

Direct Benefit Transfer (DBT)

Transforming Governance in Uttar Pradesh: Nearly Rs 76000 crore transferred to beneficiaries under DBT in the state

(Ministry of Information & Broadcasting)

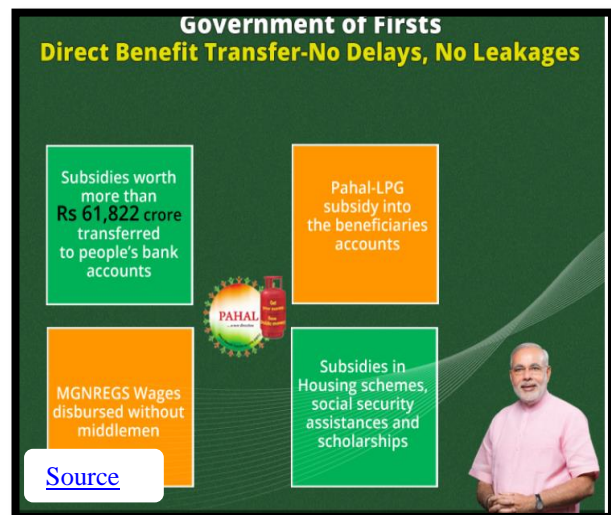
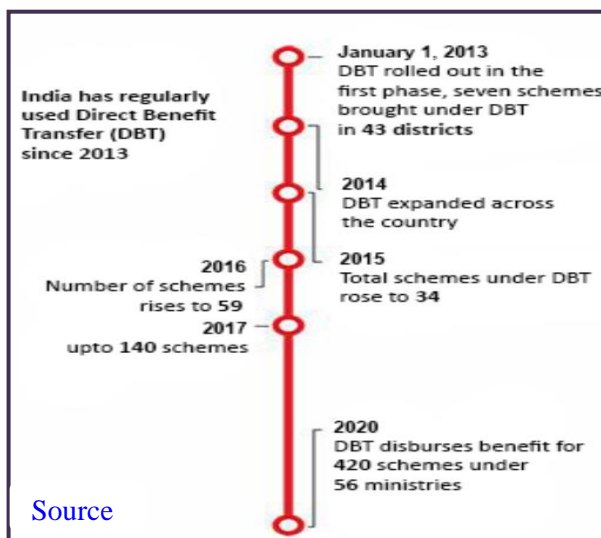
January 05, 2022

अब DBT के माध्यम से गरीबों की मिलने वाला लाभ 100 प्रतिशत गरीबों तक सीधे पहुंच रहा है। अकेले DBT की वजह से 1 लाख 70 हजार करोड़ रुपए से ज्यादा गलत हाथों में जाने से बच रहे हैं। आज ये गर्व के साथ कहा जा सकता है कि घोटालों वाले उस दौर को देश पीछे छोड़ चुका है।

- [Prime Minister Narendra Modi](#)

Introduction

Direct Benefit Transfer (DBT) is Government's major reform initiative to re-engineer the existing delivery processes, ensuring better and timely delivery of benefits using Information & Communication Technology (ICT) by transferring benefits into the bank/postal accounts, preferably Aadhaar seeded, of accurately targeted beneficiaries, as well as in-kind transfers from Government to individual beneficiaries. Direct Benefit



Transfer (DBT) was started on [1st January, 2013](#) with the aim of reforming Government delivery system in welfare schemes for simpler and faster flow of information/funds and reduction of fraud.

