Make e-payments if contract exceeds Rs 5,000: Finance Ministry to govt departments

"Any payment above Rs 5,000 to suppliers, contractors, grantee/loanee institutions etc by Government departments to be made now through e-Payment," read the statement.

The Finance Ministry on Monday made it mandatory for all government departments to make payments above Rs 5,000 through e-Payment facility and not cash. In a statement, the ministry has directed all the departments to implement the fresh order with immediate effect.

"All the ministries and departments of the Government of India have been now directed by the Ministry of Finance to ensure with immediate effect that all payments above Rs 5,000 to suppliers, contractors, grantee and loanee institutions etc are made by issue of payment advises only," an official statement said.

Following the announcement of demonetisation of 500 and 1,000 rupee notes on November 8, the government has been taking a slew of measures to promote digital transactions.

While the finance ministry has instructed PSU and private banks to waive the transaction cost for all payments made through debit cards, the road transport ministry has asked vehicle manufacturers to provide a digital tag on all new cars for e-payments at toll plazas and checkposts.

Economic Affairs Secretary Shaktikanta Das had last month said all government offices have been asked to use only digital payment method for making payments to stakeholders, contractors and employees.

"Government organisations, PSUs and other government authorities have been advised to use only digital payment methods such as Internet banking, unified payment interface, cards and Aadhaar-enabled payment systems to make payment to all stakeholders and their employees," he added.

With Prime Minister Narendra Modi strongly advocating for a cashless economy to weed out corruption and black money, the latest move could be seen as a move in that direction. It is also a step forward for complete digitisation of government payments.

In a bold and sudden move, the government had last month demonetised Rs 500 and Rs 1,000 notes in an attempt to flush out black money from the market.

Meanwhile, the deadlock over the nature of debate on demonetisation persisted for the third week in the Lok Sabha on Monday with the Opposition accusing the government of running away from discussion under a rule that entails voting despite the decision causing havoc for the common man.

(Indian Express)