



सत्यमेव जयते

Government of India



BANK MANUAL



Guidelines for Bank Accounts
Management and Reporting



Controller General of Accounts of India
Department of Expenditure
Ministry of Finance

Preface

The Government of India has undertaken several significant initiatives in recent years to strengthen public financial management through the adoption of digital platforms and by standardizing procedures for enhancing transparency. In pursuance of these reforms, the Government Integrated Financial Management Information System (GIFMIS) has been conceptualized and implemented as a comprehensive end-to-end solution covering all aspects of Agency Bank that work with Public Financial Management System (PFMS) of the Government of India.



As banks play a pivotal role in the successful operation of GIFMIS particularly, in the areas of government payments, receipts and reconciliation of financial data. With the expansion of digital interfaces and the increasing volume of government transactions processed electronically, it has become necessary to clearly document the roles, responsibilities and operational processes to be followed by banks carrying out government businesses.

This Government Banking Manual has been prepared with the objective of providing a clear, uniform and authoritative reference for all stakeholders involved in handling government transactions under GIFMIS. The Manual lays down the operational framework, procedural guidelines, accounting and reporting requirements and reconciliation mechanisms to be followed by Agency Banks and concerned government offices. It seeks to harmonize practices across various stakeholders by minimizing discrepancies and operational risks.

The Manual has been designed to support compliance with applicable rules, instructions, and standards while enabling efficient service delivery to government entities and beneficiaries. Emphasis has been placed on clarity, standardization and alignment with digital workflows to ensure smooth integration with GIFMIS and related systems.

It is expected that this Manual will serve as a useful guide for officials of government agencies, Agency Banks and other stakeholders to improve financial discipline, transparency and accountability in government operations. Suggestions for improvement, based on practical experience and evolving requirements, are welcome and may be considered for inclusion in future revisions.

T.C.A. Kalyani
Controller General of Accounts of India
Government of India

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Chapter 1: Abbreviations

Acronym	Definition
CDDO	Cheque Drawing and Disbursing Officer
CGA	Controller General of Accounts
DDO	Drawing and Disbursing Officer
DBT	Direct Benefit Transfer
DMS	Date-wise Monthly Statement
EAT	Expenditure Advance Transfer
e-FPB	Electronic Focal Point Branch
FPB	Focal Point Branch
GePG	Government e-Payment Gateway
IAAA	Inter Accountal Adjustment Advice
IGA	Inter-Governmental Adjustment Advice
MIS	Management Information System
MOE	Memorandum of Errors
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NSSF	National Small Savings Fund
NTRP	Non-Tax Receipt Portal
OM	Office Memorandum
PAO	Pay and Accounts Officer
PFMS	Public Financial Management System
PG	Payment Gateway
PGA	Payment Gateway Aggregator
Pr.AO	Principal Accounts Officer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SNA	Single Nodal Agency
SOP	Standard Operating Procedure

Acronym	Definition
SPARSH	Samayochit Pranali Eikikrit Sheeghr Hastantaran (Real-time System for integrated Quick Transfers)
TIN	Tax Information Network
TSA	Treasury Single Account
UDCH	User-Defined Customer Hierarchy
UPI	Unified Payments Interface
ZAO	Zonal Accounts Office
ZBSA	Zero Balance Subsidiary Account

Chapter 2: Definitions

- (a) **"Accredited bank"** means a bank that is authorised by the Reserve Bank of India (RBI) under Section 45 of the RBI Act, 1934 and approved by the Controller General of Accounts (CGA), to carry out Government banking transactions for a Ministry, Department or Union Territory without Legislature.
- (b) **"Assignment accounts" or "Letter of Credit Accounts"** is a special bank account opened based on a Letter of Credit issued by the PAO. It allows a Cheque Drawing and Disbursing Officer (CDDO) to withdraw funds up to a fixed limit for making authorised payments.
- (c) **"Authorised mode for receipts into Government Account"** means the ways in which money can be deposited into the Government Account, including Electronic transfers (Internet banking, debit/credit cards, RTGS, NEFT), Cheques, demand drafts, postal orders, money orders, Cash (notes and coins) or any other form notified by the Government.
- (d) **"Authorised mode for payments from Government Account"** means the ways in which the Government can make payments, including Payment advice (electronic/otherwise), Cheques, Demand drafts, Postal orders, money orders, Cash or any other mode notified by the Government.
- (e) **"Authorised departmental regulations"** are rules issued by Government Departments in consultation with the Department of Expenditure, Ministry of Finance.
- (f) **"Bank"** from Government accounting purposes, "Bank" means any branch of the State Bank of India acting as the RBI's agent, or any branch of a bank appointed by the RBI under Section 45 of the RBI Act, 1934, to transact Government business as an agency bank.
- (g) **"Bank account"** is an account, such as a drawing or assignment account maintained by a PAO or a departmental officer in the accredited bank of a Ministry or Department for conducting authorised receipts and payments.
- (h) **"Cheque Drawing and Disbursing Officer (CDDO)"** is a Drawing and Disbursing Officer under a Ministry/Department (including CPWD, Forest, or other departments following the CPWA Code) or a Union Territory without Legislature who is authorised to withdraw money for specified payments against an assignment issued by the PAO, operating through an assignment account in an accredited bank.
- (i) **"Controller General of Accounts (CGA)"** means the CGA, under the Department of Expenditure, Ministry of Finance, is the Union Government's principal accounting authority responsible for consolidating monthly and annual accounts, establishing and maintaining

sound payment-cum-accounting systems, framing rules for custody/payment/withdrawal of Government money, advising Government on accounting matters, exercising exchequer control, overseeing internal audit, and strengthening management accounting.

- (j) **“Drawing Accounts”** are bank accounts through which specified Government officers, from the paying bank’s perspective, may operate on Government Account without a pre-set limit of drawal for authorised transactions.
- (k) **“Departmental Officer”** is any Government officer who is authorised to handle Government money in accordance with applicable rules and procedures.
- (l) **“Drawing and Disbursing Officer (DDO)”** is a Head of Office or another gazetted officer designated by the competent authority to draw bills and make payments on behalf of the Government, following the General Financial Rules and allied instructions.
- (m) **“Pay and Accounts Officer (PAO)”** is an officer in a Ministry/Department or a UT without Legislature who, under the departmentalised accounts system, is responsible for receipts, payments (including Direct Benefit Transfer), bank coordination including Treasury Single Account operations, internal audit, and accounting functions as assigned by the Government.
- (n) **“Government”** refers to the Central Government and the Union Territories without legislature for the purposes of the Central Government Account (Receipts and Payments) Rules.
- (o) **“Government Account”** consists of the Consolidated Fund, the Contingency Fund, and the Public Account, which together capture all Government receipts, payments, and other public moneys as defined in the financial rules.
- (p) **“Payment advice”** is an instruction issued to the RBI or to an accredited bank to credit a specified amount, through an authorised mode, directly to the payee’s bank account on behalf of the Government.
- (q) **“Public Financial Management System (PFMS)”** is the CGA’s integrated, web-based financial management platform used for preparing sanctions, processing bills, making payments (including DBT), managing receipts and fund flows, and generating financial reports; it is integrated with the banking system (and NPCI) to enable just-in-time, account-validated electronic payments.

- (r) **“Payment scroll”** is a statement which is ink-signed or electronically submitted by the bank that lists the payments claimed from the Government Account at the RBI for a Ministry or Department on a given date and is used for accounting and reconciliation.
- (s) **“Receipt scroll”** is a statement with ink-signed or electronically prepared by an accredited/agency bank showing the receipts collected and remitted to the Government Account at the RBI for a Ministry or Department, used for accounting and reconciliation.
- (t) **“Reserve Bank of India”** acts as the Central Government’s banker for receipts and payments, while other authorised banks conduct Government transactions as RBI’s agents under Section 45 of the RBI Act, 1934; RBI also issues master instructions for such agency bank operations.

Chapter 3: PFMS – An Overview

The Public Financial Management System (PFMS) is a web-based online software application developed and implemented by the Office of the Controller General of Accounts (CGA) under the Department of Expenditure, Ministry of Finance, Government of India. PFMS has been designed to support the monitoring and management of government funds through a centralized digital platform, enabling greater transparency and efficiency in public expenditure.

PFMS was initially established to support the monitoring of funds and has progressively expanded in scope to cover a wider range of financial processes. Over time, the system has evolved to support direct payments, comprehensive financial reporting, and real-time management information for government programmes. This expansion has allowed PFMS to move beyond basic fund tracking to become an integral part of the government's public financial management framework.

A core function of PFMS is to enable visibility over the flow of funds across government programmes. The system captures information related to fund releases, utilization, and payments, allowing implementing agencies and administrative authorities to track financial progress in a structured and standardized manner. By maintaining a centralized record of transactions, PFMS supports consistent monitoring across multiple levels of implementation. PFMS plays a critical role in facilitating direct payments, including Direct Benefit Transfer. The system is integrated with banking systems to enable electronic transfer of funds directly to the bank or post office accounts of beneficiaries and other recipients. This integration helps ensure timely payments and improves the reliability of fund disbursement processes.

In addition to payment facilitation, PFMS provides a real-time, reliable, and meaningful Management Information System and decision support capability. The system generates financial and operational reports that support monitoring, review, and informed decision-making by ministries, departments, and implementing agencies. These reports enable administrators to assess fund utilization patterns and identify areas requiring attention.

PFMS is also integrated with the core banking systems of multiple banks, allowing for electronic payments and confirmation of transactions. This integration supports improved visibility of payment status and strengthens the accuracy of financial information available within the system.

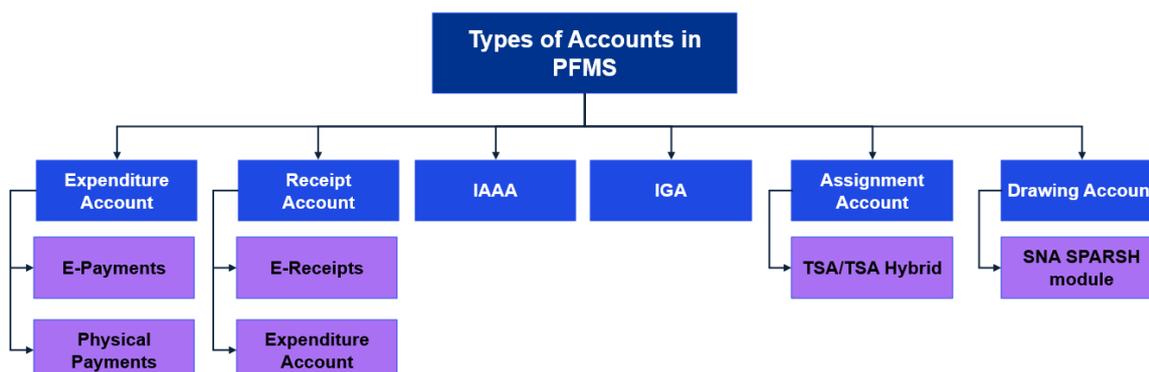
The platform is used by a wide range of stakeholders, including central ministries and departments, state governments, autonomous bodies, implementing agencies, and banks. By providing a common system for financial management and reporting, PFMS supports coordination and consistency across this diverse ecosystem.

Overall, PFMS serves as a key digital platform for strengthening public financial management by improving visibility, efficiency, and oversight of government fund flows. Through its support for fund monitoring, payments, banking integration, and management information, PFMS contributes to more transparent and accountable use of public resources.

Chapter 4: Types of Accounts

Under the departmentalized accounting system, the receipts and payments of each Ministry/Department of the Government of India are handled by the RBI or the Public/Private Sector Bank/s nominated for the Ministry/Department by the RBI on the advice of the Controller General of Accounts (CGA), in accordance with the memorandum of instructions issued by RBI to Banks, and subsequent orders in this regard.

PAOs and the departmental DDOs so authorized to draw funds, will make payments pertaining to respective Ministries/Departments by means of issue of e-payment advices or cheques drawn on the offices/branches of the accredited bank for handling the receipts and payments of the Ministry/Department. Each PAO or DDO shall draw cheques/issue e-payment advice only on the particular/authorized branch/branches of the Bank and with which it has an account.



PAOs/CDDOs have to open accounts in the accredited bank to disburse payment and receive money (physical mode) on behalf of the Government. Initially, PAOs/CDDOs have to open two accounts (i) Expenditure Account and (ii) Receipt Account in the accredited bank of the Ministries/ Departments.

After the implementation of the e-Payment through GePG in 2011, PAOs/CDDOs have to open one more account in the e-FPB for e-Payment in addition to the bank accounts in the accredited bank of the Ministries/Departments.

After the development and implementation of different modules of PFMS, PAOs/CDDOs have to open the following accounts in the accredited bank/ Reserve Bank of India for smooth disbursement and receipt of money.

SN	Type of Account	To be opened with
1.	Expenditure Account	
1.1	Physical Payments (<i>Cheque</i>)	Focal Point Branch (FPB) of the Accredited Bank
1.2	e-Payment Account	e-FPB of the accredited Bank
2.	Receipt Account	
2.1	Physical Receipt (<i>Cheque/DD</i>)	Focal Point Branch (FPB) of the Accredited Bank
2.2	e-Receipt Account (Online)	e-FPB of the accredited Bank (online receipts under BHARATKOSH Portal)
	e-Receipt Account (Offline)	Reserve Bank of India [offline receipts (NEFT/RTGS) under the BHARATKOSH Portal)
3.	IAAA Account	Reserve Bank of India (PAO-wise UDCH Code-based account number)
4	IGA Account (only for Pr.AO)	R.B.I., Central Accounts Section, Nagpur (based on User Defined Customer Hierarchy (UDCH) Code, Pr.AO's account)
5.	SNA-SPARSH Account	Reserve Bank of India - PAO of the concerned Ministry/Department of the Government of India shall open a drawing account with RBI under the existing User Defined Customer Hierarchy (UDCH) code of the Ministry/Department concerned.

4.1 Expenditure Accounts

Expenditure Account Summary			
SN	Description	Definition	Details tracked by PAO in PFMS
(i)	Physical Payments	Managing physical payments via cheques	Cheque Number & Cheque Date
(ii)	E-Payments	Facilitates electronic payments via payment advice.	PFMS Transaction ID

Physical Payments are used for managing physical payments through cheques issued by the PAO, particularly when electronic payments are not feasible. The beneficiary then deposits the cheque into their bank account, and the funds are debited from the Government payment account. Additionally, for dues payable to any department at the designated focal point branch of the accredited bank associated with the ministry or department, payments can be made in cheque or draft. The PAO can track the cheque payment on PFMS through cheque number and its issue date, which is unique for every cheque payment.

E-Payments facilitates electronic payments by issuing payment advice through systems like NEFT, RTGS, and EFT to beneficiaries, vendors, employees, and other payees. All electronic fund transfers to individuals or organizations are processed through this account, playing a crucial role in the digitization of payments. It ensures that beneficiaries receive funds directly in their bank accounts. Sanction orders are processed electronically, and once the payment advice is generated, the corresponding funds are debited from this account. Payments are credited to the beneficiary's bank account via PFMS, which can be tracked by PAO through unique PFMS Transaction ID.

4.2 Recipient Accounts

Receipt Account Summary			
SN	Description	Definition	Details tracked by PAO in PFMS
(i)	Physical receipts	Records physical receipts like cheques & drafts.	Challan No. & Date
(ii)	E-Receipts	Facilitates digital collection of non-tax revenues.	Challan No. & Date

Physical Receipts are used for recording physical receipts, such as physical cheques, or demand drafts or cash received by the PAO or related government bodies. Also, for depositing dues payable to the Government at the designated focal point branch of the accredited bank associated with the ministry or department, payment will be accepted in cheque or draft or challan accompanied by appropriate challan number and challan date.

E-Receipts are linked to the NTRP (Non-Tax Revenue Portal), facilitating the digital collection of non-tax revenues such as fees, charges, and penalties through the Bharatkosh portal. Payments are made electronically and collected in the e-receipt account, which is then

credited to the appropriate government ledger. The PAO is responsible for accounting for these receipts, with reconciliation automated via NTRP to ensure all revenues are accurately recorded.

Additionally, it handles non-tax receipts collected by payment gateway aggregators, which are deposited into the e-focal point branch receipt account for the concerned PAO, along with MIS. These transactions can be tracked through the instrument number and instrument date. Moreover, the amount related to the number of failed transactions after a successful attempt is also credited by the E-FPB of the accredited bank of the concerned PAO.

4.3 Inter Accountal Adjustment Advice (IAAA)

Inter Accountal Adjustment Advice Summary			
SN	Description	Definition	Details tracked by PAO in PFMS
(i)	>75 crores	Adjusts inter-accountal transactions without cash transfers.	PFMS Transaction ID
(ii)	<75 crores	Electronic transfer of funds like e-payment	PFMS Transaction ID

The **Inter Accountal Adjustment Advice (IAAA)** functionality within PFMS is designed to handle transactions exceeding ₹75 crore. This system facilitates the transfer of funds from various Ministries or Departments to other Government organizations through the Reserve Bank of India (RBI) only. IAAA transactions are considered e-payments rather than Inter-Government Adjustment Advice (IGA). The RBI sends scrolls to the Pay and Accounts Office (PAO) for payments, and the IFSC code for IAAA is RBIS0MBPA04.

If deductions are made in an IAAA sanction that reduces the net amount below ₹75 crore, the transaction will be treated as a normal transaction and routed through the accredited bank instead of the RBI. e.g., Bank charges, Late Payment etc.

4.4 Inter-Governmental Adjustment Advice (IGA)

Inter-Governmental Adjustment Advice Summary			
SN	Description	Definition	Details tracked by PAO in PFMS
(i)	IGA transfer	Settles inter-governmental financial transactions	Advice Number/ Clearance memo & date

IGA is an accounting and payment mechanism used by the Government of India to settle financial transactions between various government entities, including the Central Government, State Governments and Union Territories. It ensures structured and traceable settlement of inter-governmental dues, potentially involving single sanctions for multiple states under various heads. IGA facilitates fund exchanges through Pr. AO Advice, requiring account adjustments and sanction orders on PFMS. These transactions can be tracked through Advice Number, Advice Date/ Clearance memo and Clearance date.

Payments of loans and grants to State Governments except Sikkim and repayments of loans/payment of interest by State Governments are affected by the issue of advice to the Central Accounts Section of R.B.I., Nagpur.

4.5 Drawing Account

Drawing Account (SNA-SPARSH)			
SN	Description	Definition	Details tracked by PAO in PFMS
(i)	CSS & state specific schemes	Streamlines fund management to states.	PFMS Transaction ID

SNA SPARSH Account streamlines the release, disbursement, and monitoring of funds for Centrally Sponsored Schemes (CSS) focusing on state-specific projects. It facilitates Just-In-Time releases, transferring funds to State Governments as needed. The system improves fund efficiency through the Public Financial Management System (PFMS) and State Integrated Financial Management Information System (State IFMIS).

Each state designates a Single Nodal Agency (SNA) to manage funds in a single bank account, reducing float and ensuring better tracking. The State Cyber Treasury handles payment files, sharing data with PFMS for central fund release. Ministries issue a “mother sanction” annually, defining state-wise fund limits, which can be adjusted as needed. This process ensures disciplined and efficient fund allocation, with payments transferred to vendors’ or beneficiaries’ bank accounts.

Chapter 5: Type & Responsibilities of Business

In order to strengthen oversight and ensure effective handling of Government Agency Business by banks, the Office of the Controller General of Accounts (CGA), Ministry of Finance, has issued a structured performance evaluation matrix for Private Sector Banks engaged in Government Agency Business. The said matrix will serve as a basis for periodic review and for decisions relating to the continuation of such business (Annexure 1).

Further, with a view to regulating electronic payment transactions involving intermediaries and ensuring orderly settlement mechanisms, the Reserve Bank of India, vide its circular dated 24 November 2009, issued under Section 18 of the Payment and Settlement Systems Act, 2007, laid down guidelines governing the opening and operation of accounts as well as the settlement of electronic payments. These directions are intended to facilitate secure and timely settlement of funds to merchants providing goods and services through electronic and online payment modes (Annexure 2). Broadly, the business in PFMS can be categorized in two types:

5.1 Agency Business in PFMS

As per the RBI Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission (dated April 1, 2024), agency business refers to government-related banking transactions undertaken by banks that are formally appointed as agency banks under Section 45 of the RBI Act, 1934. RBI pays agency commission for only those transactions that fall within the scope defined in the circular. (Annexure 3)

The following Government Transactions are eligible for Agency Commission:

1. Revenue receipts and payments on behalf of the Central and State Governments.
2. Pension payments to Central/State Government pensioners.
3. Any other item of work specifically advised by RBI as eligible for agency commission.

Additionally, following are other eligible items:

- Small Savings Schemes (SSS) transactions (commission borne by Government of India; settlement via RBI CAS, Nagpur).
- Special Deposit Scheme (SDS) related transactions.
- Collection of stamp duty through challans (physical or electronic), only if banks are not separately remunerated by the State Government and do not charge the public.

Based on these RBI-approved categories, the following PFMS modules fall under Agency Business:

- Sanction Module (government receipts/payments)
- E-Bill
- Bharatkosh (Non-Tax Receipt Portal)
- PRAKALP (Pratyaksh Kar Lekhankan Pranali)
- National Small Savings Fund (NSSF)

5.2 Non-Agency Business in PFMS

Non-agency business refers to transactions that may involve government-related entities or public funds but do not fall within the scope of activities eligible for agency commission as defined by the RBI. This category includes the bank's own tax payments such as TDS or corporate tax as well as commercial banking services like issuing bank guarantees or security deposits for government contractors. It also covers transactions executed for autonomous or statutory bodies, municipalities, corporations, or local bodies.

Additionally, any payments classified as capital in nature such as those meant to cover the losses of public sector entities and prefunded schemes implemented by government departments through banks are treated as nonagency business. Other excluded activities include transactions under the Gold Monetization Scheme, the opening of letters of credit or bank guarantees on behalf of ministries, and any work explicitly marked ineligible by the RBI or government.

Even within stamp duty operations, if a bank functions as a Vendor and receives remuneration from the state government, such transactions are not eligible for agency commission. This clear distinction ensures that only those services directly tied to core government banking functions receive compensation under the agency commission framework.

Accordingly, the TSA Hybrid module falls under nonagency business.

5.3 Responsibilities of Banks

Banks play a crucial role in managing government transactions and ensuring the smooth operations of financial processes. They are responsible for handling all government transactions, including receipts and payments, as per the instructions issued by the Reserve Bank of India (RBI) and the Controller General of Accounts (CGA). This includes managing various types of government accounts such as expenditure accounts, receipt accounts, and assignment accounts, ensuring they are used appropriately for their designated purposes. Banks must process cheques and drafts issued by the Pay and Accounts Officers (PAOs) and Cheque Drawing and Disbursing Officers (CDDOs), ensuring these instruments are credited to the correct government accounts and addressing any discrepancies promptly.

Additionally, banks facilitate electronic payments through systems like NEFT, RTGS, and EFT, ensuring that electronic payment advice issued by the PAOs are processed accurately and funds are credited to the beneficiaries' accounts in a timely manner. They provide scrolls (statements of transactions) to the PAOs, detailing all receipts and payments processed, and are responsible for reconciling these scrolls with the government accounts to ensure accurate recording of transactions. Banks must also address any errors or discrepancies in transactions by issuing error scrolls and coordinating with the PAOs to resolve issues, ensuring any outstanding items are promptly investigated and corrected. Compliance with all regulations and guidelines issued by the RBI and the CGA is essential, and banks must provide regular reports and updates to the government on the status of accounts and transactions.

Furthermore, banks support the Public Financial Management System (PFMS) by ensuring seamless integration and data communication, facilitating the digital collection of non-tax revenues and the disbursement of funds through PFMS, thereby ensuring accurate and efficient financial management. Through these responsibilities, banks ensure the integrity and efficiency of government financial operations, safeguarding public funds and maintaining transparency.

SN	Account Type	Responsibility	Requisite Bank	Data received from the bank
1.	Expenditure Accounts	PAO	Accredited bank/ RBI	<ul style="list-style-type: none"> • Scroll/DMS/Put through from RBI. • Scroll/DMS from accredited.
2.	Receipts Accounts	PAO	Accredited bank & RBI	<ul style="list-style-type: none"> • Scroll/DMS/Put through from RBI. • Scroll/DMS from accredited.

SN	Account Type	Responsibility	Requisite Bank	Data received from the bank
3.	IAAA	PAO	RBI	<ul style="list-style-type: none"> • Scroll/DMS/Put through from RBI. • Scroll/DMS from accredited.
4.	IGA	Pr. AO	RBI, CAS, Nagpur	<ul style="list-style-type: none"> • Clearance Memo.
5.	Assignment Account (TSA/TSA Hybrid)	PAO	Accredited bank, Commercial bank & RBI	<ul style="list-style-type: none"> • Scroll/DMS/Put through from RBI. • Scroll/DMS from accredited.
6.	SNA SPARSH	PAO	Accredited bank, & RBI	<ul style="list-style-type: none"> • Scroll/DMS/Put through from RBI. • Scroll/DMS from accredited.

Chapter 6: E-bill & Sanction

6.1 Overview

The e-Bill system is a Government of India digital initiative designed to streamline and expedite the processing of bills and claims across Central Ministries and Departments. The platform enables vendors, suppliers, and employees to submit bills electronically, eliminating the need for physical visits and manual paperwork.

The system facilitates a fully paperless and transparent workflow, wherein bills are routed electronically from the claimant to the sanctioning authority and subsequently to the Pay & Accounts Office (PAO) or Cheque Drawing & Disbursing Office (CDDO). Payments are made directly to the beneficiary's bank account. All bills are authenticated through digital signatures, and stakeholders can monitor the status of submissions in real time.

While the existing payment, accounting, and reconciliation procedures remain unchanged, they are executed entirely through electronic records. The e-Bill system aims to significantly reduce payment turnaround time, enhance transparency, and eliminate the reliance on physical documentation in the payment process.

6.2 Workflow

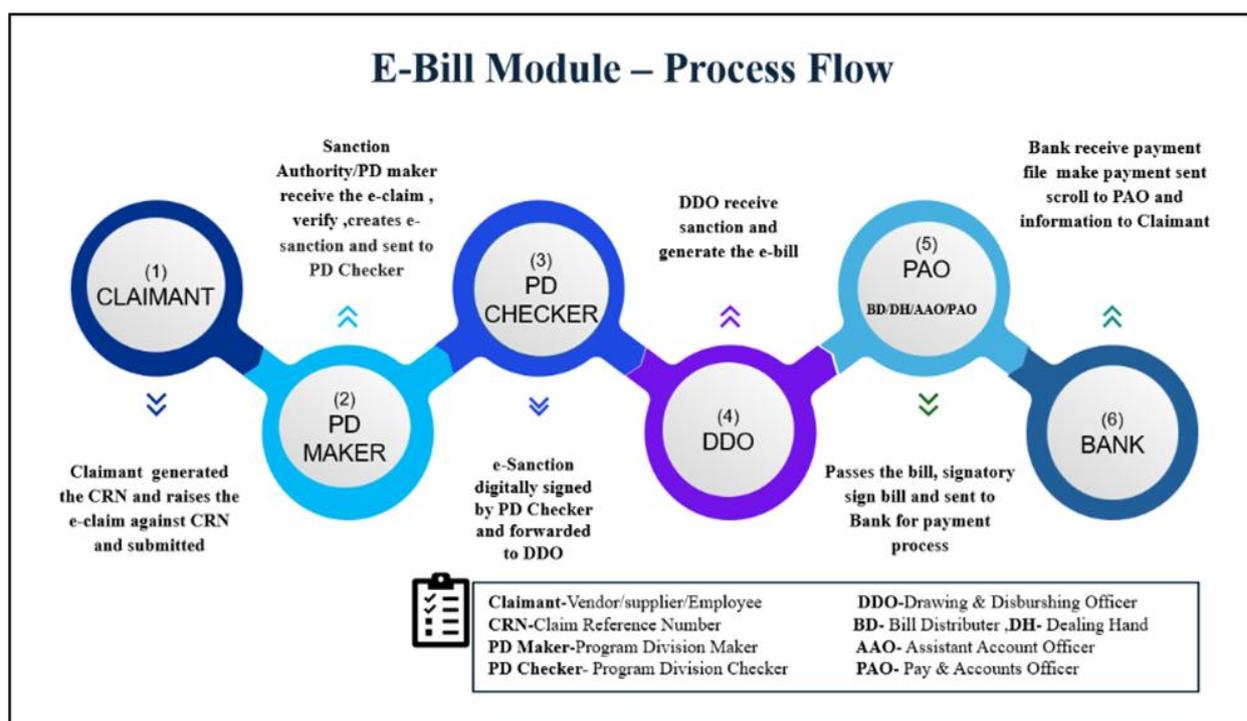
In the Public Financial Management System (PFMS), the e-Bill process is initiated when the claimant generates a unique e-Claim Reference Number (CRN), enters the invoice details and uploads scanned copies of the requisite supporting documents. Upon receipt, the PD Maker verifies the claim and obtains the necessary administrative and financial approvals. These approvals may be processed offline through e-Office, physical files or other prescribed approval mechanisms, as applicable, before forwarding the claim to the PD Checker.

The PD Checker reviews the claim and accords sanction. Following the issuance of a sanction, the Drawing and Disbursing Officer (DDO) prepares the bill incorporating applicable deductions (if any) and submits it to the concerned Pay & Accounts Office (PAO) or Cheque Drawing & Disbursing Office (CDDO) after digitally signing the system-generated bill.

The PAO/CDDO then examines and approves the bill and applies the Digital Signature Certificate (DSC) on the order generated within the system. Subsequently, the bill payment details are transmitted electronically to the bank for execution of payment. Upon processing the payment, the bank communicates the payment status (e-scroll) back to the PAO/CDDO through PFMS, thereby completing the transaction cycle.

Key Highlights of e-Bill Workflow:

- **Document Generation and Digital Authentication at Each User Level:** At each stage of the workflow a single system generated document (PDF) is created for the respective user level. These documents include eSanction, eBill, Pass Order / Return Order and Voucher as applicable. Each document is mandatorily authenticated using a Digital Signature Certificate (DSC) by the designated authority namely the PD Checker, DDO, DH/CDDO Maker, AAO/CDDO Checker, PAO/CDDO or other authorized signatory before being forwarded to the subsequent level. This process ensures clear accountability, data integrity and nonrepudiation throughout the workflow. Sanction, e-Bill, Pass Order / Return Order and Voucher as applicable. Each document is mandatorily authenticated using a Digital Signature Certificate (DSC) by the designated authority throughout the workflow.
- **Bank Integration and Payment Execution:** Upon authorization of payment by the PAO/CDDO, the payment instructions are transmitted electronically to the bank for release of funds to the claimant's registered bank account. The claimant is notified of the payment through system-generated SMS and email alerts, ensuring transparency and timely communication.
- **Real-Time Status Tracking and Monitoring:** The payment status including confirmation received from the bank is updated in PFMS and made available to the PAO/CDDO for real-time monitoring. This facilitates effective oversight, reconciliation and audit trail maintenance.



The detailed process flow and the respective key stakeholders of e-Bill are as follows:

Step 1: Claim Preparation – Role: Claimant

- Government employees, suppliers, or vendors who prepare and submit claims for payment. Create a unique e-Claim Reference Number (CRN) and prepare e-claims by capturing invoice details and supporting documents, then scan and upload them as PDFs. Sign the documents electronically using an e-sign or DSC.

Step 2: Claim Processing – Role: PD Maker

- PD Maker receives e-claims submitted by claimants and generates e-sanctions upon receiving financial approval. If the budget exceeds the approved amount, upload budget overriding assurance and add an approval note (optional) before passing it to the PD Checker.

Step 3: Sanction Approval – Role: PD Checker

- PD Checker is responsible for the approval of sanctions prepared by the PD Maker. Issue the e-sanction with a digital signature after thorough verification.

Step 4: Bill Generation – Role: DDO (Drawing and Disbursing Officer)

- DDO is responsible for generating and digitally signing e-bills based on sanctions issued by PD checker with or without deduction and passing them to the Pay & Accounts Office (PAO) or Cheque Drawing and Disbursing Officer (CDDO) along with e-sanctions and other documents.

Step 5: Bill Processing – Role: PAO

- The Bill Distributor in PAO office will assign the bills to authorized DH, AAO or PAO to review the bill with an automatically generated token on the respective pass/return order. After that, the payment batch is digitally signed by competent authority. Once signed, the batch is forwarded to the bank for disbursement of payment to the vendor.

Step 6: Payment Execution – Role: Bank

- Banks receive payment files and make payments to the claimant. After processing the payment, the bank sends an e-scroll back to PAO in PFMS indicating the success, failure or pending status of the transaction.

6.3 Role of Banks

The primary role of the bank is to facilitate the payment process through integration with PFMS. When payments are approved and processed digitally in PFMS portal, the banks receive the digitally signed payment file and credit the claimant bank account accordingly. For CDDO transactions, banks also keep track of payments against the limits set in the Letter of Credit (LOC), which helps to reconcile the transaction status and send back the information to PFMS. Banks play the final link role in the payment process, ensuring that funds are transferred securely and accurately to beneficiary's accounts.

Key Roles of Banks:

- Receive digitally signed payment files from PFMS.
- Credit beneficiary bank accounts according to the received payment file.
- Ensure compliance with Budget ceilings during payment processing.
- Communicate transaction status and reconciliation data back to PFMS.

6.4 Banks Classification in PFMS system

1) Accredited Bank

Banks which are authorized and integrated with PFMS are Accredited banks. Accredited banks include public sector banks and other banks integrated with the Core Banking System (CBS) in India. They maintain government accounts such as Ministry/Department accounts / State government accounts.

Role:

- Accredited banks receive digitally signed electronic payment files (e-bills) from PAO/CDDO through PFMS and banks credit the claimant accounts as per the payment instructions by PFMS.
- Reconcile payment transactions and provide status updates (Success, Failure, failed after success and pending) back to PFMS by Scroll, DMS (Date-wise monthly Statement) and PUT THROUGH statements.
- These banks ensure transactions are processed within the limits (T, T+1, T+2, T+3, etc.) assigned by the Ministry/Department.
- Accredited banks act as a direct interface between PAO (PFMS) and the banking network for executing government payments digitally and recouping the same from the RBI after reconciliation of the transaction.

2) Reserve Bank of India (RBI)

The RBI acts as the banker to the government and custodian of government accounts.

Role:

- RBI operates and manages the government's primary accounts, such as the Consolidated Fund of India.
- RBI facilitates the seamless flow of funds from government accounts to accredited banks for further disbursement.
- It provides regulatory oversight ensuring financial discipline and compliance in government transactions.
- RBI integration with PFMS ensures all funds flow through authorized government accounts and controls.

6.5 Reporting by Banks

Banks are required to submit several types of reports to the PFMS to ensure transparency, reconciliation, and monitoring of government fund disbursement. The key reports are as follows:

- **Transaction Status Reports:** These reports include details of payments processed, successful credits, failed or rejected transactions with reasons. The Scroll Status reported allows PFMS to track payment completion status.

- **Reconciliation Reports:** Banks reconcile payment instructions received from PFMS with actual transactions executed in their Core Banking System. These reconciliation data are submitted daily or at regular intervals to maintain accuracy of records.
- **Bank Balance Reports:** Banks provide information on balances maintained in government accounts mapped in PFMS, generally on a daily or monthly basis. This helps PFMS monitor fund availability.
- **Interest Income Reports:** Periodic reports capturing interest earned on government funds held in bank accounts, submitted monthly or quarterly.

6.6 Compliance in Banking with PFMS

Banks must adhere to specific criteria and processing timelines to ensure efficient and accurate handling of government disbursements and receipts. Here are the key compliance requirements:

Compliance	Description
Process Compliances	
Regulatory Compliance	Banks must follow RBI regulations for government accounts, electronic payments, KYC, and data privacy while handling PFMS transactions. For example, As per OM S-11012/2/3 (17)/RBI/2018/GBA/1558-1606 dated 19th Sep 2019, all branches of agency banks (public and private) must remit receipts to the Government Account in RBI on the next working day (T+1), including put-through. Branches in North-eastern States have a specified remittance time of T+2 days, including put-through. (Annexure 4)
Operational Compliance and Cut-off Time for Payments	Banks must follow PFMS guidelines to ensure fund transfers, reporting, and reconciliation. For example, when a payment is approved by the PAO and reaches the bank, it should be processed within the prescribed timeline. If it comes after that, the payment will be handled the next working day.
Financial Compliance	Banks must respect budget limits and ensure accurate debit/credit entries as per PFMS instructions.

Technology & Security Compliance	
Technological Compliance	Banks must ensure the security of digital payments by implementing robust cybersecurity measures, encrypting sensitive data, and enabling seamless integration of Core Banking Systems (CBS) and the National Payments Corporation of India (NPCI) with PFMS.

By adhering to these compliance requirements, banks ensure timely processing of payments and accurate remittance of receipts, contributing to the integrity and efficiency of public financial management.

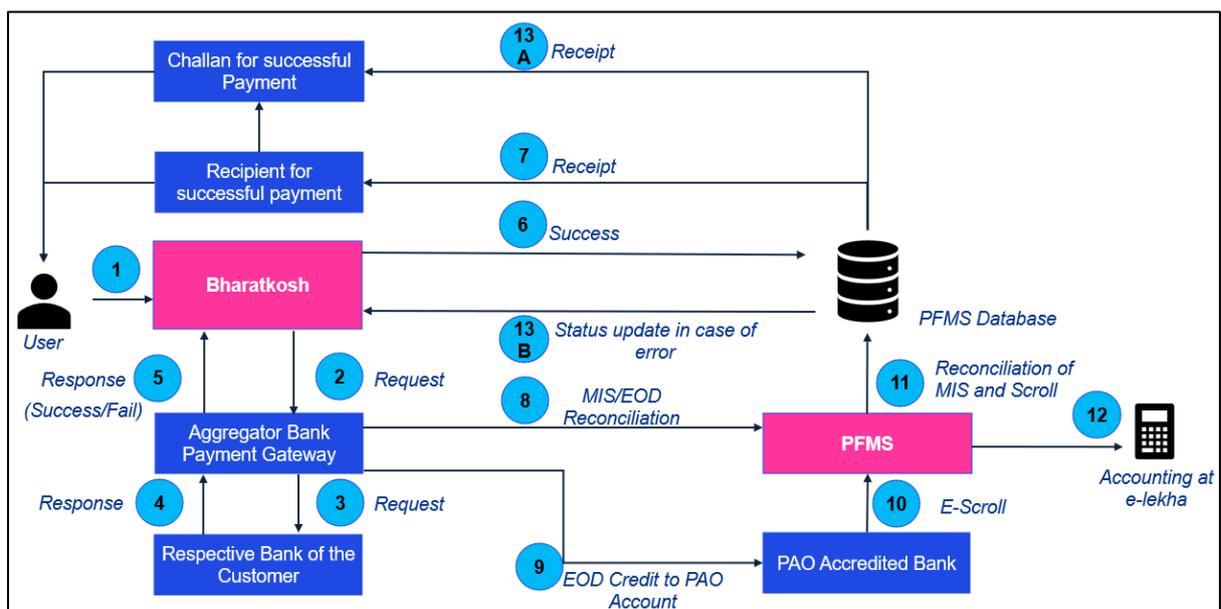
Chapter 7: Bharatkosh

7.1 Overview

Bharatkosh, formerly known as the Non-Tax Receipt Portal (NTRP), was launched in February 2016 to provide a one-stop solution for the collection and accounting of non-tax receipts for all Ministries and Departments. It is a 24x7 online web-based system that enables citizens, corporates, or any entity to make online payments to the Government through modes like using Credit Card (CC), Debit Card (DC), Net banking, Immediate Payment Service (IMPS) and Unified Payment Interface/Bharat Interface for Money (UPI/BHIM) for availing services. Additionally, it also facilitates donations to Swachh Bharatkosh, National Disaster Relief Fund as a payment gateway and is integrated with several independent portals for the collection and accounting of receipts.