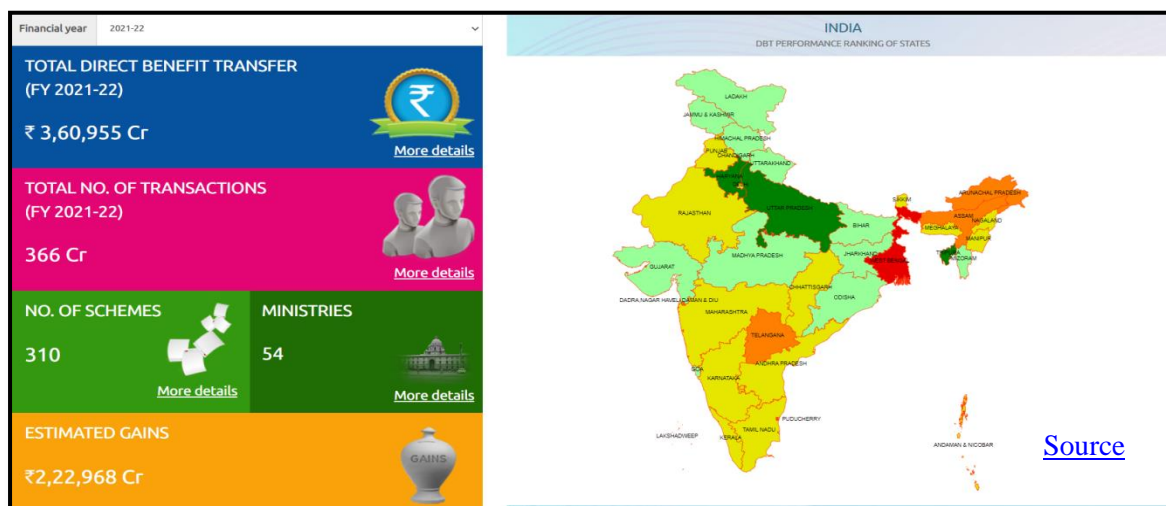
DBT Mission was created in the Planning Commission to act as the nodal point for the implementation of the DBT programmes. The Mission was transferred to the Department of Expenditure in [July, 2013](#) and continued to function till 14.09.2015. To give more impetus, DBT Mission and matters related thereto had been placed in Cabinet Secretariat under

¹ <https://twitter.com/pmoindia/status/1321053605575548929?lang=en>

Secretary (Co-ordination & PG) with effect from 14.09.2015.

[Ministry of Finance](#) (MoF), Government of India, decided on mandatory use of [Public Financial Management System](#) (PFMS) of the office of Controller General of Accounts (CGA) for payment, accounting and reporting under DBT and in December 2014 directed all implementing Ministries/Departments to ensure that no payments under DBT schemes were processed unless the electronic payment files for such payments were received through PFMS from [1 April, 2015](#).²

310 schemes from 54 Ministries/ Departments are being implemented under DBT. As a process, Centrally Sponsored Schemes are implemented through State Governments and granular level details are being maintained by the respective State Governments.³



First phase of DBT was **initiated in 43 districts** and later on **78 more districts were added** in 27 schemes pertaining to scholarships, women, child and labour welfare. DBT was further expanded across the country on [12.12.2014](#). Seven new scholarship schemes and [Mahatma Gandhi National Rural Employment Guarantee Act \(MGNREGA\)](#) was brought under DBT in 300 identified districts with higher Aadhaar enrolment.⁴

Electronic Payment Framework was laid down vide O.M. dated 13.2.2015 and 19.2.2015. This Framework is to be followed by all Ministries/ Departments and their attached Institutions/PSUs and is applicable on all Central Sector (CS)/ Centrally Sponsored Schemes (CSS) and for all schemes where components of cash are transferred to individual beneficiaries. Aadhaar is not mandatory in DBT schemes. Since Aadhaar provides unique identity and is useful in targeting the intended beneficiaries, Aadhaar is preferred and beneficiaries are encouraged to have Aadhaar.⁵

JAM i.e. Jan Dhan accounts, Aadhaar and Mobile, are DBT enablers and more than 22 crore Jan Dhan Accounts, more than 100 crore Aadhaar and about 100 crore Mobile connections provide a unique opportunity to implement DBT in all welfare schemes across country including States & UTs.

