

THE STATE TRADING CORPORATION OF INDIA LTD: NEW DELHI
VIGILANCE DIVISION

F. No. STC/ CO/VIG /01022/2017 - 743

17.12.2018

CIRCULAR No.23/2018

Sub: Ensuring Timely payments to the contractors/suppliers/service providers - PREVENTIVE MEASURES.

The Central Vigilance Commission (CVC) has observed that inordinate delay in the settlement of bills of suppliers/ contractors is an unhealthy practice, affording scope for corruption and the (CVC) is of the view that delay could, in some cases be motivated.

2. During scrutiny of procedure followed in STC for payment of contractors/suppliers/service providers bills it has come to notice that :

- (i) Bills registers are not being maintained by the concerned Section/ GAD;
- (ii) The bills submitted by the Contractors are merely forwarded by the GAD to finance for payment without proper scrutiny;
- (ii) There is no monitoring of payment to Contract workers by GAD;
- (iii) No timelines are being followed to clear the bills submitted by the Contractors and suppliers;
- (iv) In case of deficiencies noticed in bills, the same are not being communicated in writing;
- (v) There is no system of obtaining of approval of higher authority before return of bills.

3. In order to ensure timely and correct payment to Suppliers/ service providers, the following measures are suggested to streamline the bill payment system :

(a) **MAINTAINING OF BILL REGISTER :**

All sections/ Divisions/ Branches receiving the bills from Contractors/ Suppliers shall maintain the Bill Register reflecting the entries viz., bill details, date, subject, name of the contractors/service providers/suppliers, bill particulars, date of receipt, name of processing official, date of payments etc, as per the formats enclosed (Annexure-A-i, A-ii, & A-iii).

- (b) **BILL MONITORING SYSTEM** to be put in place in the Corporation to check the delay in release of the payments by HODs both in concerned Division/Branch where bills are received/scrutinized/processed and in Finance Division where the payments are processed/released.

The concerned Head of Division (GAD & FINANCE) / BRANCH shall monitor the progress of payment of bills and submit a **FORTNIGHTLY REPORT** to the Director (P)/Director(Finance) as per format enclosed (**Annexure-B**).

- (c) **TIMELINES FOR BILL PAYMENT :**

All bills submitted by the Contractors/ service providers shall be processed / finalized in **TWO WEEKS** time as per following time schedule

S.No.	Responsibility	Time Limit
(i)	Processing of Bills by the concerned Division	5 days from its receipt
(ii)	Examining the Bills by Associate Finance	5 days
(iii)	Release of payment by Banking Division	4 days

- (d) **RETURN OF BILL :**

In case any deficiency is noticed in bill/ document(s) or any clarification is required from the service provider/contractors, the same shall be communicated in writing in **THREE DAYS** explaining the reasons for return of bill. The bill shall not be returned without the **approval of concerned GM/CGM**.

The service provider/contractor to furnish clarification within 7 days. The observations shall not be communicated in piecemeal manner. If any further clarification is required from the service provider/contractor, the same shall be sought only with the **approval of concerned Director (P)/ (Fin.)**.

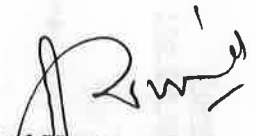
(e) **PAYMENT OF BILLS :**

In order to ensure timely payment to Contract Workers, the bill payments being clear and admissible as per agreed terms shall be released withholding the unclear/disputed part of the payment till its resolution.

(f) **MONITORING OF PAYMENT TO CONTRACT WORKERS :**

The HoD (GAD) / Branch Head to regularly monitor and ensure that contract workers are paid in time as terms and contract of Agreement.

All Head of Division (HOD) and Branch Managers are advised to ensure compliance of the above instructions.


(Arvind Kumar Kadyan)
Chief Vigilance Officer

Encl: As above

To :

- All CGMs/All Divisional Heads
- All BMs/VOs

Copy for information to:

- ES to CMD
- All Directors

