Review of the
Direct Benefit Transfer for LPG Scheme

Committee Report

May 2014, New Delhi

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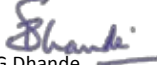
Letter of Transmittal

24th May 2014

Secretary,
Ministry of Petroleum and Natural Gas,
Shastri Bhavan,
New Delhi

Dear Sir,

We hereby submit the report of the committee constituted to review the functioning of the DBTL scheme vide MOPNG letter No P-17018/7/2012-LPG dated 28th February 2014.

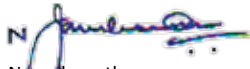Yours Sincerely,

SG Dhande
Chairman

Anil Khandelwal
Member

Saurabh Garg
Member

Anurag Jain
Member

Nidhi Khare
Member

Vijay Madan
Member

AP Hota
Member

SK Chakrabarti
Member
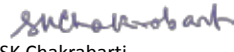
N Jambunathan
Member

Neeraj Mittal
Member

M Nene
Member Secretary

Review of Direct Benefit Transfer for LPG Scheme

Acknowledgement

This Committee acknowledges the active participation, excellent cooperation, and constructive ideas received from all the members of the Committee without which this report would not be possible.

It would also like to acknowledge and appreciate the contributions of the officials of Ministry of Finance, UIDAI, Planning Commission, Registrar General & Census Commissioner of India, National Payment Corporation of India, Oil Marketing Companies, State Bank of India and Other Banks and Ministry of Petroleum and Natural Gas who wholeheartedly participated in the deliberations of the Committee and provided invaluable insights.

It also acknowledges the participation of all LPG distributors, NGOs, Consumer groups, LPG consumers and Citizens who appeared before the Committee and gave valuable suggestions.

The Committee appreciates the excellent administrative and secretarial support provided by IOC for all site visits and enabling interaction with stakeholders of the DBTL scheme. The Committee acknowledges the constant support, ideas and help provided by the officials of the Ministry of Petroleum and Natural Gas without which this report would not be possible.
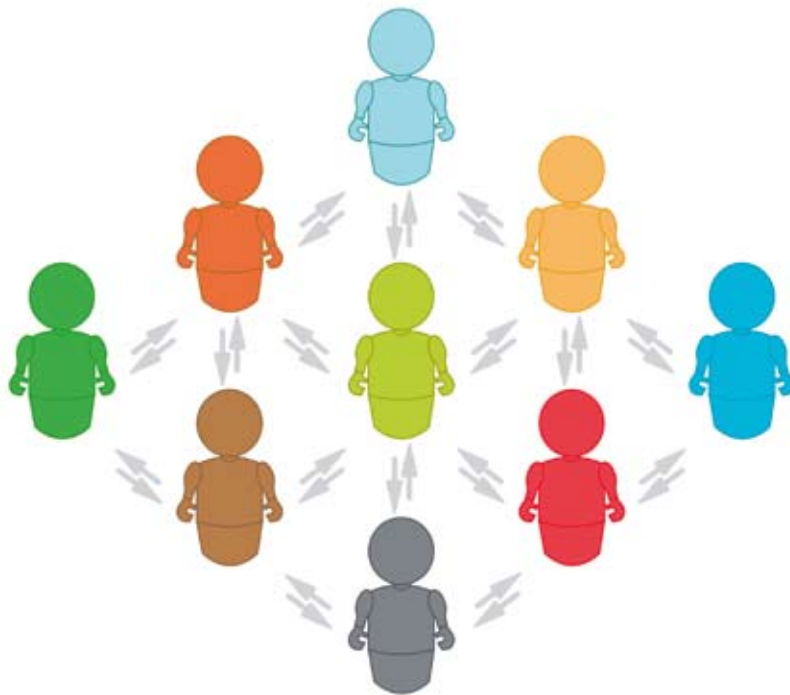
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Executive Summary

The Direct Benefit Transfer for LPG (DBTL) scheme was rolled out in 291 districts in the country from 1st June 2013 in six phases. It covered nearly 10 crore consumers with over 3770 distributors across the three PSU Oil Marketing Companies with an aim to achieve the objective of efficient subsidy administration.

An amount of Rs. 5400 crore was successfully transferred to more than 2.8 crore LPG consumers across the country. While preliminary results indicated that the scheme met its primary objective of curbing leakages in the distribution system, the speed at which it was rolled out and inclusion of low Aadhaar districts gave rise to consumer grievances.

The Government of India took cognizance of this and directed that the scheme be held in abeyance and constituted a Committee on 7th March 2014 to review the scheme and submit its report to the Government of India after consultation with the stakeholders.

The Committee has examined the functioning of the DBTL scheme in depth by meeting all stakeholders to understand every aspect of the scheme and the difficulties encountered by the stakeholders, primarily LPG consumers.

The Committee after a detailed study of the scheme design, architecture and implementation structure, audit reports, consumer feedback and interactions with the stakeholders, strongly recommends that DBTL scheme should be recommenced as it is a very efficient way to disburse subsidies. The Committee recognises that although the scheme design is indeed very robust and scalable which prevents leakages, it has suggested several systemic changes and enhancements to mitigate the hardships reported by the LPG consumers. These have been presented as 30 recommendations covering various aspects of the scheme. The major recommendations are:

- A Centralized Grievance Resolution
- Permanent advance to be adequate to finance refill purchase
- Reimburse LPG subsidy while consumer is waiting to become eligible to receive the subsidy
- A preparatory period prior to scheme launch
- Minimum thresholds for launch of scheme launch and for the end of grace period
- Targeted Enrollment of LPG consumers
- Visibility of NPCI Aadhaar seeding status at all points of contact/SMS/USSD
- Incentivize early adopters of the scheme through a free cylinder
- Improve last mile access to Banking
- Enhance Subsidy Salience

Review of Direct Benefit Transfer for LPG Scheme
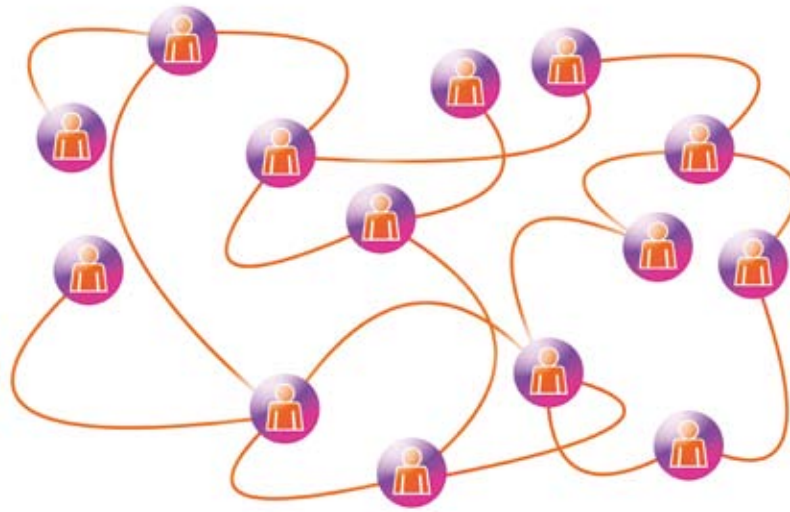
Abbreviations

AEBA	Aadhaar-enabled Bank Account
APB	Aadhaar Payments Bridge
ARS	Aadhaar Registration Sheet
BPC	Bharat Petroleum Corporation
CAG	Comptroller and Auditor General
CBS	Core Banking System
CCPA	Cabinet Committee on Political Affairs
CTC	Cash Transfer Compliant
DFS	Department of Financial Services
DOE	Department of Expenditure
DOF	Department of Fertilizers
EID	Enrollment Identification
eKYC	Electronic Know Your Customer
HPC	Hindustan Petroleum Corporation
IEC	Information, Education and Communication
IOC	Indian Oil Corporation
IT	Information Technology
IVRS	Interactive Voice Response System
KYC	Know Your Customer
LDM	Lead District Manager
LPG	Liquefied Petroleum Gas
MOF	Ministry of Finance
MOPNG	Ministry of Petroleum and Natural Gas
NIC	National Informatics Centre
NPCI	National Payment Corporation of India
OMC	Oil Marketing Company
PDS	Public Distribution System
RASF	Remote Aadhaar Seeding Framework
RBI	Reserve Bank of India
RGI	Registrar General of India
UIDAI	Unique Identification Authority of India

Section I
Introduction

Section I

Introduction

The Direct Benefit Transfer for LPG (DBTL) scheme was rolled out in 291 districts in the country from 1st June 2013 in six phases covering nearly 10 crore consumers with over 3770 distributors across the three PSU Oil Marketing Companies. An amount of Rs.5400 crore was successfully transferred to more than 2.8 crore LPG consumers across the country till 8th March 2014. Preliminary results show that the results expected from the scheme in terms of detection of duplicate connections and reduction in diversion of subsidized LPG cylinders were achieved.

The scheme was innovative, involved multiple stakeholders and was implemented on a large scale over a short period of time. It invoked both praise and criticism based on the individual experiences of the various stakeholders, particularly the consumers. The scheme was both critiqued and supported by media, consumer forums. It also evoked keen interest of policy makers and business analysts.

The scheme implementation was rapidly scaled up from a pilot implementation in 20 districts to 291 districts in a short period of time. This threw up several challenges for the consumers, especially in districts where Aadhaar penetration was low. Thus, the Government of India decided to keep the scheme in abeyance on 7th March 2014 and constituted a Committee (Annexure 1) to review the scheme and submit its report to the Government of India after consultation with the stakeholders.

The Committee was given the task to review the functioning of the DBTL scheme keeping in mind the difficulties experienced by the beneficiaries of the scheme. The Committee was also given the mandate to consult the stakeholders of the scheme and submit its recommendations on improving the scheme design and implementation.

The Committee undertook a detailed study of the scheme design, architecture, salient features, modalities for implementation, audit reports, consumer feedback and had detailed interaction with all the stakeholders before presenting the report. The Committee has made several recommendations to improve the scheme design and implementation which follow in the report and must be implemented to alleviate the problems faced by the consumers.

The Committee strongly recommends that the Direct Benefit Transfer Scheme for LPG should be immediately recommenced as it is one of the most comprehensive systemic re-engineering of the LPG subsidy disbursement mechanism which

- Ensures that the entitlement on LPG reaches the actual LPG consumer.

- Reduces the misuse of subsidised LPG, as the incentive for diversion is eliminated.

- Improves the availability of LPG for genuine consumers.

- Reduces subsidy burden on LPG by preventing diversion and makes available precious resources for alternative purpose

Section II
Genesis of Direct Subsidy Transfer in LPG (DBTL)
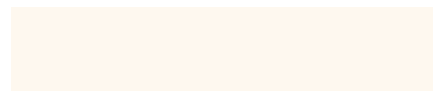
Section II
Genesis of Direct Subsidy Transfer in LPG

2.1 Backdrop

Government of India has been subsidizing important petroleum products such as LPG, PDS Kerosene and Diesel to shield its vulnerable consumers from the high and volatile international fuel prices through budgetary support and upstream subsidy sharing mechanism.

The subsidy burden during 2013-2014 was a whopping Rs. 1398 billion, of which the LPG subsidy alone was Rs. 464 billion. The fact that such a huge amount of subsidy is being provided to consumers imposing an unimaginable burden on the state exchequer, must be a matter of concern of every citizen in India. As this fact has not been communicated effectively to the consumers, there has been a growing sense of entitlement on part of the consumer to the subsidy. Apart from the lack of awareness of the huge subsidy burden, the pricing of such products below the market price has also led to diversion of subsidized LPG to commercial purposes, which unnecessarily adds to the subsidy burden of the exchequer.

LPG is an essential commodity, and thus its supply and distribution has been regulated by various regulations to control the trade and illegal diversion. However, the prevention of such activities has at best been minimal, primarily due to the large scale of the LPG supply chain.

LPG being a clean fuel, its acceptability has been growing across the country and more and more households have been adopting it as its primary cooking fuel. At present around 60% households have been covered by LPG. The growing demand for LPG coupled with the rising international prices has put increased pressure on the LPG subsidy burden as can be seen from the table below:

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Subsidy (Rs. Crore)	14257	21772	29997	39558	46458

As the subsidy on an LPG cylinder may be as high as 100%, there is a strong incentive for pilferage and diversion. This leads to diversion of subsidized cylinder for commercial purposes. There is only one way to prevent this diversion – to move LPG in the supply chain at one market price so that the incentive for diversion is eliminated. This is the backdrop of the Direct Benefit Transfer for LPG scheme.

2.2 Task Force on Subsidy

In view of the above challenges, a task force was set up in year 2011 to suggest ways and means to tackle the increasing under recoveries to OMCs and diversion of domestic subsidized cylinder to commercial sector. The terms of reference of the task force included identification of a framework for the direct transfer of subsidy to the consumers based on the Aadhaar number.

2.3 Task Force Recommendations and Implementations

The task force submitted the recommendations in its report in July 2011 for LPG in which it proposed the implementation in three phases:

Phase	Initiative
I	Cap consumption of subsidized cylinders.
II	Direct transfer of subsidy to consumers into Aadhaar enabled bank account.
III	Target segmented consumers to restrict subsidy only to intended beneficiaries.

The Phase I recommendation was implemented from 14th September 2012 with a cap of 6 cylinders per household per financial year. The cap was revised to 9 from 17th January 2013 and again revised to 11 from 1st February 2014 for the financial year 2013-14 and to 12 for 2014-15. OMCs also carried out several structural changes in the LPG supply chain, which created an eco-system favorable for the implementation of DBTL. These reforms have been enumerated in Annexure 2.