Bharatkosh is integrated with Acquirer banks via Payment Gateway Aggregators and with accredited banks of various Ministries/Departments. The integrated model of Bharatkosh reduces the time taken for funds settlement from end Customer to the Government Account along with the availability of efficient reconciliation, accounting and tracking of funds. Bharatkosh additionally facilitates the generation of transactional and MIS reports for monitoring of the payments routed through integrated portals and websites.

7.2 Workflow



- **Transaction Initiation-** Users begin the payment process by initiating a transaction on the Bharatkosh portal. The request is then processed by Acquirer Bank through its payment

gateway aggregator (PGA), which acts as an intermediary between the user's bank and Bharatkosh. Once the transaction request is forwarded, the user's bank verifies and authorizes the payment, ensuring secure processing.

- **Payment Processing & Settlement-** Upon successful authorization by the user's bank, the payment gateway finalizes the transaction and facilitates the settlement of funds into the designated Pay & Accounts Office (PAO) bank account. This settlement typically occurs by the next working day (T+1). Simultaneously, the gateway prepares a settlement report, which is then submitted to the accredited bank to enable further processing and reconciliation.
- **Reconciliation & Verification-** To maintain financial accuracy, a multi-layer reconciliation process follows the payment settlement. By the end of the day (EOD), the accredited bank places a payment scroll onto the Secure File Transfer Protocol (SFTP) server of the Public Financial Management System (PFMS). This step ensures that transaction records are securely transferred for validation. The accredited bank also completes fund receipt and generates an e-scroll by T+2, which serves as an official record for further verification.
- **Final Verification & Challan Generation-** Once PFMS receives the transaction details, it cross-references them with the Bharatkosh database to ensure consistency across challan numbers, payment amounts, and PAO codes. If all parameters are accurately aligned, the transaction is marked as reconciled. Following this verification, the challan is formally posted into the PFMS ledger and subsequently integrated into the e-Lekha system, where it is available for final confirmation and use.

7.3 Role of Banks

1) Acquirer Bank

Only Banks authorized by the CGA/Reserve Bank of India for conducting Government agency business on its behalf are eligible. The Acquirer Bank, through its Payment Gateway/Aggregator Services, would facilitate the collection of funds on account of Government revenue from General/Public/Companies/Organisations/Autonomous Bodies etc. The PGA would provide technological support to receive a government receipt from Acquirer Bank with all necessary payment details. All responsibility towards remittance to accredited Bank of the service rendering Ministry shall be upon the Acquirer Bank.

2) Accredited Banks

Banks that are authorized and integrated with PFMS are Accredited Banks. Accredited Banks include public sector banks and other banks integrated with the Core Banking System (CBS) in India. They maintain government accounts such as Ministry/Department accounts / State government accounts.

Once the Accredited Bank receives the funds from the Acquirer Banks, it is responsible for preparing an electronic scroll (e-Scroll). This e-Scroll must be generated no later than T+2 days, where T is the date of the original transaction. After generating the e-Scroll, the Accredited Bank must upload it to the SFPT Server of PFMS (Public Financial Management System). This upload should be done at the end of the day (EOD) in the form of an XML file. Following this process, PFMS will take the uploaded e-Scroll and the related MIS (Management Information System) data and send them to its database. This is done to enable reconciliation of transactions, and it must be completed by T+2 days.

Banks must adhere to specific criteria and processing timelines to ensure efficient and accurate handling of government disbursements and receipts.

7.4 Compliance in Banking with PFMS

Stakeholders	Roles & Responsibilities
1. Eligibility for On-boarding on NTRP	
Acquirer Bank	Only Banks authorized by the CGA/Reserve Bank of India for conducting Government agency business on its behalf are eligible
Payment Gateway Aggregator (PGA)	<ul style="list-style-type: none"> An Acquirer Bank can partner with any Payment Gateway approved by the Reserve Bank of India to collect payments either online through digital methods or offline using Point of Sale (POS) machines. Only Payment Gateways that are registered in India and licensed by the Reserve Bank of India to operate as Payment Aggregators can be onboarded to the Non-Tax Receipt Portal, and only through a partnership with an Acquirer Bank
2. Adherence to the Guidelines	
Acquirer Banks/Payment Gateways/ Aggregator	<p>Acquirer Banks/Payment Gateways shall follow the Guidelines on regulation of Payment Aggregators and Payment Gateways (Annexure 5 & 6) issued:</p> <ul style="list-style-type: none"> Department of Payment and Settlement Systems, Reserve Bank of India Reserve Bank of India Integration document prescribed by NTRP SLA document issued by CGA Baseline technology relations recommendations
3. Adherence to Accreditation to Quality Management and Data Security	
Acquirer Banks / Payment Gateways / Aggregator	<ul style="list-style-type: none"> PCI DSS certification and relevant Information Security Management System standards

Stakeholders	Roles & Responsibilities			
	<ul style="list-style-type: none"> The Payment Gateway/Aggregator to retain authorization logs, non-repudiation logs and transaction records for the entire period of the contract. The Payment Gateway/Aggregator Services to have server to server communication capability. 			
4. Mode of Collection				
Acquirer Bank through its Payment Gateway/Aggregator Services would Collect through these modes	<ul style="list-style-type: none"> Net Banking Debit Cards (RuPay Debit cards as mandatory) Credit Cards (RuPay Credit cards as mandatory) Unified Payment Interface (UPI)/Bharat Interface for Money (BHIM) UPI/BHIM QR Codes 			
5. Timelines for remittance of collected amount and Reporting on NTRP Portal				
Acquirer Bank through Payment Gateway/Aggregator	<ul style="list-style-type: none"> Transfer of amount of daily collection to the designated account of accredited banks of the respective Ministry/Department on T+1 basis before 18:30 PM where T refers to the date of transaction. Submission of consolidated Settlement file of the Day (SOD) containing all the transactions reported as success on NTRP and MIS. 			
6. Penalty for Delayed Remittance				
Acquirer Bank/Payment Gateway/Aggregator	<ul style="list-style-type: none"> The penalty is to be levied from the date of transaction (T). The penalty shall be levied on the per transaction amount that remains unsettled by the Acquirer Bank with the accredited bank on T+1 day. The penalty shall be payable by the Acquirer Bank to the PAO through Bharatkosh. 			
Accredited Bank	<ul style="list-style-type: none"> For delayed remittance of funds collected by Accredited bank to the Government account maintained in RBI, extant orders on penal interest would apply. (Annexure 5) 			
7. Service Level Agreement				
Performance Related	<ul style="list-style-type: none"> The uptime for e-payment services should be over 95%. If the average monthly uptime drops below 95% for three consecutive months in a financial year, can cause removal from NTRP and Financial penalties may be imposed. Any scheduled downtime in the provision of services in LIVE/UAT is to be communicated to NTRP office at least 2 days prior to such an event. The Payment Gateway/Aggregator Services are required to adhere to the following response time 			
	Severity Level	Description	Response Time	Resolution Time
	Level 1 (High)	Complete system failure - PGA's site is and completely non-functional transactions can be executed	30 Minutes	Within 4 hours
	Level 2 (Medium)	Partial system failure - Payment gateway site is up but there is a degradation in gateway	2 hours	Within 8 hours

Stakeholders	Roles & Responsibilities				
		performance for reasons solely within PGA control			
	Level 3 (Low)	Technical issues - Services do not work as per technical specifications document of NTRP	4 hours	Within 2 working days	
8. Refund and Chargeback Policy					
Acquirer Bank/Payment Gateway/Aggregator	<ul style="list-style-type: none"> • Payment Gateway/Aggregator Services shall follow the Refund/Chargeback policy as intimated by O/o CGA (Annexure 5) & by RBI (Annexure 7). • Refund of money shall be through the Ministry/Department concerned. • All refunds shall be made to the original mode of payment unless specifically agreed by the customer to be credited to an alternate mode. 				
9. Operational Issues					
Acquirer Bank/Payment Gateway/Aggregator	<ul style="list-style-type: none"> • A modality "Delivery versus Payment" (DVP) at NTRP wherein if after reaching Payment Gateway (PG) page, if, Success, Fail or Booked status is not received within 30 Minutes, then such transactions will be marked for Refund Initiation post 30 minutes of transaction posting to PG, and PG will mark such transactions with the status "FailRef". This must be adhered to by all the PGAs. • Payment Gateway/Aggregator Services shall not place limits on transaction amount for a particular payment mode. • Payment Gateway/Aggregator Services shall not give an option for ATM PIN as a factor of authentication for card-not-present transactions. In such cases OTP enabled payment may be adhered to as additional authentication factor. 				
10. MDR Related					
Acquirer Bank/Payment Gateway/Aggregator	<ul style="list-style-type: none"> • No bank or system provider shall impose, whether directly or indirectly, any charge upon a person making or receiving a payment by using the electronic modes of payment prescribed under section 269SU of the Income-tax Act, 1961 <ul style="list-style-type: none"> ▪ Debit Card powered by RuPay; ▪ Unified Payments Interface (UPI) (BHIM-UPI); and ▪ Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPIQR Code) 				
11. Miscellaneous					
	<ul style="list-style-type: none"> • Nominate one official as Nodal officer for interacting with the Systems Group, Bharatkosh Cell, O/o of the CGA for which Sr. Accounts Officer in Information Technology Division in charge of Non-Tax Revenue Portal is the nodal officer for Bharatkosh in O/o CGA. • O/o CGA reserves the right to withdraw the integration with the Acquirer Bank for Payment Gateway/Aggregator Services on non-compliance with any of the above Service Level conditions. 				

Chapter 8: PRAKALP

8.1 Overview

The Office of the Principal Chief Controller of Accounts, in tandem, has developed a direct taxes reporting and accounting system called PRAKALP (Pratyaksh Kar Lekhankan Pranali) hosted on the Public Financial Management (PFMS) platform. PRAKALP is an innovative reconciliation portal designed to streamline the income tax reconciliation process for professionals.

The broad roles and responsibilities of authorized banks under PRAKALP are outlined in this document. The most important aspects under TIN 2.0 (Payment & Refund system) which should be kept in perspective while going through this document are as follows:

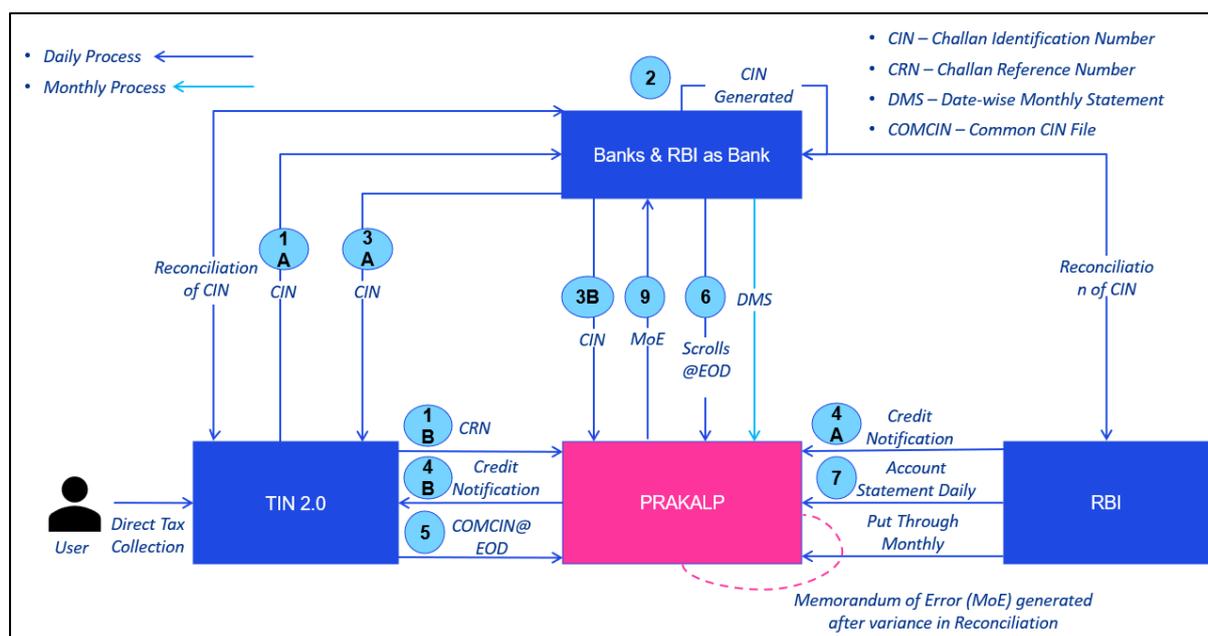
- i. Challan Reference No. (CRN): The CRN is generated after a taxpayer fills up a Challan on the TIN 2.0 portal. It is intended to pay tax. It remains valid for 15 days and is purged by the TIN 2.0 system if the payment is not received by the due date. It is a 14-digit no. generated by the TIN 2.0 portal.
- ii. Challan Identification No. (CIN): The CIN is generated by the Authorized Banks and the RBI after the payment is received by the bank/RBI. It is an 18- character field (CRN + First 4 characters of bank's IFSC).
- iii. Authorized Bank: An authorized bank means a bank authorized by the Office of the Principal Chief Controller of Accounts, CBDT, to collect Direct Taxes. Branch specific authorization of banks for collection of Direct Taxes will no longer be required. All branches of an Authorized Bank can collect direct taxes.
- iv. e-FPB: Each authorized bank will designate a branch as the electronic Focal Point Branch (e-FPB) which will be the nodal branch for performing all responsibilities related to role of an authorized bank under the TIN 2.0 regime, including remittance of money to the RBI and reporting all deliverables to TIN 2.0, PRAKALP and RBI. The Refund Banker (involved in the income tax refund process) will also designate an e-FPB for processing and reporting refunds.
- v. Timeline of T+1: All payments once collected by authorized banks through any mode of payment have to be remitted to the RBI for credit to the Government account on the next day of collection on a 'T+1 working days' basis ('T' being the date on which

CIN is generated). For payment received through a payment instrument (cheque/DD) the date of realization will be the date when funds are available with the bank. For any delay in remittance, penal interest will be levied on the banks by the Office of the Principal Chief Controller of Accounts, CBDT.

The rate of penal interest on delayed remittance to be charged is the prevailing bank rate as notified by the Reserve Bank of India from time to time plus 2% or as decided by the Reserve Bank of India in consultation with CGA from time to time. A uniform holiday calendar, issued from time to time by the Office of the Controller General of Accounts in consultation with the RBI, may be followed for reporting TIN 2.0 transactions by agency banks authorized to collect Direct Taxes.

- vi. Levy of additional charges on the taxpayer: The banks will not impose any additional charge on the taxpayer under any mode of payment, paid through any instrument of payment, unless mandated by the RBI/Government. The MDR (Merchant Discount Rate) charges on applicable Debit/Credit Cards, if charged by the bank, will be payable by the taxpayer, if permissible as per the extant regulations of the RBI/Government. The Government will not bear such charges. There would be no charge levied by banks on use of RuPAY Debit Card, UPI/BHIM and UPI QR code and BHIM QR code, which have been prescribed under Section 269SU of the Income Tax Act, notified vide CBDT's Gazette Notification No. 105/2019 dated 30.12.2019.
- vii. Technical parameters: For data structure, reporting format, periodicity of reporting and all other technical aspects, the authorized banks/RBI have to refer to the PFMS - Bank Integration Document and TIN 2.0 - Bank Integration Document, including the TIN API document and the TIN payments process and accounting document. The periodicity of data flow, in brief, is annexed with this document as Annexure 8.

8.2 Workflow



The PRAKALP system is a dedicated reconciliation platform designed to integrate with banks, RBI, and other financial systems for accurate tax reconciliation and reporting.

- Data Collection from Banks and RBI
 - PRAKALP collects tax transaction data from TIN 2.0, banks, and RBI.
 - This data includes tax receipts, refunds, and settlements.
- Automated Data Matching and Reconciliation
 - PRAKALP cross-verifies transaction details across multiple data sources.
 - Discrepancies are flagged for review.
- Error Identification and Correction
 - PRAKALP generates a Memorandum of Error (MoE) for unresolved discrepancies.
 - Banks are notified to correct data inconsistencies.
- Final Reporting and Compliance Checks
 - PRAKALP compiles Date-wise Monthly Statements (DMS).
 - Compliance reports assess bank performance on reconciliation timelines.

8.3 Role of Banks

1. Tax Payment Modes

A. Payment through Internet Banking of Authorized Banks

- i. Every taxpayer who wants to avail the facility of electronic payment will generate a challan through the TIN 2.0 portal.
- ii. Once internet banking mode is selected for payment, a CRN will be generated, and the taxpayer will choose their preferred bank among the list of authorized banks to make payment.
- iii. After the successful completion of a transaction, the concerned authorized bank will revert with a unique Challan Identification Number (CIN) against the CRN. The CIN will be reported by the banks to TIN 2.0 and PRAKALP on a real-time basis, and to the RBI through a luggage file.
- iv. The Taxpayer will have an option to pre-authorize debit of her bank account for payments at a later date by providing a suitable payment instruction. In such cases, the challan will be finalized with payment authorization completed; however, remittance will take place on dates as provided by the taxpayer. Only after debit of the taxpayer's account on each occasion, the CIN will be generated and reported by banks to TIN 2.0 and PRAKALP on a real-time basis, and to the RBI through a luggage file.
- v. The taxpayer can also choose to pay direct taxes using the debit card of the authorized banks under this mode.

B. Over-the-Counter Payments (OTC) at the branches of Authorized Banks:

- i. The Taxpayer will prepare a challan online through the TIN 2.0 portal following the guidelines as provided by the Income Tax Department.
- ii. From the available payment options, the taxpayer would select Over the Counter (OTC) mode which will have the options of payment by cheque, DD, cash or Internal Transfer (to be used exclusively by the RBI for internal transfer of funds). The name of the authorized bank/RBI where the instrument/cash is to be presented is required to be selected. It will be prefilled as "RBI" in the case of internal transfer of funds. The Income Tax Department may set a limit

for making payments in cash using the OTC mode. The TIN 2.0 system may set and monitor these limits for cash transactions and challan generation will not be allowed where the amount exceeds the cash transaction limits.

- iii. The challan form so generated will be available on the dashboard of the taxpayer in downloadable/ printable form from the TIN 2.0 portal. The taxpayer will print the challan form for making the payment. If the payment is made by cheque or DD, the challan itself would have a disclaimer that the payment is subject to realization of the cheque or DD.
- iv. For OTC payments, the CRN generated would be valid for a pre-defined period (presently it is valid for 15 days) after the date of its generation, within which duration, payment instrument/cash is to be tendered. Once a payment instrument (cheque or DD) is deposited in the bank, the CRN shall remain valid for 90 days from the date of deposit of the instrument in the bank.
- v. Challan tendered at the counter of any branch of an authorized bank, including RBI:
 - The taxpayer is required to select an authorized bank for payment under the OTC mode while generating the CRN on the TIN 2.0 portal.
 - The taxpayer can then approach any branch of that selected bank to make payment through the OTC mode, along with the printed copy of the challan form and the instrument or cash.
 - There will be a linkage between the TIN 2.0 and the Core Banking Solution (CBS) of the authorized banks/RBI whereby the details of the challan will be shared by the TIN 2.0 system with the CBS of the bank selected by the taxpayer to facilitate the cashier / teller to verify the details of the challan submitted by the taxpayer.
 - The cashier/teller will verify the details of challan, payment instrument and amount provided by the taxpayer with those displayed in the bank's system and should accept the receipt only when no discrepancy is found. If the challan has crossed its validity period of pre-prescribed days (presently 15 days), the bank's system itself should bar acceptance of the payment.
 - The taxpayer may make payment by cash or instruments drawn on the same bank or on any other bank, including outstation cheque/DD.

- vi. Generation of CIN in the case of challans tendered with cash, same bank instrument and RBI's Internal transfer:
- i. In case of cash payments, the same bank instruments or Internal Transfer by RBI, the payment would be realized immediately, and CIN will be generated immediately at the authorized bank's/RBI's system. Such CIN details shall be intimated to TIN 2.0 and PRAKALP on a real-time basis and to the RBI on T+1 working day basis through a luggage file.
 - ii. After the generation of CIN, the bank cashier shall put the Bank Reference No. (or RBI Transaction Number, as applicable) and CIN on the taxpayer's counterfoil of the challan form presented by the taxpayer.
- vii. Generation of CIN in the case of challans tendered with a Cheque/Draft of another bank:
- a) In case an instrument drawn on another bank is presented; the payment would not be realized immediately. In such cases, the CIN will be generated later only after the instrument is realized, and the cashier should give an acknowledgement on the taxpayer's counterfoil and a stamp to the effect that "the acknowledgement by the bank is subject to realization of the cheque/DD". The taxpayer need not visit the bank again to get the CIN on the realization of the cheque/DD, as the same will be available from her log-in account on TIN 2.0 portal. However, if she is not able to view updated status on TIN 2.0 within 3 days, she should visit the bank to ascertain the status of her payment.
 - b) Where the instrument is drawn on another bank, including outstation cheques, there should be a validation in the bank's system to prevent deduction of commission charges for instruments drawn on another bank in the same city.
 - c) The authorized bank/RBI would send the instrument for clearing in the very next clearing cycle and the transaction would be treated as complete and successful only after the actual receipt of the amount by the said bank through successful clearing.

- d) The authorized bank/RBI will inform the TIN 2.0 on real time basis in two stages.
- First, when an instrument is tendered at the counter. At this stage the authorized bank/RBI will forward an electronic string to TIN 2.0. On receipt of this message, TIN 2.0 shall send SMS to the taxpayer, in addition to showing the status of the payment on its portal as 'subject to realization'. Once an instrument is deposited in the bank/RBI, the CRN shall remain valid for 90 days from the date of deposit of the instrument in the bank. TIN 2.0 will send the details of the acknowledgement received from Authorized bank/RBI to the office of Pr. CCA, CBDT for the transactions pertaining to date T.
 - In the second stage, the bank's/RBI's system would send CIN details to the TIN 2.0 on real time basis, once the instrument is realized.
- e) In case of cash, instrument of the same bank or Internal Transfer of Funds by RBI, date of deposit of instrument and date of realization of instrument shall be the same.
- f) If the cheque is dishonored, the presenting bank should inform TIN 2.0 about the fact of dishonor and same will be informed by TIN 2.0 to the taxpayer and will also be reflected on her dashboard.

C. Payment through NEFT/RTGS through any bank:

- i. Under this mode, payment of direct taxes through NEFT/RTGS can be done through any bank participating in the NEFT/RTGS clearing system of the RBI.
- ii. Under this mode, RBI would itself be the recipient of the amount transferred through NEFT/RTGS, thus, eliminating the need for a link-up first with an authorized bank to receive the payment and, thereafter, its transfer to the RBI. RBI would, thus, perform the role of an authorized bank and that of an e-FPB in this mode of payment.
- iii. Once this mode is selected by the taxpayer, besides the generation of CRN, TIN 2.0 will also generate "NEFT/RTGS Mandate Form". NEFT/RTGS mandate would have the validity period of CRN printed on it. The CRN generated at the portal shall be incorporated in NEFT/RTGS mandate form in "Beneficiary Account Number" field. The RBI would provide for suitable

validations for this field. In case of NEFT/RTGS payments, there shall also be a disclaimer on the challan copy and the mandate form that the payment through NEFT/RTGS is a transaction between the tax payer and her bank and the payment will be deemed to be received by the government only when the amount is credited to the designated account in the RBI as per settlement cycle of RBI for NEFT/RTGS transactions. The payments in this mode would be permitted only against Internet Banking and cheques tendered at the concerned bank branch where the taxpayer is maintaining an account; no cash payments would be permitted for NEFT/RTGS transactions.

- iv. Once the remittances are received by RBI, it will perform the following functions:
 - RBI will receive and validate the NEFT/RTGS transaction against the Challan details (CRN) received by it; and
 - RBI would communicate the receipt of such payment through generation of CIN in each case to TIN 2.0 and PRAKALP on a real time basis.

D. Payment through any bank using the Payment Gateways (PGs) of the Authorized Banks:

- i. The TIN 2.0, for the ease of payment by taxpayers, also allows payment through payment gateways (PGs). This mode of payment opens a whole lot of payment options such as payments through debit cards, credit cards, UPI, BHIM, etc.
- ii. As a policy, the Government shall not entertain chargeback on tax payments through cards. Tax once paid cannot be withdrawn through the banking channels. The only mode of refund available to the taxpayer is through the process of filing Income Tax Return.
- iii. The payment through this mode can be made through any bank. However, only the PGs of the authorized banks will be allowed to provide the facility of payment through this mode. The Office of the Principal Chief Controller of Accounts, CBDT and the Reserve Bank of India will not deal directly with the PGs. For facilitation of this mode of payment, the authorized banks may choose to provide the services of their PGs.

- iv. The Office of the Principal Chief Controller of Accounts, CBDT, will deal only with the authorized banks, irrespective of the fact which PGs these banks deploy at the backend. Honouring all deliverables under this payment mode, as per agreed timelines under TIN 2.0 regime, will be the sole responsibility of the banks authorized by the Office of the Principal Chief Controller of Accounts, CBDT, to collect Direct Taxes and remit the same to the RBI as per the agreed timeline of T+1 working days.

8.4 Compliance in Banking with PFMS

Stakeholders	Roles & Responsibilities
On-boarding on PRAKALP	
Authorized Bank	An authorized bank means a bank authorized by the Office of the Principal Chief Controller of Accounts, CBDT, to collect Direct Taxes. Branch specific authorization of banks for collection of Direct Taxes will no longer be required. All branches of an Authorized Bank can collect direct taxes.
e-FPB	Each authorized bank will designate a branch as the electronic Focal Point Branch (e-FPB) which will be the nodal branch for performing all responsibilities related to role of an authorized bank under the TIN 2.0 regime, including remittance of money to the RBI and reporting all deliverables to TIN 2.0, PRAKALP and RBI.
Refund Banker	A Scheduled Public Sector Bank is designated as the Refund Banker. In the TIN 2.0 project the same system will continue. At present the State Bank of India is performing the functions of the Refund Banker.
Timelines for remittance of collected amount and Reporting	
Authorized Bank	<ul style="list-style-type: none"> All payments once collected by authorized banks through any mode of payment have to be remitted to the RBI for credit to the Government account on the next day of collection on 'T+1 working days' basis ('T' being the date on which CIN is generated). For payment received through a payment instrument (cheque/DD) the date of realization will be the date when funds are available with the bank. For any delay in remittance, penal interest will be levied on the banks by the Office of the Principal Chief Controller of Accounts, CBDT.
Penal Interest on delayed Remittance	
Authorized Bank	<ul style="list-style-type: none"> The rate of penal interest on delayed remittance to be charged is prevailing bank rate as notified by the Reserve Bank of India from time to time plus 2% or as decided by Reserve Bank of India in consultation with CGA from time to time. A uniform holiday calendar, issued from time to time by the Office of the Controller General of Accounts in consultation with the RBI, may be followed for reporting TIN 2.0 transactions by agency banks authorized to collect Direct Taxes.
Mode of Collection	
Authorized Bank	<ul style="list-style-type: none"> Net Banking Debit Cards (RuPay Debit cards as mandatory) Credit Cards (RuPay Debit cards as mandatory)

Stakeholders	Roles & Responsibilities
	<ul style="list-style-type: none"> • Unified Payment Interface (UPI)/Bharat Interface for Money (BHIM) UPI/BHIM QR Codes
Levy of additional charges on the taxpayer	
Authorized Bank	The banks will not impose any additional charge on the taxpayer under any mode of payment, paid through any instrument of payment, unless mandated by the RBI/Government.
Technical Parameter	
Authorized Bank	For data structure, reporting format, periodicity of reporting and all other technical aspects, the authorized banks/RBI have to refer to the PFMS - Bank Integration Document and TIN 2.0 - Bank Integration Document, including the TIN API document and the TIN payments process and accounting document. The periodicity of data flow in brief is annexed with this document as Annexure 4.
MDR Related	
Authorized Bank	<ul style="list-style-type: none"> • No bank or system provider shall impose, whether directly or indirectly, any charge upon a person making or receiving a payment by using the electronic modes of payment prescribed under section 269SU of the Income-tax Act, 1961 <ul style="list-style-type: none"> ▪ Debit Card powered by RuPay; ▪ Unified Payments Interface (UPI) (BHIM-UPI); and ▪ Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPIQR Code)

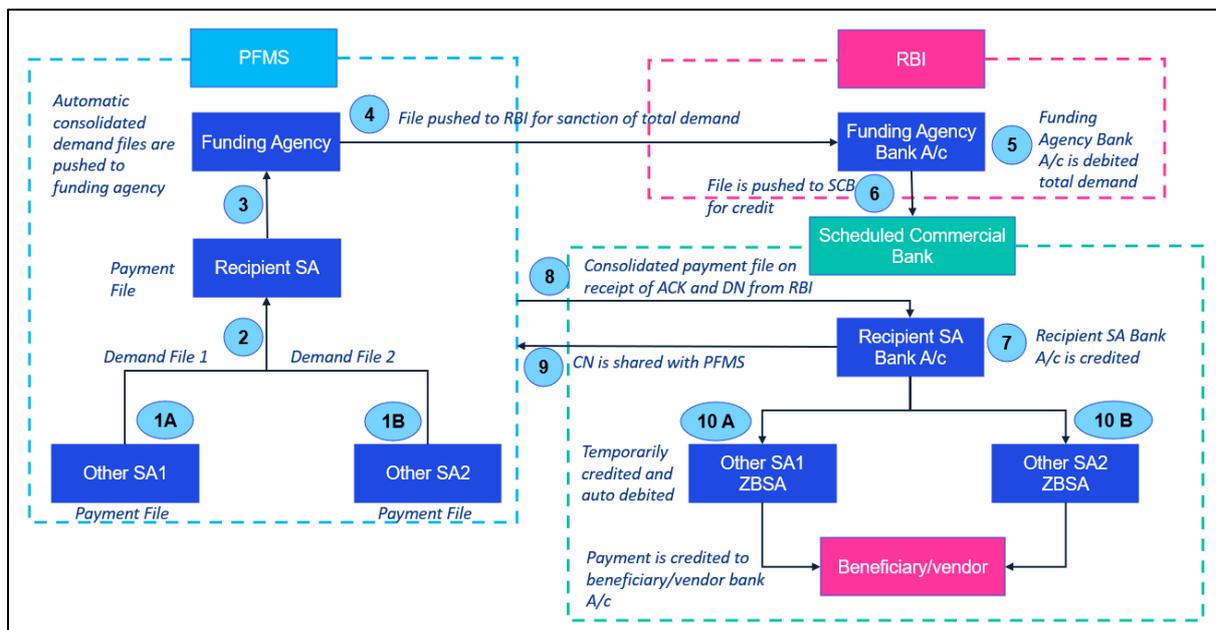
Chapter 9: TSA Hybrid

9.1 Overview

TSA Hybrid (CNA Model 1A) was introduced for schemes with a budget outlay exceeding ₹100 crores, in accordance with the Ministry of Finance, Department of Expenditure's O.M. F. No. 3/(06)/PFMS/2023 dated 21st May 2024 (Annexure 9). This initiative addresses challenges faced by agencies unable to operate under TSA due to their classification beyond the second level or their inability to maintain RBI accounts (Private Sub-Agency).

The key objectives of CNA 1A/Hybrid TSA include ensuring that funds held in commercial bank accounts do not exceed two working days, with any interest accrued being transferred to the Consolidated Fund of India (CFI). Additionally, fund demands submitted in PFMS on working days are consolidated twice time 12:00 Noon and 04:00 PM on the same day, streamlining the financial process. For payments, Sub Agency will generate claims in PFMS, which are consolidated and sent to the Parent/Funding Agency as a payment file. Upon sanction, RBI transfers funds to the Recipient SA's/Child Agency bank account, which must then immediately disburse the funds to beneficiaries or vendors as per the approved payment files.

9.2 Workflow



9.3 Role and Responsibilities

1) Commercial Banks

Following are roles and responsibilities of Commercial Banks:

S. No.	Roles	Responsibilities
1	Account Opening & Guidelines	<ul style="list-style-type: none"> Banks should ensure criteria for opening Savings, ZBSA, and Holding accounts are followed and communicated to all branch officials. (Annexure 10) Banks must notify PFMS via SFTP when Savings/ZBS accounts are opened.
2	Service Restrictions	<ul style="list-style-type: none"> No regular banking services (cheques, FDs) should be allowed; mechanisms must prevent activation of such services. No transaction count limits (daily/weekly/monthly) should be applied to Savings/ZBSA accounts.
3	Reconciliation & Reporting	<ul style="list-style-type: none"> Banks should reconcile ZBS accounts with agencies and specify account types during validation. Banks must monitor balances daily and submit fortnightly reports to PFMS; any ZBS balance must be reported and corrected. Banks must provide a monthly list of existing ZBSAs to agencies and inform them of any changes. Banks must ensure timely daily updating of Savings/ZBS account balances in PFMS. (Annexure 10) Banks must ensure no pending transactions before account closure.
4	Compliance with PFMS Protocols	<ul style="list-style-type: none"> All Recipient Agencies handling banks must implement PFMS protocols. All PFMS-integrated banks handling central sector schemes must implement protocols as per OM. (Annexure 11)
5	Zero Balance Enforcement	Banks must ensure ZBS accounts have zero balance at the end of each day.

S. No.	Roles	Responsibilities
6	Fund Flow & Payment Processing	<ul style="list-style-type: none"> After Funding Agency signs the consolidated file, it is sent to RBI for debiting and crediting respective commercial bank accounts. RBI shares Debit Notification with PFMS. After DN from RBI, PFMS sends payment file to banks for disbursement via Savings/ZBS accounts. Banks must process payment files and hold them until funds are received from RBI.

9.4 Compliance in Banking with PFMS

Following are the key compliance requirements for the Commercial Banks:

Stakeholders	Roles & Responsibilities
1. Payment Disbursement Timelines	
Commercial Bank	The funds shall not be retained in any commercial bank account of Recipient SA for than 2 working days. Interest accrued in the commercial bank accounts shall be deposited in Consolidated Fund of India as per provisions of GFR.
2. Adherence to the Reporting Guidelines	
Commercial Bank (Saving/ZBSA)	All banks have to ensure that no balance remains in the ZBS accounts, meaning that all ZBS accounts should have a zero balance at the end of the day
Commercial Bank (Saving/ZBSA)	All banks must monitor the balances of Savings/ZBS accounts daily and need to submit a report every fortnight to O/o PFMS. In case balances are found under ZBS accounts, they should be reported along with the reasons, and immediate steps should be taken to transfer the balances to the parent account.

A Bank Manual explicitly for TSA Hybrid implementation was issued by O/o Controller General of Accounts on 26th November 2024. (Annexure 12)

Chapter 10: CBIC (ARPIT)

In compliance with Ministry of Finance OM No. 48(02)/PF-II/2018 dated 07-08-2019, ARPIT has been developed to act as a single window platform for collection of all Indirect Taxes and facilitate the accounting and reconciliation of their corresponding data for further linking with the PFMS.

Under the current process, banks collect taxes and settle the amounts with the RBI. The RBI then provides ARPIT with the e-scroll on behalf of the collecting banks. However, due to the lack of direct integration between ARPIT and the banks, there is no mechanism available for reconciliation of the e-scroll data.

To address this limitation, the ARPIT portal will be upgraded at par with PRAKAL (a portal used for accounting and reconciliation of direct taxes). As part of this enhancement, ARPIT will be directly integrated with the collecting banks, enabling them to share e-scrolls and DMS directly with ARPIT instead of routing them through the RBI.

This integration will be implemented in subsequent months. Once the ARPIT system is upgraded and enhanced it will be available for banks to adopt the mechanism.

Chapter 11: NSSF

11.1 Overview

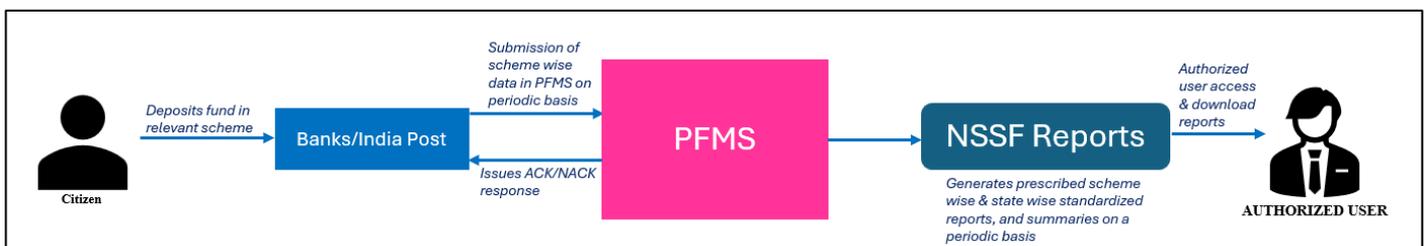
India Post and few banks are involved in collection/payment from citizens for National Small saving scheme. India Post and selected designated banks play a critical role in the collection and payment of deposits from citizens under the various National Small Savings Schemes of the Government of India. Citizens invest in these schemes through post offices and authorized banking channels, making NSSF an important component of the Government's overall savings and fiscal ecosystem. The Ministry of Finance, Government of India, periodically monitors the current fund position of small savings schemes on a state-wise basis.

