



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)

National Highways Authority of India

(Ministry of Road Transport and Highways, Government of India)

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NHAI/Policy Guidelines/ Finance & Accounts/2023

Policy Circular No.3.5.10/ 2023 dated 30th November, 2023

{Decision taken on E-office file No NHAI/F&A/UROPFMS/2016-17/Vol-I/SKS/76. (Comp. No.143053)}

Sub: Standard Operating Procedure (SoP) for revised Structure of F & A Units at ROs/PIUs and new PIU centric Payment & Accounting, System in NHAI- reg.

As per the NHAI HQ Policy Circular No.3.5.9/2023 dated 04.10.2023, the new payment system has been implemented accordingly. The Standard Operating Procedure (SoP) has been prepared for PIU level payment and accounting systems in NHAI is enclosed which will be in-force w.e.f.01.12.2023.

2. This issues with the approval of Competent Authority.

Encl.: As stated above

(Sanjay Kumar Patel)
General Manager (Coord.)

To:

All Officers of NHAI HQ/ ROs/ PIUs/ CMUs/ Site Offices

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Standard Operating Procedure (SoP)

1. Introduction:

- 1.1 Prior to the proposed new PIU Level payment and accounting system the existing payment system of NHAI, PIU submit approved claims/ invoices to FARO unit and FARO/ DDO at RO Office initiates the payments including preparation of Bill. Therefore, all financial scrutiny is done at FARO unit and subsequently payment is released using SNA/CBS account of RO by Finance Cadre officials at FARO.
- 1.2 Presently, PIUs physically don't have any NHAI Finance cadre persons. However, PIU is the core unit of Project implementation and has to initiate all payments as per contract conditions in time bound manner.
- 1.3 In order to strengthen the PIU with specialized finance person to manage all financial issues related to projects, FARO system has been closed. With the implementation of this policy there will not be any Head-FARO, Asst. Head-FARO, Audit-FARO and DDO-FARO. The proposed system envisages PIU level Payment, Accounting and Audit system. The new system intends to develop ownership of all the finance related issues, Accounting and Audit matters relating to that particular PIU with F & A Cadre person in close coordination with Project Director (PD), NHAI.
- 1.4 Existing payment System: As per the existing procedure, all payments pertaining to RO/PIUs are being released by Finance officers posted in concerned FARO based on PDs "Pass Order" under the jurisdiction of the said RO, from the TSA (RBI's assignment limit-based a/c) using the login and access credentials of F&A cadre officials only. For this purpose, NHAI has opened 25 nos SNA (one for each RO) accounts under CNA (HQ) with RBI.

2. New TSA/ CBS arrangement:

- 2.1 Vide NHAI policy circular No. 3.5.9/2023 dated 04.10.2023 making PIU-Centric payments into two separate streams by categorizing all payments to (i) less than Rs. 5Crore and (ii) Rs. 5Crore & above. These payments will be authorized and processed by designated authorities as per said circular.
- 2.2 For this new mechanism, four new SNA accounts are opened with RBI under various Central Sector Scheme (as may deemed necessary) viz., "National Highway Authority of India (NHAI)". It will start with NHAI TSA-1 scheme with new SNA accounts for Payment Zone-I, Payment Zone-II, Payment Zone-III & Payment Zone-IV. PIUs under ROs will be grouped in all four Payment Zonal SNA Accounts.
- 2.3 Field Payments of Gross Bill value Rs. 5 Crore & above shall be released from these new Zonal SNA accounts only from HQ being second signatory in these SNA accounts. Each Zonal SNA Accounts will be mapped with selected ROs/PIUs as per HQ orders.
- 2.4 The existing 25 number of RO wise SNA accounts will be used by the PIUs under the jurisdiction of respective ROs, for release of payments of Gross bill value less than Rs. 5 Crore. This account will always be used for Less than Rs. 5 Crore payment Limit for each bill.
- 2.5 According to the new mechanism, all payments are to be initiated at PIU level by the "Operator" in PFMS. Operator will be Finance Cadre person and concerned PD will function as "Bill Approver" in PFMS similar to Non-Cheque Drawing DDO of the Ministries.