The implementation of the Phase II recommendation commenced with a pilot project in Mysore as the Aadhaar penetration there was substantial. When pilot ended on 31st December, 2012, OMCs had completed 33449 successful bio-metric authenticated (to consumer or family members) deliveries. A token amount Rs. 10/- was also test transferred to few consumers using the Aadhaar Payment Bridge (APB) which was set up by National Payment Corporation of India (NPCI). The pilot threw up several learnings. It became apparent that consumers were unwilling to share their bank account numbers with the LPG distributors, but the Aadhaar link to the consumers' bank account did not face any resistance. The Aadhaar based cash transfer also enabled detection of duplicate and ghost LPG connections.

2.4 JS Level Committee

Based on the experience of the pilot project at Mysore, it was decided to extend the project of direct cash subsidy transfer to domestic LPG consumers on a larger scale. On 1.10.2012 Government of India set up a Committee headed by Joint Secretary

(MoPNG) with representation from UIDAI, DFS and Planning Commission to prepare a road map for the scheme. The Committee formulated a direct cash transfer scheme. The salient recommendations of the Committee are given in Annexure 3.

2.5 Implementation of DBTL Scheme

Based on the JS (MoPNG) Committee recommendations, a DBTL scheme was approved by CCPA in May 2013. The DBTL scheme is detailed in Annexure 4. In essence, the DBTL scheme envisaged the following:

- Sale of all LPG cylinders at market price.

- Provision of an advance to finance the first market priced cylinder.

- Actual Subsidy due to a consumer to be transferred into consumers' bank account for all subsidized cylinders.

- A grace period of 3 months to be provided after the launch of DBTL during which, consumers who could not join the scheme continued to get LPG cylinders at subsidized price. Those who joined the scheme during the grace period were sold cylinders at market price and received subsidy in their bank account.

- After the expiry of grace period all consumers were required to buy cylinders at market price and only those who had joined the scheme were to get the subsidy in their bank account.

- Other consumers who joined scheme later would get subsidy prospectively in their bank account.

The basis of the DBTL scheme was that the LPG consumer should possess an Aadhaar number. The Aadhaar process is detailed in Annexure 5. After the Aadhaar was obtained by a consumer, it had to be linked to the bank and LPG database, which was a pre-requisite for transfer of subsidy. The cash transfer payment system is given in Annexure 6.

The DBTL scheme involved multiple stakeholders each with a separate chain of command. Thus, close coordination between all the stakeholders was critical for the successful roll out of the scheme.

Hence, an elaborate multi-tiered structure of project management teams at various levels was created. The Project Management Structure, and roles and responsibilities of the stakeholders are enumerated in Annexure 7. The DBTL scheme envisaged several benefits to the stakeholders. These are enumerated in Annexure 8.

The other critical success factors of DBTL included extensive Information Education Campaign (IEC) to enroll for Aadhaar, obtain an Aadhaar enabled Bank Account, Training of Distributors / Officials, Project Implementation Team, a robust Grievance Redressal mechanism and a slew of systemic changes in the internal systems of OMCs and in the interface with consumers. The Committee noted that IEC activities were carried out extensively both pre-launch and during the scheme implementation. A copy of a pre DBTL launch advertisement is in Annexure 9. The Committee also noted the systemic changes implemented by OMCs - enumerated in Annexure 10.

The scheme was launched in 18 identified districts on 1st June 2013 followed by the launch in Mysore on 1st July 2013 and in Mandi on 1st August 2013. Subsequently, after an evaluation of the Phase I implementation as being successful, DBTL expansion was approved by CCPA in its meeting held on 29th August 2013. The Aadhaar penetration in 18 initial phase I districts was more than 91% which was a cause of initial success of the scheme. The subsequent roll out strategy was changed and lower Aadhaar penetration districts were also included, where the significant population was without Aadhaar. By 1st January 2014, the scheme had been launched in 291 districts in 6 phases covering 9.55 crore LPG consumers. The status of DBTL as of March 2014 is in Annexure 11.

2.6 Current Status

As per the Government decision, OMCs were directed to keep the DBTL scheme in abeyance and revert to the old system of subsidized cylinder supplies in the entire country. OMCs changed over to the old system of subsidized cylinder supplies with effect from 10th March 2014 in the entire country, pending a review by this Committee.

Section III
Review of DBTL Scheme by the Committee

Review of Direct Benefit Transfer for LPG Scheme

Section III
Review of DBTL Scheme by the Committee

3.1. Stakeholders

In accordance with the mandate of the Government, the Committee held extensive consultations with the stakeholders of the DBTL scheme.

The DBTL scheme involved a coordinated effort of several stakeholders, spread across institutions, across various spans of control and geographical locations. These are depicted below:
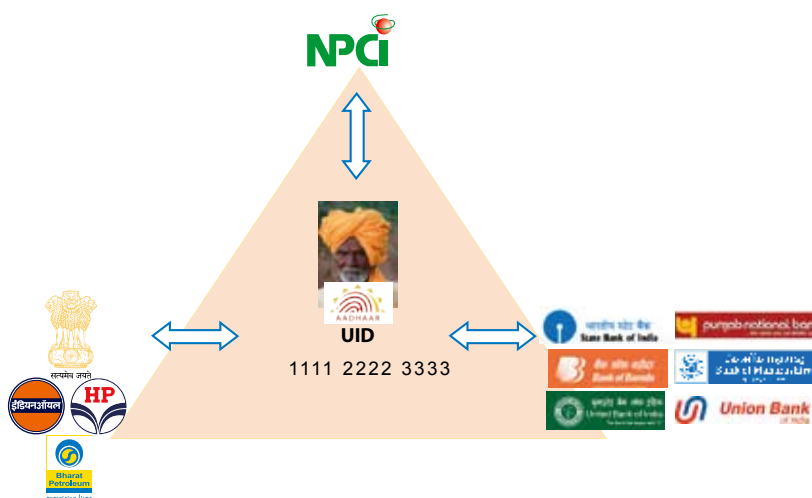
The Committee interacted with consumers, distributors, OMC officials and bank officials in Delhi, Thiruvananthapuram, Mysore and Hyderabad. To engage with the stakeholders in a structured manner, the Committee designed a questionnaire based on the initial visits and administered it to all the stake holders to obtain feedback/ improvements in the design of the scheme (Annexure 12). The Committee also issued a newspaper advertisement seeking feedback through email/ post (Annexure 13). Committee also interacted extensively with a number of LPG consumers, the primary stakeholders during its visit. The difficulties faced by the consumers have been enumerated in Annexure 14 and form the primary basis for the recommendations of the Committee.

As part of its mandate to review the scheme, the Committee also examined the results of the audit conducted by CAG and audit by an independent third party that was engaged by the OMCs. The summary of these audits is at Annexure 15.

The Committee carried out a cost-benefit analysis of the DBTL scheme and also evaluated the robustness of the design of the scheme on various dimensions. These are summarized below.

3.2 Cost-Benefit Analysis of DBTL

3.2.1 Cost of implementation of the scheme

The direct cost of implementation of the DBTL scheme arose from the expenditure incurred by the OMCs and banks in rolling out infrastructure and IEC specific to DBTL implementation. The intangible costs included the additional incremental effort on part of the consumers / LPG distributors / Banks in seeding Aadhaar in LPG and Bank database.

3.2.2 Tangible Benefits

In terms of benefits of the DBTL scheme, the Committee recognized the following benefits:

a. **Self-Selection**

The DBTL scheme led to self-selection, as many LPG consumers did not want to join the scheme, thus saving the subsidy to these consumers. In phase I and II districts, around 7.8 million cylinders were sold during period Sept. 2013 to Feb 2014 to consumers who did not join the scheme, thereby saving subsidy of more than Rs. 4 billion[1] .

b. **Aadhaar based de-duplication**

In the 291 districts covered under DBTL, 6.18 lakh duplicate connections were identified out of over 40 million LPG consumers who provided their Aadhaar numbers. This de-duplication could lead to an annual saving of Rs.1.93[1] billion (assuming a 50% duplication rate and annual consumption of 12 cylinders up to the cap).

c. **Savings in Subsidy due to reduction in diversion**

A statistical analysis carried out by MOPNG using data on consumption of domestic LPG sales from Jan 2012 to December 2013 provides evidence of around 18% reduction in sales of domestic LPG cylinders, which can be attributed to reduction in diversion and LPG conservation efforts, caused by the launch of DBTL and introduction of capping. With a LPG subsidy burden of Rs.464 billion during 13-14, DBTL along with capping can lead to about annual savings in subsidy of Rs.65 billion.

3.2.3 Intangible benefits

Apart from the tangible financial benefits that accrued due the DBTL scheme, the Committee recognized that several intangible benefits also accrued from the scheme. These are enumerated below:

a. **Reduction in LPG waiting time**

The LPG consumers and distributors reported distinct reduction in LPG delivery times. This can be attributed to the increased availability of cylinders due to decline in diversion.

b. **Spin offs to the Banking Sector**
The scheme has contributed following benefits to banking sector.

- Float due to permanent advance of Rs.435 per consumer.
- Inactive bank accounts became active leading to increased banking activity.
- Enhanced financial inclusion.

c. **Potential for Synergy with other schemes**
Once all LPG households get covered by DBTL, it would open up the opportunity of integrating various subsidy and welfare schemes of the government with a single identifiable key, and allow optimization in the total subsidy drawn by the same citizen under different schemes, and also permit targeting if BPL tagging is undertaken by the states/UTs.

3.3 **DBTL Scheme Robustness**
The Committee evaluated the scheme for its institutional robustness and integrity on the following dimensions:

a. **Design:** The scheme has clearly identified its components, inter-linkages, roles and responsibilities of stakeholders and put in place a robust, scalable and holistic design.

b. **Coordination across stakeholders:** All stake holders have developed the components which have been tested and found to be capable of meeting the design objectives except to the extent recommended as enhancements in this report.

c. **Mechanism to make mid-course corrections:** During the operation of the scheme for over 9 months, most of the issues related to implementation and design were dynamically identified and the design was tweaked and additional features/facilities were incorporated to iron out the emerging problems.

d. **Scalability:** At the time of the Government's notification to keep the scheme in abeyance, it was successfully implemented and operational in 291 districts out of the 640 districts in the country. Thus the scheme had graduated to full scale and cash transfer of Rs. 5392 crores to 28.3 million consumers had been completed successfully.

e. **Cash Transfer error rates:** Audits conducted do not bring out any major lacunae or loopholes or shortcomings in the scheme design and implementation. The error rate reported on failed or wrong transactions of cash transfer after recycling was found to be less than the targeted norm of 0.5%.

Section IV
Recommendations
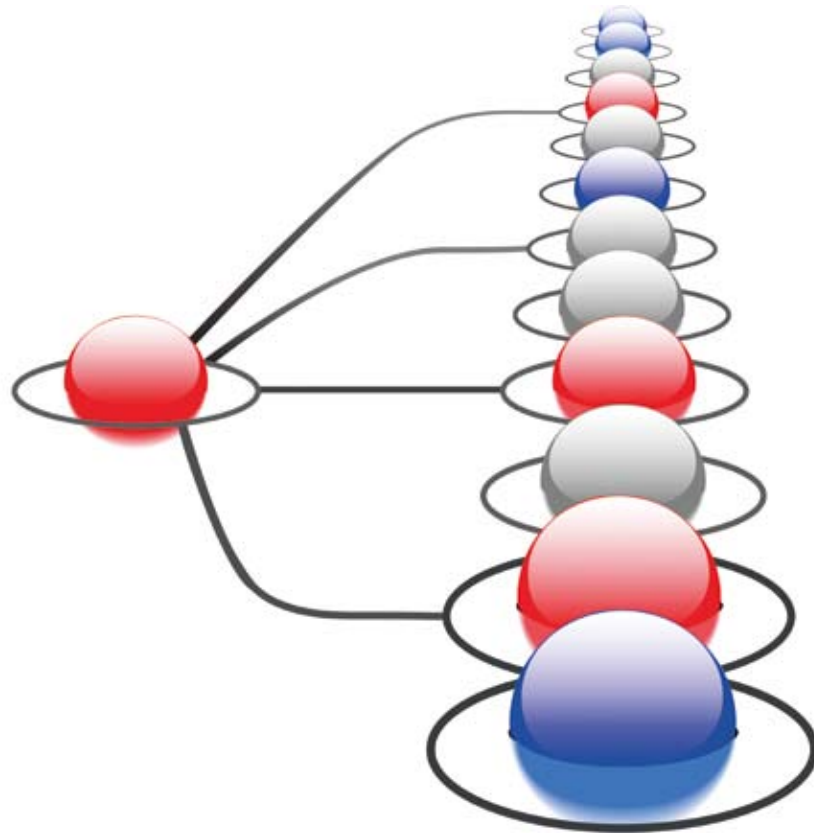
Section IV
Recommendations

4.1 Based on the evaluation of the scheme in the previous section, the feedback from the various stakeholders and the audit reports, the Committee concludes that the DBTL scheme was successful in achieving its objectives, viz. reducing diversion, eliminating ghost/duplicate connections, and improving LPG availability. It also recognizes that the scheme promotes enhanced financial inclusion. Thus the Committee strongly recommends that the DBTL scheme should be re-instated.

