

F. No. DPE-GM/0209/2014-GM/FTS-3113
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

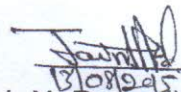
Public Enterprises Bhavan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003
Dated: 13th August, 2015

OFFICE MEMORANDUM

Subject: Adopting Electronic Payment Framework and mandatory use of Public Financial Management System (PFMS) for Government funds transfer.

The undersigned is directed to enclose herewith the Department of Expenditure, Ministry of Finance OM No. I-11011/58/2013-DBT dated 13-02-2015 & 26-02-2015 and D. O. Letter No. I-11011/49/2012-DBT(PF) dated 20-07-2015 regarding above mentioned subject and to request that necessary instructions may be issued to all CPSEs to adopt Public Financial Management System (PFMS) for transfer of Government funds/subsidies/benefits to the concerned beneficiaries in accordance with the enclosed guidelines issued by Department of Expenditure.

Encl. as above.


(J. N. Prasad)
Director

To:

All Administrative Ministries / Departments concerned with CPSEs.

Copy to:

- i) CMD/Chief Executive of CPSEs.
- ii) Mission Director, Direct Benefit Transfer, Department of Expenditure, 4th Floor, Shivaji Stadium Annexe, Rajiv Chowk, New Delhi-110 001.
- iii) NIC Cell/Guard File.

No.I-11011/58/2013-DBT
Government of India
Ministry of Finance
Plan Finance-II Division

Shivaji Stadium Annexe,
New Delhi-110 001
Dated the 13th February, 2015

OFFICE MEMORANDUM

Subject: Framework to be followed by all Ministries/ Departments for bringing all schemes involving components of cash transfers to individual beneficiaries on DBT platform—reg.

The undersigned is directed to say that DBT Programme was mandated to provide an overarching vision and direction to enable *direct* cash transfers of benefits under various government schemes and programmes to individuals, leveraging the gains in the Aadhaar Project, financial inclusion and other initiatives of the Government, with the objective of accurately targeting the intended beneficiaries and enhancing efficiency, transparency and accountability. The objective was to rollout the implementation of a seamless electronic Aadhaar based cash transfer for transfer of cash benefits to beneficiaries directly for as many government schemes and benefits as possible.

Accordingly, such Government programme and schemes were identified for which direct cash transfers to individuals can be adopted along with it's the extent and scope.

The architecture and framework for direct cash transfers was put in place for rolling out direct cash transfers across the country. As a result few Schemes, like Scholarships, Pensions and other benefits were taken up in selected districts, of higher Aadhar enrolment, in the first phase. Thereafter, DBT was successfully introduced in LPG Subsidy (DBTL).

Presently DBT in 35 schemes and Modified DBTL (PAHAL) have been expanded across the entire country.

No.I-11011/58/2013-DBT
Government of India
Ministry of Finance
Department of Expenditure
Direct Benefit Transfer

4th Floor, Shivaji Stadium Annexe
Rajiv Chowk, New Delhi – 110 001

Dated the 26th February, 2015.

OFFICE MEMORANDUM

Sub: Corrigendum in Office Memoranda No.I-11011/58/2013-DBT dated 13th February, 2015 and 19th February, 2015.

Reference is drawn to this Office Memoranda No.I-11011/58/2013-DBT dated 13.2.2015 and 19.2.2015 wherein framework to be followed by all Ministries/Departments for bringing all schemes involving components of cash transfers to individual beneficiaries on DBT platform has been laid down.

2. In this regard para (c) (i) in O.M. dated 13.2.2015 as reproduced below:-

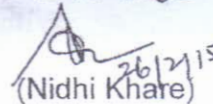
"The concerned Departments/Ministries will use the PFMS system of CGA or NEFT system for the above purpose."

and para in O.M. dated 19.2.2015 as reproduced below:-

"All Departments/Ministries will use PFMS system of CGA or Aadhaar based system of NPCI or NEFT/RTGS for the above purpose."

May be read as:

"All Ministries/Departments will use PFMS system of CGA for processing of payments which is already linked with NEFT and APB of NPCI for settlement of funds and can process both type of payments on single platform."