²<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1616022>

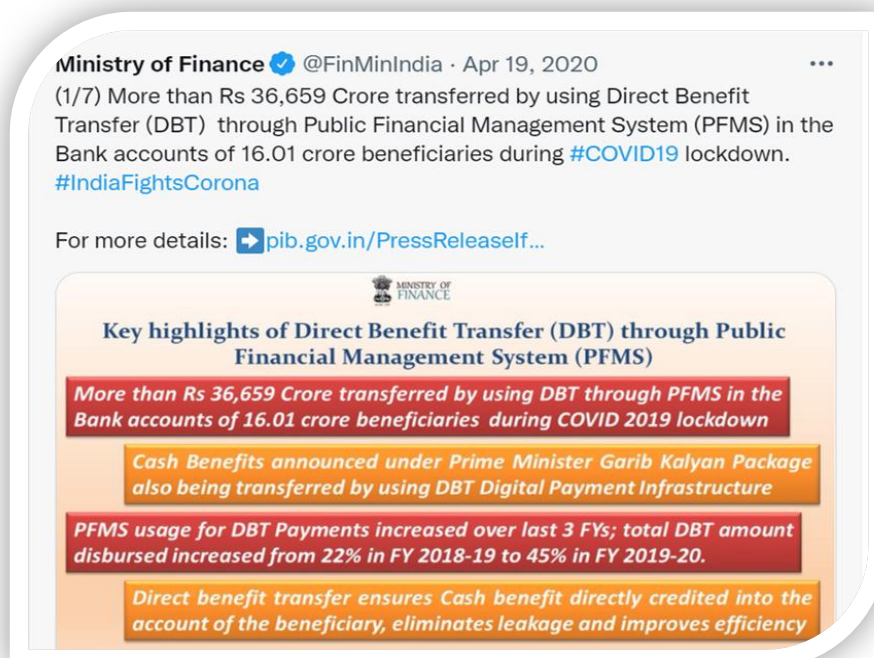
³<https://dbtbharat.gov.in/>

⁴<https://dbtbharat.gov.in/page/frontcontentview/?id=MTc=>

⁵<https://dbtbharat.gov.in/page/frontcontentview/?id=MTc=>

Objectives of DBT are:⁶

- Curbing pilferage and duplication
- Accurate targeting of the beneficiary
- **Reduced** delay in payments
- Electronic transfer of benefits, minimizing levels involved in benefit flow



[Source](#)

Components of DBT⁷

Primary components in the implementation of DBT schemes include Beneficiary Account Validation System, a robust payment and reconciliation platform integrated with [RBI](#), [National Payments Corporation of India](#) (NPCI), Public & Private Sector Banks, Regional Rural Banks and Cooperative Banks etc.

Beneficiary Account Validation: These systems constitute workflow based systems for social sector Central Sector, Centrally Sponsored and State linked schemes and include functionalities such as application for scheme by beneficiary with details of bank account/Aadhaar, examination by scheme owners for eligibility of the beneficiary under scheme guidelines, initiate verification of bank account/Aadhaar, initiate payment through Fund Transfer Order etc.

Payment and Reconciliation: On the selection of valid beneficiaries, the Scheme IT systems initiate the payment by sending payment instructions to PFMS which in turn is routed to banks after necessary validation of beneficiaries. PFMS evolved as a robust payment and reconciliation platform integrated with 500+ banks for verification of bank account of

⁶ [More than Rs 36,659 crore transferred by using Direct Benefit Transfer \(DBT\) through Public Financial Management System \(PFMS\) in the Bank accounts of 16.01 crore beneficiaries during COVID 2019 lockdown \(pib.gov.in\)](#)

⁷ <https://www.nic.in/blogs/direct-benefit-transfer-a-blessing-during-the-time-of-pandemic/>

beneficiary and for verification if Aadhaar seeding of bank accounts of beneficiary, with NPCI. This pre-validation of beneficiary account/Aadhaar linked bank, drastically brought down the failure of the payments as well as the delays in amount being available in the hands of beneficiary.

Core Banking Solutions: Banks being the last mile delivery channels, play a very critical role in the DBT process flow. As all account based payments are routed through the core banking channels, processing efficiency at this stage coupled with flow of reverse Management information system (MIS) imparted the desired momentum to the DBT programme.

Aadhaar Payment Bridge (APB): Aadhaar Payment Bridge (APB) System, one of the unique payment systems implemented by NPCI, uses Aadhaar number as a central key for electronically channelizing the Government benefits and subsidies in the Aadhaar Enabled Bank Accounts (AEBA) of the intended beneficiaries. NPCI creates an Aadhaar mapper in order to facilitate the transfer of funds. This mapper is the backbone of Aadhaar Payments Bridge (APB) where information pertaining to the Banks seeded with the Aadhaar number is maintained in the mapper based on which NPCI routes payments to the destination Bank and credit accorded to the DBT beneficiary.

