



No. Dir(F)/MSEDCL/1235 - 8092

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CIRCULAR

11 MAR 2011

Sub: Monitoring and Reporting of Repatriation by Nationalized Banks.

It has been observed that the flow of funds received against the energy bills deposited in Non-operative Accounts with various branches of Nationalized Banks / DCC Banks has not been monitored properly at various levels such as Division, Circle, Zone. The funds deposited in these Banks have been left idle for number of days without use of the same by MSEDCL. It is often noticed that the banks are sending these funds to Mumbai Account as per their convenience without following the directives of MSEDCL in the matter. It is pertinent to note here that in spite of realization of the revenue timely, MSEDCL is not able to use the funds and in turn resort to drawing overdraft from the banks by paying heavy interest.

In order to have a better monitoring and control over revenue management, time and again instructions through various circulars were issued to field offices to ensure close monitoring of flow of funds in respect of cheques deposited in the various non-operative bank accounts which are to be transferred by respective banks (field offices) within a prescribed time as per RBI guidelines / Banking Regulatory Norms and agreement with respective banks. In spite of the instructions, it is observed that the funds collected by the banks are not remitted to Head Office by the concerned banks and being utilized by them over a period which sometimes is more than a week.

This is resulting in a stress on cash management and deferring the liabilities due to insufficient cash available to MSEDCL.

It is once again reiterated that while opening the account with the Banks by concerned field offices, approval is given from Head Office with condition that Bank should invariably repatriate the amount exceeding Rs. 10000/- to MSEDCL in Mumbai on daily basis. However, it is observed that in spite of above the Banks are keeping abnormal balance in the account.

महाराष्ट्र राज्य विद्युत वितरण कंपनी मर्यादित

प्रकाशगड, प्लॉट क्र. जी.-९, वांद्रे (पू), मुंबई- ४०० ०५१. ☎(वै.) : २६४७२९१२ (कार्या.) : २६४७४२११ • फॅक्स : २६४७९९४१
हॉंगकॉंग बँक इमारत, म. गांधी मार्ग, फोर्ट, मुंबई - ४०० ००१. ☎(वै.) २२६५०७९६, (कार्या.) : २२६१९१०० • फॅक्स : २६६१९६९९.
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In order to ensure immediate repatriation of MSEDCL's funds to Mumbai account, field offices should take following timely actions:-

1. It should be ensured that the amount over Rs. 10,000/- is remitted by the banks on the same day.
2. All field offices shall ensure that the Nationalized banks shall transfer the amount to H.O. through electronic mode only i.e. NEFT/RTGS.
3. If the Bank is not remitting the funds and keeping the balances over a period of time without any reason, the matter needs to be taken immediately with the concerned and if required, interest on such amount not repatriated by banks shall be claimed from banks.
4. A weekly review be taken to ascertain whether timely credit is given by the Banks in respect of the amounts collected.
5. If there is no proper response from the banks, the matter needs to be escalated to their higher authorities.
6. In spite of continuous follow up and interest claimed, if the Banks is not responding, then action to explore the possibility of alternate arrangement may be taken.

Considering the importance of the matter it has been decided to review and monitor the same from H.O. for which the Division offices shall send the monthly information in respect of all the Nationalized Bank accounts (Non Operative account other than DCC) as per the proforma enclosed. The same is required to be compiled on monthly basis and sent to C.G.M. (CF), MSEDCL through Chief Engineer of the Zone within 10 days from the completion of the month. The first such report be generated for the month February 2011 and sent before 31st March 2011. The Dy.Manager (F&A) of the Zone shall ensure that the information in respect of all the Nationalized Bank accounts under the Zone shall reach H.O. as mentioned and information should not be sent partly.

Above instructions shall be scrupulously followed by the concern billing staff / officers and the supervisory officials shall ensure proper monitoring on funds flow so as to bring discipline in money management.



Director (Finance)

To,

All up to Executive Engineers (O&M) Divisions.

Name of Sub-division :

Name of Division :

Month :

Name of Bank (Whether Core Bank or not)
Branch with IFSC Code

Account No.

[illegible]

Action Taken for delay in repatriation

- 1)
- 2)
- 3)

Certificate

This is to certify that the reasons for delay in repatriation have been verified and action will be taken in next fifteen days.

Signature

Junior Manager (F&A-Revenue)

Executive Engineer