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सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

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सं./No.....P.V.C/18/01.....

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.

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