No.F.1-5/2019-FWS-II
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture, Cooperation & Farmers Welfare
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Krishi Bhawan, New Delhi
Dated 8th August, 2019

To

The Chief Secretaries of All States / Union Territories

Subject:- Launching of the new Central Sector Scheme, namely, the **Pradhan Mantri Kisan Maandhan Yojana (PM-KMDY)**, to provide old age pension to the Small and Marginal Farmers in the Country - Regarding.

Madam / Sir,

Please refer to this Department's letter of even number dated the 5th July, 2019 informing about the introduction of a new Central Sector Scheme, namely, the Pradhan Mantri Kisan Maandhan Yojana (PM-KMDY), and also conveying the salient features of the scheme, which provides for old age pension to all Small and Marginal Farmers (SMFs) in the country holding upto 2 hectares of land. Small and Marginal Farmers in the age group of 18 to 40 years would be eligible to subscribe to the Scheme, subject to certain exclusion criteria. The Operational Guidelines of the Scheme are enclosed.

2. The enrollment of beneficiaries for the Scheme has been scheduled to start w.e.f. the 9th August, 2019 tomorrow. To start with, the Common Service Centres (CSCs) across the country have been chosen for physical enrollment of farmers under the Scheme. The State Nodal Officers (SNOs) (PM-Kisan) will also be roped in for enrolling the farmers subsequently. Additionally, the data base of SMFs available with the SNOs shall also be utilized for bulk enrollment. The beneficiaries will have the option of paying the initial contribution in cash as well as through auto-debit from their PM-Kisan registered bank account.

3. In view of the above, it is requested that the concerned State / District / Block Nodal Officers for PM-Kisan Scheme, and other concerned officers / agencies may be directed to undertake appropriate measures to ensure maximum enrollment of eligible farmers under the Scheme when the scheme is launched through the CSC Centres.

Yours sincerely,

(Sanjay Agarwal)
Secretary to Government of India

Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY)

OPERATIONAL GUIDELINES

1. Scheme

The Government of India has introduced an old age pension scheme for all land holding Small and Marginal Farmers (SMFs) in the country, namely, the **"Pradhan Mantri Kisan Maan-Dhan Yojana (PM-KMY)"**, as a voluntary and contributory pension scheme for the entry age group of 18 to 40 years. The Scheme is effective from the 9th August, 2019.

2. Objective and Benefits

There have been a series of interventions for income and price support by the Government for farmers. However, there is a felt need to create a social security net for the farmers as old age may result in loss of livelihood for many of them. Farming requires hard work in fields which becomes difficult at an advanced age. The problem is compounded in respect of small and marginal farmers as they have minimal or no savings to provide for old age. The Pradhan Mantri Kisan Maan-Dhan Yojana (PM-KMY) provides for an assured monthly pension of Rs. 3000/- to all land holding Small and Marginal Farmers (SMFs), whether male or female, on their attaining the age of 60 years. Farmers falling within the purview of the exclusion criteria (as defined in Para 5 of these guidelines) are, however, not eligible for the benefit. The key features and other consequential benefits accruing to the subscribers of the Scheme are detailed further in these guidelines.

3. Definitions :

(a) **"BENEFICIARY"** shall mean the subscriber and in case of his/her death his/her spouse;

(b) "**Contribution**" means the amount specified in the contribution chart appended with this Scheme as modified by the Government from time to time, to be payable monthly or periodically by an eligible subscriber to the scheme;

(c) "**CSC**" means "**Common Service Centre e-Governance Services India Limited – Special Purpose Vehicle**" a company promoted by the Ministry of Electronics and Information Technology (MeitY).

(d) "**EFFECTIVE DATE**" in relation to the Scheme means the date from which this scheme takes effect / starts i.e. the 9th August, 2019;

(e) **"Enrolling Agency"** or **"Enrollment Agency"** means the agency chosen by the Government for enrollment of subscribers. Presently, CSC-SPV and State Nodal Officers (SNOs) or agency chosen / nominated by them is the enrolling agency.

