



E-bill Processing System

For Prelims: E-bill processing System, Public Financial Management System.

For Mains: E-Governance, Government Policies & Interventions, Significance of E-Bill Processing system.

Why in News?

Recently, the Finance Minister launched the **E-bill Processing system on the occasion of 46th Civil Accounts Day (1st March)**.

- It was announced in the [Union Budget 2022](#) to use the technology for facilitating the financial inclusion drive in India.
- The **“Civil Accounts Day” is observed** every year to mark the anniversary of the inception of the **Indian Civil Accounts Service (ICAS)** on 1st March, 1976.
 - The ICAS performs a key role in delivery of **financial management services** for the Government of India (GoI).

What are the Key Points?

- **About:**
 - E-bill system is part of [Ease of Doing Business \(EoDB\)](#) and [Digital India Eco-System](#)’ to **bring in broader transparency** and expedite the process of payments.
 - In simple words, e-Bill Processing System is **a way of transacting the bills digitally rather than the traditional use of paper.**
 - **Currently**, the suppliers of various goods and services to the Government have to submit physical, ink signed copies of their bills to the respective Ministries/Departments/offices of the Government of India.
 - Customers will be able to **get their bills online**, via e-mail, or in the **machine-readable data** forms when billed electronically.
 - Under the newly launched e-Bill system, **vendors/suppliers can upload their bills online along with supporting documents** from the convenience of their homes/offices at any time through digital signature.
 - At the backend too, the **electronic bill received will be processed by the authorities digitally at every stage** and finally, the payments will be credited digitally to the bank account of the vendor.
- **Developed By:**
 - Developed by the [Public Financial Management System \(PFMS\)](#) Division in the office of the Controller General of Accounts in the Department of Expenditure, Ministry of Finance.

What are the Major Objectives of the E-bill Processing System?

- To Provide convenience to **all vendors/suppliers of the government to submit their bills/claims at any time**, from anywhere.

- Eliminate physical interface between suppliers and government officers.
- Enhance efficiency in processing of bills/claims.
- Reduce discretion in processing of bills through the **“First-In-First-Out” (FIFO) method.**

What is the Significance of the E-bill Processing System?

- **Enhance Transparency:**
 - It will enhance **transparency, efficiency and faceless-paperless payment system** by allowing suppliers and contractors to submit their claim online which will be trackable on a real time basis.
- **Trackable on real time Basis:**
 - As per the Finance Ministry, the suppliers and the contractors will not be able to submit their claim online which **will be trackable on a real-time basis.**
- **Time Efficient:**
 - As e-Billing is **time-efficient**, this will also be a quick and simplified way that will be better fitted to the Government’s call of making India digital. The E-bill Processing system will also reduce errors.

What is PFMS?

- The PFMS, earlier known as **Central Plan Schemes Monitoring System (CPSMS)**, is a **web-based online software application** developed and implemented by the Office of Controller General of Accounts (CGA), Ministry of Finance.
- PFMS was initially **started during 2009** as a **Central Sector Scheme** of the **Planning Commission** with the objective of tracking funds released under all Plan schemes of the Government of India, and real time reporting of expenditure at all levels of Programme implementation.
- The **primary objective of PFMS is to facilitate a sound Public Financial Management System for the Government of India (GoI)** by establishing an **efficient fund flow system** as well as a payment cum accounting network.

PYQ

What is/are the recent policy initiative(s) of Government of India to promote the growth of manufacturing sector? (2012)

1. Setting up of National Investment and Manufacturing Zones
2. Providing the benefit of ‘single window clearance’
3. Establishing the Technology Acquisition and Development Fund

Select the correct answer using the codes given below:

- (a) 1 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (d)

Source: PIB

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