

**TAMIL NADU GENERATION & DISTRIBUTION CORPORATION LIMITED
ACCOUNTS BRANCH**

From
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Chief Financial Controller/General,
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To
The Superintending Engineer,
TANGEDCO,
Electricity Distn. Circle,

Lr.No.CFC/TANGEDCO/FC.P/DFC/S/BRS/AS IA&IB/F.Review/D. 199 /12,
Dt. 10.12.2012.

Sir,

Sub: TANGEDCO – Bank Reconciliation Statement of Drawing & Collection Account – to be sent in the Format only in future – and Mail Transfer Statement - Certain Instructions to be followed strictly – Reg.

It is to inform that the Bank Reconciliation Statements in respect of Collection and Drawing Account are not being received in the standard uniform formats from many of the circles and it is found very difficult for review top work of reconciliation at Head Quarters.

It is well known that the due date for sending Bank Reconciliation Statement of Collection and Drawing Account and Mail Transfer Statement is 10th of every succeeding month. But many Circles are sending the Statements to the Head Quarters with abnormal delay. Updation of the Bank Reconciliation Statements of Collection and Drawing Account are not being carried out on daily basis and no reply for any letter from the Head Quarters regarding Non-Receipt of BRS. They are also sending the Statements with many discrepancies without reconciliation properly and correctly. Non-Receipt of BRS for both Collection and Drawing Account and M.T. Statement from any one Circles are also causing failure on the part of B.R. Section of Head Quarters Office to submit the MIS Return to the Director/Finance and Chairman cum Managing Director in time. It is also well understood that delay in submission of Bank Reconciliation Statement may lead to malpractice in Collection Account and such malpractice/misappropriation of TANGEDCO's money will remain undetected for ever.

Apart from the above, it is also to be pointed out that the Mail Transfer Statements are not being furnished to this office within the time stipulated. It has already been pointed out that the Mail Transfer Statement pertaining to each Circle should be forwarded to this office before 10th of succeeding month which will enable us to take the case of missing credit immediately without loss of time. But It is seen that most of the Circles are forwarding the Mail Transfer Statement belatedly taking their own time. Some Circles are in the habit of forwarding the Mail Transfer Statement only after being reminded by this office by phone calls and letters.

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Further, in respect of Drawing Account excess amount of funds are being kept idle unnecessarily not only in the Central Office but also in the Division Offices. You would aware that TANGEDCO is in stringent financial difficulties and it is also well known that the company is meeting all its expenditure through borrowed funds from different sources at high rate of interest. But many of the Circles are keeping excess fund as idle unnecessarily. If the Circles are giving the actual indent for the actual requirements i.e for the actual bills on hand and not keeping unnecessary funds as idle, the company may reduce the borrowings and interest thereon will be avoided to the extent possible. Also if the unused excess idle fund kept by the Circle unnecessarily beyond the requirements shall be surrendered to the Head Quarters immediately, the same may be allotted to the Circles which are having insufficient fund.

While verifying the Bank reconciliation Statement of Collection Account of BRS, it is seen that huge amount has been shown every month under IA,IB and IC items by the most of the Circles without taking any action to clear the same. So, it is presumed that as the Distribution Circle Officers in respect of most of the Circles are not seriously taking any steps/action to clear the long pending amounts under IA, IB and IC items instead, the concerned Officers/Staffs who are dealing over BRS work are accumulating this pending items every month without clearance and so that the BR Statements are simply prepared and sent them to the Head Quarters. It must be noted that tallying BR Statement of Collection and Drawing Account by any way such as Less Item, Add Items, Adjustment Items, to be reconciled Items, Other Items etc., is not a correct and proper Reconciliation. The wrong credit/wrong debit if given by Bankers are also not cleared then and there by regular follow ups by contacting respective Bank officials in person. In this regard it is regretted to say that most of the Circle Officers are sending the Bank Reconciliation Statements in respect of Collection and Drawing Account to the Head Quarters without any proper checking at their end which results so many discrepancies in the BRS.