Traditionally, India Post and banks have been sharing such data with the concerned departments through an offline mechanism, primarily in the form of periodic Excel-based reports. Since PFMS is already integrated with India Post and the banking network, the Government has decided to leverage PFMS capabilities to establish a structured and automated mechanism for:

- Data exchange
- Daily fund position reporting
- Consolidated scheme-wise monitoring

India Post and banks are sharing daily small savings data with PFMS, and PFMS is processing the received data under designed and structured integration mechanism to generate standardized reports for authorized users.

11.2 Workflow



11.3 Compliance

Although PFMS is primarily being leveraged for automated data exchange and report generation under the NSSF integration, the operational responsibilities related to remittance, fund transfer, and timely credit of collections continue to rest with the accredited banks and India Post, in accordance with the applicable Ministry of Finance guidelines.

The compliance directions issued by the Department of Economic Affairs (DEA), Ministry of Finance (O.M. No. F.17/1/2008-NS-II dated 15 May 2008, as amended from time to time) govern:

- Timely credit of small savings remittances into the Government Account maintained at RBI
- Penal interest provisions in case of delayed remittances
- Mandatory observance of scheme rules and regulatory requirements by accredited institutions

PFMS, through periodic (daily/monthly/quarterly) fund position reporting has strengthened compliance monitoring and oversight by providing timely visibility of scheme wise collections. However, PFMS's role remains limited to support monitoring through reporting, and not to enforcement of remittance obligations.

Annexures

I. Annexure – 1: Performance of the Private Sector Banks handling Government Business including Government Agency Business

**Ministry of Finance
Department of Expenditure
Office of the Controller General of Accounts
Mahalekha Niyantarak Bhawan
E-Block, GPO Complex, INA,
New Delhi-110 023**

No. R-11004/1/2021-GBA-CGA/85-92

Dated: 19th Feb. 2024

Office Memorandum

Subject:- Criteria Matrix for review of the Performance of the Private Sector Banks handling Government Business including Government Agency Business

This has reference to this Office Memorandum No. R-23001/1/2021-GBA-CGA/761-852 dated 6th August 2021 regarding the criteria for selection of the Scheduled Private Sector Banks as Accredited Banks/Authorized Banks for fresh/additional Government Business (including Government Agency Business) in Central Ministries/Departments.

2. Para 9 of the above-mentioned OM states that, "Performance of the Agency Banks on a matrix of various Government initiatives and Schemes will be reviewed from time to time by the O/o the CGA in consultation with RBI based on which the permission given to the concerned bank to undertake Government Business could be potentially withdrawn. Criteria for review of performance of the banks by O/o the CGA shall be issued separately"

3. This office, in consultation with various stakeholders (including the Department of Financial Services and RBI), has finalized the criteria matrix for reviewing the performance of the Scheduled Private Sector Banks on various welfare initiatives and schemes of the Government of India and also based on Government Business (copy enclosed).

4. Four (4) criteria will be used for measurement and evaluation of the performance of Private Sector Banks comprising 100 marks as per details given below:-

4.1 Criteria No. 1 does not have any scoring but it would be **mandatory** to measure the financial performance of the bank. *Non-fulfillment of Mandatory Criteria will lead to disqualification and no further examination would be required. (The relevant information would be provided by concerned Private Sector Banks).*

4.2 Criteria No. 2 relates to Financial Inclusion and Welfare Initiatives. The weightage of this criteria is 50 marks. It will measure the performance of the banks on Social Welfare Initiatives of Government of India. *(The relevant information would be provided by DFS).*

4.3 Criteria No. 3 relates to Government Agency Business in tax receipts and pensions. The weightage of this criterion is 20 marks. *(The relevant information would be provided by O/o the Pr. CCA, CBIC, O/o the Pr. CCA, CBDT and CC (Pensions), CPAO).*

4.4 Criteria No. 4 relates to IT Strength & PFMS where the bank's performance on payments/validations/other financial indicators would be measured. The weightage of this criteria is 30 marks and this criteria is based on Key Performance Indicators (KPIs) used by PFMS. *(The relevant information would be provided by PFMS, O/o the CGA).*

Page 1 of 6

5. The performance of the Private Sector Banks would be reviewed **bi-annually**. The Mandatory Criteria would be based on the financials of the concerned bank at the end of the previous financial year. The stakeholders who have to compile the scoring/ratings have been indicated in the matrix. Stakeholders need to provide the information within a month from the end of period being reviewed.
6. If a Private Sector Bank does not meet the necessary matrix for consecutive two intervals, the matter will be taken up with the DFS and RBI for further proceedings.
7. Modifications, if any, in the criteria issued, will be done by the Office of the Controller General of Accounts.
8. Given the above, all the stakeholders who are to provide the relevant information as indicated in the criteria matrix, are requested to provide the relevant information to this office **as of 30th September 2023 (for first review)** except for the mandatory criteria which would be provided up to the end of the last financial year. The information for *first review* may be provided by **29th February 2024** to proceed further, in the matter.



(Shailendra Kumar)
Joint Controller General of Accounts (GBA)

Encl. as above

To,

1. The Pr. Chief Controller of Accounts, Central Board of Indirect Taxes and Customs, AGCR Building, 1st Floor, New Delhi.
2. The Pr. Chief Controller of Accounts, Central Board of Direct Taxes, Lok Nayak Bhawan, Khan Market, New Delhi.
3. The Addl. Controller General of Accounts (PFMS), O/o the Controller General of Accounts, Shivaji Stadium, New Delhi.
4. The Chief Controller (Pensions), Central Pensions Accounting Office, New Delhi
5. The Joint Secretary, Department of Financial Services, Jeevan Deep Building, New Delhi.
6. The Joint Controller General of Accounts (GIFMIS), O/o the Controller General of Accounts, New Delhi.
7. The Joint Controller General of Accounts (TRBR-PFMS), O/o the Controller General of Accounts, New Delhi.
8. All the Heads of the Private Sector Banks authorized for doing Government Agency Business.

Copy to:-

1. CGM, DGBA, RBI,
2. Director, MoF, DoE

Criteria Matrix for reviewing the Performance of the Private Sector Banks

Criteria	Maximum Marks
Criteria No. 1 : Government Business : Mandatory Criteria	-
Criteria No. 2 : Financial Inclusions and Welfare Initiatives	50
Criteria No. 3 : Government Agency Business : Pensions, Tax Receipts (CBIC and CBDT)	20
Criteria No. 4 : IT Strength (including PFMS and DBT)	30
Total	100

Criteria No. 1 : Government Business: Mandatory Criteria : These criteria will be mandatory for allocation of further Government Business (including Govt. Agency Business) at the time of every review. (Information will be provided by the concerned Banks)

Parameters	Achievement
Profitability	Cumulative Profitability for last 3 financial years should not be negative
Capital Adequacy Ratio	Minimum 9 per cent at the end of the last financial year
Net Non-Performing Assets (NPA)	Not more than 5 per cent of the net advances at the end of the last financial year
Net worth	Minimum net worth not less than Rs 200 crore at the end of the last financial year

Criteria No. 2 : Financial Inclusion and Welfare Initiatives (DPS will provide the information)

Scheme/Parameters	Achievement	Maximum Marks	Scoring Model
Scheme: Pradhan Mantri Jan Dhan Yojana (PMJDY) - Accounts Opening Target Achievement	100%	10	Proportional marks are to be given on the basis of % achievement of target with full 10 marks in case the achievement is 100% or more
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)			
Active Enrolments Target Achievement	100%	8	Proportional marks are to be given on the basis of % achievement of target with full 8 marks in case the achievement is 100% or more
Renewal under PMJJBY		2	2 marks: if renewal % >=90%, 1 mark: if renewal % >=80% but <90%, 0 mark: if renewal % <80%
Pradhan Mantri Suraksha Bima Yojana (PMSBY)			
Active Enrolments Target Achievement	100%	8	Proportional marks are to be given on the basis of % achievement of target with full 8 marks in case the achievement is 100% or more
Renewal under PMSBY		2	2 marks: if renewal % >=95%, 1 mark: if renewal % >=90% but <95%, 0 mark: if renewal % <90%

Pradhan Mantri Mudra Yojana (PMMY)			
Amount disbursed target	100%	5	Proportional marks are to be given on the basis of % achievement of target with full 5 marks in case the achievement is 100% or more
Increase in MUDRA Loan outstanding		3	3 marks: if YOY in o/s >=10%, 2 marks: if YOY increase in o/s >= 5% but < 10%, 1 mark: If YOY increase in o/s %>=0% but <5%, 0 mark: If YOY increase in o/s <0%
Stand-up India (SUI)			
No. of account sanctioned: Target achievement	100%	6	Proportional marks are to be given on the basis of % achievement of target with full 6 marks in case the achievement is 100% or more
Atal Pension Yojana (APY)			
Total subscription under APY	100%	6	Proportional marks are to be given on the basis of % achievement of target with full 6 marks in case the achievement is 100% or more
Total Marks		50	
Criteria No. 3 : Government Agency Business : Pensions, Tax Receipts (CBIC, CBDT)			
Parameters	Achievement	Maximum Marks	Scoring Model
Pensions (15 marks) (CPAO will provide the information)			
Facility of processing e-PPO and Online grievance redressal mechanism in place (Mandatory Criteria for further evaluation of the proposal on pensions related issues)	Yes/No		
Delays in crediting First Pensions/First family pension	Higher marks for less delay cases	3	Upto 20% delay =3 marks, 21%-40% delay =2.25 marks, 41%-60% delay = 1.50 marks, 61%-80% delay =0.75 marks, Above 80% delay = No Mark
Total Complaints Resolved/Total Complaints received	Higher marks for more resolved cases in 15 days	3	Upto 20% resolved =No mark, 21%-40% resolved = 0.75 marks, 41%-60% resolved = 1.50 marks, 61%-80% resolved =2.25 marks, Above 80% resolved = 3 marks

Delay in submission of scrolls by the bank as per the prescribed timelines	Higher marks for less delay	2	Up to 20% delay = 2 marks, 21%-40% delay = 1.50 marks, 41%-60% delay = 1 mark, 61%-80% delay = 0.50 marks, Above 80% = No Mark
Total Pensions		8	
Tax Receipts: CBIC (CBIC will provide the information)			
Whether bank is settling government funds as per the norms i.e. T+1 with RBI	Higher marks for more settled cases	2	01-20% settled = No mark, 21%-40% settled = 0.50 marks, 41%-60% settled = 1 mark, 61%-80% settled = 1.50 mark, 81%-100% = 2 marks
Memorandum of errors settled during the period	Higher marks for more settled cases	1	01-20% settled = No mark, 21%-40% settled = 0.25 mark, 41%-60% settled = 0.50 mark, 61%-80% settled = 0.75 mark, 81%-100% settled = 1 mark
Payment Gateway Aggregators (PGA) Performance (No. of failed transactions/Total Number of Transactions)	Less marks for more failure cases	2	01-20% failure = 2 marks, 21%-40% failure = 1.50 marks, 41%-60% failure = 1 mark, 61%-80% failure = 0.50 mark, 81%-100% failure = No mark
Whether the bank is settling the undisputed penal interest in time (As per SOP)	Higher marks for more settled cases	1	01-20% settled = No mark, 21%-40% settled = 0.25 mark, 41%-60% settled = 0.50 mark, 61%-80% settled = 0.75 mark, 81%-100% settled = 1 mark
Total CBIC		6	
Tax Receipts: CBDT (CBDT will provide the information)			
Whether bank is settling government funds as per the norms i.e. T+1 with RBI	Higher marks for more settled cases	2	01-20% settled = No mark, 21%-40% settled = 0.50 marks, 41%-60% settled = 1 mark, 61%-80% settled = 1.50 mark, 81%-100% = 2 marks
Memorandum of errors settled during the period	Higher marks for more settled cases	1	01-20% settled = No mark, 21%-40% settled = 0.25 mark, 41%-60% settled = 0.50 mark, 61%-80% settled = 0.75 mark, 81%-100% settled = 1 mark

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Payment Gateway Aggregators (PGA) Performance (No. of failed transactions/Total Number of Transactions)	Less marks for more failure cases	2	01-20% failure = 2 marks, 21%-40% failure = 1.50 marks, 41%-60% failure = 1 mark, 61%-80% failure = 0.50 mark, 81%-100% failure = No mark
Whether the bank is settling the undisputed penal interest in time (As per SOP)	Higher marks for more settled cases	1	01-20% settled = No mark, 21%-40% settled = 0.25 mark, 41%-60% settled = 0.50 mark, 61%-80% settled = 0.75 mark, 81%-100% settled = 1 mark
Total CBDT		6	
Grand Total : Government Agency Business		20	
Criteria 4 : IT Strength (PFMS including DBT) (PFMS will provide the information)			
Parameters	Achievement	Maximum Marks	Scoring Model
KPIs of the PFMS would be used for this Matrix		30	Marks of each banks will be obtained from PFMS
Total IT Strength (PFMS including DBT)		30	
Grand Total		100	

1. Ratings of Bank Performance under each Criteria		
Scoring	Ratings	Remarks
Upto 50% marks separately under each Criteria which are applicable on the bank at the time of review	Unsatisfactory	Not recommended for Overall Review Ratings. Matter will be taken up with the MD&CEO of the Bank.
Between 51%-65% marks separately under each criteria which are applicable on bank at the time of review	Average	Needs Attention for improvement. Further overall ratings will be recommended on case to case basis. Matter will be taken up with the MD&CEO of the Bank.
Between 66% - 90% marks separately on the criteria which are applicable on bank at the time of review	Good	Proposals will be recommended for overall ratings
Between 91%-100% marks separately on the criteria which are applicable on bank at the time of review	Very Good	

2. Overall Ratings of Bank Performance in all the Criteria		
Scoring	Ranking	Remarks
Between 0-50 Marks on the criteria which are applicable on the bank at the time of review	Unsatisfactory	Not recommended allocation of further Government Business (including Govt. Agency Business). Matter will be taken up with MD&CEO of the Bank.
Between 51-65 marks on the criteria which are applicable on bank at the time of review	Average	Needs Attention for improvement. Further Government Business (including Government Agency Business) will be allocated on case to case basis. Matter will be taken up with the MD&CEO of the Bank.
Between 66-90 marks on the criteria which are applicable on bank at the time of review	Good	Proposals will be considered for allocation of further Government Business (including Government Agency Business)
Between 91-100 marks on the criteria which are applicable on bank at the time of review	Very Good	

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Ministry of Finance
Department of Expenditure
Office of the Controller General of Accounts
Mahalekha Niyantrak Bhawan
E-Block, GPO Complex, INA
New Delhi-110 023

File No. R-11012/1/21-GBA-CGA/ 777-93

Dated: 6th September 2024

Office Memorandum

Sub: Key Performance Indicators for Public Sector Banks handling Government Transactions of Ministries/Departments

The Reserve Bank of India carries out the general banking business of the Central and State Governments through its own offices and through the offices of the agency banks appointed under Section 45 of the RBI Act, 1934, by mutual agreement.

2. Under the departmentalized accounting system, the receipts and payments of each Ministry/Department of the Government of India are handled by the RBI or the Public/Private Sector Bank/s nominated for the particular Ministry/Department by the RBI on the advice of the O/o the Controller General of Accounts.

3. With a view of bringing improvement in handling the Government transactions by the Public Sector Banks, this office has prepared the Key Performance Indicators (KPIs) based on various Government Business (including Government Agency Business) handled by banks. These KPIs will be used for measurement of the efficiency of the banks in handling government transactions and robustness of IT Strength of the Bank. Details of KPIs is placed at Annexure.

4. If a bank performance would be less than satisfactory (50%) in any criteria, it will be taken up with MD/CMD of respective bank.

5. Modifications in the KPIs, if any, can be done by O/o the Controller General of Accounts.

6. Given the above, the first review will be done on the basis of data for the period from 1st October 2024 to 31st March 2025. Information for half-yearly review will be required from all the stakeholders within a month of the reviewing period.

This issues with the approval of Competent Authority.



(Sanchita Shukla)

Joint Controller General of Accounts (GBA)

Encl. as above

To

1. The Principal Chief Controller of Accounts, Central Board of Indirect Taxes, AGCR Building, New Delhi
2. The Principal Chief Controller of Accounts, Central Board of Direct Taxes, Lok Nayak Bhawan, Khan Market, New Delhi
3. The Chief Controller of Accounts, Ministry of Finance, North Block, New Delhi
4. The Chief Controller (Pension), Central Pension Accounting Office, Trikot-2, Bhikaji Cama Place, New Delhi
5. Chief General Manager, **Reserve Bank of India**, Central Office, DGBA, Byculla Office Building, Opp. Mumbai Central Station, Byculla, Mumbai.
6. Chief General Manager, Government Banking Unit, **State Bank of India**, Corporate Centre, 2nd Floor, Main Branch Building, 11, Sansad Marg, New Delhi.
7. General Manager, **Bank of Baroda**, Government and PSU Business, 7th floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi.
8. General Manager, **Bank of India**, 10th Floor, Chanderlok Building, Janpath, New Delhi
9. General Manager (AIFM), **Bank of Maharashtra**, Accounts & Audit Dept., Central Office, 1501, Shivaji Nagar, Lok Mangal, Pune
10. General Manager, **Canara Bank**, Government Accounts Section, Financial & General Administration, H.O., 112, J.C. Road, Bangalore
11. General Manager (Government Business Department), **Central Bank of India**, Operation Department, 2nd Floor, MMO Building, MG Road, Fort, Mumbai.
12. General Manager, **Indian Bank**, Cell for Govt. Transactions, H.O., 66, Rajaji Salai, Chennai.
13. General Manager (GAD), **Indian Overseas Bank**, Central Office, Government Accounts Department, 763, Anna Salai, Chennai.
14. General Manger, **Punjab National Bank**, Govt. Business Division, FNB House, Plot No. 4, Sector 10, Dwarka, New Delhi.
15. General Manager, **Punjab & Sind Bank**, Bank House, 2nd Floor, Rajendra Place, New Delhi.
16. General Manager (Finance Department), **UCO Bank**, Head Office, 3 & 4, DD Block, Sector 1, Salt Lake, Kolkata.
17. General Manager, **Union Bank of India**, Government Business Department, Union Bank Building, 1, Faiz Road, Jhandewalan, New Delhi.

Copy to:-

1. Addl. CGA(PFMS)
2. Joint CGA (Banking -PFMS)
3. Joint CGA (GIFMIS)

Annexure

Key Performance Indicators (KPIs) to monitor the efficiency of the banks in dealing with Government Business (including Government Agency Business)

A. Government Agency Business (Pensions, Tax Receipts (CBIC, CBDT) and Ministry of Finance) – Total 50 marks

S. No.	Pension Payment – CPAO (Total 20 Marks)
1.	Facility of processing e-PPO and online grievance redressal mechanism in place (Mandatory Criteria for further evaluation of the proposal on pension related issues)
2.	Delay in crediting First Pension/First Family Pension
3.	Non-submission of e-scrolls and DMS
4.	Total Complaints resolved/Total Complaints received (Complaints resolved within 15 days of its receipt)
5.	Non-payment of Additional Pension/Additional Family Pension
6.	Percentage of total outstanding errors with reference to the number of pensioner/family pensioners as per the last audit report.

S. No.	Tax Receipts – CBIC (Total 10 marks)
1.	Whether the bank receiving the tax receipts under GST through all prescribed modes?
2.	Whether the Bank receiving the tax receipts under Customs (ICEGATE) through all prescribed modes?
3.	Whether the bank has set up a dedicated Centralized Helpdesk for settling the grievances of GST?
4.	Whether the bank is settling government funds as per norms i.e. T+1 with RBI?
5.	Memorandum of Errors settled during the period
6.	Whether the bank is settling the undisputed penal interest in time (As per SOP)

S. No.	Tax Receipts – CBDT (Total 10 marks)
1.	Whether the bank receiving the tax receipts under Direct Tax through all prescribed modes?
2.	Whether the bank is settling government funds as per norms i.e. T+1 with RBI?
3.	Memorandum of Errors settled during the period
4.	Whether the bank is settling the undisputed penal interest in time (As per SOP)
5.	Whether the Bank is providing the e-scrolls timely for the receipts deposited in the bank.

S. No.	Ministry of Finance (Total 10 marks)
1.	Whether the Banks are operating the following Schemes:-
	a. Kisan Vikas Patra Scheme – 2014
	b. Sukanya Samridhi Account Scheme – 2016
	c. Public Provident Fund Scheme – 1968
	d. Senior Citizen Saving Scheme. 2004
	e. National Saving Time Deposit Scheme, 1981
	f. National Saving (Monthly Income Account) Scheme – 1987
	g. National Saving Recurring Deposit Scheme – 1981
	h. National Saving Certificates (VIII) Issue Scheme 1989
	i. Mahila Samman Saving Certificate (MSSC) – 2003
2.	Whether the bank is settling the undisputed penal interest in time (SoP)

B. IT Strength

S. No.	PFMS and DBT (Total 50 marks)
1.	Account Validation Response Time
2.	Ack/Nack Response Time
3.	Debit Transaction by Accredited/Sponsored Bank
4.	Debit Response from Accredited/Sponsored Bank
5.	Credit Response from Accredited/Sponsored Bank
6.	Credit Transaction as per Destination Bank (KPIs for Destination Bank)
7.	Daily Bank Balance updation
8.	Files Error Count (Per 10 lakhs transactions)
9.	Success after failure and failure after success (KPIs for Destination Bank)
10.	Receipts of UTR/Scrolls/failed/failed after success for PAO Payments (Accredited Bank)/ Receipts of scrolls for DBT Payments (Accredited Bank).
11.	New protocols – Payment Route (ANYM)/Ack/Nack(Payment)//SHA-2/Daily Transactions Standard Code.
12.	Receipts of EoD/SoD/MIS files from Acquirer banks, Scrolls from Accredited Bank/Downtime of servers of Acquired Banks etc. (Relate to Bharatkosh portal)

II. Annexure – 2: Directions for opening and operation of Accounts and settlement of payments

RBI/2009-10/231
DPSS.CO.PD.No.1102 /02.14.08/ 2009-10

November 24, 2009

To

All Banks, Payment System Providers and System Participants

Dear Sir,

Directions for opening and operation of Accounts and settlement of payments for electronic payment transactions involving intermediaries

The use of Electronic/Online Payment modes for payments to merchants for goods and services like bill payments, online shopping etc. has been gaining popularity in the country. With a view to safeguard the interests of the customers and to ensure that the payments made by them using Electronic/Online Payment modes are duly accounted for by the intermediaries receiving such payments and remitted to the accounts of the merchants who have supplied the goods and services without undue delay, it is considered necessary to frame suitable directions for the safe and orderly conduct of these transactions. Accordingly, following directions are being issued under Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).|

Yours faithfully

(G.Padmanabhan)
Chief General Manager

Directions for opening and operation of Accounts and settlement of payments for electronic payment transactions involving intermediaries

1. Introduction

1.1 The use of Electronic/Online Payment modes for payments to merchants for goods and services like bill payments, online shopping etc. has been gaining popularity in the country. The increased facilitation by banks and prepaid payment instrument issuers of the use of electronic modes by customers for payments to merchants generally involves the use of intermediaries like aggregators and payment gateway service providers. Further, Electronic Commerce and Mobile Commerce (e-commerce and m-commerce) service providers have also been acting as intermediaries by providing platforms for facilitating such payments.

1.2 In most existing arrangements involving such intermediaries, the payments made by customers (for settlement of e-commerce/m-commerce/bill payment transactions), are credited to the accounts of these intermediaries, before the funds are transferred to the accounts of the merchants in final settlement of the obligations of the paying customers. Any delay in the transfer of the funds by the intermediaries to the merchants account will not only entail risks to the customers and the merchants but also impact the payment system.

1.3 With a view to safeguard the interests of the customers and to ensure that the payments made by them are duly accounted for by the intermediaries receiving such payments and remitted to the accounts of the merchants who have supplied the goods and services without undue delay, it is considered necessary to frame these directions for the safe and orderly conduct of these transactions. Accordingly, following directions are being issued under Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

2. Definitions

2.1 Intermediaries: Intermediaries would include all entities that collect monies received from customers for payment to merchants using any electronic/online payment mode, for goods and services availed by them and subsequently facilitate the transfer of these monies to the merchants in final settlement of the obligations of the paying customers.

Explanation: For the purpose of these directions, all intermediaries who facilitate delivery of goods/services immediately/simultaneously (e.g. Travel tickets/movie tickets etc) on the completion of payment by the customer shall not fall within the definition of the expression "intermediaries". These transactions which are akin to a Delivery versus Payment (DvP) arrangement will continue to be facilitated as per the contracts between the merchants and the intermediaries as hitherto and banks shall satisfy themselves

that such intermediaries do not fall within the definition of the "intermediaries" when they open accounts other than internal accounts.

2.2 Merchants: For the purpose of these directions, merchants shall include all Electronic commerce/Mobile commerce service providers and other persons (including but not limited to utility service providers) who accept payments for goods and service provided by them, through Electronic/Online Payment modes.

3. Maintaining of accounts for collection of payments

3.1 All accounts opened and maintained by banks for facilitating collection of payments by intermediaries from customers of merchants, shall be treated as internal accounts of the banks. While it is left to the banks to decide on the exact nomenclature of such accounts it shall be ensured that such accounts are not maintained or operated by the intermediaries.

3.2 Banks shall ensure that the process of converting all the existing accounts maintained and operated by intermediaries for the purpose covered in these directions shall be completed within three months of issuance of these directions.

3.3 For the sake of further clarity, the permitted credits/debits in these accounts are set out below:

i. Credits

- a) Payments from various persons towards purchase of goods/services.
- b) Transfers from other banks as per pre-determined agreement into the account, if this account is the nodal bank account for the intermediary.
- c) Transfers representing refunds for failed/disputed transactions.

ii. Debits

- a) Payments to various merchants/service providers.
- b) Transfers to other banks as per pre-determined agreement into the account, if that account is the nodal bank account for the intermediary.
- c) Transfers representing refunds for failed/disputed transactions.
- d) Commissions to the intermediaries. These amounts shall be at pre-determined rates/frequency.

Note: No payment other than the commissions at the pre-determined rates/frequency shall be payable to the intermediaries. Such transfers shall only be effected to a bank account intimated to the bank by the intermediary during the agreement.

3.4 Pending conversion of the existing accounts to internal accounts, banks shall ensure that only transactions as stated at paragraph 3.3 are permitted in these accounts. This process shall be implemented with immediate effect.

4. Settlement

4.1 The final settlements of funds to the merchants are presently guided by business practices followed by the intermediaries/merchants. In order to increase the efficiency of the payment process, it is necessary that banks transfer funds to the ultimate beneficiaries with minimum time delay. It is therefore mandated that banks shall implement the following settlement cycle for all final settlements to merchants. This settlement arrangement shall be implemented within three months of issuance of this circular:-

- i. All payments to merchants which do not involve transfer of funds to nodal banks shall be effected within a maximum of T+2 settlement cycle (where T is defined as the day of intimation regarding the completion of transaction).
- ii. All payments to merchants involving nodal banks shall be effected within a maximum of T+3 settlement cycle.

5. Treatment of balances by banks

5.1 As the funds held in the accounts as indicated in paragraph 3.1 would be in the nature of outside liability of the bank, the balances in these accounts shall be reckoned as such for the purpose of computation of Net Demand and Time Liabilities of the bank.

6. Concurrent Audit

6.1 Banks shall subject these accounts to concurrent audit and a certificate to the effect that these accounts are operated in accordance with these directions shall be submitted to Department of Payment and Settlement System, Reserve Bank of India, on a quarterly basis.

7. Instruction applicable to other payment system operators

7.1 All persons authorized to operate payment system for issuance of prepaid payment instruments and card schemes shall facilitate compliance with these directions.

III. Annexure 3 – Government Business by Agency Banks



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

बेटी बचाओ
बेटी पढ़ाओ

RBI/2024-25/07
CO.DGBA.GBD.No.S2/31-12-010/2024-2025 April 1, 2024

All Agency Banks

Madam / Dear Sir

Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission

Please refer to our [Master Circular RBI/2023-24/07, CO.DGBA.GBD.No.S1/31-12-010/2023-2024 dated April 1, 2023](#) on the above subject. We have now revised and updated the Master Circular which consolidates important instructions on the subject issued by the Reserve Bank of India till March 31, 2024.

2. A copy of the revised [Master Circular](#) is enclosed for your information. This Circular may also be downloaded from our website <https://mastercirculars.rbi.org.in>.

Yours faithfully

(Indranil Chakraborty)
Chief General Manager

Encl: As above

सरकारी और बैंक लेखा विभाग, केंद्रीय कार्यालय, मुंबई सेंट्रल रेलवे स्टेशन के सामने, चौथी मंजिल, भायखला, मुंबई - 400 008
Department of Government and Bank Accounts, Central Office, Opp. Mumbai Central Railway Station, 4th Floor, Byculla, Mumbai - 400 008
Telephone: (022) 23016214 / 23001670 Fax No. (022) 23008764 / 23009126 / 23010095, e-mail: cgmcdgbaco@rbi.org.in

MASTER CIRCULAR ON AGENCY COMMISSION

Introduction

1. The Reserve Bank of India carries out the general banking business of the Central and State Governments through its own offices and through the offices of the agency banks appointed under Section 45 of the RBI Act, 1934, by mutual agreement. RBI pays agency commission to the agency banks for the government business handled by them. This Master Circular consolidates the instructions contained in the circulars listed in [Annex 1](#).

Government transactions eligible for agency commission

2. Transactions relating to the following government business undertaken by agency banks are eligible for agency commission paid by RBI:

- (a) Revenue receipts and payments on behalf of the Central/State Governments
- (b) Pension payments in respect of Central / State Governments and
- (c) Any other item of work specifically advised by Reserve Bank as eligible for agency commission

3. The Agency banks also undertake the work related to Small Savings Schemes (SSS) the commission for which is borne by Government of India. Though the settlement of commission on such SSS is processed by RBI and settled at Central Accounts Section (CAS), Nagpur, the rates of agency commission related to SSS transactions are decided by Government of India. Agency commission claims on Special Deposit Scheme (SDS) related transactions (where mirror accounts are maintained in RBI) are also settled at CAS, Nagpur.

4. Short term/long term borrowings of State Governments raised directly from financial institutions and banks are not eligible for agency commission as these transactions are not considered to be in the nature of general banking business. Reserve Bank pays the agency banks separate remuneration as agreed upon for acting as agents for management of public debt.

5. Whenever agency banks collect stamp duty through physical mode or e-mode (challan based), they are eligible for payment of agency commission, provided the agency banks do not collect any charges from the members of public or receive remuneration from the State Government for doing this work.

6. If the agency bank is engaged by the State Government as Franking Vendor and it collects stamp duty from the public for franking the documents, it will not be eligible for agency commission since the State Government is paying commission to it as Franking Vendor. However, the agency bank which collects the stamp duty paid by the Franking Vendor for credit to the Treasury through challan in physical or e-mode for purchase of the franking bar, would be eligible for agency commission since it is a regular payment of Stamp Duty as stated above.

Government transactions not eligible for agency commission

7. Agency banks paying their own tax liabilities through their own branches or through authorised branches of any other agency bank including State Bank of India or offices of Reserve Bank of India wherever they do not have their own authorised direct tax collection branch should indicate the same separately in the scroll. Such transactions will not be eligible for payment of agency commission. Banks should furnish a certificate to the effect that own tax liabilities (TDS, Corporation Tax, etc.) paid by them have been excluded while claiming agency commission.

8. The following activities, inter alia, do not come under the purview of agency bank business and are therefore not eligible for payment of agency commission.

(a) Furnishing of bank guarantees/security deposits, etc. through agency banks by government contractors/suppliers, which constitute banking transactions undertaken by banks for their customers.

(b) The banking business of autonomous/statutory bodies/Municipalities/companies/ Corporations/Local Bodies.

(c) Payments which have been classified as capital in nature by government to cover losses incurred by autonomous/statutory bodies/ Municipalities/ Corporations/Local Bodies etc.

(d) Prefunded schemes which may be implemented by a Central Government Ministry/Department (in consultation with CGA) or a State Government Department through any bank.

(e) Transactions related to Gold Monetisation Scheme, 2015

(f) Transactions arising out of Letters of Credit / Bank Guarantee opened by banks on behalf of Ministries/Departments etc. do not qualify for agency commission as RBI only reimburses the paid amount to the banks based on the mandate received from the governments.

(g) Any other item of work specifically advised by Reserve Bank or Central or State Government as ineligible for agency commission.

9. Agency Banks are advised to meticulously follow instructions issued by RBI from time to time regarding transactions which are not eligible for agency commission and submit their claims for agency commission accordingly. All agency banks while claiming agency commission should certify that no claim of agency commission is made on ineligible transactions.

10. **Reporting of transactions by agency banks to RBI:** After the operationalisation of NEFT 24X7 and RTGS 24X7, agency banks authorised to collect Goods and Service Tax (GST) and Direct Taxes under TIN 2.0 channel shall upload their luggage files in RBI's QPX/e-Kuber on all days except the Global holidays, which are January 26, August 15, October 2, all non-working Saturdays, all Sundays and any other day declared holiday by RBI for Government Transactions due to exigencies. It is to be ensured that these luggage files are uploaded in RBI's QPX/e-Kuber on or before 1800 hours prescribed by Office of Principal Chief Controller of Accounts, Central Board of Indirect Taxes & Customs and Office of Principal Chief Controller of Accounts, Central Board of Direct Taxes. No extension in cut-off time will be allowed to agency banks by RBI beyond 1800 hours for uploading of these luggage files in QPX/e-Kuber.

11. State government transactions (electronic as well as in physical mode) of previous month reported after 8th of the succeeding month and those pertaining to earlier months should be reported to RBI through a separate statement for accounting, after being confirmed by the competent authorities of concerned State government.

12. For Central Government transactions (electronic as well as in physical mode) or any adjustments thereof, if reported after a gap of 90 days from the date of transaction, agency banks have to obtain prior approval from concerned ministry/department and submit the same to RBI separately at the time of reporting such transactions for settlement.

Rates for agency commission

13. As per agency bank agreement, RBI pays agency commission at rates determined by it. The rates applicable with effect from July 1, 2019 are as under:

Sr. No.	Type of Transaction	Unit	Revised Rate
a. (i)	Receipts - Physical mode	Per transaction	₹40/-
(ii)	Receipts - e-mode	Per transaction	₹9/-
b.	Pension Payments	Per transaction	₹75/-
c.	Payments other than Pension	Per ₹100 turnover	6.5 paise per ₹100

14. In this context, the 'Receipts-e-mode transactions' indicated against Sr. No. a.(ii) in the above table refer to those transactions involving remittance of funds from the remitter's bank account through Internet banking as well as such transactions which do not involve physical receipt of cash /instruments at all. For example, challan generated electronically and submitted to agency bank along with cash / instrument should be treated as transaction under physical mode.

15. With reference to the implementation of GST regime, it is advised that a single Common Portal Identification Number (CPIN), processed successfully leading to generation of a Challan Identification Number (CIN), under GST payment process, may

be treated as a single transaction, even if multiple major head/sub major head/minor head of accounts are credited. This means that CGST, SGST, IGST and Cess etc. paid through a single challan would constitute a single transaction. Thus, all such records clubbed under a single challan i.e., CPIN have to be treated as a single transaction for the purpose of claiming agency commission effective July 1, 2017.

16. Similarly, in case of transactions not covered under GST, it is emphasised that a single challan (electronic or physical) should be treated as single transaction only and not multiple transactions, even if the challan contains multiple major head/sub major head/minor head of accounts that will get credited. Therefore, records clubbed under a single challan processed successfully have to be treated as a single transaction for the purpose of claiming agency commission.

17. Agency banks would be eligible to claim agency commission for pension transactions at the rate of ₹75 per transaction only when the entire work relating to disbursement of pension including pension calculation is attended to by them. If the work relating to pension calculations etc. is attended to by the concerned Government Department / Treasury and the banks are required only to credit the amount of pension to the pensioners' accounts maintained with them by a single debit to Government Account, such transaction is to be categorised under 'other than pension payment' and would be eligible for payment of agency commission @ 6.5 paise per ₹ 100/- turnover w.e.f. July 1, 2019.

18. The number of transactions eligible for payment of agency commission should not exceed 14 per pensioner per year. This includes one monthly credit for payment of net pension and a maximum of two per year for payment of arrears on account of increase in dearness relief, if applicable. Cases involving payment of arrears on account of late start/restart of pension qualifies as a single transaction for claiming of agency commission. In other words, any payment of arrears on account of late start/restart of pension should be treated as a single credit transaction and not as separate monthly credits.

19. Agency commission is payable to an agency bank at the full rate provided the transactions are handled by the bank at all stages. Where, however, the work is shared between two banks, the agency commission is shared between the banks in the proportion of 75:25. Thus, broadly, the agency commission is payable to the agency banks as detailed below:

- (a) At the full rate, in cases where the transactions are handled by the bank at all stages, i.e., up to the stage of dispatch of scrolls and challans / cheques to the Pay and Accounts Offices, and treasuries/sub-treasuries.
- (b) At 75% of the applicable rate, where the dealing branch is required to account for the transaction by passing on the scrolls and documents to the local/nearest branch of Reserve Bank of India or by any agency bank conducting government business.
- (c) At 25% of the applicable rate, in the case of agency branch which received the scrolls and documents from dealing branches of other banks and is responsible

for the accounting of these transactions and dispatching of the scrolls and documents to the Pay and Accounts Offices, Treasuries, etc.

20. All agency banks should settle their agency transactions for both funds and agency commission directly with the concerned Regional Office of Reserve Bank instead of routing them through any other agency bank that acts as aggregator in certain cases. So also for payments made by all agency banks on behalf of State government/s get directly settled with the concerned Regional Office of RBI. Agency Transaction details/scrolls may be sent directly by individual agency bank to the concerned State Government/Treasury. This new arrangement for settlement of State government funds on day to day basis (receipts and payments) directly with Reserve Bank is with effect from January 1, 2018.