(f) **"ENTRY DATE"** means

a. in relation to the original subscribers the Effective Date; and

b. in relation to new subscribers admitted to the Scheme after the Effective Date, their Date of Joining;

(g) "**Eligible subscriber**" means a Small and Marginal Farmer who is eligible to join this Scheme;

(h) "**Family**" means, —

(i) wife, in the case of male eligible subscriber;

(ii) husband, in the case of a female eligible subscriber;

(i) "**Government**" or "**Central Government**" or "**Ministry**" or "**Department**" means "Government of India through the Ministry of Agriculture and Farmers Welfare, Department of Agriculture, Cooperation and Farmers Welfare";

(j) "**LIC**" or "**Corporation**" means "Life Insurance Corporation of India" , a statutory corporation established by Life Insurance Corporation Act, 1956;

(k) "**Matching contribution**" means the equal amount as contributed by the eligible subscriber, payable by the Central Government to the Fund;

(l) **"NORMAL RETIREMENT DATE**" or the **"Vesting date"** shall mean in respect of each subscriber the date on which he / she completes the age of 60 years;

(m) "**Pension**" means Assured Monthly Amount payable as Pension under this Scheme to the eligible subscriber or his/her spouse ;

(n) "**Pension fund**" or **"Fund"** means the fund created by the Central Government and managed by LIC of India in which the contributions made by the subscribers and the matching contributions made by the Government would be deposited. The Government Pool Account together with the Subscriber's Individual Account (hereinafter called the "SIA") shall constitute the Pension Fund under the scheme.

(o) **"Pradhan Mantri Kisan Samman Nidhi Scheme"** or **"PM-Kisan"** means the Central Sector Scheme administered by the DACV&FW for providing direct income support to the farmers.

(p) **"Small and Marginal Farmer"** or **"SMF"** means a farmer who owns cultivable land upto 2 hectare as per land records of the concerned State/UT".

(q) **"Sponsor Bank"** means bank nominated by the Corporation, presently the IDBI Bank, for providing banking services under the scheme.

(r) **"State Nodal Officers"** or **"SNOs"** means the officers of the State/UT Governments who are responsible for preparing the list of farmers, including, SMFs under the Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) Scheme.

(s) **"SUBSCRIBER"** means a Small and Marginal Farmer who has joined this Scheme, and his / her spouse in case of his / her death;

4. Eligibility

All Small and Marginal Farmers (SMFs) in all States and Union Territories of the country, who are of the age of 18 years and above and upto the age of 40 years, and who do not fall within the purview of the exclusion criteria as mentioned in the guidelines, are eligible to avail the benefits of this Scheme by joining it.

5. Exclusions

5.1 The following categories of farmers have been brought under the exclusion criteria:

(i) SMFs covered under any other statuary social security schemes such as National Pension Scheme (NPS), Employees' State Insurance Corporation scheme, Employees' Fund Organization Scheme etc.

(ii) Farmers who have opted for Pradhan Mantri Shram Yogi Maan Dhan Yojana (PM-SYM) administered by the Ministry of Labour & Employment

(iii) Farmers who have opted for Pradhan Mantri Laghu Vyapari Maan-dhan Yojana (PM-LVM) administered by the Ministry of Labour & Employment

(iv) Further, the following categories of beneficiaries of higher economic status shall not be eligible for benefits under the scheme:

(a) All Institutional Land holders; and
(b) Former and present holders of constitutional posts
(c) Former and present Ministers/ State Ministers and former/present Members of Lok Sabha/ Rajya Sabha/ State Legislative Assemblies/ State Legislative Councils,former and present Mayors of Municipal Corporations, former and present Chairpersons of District Panchayats.
(d) All serving or retired officers and employees of Central/ State Government Ministries/ Offices/Departments and their field units, Central or State PSEs and Attached offices/ Autonomous Institutions under Government as well as regular employees of the Local Bodies *(Excluding Multi Tasking Staff / Class IV/Group D employees)*
(e) All Persons who paid Income Tax in last assessment year.
(f) Professionals like Doctors, Engineers, Lawyers, Chartered Accountants, and Architects registered with Professional bodies and carrying out profession by undertaking practice.

5.2 For the purpose of exclusion State/UT Government can certify the eligibility of the beneficiary based on self declaration by the beneficiaries. In case beneficiary is not available /does not reside in the village, State/UT Governments may consider certification based on the declaration by other adult member of his/her family. In case of incorrect self declaration, beneficiary shall not be eligible for financial benefit under the Scheme.

6. Key features of the Scheme

(i) The PM-KMY is a Central Sector Scheme, administered by the Department of Agriculture, Cooperation & Farmers Welfare, Ministry of Agriculture & Farmers' Welfare, Government of India in partnership with the Life Insurance Corporation of India (LIC).

