

# MAHAVITARAN

No. Dir (F)/MSEDCL/Finance/2567

No 2567

1<sup>st</sup> Aug 2009

## CIRCULAR

### SUB : ENSURING EXPENDITURE CONTROL AND AUSTERITY MEASURES.

There is an urgent need for stricter financial discipline in order to ensure progress and sustainability of Mahadiscom and therefore the available resources are to be used most judiciously and optimally. To ensure this, following instructions are issued for strict compliance & implementation

#### 1. Immediate Completion of incomplete Schemes :

- (A) The Schemes which are completed more than 50%, shall immediately be attended and shall be completed in a month's period. The necessary Work Completion Reports shall be submitted by the concerned within a month of the completion.
- (B) The Schemes, which are still in progress for long & have not reached even 50% of the completion, shall immediately be reviewed and submitted for closure or decision of Competent Authority. The decision of Competent Authority be sought within a month and REC/PFC be informed for further necessary actions as to the closure/extension.

#### 2. About the New Schemes :

In order to maintain the financial discipline in funding activities, henceforth no new schemes shall be posed to any of the funding agencies without the prior approval of Director (Finance). This shall be ensured by the concerned HoD. If the new Scheme/Project is absolutely necessary, then the self contained proposal, complete in all respects with required approvals of Competent Authority &/or MERC shall be sent to Finance and the same after due scrutiny & availability of funding/borrowing scope & cost benefit analysis will be posed to appropriate financing agency by the F&A Department only. Henceforth proposals to financing Agencies shall NOT be submitted by any other HoDs.

#### 3. CEs will not issue Work Orders above Rs. 25 lacs :

- (A) Notwithstanding the provisions under general orders, the Chief Engineers, before issuing the work orders above Rs. 25 lacs each, shall ensure the prior approval from Director (Operations), Director (Projects), Director (Finance) & M.D., as applicable. This shall be followed most scrupulously and in case of any deviation to these instructions, the concerned will be held personally responsible.
- (B) It shall also be ensured that there is no splitting of orders to avoid the above limit.
- (C) Without prejudice & liabilities, the Director (Operations) & Director (Projects) shall review the orders placed by C.Es. recently and submit their reports to Managing Director

Maharashtra State Electricity Distribution Co. Ltd.

4. Economy in Controllable Expenditure :

A) Local purchases & supplies at field offices:

- (I) Unnecessary purchases shall not be made.
- (II) Chief Engineers shall consolidate the zone's requirement and issue the orders from Zonal level or finalize the standard rates for purchases to be made locally for the minimum and absolutely necessary quantities.
- (III) Inventory record of local purchases shall be properly maintained and monitored.
- (IV) Orders not to be split by Circle/Division in parts.
- (V) Regional E.Ds will review the inventories in their Circles/Divisions & divert the required quantities as per the needs amongst the Circles & Zones.

B) Need based Constructions/ major repairs :

New Civil Works like Administrative Building, major renovation etc. which require the funding from internal sources should not be taken up except where the work orders have already been placed. Similarly, no major repairs/Civil works shall be undertaken, unless these are absolutely essential & due approval of the Competent Authorities / MERC as required is sought.

C) Non-creation of offices which are not remunerative :

- i) Sub-Divisions / Divisions / Circles / Addl. Posts etc. shall not be proposed unless it has good potential of substantial revenue increase or substantial cost saving.
- ii) An immediate review will be done by the Director (Operations) and the ED (HR) for the offices which are created in last three years to see whether the benefits/revenue projected at the time of creation of those offices are achieved or otherwise. This review shall be completed expeditiously & report submitted to M.D. within a month.

D) Need based expenditure on Air journey:

Air journey to the Officers of the level of CE and equivalent only is permissible. If needed in the events of urgencies approval of M.D. will be required for officers below the rank of Chief Engineers.

E) (i) Meetings at H.O./Field office/ any other place shall be attended by the concerned officers without any assistants.

(ii) Company Guest House or Govt. Rest Houses only be preferred for stay while on tour.

F) 20% Cut-in following expenditure shall be ensured:

- (i) Office Furniture
- (ii) Expenditure towards Meetings and Entertainment.
- (iii) Telephone Bills.

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5. Inventory Management:

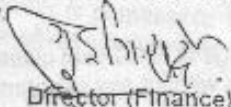
Following shall be ensured through Reviews, Supervisions & Controls by C.Es & Regional E.Ds.

- a. Proper scrutiny of Material Indents/Requisition while placing orders.
- b. Proper authorization for drawal of material and maintaining proper inventory levels.
- c. Timely disposal of scrap & prompt realization of optimum value.
- d. Control on usage of important items like Transformer Oil, Meters, Transformers, Repair of Transformers
- e. Utilization of Slow, Non-moving, Obsolete and Surplus items - circulating lists & ensuring transfers where required and disposal if definitely not required; following due procedures of approvals.

6. Ensuring proper demand of Funds by the field offices:

- (a) Monthly requirement sent to WM Section shall be audited and shall include list of audited vouchers only.
  - (b) Utilisation of funds of previous months shall also be audited and the balances, if any reviewed and reduced from the requisition.
  - (c) Utilisation of funds for the purpose for which the funds were sent.
  - (d) While recommending for release of funds here-onwards, the C.E. & E.D. concerned at H.O. will keep the instructions in this Circular in view.
7. All the concerned shall scrupulously follow the above instructions. Any deviation in this regard shall be viewed seriously by the Competent Authorities.
8. Implementation of this circular will be reviewed in C.Es. Monthly Review Meeting.

This circular is issued with the concurrence of Director (Projects), Director (Operations) and the approval of the Managing Director & comes in to force immediately

  
Director (Finance)  
MSEDCL

To,  
Director (Operations)/(Projects)  
All Regional Executive Directors / Zonal Chief Engineers / Superintending Engineers of all Circles,  
MSEDCL.

Executive Director (CP) / (Projects) / (H.R.) Corp. Office, Mumbai.

All Heads of Departments in Corporate Office, Mumbai.

OSD to M.D.

All General Managers (F&A), Managers (F&A) at Field offices.