Claiming agency commission

21. Agency banks are required to submit their claims for agency commission in the prescribed format (with GST details) to CAS Nagpur in respect of Central government transactions and the respective Regional Office of Reserve Bank of India for State government transactions. However, agency commission claims with respect to GST receipt and transactions related to direct tax collection under TIN 2.0 regime, and transactions pertaining to collection of indirect taxes through ICEGATE payment gateway reported to Mumbai Regional Office, RBI will be settled at Mumbai Regional Office of Reserve Bank of India only and accordingly all agency banks, authorized to collect GST and direct tax collection under TIN 2.0 and indirect taxes through ICEGATE payment gateway, are advised to submit their agency commission claims pertaining to the respective receipt transactions at Mumbai Regional Office only. The agency commission claim for Central Government transactions reported to CAS, Nagpur, RBI will be continued to be settled at CAS, Nagpur, RBI. The formats for claiming agency commission for all agency banks and separate and distinctive set of certificates to be signed by the branch officials and Chartered Accountants or Cost Accountants are given in [Annex 2](#), [Annex 2A](#) and [Annex 2B](#) respectively. These certificates would be in addition to the usual Certificate from ED / CGM (in charge of government business) to the effect that there are no pension arrears to be credited / delays in crediting regular pension / arrears thereof.

22. Where the External Auditor is also the Concurrent Auditor / Statutory Auditor, claims can be certified by such Concurrent Auditor / Statutory Auditor. In addition to this, agency banks are required to ensure that the agency bank's internal inspectors / auditors verify the agency commission claims submitted by their branches and confirm their accuracy during the course of their inspection / audit.

23. Reference is also drawn to the instructions contained in our letter dated November 4, 2016 advising the process of claiming reimbursement of service tax (ST) on agency commission received for Central and State Government transactions, centrally from Reserve Bank of India at Central Accounts Section, Nagpur. The same process continued even after Service Tax got subsumed into the Goods and Service Tax (GST) framework. This process of centralised claims submission has been replaced with a system whereby applicable GST (18% at present) shall be paid along

with agency commission by the respective Regional Offices of RBI / CAS, Nagpur as the case may be.

24. For eligible government transactions done with effect from July 01, 2019, agency banks shall submit the agency commission claims, including applicable GST amount, as per revised agency commission rates indicated above, to RBI at respective ROs / CAS, Nagpur as per the extant instructions issued by RBI in this regard. TDS on GST shall be deducted as applicable by RBI at the time of making agency commission payment in accordance with Government instructions in the matter.

25. However, for eligible government transactions done by agency banks upto June 30, 2019, agency banks shall continue to submit agency commission claims as well as the centralized claims for ST/GST reimbursement as hitherto.

26. Agency banks are required to ensure that agency commission claims submitted to the Regional Offices of Reserve Bank of India / Central Accounts Section, Nagpur as applicable in the prescribed format are accurate. Agency banks may also alert their branches concerned to ensure that agency commission claims submitted to our Regional Offices are accurate. Such erroneous claims, if certified by the Internal / Concurrent Auditors, will defeat the very purpose of making such requirement an essential condition for making quarterly claims.

27. Agency banks are advised to furnish their claim on agency commission to Reserve Bank within 60 calendar days from the end of the quarter in which the transactions have been conducted. If the banks fail to lodge the claims within the stipulated period mentioned above they may forward the same to RBI only after giving reasons for delay.

Penal interest for wrong claims

28. As per the agreement that agency banks have with RBI, violation or non-compliance of instructions issued by Government or Reserve Bank shall attract imposition of penalty. Agency banks will be liable to pay penal interest at Bank Rate as notified by Reserve Bank of India plus 2% for any wrong claims of agency commission settled.

IV. Annexure – 4: Timelines for remittance of government receipts (physical receipts)

**Office of the
Controller General of Accounts
Ministry of Finance
Department of Expenditure
Mahalekha Niyantrak Bhawan
E Block, INA, New Delhi
Tele/Fax : 011-24649365
Email: sao-rbd@nic.in**

No. S-11012/2/3 (17)/RBI/2018/GBA/ 1558-1606

19th Sept. 2019

Office Memorandum

Sub:- Remittance of government receipts (physical receipts) to Government account on T+1 basis.

Reference is invited to this Office Memorandum No. S-11012/1(31)/AC(22)/2015/RBD/332-424 dated 9th March 2016 (copy enclosed) prescribing timelines for credit of government receipts in government account by the agency banks.

2. As per the above OM, for the Public Sector Banks, physical receipts are required to be credited to the government account on T+3 basis, where the collecting bank branch and the focal point branch of the bank are in the same city/agglomeration. A different timeline of T+5 is stipulated wherever the collecting bank branch and the focal point branch of the bank are in a different city/agglomeration. Similarly, a timeline of T+12 is specified for the branches situated in remote, difficult and hilly areas. The requirement of T+3 applies to Private Sector Banks for physical receipts, irrespective of the area of operation. These requirements have evolved over a long period.
3. The existing time limit for remittance of the government receipts to the exchequer has been reviewed in a meeting held recently under the Chairmanship of Controller General of Accounts with the representatives of Reserve Bank of India and all the Agency Banks.
4. Based on the decisions taken in the meeting, in supersession of the earlier instructions as above, it has been decided that:-
 - (i) Since all the branches of the agency banks are on CBS platform, all the agency banks (Public/Private Sector Banks), shall remit the physical government receipts collected by the branches of the banks to Government Account in RBI on the next working day i.e. T+1 (including put through) where T stands for the day when amount is received by the dealing branch.
 - (ii) For the branches falling under North Eastern States, the specified time for remittance would be T+2 days (including put through).
 - (iii) Provision No. 11 of the OM dated 9th March 2016 will be applicable to these timelines.

(iv) All agency banks may build up their own internal control mechanism so that preventive and corrective actions are taken by the bank for its branches.

5. There is no change in the timelines prescribed for e-receipts mentioned in the above OM dated 4th March 2016.

6. These instructions shall become effective from 1st October 2019.

Encl. as above


(Taranjit Singh)

Joint Controller General of Accounts (ARPR)

To

1. CGM, DGBA, RBI, Central Office, Byculla, Opp. Mumbai Central Railway Station, Mumbai with the request to bring the above instructions to the notice of all the banks concerned.
2. All the Pr.CCAs/CCAs/CAs (Independent Charge)
3. Addl. Controller General of Defence Accounts (Accounts & Budget), O/o the Controller General of Defence Accounts, Raksha Lekha Bhawan, Ulan Batar Road, Palam, Delhi Cantt - 110010
4. Deputy Director General (PAF), Department of Posts, Dak Bhawan, Sansad Marg, New Delhi.
5. Deputy Director General (Accounts), Department of Telecommunications, Sanchar Bhavan, 20, Ashoka Road, New Delhi-110001.
6. Director Finance (CCA), Ministry of Railways, Railway Board, Rail Bhawan, New Delhi.

S-11012/1(31)/AC(22)/2015/RBD/ 332-424
Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan Market
New Delhi – 110511
Telefax : 011-24649365
E-mail : sao-rbd@nic.in

Dated : 09.03.2016

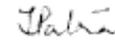
OFFICE MEMORANDUM

Sub: Standard Operating Procedure (SOP) for levying penal interest on accredited banks doing government agency business for delayed remittances etc.

Please find enclosed a copy of Standard Operating Procedure for levying penal interest on accredited banks doing government agency business.

This may also be brought to the notice of all Accounts Offices under your control for necessary action at their end.

Yours faithfully,



(Tripti P. Ghosh)

Dy. Controller General of Accounts (RBD)

Encl: As above

To

All Head of Departments (Accounts) of Non Civil Ministries/Departments

All Pr. CCAs/CCAs/CAs (Independent Charge) of Civil Ministries/Departments

General Managers of all the accredited banks

Sr. A.O. (ITD), O/o CGA for uploading this O.M. on CGA's website.

Copy to :-

1. PS to CGA
2. PS to Addl. CGA (RBD)
3. PS to Jt. CGA (TA)
4. PA to Dy. CGA (RBD)

Government of India
 Ministry of Finance, Dept. of Expenditure
 O/o the Controller General of Accounts
 Lok Nayak Bhawan, Khan Market
 New Delhi-110511

Dated 9th March 2016

Subject **Standard Operating Procedure for levying penal interest on accredited banks doing government agency business.**

The issue of levy of Penal interest on delayed remittances of Government receipts into Government accounts has been a point of discussion in various meetings with the banks. The issue was also discussed in the APEX Committee meeting held recently. It has been decided that there should be a standard procedure prescribed which should be followed by the Banks as well as the various Ministries/Departments.

1. As provided in the Civil Accounts Manual, all Pay and Accounts Offices of Government of India are required to levy Penal Interest on accredited banks doing government agency business in following cases.
 - i) Excess put through / double claim by the accredited banks in the Payment scrolls.
 - ii) Delay in remittance of government receipts by accredited banks into government account

2. Payment of Interest on Excess put through/double claim by the accredited bank.

2.1 As per Civil Accounts Manual(Para 13.6 (xv)) -Verification of the amounts 'Put through' indicated in DMA-I statement with reference to the Date wise Monthly Statement (DMS), and the preparation of 'Monthly Reconciliation Analysis' will throw light on the amounts of excess/double reimbursements obtained by the bank, if any. For such excess/double reimbursements of Rs.10 lakhs and above, interest will be claimed from the bank.

2.2 PAO should prepare the following reports in this regard:

- a. A monthly statement in CAM -73 for cases of Rs.10 lakhs and above on which levy of interest on excess/ Double Reimbursement claimed by the bank is to be levied;
- b. Quarterly reports by the 15th April/July/October/January respectively in CAM-74, Indicating cases of Excess/Double Reimbursement attracting penal interest.

While in the case of (a) above, PAO should initiate action with FPB for recovery of penal interest, the reports mentioned at (b) above should be sent by the PAO to the Pr. AO, for consolidation and onward transmission to the RBD Section in office of Controller General of Accounts.

3. Payment of Interest on delayed remittances

Para 15.20.2 of the CAM states all challans pertaining to direct taxes should be scrutinized to detect cases of delays in the remittance beyond maximum period. These delays should be investigated to ascertain whether these have occurred

1 | Page

at the receiving branch or the Nodal Branch of the Bank. A record of all such cases of delayed remittance should be kept in the Pay Accounts Office in a register in the prescribed form.

4. Calculation of Delay

'T' is the date of Transaction which will be counted from the date of receipt in case of cash payment, and date of realization in case of cheques/ drafts at the receiving branch. Delayed period interest shall be imposed on the banks for the actual delayed period and not from the date of transaction (T). In other words, the 'delay period' calculation will start from the day following the prescribed put through date (actual 'Put through' date will be included for calculation of delay). Concerned Account Offices will identify cases of delay and inform their headquarters. All cases of recovery will be processed by the Accounts Officer and quarterly report will be submitted to their HQ for taking up the matter with the Head Office of the Banks.

5. Timelines for credit of Government revenues

5.1 For Public Sector Banks for manual receipts:

a) **Local Transactions** — The existing time limit for remittance of the Government receipts to the Central Accounts Section (CAS), Reserve Bank of India (RBI) shall continue i.e. wherever the collecting bank branch and the focal point branch of the bank are in the same city/agglomeration, the settlement of transaction with RBI shall be completed within T+3 working days (where T is the day when money is available to the bank branch). For calculating the working days, the RBI (CAS Nagpur) calendar will be followed.

b) **Outstation Transactions** — The existing time limit for remittance of Government receipts to the Central Accounts Section (CAS), Reserve Bank of India shall continue, i.e. wherever the collecting bank branch and the focal point branch of the bank are in different city/agglomeration, the settlement of transaction with RBI shall be completed within T+5 working days (where T is the day when money is available to the bank branch). For calculating the working days, the RBI (CAS Nagpur) calendar will be followed.

c) **For Remote, Difficult and Hilly areas:** A period of T+12 working days (excluding put through date, where T is the day when money is available to the branch), is allowed with effect from 01.01.2010 to Public Sector Banks for manual remittance of Government receipts to CAS, RBI, Nagpur in respect of branches located in Jammu & Kashmir, Leh, Uttarakhand, Himachal Pradesh, Sikkim, North Eastern Region (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura), Jharkhand. **The above norms for remote, difficult and hilly areas will not be applicable to Private Sector Banks.**

d) In case of the local and outstation transactions, the Put through date, i.e. the date of settlement with the CAS, RBI shall be kept outside (i.e. exclusive) this existing time limit of T+3/T+5/T+12 working days as stated above.

5.2 For Private Sector Banks for manual receipts:

All Transactions — The existing time limit for remittance of the Government receipts to the Central Accounts Section (CAS), Reserve Bank of India (RBI) shall continue i.e. the settlement of transaction with RBI shall be completed within T+3 working days (where T is the day when money is available to the bank branch). For calculating the working days, the RBI(CAS Nagpur) calendar will be followed. **Put Through date would be inclusive in T+3 limits.**

5.3 For e-receipts (All Banks)

- (a) As per CGA's O.M. No S-1012/3/P.Intt(RP)/CGA/2007/RBD/1350 dated 08.07.2008 stipulated that remittance period in respect of Private Sector Banks for all Government transactions including EASIEST (CBEC) and OLTAS(CBDT) made through e-payments will be T+1 working day (including put through date) w.e.f. 01/08/2008.
- (b) As per CGA's O.M. No. S-1012/3/P.Intt(RP)/CGA/2007/RBD/1350 dated 05.10.2010, w.e.f. 01/11/2010 and in supersession of order dated 08.07.2008 mentioned above the remittance period in respect of all govt. transactions made through e-payments (including tax receipts of CBDT and CBEC) in respect of Public Sector Banks as well as Private Sector Banks will be T+1 working day (including Put through date).
- (c) The following additional instructions for e-receipt collection by the accredited bank through **Debit/Credit Cards/Net Banking** were circulated vide this office O.M. no. S-11012/2/2(5)/Pvt SB/2009/RBD/1391-1406 dated 15/12/2014:
 - (i) Remittance norms of T+1 working day including the Put Through day should be strictly followed. "T" is the day money is available with the receiving bank branch of the agency/accredited bank.
 - (ii) Penal interest should be levied on the delayed remittance of e-receipt into Government Account, i.e. on delay beyond T+1 working day, if any.
 - (iii) In respect of transactions occurring through Debit/Credit Cards and Net Banking the settlement should conform to the provisions contained in the Payment and Settlement Act 2007 of the Reserve Bank of India and rules and regulations made therein.

6 For Small Savings Schemes of M/o Finance (PPF & SCSS etc.)

In respect of Small Savings Schemes of M/o Finance (PPF & SCSS etc.), the directions given in the M/o Finance, Dept. of Economic Affairs, Budget Division O.M. no. F.17/1/2008-NS-II dated 15th May 2008 (as amended from time to time) would be applicable. This order lays down the following conditions for remittances and rate of interest of penal interest on delayed remittance.

6.1 All remittances shall be credited to Government Account at, RBI, CAS, Nagpur within 3 days (including holidays) for private sector banks and excluding holidays for Public Sector Banks

6.2 The Put-through Date is excluded from the grace period of 3 days

3 | Page

(excluding holidays).

- 6.3 In case of delays beyond the above mentioned period, the penalty payable by accredited banks on such delayed remittances shall be the applicable rate of interest payable to the depositor plus 0.5% in case of delays up to 30 days and plus 1% in case of delays beyond 30 days.
- 6.4 Observance of Rules and Regulations of the PPF Scheme and the SSCS Scheme as amended from time to time. Non-observance of rules and regulations would attract penal action including de-authorisation of branch/bank. Pecuniary liabilities, if any, arising from such non-observance shall be borne entirely by the bank.

7. Rate of Penal Interest

- 7.1 CAM para 15.20.3 states "The rate of interest to be charged is Bank Rate as prevailing (which is generally notified biannually on May 1 and November 1) plus 2% or as decided by Reserve Bank in consultation with CGA from time to time.
- 7.2 The period of delay in a transaction of Rs. 1 lakh and above shall attract delayed period interest at Bank Rate + 2%.
- 7.3 For the transaction below Rs. 1 lakh in each case, the delayed period interest shall be levied only at the Bank Rate for delays up to 5 calendar days and above 5 calendar days at the Bank Rate + 2% for the full period of delay.
- 7.4 For petty claims of delayed penal interest involving an amount of Rs. 500/- or below will be ignored and excluded from the purview of penal interest (CGA's OM no. S-11012/3/P.Intt(RP)/CGA/2007/RBD/499 dated 06/04/2009). This limit of penal interest of Rs 500 is for per transaction.
- 7.5 In respect of Non-Tax and all other Government receipts also, for permissible time limit, calculation of delay period and delayed period interest, the above instructions shall be applicable.
- 7.6 The rate of penal interest in case of PPF/SCSS schemes of M/o Finance is mentioned in para 5.4(ii) above.
- 7.7 All banks may build up their own internal control mechanism so that the preventive and corrective actions are taken by the bank for its branches well in time.

8. Reporting of Penal Interest

8.1 Total delayed amount, which has not been remitted in time as per the above timelines and the penalty due along with details of individual cases will be intimated by the concerned Pr.CCAs/CCAs/CAs (for the Non Civil Ministries by the concerned Head of the Department) to the Head Office of the bank concerned on a quarterly basis by 15th of the following month (e.g. for the quarter ending June the cases should be sent by 15th July) along with all necessary documents.

8.2 Where penal interest payable is based on audit, all delays in remittance of receipts of Government along with Penal interest payable should be reported to the concerned banks within 3 months of completion of audit.

8.3 In exceptional cases where Ministry/Department is not able to lodge the penal interest claim within the stipulated time frame prescribed above, a case for

seeking relaxation with full justification would be sent to CGA for consideration.

9. Payment of Penal Interest by Banks

Banks will pay penal interest for claims lodged by concerned Ministries/Departments within a period 3 months from the date of issue of claims by Ministries/Departments

10. Resolution of any dispute

10.1 In case of any dispute in penal interest between the banks and the Ministries/Departments, such cases may be forwarded by the banks to the RBD section of CGA for necessary action

10.2 All cases of dispute forwarded by banks will be put up to a committee formed for this purpose. The committee would be chaired by Additional CGA (RBD), O/o CGA with the following members

- a) Pr CCAs/CCAs/CAs (Independent charge) of the concerned Ministry for cases relating to Civil Ministries/Departments
- b) JS Level officer (in case of Non Civil Ministries)
- c) CGM, DGBA, RBI
- d) Representative from the concerned bank at CGM/GM level
- e) Jt. CGA(RBD)-Member Secretary

10.3 In case the banks do not pay penal interest or lodge any dispute within the prescribed timelines given above, direct debit of the bank's account will be done for the amount of Penal interest in consultation with RBI.

11. Terms of Waiver

11.1 The penal interest levied on accredited banks cannot be waived. Only the period of delay counted for calculation of penal interest can be relaxed/condoned by the Committee/Controller General of Accounts on case to case basis. Following are some of the cases in which period of delay can be relaxed/condoned for calculation of penal interest:

(a) Force majeure such as war, not or by an 'act of God' -The effective period of the Force majeure clause for relaxation of time period of delay will be decided by the O/o CGA in consultation with RBI.

(b) Continuous holidays as per RBI calendar.

(c) Annual/Half yearly closing of accounts of banks (1st of April & 1st of October)

11.2 The period of Strike by the Bank's staff will not be excluded from the permissible period for remittance of Government revenues. (O/o CGA O M no. S-11012/3(35)/CBDT/DE/2003-04/RBD/790 dated 14/05/2008)

11.3 The committee will take into account all factors responsible for delay and then condone only the period of delay.

12. Grounds for Appeal

In cases where the decision of the Committee is not found acceptable by either the Ministry/Department or the bank, an appeal can be filed with the Controller General of Accounts within 30 days of the decision of the committee. The decision of the CGA will be final and binding

13. Effective date

The Standard operating procedure will be effective from 1st April, 2016 until further orders.

This may be brought to the notice of all the field offices under your control for taking necessary action.



Dy. Controller General of Accounts (RBD)

All the Heads of Accounts (Non Civil Ministries)

All Pr.CCA's/CCA's/CA's (Independent charge of the Ministry /Department)-In case of Civil Ministries

Copy to:

General Manager (Govt. Business) of PSU Banks and Three Private Sector Banks (ICICI Bank, Axis Bank, HDFC Bank)

CGM (DGBA), RBI, Central Office, Mumbai.

V. Annexure – 5: Guidelines to existing NTRP portal incorporating the new Banking arrangement norms and rules

No.R-12001/8/2020-GBA-CGA-Part (2) | 1199-1250
Government of India
Office of Controller General of Accounts
Ministry of Finance, Department of Expenditure
Mahalekha Niyantrak Bhawan
E-Block, GPO Complex, INA, New Delhi-110023
Telefax :011-24649365, E-Mail: sao-rbd@nic.in
Dated: 22nd October 2021

OFFICE MEMORANDUM

Sub: Revised Guidelines to existing NTRP portal incorporating the new Banking arrangement norms and rules :

The following documents have been finalized with the approval of the Competent Authority for integration of Payment Gateways in the Non-Tax Revenue Portal (www.bharatkosh.gov.in).

1. Service Level Agreement between Acquirer Bank and PGA. **(Annexure-1)**
2. Guidelines for Acquirer Banks providing PGA Services. **(Annexure-2)**
3. Format for on boarding on NTR Portal. **(Annexure-3)**

Information Technology Division (NTRP) and Agency banks dealing with Government Agency Business may take necessary steps in accordance with the abovementioned documents for onboarding and integration of the Acquirer Banks/PGs with Non-Tax Revenue Portal.


(Ashish Kumar Singh)
Dy. Controller General of Accounts (GBA)

Encl: As above

To,

1. Addl. Controller General of Accounts (Systems Group), O/o CGA
2. Joint Controller General of Accounts (GIFMIS), O/o CGA
3. ACGA, ITD- NTRP, O/o CGA

Copy for information to:

1. All Pr.CCA/CCA/Cas with independent charge
2. The CGDA, O/o CGDA, M/o Defence, Delhi Cantonment, Delhi-110010
3. The Financial Commissioner, Railway Board, M/o Railways, New Delhi
4. The Sr.DDG (PAF), Department of Posts, Dak Bhawan, New Delhi
5. The DDG(Accounts), Department of Telecommunications, New Delhi
6. The Finance Secretary, UT's without legislature.
7. The General Managers (Government Business) of all Government Agency Banks
8. Sr.A.O.(ITD) with the request to upload this OM on website.

(Annexure-1)

**Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Mahalekha Niyanktrak Bhawan, GPO Complex
E-Block, INA, New Delhi – 110 023**

No. R-1200/8/2020-GBA-CGA-Part(2)

Dated:- 25-10-2021

Subject: Essential norms for PG/PGAs of Acquirer Banks for providing Aggregator Services in collection of Government receipts.

Only CGA/ RBI authorized Banks can conduct government agency business and can also function as Acquirer Bank on a government website/ portal for collection of government revenue, tax/ non-tax, etc. The Acquirer Bank is bound by the Agency Bank Agreement it has entered into with the Department of Government and Bank Accounts, Reserve Bank of India, Mumbai. According to requirement of any portal the Acquirer Bank may enter into a Service Level Agreement (SLA) with the PGs as their technology partner. In all such situations, Acquirer Bank have to settle funds with payment details with Accredited Bank of service rendering Ministry/ department. accredited Bank has to settle these funds with RBI as per the Agreement for Government Agency business. The settlement of funds is to be done under stipulated timelines to avoid any penal interest.

The SLA between Acquirer Bank and PG may consist of the following items:

(1) The PGA is required to be integrated with all the Agency Banks doing Government business namely SBI, all PSU banks, Axis Bank, IDBI, ICICI Bank and HDFC Bank which are old authorized banks to conduct Government business.

(2) The PGA would provide technological support to receive Government receipt by Acquirer Bank with all necessary payment details. All responsibility towards remittance to accredited Bank of the service rendering Ministry shall be upon Acquirer Bank.

(3) Mode of Collection of Funds:

The Acquirer Bank through its Payment Gateway/Aggregator Services would facilitate collection of funds on account of Government revenue from General Public/Companies/Organisations/Autonomous Bodies etc. through the following modes:

- a. Net Banking
- b. Debit Cards (RuPay Debit cards as mandatory)
- c. Credit Cards (RuPay Debit cards as mandatory)
- d. Unified Payment Interface (UPI)/Bharat Interface for Money (BHIM)
- e. UPI/BHIM QR Codes

(4) Adherence to the Reserve Bank of India Guidelines:

- i. The PGA shall follow the Guidelines on regulation of Payment Aggregators and Payment Gateways issued by the Department of Payment and Settlement Systems, Reserve Bank of India vide circular no. RBI/DPSS/2019-20/174 issued under file number DPSS.CO.PD.No.1810/ 02.14.008/2019-20 dated March 17, 2020 as amended from time to time. These guidelines are issued under Section 18 read with Section 10(2) of the Payment and Settlement Systems Act, 2007 and shall come into effect from April 1, 2020 other than for activities for which specific timelines are mentioned.
- ii. The Payment Gateway/Aggregator is required to strictly adhere to RBI guidelines dated 24th November 2009 on opening and operation of accounts for electronic payment transactions involving intermediaries vide letter No. RBI/2009-10/231 (DPSS.CO PD.NO.1102/02.14.08/2009-10 as amended from time to time except settlement cycle which is to follow the clause III mentioned in this OM.
- iii. The Payment Gateway/Aggregator is required to strictly adhere to RBI guidelines dated 24th November 2009 on opening and operation of accounts for electronic payment transactions involving intermediaries vide letter No. RBI/2009-10/231 (DPSS.CO PD.NO.1102/02.14.08/2009-10 except settlement cycle which is to follow the clause III mentioned in this OM. Also, to follow the guidelines as stipulated by RBI or any instruction issued by RBI in this regard.

(5) Integration and Report Formats for NTRP

- a. The Acquirer Bank must ensure that Payment Gateway/Aggregator is abiding by the integration document prescribed by NTRP for on-boarding on NTRP. However, changes shall be incorporated as per the integration requirements communicated by the NTRP from time to time.
- b. The Acquirer Bank must ensure that Payment Gateway/Aggregator is abiding by the document containing Formats of EOD, SOD, MIS and Scroll Format

prescribed by NTRP after on-boarding on NTRP. The changes if any made to these document formats may also be incorporated into the system by Acquirer Bank/PGA.

- c. The Acquirer Bank must ensure that Payment Gateway/Aggregator is strictly abiding by the Process Flow for online payment process as prescribed by NTRP.
- d. The Acquirer Bank must ensure that Payment Gateway/Aggregator is strictly abiding by the Process Flow for offline payment process as prescribed by NTRP

(6) Timelines for remittance of collected amount and Reporting on NTR Portal:

- i. The Payment Gateway/Aggregator has to facilitate Acquirer Bank in way that it can transfer the amount of daily collection to the designated account of accredited banks of the respective Ministry/Department on T+1 basis before 18:30 PM where T refers to the date of transaction.
- ii. Acquirer Bank has to submit consolidated Settlement file of the Day (SOD) containing all the transactions reported as success on NTRP and MIS to the accredited banks of the concerned Ministries/Department.
- iii. **The penalty for the delayed remittance by Acquirer Bank to Accredited Bank through its PGA shall be as per standard norms issued by O/o CGA in consultation with RBI.**

- (a) The penalty is to be levied from the date of transaction (T).
- (b) The penalty shall be levied on the per transaction amount that remains unsettled by the Acquirer Bank with the accredited bank on T+1 day.
- (c) The penalty shall be payable by the Acquirer Bank to the PAO through Bharatkosh.
- (d) For delayed remittance of funds collected by Accredited bank to the Government account maintained in RBI, extant orders on penal interest would apply.

(7) Performance related issues:

- a. The Payment Gateway/Aggregator Services have to ensure that the uptime of aggregator services with respect to e-payments is greater than 99%. If monthly average uptime availability falls below 95% for consecutive three months in a financial year, the same shall lead to removal of the Acquirer Bank from NTRP or monetary penal provision or both as per the decision of O/o CGA.
- b. Any scheduled downtime in the provision of services in LIVE/UAT is to be communicated to NTRP office at least 2 days prior to such an event.
- c. The Payment Gateway/Aggregator Services are required to adhere to the following response time as the time PGA through Acquirer Bank takes to respond back or acknowledge the problem raised by NTRP. Resolution time is defined as the time

taken by Acquirer Banks to fix the problem. This will include any testing to be done by the Acquirer Banks before it is offered to customer for final testing.

Severity Level	Description	Response Time	Resolution Time
Level 1 (High)	Complete system failure - PGA's site is completely non-functional and no transactions can be executed	30 Minutes	Within 4 hours
Level 2 (Medium)	Partial system failure - Payment gateway site is up but there is a degradation in gateway performance for reasons solely within PGA control	2 hours	Within 8 hours
Level 3 (Low)	Technical issues - Services do not work as per technical specifications document of NTRP	4 hours	Within 2 working days

(8) Data Security:

- a. The Payment Gateway/Aggregator must ensure that all online financial transactions be based on secure data transmission with a standard encryption system that encrypts the user's submission of private financial data before it leaves their web browser. The data must remain encrypted throughout transmission until it's safely received at the intended server where it is decrypted and processed. The Acquirer Bank for Payment Gateway/Aggregator Services to have the proof of adherence to accreditation to Quality Management Systems, PCI DSS certification and relevant Information Security Management System standards
- b. The Payment Gateway/Aggregator to retain authorization logs, non-repudiation logs and transaction records for the entire period of contract. Details pertaining to transactions within last year from the transaction date to be provided maximum within two working days. For details pertaining to transactions earlier to last one year to be provided within maximum three working days.
- c. The Payment Gateway/Aggregator Services to have server to server communication capability so as to update the status of transactions as and when the service is called. For Corporate Internet Banking cases, the transaction status sent in response to NTRP post initiation of payment by maker is 'pending'. The status post approval by checker is changed to 'success' at Acquirer Bank's end. On querying the transaction status from Acquirer Bank's status at NTRP end would then change to 'success'.

(9) Other operational Issues:

- i. A modality "Delivery versus Payment" (DVP) at NTRP wherein if after reaching Payment Gateway (PG) page, if, Success, Fail or Booked status is not received within 30 Minutes, then such transactions will be marked for Refund Initiation post 30 minutes of transaction posting to PG, and PG will mark such transactions with the status "**FailRef**". This must be adhered to by all the PGAs.
- ii. Payment Gateway/Aggregator Services shall not place limits on transaction amount for a particular payment mode. The responsibility therefore shall lie with the issuing bank / entity; for instance, the card issuing bank shall be responsible for placing amount limits on cards issued by it based on the customer's credit worthiness, spending nature, profile, etc. For UPI transactions monetary limits laid out by RBI/ NPCI for each transaction shall be applicable.
- iii. Payment Gateway/Aggregator Services shall not give an option for ATM PIN as a factor of authentication for card-not-present transactions. In such cases OTP enabled payment may be adhered to as additional authentication factor.

(10) MDR related matter

Subsequent to amendment to the PAYMENT AND SETTLEMENT SYSTEMS ACT, 2007 in the Finance Act (no. 2) of 2019, PART XV, AMENDMENT read with Ministry of Finance, Department of Revenue, Central Board of Direct Taxes Notification dated the 30th December, 2019 which inserted GSR 960(E) to the Income Tax Rules, 1962, no bank or system provider shall impose, whether directly or indirectly, any charge upon a person making or receiving a payment by using the electronic modes of payment prescribed under section 269SU of the Income-tax Act, 1961 which are as under:

- (i) Debit Card powered by RuPay;
- (ii) Unified Payments Interface (UPI) (BHIM-UPI); and
- (iii) Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code)".

It is therefore clarified that payment of government revenue, whether tax or non-tax by any card other than RuPay Debit Card would attract applicable MDR charges as per the Card agreement and shall be payable by the card holder. The applicable MDR, in such cases, would be in addition to the government revenue and to be paid by the tax payer. The Challan amount shall be equal to the government revenue paid by the card holder. Full amount equal to the government revenue so collected shall be settled with RBI. The Acquirer Banks/Payment Gateways shall not in any circumstances deduct MDR/other charges from the amount of government revenue remitted by the Customer. The Government of India would not bear any MDR charges. These have to be paid by the Customer paying government revenue.

(11) Refund and Chargeback Policy

- a. Payment Gateway/Aggregator Services shall follow the Refund/Chargeback policy as intimated by this office OM no. 180001/1/2020-GBA-CGA/918-1068 dated 17/09/2021 (as amended from time to time).
- b. There shall not be any chargeback, whether automatic or otherwise, on the government receipt portal. This will be displayed to the Card Holder prominently on the web site on PGA's page.
- c. Refund of money shall be through the Ministry/Department concerned. This will be displayed to the Card Holder prominently on the web site on PGA's page.
- d. All refunds shall be made to the original mode of payment unless specifically agreed by the customer to credit to an alternate mode.

(12) Other Miscellaneous Matters:

- a. The Acquirer Bank for Payment Gateway/Aggregator Services shall nominate one official as Nodal officer for interacting with the Systems Group, NTRP Cell, O/o of the CGA for which Sr. Accounts Officer in Information Technology Division in charge of Non-Tax Revenue Portal is the nodal officer for NTRP in O/o CGA.
- b. **This office reserves the right to withdraw the integration with the Acquirer Bank for Payment Gateway/Aggregator Services on non-compliance of any of the above Service Level conditions.**



(Ashish Kumar Singh)
Dy. Controller General of Accounts

(Annexure-2)

Government of India
Ministry of Finance, Department of Expenditure
Controller General of Accounts
Mahalekha Niyanktrak Bhawan, GPO Complex
E-Block, INA, New Delhi – 110 023
Tel: 24649365, Email: sao-rbd@gov.in

No. R-1200/8/2020-GBA-CGA-Part(2)

Dated:- 25-10-2021

Subject:- Guidelines for on-boarding of Acquirer Bank for receiving funds through Non-tax Receipts Portal (Bharatkosh)

Ministry of Finance, Department of Expenditure vide its Office Memorandum No. 49(7) PF-I/2014 dated 2nd December, 2014 had decided that to enable e-receipts of Non-tax receipts, a citizen friendly non-tax revenue portal should be launched enabling e-receipts of all the Non-tax revenue of Government of India (GoI). Accordingly, office of Controller General of Accounts developed a Non-Tax Receipt Portal (NTRP), known as 'Bharatkosh' (URL: <https://bharatkosh.gov.in>) through which a depositor can make online Non-tax revenue payments, generate online receipt/challan and access the information. The application is part of Public Financial Management System (PFMS) Portal. The ultimate objective is to integrate all the non-tax receipts of all the Pay and Account Offices of different Ministries/Departments reporting their accounts (receipts and payments) to the Controller General of Accounts on NTRP.

NTRP provides a one-stop window to Citizens/Corporate/other entities for making online deposits of Non-tax receipts due to Government of India (GoI). A depositor can make payment of non-tax revenue electronically (using Credit Card (CC), Debit Card (DC), Net banking, Immediate Payment Service (IMPS) and Unified Payment Interface/Bharat Interface for Money (UPI/BHIM). NTRP is integrated with accredited banks of various Ministries/Departments. The integrated model of NTRP reduces the time taken for funds settlement from end Customer to Government Account along with availability of efficient reconciliation, accounting and tracking of funds.

The stakeholders in NTRP serve their broad roles as:

1. CGA Office – Facilitating the Non-tax collection from citizens or other entities through Non Tax Receipt Portal i.e. [www dot bharatkosh dot gov dot in](http://www.bharatkosh.gov.in);
2. Acquirer Banks through its PGAs – provide an interface for collection of Non-tax receipts electronically, settlement of funds with Accredited banks under T+1 (where T is the date of transaction), meeting technical requirements for integration and reporting. Coordination with Accredited Banks to provide details of transactions and follow the guidelines issued by CGA/NTRP;
3. Accredited Banks – Integrate with Acquirer Bank to submit receipt scrolls to the PAOs of the Ministries/Departments of which they are accredited banks and settlement and reporting of funds collected through Non Tax Receipt Portal within the prescribed timelines with RBI.
4. Pay and Accounts Offices of Ministries/Departments who get MIS and information of e-receipts through NTRP and PFMS for incorporation of the same in the accounts of the respective Ministries/Departments.

In order to adhere to the timelines for depositing the Non-tax receipts into Accredited Bank of the Ministry/Departments, it has been decided that Acquirer Banks through their PGAs should adhere to the following guidelines for on boarding Non Tax Revenue Portal for collection of Non-tax Receipts electronically:-

1. Only Banks authorized by the CGA/Reserve Bank of India for conducting Government agency business on its behalf are eligible for on-boarding Non Tax Revenue Portal www.bharatkosh.gov.in as the Acquirer Bank.
2. An Acquirer Bank can tie up with any Payment Gateway authorized by the Reserve Bank of India for carrying on the business of Payment Gateway in India for collection of funds online through digital means or offline mode through Point of Sale (POS) machines for collection of receipts.
3. Only those PGs which are registered in India and licensed by the Reserve Bank of India for carrying on the business of Payment Gateway Aggregators in India would be eligible for on-boarding the Non Tax Receipt Portal through a tie up with a bank mentioned at Sl. No. 1 above.
4. The Acquirer Banks/Payment Gateways shall follow the Guidelines on regulation of Payment Aggregators and Payment Gateways issued by the Department of Payment and Settlement Systems, Reserve Bank of India vide circular no. RBI/DPSS/2019-20/174 issued under file number DPSS.CO.PD.No.1810/02.14.008/2019-20 dated March 17, 2020 as amended from time to time. These guidelines are issued under Section 18 read with Section 10(2) of the Payment and Settlement Systems Act, 2007 and has come into effect from April 1, 2020 other than for activities for which specific timelines are mentioned.

6. The PGAs are required to strictly adhere to RBI guidelines dated 24th November 2009 on opening and operation of accounts for electronic payment transactions involving intermediaries vide letter No. RBI/2009-10/231 (DPSS.CO PD.NO.1102/02.14.08/2009-10 except settlement cycle which is to follow the clause III mentioned in this OM.
7. The on-boarded Acquirer Banks have to abide by the integration document prescribed by NTRP for on-boarding on NTRP. However, changes shall be incorporated as per the integration requirements communicated by the NTRP from time to time.
8. The Acquirer Bank have to ensure that the uptime of Aggregator services with respect to e-payments is always greater than 95%. If monthly average uptime availability falls below 95% for consecutive three months in a financial year, the same shall lead to removal of the Acquirer and its PGA from NTRP or monetary penal provision or both as per the decision of NTRP.
9. The Acquirer Bank to ensure that all online financial transactions shall be based on secure data transmission with a standard encryption system that encrypts the user's submission of private financial data before it leaves their web browser. The data must remain encrypted throughout transmission until it's safely received at the intended server where it is decrypted and processed.
11. The Acquirer Bank to have the proof of adherence to accreditation to Quality Management Systems, PCI DSS certification and relevant Information Security Management System standards.
12. Acquirer bank shall ensure that the extant instructions with regard to Merchant Discount Rate (MDR) are followed. Information on other charges such as convenience fee, handling fee, etc., if any, being levied shall also be displayed upfront by the Acquirer Bank. In case of any doubt, clarification from this office may be sought before any changes are affected.
13. All Acquirer Banks shall abide by the Baseline technology relations recommendations as laid out in Annexure 2 of the DPSS, RBI circular no. RBI/DPSS/2019-20/174 issued under file number DPSS.CO.PD.No.1810/02.14.008/2019-20 dated March 17, 2020 as amended from time to time.



