

**Press Information Bureau
Government of India
Ministry of Finance**

10-April-2012 18:31 IST

Government to Make Payments Directly to the Bank Account of Payees; Measure to Enhance Transparency and Accountability in Public Dealings of the Central Government and also Usher Green Banking

As part of the Government's commitment to good governance and elimination of corruption, the Ministry of Finance has amended the rules to enable all the Ministries and Departments to facilitate payments by direct credit to the bank accounts of the payees. Orders have also been issued by the Controller General of Accounts(CGA) that, with effect from **1st April 2012**, all payments above Rs.25,000 to suppliers, contractors, grantee and loanee institutions shall be directly credited to their bank accounts. While the government servants shall continue to have the option to receive their salaries by cash or cheques, they could also opt to receive their salaries by direct credit to their bank accounts. However, all other payments to government servants of the amount of above Rs.25,000 shall be credited directly to their bank accounts. Further, all payments towards the settlement of retirement/terminal benefits of the government servants shall also be directly credited to their bank accounts.

The Union Finance Minister Shri Pranab Mukherjee had recently inaugurated a **"Government e-payment gateway"** set-up by the Controller General of Accounts(CGA) which will be used by the Pay & Accounts Officers(PAOs) of the Central Civil Ministries/Departments for implementing the above measures. The Controller General of Defence Accounts(CGDA) would also be progressively using this e-payment gateway. The measure is expected to streamline the process of making payment by government departments while minimizing the interface of the payees with government offices to receive their dues. This e-payment government measure will enhance transparency and accountability in public dealings of the Central Government and also usher green banking by the Government.

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