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- 2.6 After due approval by PD, the Finance person posted at PIU will scrutinize and complete all pre-check conditions and initiate the payment as first signatory, by authorizing the payment using his DSC under PFMS protocol. As first signatory special attention is required while selecting correct SNA account according to the payable amount limit. The SNA account has to be selected properly according to the payable amount limit, however, there will be a *lock-in* check on each account in the system to prevent/restrict any wrong selection of account.
- 2.7 If the Gross payable amount [*i.e., net payable to vendor + TDS (IT) + TDS (GST) + all other statutory deductions which are to be deposited further with any Authority*] of any transaction is below Rs.5 Crore, the transaction will be reflected in the Login-ID of concerned officer at RO who is the second signatory. The Designated Finance officer posted with concerned RO will authorize the transaction with his DSC and the transaction will get completed at Finance wing of RO-level.
- 2.8 If the Gross payable amount [*i.e., net payable to vendor + TDS (IT) + TDS (GST) + all other statutory deductions which are to be deposited further with any Authority*] of any transaction is Rs. 5 Crore or above, the transaction will be reflected in the Login-ID of concerned officer at HQ who is the second signatory according to allocated Zone (Group of RO). Concerned Finance officer at HQ will authorize the transaction with his DSC and the transaction will get completed HQ-level.
- 2.9 In the new payment system, second role of pre-check and scrutiny is basically with first signatories. The first signatories will provide one payment related information in the prescribed format (**Annexure-A**) with his certification to second signatory for release of payments.
- 2.10 **Tax Accounts:** The TDS amounts are also to be drawn from the corresponding SNA accounts as per existing practice but deposited in existing/new designated 'Tax Accounts' as per requirement of the concerned PIUs (Detailed order in this regard will be issued separately). In new system it is essential that tax liabilities are cleared by PIUs and therefore, payment should be made from PIUs Bank Accounts operated for the purpose. No new account will be opened by PIU if a tax account is already opened earlier.
- 2.11 Therefore, for transfer of these TDS deduction amounts the specific Tax account should be used/opened by PDs separately for each PIU in the Banks authorized by the HQ (If not already available), which should have necessary double Signatory system. These accounts should be used for transfer of TDS recoveries and also for deposit with Govt. Authorities using double signatory mechanism.
- 2.12 A standard 'Facility Agreement' has been signed at HQ for all Authorized Banks for this purpose to keep a standardized banking arrangement.
- 2.13 These new Commercial Tax Accounts can be used for particular payments, which need purchase of DDs. These new Tax Accounts can be opened in one of the banks who are providing CBS services to NHAI at HQ, RO and PIUs. At present four banks are providing CBS services:
- (i) Canara Bank
 - (ii) Kotak Mahindra Bank
 - (iii) IndusInd Bank
 - (iv) IDBI Bank



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New Tax account (if required) can be opened with the concurrence of HQ in any of the bank above based on close proximity of the PIUs. These Banks have agreed on one facility agreement with NHAI to extend required services to NHAI units. However, bank charges should not be levied on any transaction by these banks.

3. Assignment Limit for SNA Accounts:

- 3.1 For providing of assignment limits in SNA account (for payment upto Rs. 5 crore) of RO, Finance wing of RO has to assess and compile the requirement based on PIUs request periodically to send to CGM (Fin) at HQ through the designated e-mail (ID - TSA Limits) each month/ fortnightly. Limits will be assigned by banking section at HQ in all the SNA accounts as per the procedure.
- 3.2 For providing of assignment limits in Zonal SNA account at HQ (For payment of Rs. 5 crore and above), Concerned GM for that Payment ZONE will assess the fund requirement based on PIUs request periodically and compile the same for approval to CGM (Fin) at HQ through the e-file each month/ fortnightly. Limits will be assigned by banking section at HQ in all the Zonal SNA accounts as per the procedure.
- 3.3 In case funds are not available in TSA under PFMS, same procedure shall be followed for payments under existing CBS mechanism with Banks authorized to provide CBS solution in NHAI.