4.2 The Committee also acknowledges that during the implementation of the scheme, consumers faced difficulties in obtaining Aadhaar in districts where Aadhaar penetration was low, in getting Aadhaar seeding done in bank account and LPG database, in getting their grievance resolved and on account of systemic challenges such as ad-valorem VAT rates.

The Committee while examining these challenges concludes that these issues can be mitigated through technological solutions and some changes in the scheme design. The balance of convenience clearly lies in the favour of the scheme.

The mitigation measures are presented as recommendations of the Committee

4.2.1 Centralised Grievance Resolution
The consumers need a single window to register and redress their complaints, irrespective of the stakeholders such as Banks, UIDAI and OMCs who may be responsible for Aadhaar seeding and Cash transfer. This problem is even more acute for illiterate LPG consumers or consumers from the lower strata of the society who may not be able to register the complaints themselves. The latter should be able to register complaints through the distributors/bank branches which are the first point of call for most consumers.

Recommendation 1

A centralized grievance redressal mechanism ought to be implemented by three entities – OMCs (and their distributors), NPCI, and UIDAI. The complaint redressal process shall have to be orchestrated at the backend between the three entities in a manner that is transparent to the consumer and in such a manner that it is assigned to an entity. Once assigned to an entity, each entity shall deal with the complaint within the timeline, as per an internal escalation matrix, with capability to communicate to the consumer about its receipt and redressal, and update to the consumer on the status of the complaint through a web based process. The complaint

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shall be assigned to all the entities jointly if the entity referred to is unable to resolve the complaint at their level. The complaint tracking capability should span across the three entities. An appeal mechanism should be also be built with joint responsibility of all entities to dispose the appeal. A description of such a centralized grievance redressal system with two possible implementation models is given in Annexure 16.

4.2.2 Permanent advance to be adequate to finance refill purchase

As per the scheme design, a one-time Permanent Advance is provided to each LPG consumer joining the scheme for all pending / new booking and to all new consumers. The Permanent Advance is equal to the all India average of Under-recovery and fiscal subsidy in the first 9 months of the previous financial year (rounded off to the nearest Rs. 5/-) and will remain fixed for a financial year.

As the actual subsidy rate varies during from month to month and in some months the subsidy was as high as Rs. 800, therefore the fixed advance of Rs.435 was insufficient in most months. This led consumers to wrongly believe that Government had reduced the subsidy, leading to heartburn.

Recommendation 2

Revise the permanent advance from the current formula to an amount which is the highest of the subsidy rate prevailing during the previous 12 months.

Recommendation 3

Conduct an extensive IEC to communicate the purpose of permanent advance as a permanent float with consumers in addition to the subsidy reimbursements for their entitlement.

4.2.3 Parking of LPG Subsidy while consumer is waiting to become eligible to receive the subsidy

During interaction with the consumers, Committee came across cases of delay in becoming CTC especially for those consumers who are migrating from non DBTL districts to DBTL districts. There are other cases of eligible consumers not getting subsidy due to delay in joining the scheme on account of delay in seeding by banks and/or OMCs, systemic delays , delay in getting Aadhaar etc. which are attributable to the system shortcomings.

<div style="text-align: center">**Recommendation 4**</div>

Temporarily park the subsidy for a period of 3 months beyond grace period that is due on the cylinders supplied to LPG consumers while they wait to join the DBTL scheme. In case they join the scheme (i.e. become eligible to receive cash subsidy in their bank account) in this 3 month period, the subsidy parked will be paid to them retrospectively. The customers who will be eligible for this dispensation are:

a. Consumers who produce EID but not received Aadhaar before ending of Grace period (consumer to provide EID).

b. Consumers who have seeded in LPG but not in banks.

c. Consumers who have applied for new connection.

4.2.4 **Pre-Launch preparatory period and thresholds for scheme launch /end of the grace period**

Many of the stakeholders were critical on the fast pace at which the scheme was rolled out as several consumers were unable to draw subsidy due to non-availability of Aadhaar or its seeding. Although there is a distinct advantage of launching scheme at lower levels of penetration as it creates demand for Aadhaar enrollment and seeding, certain minimum thresholds are desirable. The disadvantage of prescribing such a threshold for launch is that scheme launch will be delayed as Aadhaar registration is a voluntary activity. The advantage is that consumer's dissatisfaction level will be low on account of exclusion from the scheme. The mid-course between the two approaches would be to launch the scheme with a grace period long enough to reach these thresholds so that there is automatic demand for enrollment/seeding and the consumers get the benefit of grace period to do so. The grace period as far as possible should not be extended, lest it loses its importance. The existence of extended grace period and three months subsidy parking period beyond grace period provides a window of 6 to 9 months during which they will be able to register for the scheme without losing any subsidy.

<div style="text-align: center">**Recommendation 5**</div>

The Committee recommends that the launch of DBTL should be preceded by a 3 month preparatory period during which there should be extensive IEC, enrollment, seeding of Aadhaar in LPG/Bank database. During this period all stakeholders shall also be prepared and fully ramped up to implement the scheme.

Recommendation 6			
The following thresholds are recommended for launch of scheme :			
Event	**% UID issued**	**% LPG Seeding**	**% Bank Seeding**
Launch of DBTL	70%	50%	50%

Recommendation 7			
The grace period should be a minimum of 3 months, extendable by a month up to a maximum of 6 months or the grace period should end at the end of the month of achieving the following levels, whichever is earlier:			
Event	**% UID issued**	**% LPG Seeding**	**% Bank Seeding**
End of grace period	85%	70%	70%

4.2.5 **Multiple Enrollment Agencies**

The Aadhaar issue process is different for UIDAI states compared to RGI states. In RGI states, enrollment is done by RGI, but Aadhaar is generated by UIDAI, while in UIDAI states both is undertaken by the latter. As far as consumers are concerned UIDAI needs to assume the role of coordination and monitoring of Aadhaar enrollment across enrollment agencies and for issue of Aadhaar numbers.

Recommendation 8
UIDAI needs to take overall accountability of monitoring and generating Aadhaar for all enrollment agencies and ensure that Aadhaar numbers are generated and issued uniformly in all states.

4.2.6 **Targeted Enrollment**

In districts where Aadhaar enrollment is low, UIDAI/RGI should in coordination with MOPNG undertake targeted enrollment of LPG consumers in a mission mode format.

Recommendation 9
UIDAI and RGI need to conduct special enrollment camps especially for LPG consumers especially in districts where Aadhaar enrollment is low.

4.2.7   **Improve last mile access to banking**
The Committee received complaints regarding consumers not able to open bank accounts in remote villages and the inconvenience faced by them in withdrawing the subsidy credited in their accounts due to poor accessibility of branches/banking facilities.

As on 31.03.2014, there are 1,13,629 branches of Scheduled Commercial Banks connected through CBS in the country out of which 43,346 are in rural areas. Further banks are working towards financial inclusion by providing banking facilities in all villages having population below 2000 by March 2016.

It is felt that as India Post has the largest postal network in the world with more than 1.55 lakh post offices of which nearly 1.4 lakh are in the rural areas, leveraging this network for banking will be very beneficial. On an average, a post office serves an area of just more than 21 sq. Km and a population of nearly 7200 people. Postal network should thus consider rolling out micro ATMs connected through core banking solution inter operable with other scheduled banks through Aadhaar Payment Bridge.

Recommendation 10

Cooperative Banks and Post offices should join the CBS/APB and post offices should roll out micro ATMs through CBS.

4.2.8   **Reduce VAT burden and Incentivize early adopters**
LPG consumers who join the DBTL scheme have to pay extra on account of VAT on the cylinders delivered to them as the sale happens at full rate as the VAT is ad-valorem. VAT is not reimbursed. This additional VAT amount ranges between Rs. 20/- to Rs. 50/- depending on the market/State. This acts as a disincentive for consumers and they delay joining the scheme till the end of grace period. As VAT is a state specific subject, MoPNG has taken up the matter with all state Governments to eliminate the price difference due to VAT but only a few states responded to this request. The VAT needs to be borne by the consumer.

On account of the VAT burden, there is a need to incentivize consumers to join the scheme within the grace period. As every consumer who joins the scheme prevents diversion of his unused LPG entitlement, Committee suggests that Government could share part of this recurring saving by a one-time incentive, say by reimbursing the full cost of the first cylinder.

Recommendation 11

GOI should vigorously pursue with all the State Governments to change the VAT structure to a specific rate in place of an ad-valorem structure.

Recommendation 12

Those consumers who join the scheme within the original 3 months grace period should be reimbursed the full Retail Selling Price (excluding VAT) for the first subsidised cylinder.

4.2.9 **Minimum Service Level Requirements of various business processes in DBTL**

The Committee in its interactions with various stakeholders noticed wide variability in same services across different providers. It strongly felt that service levels should be fixed and inviolable across different providers.

Recommendation 13	
Process	**Minimum Requirement**
Aadhaar Enrollment	Permanent enrollment centres one in every block in rural areas and one for every 5 lakh population in urban areas
Aadhaar Generation	Within 15 days from enrollment along with SMS based confirmation to consumer.
E Aadhaar Download	Within15 days of enrollment and access to LPG distributors for downloading of e-Aadhaar
Aadhaar Delivery	Aadhaar Delivery by Speed Post to all within 7 days of E-Aadhaar generation and SLA with Department of Post for delivery of Aadhaar
Seeding in NPCI / LPG database	Within 48 hours on receipt by banks/ LPG distributorships or entry in the system remotely through other modes complete with authentication.

Process	Minimum Requirement
Acknowledgement for Seeding request by banks/LPG distributors	• Tear off slips on receipt of physical request indicating status of seeding request – received / seeded in LPG/Bank database / Seeded in NPCI • SMS on completion of seeding in NPCI/ LPG database. • SMS on rejection by Bank/OMC. • SMS on becoming CTC by OMC. • SMS on changing of Aadhaar seeding status in banks
Seeding modes	• Direct to Bank counter/Distributor or • Post by providing a copy of Aadhaar and details of Bank/LPG account no. • Remotely through SMS, Web, IVRS, Call Centers of OMCs and Banks • Through ATM for banks.
Consumers yet to be seeded in LPG and Banks	SMS to all consumers once in a fortnight by OMCs and by Lead Banker of the district till LPG/bank seeding reaches 80%. Use of NIC gateway can be done to reduce costs.
Cash transfer – LPG	• Permanent advance for 90% of cases on next working day of all booking received prior to 5 pm. Remaining 10% Within 48 hours • Subsidy transfer file to sponsor bank for 90% of cases within 24 hours of delivery. Remaining 10% within 48 hours
Cash transfer – Sponsor Banks	All files received before 10 am, to NPCI before 12 noon and return files received updated and returned to OMCs on the same day
Wrong Transfer of subsidy due to wrong Aadhaar entry in bank account	Banks to correct Aadhaar seeding and reverse and settle such errors within 7 days of reporting.

Process	Minimum Requirement
Cash transfer - NPCI	All files received before 13:30 to be processed and returned same day
Cash transfer – Destination Banks	All files received to be returned / confirmed on the same day.
Aadhaar Seeding visibility - OMC	• Status to be available in transparency portal, Website, Call Centre • Print in cash memo • Mobile application to check for consumers • Distributor application in the refill booking screen or separately inputting Aadhaar / consumer number.
Cash transfer Visibility - OMC	• Status to be in transparency portal • Mobile application for consumers • Full details to be available with history in Distributor application
Visibility – seeding – Banks/NPCI	Data to be available in CBS of the Bank accessible to every branch by inputting Aadhaar or consumer number or account number
Visibility of seeding and amount of subsidy transferred under DBTL	Banks should provide branch level access to view seeding of Aadhaar in NPCI and account wise subsidy amount transferred under DBTL.
Visibility – cash transfer - Banks	Data to be available in CBS of the Bank accessible to every branch by inputting Aadhaar or consumer number or account number
Resending failed transactions - OMC	• 3 Cycle of 15 days and / or whenever next cash transfer is successful. • A utility to trigger transfer manually for any rejected/failure cases any time to be available

Process	Minimum Requirement
Redundancy for transfer of funds	Multiple Sponsor Banks may be considered by OMCs
Error / Return from Banks	Maximum 0.5%
Grievance Redressal by OMCs, NPCI (related to banks) and UIDAI	90% within 3 days 98% within 7 days
Call Centre	• All banks, UIDAI and OMCs to have a call centre with dedicated seats for DBTL queries. • Adequate seats must be provided so that call drop rates are less than 10% and wait times should not be more than 1 minute. • DFS/UIDAI and MOPNG should monitor these parameters every month till seeding levels rise to 90%.

4.2.10 **Visibility of Aadhaar seeding information in Bank/NPCI**

Consumers reported that they were unable view the status of their Aadhaar number seeding i.e. Aadhaar seeded in which bank account/ branch.

Recommendation 14
NPCI should enable visibility of: • History of seeding of an Aadhaar number with various banks. • SMS/USSD based Aadhaar status enquiry for all who provided mobile numbers. • All banks must ensure that for the benefit of their account holders, all their branches must have access to the Aadhaar seeding status in NPCI, the amount transferred against an Aadhaar number and The bank account to which Aadhaar is linked

- All bank branches must have a dedicated counter/ staff, trained to handle DBTL related grievances.

- Banks must explore the services of Business Correspondents for such services.

4.2.11 Call Center Quality

Consumers complained about the poor quality of responses and inconsistency in replies by the call center operators.