(Ashish Kumar Singh)
Dy. Controller General of Accounts

(Annexure-3)

Government of India
 Ministry of Finance, Department of Expenditure
 Office of the Controller General of Accounts
 Mahalekha Niyantarak Bhawan,
 E-Block, GPO Complex, INA, New Delhi-110023

Format of Information to be provided by the Acquirer Bank for on boarding on the Non Tax Revenue Portal ([www dot bharkosh dot gov dot in](http://www.dot.bharatkosh.gov.in)).

Sl. No.	Particulars	Information to be filled by Acquirer Bank (Remarks)
1	Name of the Acquirer Bank (AB) and its Registered Office. Whether AB is authorized to conduct government agency business by Reserve Bank of India.	
2	Contact Details of the Officer of AB authorized to deal in this matter	
3	Date of Incorporation of the AB and number issued by Registrar of Companies (Attached Certificate of Incorporation)	
4	Place in India where incorporated	
5	Acquirer bank to attach a copy of the SLA containing all clauses mentioned in the OM no. No. R-1200/8/2020-GBA-CGA-Part(2) dated 25-10-2021 with PGA's for handling this business.	
6	Attach a Board approved policy for disposal of complaints / dispute resolution mechanism / time-lines for processing refunds, etc., in such a manner that the RBI instructions on Turn Around Time (TAT) for resolution of failed transactions issued vide DPSS.CO.PD No.629/02.01.014/2019-20 dated September 20, 2019.	
7	Details of the Nodal Officer in Acquirer Bank's PGA for regulatory and Customer Grievance handling functions.	

8	Acquirer Bank has to provide the certificate that his PGAs shall not store the customer card credentials within their database or the server accessed by the merchant. They shall comply with data storage requirements as applicable to Payment System Operators (PSOs).	
9	Whether Acquirer Bank's PGA has an established mechanism for monitoring, handling and follow-up of cyber security incidents and breaches.	
10	Whether the Acquirer Bank's PGA have integration with all the PSU banks, SBI, HDFC Bank, ICICI Bank, IDBI Bank, J&K Bank and Axis Bank for daily settlement of funds and MIS thereof.	
11	Modes of Payments offered by Acquirer bank's PGA proposes to use for collection of funds on Non Tax Revenue Portal.	



(Ashish Kumar Singh)
Dy. Controller General of Accounts

VI. Annexure – 6: Guidelines on Regulation of Payment Aggregators and Payment Gateways



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/DPSS/2019-20/174
DPSS.CO.PD.No.1810/02.14.008/2019-20

March 17, 2020
(Updated as on November 17, 2020)

All Payment System Providers and System Participants

Madam / Sir,

Guidelines on Regulation of Payment Aggregators and Payment Gateways

This has reference to Reserve Bank of India (RBI) [circular DPSS.CO.PD.No.1102/02.14.08/2009-10 dated November 24, 2009](#) on 'directions for opening and operation of accounts and settlement of payments for electronic payment transactions involving intermediaries'.

2. A reference is also invited to the discussion paper placed on the RBI website on guidelines for regulation of Payment Aggregators (PAs) and Payment Gateways (PGs). Based on the feedback received and taking into account the important functions of these intermediaries in the online payments space as also keeping in view their role vis-à-vis handling funds, it has been decided to (a) regulate in entirety the activities of PAs as per the guidelines in [Annex 1](#), and (b) provide baseline technology-related recommendations to PGs as per [Annex 2](#).

3. Detailed guidelines to this end are appended. It may be noted that these guidelines are issued under Section 18 read with Section 10(2) of the Payment and Settlement Systems Act, 2007 and shall come into effect from April 1, 2020 other than for activities for which specific timelines are mentioned.

Yours faithfully,

(P. Vasudevan)
Chief General Manager

Encl. : As above

कुलपति और निपटारा प्रणाली विभाग, बैंकिंग कार्यालय, 14 वीं मंजिल, बैंकिंग कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001
 फोन: (91-22) 2264 4995; फैक्स: (91-22) 22691557; ई-मेल: ogmdpsco@rbi.org.in
 Department of Payment and Settlement Systems, Central Office, 14th Floor, Central Office Building, Shaheed Bhagat Singh Marg, Fort, Mumbai - 400001
 [हिंदी आगमन है, कृपया प्रयोग न करें]

Annex 1

Guidelines on Regulation of Payment Aggregators and Payment Gateways
(DPSS.CO.PD.No.1810/02.14.008/2019-20 dated March 17, 2020)

Payment Aggregators (PAs) and Payment Gateways (PGs) are intermediaries playing an important function in facilitating payments in the online space.

1. Definitions

1.1. For the purpose of this circular, the PAs and PGs are defined as under:

1.1.1. PAs are entities that facilitate e-commerce sites and merchants to accept various payment instruments from the customers for completion of their payment obligations without the need for merchants to create a separate payment integration system of their own. PAs facilitate merchants to connect with acquirers. In the process, they receive payments from customers, pool and transfer them on to the merchants after a time period.

1.1.2. PGs are entities that provide technology infrastructure to route and facilitate processing of an online payment transaction without any involvement in handling of funds.

1.2. In the processing of an online transaction the following timelines are involved:

- 'Tp' – date of charge / debit to the customer's account against the purchase of goods / services.
- 'Ts' – date of intimation by the merchant to the intermediary about shipment of goods.
- 'Td' – date of confirmation by the merchant to the intermediary about delivery of goods to the customer.
- 'Tr' – date of expiry of refund period as fixed by the merchant.

2. Applicability

2.1. The guidelines shall be applicable to PAs. PAs shall also adopt the technology-related recommendations provided in [Annex 2](#). As a measure of good practice, the PGs may adhere to these baseline technology-related recommendations.

2.2. Domestic leg of import and export related payments facilitated by PAs shall also be governed by these instructions.

2.3. The guidelines are not applicable to Cash on Delivery (CoD) e-commerce model.

3. Authorisation

- 3.1. The criteria of authorisation has been arrived at based on the role of the intermediary in handling of funds.
- 3.2. Bank and non-bank PAs handle funds as part of their activities. Banks, however, provide PA services as part of their normal banking relationship and do not therefore require a separate authorisation from RBI. Non-bank PAs shall require authorisation from RBI under the Payment and Settlement Systems Act, 2007 (PSSA).
- 3.3. PA shall be a company incorporated in India under the Companies Act, 1956 / 2013. The Memorandum of Association (MoA) of the applicant entity must cover the proposed activity of operating as a PA.
- 3.4. Existing non-bank entities offering PA services shall apply for authorisation on or before June 30, 2021. They shall be allowed to continue their operations till they receive communication from RBI regarding the fate of their application.
- 3.5. Entities seeking authorisation as PA from the RBI under the PSS Act, shall apply in [Form A](#) to the Department of Payment and Settlement Systems (DPSS), RBI, Central Office, Mumbai. Entities regulated by any of the financial sector regulators shall apply along with a 'No Objection Certificate' from their respective regulator, within 45 days of obtaining such a clearance.
- 3.6. E-commerce marketplaces providing PA services shall not continue this activity beyond the deadline prescribed at clause 3.4 above. If they desire to pursue this activity, it shall be separated from the marketplace business and they shall apply for authorisation on or before June 30, 2021.
- 3.7. PGs shall be considered as 'technology providers' or 'outsourcing partners' of banks or non-banks, as the case may be. In case of a bank PG, the guidelines issued by Reserve Bank of India, Department of Regulation (DoR) vide [circular No.DBOD.NO.BP.40/21.04.158/2006-07 dated November 3, 2006](#) on "Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks" and other follow up circular(s) shall also be applicable.

4. Capital Requirements

- 4.1. PAs existing as on the date of this circular shall achieve a net-worth of ₹15 crore by March 31, 2021 and a net-worth of ₹25 crore by the end of third financial year, i.e., on or before March 31, 2023. The net-worth of ₹25 crore shall be maintained at all times thereafter.
- 4.2. New PAs shall have a minimum net-worth of ₹15 crore at the time of application for authorisation and shall attain a net-worth of ₹25 crore by the end of third financial year of grant of authorisation. The net-worth of ₹25 crore shall be maintained at all times thereafter.

4.3. Illustratively,

Non-bank Entity	Date of Application / Authorisation	Date of Achieving ₹ 15 Cr. Net-worth	Date of Achieving ₹ 25 Cr. Net-worth
Existing PAs	Up to 30/06/2021	Date of application or 31/03/2021 whichever is earlier	31/03/2023
New PAs	20/03/2020	On date of application	31/03/2022
	01/04/2020		31/03/2023
	01/03/2021		31/03/2023
	01/04/2021		31/03/2024

4.4. Net-worth shall consist of paid-up equity capital, preference shares that are compulsorily convertible to equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of assets but not reserves created by revaluation of assets adjusted for accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any. Compulsorily convertible preference shares can be either non-cumulative or cumulative, and they should be compulsorily convertible into equity shares and the shareholder agreements should specifically prohibit any withdrawal of this preference capital at any time.

4.5. Entities having Foreign Direct Investment (FDI) shall be guided by the Consolidated Foreign Direct Investment policy of the Government of India and the relevant foreign exchange management regulations on this subject.

4.6. PAs shall submit a certificate in the enclosed format from their Chartered Accountants (CA) to evidence compliance with the applicable net-worth requirement while submitting the application for authorisation. Newly incorporated non-bank entities which may not have an audited statement of financial accounts shall submit a certificate in the enclosed format from their Chartered Accountants regarding the current net-worth along with provisional balance sheet.

4.7. PAs that are not able to comply with the net-worth requirement within the stipulated time frame (as given at clauses 4.1 & 4.2) shall wind-up payment aggregation business. The banks maintaining nodal / escrow accounts of such entities shall monitor and report compliance in this regard.

5. Governance

5.1. PAs shall be professionally managed. The promoters of the entity shall satisfy the fit and proper criteria prescribed by RBI. The directors of the applicant entity shall submit a declaration in the enclosed format. RBI shall also check 'fit and proper' status of the applicant entity and management by obtaining inputs from other regulators, government departments, etc., as

deemed fit. Applications of those entities not meeting the eligibility criteria, or those which are incomplete / not in the prescribed form with all details, shall be returned.

5.2. Any takeover or acquisition of control or change in management of a non-bank PA shall be communicated by way of a letter to the Chief General Manager, Department of Payment and Settlement Systems (DPSS), RBI, Central Office, Mumbai within 15 days with complete details, including 'Declaration and Undertaking' by each of the new directors, if any. RBI shall examine the 'fit and proper' status of the management and, if required, may place suitable restrictions on such changes.

5.3. Agreements between PAs, merchants, acquiring banks, and all other stake holders shall clearly delineate the roles and responsibilities of the involved parties in sorting / handling complaints, refund / failed transactions, return policy, customer grievance redressal (including turnaround time for resolving queries), dispute resolution mechanism, reconciliation, etc.

5.4. PAs shall disclose comprehensive information regarding merchant policies, customer grievances, privacy policy and other terms and conditions on the website and / or their mobile application.

5.5. PAs shall have a Board approved policy for disposal of complaints / dispute resolution mechanism / time-lines for processing refunds, etc., in such a manner that the RBI instructions on Turn Around Time (TAT) for resolution of failed transactions issued vide [DPSS.CO.PD No.629/02.01.014/2019-20 dated September 20, 2019](#) are adequately taken care of. Any future instructions in this regard shall also be adhered to by PAs.

5.6. PAs shall appoint a Nodal Officer responsible for regulatory and customer grievance handling functions. PAs shall prominently display details of the nodal officer on their website.

6. Safeguards against Money Laundering (KYC / AML / CFT) Provisions

6.1. The Know Your Customer (KYC) / Anti-Money Laundering (AML) / Combating Financing of Terrorism (CFT) guidelines issued by the Department of Regulation, RBI, in their "[Master Direction – Know Your Customer \(KYC\) Directions](#)" updated from time to time, shall apply mutatis mutandis to all entities.

6.2. Provisions of Prevention of Money Laundering Act, 2002 and Rules framed thereunder, as amended from time to time, shall also be applicable.

7. Merchant On-boarding

7.1. PAs shall have a Board approved policy for merchant on-boarding.

7.2. PAs shall undertake background and antecedent check of the merchants, to ensure that such merchants do not have any malafide intention of duping customers, do not sell fake / counterfeit

/ prohibited products, etc. The merchant's website shall clearly indicate the terms and conditions of the service and time-line for processing returns and refunds.

7.3. PAs shall be responsible to check Payment Card Industry-Data Security Standard (PCI-DSS) and Payment Application-Data Security Standard (PA-DSS) compliance of the infrastructure of the merchants on-boarded.

7.4. Merchant site shall not save customer card and such related data. A security audit of the merchant may be carried out to check compliance, as and when required.

7.5. Agreement with merchant shall have provision for security / privacy of customer data. PAs agreement with merchants shall include compliance to PA-DSS and incident reporting obligations. The PAs shall obtain periodic security assessment reports either based on the risk assessment (large or small merchants) and / or at the time of renewal of contracts.

8. Settlement and Escrow Account Management

8.1. Non-bank PAs shall maintain the amount collected by them in an escrow account with any scheduled commercial bank. An additional escrow account may be maintained with a different scheduled commercial bank at the discretion of the PA. For the purpose of maintenance of escrow account, operations of PAs shall be deemed to be 'designated payment systems' under Section 23A of the PSSA (as amended in 2015).

8.2. In case there is a need to shift the escrow account from one bank to another, the same shall be effected in a time-bound manner without impacting the payment cycle to merchants, under advice to RBI.

8.3. Amounts deducted from the customer's account shall be remitted to the escrow account maintaining bank on Tp+0 / Tp+1 basis. The same rules shall apply to the non-bank entities where wallets are used as a payment instrument.

8.4. Final settlement with the merchant by the PA shall be effected as under:

8.4.1. Where PA is responsible for delivery of goods / services the payment to the merchant shall be not later than on Ts + 1 basis.

8.4.2. Where merchant is responsible for delivery, the payment to the merchant shall be not later than on Td + 1 basis.

8.4.3. Where the agreement with the merchant provides for keeping the amount by the PA till expiry of refund period, the payment to the merchant shall be not later than on Tr + 1 basis.

8.5. Credits towards reversed transactions (where funds are received by PA) and refund transactions shall be routed back through the escrow account unless as per contract the refund is directly managed by the merchant and the customer has been made aware of the same.

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- 8.6. At the end of the day, the amount in escrow account shall not be less than the amount already collected from customer as per 'Tp' or the amount due to the merchant.
- 8.7. PAs shall be permitted to pre-fund the escrow account with own / merchant's funds. However, in the latter scenario, merchant's beneficial interest shall be created on the pre-funded portion.
- 8.8. The escrow account shall not be operated for 'Cash-on-Delivery' transactions.
- 8.9. Permitted credits / debits to the escrow account shall be as set out below; where an additional escrow account is maintained, credit and debit from one escrow account to the other shall also be permitted. However, inter-escrow transfers should be avoided as far as possible and if resorted to, auditor's certification shall clearly mention such transactions.
- 8.9.1.1. Credits
- a) Payment from various customers towards purchase of goods / services.
 - b) Pre-funding by merchants / PAs.
 - c) Transfer representing refunds for failed / disputed / returned / cancelled transactions.
 - d) Payment received for onward transfer to merchants under promotional activities, incentives, cash-backs etc.
- 8.9.1.2. Debits
- a) Payment to various merchants / service providers.
 - b) Payment to any other account on specific directions from the merchant.
 - c) Transfer representing refunds for failed / disputed transactions.
 - d) Payment of commission to the intermediaries. This amount shall be at pre-determined rates / frequency.
 - e) Payment of amount received under promotional activities, incentives, cash-backs, etc.
- 8.10. For banks the outstanding balance in the escrow account shall be part of the 'net demand and time liabilities' (NDTL) for the purpose of maintenance of reserve requirements. This position shall be computed on the basis of the balances appearing in the books of the bank as on the date of reporting.
- 8.11. The entity and the escrow account banker shall be responsible for compliance with RBI instructions issued from time to time. The decision of RBI in this regard shall be final and binding.
- 8.12. Settlement of funds with merchants shall not be co-mingled with other business, if any, handled by the PA.

- 8.13. A certificate signed by the auditor(s), shall be submitted by the authorised entities to the respective Regional Office of DPSS, RBI, where registered office of PA is situated, certifying that the entity has been maintaining balance(s) in the escrow account(s) in compliance with these instructions, as per periodicity prescribed in [Annex 3](#). In case, an additional escrow account is being maintained, it shall be ensured that balances in both accounts are considered for the above certification. This shall also be indicated in the certificate. The same auditor shall be employed to audit both escrow accounts.
- 8.14. PAs shall submit the list of merchants acquired by them to the bank where they are maintaining the escrow account and update the same from time to time. The bank shall ensure that payments are made only to eligible merchants / purposes. There shall be an exclusive clause in the agreement signed between the PA and the bank maintaining escrow account towards usage of balance in escrow account only for the purposes mentioned above.
- 8.15. No interest shall be payable by the bank on balances maintained in the escrow account, except when the PA enters into an agreement with the bank maintaining the escrow account, to transfer "core portion" of the amount, in the escrow account, to a separate account on which interest is payable, subject to the following:
- 8.15.1. The bank shall satisfy itself that the amount deposited represents the "core portion" after due verification of necessary documents.
- 8.15.2. The amount shall be linked to the escrow account, i.e. the amounts held in the interest-bearing account shall be available to the bank, to meet payment requirements of the entity, in case of any shortfall in the escrow account.
- 8.15.3. This facility shall be permissible to entities who have been in business for 26 fortnights and whose accounts have been duly audited for the full accounting year. For this purpose, the period of 26 fortnights shall be calculated from the actual business operation in the account.
- 8.15.4. No loan is permissible against such deposits. Banks shall not issue any deposit receipts or mark any lien on the amount held in such form of deposits.
- 8.15.5. The core portion shall be calculated separately for each of the escrow accounts and will remain linked to the respective escrow account. The escrow balance and core portion maintained shall be clearly disclosed in the auditors' certificates submitted to RBI on quarterly and annual basis.

Note: For the purpose of this regulation, "Core Portion" shall be computed as under:

Step 1: Compute lowest daily outstanding balance (LB) in the escrow account on a fortnightly (FN) basis, for 26 fortnights from the preceding month.

Step 2: Calculate the average of the lowest fortnightly outstanding balances [(LB1 of FN1+ LB2 of FN2++ LB26 of FN26) divided by26].

Step 3: The average balance so computed represents the "Core Portion" eligible to earn interest.

9. Customer Grievance Redressal and Dispute Management Framework

- 9.1. PAs shall put in place a formal, publicly disclosed customer grievance redressal and dispute management framework, including designating a nodal officer to handle the customer complaints / grievances and the escalation matrix. The complaint facility, if made available on website / mobile, shall be clearly and easily accessible.
- 9.2. PAs shall appoint a Nodal Officer responsible for regulatory and customer grievance handling functions. Details of the nodal officer for customer grievance shall be prominently displayed on their website.
- 9.3. PAs shall have a dispute resolution mechanism binding on all the participants which shall contain transaction life cycle, detailed explanation of types of disputes, process of dealing with them, compliance, responsibilities of all the parties, documentation, reason codes, procedure for addressing the grievance, turn-around-time for each stage, etc.

10. Security, Fraud Prevention and Risk Management Framework

- 10.1. A strong risk management system is necessary to meet the challenges of fraud and ensure customer protection. PAs shall put in place adequate information and data security infrastructure and systems for prevention and detection of frauds.
- 10.2. PAs shall put in place Board approved information security policy for the safety and security of the payment systems operated by them and implement security measures in accordance with this policy to mitigate identified risks. Baseline technology-related recommendations for adoption by the PAs are provided in [Annex 2](#). The PGs may also adopt them as best practices.
- 10.3. PAs shall establish a mechanism for monitoring, handling and follow-up of cyber security incidents and breaches. The same shall be reported immediately to the DPSS, RBI, Central Office, Mumbai. They shall also be reported to CERT-In (Indian Computer Emergency Response Team) as per the details notified by CERT-In.
- 10.4. PAs shall not store the customer card credentials within their database or the server accessed by the merchant. They shall comply with data storage requirements as applicable to Payment System Operators (PSOs).
- 10.5. PAs shall submit the System Audit Report, including cyber security audit conducted by CERT-In empanelled auditors, within two months of the close of their financial year to the respective Regional Office of DPSS, RBI.

11. Reports

11.1. The reports to be submitted by authorised PAs are listed in [Annex 3](#).

12. General Instructions

12.1. PAs shall ensure that the extant instructions with regard to Merchant Discount Rate (MDR) are followed. Information on other charges such as convenience fee, handling fee, etc., if any, being levied shall also be displayed upfront by the PA.

12.2. PAs shall not place limits on transaction amount for a particular payment mode. The responsibility therefor shall lie with the Issuing bank / entity; for instance, the card issuing bank shall be responsible for placing amount limits on cards issued by it based on the customer's credit worthiness, spending nature, profile, etc.

12.3. PAs shall not give an option for ATM PIN as a factor of authentication for card-not-present transactions.

12.4. All refunds shall be made to the original method of payment unless specifically agreed by the customer to credit to an alternate mode.

Baseline Technology-related Recommendations

Indicative baseline technology-related recommendations for adoption by the PAs (mandatory) and PGs (recommended) are:

1. Security-related Recommendations

The requirements for the entities in respect of IT systems and security are presented below:

- 1.1. **Information Security Governance:** The entities at a minimum shall carry out comprehensive security risk assessment of their people, IT, business process environment, etc., to identify risk exposures with remedial measures and residual risks. These can be an internal security audit or an annual security audit by an independent security auditor or a CERT-In empanelled auditor. Reports on risk assessment, security compliance posture, security audit reports and security incidents shall be presented to the Board.
- 1.2. **Data Security Standards:** Data security standards and best practices like PCI-DSS, PA-DSS, latest encryption standards, transport channel security, etc., shall be implemented.
- 1.3. **Security Incident Reporting:** The entities shall report security incidents / card holder data breaches to RBI within the stipulated timeframe to RBI. Monthly cyber security incident reports with root cause analysis and preventive actions undertaken shall be submitted to RBI.
- 1.4. **Merchant Onboarding:** The entities shall undertake comprehensive security assessment during merchant onboarding process to ensure these minimal baseline security controls are adhered to by the merchants.
- 1.5. **Cyber Security Audit and Reports:** The entities shall carry out and submit to the IT Committee quarterly internal and annual external audit reports; bi-annual Vulnerability Assessment / Penetration Test (VAPT) reports; PCI-DSS including Attestation of Compliance (AOC) and Report of Compliance (ROC) compliance report with observations noted if any including corrective / preventive actions planned with action closure date; inventory of applications which store or process or transmit customer sensitive data; PA-DSS compliance status of payment applications which stores or processes card holder data.
- 1.6. **Information Security:** Board approved information security policy shall be reviewed at least annually. The policy shall consider aspects like: alignment with business objectives; the objectives, scope, ownership and responsibility for the policy; information security organisational structure; information security roles and responsibilities; maintenance of asset inventory and registers; data classification; authorisation; exceptions; knowledge and skill sets required; periodic training and continuous professional education; compliance review and penal measures for non-compliance of policies.

- 1.7. IT Governance: An IT policy shall be framed for regular management of IT functions and ensure that detailed documentation in terms of procedures and guidelines exists and are implemented. The strategic plan and policy shall be reviewed annually. The Board level IT Governance framework shall have-
- 1.7.1. Involvement of Board: The major role of the Board / Top Management shall involve approving information security policies, establishing necessary organisational processes / functions for information security and providing necessary resources.
 - 1.7.2. IT Steering Committee: An IT Steering Committee shall be created with representations from various business functions as appropriate. The Committee shall assist the Executive Management in implementation of the IT strategy approved by the Board. It shall have well defined objectives and actions.
 - 1.7.3. Enterprise Information Model: The entities shall establish and maintain an enterprise information model to enable applications development and decision-supporting activities, consistent with board approved IT strategy. The model shall facilitate optimal creation, use and sharing of information by a business, in a way that it maintains integrity, and is flexible, functional, timely, secure and resilient to failure.
 - 1.7.4. Cyber Crisis Management Plan: The entities shall prepare a comprehensive Cyber Crisis Management Plan approved by the IT strategic committee and shall include components such as Detection, Containment, Response and Recovery.
- 1.8. Enterprise Data Dictionary: The entities shall maintain an "enterprise data dictionary" incorporating the organisation's data syntax rules. This shall enable sharing of data across applications and systems, promote a common understanding of data across IT and business users and prevent creation of incompatible data elements.
- 1.9. Risk Assessment: The risk assessment shall, for each asset within its scope, identify the threat / vulnerability combinations and likelihood of impact on confidentiality, availability or integrity of that asset – from a business, compliance and / or contractual perspective.
- 1.10. Access to Application: There shall be documented standards / procedures for administering an application system, which are approved by the application owner and kept up-to-date. Access to the application shall be based on the principle of least privilege and "need to know" commensurate with the job responsibilities.
- 1.11. Competency of Staff: Requirements for trained resources with requisite skill sets for the IT function need to be understood and assessed appropriately with a periodic assessment of the training requirements for human resources.

- 1.12. **Vendor Risk Management:** The Service Level Agreements (SLAs) for technology support, including BCP-DR and data management shall categorically include clauses permitting regulatory access to these set-ups.
 - 1.13. **Maturity and Roadmap:** The entities shall consider assessing their IT maturity level, based on well-known International standards, design an action plan and implement the plan to reach the target maturity level.
 - 1.14. **Cryptographic Requirement:** The entities shall select encryption algorithms which are well established International standards and which have been subjected to rigorous scrutiny by an international community of cryptographers or approved by authoritative professional bodies, reputable security vendors or government agencies.
 - 1.15. **Forensic Readiness:** All security events from the entities infrastructure including but not limited to application, servers, middleware, endpoint, network, authentication events, database, web services, cryptographic events and log files shall be collected, investigated and analysed for proactive identification of security alerts.
 - 1.16. **Data Sovereignty:** The entities shall take preventive measures to ensure storing data in infrastructure that do not belong to external jurisdictions. Appropriate controls shall be considered to prevent unauthorised access to the data.
 - 1.17. **Data Security In Outsourcing:** There shall be an outsourcing agreement providing 'right to audit' clause to enable the entities / their appointed agencies and regulators to conduct security audits. Alternatively, third parties shall submit annual independent security audit reports to the entities.
 - 1.18. **Payment Application Security:** Payment applications shall be developed as per PA-DSS guidelines and complied with as required. The entities shall review PCI-DSS compliance status as part of merchant onboarding process.
- 2. Other Recommendations**
- 2.1 The customer card credentials shall not be stored within the database or the server accessed by the merchant.
 - 2.2 Option for ATM PIN as a factor of authentication for card not present transactions shall not be given.
 - 2.3 Instructions on storage of payment system data, as applicable to PSOs, shall apply.
 - 2.4 All refunds shall be made to original method of payment unless specifically agreed by the customer to credit an alternate mode.

Annex 3

Reports to be submitted by Authorised Payment Aggregators

Annual

1. Net-worth Certificate - Audited Annual report with CA certificate on Net-worth – by September 30th ([Annex 3.1](#)).
2. IS Audit Report and Cyber Security Audit Report with observations noted, if any, including corrective / preventive action planned with closure date – Externally Audited – by May 31st. The scope of audit shall encompass all relevant areas of Information system processes and applications.

Quarterly

1. Auditors' Certificate on Maintenance of Balance in Escrow Account – by 15th of the month following the quarter end. ([Annex 3.2](#)).
2. Bankers' Certificate on Escrow Account Debits and Credits – Internally Audited – by 15th of the month following the quarter end.

Monthly

1. Statistics of Transactions Handled – by 7th of next month ([Annex 3.3](#)).

Non-periodic

1. Declaration and Undertaking by the Director - Changes in Board of Directors – as and when happens ([Annex 3.4](#)).
2. Report from Banks in Compliance with para 3.6 of [Annex 1](#) – One time report to be sent by April 15th, 2021.
3. Cyber Security Incident Reports – with root cause analysis and preventive action undertaken – by 7th of next month of Incidence month.

Annex 3.1

Net-worth Certificate

(to be submitted by non-bank Payment Aggregators by September 30th to respective Regional Office of DPSS, RBI)

With reference to the paragraph 4 of the Guidelines on Regulation of Payment Aggregators and Payment Gateways, we have perused the records maintained by the _____ (Company). On the basis of our perusal of the records, the audited / unaudited (strike off whichever is not applicable) financial statements for the financial year ended _____ and the information and explanations given to us, we certify that the Company's net-worth computed in accordance with the paragraph 4.4 of the above Guidelines as on _____ is ₹ _____.

This certificate has been provided by us at the request of the Company.

The details for net-worth computation are given below:

Computation of Net-worth of _____ as on _____

Particulars	Amount (₹)
Equity Share Capital	
Add:	
Preference Shares Compulsorily Convertible Into Equity Capital	
Free Reserves	
Share Premium Account	
Capital Reserves (representing surplus arising out of sale proceeds of assets)	
Less:	
Revaluation Reserves	
Accumulated Losses	
Book Value of Intangible Assets	
Deferred Revenue Expenditure	
Net-worth as on	

Place:

Date:

Stamp:

Signature:

Name and Designation:

Annex 3.2

**Auditors' Certificate on Maintenance of Balance In Escrow Account/s
for the Quarter / Year ending:**

(to be submitted by non-bank Payment Aggregator (PA) to respective Regional Office of DPSS,
RBI within a fortnight from the end of Quarter / Year)

(Amount in Rs.)

Sr. No.	Items	Comments from the Auditor/s	
1.	Name & Address of the PA		
2.	Name & Address of the Auditor		
3.	Escrow Bank Details like (1) Escrow Account 1: Name of the Bank Branch Address Account No. (2) Escrow Account 2: Name of the Bank Branch Address Account No.		
4.	Outstanding Liability (amount already collected from customers as per 'Tp' and the amount due to the merchants) of the entity at the beginning of the Quarter / Year	₹	
5.	Escrow account(s) balance at the beginning of the Quarter / Year	Escrow Account 1	Escrow Account 1
		₹	₹
6.	Debits to Escrow account(s) during the quarter / year	Escrow Account 1	Escrow Account 2
		₹	₹
7.	a. Payment to various merchants / service providers	₹	₹
	b. Payment to any other account on specific directions from the merchant	₹	₹
	c. Transfer representing refunds for failed / disputed transactions	₹	₹
	d. Payment of commission to the intermediaries	₹	₹
	e. Payment of amount received under promotional activities, incentives, cash-backs, etc.	₹	₹
	f. Funds transferred to the other escrow account.	₹	₹
7.	Credits to Escrow account during the quarter / Year	Escrow Account 1	Escrow Account 2
		₹	₹
7.	a. Payment from various persons towards purchase of goods / services	₹	₹
	b. Pre-funding by merchants / PAs	₹	₹
	c. Transfer representing refunds for failed / disputed / returned / cancelled transactions	₹	₹

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	d. Payment received for onward transfer to merchants under promotional activities, incentives, cash-backs etc.	₹	₹
	e. Funds received from the other escrow account.	₹	₹
8.	Escrow account(s) Balance at the end of the Quarter / Year	₹	₹
9.	Outstanding Liability (amount already collected from customers as per 'Tp' and the amount due to the merchants) of the entity at the end of the quarter / year	₹	
10.	<p>The auditor shall verify the outstanding liability of the entity with the closing balance of the escrow account(s) on daily basis. Whether the escrow account(s) had sufficient balance to cover the outstanding liability of the entity at all times?</p> <p>If No,</p> <p>(I) number of days of shortfall in balance</p> <p>(II) amount short in escrow account(s) on each of the days there was shortfall</p> <p>If yes, (I) Least amount by which escrow balance (Including core portion) exceeded outstanding liability of the entity at EOD during the quarter.</p> <p>(II) Date on which escrow balance (Including core portion) exceeded outstanding liability of the entity at EOD by the least amount during the quarter.</p>		
11.	<p>(I) Minimum balance in each of the escrow account(s) separately during the Quarter / Year (Including core portion)</p> <p>(II) Maximum balance in each of the escrow account(s) separately during the Quarter / Year (Including core portion)</p>	₹	₹
12.	Whether the core portion for each of the escrow balance accounts is being maintained with the same respective bank(s) maintaining the escrow account? In case of change in bank, details may be given		
13.	Permitted balance (as per paragraph 8.15 of this Circular) in core portion for each of the escrow accounts at the end of Quarter / Year.		
14.	Actual balance in core portion for each of the escrow accounts at the end of Quarter / Year.		
15.	Whether interest is being earned by the entity on the core portion balance for each escrow account separately?		
16.	<p>Whether the core portion balance maintained by the entity exceeded the permitted value of core portion during the Quarter / Year?</p> <p>If Yes,</p> <p>(I) Number of days of excess in core portion.</p>		

	(II) Amount of excess in core portion on each of the days there was excess.		
17.	Number of merchants registered for payments with each bank separately: (I) At the beginning of Quarter / Year (II) At the end of Quarter / Year		
18.	Transaction wise details of Inter-escrow transfers to be submitted in the table given below.		

Inter-Escrow Account Transfer Details				
Sr. No.	Date	Name of the Escrow Account debited (Escrow 1 or 2)	Transaction Amount	Remarks

Other Information:

- a) Average time taken for payments to merchants:
- b) Any deviation from the timelines prescribed for payment to the merchants in para 8.4 of the Guidelines on Regulation of Payment Aggregators and Payment Gateways (along with details):
- c) Any other information that Auditor may like to indicate for the purpose of this certificate:

Place:
Date:
Stamp:

Signature:
Name and Designation:

Annex 3.3

Statistics of Transactions Handled during the Month of _____
 (to be submitted by the non-bank Payment Aggregator (PA) to respective Regional Office of DPSS, RBI by 7th of next month)

Name of Payment Aggregator	
Month and Year	

Through debit card		Through credit card		Through PPI		Through UPI		Through Internet banking		Through mobile banking		Others (Please specify)		Total	
Volume	Value (₹)	Volume	Value (₹)	Volume	Value (₹)	Volume	Value (₹)	Volume	Value (₹)	Volume	Value (₹)	Volume	Value (₹)	Volume	Value (₹)

Place:
 Date:
 Stamp:

Signature:
 Name and Designation:

Annex 3.4

Declaration and Undertaking by the Director
(with enclosures as appropriate as on)

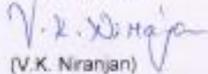
(to be submitted by the non-bank Payment Aggregator to DPSS, Central Office, RBI, Mumbai as and when a new Director is appointed)

Name of the Payment Aggregator:

I		Personal Details of the Director
A		Full name
B		Date of birth
C		Educational qualifications
D		Background and relevant experience
E		Permanent address
F		Present address
G		Director Identification Number (mandatory)
H		e-mail address / telephone number
I		Permanent Account Number under the Income Tax Act and name and address of Income Tax circle
J		Any other information relevant to Directorship of the Company
K		Director in the company since (please give previous details also in case of broken period)
L		a) Number of shares held in the company b) Amount involved in ₹
II		Relevant Relationships of Directors
A		List of Relatives if any who are connected with the company (refer Section 2 (77) of the Companies Act, 2013)
B		List of entities if any, in which he / she is considered as being interested (other Directorships)
C		List of entities in which he / she is considered as holding substantial interest
D		Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the last five years in respect of credit facilities obtained from the bank or any other bank.
III		Details of key professional achievements in the areas of
		- Technology and payment system / transaction - Human resources management / legal - Accounting / Finance
IV		Proceedings, if any, against the Director
A		If the Director is a member of a professional association / body, details of disciplinary action, if any pending or commenced or resulting in conviction in the past against him / her or whether he / she has been banned from entry of at any profession / occupation at any time.

B	Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the Director and / or against any of the entities listed in II (B) above for violation of economic laws and regulations and similar statutory provision of the respective country.	
C	Details of criminal prosecution, if any pending or commenced or resulting in conviction in the past against the Director.	
D	Whether the Director attracts any of the disqualifications envisaged under Section 164 of the Companies Act, 2013 and similar statutory provision of the respective country ?	
E	Has the Director or any of the entities at II (B) and (C) above been subject to any investigation at the instance of Government department or agency ? If so, give particulars.	
F	Has the Director at any time been found guilty of violation of rules / regulations / legislative requirements by customs / excise / Income tax / foreign exchange / other revenue authorities ? If so, give particulars.	
G	Whether the Director at any time come to the adverse notice of regulators such as SEBI, RBI, IRDA, MCA, etc. ?	
H	Whether the name of the Director appears or has at any time in the past appeared in the list of defaulters as published by CRISIL or whether the Director is connected as guarantor / director with entities which are at default.	
V	Any other explanation / Information in regard to items I to IV and other information considered relevant for judging fit and proper status of the Director ?	
	Undertaking	
	I confirm that the above information is to the best of my knowledge and belief, true and complete. I undertake to keep the Company duly informed as soon as possible, of all events which take place subsequent to my appointment and which are relevant to the information provided above.	
	Place	Signature of Director
	Date	

VII. Annexure – 7: Chargeback process for Government Revenue Payments

	 भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA <small>www.rbi.org.in</small>	
CO.DPSS.POLC.No. S-363 / 02-14-003 / 2024-25		July 11, 2024
All authorised Card Networks		
Madam / Sir,		
<u>Chargeback process for Government Revenue Payments</u>		
As you are aware, agency banks presently facilitate Government revenue collections using cards (credit, debit, prepaid). The revenue collections for various ministries / departments are done in accordance with the guidelines issued by office of Controller General of Accounts, office of Principal Chief Controller of Accounts (CBDT, CBIC), and respective state governments. These guidelines do not permit chargeback request on Government revenue payments, instead require claim to be raised directly with the concerned Government Department / Ministry		
2. In view of the above, you are advised to revise your chargeback rules, and incorporate appropriate provisions to ensure that network chargeback rules do not apply to Government revenue collections. Banks and authorised non-banks may also be advised about the updated chargeback rules and processes.		
3. In case of failed transaction, RBI Circular DPSS.CO.PD No.629/02.01.014/2019-20 dated September 20, 2019, on Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems (as amended from time to time) will continue to remain applicable.		
4. Action taken in this regard may please be updated to this office, at the earliest.		
Yours faithfully,		
		
(V.K. Niranjan) Deputy General Manager		
<small>भारतीय रिज़र्व बैंक, आर.डी.ओ. बिल्डिंग, इंदौर रोड, दिल्ली-110001 फोन: (01-20) 2264-4995, फैक्स: (01-20) 22601164, ई-मेल: dpss@rbi.org.in</small>		

VIII. Annexure – 8: Roles & Responsibilities of Authorized Banks under PRAKALP



Office of the Principal Chief Controller of Accounts
CENTRAL BOARD OF DIRECT TAXES
Department of Revenue, Ministry of Finance
Government of India
9TH Floor, A-Wing, Lok Nayak Bhawan, Khan Market, New Delhi-110003

No. PCCA/CBDT/RCDN/TIN 2.0/2019-20

Date: 4th June 2021

Subject: Circulation of the document: Roles and Responsibilities of Authorized Banks under TIN 2.0/PRAKALP (Pratyaksh Kar Lekhankan Pranali)

The Income Tax Department (ITD) is responsible for collecting direct taxes and administering the Income Tax Act and other direct tax statutes of the Government of India. The Central Board of Direct Taxes (CBDT) is the apex body entrusted with the responsibility of administering direct tax laws in India.

