

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
O/o CONTROLLER GENERAL OF ACCOUNTS  
MAHALEKHA NIYANTRAK BHAWAN  
NEW DELHI**

File No I/1/2024-ITD-CGA/**146**

Dated: 28.11.2025

**OFFICE MEMORANDUM**

**Sub: Standard Operating Procedure on Direct Benefit Transfer under SNA SPARSH – Account- based DBT and Aadhaar-based DBT**

The undersigned is directed to refer to the subject above and state that Department of Expenditure, Ministry of Finance vide OM No. F No. 1(27)/PFMS/2020 dated 13th July 2023 notified the pilot rollout of SNA SPARSH to enable "just-in-time" fund flow under Centrally Sponsored Schemes.

2. The existing model of SNA SPARSH envisages just-in-time release (both Central and State share) to beneficiaries directly by RBI based on payment files received from State Nodal Agencies (SNAs) through State IT Systems with just-in-time prior credit of Central Share to States. To facilitate extension of SNA-SPARSH to DBT-based schemes, RBI has introduced the Direct Access Model for State Governments using NPCI's Aadhaar Payment Bridge System (APBS) for aadhaar-based DBT and the existing PFMS\_IFMIS-eKuber integration for account-based DBT.

3. A comprehensive standard operating procedure for Direct Benefit Transfers under SNA SPARSH for Centrally Sponsored schemes (both account-based and aadhaar-based DBT) is annexed for use by concerned users in the Central Ministry and States. It is requested that the document is widely circulated to concerned stakeholders.

4. For any kind of further clarification/query in this regard, the following officers may please be contacted:

- a) Sh Shalinder Sachdeva, Assistant Accounts Officer (Email: [shalinder.sachdeva@mea.gov.in](mailto:shalinder.sachdeva@mea.gov.in))
- b) Ms Meghna Sen, Assistant Accounts Officer (Email: [meghna.sen@gov.in](mailto:meghna.sen@gov.in))

This is issued with the approval of the Competent Authority.

  
(B Gopala Krishnakanth Raju)  
Assistant Controller General of Accounts  
GIFMIS-PFMS

Enclosure: As above

To,

1. Principal Finance Secretary / Finance Secretary of all the States/UTs with Legislation
2. Financial Advisors of Ministries/Departments handling schemes notified under SNA SPARSH
3. All Pr. CCAs/CCAs/CAs with independent charge

Copy for information to:

1. PPS to Additional Secretary (PFS), Department of Expenditure, Ministry of Finance
2. PPS to Additional Controller General of Accounts, PFMS
3. Joint CGA(Rollout), PFMS
4. Joint CGA (DBT vertical), PFMS



NOVEMBER 2025

# **STANDARD OPERATING PROCEDURE ON DIRECT BENEFIT TRANSFER UNDER SNA SPARSH**

**AADHAAR-BASED & ACCOUNT-BASED**

O/O CONTROLLER GENERAL OF ACCOUNTS  
Department of Expenditure, Ministry of Finance



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# GLOSSARY

APBS	Aadhaar Payments Bridge System
CPMU	The Central Project Management Unit
CSS	Centrally Sponsored Schemes
CN	Credit Notification
DN	Debit Notification
DBT	Direct Beneficiary Transfer
DPSS	Department of Payment and Settlement Systems
IFMIS	Integrated Financial Management Information System
NPCI	National Payments Corporation of India
PFMS	Public Financial Management System
RBI	Reserve Bank of India
SPCU	State Project Management Unit
SSM	State Scheme Manager
UT	Union Territory
XML	Extensible markup language

## INTRODUCTION- DIRECT BENEFIT TRANSFER THROUGH SNA SPARSH

SNA SPARSH was introduced to facilitate effective cash management in Centrally Sponsored Schemes with the aim of achieving the goal of “Just-in-time” fund flow from both the Centre and State Consolidated Funds through an integrated network of State IFMIS, e-kuber of RBI. The key feature is that the Centre’s share shall be released only when an actual expenditure is incurred and a claim is raised against the expenditure. Further, the State Government’s account is pre-funded with the Centre’s share before making the payment to the end beneficiary. The pilot was notified by Department of Expenditure vide O.M. No. 1(27)/PFMS//2020 dated 13th July 2023 with rollout in ten States and six schemes. At present, all States and 3 UTs with legislature are releasing funds through SNA SPARSH for all Centrally Sponsored Schemes.

Direct Benefit Transfer (DBT) is an essential aspect of disbursement of funds under schemes. The aim of DBT is to transfer the benefits and subsidies of various social welfare schemes directly in the bank account of the beneficiary on time by bringing efficiency, effectiveness, transparency and also to eliminate the intermediary body. DBT aims to prevent any frauds as the beneficiary receives the funds directly from the government to their bank account. The beneficiary account is seeded to the bank and is validated through its Aadhaar number.

DBT Payments are made in 3 ways which basically includes:

1. DBT Payments through Ministry.
2. DBT Payments through State Treasury.
3. DBT Payments by Program Implementing Agencies (PIAs)

For Centrally Sponsored Schemes, the DBT is now to be processed through State Treasury under SNA SPARSH and the funds can be disbursed through “account-based DBT or “Aadhaar-based DBT”

### ACCOUNT BASED DIRECT BENEFIT TRANSFER – SNA SPARSH

In this process the beneficiary's bank account number is used to identify them and money is transferred directly into the bank account. Under SNA SPARSH, State Government shall disburse their “Account Based DBT” payments using the existing RBI-PFMS-IFMIS integration to process.

### AADHAAR BASED DIRECT BENEFIT TRANSFER – SNA SPARSH

In this process the amount is transferred to the latest Aadhaar seeded bank account. The existing model of SNA SPARSH envisages just-in-time release (both Central and State share) to beneficiaries directly by RBI based on payment files received from State Nodal Agencies (SNAs) through State IT Systems with just-in-time prior credit of Central Share to States. To facilitate extension of SNA-SPARSH to DBT-based schemes, RBI has introduced the Direct Access Model for State Governments using NPCI's Aadhaar Payment Bridge System (APBS). APBS facilitates end-to-end processing of bulk electronic payment instructions by allowing the participating entities to disburse the Direct Benefit Transfers (DBT) using Aadhaar number as

the financial address of the beneficiaries. The subsidy/benefit can be disbursed to the account of the beneficiaries based on the mapping of Aadhaar number to the Institution Identification Number (IIN) of the beneficiary's bank in NPCI mapper.

# FUNCTIONAL PRE-REQUISITES FOR DIRECT BENEFIT TRANSFER UNDER SNA SPARSH

To facilitate direct benefit transfers, the following pre-requisites are to be completed by States for both account-based DBT and aadhaar-based DBT:

## 1. IDENTIFICATION OF CENTRALLY SPONSORTED SCHEMES WHERE DBT IS APPLICABLE

States have to identify the schemes where DBT is applicable and obtain DBT Mission code from State DBT Cell.