Recommendation 15

OMCs/UIDAI/Bank Call centre should be monitored for promptness, right and consistent information dissemination through auto feedback mechanisms and SLAs. Updated DBTL scheme information should be made available to the call centre operators and the call centre staff trained through focused training programs.

4.2.12 Authentication before seeding

If Aadhaar seeding is not verified it can result in wrong/ non-transfer of subsidy to the right consumer.

Recommendation 16

Aadhaar seeding should be verified through RASF or physical verification from Aadhaar copy provided or through demographic authentication or through e-KYC by all agencies

4.2.13 Enhancing Subsidy Salience

LPG prices fluctuate due to variations in international prices. As the subsidy being the difference between non-subsidized prices calculated based on international prices every month and subsidized prices fixed by Govt. Of India, it changes month on month. However, it appears that consumers are not aware of the market price of the cylinder and continue to consider the subsidized price as the cost. A static subsidized retail price (@Rs.410.50 per cylinder), as opposed to a static subsidy, in the LPG market have made consumers insensitive to the high subsidy on the domestic LPG cylinders. This not only encourages irresponsible LPG consumption behavior on part of the consumer but also evokes an unreasonable response from consumers when retail prices are raised as invisible subsidy is taken for granted.

> **Recommendation 17**
>
> OMCs should make all efforts to ensure that subsidy salience is given extreme importance in their pricing and marketing strategies. They should print full cost of cylinder and the subsidy on the Cash memo and/or on the cylinder.

4.2.14   **Cash Transfer Process to be seamless, fully electronic and SLA driven**
Committee received complaints from some of the stake holders regarding delay in subsidy transfer and it found that absence of SLA leads to lack of accountability in the process.

> **Recommendation 18**
>
> SLAs (service level agreements) should be compulsorily between OMCs – Sponsor bank, NPCI – Sponsor and Destination banks – NPCI with penalties for non-compliance as per minimum service levels proposed in recommendation 13.

> **Recommendation 19**
>
> The member banks of NPCI must ensure that payment files are processed electronically without any human intervention as per timelines in recommendation 13.

4.2.15   **Transaction fee for banks**
Banks have put in resources and manpower into the scheme and at full scale DBTL, 3 million LPG subsidy transactions are expected per day.

> **Recommendation 20**
>
> Banks may be paid an appropriate fee from the budgetary allocation to meet this expenditure as per the CCPA approval of the DBTL scheme.

4.2.16   **Return/Failure code rationalization**
Bank Representatives stated that there is lack of correlation between the error codes in their core banking system vis-a-vis NPCI error codes.

4.2.17 **Seeding of Aadhaar in multiple bank accounts of same bank**
It was brought to the notice of the Committee that same Aadhaar number can appear against multiple bank accounts of a consumer of the same bank and this leads to a situation where the subsidy goes to different account each time.

4.2.18 **Sharing Best Practices**
Committee noted that DBTL seeding processes in banks received a boost after launch of the scheme with active intervention by DFS. While interacting with various banks, the Committee came across innovative practices being followed by individual banks in seeding, cash transfer, error detection and return, complaint attendance etc.

4.2.19 **Education and Awareness of consumers**
Committee noted that many measures were taken for popularizing the scheme and educating consumers. This is very crucial to the success of the scheme.

> **Recommendation 24**
>
> - Campaign should also focus on the public interest such as saving of subsidy, prevention of diversion that DBTL brings.
>
> - IEC via visual and print media should be launched every week in the preparatory and post-launch phase.

4.2.20 **Periodic Training of Stakeholders**

Training of distributors and bank employees needs to be done periodically as part of a pre-defined program on policy and grievance redressal issues, proficiency in use of new features in software.

> **Recommendation 25**
>
> Top Management of OMCs and Banks should monitor the training content and its effectiveness.

4.2.21 **District Coordination Committee Training**

Committee recognized that the active participation of the District Collector who is the Chairman of District Level Implementation Committee, made a major difference in increased Aadhaar penetration and seeding leading to successful implementation of the DBTL scheme.

> **Recommendation 26**
>
> A one day training cum sensitization program for the District Collectors participating in the scheme should be organized prior to the preparatory period.

4.2.22 **Use of SMS**

SMS has to be used effectively for communicating with the consumers.

> **Recommendation 27**
>
> - Banks and OMCs must use this mode in all stages of the scheme, including seeding and cash transfers to reach out to the consumers.
>
> - SMSs should be in local language.
>
> - OMCs/Banks should send SMSs to consumers on receipt of subsidy irrespective of the amount.

4.2.23 **Consumers once seeded to Sponsor Bank to be portable across banks**
Consumers have complained that due to the practice of the Sponsor Bank directly transferring the cash on all accounts if seeded with Aadhaar in (Sponsor) Bank, they are unable to get the subsidy in their account even if they seed in other Banks subsequently which is contrary to the facility envisaged and publicized.

> ### Recommendation 28
> All transactions shall be directly sent to NPCI by Sponsor bank (s) without segregating their own customers.

4.2.24 **Implementation of the Recommendations**
The recommendations should be implemented under the overall supervision of MOPNG, while holding individual departments responsible for implementing recommendations pertaining to them.

> ### Recommendation 29
> An Apex inter-departmental high level Committee of officers, under supervision of MOPNG should be constituted to ensure implementation of these recommendations within a time frame of six months.

4.2.25 **Re - Launch of the Scheme**
The Committee feels that while the above recommendations should be implemented immediately, the scheme can be re-launched in certain districts without waiting for full implementation of the recommendations if Aadhaar levels are already adequate.

The recommendations should be implemented under the overall supervision of MOPNG, while holding individual departments responsible for implementing recommendations pertaining to them. Comments from the Deptt. of Expenditure are given in Annexure 17.

> ### Recommendation 30
> Re launch DBTL immediately in the districts where it has already been implemented provided these districts meet the thresholds specified in Recommendation 6 and 7.

Annexures

List of Annexures

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Annexure 1	Composition of the Committee
Annexure 2	PRE DBTL Reforms in LPG Distribution
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Annexure 8	Benefits Envisaged to Various Stakeholders
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Annexure 1

Members of The Committee

(Appointed vide MOPNG letters Ref. No P-17018/2/2012-LPG dated 28.2.2014 &
Ref. No P-17018/7/2012-LPG (Pt.) dated 4th March 2014)

Prof. S. G. Dhande *Former Director, Indian Institute of Technology, Kanpur*	Chairman
Mr. Anil Khandelwal *Former Chairman & Managing Director, Bank of Baroda*	Member
Mr. Anurag Jain *Jt. Secretary, Deptt. of Financial Services*	Member
Mr. Saurabh Garg *Jt. Secretary, Deptt. of Expenditure*	Member
Ms. Nidhi Khare *Jt. Secretary, Mission Director, DBT*	Member
Mr. Vijay S. Madan *Director General of UIDAI*	Member
Ms. J. R. D. Kailay *Deputy Director General, NIC*	Member
Mr. A. P. Hota *CEO, National Payments Corporation of India*	Member
Mr. N. Jambunathan *Deputy Managing Director (CIO), State Bank of India*	Member
Mr. S. K. Chakrabarti *Deputy Director General, Registrar General &* *Census Commissioner, India*	Member
Dr. Neeraj Mittal *Joint Secretary Marketing (MOPNG)*	Member
Mr. M. Nene *Director Marketing (IOCL) on Industry Basis*	Member Secretary

Annexure 2

Pre-DBTL Reforms in LPG Distribution

Ministry of Petroleum and Natural gas along with Oil Marketing companies undertook many initiatives to impart transparency, standardize consumer data by introducing KYC norms, cleaning of consumer data base by de-duplicating, enhance portal based utilities for consumer convenience, standardize and simplify LPG connection regularization procedures. These have created an eco-system that enabled roll out of the DBTL:

- All OMC consumer data bases were computerized and the same is available real-time with full traceability of all 100 crore cylinders being delivered to consumer per year.

- A comprehensive KYC drive was undertaken to collect KYC/mobile numbers for all new connections, re-activating inactive connections, reconnection of transferred connections and multiple connection unblocking.

- A comprehensive consumer data cleaning was undertaken by all OMCs intra and inter- company from 2012 onwards. Based on the demographic data connections suspected to be in the same households were identified and verifications undertaken. This enabled relatively clean data base for implementation.

- A Transparency Portal was launched by OMCs, with full details of all LPG transactions.

- While embarking the new initiatives there were many consumers found to be using the connections in another person's name. These were genuine connections where the original consumer had died or given the connection to the current user. A facility for regularization of such connections was also introduced.

- Utilities such as applying for new connections, booking refill, surrender connection, checking multiple connection, assessing service levels of the distributor, portability of connection etc. were enabled through the web

Salient Recommendations of JS Level Committee Report

- LPG cylinders to be sold only at non-subsidized price.

- Aadhaar and Bank accounts to be made mandatory for receiving subsidy.

- OMCs and Banks to seed Aadhaar numbers in their databases from customers when they approach them.

- Based on Aadhaar number collected by OMCs, UIDAI to supply e-KYC information to OMCs electronically. In case this demographic information does not match OMC database, exception to be generated for verification/accepting Aadhaar KYC Information.

- The e-KYC information to be used to de-duplicate multiple LPG connections in a household by OMCs.

- The LPG connections found unique become capable of receiving subsidy, provided their Aadhaar number is linked to a bank account.

- MOF transfers the subsidy in advance to payee banks through budgetary allocation OR in advance to the OMCs sponsor bank through budgetary allocation.

- OMCs provide cylinder delivery data (received from the distributors) to the Sponsor bank. Then, through an appropriate transfer mechanism funds to be transferred to the acquiring bank account of the consumers, given the Aadhaar numbers where deliveries have been made.

- Subsidy equivalent to 1 LPG cylinder to be transferred to customer accounts in advance as working capital (on 1st booking of cylinder). Subsequently, as and when the cylinder is delivered the subsidy to be transferred to the bank account.

Annexure 4

DBTL Scheme

The objective of the scheme was to provide the subsidy directly into the Aadhaar linked bank account of domestic LPG consumers up to the capped number of LPG cylinders purchased at market price.

The participating companies are OMCs viz. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL).

Salient features of the DBTL scheme:

a. When Aadhaar number gets entered in both LPG and bank database, the domestic LPG consumer becomes Cash Transfer Compliant (CTC).

b. In the DBTL district (s), all domestic LPG will be sold to CTC domestic LPG consumers at Market Determined Price. All current and future LPG consumers in DBTL district (s) will be covered under the scheme.

c. A one-time Permanent Advance will be provided to each CTC consumer for all pending / new booking after the scheme is launched in the district and also to all new consumers. The Permanent Advance will be equal to the all India average of Under-recovery and fiscal subsidy in the first 9 months of the previous financial year (rounded off to the nearest Rs.5/-) and will remain fixed for the financial year. It will be provided once to every consumer and remain with the consumer till the time of termination of connection. At the time of termination of connection, the amount paid as advance will be recovered by the OMC.

d. Total cash (Total cash is defined as sum of fiscal subsidy, under recovery and some other elements such as import loss/non-revision loss (called "uncompensated cost") applicable on the date of delivery will then be transferred to the CTC consumer for each subsidize cylinder delivered (up to the cap). Any VAT on total cash is to be borne by the customer.

e. Non-CTC consumer to be allowed 3 months from the date of launch DBTL in each district to obtain and seed their Aadhaar number in LPG /Bank database. During this period such consumers to receive their entitlement of subsidized cylinders at subsidized retail selling price.

f. After the expiry of the grace period of 3 months or as notified from time to time, all non-CTC consumers to receive cylinders at Market Determined Price and not be entitled to Permanent Advance /Total Cash until they become CTC.

g. When non CTC consumers become CTC, they get one time permanent advance and total cash entitlement of balance subsidized cylinders in that financial year.

Aadhaar Enrollment and Issue Process

a. **UIDAI**

The Aadhaar is the unique identification project launched by the Government of India in 2009 implemented by the Unique Identification Authority of India (UIDAI). Aadhaar is a 12-digit unique number which the UIDAI issued to all residents in India on a voluntary basis.

