

Govt Expects to Save Around ₹10,000 Crore on Interest Payments

New Delhi: The government expects to save as much as ₹10,000 crore on interest payments, equal to the amount required to fund Ayushman Bharat, or Modicare, through a new mechanism.

The 'just-in-time release' of funds through a finance management platform has cut the amount of money floating in the system, which has resulted in interest savings, a senior finance ministry official said.

"The whole idea is to minimise float in the system... Funds are now released only when implementing agencies need them," the official said.

The Mahatma Gandhi National Rural Employment Guarantee Scheme would have a float of ₹50,000 crore-60,000 crore. That's now been brought to zero after it was brought on to the Public Financial Management System (PFMS) platform.

The PFMS, administered by the Department of Expenditure and implemented by the Controller General of Accounts, is an end-to-end solution for processing payments, tracking, monitoring, accounting, reconciliation and reporting. It provides a unified platform for tracking releases and monitoring their last-mile utilisation.

The official said out of about 20 lakh government agencies, 1 lakh have come on to the platform. The Department of Posts could now migrate to the PFMS while the Controller General of Accounts will be making a presentation to the ministry of defence this week on how the system could work for it. These departments have their own cash management systems.— **Our Bureau**