

Bill No. 5 of 2022

THE DIRECT CASH TRANSFER (FINANCIAL ASSISTANCE TO
POOR HOUSEHOLDS) BILL, 2022

By

SHRI N.K. PREMACHANDRAN, M.P.

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BILL

to provide for payment of minimum rupees seventy-two thousand per annum as financial assistance by means of direct cash transfer to poor households for enhancement of livelihood and social security and for matters connected therewith.

BE it enacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Direct Cash Transfer (Financial Assistance to Poor Households) Act, 2022.

Short title,
extent and
commencement.

5 (2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) “applicant” means the head of a household or any of its other adult member who applies for financial assistance benefit under the Scheme;

(b) “Central Council” means the Central Direct Cash Transfer Council constituted under sub-section (1) of section 5; 5

(c) “household” means the members of a family related to each other by blood, marriage or adoption, normally residing together and sharing meals or holding a common ration card having such total annual income from all sources as may be determined under the Scheme and shall include a single member household;

(d) “direct cash transfer” means direct transfer of financial assistance of not less than rupees seventy-two thousand per annum into the bank account of an applicant by such mechanism, as may be prescribed; 10

(e) “prescribed” means prescribed by rules made under this Act; and

(f) “Scheme” means the Direct Transfer of Financial Assistance Scheme meant for poor household under section 4; 15

Central Government to provide financial assistance by means of Direct Cash Transfer to every household.

3. (1) The Central Government shall provide to every household a minimum amount of rupees seventy-two thousand per annum as financial assistance by means of direct cash transfer in accordance with the Scheme formulated under section 4.

(2) Notwithstanding anything contained in sub-section (1), the Central Government may, in case of a household consisting of more than two adult members, make provisions for securing financial assistance by means of direct cash transfer to every adult member of the household. 20

(3) The disbursement of financial assistance by direct cash transfer shall be made on weekly basis or in any case not later than 30th day of every month in such manner as may be prescribed. 25

Publicity of Scheme.

4. (1) The Central Government shall formulate and give wide publicity to the scheme specifying the criteria and conditions for availing financial assistance by direct cash transfer under this Act.

(2) The State Government shall publish a summary of the scheme formulated under sub-section (1), in at least two local newspapers, one of which shall be a vernacular language newspaper circulating in the area or areas to which such scheme shall apply. 30

Constitution of Central Council for Cash Transfer Financial Assistance.

5. (1) With effect from such date as the Central Government may, by notification specify, there shall be constituted a Central Council to be known as the Central Direct Cash Transfer Council to discharge the duties, assigned to it under this Act. 35

(2) The headquarters of the Central Council shall be at New Delhi.

(3) The Central Council shall consist of the following members to be appointed by the Central Government, namely:— 40

(a) a Chairperson;

(b) not more than such number of representatives of the Central Ministries including the NITI Aayog not below the rank of Joint Secretary to the Government of India as may be determined by the Central Government;

(c) representatives of all State Governments as may be determined by the State Government; 45

(d) not more than fifteen non-official members representing Panchayati Raj Institutions, organisations of workers and disadvantaged groups:

5 Provided that the non-official members shall include two chairpersons of District Panchayats nominated by the Central Government by rotation for a period of one year at a time:

Provided further that not less than one-third of the non-official members nominated under this clause shall be women:

10 Provided also that not less than one-third of the non-official members shall be belonging to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and the Minorities; and

(e) a member-Secretary not below the rank of Joint Secretary to the Government of India.

15 (2) The salary and allowance payable to and other terms and conditions subject to which the Chairperson and other members of the Central Council may be appointed and the time, place and procedure of the meetings (including the quorum at such meetings) of the Central Council shall be such as may be prescribed.

6. (1) The Central Council shall perform the following functions, namely:-

Functions of
the Central
Council.

(a) establish a central evaluation and monitoring system;

20 (b) advise the Central Government on all matters concerning the implementation of this Act;

(c) review the monitoring and redressal mechanism from time to time and recommend improvements required;

25 (d) take steps to give widest possible dissemination of information about the provisions of the Act;

(e) ensure the effective implementation of this Act;

(f) prepare annual reports regarding implementation of the Act;

(g) entertain appeals against any decision of the district panchayat in regard to rejection of any application submitted by any eligible applicant; and

30 (h) perform any other function as may be assigned to it by the Central Government.

7. The Panchayat at district level shall be nodal authority for planning and implementation of this Act.

Nodal
Authority to
implement
Scheme at
district level.

8. The Panchayat at the district level shall-

Functions of
district
Panchayat.

