

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
CONTROLLER GENERAL OF ACCOUNTS  
MAHALEKHA NIYANTRAK BHAWAN  
GPO COMPLEX, 'E' BLOCK, INA, NEW DELHI

File No. G.25014/19/2017/MF.CGA/LAD/1166-1210

Dated: 28.8.2017

OFFICE MEMORANDUM


Subject: Minutes of meeting chaired by Additional Secretary (Expenditure) on the review of action taken on the recommendation of the Watal Committee Report on digital Payments - regarding.

Reference is invited to the Ministry of Finance, Department of Expenditure Office Memorandum No.A.60011/21/2016-Ad.I dated 7<sup>th</sup> August, 2017 (copy enclosed) on the above cited subject. In the meeting held on 27<sup>th</sup> July, 2017, Additional Secretary (Expenditure) suggested that O/o CGA may like to introduce that all digital payment and receipt requirements as standard audit criteria for examination during the conduct of Internal Audit in Ministries / Departments. The Internal Audit should focus on guidelines issued by the O/o CGA vide O M dated 04.08.2017 (copy enclosed) regarding payment of Rs.5000.00 & above in Government of India and all payment of Government servants through epayment in terms of O M dated 12.05.2017(copy enclosed) including electronic receipt reconciliation with delayed remittances in addition to usual checks by Internal Audit Party.

All the Pr. CCAs/CCAs/CAs (with independent charge) are requested to issue the directions to their Internal Audit Wings to introduce that all digital payment and receipt requirements as standard audit criteria for examination during the conduct of Internal Audit in their Ministries / Departments.

This issues with the approval of Additional Controller General of Accounts (IAD).

Encls: A/a.

  
(Hanumaiah K.)

Assistant Controller General of Accounts (IAD)

To

- 1) All Pr. CCAs/CCAs/CAs (with independent charge) of Central Civil Ministries / Departments.
- 2) Senior Accounts Officer (GBA) for information in reference to letter no. S.11012/3(1)/DP/WC/2017/GBA/5308-09 dated 22.08.2017.
- 3) Senior Accounts Officer (ITD) O/o CGA, New Delhi for uploading on the CGAs website.

F.No. A.60011/21/2016-Ad.I  
Government of India  
Ministry of Finance  
Department of Expenditure

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North Block, New Delhi  
Dated: 7th August, 2017

Office Memorandum

**Subject:** Minutes of meeting chaired by Addl. Secretary (Expenditure) on the review of action taken on the recommendation of the Watal Committee Report on Digital Payments - regarding

The undersigned is directed to forward minutes of the meeting taken by Shri P.K. Das, Additional Secretary, D/o Expenditure on 27.07.2017 on the subject mentioned above for information and necessary action please.

Encls: As above

To:

1. Chairman, CBDT, M/o Finance, North Block
2. Chairman, CBEC, M/o Finance, North Block
3. Controller General of Accounts, D/o Expenditure, GPOA, INA, Delhi
4. Pr. Chief Controller of Accounts, CBEC, DGACR Building, I.P Estate, Delhi
5. Pr. Chief Controller of Accounts, CBDT, Lok Nayak Bhawan, Delhi


Copy to:

1. PSO to Addl. Secretary (Expenditure), D/o Expenditure
2. PS to Jt. Secretary (Pers.), D/o Expenditure

Copy of minutes to be  
marked to all. Pls p.u. on

file with action at

- 2 & 7 for CBOT
- 8 for IAD
- 9 for ITO


Imm for  11/8

S.W.D (G.O.A)



1373/DY (G.A.N.S.)  
11/9/17

AAO (R.D.)

  
14/8/17

VIP-360/DH-CONTN (SRB)  
9/8/17

31/11/17  
11/9/17



A.60011/21/2016-Ad.I  
Ministry of Finance  
Department of Expenditure

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Subject: Minutes of meeting chaired by Addl. Secretary (Expenditure) on the review of action taken on the recommendation of the Watal Committee Report on Digital Payments - regarding

A meeting chaired by Shri P.K. Das, Addl. Secretary (Exp.), was held on 27<sup>th</sup> July 2017 to review the action taken on the recommendations of the Watal Committee Report on Digital Payments. The list of attendees is at Annexure.

The following were the decisions arrived at based on the discussions held:

2. In respect of receipts and payments, O/o CGA should formulate its' position and a roadmap within a month to decide upon what new digital modes can be adopted. For this, the feasibility of each available digital mode may be examined and the road map for integration with the government system may be worked out.