(Nidhi Khare)

Joint Secretary (DBT)
Tele.# 23343860 (333)

To

1. Secretaries of all Ministries/Departments.
2. Controller General of Accounts.

Copy for information to:

1. CEO, NITI Aayog.
2. Principal Secretary to PM.
3. PS to FM

दिनेश कुमार मिश्र**मिशन निदेशक****प्रत्यक्ष लाभ अंतरण****Dinesh Kumar Mittal****Mission Director****Direct Benefit Transfer****भारत सरकार****वित्त मंत्रालय****व्यय विभाग****GOVERNMENT OF INDIA****MINISTRY OF FINANCE****DEPARTMENT OF EXPENDITURE****नई दिल्ली/New Delhi - 110 001**

D.O.No.I-11011/49/2012-DBT(PF)

20.07.2015

Dear Shri Luikham,

As you may be aware that Direct Benefit Transfer (DBT) is a major reform initiative of the Government where cash benefits are transferred directly in the bank accounts (preferably Aadhaar seeded) of the identified beneficiaries. DBT programme which began on 1.1.2013 has now been universalised to cover all the Central Sector and Centrally Sponsored Schemes (Plan/Non-Plan) vide DBT Mission O.M. dated 13.2.2015 and 19.2.2015 where cash benefits are transferred to individual beneficiaries.

2. Public Financial Management System (PFMS) implemented by Controller General of Accounts (CGA) is a payment platform and Deptt. of Expenditure vide O.M.No.22(09)PF-II2012(Vol.I)(Pt) dated 23rd December, 2014 has made it mandatory for all Departments to transfer Govt. funds online to States/user Agencies/Beneficiaries. PFMS is a bed rock for transferring DBT benefits. More than 70 schemes has already on-boarded PFMS and 25 states also have been integrated with PFMS.

3. Since Electronic Payment Framework has also been made applicable to all the Ministries/Departments and their attached PSUs/Institutions (Govt. or Non-Govt.), use of PFMS for transfer of funds/subsidies/benefits must be made mandatory to PSUs also.

4. I would request you to issue instructions to all the PSUs for adopting Electronic Payment Framework as per instructions dated 13.2.2015 and 19.2.2015 and mandatory use of PFMS for fund transfer.

With regards,

Yours sincerely,

(D.K. Mittal)

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Shri Ameising Luikham
Secretary,
Deptt. of Public Enterprises
CGO Complex Block No.14,
Lodi Road, New Delhi - 110 003


(ii) Each Ministry/Department could obtain a list of eligible beneficiaries and would transfer funds directly. For this purpose, they will prepare a digitized list by 30th March, 2015 and shall be populated with 100 per cent Aadhaar number by 30th June, 2015.

(c) Further for all schemes, where cash is being transferred to individual beneficiaries, through some component of the Scheme/ project, it would be ensured that:

(i) The concerned Departments/Ministries will use the PFMS system of CGA or NEFT system for the above purpose.

(ii) They will cover all Plan and non Plan Schemes.

(d) It would however be ensured by the Ministries / Departments that no eligible beneficiary suffers for want of Aadhaar and it would be their responsibility to ensure that Aadhaar enrolment of such beneficiaries is carried out on priority.


(Nidhi Khare)
Joint Secretary
23343860 (333)

To

1. Secretaries of all Ministries/Departments.
2. Comptroller General of Accounts.

For information to:

1. CEO, Niti Ayog
2. Principal Secretary to PM
3. PS to FM

For greater and universal impact on efficiency in delivery of benefits, their timeliness, along with accurately targeting of the intended beneficiaries, it is imperative that DBT may be extended beyond the transfers from the Centre directly to individuals to all schemes/projects that have any component of cash benefits transfer to individual beneficiaries, from levels other than Central i.e., from State/District or sub district level or Govt/Non-govt agencies.

In view of the above and to fulfil the mandate of the DBT programme to determine broad policy objectives and strategies for direct cash transfers, it has been decided that for all Schemes, whether Central Sector Schemes or Centrally Sponsored Schemes, following framework needs to be implemented by all Ministries/Departments: -

(a) Central Sector Schemes :

- (i) Each Department/ Ministry will transfer funds electronically to each beneficiary (individual or institution).
- (ii) In case funds are being transferred to any institution that institution shall transfer cash component of those funds to each beneficiary electronically.
- (iii) Ministry/Department will prepare a digitized list of all beneficiaries for the same. The list will be populated with Aadhaar number by 30th June, 2015. E-transfer of funds will start in all schemes not later than April, 2015.
- (iv) The deadline for this task would be 30th April, 2015.

(b) Central Sponsored Schemes :

In these schemes, the following two options are available.

- (i) Funds are transferred to State Governments. Hence, each Ministry/Department will work with the respective State Governments to ensure that the cash component of each scheme is transferred electronically to each beneficiary (individual or institution). In case funds are being transferred to any institution that institution shall transfer cash component of those funds to each beneficiary electronically.