35 (i) invite and examine the application from eligible beneficiaries in the district for availing the financial assistance under the scheme;

(ii) prepare and publish the list of eligible applicants for availing financial assistance;

40 (iii) maintain and review the list of eligible applicants from time to time as per criteria announced by the Central Council;

(iv) identify and reach to disabled or old-aged eligible applicants who are not able to visit district panchayat office for availing financial assistance due to any reason;

(v) facilitate opening of bank account of every applicant in the district for the purpose of direct cash transfer under the scheme;

(vi) entertain any sort of complaints from applicants in regard to any problem for availing financial assistance by direct cash transfer; 5

(vii) dispose of complaint received under clause (vi) within a period of one month from the date of receipt of complaint;

(viii) supervise and monitor implementation of the scheme at district level;

(ix) prepare and submit an annual report to the department concerned of the State Government in regard to details of eligible applicants alongwith disbursement of cash transfer as financial assistance; and 10

(x) direct the Gram Panchayat at village level to compulsorily send every month the details of persons eligible as applicant residing in the village for updating the list of applicants. 15

Grievance redressal mechanism. **9. The State Government shall, by rules, determine appropriate grievance redressal mechanism at the district level to deal with any complaint by any person in respect of implementation of the Scheme and lay down the procedure for disposal of such complaints in such manner as may be prescribed.**

Directions by the Central Government. **10. (1) The Central Government may give such directions as it may consider necessary to the State Government for the effective implementation of the provisions of this Act.** 20

(2) Without prejudice to the provisions of sub-section (1), the Central Government may, on receipt of any complaint regarding the issue or improper utilisation of funds granted under the Scheme if *prima facie* satisfied that there is a case, cause an investigation into the complaint and if necessary, order stoppage of release of funds under the Scheme and institute appropriate remedial measures for proper and effective implementation of the Scheme. 25

Penalty. **11. Whoever contravenes the provisions of this Act shall on conviction be liable to fine which may extend to one thousand rupees.** 30

Central Government to provide Funds to the State Governments. **12. (1) The Central Government shall, after due appropriation made by Parliament by law in this behalf, provide adequate funds to the State Governments as may be required for the purposes of this Act.**

(2) The State Government shall on receipt of funds from the Central Government under sub-section (1), release financial assistance to the applicant by direct cash transfer before 30th day of every month. 35

(3) The Panchayat at district level shall closely monitor implementation of the scheme at Gram Panchayat level within its jurisdiction.

Annual Reports. **13. (1) The State Government shall forward a detailed annual report to the Central Council giving details of money received from the Central Government and dispersed to the applicants directly.** 40

(2) The Central Council shall maintain proper accounts and other relevant financial records of financial assistance to every State and prepare an annual statement of such accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India. 45

(3) The accounts and other financial records maintained under sub-section (2) shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Council to the Comptroller and Auditor-General of India.

5 (4) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Central Council shall have the same rights and privileges and Central Council in connection with such audit as the Comptroller and Auditor-General generally has in connection with the
10 the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Central Council.

(5) The accounts of the Central Council as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of
15 Parliament.

14. The Central Council shall maintain a website or any other universally accessible repository of digital information pertaining to the monitoring and implementation of the Scheme.

Maintenance of website.

20 **15.** The Central Council shall furnish to the Central Government, at such time and in such form and manner, as may be prescribed, such reports and statements and such particulars in regard to Direct Cash Transfer Scheme, as the Central Government may, from time to time, require.

Reports of Central Council.

25 **16.** The provisions of this Act and the Scheme made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of such law.

Act to have overriding effect.

30 **17.** No suit, prosecution or other legal proceedings shall lie against the District Programme Coordinator, Programme Officer or any other person who is, or who is deemed to be, a public servant within the meaning of section 21 of the Indian Penal Code, 1860 in respect of anything which is in good faith done or intended to be done under this Act or the rules or Schemes made thereunder.

Protection of action taken in good faith.

35 **18. (1)** If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Power to remove difficulties.

Provided that no order shall be made under this section after the expiry of three years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

40 **19. (1)** The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

45 (2) Every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall
50 be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

Two fifty million people of India are not having minimum income to meet their basic essential requirements. The pathetic condition of Indian population requires disbursement of minimum rupees seventy-two thousand per annum financial assistance by direct cash transfer to ensure minimum income (Nyuntam Aay Yojana) to each household.

The direct cash transfer to the poor households will stimulate their lives and the economic growth of the country. It is highly essential to address the backwardness of our poor population. Ensuring minimum income to each poor household by direct cash transfer is essential. A legislation is required to ensure enhancement of livelihood and social security to every household in the country by providing rupees seventy-two thousand per annum in the form of direct cash transfer into their bank account.

Hence this Bill.

NEW DELHI;
July 5, 2021.

N.K. PREMACHANDRAN

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides to every poor household a minimum amount of rupees seventy-two thousand per annum as by means of direct cash transfer. Clause 4 provides Central Government shall give wide publicity to the scheme specifying the criteria and conditions for availing direct cash transfer. Clause 5 provides for constitution of Central Council for cash transfer financial assistance. Clause 7 provides that panchayat at district level shall be nodal authority for implementation of the scheme at district level. Clause 9 provides for grievance redressal mechanisms at the district level to deal with any complaint by any person in respect of implementation of the scheme. Clause 12 provides for transferring Funds to the State Governments. Clause 14 provides for maintaining of website for disseminating information by Council. The Bill, therefore, if enacted would involve expenditure from the Consolidated Fund of India. It is estimated that a recurring expenditure of about rupees eighteen lakh crore will be involved from the Consolidated Fund of India.

A non-recurring expenditure of about rupees eighteen lakh crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 19 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

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