[Action: O/o CGA] GFA

Matters concerning CBEC:

3. The progress of the pilot of POS was discussed and AS (Exp) was informed that pilot for POS machine for baggage duty allowance at Jaipur International Airport will begin from 1<sup>st</sup> of August, 2017. Based on the feedback of the pilot, the plan for scaling up of pilot project with SBI (11 airports) and the next phase scaling up to all non SBI banks may be developed. The action plan would be formulated by the concerned wing in CBEC.

[Action: 'CBEC]

4. Wherever custom duties are received by way of cash/cheque, the provision for digital modes may also be explored. All other payments being received in CBEC may also be brought down within the ambit of digital mode. While other indirect taxes like excise and service tax required payments to be made electronically, in case of custom duties, Rs.1 lakh is the threshold above which digital payment to government is required. It was suggested that this threshold should be reduced considerably in respect of customs.

[Action: CBEC]

Matters concerning to CBDT:

5. Director (TPL) informed that the portal "My Tax" is under finalization and RFP is being issued shortly. It was informed that the new portal would cater to other digital modes of paying Direct Taxes in addition of the existing mode of



Internet Banking, Debit Cards. AS (Exp.) suggested that till such time the new portal is made 'Live', CBDT should make suitable arrangements for introducing other modes of digital payments.

[Action: CBEC]

6. CBDT would examine the possibility of fixing a threshold beyond which only digital mode of paying income tax would be accepted.

[Action: CBEC]

Refunds of tax by CBDT and CBEC:

7. Tax refunds both on the Direct and Indirect taxes are being made through refund bankers and a single cheque is paid to the bank for onward payment to the assessee accounts against the refund amount approved. This is not considered to be a digital mode of payment, as cash is debited to the government account and credited to the refund banker account, which in turn is passed by digital payment to the assessee. In cases of CBDT refunds amount less than Rs.50,000/- is being paid by cheque. AS(Exp.) suggested that CBDT and CBEC should review the current system for refunds, duty drawbacks etc. and consider Tax refunds through PFMS so that money leaves the government just-in-time. He also requested that O/o CGA should confirm the modalities with CBEC and CBDT, and issue an advisory that all payments should be directly debited from government account to the bank account of the assessee.

[Action: CBEC, CBDT, O/o CGA]

8. AS (Exp.) also suggested that O/o CGA may like to introduce that all digital payment and receipt requirements as standard audit criteria for examination during the conduct of Internal Audit in Ministries/Departments.

[Action: O/o CGA] 1/15

9. PFMS needs to act as a payment and accounting hub for all existing functional systems including stand-alone ones and ERP of Ministries/Departments. O/o CGA may issue an advisory to all Ministries/Departments reinforcing the earlier orders to refrain from establishing stand-alone applications for payments and receipts. 175

10. The meeting ended with thanks to the Chair.

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LIST OF ATTENDEES

1. Smt. Soma Roy Burman, Jt. CGA, O/o CGA
2. Smt. Tripti Ghosh, Jt. CGA, O/o CGA
3. Shri Manoj Sethi, CCA, O/o Pr. CCA (CBEC)
4. Shri Dr. Dilip Kumar, CA, O/o Pr. CCA (CBDT)
5. Shri Rohit Dwivedi, Jt. Commissioner, DG Systems, CBEC
6. Shri Yoginder Singh, Addl. Director, ICEGATE, CBEC
7. Shri Sanjay Kr. Sharma, Addl. Director (Systems), CBEC
8. Shri R.S. Khurana, Jt. Commissioner (GST Policy Wing, CBEC
9. Shri Salil Mishra, Director (TPL), CBDT
10. Shri H. Atheli, Director, D/o Expenditure



O.M. No. S-11012/3(1)/DP/WC/2017/GBA/ 5062- 5121  
Government of India  
Ministry of Finance, Department of Expenditure  
Controller General of Accounts  
Mahalekha Niyantrak Bhawan  
E-Block, GPO Complex, INA, New Delhi-110023  
Tel: 011-24665384, Fax: 011-24649365, E-mail: [sao-rbd@nic.in](mailto:sao-rbd@nic.in)

Dated: 04/08/2017

Office Memorandum

Subject: Payment of Rs.5,000/- and above in Government of India- Payments through electronic advice only.

Reference is invited to this Office OM no. 3(2)(1)/2016/R& Rules/Amendment/649 dated 05/12/2016 regarding Payment to Suppliers etc. by Government Departments through e-payment in which it was directed that all payments above Rs.5,000/- to suppliers/contractors/grantee/loan institutions etc. are to be made by payment advices only. Reference is also invited to this Office OM no. S-11012/3(1)/DP/WC/2017/GBA/1195-1251 dated 28<sup>th</sup> June 2017 vide which exception report was sought from the Ministries/Departments on the payment to Suppliers/Vendors/Grantee Institutions/Contractors by cheque of an amount exceeding Rs.5,000/- in each case.

