



GOVERNMENT OF KERALA

Abstract

Finance Department - Bill Discounting System Extended for the payment to the Contractors / Suppliers / Accredited Agencies of Government Departments / Institutions / LSGD – Detailed Operational Guidelines Issued.

FINANCE (BD & GB) DEPARTMENT

G.O. (P) No. 10/2020/Fin.

Dated, Thiruvananthapuram 24/01/2020

Read:- 1. G.O (P) No. 583/2014/Fin Dated 29/12/2014.
2. G.O (P) No.13/2015/Fin Dated 12/01/2015.
3. G.O. (P) No. 123/2016/Fin Dated 29/08/2016.
4. G.O. (P) No. 7/2020/Fin Dated 15/01/2020

ORDER

As per the Government orders read 1st, 2nd and 3rd above, Bill Discounting System has been introduced in the state for clearing the bills of contractors of Works Departments.

As per the Government Order read 4th above, BDS facility has been extended for the Contractors / Suppliers / Accredited Agencies of all other Departments / Institutions / Local Self Government Department.

Now, for the smooth implementation of the extended BDS system, detailed operational guidelines are issued as follows

Guidelines for Extended BDS to Contractors / Suppliers / Accredited Agencies

The Bills / Cheques of Contractors / Suppliers / Accredited Agencies of above 5 lakh submitted for WAMS clearance will be pushed to Bill Discounting System (BDS) software. Orders for schedule of payment of such bills will be issued by the Finance (BD& GB) Department based on the seniority of the docket number of the Bills / Cheques in WAMS. The Procedure to be followed by Contractors / Suppliers / Accredited Agencies, DDOs / Cheque Issuing Authority, Finance Department, Treasury are detailed as follows.

Contractors / Suppliers / Accredited Agencies

- Contractors / Suppliers / Accredited Agencies , who are willing to opt for discounting their bills / cheques, shall submit an application to the respective DDOs / Cheque Issuing Authority in Form I, noting the account number to which the eligible amount is to be credited.

DDOs / Cheque Issuing Authority

- The DDO / Cheque Issuing Authority shall confirm the account number from the Bank / NBFC concerned through the software and shall obtain certification in Form I from the Bank and shall maintain a copy of it.
- The DDO / Cheque Issuing Authority will issue Form II generated from the software specifying the details of bills / cheques, Power of Attorney holder, the account number to which the amount to be credited, etc. for submitting the same to the Bank / NBFC.
- On receipt of Confirmation of account details from the Bank / NBFC in Form No I, the DDO / Cheque Issuing Authority shall send a digitally signed letter to Finance Department intimating the request of the Contractors / Suppliers / Accredited Agencies in Form III.

Finance Department

- On receipt of Form III in Finance Department, a Promissory Note will be issued in Electronic Form to the Contractors / Suppliers / Accredited Agencies against the bill / cheque.

Bank / NBFC

- The Bank / NBFC concerned will be able to view this promissory Note by login to the software.
- The Bank / NBFC which discounts the Promissory Note shall immediately issue a

digitally signed certificate to the Contractors / Suppliers / Accredited Agencies in Form IV through the software, which the Government will be enabled to view. In any case, the Contractors / Suppliers / Accredited Agencies shall obtain this certification from the Bank / NBFC at least one month prior to the scheduled date of payment for enabling Government to make prompt payment.

Finance Department

- Government will re-imburse half of the discounting charges to the Contractors / Suppliers / Accredited Agencies, **subject to a maximum of 5% p.a.** based on the details of payment such as date of payment made by the Bank / NBFC, Rate of interest for discounting , discounting period, etc.
- The Under Secretary/ Deputy Secretary, Finance (Accounts A) Department will draw the Promissory Note amount and eligible portion of discount amount and credit the same to the Bank account of the Beneficiaries on the scheduled date of payment by debiting the expenditure to the head of account opened under the Major head 8782.
- On the scheduled date of payment noted in the Promissory Note, BDS opted Bill Information will be returned to BiMS / Saankhya (in the case of LSGI bills).