4. Payment Controlling GM:

- 4.1 A Payment controlling officer at the rank of GM (Fin) shall be identified for each Payment Zone of RO/PIU-Centric payments mechanism. The payment controlling officer shall also be the second signatory for payments of Rs.5 Crore & above; however, his authentication will be used in case any DGM (F&A) in his zone is on leave/ not in a position to authenticate the payment with his DSC.
- 4.2 In order to have proper resource and cash management at HQ Fund Approval beyond Rs. 10 Crore will be processed by the concerned Zonal DGM (F&A) through concerned Zonal GM (F) in e-file on day-to-day basis to ensure control and monitoring of large amount payments at HQ by the concerned CGM (F) authorized for the purpose.
- 4.3 These payments controlling GM (F) at HQ will keep a close monitoring of release of all payments and ensure that no undue delay takes place at HQ. DGMs (F) will keep reporting list of payments received and released through linked GM (F) to concerned CGM (F) on weekly basis. By using Data Lake and AFMS/ PFMS reports these GMs (F) will be able to assess the Limit requirement and pendency of bills in pipeline.
- 4.4 These Payment Controlling GMs (F)/ DGMs (F) also have to monitor and coordinate with all field units to get speedy payments as per NHAI policy circulars in this regard. These DGMs (F) will continuously monitor the DATA LAKE and AFMS/ PFMS to keep track of all bills and their timely movements, so that payments are not stuck beyond permissible time and report the same to concerned GM(F).
- 4.5 The second level signatories & Payment Controlling GMs (F) at HQ, for payments mechanism of Rs.5 Crore & above shall be issued separately.



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- 4.6 DSC/Expenditure limits shall be aligned in PFMS according to the above procedure, in all SNA accounts. Maximum payment limit in all the existing SNA accounts of RO (25 nos) shall be kept as Rs.4,99,99,999/- and minimum payment limit in the new SNA accounts (5 nos) shall be kept as Rs.5 Crore.
- 4.7 For payments related to RO office (Administrative expenses, release of Performance security, etc), existing SNA account of concerned RO (out of the 25 nos accounts) shall be used and signatories shall be as per para (v) of Policy Circular #3.5.9/2023.

5. Payment and Accounting system:

- 5.1 For payment related to projects DATA LAKE should not allow PD to process any invoice/ claim against which proper sanction & budget is not available except for few kinds of payments, which are exempted. First signatory must ensure that proper sanction and budget under suitable heads is available for any payment to be initiated at PIU.
- 5.2 A regular review of DATA LAKE bills to be done by PIU and its finance wing and flush out redundant / already paid / duplicate bills.
- 5.3 Concessionaires / Contractor / AE / IE / others will raise invoices through DATA LAKE and concern PD will examine and approved the same and forwarded the invoice with his recommendation and approval to his payment wing for preparation of bill and initiating the payment.
- 5.4 With the help of PFMS operator level officer (F & A cadre), PD will approve the bill in PFMS and system will push the same to first signatory at that PIU for further processing for payment.
- 5.5 Once payment is authorized successfully by signatory-I at PIU, the first signatory after due verification, will authorize the voucher in AFMS. DATA LAKE will clear the pendency using API interface between AFMS and DATA LAKE against that bill. This API integration will obviate the repetition of entry at DATA LAKE and also avoid any possible mistake in DATA LAKE. In other word DATA LAKE and AFMS will remain in sync due to API interface between these systems.
- 5.6 Payment will start from creation of IEV (Invoice Entry Voucher) in AFMS. Step by Step user guide for creation of IEV in AFMS (Desktop application) is available in AFMS (web version).
- 5.7 The Gross payable amount [*i.e., net payable to vendor + TDS (IT) + TDS (GST) + all other statutory deductions which are to be deposited further with any Authority*] of any transaction which will form limit of payment below 5 cr. and 5 cr. and above. System will automatically select the RBI TSA account accordingly to initiate this payment.
- 5.8 For all payments Accounts officials of PIU will apply his DSC as first signatory after due scrutiny and checks and submit information related to bill to the second signatory on the basis of Gross payable amount [*i.e., net payable to vendor + TDS (IT) + TDS (GST) + all other statutory deductions. i.e., below 5 cr. to concern RO and 5 cr. and above to the concerned DGM(F&A) at HQ. However, system will automatically forward the bills based on amount limit to concern second signatories.*
- 5.9 Second signatories will apply their DSC for final release of payment on the basis of information submitted by the First signatories in Format - A. BPV of each successful payments will be authorized within 24 hours by the second signatory in AFMS. The payment must be released by within one working day after receipt of the same by signatory-I. In case it is delayed beyond one working day, reasons may be recorded by the concerned DGM (F)/ GM(F) and put up to concerned CGM(F).

