

PSDF-Release of funds for the schemes approved for funding from PSDF

Release of the funds for the schemes approved for funding from PSDF shall be governed as per the guidelines of PSDF approved by Ministry of Power vide order dated 18.9.2014. After approval of schemes by the Monitoring Committee, the sanction orders for the release of grant are issued by Ministry of Power. The sanctioned grants towards the schemes for creation of capital assets are subject to the following conditions.

1. Release of funds to implementing agency

- (i) Release of funds shall be in accordance with the guidelines of PSDF approved by Ministry of Power vide order dated 18.9.2014 subject to all applicable terms and conditions prescribed in GFR of Government of India and extant instructions issued by Ministry of Finance from time to time.
- (ii) Release of funds to the implementing agency shall be after issuance of letter of award. For compliance of the requirement , details of the letter of awards shall be furnished as per the annexure-I.
- (iii) Separate dedicated bank account shall be maintained in respect of the Grants for creation of capital assets. The implementing agency will keep the funds in interest bearing deposits of Nationalized Bank till payments are made to the contractors. For compliance of the requirement, details of bank account shall be furnished as per the mandate form enclosed as annexure-II.
- (iv) E-banking mode shall be adopted upto project level as advised by Ministry of Finance.
- (v) All the Project Implementing Agencies (PIAs) shall be registered in PFMS portal and necessary entries of funds transferred to PIAs shall be done in the PFMS portal to track the unspent balance. For compliance of the requirement , the details as per annexure-III may be provided for registration on PFMS portal.
- (vi) Disbursal of funds from NLDC to PIAs and further downstream disbursal shall be recorded through PFMS in order to have inline monitoring of flow of funds.
- (vii) Specific physical milestones that would be required to be achieved by the PIAs and terms and conditions of the Grants for creation of capital assets shall be furnished for further disbursement of the funds.
- (viii) Monitoring and implementation of projects / schemes shall be carried out by a group of officers appointed by the appraisal Committee. This group shall submit

the Monitoring Reports along with Action Taken Report to the Appraisal Committee and to the Ministry of Power on quarterly basis. This group shall also recommend action to be taken in case of default and delay in implementation of the schemes.

2. Utilization of funds

- (i) The implementing agencies shall ensure that funds are not diverted for any other purposes and are utilized only for implementation of projects approved under PSDF.
- (ii) At the time of submission of further claims, the implementing agencies shall furnish provisional utilization certificate and certify that there are no unspent balances available from earlier sanctions.
- (iii) The implementing agency may keep a strict monitoring on utilization of funds and furnish MIS report containing progress of the schemes under PSDF.
- (iv) The funds spent should be co-related / linked to achievement of physical targets so that effectiveness of the PSDF scheme is ensured. A final utilization certificate shall be furnished in terms of Rule 212(i) of GFRs-2005 within a period of three months of the closure of the project.
- (v) Implementing agencies shall ensure that during the course of implementation of PSDF Schemes the interest / income earned from Grants for creation of capital assets shall be remitted to the accounts of Ministry of Power immediately the closure of each financial year.
- (vi) Implementing agencies shall ensure that funds released under PSDF Scheme shall not be utilized for ineligible expenditure and assets created from funds of PSDF shall not be divested without prior approval of Central Commission, Ministry of Power, Govt. of India.

3. Account & Audit

- (i) A subsidiary books of accounts shall be maintained by the implementing agencies in respect of the funds received from Ministry of Power under PSDF schemes.
- (ii) The books of account are open to test check by the CAG of India as well as Internal Audit wing of Ministry of Power.