



कार्यालय रक्षा लेखा प्रधान नियंत्रक
सं. 107, लोअर अग्रम रोड , अग्रम पोस्ट , बेंगलूर - 560 007
Office of the Principal Controller of Defence Accounts
No. 107, Lower Agram Road, Agram Post, Bangalore - 560 007
फोन नं./Phone No.- 29710474/75 फैक्स नं. /Fax No. - 26710132/33



No.:S/II/GEN CORR

Dated: 1/09/2020

To

All units under PCDA, Bangalore

Sub: Prompt payment to suppliers including MSMEs: Charging of interest for delayed payments in Government e-Market place (GeM)

Ref: MoF, DoE O.M.No.F.6/18/2019-PPD dated: 03/07/2020

Please refer to Department of Expenditure's O.M No. cited under reference, wherein it has been emphasized that buyers are mandated to make payments within 10 calendar days after generation of Consignee Receipt and Acceptance Certificate (CRAC) in the GeM, thereafter the buyer organisation will be required to pay penal interest @ 1% per month for the delayed payment beyond the prescribed timeline till the date of such payment. Applicable for all procurements made from 1st October, 2020.

In order to avoid delay in payments/rejection of bills, the following points may please be ensured before generation of CRAC:

- a) PDF files such as Financial Advice, Contract File, Invoice File, CRAC file, Bill File are uploaded as prescribed.
- b) Correct Code Head under which procurements are made are updated.
- c) Specimen Signature of the CFA is submitted to this office every Quarter and as and when there is change in incumbent officer due to permanent posting , leave, TD, etc.,
- d) Ensure availability of fund under the code head in which procurement is made.
- e) Correct specification of GST number, value of GST and rounding of GST amount in Invoice.
- f) Please ensure no variation between product value in PDF and Invoice value.

It is informed that this office does not take responsibility for any such lapses, and the sole responsibility rests with the unit, in making interest on delayed payment beyond 10 days after generation of CRAC.

GO(Stores) has seen.



Senior Accounts Officer (Stores)

Copy to :

✓ OA Cell - for uploading in PCDA Website



Senior Accounts Officer (Stores)

No.F.6/18/2019-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

512, Lok Nayak Bhawan,
New Delhi Dated the 3rd July 2020

OFFICE MEMORANDUM

Subject: Prompt payment to suppliers including MSMEs: Charging of interest on delayed payments in Government e-Marketplace (GeM)

Reference : This Department O.M. No.F.6/18/2019-PPD dated 23.01.2020.

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Government has been repeatedly emphasizing the need for prompt payment to vendors specially the MSME vendors. The intent of the Government in this regard has been articulated under the Aatmanirbhar Bharat pronouncements. For procurements made under rule 149 of GFRs 2017, buyers are mandated to make payments within 10 calendar days after generation (including auto generation) of Consignee Receipt and Acceptance Certificate (CRAC) in the GeM.

2. In order to promote greater discipline and timeliness in payment to vendors, it is decided that whenever a CRAC is auto generated or issued by a buyer and payment is not made 10 days thereafter, the buyer organization will be required to pay penal interest @ 1% per month for the delayed payment beyond the prescribed timeline till the date of such payment. The charge of interest shall be prorated for the period of delay. [For example, if CRAC is generated on the 1st day of a month and payment is made by the buyer organization on the 20th day of the month, interest for 10 days will be charged. The penal interest will be 10/30 multiplied by 1% i.e. 0.33%]. Month may be taken as 30 days in all cases.

3. The amount collected in this regard shall be deposited in an account maintained by GeM. This interest will not be paid to the vendor and will be kept by GeM in a separate account which will be used only for the education of sellers/buyers etc., or other purposes related to GeM or public procurement with the prior approval of Department of Expenditure. This shall not cover any other interest payable to vendors under any law or contractual obligations, which will be over and above the interest as charged above.

4. The above conditions will be applicable for all procurements made from 1st October, 2020.

5. This issues with the approval of Finance Minister.

K. Reddy
(Kotluru Narayana Reddy)
Deputy Secretary to the Govt. of India
Tel.No.24621305. Email: kn.reddy@gov.in

To,
All the Secretaries and Financial Advisers to Government of India

Copy to:

1. CGA, CGDA, FC/Railway Board - For information and necessary action.
2. Secretary, Department of Public Enterprises with a request to consider issuing appropriate instructions to Public Sector Undertakings in this regard.

U. Mishra
6.7.20

(AS)
6720

AC (R&E)