## 2. CREATION AND CONFIGURATION OF STATE SCHEMES

- a) For the Centrally Sponsored Schemes, there could be multiple schemes and more than one Department implementing these schemes in a State for releases under a single CSS scheme from the Central Govt. To facilitate monitoring the utilization of funds on PFMS under these schemes, State Schemes are created on PFMS by the SPMU user based on the inputs of State Scheme Manager.
- b) Presently, Project Cell User in PFMS creates Scheme on PFMS with GB, hierarchy, components, agency/institution types and beneficiary type. Components can, however, be created by the Program Division in the Ministry as well.
- c) For State-Linked Scheme, the PFMS State Directorate creates the scheme on PFMS through SPCU user and maps it to the Centrally Sponsored Scheme based on the inputs of State Dept. / Scheme Manager

## 3. DEFINING OF SCHEME HIERARCHY

- a) For Centrally sponsored scheme (CSS), fund is transferred to the Consolidated Fund of the State Govt. and the State creates linked scheme with the share of the State Govt.
- b) State Linked Schemes (STS) (Corresponding to CSS) – State Directorates U team on basis of information provided by the concerned department / Scheme Manager of the State.
- c) State Funded Scheme (STFS) – Schemes entirely funded by State Govt. can also be on boarded on PFMS for monitoring. Such schemes will be created by the State Directorate on basis of information provided by the concerned department / Scheme Manager of the State.
- d) For State-Linked Scheme, the PFMS State Directorate defines the scheme hierarchy on PFMS through SPCU user

## 4. DEFINING OF SCHEME FUND FLOW HIERARCHY

Scheme fund flow hierarchy defines the levels at which a particular scheme will be implemented in PFMS. This hierarchy forms a basis for an agency to setup scheme specific relationship with other agencies (also called agency mapping), according to which the funds are transferred and managed under that scheme. Based on these hierarchy levels, reporting and data consolidation will be done for fund transfers and expenditure filling. The hierarchy is scheme specific and cannot be shared among the schemes. For example; For one scheme, user may choose State, District, Block and Panchayat as hierarchy levels while for another scheme it may be State and Block. A scheme hierarchy can be deleted only if the agency mapping has not been done (by any agency) for that level and below.

#### **5. CREATION OF COMPONENTS AND COMPONENT CODE FORMAT BY SPCU USERS AT STATE LEVEL**

- a) Components of a Scheme are Activities/ Sub Activities/ items of Expenditure under which fund is utilized by the Implementing Agency to facilitate monitoring by the Programme Divisions in the Centre and State Scheme Managers as the case may be.
- b) The components are scheme dependent. The components of expenditure are required on PFMS, as this is the platform which has been mandated to be used by all State Implementing Agencies for posting the financial transactions of the scheme. While posting the financial transactions it is mandatory to select the component of expenditure on PFMS.
- c) Programme Division – the Scheme Components are decided and populated (entered) on PFMS by the Programme Division of the funding Ministry who is responsible for reporting the expenditure done in the country to the Govt. of India on various activities of the Scheme for which money is released by them to the States in the country. The Govt. of India Scheme should be available for the SIA for importing the Components.
- d) Releases / State Scheme – The release of money from Centre (CFI) to the State (SCF) is against a Govt. of India Scheme at the Centre level by the Programme Division and/or Principal Accounts Office/Pay & Accounts Office of the Ministry concerned. The State Govt. will account for this amount in their receipt budget against the corresponding Scheme(s). The same will be accounted for in the Expenditure Budget of the State with matching State Share for the Scheme(s).
- e) However, the State Government may keep the scheme as one scheme or if required break the same into multiple schemes as per the requirement and directions of concerned Department/Ministry. The components of expenditure need to be linked (taken from) the Govt. of India Scheme to maintain uniformity in the states who are utilizing the scheme funds.
- f) For State-Linked Scheme, the PFMS State Directorate creates the component code format on PFMS through SPCU user
- g) For any clarification on migration of scheme components, addition / deletion, the Programme Division of the Ministry may be contacted by the concerned State Scheme Manager or the State Implementing Agency.



- h) Configuration of scheme components will be done by the State Project Cell User on PFMS portal, on the advice of State Scheme Manager for the Scheme.

#### 6. DBT CONFIGURATION FOR STATE LINKED AND STATE SCHEMES

- a) To make the scheme ready for DBT, configuration for DBT is mandatory after the scheme creation. Department/Ministry has to provide Annexure-iii form (contains scheme Name, code, type, DBT Mission code component name and code, payment mode etc) for DBT configuration.
- b) For Center scheme PFMS HQ does the DBT configuration while for State Linked and state schemes PFMS state Directorate will do the configuration

#### 7. REGISTRATION OF BENEFICIARY FOR DBT ON PFMS - OBTAINING BENEFICIARY ID/CODE FROM PFMS

The DBT beneficiary can be registered on PFMS through either of the following methods:

- Beneficiary Upload using Excel Files
- Common template available which can be used for any Scheme
- Scheme Specific templates also available for few schemes and new templates can be added as per requirement of Scheme
- Addition of beneficiaries one by one using UI option
- Through Integration with External Systems based on XML formats

The registration of DBT beneficiary on PFMS is mandatory as capturing of PFMS Beneficiary ID/ Beneficiary Code against each beneficiary shall be made mandatory from 01.01.2026

#### 8. PRE-VALIDATING BENEFICIARY ACCOUNT TO REDUCE FAILURES

PFMS facilitates an API service for availing bank account validation service by State Government.

## DBT MISSION CODE

1. A DBT mission code is a unique 5-digit identifier assigned to each Direct Benefit Transfer (DBT) scheme in India, used for financial tracking and fund flow. These codes are generated by the DBT Mission for all government schemes, ensuring consistency across ministries, departments, and financial stakeholders like PFMS and the NPCI. Ministries must use the correct DBT mission code to ensure benefits are transferred directly to beneficiaries' bank accounts.

(source: OM No. D-11011/02/2016-DBT (Cab) (Pt.) dated 23.09.2016)

2. The State DBT Cell shall be responsible for obtaining DBT Mission code for State Linked Schemes through Bharat DBT Portal. The list of State DBT cell can be accessed using the link - <https://dbtbharat.gov.in/dbtcell/state-list>
3. The list of central schemes where DBT is applicable can be accessed using the link - <https://dbtbharat.gov.in/central-scheme/list#>
4. The list of active DBT Mission codes as can be accessed through the link - <https://www.npci.org.in/product/nach/dbt-schemes-code>
5. DBT Mission code will be mandatory for both Account-based DBT and Aadhaar-based DBT.
6. If the DBT Mission code is defined for every individual component, then a separate claim file will be generated for each component with dedicated DBT Mission code for that component.

## ACCOUNT-BASED - DIRECT BENEFIT TRANSFER UNDER SNA SPARSH

Account-Based Direct Benefit Transfer (DBT) is a system used by governments to transfer subsidies, benefits, or other financial assistance directly into the bank accounts of eligible beneficiaries for certain welfare centrally sponsored schemes. Under account-based DBT, the State Government shall disburse payments through their existing PFMS-RBI-IFMIS integration

Upon receipt of centre share from Central Ministry/ Department, the State shall pass the instruction to RBI to process the account-based DBT. NPCI shall not be involved in account-based DBT.

### (A) PROCESS FLOW FOR ACCOUNT BASED DBT UNDER SNA SPARSH

#### STEP A - GENERATION OF E-PAYMENT FILES BY STATE TREASURY

1. Each State Government will develop a State Cyber Treasury wherein all e-payment files with SLS tags from the State Implementing Agencies, could be received for payment and the vouchers could be compiled for their accounting purpose.
2. The State Cyber Treasury shall make the provision to have the flags to identify the Implementing Agency which has raised the claim and the SLS to which the claim pertains to.
3. All the Implementing Agencies (IAs) down the ladder shall be registered in State Integrated Financial Management Information System (State IFMIS) under such State Cyber Treasury.
4. State may identify the beneficiaries for which state intent to release their benefits through "Account Based DBT" Mode within their ecosystem. The payment files generated by SNA/IAs will be consolidated by the State treasury in State IFMIS periodically after thorough scrutiny.
5. The State Treasury shall prepare duly consolidated payment files in duplicate in the State IFMIS, one such consolidated file (e-claim/e-payment file digitally signed by the authorized signatories of State Treasuries) will be pushed to PFMS through API in the format prescribed by PFMS for advance release of the central share.
6. The other copy of the payment file will be kept in the SFTP folder of the State IFMIS internal server and shall be pushed to RBI only on receipt of the DN from PFMS and/or CN from RBI.
7. The e-payment file will include details such as DBT Mission code, DBT type – account based, implementing agency code, scheme code, beneficiary name, bank account number, IFSC code, and the amount.

