

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI

F. No. FIN/22/1/2016-CDN (A&A)

Dated the July, 2020^{13th}

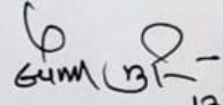
ENDORSEMENT

Sub: Prompt payment to suppliers including MSMEs: Charging of interest on delayed payments in Government e-Marketplace (GeM) and Appraisal and approval of all Public Funded Schemes / Sub -Schemes – reg.

Govt. of India, Ministry of Finance, Deptt. of Expenditure, Procurement Policy Division has issued O.M. No.F.6/18/2019-PPD dated 03.07.2020 regarding prompt payment to suppliers including MSMEs: Charging of interest on delayed payments in Government e-Marketplace.

Ministry of Finance, Deptt. of Expenditure, PFC - I Division has also issued O.M. No. 42(02)/PFC-I/2014 dated 04.06.2020 regarding appraisal and approval of all public funded schemes / sub-schemes.

As approved by the Competent Authority, the O.M. No.F.6/18/2019-PPD dated 03.07.2020 and O.M. No. 42(02)/PFC-I/2014 dated 04.06.2020 of Department of Expenditure is hereby posted on the ICAR website www.icar.org.in for information, guidance and necessary action.


13/07/2020

(Saurabh Muni)

Finance and Accounts Officer

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4. PSO to DG, ICAR/PPS to Secretary, ICAR/PPS to SS&FA, DARE/ICAR
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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.

Kn 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

AD (AR)

6.7.20

47/99
3/7/20

AD (AR)

6/10/2020

AS (AR)

P. S. Chandra

AS (AR)

F.No.42(02)/PFC-I/2014
Ministry of Finance
Department of Expenditure
PFC-I Division

North Block, New Delhi

Dated: 4th June, 2020

OFFICE MEMORANDUM

Subject: Appraisal and Approval of all Public Funded Schemes / Sub-Schemes - reg.

Reference is invited to DoE OM No.24(35)/PF-II/2012 dated 5-8-2016 vide which financial powers have been delegated for appraising/approving all public funded schemes/projects. In terms of para 4(i) of the OM of even number, for initiating all new schemes/ sub-schemes, 'in-principle' approval will be taken from Department of Expenditure. It may be appreciated that in the wake of COVID-19 pandemic, there is an unprecedented demand on public financial resources, and a need to use resources prudently in accordance with emerging and changing priorities. However, many new proposals for 'in-principle' approval are being received from Ministries/Departments.

2. In view of the circumstances prevailing in the current financial year, the undersigned is directed to convey the following:-

- i) No new proposal for a scheme/ sub-scheme, whether under delegated powers to Administrative Ministry including SFC proposals or through EFC should be initiated this year (FY 2020-21) except the proposals announced under the Pradhan Mantri Gareeb Kalyan Package, Atma Nirbhar Bharat Abhiyan package and any other special package/announcement. 'In-principle' approval for such schemes will not be given in this financial year.
- ii) The initiation of new schemes already appraised/approved in Financial Year 2020-21 under the delegated powers of the Administrative Ministries including SFC proposals (schemes upto Rs. 500 Crore) (exception as mentioned in (i) above), will remain suspended for one year till 31st March, 2021 or till further orders whichever is earlier. This is applicable for those schemes as well, for which 'in-principle' approval has already been given by Department of Expenditure. A list of all such schemes (as per the enclosed proforma) may be sent to DoE by FAs of the Ministries/Departments by 30th June, 2020.
- iii) The continuation of all existing schemes will be governed by the DoE OM No. 42(02)/PF-II/2014 dated 10-01-2020 by which an interim extension for all the ongoing schemes has already been given till 31st March, 2021 or till the date of recommendations of 15th Finance Commission come into effect, whichever is earlier. This is applicable for all the schemes, whether under delegated powers to Administrative Ministries/ Departments, through SFC or through EFC which the Ministry/Department wants to continue without changing their scope, nature, coverage and without creating any additional posts. It has also been reiterated therein that continuation of all schemes would be based on an outcome review based on evaluation. The continuing schemes need to be appraised and approved further for the period of 2021-22 to 2025-26 after 15th Finance Commission recommendations are accepted and resource position of public exchequer is clear. This would also be depend upon the evaluation and the outcome review.

- iv) No funds may be released for schemes which are not in strict conformity to the instructions given above and also in terms of DoE OM No. 24(35)/PF-II/2012 dated 05-08-2016 and No. 42(02)/PF-II/2014 dated 10-01-2020, nor should budgetary provisions be made available by re-appropriation to such schemes.
- v) Any exception to the above guidelines shall require specific approval of the Department of Expenditure.
3. This issues with the approval of Secretary (Expenditure).



(Dr. Shivalli M. Chouhan)
Director (PFC-I)
Tel. 23093109

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**All Secretaries to the Government of India
All Financial Advisers to the Ministries/Departments
Prime Minister's Office
Cabinet Secretariat
NITI Aayog, Railway Board, Internal Circulation**