Benefits of DBT:⁸

- DBT and other governance reforms have led to removal of duplicate/ fake beneficiaries and plugging of leakages etc., as a result of which the government has been able to target the genuine and deserving beneficiaries.
- DBT will bring efficiency, effectiveness, transparency and accountability in the Government system and infuse confidence of citizens in governance.
- Use of modern technology and IT tools will help realize the dream of Maximum Governance, Minimum Government. DBT is among the high priority and focus area of the Government.



[Source](#)

⁸<https://dbtbharat.gov.in/page/frontcontentview/?id=MTc=>

Estimated savings/ benefits from some of the Schemes are as illustrated in the table below:⁹

Ministry/ Department	Scheme	Estimated Savings / Benefits (in Rs. Cr)			Remarks
		Cumulative upto March 2020	April 2020 to March 2021	Cumulative upto March 2021	
Department of Fertilizers	FERTILIZER	10,000.00	0	10,000.00	Reduction of 120.88 Lakh Metric Tonnes of fertilizer sale to retailers.
Department of Rural Development	MGNREGS	25,672.36	7,803.11	33,475.47	Based on field studies Ministry has estimated 10% savings on wages on account of deletion of duplicate, fake/ non-existent, ineligible beneficiaries.
Department of Rural Development	NSAP	524.31	6.41	530.72	Deletion of 9.53 lakh duplicate, fake/ non-existent, ineligible beneficiaries (including some due to migration, death etc.).
Ministry of Women and Child Development	OTHERS	1,523.75	0	1,523.75	Reduction of 98.8 lakh duplicate, fake/non-existent beneficiaries.
OTHERS	OTHERS	1,120.69	35.86	1,156.55	
Ministry of Petroleum and Natural Gas	PAHAL	71,301.00	1,608.58	72,909.58	4.11 crore duplicate, fake/ non-existent, inactive LPG connections eliminated. In addition there are 1.79 crore Non-subsidized LPG consumers, including 1.08 crore 'Give It Up' consumers.
Department of Food and Public Distribution	PDS	66,896.87	34,700.00	1,01,596.87	Deletion of 3.99 crore duplicate and fake/ non-existent Ration Cards (since 2013 till 2020)
Ministry of Minority Affairs	SCHOLARSHIP SCHEME	1,022.15	417.82	1,439.97	Deletion of 21.62 lakh duplicate, fake/ non-existent beneficiaries.
Department of Social Justice and Empowerment	SCHOLARSHIP SCHEME	335.52	0	335.52	Deletion of 1.91 lakh duplicate, fake/non-existent beneficiaries.
		1,78,396.65	44,571.78	2,22,968.43	

[Source](#)

Since a bank account is needed for DBT, a key initiative towards this purpose is the Pradhan Mantri Jan Dhan Yojna (PMJDY), which is one of the biggest financial inclusion initiatives in the world. PMJDY was announced by Prime Minister Narendra Modi in his Independence Day address on 15 August, 2014. While launching the programme on 28 August, the Prime Minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle. Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. As informed by banks, about five crore PMJDY account holders receive direct benefit transfer (DBT) from the Government under various schemes.¹⁰

Progress of DBT in Uttar Pradesh

Uttar Pradesh, being home to the largest segment of population in the country, has been one of the top gainers of Central Direct Benefit Transfer Schemes. As per Government of India's DBT website, in the financial year 2021-22, a cumulative amount of **Rs 75984.01 crore** has been transferred to the beneficiaries in the state under **146 schemes**.