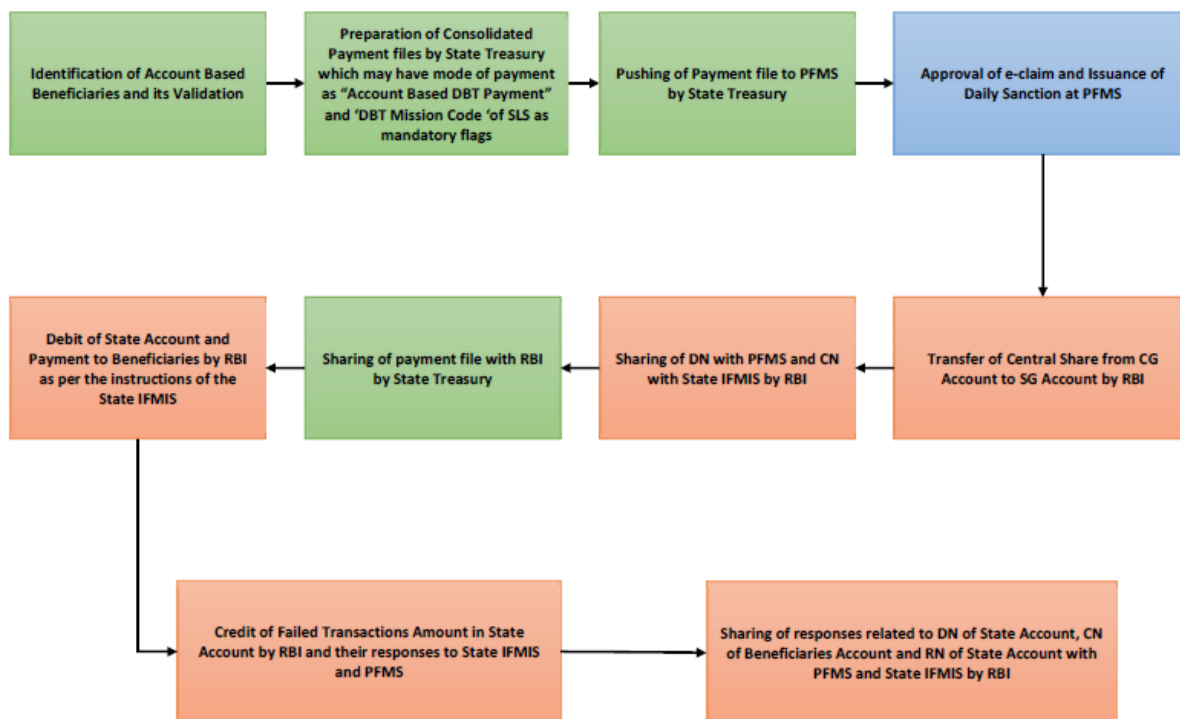
8. Payment files received from State Treasury in PFMS till the cut-off time of 3 PM during a working day will be processed and sanction for the central share will be generated on the same working day.
9. Sanction for the central share for payment files received beyond the cut-off time of 3 PM may be generated on the next working day.

#### STEP B - RELEASE OF CENTRE SHARE BY CENTRAL MINISTRY/ DEPARTMENT

1. The Program Division of the Ministry will create the mother sanction on PFMS which shall act as a state-wise budgetary ceiling for each CSS scheme.
2. The e-payment file is generated by the Implementing Agency using the State IFMIS through a defined access control mechanism. The payment file shall include details such as the implementing agency code, scheme code, beneficiary name, bank account number, IFSC code, and Amount.
3. The central treasury/ cyber treasury shall consolidate the claims from Agencies on the basis of the SLS. State IFMIS will push the payment file details to PFMS using API format defined by PFMS for advance release of the center share.
4. Based on the payment file received from State IFMIS, a daily sanction (against the mother sanction) will be generated on PFMS equivalent to the center share specified for the scheme, thus reducing the balance in the mother sanction with the equivalent amount.
5. Based on the daily sanction, an e-payment instruction of an equivalent amount shall be sent to e-kuber. RBI shall debit the Centre's drawing accounts and the fund shall be further transferred to the State's drawing account. Hence, the State's drawing account shall be pre-funded with the Centre's share.
6. The RBI will share the Debit Notification (DN) for the Centre's drawing account with PFMS. The digitally signed payment file placed on the State Treasury's/State IFMIS server shall be auto-pushed to the NPCI for releasing the payment to the beneficiaries based on the DN received from the RBI or DN details received from PFMS using API.

#### STEP C - RELEASE OF CENTRE+STATE SHARE BY STATES TO BENEFICIARIES

1. Upon receipt of the Debit Notification from PFMS for the Central Share and the credit notification from the RBI for the matching amount, State IFMIS auto trigger the payment instruction to eKuber for "Account Based DBT" as per the existing instruction for normal SPARSH payments
2. All the further responses from eKuber to State IFMIS and PFMS for the success and failure response would work as per the normal SPARSH protocols.



*Flow Diagram for Account Based DBT Payments in SNA SPARSH*

## (B) TECHNICAL PRE-REQUISITES FOR ACCOUNT BASED DBT UNDER SNA SPARSH

1. IF any state opts to make "Account Based DBT Payment" through SNA SPARSH, the State would have to decide before hand whether the payment files being pushed to PFMS is 'Account Based DBT file'. If so, the State would have to add DBT Mission code in the payment file being pushed to PFMS.
2. The functionality of "Account Based DBT" was added in the revised System Integration Document for integration of PFMS with State IFMIS for SNA SPARSH Protocol version 1.8 released on 24th October 2024. As per this version of the document, the State would have to develop their system till the agency users giving them the option of DBT Payments at the time of creation of payment file. At this time only, the agency users would have to decide mode of DBT whether the DBT payment is "Account Based DBT" or "Aadhar Based DBT".
3. If Payment file is created for "Aadhar Based DBT" upon receipt of the Central Share and matching DN from PFMS and CN from RBI, the state would trigger their presentation file to NPCI as per NPCI presentation file structure for final disbursement of funds to end beneficiaries. In this connection our Revised SOP for Aadhar Based Payments System for DBT-based Centrally Sponsored Schemes under SNA SPARSH issued vide O.M. No. I-126/2/2024-ITD-CGA/11-14 dated 30th April 2025 may please be referred.

## AADHAAR-BASED - DIRECT BENEFIT TRANSFER UNDER SNA SPARSH

To facilitate extension of “Aadhar Based DBT” under SNA SPARSH, RBI has introduced NPCI's Aadhaar Payment Bridge System (APBS) for which all the states are required to integrate with NPCI for using APBS facilitates for processing of bulk electronic payment instructions for allowing the participating entities to disburse the Direct Benefit Transfers (DBT) using Aadhaar number as the financial address of the beneficiaries. In this process multiple states have completed the integration with NPCI and few states are making payments of Aadhar Based DBT through NPCI interface.