The broad features of the Scheme have been outlined in the Executive Summary of UIDAI Strategy Overview published in April, 2010, which, inter alia, states as follows:

• To provide a unique number to all residents of India;

• Collect basic demographic and biometric information of each individual;

• Ensure non-duplication through biometrics;

• Offer centralized technology infrastructure providing online authentication services that can be used across India.

b. **Aadhaar Enrollment**

UIDAI was authorized to directly enroll up to 60 crore residents by March 2014 in 18 States/UTs and the remaining population was to be covered under the National Population Register enrollment process. UIDAI has been recently mandated to enroll another 33.9 crore residents of the 4 states viz. Uttar Pradesh, Uttarakhand, Bihar and Chhattisgarh. The enrollments are done through 4700 designated enrollments centers functioning across the country. Out of these, about 4000 are acting as Permanent Enrollment Centers (PEC). As of April 2014, UIDAI has allotted Aadhaar numbers to more than 62 crore residents. The total number of enrollments is 70.86 cr.

c. **Aadhaar Letter Delivery**

After an enrollment number has been de-duplicated and the Aadhaar number for the same is generated, it must be ensured that the same is printed and delivered to the resident within permissible time limits. Each of the Aadhaar letter requires a printed, laminated, four-colour document with a photograph, date of birth, demographic information of the person, the Aadhaar number and a QR code. Currently the Aadhaar letters are being printed in 12 different regional languages. In case, a resident does not receive his/her Aadhaar Letter they can generate the same from the "Resident Portal" of the UIDAI. In addition, Common Service Centres have been setup in States is also catering to the needs of the residents in providing e-Aadhaar.

d. **Resident Portal**

The UIDAI has launched its "Resident Portal" which is intended to Locate Enrollment Centre, Book an Appointment for Enrollment, Check Aadhaar Status, Get e-Aadhaar and update Aadhaar Data.

e. **Lost EID/UID**

It is possible that some residents may misplace their enrollment slip which contains the Enrollment ID (EID) or their Aadhaar letter. In such cases, UIDAI has defined a process which enables a resident to obtain their Aadhaar number.

f. **Grievance Redressal Mechanism**

As per the guidelines, a UID number is to be issued and letter to be delivered to the resident within a period of 90 days. In case of delays, the resident can lodge complaint using either of the channels below:

*   Calling Contact Centre (1-800-300-1947) using Helpline number;

*   Writing email to help@uidai.gov.in

Cash Transfer Mechanism

In DBTL cash transfers, the subsidy is transferred by Sponsor Bank holding the accounts of the Oil Marketing Company/Government department. On receipt of the file from the OMCs, sponsor banks transfers the file to Aadhaar Payment Bridge after scrubbing the transactions details against the Aadhaar numbers available in its CBS.

NPCI manages the Aadhaar Payment Bridge and carries out the daily clearing and settlement processing of DBTL files uploaded by the Sponsor banks. The APB transactions are processed based on the mapper database uploaded by various banks. Each sponsor and participating bank is identified by an Institution Identification Number (IIN). It also maintains the central Mapper data base and provides facility to member banks to upload /modify/deactivate the Aadhaar numbers on an ongoing basis. The Aadhaar mapper is used to identify the latest destination bank where customer has decided to route his subsidy. NPCI sends the transaction files to the destination banks which maintain the LPG consumer accounts, on the basis of the mapping of the consumer account to bank in the NPCI Mapper database. It provides reasons for all the rejected records so that the sponsor bank and the OMCs can understand and take corrective action.

The participating banks ensure that the Aadhaar number provided by the consumer is duly verified and "seeded" in their core banking solution (CBS) and the Aadhaar number of the consumer is "mapped" (uploaded) on the Mapper updated on the NPCI. The participating banks communicate the Aadhaar mapping status to the consumer. During the daily clearing cycle, the participating banks, on receipt of the inward transactions files from NPCI, process the files and credit the accounts of the consumers within the stipulated timeline to meet the return session timings. The participating banks upload return/response file as per the return clearing timelines for all the records with proper reason for the returns so that the OMCs/government department / sponsor bank are aware of the reason for non-credit to consumer account and take corrective action. For all successful transactions, participating banks have to populate the beneficiary name and account number.

NPCI provides the necessary reports are provided to enable end to end reconciliation of the transactions for a day or a specific period.

A Dispute Management System (DMS) is also operational by NPCI which can be accessed by member banks to raise APB related disputes.

Below are the transaction set supported under DMS:
1 Double Credit
2 Deemed acceptance (Late return)
3 Wrong Credit / Wrong return / Non Credit

Annexure 7

Roles and Responsibilities of Stakeholders

Project Management Team Structure

	Head	GoI	Outsourced VendorI
National Level	**JSM (MoPNG)**	**Steering Committee** — Cross Functional Steering Committee (UIDAI, Plg. Comm. DFS, DOE, MOPNG)	**National PMU** — Principle Consultant with team
State Level	**Secretary / Commissioner (F&CS)**	**Oversight Committee** — Senior Management of OMCS, Banks and UIDAI RO	**State PMU** — State Level Project Managers with team
District Level	**DM / Collector**	**Implementation Committee** — District Level teams of OMC, Banks and District Officials	**Delivery Team** — District Level Supervisor with team

GOI – Government of India • **F&CS** – Food and Civil Supplies • **PMU** – Project Management Unit
MOPNG – Ministry of Petroleum and Natural Gas • **DM** – District Magistrate

1. DM / Collectors

- District Collector would assume the responsibility as Head of District Level Implementation Committee for DBTL Project.

- To conduct weekly meetings with all key stakeholders (UIDAI, LDMs, OMC Officials, Key Distributors etc.) to review status of Aadhaar seeding in LPG and Bank database and associated activities along with district level officials appointed by OMCs at-least till end of three (3) months grace period.

- Spearhead IEC (Information and Education Campaigns) and advance notices to inform and educate LPG consumers through various Government offices, by displaying pamphlets/standees supplied by OMCs, Local Press coverage about DBTL, its requirements and Aadhaar Enrollment centers.

- Ensure that adequate enrollment centers (Aadhaar/Bank) in the district and are co-located at LPG distributors with sufficient geographical spread.

- Share list of current enrollment center with OMCs every week as well as display at all prominent public places.

- Review Aadhaar delivery status with Post Master General and organize camps at block/taluk for delivery of undelivered Aadhaar letters.

- Monitor Aadhaar Enabled bank accounts coverage of all LPG consumers.

- Provide minimal security to manage crowds in wake of expected sudden rush after launch of scheme at various places in the district.

- Facilitate for public awareness programs for DBTL.

- Specify the schedule / location of LDMs to collect the bank seeding drop boxes from the distributors.

- Monitor bank / branch wise Aadhaar seeding with LDMs.

- Setting up of consumer/resident information center for status of Aadhaar generation, e-Aadhaar etc.

2. **Bank Lead District Manager (LDM)**

- Disseminating information and coordinating with other banks and OMCs on Aadhaar seeding.

- Coordinate with OMCs for information exchange.

- Coordinate with OMCs for collection of Aadhaar linking Bank forms from the drop boxes given by distributors and sorting/distribution of the forms to the concerned banks.

- IEC to accelerate the Aadhaar linking to Bank Accounts.

- Facilitate targeted linking of Aadhaar numbers to Bank Accounts of LPG consumers leveraging the LPG consumer data provided by OMCs.

- Ensure the seeding of those Aadhaar numbers in bank accounts and report to Collectors on the seeding percentage bank/branch wise.

- Providing MIS to Collectors on seeding.

3. **UIDAI**

- Aadhaar Number Generation

- IEC for Aadhaar enrollment, re-enrollment, and other Aadhaar number / letter related issues.

- Providing Aadhaar look up facilities to OMCs/LPG distributors

- EID to Aadhaar conversion.

- Ensuring delivery of Aadhaar Letters to Residents with a priority for LPG consumers.

- Coordinate with State Government for setting up facility to provide status of Aadhaar number and e-Aadhaar to citizens.

- Coordinating and resolving issues related to enrollments of adjoining district LPG consumers attached to DBTL district distributors.

- Grievance handling on Aadhaar enrollment, e-Aadhaar, RASF, Aadhaar generation, etc.

4. **OMCs**

- Demand generation for Aadhaar seeding
  - Designing, Coordinating and Implementing IEC
  - Preparing and Releasing press advertisement
  - Coordinating and airing campaigns in Akashwani, FM, TV Channels etc.
  - Designing , coordinating implementing other campaigns

- Coordination with UIDAI

- Facilitating Aadhaar seeding by Distributors
  - Developing and Offering modes such as Call Center, Web, IVRS, SMS and by Post
  - Preparing and making available Software/Portal
  - Facilitate seeding Aadhaar numbers verified through RASF and/or received from portal/other modes.

- Transparency for Customers

- Updating Portal for Aadhaar seeding in OMC software and banks
- Training Distributors in
  - New provisions on DBTL in Software
  - RASF verification
- Coordinate with LBM/LDM and other banks
- Coordinate with NPCI/Other Banks
  - Issues related to customer Grievances
  - Issues related to return cases
- Appointing call centre for handling grievances and monitoring the same.
  - Sending bulk SMS to targeted consumers who have not linked their Aadhaar numbers to LPG database and bank database.

5. **Distributors of OMCs**

- Distribution of Aadhaar registration and Bank seeding forms to all LPG consumers
- Aadhaar seeding in the LPG database and verification of Aadhaar nos. updated in the database
- Informing consumers to provide Aadhaar number for LPG and bank database.
- Verification of Aadhaar seeded on Remote Aadhaar Seeding Framework (RASF)
- Continuous reminder to those consumers who have not seeded their Aadhaar number with LPG and Bank database in accordance with the details available with the distributor
  - Keeping drop box to collect Bank-Aadhaar Linking Form and sending the same to LDMs on a weekly basis (or as per the action plan decided by OMCs).
- Distribution of leaflets, display of banners, displaying of Aadhaar enrollment center details at their premises
- Distributors are not allowed to collect Bank account details from the consumers.
- Conducting customer survey from time to time
- Help consumers by collecting EIDs and pass it on to concerned UIDAI office as required

Annexure 8

Benefits Envisaged to Various Stakeholders

1. **LPG Consumers**

   - To be empowered as they get their cylinders at the fixed price and receive the differential cash directly in their bank account without any manual intervention.

   - With supply chain having no incentive to divert the cylinders, consumers will receive prompt and full entitlement.

2. **Oil Marketing Companies**

   - Reduction in administrative efforts due targeted delivery of subsidy in view of :

     - Lesser policing of supply chain activities

     - Reduction in number of grievances related to unauthorized usage, diversion and delayed deliveries

     - Public auditing of Subsidy administration.

   - Shift of focus from distributor administration to consumer management leading to improved consumer experience and satisfaction.

   - Improved quality of consumer database which can be leveraged for better analytics.

   - Aadhaar based de-duplication will help in getting rid of multiple connections / fake & ghost LPG consumers.

   - Elimination of artificial product shortage due to diversion.

3. **Government of India**

   - Reduction in subsidy burden due to:

     - Elimination of supply chain leakages and thus unauthorized usage.

     - Customers opting out of subsidy, and

     - De-duplication of multiple connections.

   - Open up domestic LPG sector for policy initiatives in improving competitiveness and thereby better customer service

Advertisements Prior to Roll Out of DBTL

AADHAAR
Your Key to Get Domestic LPG Subsidy in Cash

The Government of India is launching "Direct Transfer of Cash Subsidy to Domestic LPG customers" in the districts of Anantapur, Chitoor, East Godavari, Hyderabad, Rangareddy, of Andhra Pradesh.

All the domestic LPG customers will then get subsidy directly in their Aadhaar-linked bank account for 6 LPG cylinders per financial year only, if they provide:

1. Aadhaar Number
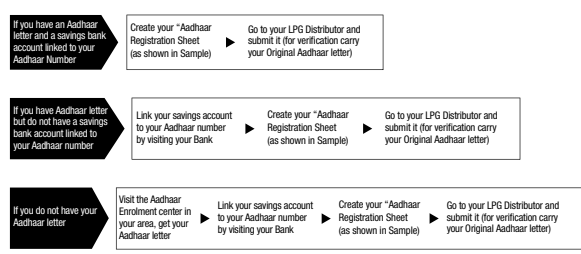2. Link their Aadhaar Number to their Bank Account

If you have an Aadhaar letter and a savings bank account linked to your Aadhaar Number → Create your "Aadhaar Registration Sheet (as shown in Sample) → Go to your LPG Distributor and submit it (for verification carry your Original Aadhaar letter)

If you have Aadhaar letter but do not have a savings bank account linked to your Aadhaar number → Link your savings account to your Aadhaar number by visiting your Bank → Create your "Aadhaar Registration Sheet (as shown in Sample) → Go to your LPG Distributor and submit it (for verification carry your Original Aadhaar letter)

If you do not have your Aadhaar letter → Visit the Aadhaar Enrolment center in your area, get your Aadhaar letter → Link your savings account to your Aadhaar number by visiting your Bank → Create your "Aadhaar Registration Sheet (as shown in Sample) → Go to your LPG Distributor and submit it (for verification carry your Original Aadhaar letter)

Photo copy your Aadhaar Letter on left half of a plain A4 Sheet. On the right half enter the details as given below
"Aadhaar Registration sheet" (A4 SIZE - SAMPLE)

Take a good quality Photocopy of your Aadhaar Letter in this area

Please write your details in this area, in **BOLD BLACK / BLUE** ink, as follows:

1. NAME OF COMPANY (e.g. IOCL / HPCL / BPCL)
2. NAME OF DISTRIBUTOR
3. CONSUMER NUMBER
4. NAME OF THE LPG CUSTOMER
5. YOUR REGISTERED MOBILE NUMBER or MOBILE NUMBER WHERE WE CAN CONTACT YOU
6. ADDRESS (Required only in case your present LPG delivery address is different from address in the Aadhaar Card, also attach a proof of address")

Type or write (in your Handwriting) your details in this area, in BOLD BLACK / BLUE ink

Signature with date of LPG Customer as in Subscription Voucher (SV):

Please provide the Photocopy of first page of DGCC/Bluebook or recent delivery receipt along-with the "Aadhaar Registration Sheet"

*Address Proofs accepted (Photocopy of any one of the following):
• Aadhaar (UID) letter
• Lease Agreement
• Telephone or Electricity Bill or any other Utility bill
• Self-Declaration attested by Gazetted Officer
• Flat Allotment or possession letter • LIC Policy • Driving License • Voter ID • Passport • Ration Card • House Registration Document

AADHAAR

Ministry of Petroleum and Natural Gas
Government of India

Annexure 10

Preparatory Phase of DBTL launch

For implementing DBTL, OMCs had put in place the following systems:

1. **Various Modes of Aadhaar seeding:**

    At the distributorships, facility had been provided for consumers to seed Aadhaar just by handing over a photo copy of Aadhaar letter/card. Facility of remote seeding through SMS, IVRS, Web, Call Centres and sending the copy by post had also been provided. OMCs had made required modifications in the software and incorporated Aadhaar seeding with Verhoffs checksum which enabled mistake free seeding for the distributors.