(ii) The LIC shall be the Pension Fund Manager and responsible for Pension pay out.

(iii) It is a voluntary and periodic contribution based pension system meant for all land holding Small and Marginal Farmers (SMFs) throughout the country, subject to aforesaid exclusion criteria.

(iv) The SMFs shall have the option to allow payment of his/her voluntary contribution to the Scheme from the financial benefits received by them from the PM-KISAN Scheme, directly.

(v) The eligible SMFs who are desirous of using their PM-Kisan benefit for contributing for PM-KMY, will have to sign and submit an enrolment-cum-auto-debit-mandate form for giving their consent for auto-debiting their bank accounts, in which their PM-Kisan benefits are credited, so that their contributions are automatically paid;

(vi) The eligible SMFs who are not beneficiaries of PM-Kisan or who have not given consent to allow payment from the benefit of PM-Kisan shall submit an enrolment-cum-auto-debit mandate form for giving their consent to auto-debit a bank account which is normally used by them for bank transactions;

(vii) The Central Government through the Department of Agriculture Cooperation and Farmers Welfare shall also contribute an equal amount as contributed by the eligible subscriber, to the pension Fund. Account of such co-contributions shall be maintained separately by the LIC and these co-contributions along with fund earnings from time to time shall be utilized for pension payment on the date of vesting. Co-contributions would not be paid to subscribers in case of pre-mature exits. In such a case, the co-contributions along with fund earnings will be transferred back to Pension Fund.

(viii) The State / UT Governments will have the option of sharing the burden of individual SMF beneficiary's contribution.

(ix) The monthly contributions will fall due on the same day every month as enrolment date. The beneficiaries may also chose an option to pay their contributions on quarterly, 4-monthly or half-yearly basis. Such contributions will fall due on the same day of such period as the date of enrollment;

(x) The amount of the monthly contribution shall range between Rs.55 to Rs.200 per month depending upon the age of entry of the farmers into the Scheme, as per the following contribution chart:

Entry Age	Superannuation Age	Member's contribution (Rs.)	Government's contribution (Rs.)	Total contribution (Rs.)
(1)	(2)	(3)	(4)	(5)
18	60	55	55	110
19	60	58	58	116
20	60	61	61	122
21	60	64	64	128
22	60	68	68	136
23	60	72	72	144
24	60	76	76	152
25	60	80	80	160
26	60	85	85	170
27	60	90	90	180
28	60	95	95	190
29	60	100	100	200
30	60	105	105	210
31	60	110	110	220
32	60	120	120	240
33	60	130	130	260
34	60	140	140	280
35	60	150	150	300
36	60	160	160	320
37	60	170	170	340
38	60	180	180	360
39	60	190	190	380
40	60	200	200	400

(xi) In case of death of subscriber before vesting date, the spouse of subscriber shall have an option of continuing the scheme by payment of remaining contributions under the scheme, provided she/he is not already an SMF beneficiary of the Scheme. The rate of contribution and vesting date shall remain the same. Pension accruals will be calculated as if subscriber were to be alive on the vesting date. However, the same pension would be payable to the spouse. Upon death of spouse after vesting date, pension corpus would be transferred back to Pension Fund.

(xii) In case of death of subscriber before vesting date, if the spouse does not exercise option of continuing under the scheme, then subscribers' contributions along with fund interest earned or Savings Bank Interest whichever is higher would be payable to the spouse under the scheme.

(xiii) In case of death of subscriber before vesting date, if there is no spouse, then subscribers' contributions along with fund interest earned or Savings Bank Interest, whichever is higher, would be payable to the nominee/s under the scheme. The co-contributions made by Government along with fund interest earned after adjusting for difference between Savings Bank Interest payable and fund interest earned, if any will be credited back to Pension fund of Government.

(xiv) If a subscriber dies after the date of vesting, his/her spouse shall be entitled to receive fifty per cent of the pension received by such eligible subscriber as Family Pension, provided she/he is not already an SMF beneficiary of the Scheme, and such family pension shall be applicable only to the spouse.

(xv) After death of subscriber as well as of his/her spouse, the corpus i.e. total accumulated contributions made by the subscriber and the Government shall be credited back to the fund.

(xvi) The Eligible SMFs desirous of joining the scheme shall visit nearest Common Service Centre (CSC) along with his Aadhaar card and bank passbook or account details.