### (A) PROCESS FLOW FOR DIRECT ACCESS MODEL FOR GOVERNMENTS USING ABPS

Under the proposed model, State Government will be provided direct connectivity to NPCI for sending Aadhaar based payment files directly to NPCI. NPCI will processing and providing granular status of transactions to Government directly. RBI eKuber will facilitate consolidated accounting (i.e., consolidated debit at file level and consolidated credit for returns) in Government accounts maintained in RBI. The existing SLS-wise drawing accounts will be used by the States to process the payments through NPCI integration.

#### STEP A - GENERATION OF E-PAYMENT FILES BY STATE TREASURY

1. State has to identify the beneficiaries for which state intent to release their benefits through “Aadhaar Based DBT” Mode within their ecosystem. The payment files generated by SNA/IAs will be consolidated by the State treasury in State IFMIS periodically after thorough scrutiny.
2. The State Treasury shall prepare duly consolidated payment files in duplicate in the State IFMIS, one such consolidated file (e-claim/e-payment file digitally signed by the authorized signatories of State Treasuries) will be pushed to PFMS through API in the format prescribed by PFMS for advance release of the central share.
3. The other copy of the payment file will be kept in the SFTP folder of the State IFMIS internal server and shall be pushed to RBI only on receipt of the DN from PFMS and/or CN from RBI.
4. The e-payment file will include details such as DBT Mission code, DBT type – account based, implementing agency code, scheme code, beneficiary name, bank account number, IFSC code, and the amount.
5. Payment files received from State Treasury in PFMS till the cut-off time of 3 PM during a working day will be processed and sanction for the central share will be generated on the same working day.

6. Sanction for the central share for payment files received beyond the cut-off time of 3 PM may be generated on the next working day.

#### STEP B - RELEASE OF CENTRE SHARE BY CENTRAL MINISTRY/ DEPARTMENT

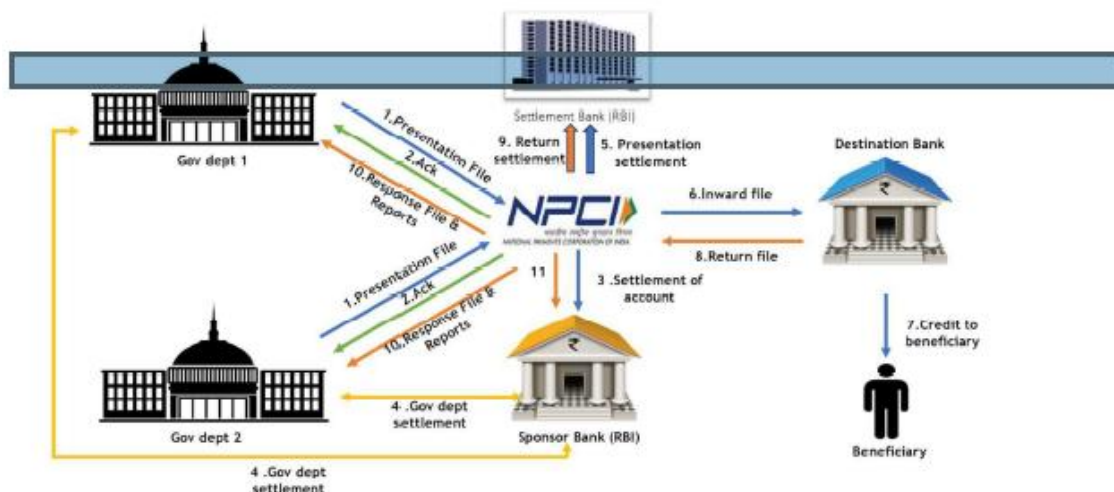
1. The Program Division of the Ministry will create the mother sanction on PFMS which shall act as a state-wise budgetary ceiling for each CSS scheme.
2. The e-payment file is generated by the Implementing Agency using the State IFMIS through a defined access control mechanism. The payment file shall include details such as the implementing agency code, scheme code, beneficiary name, bank account number, IFSC code, and Amount.
3. The central treasury/ cyber treasury shall consolidate the claims from Agencies on the basis of the SLS. State IFMIS will push the payment file details to PFMS using API format defined by PFMS for advance release of the center share.
4. Based on the payment file received from State IFMIS, a daily sanction (against the mother sanction) will be generated on PFMS equivalent to the center share specified for the scheme, thus reducing the balance in the mother sanction with the equivalent amount.
5. Based on the daily sanction, an e-payment instruction of an equivalent amount shall be sent to e-kuber. RBI shall debit the Centre's drawing accounts and the fund shall be further transferred to the State's drawing account. Hence, the State's drawing account shall be pre-funded with the Centre's share.
6. The RBI will share the Debit Notification (DN) for the Centre's drawing account with PFMS. The digitally signed payment file placed on the State Treasury's/State IFMIS server shall be auto-pushed to the NPCI for releasing the payment to the beneficiaries based on the DN received from the RBI or DN details received from PFMS using API.

#### STEP C - RELEASE OF CENTRE+STATE SHARE BY STATE GOVERNMENT TO BENEFICIARY

1. NPCI will issue unique user code for each State Linked Scheme to the State Government. The user code shall be used by the Government departments for uploading the payment files to NPCI.
2. State Government will generate SLS-wise payment files (in a format defined by NPCI) and push to the NPCI for payment. The payment files received up to the cut-off time shall be validated and consolidated SLS-wise.
3. A Statement of Presentation will be generated by NPCI which includes the broad details of each payment file such as SG account to be debited, consolidated amount of payment file, user code, individual beneficiary details etc. The Statement of Presentation will include all transactions/records with separate flags for validated and non-validated transactions to match the RBI put-through and DMS.

4. The RBI shall share an ACK with NPCI for the —Statement of Presentationll and debit the SG account for an equivalent amount. A DN will be shared with the State Government and a copy will be sent to the PFMS.
5. The records which fail the validation shall also be reported to the RBI in the Statement of Presentation. The RBI will credit the SG account with an amount equivalent to the total of the non-validated transactions in Statement of Presentation with a Return Notification (RN) instantly.
6. On receipt of ACK, NPCI settles the fund and intimate beneficiary bank. The beneficiary bank further shares the credit or return response with NPCI within the session time. The return response can be shared by the beneficiary bank within the return session up to T+2 day.
7. NPCI generates a “Statement of Return” based on the response received from the beneficiary bank and shared with the RBI. RBI further processes the —Statement of Return and credit the returned amount to the respective SG accounts maintained in RBI.
8. A Return Notification is shared with the Government confirming consolidated credit to their accounts based on “statement of return” received from NPCI
9. A detailed response file is generated by NPCI which includes the details of all transactions (both success & failed) with detailed reasons for failed records - actual failed after success (based on response from beneficiary bank) and forced failed after success (failure reported in statement of presentation). NPCI will share an in-line copy of responses i.e. copy of the Statement of Return and detailed Response file with PFMS for reconciliation with SG.

### Proposed Flow





## (B) TREATMENT OF LATE RETURN

If the destination bank does not share the response against a transaction those transactions. The banks shall return the amount with a penalty (to be finalized by the DPSS) to the source SG Account. The proposed flow for late returns will be as:

- Destination bank to identify the transactions for which response was not shared within the response cycle
- Destination bank to generate an SLS-wise XML file and transfer the late returns to designated SG account through NEFT.
- Destination banks to mandatorily quote the unique transaction ID (generated by NPCI) to enable RBI and the States to identify the transaction against which the return is being made.