A mobile application was developed which can read QR code and update the LPG database of OMC seamlessly

2. **Authentication:** All Aadhaar numbers received through SMS, IVRS, web and call center were authenticated through the RASF methodology before seeding. Other manually seeded Aadhaar numbers were also re-verified using RASF/physical copy of Aadhaar.

3. **Communication to Consumers:** On successful seeding a confirmation was sent to the consumers if mobile number was provided and updated. The status was also conveyed to the consumers in the next cash memo and displayed on the Transparency Portal of concerned OMC. Consumers could also get the details from the Call Centres or from Distributors.

4. **Communication to Banks:** For improving seeding in the banks, OMCs were also hosting the consumer details with seeding status, address and mobile numbers in a portal which could be downloaded by all Banks and District Information officers.

5. **Updation of Seeding:** All Aadhaar numbers seeded in OMCs were passed on a daily basis to National Payment Corporation of India's Aadhaar mapper to get confirmation whether the same Aadhaar number had been seeded by Banks.

- On getting confirmation the consumer was made as CTC and thus making their status ready for cash transfer.

- The Aadhaar seeding and CTC status was also conveyed through SMS and also displayed on the Transparency Portal.

A locked drop box with an opening to drop forms was kept at the distributor premises facilitating customers to drop the forms for linking their Aadhaar with Bank account. These securely locked boxes were sent to the LDM by the distributor, where the box was opened and the form received were counted and handed over to the LDM for sending to respective banks.

6. **Grievance Redressal Systems :** Call Centres with toll free numbers have been provided. Utility for registering the complaints have also been provided in the OMC portals. Consumers can also register complaints and get the information related to seeding and cash transfer details at the distributorships.

- **Project Management:** Committees at National, State and District level have been constituted for managing the project implementation.

- **IEC action plan :** An action plan with the following activities was devised for each district and was being tracked for effective monitoring of scheme.

Activity
Banners / posters at Distributorship / prominent public places & Bank branches
Leaflets to each customer who has not yet submitted Aadhaar No.
Advertisements in Newspapers
Advertisement by distributors requesting customers to submit Aadhaar No. To distributorship as well as Bank.
Telephonically inform all customers who have not submitted Aadhaar to submit the same
Advertisement through FM radio, Aakashwani, Cable TV & Slides in Cinema Houses
Mike announcements through Autorickshaw
Publicity in Haats, Panchayat, Fairs (Every Week)
SMS to all customers who have not submitted Aadhaar
SMS to all customers who have submitted Aadhaar to distributor but not to bank to submit the same to bank
Aadhaar Enrollment centre Details to be displayed at all distributorships

DBTL Implementation Status

The actual date of launch and grace period is given as below for all phases of DBTL so far:

Phase	No. of Districts	Date of Launch (Districts)	Grace Period End Date (Districts)
1	20	01.06.13 (18) 01.07.13 (1) 01.08.13 (1)	1.09.2013 1.10.2013 1.11.2013
2	34	01.09.2013	31.12.13 (22) 28.02.14 (12 districts of Kerala)
3	43	01.10.2013	28.02.2014
4	38	01.11.2013	28.02.2014
5	49	01.12.2013	28.02.2014
6	107	01.01.2014	31.03.2014
Total	**291**		

Following is the status (as on 01.04.2014) of phasewise Aadhaar seeding and cash transfers:

(all figures in crore)

Status of rollout of DBTL for the period up to 01.04.2014					
DBTL All Phases - 291 districts					
Phase	Total number of LPG consumers	Total number of consumers with LPG seeding	Total number of consumers with Bank seeding	Total number of DBT transactions	Total value of transactions (in Rs.)
I	0.8	0.7	0.6	2.8	1609
II	1.5	1.2	1.0	2.6	1577
III	1.7	0.9	0.6	1.5	900
IV	1.3	0.5	0.4	0.8	513
V	1.4	0.4	0.2	0.4	267
VI	3.0	0.8	0.5	0.9	524
Total	**9.6**	**4.4**	**3.4**	**9.1**	**5391**

Annexure 12

Questionnaire

Consumer Survey		
1		Have you linked your Aadhaar with distributors and bank?
	A	Yes, I have linked Aadhaar with both LPG distributor and bank but not received cash in my account
	C	I have linked my Aadhaar with bank but not with LPG distributor
	D	I do not have bank account
	E	I do not have Aadhaar
	F	I have linked my Aadhaar with both LPG distributor and bank and received cash transfer in my account
2		Did you face any Problem in getting Aadhaar ?
	A	Yes, I could not find/locate any enrollment agency near to my area
	B	Yes, I do not have Photo identity card or proof of address so was refused Aadhaar
	C	Yes, I have enrolled with enrollment slip, but have not received Aadhaar.
	D	I have lost my enrollment slip so cant get my Aadhaar
	E	Want an alteration made in my Aadhaar details, but cannot get it done.
	F	I have tried generating e Aadhaar but could not do so as site was too slow
	G	None
3		Did you face any Problem in opening bank account?
	A	I do not have enough cash to deposit to open account
	B	I do not have Proof of Identity and proof of address to open bank account
	C	I do not have any PSU banks nearby. My cooperative bank is not accepting Aadhar based bank account
	D	The bank did not accept the Aadhaar as a proof of Identity
	E	None
4		Did you face any Problem in linking Aadhaar with LPG distributors?
	A	Distributor did not accept registration form/Photocopy of Aadhaar card for linking
	B	Even after giving Aadhaar photocopy distributor insists on submitting in the specified format
	C	Even after submitting Aadhaar/Form took more than a week to link
	D	I was not sure if the Aadhaar got linked in the LPG after my giving the form to distributor

		Consumer Survey
	E	I had to go multiple times to link Aadhaar in LPG
	F	I do not know the postal addresses where Xerox copies of Aadhaar along with POA and other documents are to be sent
	G	I faced problems in linking my Aadhaar through Telephone/ SMS/ website
	H	None
5		Did you face any Problem in linking Aadhaar in your Bank account
	A	Bank did not accept form/Aadhaar photocopy
	B	I have dropped in Box kept with distributor. But the linking delayed/not done
	C	Banks are not accepting e Aadhaar
	D	I was not sure if the Aadhaar got linked in the bank after my giving the form to bank
	E	I had to go multiple times to link Aadhaar in Bank
	F	Banks are not accepting e Aadhaar
	G	None
6		Did you receive any confirmation on your Aadhaar linking with LPG Distributor?
	A	Received SMS
	B	Checked Website
	C	Distributor Confirmed
	D	Couldn't get confirmation from my distributor
	E	Didn't confirm
	F	None
7		Did you receive any confirmation on linking your Aadhaar with your Bank account?
	A	Received SMS
	B	Bank stamped confirmation in my passbook
	C	Could not get confirmation from my branch
	D	Checked on OMC website
	E	Didn't confirm
8		When did you receive the permanent advance of Rs.435 in your bank account?
	A	Before Cylinder was delivered
	B	After the cylinder was delivered
	C	Did not receive

		Consumer Survey
9		On an average, In how many days did you receive the subsidy in your bank account after receipt of cylinder?
	A	1 day
	B	2 days
	C	3 days
	D	Within one week
	E	More than one week
	F	More than two weeks
	G	Did not receive
10		Did you get any confirmation on crediting of the subsidy amount/ permanent advance in your account?
	A	I received confirmation from OMCs by SMS
	B	I received confirmation from Bank by SMS
	C	I checked the OMC website myself
	D	I checked the bank account on bank website myself
	E	I did not get any confirmation
11		In case of problem with cash transfer, were you able to file your complaints?
	A	I have approached my Distributor who accepted my complaint
	B	I have approached OMC officers who received my complaint
	C	I have filed my complaints using OMC portal
	D	I have approached my bank and registered my complaint
	E	I have registered my complaint through OMC toll free number
	F	I do not know whom to approach for registering complaint.
12		In how many days your complaints/ query was redressed/ replied
	A	Within 24 Hrs after lodging the complaints
	B	Within 3 days after lodging the complaints
	C	Within 7 days
	D	Never received any reply
13		How would you rate the level of grievance redressal by Oil Marketing companies?
	A	Excellent
	B	Very Good
	C	Average
	D	Poor
	E	No mechanism exists

Consumer Survey		
14	How would you rate the level of grievance redressal by your Bank?	
	A	Excellent
	B	Very Good
	C	Average
	D	Poor
	E	No mechanism exists
15	How would you rate the level of grievance redressal by Aadhaar agency (UIDAI)?	
	A	Excellent
	B	Very Good
	C	Average
	D	Poor
	E	No mechanism exists
16	After the starting of Cash transfer Scheme, did you find any improvement in timeliness of your LPG supplies?	
	A	Yes, it improved
	B	No change
	C	It is worse than before
17	How do you rate the Cash transfer scheme?	
	A	Excellent
	B	Good
	C	Satisfactory
	D	Poor
18	What are the biggest problem faced by you in DBTL (please write below - up to 5 problems which you would like to be solved)	
	A	
	B	
	C	
	D	
	E	

Distributor Survey		
1	Were you able to seed all Aadhaar received, in the data bases within 2 days of receipt?	
	A	Always
	B	Mostly
	C	Sometimes
	D	Never
2	Are you able to inform consumers on the status of cash transfer?	
	A	Yes Data available in Software
	B	Yes, Data available in Portal
	C	Not able to inform
	D	Request them to contact bank
3	Based on which information do you guide consumers on Aadhaar enrollment center location?	
	A	Information provided by OMCs
	B	Aadhaar website
	C	Common knowledge of the area
	D	Never informed them on Center
4	How many complaints on Cash transfers are you able to effectively resolve?	
	A	All
	B	Mostly
	C	Very Few
	D	Nil
5	Do you find any issue/difficulty in having drop box in your show room?	
	A	Yes, Consumers do not drop in box as they do not get acknowledgement
	B	Yes, Consumers do not drop in box, as the banks are nearby
	C	Yes, After getting forms, it is very difficult to carry to LDMs as mostly LDMs are preoccupied
	D	No
6	Do you find any utility in using RASF	
	A	Yes, Very useful
	B	Yes, to a limited extend
	C	No

Distributor Survey		
7	Have you found refill backlog reduced after implementation of scheme?	
	A	Yes, it improved
	B	No change
	C	It is worse
8	Do you think you have a better control over your delivery men due to implementation of the scheme?	
	A	Yes, the scheme made big improvement
	B	Yes, Scheme brought in some changes
	C	No . There is no change
9	How do you rate the DBTL scheme?	
	A	Excellent
	B	Good
	C	Satisfactory
	D	Poor
10	Did you find the DBTL Scheme in anyway impacting your business	
	A	Excellent improvement
	B	Good Improvement
	C	No improvement
	D	Worse than before
11	How do your customers feel about DBTL after they start getting subsidy in their bank accounts	
	A	Happy
	B	Preferred previous system
	C	Indifferent
12	What are the biggest problem faced by you in DBTL (please write below - up to 5 problems which you would like to be solved)	
	A	
	B	
	C	
	D	
	E	
	D	
	E	

Sales Officers Survey		
1	According to you which category given under figure as highest in the number of complaints received by you?	
	A	Wrong Aadhaar Seeding by Distributors
	B	Wrong Aadhaar Seeding by Banks
	C	Wrong Cash Transfer by OMC
	D	Wrong Cash Transfer in Bank account
2	How do you cordinate for resolving Bank issues ?	
	A	With LDM
	B	Directly with banks
	C	With OMC Head Quarter
	D	Inform consumers to approach Bank
3	On an average, how long does it take for distributors to seed Aadhaar Number?	
	A	Same day
	B	Two days
	C	One week
	D	More than one week
4	As per your understanding, on an average how long does it take for banks to seed ?	
	A	Two days
	B	One week
	C	Two weeks
	D	More than two weeks
5	How do you find the response from LDM on all coordination issues ?	
	A	Whole heatedly cooperate and resolve issues
	B	Not aware that the coordination is part of the DBTL activity
	C	Aware but not ready to coordinate in DBTL activity wholeheartedly
6	On an average, how long does it take to redress complaints related to seeding with distributors?	
	A	Same day
	B	Two days
	C	One week
	D	More than one week

Sales Officers Survey		
7	On an average, how long does it take to redress complaints related to Cash Transfer ?	
	A	Same day
	B	Two days
	C	One week
	D	More than one week
8	After the starting of scheme did you find any improvement in your LPG supplies to consumers ?	
	A	Yes, it improved
	B	As usual
	C	Worse than before
9	How do you rate the DBTL scheme?	
	A	Excellent
	B	Good
	C	Satisfactory
	D	Poor
10	What are the biggest problem faced by you in DBTL (please write below - up to 5 problems which you would like to be solved)	
	A	
	B	
	C	
	D	
	E	