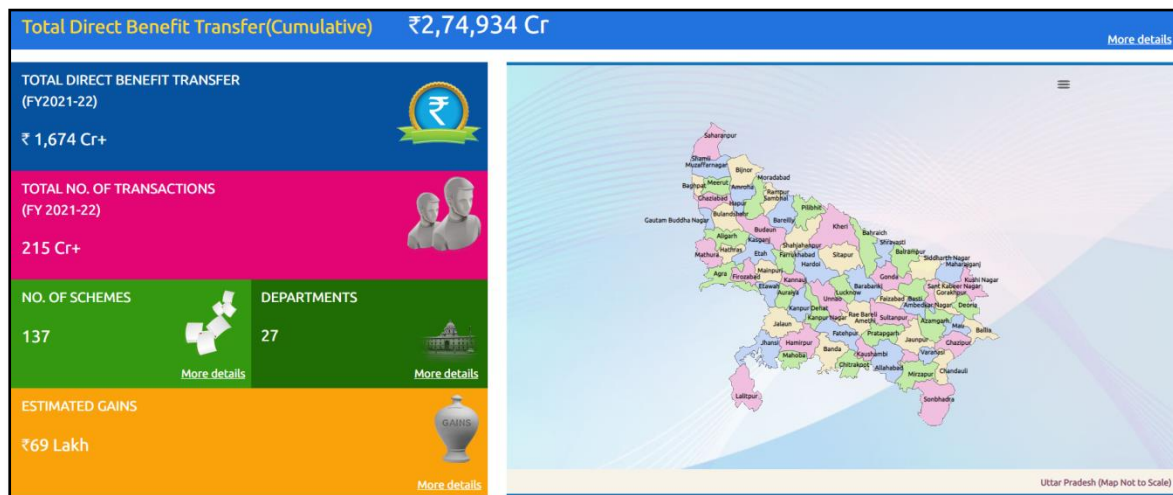
[Source](#)

⁹ <https://dbtbharat.gov.in/estimatedgain>

¹⁰ <https://pib.gov.in/PressReleasePage.aspx?PRID=1749749>

Under the state government schemes, the cumulative DBT is **Rs 274934 crore**. For the financial year 2021-22, it amounts to **Rs 1674 crore under 137 schemes of 27 Departments**. The total number of DBT transactions in the financial year 2021-22 is over 215 crore and estimated gains through these transactions is Rs 69 lakh.

Details are illustrated in the images below:



[Source](#)

Major Central schemes seeded with DBT:

PM Kisan Samman Nidhi (PM-KISAN): [The Pradhan Mantri Kisan Samman Nidhi \(PM-KISAN\) Scheme](#) is a Central Sector Direct Benefit Transfer (DBT) Scheme, under which, financial assistance of Rs.6000/- per annum is provided to all landholding farmer families across the country, subject to certain exclusion criteria relating to higher income strata, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs. The amount is transferred in three four-monthly instalments of Rs. 2000/- each, directly into the bank accounts of the beneficiary farmers identified by the State/UT Governments. Payment is done on the basis of Aadhaar seeded data of beneficiaries.¹¹ The Scheme was formally launched on [24 February, 2019 by the Prime Minister Shri Narendra Modi](#) at a grand function at Gorakhpur, Uttar Pradesh.¹²

The entire responsibility of identification of beneficiaries rests with the State / UT Governments. The financial benefits are released to the beneficiaries on the basis of the data of farmers prepared and uploaded by them on the PM-Kisan web-portal.¹³ [The number of beneficiaries of PM-KISAN in Uttar Pradesh as on 20-02-2020 is 1,87,64,926.](#)

BENEFICIARIES OF PM-KISAN AS ON 20-02-2020	
STATES/UTS	NUMBER OF FARMERS/FAMILIES
Uttar Pradesh	1,87,64,926

[Source](#)

¹¹ <https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=1705519>

¹² <https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=1705519>

¹³ <https://pib.gov.in/PressReleasePage.aspx?PRID=1604017>

Prime Minister Narendra Modi launched the transfer of Rs 2000 each totalling Rs 19500 crore to over 9.75 crore farmers all over India under PM Kisan Samman Nidhi scheme on August 9, 2021. Central government has transferred more than 1.57 lakh crore in nine instalments under the scheme to eligible farmers.¹⁴



Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS): MGNREGS is a demand driven wage employment programme which provides for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. During the Financial Year 2021-22 (as on 23.07.2021), around 99.5 per cent Fund Transfer Orders (FTOs) have been generated within 15 days from the date of closure of the Muster Roll.¹⁵

In order to streamline the system of fund flow and to ensure timely payment of wages, electronic Fund Management System (eFMS) was implemented in 2016. So far 25 States and 3 Union Territories have implemented it, wherein payment of wages is being credited directly to the bank/post office accounts of Mahatma Gandhi NREGS beneficiaries by the Central Government through Direct Benefit Transfer (DBT).¹⁶