(xvii) The Village Level Entrepreneur (VLE) present at the CSC shall complete the on-line registration process after taking details of Aadhaar number, name, date of birth, spouse and nominee particulars, mobile number (optional), address and a few other details.

(xviii) The on-line registration process includes capturing of bank account particulars and completion of an auto-debit mandate to the bank account of the subscriber for debiting contribution amount to the subscriber's bank account every month. The demand will be made by the sponsor bank/IDBI, on behalf of LIC of India.

(xix) The data would be checked by the CSC through manual verification of bank particulars from supporting documents, demographic authentications of Aadhaar, etc.

(xx) The mobile number (optional) given by the subscriber will be verified by OTP verification process.

(xxi) The subscriber will authenticate the data in on-line generated enrolment form by putting his / her signature.

(xxii) The VLE will upload scanned copy of signed enrolment-cum-debit mandate form and thereafter enable his/her online payment of initial contribution and give him a receipt.

(xxiii) At this stage, the online registration process would be complete and the system would generate a Pradhan Mantri Kisan Maan-Dhan (PM-KMY) Pension Card with a unique Pension Account Number prominently printed on it.

(xxiv) Upon completion of enrolment process and payment of initial contribution, an enrolment-cum-auto-debit-mandate form for taking consent of farmers for auto-debiting from their PM-Kisan benefits through their bank accounts will be generated and signed by the subscriber.

(xxv) CSC-SPV decentralised office would scan the signed enrolment-cum-auto-debit mandate form and upload the same to CSC-SPV system.

(xxvi) Subsequent to this a pension card would be generated and given to subscriber as proof of pension account having been opened.

(xxvii) The CSC-SPV centre would also return the original enrolment-cum-auto-debit mandate form to the subscriber to be retained by him.

(xxviii) The data of subscribers enrolled would be transferred by CSC-SPV to LIC on T+1 (i.e. the next day) for further process.

(xxix) The CSCs would charge Rs.30/- per beneficiary's enrolment for the above services. The DAC&FW would reimburse the above charge to CSC for which it would raise a consolidated invoice for the purpose on the Department.

(xxx) The eligible beneficiaries may alternatively also enrol themselves by contacting physically the State Nodal Officers (SNOs) (or agencies designated by them) in their respective districts.

(xxxi) The eligible beneficiaries may alternatively also enrol themselves online through links provided on the appropriate web-sites.

(xxxii) The DAC&FW will facilitate transfer of bulk data of beneficiaries from the SNOs to the CSC-SPV for the purpose of bulk enrolment of SMFs and also cross-verification of PM-Kisan beneficiaries registered at CSCs.

(xxxiii) A Subscriber, who desires to change the bank details or any other details which are incorrect, will approach CSC or VLE along with PM-KMY number, Aadhaar Card. However, the Date of Birth of the Subscriber cannot be changed at any time. The VLE at CSC will validate the credentials of the Member on the payment of the Amount / Fee as prescribed by the Government from time to time.

7. MANDATE REGISTRATION PROCESS

The procedure for giving consent by the eligible beneficiaries will be as follows:

(a) The prospective beneficiary will approach CSC for enrollment.

(b) The CSC-SPV will ensure customer related information is validated using customer bank passbook before completing the registration process. Basic details to be validated are:

- Customer name
- Customer account number
- IFSC/ MICR Code
- Mobile Number (optional)
- Other customer information as available in the passbook which is required for mandate registration

(c) The onus of recording the correct details of the customer and validation of customer will be on CSC-SPV. If there are any dispute at a later date by the customer on the debits to his/her account, the onus of resolving the dispute as per Scheme guidelines will entirely rest with LIC.

(d) After successful registration, CSC-SPV/LIC will prepare data mandate as per the format provided by NPCI (to be shared).

(e) The data mandate will be shared with Sponsor Bank/IDBI.

(f) The Sponsor Bank/IDBI, on receiving the data, will upload it onto NPCI portal.

(g) The NPCI will generate inward to respective customer banks for processing the mandates.

(h) The customer banks will validate the account number only and accept if it is valid (name validation will not be carried out by the bank).

(i) If the account number is correct, the customer banks will register the mandate. If the account number is incorrect, frozen, blocked or cannot be debited for any other reason, the bank will reject the mandate with appropriate reason as per the reasons list provided by NPCI.

(j) The NPCI on receiving the acceptance/rejection reason from customer banks will generate response back to the Sponsor Bank of LIC i.e. the IDBI.