2. The vision of the Income Tax Department is outlined in the Vision 2020 document. The Vision 2020 document lays down ITD's vision as: "To partner in the nation-building process through progressive tax policy, efficient and effective administration and improved voluntary compliance".

3. Ease of payment of taxes is one of the most important features of progressive, efficient and effective tax administration. The payment landscape has seen a paradigm shift in the last decade with the passing of the Payment and Settlement Systems Act, 2007 (PSS Act) and development of a wide range of payment and settlement systems and service providers.

4. Various challenges identified with the current tax payment processes and the shift in the payment landscape brought about the need for developing the Tax Information Network 2.0 (TIN2.0) that will help overcome the challenges, promote digital payments, increase taxpayer engagement and reduce taxpayer compliance cost. The TIN 2.0 system shall be hosted by Income Tax Department under IEC 2.0 (Integrated E-filing and CPC 2.0) project and shall subsume the erstwhile OLTAS (Online Tax Accounting System) presently hosted by NSDL e-Gov on behalf of the Income Tax Department, under the TIN (Tax Information Network) project.

5. The TIN 2.0 project will enable taxpayers to make payment through various modes like Internet Banking, Debit Cards, Credit Cards, UPI, Over the Counters of the branches of authorized banks, NEFT/RTGS, etc. Payment through approved instruments (Internet banking, Debit cards, Credit cards, UPI/BHIM) will facilitate ease of direct tax payment. These will be made available through any bank, including banks not authorized to collect direct taxes.

6. The above approach will facilitate the participation of a larger number of banks in ITD tax receipts, enhancing convenience for the taxpayers. It will also provide a single source of

information for credit of the receipts to government accounts and thereby simplifying accounting and reconciliation tasks.

7. Accordingly, for implementation of the TIN 2.0 project, the ITD has prepared documentation for payment processes defined under TIN 2.0 and the document named "*TIN 2.0 Payment Process and Accounting System*" has been shared with all stakeholders by the Income Tax Department.

8. In tandem with the TIN 2.0 system, the office of Pr.CCA, CBDT, being the head of the accounting organisation of CBDT, has developed an online system called PRAKALP (*Pratyaksh Kar Lekhankan Pranali*) for accounting, reconciliation and reporting of the collection of direct taxes. Banks are important stakeholders in this process. Thus, the office of Pr.CCA, CBDT, has consolidated the roles and responsibilities of the authorized banks under the PRAKALP/TIN 2.0 regime in consultation with the Office of the Controller General of Accounts, the Reserve Bank of India and the Directorate of Income Tax (Systems). The same is being circulated herewith for guidance and observance by the authorised banks under the PRAKALP/TIN 2.0 regime.



(Ashutosh Singh)
Assistant Controller of Accounts

To:

All banks authorized to collect direct taxes.

Copy to:

1. ADG (Systems-2), Directorate of Income Tax (Systems), Ghaziabad, UP.
2. Jt. CGA (GBA), O/o the Controller General of Accounts, New Delhi.
3. CGM (DGBA), Reserve Bank of India, Mumbai.

**Roles and Responsibilities
of the Authorized Banks
under TIN 2.0/PRAKALP**

(Version 1.0: 2021)



**Office of the Principal Chief Controller of Accounts
CENTRAL BOARD OF DIRECT TAXES
Department of Revenue
Ministry of Finance
Government of India**

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LIST OF ABBREVIATIONS

API	Application Programming Interface
BHIM	Bharat Interface For Money
CBDT	Central Board Of Direct Taxes
CBS	Core Banking Solutions
CGA	Controller General Of Accounts
CIN	Challan Identification Number
CMP	Cash Management Product
CPC	Central Processing Center
CRN	Challan Reference Number
DD	Demand Draft
DMS	Date wise Monthly Statement
E-FPB	Electronic Focal Point Branch
E-Scroll	Electronic scroll
GOI	Government Of India
IEC	Integrated E-Filing
IFSC	Indian Financial System Code
ITD	Income Tax Department
ITROs	Income Tax Refund Orders
MDR	Merchant Discount Rate
MOE	Memorandum of Errors
NEFT	National Electronic Funds Transfer
OLTAS	Online Tax Accounting System
OTC	Over The Counter
PAN	Permanent Account Number
PFMS	Public Financial Management System
PGs	Payment Gateways
Pr.CCA	Principal Chief Controller Of Accounts
PRAKALP	Pratyaksh Kar Lekhankan Pranali
PSS ACT	Payment And Settlement System Act, 2007
QR CODE	Quick Response Code

RBI	Reserve Bank Of India
RTGS	Real Time Gross Settlement
SBI	State Bank Of India
SFTP	Secure File Transfer Protocol
SOP	Standard Operating Procedure
STP	Spanning Tree Protocol
TAN	Tax Deduction And Collection Account Number
TIN 2.0	Tax Information Network version 2.0
UPI	Unified Payment Interface
ZAO	Zonal Accounts Office

Roles and Responsibilities of the Authorized Banks under TIN 2.0/PRAKALP (*Pratyaksh Kar Lekhankan Pranali*)

1. Introduction:

1.1 Income-tax Department is implementing a new payment & refund system referred as TIN 2.0. The TIN 2.0 system shall be hosted by Income Tax Department under IEC 2.0 project (Integrated e-filing & CPC 2.0) and shall subsume the erstwhile OLTAS (Online Tax Accounting System) & Refund Banker Scheme presently hosted by NSDL e-Gov on behalf of Income Tax Department under the TIN (Tax Information Network).

1.2 The process prescribed in this document outlines the roles and responsibilities of authorized banks under the Tax Information Network 2.0 (TIN 2.0) regime. The defining aspect of TIN 2.0 is that the entire process is digital and paperless, including the challan, scroll, put through, etc. Consequently, the accounting of direct taxes collection has also moved to a completely electronic platform. While the TIN 2.0 system handles the tax payment and tax payers' database management, the Office of the Principal Chief Controller of Accounts, in tandem, has developed a direct taxes reporting and accounting system called PRAKALP (*Pratyaksh Kar Lekhankan Pranali*) hosted on the Public Financial Management (PFMS) platform. The broad roles and responsibilities of authorized banks under PRAKALP are outlined in this document.

1.3 The most important aspects under TIN 2.0 which should be kept in perspective while going through this document are as under:

- a) **Challan Reference No. (CRN):** The CRN is generated after a tax payer fills up a Challan on the TIN 2.0 portal. It is intent to pay tax. It remains valid for 15 days and is purged by the TIN 2.0 system if the payment is not received by the due date. It is a 14-digit no. generated by the TIN 2.0 portal.
- b) **Challan Identification No. (CIN):** The CIN is generated by the Authorized Banks and the RBI after the payment is received by the bank/RBI. It is an 18-character field (CRN + First 4 characters of bank's IFSC).
- c) **Authorized Bank:** An authorized bank means a bank authorized by the Office of the Principal Chief Controller of Accounts, CBDT, to collect Direct Taxes. Branch specific authorization of banks for collection of Direct Taxes will no longer be required. All branches of an Authorized Bank can collect direct taxes.
- d) **e-FPB:** Each authorized bank will designate a branch as the electronic Focal Point Branch (e-FPB) which will be the nodal branch for performing all

responsibilities related to role of an authorized bank under the TIN 2.0 regime, including remittance of money to the RBI and reporting all deliverables to TIN 2.0, PRAKALP and RBI. The Refund Banker (involved in income tax refund process) will also designate an e-FPB for processing and reporting refunds.

- e) **Timeline of T+1:** All payments once collected by authorized banks through any mode of payment have to be remitted to the RBI for credit to the Government account on the next day of collection on 'T+1 working days' basis ('T' being the date on which CIN is generated). For payment received through a payment instrument (cheque/DD) the date of realization will be the date when funds are available with the bank. For any delay in remittance, penal interest will be levied on the banks by the Office of the Principal Chief Controller of Accounts, CBDT. The rate of penal interest on delayed remittance to be charged is prevailing bank rate as notified by the Reserve Bank of India from time to time plus 2% or as decided by Reserve Bank of India in consultation with CGA from time to time. A uniform holiday calendar, issued from time to time by the Office of the Controller General of Accounts in consultation with the RBI, may be followed for reporting TIN 2.0 transactions by agency banks authorized to collect Direct Taxes.
- f) **Levy of additional charges on the tax payer:** The banks will not impose any additional charge on the tax payer under any mode of payment, paid through any instrument of payment, unless mandated by the RBI/Government. The MDR (Merchant Discount Rate) charges on applicable Debit/Credit Cards, if charged by the bank, will be payable by the tax payer, if permissible as per the extant regulations of the RBI/Government. The Government will not bear such charges. There would be no charge levied by banks on use of RuPAY Debit Card, UPI/BHIM and UPI QR code and BHIM QR code, which have been prescribed under Section 269SU of the Income Tax Act, notified vide CBDT's Gazette Notification No.105/2019 dated 30.12.2019.
- g) **Technical parameters:** For data structure, reporting format, periodicity of reporting and all other technical aspects, the authorized banks/RBI have to refer to the *PFMS – Bank Integration Document* and *TIN 2.0 – Bank Integration Document*, including the TIN API document and the TIN payments process and accounting document. The periodicity of data flow in brief is annexed with this

document at *Annexure-1*.

2. Tax Payment Modes

2.1 Payment through Internet Banking of Authorized Banks

2.1.1 Every taxpayer who wants to avail the facility of electronic payment will generate challan through TIN 2.0 portal.

2.1.2 Once internet banking mode is selected for payment, CRN will be generated and taxpayer will choose her preferred bank among the list of authorized banks to make payment.

2.1.3 After the successful completion of a transaction, the concerned authorized bank will revert with a unique Challan Identification Number (CIN) against the CRN. The CIN will be reported by the banks to TIN 2.0 and PRAKALP on a real time basis, and to the RBI through luggage file.

2.1.4 Taxpayer will have an option to pre-authorize debit of her bank account for payments at a later date by providing suitable payment instruction. In such cases, the challan will be finalized with payment authorization completed; however, remittance will take place on dates as provided by the taxpayer. Only after debit of taxpayer's account on each occasion, the CIN will be generated and reported by banks to TIN 2.0 and PRAKALP on a real time basis, and to the RBI through luggage file.

2.1.5 The tax payer can also choose to pay direct taxes using the debit card of the authorized banks under this mode.

2.2. Over the Counter Payments (OTC) at the branches of Authorized Banks:

2.2.1 The Taxpayer will prepare challan online through TIN 2.0 portal following the guidelines as provided by the Income Tax Department.

2.2.2 From the available payment options, the taxpayer would select Over the Counter (OTC) mode which will have the options of payment by cheque, DD, cash or Internal Transfer (to be used exclusively by the RBI for internal transfer of funds). The name of the authorized bank/RBI where the instrument/cash is to be presented is required to be selected necessarily. It will be prefilled as "RBI" in the case of internal

transfer of funds. The Income Tax Department may set a limit for making payments in cash using the OTC mode. The TIN 2.0 system may set and monitor these limits for cash transactions and challan generation will not be allowed where the amount exceeds the cash transaction limits.

2.2.3 The challan form so generated will be available on the dashboard of the taxpayer in downloadable/ printable form from TIN 2.0 portal. The taxpayer will print the challan form for making the payment. If the payment is made by cheque or DD, the challan itself would have a disclaimer that the payment is subject to realization of cheque or DD.

2.2.4 For OTC payments, the CRN generated would be valid for a pre-defined period (presently it is valid for 15 days) after the date of its generation, within which duration, payment instrument/cash is to be tendered. Once a payment instrument (cheque or DD) is deposited in the bank, the CRN shall remain valid for 90 days from the date of deposit of instrument in the bank.

2.2.5 Challan tendered at the counter of any branch of an authorized bank, including RBI:

- a) The tax payer is required to select an authorized bank for payment under the OTC mode while generating the CRN on TIN 2.0 portal.
- b) The tax payer can then approach any branch of that selected bank to make payment through the OTC mode, along with the printed copy of challan form and the instrument or cash.
- c) There will be a linkage between the TIN 2.0 and the Core Banking Solution (CBS) of the authorized banks/RBI whereby the details of challan will be shared by the TIN 2.0 system with the CBS of the bank selected by the tax payer to facilitate the cashier / teller to verify the details of the challan submitted by the taxpayer.
- d) The cashier / teller will verify the details of challan, payment instrument and amount provided by the taxpayer with those displayed in the bank's system and should accept the receipt only when no discrepancy is found. If the challan has

crossed its validity period of pre-prescribed days (presently 15 days), the bank's system itself should bar acceptance of the payment.

- e) The taxpayer may make payment by cash or instruments drawn on the same bank or on any other bank, including outstation cheque/DD.

2.2.6 Generation of CIN in the case of challans tendered with cash, same bank instrument and RBI's Internal transfer:

- a) In case of cash payments, same bank instruments or Internal Transfer by RBI, the payment would be realized immediately and CIN will be generated immediately at the authorized bank's/RBI's system. Such CIN details shall be intimated to TIN 2.0 and PRAKALP on a real-time basis and to the RBI on T+1 working day basis through luggage file.
- b) After generation of CIN, the bank cashier shall put the Bank Reference No. (or RBI Transaction Number, as applicable) and CIN on the taxpayer's counterfoil of the challan form presented by the taxpayer.

2.2.7 Generation of CIN in the case of challans tendered with Cheque/Draft of another bank:

- a) In case an instrument drawn on another bank is presented; the payment would not be realized immediately. In such cases, the CIN will be generated later only after the instrument is realized, and the cashier should give an acknowledgment on the taxpayer's counterfoil and a stamp to the effect that "*the acknowledgment by the bank is subject to realization of the cheque/DD*". The taxpayer need not visit the bank again to get the CIN on the realization of the cheque/DD, as the same will be available from her log-in account on TIN 2.0 portal. However, if she is not able to view updated status on TIN 2.0 within 3 days, she should visit the bank to ascertain the status of her payment.
- b) Where the instrument is drawn on another bank, including outstation cheques, there should be a validation in the bank's system to prevent deduction of commission charges for instruments drawn on another bank in the same city.
- c) The authorized bank/RBI would send the instrument for clearing in the very next clearing cycle and the transaction would be treated as complete and successful

only after the actual receipt of the amount by the said bank through successful clearing.

- d) The authorized bank/RBI will inform TIN 2.0 on real time basis in two stages.
- i. First, when an instrument is tendered at the counter. At this stage the authorized bank/RBI will forward an electronic string to TIN 2.0. On receipt of this message, TIN 2.0 shall send a SMS to the tax payer, in addition to showing the status of the payment on its portal as '*subject to realization*'. Once an instrument is deposited in the bank/RBI, the CRN shall remain valid for 90 days from the date of deposit of instrument in the bank. TIN 2.0 will send the details of acknowledgement received from Authorized bank/RBI to the office of Pr. CCA, CBDT for the transactions pertaining to date T.
 - ii. In the second stage, the bank's/RBI's system would send CIN details to TIN 2.0 on real time basis, once the instrument is realized.
- e) In case of cash, instrument of the same bank or Internal Transfer of Funds by RBI, date of deposit of instrument and date of realization of instrument shall be the same.
- f) If the cheque is dishonoured, the presenting bank should inform TIN 2.0 about the fact of dishonour and same will be informed by TIN 2.0 to taxpayer and will also be reflected on her dashboard.

2.3 Payment through NEFT/RTGS through any bank:

2.3.1 Under this mode, payment of direct taxes through NEFT/RTGS can be done through any bank participating in the NEFT/RTGS clearing system of the RBI.

2.3.2 Under this mode, RBI would itself be the recipient of the amount transferred through NEFT/RTGS, thus, eliminating the need for a link-up first with an authorized bank to receive the payment and, thereafter, its transfer to the RBI. RBI would, thus, perform the role of an authorized bank and that of an e-FPB in this mode of payment.

2.3.3 Once this mode is selected by the tax payer, besides the generation of CRN, TIN 2.0 will also generate "*NEFT/RTGS Mandate Form*". NEFT/RTGS mandate would

have the validity period of CRN printed on it. The CRN generated at the portal shall be incorporated in NEFT/RTGS mandate form in "Beneficiary Account Number" field. The RBI would provide for suitable validations for this field. In case of NEFT/RTGS payments, there shall also be a disclaimer on the challan copy and the mandate form that the payment through NEFT/RTGS is a transaction between the tax payer and her bank and the payment will be deemed to be received by the government only when the amount is credited to the designated account in the RBI as per settlement cycle of RBI for NEFT/RTGS transactions. The payments in this mode would be permitted only against Internet Banking and cheques tendered at the concerned bank branch where the tax payer is maintaining account; no cash payments would be permitted for NEFT/RTGS transactions.

2.3.4 Once the remittances are received by RBI, it will perform the following functions:

- a) RBI will receive and validate the NEFT/RTGS transaction against the Challan details (CRN) received by it; and
- b) RBI would communicate the receipt of such payment through generation of CIN in each case to TIN 2.0 and PRAKALP on a real time basis.

2.4 Payment through any bank using the Payment Gateways (PGs) of the Authorized Banks:

2.4.1 The TIN 2.0, for the ease of payment by tax payers, also allows payment through payment gateways (PGs). This mode of payment opens a whole lot of payment options such as payments through debit cards, credit cards, UPI, BHIM, etc.

2.4.2 As a policy, the Government shall not entertain chargeback on tax payments through cards. Tax once paid cannot be withdrawn through the banking channels. The only mode of refund available to the tax payer is through the process of filing Income Tax Return.

2.4.3 The payment through this mode can be made through any bank. However, only the PGs of the authorized banks will be allowed to provide the facility of payment through this mode. The Office of the Principal Chief Controller of Accounts, CBDT and the Reserve Bank of India will not deal directly with the PGs. For facilitation of this mode of payment, the authorized banks may choose to provide the services of their

PGs. The Office of the Principal Chief Controller of Accounts, CBDT, will deal only with the authorized banks, irrespective of the fact which PGs these banks deploy at the backend. Honouring all deliverables under this payment mode, as per agreed timelines under TIN 2.0 regime, will be the sole responsibility of the banks authorized by the Office of the Principal Chief Controller of Accounts, CBDT, to collect Direct Taxes and remit the same to the RBI as per the agreed timeline of T+1 working days.

3. Credit Notification by RBI on receipt of money from Banks

3.1 The RBI would prepare digitally signed Credit Notifications, which will include the luggage files received by it from authorized banks for successful transactions related to day 'T' and amount collected by RBI through RTGS/NEFT & OTC Mode on T+1 working day and transmit the same to the PRAKALP. The RBI may prepare hourly Credit Notifications during the day as per the arrangements with the O/o Pr.CCA, CBDT. The format of the Credit Notification will be prescribed by the office of Pr. CCA, CBDT in consultation with RBI.

4. Numbering of Challans

4.1 After the successful completion of a transaction, the concerned authorized bank will revert with a unique Challan Identification Number (CIN) against the CRN. This will be a unique 18-character alpha-numeric code containing 14-digit CRN generated by TIN 2.0 portal for the challan appended with the unique 4-Character Bank code. The CIN will be reported by the banks to the TIN 2.0 and PRAKALP on a real time basis, and to the RBI through luggage file. The CIN is an indicator of successful transaction and will be used as a key field for accounting, reconciliation and related mechanisms by TIN 2.0, PRAKALP and the RBI. After every successful e-payment transaction, there will be an instantaneous reverse flow of information through an electronic data string from the Authorized Bank to TIN 2.0 and PRAKALP containing the following details:

- a) Challan Identification Number (CIN)
- b) PAN / TAN
- c) Assessment Year
- d) Major & Minor Head
- e) Challan amount along with breakup
- f) Date of Payment (realization)
- g) Time of Payment (realization)

- h) Details of mode through which payment has been made
- i) Transaction hash
- j) Authentication details for the authorized bank

5. Zonal Accounts Office (ZAO) – Bank mapping

5.1 Each authorized bank will be mapped with a particular ZAO in the PRAKALP system for the purpose of reporting and coordination. Entire data set sent by a particular bank will be assigned by PRAKALP to the mapped ZAO for accounting, reconciliation and reporting purposes.

5.2 The RBI will send e-scrolls and DMS for its own transactions using RBI identifier code; and the Put Through statements w.r.t. transactions reported by authorised banks, bank-wise. The PRAKALP system through the one-to-one Bank-ZAO mapping will demarcate the data ZAO-wise.

5.3 ZAO-Bank mapping is annexed with this document as *Annexure-2*.

6. Treatment of Clearing Returns

6.1 If the cheque is dishonoured, the presenting bank should inform TIN 2.0 about the fact of dishonour and same will be informed by TIN 2.0 to the taxpayer through an appropriate mode and will also be reflected on the tax payer's dashboard on the TIN 2.0 portal.

7. Procedure for Income Tax Refund

7.1 Refund Banker Scheme for distribution of Refunds determined by the Income Tax Department was initiated on 24.01.2007 with the State Bank of India as the designated refund banker. At present, the refund banker is integrated to tax payment module TIN (Tax Information Network), being managed by NSDL e-GOV. Through this integration the data file of refund strings which are being transmitted to refund banker by the Income Tax Department, are routed through NSDL and the reverse flow of refund status information to taxpayers is also intimated to the department by Refund Banker through TIN.

7.2 In the proposed TIN 2.0 system, the Refund Banker shall integrate directly with the TIN 2.0 of Income-tax Department through API for refund instruction transmission and reconciliation. The scheme is proposed to be implemented in two phases,

- a) **Phase-1:** In this phase, refund records will be transmitted to Refund Banker directly by TIN 2.0. Data transmission/reconciliation shall be done as per the technical integration document finalized between TIN 2.0 and Refund Banker. The refund scrolls for accounting purposes shall be shared by

Refund Banker to PRAKALP as per specification agreed between Refund Banker & PRAKALP.

- b) **Phase-2:** In this phase, the refund records will be shared by TIN 2.0 to Refund Banker as well as PRAKALP. Processing and accounting will be done as per the technical specifications to be finalized amongst all the three stakeholders i.e. Refund Banker, TIN 2.0 and PRAKALP

7.3 This section covers the processes and protocols for Phase-1. For Phase-2, the processes and protocols will be shared separately on its finalization.

7.4 Refund Banker Scheme Under TIN 2.0 (Phase-1)

7.4.1 A Scheduled Public Sector Bank is designated as the Refund Banker . In the TIN 2.0 project the same system will continue. At present the State Bank of India is performing the functions of the Refund Banker.

7.4.2 In Phase-1 there will be no change in the accounting process which is in place. As is present arrangement, Income Tax Department will continue to give direct instructions to the Refund Banker (SBI) for refund payments. The Refund Banker after making payments will send the scroll to the O/o Pr.CCA on PRAKALP (which was earlier being sent to the CFMS system of the O/o Pr. CCA). The concerned ZAO will continue to do the accounting as is being done on receipt of Payment Scroll from the Refund Banker and on receipt of the Put Through from the RBI.

7.4.3 The Refund Banker shall integrate directly with the TIN 2.0 of Income-tax Department for receiving of refund instructions and for transmission of reverse flow of refund status.

7.4.4 There shall be seamless, near real time system level flow of information though APIs between TIN 2.0 and the Refund Banker.

7.5 Role of stakeholders

7.5.1 TIN 2.0 System

- a) **Transmission of Refund Instructions:** TIN 2.0 shall transmit the refund instructions, including stop payment instructions (if any), & refund adjustment instructions to Refund Banker.
- b) **Transmission of Account Validation Data** (as per the MoU between the Income Tax Department and the SBI): TIN 2.0 shall transmit the account validation instructions to the Refund Banker. Refund banker shall conduct the validation of the accounts as per the defined rules.

7.5.2 Refund Banker

a) Processing of Refund Instructions & Issuance of Refunds

- I. Refund Banker shall receive the refund instructions from TIN 2.0.
- II. Refund Banker shall validate the refund instructions received and inform TIN 2.0 in case of any discrepancy/duplicate instructions found through a reverse string.
- III. Refund Banker shall issue the refund to the beneficiary as per the instructions after making refund adjustments if required.
- IV. For refund adjustment purposes, Refund Banker shall generate the CRN as well as CIN on the TIN 2.0 system. It will be ensured by Refund Banker that details of CINs generated for refund adjustment challans are reported to all the stakeholders as defined in *TIN 2.0 Payment Process and Accounting Systems 2021* document.
- V. After the pay-out, Refund Banker shall inform the TIN 2.0 and PRAKALP through a reverse string.
- VI. Specifics in this regard shall be defined in the MoU & Technical Integration Document between the Directorate of Systems, ITD and the Refund Banker.

b) Bank Account Validation

- I. Refund Banker shall perform the validation of bank accounts and PAN for every bank account validation instruction sent by TIN 2.0.
- II. Refund Banker shall intimate the TIN 2.0 about the outcome of Bank Account Validation.

c) TDS Collection using TAN Number/Other collections

- I. Refund banker will deposit the TDS deducted on the interest portion of NRI refunds on behalf of the Income Tax Department on TAN allotted to ITR-CPC.
- II. Refund Banker shall generate the CRN as well as CIN on the TIN 2.0 system for this purpose. It will be ensured by Refund Banker that details of CINs generated for these challans are reported to all the stakeholders as defined in *TIN 2.0 Payment Process and Accounting Systems 2021* document.
- III. Same process will be followed by the Refund Banker for other collection records as per the MoU/Technical Integration Document

d) RT-06 manual ITROs/paper refunds

- I. Manual refunds arise mostly in older cases which do not have challans and are not processed in the Centralized Processing Centre (CPC) of the ITD. As CPC passes any order which have a corresponding challan/ accounting in its system, in exceptional cases where there is no such thing with CPC, manual cheques (RT-06 ITROs/Advice) are being issued by field offices of the Income Tax Department. The number of such refunds across the country is small.
- II. These cheques (Income Tax Refund Orders - ITROs) are honoured by the designated branches of SBI after verifying with the advice received from the Assessing Officer.
- III. RT-06 is reverse feed of such refunds by refund banker. In such cases there is no outgoing feed from ITD to refund banker. This system is already in place and a similar provision has been made in TIN2.0 also for reporting by refund banker.
- IV. The SBI will combine the reporting file/scroll relating to RT-06 ITROs along with other refunds and upload the same to ITD on TIN 2.0.
- v. Similarly, the scroll/file will be uploaded on PRAKALP in the desired file format prescribed by PRAKALP.
- vi. Scrolls and paid ITROs (cheques) were being submitted by the SBI to the respective ZAOs attached with the Income Tax Commissionerates in the old system, in addition to uploading the e-scroll on the centralized CFMS system of the O/o Pr.CCA, CBDT. However, under the TIN 2.0 regime, the SBI will upload the e-scrolls/files in a centralised manner on PRAKALP and send the physical copies of the ITROs/Cheques to a single ZAO assigned with accounting of the Income Tax refunds by the O/o Pr.CCA, CBDT. The PRAKALP and SBI will explore the possibility of doing away with the requirement of sending the physical copies of the ITROs/cheques to the designated ZAO and, if mutually agreed, the same can be sent by the SBI electronically to PRAKALP.
- vii. Any adjustment/correction in refund through RT-09 challan will be handled in the process similar to the existing procedure and reports/scrolls shall be uploaded in the manner prescribed by TIN 2.0/PRAKALP.

e) Other services

- I. Refund Banker shall send the scroll of refunds at a pre-defined frequency to PRAKALP for accounting and reconciliation purposes.

- ii. Refund Banker shall perform other services which may be specified in the MoU/Technical Integration Document, including reporting the transactions to ZAO and fund settlement with RBI.
- iii. The procedure for preparation of payment scrolls will be the same as the procedure applicable to receipts scrolls. Refund Banker will be reporting payment scrolls to ZAO mapped to Refund Banker for refund purposes, while all the adjustment/TDS challans will be reported by SBI INB through e-scroll/luggage file along with the other collections done through SBI to PRAKALP, to be accounted for by the ZAO mapped for regular tax collection. In other words:
 - a) After the pay-out of refunds to the tax payer, the Refund Banker shall inform the TIN 2.0 and PRAKALP through a reverse string. The O/o Pr.CCA, CBDT will designate the ZAO to deal with the Refund payment scrolls received from Refund Banker on PRAKALP.
 - b) The fund to be remitted to the Government account as tax in the refund adjustment/TDS process will be reported by SBI INB (the eFPB designated for reporting tax collection) to PRAKALP, which will be dealt by the ZAO mapped with SBI for accounting and reporting of tax collection. The timelines for remitting the adjustment/TDS out of Refund will be the same as in the case of normal tax collection.
- iv. On getting the Refund Advice from TIN 2.0, refunds are required to be classified by the Refund Banker according to the type of tax under which the refunds are made. Separate Major Head wise payment records will be maintained in respect of payment of such ITROs. In respect of adjustment challans, where both tax collections on demand and refunds are to be made, the refund banker will initiate the CRN and CIN for tax to be collected and make refund separately.

7.5.3 Role of Reserve Bank of India (RBI)

- a) RBI will send the Put Through statement in respect of Refund payments settled by Refund Banker to PRAKALP in the same way as it sends for tax receipt collections in the manner prescribed by PRAKALP in its integration document.
- b) After its receipt in PRAKALP, it will be accounted for by the ZAO, designated by the O/o Pr.CCA, CBDT for accounting of Income Tax refund.

7.5.4 PRAKALP

- a) PRAKALP shall receive the payment scrolls of refunds from Refund Banker as per the format/specifications defined by PRAKALP.
- b) PRAKALP shall perform the accounting and reconciliation of refunds.

7.6 Timelines for Processing/ Accounting/ Reconciliation/ Settlement

7.6.1 The timelines for processing of refund records by Refund Banker and their reporting to TIN 2.0 shall be as per Technical Integration Document of TIN 2.0 and Refund Banker.

7.6.2 Timeline for reporting of refund payment scrolls by Refund Banker to PRAKALP will be on T+1 working day basis.

7.6.3 Accounting/Reconciliation/Settlement shall be conducted by Refund Banker as per the instructions issued by the O/o Pr.CCA, CBDT/RBI from time to time.

8. Functions of e-FPB

8.1 The electronic Focal Point Branches (e-FPBs), nominated by authorized banks, will be responsible as the single point of contact for all required coordination for the purpose of direct tax payments. These will have overall responsibility for the prompt and accurate transmission of the collections (and for refund in the case of Refund Banker) under direct tax. It will also monitor the daily receipts and check the accuracy of the details received from the branches of the authorized banks regarding collection of direct taxes in the case of OTC payments. Mumbai Regional office of RBI will act as e-FPB for RBI's own collection through OTC at its regional Offices and NEFT/RTGS. However, all communication with TIN and PRAKALP will be on STP basis through e-Kuber.

8.2 Each e-FPB of Authorized banks will remit direct tax collection in the Major Head-wise Government accounts maintained by the RBI for the Income Tax Department.

8.3 The e-FPBs will be responsible for following functions:

- a) **Sending information to TIN 2.0 & PRAKALP:**
 - i. e-FPBs will collate the Challan data of all successful payment transactions for all applicable modes made on day T (including nil payment days) and prepare a Draft Luggage File and transmit the same in the prescribed format to TIN 2.0 on T+1 working day morning for system level reconciliation.
 - ii. The e-FPBs will receive the system level reconciliation report from TIN 2.0 on this Draft Luggage File and will carry out the relevant corrections

before sending the e-Scroll to PRAKALP and Luggage File to RBI on T+1 working day.

- iii. In respect of RBI's collection through OTC and NEFT/RTGS, all transactions will be accounted for and credited to government account on the same (T) day.
- iv. The Refund Banker will also report to PRAKALP/TIN 2.0 for income tax refunds made by it through the designated e-FPB, as prescribed in Section-7 above.

b) Fund settlement to RBI/Crediting the tax collection to Government Account:

- i. At the T+1 working day, each e-FPB will be responsible for sending daily Luggage File detailing transaction level details of receipts from all modes of payments for day T (including NIL payment days) to RBI for the purpose of fund settlement in the format as decided by RBI. Each Luggage File will have a Unique Serial Number which will be extending through a financial year, which will facilitate identification of missing files. The Luggage File number will become part of the electronic file. For operational purposes such as size of the file, it may be broken up into different parts with each part being numbered uniquely and also mentioning the total number of parts of that file;
- ii. e-FPBs shall provide the Luggage File to RBI by 1800 hours on the T+1 working day beyond which these will not be accepted by the RBI

c) Sending e-Scrolls to the O/o the Pr. CCA, CBDT

- i. The e-FPBs will transmit Scrolls to the PRAKALP on T+1 working day. The e-Scroll shall contain transaction level details of all successful transaction for all modes for Day T in the format as prescribed by the office of Pr. CCA, CBDT.
- ii. Every month, e-FPBs will provide Date-wise Monthly Statements (DMS) to the office of Pr.CCA, CBDT for the preceding month in the format and timeline as prescribed by the office of Pr. CCA, CBDT.

9. Timeline for remittance of tax collection by banks/RBI:

9.1 Since all the branches of the agency banks are on CBS platform and entire fund movement and reporting is electronic under TIN 2.0, all the authorized banks (Public/Private Sector Banks), shall remit the tax receipts collected throughout the country through any mode of payment to Government Account in RBI on the next day, i.e. T+1 working day (including put through), where T stands for the day when amount

is realized and available with the bank / the day on which the CIN is generated. This timeline also applies to the Refund Banker for remitting the tax collected through adjustment/TDS while processing Income Tax Refund as outlined in Section-7.5.2 above.

10. Payment of interest on delayed remittance of tax collections

10.1 If there is any delay beyond the period prescribed above, i.e. T+1 working day, the banks are liable to be charged interest for delayed period. The interest for delayed remittance is to be quantified and collected from the defaulting bank by the concerned ZAOs. The rate of interest to be charged is Bank Rate as prevailing at the time of transaction and announced/set by Reserve Bank of India from time to time, plus 2%, or at a rate as decided by O/o CGA from time to time.

10.2 The above timelines for remitting funds to the RBI and levy of penal interest for delayed remittances are governed by the Standard Operating Protocols (SOPs) issued by the Office of the Controller General of Accounts from time to time. The provisions for holiday calendar for calculation of penal interest on delayed remittances for the agency banks authorized to collect Direct Taxes will be governed by the instructions issued by the Office of the Controller General of Accounts, GOI, from time to time.

11. Accounting of 'March' transactions

11.1 Based on the inputs received from the O/o CGA, Reserve Bank of India, Central Office, Mumbai, will issue in the month of February/March each year special instructions to all banks collecting direct taxes regarding the procedure to be adopted in accounting the March transactions.

11.2 In April of the on-going financial year, the e-FPBs will be preparing scrolls relating to collections pertaining to March of the previous financial year as well. In order to account for the entire collections up to 31st March during the previous financial year itself, they have to follow the following procedure during the month of April. The e-FPBs have to prepare two sets of separate scrolls w.e.f. 1st April:

- a) One pertaining to March residual collections of the previous financial year (payments realized from taxpayer's account on or before 31st March); and
- b) Another for April transactions (pertaining to the on-going financial year)

11.3 They should ensure that all the tax collections made by the bank up to 31st March are accounted as "March Residual Transactions" relating to the previous financial year, and should not be mixed up with the transactions of April which falls in the on-going financial year. The main scrolls for March transactions are to be distinctly marked as "March Residual".

11.4 It may also be noted that all the cheques/amount realized on or before 31st March of the previous financial year should be treated as transactions relating to the previous financial year and should be accounted for as such under the head "March Residual Transactions" in the on-going financial year.

11.5 The e-FPBs should send two sets of figures distinctly showing "March Residual" and "April Transactions" accordingly.

11.6 The Date-wise Monthly Statements (DMS) should also be prepared in two sets: one pertaining to "March Residual Transactions" and another relating to "April Transactions".

11.7 The timelines for the reporting of "March Residual Transactions" in the month of April of the following financial year is decided by the O/o of the Controller General of Accounts from time to time. Thus, the reporting of March residual transactions should be done in accordance with the timeline specified by O/o CGA.

12. Monitoring Committee - holding of periodical meetings

12.1 For the smooth functioning of the revised scheme for collection and accounting of direct taxes by the authorized banks, the Monitoring Committee meetings will be held by the Office of the Pr.CCA, CBDT, consisting of officials from Nodal Banks/local authorities of the banks, the ZAOs and the I.T. Department will be formed at every Zonal Accounts Office centre. The Committee will meet half-yearly and discuss various issues connected with direct tax work such as accounting, scrolling, reporting, remittance and reconciliation, etc. and make efforts to sort out the problems at its own level. Further, annually there will be a special Monitoring Committee meeting in which senior officials from CBDT, RBI, I.T. Department and banks will participate and redress the various problems being faced by the banks, ZAOs and I.T. Department in the fields. Banks will ensure that the necessary follow-up actions are taken on the minutes of such meetings.

13. Reporting of errors by authorized banks

13.1 In case the bank detects any mistake in reporting of a tax payment, either suo moto or being brought to its notice by the tax payer, the bank will promptly transmit the error record to TIN 2.0/PRAKALP/RBI. For this the Memorandum of Errors (MOE) mechanism as described in PFMS-Bank Integration document & TIN 2.0-Bank Integration Document should be followed.

