

Government of India
Ministry of Jal Shakti
Department of Water Resources, River Development & Ganga Rejuvenation

Shram Shakti Bhawan, Rafi Marg New Delhi,
Dated 6th July, 2020

OFFICE MEMORANDUM

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

The undersigned is directed to forward herewith OM No. 6/18/2019-PPD dated 03.07.2020 received from Department of Expenditure, Ministry of Finance on the subject cited above (copy enclosed) in reference to DoE's OM No. 6/18/2019-PPD dated 23.01.2020.

2. DoE has decided to levy 1% penal interest on the buyers whenever a CRAC is auto generated by the the buyer and the payment is not made 10 days thereafter. The penal interest shall be prorated for the period of delay. **This will come into effect from 01st October, 2020.**

3. The levied interest is said to be deposited in an account made by GeM and would be used only for the education of sellers, buyers etc. or other purposes related to GeM or public procurement with prior approval of Department of Expenditure.

4. In view of the above all procuring authority may take all possible effort to ensure timely payment to-wards procurement made through GeM sothat any situation of paying penal interest arising out of delayed payment may be avoided.

Encl: As above



(Y P Yadav)
Under Secretary(Fin)
Tel.No. 23719302

To,

- (i) All Wing Heads
- (ii) All Organisation Heads
- (iii) All Branch Heads
- (iv) All Section Heads

Copy to:

- (i) Sr. PPS to Secretary (WR, RD&GR)
- (ii) PPS to AS (DoWR, RD&GR)
- (iii) PPS to JS&FA