(k) The LIC will share the response data with CSC-SPV.

(l) The LIC will ensure that the transactions are generated only on the mandates that are confirmed by banks as valid. In case LIC generates a transaction on a mandate that has been rejected by the bank, such transactions will be rejected by NACH system at the time of upload itself. It is the responsibility of LIC to ensure that the response files received from the customer's bank are updated in their database and originate transactions on valid mandates only.

(m) At the time of transaction presentation by Sponsor Bank/IDBI, the NPCI will validate transaction data against the mandate data based on the Unique Mandate Reference Number (hereinafter referred to as UMRN) generated at the time of mandate registration. The destination banks may also validate the transaction data against the mandate data registered in their internal systems before allowing debit to the customer account.

(n) In the event of any dispute on the validity of the mandate or debit to an account, it will be the responsibility of LIC and the Government to handle the dispute and settle with the customer accordingly.

(o) The NPCI will provide the dispute management system to the banks concerned for raising disputes through the system. NPCI will follow up with Sponsor Bank/IDBI and the LIC for settlement of disputes as per the defined Turn Around Time (herein after referred as TAT). If the dispute is not settled within the agreed TAT, the Sponsor Bank's account will be debited to the extent of disputed transaction amount and credited to the dispute raising bank for crediting to the customer account, as per the dispute management process detailed in NACH procedural guidelines.

8. <u>Mechanism of regular contributions</u> :

The procedure for payment of regular contributions by the subscribers will be as follows. A special mechanism has been set up whereunder based upon auto debit mandate taken from the subscriber at the time of enrolment:

(a) LIC would generate a debit file on every month / period. In this debit file, LIC would raise a demand of contributions due under the scheme from various subscribers through their bank account.

(b) The debit file would be sent to the Sponsor Bank / IDBI.

(c) The Sponsor Bank will send NACH debit file to every customer / subscriber's bank separately.

(d) The Customers' / Subscribers' Banks on receipt of NACH debit file from sponsor bank will debit the respective subscribers' bank account with the demanded amount and transfer the amount to sponsor bank in the prescribed manner.

(e) Based upon the MIS from sponsor bank, after proper reconciliations, the amount received from subscribers' bank to sponsor bank shall be credited to respective PM-KMY pension accounts of the subscribers.

(f) <u>At the same time, SMS will go to the subscriber, whose mobile numbers are available, confirming the receipt of contribution in his pension account.</u>

(g) Three payment cycles would be followed in a month i.e. 1st, 11th and 21st. In case these dates are public holidays, payment cycle date would be the first working day after these dates.

(h) On a payment cycle day, LIC would generate a demand based upon contributions that have already fallen due. If payment is not successful, then demand would be repeated in the next cycle till six months from the contribution due date. On a payment cycle day, if more than one contribution are due, demand would be generated for all contributions that are in arrears along with late fee as per rules fixed by the Government from time to time.

9. <u>PROVISIONS RELATING TO DEFAULT IN PAYING CONTRIBUTIONS</u>

(a) It may so happen that subscriber's bank account may not have sufficient funds for auto-debit of contributions to be successful. When contribution auto-debit is not successful on payment cycle immediately following the contribution due date, the subscriber's account will be deemed to have defaulted or will be treated as an account in default.

(b) The demand would then be repeated in the next payment cycle.

(c) When a PM-KMY Pension Account is in default, the same may be regularized with payment of all contributions that have fallen due along with interest as follows :

(i) Until 1 month from first unpaid contribution: No late fee would be charged. Account can be regularized by paying contribution amount only. Three payment cycles demand would be raised for payment of contribution without any interest.

(ii) After one month from last unpaid contribution :

(1) Payments would be processed on specified payment cycle dates.

(2) No interest would be charged on the amount of contribution that became due immediately preceding the payment cycle date.

(3) However, if there are arrears of installments due on the due date immediately preceding the payment cycle date, late fee or at saving bank interest would be charged. Such late fee would be computed on each of the installment from due date of installment to the due date preceding the payment cycle date. If the period of default of a particular installment is up to 12 months, the reckoning of interest would be simple interest method. But if period of default of a particular installment is over 12 months, then compounding interest would be reckoned for completed number of years' part and for remaining period simple interest would be reckoned.

(4) The rate of interest/late fee would be the one that is prevailing on the date of payment cycle date, as declared by the Government from time to time.

