

Tele: 011-23019220

Engineer-in-Chief's Branch  
Integrated HQ of MOD (Army)  
Kashmir House, Rajaji Marg  
New Delhi - 110 011

No. 66546/MANUAL/729/E8

29 Dec 2017

List A & B

**TIMELY PAYMENT OF BILLS/RAR**

1. Instructions for speedy clearance of RAR & final bills have been issued by this HQ from time to time and same are available in contract manual, General condition of Contract (IAFW 2249) & other policy letters/instructions issued by this HQ.
2. It has been noticed that final bills are substantially delayed in certain cases and arbitrators are awarding interest for delay. Time period for submission & clearance of final bills has been specified in condition 65,65A & 66 of IAFW2249 Efforts should be made to clear the final bills without any delay beyond the specified period. Any deficiency noticed in the final bill should be brought to contractor's knowledge immediately by mail/fax to avoid any delay.
3. As regards payment of RAR, no time period has been laid down either in IAFW 2249 or in contract manual. RTI query has also been raised with this HQ wrt time period for payment of RAR and instructions/order related to non payment of final bills beyond the specified period. Regarding time frame for payment of RAR, instructions followed in other deptts/const. bodies are as under:-
  - (a) In FIDIC conditions of contract, the time limit for payment of Running Account Payment from the date of its receipt is prescribed as 14 days.
  - (b) In CPWD the timeline is 10 days extended to 15 days for outside work. Further in CPWD, there is a provision of payment of simple interest @ 7.5% per annum in case payment of interim bills is delayed beyond a period of 45 days.
4. Keeping in view the awards given by arbitrators for delay in payment of final bills/RAR and in order to ensure speedy clearance of final bills/RARs, you are requested to forward your comments on following issues:-
  - (a) Time period for payment of RAR after its submission by contractor.
  - (b) Payment of interest for delay in payment of RAR/Final bill beyond the specified period.
4. Please forward your comments by 15/01/2018.



(Mahesh Chander)  
Director (Contracts)  
for E-in-C

**Nodal Officer:** Please upload the letter on website.