programme ‘*Swabhiman*’, Banks had provided banking services in over 74,000 habitations of 2,000 and above population. This, inter alia, included established Business Correspondents in such villages. This is being extended to habitations of 1,000 and above population in North-East and Hilly States and 1,600 and above population in the rest of the country this year.

2. However, with the announcement of Direct Cash Transfer in 43 Districts w.e.f. January, 2013 and in the rest of the country in a phased manner, it has become necessary that comprehensive plan for coverage of the entire country through banking services to enable Direct Cash Transfer is prepared.

3. The following guidelines are issued in this regard:

- (i) It shall be the endeavor to ensure that there is at least one bank branch/ Business Correspondent Agent (BCA) in every Gram Panchayat(s). Since the population of Gram Panchayat varies across the States, Banks need to ensure that about 1,000 to 1,500 households are available in the sub-service area of BCA. In case of North-East, Hilly States and sparsely populated regions of other States banks may decide the households to be covered by each BCA appropriately. In case of larger Gram Panchayats more than one BCA could be appointed. In case of smaller Gram Panchayats more than one contiguous Gram Panchayat, taking into consideration the geographical area, could be assigned to each BCA. In every case, it should be ensured that the Gram Panchayat(s) to be covered by each bank branch/ BCA is clearly identified as a sub-service area within the service area of the branch.

- (ii) Banks had earlier carried out an exercise of preparing Service Area Plans in which bank branch/ BCA to service each Gram Panchayat(s) was indicated. This should be immediately revisited by every bank for all Gram Panchayats in its service area keeping (i) above in mind.
- (iii) The first step in this exercise would be to form sub-service area, based on the group of Panchayats as at 3(i) above, taking the population and geographical conditions into consideration such that one Branch/BCA/CSC extends service to each sub-service area. In case any Panchayat requires more than one BCA/CSC, the sub-service area for each BCA/CSC, within the Gram Panchayat must be specified.
- (iv) Wherever the existing BCA is functioning satisfactorily, the same should be continued and remaining households in the allocated sub-service areas should be covered through the BCA. Considering the larger benefits of the kiosk banking model, it should be endeavoured to, in a phased manner, migrate the BCAs to kiosk banking system.
- (v) In case the existing BCA is stationed at a place other than Gram Panchayat headquarters, there should be no need to change its location. It should, however, be ensured that the BCA serves the entire sub-service area allocated to it.
- (vi) Wherever there is either no BCA functioning or the performance of the existing BCA is less than satisfactory, the Common Service Centre, set up under aegis of the Department of Electronics and Information Technology, Government of India, under the National e-Governance Programme, should be engaged as BCA. It may be located at a place other than the Financial Inclusion village in the same sub-service area. All PSBs have already signed an agreement with M/s CSC e-Governance Service India Ltd., for engaging CSCs as BCA. Immediate action for assigning code and making the CSCs functional should be taken. Till such time the banks install the software and complete other technical requirements for cash transactions, the CSC should be used for activities other than cash withdrawal transactions. They should, in particular, be used for opening new accounts of beneficiaries under the scheme for Direct Cash Transfer. All Banks must ensure expeditious issuance of KO code for the CSCs which are identified for appointment as BCAs. CSC Services India Ltd. would ensure that the required information is furnished to the banks and that all CSCs are ready in terms of equipments, connectivity, biometric device, card reader and printer latest by 31.12.2012.

- (vii) In the sub-service area where neither a BCA nor a functional CSC is available, the M/s CSC e-Governance Services India Ltd. would establish a new CSC for which suitable advice would be issued by the CSC Services India Ltd. In case this is not feasible, the Banks could engage a new BCA.
- (viii) RBI guidelines provide for the category of persons/ organizations which could be engaged as BCA. This, inter-alia, include Self-Help Groups, NGOs, Post Offices. Since the BCAs are to be appointed in consultation with the banks, it should be ensured that the BCAs, as per the guidelines approved by RBI, only are appointed by the BCs engaged by the Banks.

In case of CSCs, as the agreement for BC has been signed by the banks with M/s CSC e-Governance Services India Ltd., , there should be no need to enter into any fresh agreement with Service Center Agencies (SCA) in the States/Districts, who would be sub-BC for the CSC Services India Ltd.

- (ix) In case of urban areas, banks do not have any specified service area. Instructions had earlier been issued that in the urban areas specific wards/ areas could be allocated to specific banks for the purpose of Financial Inclusion. The above guidelines would apply accordingly to the wards/ areas allocated to banks in urban areas. Wherever CSC exists in urban areas, the same may be considered for engagement as BCA.
- (x) This exercise has to be completed for all districts in the country. In view of the roll out of Direct Cash Transfer in 43 districts w.e.f. 1.1.2013, the following time lines may be adhered to:

a. In 43 Pilot Districts

- i. Mapping of Gram Panchayat(s) and BCA/CSC in their service area, and assignment of sub-service areas, be completed by 28.12.2012. This exercise should clearly indicate the sub-service area, number of sub-service areas covered by the existing BCAs, to be covered by existing functional CSCs and sub-service areas which remain to be covered by BCA/ CSCs.
- ii. Lead Bank Managers in these districts would consolidate the information for the district on 29.12.2012 while the SLBC Convenors would consolidate the information for the State on 31.12.2012. This should show district-wise number of sub-service areas in each district, no. of sub-service areas covered by existing BCAs, no. of sub-service areas to be covered by existing and functional CSCs, and no. of sub-service areas to be covered by new BCAs/CSCs.

- iii. SLBC Convenors would send the consolidated the information for their State on 31.12.2012 to this Department at fi-dfs@nic.in.
 - iv. It should be ensured that the process of engaging the existing and functional CSCs as per para 3(v) above, is completed by 31.12.2012. Engagements of CSCs/BCAs in the Gram Panchayats in the sub-service area, which remain uncovered as per para 3 (vii) above, should be completed and these CSCS/BCAs become functional by 15.1.2013.
- b. **In the remaining districts**
- i. Mapping of Gram Panchayat(s) and BCA/CSC in their service area, and assignment of sub-service area, be completed by 15.1.2013. This exercise should clearly indicate the sub-service area, number of sub-service areas covered by the existing BCAs, to be covered by existing functional CSCs and sub-service areas which remain to be covered by BCA/ CSCs.
 - ii. Lead Bank Managers in these districts would consolidate the information for the district on 20.1.2013 while the SLBC convenors would consolidate the information for the State on 25.1.2013. This should show district-wise number of sub-service areas, no of sub-service areas covered by existing BCAs, no. of sub-service areas to be covered by existing and functional CSCs, and no. of sub-service areas to be covered by new BCAs/CSCs.
 - iii. SLBC Convenors would send the consolidated information for their State on 31.1.2013 to this Department at fi-dfs@nic.in.
 - iv. It should be ensured that the engagement of CSCs/BCAs in the sub-service area which remain uncovered as per para 3 (vii) above is completed and these CSCS/BCAs become functional by 31.3.2013. CSC Services India Ltd. would ensure that the required information is furnished to the banks and that all CSCs are ready in terms of equipments, connectivity, biometric device, printer, card reader etc.
4. An electronic file containing the District-wise names of Gram Panchayat(s) along with their Headquarters is being separately emailed to all banks and SLBC Convenors for use for undertaking the mapping exercise of Gram Panchayat(s) with BCA/CSC.

5. This issues with the approval of Secretary (FS)

Yours faithfully,

(Sandeep Kumar)
Director (FI)

Copy to:

1. CEO, M/s CSC e-Governance Services India Ltd.,
2. All JS/ Director/ DS in DFS