Most of the Circles are also not furnishing the details for the outstanding amount (i.e. Date from which the amount is pending, nature of the transaction and reason for outstanding etc.) and hence it could not be reviewed by this office. During the review meeting, the Chairman cum Managing Director/TANGEDCO has also viewed very seriously about the outstanding items and directed to clear the arrears immediately by taking special efforts. The Chairman cum Managing Director expects that the TANGEDCO's money or fund should not be blocked any where at any cost. Under this situation the Officers should fix responsibility on the Staffs/Officers concerned who are dealing over the BRS work for the clearance of the amount of IA ,IB and IC items. In this regard it is also proposed this office that the funds allotment will be made only to the Circle which has cleared all the pending items and shown only current month outstanding in the BRS. At the same time all the Circle Officers who are dealing over the BRS work may be directed to the concerned Officers/staffs to show the amount under IA, IB and IC items in the Bank Reconciliation Statement relating for the month for which BRS is prepared and the other outstanding items of IA, IB, IC and Bank commission must be

cleared then and there by taking necessary steps duly locating the details of the amount and contacting Bank officials in person with details.

Hence, all the Superintending Engineers of Electricity Distribution Circles are requested to instruct the subordinate Officers to send the BRS of both Collection And Drawing Account **only in the formats enclosed herewith** in future strictly and also arrange to send the BRS of Collection and Drawing Accounts every month within the due date duly cleared all the long outstanding items under IA,IB,IC and Bank Commission and **follow the instructions and guidelines given in the enclosed Annexures - I,II & III strictly.**

Further, the SE Office should also closely watch the Division /Revenue Branch Offices about the BRS of Collection and Drawing Account and instruct the Officers/Staffs concerned who are dealing over BRS work to follow strictly the CFC Office's instructions and guidelines.

If the Circles which are not sent the BRS in the prescribed format or not sent them within the due date or sent the same with discrepancies or not furnished the details of IA, IB, IC and Bank Commission or not cleared the long pending items under IA,IB,IC and Bank commission or not followed the instructions given below positively, the BRS of that Circles may not be accepted by the Head Quarters and the Circle fund may also be restricted or stopped.

Also if the Circles which are not sent the M.T. Statement in the prescribed format or not sent them within the due date or sent the same with discrepancies or not followed the instructions given below positively, the M.T. Statement of that Circles may not be accepted by the Head Quarters and the Circle fund may also be restricted or stopped.

It may be ensured that **TOP PRIORITY** is given for preparation of Bank Reconciliation Statement of both Drawing and Collection Account and arrange to send them within the due dates positively. Delay in submission of the same and not adhering to the instructions and guidelines issued will be viewed seriously and responsibility will rest with the erring Circle. At the same time it is stressed that there should be no lethargic in all the aspects at any cost in the work of Mail Transfer Statement ,Drawing and Collection Account Bank Reconciliation .

Treat all the instructions and guidelines mentioned here are coming into force **with immediate effect.**

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With the above, all the Superintending Engineers of Distribution Circles are requested to instruct and stress the concerned officers to follow strictly the guidelines and instructions given above and not adhering to the instructions and guidelines issued will be viewed seriously and responsibility will rest with the erring Circle.

CHIEF FINANCIAL CONTROLLER /TANGEDCO

**ENCL: (1) 7 NOS OF FORMATS.
(2) ANNEXURES – I,II &III**

ANNEXURE –I

DRAWING ACCOUNT

**INSTRUCTIONS TO BE FOLLOWED AND THE FOLLOWING ARE ALSO TO
BE ENSURED BY THE CIRCLES BEFORE SENDING BRS OF DRAWING
ACCOUNT TO THE HEAD QUARTERS:**