(5) In case of dispute, the decision of LIC of India would be binding on subscriber.

(iii) The interest/late fee charged would be credited into pension account and shall be part of fund earnings under the scheme.

(iv) Interest is reckoned only from the date of remittance and credited on annual basis.

(v) Matching amount of co-contribution shall be credited by GOI which shall be maintained separately and this portion shall be utilized only for pension corpus on the vesting date.

(d) If contributions remain unpaid for a period of six months, such account status would be changed to 'dormant account' and for dormant accounts demand would not be raised further. Suitable SMS alerts / notices would, however, be sent for the dormant status accounts for a period of three years from date of first unpaid contribution. He/she will, however, be allowed to regularize his/her contribution by paying the entire outstanding dues, along with interest of the rate as determined by the Government from time to time.

(e) After lapse of period of three years from the date of last unpaid contribution, SMS alerts / notices would be stopped. However, Subscriber may make inquiries about status of his account through dedicated call centre or make on-line web inquires. He/she will, however, be allowed to regularize his/her contribution by paying the entire outstanding dues, along with interest of the rate as determined by the Government from time to time.

(f) If a beneficiary becomes ineligible for the Pension under PM-KMY, his account will be active but Government's contribution (50%) shall be stopped. If beneficiary agrees to pay the entire amount of the contribution, he will be allowed to operate the account. At the age of 60, he shall be allowed to withdraw his contribution with an interest equivalent to the prevailing saving bank rates.

10. COMMUTATION OF PENSION:

There is no provision for commutation of pension under any circumstances.

11. LIABILITY ON ACCOUNT OF DEFICIT IN FUND

The issue of liability on account of deficit in the fund maintained by LIC may be decided after due deliberations between Finance Ministry and LIC.

12. LEGAL RIGHTS TO SUBSCRIBERS:

A subscriber or his / her beneficiary of this Scheme shall have no interest in the Master Policy taken out in respect of the subscribers or any investment otherwise made by the Ministry in accordance with the guidelines of the Scheme, but shall only be entitled to receive a pension in accordance with these guidelines. Provided always that the

Government shall administer the Scheme for the benefit of the subscribers and their beneficiaries in accordance with the provisions of these guidelines.

13. RESTRAINT ON ANTICIPATION ENCUMBRANCE:

The benefits assured under the Scheme are strictly personal and cannot be assigned, charged or alienated in any way.

If any restraint or prohibitory order is served on the Government in respect of any benefit payable to a subscriber or his / her beneficiary or if the subscriber or the beneficiary shall become bankrupt or attempt to assign, charge or in any way encumber the pension or any benefit there under, he / she shall forfeit all rights and claim thereto and the same shall lapse to the Government but without prejudice to the powers of the Government at their discretion to maintain or continue the same, it they think fit, either immediately or after an interval or otherwise to make payments for the support of the subscriber. The value of any or all benefits forfeited shall be transferred to the 'Surplus Account'.

14. TO PREVAIL:

Should anything contained in these guidelines or in any alternation or amendment thereof be inconsistent with the object or provisions of the Scheme, the provisions of the Scheme as approved shall prevail. On any such discrepancy coming to the notice of the LIC, they shall recommend to the DAC&FW to take appropriate steps.

15. JURISDICTION:

The Master Policy to be effected under the Scheme shall be an Indian contract, subject to the laws of Indian including the Indian Insurance Act, 1938, as amended, the Life Insurance Corporation Act, 1956, the Income Tax, Act, 1961 and to any legislation subsequently introduced. All benefits under the Scheme shall be payable only in India. Should anything contained in these guidelines, or in any amendment made thereof be repugnant to any provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962, it shall be ineffective to the extent of such repugnance, any such repugnance in so far as it relates to Income Tax Act 1961 and the Rules there under shall be removed by the DAC&FW.

16. DEDUCTION OF SUMS DUE TO INCOME TAX AUTHORITIES:

Income Tax: In any case where the DAC&FW or the Corporation is liable to account to the Income Tax Authorities for Income Tax on any payments due under the Scheme, the Corporation shall deduct a sum equal to the tax from such payment and shall not be liable to the subscribers for the sum so deducted.

17. NOMINATION:

(a) Every Subscriber shall appoint spouse or dependants as Beneficiary or Beneficiaries under the Scheme to receive the benefits hereunder in the event of the death of the subscriber.

