

Payments via Aadhaar jump 132% y-o-y in May

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New Delhi, June 27

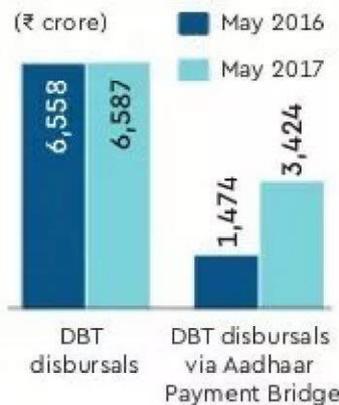
DISBURSEMENTS VIA the direct benefit transfer (DBT) channel were at ₹6,587 crore in May 2017, only moderately higher than in the corresponding month a year ago, but there has been a much sharper rise in payments via the Aadhaar Payment Bridge (APB).

Payments via APB in May jumped 132% year-on-year to ₹3,424 crore. Moreover, as a share of total transfers this was a much higher 52% compared to 43% in April this year and just 22% in May 2016. The remaining payments under DBT were made via other electronic transfers, including NEFT.

Even though 238 of 500-odd eligible Central schemes are currently on board for DBT, the bulk of the disbursements in May this year was seen in two major schemes — MGNREGS (₹3,468 crore) and LPG-PAHAL (₹1,967 crore).

Considering only about a third of DBT fund transfers were through APB in 2016-17 and 27% in the previous year, May 2017 data indicated that the government could be finally

Aadhaar-linked DBT picks up



DBT transfers



pushing such transfers vigorously in the current fiscal.

The DBT enabler, JAM (Jan Dhan, Aadhaar and Mobile), has resulted in savings of ₹20,885 crore in 2016-17 for the Centre in subsidies such as on cooking gas, food, wages under the employment guarantee Act etc. Cumulative savings stood at ₹57,029 crore since FY15.

Beneficiaries getting subsi-

dies through DBT payments into their bank accounts stood at 31.45 crore in May 2017, of which 28.1 crore or 89.34% were seeded with Aadhaar.

The Centre has managed to transfer close to ₹74,607 crore to intended beneficiaries using DBT in 2016-17, up 21% year-on-year. The annual target of ₹3 lakh crore, across a host of welfare payouts, via DBT platform is still some time away and has been slow given the tardy progress in disbursement of food and fertiliser subsidies. These two subsidies amount to about ₹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, fertiliser subsidy would see a faster roll-out through the DBT mode this year, officials have said.

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.