

**CIRCULAR**

Sub : **Energy Bill Collection by District Co-op. Banks.**  
**- Monitoring thereof.**

Ref : Agreement with MS Co-op. Bank for the period  
01.04.2007 to 31.03.2010.

Attention is invited to various letters towards Bank Reconciliation and particularly to the agreement with MS Co-op. Bank and modification to it. It is seen that various clauses of the agreement with DCC Banks are not followed by the field offices, particularly following clauses of the agreement needs immediate attention and necessary action.

**Clause 9 (i) & (ii) :-**

As per this clause, it is mandatory for the branches of the DCC Banks to transfer the amount collected by them twice in a week by the Taluka branches and once in a week by other than Taluka branches to the District HQ and the District HQ shall transfer the amount daily to Apex Bank, Mumbai for onward credit to our account at HO. However, it has been observed that the time schedule has not been adhered to and there is delay and in some cases abnormal delay in transfer of funds at both places i.e. branches of DCC Banks and District HQ of the Bank. This has resulted in blocking of funds for which the higher management has expressed displeasure and the issue needs to be addressed on priority.

**Clause 9 (iii) :-**

This clause of the agreement with MS Co-op. Bank states about charging of penal interest of 12% p.a. on the amount delayed by the DCC Banks. However, the claims for such interest on delayed remittance by DCC Banks are not being lodged timely with them. If the claims are not settled by the DCC Banks within the prescribed time, the concerned Office shall forward these claims to WM Section with a copy to Apex Bank. WM Section would consolidate all such claims received and take up with the Apex Bank. If these claims are not settled by Apex Bank within 45 days, WM Section shall deduct this

amount from the bills payable to Apex Bank towards Supervision Charges. It is observed that the receipt / adjustment of interest on delayed amount by DCC Banks has not been properly followed by the field offices.

**Clause 2.7 :-**

It is also observed that the agreement is very clear about the transfer of data / MIS i.e. daily cash collection reports, bills stubs, statements, advices to our various billing offices on daily basis. However, our field offices have often reported the reason of non-receipt of these MIS reports for delay in finalization of accounting returns.

**Clause 7 (iii) :-**

To avoid the manual intervention, it was expected that the DCC Banks shall computerise the bill collection work in phased manner. However, the pace of computerisation has been very slow. It was expected that the field officers will take focused efforts and identify the areas so as to speed up the computerisation work of DCC Banks, however, it is observed that till date the desired computerisation by DCC Banks not yet achieved. The same needs to be followed with DCC Banks on warfoot basis.

**Clause 2.4 :-**

As per the agreement clause, the DCC Banks shall submit the bills for the Service Charges / Remuneration Charges/ Supervision Charges to the concerned offices of MSEDCL and payments thereof shall be made as per the time schedule prescribed . However, it is observed that the DCC banks are often deducting these charges from amount collected against energy bills. Such type of adjustments may create complications in regard to taxation matters in respect of the bills payable to DCC Banks, such as Service Tax etc. This may also lead to problems for reconciliation and this practice should be stopped immediately.

It is also observed that there are many issues pending with various District Banks for long time and no proper follow up is made by field offices which ultimately leading to blocking of Company's money. If the issues are not settled locally, the same needs to be taken up with M.S. Co-operative Bank at Mumbai through H.O. However, the issues are left unattended.

Further, the reconciliation work in respect to DCC Banks is also lagging in many offices and there is no proper monitoring thereof which may result in misappropriation of company's money. The management is very serious about this aspect and all out efforts are needed for updating the bank reconciliation work.

In view of the seriousness of the matter, it is decided that the concerned Dy. Manager (F&A) of the Zone under supervision of G.M./Manager of the Zone shall take the review of all the above aspects in respect of DCC Bank Collection under his area and the status of reconciliation of DCC Banks & and G.M./Manager of Zone shall forward a status report to the undersigned within 15 days from the receipt of this letter. This report shall clearly bring out the action plan to complete the pending reconciliation work and time schedule for the same. It is to be ensured that all the reconciliation work upto March 2009 shall be completed before 15th of August, 2009.

It is directed that all concerned Officers / Staff from the Accounts / Billing Offices of MSEDCL shall, therefore, ensure that the relevant agreement clauses with the DCC Banks are followed strictly and there are no delays in transfer of funds as well as required information by the DCC Banks, failing which the disciplinary action against the concerned will be initiated.

**Chief General Manager (F&A)**

To

All S.Es. / E.Es. of O&M Circles/Division, MSEDCL.

Copy s.w.rs. to :- The Director (Finance), MSEDCL.

Copy f.w.cs.to :- i) The OSD to MD, MSEDCL.  
ii) Zonal C.Es., MSEDCL.

Copy to :- The G.M. / Manager /Dy. Manager of O&M Zone, MSEDCL.  
The G.M. (CA) / (F&A) / (WM-Comm.), MSEDCL, Mumbai.

EBC by DCC