LDMs Survey		
1	Have you ever been communicated with your responsibilities for implementing DBTL?	
	A	Received a comprehensive communication and gets regular updates on role from Reporting office
	B	Received comprehensive communication initially and but no regular updates
	C	Information received from Handbook prepared by OMC
	D	Received from District Administration during Coordination meeting
	E	Not received any such communication
2	As per your understanding which of the following are your responsibilities?	
	A	Coordinating for improving bank seeding
	B	Coordinating for resolving complaints related to seeding
	C	Coordinating for resolving complaints related to cash transfer
	D	Educating banks in your districts on DBTL
3	According to you which category given under figure as highest in the number of complaints received by you?	
	A	Wrong/ delayed Aadhaar Seeding by Distributor
	B	Wrong/ delayed Aadhaar Seeding by Banks
	C	Wrong Cash Transfer by OMC
	D	Wrong Cash Transfer by Banks
4	How do you cordinate for resolving Bank related issues on DBTL ?	
	A	Refer to respective Banks
	B	Inform reporting offices
	C	Inform consumers to approach distributors/ respective bank
	D	Take up in Coordination meetings
5	As per your understanding, How long does it take for distributors to seed Aadhaar ?	
	A	Same day
	B	Two days
	C	One week
	D	More than one week

LDMs Survey		
6	How long does it take for Banks to seed Aadhaar ?	
	A	Two days
	B	One week
	C	Two weeks
	D	More than two weeks
7	When do you consider the Aadhaar seeding process in banks as completed ?	
	A	Seeded in CBS
	B	Seeding in NPCI mapper
	C	First Cash transfer completed
	D	Available as seeded in OMC website
8	How do you rate the response from OMC officers on all coordination issues ?	
	A	Very Good
	B	Not ready to consider and appreciate bank related issues
	C	Always pass on issues to Banks/LDM
9	How do you redress cash transfer complaints ?	
	A	Inform the local branch of Banks
	B	Take up during coordination meetings
	C	Inform to take up through OMC distributors
	D	Inform consumers to approach Bank directly
10	How long does it take to redress complaints related to seeding ?	
	A	Same day
	B	Two days
	C	One week
	D	More than one week
11	How long does it take to redress complaints related to Cash Transfer ?	
	A	Same day
	B	Two days
	C	One week
	D	More than one week

	LDMs Survey	
12	Do you get updated on all policy related matters from reporting office?	
	A	Always
	B	Mostly
	C	Occasionally
	D	No specific communication on DBTL and coordination as LDM
13	How effective is the coordination meeting at district level with banks on DBTL related issues?	
	A	Yes, it helps in improving processes
	B	It is as usual no specific improvement
	C	Banks local officers are not fully receptive
14	What all do you discuss in coordination meetings?	
	A	Seeding related
	B	Cash Transfer related
	C	Complaints
	D	IEC related
15	Do you think Banks are benefitted out of DBTL Scheme ?	
	A	Greatly
	B	Mostly
	C	Little
	D	None
16	How do you rate the DBTL scheme?	
	A	Excellent
	B	Good
	C	Satisfactory
	D	Poor
17	What are the biggest problem faced by you in DBTL (please write below - up to 5 problems which you would like to be solved)	
	A	
	B	
	C	
	D	
	E	

Advertisement

Annexure 14

Difficulties expressed by consumers

1	Advance Received by me is half the subsidy. How do I buy Cylinder?
2	Why should I Pay more VAT?
3	I do not have bank account. How do I get subsidy?
4	If I enroll today, when will I get my Aadhaar?
5	Where should I complain for wrong transfers?
6	I received confirmation from Oil Company that my subsidy credited. But now I am told that it is failed. What to do?
7	My subsidy transferred to some other account. How do I get it Back?
8	What do I do if EID is lost ?
9	My EID is two years Old , Shall I wait or re-enroll?
10	I am new to the DBTL town. How do I enroll?
11	I have reseeded Aadhaar in a new bank . Earlier I linked in SBI. Amount continues to be received in SBI
12	Amount sent in my account failed due to bank issue. I am told that OMCs will send it only after 15 days. Why should I wait?
13	I have given Aadhaar to Bank A and Bank B. I need amount in A but it is being sent in B .
14	Enrollment agency not seen. Where should I Contact?
15	I have put Aadhaar application in drop box. For Banking grievances on Drop Box Can I approach LDM?
16	Where do I get Toll free numbers for bank related issues?
17	I have received Cylinder, but Subsidy payments are delayed.
18	Banks not able to inform where money transferred.
19	As per OMC, the cash transfer failed due to reason as "miscellaneous". I am not aware, what does it mean?
20	As per OMCs my Aadhaar in NPCI mapper is inactive. I have no intimation from Bank.

21	*99# facility not available with all Telecom Service providers
22	I have not found any means to Check seeding in Banks
23	I have provided my Aadhaar Copy. Distributor is insisting on ARS
24	Why can't my distributor generate e-Aadhar and give it to me?
25	I have received cylinder on 10th. I received the subsidy on 12th. Why cant I get it on 11th?
26	Bank employees were on strike and my cash transfer is delayed for more than 15 days.
27	Like OMCs can I do seeding through SMS in Banks?
28	I have provided Aadhaar but, Seeding of Aadhaar delayed.
29	Credit received in my account has been reversed by the bank!
30	My subsidy transferred to my cooperative bank account failed!
31	Spelling mismatch in Aadhaar card and bank not accepting for seeding.
32	Banks give print out of passbook showing seeding confirmation, but Aadhaar number still not seeded.
33	I am not getting subsidy in my Joint/NRI accounts where I asked bank to link Aadhaar

ANNEXURE 15

Audit Summary

The DBTL scheme was subjected to two audits and five consumer surveys as under:

a. Performance audit was carried out by Controller and Auditor General of India.

b. An independent third party audit by M/s I Gate on both processes and performance.

c. Five surveys were done with a sample of consumers who have seeded Aadhaar in LPG to assess shortfall in Aadhaar seeding in the banks.

Performance Audit by CAG

The audit commenced in the second month of roll out. This was a time when the process and performance improvements were being carried out to correct teething problems during implementation. The audit activities were focused on two districts viz. Hyderabad and Ranga Reddy.

Draft Recommendations

- Adequate percentage of Aadhaar seeding and bank seeding needs to be achieved before the scheme is launched in any district.

- Data-bases of OMCs should be integrated to detect / prevent issuance of multiple LPG connections and thereby restrict wrong subsidy transfer.

- OMCs should ensure adequate and efficient utilization of RASF verification by LPG distributors so as to ensure that subsidy is transferred only to genuine beneficiaries.

- System controls should be strengthened so as to adhere to capped limits of subsidy.

- As NPCI has been operating APB for Aadhaar based subsidy transfers, its role in DBTL scheme should be enhanced so as to check subsidy transfers to capped limits.

- Grievance Redressal Mechanism should be made consumer-friendly

Process and Performance Audit by Third Party appointed by OMCs

M/s iGate was appointed as a process and performance auditor for DBTL. The audit covered all the main processes such as Aadhaar seeding, cash transfer and grievance redressal mechanism. Consumer and distributor surveys were also included to cover consumers and distributors of all OMCs under the 20 districts of Phase 1. The audit was conducted during the period September to November 2013.

Audit Recommendations

ARS (Aadhaar Registration Sheet) Audit
A visual check of ARS versus seeded data was carried out. For this, a total of 200 consumers per distributor were identified. The distributors were asked to provide the ARS for the identified 200 consumers. Out of the 480 distributors who responded with the records, at least one wrong entry was found in the forms received from 122 distributors and hence additional 500 Records were sought from these 122 distributors.

A total of 65,377 ARS records were audited. Of which 63,811 records were accepted i.e. 97.6% of the total records audited. 2.40% of the records were rejected. It was also found that in 44% cases the name exactly matched, in 43% there were near matches, 13% records were found to have typographical error and in 1% cases there was total mismatch. The Aadhaar number matched in 99.6% records

RASF Audit
RASF Audit was conducted on 32,665 numbers of records.

In the first round, 21,635 records were audited. Out of these 21,119 records were accepted which is 97.6% of the total records audited. 2.4% of the records audited were rejected.

If even one wrong entry was found, the next set of 100 numbers from RASF verified data file were also audited. Total records audited for RASF second round were 11,030. Out of these 10,856 records were accepted which is 98.4% of the total records audited. The failed records were 1.6% of the records audited.

Audit of Subsidy Transfer
The subsidy transfer for the consumers to whom cash was actually sent was audited by contacting consumers to understand consumers understanding of the cash transfer process. Total consumers contacted for Subsidy Transfer audit were 29,948. Out of these, 21227 consumers responded, of which 11,342 (53%) confirmed of having received the subsidy while 9885 said that they did not receive the subsidy. A random sample of 50 such consumers selected and their transfer records were checked and found that 48 consumers received subsidy before the call and 2 received after the call. This confirmed that as the survey was conducted over phone and the reason for high number of respondents saying that they did not receive the subsidy was perhaps because they may not have checked their bank account at the time they responded to the survey.

Grievance Calls Analysis
A total of 137 grievance calls were analyzed. Of these, 67% grievances were related to subsidy, 18% related to Aadhaar linking issues and 15% were related to the Scheme.

Consumer Survey Findings

In order to understand the consumer perception about the scheme, their preference on mode of seeding and effectiveness of IEC, consumer survey was conducted through three modes: Email, Phone and Letters/forms for assessing the following:

A questionnaire was prepared by iGATE and duly vetted by OMC/MoPNG.

Phone Call Survey

A total of 19,297 phone calls were made:

- The newspaper was found to be the most popular method of creating awareness about the DBTL Scheme, awareness generated by the distributors was also useful.

- Most of the consumers handed over the photocopy of the Aadhaar letter/ card to the distributor.

- Total consumers who responded to the rating of the DBTL Scheme were 8710. Out of these 75% consumers rated the Scheme as Excellent, Very Good or Good, 13% rated it as satisfactory and 12% rated it as poor.

Email Survey

Total emails sent to consumers 11,092. Out of these 10192, i.e. 92% emails were successfully delivered. However, only 206 responded to the email survey:

- The Newspaper remained the most popular form of creating awareness about the Scheme, followed by awareness generated through the television.

- Most of the consumers handed over the photocopy of the Aadhaar letter/ card to the distributor.

- Total consumers who responded to the rating of the DBTL Scheme are 204. Out of these 65% consumers rated the Scheme as Excellent, Very Good or Good, 17% rated it as satisfactory and 19% rated it as poor.

Only 38 consumers responded to the postal survey. Most of the respondents reported to have learnt about the Scheme through the showroom staff.

Distributor Survey Findings

The distributor survey was conducted online on a web portal to assess the perception about the scheme, mode of seeding preferred by consumers, types of complaints handled and also the effectiveness of the seeding and cash transfer processes in place. The survey details and outcomes are given under:

A Total of 186 distributors responded to the survey through the portal created by iGATE.:

- Photocopy of Aadhaar cards was the most popular method of seeding Aadhaar number by the distributor (71%), followed by receipt of the Application Form with the Aadhaar Letter (26%).

- Method of storing ARS forms: Around 42% of the distributors store the ARS Forms Datewise and 30% store it consumer numberwise.

- With regards to consumer complaints, 92% of the distributors reported of having received complaints from consumers.

- 49% Distributors rated the scheme as Good. 46% as average and 7% rated it as bad.

- 42% Distributors reported that as per the feedback from consumers it takes around 7 days to become CTC in Transparency Portal, after the Aadhaar seeding is completed. 17% reported that this data is not updated at all.

- 58% Distributors reported that as per the feedback received from the consumers and staff, the easiest and most preferred way of Aadhaar seeding is by submitting Aadhaar details to Banks followed by 40% distributors reporting that submission in drop boxes in showroom.

- 48% Distributors reported that as per the feedback received from the consumers it takes more than 3 days from the date of booking for delivery of advance amount or subsidy to the consumer.

- 54% Distributors reported that most of the customer complaints received in distributor showrooms regarding DBTL are related to delay in Customer becoming CTC, followed by 44% distributors reporting that Consumers not receiving Advance/Subsidy Amount as the main reason.

- 66% Distributors reported that in their opinion the launch of DBTL scheme will provide an opportunity to private bottlers to increase their market share by capturing the Non CTC consumers.

Direct Consumer surveys

During the DBTL roll out period, five rounds of surveys were conducted involving consumers who had seeded Aadhaar in LPG but not in the banks.

S.No.	Date of Survey	No. of consumer surveyed	By
1	3rd – 5th June, 2013	8722	Distributor
2	3rd – 10th June, 2013	803	Call Center
3	24th – 26th June, 2013	8297	Distributor
4	8th – 10th July, 2013	11118	Distributor
5	1st – 4th Sept, 2013	9949	Distributor
6	Dec'13 – Jan'14	94457	Distributor

The highlights of survey results are given under:

- During the first survey conducted, the main reason for not seeding in banks was that the consumers did not find time to provide Aadhaar in the bank. This was followed by consumers who stated that they have already provided Aadhaar copy to banks but bank had not seeded. Next category was due to the consumers not being aware of the seeding requirement.

- Second survey onwards consumers who had already provided Aadhaar copy to the bank out numbered those who could not find time to do so.

- The survey results show improvement in awareness for the seeding presumably due to the IEC deployed.

- There has been also reduction in number of consumers who mentioned that they could not provide to the bank due to paucity of time.

- Surveys also brought out that substantial number of consumers do not have bank account.

- Another category of consumers were those who had EIDs but mentioned that banks did not accept the same.