13.2 The timelines for settling the MOEs by various stakeholders is enclosed at *Annexure-3*.

14. Redressal of public grievances

14.1 Each authorized bank should have an effective protocol for dealing with public complaints on centralized phones, email and at the branches rendering service to the tax payers.

Annexure-1

Periodicity of Data Flow under PRAKALP/TIN 2.0

Day 'T'		
1	Real time communication of CRN by TIN 2.0 to Banks/ RBI (Depending on mode of payment)	Through browser/API
2	Real time/batch mode communication of CRN from TIN 2.0 to PRAKALP	Through API
3	Real time communication of acknowledgements against CRNs in case of presentation of paper instrument for OTC mode by banks/RBI to TIN 2.0.	Through API
4	Real time communication of acknowledgements against CRNs in the case of pre-authorized debit/ Maker-Checker for Mode 1 (& Mode 4 if applicable) to TIN 2.0	Through browser
5	Real time communication of CIN by bank/RBI to TIN 2.0 against successful payment against a CRN (Depending on mode of payment)	Through browser/API
6	Real time/ batch mode communication of CIN from Banks to PRAKALP. Real time communication of CIN from Banks/ RBI to PRAKALP	Through API
7	Real time/ batch mode communication of CIN from TIN 2.0 to PRAKALP	Through API
Day "T+1"		
1	Communication of all CRNs generated for day T from TIN 2.0 to PRAKALP	Through API
2	Communication of all successful CINs for day T from TIN 2.0 to PRAKALP	Through API
3	Communication of acknowledgements received for day T against CRNs in case of presentation of paper instruments for OTC mode by TIN 2.0 to PRAKALP	Through API
4	Communication of Draft Luggage File for day T from Banks to TIN 2.0	<ul style="list-style-type: none"> • Format of Draft Luggage File as prescribed by TIN 2.0. • Through API
5	TIN 2.0 to communicate the reconciliation results based on the Draft Luggage File and its own record to banks	Through API
6	Banks to prepared Luggage File and e-scroll for transactions related to day T after considering the reconciliation results as mentioned in step 5 and communicate them to RBI and PRAKALP respectively. Post reconciliation of CIN with TIN, Banks will provide the Scroll file of the reconciled transactions to PRAKALP. After consuming the scrolls, if any discrepancy is established by PRAKALP, MoE for	<ul style="list-style-type: none"> • Format of Luggage File as prescribed by RBI. • Format of e-Scroll as prescribed by Pr.CCA, CBDT.

	those transactions will be generated. RBI to share e-scroll for transactions related to day T with PRAKALP	<ul style="list-style-type: none"> Through API.
7	RBI to prepare a Credit Notifications based on Luggage Files received from banks for day T and including the transactions for RBI's OTC and NEFT /RTGS transactions for day T+1, and to communicate to PRAKALP.	<ul style="list-style-type: none"> Format of Credit Notification as prescribed by Pr.CCA, CBDT in consultation with RBI Through API/SFTP
8	PRAKALP to forward Credit Notifications received from RBI to TIN 2.0	Through API/SFTP
9	RBI to communicate to PRAKALP Account Statement giving the head wise details of funds settled with it for day T	Through API/SFTP
Monthly Statements		
1	Banks to submit a Date-wise Monthly Statement (DMS) every month for preceding month to PRAKALP.	Format as prescribed by the office of the Pr.CCA, CBDT
2	RBI to submit a Put-through Statement every month for preceding month to PRAKALP. RBI to submit a Date-wise Monthly Statement (DMS) for its own OTC and NEFT/RTGS based transactions and also Major head wise and Bank-wise Put-through Statement every month for preceding month to PRAKALP.	Format as prescribed by the office of the Pr.CCA, CBDT

**As the Draft Luggage File from Banks to TIN 2.0, Luggage file from Banks to RBI and e-Scroll from Banks to PRAKALP will contain the transaction level data for successful CIN, it is advisable that these formats may be kept similar to the extent possible.*

Annexure 2

List of Authorised Banks with their linked ZAOs

	Name of the Bank	Mapped ZAO	ZAO Code
1	Axis Bank	Kolkata	056990
2	Bank of Baroda	Ahmedabad	056050
3	Bank of India	Patna	055650
4	Bank of Maharashtra	Nagpur	055880
5	Canara Bank	Hyderabad	056600
6	Central Bank of India	Jalandhar	056750
7	HDFC Bank	Pune	055500
8	ICICI Bank	New Delhi	057315
9	IDBI bank	Kanpur	055960
10	Indian Bank	Chennai	057150
11	Indian Overseas Bank	Cochin	057240
12	J & K Bank	Jammu	004269
13	Punjab and Sind Bank	Agra	056830
14	Punjab National Bank	Jaipur	056130
15	State Bank of India	Bangalore	055570
16	Uco Bank	Bhubaneshwar	056200
17	Union Bank of India	Bhopal	055730
18	Reserve Bank of India	Mumbai	057075
19	Refund Banker (SBI)	Hubli	004289

Annexure-3

Timelines for settling of MOEs under TIN 2.0

	Para no. Of TIN 2.0 document.	Type of error.	Action to be taken by Whom.	Matter to be taken up with.	Proposed No of days within which MOE to be sorted.
1	2	3	4	5	6
1	Transaction reported to TIN 2.0 by banks but not reported to RBI/ O/o PCCA, CBDT (Para 123, 124 to 134 of TIN 2.0 document) (Pertains to Para 28, 87,111,123,124 and 134 of TIN 2.0 document.)				
A	Para 122 of TIN 2.0 document.	CIN reported to TIN 2.0 but not included in bank's e – scroll & luggage file	MOE to be generated by O/o PCCA, CBDT	Bank	MOE day + 2 working days
B		Transaction reported by bank to RBI & O/o PCCA, but not to TIN 2.0 (CIN included in bank's e scroll/luggage file but CIN not reported to TIN 2.0)			No MOE needed
C		If CIN data does not match with TIN 2.0 data at all, these kind of discrepancy can occur in: PAN/TAN no. Assessment year. Major/Minor head Amount break up Or without CIN, e scroll have come. Or incorrect CIN, e scroll have come.	O/o PCCA will not get e-scroll, so it will reconcile with TIN 2.0/ RBI notifications and create MOE and issue to bank For II AND III MOE issued by O/o PCCA.	Bank	MOE day + 2 working days MOE day + 2 working days
2	Cases where CIN is shared with the tax payers but there is no data flow from bank to other stakeholders ; viz. RBI, TIN 2.0 & O/o Pr. CCA, CBDT (Pertains to Para 130 of TIN 2.0 document)				
A	Para 130 part 1	For online payments, When TIN 2.0 ascertains the payment from e-FPB, Bank will immediately include in banks e-scroll/ luggage file	CBDT/ TIN 2.0	Bank	TIN 2.0 query day
B	Para 130 part 2	In OTC Payments, Tax payer will contact the bank and then bank will immediately include in banks scroll.	Taxpayer	Bank	Tax payer query day.
C	Para 130 part 3	In respect of NEFT/RTGS payments, tax payers contacts RBI, RBI will	Taxpayer	RBI	On query day itself

	Para no. Of TIN 2.0 document.	Type of error.	Action to be taken by Whom.	Matter to be taken up with.	Proposed No of days within which MOE to be sorted.
1	2	3	4	5	6
		include in its credit Notifications.			
D		if remittance not received by RBI itself, then the tax payer can contact the bank	Taxpayer	Bank/RBI	On query day itself.
E	Para 130 part 4 of TIN 2.0 document	Payment (net banking) through mode 1 & 4 and there is no response from bank means taxpayer can raise grievance at TIN 2.0 portal. TIN 2.0 will take up with e-FPB of banks	Taxpayer to TIN, TIN to Banks	Bank	Response on same day by including the amount in next scroll
F	Para 131 of TIN 2.0 manual	Transaction reported by e-FPB to TIN 2.0 & O/o Pr.CCA, CBDT, But not reported to RBI or vice versa. O/o PCCA, CBDT will take up with RBI. RBI can verify whether the error is from their end or from the end of bank and facilitate corrective measure.	O/o PCCA, CBDT	RBI	MOE + 1 working day
		Any type of error made by the taxpayer and wishes to correct in respect of Major Head, PAN no. and Assessment year after making the payment, he can raise grievance on TIN 2.0 which will be shared to O/o PCCA, CBDT for TE to be made on misclassification	TIN 2.0	Communicate to O/o PCCA, CBDT.	Grievance day + 1 working day
G	Para 132 of TIN 2.0 document	Sum total of amount for a CIN reported in credit notification by RBI is lesser/greater than that reported by e-FPB of authorized bank/RBI to TIN 2.0. In case where the tax amount is less than the amount indicated in the	O/o PCCA, CBDT	Bank	MOE + 2 working day

	Para no. Of TIN 2.0 document.	Type of error.	Action to be taken by Whom.	Matter to be taken up with.	Proposed No of days within which MOE to be sorted.
1	2	3	4	6	8
		challan, O/o PCCA, CBDT will take up the MOE process with RBI/Concerned bank			
H	Para 134 of TIN 2.0 document	In all cases where transactions reported by RBI mismatches, O/o PCCA, CBDT will take up the matter with RBI	O/o PCCA, CBDT	RBI	MOE + 2 working days
<p>Note: In above mentioned cases there exists two scenarios in cases outlined above: (1) Either the banks have not settled the funds with RBI and thus not reported to RBI/CBDT, or (2) the banks have settled the funds but not shared the luggage/settlement files. In the first instance penalty for delayed settlement will be imposed from the date of collection and up to the date of settlement as per prevailing rates prescribed by the O/o CGA/RBI. In the second case, any delay on the part of banks will be factored in while rating the performance of banks by the O/o Pr. CGA as delays will impact the accuracy of accounting date and correctness of flash figures.</p>					

IX. Annexure 9 – OM for TSA Hybrid Implementation

F. No. 3/(06)/PFMS/2023
Government of India
Ministry of Finance
Department of Expenditure
PFMS Division

North Block
New Delhi, 21st May, 2024

OFFICE MEMORANDUM

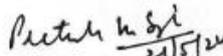
Subject: Master Circular - Procedure for release of funds under the Central Sector Schemes (CS) and monitoring utilization of the funds released.

The undersigned is directed to refer to DoE's guidelines dated 9th March, 2022, commonly known as the Central Nodal Agency (CNA) model regarding revised procedure for flow of funds under Central Sector Schemes.

2. Based on the feedback received from Ministries/Departments, various amendments/clarifications regarding the CNA model have been issued by the Department of Expenditure from time to time. Further, attention is also invited to this Department's OM of even no dated 5th February, 2024 wherein the decisions to (i) implement all Central Sector Schemes with annual outlay of Rs. 100 crore or more through Model 1 w.e.f. 01.06.2024, and to (ii) develop a hybrid TSA system to facilitate onboarding of Sub Agencies, whose account cannot be opened in RBI, on Model-1 were conveyed.

3. The enclosed Master circular is being issued in compliance of the aforesaid DoE's OM and to consolidate all the instructions / guidelines issued on the CNA guidelines till date. Instructions issued by this Department but inadvertently not included in the Master circular should also be followed by the Ministries/Departments.

4. This issues with the approval of competent authority.


(Prateek Kumar Singh)
Director
Tel. No. 011-23094961

To,

1. All Secretaries to the Government of India
2. All Financial Advisors to the Government of India
3. All Pr. CCAs/CCAs of all Ministries/Departments

Copy to:

1. PSO to Finance Secretary & Secretary (Expenditure)
2. PPS to CGA
3. PSO to AS (PFC-II)/AS (Pers)/AS(PFS)/JS(PFC-I)
4. Addl. CGA (PFMS), O/o CGA, INA, New Delhi

E. No. 3/(06)/PFMS/2023

Master Circular on the 'CNA Model' - Procedure for release of funds under the Central Sector Schemes (CS) and monitoring utilization of the funds released

Contents

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21/5/24

Master Circular on the 'CNA Model' - Procedure for release of funds under the Central Sector Schemes (CS) and monitoring utilization of the funds released

The following procedure shall be followed by the Ministries/ Departments of Government of India for flow of funds under the Central Sector Schemes and monitoring utilization of funds released.

2. Every Ministry/ Department will designate a Central Nodal Agency (CNA) for implementing each Central Sector Scheme. CNA shall be referred to as 1st level agency of the scheme.

3. If there are other agencies involved in implementation of the scheme down the ladder, which get funds from the CNA, these Implementing Agencies (IAs) will be notified as Sub-Agencies (SAs) of the CNA.

4. SAs immediately below CNA are referred to as 2nd level agencies; SAs below 2nd level SAs are referred to as 3rd level agencies and so on.

5. Depending on (i) Budget Estimate of the scheme, (ii) number of levels of implementing agencies in the scheme, and (iii) nature of implementing agencies i.e. whether Government or private, Ministries/Departments have to select one of the following Models to implement the Central Sector scheme -

A. Model - 1: Implementation through Treasury Single Account (TSA)

6. This model will be applicable for schemes –

- i. Having Budget Estimate of Rs 100 crore or more in a Financial Year (FY), and
- ii. which are being implemented through only two level of Central/State Government agencies eligible to open account in Reserve Bank of India (RBI). Agencies may be a Central Autonomous Body or a Central Public Sector Enterprise or a State Government Agency.

Onboarding of Government Implementing Agencies

7. For each Central Sector Scheme, the concerned Ministry/Department will designate an Autonomous Body or a Central Public Sector Enterprise or a State Government Agency as the Central Nodal Agency (CNA) to implement the scheme.

8. The CNA will open an account with the Reserve Bank of India (RBI) in e-Kuber. Even in cases where the CNA is already registered in the TSA module and has a bank account in e-Kuber for some other grant, it will open separate account in e-Kuber for funds to be provided under each Central Sector Scheme.

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21/5/24

9. The relevant details of account of the CNA opened with RBI shall be mapped in the TSA module of PFMS as per the extant guidelines on TSA.
10. If besides CNA, there are 2nd level Central/State Government agencies involved in implementation of the scheme, these Implementing Agencies (IAs) will be known as Government Sub-Agencies (SAs) of the CNA.
11. The Government SAs will also open scheme-wise bank accounts with RBI in e-Kuber and shall be mapped in the TSA module of PFMS.
12. RBI will function as the primary banker to the Ministries/ Departments in this regard without involvement of an agency bank.
13. The CNA and SAs shall not open/operate/ park scheme funds in any other bank account except under the provisions made in these guidelines.

Assignment Limits for CNA and Government SAs

14. All accounts of CNA/Government SAs in RBI will be "Assignment Accounts". A limit up to which expenditure can be incurred by the CNA/ SAs shall be assigned to these accounts from time to time by the Pay and Accounts Office (PAO) concerned through PFMS.
15. Assignment will be based on an expenditure sanction issued by the Programme Division (PD) and the bill preferred by the Drawing and Disbursing Officer (DDO). The e-format of the assignments and Sub-assignments shall have requisite details required for accounting and reconciliation of transactions. The e-Kuber bank account details of the CNA/SAs shall be incorporated in the sanction order.
16. The assignments shall be uploaded on the TSA module and received electronically by the CNAs as per the existing protocols of TSA module. The CNA may issue e-Sub-assignments in PFMS against this assignment setting limits of expenditure for the SAs.
17. Control of limits shall be at the Standard Object Head level.
18. Consequent upon receipt of the sanction order for release of funds to the CNA along with bills from the Drawing and Disbursing Officer (DDO), the concerned Pay and Accounts Officers (PAOs) shall, through assignments, advise RBI, after exercising all necessary checks, to honor the payment instructions issued by the concerned CNA/SA up to the, "assigned limit" in the advice.
19. The PAO shall debit the concerned Head of Account for appropriation but not transfer the cash directly to the CNA. It shall be retained in an interim account in respect of the CNA listed under the parent Ministry/ Department in the public account.

Prateek K. G. S.
21/5/24

20. CNAs & SAs shall adhere to all due process while incurring expenditure from the assignment limit sanctioned through PFMS. CNAs shall also ensure that sufficient limit is available in the relevant account before issue of assignment to SAs.

21. The system will be digital and fully online on PFMS with no physical flow of assignments to RBI or expenditure by CNAs/SAs on assignment basis. The electronic file containing a unique sanction ID and necessary details of the sanction order will travel directly from PAO to RBI and concerned CNAs. RBI will maintain individual ledgers in respect of the accounts of the CNAs for watching the availability of assignment.

22. PFMS Division in CGA will design requisite reports to enable all Program Division (PDs), Pay & Accounts Officers (PAOs), and other stakeholders to view details of sanction orders, summary and budget balance of assignments/sub-assignments, and expenditure details.

23. Ministries/ Departments administering the schemes concerned should strive to make realistic estimation of Budget under the Central Sector schemes and issue sanction orders according to actual requirements. The savings in the assignments should be anticipated well in advance particularly in the third quarter of Financial Year and Ministries/Departments shall ensure suitable savings/surrenders are informed to Budget Division during the pre-budget meetings.

24. Unutilized assignments will lapse to the Government at the close of the Financial Year as per the extant norms of Budget execution and will not be available to the CNAs /SAs for expenditure in the next financial year. In PFMS too, all e-assignments/e-sub assignments shall cease to exist after the close of financial years and shall be flushed out from the system as per the current practice in TSA module.

25. In respect of some transactions like payment of TDS, Income Tax and GST, Opening of Letter of Credit in favor of foreign suppliers, scholarships to foreign students not having account in India, and payment of salaries of the month of March to be paid in 1st week of April, CNAs/SAs may utilize the services of their existing account at commercial banks. They may transfer funds "just in time" to the extent required for meeting such transactions. However, in no case the money transferred under this provision will be parked in a Commercial Bank beyond a period of two weeks except in case of opening Letter of Credit in favor of foreign suppliers in which case the funds can be held in the bank account for the duration required as per purchase order/contract agreement.

26. Unutilized amount of past releases under the scheme available in the bank account of CNA & SAs shall be deposited in the Consolidated Fund of India.

Preetish M Singh
21/5/24

B. Model – 1A: Implementation through Hybrid Treasury Single Account (TSA)

27. This Model is applicable –

- i. To schemes having Budget Estimate of Rs 100 crore or more in a FY, and
- ii. Where there is a private Sub-Agency (SA) involved in implementation of the scheme which cannot open an account in the Reserve Bank of India (RBI); and/or
- iii. Where there are more than two level of Government/Private SAs involved in implementation of the scheme as RBI does not provide facility to open accounts for 3rd & below level agencies.

Onboarding of Government and Private Implementing Agencies

28. For each Central Sector Scheme, the concerned Ministry/Department will designate an Autonomous Body or a Central Public Sector Enterprise or a State Government Agency as the Central Nodal Agency (CNA) to implement the scheme. 2nd level Government agencies involved in implementation of the scheme will be designated as Government SAs.

29. CNA and 2nd level Government SAs will open assignment accounts in RBI and will be given assignments as per the procedure described in Model 1 above.

30. CNA and Government SAs may also function as 'Funding Agencies' to provide funds to Private SAs at 2nd level and to Government/Private SAs at 3rd level respectively. The Private SAs at 2nd level and Government/Private SAs at 3rd level will be referred to as Recipient SAs.

31. Each Recipient SA will open a savings bank account in a scheduled commercial bank. If there are SAs below the Recipient SA, they will open a Zero Balance Subsidiary Account (ZBSA) in the bank of the Recipient SA.

32. If Recipient SAs and SAs below it already have bank accounts as per para 31 above, same bank accounts may be used & there is no need to open new accounts subject to the condition that funds in the existing bank accounts shall be deposited in Consolidated Fund of India before onboarding.

33. The network of CNA and various types of SAs is explained in the illustrations given in Annexure I and Annexure II.

Procedure to incur scheme related expenditure

34. CNA and Government SAs having an account in RBI will incur expenditure directly from their RBI accounts as per the procedure in Model 1. The procedure for incurring

expenditure by Recipient SA and SAs below who have to incur expenditure from their account in scheduled commercial bank is described below.

- i. The bank account of recipient SA will be assigned a drawing limit by its concerned Funding Agency. Similarly, ZBSAs will be assigned a drawing limit by the agency immediately up the ladder. The available drawing limit will get reduced by the extent of utilization.
 - ii. When a Recipient SA/other SA down its ladder has to make payment to vendors/beneficiaries under the scheme, the SA concerned will prepare (i) a payment file in PFMS containing details of the beneficiaries and vendors to whom the payment is to be made and (ii) a demand file containing amount of funds needed to make the payments as per the payment file.
 - iii. The amount claimed in the demand file shall not exceed the drawing limits assigned to that SA.
 - iv. While the payment file will be retained by the respective SA, the demand files generated by the Recipient SA and SAs below it shall be consolidated daily in PFMS. The consolidated demand file will be sent to the concerned Funding Agency.
 - v. The demand received by the Funding Agency in PFMS till the cut-off time of 3 PM on a working day will be processed and sanction for the amount demanded will be generated on the same working day. Sanction for the consolidated demand received beyond the cut-off time of 3 PM will be generated on the next working day.
 - vi. After sanction, the sanction will be sent to RBI for debiting the assignment account in RBI of the concerned Funding Agency and crediting the sanctioned amount in the bank account of the Recipient SA concerned.
 - vii. Immediately on receipt of funds, the Recipient SA will disburse them to vendors/beneficiaries through its bank account or through ZBSA accounts as per the payment files generated by respective SAs.
35. The funds shall not be retained in any commercial bank account of Recipient SA for more than 2 working days. Interest accrued in the commercial bank accounts shall be deposited in Consolidated Fund of India as per provisions of GFR.
36. Provision in respect of transactions like payment of TDS, Income Tax and GST etc. shall be the same as described in Model 1.
37. CNA and SAs shall not open/operate/park funds in any other bank account except the bank accounts opened/operated as per these guidelines.

Prakash K Sin
21/5/24

C. Model – 2: Implementation through scheduled commercial banks

38. This Model shall be applicable for Central Sector Schemes with Budget Estimate of less than Rs 100 crore. However, Ministries/Departments may also opt for Model 1/1A to implement such schemes.

39. Every Ministry/ Department will designate a Central Nodal Agency (CNA) for implementing each Central Sector Scheme.

40. The CNA will open a Central Nodal Account (savings bank account) for each Central Sector Scheme in a scheduled commercial bank authorized to conduct Government business by the Ministry/ Department concerned.

41. Implementing Agencies (IAs) down the ladder will be designated as Sub-Agencies (SAs). The SAs will use the CNA's accounts with clearly defined drawing limits set for that account. However, depending upon operational requirements, Zero Balance Subsidiary Accounts for each scheme may also be opened by the SAs.

42. All ZBSAs will have allocated drawing limits to be decided by the CNA concerned from time to time and will draw on real time basis from the Central Nodal Account of the scheme as and when payments are to be made to beneficiaries, vendors etc. The available drawing limit will get reduced by the extent of utilization.

43. For seamless management of funds, the main account and all zero balance subsidiary accounts should be maintained with the same bank. However, Ministry/ Department may choose different banks for opening Central Nodal Accounts of different Central Sector Schemes.

44. Only banks having a robust IT system and adequate branch network should be chosen for opening Central Nodal Account and the zero balance accounts of SAs of each Central Sector Scheme. The bank chosen should have the facility to open the required number of subsidiary zero balance accounts and a robust MIS for handling accounting and reconciliation at each level. The bank should also provide necessary reports and a user-friendly dashboard to officers at various levels to monitor utilization of funds by SAs.

45. The bank's software system should be able to monitor the drawing limits of the SAs who should be able to draw funds on real time basis from the CNA's account as and when payments are to be made. The selected bank should ensure proper training and capacity building of branch managers and other staff for smooth operation of these accounts.

46. Ministries/ Departments will release the scheme funds for each Central Sector Scheme to the account of CNA concerned strictly on the basis of requirement, keeping in view the balance funds of the scheme available with the CNA as per PFMS or scheme-specific portals fully integrated with PFMS in consonance with Rule 232(v) and 230(vii) of the General Financial Rules, 2017.

Prateek K. Singh
21/5/24

47. The Ministries/ Departments and the CNAs shall ensure that the interest earned from the funds released is mandatorily remitted to the Consolidated Fund of India in terms of Rule 230(8) of GFR, 2017. Interest amount should be deposited in CFI only through Bharatkosh (NTRP) using PFMS process flow and no other mode should be adopted.

48. The Ministries/ Departments shall release the funds as far as possible in 'Just-In-Time' manner keeping the float in CNAs account to the minimum possible and shall in no case release more than 25% of the amount earmarked for the scheme in a financial year at a time. Additional funds (not more than 25% at a time) will be released only upon utilization of at least 75% of the funds released earlier and in compliance with the conditions of previous sanction.

49. In case Ministries/Departments are unable to sanction new projects in PFMS due to availability of sufficient funds lying in the CNA's Bank Account, sanction orders for token amount not exceeding Rs. 1 (one) in each case can be generated for new project. Once the sanction order is issued, CNA can assign adequate financial limit to the new project in PFMS to enable utilization from the amount balance in the CNA's bank account.

50. The drawing limits assigned to CNA/SA for various projects/activities may be modified based on the pace of utilization of funds as per the following procedure –

- i. The redistribution of drawing limits among SAs for various projects/activities pertaining to same object head can be done through a revised sanction order issued by the Ministry/Department.
- ii. The redistribution of drawing limits among SAs for various projects/activities pertaining to different object heads can be done through a revised sanction order issued by the Ministry/Department only if the original and revised sanction orders are issued in the same financial year backed up by necessary re-appropriation/supplementary as per DFPR etc.
- iii. While doing inter object head redistribution, Program Division and IFD should ensure that the total funds released under an object head in a financial year as per original/revised sanctions should not exceed the annual budget allotted under that object head unless the budget is augmented through re-appropriation/supplementary etc.
- iv. The intra/inter object head redistribution as per (i) and (ii) above shall be accompanied by necessary transfer entries in the books of accounts and the provisions of NS/NIS limits and rule 10 of DFPR shall apply.
- v. To avoid issue of multiple revised sanction orders in a financial year, Program Division of the Department/Ministry, in consultation with IFD, may give flexibility to the CNA to redistribute drawing limits among SAs during a financial year, subject

to issue of a consolidated revised sanction order as per (i), (ii), (iii), and (iv) above at the fag end of the financial year.

- vi. Funds lying unutilized with the SAs under an object head, which the Ministry/Department is unable to redistribute to other projects/activities as per aforesaid procedure, may be returned by the CNA to the Ministry.
- vii. Ministries/Departments should develop an internal mechanism to monitor/track revision of sanction orders and project/activity wise utilization of funds for the purpose of submitting Utilization Certificates as per GFR provisions.
- viii. The sanction module of PFMS will enforce budgetary controls at the line item and object head level.

51. For administrative convenience and efficiency, the Program Division may obtain approval of the competent authority and concurrence of the Financial Advisor for more than 25% at a time. But release of funds shall not exceed 25% in one instalment.

52. After opening of Central Nodal Account of the scheme and before opening zero balance subsidiary account of SAs or assigning them drawing rights from CNA's account, the SAs at all levels shall return all unspent amounts of the scheme lying in their accounts to the Central Nodal Account of the CNA.

53. It will be the responsibility of the Ministry/ Department concerned to ensure that the entire unspent amount of the scheme is returned by all the SAs to the Central Nodal Account of the CNA concerned before releasing funds to CNAs.

54. Ministries/ Departments will ensure that releases under all Central Sector Schemes are made strictly as per the actual requirement on the ground, without resulting in any material float with the implementing agencies at any level.

55. Ministry/ Department will register the CNAs and all SAs on PFMS and use the unique PFMS ID assigned to the CNA and SAs for making all payments to them. Bank accounts of the CNAs, SAs, vendors and other organizations receiving funds will also be mapped in PFMS.

56. Payments will be made from the zero balance subsidiary accounts up to the drawing limit assigned to such accounts from time to time. Transactions in each Subsidiary Account will be settled with the Central Nodal Account daily through the core banking solution (CBS) on the basis of payments made during the day.

57. CNAs and SAs will mandatorily use the EAT module of PFMS or integrate their systems with the PFMS to ensure that information on PFMS is updated by each SA at least once every day.

Prateek K Singh
21/11/24

58. CNAs will keep all the funds received in the Central Nodal Account only and shall not transfer the funds to any other account or not divert the same to Fixed Deposits/ Flexi-Account/ Multi-Option Deposit Account/ Corporate Liquid Term Deposit (CLTD) account etc. The funds released to CNA shall not be parked in bank account of any other agency.

59. Release of funds by the Ministries/ Departments towards the end of the financial year should be avoided to prevent accumulation of unspent balances with CNAs.

60. Provision in respect of transactions like payment of TDS, Income Tax and GST etc. shall be the same as in Model 1.

D. Fund releases exempted from CNA model

61. Following categories of fund releases by a Ministry/Department will be exempted from following these guidelines and may continue in existing mode:

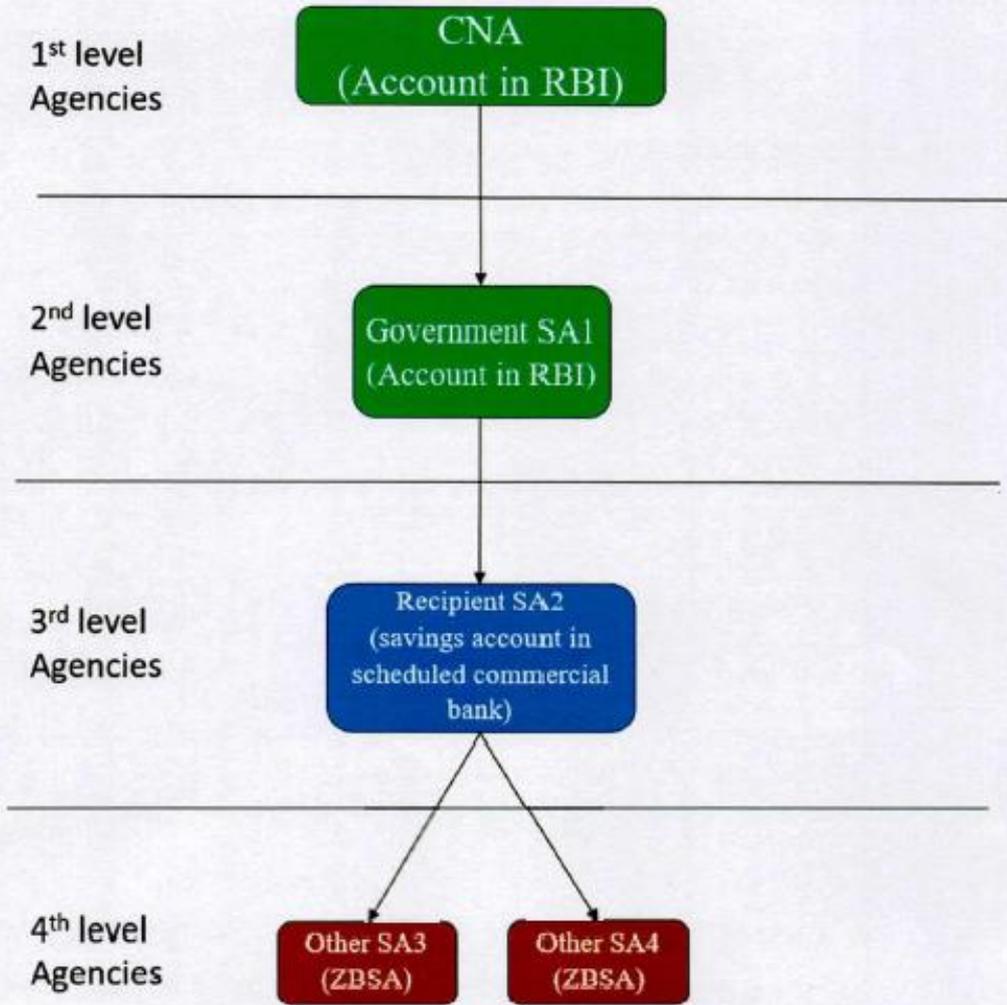
- (i) Fund released by Ministries/Departments in Direct Benefit Transfer (DBT) mode or reimbursement mode.
- (ii) Fund releases involving payment of equity share or extension of loan by the Government to a company.
- (iii) Fund releases where 100% payments are made by the Ministry/Department directly to the vendors/beneficiaries against the bills/claims raised by the vendors/beneficiaries.
- (iv) Fund releases by the Ministry/Department directly to multiple Implementing Agencies (IAs) where amount transferred to any agency does not exceed Rs. 10 lakhs per annum.
- (v) Fund releases in which funds are transferred to the Indian Missions abroad for implementation of the scheme.
- (vi) *Fund releases for a corpus/revolving fund approved by the Cabinet. [Standards Deleted]*
- (vii) Fund releases based on authorization where expenditure is incurred on real time basis with no float. However, in such cases Ministry/Department shall avoid the mode of transfer of funds through Civil Deposit and the option of Letter of Authorization should be adopted.

62. UTs without legislature work directly in PFMS and should be given Letter of Authorization (LoA). There is no need for them to open a Central Nodal Account. They will ensure that the funds are released on the basis of LoA to the vendors/ beneficiaries 'Just-In-Time'.

63. This issues with the approval of Finance Secretary & Secretary (Expenditure).

Annexure I

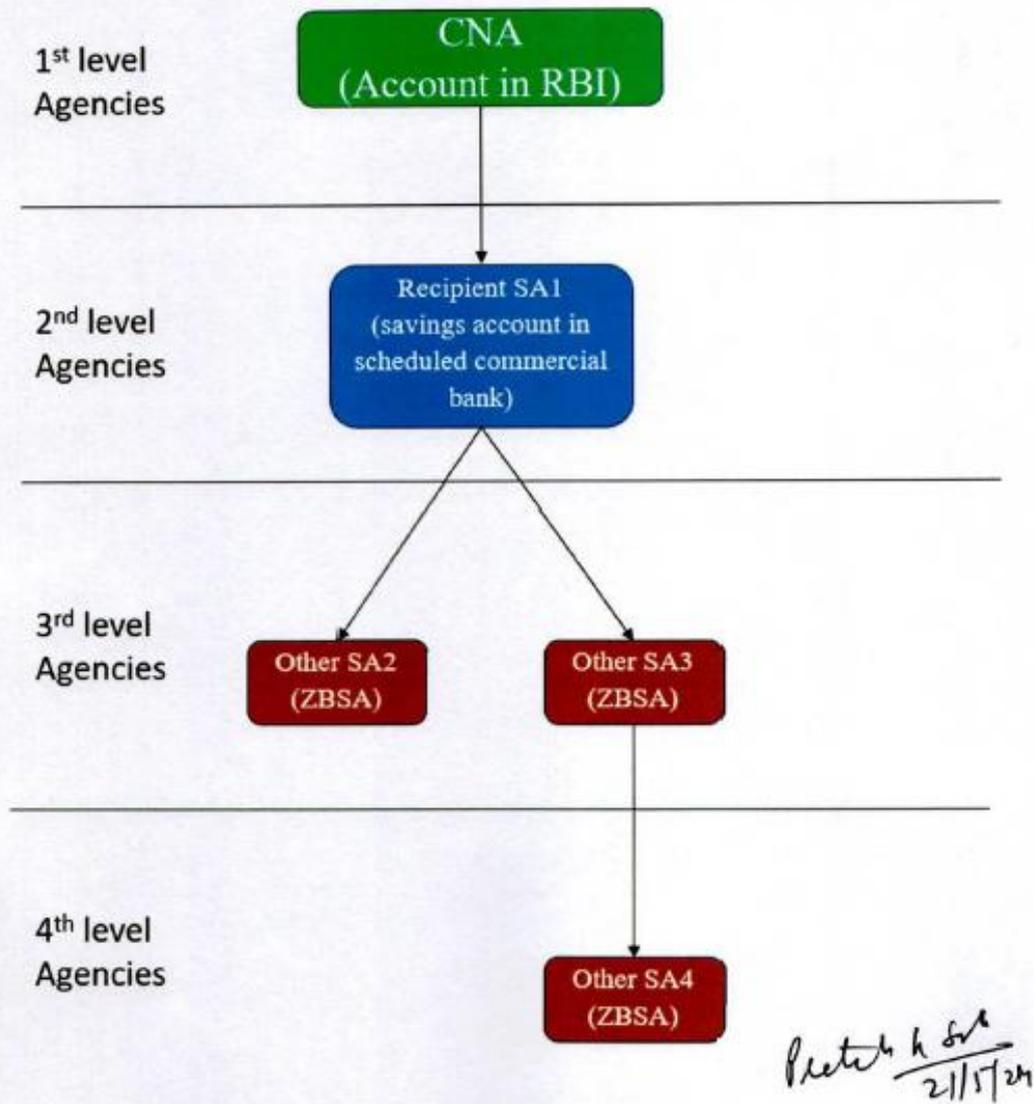
Case where Government SA is Funding Agency for Recipient SA at 3rd level



Prateek K S
21/5/21

Annexure II

Case where CNA is Funding Agency for Recipient SA at 2nd level



X. Annexure – 10: Opening and linking of Zero Balance Account with SNA/CNA Account

(C.No.6706) V-13018/1/2021-PFMS/2024
 Government of India
 Ministry of Finance/Department of Expenditure
 Controller General of Accounts
 Public Financial Management System

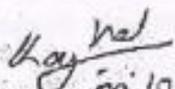
Dated: 08/06/2023

OFFICE MEMORANDUM

Sub: Opening and linking of Zero Balance account with SNA/CNA account Protocol –reg.

1. To keep track of all SNA/CNA accounts opened by banks, including the Zero balance subsidiary accounts (ZBSAs) associated with CNA/SNA accounts, it has been decided to maintain the database in PFMS.
2. To achieve this, PFMS will provide the details of SNAs/CNAs Bank accounts registered in PFMS (Both active and inactive) to respective banks. In return, banks will provide the data of linked ZBSAs corresponding to the SNA/CNA Bank Accounts.
3. It may be noted that Bank wise CSV files will be generated and uploaded on the SFTP. Folder path will be shared with banks where the files will be kept. Banks have to provide the linked ZBA account as well as accounts holder's name against each of the SNA/CNA account number in the same SFTP folder.
4. The CSV files will be placed on SFTP by 12th June 2023 and the bank will have to revert with the linked ZBSA account with PFMS by 17th June, 2023 (Please refer to page 2 of the OM).

This issues with the approval of the Competent Authority.