RBI shall share a (-) Debit entry for all late returns with unique transaction ID (generated by NPCI) to enable the States to identify the transaction against which the return is received. (-) Debit entry will be reflected in DMS & put-through.

## (C) TECHNICAL PRE-REQUISITES FOR STATE GOVERNMENTS FOR PROCESSING AADHAR BASED DBT THROUGH SPARSH

The State Government shall complete following activities for processing Aadhar based DBT through SNA SPARSH:

1. State Treasury shall submit all the documents as may be prescribed by RBI from time to time.
2. Share IP addresses to be whitelisted and RSA key for SFTP connection with NPCI.
3. Engage with NPCI to get certified with NPCI for payment and return file formats. State IFMIS shall configure all technical specifications prescribed by NPCI and RBI required for processing of payment file and other notifications.
4. Cyber Treasury shall prepare and upload presentation payment files, handle both positive and negative acknowledgement provided by NACH system, consume the return files and do the reconciliation of settlement and other related operations. The file formats as mentioned in above para shall be configured in State IFMIS in consultation with NPCI.
5. Should check the status of every payment file whether it is accepted, rejected or partial. If the payment file is rejected or partial the participating entity should check the rejection reason and act accordingly.
6. State Government shall take utmost care to ensure that duplicate processing of transactions/files is completely controlled. In any situation of duplicate processing, it is the responsibility of the State Government to take up the matter with concerned banks for recovery.

7. State Government must adhere to necessary information security and other security related protocols to ensure that the data is protected, and only authenticated transactions processed by the authorized officials are processed in the system.
8. State Government to reconcile the account entries posted by RBI eKuber with the settlement reports and ensuring that everything is tallied. This must be carried out on daily basis.
9. State Government to ensure that only the correct payment files with relevant data are uploaded. Any duplication in any manner or posting of incorrect amount will lead to excess payment. It will be the sole responsibility of the State Government to upload the correct payment files. In the event of incorrect / duplicate payment file uploaded, the State Government shall take care of recovery / loss arising out of such incorrect file upload.
10. State Government to ensure that the payment files are uploaded only after necessary funds are made available in the account maintained with RBI.

**(D) OTHER ACTIVITIES BETWEEN STATES AND NPCI FOR AADHAR BASED DBT THROUGH SNA – SPARSH**

**(I) Pre- requisites to be met:**

- a) Procurement of class III certification.
- b) Getting IP addresses whitelisted
- c) RSA key sharing for SFTP connection.
- d) Getting the MPLS connectivity established with NPCI for processing the transactions (it will take 6 to 8 weeks for establishing MPLS connectivity, request for the same shall be raised with NPCI on immediate basis)
- e) Getting certified with NPCI for file formats.
- f) Submitting all the documents as may be prescribed by RBI from time to time.

**(II) For transaction processing States shall:**

- a) Set up Nodal Agency with technical capabilities to prepare, upload presentation files, handle both positive and negative acknowledgement provided by NACH system, handle the returns, reconciliation of settlement and other related operations.
- b) Ensure that all its systems connecting to NACH and NPCI always comply with the applicable transaction documents (Technical specification documents) and any updates prescribed by NPCI. Such adherence includes compliance with changes introduced with prior notice through circulars or communications issued by NPCI from time to time.

- c) Adhere to the timings for presenting the files.
- d) Check the status of every file whether it is accepted, rejected or partial. If file is rejected or partial the dept should check the rejection reason and act accordingly.
- e) Ensure that only the correct files with relevant data shall be uploaded. It may be noted that any duplication in any manner or posting of incorrect amount will lead to excess payment. It will be the sole responsibility of the respective Government departments to upload the correct files.
- f) Generate / download all the relevant reports every day for reconciliation purposes.
- g) Reconcile the account entries posted by RBI with the settlement reports and ensure that everything is tallied. This must be carried out on daily basis.
- h) Ensuring that the files are uploaded only after necessary funds are made available in the account maintained with RBI.
- i) The Member shall comply with all the regulations, notifications, circulars, orders and/or guidelines issued by RBI in relation to NACH.

(III) Information security:

- a) State Govt. shall encrypt NACH files with NPCI public keys and digitally sign using its own private key to ensure confidentiality and authenticity. Confidentiality of the keys shall be maintained.
- b) Adherence all the necessary information security and other security related protocols to ensure that the data is protected and only authenticated transactions processed by the authorized officials are processed in the system.
- c) The States shall ensure maintaining their data center and their own network in a secure manner and ensure that adequate information security measures and safeguards are deployed by it in relation to its data center and its network including while connecting to NACH using NPCINET.
- d) The States shall be responsible for monitoring its systems that are connected to NPCI systems from an uptime and risk management perspective and follow incident management and change management processes. States shall ensure that they have primary and disaster recovery set up completed and execute DR drills in a periodic manner.
- e) The State Govt. Agency should implement Network Security Controls including but not limited to Firewall, DDoS, IDS/IPS
- f) The State Govt. Agency must implement robust network segmentation to isolate production and UAT environments

- g) The States shall notify NPCI immediately in the event of material downtimes or modifications of its systems used for DBT services, whether the same are scheduled/unscheduled, with the root cause analysis and mitigation strategy thereof.
- h) States shall take all the measures as may be required to protect the PII data including Aadhaar details of the beneficiaries as per the guidelines / gazette notifications of UIDAI/Government of India/any other competent authority. The State Govt. Agency must adhere to legal obligations such as: IT Act, DPDPA (As and when rules are notified).
- i) STATES TO SUBMIT THE SECURITY AUDIT COMPLIANCE WITHIN THREE MONTHS FROM THE DATE OF GO-LIVE FOR ABPS

#### **(E) GRIEVANCE REDRESSAL**

1. The States shall be solely responsible for setting up a grievance handling mechanism for receiving and resolving the complaints from the beneficiaries in relation to the welfare schemes provided by them.
2. NPCI shall provide helpdesk services only for handling the technical queries / complaints of the States pertaining to Transactions.

#### **(F) TRANSACTION CHARGES FOR AADHAR BASED DBT THROUGH SPARSH**

1. For DBT and PAHAL (including kerosene), a transaction cost of Rs. 0.50/- would be payable for each transaction to be shared between the sponsor banks, destination entities and NPCI in the ratio of Rs.0.10, Rs.0.25 and Rs.0.15 under the extant NPCI Circular (Circular No.136 dated 23.11.2015) [Copy enclosed]. Under SNA SPARSH, RBI (being the sole sponsor bank) shall waive the sponsor bank charges, revising the transaction cost to Rs 0.40/- to be shared between destination entities.
2. The Central Ministries/Department handling the scheme shall either identify a new Head of Account for booking of the Transaction Cost and Cash-out Incentives or may decide to continue with the existing accounting arrangement in consultation with the IFU.
3. The payment of transaction charges and the fixed and variable incentive payments shall be made as per the provisions of Department of Expenditure OM dated 26.05.2017 (Copy enclosed) and para (a) above.
4. The Transaction charges and incentives for TOP UP are to be borne by the concerned State Governments as per the provisions of Department of Expenditure OM dated 26.05.2017
5. NPCI shall generate the State-Linked Scheme-wise invoice for the DBT transactions under SNA SPARSH and shall raise the claim with the concerned Central Ministry/ Department handling the Centrally Sponsored Schemes through the e-bill module. NPCI shall generate a separate invoice to States for the transaction cost and cash-out incentives for TOP UP disbursed by the State Government to the beneficiaries under DBT.

