

(A Govt. Of Maharashtra Undertaking)
CIN : U40109MH2005SGC153645

PHONE NO. : 26472131/26474211
FAX NO. : 26470953
Email : cgmca@mahadiscom.in
Website : www.mahadiscom.in

PLOT NO. G-9, PRAKASHGAD,
Prof. ANANT KANEKAR MARG,
BANDRA (E), MUMBAI – 400 051.

No.: - AD/MSEDCL/CAS/A-1/ 802

Date:- 18 SEP 2015

Circular No - 194

Sub:- Partial modification to the Revised Accounting for Distribution Transformers and Other Listed Assets.

Ref:- 1) Circular No. 147 dt 28/03/2013.

2) Office Note No. : AD/MSEDCL/CAS/ERP/387 DT.09.05.2014

Revised Accounting procedure for Distribution Transformers has been circulated vide the circular referred at Sr.no.1 above. According to the circular, on the purchase of Distribution Transformer, it shall be treated as Capital work in progress (WIP) and will be capitalized on its issue for other than New Project/works.

However, in SAP, new RMPG (Returnable Material Gate Pass) system has been developed, and assets procured through MM Module will be treated as material at the time of purchase and on issue from stores , these will be capitalised except where these are issued for project. Where these are issued for projects, these will be capitalized through PS Module based on WCR . Employee cost , administration and general expenses & interest if any will be capitalized .

Point no.1 & 4 of the accounting policy for Distribution transformers given in the Circular No. 147 dated 28.03.2013 are modified to the extent stated above and remaining points remain unchanged
If as per point no. 10 of the circular, Distribution transformers lying at Stores Centres as on 31st March,2013 , has been transferred to Capital Work-in Progress as on 1st April, 2013 & are still lying at Stores Centres, the said shall be treated as Stock & not as CWIP.

Alongwith Distribution Transformers, the following items have been identified. which are to be capitalized on issue from stores except when issued to PS Module. These items are used as assets and shall not be charged to Revenue Expenses. Moreover, in case of General Assets, the material is purchased locally and delivery is taken on site and not routed through stores. In such case while booking of invoice itself the following material will be capitalized.

MATERIAL TO BE ACCOUNTED AS CAPITAL CONSUMED IS AS BELOW:

1	Power Transformer
2	Distribution Transformer
3	Current Transformer (CT)
4	Potential Transformer (PT)
5	Breakers (Indoor/outdoor switchgears)
6	Battery
7	Battery Chargers
8	Capacitor Banks
9	Panels
10	Metering Cubicles
11	Meters
12	Land owned under full title

13	Land held under lease
14*	Material handling equipment Cement Mixers
15	Material handling equipment Bulldozers
16	Other material Handling equipment
17	Batteries including charging Equipment
18	Fabrication workshop Equipments
19	Communication Equipments
20	Air Conditioning Plant and equipment
21	Refrigerator and water coolers
22	Meter Testing Plant and equipment
23	Equipment in hospital/Clinics
24	Tools and Tackles
25	Training Complex Equipment
26	Demonstration equipment
27	Show Room Equipment
28	Vehicles
29	Furniture and fixture
30	Office equipment
31	Computers/Printer/fax machines/Scanners
32	Xerox machines

- 1) The material listed above shall be treated as material at the time of procurement.
- 2) These assets shall be capitalized when issued from division stores centre and depreciation shall be calculated from the date of issue excepting material issued for projects.
- 3) All the above material need not be accounted through capital WIP and capitalization of employee cost and administration and general expenses shall not be calculated on these items/Assets except material issued for Projects.
- 4) The material issued for projects will be capitalized through PS Module along with employee cost and administration and general expenses.
- 5) The above material lying in stores centre as on 01.04.2014 shall be treated as stock account on 01.04.2014

The modified accounting procedure shall be applicable with effect from 01.04.2014.

H. S. Shivoo
18/09/15
Chief General Manager (CA)

To,

All the Accounting Units as per mailing list upto the Division Level.

Copy f.w.cs to:-

- 1) The Chief Engineer MSEDCL, Zone Office, Bhandup/Kalyan/Kokan Zone at Ratnagiri/Kolhapur/Latur/Nasik/Pune/Jalgaon/Aurangabad/Nanded/Amravati/Akola/Nagpur (R) / Nagpur (U)/ Baramati./Chandrapur/Gondia/MM Cell, Corporate Office.
- 2) The Chief General Manager (CF)/(IA)/(IT), MSEDCL, Corporate Office, Mumbai

Copy to:-

- 1) The General Manager (CA)/(CF)/(WM)/(PP)/(Capex)/ (ERP) MSEDCL, H.O., Mumbai.
- 2) The General Manager (F&A), MSEDCL, Kalyan /Pune /Nagpur/Nashik Zone.
- 3) The Asstt. Gen. Manager (F&A), MSEDCL, (CA)/(WM)/(SB)/(H.O. A/c's), Mumbai /Akola / Bhandup/Kalyan /Aurangabad Zone.
- 4) The Sr. Manager, MSEDCL, (CA)/(Loan)/ (ERP)/Aurangabad / Kolhapur / Nashik / Nagpur (R) Zone/ Nagpur (U) / Pune / Latur / Nanded / Jalgaon /Ratnagiri /Amravati /Akola..Kalyan II
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