DIRECT BENEFITS
TRANSFER SCHEME
DIRECT BENEFITS TRANSFER

FOREWORD

There are many schemes and programmes of the Government of India under which many benefits are provided to the people such as subsidies, scholarships to students, benefits for feeding and pregnant mothers, and micro credit to poor women. Till now the beneficiaries were not getting this amount directly in their bank accounts. Also, there were cases where the intermediary officers would ask for a ‘cut’ or ‘commission’, and there were leakages in the benefits reaching the true beneficiaries.

The Government of India has now started the Direct Benefits Transfer scheme. With this scheme, the beneficiaries get the amount directly in their bank accounts. This is presently being done in 25 schemes which include many scholarship schemes where the money is deposited directly in the account of the student, and housing subsidy for Beedi workers, stipend for SC/ST for coaching, guidance and vocational training, and micro credit to women. From 1 June 2013, the scheme will also cover cooking gas cylinders. From 1 July 2013, 121 districts will be benefited through this scheme. DBT will be expanded to include schemes run through Post office Accounts from 1st of October, 2013.
Getting money directly to the beneficiary’s account under welfare schemes was something that the people in the village Dimapur had never known. So when they got to know that the Central Government had started this unique Direct Benefits Transfer scheme, everyone was excited about it. The sarpanch of the village has invited Prof. Viren Kumar who teaches in a nearby government college, who knows about the scheme at a meeting arranged at the village chaupal, to educate the people about this new step by the Central Government.

Raju: Viren Bhaiya, first of all tell us the meaning of Direct Benefit Transfer?

Prof. Viren: You know there are several Central Government schemes under which you can get subsidy, stipend, scholarship or other monetary benefits. ‘Direct Benefits Transfer’ or ‘DBT’ means direct transfer of the cash to the beneficiary’s bank account.

Raju: Can you explain through an example?

Viren: Why not. Supposing a woman is entitled to get some money under the Janani Suraksha Yojana. Now the money will be directly deposited in her account.

Goverdhan: Very good. Does that mean no one else but the person who is entitled to will get the money?

Viren: Goverdhan Chacha you are very right. That is what the Central Government wants. The money should go to only the beneficiary. Under DBT there is no scope left for some corrupt people to pocket the money meant for beneficiaries by fraudulent means. There are corrupt officers who demand ‘commission’ to give the beneficiary their entitlement. With this scheme, they will not be able to do so. There have been so many cases where you put your signatures
or give your thumb impression for some amount which you are entitled to under some social welfare scheme but actually you do not get full money. Now this cannot happen because money will be directly deposits to your bank account. Also in this case there is no scope for duplication. So it is ‘Aap Ka Paisa Aap Ke Haath’.

**Master Hetram:** Will it not also simplify the process of delivery of money to the beneficiary?

**Viren:** You are absolutely right.

**Gomti:** Viren Bhaiya, you mentioned that the money will be transferred directly in one’s bank account which means one must have a bank account?

**Viren:** Yes this is necessary as of now. But DBT will be expanded to include post office and schemes run through Post office Accounts from 1st of October. So then you can get DBT to be transferred to your postal account as well.

**Gomti:** Why not now?

**Viren:** Because Post offices need to become ready for this through some changes in this set-up. When this is done, the beneficiary can get his/her money from any Post office throughout the country.

**Goverdhan:** But if there is no bank in our village and the post office is yet not ready, what happens in such cases?

**Viren:** In such cases, the Central Government is also deputing what are called ‘banking correspondents’. They are representatives of banks who help villagers open bank accounts. The Banking Correspondent carries a small machine called
‘Micro ATM’ with him. The villager gives his/her thumb impression and his or her account is opened after verification and thereafter money can be withdrawn.

**Vinod:** What are these Micro ATMs?

**Viren:** They are small devices meant for removing small amounts of money. The money can be withdrawn from their Aadhaar enabled bank account by this small device.

For the purpose of DBT coverage, efforts are being made to ensure that all micro ATMs that are procured, are Aadhaar enabled.

**Vinod:** Does that mean that an Aadhaar number is necessary for DBT?

**Viren:** Yes, it is necessary but as of now it is not compulsory because everybody does not have an Aadhaar card. The Central Government is making all efforts to expand Aadhaar services. As the Aadhaar card will help you with other benefits, it is important to have this card.

**Gaytri:** Does it mean that, while for now one can get the benefit of DBT by simply having a Bank account but one must get Aadhaar number for this and other future benefits?

**Viren:** Yes, you are right.

**Ganesh:** Viren Bhai, are all the centrally sponsored schemes covered by DBT?

**Viren:** No Ganesh, at present 25 schemes are covered. They are provided by Central Government or sponsored by it.

**Banarsidas:** What are these schemes?
Viren: Seventeen of these are scholarship related schemes under various ministries. Others are Indira Gandhi Matritva Sahyog Yojana, Dhanlakshmi scheme, Janani Sureksha Yojana, housing subsidy for Beedi workers, stipend for SC/ST for coaching, guidance and vocational training, stipend to trainees under the skill development scheme in left extremism affected 34 districts.