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6. Reconciliation:

- 6.1 AFMS system will facilitate PIU wise Bank statement (TSA) for all transactions to reconcile and account for suitably. Signatory-I of PIU will be held responsible for reconciliation of TSA account as well as CBS account related to his PIU.
- 6.2 Signatory-I will prepare a monthly BRS for all payments. In case of any discrepancy and unreconciled transactions, Signatory-I (at PIU) will co-ordinate with Signatory-II (at RO or HQ as the case may be) to get it reconciled.

7. Audit:

- 7.1 As per latest circular no. 3.5.9/2023 dated 04.10.2023, there will be no exclusive audit nodal officer at RO now onwards. The responsibility of handling audit parties may it be C&AG Audit, Internal Audit, Accounts Audit, Transaction Audit, concurrent audit etc. will be with concerned officials at RO and PIU.
- 7.2 Concern PD and RO will remain responsible for preparation of suitable reply on all kinds of audit paras / observations with the support of finance wing available with them.
- 7.3 It is the responsibility of the finance officials to coordinate and ensure compliance of all Audits.
- 7.4 A system of concurrent audit will be introduced at PIU/ ROs level to ensure that payments are made timely and in accordance with the contract agreement, relevant rules, orders of NHAI in this regard and instructions issued from time to time. A detailed guidelines and framework will be issued separately for compliance of concurrent audit. It will be the responsibility of the PIU/RO to settle all concurrent para in next billing cycles(s) or within 45 days from the issue of observation by the concurrent Auditor in consultation with RO.
- 7.5 Concurrent Auditor will cover all projects under the PIU as well as related Escrow Accounts of the projects.
- 7.6 A detailed orders for coordinating and managing all kind of Audit processes at PIUs/ ROs separately to ensure proper and timely reply by RO/PDs with the assistance of Finance persons posted with the unit. It is reiterated that in respect of C & AG Audit PIUs/ ROs must try to resolve the Half Margins/ Inspection Report Para/ CAG Draft para by making full efforts and compliance as mid-course correction.

8. Roles and Responsibilities of the Officers under new payment system:

8.1 Operator Level:

- (i) After Technical scrutiny and issuance of approval of PD, Operator will be first level of bill preparation process. Operator (Allotted the PIU) will initiate the bill preparation process against received invoice/claim of the contractor/ concessionaire as per contract/ Agreement and pass order of PD.
- (ii) After Technical scrutiny and issuance of approval of PD, Operator will examine whether IE/AE has given proper recommendation on invoice/ claim and PD has approved the same or approved with variance.



- (iii) On the basis of PDs approval for gross payment, operator will prepare a bill of net payment by deducting all necessary taxes, retention money, detained payments, other withheld payments, etc. and obtain the approval of PD on net bill i.e. Pass Order.
- (iv) Operator will obtain the approval of PD on Net Bill and accordingly prepare the related voucher (IEV) in AFMS and thereafter create a bill in PFMS as operator Level.
- (v) Operator shall check validity of all BGs, insurances and relevant statutory registrations necessary for projects and maintain a register in this regard. All legal and financial document related to projects must be in safe custody following the guidelines issued by NHAI time to time in this regard.
- (vi) Verify the bank account details of beneficiaries as per agreement and relevant documents as the case may be.

8.2 Approver Level:

- (i) Once a bill is created by operator in PFMS, PD as 'Approver Level' will have to approve this bill in PFMS for payment processing.
- (ii) PD as Approver level has to check that Bill created by the operator is as per the approval granted by him for that bill and 'Pass Order' has been exactly incorporated in the bill.
- (iii) In the entire process PD will be responsible for giving approval for payment as 'Approver Level' for the schedule and quantities/ stages, which are verified and measurement has been done and recorded accordingly by the IE/AE.
- (iv) Bill approver i.e. PD does not require to apply DSC for approving the bill in PFMS.