 08/06/2023
 (Kaushal Kishore Meena)
 Assistant Controller of Accounts

To

All SNA/CNA banks

Copy for information to:

1. PS to Additional CGA, PFMS, O/o CGA
2. PS to Joint CGAs (Rollout/DBT/TRBR/GIFMIS), O/o CGA
3. DDG./Sr.TD/TD, NIC, PFMS
4. ACGA/ACAs, PFMS
5. Sr.AO(Roll out/DBT/TRBR), O/o CGA
6. OSDs (I/II), PFMS
7. Sr.AO(Banking/DBT/Rollout), PFMS

XI. Annexure 11 – Mandatory Protocols by Bank

(C.No.12186) V-13022/2/2023-PFMS / 2533
Government of India
Ministry of Finance/ Department of Expenditure
Controller General of Accounts
Public Financial Management System

Dated- 13/06/2023

OFFICE MEMORANDUM

Sub: Implementation of PFMS Protocols-reg.

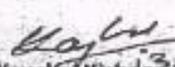
It is known that under CNA/SNA module of implementation of CS/CSS schemes respectively; Banks play an important role for ensuring smooth payment processes. This can be possible only when banks are fully compliant of the PFMS protocols of bank integration. The mandatory protocols that are required to be adopted by each Bank; that is either on-boarded or requires to be on-boarded for SNA/CNA are as follows:-

1. Single Account Validation
2. Discontinuation of manual PPA (use of DSC or ePA)
3. Payment Route and ANYM Protocol
4. Ack/Nack for Payment
5. Daily Bank Balance Updation
6. SHA2 Protocol
7. Migration of Banks to PFMS-SFTP

While this issue of adoption of PFMS protocols has been stressed upon in several bank meetings; it is seen that many banks are still found wanting in their full compliance.

It is, therefore, reiterated again that all currently on boarded banks may ensure full compliance of these protocols. The adoption of these protocols is an important KPI which shall further determine the integration /dis-integration of the banks with PFMS.

This issues with the approval of the Competent Authority.


(Kausik Kishore Meena)
Asstt. Controller of Accounts

To

Chairman/CMD/ED/CGM Banks

Copy for information to:-

1. Sr.PS to CGA
2. PPS to AS (PF-S), DoE
3. PS to Additional CGA, PFMS, O/o CGA
4. PS to Joint CGAs (GIFMIS/DBT/TRBR/ROLLOUT), O/o CGA
5. To all State Directorates
6. DDG/Sr.TD NIC, PFMS
7. ACGA/ACAs, PFMS
8. OSDs(I/II), PFMS
9. Sr.AO (Banking/DBT/Rollout), PFMS

F. No. 1(15)/PFMS/2021
Government of India
Ministry of Finance
Department of Expenditure

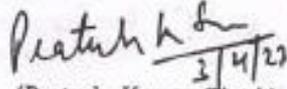
North Block,
New Delhi, the 3rd April, 2023

OFFICE MEMORANDUM

Sub: Facility to change the bank of SNAs and CNAs-reg.

The undersigned is directed to say that requests for a facility to change the bank of SNAs and CNAs have been received in the Department of Expenditure.

2. Such requests for change of bank should be forwarded to Addl. CGA, PFMS with approval of Principal Secretary (Finance) of the State Government in case of SNA and Secretary of the Ministry/Department of Government of India in case of CNA.


(Prateek Kumar Singh)
Director
Telephone No. 23094961

To

1. Secretaries to all Ministries/Departments of Government of India
2. Finance Secretaries of all State Governments

Copy for information to:

1. PSO to AS (PF-S), DoE
2. PS to Additional CGA, PFMS, O/o CGA
3. PS to Joint CGAs (ROLLOUT/GIFMIS/DBT/TRBR), PFMS
4. DDG, NIC, PFMS
5. Sr.TD, NIC, PFMS(Banking)
6. ACGA/ACAs, PFMS
7. OSDs(I/II), PFMS
8. Sr.AO (DBT/Rollout), PFMS

XII. Annexure 12 –TSA Hybrid Detailed Bank Manual

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE, DEPARTMENT OF EXPENDITURE
O/O CONTROLLER GENERAL OF ACCOUNTS,
GIFMIS – PFMS**

Mahalekha Niyantak Bhawan
GPO Complex, Block E, INA Colony, New Delhi

File No. 1-104001/2/2022-ITD-CGA/262

Date: 26/11/2024

OFFICE MEMORANDUM

Sub: Standard Operating Procedure for Scheduled Commercial Banks for onboarding of schemes under CNA Model - 1/1A for smooth implementation of TSA Hybrid System

The undersigned is directed to refer to the Ministry of Finance DoE OM of even no. dated 21st May'2024 regarding the revised procedure of fund flow under Central Sector Schemes and forward the Standard Operating Procedure for Scheduled Commercial Banks for the migration of schemes operating under CNA Model - 2 to CNA Model - 1/1A for smooth implementation of TSA Hybrid.

This issues with the approval of the Competent Authority.

Yours sincerely,



(Anupam Raj)

Dy. Controller General of Accounts

To:

All Pr. CCAs/CCAs/CAS with independent charge with a request to get the OM circulated to all concerned Agencies and their respective banks.

Copy to:

1. PPS to Additional Secretary (PFS), Department of Expenditure, Ministry of Finance
2. PS to Additional CGA (PFMS)
3. PS to Joint CGA (GIFMIS-PFMS), O/o CGA
4. PS to Joint CGA (GBA), O/o CGA
3. Sr.AO (GIFMIS) to upload a copy on CGA's website

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Abbreviations

Acronyms	Description
AB	Autonomous Bodies
ACA	Additional Central Assistance
CFI	Consolidated Fund of India
CGA	Controller General of Accounts
CNA	Central Nodal Agency
CPSE	Central Public Sector Enterprises
CS	Central Sector Schemes
DoE	Department of Expenditure
FY	Financial Year
Government SAs	Government Sub Agencies
IA	Implementing Agencies
JIT	Just in Time
MoF	Ministry of Finance
PAO	Pay & Accounts Office
PD	Programme Division
PFMS	Public Finance Management System
RBI	Reserve Bank of India
SA	Saving Account
SNA	Single Nodal Agency
TSA	Treasury Single Account
ZBSA	Zero Balance Subsidiary Accounts

1. TSA Hybrid – Introduction

At present CNA-Model1/TSA is being implemented up to second tier of Agencies, whereby necessary enhancements have been made in PFMS for implementation of TSA in compliance to revised guidelines issued vide OM No.26(118)/EMC Cell/2016 Dated 24.02.2022 for TSA as well as OM dated 09.03.2022 for implementation of CNA Model 1. As per provisions in the guidelines referred to, the Autonomous Body/Sub Autonomous bodies/ Statutory bodies/CPSEs/CNAs/Implementing Agencies have opened bank accounts with Reserve Bank of India in e-Kuber.

There is no provision in the above referred guidelines for opening of RBI accounts by agencies beyond 02nd level, whereas many schemes are being implemented by Agencies at 03rd level & beyond and therefore, the Ministries/ Departments are facing issues in smooth implementation of the schemes onboarded on TSA/CNA-M1.

To cater to the above problem, at present the 3rd level and beyond agencies are registered as vendors of 02nd level agencies and are receiving vendor payments from assignments of 2nd level agencies. Agencies at 3rd level and beyond are registered in EAT module. Parking of funds is being monitored through the EAT reports (already available). Following issues are observed in existing mechanism.

- i. Parking of funds with third and below level agencies.
- ii. Unutilized funds cannot be returned to higher level agencies i.e. to 1st Level or 2nd level agencies.
- iii. It is difficult to create reports covering all levels of agencies of scheme.

To overcome the issue mentioned above and enhancement in TSA for smooth implementation of the schemes with onboarding of 3rd level and down the line agencies, Model-1A: Implementation through **Hybrid Treasury Single account** has been formulated in accordance with Ministry of Finance Department of Expenditure O.M. F. No. 3/(06)/PFMS/2023 dated 21st May, 2024.

2. Purpose

The purpose of this document is to facilitate all the accredited banks regarding process and implementation of TSA – Hybrid and its operations through PFMS. Hybrid TSA system facilitates 3rd and below level agencies, private agencies etc., whose account cannot be opened in RBI under Model 1, to operate in TSA system through Savings Account in Scheduled Commercial Bank and materialize just in time release of funds. This SOP helps the banks to define their actions and perform tasks assigned to them proficiently.

TSA Hybrid broad mechanism: It is applicable

- To Central sector schemes having Budget Estimate of Rs 100 crore or more in a FY.
- Where there is a private Sub-Agency (SA) involved in implementation of the scheme which cannot open an account in the Reserve Bank of India (RBI).
- Where there are more than two level of Government/Private Sub Agencies involved in implementation of the scheme as RBI does not provide facility to open accounts for 3rd & below level agencies.
- Autonomous Bodies under Other Central Expenditure where more than two levels of hierarchy exist, or second level is a private entity.

Deduction Settlement

- In deviation from existing CNA Model processes where deductions are not handled in automated manner, agencies at all levels under Hybrid TSA shall open a holding account in a scheduled commercial bank.
- For agencies with RBI account, any deduction made on account of TDS, Income Tax and GST etc. shall be automatically moved to holding account.
- For agencies with savings accounts/ZBSA accounts with Scheduled Commercial Bank, the claim file when generated shall contain details of both gross and net amount with deductions indicated separately. The claim file shall be paid out by funding agency for gross amount with net amount moving to savings account and deductions amount moving to holding account of each claimant agency directly.

- The agency shall be required to map, enter and clear the deduction amount in holding account by cheque / DD/ e- payment as applicable by remitting the deductions to concerned authorities / entities at defined / regulated periodicity.

3. Key Features of TSA Hybrid

- Just in time release of Funds for central Sector Schemes with annual budget outlay more than 100 crores
- The funds shall not be retained in any commercial bank account of Recipient Sub Agency for more than 2 working days. Interest accrued in the commercial bank accounts shall be deposited in Consolidated Fund of India as per provisions laid down in GFR.
- The demand received by the Funding Agency in PFMS till the cut-off time of 3PM on a working day will be processed and sanction for the amount demanded will be generated on the same working day.
- Provision in respect of transactions like payment of TDS, Income Tax and GST etc. shall be the same as described in Model 1.

4. Broad process of TSA Hybrid

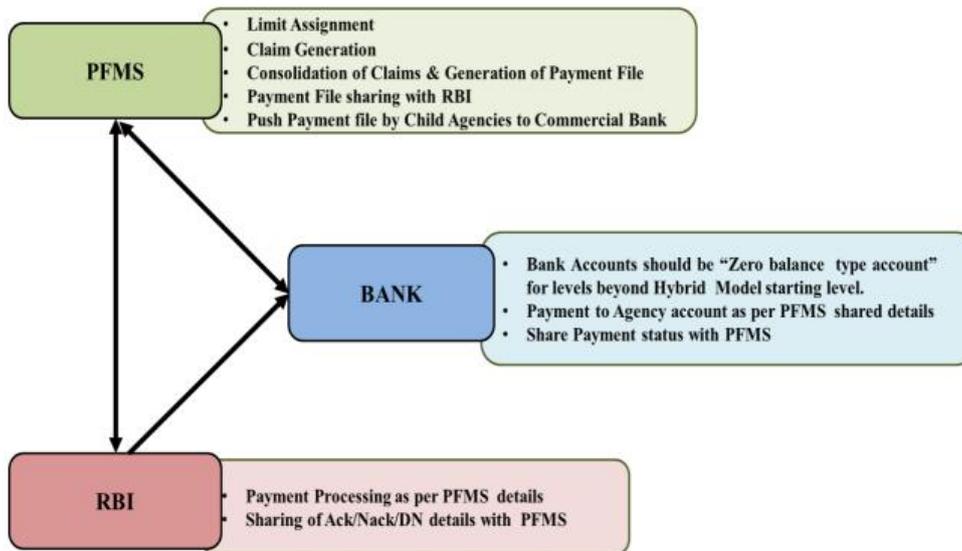
- i. CNA and Government Sub Agencies having an account in RBI will incur expenditure directly from their RBI accounts as per the procedure in Model 1. Only the deductions part will be paid through Holding Accounts opened in Scheduled Commercial Banks.
- ii. The bank account of recipient Sub Agency will be assigned a drawing limit by its concerned Funding Agency. Similarly, ZBSAs will be assigned a drawing limit by the agency immediately up the ladder. The available drawing limit will get reduced by the extent of utilization. Limit is controlled by PFMS only for monitoring purposes and bank has no action on its part.
- iii. When a Recipient Sub Agency having savings account or other Sub Agency having ZBSA account down its ladder has to make payment to vendors/ beneficiaries under the scheme, the SA concerned will prepare (i) a payment/claim file in PFMS containing details of the beneficiaries and vendors to whom the payment is to be made and (ii) a demand file containing amount of funds needed to make the payments as per the payment file.
- iv. The payment file will be retained in PFMS at the respective Sub Agency level after DSC authentication, and the demand files generated by the Recipient SA and SAs below it shall be consolidated daily in PFMS at 3 pm and will be available at the concerned Funding Agency Data Operator level.
- v. After the consolidated file is digitally signed by the Funding Agency Data Approver user, the payment instructions will be sent to RBI for debiting the assignment account in RBI of the concerned funding agency and crediting the net amount in the savings bank account of the Recipient Sub Agency concerned and amount equivalent to deductions into the holding bank accounts of concerned claimant agencies.
- vi. After receiving DN from RBI, with a time lag of two hours, the payment file retained at Recipient Sub Agency level is sent by PFMS to the concerned bank for disbursement of funds by debiting its savings account to vendors'/beneficiaries' account through its ZBSAs (if pertaining to other Sub Agencies).
- vii. It is to be taken into account that only DSC based e-payment has been enabled for disbursements of funds under TSA Hybrid in PFMS. Settlement of deductions through holding account can be done by issuing cheque/DD/e-payment.

5. Scope of this document

The document will assist the various banks to support smooth implementation and fund flow for TSA Hybrid.

6. Banks

Role of Bank



Responsibilities of Bank

- i. Banks should ensure the criteria for opening the account of recipient agency as a savings account and ZBS Account, as well as holding account, are followed. Such guidelines shall be communicated to all down-the-ladder branch officials so that they are well-informed and educated to avoid making any errors in account opening.
- ii. No regular banking services such as the issue of cheques, DD, opening of Fixed Deposits, cash withdrawal/deposit etc. shall be entertained in these accounts under any conditions on

- PFMS, except for holding account. Necessary mechanism should be developed such that debit/credit by other modes shall not be activated for these savings and ZBS accounts.
- iii. Banks should reconcile ZBS accounts opened under Recipient Agency's savings account with the agencies.
 - iv. As per the SOP issued by the Banking vertical of PFMS regarding the handling of Zero Balance Subsidiary Accounts, banks have been directed to ensure that no balance remains in the ZBS accounts, meaning that all ZBS accounts should have a zero balance at the end of the day.
 - v. Additionally, all banks must monitor the balances of savings/ZBS accounts daily and need to submit a report every fortnight to O/o PFMS. In case balances are found under ZBS accounts, they should be reported along with the reasons, and immediate steps should be taken to transfer the balances to the parent account.
 - vi. All Recipient Agency handling banks should mandatorily implement all banking system protocols communicated by PFMS.
 - vii. Banks will have to provide the list of existing Zero Balance Subsidiary Accounts (ZBSA) opened under Recipient Agency to the concerned agencies for information / reconciliation on monthly basis. Any change to this effect shall be informed to agency at the earliest.
 - viii. After the Funding Agency has digitally signed the Consolidated Demand File, the file will be sent to the RBI for debiting the assignment account of the Funding Agency and crediting the Commercial Bank Account of the Recipient Sub Agency concerned as per the amount claimed in the consolidated demand file.
 - ix. RBI will share the Debit Notification with the PFMS for the debited amount from the assignment account of the Funding Agency.
 - x. After receiving DN from RBI, with a time lag of two hours, the payment file retained at Recipient Sub Agency level is sent by PFMS to the concerned bank for disbursement of funds by debiting its savings account to vendors'/beneficiaries' account through its ZBSAs (if pertaining to other Sub Agencies).
 - xi. Banks have to ensure timely and daily updation of bank balance of Savings/ZBS Accounts in PFMS irrespective of any transaction taking place.
 - xii. Bank has to ensure there should not be any pending / unsettled / in pipeline transactions at bank end before closure of Saving/ZBSA Account.

- xiii. All banks integrated with PFMS and handling central sector schemes shall mandatory have to implement various protocols in their Banking system. A detailed OM has already been issued regarding this (Annexure-3).
- xiv. As soon as any Savings/ZBS Accounts are opened, banks will notify the same to PFMS for updation of PFMS database through SFTP mode. (Annexure-1)
- xv. Banks need to process the payment file and adjust the balance with first level agency having saving bank account. Payment files have to be kept on hold till receipt of funds in Saving Account from RBI (in case there is a delay in receipt of fund).
- xvi. No daily/weekly/monthly limit on transaction count on these accounts (whether Savings or ZBSA) should be applied by the bank.

7. Implementing Agencies – Roles & Responsibilities

- i. Agencies should inform the banks whenever they register/convert their Savings/ZBSA accounts so as to enable the banks for enhancing/restricting the functions of those accounts particularly.
- ii. In the case of conversion of one account type to another type, all balances in the account should be cleared or transferred out beforehand. No previous balances should remain in the account after the conversion.
- iii. Agencies should avoid using the ZBS account for any receipt of fund. The purpose of ZBSAs is to link it to the savings account for the execution of payment with a clearly defined drawing limit allocated.
- iv. Agencies must regularly and promptly reconcile balances and financial limits with banks and also report any discrepancies to banks for immediate corrective actions.
- v. Agencies should refrain from requesting additional banking services in the Savings/ZBSA accounts other than prescribed in the OMs issued by the DOE and PFMS.
- vi. Agency should review the details of ZBSA provided by Banks which are linked with their savings bank account. If any ambiguity is found the same may be reported to bank immediate for corrective measures. (Annexure-1)
- vii. Any change in the assigned bank by the Agency will require prior approval of the Secretary of the concerned Ministry (Annexure-2). Agency has to ensure that an advance intimation may be sent to all the child agencies in hierarchy about the closing of Bank account with

the directions that child agency should not generate any payment on the date of closure of bank account.

- viii. As soon as the funds gets transferred to top level agency corresponding to claims raised by below level agencies, PFMS will push the corresponding payment files to commercial bank of child agencies.
- ix. Funds in ZBSA of child agencies corresponding to failures to be transferred back to savings account pertaining to recipient agency i.e., agency at start of ~~hybrid level~~.
- x. **Limits will be controlled by PFMS only.**

8. Process for Failure Payment

- i. As of now, in case of failed transactions, concerned Recipient Agencies have to return the funds through Bharatkosh as the funds have been transferred back to their respective saving bank accounts.
- ii. A functionality related to repushing /reprocessing of failed transactions from Agency level is under development.
- iii. Any failed or failed after success transaction will be reprocessed at the bank end by the respective agency and after successful credit to vendors/beneficiaries, ACK/CN to be shared with PFMS.
- iv. Any amount pertaining to either failed or failed after success transactions which cannot be reprocessed in any unprecedented scenario needs to be returned to the Consolidated Fund of India (CFI) by the concerned recipient agencies.

In case of failed after success transactions received from RBI to bank, a unique identifier will be shared from PFMS to RBI which in turn will be shared to all other relevant stakeholders and banks so as to identify the transaction and reconcile at their end.

9. Mandatory PFMS protocols for Bank

Under CNA module for implementation of central sector schemes; banks play an important role for ensuring smooth payment processes. This can be possible only when banks are fully compliant to the PFMS protocols of bank Integration. The mandatory protocols that are required to be adopted by each Bank; that is either onboarded or requires to be onboarded for CNA, are as follows: -

- i. Single Account Validation
- ii. Discontinuation of manual PPA (use of DSC only)
- iii. Payment Route and ANYM Protocol
- iv. ACK/NACK for payment
- v. Daily Bank Balance Updation
- vi. Secure Hash Algorithm2 (SHA2) Protocol
- vii. Migration of Bank to PFMS-SFTP

10. Key Technical Aspects for Bank (Other than RBI)

- i. DSC enrolment process between PFMS and all agencies holding account in commercial bank as per existing formats and folder structure.
- ii. PFMS will push payment file to commercial bank.
 - a. In the existing format operational between PFMS and Agencies
 - b. Payment files will be pushed with DSC of Agency and banks would follow the existing DSC mode of protocol for the processing of files.
 - c. No other authorization mode like PPA etc. allowed.
 - d. Banks to share ACK/NACK Initiation response, Success/reject response in the existing formats.
- iii. Change in File naming format i.e., for DSC payment files, file naming format is 024DSCPAYREQ010120241 and similarly for TSA Hybrid file name format is → 024TSAPAYREQ010120241 & similarly file name formats will change for response files
- iv. Change in file naming format for deductions payment, i.e., to be debited from holding account & similar for response files
 - a. Original file format → NA
 - b. New file format → 024TDSPAYREQ010120241

- v. SFTP folder structure for TSA Hybrid
 - a. Original Path → <<Three Digit Bank Code >>/PFMS/CGA_PFMS/ePay/TSAH
 - b. Sub folder under original folder
 - i. PaymentReqData
 - FromPFMS
 - ToPFMS
 - ii. PaymentInitiatedData
 - FromPFMS
 - ToPFMS
 - iii. PaymentSuccessData
 - FromPFMS
 - ToPFMS
 - iv. PaymentRejectionData
 - FromPFMS
 - ToPFMS
- vi. SFTP folder structure for deductions settlement payments
 - a. Original Path → <<Three Digit Bank Code >>/PFMS/CGA_PFMS/ePay/TDS
 - b. Sub folder under original folder
 - i. PaymentReqData
 - FromPFMS
 - ToPFMS
 - ii. PaymentInitiatedData
 - FromPFMS
 - ToPFMS
 - iii. PaymentSuccessData
 - FromPFMS
 - ToPFMS
 - iv. PaymentRejectionData
 - FromPFMS
 - ToPFMS

Folder		File Type
PaymentReqData		
	FromPFMS	Payment file from PFMS to Bank
	ToPFMS	ACK / NACK file from Bank to PFMS
PaymentInitiatedData		
	FromPFMS	ACK / NACK of INI file from PFMS to Bank
	ToPFMS	INI file from Bank to PFMS
PaymentSuccessData		
	FromPFMS	ACK / NACK of SUC file from PFMS to Bank
	ToPFMS	SUC file from Bank to PFMS
PaymentRejectionData		
	FromPFMS	ACK / NACK of REJ file from PFMS to Bank
	ToPFMS	REJ file from Bank to PFMS

- vii. Key modifications in Bank Integration
- a. Payment file sent by PFMS to RBI for debit of TSA Assignment account and credit into bank account of parent agency (top level agency with commercial bank account) will carry unique identifier of claim
 - b. RBI needs to pass the unique identifier in NEFT message to the destination bank i.e. Bank account of parent agency ((top level agency with commercial bank account)
 - c. For claim file received at commercial bank level from PFMS for debit of ZBA account and credit into beneficiary accounts, will carry the same unique identifier which PFMS has shared with RBI and RBI has shared with commercial bank in the NEFT message UNIQUE IDENTIFER from parent agency account.
 - d. Commercial Bank to execute the claim file by fetching funds ONLY for MATCHING UNIQUE IDENTIFIER from parent agency account.
 - e. PFMS will also develop an API interface which will help the banks to confirm the credit of funds into the Saving Bank Account for a particular claim file before processing of claim file. Through this API, PFMS will share the UTR no. of

transaction belonging to credit of consolidated amount into the saving bank account along with list of claims/payments files which belong to this UTR. This will help the banks to automate the process of execution of claims based on matching UTR no.

- f. PFMS will also develop one more API for sharing the details of bank accounts with the banks which have been flagged in PFMS for TSA Hybrid protocol along with scheme details. This will help the banks to follow the TSA Hybrid protocol more effectively.

Annexure

I. Annexure I- Opening of ZBSA account Protocol.

(C.No.6706) V-13018/1/2021-PFMS/3084
 Government of India
 Ministry of Finance/Department of Expenditure
 Controller General of Accounts
 Public Financial Management System

Dated: 08/06/2023

OFFICE MEMORANDUM

Sub: Opening and linking of Zero Balance account with SNA/CNA account Protocol
 -reg.

1. To keep track of all SNA/CNA accounts opened by banks, including the Zero balance subsidiary accounts (ZBSAs) associated with CNA/SNA accounts, it has been decided to maintain the database in PFMS.
2. To achieve this, PFMS will provide the details of SNAs/CNAs Bank accounts registered in PFMS (Both active and inactive) to respective banks. In return, banks will provide the data of linked ZBSAs corresponding to the SNA/CNA Bank Accounts.
3. It may be noted that Bank wise CSV files will be generated and uploaded on the SFTP. Folder path will be shared with banks where the files will be kept. Banks have to provide the linked ZBA account as well as accounts holder's name against each of the SNA/CNA account number in the same SFTP folder.
4. The CSV files will be placed on SFTP by 12th June 2023 and the bank will have to revert with the linked ZBSA account with PFMS by 17th June, 2023 (Please refer to page 2 of the OM).

This issues with the approval of the Competent Authority.

Kay wal
 08/06/2023
 (Kaushal Kishore Meena)
 Assistant Controller of Accounts

To

All SNA/CNA banks

Copy for information to:

1. PS to Additional CGA, PFMS, O/o CGA
2. PS to Joint CGAs (Rollout/DBT/TRBR/GIFMIS), O/o CGA
3. DDG/Sr.TD/TD, NIC, PFMS
4. ACGA/ACA, PFMS
5. Sr.AO(Roll out/DBT/TRBR), O/o CGA
6. OSDs (I/I), PFMS
7. Sr.AO(Banking/DBT/Rollout), PFMS

II. Annexure 2 – Change of Bank account

F. No. 1(15)/PFMS/2021
Government of India
Ministry of Finance
Department of Expenditure

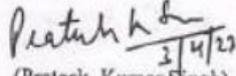
North Block,
New Delhi, the 3rd April, 2023

OFFICE MEMORANDUM

Sub: Facility to change the bank of SNAs and CNAs-reg.

The undersigned is directed to say that requests for a facility to change the bank of SNAs and CNAs have been received in the Department of Expenditure.

2. Such requests for change of bank should be forwarded to Addl. CGA, PFMS with approval of Principal Secretary (Finance) of the State Government in case of SNA and Secretary of the Ministry/Department of Government of India in case of CNA.


(Prateek Kumar Singh)
Director
Telephone No. 23094961

To

1. Secretaries to all Ministries/Departments of Government of India
2. Finance Secretaries of all State Governments

Copy for information to:

1. PSO to AS (PF-S), DoE
2. PS to Additional CGA, PFMS, O/o CGA
3. PS to Joint CGAs (ROLLOUT/GIFMIS/DBT/TRBR), PFMS
4. DDG, NIC, PFMS
5. Sr.TD, NIC, PFMS(Banking)
6. ACGA/ACAs, PFMS
7. OSDs(I/II), PFMS
8. Sr.AO (DBT/Rollout), PFMS

III. Annexure 3 – Mandatory Protocols by Bank

(C.No.12186) V-13022/2/2023-PFMS / 2533
 Government of India
 Ministry of Finance/ Department of Expenditure
 Controller General of Accounts
 Public Financial Management System

Dated- 13/06/2023

OFFICE MEMORANDUM

Sub: Implementation of PFMS Protocols-reg.

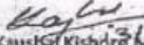
It is known that under CNA/SNA module of implementation of CS/CSS schemes respectively; Banks play an important role for ensuring smooth payment processes. This can be possible only when banks are fully compliant of the PFMS protocols of bank integration. The mandatory protocols that are required to be adopted by each Bank; that is either on-boarded or requires to be on-boarded for SNA/CNA are as follows:-

1. Single Account Validation
2. Discontinuation of manual PPA (use of DSC or ePA)
3. Payment Route and ANYM Protocol
4. Ack/Nack for Payment
5. Daily Bank Balance Updation
6. SHA2 Protocol
7. Migration of Banks to PFMS-SFTP

While this issue of adoption of PFMS protocols has been stressed upon in several bank meetings; it is seen that many banks are still found wanting in their full compliance.

It is, therefore, reiterated again that all currently on boarded banks may ensure full compliance of these protocols. The adoption of these protocols is an important KPI which shall further determine the integration /dis-integration of the banks with PFMS.

This issues with the approval of the Competent Authority.


 (Kaushal Kishore Meena)
 Asstt. Controller of Accounts

To

Chairman/CMD/ED/CGM Banks

Copy for information to:-

1. Sr.PS to CGA
2. PPS to AS (PF-S), DoE
3. PS to Additional CGA, PFMS, O/o CGA
4. PS to Joint CGAs (GIFMIS/DBT/TRBR/ROLLOUT), O/o CGA
5. To all State Directorates
6. DDG/Sr.TD NIC, PFMS
7. ACGA/ACAs, PFMS
8. OSDs(I/II), PFMS
9. Sr.AO (Banking/DBT/Rollout), PFMS

IV. Annexure 4 - Key Clarifications

- i. Payment files would be shared with Banks only when DN is received from RBI.
- ii. If any ministry is moving from CNA Model 2 to TSA-Hybrid, ministry is required to transfer the funds and scheme. Thereafter, programme division of ministry has to flag the scheme as TSA/TSA Hybrid. The Bank A/c used in previous models at funding agencies' level would not be used further in TSA/TSA Hybrid model. There is no action required for the above process by banks. If there are zero balance subsidiary account (ZBSA) operated by 3rd level Government agencies or 2nd level private sub-agencies, it may be converted to saving account for usage at recipient agency level if the guidelines of the concerned banks allow.
- iii. All different sub-agencies at recipient agency level can open saving bank A/c in different commercial banks. However, all ZBSAs for child agencies need to be opened in the same commercial Bank A/c in which the saving bank accounts of recipient agencies have already been opened.

V. Annexure 5 - TSA Hybrid Payment file structure

Values highlighted in yellow are the transactions specific and tends to change with time

```

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XIII. Annexure – 13: Timeliness for settlement of Government Revenue in respect of Small Savings Schemes

By e-mail

File No. R-15003/1/2020-GBA-CGA/E-662/12 38-127)

Government of India

Office of Controller General of Accounts
Ministry of Finance, Department of Expenditure

Mahalekha Niyantrak Bhawan

E-Block, GPO Complex, INA, New Delhi-110023

Telefax :011-24649365, E-Mail: sao-rbd at nic dot in

Dated: 30-12-2024

Office Memorandum

Subject: Penal Interest – Clarification on timelines for settlement of Government Revenue in respect of Small Savings Schemes of Department of Economic Affairs, M/o Finance.

M/o Finance, Department of Economic Affairs, Budget Division vide O.M. no. F.17/1/2008-NS-II dated 15th May 2008 had laid down the directions on timelines for settlement of government revenue in respect of Small Savings Schemes of M/o Finance, Dept. of Economic Affairs.

2. Vide Para 6 of this office OM no. S-11012/1(31)/AC(22)/2015/RBD/332-424 dated 9th March 2016 notifying the Standard Operating Procedure for levying of penal interest on accredited banks doing government agency business for delayed remittances etc., this Office had clarified that for calculation of penal interest on delayed remittances in respect of Small Savings Scheme of Dept. of Economic Affairs, M/o Finance, Budget Division O.M. no. F.17/1/2008-NS-II dated 15th May 2008 (as amended from time to time) would be applicable.

3. It is further clarified that this Office OMs No. S-110012/2/3(17)/RBI/2018/GBA/1558-1606 dated 19-09-2019 and OM dated 21-05-2021 issued for amending the provisions of Civil Accounts Manual 2013 on timelines for settlement of funds, relate to remittance of government revenue of Ministries/Departments other than Small Savings Schemes of M/o Finance.

4. Therefore, timeline notified by M/o Finance, vide para (iii) of Gazette Notification dated 10th October 2017 for calculation of Penal interest on delayed remittances on Small Savings Schemes, would be applicable for Small Savings Schemes of M/o Finance. Para (iii) of the Gazette Notification states that "all remittances shall be credited to the Government Account at the Reserve Bank of India, Central Accounts Section, Nagpur within one day (T+1 day) in case of Core Banking Solution branches and three days in case of non-Core Banking Solution branches". This Notification was also forwarded to all the concerned

banks by Reserve Bank of India vide Circular no. RBI/2017-18/127 issued under file no. DGBA.GBD.No.1972/15.02.005/2017-18 on 1st February, 2018.


(Narender Singh)
Asstt. Controller General of Accounts (GBA)

To,

1. The Chief Controller of Accounts, M/o Finance, New Delhi
2. The Chief General Manager, DGBA, RBI, Mumbai

Copy to:

1. Chief General Manager, Government Business Unit, **State Bank of India**, Corporate Office, Parliament Street, New Delhi-110001
2. Chief General Manager, (Govt. Business), **Union Bank of India**, 3rd Floor, Union Bank Building, Faiz Road, New Delhi-110005.
3. Chief General Manager, Govt. Business Department, **Punjab National Bank**, 1st Floor, Plot No. 5, Sector – 32, Gurugram-121001.
4. General Manager, (Govt Business), **Indian Bank**, Operations Department, Corporate Office, A.S. Salai, Royapettah, Chennai-600014.
5. General Manager (Govt Business), **Bank of Baroda**, Bank of Baroda Building, Sansad Marg, New Delhi-110001.
6. General Manager, (Govt. Business), **Canara Bank**, Government Services Wing, Core-IV, Ground Floor, SCOPE Minar Complex, near Nirman Vihar Metro Station, Laxmi Nagar, New Delhi-110092.
7. General Manager, (Govt. Business), **Bank of India**, National Productivity Building, Lodhi Road, New Delhi-110003
8. General Manager, (Govt. Business), **Bank of Maharashtra**, 1501, LOKMANGAL, Shivaji Nagar, Pune - 411001.
9. General Manager, (Govt. Business), **Central Bank of India**, Chander Mukhi, Nariman Point, Mumbai-400021.
10. General Manager, (Govt. Business), **Indian Overseas Bank**, Government Business Department, 763, Annasalai, Chennai-600002.
11. General Manager, (Govt. Business), **Punjab & Sindh Bank**, Head Office, 6th Floor, Bank House, 21, Rajendra Place, New Delhi-110008.
12. General Manager, (Govt. Business), **United Commercial Bank**, Operations and Service Department- Government Business Department, 3rd Floor, UCO Bank Head Office, 10, BTM Sarani, Kolkata-700001.
13. Mr. Nitin Agrawal, Sr. Vice President, Central Government Business, **Axis Bank Limited**, Nirman Bhawan, New Delhi-110011
14. Mr. Debraj Saha, Head- Government Business Group, **Bandhan Bank Limited**, Hindustan Times House, 9th Floor, 18-20, K.G. Marg, Delhi-110001.
15. Ms. Jyoti Babbar, Government Business -Vertical Head, Northern India, **City Union**

- Bank Limited**, B-1/30, Ground Floor, Janak Puri, New Delhi- 110058
16. Mr. Rajiv Bagga, Indian Head- Government Business, **DBS Bank India Limited**, 2nd Floor, Building No. 10C, DLF Cyber City Phase-III, Gurugram, Haryana-122002.
 17. Mr. Ajay Ahluwalia, Sr. Vice President and Head Government Business, **DCB Bank Limited**, 6th Floor, Peninsula Business Park, Tower A, Senapati Bapat Marg, Lower Parel, Mumbai-400013
 18. Mr. Chandran L., General Manager – Government Business, **Dhanalaxmi Bank Limited**, Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala – 680001.
 19. Mr. Anoop T., Head- Government and Institutional Business Dept., **Federal Bank Limited**, Opp. Metro Pillar 177, East Patel Nagar, New Delhi-110008.
 20. Mr. Ashvin Dwivedi, Sr. Vice President, Central Government Strategic Affairs, **HDFC Bank Limited**, 205, 1st Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi-110001.
 21. Mr. Vikrant Thakur, Head, Strategic Relationships – Govt. and Institutional Banking, **ICICI Bank Limited**, ICICI Tower, NBCC Place, Bhishm Pitamah Marg, Pragati Vihar, New Delhi-110003
 22. Mr. D. Basker, General Manager, Central Government Business, **IDBI Bank Limited**, 9th Floor, Plate-B, Block-2, NBCC Office Complex, Kidwai Nagar (East), New Delhi-110023.
 23. Mr. Rajiv Bhattacharjee, Product Head – GBG and TASC, **IDFC First Bank Limited**, The Square C-61, G- Block, Ground Floor to 8th Floor, Bandra East, Bandra Kurla Complex, Mumbai, Maharastra -400051.
 24. Mr. Chandan Kaushik, Regional Head- Government Banking, **IndusInd Bank Limited**, Hyatt Regency, Bhikaji Cama Place, M.G. Marg (Ring Road), New Delhi-110066.
 25. Mr. S. Rais, General Manager- Government Business, **Jammu and Kashmir Bank Limited**, Corporate Headquarters, Srinagar, Jammu and Kashmir - 190001.
 26. Mr. Bhaskar A., National head- Government Business, **Karnataka Bank Limited**, 113, Karnataka Bank Building, K.H. Road, Bengaluru, Karnataka -560027.
 27. Mr. C. Saravanun, General Manager, Government Business, **Karur Vyasa Bank Limited**, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur 639002 Tamil-Nadu.
 28. Mr. Gagan Saraswat, Executive Vice President, Head- Central Govt. Business, **Kotak Mahindra Bank Ltd**, Aerocity, New Delhi-110037
 29. Mr. Pankaj Sharma, Vice President – Financial Institutions & Govt. Undertakings, **RBL Bank Limited**, Upper Ground Floor, Hansalaya Bldg., 15, Barakhamba Road, New Delhi-110001.
 30. Mr. Sanchay Kumar Sinha, Head, Retail Banking Department, **South Indian Bank Limited**, Head Office, SIB House, Mission Quarters, Thrissur - 680001
 31. Mr. P.R. Ashok Kumar, Dy. General Manager, Business Development & Govt. Business, **Tamilnad Mercantile Bank Limited**, Tamilnad Mercantile Bank Hqs., 57, V.E. Road, Toothukudi, Tami Nadu-628002.
 32. Mr. Anuj Malhotra, Executive Vice President- Government Banking, **Yes Bank Limited**, 9, Nyaya Marg, Chanakyapuri, New Delhi-110021

CONTROLLER GENERAL OF ACCOUNTS OF INDIA
DEPARTMENT OF EXPENDITURE, MINISTRY OF FINANCE
GOVERNMENT OF INDIA

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