

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:2591  
ANSWERED ON:13.03.2013  
DIRECT TRANSFER OF BENEFITS  
Rao Shri Nama Nageswara

**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Direct Cash Transfer of subsidies is aimed at plugging leakages, diversion and corruption;
- (b) if so, whether the banks have been insisting on documentary proof from the poor despite having an Aadhaar Card;
- (c) if so, whether several States have told the Government that the system is not efficient enough and it will be a harassment for common man trying to open a bank account; and
- (d) if so, the action taken or proposed to be taken in this regard?

**Answer**

MINISTER OF STATE FOR PARLIAMNETARY AFFAIRS & PLANNING (SHRI RAJEEV SHUKLA)

(a) Yes. The Direct Cash Transfer of subsidies is expected to plug leakages, diversion and corruption. However, as per Ministry of Consumer Affairs, Food and Public Distribution, Department of Fertilizers and Ministry of Petroleum and Natural Gas, direct transfer of subsidy in cash to the beneficiaries is not being provided at present.

(b) to (d) As per Department of Financial Services, Reserve Bank of India (RBI) has issued "Know Your Customer" guidelines to Banks wherein banks have been, inter-alia, advised to follow customer identification procedure to be carried out at different stages, i.e., while establishing a banking relationship; carrying out a financial transaction or when the bank has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

The letter issued by the Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number is one of the documents permitted by RBI for the purpose of customer identification. It has also been provided for by RBI that if the address on the document submitted for identity proof by the prospective customer is same as that declared by him/her in the account opening form, the document may be accepted as a valid proof of both identity and address. If however the address indicated on the document submitted for identity proof differs from the current address mentioned in the account opening form, a separate proof of address should be obtained. Copy of RBI's letter dated 10.12.2012 is enclosed at Annexure I.