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) being a demand driven scheme, no State/UT- wise fund allocation is made. [Central fund released for Uttar Pradesh under Mahatma Gandhi NREGS during financial years 2018-19 is Rs 5464.65 crore, for 2019-20 is Rs 6240.17 crore and for 2020-21 is Rs 12257.35 crore.](#)

With a view to achieving transparency and accountability, the Government has been taking all steps to achieve 100 per cent payment of wages in the bank account of Mahatma Gandhi NREGA workers and accordingly emphasise on social audit of works.¹⁷

Pradhan Mantri Matru Vandana Yojna: Pradhan Mantri Matru Vandana Yojana (PMMVY) Scheme enables beneficiaries to receive the scheme benefits through Direct Benefit Transfer (DBT) in furtherance of the objectives of encouraging improved health

¹⁴<https://pib.gov.in/PressReleasePage.aspx?PRID=1744154>

¹⁵<https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=1739618>

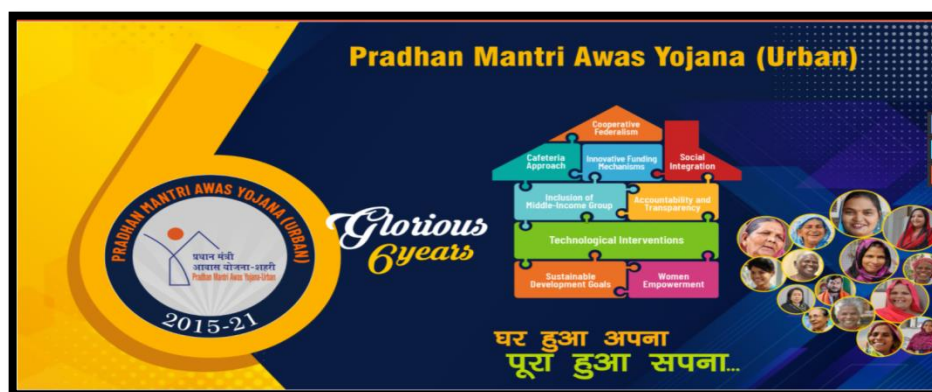
¹⁶<https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=1739618>

¹⁷<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1700307>

seeking behavior among Pregnant Women and Lactating Mothers (PW&LM).¹⁸ From 01.01.2017, the Maternity Benefit Programme has been implemented in all the districts of the country in accordance with the provision of the National Food Security Act, 2013.¹⁹ [Number of beneficiaries provided maternity benefits under Pradhan Mantri Matru Vandana Yojana during the calendar year 2020 in Uttar Pradesh is 13,11,349.](#)

Pradhan Mantri Awaas Yojana- Gramin (PMAY-G): Under PMAY-G, a total of 50,09,014 houses were sanctioned during 2020-21, out of which, 34,00,006 PMAY-G houses have been completed. The PMAY-G aims at providing 2.95 crore houses to the eligible rural population in the country so as to achieve the objective of “Housing for All”.²⁰

Based on the project proposals submitted by the States/ UTs as per their assessed demand of houses under the Scheme, around 113 lakh houses have been sanctioned. Against the total sanctioned houses, 84.40 lakh have been grounded for construction and over 50 lakh have been completed and delivered to the beneficiaries. For completion of sanctioned houses, Central Assistance of ₹1.82 lakh crore has been approved, of which ₹1.06 lakh crore have been released to States/ UTs/ Central Nodal Agencies. The total release made to the States/UTs in FY 2021-22 under the PMAYG scheme is Rs.7775.63 crore.²¹



[Source](#)

Direct Benefit Transfer for LPG: “Pratyaksh Hanstantrit Labh” - PAHAL Scheme was initially rolled out in 291 districts in the country starting from 1 June, 2013 in six phases. The government had comprehensively reviewed the scheme and after examining the difficulties faced by the consumer substantively modified the scheme prior to launch. The modified scheme had been re-launched in 54 districts on [15.11.2014](#)²² in the 1st Phase and launched in the rest of the country on 01.01.2015.

