

**National Rural Infrastructure Development Agency
Ministry of Rural Development
Govt. of India, New Delhi**

G-25020/30/2015-F&A -359673

Dated 29.01.2019

OFFICE MEMORANDUM

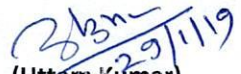
Subject: Timely payment to the contractors/suppliers/service providers of PMGSY works.

Attention is invited to this office letter no. G-25020/30/2015-F&A -359673 dated 07.1.2019 wherein it was intimated that the deadline of financial closure of physically completed works (on OMMAS R&P Module) has been extended till 31.03.2019 and requested to do the financial closure of all physical completed works within this timeline.

2. In this regard, Central Vigilance Commission has issued instructions vide CVC's OM. No. PVC/18/01/404294 dated 18.12.2018(copy enclosed along with its earlier O.M dated 03.05.2018) and sought report of all cases of inordinate delay (in violation of the prescribed timelines if any, or cases of delay exceeding 15 days for running bills and 30 days for final bills) in the payment of bills during the last 3 years in their organisations.

3. It is therefore, requested that the current status of financial closure of all physically completed works which were pending for more than 6 months on OMMAS R&P Module may be furnished to this office by 1st February, 2019 positively.

Encl: As above


(Uttam Kumar)
Director (F&A)

**To,
The Principal Secretary's /Secretary's/CEO's/CE's and Financial Controllers of Nodal
Department of PMGSY of all States.**

C-413019/19/11

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सत्यमेव जयते



केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
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सं./No. PVC/18/01/4042

दिनांक / Dated... 18-12-2018

OFFICE MEMORANDUM

Subject: - Timely payment to the contractors/suppliers/service providers – Preventive Measures – reg.

Please refer to the Commission's Circular No. 02/04/18 dated 03.5.2018 vide which the Commission had advised CVOs to examine from vigilance angle all cases of inordinate delay (in violation of the prescribed timelines) in the payment of bills during the last three years in their organisations.

2. It has been noted with concern by the Commission that **although the report was sought within three months, many of the organisations have not submitted their report even though more than seven months have elapsed.** Moreover many of the reports received are cursory and / or interim reports that do not serve the purpose.

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3. Further, it has been observed from the reports received by the Commission that some CVOs have taken up a sample study from the bills for the purpose of ascertaining reasons for delay in payment of bills. In most cases, it has not been indicated whether there is any vigilance angle in the delay of payments. There is no mention as to whether any employee has been found to be responsible. There is also no clear cut indication as to whether the principle of FIFO has been applied in the payment of bills.

4. While some CVOs have indicated the existing systems and procedures regarding payment of bills to the contractors/suppliers/service providers, some organizations have sent cryptic replies in which no mention has been made of the systems and procedures prevalent in the organization.

4. All CVOs are therefore, advised to accord due seriousness to the issue of timely payment of bills and apprise the Commission about the steps taken by them to arrest cases of delay and furnish a comprehensive report to the Commission covering all aspects elaborated in the Commission's Circular dated 3.05.18 within a month positively.
5. It may be noted that the Commission is closely monitoring this area of work and non compliance may be adversely viewed by the Commission.

Sonali Singh
(Sonali Singh)
Additional Secretary

To
All CVOs

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सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

E-414587/19/wig



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
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सं./No.....P.V.C./18/01/378456

दिनांक / Dated...03/05/2018.....

CIRCULAR NO. 02/04/18

Sub: Timely payments to the contractors/suppliers/service providers-Preventive Measures -reg.

The Commission has been receiving complaints regarding inordinate delay in payments/ non-settlement of bills of contractors/suppliers/service-providers by some of the Central Public Sector Enterprises (CPSE). It is observed that there is substantial delay in settling running/final bills: and in several cases, bills (both running as well as final) have remained pending for 5 - 6 years, though these are required to be cleared within a few days. Such inordinate delay in the settlement of bills is an unhealthy practice, affording scope for corruption. The Commission is of the view that delay could, in some cases, be motivated.

2. Some of the major CPSEs have reported that their Bill Watch/ Online Bill Tracking Systems red flags such delays in payment of bills. However, it is important that monitoring of cases of delay/non-settlement is done at higher levels to achieve efficiency and to reduce delay. The Commission would, therefore, advise the CVOs to examine from vigilance angle all cases of inordinate delay (with respect to prescribed time if any, or cases of delay exceeding 15 days for running bills and 30 days for final bills) from date of receipt of bill. A Report in cases of delay in the last three years, elaborating the reasons for delay, may be submitted to the Commission within three months.

C.V.C.

Received on :

Time : 11.7.54 2018

[Signature]

3. As a preventive vigilance measure, the Commission would also advise the CVOs to study the existing systems for receipt and processing of bills and prescribed timelines for release of payments to the contractors/suppliers/service providers. If required, the matter may be taken up with the Management to further streamline the system keeping in view the following aspects:-

i) Stipulation in all tender documents/Contracts/POs regarding the number of days (from the date of submission of clear and admissible bill) within which payment will be released. Officials should be designated to ensure compliance of timelines for release of such payments.

ii) Any clarification from the contractors/suppliers/service providers on the bill submitted by the contractor should be sought within a specified number of days provided in the contract itself and except in exceptional circumstances, these clarification should be sought in one go. Similarly, the contractor should be required to submit the clarification sought within a specified number of days.

iii) In case of any disagreement between the Organization and the contractor on any part of the bill, such part may be severed from the rest. Payment against agreed and admissible part can be processed as per laid down procedure, while the disputed part can be dealt as per contract provisions viz. conciliation, dispute resolution, arbitration, etc.

iv) Online Bill Tracking System should be put in place with provision for alerting higher level of management to enable monitoring, review/intervention in cases of delay.

4. All CVOs while preparing the report as at para 2 above, should also inform the Commission of status of action taken on the preventive aspects as at point (i) to (iv) above.

5. The CVOs may report on the implementation of the guidelines, aberrations detected and action taken in the annual reports.



(Sonali Singh)

Additional Secretary

To,

All Chief Vigilance Officers of CPSEs