



Maharashtra State Electricity Distribution Co. Ltd.

Office of the Director (Finance)

Plot No. 9, Prakashgad, Anant Kanekar Marg, Bandra (E), Mumbai-51.

Phone No. (022) 2674 211/ 2674 131

No. Dir(Fin)/MSEDCL//

Date :

CIRCULAR

Sub : Payment of Suppliers / Contractors / Other Agencies through RTGS and Payment of Salaries to Employees through ECS.

At present, all the payments at field offices to the Suppliers / Contractors / Other Agencies are being made through Account Payee Cheques / Demand Drafts as per the terms of the order. The said Agencies are collecting the Cheques / D.D. from the concerned offices of MSEDCL and presenting the same in their respective Banks. These instruments are further routed through the clearing houses before getting credited to the payees' accounts. This process involves much time resulting in float of the funds by either parties. Further, MSEDCL has to bear the cost of Cheques and DD commission charges and the system also involves manual work of writing of Cheques, keep records at MSEDCL offices as well as in the concerned banks etc.

In order to avoid the above delays in remittances, the Reserve Bank of India, in the last few years, has introduced the various payment and settlement systems like the Real Time Gross Settlement System (RTGS) and National Electronics Fund Transfer (NEFT) system, which facilitates transfer of funds both local and outstation in quick time. These Electronic modes of payment systems have reduced the need for paper based clearing on daily basis, besides ensuring quick and safe transfer of funds across the country. Further, charges for the system are kept at very low level by the RBI in order to encourage migration of non-cash payment to electronic mode. The RBI has issued guidelines to its member Banks for reducing of the documentary form of money transfer in phased manner and shifting to the electronics mode of funds transfer.

In view of the above, all the MSEDCL offices shall make the necessary arrangements immediately at all the Field Offices to discontinue the present system of Cheques / DD payments of Suppliers / Contractors / Other Agencies above Rs. One Lac and avail the facility of Electronic Fund Transfer. Please approach the concerned Banks for the requirements of electronic fund transfer so as to take necessary action for making

changes in the present practices followed by MSEDCL. Further, the Suppliers / Contractors / Other Agencies may also be requested to co-operate for change of the existing system of payments and they shall comply with the requirements in this respect.

Further, the salary payments of employees at field offices of MSEDCL are mostly made in cash or by crediting directly to the Bank accounts and in some cases by issuing cheques. This system involves lot of manual intervention and delays in utilization of the funds by the end user i.e. employees. Considering the new services offered by the banks, all the MSEDCL offices shall avail the Electronic Clearing System (ECS) for payment of salary and other claims of employees of MSEDCL. The system is easy to operate and faster than the present system which will result in speedy credit to the employees' Bank Account. Further, this will reduce the cash handling along with the risk involved by the concerned MSEDCL staff. The system will also generate the necessary MIS reports as per the requirement for keeping records and accounting purposes. It is therefore, requested to take the necessary actions for availing the services of ECS payments of salary and other claims of employees at the earliest.

The action taken in the above matters may be reported to this office within by 31 October 2009.

Director (Finance)

MSEDCL

Copy to :

1. The Regional Executive Directors, MSEDCL, Kalyan, Pune & Nagpur.
2. The Executive Directors (Project), (HR), (CP), H.O. Mumbai
3. CGM (F&A) / (I.A.)/(P)/(T/E)/(CC)/(MIS), MSEDCL, H.O.Mumbai.
4. All the HoDs at Corp. Office, MSEDCL, Mumbai
5. The Chief Engineers, All O&M Zones.
6. The Supdt. Engineers, All O & M Circles including Civil Circles.
7. General Manager (F&A-CA) / (F&A-CF) / (F&A-Comm., WM), (F&A-PP), (F&A-Capex), H.O., Mumbai.
8. General Manager (F&A), MSEDCL, O&M Zones, Kalyan, Pune, Nasik.
9. Manager (F&A-SB/IF), (F&A-WM), H.O.Mumbai.
10. Manager (F&A), MSEDCL, O&M Zones, Akola / Bhandup / Aurangabad
11. Dy. Manager (F&A), MSEDCL, O&M Zones, Kalyan / Konkan - Ratnagiri/ Nashik / Kolhapur / Latur / Akola / Nagpur Urban / Nagpur Rural / Pune / Aurangabad / Jalgaon / Nanded Zones.
12. OSD to M.D. MSEDCL, H.O., Mumbai