

CHAPTER – I

INTRODUCTION

1.1 Direct Benefit Transfer Scheme

The Direct Benefit Transfer or the DBT Scheme is a major reform initiative of the Government of India (GoI) to ensure better and timely delivery of benefits from the Government to the people. This marks a paradigm shift in the process of delivering benefits, like wage payments, fuel subsidies, food grain subsidies, *etc.* directly into the Bank Accounts of the beneficiaries, removing leakages and enhancing financial inclusion. The DBT envisions a governance regime which ensures a simple and user-friendly Government-to-People interface for delivering entitlements to eligible individuals and households in a fair, transparent, and effective manner.

1.2 National Social Assistance Programme

The GoI launched (August 1995) the National Social Assistance Programme (NSAP) as a fully-funded Centrally Sponsored Scheme that seeks to provide financial support to the aged persons, widows, disabled persons and bereaved families on the death of their primary breadwinner, belonging to Below Poverty Line (BPL) Households (HHs).

The NSAP has five sub-schemes as its components. Of the five components, three are Pension Schemes, namely (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), and (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS). The remaining two components are (iv) the National Family Benefit Scheme (NFBS), for providing one-time assistance to the bereaved family in the event of the death of the primary bread winner, and (v) *Annapurna* Scheme, for food security to the eligible old age persons who have remained uncovered under IGNOAPS.

1.3 Implementation of NSAP through the DBT Scheme

In the State of Gujarat, the Social Justice and Empowerment Department (SJED) oversees the implementation of three components of the NSAP, namely IGNOAPS, IGNDPS and NFBS. Additionally, the Women and Child Development Department (W&CDD) is responsible for the implementation of IGNWPS. These four components are being implemented through DBT mode. The Food, Civil Supplies & Consumer Affairs Department administers the *Annapurna* Scheme for food security.

In order to ensure that the beneficiaries get a decent level of financial assistance under NSAP, the State Government provides additional financial assistance from its own budget, at least equivalent to the assistance provided by the GoI, with the exception of NFBS, where the State Government does not contribute.

Table 1.1 below shows the eligibility criteria and the financial assistance fixed by the State Government (monthly and one-time) for different categories of beneficiaries across the four components of the NSAP:

Table 1.1: Eligibility criteria and financial assistance given to beneficiaries under four components of NSAP

Sr. No.	Name of component	Applicable to age group	Monthly Pension (₹)	Share of GoI (₹)	Share of State Government (₹)
1.	IGNOAPS	60 years to 79 years	750	200	550
		80 years and above	1,000	500	500
2.	IGNWPS	40 years to 79 years	1,250	300	950
		80 years and above	1,250	500	750
3.	IGNDPS	18 years to 79 years	600	300	300
		80 years and above	1,000	500	500
4.	NFBS	More than 18 years and less than 60 years (age of the deceased breadwinner at the time of death)	20,000 (one-time)	20,000	Nil

(Source: NSAP Guidelines, 2014 and information furnished by SJED and W&CDD)

DBT implementation commenced in the State for IGNOAPS and IGNDPS in September 2017, followed by NFBS in May 2018. The rollout of DBT for IGNWPS began in March 2020. Between 2017 and 2021, the State Government catered to an average of approximately 9,96,492¹ beneficiaries and incurred an expenditure of ₹ 2,398.80 crore² on the implementation of all four components of the NSAP.

The Scheme-wise coverage of beneficiaries during 2017-21 is shown in **Table 1.2** below:

Table 1.2: Scheme-wise coverage of beneficiaries during 2017-21

Sr. No.	Name of Schemes	2017-18	2018-19	2019-20	2020-21
1	IGNOAPS	5,55,586	6,59,690	8,48,994	8,83,078
2	IGNWPS	1,43,009	1,64,249	2,25,638	4,26,788
3	IGNDPS	7,964	10,419	12,200	20,554
4	NFBS	5,834	6,859	6,250	8,858

(Source: Information furnished by SJED and W&CDD)

1.4 Payment process under NSAP-DBT

In the State of Gujarat, the process of application, verification, registration and sanction of financial assistance to the beneficiaries is done through the NSAP Portal of the GoI by the *Mamlatdars*³ (for IGNOAPS, IGNWPS and NFBS) and the Social Defence Officers (for IGNDPS). After the sanction of financial assistance, validation of *Aadhaar* and Bank/Post Office Accounts of the beneficiaries is done through the Public Financial Management System (PFMS). The Scheme-wise lists of active beneficiaries are then generated by the

¹ IGNOAPS: 29,47,348÷4=7,36,837; IGNWPS: 9,59,684÷4=2,39,921; IGNDPS: 51,137÷4=12,784; and NFBS: 27,801÷4=6,950; Therefore, average number of beneficiaries served: 9,96,492.