Basu, a student of class X wanted to know more about the scholarship schemes covered under DBT.

Viren: These schemes are covered under DBT as of now - Post Matric Scholarship for SC students, Pre matric Scholarship for SC students, Pre- Matric scholarship for children of those engaged in unclean occupations, Upgradation of Merit of SC students, Post Matric scholarship for OBC’s, Top Class Education Scheme, Fellowship Schemes of UGC, Fellowship scheme of AICTE, National Means Cum Merit Scholarship, National Scheme for Incentives for the Girl Child for the Secondary education, Post Matric Scholarship Scheme for ST, Top Class Education System, Rajiv Gandhi National Fellowship, Matric scholarship scheme under Minority Affairs, Maulana Azad National Fellowship, Merit Cum means Scholarship scheme, Scholarship to the children of Beedi workers.

Anand: Are all beneficiaries getting DBT for these schemes?

Viren: No, not as yet. The DBT was launched on 1 January 2013 in 43 districts in 16 states and Union territories for these 25 schemes. The second phase will be launched on the 1st of July 2013 when 78 more districts will be added. Thus in all, 121 districts would get covered under DBT.

Vidya: Are there more schemes planned to be covered by DBT?
Viren: Yes, three pension schemes under the Rural Development Ministry for old age, disability and widow pension schemes will also be included for DBT. This will start from 1.7.2013 in all 121 districts. DBT rollout for MGNREGA Scheme may start from 1.10.2013.

Vidya: I hear that very soon people will even start getting subsidy for cooking gas directly into their account.

Viren: Yes, you are right. The central government has launched Direct Benefit Transfer for LPG scheme in 20 districts from the 1 June 2013. But for that Aadhaar number is a must.

Vaishali: This is really good news. Do you mean to say that subsidy for the LPG cylinder will be deposited in our account?

Viren: You see Vaishali Behan, every one gets subsidy on cooking gas cylinder. At present the consumers are getting a subsidized gas cylinder from the market and the companies that provide the cylinders get the subsidy.

Vaishali: Does it mean that we will get the cylinder at market price but subsidy amount will be deposited in our bank.

Viren: You are right, Vaishali Behan.

Beena, who lived in a city but was visiting her parents in the village wanted to know what was the need for DBT for LPG because it was much easier to get it directly at the subsidized rate.

Viren: Beena you are right. But in this case the subsidy money will directly go to the consumer’s account and not to the distributer’s account. This will reduce
the chances of leakages and prevent black marketing in the sale of cooking gas cylinders.

**Vaishali:** Tell us what the process is?

**Viren:** All Aadhaar linked domestic LPG consumers in these 20 districts will get an advance subsidy amount for one month in their bank account as soon as they book the first subsidized cylinder even before delivery. This is to reduce their financial burden when they purchase the first LPG cylinder after launch of scheme at market rate. Once the first cylinder is delivered to such consumers, subsidy eligible on date of delivery will again get credited in the bank account, which will then be available for the purchase of the next cylinder at market rate.

**Vaishali:** For how many cooking gas cylinders will the subsidy be deposited?

**Viren:** One can get subsidy for up to 9 cooking gas cylinders in a year and which will be directly transferred to the Aadhaar enabled bank account of the consumer.

And I must tell you for this scheme, people will have to get an Aadhaar number. They can also open a bank account with Aadhaar number if they do not have one. Consumers who do not provide Aadhaar will continue to get LPG cylinders at market price.

**Bansidevi:** What is the process, Viren Bhai?

**Viren:** If one already has a bank account then get it linked with Aadhaar number in the bank branch.

Also provide your Aadhaar numbers to LPG distributors for linking with LPG consumer number.
**Vaishali:** How can we find out whether Aadhar number has been attached to the LPG consumer number and bank account?

**Viren:** For the benefit of LPG consumers, companies that provide the cylinders have provided the facility on their web-sites to check whether the Aadhaar number has been attached to LPG consumer number/bank account.

**Ganesh:** And what if one cannot complete the formalities by the 1st of June?

**Viren:** In such cases people in these districts will be given 3 months grace period to complete their formalities. After this period, all consumers who have not completed the formality will get LPG cylinders at market price, without any subsidy, till they complete the same.

**Raghubir:** We sometimes do not get any information about various schemes of the Central Government. Where can we get this information?

**Viren:** Information on various schemes of the Central Government is available at the Public Information Campaigns which the Central Government holds in the districts from time to time. Information can also be got from the Panchayat Ghar and the District Collector’s office about the different schemes.

**Govardhan:** Viren as you said, it is truly ‘Aap Ka Paisa Aap Ke Haath’. I hope more schemes will be covered under DBT and the whole of the country will be covered. Thank you, Viren Bhai.

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