Centralized Grievance Mechanism

The Committee has reviewed the grievance redressal mechanism of the DBTL. Any generic direct benefit transfer scheme will have three entities having separate span of control,

1. **UIDAI / RGI -** Generating the Aadhaar numbers and carrying out demographic alterations over a period of time.

2. **Department/Ministry owning the scheme** (in this case it is MOPNG and OMCs) - which seeds the Aadhaar in its own database and send out the payment through banking system.

3. **Banking system -** This consists of the following entities regulated and controlled by DFS/RBI.

    a. **Sponsor Bank –** serves the department / ministry

    b. **NPCI –** mediates between the sponsor bank and the destination banks.

    c. **Destination Banks –** consists of various public and private sector banks, including the sponsor bank.

The span of control should decide on the responsibility of grievance resolution and interface handshakes should be done only on resolution of the queries as a matter of confirmation.
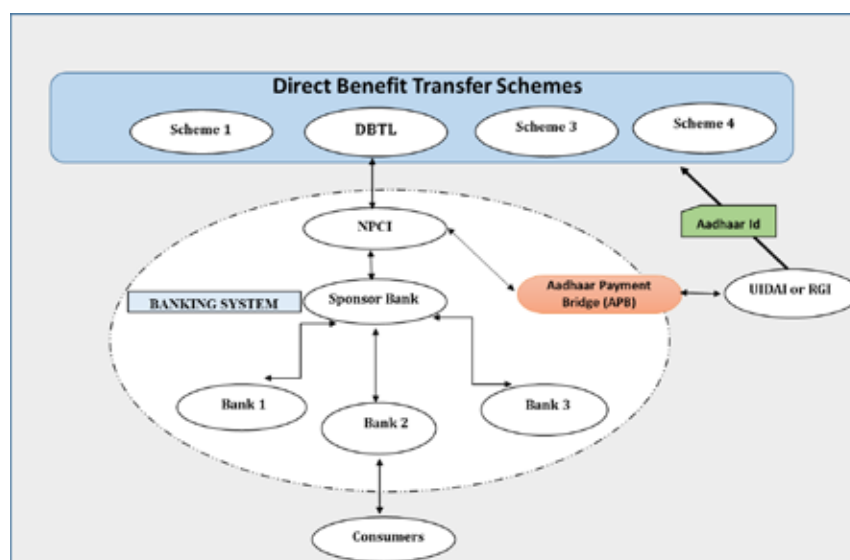
MOPNG Grievance Redressal

Under the DBTL, the user department is the OMCs controlled by the MOPNG. The OMCs have put in place an elaborate centralized mechanism to provide electronic information on all aspects of the DBTL on which they have control. For example,

- Queries relating to seeding of Aadhaar against a LPG consumer number,

- Correction of wrong Aadhaar seeding in LPG database,

- Information on subsidy transfers initiation to the consumers pertains to OMCs. Diagnostic and remedial measures are available to the call center of the OMCs through an electronic mechanism in a centralized manner.

UIDAI Grievance Redressal

The UIDAI is another entity in the scheme of direct transfer schemes where residents face problems relating to generation of Aadhaar numbers and alterations in name/address. These should be attended to through a centralized mechanism at the level of UIDAI with unique complaint number, resolution, escalation and communication to consumer. This will be used where consumers directly approach the UIDAI for their grievances. This standalone grievance redressal will be required as Aadhaar may be used across many departments and schemes. Authentication of the user before sharing or changing any information in Aadhaar database will require direct interface with UIDAI and any intermediation with OMC/user department may not be possible.

Banking Grievance Redressal

The third set of players are controlled by DFS/RBI i.e. the banks. Based on the feedback from consumers there is lack of centralized information/action relating to the banking sector such as:

- Aadhaar is linked to which bank account,

- Whether Aadhaar is linked to bank account in NPCI or not,

- When was Aadhaar seeded in NPCI after sending the request to the bank branch,

- Correction/transfer of Aadhaar from one bank account to another,

- Tracing of bank account into which the subsidy from sponsor bank has been credited,

- Correction of wrong subsidy transfer between the banks and to the sponsor department,

- Tracing of seeding /de-seeding history of a particular Aadhaar number by same or different banks over time,

- When was the amount received in the bank account of the bank account holder,

- Action by banks to rectify problems in bank accounts for failed transactions based on error codes returned to NPCI and sending instructions to originating department to re-initiate transactions after correction of cause of failure.

Single window resolution mechanism of such issues which cut across banks and NPCI are not available or are not available in a centralized manner. As per the feedback received by the Committee, the lack of information visibility in the banking sector forms the bulk of unresolved consumer complaints.

There are over 200 banks which are involved in the direct cash transfer schemes, all of which are member banks of NPCI and own the NPCI. It will be completely sub-optimal and operationally infeasible for each user department to deal with each bank for each of its consumer individually. It would impose a layer of intermediation between the consumer of scheme (and who is consumer of bank also) for seeking redressal of complaint with a bank related issue. Further, there is regulatory ban (Information Technology Act) on sharing of personal banking information by banks with third parties such as OMCs and their call centers. Thus, only a banking entity can authenticate a user and act on his/her request to deal with any of the above requests and such requests cannot be handled by the OMCs as they are prohibited from handling such information and denied to receive such information. Even in cases where cash subsidy is sent to a wrong bank account due to wrong seeding by a bank, the complaint has to originate from the bank consumer, given the fact that the instructions to transfer funds have been given for the correct Aadhaar number. The banks may not be able to accept an intermediated request and may like to deal with an authenticated request due to the financial implications. They may not be willing to share any privileged communication with the department in this regard and this may lead to unnecessary delays and red tape. Further, it would be sub-optimal as banks will have to create similar interface for every department individually, even though he may be the same consumer. Given that banking sector is highly regulated and is controlled by DFS/RBI, and the grievance mechanism would be used across several departments as and when they launch direct transfer schemes, it should ideally be maintained and supervised by a banking entity such as NPCI or any agency identified by the DFS. The responsibility would lie with the common banking entity to resolve the banking issues referred to it as highlighted earlier on a scheme independent basis.

Thus, it is recommended that a common bank level entity (NPCI which is owned by all member banks/IBA and has interface with all the banks) is given the responsibility to receive such complaints and do a single point of contact with each department and the consumer to deal with problems in the banking sector. This entity can do this for all departments without replicating any individual interfaces with banks – user departments. It will also allow privileged information to flow more easily across banking entities seamlessly without the mediation of a third party such as the individual department.

There are two categories of grievances based on resolution that will arise and they will arise from two sources

Source Based – Grievances will either be

- Directly be filed at UIDAI / Banking entity/ OMC call centre by the consumer if he chooses so or

- Will flow from the user department to UIDAI interface / Banking entity interface.

Resolution Based – Every grievance can either be

- Resolved within the entity (UIDAI, Banking , OMCs) or

- It needs to be referred to one of the other two entities other than where it was filed or

- It may remain unresolved despite transfer to the other entity.

Models of Complaint Registration Tracking / Transfer and Handling

<u>Model 1</u>

At the source of grievance acceptance in all three entities (UIDAI, Banking, OMC) the entity shall capture the summary of grievance, mobile number and email of the consumer, Aadhaar Number, Bank Account Number / Bank Name, LPG consumer ID .

Each of the entity (OMCs/Department, UIDAI, Banking) shall create an individual Grievance Redress Mechanism that will handshake with the other entities' similar mechanisms and to accept a grievance from consumer or forwarded by other entities. Such Grievances shall be trackable through the unique grievance number (across the entities). The status of the grievance shall also be provided to the referring entity/consumer in an electronically/ through the web.

All grievances will be assigned unique ID (alpha numeric) by the entity receiving it. It will be prefixed by the entity code to identify where the complaint originated. The ID structure could be UI (for UIDAI) / BA (for banking entity) / OM (for OMC) or a unique code for another DBT department /RG (for RGI) followed by a 5-8 digit number. The individual entity grievance redress mechanisms (Banking/UIDAI/RGI/OMCs or user departments) will standardize this number format across the entities and accept it in their systems for tracking purposes. The tracking should be possible by referring to this number through their individual web interfaces irrespective of the source where the complaint was filed.

Each entity will have complaint resolution, tracking and escalation mechanism accessible to consumers and authorized officials and also a communication mechanism to consumer of registration, resolution or transfer to another entity though SMS/email. The entity

should also inform the consumer the location (weblink / call centre number) to check the status of the complaint irrespective of entity where the complaint registered through a web service mechanism. The transfer of grievance from one entity to other shall be regulated by a specified protocol so that complaints are not transferred to other entities without any rationale. The transfer shall be allowed only once and if the query cannot be resolved by the entity referred to, it will become the joint responsibility of the centralized mechanism which is described below.

Unresolved Complaints, if any, will be transferred to a National level mailbox / web based transfer to be maintained by the user department. These complaints will be resolved by a team of OMC/UIDAI and Banking entity officials, mandated to only do so. As and when schemes move to direct benefit transfer, the department will create its Grievance redress mechanism and also nominate a senior officer (s) to this national level team.

With the centralized grievance mechanism given the unique grievance ID, the complaint status should be traceable by the consumer by logging into the web based system of the entity where complaint was registered based on the status obtained by the source entity from the entity where the complaint resides currently. The status of the complaint must be made known to the consumer through SMS/email whenever it's owner / status changes. The consumer must also be able to re-file his/her complaint with the earlier ID, if he/she is not satisfied with its resolution whereby it would instantly visible to all the entities for a joint resolution.

A national team oversees the system, monitors the performances of each entity, quality of complaint resolution and also resolves, escalated/unresolved complaints per SLA mentioned under the minimum requirements in this document in section 4.3.9.

Model 2

In this model consumers can file complaints relating to any entity (OMCs , UIDAI or NPCI) in a common rule based centralized grievance registering system. This will allow visibility of all complaints and their redressal at a common point. This differs from Model 1 where there are three different grievance registering systems. In this model, when the consumer files the grievance at any one of three entities (UIDAI, NPCI , OMC) using call centres/ web based option / directly by the entity feed back officer, the same gets registered in a common front end with a common back end central database and a rule based engine sorts these complaints and assigns it to an entity. There may be few complaints which can't be categorized based on configured rules. Such complaints get marked to a pre-defined default entity.

Registered complaints at central system shall be sent to respective entities for further processing using web service/ other integration tools. If the complaint so received is found to be not pertaining to the entity, it can further transfer it to any other entity

or escalate to the central team. Handshaking (through web service/ integration tools) will also allow each entity to send progress and resolution of complaint to centralized grievance registering system which can be accessed by consumers/ call center operators/ feedback officers of the entity. This system shall also allow entities to communicate with each other for the complaints.

Based on the preset SLAs, complaints get escalated automatically to authorised person within the entity. Further while the resolution within the entity is through the existing mechanism in place for UIDAI and OMCs , bank related complaints may have to be further delegated to individual banks by NPCI.

A national level team oversees the system, monitors the performances of each entity, quality of complaint resolution and also resolves, escalated/unresolved complaints per SLA mentioned under the minimum requirements in this document in section 4.2.9.

Comments of the Deptt. of Expenditure

F. No. 22 (09)/PF.II/2012
Ministry of Finance
Department of Expenditure
(Plan Finance-II Division)

North Block, New Delhi
Dated: the 26th of May, 2014

OFFICE MEMORANDUM

Subject: **Review of Direct Benefit Transfer for LPG Consumer (DBTL) Scheme -reg.**

      Reference may kindly be taken of the draft of the report of the Committee constituted to review the Direct Benefit Transfer for LPG Consumer (DBTL) Scheme which has been circulated vide email dated 25.05.2014.

2. The final version has been considered. I am directed to state that the Department of Expenditure desires the following aspects to be incorporated in the final report:

2.1 **Role of Aadhaar in DBTL Scheme:** It must be made explicitly clear that Direct Benefit Transfer Scheme is operating in 27 schemes of the Government and Aadhaar has not been made mandatory in any of them. Even without Aadhaar, DBTL Scheme will be a superior scheme compared to the earlier scheme. This aspect be incorporated in the final report.

2.2 **Permanent Advance:** There is no such thing as permanent advance or permanent float, at the time of first booking, the amount given is the subsidy 1. So, it is subsidy per se, and not advance. Necessary amendments / changes may accordingly be made to the usage of this nomenclature wherever they are occurring.

2.3 **Transaction fees to banks on DBTL:** It may be stated that as of now under DBT Scheme, a commission of 1% on the total amount transferred under DBT, Is granted to the banks, cooperative banks and post offices wherever they have taken the help of banking correspondents (BC) to carry out their transactions under DBT till the time necessary software tools to distinguish DBT / non-DBT transactions are in place. Once, it is technologically possible to ascertain the value of transactions through BCs, commission at a rate of 2% of the amount actually transferred through BCs under the DBT Schemes shall be admissible. (copies of relevant OMs issued by PF-II Division are enclosed)

With regard to DBTL, it has been our consistent stand the transactions are routine banking functions without the involvement of BCs. This report itself has cited that the scheme has contributed following benefits to banking sector:

26/5/2014

- Float due to permanent advance of Rs. 435 per consumer
- Inactive bank accounts became active leading to increased banking activity.
- Enhanced financial inclusion.

In view thereof, any further commission to the banks may not be envisaged.

3.   This has the approval of the competent authority.

Encl: As above.

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Director (P.F. II)
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Dr. Neeraj Mittal,
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Review of the Direct Benefit Transfer for LPG Scheme
Committee Report

May 2014, New Delhi