² Office of the Additional Commissioner, W&CDD did not furnish information regarding expenditure incurred during the period 2017-21 under the IGNWPS component of NSAP.

³ The Mamlatdar, appointed by the State Government under Section 12 of the Land Revenue Code, is the head of the Revenue Administration consisting of average 50 or more groups of Villages. Like the Collector, who is the head of the district, the Mamlatdar is the head of the taluka.

Checkers/Authorisers, *i.e.* Director, Social Defence (for IGNOAPS, IGNDPS and NFBS) and the Additional Commissioner, W&CDD (for IGNWPS).

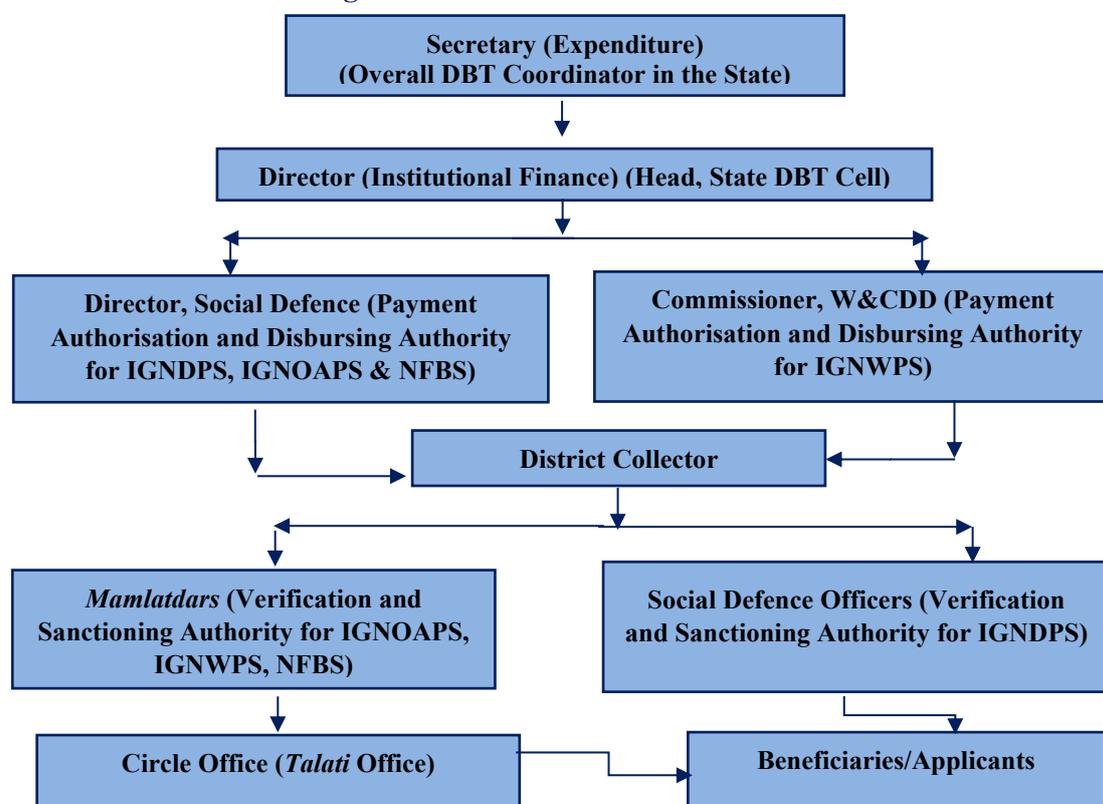
Thereafter, the Authorisers sign the Scheme-wise payment files digitally and send these to their Sponsor Banks, for payment through PFMS. The amount is then debited from the Sponsors' Bank Accounts and the beneficiaries' Bank Accounts are credited through the appropriate payment bridge provided by the National Payments Corporation of India. The Sponsor Banks then share the payment status response files through PFMS with the Authorisers. These response files contain the details of successful and failed transactions along with the reasons for the failed transactions. The Scheme-wise payment details are then intimated to the beneficiaries by their Banks through Short Message Service.

