

THROUGH E-MAIL
URGENT

No. Ind./SP/Misc/F/6-10/4/80-Vol-V
Government of Himachal Pradesh
Directorate of Industries
Dated: Shimla-171001

23 SEP 2020

From:

Controller of Stores,
Himachal Pradesh, Shimla-171001.

To

1. All the Heads of the Departments
Government of Himachal Pradesh.
2. All the Managing Directors/ Secretaries of the Boards & Corporations,
Himachal Pradesh.

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

Madam/ Sir,

Kindly refer to letter No. F.6/18/2019-PPD dated 03.07.2020 received from the Deputy Secretary to Government of India, Ministry of Finance, Department of Expenditure, Procurement Policy Division, 512, Lok Nayak Bhawan, New Delhi regarding penal interest @1% per month for the delayed payment beyond the prescribed timeline till the date of such payment on GeM. **(Photocopy enclosed)**.

In this regard, it is informed that the Department has already issued the instructions regarding timely payments by Ministers/Departments & their CPSEs on GeM and streaming search on GeM for products and services vide this office letter of even No. dated 12.05.2020 to your office for proper implementation which is also available on departmental website-**emerginghimachal.hp.gov.in**.

You are also requested to strictly adhere to the instructions/guidelines as mentioned in the above referred letter dated 03.07.2020 by the Government of India and take necessary action accordingly.

Encls. As above.

Yours faithfully,



Controller of Stores,
Himachal Pradesh




Endst . No. As above.

Dated: 23 SEP 2020

Copy to:

1. The Additional Chief Secretary (Industries) to the Government of H.P. for kind information please.
2. The Deputy Secretary to Government of India, Ministry of Finance, Department of Expenditure, procurement Policy Division, 512, Lok Nayak Bhawan, New Delhi for kind information please.
3. All the General Managers District Industries Centres/Member Secretaries, Single Window Clearance Agencies in H.P. for information & similar action.
4. The Joint Director of Industries (Admn.), H.P. for information & similar action.
5. The State Geologist, H.P., Shimla-171001 for information and similar action.
6. The Joint Director of Industries(Exhibition),H.P. for information & similar action.
7. The Deputy Director(Sericulture),H.P. Shimla-171001 for information & similar action.
8. The Assistant Controller (F & A) Directorate of Industries, H.P. for information & similar action.
9. The Section Officer(F & A) Store Purchase Organisation for information & similar action.
10. P.S. to Controller of Stores,H.P.
11. P.A. to Additional Controller of Stores,H.P.
12. Programmer, Directorate of Industries, H.P. for uploading the copy on departmental website.
13. All the Dealing Assistants of Store Purchase Organization.


Controller of Stores,
Himachal Pradesh

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.

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.


(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.