



First in Digital Transactions and DBT

Why in News?

Uttar Pradesh has secured **first place** in the country in terms of **digital transactions** .

Key Points

- **About the issue:**
 - Under the [Direct Benefit Transfer \(DBT\) scheme](#), the state government has transferred Rs 1,11,637 crore directly into the accounts of 9.08 crore beneficiaries through 207 schemes of 11 departments.
 - **This has not only brought transparency** in the system but has also resulted in saving of **Rs 10,000 crore** by eliminating middlemen .
 - Uttar Pradesh has now become the second largest economic contributor to the country with a 9.2% share in the country's [Gross Domestic Product \(GDP\)](#).
 - While the country's GDP growth rate was 9.6% in the year **2023-24**, **UP's growth rate was 11.6%**.
 - **According to the NITI Aayog report**, Uttar Pradesh has been declared a ' **front runner**' in terms of 'fiscal position'.
 - **The role of [Unified Payments Interface \(UPI\)](#)** was also important in this remarkable growth . Easy access to **digital banking** , **availability of internet in villages** and **financial awareness** further accelerated this progress.

Direct Benefit Transfer (DBT) Scheme

- **Objective :** The scheme is **designed to aid faster flow of information and funds** to the beneficiaries and to reduce fraud in the distribution system.
- **Implementation :** It was **launched by the Government of India on January 1, 2013** as a mission to reform the government delivery system.
 - The old version of the **Public Financial Management System (PFMS)** of the Accountant General's Office i.e. 'Central Plan Scheme Monitoring System' was chosen as a platform for direct benefit transfer.
- **Components of DBT:** The primary components for implementation of Direct Benefit Scheme include beneficiary account verification system; integrated, stable payment and settlement platform with [RBI](#) , [NPCI](#) , public and private sector banks, Regional Rural Banks and Co-operative Banks (viz. Core Banking Solution of banks, settlement systems of RBI and Aadhaar Payment System of NPCI etc.).
- **Aadhaar not mandatory:** Aadhaar is not mandatory in DBT schemes. Since Aadhaar provides unique identification and is useful in targeting the intended beneficiaries, Aadhaar is preferred and beneficiaries are encouraged to have Aadhaar.

