

DIRECT BENEFIT TRANSFER

Payments via Aadhaar bridge jump in April

Total disbursements via the direct benefit transfer route stand at ₹9,826 crore

PRASANTA SAHU
New Delhi, May 22

WHILE DISBURSEMENTS VIA the direct benefit transfer (DBT) channel stood at ₹9,826 crore in April 2017, up 7% year-on-year, there has been a much sharper rise in payments via the Aadhaar Payment Bridge (APB).

Payments via APB in April jumped 113% year-on-year to ₹4,209 crore. Moreover, as a share of total transfers this was a much higher 43% compared to just 21.57% in April 2016. The remaining payments under DBT were made via other electronic transfers, including NEFT.

Even though 138 of 500 eligible central schemes are currently on board for DBT, the bulk of the disbursements in April this year was seen in three major schemes —

CASH IN HAND

(₹ cr)

- DBT disbursements
- Disbursements via Aadhaar Payment Bridge



₹5,644 cr

Average monthly DBT transfers in 2016-17



₹1,834 cr

Average monthly APB transfers in 2016-17

MGNREGS (₹3,937 crore), Pradhan Mantri Awas Yojana-Grameen (₹2,751 crore) and LPG-PAHAL (₹2,584 crore).

Beneficiaries getting subsidies through DBT payments into their bank accounts stood at 30.85

crore in April 2017, of which 27.48 crore or 89% were seeded with Aadhaar. "This is work in progress (transfers via APB), but, I am sure it will gather momentum in the near future," finance secretary Ashok Lavasa told *FE* recently, when asked about the slow progress in such transfers.

The Centre had managed to transfer close to ₹68,000 crore to intended beneficiaries using DBT in the last fiscal. While overall DBT transfers didn't grow much over those in 2015-16, transfers via APB saw a 32% rise. The government's annual target of ₹3 lakh crore, across a host of welfare payouts, is still some time away and has been slow given the tardy progress in disbursement of food and fertiliser subsidies. These amount to ₹2 lakh crore annually or roughly two-thirds of the government's annual bill for social security and entitlements.

Based on the experience of the DBT pilot in 19 districts, Lavasa had said that fertiliser subsidy would see a faster roll-out through the DBT mode this year.

Continued on Page 2

Payments via Aadhaar bridge

jump in April

DBT IN FOOD would depend on outcome of the pilot. While DBT-cash may be preferred option in urban areas, the government would roll out DBT-in-kind in rural areas by installing Aadhaar-enabled point of sale machines at PDS outlets to deliver food grains/kerosene directly to accurately identified beneficiaries.

Considering only 33% or a third of DBT fund transfers were through APB in 2016-17 and 27% in the previous year, April 2017 data indicated that the government could be finally pushing such transfers vigorously in the current fiscal. The DBT enabler, JAM (Jan Dhan, Aadhaar and Mobile), has resulted in cumulative savings of ₹49,500 crore for the Centre in subsidies such as on cooking gas, food, wages under the employment guarantee Act etc, since FY15.