



Office of the Chief Engineer ( Distribution )  
Maharashtra State Electricity Distribution Co. Ltd.  
Prakashgad", 4th Fl., St.Road, Bandra (East), Mumbai - 400 051.  
Tel. : (P) 26478252 (O) 26474211 Fax : (022) 26472937  
Gram : "MUMBAIGRID", E-mail: cedist@mahadiscom.com

No. CE/Dist/D-III/MERC/SOC No 3 9 9 3 8 Date : 3 NOV 2007

CIRCULAR

**Sub: -** Recovery of Supervision Charges.

**Ref: -** 1) MERC order dtd. 08/09/2006 on case No.70 of 2005.  
2) Commercial Circular No.43 dtd.27/09/2006.

In earlier practice, the Supervision Charges were being recovered @15% on Labour Component of the estimate, till MERC order Date. 8<sup>th</sup> Sept. 2006.

As per MEKC order dtd. 8<sup>th</sup> Sept. 2006, on schedule of charges it has been directed that Supervision Charges should be recovered @ 1.3% of Normative Charges. Accordingly Commercial Circular No.43 Dtd.27.09.06 has been issued in field for implementation.

In this context there were references from the field seeking clarification on levying of Supervision Charges. In some cases Supervision Charges are still being recovered @15% on Labour component. Now, to have uniform practice in recovery of Supervision Charges and to comply the MERC order this circular is issued.

Illustrations for Supervision Charges are given below.

Case – A: 15% Supervision Charges

Previously 15% Supervision charge were taken on Labour Component only.

15% Supervision charge on Labour Component

|                      |           |
|----------------------|-----------|
| Material Cost        | Rs. 100/- |
| 10% Labour Component | Rs. 10/-  |

15% Supervision Charge on Labour Component **Rs. 1.5/-**

Case - B: 1.3% Supervision Charges

1.3% Supervision Charges on Normative Charges for example

|                 |            |
|-----------------|------------|
| Material Cost   | Rs. 100 /- |
| 10% Labour Cost | Rs. 10/-   |


---

**Sub Total**                      **Rs. 110/-**

1.3% Supervision Charges on Normative charges i.e. on Sub Total Rs.110/- are **Rs.1.43/-**

It shows from the above that 1.3% Supervision charge is slightly lesser than 15% Supervision Charge.

In this context, it is further clarified that in case MSEDCL permits the consumer to carry out the works through Licensed Electrical Contractor, the Supervision Charges shall be recovered at a rate of 1.3% of normative charges.

  
**Chief Engineer (Distribution)**

**Copy s.w.r. to:**

- The Managing Director, MSEDCL
- The Director (Operations), MSEDCL
- The Director (Finance), MSEDCL
- The Director (V&S), MSEDCL
- The Executive Director (Dist. & Comm.) I/II/III/CP/Stores, MSEDCL
- The Vice President, Torrent Power Co., Bhiwandi

**Copy f.w.c:** *All CES O&M Zones*

- The C.E. (Comm.) / CE(IR) / CE/APDRP / CE(Dist. Sp. Proj.) / CE (LM) / CE(PP) / CE(stores) / CE(AMR), MSEDCL, Head Office Mumbai.
- The CE (TRD) MSEDCL, Nashik
- The Chief General Manager (Tech. Estt.) / (F & A) / Internal Audit / IT / Personnel, MSEDCL, Mumbai.
- The Company Secretary, MSEDCL.
- The Chief Legal Advisor, MSEDCL, Mumbai.
- The CIRO, MSEDCL, Mumbai.
- General Manager (Fin-Cap)
- The C.P. & P.R.O., MSEDCL, Mumbai.

**Copy to:**

- The S.E (TRC) MSEDCL, Head Office Mumbai.
- The O.S.D. to The Hon'ble Managing Director, MSEDCL, Mumbai.

**Copy to:**

- The S.E (Testing & Quality Assurance), MSEDCL, Kolhapur
- The Jt. Chief Accounts Officer (WM), MSEDCL, Mumbai.

**Copy to:**

- All Superintending Engineer, O&M Circles
- All Executive Engineer, O&M Divisions
- All DyEE/AE, O&M Sub-Divisions

} -for necessary action