In case of BDS opted bills

DDO / Cheque Issuing Authority

- The DDO / Cheque Issuing Authority shall submit preauthorised bill in TR59(E), to the transacting treasuries corresponding to the Promissory Notes and discounting charge on the scheduled date of payment. The bill shall contain deduction items like Welfare fund , GST, etc.

Treasury

- In the case of BDS opted Bills, the Treasury Officers concerned shall authorise the bills by debiting the functional heads of account and transfer credit the net amount to

the head of account opened under the major head 8782 after deducting statutory deductions on settling the claim to the banks.

In case of Non BDS Bills

DDO / Cheque Issuing Authority

- On the date of payment in BDS, Bill information will be returned to BiMS / Saankhya with clearance for payment. DDO / Cheque Issuing Authority have to prepare pre authorized bills and submit to Treasury by debiting the same from the functional head of account for ensuring the payment on the scheduled date without fail.

Treasury

- In case of Non BDS Bills, the Treasury Officers concerned shall authorise the bills and the credit the amount to the bank account of the beneficiary.

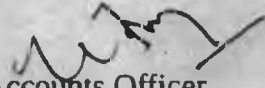
(By Order of the Governor)
RAJESH KUMAR SINGH IAS
ADDITIONAL CHIEF SECRETARY (FINANCE)

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram
The Principal Accountant General (G &SSA), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Karunakaran Nambiar Road, Thrissur 680020
The Member Secretary, State Planning Board
All Heads of Departments and Offices
The Director of Treasuries, Thiruvananthapuram
The Treasury Officer, Secretariat, Sub Treasury, Thiruvananthapuram
All Secretaries, Additional Secretaries, Joint Secretaries to Government
The Secretary to Governor

The Private Secretaries to Chief Minister and Other Ministers, Leader of Opposition
The Private Secretary to Speaker / Deputy Speaker
The Director of Public Relations, Thiruvananthapuram
The Additional Secretary to Chief Secretary
The Web & New Media, PRD- webprd@kerala.gov.in
The Chief Engineer, PWD(Roads & Bridges / Buildings), Thiruvananthapuram
The Chief Engineer, I&A / Project II, Thiruvananthapuram.
The Chief Engineer, Project I, Cauvery House, West Hill, Kozhikode.
The Nodal Officer, Finance - ctfmweb@gmail.com
The Chief Engineer, LSGD, Thiruvananthapuram
State Informatics Officer, NIC, Vellayambalam
All Banks participating in BDS
Stock File / Office Copy

Forwarded/By Order


Accounts Officer

End No. DB / General / CE / 20 / LSHD , Dt- 28-01-2020

All officers are informed to follow the
direction in the above Govt order.


for CHIEF ENGINEER

Form No. I

Consent letter of Contractor / Supplier/ Accredited Agency

I.....(name and address).....(PAN)/.....
(AADHAR ID) desire to opt the Bill Discounting System vide G.O (P) No. 7/2020/Fin dated 15/01/2020 and I hereby agree to credit the amount due to me on account of the following items in the Docket to the account noted below.

Sl No	Docket No	Amount due to the Contractor/Supplier/Accredited Agencies	Name of Bank branch and IFSC code	A/C No
1				
2				

I hereby certify that the above information is true and correct to the best of my knowledge. I shall solely be responsible in case of any mistake in the above information and will not make any claim which may arise due to such mistake.

Signature:

Name :

Date :

Confirmation of Account No. By Bank

Certified that the account No (IFSC code & Account No.)..... noted above is confirmed.

Signature of Branch Manager

(Seal)

Form II
SUMMARY OF BILLS / CHEQUES DUE

No:

Date:.....

Ref:-G.O.(P) No.7/2020/Fin. dated: 15/01/2020

Certified that the following bills / cheques with particulars indicated below are payable to.