# FREQUENTLY ASKED QUESTIONS

Sno	Frequently Asked Question	Response
1	What is the classification of schemes by Govt. of India on PFMS?	<p>Schemes are classified as under</p> <ol style="list-style-type: none"> <li>1. Central Sector Schemes (CS)</li> <li>2. Central Sponsored Schemes (CSS)</li> <li>3. Other Central Schemes</li> <li>4. State/UT Schemes</li> <li>5. Finance Commission Grants</li> <li>6. Other Grants Loans/Transfers</li> </ol>
2	What is the meaning and purpose of State Scheme creation on PFMS?	<ul style="list-style-type: none"> <li>• For the Centrally Sponsored Schemes, there could be multiple schemes and more than one Department implementing these schemes in a State for releases under a single CSS scheme from the Central Govt.</li> <li>• To facilitate monitoring the utilization of funds on PFMS under these schemes, State Schemes are created on PFMS by the SPMU user based on the inputs of State Scheme Manager.</li> </ul>
3	What is the scheme code?	<p>This is a system generated unique code assigned to each scheme created on PFMS. For State Schemes Codes are alpha numerics. First two digits represent State and rest digits are system generated random number for the state scheme.</p>
4	What is scheme configuration?	<ul style="list-style-type: none"> <li>• Creation of the scheme in PFMS is done by SPCU user based on the inputs of State Dept. / Scheme Manager.</li> <li>• Creation of Hierarchy and defining all levels of fund flow and monitoring is done by SPCU user based on the inputs of State Dept./ Scheme Manager</li> <li>• Creation/ Assigning Scheme to the State Scheme Manager (by State Finance Dept. User)</li> <li>• Creation of Component code format and adding components of expenditure. (by State Scheme Manager)</li> </ul>
5	Who creates scheme hierarchy?	<ul style="list-style-type: none"> <li>• PFMS State Directorates on basis of information provided by the concerned</li> </ul>

		department / Scheme Manager of the State creates the scheme hierarchy.
6	What is the scheme fund flow hierarchy?	<ul style="list-style-type: none"> <li>• Scheme fund flow hierarchy defines the levels at which a particular scheme will be implemented in PFMS. This hierarchy forms a basis for an agency to setup scheme specific relationship with other agencies (also called agency mapping), according to which the funds are transferred and managed under that scheme. Based on these hierarchy levels, reporting and data consolidation will be done for fund transfers and expenditure filling. The hierarchy is scheme specific and cannot be shared among the schemes</li> </ul>
7	What are the scheme components?	<ul style="list-style-type: none"> <li>• Components – Components of a Scheme are Activities/ Sub Activities/ items of Expenditure under which fund is utilized by the Implementing Agency to facilitate monitoring by the Programme Divisions in the Centre and State Scheme Managers as the case may be.</li> <li>• The components are scheme dependent. The components of expenditure are required on PFMS, as this is the platform which has been mandated to be used by all State Implementing Agencies for posting the financial transactions of the scheme. While posting the financial transactions it is mandatory to select the component of expenditure on PFMS.</li> <li>• Programme Division – the Scheme Components are decided and populated (entered) on PFMS by the Programme Division of the funding Ministry who is responsible for reporting the expenditure done in the country to the Govt. of India on various activities of the Scheme for which money is released by them to the States in the country. The Govt. of India Scheme should be</li> </ul>

		<p>available for the SIA for importing the Components.</p> <ul style="list-style-type: none"> <li>• Releases / State Scheme – The release of money from Centre (CFI) to the State (SCF) is against a Govt. of India Scheme at the Centre level by the Programme Division and/or Principal Accounts Office/Pay &amp; Accounts Office of the Ministry concerned. The State Govt. will account for this amount in their receipt budget against the corresponding Scheme(s). The same will be accounted for in the Expenditure Budget of the State with matching State Share for the Scheme(s).</li> <li>• However, the State Government may keep the scheme as one scheme or if required break the same into multiple schemes as per the requirement and directions of concerned Department/Ministry. The components of expenditure need to be linked (taken from) the Govt. of India Scheme to maintain uniformity in the states who are utilizing the scheme funds.</li> </ul>
8	Who shall migrate/ add / delete scheme components on PFMS?	<ul style="list-style-type: none"> <li>• For migration of scheme components, addition / deletion, the Programme Division of the Ministry may be contacted by the concerned State Scheme Manager or the State Implementing Agency.</li> <li>• Configuration of scheme components will be done by the State Project Cell User on PFMS portal, on the advice of State Scheme Manager for the Scheme.</li> </ul>
9	Who provides scheme components?	<ul style="list-style-type: none"> <li>• Central scheme (CS) – Programme Division of the Ministry</li> <li>• Centrally sponsored scheme (CSS) – Programme Division of the Ministry</li> <li>• State Scheme (STS) – State Scheme manager in consultation with the Programme Division of the Ministry in respect of State Schemes</li> </ul>



		<p>corresponding to Centrally Sponsored Schemes.</p> <ul style="list-style-type: none"> <li>• (Concerned department of the State Govt. for State Schemes 100% funded by the State Govt. (STFS)).</li> </ul>
10	What records should be maintained by the State Project Cell User while creating a State Scheme?	<p>SPCU users should have the following details on a separate file:</p> <ol style="list-style-type: none"> <li>1. Name of the State Scheme created by him.</li> <li>2. The Scheme code generated by PFMS for the scheme created by him.</li> <li>3. Name of the corresponding CSS (of Gol) and its Scheme code.</li> <li>4. Ministry/Department of Govt. of India implementing CSS.</li> <li>5. Department of State Govt. managing the Scheme.</li> <li>6. Financial Year(s).</li> <li>7. Heads of accounts (of State) involved.</li> </ol>
11	What is mapping?	<p>Scheme Mapping – a State Scheme created by SPCU user is mapped against the corresponding Centrally Sponsored Scheme. It is also mapped with account head in the State Budget for Treasury Interface.</p> <p>Agency Mapping – Any agency which adds a new state scheme will have to be mapped by State Project Cell. For the below level agency, the first level agency can map the lower level agency at appropriate level as per the hierarchy of the Scheme.</p> <p>Component Mapping – an Agency will be required to map component (s) while registering. The mapping could be done for specific component(s) or all components (bulk). PFMS also supports mapping bank account no's; component-wise for a scheme.</p>
12	Is beneficiary registration mandatory on PFMS for DBT under SNA SPARSH	<p>Yes, the DBT beneficiary has to be registered/ validated mandatorily on PFMS to obtain a Beneficiary Code/ Beneficiary ID</p>

13	What is the Process of registration of beneficiary for DBT on PFMS?	<ul style="list-style-type: none"> <li>• Beneficiary Upload using Excel Files</li> <li>• Common template available which can be used for any Scheme</li> <li>• Scheme Specific templates also available for few schemes and new templates can be added as per requirement of Scheme</li> <li>• Addition of beneficiaries one by one using UI option</li> <li>• Through Integration with External Systems based on XML formats</li> </ul>
14	How will the beneficiaries be made available on State IFMIS	The beneficiaries registered/ validated on PFMS will be fetched by State IFMIS through API
15	Is it mandatory to capture DBT Mission code in claim file	Yes. It is mandatory to add DBT Mission code for both aadhaar based and account based DBT
16	What is parent agency?	Parent agency is an agency that creates and manages the down line agencies.
17	What is child agency?	Child agency is an agency created by the parent agency
18	Who manages the implementing agencies details? Whom to contact in case the details are changed?	State scheme manager and Agency approver level 2
19	Who registers the Implementing Agencies?	State scheme manager/PD will register first level agency and Parent agency will register child level agency

# ANNEXURES

**I-126/2/2024-ITD-CGA/17**  
**Government of India**  
**Ministry of Finance Department of Expenditure**  
**O/o Controller General of Accounts**  
**GIFMIS-PFMS Division**

Dated: 15.05.2025

**OFFICE MEMORANDUM**

**Sub: Checklist for Aadhaar-Based Payments System for DBT-based Centrally Sponsored Schemes under SNA SPARSH.**

The undersigned is directed to refer to the subject above and state that SNA SPARSH has been extended to DBT-based schemes by introducing the Direct Access Model for Aadhaar-Based Payments using NPCI's Aadhaar Payment Bridge System (APBS) through integration of State IFMS with NPCI and eKuber system.

