

CIRCULAR

Sub : Placing of supply / work orders by Field Offices & Revised procedure thereof.

- Ref :**
1. Circular No. Dir. (F)/MSEDCL/13099 dt. 09.05.2012.
 2. No. CE(Dist)/Rural Dn-1/AG pump/scheme/35787 dt.02.12.2011.
 3. No. Dir. (F)/MSEDCL/Finance/6504/32787 dt. 26.10.2010.
 4. No. Dir. (F)/MSEDCL/Finance/2567 dt. 25682 dt. 01.08.2009.

In order to maintain the sustainability of Mahavitaran, a strict financial discipline is inevitable and as such the instructions were issued to have Expenditure Control and Austerity Measures, vide circulars referred above. One of the issues highlighted in the circular was economy in controllable expenditure by field offices (such as curtailment in local purchases, works and stoppage of splitting up of the orders by Division, Circle offices). A team from Corporate Office i.e. Guardian officers (Palaks) were deputed to all the Zones to oversee the implementation of instructions contained in aforementioned circulars and impediments if any.

The Guardian Officers through various reports have pointed out the deviations and certain observation on the procedure being following at field offices. Some of the observations are summarised in Annexure 'A' enclosed.

The Revised Delegation of Power (D.O.P) were circulated vide Circular No.23 dtd. 04/08/2006 which explicitly laid down the Section specific, Nature specific, Powers, Competent Authority, Financial Limit with riders and checks & balances to be applied and observed while exercising the same. However, inspite of above, it is observed by the under signed as well as Director (Operations) that, the instructions are not being scrupulously followed by Sub-division/ Division/ Circle Offices. Moreover the deviations are also not pointed out by Audit / Supervising Officers, resulting into financial indiscipline, and incurring unbudgeted expenditure.

Considering the significance and seriousness of the issue, immediate actions are required at all levels for better financial discipline. In order to avoid above deviations, it is necessary to have proper control over issuance of Work/ Supply Orders by Field offices. A periodic review by the supervising officers is must and wherever any irregularities / deviations are observed, immediate corrective action should be taken including bringing irregularities/deviations to the notice of immediate Higher Authorities.

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Maharashtra State Electricity Distribution Co. Ltd.

In this regard, following instructions are issued for implementation with immediate effect.


- 1) A detailed technical estimate to be prepared before processing the procurement/works and the records of the same has to be maintained as per the Accounts code volume V, Sr.No.2 (refer Form No.1 of Accounts Code Volume V).
- 2) In order to avoid the splitting of orders, the work orders shall be placed Division wise after getting the actual requirement of each Sub-division and after proper estimation of the work. No Section wise / Sub-division wise orders shall be placed.
- 3) The practice of placing confirmatory orders shall be stopped immediately. In case of emergency the stipulation laid down in Account Code volume V, Section II, Sr.No. 1 shall be utilized subject to financial limits as per G.O. and Budget Provision. Further an approval of C.E. of the Zone has to be taken within a period of one month from the date of completion of works invariably.
- 4) The payment in respect of old claims beyond a period of 1 year from the date of completion of work shall be released only after the approval of Director (Finance).
- 5) The practice of issuing 50% extension orders has been grossly misused, which needs to be immediately stopped, In deserving cases 50% extension shall be given only with the prior approval of the Chief Engineer of the Zone. In such cases the additional work shall be carried out only after issue of extension order.
- 6) The instruction issued by CGM (CA) vide Circular No. Budget 13-14/311/11206 dt. 22.4.2013 should be observed and required reports be submitted as desired.

All concerned are hereby directed to take immediate necessary steps to ensure proper implementation of financial delegation of powers and various Circulars issued in this regard. Any deviation to the above instructions by the field offices will be viewed seriously and shall be held personally responsible and liable for disciplinary action

The Supervisory Officials shall ensure strict and proper implementation of the above instructions with immediate effect and a fortnightly report in this regard has to be submitted by the concerned Division / Circle to the Zonal Office.

