



**GOVERNMENT OF KERALA**

**Abstract**

Finance Department-Bill Discounting System extended for the payment to Contractors / Suppliers / Accredited Agencies of all Government Departments / Institutions / Public Sector Undertakings and Local Self Government Institutions - Modified Operational Guidelines - Orders Issued.

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**FINANCE (BD&GB) DEPARTMENT**

**G.O.(P)No.63/2022/FIN Dated,Thiruvananthapuram, 08-06-2022**

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- Read
1. G.O. (P) No. 7/2020/Fin Dated 15/01/2020.
  2. G.O (P) No. 10/2020/Fin Dated 24/01/2020
  3. G.O. (Rt) No.2752/2020/Fin Dated 13/04/2020.
  4. G.O (P) No. 68/2020/Fin Dated 28/05/2020.
  5. G.O (P) No. 138/2021/Fin Dated 23/10/2021

**ORDER**

As per the Government orders read above, Bill Discounting System (BDS) was extended to the Non Letter of Credit payments to Contractors / Suppliers / Accredited Agencies with respect to all Government Departments / Institutions / Public Sector Undertakings and Local Self Government Institutions. In the Government Orders read 3<sup>rd</sup> and 4<sup>th</sup> above, detailed operational guidelines have been issued for its smooth implementation, including procedural guidelines for adjustment / settlement of Bills /Cheques on the scheduled dates of payment. As per the Government Order read 5<sup>th</sup> above, separate accounting has been introduced for the transactions pertaining to the Extended BDS by assigning distinct suspense head of account for Works department and Other departments.

2. It has come to the notice of the Government that, recently some Writ Petitions have been filed, demanding the benefit of Bill Discounting by Contractors/ Suppliers / Accredited Agencies carrying out works of departments for which Ways & Means restrictions do not apply.

3. Government have examined the matter in detail and are pleased to clarify that the Bill Discounting System is based on merit and applicable only for payments, to Contractors/ Suppliers / Accredited Agencies, for which Government Ways and Means restrictions apply.

4. Government are also pleased to issue following modified guidelines to streamline and specify the progressive roles and responsibilities of each stakeholders in the Extended BDS scheme.

**a) Contractors/Suppliers/Accredited Agencies**

Contractors/Suppliers/Accredited Agencies, for whom the facility is applicable, who are willing to get their bills/ cheques discounted through the BDS shall submit an application to the relevant DDO/Cheque Issuing Authority noting the Bank/NBFC account number to which the eligible amount is to be credited.

**b) Drawing & Disbursing Officer (DDO) / Cheque Issuing Authority (CIA).**

I. The DDO / Cheque Issuing Authority shall login to the BDS website (bds.kerala.gov.in) of Finance Department and confirm / validate the account number and IFS code and shall obtain certification in Form I from the Bank/NBFC through the software and shall maintain a copy of it.

II. The DDO / Cheque Issuing Authority will issue Form II generated from the software specifying the details of bills/cheques, Power of Attorney holder (if any), the account number to which the amount is to be credited, etc. for submitting to the Bank/ NBFC.

**c) Bank/NBFC**

On receiving Form-I & II from the DDO/ CIA through software, the Bank / NBFC shall verify the account number, IFS Code, etc. and return the same to the DDO / CIA electronically

**d) Drawing & Disbursing Officer (DDO) / Cheque Issuing Authority (CIA).**

I. On receipt of confirmation of account details from the bank/NBFC through the software, the DDO / CIA shall select the menu '*Transfer Credit Request (Non LOC)*' in the '*Submission*' menu of BDS software and e-submit the bill / cheque to the treasury in the first instance for transfer crediting the amount thereof to the relevant suspense head of account. Then

the bill / cheque will be available in the Bill Preparation Platform concerned (BiMS/ WAMS/ SANKHYA) under 'BDS' Menu with the same Docket Number already generated.

II. In the bill thus available in the bill preparation platform, the relevant suspense head of account will be automatically generated in place of beneficiary details. The DDO shall e-submit the bill to the treasury with the relevant physical documents. This is for facilitating transfer credit to the suspense head of account for the settlement of BDS payment.

III. For cheque payments, fresh modified cheques with the relevant suspense head of account in place of beneficiary details shall be submitted to the treasury in lieu of the original corresponding cheques. In the proceedings concerned also, the relevant suspense head of account will be automatically generated in place of beneficiary details.

**e) Treasury Department**

On receiving the Transfer Credit bill / cheque from DDO/CIA, Treasury after verifying with the physical documents submitted, shall transfer credit the amount to the relevant suspense head of account by debit to the functional head of account/treasury account concerned and pass the bill / cheque without delay.

**f) Drawing & Disbursing Officers (DDO) and Cheque Issuing Authorities (CIA).**

The DDO/CIA shall monitor the status of the bill/cheque in the BDS software and after confirming the passing of bill/cheque by the treasury, the DDO/CIA shall immediately generate Form III by choosing '*Letter to Finance (Non LoC)*' option.

**g) Finance department**

On receipt and verification of Form III in Finance Department, Promissory Note thereof will be issued in electronic form to the Contractor/ Supplier/ Accredited Agency concerned against their bill/cheque.

**h) Bank/NBFC**

I. The Bank/ NBFC will be able to view the Promissory Note by login to the software.

II. Bank/ NBFC which discounts the Promissory Note shall immediately issue a digitally signed certificate to the Contractor/Supplier/Accredited Agency in Form IV through the software, which the Government will be able to view. It shall be specifically noted that delay in digitally signing of Form IV by the Bank may cause delay in sanctioning the reimbursement of discount charge by the Government to the Contractor/ Supplier/ Accredited Agency. Government shall not be liable for such delay.

**i) Finance department**

On the scheduled date of payment, Government will reimburse half of the discounting charge subject to a maximum of 5% p.a. along with the Promissory Note amount to the respective beneficiary accounts.

5. In case of Bill /Cheque not opted for BDS payment, following actions shall be carried out.

**(a) Finance department**

On the scheduled date of payment in BDS, the bill/ cheque will be returned to the respective bill preparation platform with auto clearance for payment.

**b) Drawing & Disbursing Officers (DDO) and Cheque Issuing Authorities (CIA).**

DDO / CIA shall process the returned pre authorised bills/cheques (with the same old docket number) and submit to Treasury by debiting the same from the relevant functional head of account / treasury account for ensuring the payment on the scheduled date without fail.

**c) Treasury Department**

The treasury officer concerned shall authorise the bill / cheque and credit the amount to the bank account of the beneficiary.

6 The DDOs and CIAs shall strictly adhere to the above guidelines. Failure to do so shall be viewed seriously and disciplinary action shall be taken for any lapses. Under no circumstance shall a fresh docket be generated for settlement purpose.

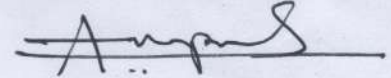
7. The guidelines issued vide the Government Orders read above stand modified to this effect.

(By order of the Governor)  
K MOHAMMED Y SAFIRULLA  
OFFICER ON SPECIAL DUTY

To:

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All Banks / NBFCs participating in BDS  
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Section Officer