

सुनील कुमार, आई.ए.एस.  
सचिव  
Sunil Kumar, IAS  
Secretary



भारत सरकार  
पंचायती राज मंत्रालय  
डॉ. राजेन्द्र प्रसाद रोड,  
कृषि भवन, नई दिल्ली-110001  
Government of India  
Ministry of Panchayati Raj  
Dr. Rajendra Prasad Road,  
Krishi Bhawan, New Delhi-110001

D.O. No.M-11015/142/2023-e-Panchayat (29962)

Dated 31<sup>st</sup> May, 2023

Dear

As you are aware, India is currently the world leader as far as digital payments are concerned. Digital payment transactions have significantly increased as a result of coordinated efforts of the Government as a whole, along with all concerned stakeholders, from 2071 crore transactions in FY 2017-18 to 8840 crore transactions in FY 2021-22. Bharat Interface for Money – Unified Payments Interface (BHIM-UPI) has emerged as the preferred payment mode of the citizens and has recorded 803.6 crore digital payment transactions with the value of Rs.12.98 lakh crore in January 2023 alone.

2. It is heartening to learn that contribution of rural and peri-urban areas in digital transactions is now over 50%. You will agree that growth of digital payments in India and availability of various easy and convenient digital payment solutions have facilitated ease of living for citizens, financial inclusion and growth of business and economy.

3. You are also aware that the Panchayati Raj Institutions (PRIs) are playing a major role in digital transformation of the country. All PRIs are now making digital payments through PFMS (Public Financial Management System) - eGramSwaraj interface. Online Audit is being carried out for over 90% of the PRIs. Increasingly a large number of services are being provided to citizens digitally. Several Gram Panchayats are also providing free WiFi services to citizens and setting up Digital Libraries. In some States, the PRIs are also providing option of digital payment of taxes and fees to citizens. In Kerala, almost all GPs are now ISO: 2015 certified.

4. This perhaps is an opportune moment wherein all PRIs can further enhance 'ease of living' for citizens by offering them the facility for making payments using BHIM-UPI. The NIC wing of my Ministry, in consultation with National Payment Corporation of India (NPCI), has come out with a detailed Standard Operating Procedure (SOP) for a robust UPI based digital payment system in the Panchayats (copy enclosed). It is mentioned therein that the Gram Panchayats / Block Panchayats / District Panchayats, need to contact their respective banks immediately to obtain UPI ID/VPA to link their bank account with the UPI Platform for account-linked payments and/or obtain QR codes for its installation at payment counters in the Panchayat Bhawans. This Bank Account should be the one where all taxes and fees levied by the PRIs are deposited. Expedient adoption of BHIM-UPI by PRIs will enable convenient, automatic transfer of funds and easy payment option for the common man. It will also benefit the Panchayats by providing online & efficient payment / collection, transparent financial transactions, real-time tracking and reconciliation and a very cost effective digital system.

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5. In view of the above, it would be an outstanding achievement if the Hon'ble Chief Minister could declare all PRIs BHIM-UPI compliant on 15<sup>th</sup> August, 2023. This would go a long way in giving a very effective push to adoption of BHIM-UPI all across the country and cementing India's position as a World Leader in creation and adoption of this cutting edge technology.

Yours sincerely,

Sd/-

Encl:a/a

(Sunil Kumar)

To,

**Chief Secretaries,  
All States / UTs**

Copy to: Dr. V.K. Joshi, Secretary, Department of Financial Services, Ministry of Finance, Jeevan Vihar Building, New Delhi.

  
31.5.23  
(Sunil Kumar)