2. The standardized checklist for Aadhaar-based DBT for Centrally Sponsored Schemes notified under SNA SPARSH is annexed for use by State Governments as a ready reference for onboarding.

3. The Finance Department and Treasury of State Governments are requested to circulate the standardized checklist with concerned stakeholders and ensure that completion of all activities required for onboarding on SNA - SPARSH (DBT) may be given high priority.

This issues with the approval of the Competent Authority.



(B Gopala Krishnakanth Raju)  
ACGA (GIFMIS-PFMS)

To,

1. Secretaries to all Ministries/Departments
2. Financial Advisors of all Ministries/Departments
3. ACS/ Principal Secretary/Secretary (Finance) of all State Governments and UTs
4. Pr. CCAs/CCAs of all Ministries/Departments

Copy to:

1. PPS to AS(PF-S)
2. PS to Additional CGA (PFMS)

## Annexure

### Checklist to be followed by States for SNA SPARSH (DBT)

Activity	Stages	Details	Responsibility
<b>Sensitization</b>	Sensitization & detailed overview	Sensitization and a broad overview of the process flow for SNA SPARSH DBT to be given by PFMS, NPCI and RBI	NPCI, RBI, PFMS & State Treasury
	Sharing of Technical Specification Document	Sharing of Technical Specification Document for integration between NPCI and State IFMS	NPCI & PFMS
<b>Enhancement/ Customization in State IFMS</b>	Assessment of customization/ enhancement needed in IFMS	Identify the enhancement/ development needed in the State IFMS for generating claim files as per NPCI Specification Development/ enhancement to consume the response file sent by NPCI	State Treasury
	Troubleshoot sessions	PFMS, NPCI, and RBI shall address the functional and technical queries on their areas of expertise	PFMS, NPCI & RBI
<b>MPLS Connectivity</b>	Request for MPLS	MPLS connectivity request.	State Finance Department
	PR Site Details	Finance Department to share the PR site details for the Feasibility Study	State Finance Department
	DR Site Details	Finance Department to share the DR site details for the Feasibility Study	State Finance Department
	Feasibility Checks	NPCI, through the empaneled ISPs, will evaluate the viability for sites.	NPCI
	Feasibility Report	The feasible ISP's name would be shared with the type of connections(wired/RF)	NPCI
	Commercials & Approvals	Link and device commercials will be shared with the Finance Department for review.	State Finance Department
	PR Creation	To be initiated upon commercial acceptance by the Finance Department.	NPCI
	PO Release	The PO is to be released after commercial acceptance from the Finance Department.	NPCI
	New Link Delivery (ISPs)	Delivery of new network links by Internet Service Providers (ISPs).	NPCI
	New Device Delivery (SPs)	Delivery of required devices by Service Providers (SPs).	NPCI

	Device Installation	Installation and configuration of new MPLS devices.	NPCI
	LAN IP Sharing	Allocation of local area network (LAN) IP addresses.	NPCI
	Handover Process	Final handover of MPLS links to the relevant teams.	NPCI
<b>UAT Development Stage</b>	Allocation of UAT Test Slot	States to request allocation of test slots with the RBI for quadripartite testing after completion of enhancements in the State IFMS	State Treasury and RBI
	UAT Development Requirement	Development by the State Finance Department	State Finance Department
	Test File Sharing	Verification & validation of Test files with NPCI.	NPCI & State Finance Department
	UAT Connectivity (MPLS)	Readily available from NPCI (preferred mode - MPLS). UAT Testing can be done using NICNET	NPCI
	UAT Connectivity (Public Network)	Readily available from NPCI.	NPCI
	User Creation	To be Completed by NPCI.	NPCI
	Participants Creation	To be Completed by NPCI.	NPCI
	Certificate Submission	To be shared by the Finance Department.	State Finance Department
	Certificate Verification	To be shared by NPCI upon certificate receipt.	NPCI
	Sample File Sharing Format Verification	To be shared by NPCI.	NPCI
	Sample Aadhaar Number	To be shared by NPCI.	NPCI
	Sample Test Cases to be Executed	To be shared by NPCI.	NPCI
	Test Cases Execution & UAT Sign off	To be shared by NPCI upon completion of UAT To be shared by RBI for DN/CN and Account Statement	NPCI RBI
<b>Production Movement Stage</b>	IP Details for Production Connectivity	To be shared by NPCI with the state government for whitelisting at the state end State Government to share production IP(s) with NPCI for whitelisting	State Finance Department & NPCI
	<b>Connectivity Requirement</b>	<b>Production will be allowed only on NPCI MPLS Connectivity.</b>	<b>State Finance Department &amp;</b>

			<b>NPCI</b>
	Enabling existing RBI accounts for Aadhaar-based payment after successful sign-off	RBI to enable the existing SLS-wise drawing accounts for Aadhaar-based payments	RBI
	Issuance of a letter by the RBI intimating the authorization of NPCI for Aadhaar-based DBT transactions	RBI shall share an authorization letter to the State Finance Department, intimating the authorization of NPCI for Aadhaar-based DBT transactions for the State	RBI
	Adherence to Risk Compliance	As a part of the onboarding process, the respective State Governments may ensure adherence to risk compliance as defined by NPCI	State Treasury
<b>Miscellaneous Activities</b>	Raising of Invoice	NPCI to raise separate invoices for Centre and State Beneficiaries and share with respective Governments for payment of transaction charges, fixed charges, and variable charges as applicable in compliance with DoE's OM dated 26 <sup>th</sup> May 2017 and 12 <sup>th</sup> September 2024, respectively	NPCI
	Payment of charges to NPCI	Ensure timely payment of invoice charges, including transaction charges, fixed charges, and variable charges as applicable in compliance with DoE's OM dated 26 <sup>th</sup> May 2017 and 12 <sup>th</sup> September 2024, respectively for State Beneficiaries	State Treasury

**F. No. 32(07)/PF-II/2011 (Vol. II)**  
**Government of India**  
**Ministry of Finance**  
**Department of Expenditure**  
**Public Finance (Central-I) Division**

...

**North Block, New Delhi**  
**Dated, the 26<sup>th</sup> of May, 2017**

**OFFICE MEMORANDUM**

**Subject: Payment of Transaction Charges and Cash-out Incentives on Direct Benefit Transfer (DBT) and PAHAL transactions.**

Reference is invited to the DoE O.M. of even number dated 26<sup>th</sup> February, 2016 and inputs received from various stakeholders for simplifying the process and procedure of payment of transaction charges and incentives for expeditious payment to various agencies involved.

