

No.F.1/8/2021-PPD
Government of India
Ministry of Finance
Department of Expenditure
Public Procurement Division

264-C, North Block,
New Delhi Dated 29th July, 2021.

OFFICE MEMORANDUM

Subject: Advance payment to recharge pre-paid meters for the electricity usage in Government offices.

As per Rule 172(1) of General Financial Rules (GFRs) 2017, ordinarily payment for services rendered or supplies made should be released only after the services have been rendered or supplies have been made. The rule further provides for advance payment in case of maintenance contracts and fabrication contracts keeping adequate safeguards in the form of obtaining Bank Guarantees (BGs) from the firms.

2. The Government of India has recently approved a revamped Reform based and Results Linked Power Sector scheme, in which installation of smart pre-paid meters will be done across the country. Advance payment towards electricity usage by Government offices through pre-paid metering is central to the envisaged reforms process.

3. In this context, a doubt has arisen whether the Government Departments also need to obtain BGs from the authorized electricity Distribution Companies (DISCOMS) for the pre-payment of electricity usage by the Government Departments. It is clarified that Government Departments can make advance payments to authorized DISCOMS for pre-paid metered electricity without insisting on any BGs. However, proper accounting of all the payments must be made.

4. This issues with the approval of Finance Secretary.

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29/07/21
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To
Secretaries to all Central Government Ministries/ Departments.