Minister of State in the Ministry of Petroleum and Natural Gas Shri Rameswar Teli on 11 August, 2021 [informed the Rajya Sabha in a written reply](#) that the LPG customers, who have joined the PAHAL Scheme, are cash transfer compliant. As on 01.07.2021, out of total 29.11 crore LPG customers, 27.27 crore have joined the Scheme and they are Cash Transfer Compliant (CTC).²³

¹⁸ <https://services.india.gov.in/service/detail/pradhan-mantri-matru-vandana-yojana-scheme>

¹⁹ <https://dbt.bharat.gov.in/successstory/view?id=TVRNPQ==>

²⁰ <https://pib.gov.in/PressReleasePage.aspx?PRID=1739613>

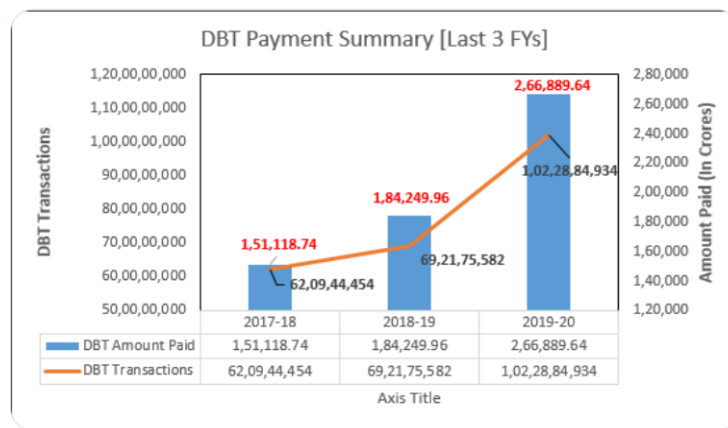
²¹ <https://pib.gov.in/PressReleasePage.aspx?PRID=1773447>

²² <http://petroleum.nic.in/dbt/whatisdbtl.html>

²³ <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1744757>

Ministry of Finance @FinMinIndia · Apr 19, 2020

(6/7) PFMS usage for DBT Payments has increased over last #3 FYs wherein Transaction count increased to 11% during FY 2018-19 (compared to FY 2017-18) and 48% in FY 2019-20. The total DBT amount disbursed increased from 22% in FY 2018-19 to 45% in FY 2019-20.



[Source](#)

Details of other DBT-onboarded Schemes in Uttar Pradesh can be found [here](#).

References:

1. PIB Press Release [Direct Benefit Transfer \(DBT\) Scheme](#) Dated December 29, 2017.
2. PIB Press Release [Operationalisation of Electronic Transfer of Funds](#) Dated February 25, 2019.
3. PIB Press Release [Implementation of DBT Scheme](#) Dated February 7, 2020.
4. PIB Press Release [Direct Benefit Transfer \(DBT\) in Bank accounts](#) Dated April 20, 2020.
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6. PIB Press Release [More than Rs 36,659 crore transferred by using Direct Benefit Transfer](#) Dated April 19, 2020.
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9. PIB Press Release [PM-KISAN Scheme completes one year](#) Dated February 24, 2020.
10. PIB Press Release [PM KISAN Samman Nidhi](#) Dated August 9, 2021.
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12. PIB Press Release [PM releases 9th installment of PM-KISAN](#) Dated August 9, 2021.
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19. PIB Press Release [Around 99.5 % Fund Transfer Orders \(FTOs\) have been generated](#) Dated July 27, 2021.
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25. PIB Press Release [Pradhan Mantri Awaas Yojana – Gramin completes 5 years](#) Dated November 20, 2021.
26. <https://dbtbarhat.gov.in/scheme/scheme-list>
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Video References:

1. PM speaks on PM Samman Nidhi https://www.youtube.com/watch?v=lq9ubS6o_BI
2. NEWS- PM reviewed the progress of UID and DBT <https://www.youtube.com/watch?v=fAKNF87rPUs>

Further Reading:

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3. <https://www.hindustantimes.com/india-news/government-has-saved-rs-65-000-crore-through-dbt-schemes-niti-aayog-ceo-amitabh-kant/story-VoMiqCEER30kHyuayPqQWJ.html>
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Tweets:

1. <https://twitter.com/pmoindia/status/1321053605575548929?lang=en>

AG/HP/RC/SA/JA