1. The BRS should be sent within the due date.
2. The Consolidated BRS in respect of Central Office and Division Office should be sent separately in the prescribed format - III and Format - V only.
3. There should be no discrepancies in the BRS.
4. The BRS should be prepared correctly and properly and checked and tallied in all aspects and sent without any mistake.
5. It should be ensured that the balance as per TANGEDCO's Book furnished in the BRS is agreed with the balance under respective Accounts as per monthly Statement of Accounts.
6. The BRS and its related papers should be furnished legibly, visibly and neatly.
7. The Consolidated BRS of Central Office should be furnished along with the Bank Scrolls.
8. The actual amount of IA (Fund Cheques deposited but not yet given credit by the Bankers), IB (Cheques issued but not yet presented into Bank for payment) should be furnished along with Cheque No.& date wise amount ,month wise abstract and also TANGEDCO & TANTRANSCO wise and Account Head wise (Salary & Allowances, Petty Cash, Imprest ,Temporary Advance etc.)Break-up details.
9. The amount of cheque issued and not presented after three months from the date of issue should be brought into TANGEDCO's Book by making Journal entry for Stale Cheque since the validity of the cheque is only three months.
10. The closing balance of amount shown in the BRS of Central Office and Division Office should be kept only for the payment of actual passed bills on hand and not kept as idle.
11. There should be no misclassification in remittance and collection of amount between Drawing Account and Collection account.

12. It must be ensured that the previous month closing balance is only taken as opening balance in TANGEDCO's book and Bank book in respect of Central Office and all the Division (EE) Offices.
13. It must be ensured that the Cheques have not been issued by both Central Office and Division Offices without having balance in the Board Book. Cheques are issued only after depositing the fund cheque.
14. There should be no minus balance in the opening and closing balance of Board Book as well as Bank book.
15. There should be no uncertainty in the amount furnished in the column placed in the BRS Format as well as in the details of IA,IB etc.,
16. One copy of BRS with the details of IA,IB etc., in respect of all the Division Offices should be furnished along with their respective Bank Scrolls.
17. It must be ensured that the category wise expenses to be incurred in the next month from the TANGEDCO's current month's closing balance shown in the Central Office Drawing Account is furnished along with the BRS.
18. It must be ensured that the total closing balance amount shown in your category wise Fund Balance Register is tallied with the closing balance shown in the Central Office Drawing Account.
19. It must be ensured that the actual fund amount received from Head Quarters only is shown separately in the Reconciliation Statement and all other receipts like remittance of undisbursed payment amount, Stale cheque amount and surrendered amount from the Division office etc. is shown separately in the Reconciliation Statement after passing necessary journal entries then and there.
20. It must be ensured that the actual and correct indent only is given to the Head Quarters this month for the actual requirements i.e. for the actual bills on hand and according to that only fund has been received from the Head Quarters.
21. It must be ensured that funds have been allotted from SE Office to the Division Offices according to the actual and correct indent given by them this month for their actual requirements i.e. for the actual bills on their hand.
22. It must be ensured that Fund has not been received excessively from the Head Quarters beyond the requirements of our Central Office and not allotted fund excessively to our Division Offices beyond their requirements.
23. It must be ensured that the excess amount if any received from Head Quarters Office towards the payment of Bonus, D.A. arrears, Salaries, Loans & Advances, Terminal

Benefits etc., have been surrendered immediately.

ANNEXURE –II

COLLECTION ACCOUNT

INSTRUCTIONS TO BE FOLLOWED AND THE FOLLOWING ARE ALSO TO BE ENSURED BY THE CIRCLES BEFORE SENDING BRS OF COLLECTION

ACCOUNT TO THE HEAD QUARTERS:

1. The BRS should be sent within the due date.
2. The Consolidated BRS in respect of whole Circle including Central Office and all the Revenue Branches should be sent in the prescribed format - II and Format - IV only.
3. There should be no discrepancies in the BRS in all aspects.
4. The BRS should be prepared correctly and properly and checked and tallied in all aspects and sent without any mistake.
5. It must be ensured that the balance as per TANGEDCO's Book furnished in the BRS in respect of all the Banks is agreed with the Bank wise balance under respective Bank Accounts as per monthly Statement of Accounts.
6. It must be ensured that the Mail Transfer amount mentioned in the Mail Transfer Statement is tallied Bank wise with the Mail Transfer amount mentioned in the Bank Reconciliation Statement of Collection Account in respect of each and every Bank accounts operated by the Central Office and Revenue Branches.
7. It must be ensured that the BRS and its related papers are furnished legibly, visibly and neatly.
8. It must be ensured that the actual amount of IA(Remittance made into Bank but not yet given credit by the Bankers), IB(Remittance accounted by the Bank but not accounted in the Board's Book or wrong credit given by the Bankers.) , IC (Cheques returned by the Bank not adjusted in the TANGEDCO's book) and Bank commission are furnished along with the Break-up details like Cheque No.& date wise amount and month wise abstract.
9. It must also be ensured that the amount of Cheques returned has been collected from the consumers and proper journal has been made to regularize the TANGEDCO's Account in the BRS.