Since December 2020, the process of application, verification, registration and sanction of financial assistance to the beneficiaries is being done through the 'Digital Gujarat Portal'⁴, which is directly linked with the NSAP Portal. Thereafter, the rest of the process from pushing the payment files to disbursement of financial assistance to the beneficiaries through the PFMS is the same as discussed above.

1.5 Management Structure of NSAP-DBT in the State

The management structure of NSAP-DBT in the State is shown in **Chart 1.1** below:

Chart 1.1: Management structure of NSAP-DBT in the State



⁴ The 'Digital Gujarat Portal' is an online facility of Government of Gujarat where a beneficiary can apply for various Schemes by uploading his/her application and other eligibility documents, without having to visit the Government office concerned.

Note: The Director, Social Defence; the Commissioner, W&CDD; the Mamlatdars; and the Social Defence Officers together act as the Implementing Agencies.

1.6 Audit Objectives

The Performance Audit aimed to evaluate whether:

- (i) The NSAP had been appropriately planned to cover all the entitled beneficiaries;
- (ii) The implementation of NSAP via DBT was both timely and proficient; and
- (iii) Effective control mechanisms and IT systems were in place to ensure accurate and prompt delivery of benefits.

1.7 Audit Criteria

The following documents were adopted as sources of Audit Criteria:

- (i) Programme Guidelines of NSAP issued in October 2014 by the Ministry of Rural Development, GoI;
- (ii) Departmental instructions and Manuals regarding the implementation of the DBT Scheme;
- (iii) PFMS and DBT related Orders/instructions, etc.; and
- (iv) Data dump of the NSAP.

1.8 Audit Scope and Methodology

The Performance Audit was conducted in two phases between May 2020 and March 2021 and again between July 2021 and September 2021, to examine the implementation of all four components of NSAP (IGNOAPS, IGNWPS, IGNUAPS and NFBS) being implemented through DBT mode, for the period from 2017-18 to 2020-21. The audit involved scrutiny of data retrieved from the NSAP Portal of GoI, the data dump of NSAP restricted to four aforesaid components and examination of records of the State DBT Cell, the Director, Social Defence (SJED) and the Commissioner, W&CDD.

At the district level, Audit selected nine⁵ Offices out of 33 Social Defence Offices falling under five geographical regions⁶ of the State. The districts were selected on the basis of their ranking (one highest and one lowest) in the respective region, in terms of the number of beneficiaries serviced and expenditure incurred, under the four components of NSAP.

Besides, records of *Mamlatdar* offices⁷ in 18 selected talukas (two talukas from each selected district) and those of 36 Gram Panchayats (GPs)/Wards (two GPs/Wards from each selected taluka) were selected on the basis of Simple Random Sampling without Replacement (SRSWOR) method. The sample selection is detailed in **Appendix - I**.

⁵ Ahmedabad, Banaskantha, Bharuch, Dang, Gandhinagar, Kachchh, Morbi, Rajkot and Valsad.

⁶ Two districts were selected from each region (i) North Gujarat, (ii) South Gujarat, (iii) Central Gujarat, (iv) Saurashtra and (v) Kachchh region, which has only one district i.e. Kachchh.

⁷ One *Mamlatdar* office is established in each taluka.

An Entry Conference was held on 07 October 2021 with the Director, Institutional Finance, Finance Department of the Government of Gujarat, wherein the Audit Scope, Audit Criteria and Audit Methodology were discussed. The representatives of the implementing agencies viz. the Director, Social Defence and the Additional Commissioner, W&CDD also participated in the Entry Conference.

An Exit Conference was held on 30 November 2022 with the Director, Social Defence and the Director, Women and Child Development, wherein the major audit findings were discussed.

The State Government's response was received in April 2023 and incorporated into the Report wherever appropriate. The revised Report was issued to the State Government in June 2024. However, no further response had been received as of July 2024.

1.9 Acknowledgement

Audit acknowledges the collaborative and supportive efforts provided by officials from the Departments of Social Justice and Empowerment, Women and Child Development, the State DBT Cell, as well as the offices of Social Defence Officers, *Mamlatdars* and Gram Panchayats/Wards audited and others involved at different phases during the execution of the Performance Audit.