This Circular is issued with the concurrence of Director (Projects) and with the approval of Chairman & Managing Director, Mahavitaran and comes into force immediately.

This circular is made available on Company's Website www.mahadiscom.in.


Director (Finance)

To
As per Mailing List.

Annexure 'A'

Section-I	Nature of Powers	Authority	Financial Limit Rs.	Conditions laid down in G.O.II	Observations / Deviations
Sr.No. 10	Purchase without calling for tenders but by obtaining quotation from the regular suppliers.	i) S.D.O./ Dy.EE in consultation with D.A. ii) E.E in D.A. consultation with D.A/A.O.	i) 10,000 ii) 30,000	1) Orders up to Rs. 10,000/- will be subject to post audit. 2) Up-to-date list of regular suppliers together with their address should be maintained. 3) While exercising these powers, reasonability of the rates should be certified. 4) For purchase exceeding Rs. 30,000/- these powers will be exercised in case of urgency and reason should be recorded.	1) The 20% budgetary provision for orders to be placed through quotation is not being followed. 2) The procedure of consultation with Jr. Manager (F&A) is not followed initially. Whereas the proposals are being approved by the Dy.EE./E.E and the draft orders are being given to Jr.Manager (F&A) for Audit before issue. 3) Post Facto approval is not being obtained from S.E./C.E. as the case may be. 4) Tenders/e-tenders for regular nature of works are not being floated. 5) In order to suit the competency, the orders are placed under above clauses.
Sr.No. 11	Purchase of stores and /or utilization of services on the basis of single quotation.	i) S.D.O / DY.EE in consultation with D.A ii) E.E in consultation with D.A/A.O	i) 10,000 ii) 20,000	5) The total purchases and works under clause 10 & 11 of Section-I and Clause 7 & 8 of Section-II shall not exceed 20% of the Budget for purchases & works sanctioned for the Circle which shall include the purchases & works by Divisions under these clauses. 6) In case of purchases & works done/ undertaken by E.E. & below, the post-facto approval from S.E. shall be obtained <u>within a month</u> . 7) C.G.M. (Audit) shall ensure 100% audit of purchases & works under these clause by Internal Audit units at the earliest.	6) Multiple orders are being placed on the same agency on same day and for the same works, within Division/Sub-Division. 7) The Urgency / Rate reasonability etc. is not being certified. 8) The detailed estimates/cost data used/ time limit of completion of works etc. is not being placed on records before award of contract in work order. 9) There is no procedure/system in place to reckon, whether the same work/similar work has been awarded before. 10) The competent Authority is not recording in writing the reasons for not following prescribed procedure of inviting tenders / quotations. 11) Usually the quotation is not being invited, whereas the quotations are obtained personally from the contractors/suppliers. 12) The works orders are issued in many cases after getting the work executed, leaving no scope to the Jr. Manager to raise any objection and the concerned Jr. Manager has to Audit such proposals / orders.
Section -II					
Sr.No. 7	Awarding contract for works through quotation including upgradation of computer Hardware, printers, P.Cs servers, Routers, Switch, Modem etc.	i) A.E in consultation with D.A. ii) E.E in consultation with D.A.	i) 25,000 ii) 1,00,000		
Sr.No. 8	Placing of works orders on single quotation basis in cash of urgency including upgradation of computer Hardware, Printers, P.Cs. Servers, Routers, Switch Hub, Modem etc.	i) E.E. in consultation with D.A.	i) 25,000		

MAHARASHTRA STATE ELECTRICITY BOARD

STATEMENT SHOWING THE ESTIMATES TECHNICALLY SANCTIONED DURING THE MONTH OF

FORM - I
SECTION I
Ref Para 2.2

Sr. No.	Particulars of estimate sanctioned showing minor Budget Head grant	Reference to the Administrative Approval		Reference to the Technical Sanction			Probable Date when the work is to be started	Remarks
		Board's Resolution No. and Date	Amount	No. allotted to the estimate	Amount	Authority sanctioning the estimate		
1	2	3	4	5	6	7	8	9