As informed by Ministries/Departments it is found that that the cheques for payments above Rs.5,000/- were still being issued. The reasons cited indicate the absence of application of the correct procedure. The reasons given by PAOs who made payments over Rs.5,000 by cheque are not tenable and all efforts may be made to make such type of payments in electronic mode only.

It is reiterated that the payments by cheque of an amount exceeding Rs.5000/- to Telephone companies, Electricity/Water Supply Companies/Boards, Life Insurance Premium, Payment of Professional Taxes, NPS contribution is mandatory and henceforth such bills may be paid through electronic advices only on GePG and PFMS. Account numbers of such companies /Boards have to be obtained and e-payments to these accounts numbers have to be made. Even for telephone bills the concerned Pr.CCA/CCA/CAs should proactively request interacting with the telephone/utility companies and propose electronic payments to them as has been enabled in many offices. In case of Court Attachments, unless specifically mentioned for issue of cheque/DD in court order, effort must be made to make payment through e-payment directly into the court's bank account after obtaining the same.

All the payments to employees have to be made electronically and wherever Bank account is not available the same should be obtained before making e-payment as per the amendments to the Receipts and Payment Rules 1983 notified vide Gazette Notification no. G.S.R. 412(E) dated 27<sup>th</sup> April 2017.

Pr.CCAs/CCAs/CAs with independent charge are requested to institute internal controls for adherence to the extant orders. Necessary arrangements for capacity building to enable e-payments in their realms may be made in respect of all stakeholders including payees. All DDOs may be required to keep an updated directory of bank account details. Pr.CCA's/CCAs/CAs may send a monthly report to CGA by 7<sup>th</sup> of each month for preceding month in case of any exceptions w.e.f. August 2017 in the Proforma attached with the O.M. dated 28<sup>th</sup> June 2017.

Ministries/Departments are advised to follow the relevant orders and rules regarding non issue of cheques over Rs.5,000/- to Vendors/Suppliers /Contractors/Loanee/Grantee Institutions etc.

This issues with the approval of Controller General of Accounts.

  
(Neera K. Sharma)

Dy. Controller General of Accounts

To,

1. Pr.CCAs/CCAs/CAs with independent charge of all Ministries/Departments.
2. Finance Secretary of U.T.'s of Dadra and Nagar Haveli, Daman and Diu, Chandigarh, Andaman and Nicobar Islands, Lakshdweep.
3. Sr. Accounts Officer, I.T. Division, O/o CGA with the request to upload this OM on website of CGA.

Copy for information with the request to take similar action:

1. Controller General of Defence Accounts, M/o Defence, New Delhi
2. Financial Commissioner, Railway Board, M/o Railways, New Delhi
3. Member(Finance), Department of Posts, New Delhi
4. Member (Finance), Department of Telecommunications, New Delhi

  
Dy. Controller General of Accounts



F. No. 3(2)(1)/2016/TA/R&P Rules/Amendment/443  
Ministry of Finance  
Department of Expenditure  
O/o Controller General of Accounts  
Mahalaksha Niyantrak Bhawan,  
GPO Complex, E-Block, INA, New Delhi-110023

Date: 2-05-2017.

OFFICE MEMORANDUM

**Subject: Payment to Government servants through e-Payment**

In supersession of this office O.M. No. 1(1)/2011/TA/365 dated 1<sup>st</sup> August 2016 on the above subject (copy enclosed), as per the amendment in Rule 44 issued vide Government of India Notification No. G.S.R. 412 (E) dated 27-04-2017 (copy enclosed), all payments to Government servants, including salary payments, shall be made by electronically signed payment advices for direct credit to their bank accounts, subject to availability of banking facilities:

Provided that a one-time relaxation may be granted for payment by other recognized modes in cases of hardship where the reasons are duly approved by the Head of Department and Financial Adviser.

This issues with the approval of the Finance Minister.

Encl: As above.

*Shak*  
24/5/17  
(Dr. Shakuntla)

Joint Controller General of Accounts

To

1. Secretary (All Ministries/Departments)
2. Secretary, Defence Finance
3. Controller General of Defence Accounts
4. Financial Commissioner, Railways
5. Secretary, Posts
6. Member Finance, Department of Telecommunications
7. Financial Adviser (All Ministries/Departments)
8. All Pr. CCAs/ CCAs/CAs of the Civil Ministries/ Departments