8.3 Signatory-I Level:

- (i) Signatory-I will start the process of release of Payment at PIU using SNA/CBS/Other Bank Account as the case may be. Therefore, all checks and scrutiny of the bill for payments will be the responsibility of signatory-I.
- (ii) Signatory-I will make sure that against a given IEV in AFMS, total drawl (Party payment + Tax amount) is made from PFMS using single bill (Bulk payment).
- (iii) If any discrepancy is seen at this level by signatory-I which requires rectification in the bill, same can be returned in PFMS to Approver Level.
- (iv) Checking of beneficiaries' Bank account details and vendor details on the basis of payment success report of PFMS/TSA, BPV to be cleared in AFMS. In case of fail after success cases, signatory one will re-initiate the process of payments.
- (v) After the completion of transaction, reconciliation of accounts in all respect will be prepared on monthly basis and same will be submitted to accounts section of NHAI-HQ on due date as per instructions issued time to time in this regard.



- (vi) All compliances in respect of statutory dues & payments thereof should be made within stipulated time without fail. Any violation of above provision shall be viewed seriously and accordingly be dealt with.

8.4 Signatory-II Level:

- (i) Signatory-II will start the process of release of Payment at RO-Finance Unit/ NHAI-HQ Finance wing using SNA/CBS/Other Bank Account as the case may be. Signatory-II will verify the payment request based on signed certificate for payment by Signatory-I who has completed all check, due diligence and scrutiny of the bill for payments.
- (ii) Signatory-II at the time of releasing payment in PFMS will verify that against a given IEV in AFMS, total drawl (Party payment + Tax amount) is made from PFMS using single bill (Bulk payment).
- (iii) If any discrepancy is seen at this level by signatory-II which requires rectification in the bill, same can be returned in PFMS to Signatory-I.
- (iv) Signatory invariably should not ask for details other than signed payment request certificate from Signatory-I. In case it is unavoidable due to specific reason Signatory-I may send e-file of payment with all details to signatory-II. Any violation of above provision shall be viewed seriously and accordingly be dealt with.

9. Creation of User IDs in e-Office, PFMS & AFMS:

- 9.1 There are many User IDs and Passwords are to be created in e-Office, AFMS and PFMS/ TSA applications. NHAI (HQ) will create all such User IDs after obtaining official e-mail (only with e-mail extension @nhai.org, @gov.in, @nic.in) and mobile number of individual officers through RO office as the same are confidential and sensitive. Successful creation of such User IDs will be followed by message on registered e-mail and mobile number through respective application.
- 9.2 After creation of User IDs individual officer will be responsible for its usage and security. Officer should not share his/ her ID and passwords with any other person as the same will not dilute his/ her responsibility from the transaction taking place using his/ her ID and password.
- 9.3 After creation of User IDs individual officer will map his/ her DSC in the system as per the directions of NHAI (HQ) and will change/ upgrade the DSC only after consultation with NHAI (HQ).
- 9.4 Activation/ Deletion/ Change in User IDs will be done only by NHAI (HQ).

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Annexure-A

Sr.No.	Payment Advice	
1	Name of RO	
2	Name of Unit	
3	IEV Type	
4	IEV No	
5	Transaction ID	
6	U.R. ID	
7	E. Office File No	
8	IEV Date	
9	Payment to Party (Rs.)	
10	Tax Amount (Rs.)	
11	Total Amount (Rs.)	
12	Mode of Payment	
13	Party Bank Information	
13a	Vendor Code as per PFMS	
13b	Account no. of the vendor	
13c	Name of the bank of the vendor	
13d	Name of the Account Holder	
13e	Bank IFSC Code	
14	Mapped TAX Account Information	
14a	Vendor Code as per PFMS	
14b	Bank Account Number	
14c	Name of the bank	
14d	Name of the Account Holder	
14e	Bank IFSC Code	
15	Action By	
16	C. No from PFMS	
17	Payment Date in PFMS	
18	Payment Confirmation	
19	Payment Confirmation By	
20	Payment Confirmation Date	

Confirmation

1. It is confirmed that the above payment is as per the concession agreement/ rules & regulations required administrative approval has been obtained.
2. In case of payment is more than Rs. 10 cr., approval for drawing this payment has been obtained from NHAI-HQ.

First Signatory

Second Signatory