2. The matter is considered. In this regard, in supersession of DoE's earlier O.M. of even number dated 26<sup>th</sup> February, 2016, the following are decided:

- (i) All DBT and PAHAL (including kerosene) transactions to be routed through the National Payment Corporation of India (NPCI). A transaction cost of Rs. 0.50/- would be payable for each transaction to be shared between the sponsor banks, destination entities and NPCI in the ratio of Rs.0.10, Rs.0.25 and Rs.0.15 in accordance with the extant NPCI Circular (Circular No.136 dated 23.11.2015).
- (ii) For Mahatma Gandhi NREGA, Maternity Benefits and Pension Schemes, an additional Cash-out Incentive would be payable as follows:
  - a) A fixed component of Rs. 5/- per transaction.
  - b) A variable component of Rs. 0.50/- per hundred (transaction amount rounded up to the next hundred) subject to maximum of Rs. 5/-.

For example, if Mahatma Gandhi NREGA payment of Rs. 540/- is made to a beneficiary account, the destination entity (bank/ post office/ payment bank) will get a cash-out incentive of Rs. 8/- (Rs. 5/- fixed component and Rs. 3/- variable component).

Destination entities which do not give any cash-out commission to their last mile functionary will only be eligible for the fixed component.



- (iii) The Transaction Cost and Cash-out Incentives will be paid out of the object head 'other contractual service' under the budget head of the respective scheme. Till necessary provisions are made under the prescribed object head, the existing arrangement of making payment from the scheme head will continue.
- (iv) The payment of transaction charges and the fixed and variable incentive payments shall be made along with the transaction disbursement through sponsor banks and shall be settled between the entities – sponsor bank, destination banks and NPCI along with the transaction settlement before the end of a day.
- (v) The funds for DBT payments for specified schemes to be issued by the Central / State Governments initiating the transaction will include funds for the value of the transactions, transaction charges as well as the additional cash out incentives (both fixed and variable) [additional cash out incentives in case of MGNREGA, Maternity Benefits and Pension Schemes] along with applicable taxes.
- (vi) Sponsor bank after receiving the funds as stated at (v) above will upload the transaction into NACH system.
- (vii) NPCI while doing the settlement shall debit the sponsor banks for NPCI charges and destination bank charges and incentives (both fixed and variable as applicable).
- (viii) The transaction charges and the fixed and variable incentives will be paid to the destination banks.
- (ix) Thus, on net off basis, charges and incentives will be paid to the NPCI and banks only on successful transactions by the end of day.
- (x) At the beginning of every six months, NPCI shall share with the respective Ministry / Department, a list of banks and other entities who give cash-out commission to their last mile functionaries to enable the Ministry / Departments to compute and fund the account on daily basis for variable incentive payments in case of MGNREGA, Maternity Benefits and Pension Schemes (apart from the fixed incentives payable to them on these schemes). The banks will have to certify the details of their Banking Correspondents (BCs) mechanism as per the format attached.

- (xi) The sponsor bank shall maintain separate scheme wise account number. The sponsor bank, at the end of each month, shall report to the Ministry / Department, all unutilized balances lying in the scheme account so that the same could be adjusted in subsequent releases.
- (xii) For the sake of clarity, it may be noted that for all DBT/DBTL (PAHAL) transactions except MGNREGA, Maternity Benefits and Pension Schemes routed through NPCI, only transaction charges are payable and are to be shared between sponsor bank, NPCI and destination entities.
- (xiii) As mandated earlier vide the DoE OM No. 48(06)/PF.II/2016 dated 26.04.2017, all the departments (both Central and State) should initiate DBT transactions only with relevant scheme codes. Wherever new codes are required, the concerned department may approach DBT Mission for guidance on issuance of new scheme codes. All Ministries / Departments should ensure that the relevant scheme code is passed onto the PFMS and embedded in the payment file. PFMS may also ensure that the payment issued by all the departments contain the scheme code and that the generic code "CPSMS" be stopped forthwith for all payment files pertaining to DBT transactions.
- (xiv) All other extant procedure and instructions shall continue to be applicable.
- (xv) This OM will come into effect from 1<sup>st</sup> June, 2017 onwards.

3. This issues with the approval of the Finance Minister.

  
(Chittaranjan Dash)  
Director (PFC-I)  
Tel No. 23093109  
[\[chittaranjan.dash@nic.in\]](mailto:chittaranjan.dash@nic.in)

Chief Executive Officer (NITI Aayog) / Secretary [Financial Services / School & Literacy / Labour and Employment / Women & Child Development / Tribal Affairs / Social Justice & Empowerment / Minority Affairs / Higher Education / Health and Family Welfare / Communication & Information Technology / Rural Development / Electronics & Information Technology/ Petroleum/Department of Posts].

Director General (UIDAI) / Director General (NIC) / Controller General of Accounts / Joint Secretary (DBT) / CEO (NPCI).

Copy to: Principal Secretary to the Prime Minister for kind information.

Copy to: Cabinet Secretary, Government of India for kind information.

### **Declaration**

This is with reference to NPCI letter No: 156 dated March 21, 2016 with regard to variable incentive for specific DBT schemes.

With reference to the Office Memorandum No.32(07)/PF.II/2011 (Vol. II) dated 26<sup>th</sup> May, 2017 of Department of Expenditure, Ministry of Finance & NPCI communication dated 21<sup>st</sup> March 2016, we hereby confirm that:

Bank has \_\_\_\_ Business correspondents (BCs) including its RRBs and have carried out \_\_\_\_ number of transactions amounting to Rs. \_\_\_\_\_ from 01.10.2016 to 31.03.2017 through B.C Channel. Commission paid to B.C Channel is Rs \_\_\_\_\_ from 01.10.2016 to 31.03.2017.

Our Bank gives cash out commission to the last mile functionaries engaged by us and eligible for variable incentive as per terms of the OM referred to as above.

No. 32(02)/PFC-I/2024  
Ministry of Finance  
Department of Expenditure  
(PFC-I Division)

\*\*\*


North Block, New Delhi  
Dated : 12<sup>th</sup> September, 2024

**OFFICE MEMORANDUM**

**Subject: Payment of Transaction Charges and Cash-out incentives on Direct Benefit Transfer (DBT) and PAHAL transactions- Regarding**

Attention is invited to the Department of Expenditure's OM no. 32(07)/PF-II/2011 (Vol. II) dated 26.05.2017 on the subject cited above. In this regard, the undersigned is directed to clarify that DoE's OM dated 26<sup>th</sup> May, 2017 prescribes transaction charges and incentives for release of DBT funds to a specific number of beneficiaries as per scheme guidelines. However, it has been brought to the notice of this Department that some States are providing TOP UP in DBT schemes as follows –

- i. DBT amount released to an individual beneficiary is more than what is prescribed in scheme guidelines.
  - ii. DBT funds are released to a greater number of beneficiaries than what is prescribed in scheme guidelines.
2. It is reiterated that the "Ministry/Department concerned of Government of India will bear the transaction charges and incentives prescribed in aforesaid OM only to the extent of DBT amount, released as per scheme guidelines. Transaction charges and incentives for TOP UP is to be borne by the concerned State Governments".
3. This issues with the approval of Secretary (Expenditure).

  
(Partha Paul)  
Under Secretary (PFC-I)  
e-mail: paul.partha@gov.in  
Tel No: 011-23095643

To

- I. Secretaries to Government of India of all CSS implementing Ministries/ Departments.
- II. Chief Executive Officer (NITI Aayog)
- III. Director General (UIDAI)/ Director General (NIC)/ Controller General of Accounts/ Joint Secretary (DBT)/CEO (NPCI).

Copy to: Principal Secretary to the Prime Minister for kind information.  
Copy to: Cabinet Secretary, Government of India for kind information.