



D.O. No. N-19011(16)/8/2016-e-Panchayat

November 17, 2021

Dear *Somanathan,*

The Ministry of Panchayati Raj is constantly striving to enhance transparency and accountability at the grassroots level, to be able to track the fund flow and monitor the public expenditure incurred by the Panchayats under the Central Finance Commission grants. In this regard, all the payments done by the Panchayats are being transacted through real time online payments via an application called eGramSwaraj through integration with PFMS. It is however submitted that currently there is no provision to make payments related to statutory deductions i.e. GST, TDS, labour cess etc. through PFMS interface and hence Panchayats are unable to account for the same. It is pertinent to mention that due to the lack of provisioning of the same there could be a loss of revenue to the exchequer.

2. It is pertinent to mention here that multiple discussions in this regard have been held with officials at both CBIC and PFMS however there has not been significant progress. Further, as an interim measure a provision to record the statutory deductions in eGramSwaraj in offline mode for accounting purposes has been made however, it is desired that for proper monitoring and implementation the said module be made available through PFMS in online mode.

3. It is, therefore, essential that payments through eGramSwaraj PFMS Interface are captured in entirety for all statutory deductions like GST-TDS, Labour cess, state specific taxes etc. In this regard, I request your urgent intervention in this matter for allowing online payments for Statutory deductions through PFMS at the earliest to meet the demands of the main stakeholders and enhance the integrity of the systems.

With best wishes,

Yours sincerely,

sn
17.11.21
(Sunil Kumar)

Dr. T. V. Somanathan,
Finance Secretary & Secretary Expenditure,
Ministry of Finance,
129-A, North Block,
New Delhi



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Finance Secretary & Secretary Expenditure,
Ministry of Finance,
129-A, North Block, New Delhi

Copy to Shri Tarun Bajaj, Secretary (Revenue), Ministry of Finance, Room No.128-A, North Block, New Delhi.


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(Sunil Kumar)