Mr/Mrs/M/s.....(name of eligible person for payment)

.....(Address)

.....(Town / Village)

.....(District)

.....(PINCODE)

Sl. No	Docket No	Docket No Date	Details of items in the Docket	Contractor /Supplier /Accredited Agencies	Scheduled date of payment	P.A. Holder, if any

(Mr/Mrs/M/s)....(name of eligible person for payment)..... has requested to credit the above amount to the Account No..... of the..... Branch (IFSC code) of the (Name of Bank) on the scheduled date of payment noted above as per the Bill Discount System. Please verify and confirm the correctness of the account number in Form No I

Drawing and Disbursing Officer / Cheque Issuing Authority.

(OFFICE SEAL)

To

The Manager,

.....Branch

.....Bank

.....Address

Form No. III
(Letter to Finance Department)

No:.....

Date:.....

From

Drawing and Disbursing Officer / Head of Office / Cheque Issuing Authority

To

The Secretary (Finance)

Sir

Sub:- Request to issue PN to the Contractor / Supplier / Accredited Agencies – Reg.

Ref:- G.O.(P) No. 7/2020/Fin. Dated 15/01/2020.

I am to inform you that Sri/Smt/M/s.....(Name of the eligible person for payment) has requested this Office for Promissory note against his bill / cheque noted below as per the order referred to above. I am to inform you that the contractor is eligible for the following amounts. The contractor has also requested to credit this eligible amount to the Account No. of theBranch (IFSC Code) of the Bank. The account No. has been verified from the Bank.

Sl. No	Docket No in WAMS	Net Amount (Rs.)	Due date of Payment
1			
2			

Necessary discharges have been made against the bill / cheque. Kindly issue Promissory Note against the bills / cheques referred to above and to credit the eligible amount to the account No..... of the.....Branch (IFSC Code) of the Bank on the scheduled date of payment.

Yours Faithfully

Drawing and Disbursing Officer / Head of Office / Cheque Issuing Authority

Form No. IV

No:

Dated:

From

The Manager

Name of Bank

To

Sri/Smt/M/s.....(Name of Contractor / Supplier / Accredited Agencies)

Sir

Sub:- Discount Charges to contractor – Details of payment made to the Contractor / Supplier / Accredited Agencies- Reg.

Ref:- G.O.(P) No.7/2020/Fin. Dated 15.01.2020.

I am to inform you that the following Promissory Notes have been discounted as per request.

Sl. No	Docket No	PN No & date	PN Amount	Percentage of discount	Amount paid to the Contractor / Supplier / Accredited Agency	Discounted date	Scheduled date of Payment
1							
2							

This certificate is issued to produce before Government of Kerala to avail of the reimbursement for the eligible portion of discount charges.

Yours Faithfully

Manager

PROMISSORY NOTE

THIS PROMISSORY NOTE dated..... day of.....

Government of Kerala

(First Party)

hereby acknowledges the liability of payment of Rupees

----- (Rs-----) to

----- (name of Contractor / Supplier / Accredited Agency.)

(Second Party)

The Government of Kerala (First Party) hereby promises to pay to the Second Party the principal sum of Rupees and paise (Rs.....,(Paise) being the sum that represents the value of the payment against Docket No (s).....to for the work executed / item supplied by for the Department of the Government of Kerala.

The First Party will pay the Second Party in full on(date) through the Second party's Account No..... opened at branch (IFSC Code.....) of theBank. If the scheduled date of payment becomes a holiday, payment will be effected on the next working day.

Notwithstanding any contrary statements contained in this Note, if the First Party defaults on payment of this Note or any other obligation set forth herein, and default continues after the second party notifies the First Party of the default and the period within which it must be corrected, as may be required by law, then the second party may declare the unpaid principal balance, and any accrued interest, immediately due and payable and such amount shall be payable with interest at 12% per annum on the unpaid amount.

This Note being and instrument under Section 4 of the Negotiable Instruments Act, 1881 shall be bound by this and applicable laws of India.

First Party represented bySecretary, Finance Department, Government of Kerala.

(Signature)

(Seal)

Place:

Date:

Identification details of the Contractor / Supplier / Accredited Agency / Power of Attorney whose bills / cheques have been discounted.

Name.....

Address.....

.....

.....

PAN/TAN/Aadhaar No.....