10. It must be ensured that there is no misclassification in remittance and collection of amount between Drawing Account and Collection account in respect of Central Office and Revenue Branches.
11. It must be ensured that the previous month closing balance is only taken as opening balance in TANGEDCO's book and Bank book in respect of Central Office and all the Revenue Branch Offices Collection Accounts.
12. It must be ensured that there is no minus balance in the opening and closing balance of the TANGEDCO's Book as well as Bank book in respect of Central Office and Revenue Branches.
13. It must be ensured that there is no uncertainty in the amount furnished in the column placed in the BRS as well as in the details of IA,IB,IC and Bank commission etc.,
14. One copy of BRS with the details of IA,IB,IC and Bank commission etc., in respect of all the Sections of all the Revenue Branches should be furnished along with their respective Bank Scrolls.
15. It should be ensured that all the amount collected and remitted into Bank has been transferred and credited into Nodal Bank's Account through Mail Transfer on daily basis without any delay except the minimum balance kept by the Bank.

ANNEXURE –III

MAIL TRANSFER STATEMENT

INSTRUCTIONS TO BE FOLLOWED AND THE FOLLOWING ARE ALSO TO BE ENSURED BY THE CIRCLES BEFORE SENDING MAIL TRANSFER STATEMENT TO THE HEAD QUARTERS:

- 1 .The M.T. Statement should be sent within the due date.
- 2 The M.T. Statement in respect of your Circle including Central Office and all the Revenue Branches should be sent in the prescribed format only.
3. There should be no discrepancies in the M.T. Statement in all aspects.
4. It must be ensured that the amount of Contra Entry, Cheque Dishonour entry and other than Mail Transfer Amount mentioned in the debit column of the Bank Pass Sheet has not been taken as M.T. Amount.
- 5 .The M.T. Statement should be prepared correctly and properly and checked and tallied in all aspects sent without any mistake.
6. It must be ensured that the Mail Transfer amount mentioned in the Bank Reconciliation Statement of Collection Account is tallied Bank wise with the Mail Transfer amount mentioned in the Mail Transfer Statement in respect of each and every Bank accounts operated by the Central Office and Revenue Branches.
7. It must be ensured that the M.T. Statement and its related papers are furnished **LEGIBLY, VISIBLY AND NEATLY.**
8. It must be ensured that there is no uncertainty in the amount furnished in the column placed in the Mail Transfer Statement.
9. It must be ensured that actual M.T. amount transferred by the respective Bank Branches to the respective Nodal Bank Branches only has been shown in the Mail Transfer Statement.
10. It should be ensured that all the amount collected and remitted into Bank has been transferred to the Nodal Bank's Account on daily basis without any delay except the minimum balance kept by the Bank.
11. It must be ensured that the name of the Bank Branch and the month of the Statement to which it relates are furnished.

12. Branch Code of the Bank, Name of the Bank, Name of the Branch of the Bank and the Account No. of the Bank should be furnished in the Statement positively.
13. It must be ensured that the certificate to that effect that the Statement is prepared and tallied with the Bank scrolls and debit slips received from the Bank etc., are furnished in the Statement.
14. It must be ensured that the M.T. Statements sent are accompanied with the Bank pass sheets furnished by the Bank.
15. The total amount furnished in the Mail Transfer Statement should be tallied with the daily transfer as per Bank Scroll.
16. Mail Transfer Statements should be furnished only with the authentication of the officer in charges of the Revenue Branch.