



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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Abstract

MPLADS- Routing amounts through PFMS Portal – Guidelines for implementation – Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O. (FTD) No.531/2020(Fin.2(A)/MPLADS/2019-20) Thiruvananthapuram, Dated: 18/08/2020.

- Read:-
- (1) Letter No. AB2/Bank Account/2019-20/2422 dated 23/01/2020 of the Executive Engineer, Electrical Division, Thirurangadi.
 - (2) Letter No. EC/PTA/AB2/Bank/19-20/2287 dated 10/02/2020 from the Deputy Chief Engineer, Electrical Circle, Pathanamthitta.
 - (3) Letter No. AB5/MPLAD/19-20/1444 dated 02/03/2020 of the Executive Engineer, Electrical Division, Perinthalmanna.
 - (4) Letter No. EC-PTA/AB2/Bank/19-20/2287/2461 dated 04/03/2020 of the Deputy Chief Engineer, Electrical Circle, Pathanamthitta.
 - (5) Government of India Guidelines of MPLADS
 - (6) Note No.Fin2(A)/MPLADS/2019-20 of the Financial Adviser dated 04/08/2020 (Agenda No.25/8/20).

ORDER

As per the existing practice, the funds towards MPLADS are received and dealt by the concerned Circle Offices. On completion of the works, contract bills are prepared from the executing ARU and payment effected accordingly.

Now, various field offices as per letters read as (1) to (4) above have reported that Government of India has made it mandatory that the MP fund has to be routed through PFMS Portal by opening Savings Bank Accounts in Nationalised Banks exclusively for each Member of Parliament

It has been also reported from the field offices that the District Authorities are now insisting for availing the funds already sanctioned towards MPLADS through PFMS Portal only and further releases will be made only through PFMS Portal.

As per the Government of India Guidelines regarding MPLADS, the Implementing Agencies receiving the funds from the District Authorities shall keep the funds only in Savings Bank Account of a Nationalised Bank and only one Account shall be maintained for each MP.

The Guidelines to be followed by the officers of the implementing agency are as follows:

1. For handling the MP fund, all implementing officers shall open Savings Bank Account in any Nationalised Bank in the official name of the implementing officer.
2. Separate SB Account shall be opened for handling the funds of each MP.
3. The SB Account in respect of an MP shall be opened only if Administrative Sanction is received for at least one work utilising his MP fund.
4. The SB Account opened for MP's of 16th Lok Sabha cannot be used for the works sanctioned during the period of 17th Lok Sabha.
5. After opening Bank Account for MPLAD, the details of the same may be updated in the PFMS Portal of Government of India.
6. The amount towards MP fund allotted from the Account of District Collector through PFMS Portal shall be handed over to the concerned contractor / supplier after statutory deductions within 3 working days from the receipt of the fund.
7. While transferring the bill amount to the concerned, all Government of India guidelines in this regard shall be strictly adhered to.

In the above circumstances, the Financial Adviser has putforth the detailed proposal for the implementation of the above as follows together with the accounting procedure for the same.

KSEBL being an implementing agency, separate Bank Accounts will have to be opened for handling the fund of each MP in the official name of the implementing officers. For this purpose, the Deputy Chief Engineers of the Electrical Circles can be nominated as implementing officers. In certain cases, the area of a Lok Sabha Constituency may spread in the jurisdiction of more than one Electrical Circle and since only one account can be opened for each MP, opening SB Accounts Circle wise is not feasible. In such cases one of the Electrical Circles, preferably the Rural Circle can be designated as nodal Electrical Circle and the SB Account can be opened with the Deputy Chief Engineer of the Nodal Electrical Circle as implementing officer. The SB Accounts shall be opened for each MP by the Financial Adviser and maintained centrally as detailed above. The handling of funds may be according to the following guidelines.

1. Separate Savings Bank Accounts will be opened for each MP from the Office of the Financial Adviser in the name of the Deputy Chief Engineer of the Nodal Electrical Circle and the bank account will be mapped in PFMS Portal.
2. The funds will be transferred by the District Authority to the SB Account opened for each MP.
3. All payments shall be made only from the dedicated Bank Account of the respective MP and implementing officer of the nodal circles may forward IUTN for the bill amount through

“SARAS” to the Office of the Financial Adviser as being done for IPDS, DDUGJY Scheme after proper scrutiny and passing the bills. The amount will be released through system IUTN acceptance process. Required entries in PFMS will be made from the Office of the Financial Adviser as per the generated Payment Sanction Order (PSO) in “SARAS”. There after Print Payment Advise will be issued to the Bank for transferring the amount to the Contractor / Supplier.

4. The statutory recoveries such as Income Tax, Contribution to Workmen Welfare Fund, GST - TDS etc shall be remitted from the Office of the Financial Adviser.
5. The Bank accounts will be strictly monitored in the nodal circles.

The following guidelines regarding GST shall also be observed while handling the funds.

a) While dealing with the MP Funds, the estimate amount is deposited in advance by the beneficiary to the bank account opened specifically for the Scheme, either in lumpsum or in instalments. Being in the nature of mobilisation advance, KSEBL is liable to remit GST on the deposit received. At the time of receipt of the deposit, a receipt voucher (serially numbered) has to be prepared and applicable GST has to be remitted as advance.

b) At the time of taking over of asset after completion, final GST invoice has to be prepared based on actual expenses, the GST already paid on advance received has to be adjusted against it, and the balance if any has to be remitted by KSEBL to the Department.

c) For remittance of GST, the details of collection of advance and settlement of the same have to be reported to Tax Cell, office of Financial Adviser.

d) If any contractor or suppliers of goods have collected GST from KSEBL in respect of the subject work, the GST portion has to be accounted separately under the Head “Input Tax Credit – SGST/CGST/IGST”. The details of the same have to be intimated to the Tax Cell for taking Input Tax Credit on the same.

e) Necessary modification has to be made in SARAS Software for Generation of serially numbered Receipt Voucher, report on Advance GST Collection, report on ITC available and settlement of the GST after implementation of the work.

The matter was placed before Full Time Directors as per note read (6) above. Having considered the matter in detail, the Full Time Directors, in the meeting held on 12/08/2020 resolved to accord sanction for the following.

- (1) To open separate Savings Bank Accounts for each MP as and when required by the Financial Adviser in the official name of the implementing officer and map in PFMS Portal against the respective MP and operate as per Government of India Guidelines regarding MP LAD funds.
- (2) To effect the payments from the dedicated Bank Account of each MP from the Office of the Financial Adviser through PFMS after accepting IUTN from Nodal Electrical Circles.
- (3) To designate the Rural Electrical Circle Offices as Nodal Circle for the operation of MP LAD fund in cases where the area of a Lok Sabha Constituency is in the jurisdiction of more than one Electrical Circle.
- (4) To follow the Accounting Procedure as per Annexure for handling MP funds and by observing the guidelines regarding GST as detailed above and to take up the matter with MIS for required modifications in "SARAS" Software.

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-
Lekha. G
Company Secretary (in-charge)

To
The Financial Adviser, K.S.E. Board Ltd.

Copy to:

The Chief Engineer, Distribution (South/Central/North/North Malabar)
The Deputy Chief Engineers, All Electrical Circles
The Executive Engineers, All Electrical Divisions
TA to the Chairman & Managing Director
TA to the Director (D, IT & HRM)
TA to the Director (T & SO)
TA to the Director (Generation - Ele & SCM)
TA to the Director (Generation - Civil & Sports)
PA to the Company Secretary.
The Faircopy Superintendent, O/o the Secretary (Administration) by email through EDP Section/Stock File.

Forwarded/ By Order


Senior Superintendent