

**Minutes of the meeting on Payment Failures in DBT Schemes held on 29.01.2019 at 4.30 pm in Department of Financial Services, Jeevan Deep Building, Sansad Marg, New Delhi under chairmanship of Joint Secretary (FI)**

A meeting was held on issues relating to payment failures in Direct Benefit Transfer (DBT) schemes on 29.01.2019 under chairmanship of Joint Secretary (FI) in Department of Financial Services (DFS), New Delhi with representatives from DBT Mission, State Bank of India, Central Bank of India, Bank of India, and National Payments Corporation of India (NPCI). Representatives from Reserve Bank of India (RBI) joined through video conference. List of participants is enclosed.

2. Joint Secretary, DFS welcomed the participants and broadly flagged the issues in respect of payment failure under different DBT schemes as received from DBT implementing ministries/ Department and DBT Mission. Director (FI) informed that as per the data on payment failure received from DBT mission, about 92% of the payment failures pertains to three banks viz. State Bank of India, Central Bank of India, Bank of India and remaining 8% pertains to various other banks. In view of this, these three banks have also been called in this meeting to ascertain their views/ response for such failure.

3. Director, DBT Mission highlighted about the avoidable cases of DBT payment failure. He also emphasised that based on the extant guidelines issued by RBI and the Government, the payment failure cases could be minimised to the extent possible.

4. Based on the detailed discussion following decisions are taken during the meeting:

(I) DBT Mission would advise the DBT implementing Ministries to ensure the following:

- i. Beneficiaries to provide Pradhan Mantri Jan Dhan Yojana (PMJDY)/ Basic Saving Bank Deposit (BSBD), regular Savings Bank (SB) account number, not PPF/loan/FD/RD account number, to receive DBT. Accounts opened under PMJDY do not require to maintain minimum balance.
- ii. The bank account number should be correct and complete
- iii. Beneficiaries to ensure that their name (complete), gender in the list of the beneficiaries maintained by the DBT implementing Ministry are same as those available in the database of the bank in which they have their account and also in Aadhaar, if applicable.
- iv. Beneficiaries to be requested to update their KYC in respect of account in use for receiving DBT. They may also request their Bank to convert their small accounts (tiny in case of SBI), if any, into regular PMJDY accounts after KYC updation.

- v. As per D/o Expenditure OM dated 28.2.2016, all DBT are to be routed through NPCI (either Aadhaar payment bridge or NACH). All concerned should be suitably advised in this matter.

**(Action: DBT Mission)**

(II) Banks need to ensure the following to minimise cases of DBT payment failure:

- i. Beneficiaries receiving DBT under various government schemes should be encouraged to open accounts under Pradhan Mantri Jan Dhan Yojana (PMJDY) so that there is no requirement of maintaining minimum balance. In this regard, earlier communication of this Department vide letter no. FR-9/39/2018-FI (C-300400873) dated 08.11.2018 is enclosed.
- ii. All KYC updated PMJDY accounts are to be converted into regular BSBD accounts instead of treating them as small account (tiny in case of SBI) In this regard, earlier communication of this Department vide letter no. 1/9/2014-FI (Pt.X) (C-69241) dated 30.09.2016 and 15.03.2017 are enclosed.
- iii. DBT flow should be allowed into inoperative/dormant accounts following RBI circular, dated 17.9.2013 (copy enclosed).
- iv. After seeding of Aadhaar number of DBT beneficiary in CBS of bank is completed, concerned bank should thereafter ensure that the same is also mapped on NPCI mapper.
- v. In case of account is closed / beneficiary expired, the same should be de-seeded from NPCI mapper as well.
- vi. To provide specific error code so that corrective measure could be taken instead of giving miscellaneous error code and giving descriptive text for the reason of failure.
- vii. In respect of DBT payment to small accounts, the earlier communication of this Department vide letter no. 1/21/2014-FI (C-69551) dated 01.06.2018 may also be referred to.

**(Action: Banks)**

(III) RBI to provide sub-coding under R-11 rejection code.

**(Action: RBI)**

(IV) DBT Mission to share details of NEFT rejections to RBI so that corrective measures could be taken by RBI accordingly.

**(Action: DBT Mission)**

(V) NPCI to share their Standard Rejection codes to RBI.

**(Action: NPCI)**

5. The meeting ended with vote of thanks thank to the Chair.

## Annexure

Meeting on issues relating to payment failures in DBT schemes held in DFS on 29.01.2019

### List of participants:

1. Shri Bhushan Kumar Sinha, Joint Secretary (FI), DFS
2. Ms. Anindita SinhaRay, Director (FI), DFS
3. Shri Arun Sharma, Director, DBT Mission
4. Ms. Shalini Gupta, Deputy Director, DBT Mission
5. Shri Pankaj Jindam, RBI, Mumbai (through VC)
6. Shri P. C. Tamta, DGM, SBI
7. Shri Y.P. Arora, AGM, SBI
8. Shri Deepak Kumar, CM-IT, Central Bank of India
9. Shri Dinesh Rawat, Manager, Central Bank of India
10. Shri Arun Prasad Jadiyahana, Chief Manager, Bank of India
11. Ms Cherry Dhillon, Deputy Manager, NPCI
12. Shri Pratap Parida, NPCI
13. Shri Sahil Sharma, NPCI
14. Shri Gaurav Loomba, NPCI
15. Shri Amit Kumar, PNB
16. Shri G B Panda, GM, BoB
17. Shri S.K. Verma, BoB

F.No. FR -9/39/2018-FI (C- 300400873)  
Government of India  
Ministry of Finance  
Department of Financial Services

3rd Floor, Jeevan Deep Building  
Sansad Marg, New Delhi - 110001  
Dated: 8<sup>th</sup> November, 2018

To,  
Chairman/ MD& CEOs of Public Sector Banks and Major Private Sector Banks

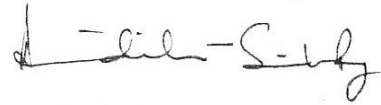
**Subject: Regarding Minimum Balance in Bank Accounts.**

Sir/Madam,

This department has been receiving various references regarding beneficiaries receiving Direct Benefit Transfer (DBT) under various government schemes are being penalized by banks for not maintaining minimum balance in their accounts. This is causing a huge inconvenience to the beneficiaries.

2. As you are aware, Jhan Dhan accounts are Basic Savings Bank Deposit(BSBD) accounts in nature, without the requirement of maintaining minimum balance. You are therefore requested to issue suitable instructions to the branches/ Banking Correspondents(BCs) so that beneficiaries under different government schemes receiving subsidies through DBT are encouraged to open accounts under Pradhan Mantri Jan-Dhan Yojana (PMJDY). This will enable them to avail benefits under various government schemes in a seamless manner.

Yours faithfully,



(Anindita SinhaRay)

Director (FI)

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Copy to:

- (1) All SLBC Convenors
- (2) Indian Banks Association(IBA)