(b) Every appointment / nomination to be made under this Rule shall be in writing signed by the subscriber and shall remain in full force and effect until the death of the Beneficiary or until the same will be revoked in writing by the subscriber by whom the same was made and a fresh appointment / nomination is made in the manner aforesaid.

(c) A subscriber may from time to time or at any time without the consent of the nominee, if any, revoke or change the nominee by filling a written notice of the change online or at the CSC in the prescribed form whereupon an acknowledgement of the change and the registration of the name of the new Nominee will be given to the subscriber online / at the CSC. The New appointment shall take effect on the date the notice was signed whether or not the subscriber is living on the date of acknowledgement of the change without prejudice to the Corporation on account of any payment made before the acknowledgement of the change.

(d) If a Nominee shall at the time of his appointment be a minor or otherwise under disability to give a legal receipt or discharge to the LIC the subscriber must at the time of such appointment as aforesaid appoint a person who is major and who is capable of giving a legal receipt or discharge to the Corporation and to whom the benefits are to be paid for and on behalf of such Nominee so long as such minority or disability continues.

(e) If more than one Nominee is appointed and in such appointment the Subscriber has failed to specify their respective interest, the Nominees so named shall share equally. If any designated Nominee predeceases the Subscriber the interest of such Nominee shall terminate and his/her share shall be payable equally to such of the remaining Nominees as survive the Subscriber unless the Subscriber has made written request otherwise to the LIC in the prescribed form.

18. INTERPRETATION OF GUIDELINES:

It shall be a condition of the membership of the Scheme that on any question arising on any point of interpretation of these Guidelines or any point relating to cessation of membership, the decision of the DAC&FW shall be final.

19. COORDINATION AMONG VARIOUS PARTICIPATING AGENCIES

The DAC&FW has entered into detailed Memorandum of Understanding (MoUs) with various participating agencies for seamless implementation of the Scheme, namely, the LIC, the CSC-SPV, the NPCI, the IDBI and the IBA. These MoUs contained detailed roles and responsibilities of these agencies among themselves as well as towards smooth implementation of the Scheme. Further, the DAC&FW has also taken the key financial institutions / authorities, namely, the Department of Financial Services (DFS) under the Ministry of Finance, the Reserve Bank of India (RBI) and the Insurance Regulatory & Development Authority of India (IRDAI) on-board for successful operation of the Scheme.

20. REVIEW, MONITORING AND GRIEVANCE REDRESSAL MECHANISM

a) An Empowered Committee under the Chairmanship of Cabinet Secretary with Secretaries of Agriculture & Farmers' Welfare, MeiTY, Department of Expenditure, Department of Financial Services and any other Secretary concerned as members shall review and monitor implementation of the Scheme through appropriate implementation strategies and to approve any modifications in the Scheme within the within the overall financial parameters of Scheme approved by the Cabinet, for effective implementation.

b) The overall implementation of the Scheme would be done by the Project Monitoring Unit (PMU) set up for PM-Kisan Scheme at Central level in the DAC&FW. The PMU shall also undertake publicity campaign (Information, Education and Communication-IEC) for the Scheme and also incur various administrative expenses.

c) Each State/UT Government will designate a Nodal Department for implementation of the scheme and coordinating with Central Government with regard to implementation of the Scheme.

d) A Grievance Redressal Cell shall be set up both at State and District Levels accordingly with representation of State Nodal Officers, State Level Bankers' Committee and Regional Manager, LIC. Similarly, District Levels shall have DLBC and LIC Representatives along with District level Government Officers.

e) All disputes to the extent of and limited to the transactions routed through National Automated Clearing House (NACH) system should be routed by the banks through the Dispute Management System (DMS) provided by NPCI. The disputes so raised on the Sponsor Bank shall be resolved within 30 days from the date of dispute. If the Sponsor Bank fails to respond / resolve the dispute within agreed time line, the disputed amount will be debited to the settlement account of the Sponsor Bank maintained with Reserve Bank of India (RBI).

f) Any disputes other than that detailed above shall be resolved by LIC, Sponsor Bank and the Ministry without any liability on the other participating stakeholders. The process to be followed for dispute resolution is provided in the MoUs.

g) Any matter related to execution, grievance redressal, dispute resolution etc. shall be referred to the Joint Secretary (Farmers Welfare), Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture & farmers Welfare, Krishi Bhavan, New Delhi – 110001 for redressal.

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