

 <b>MAHATRANSCO</b> <small>Maharashtra State Electricity Transmission Co. Ltd.</small>	<b>MAHARASHTRA STATE ELECTRICITY TRANSMISSION CO. LTD.</b>
	<b>FINANCE AND ACCOUNTS DEPARTMENT</b>
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**No. MSETCL/FA/2010-11/3942**

**Date : 11/03/2011**

**Sub: - Closing of the Accounts for Financial Year 2010-11**

The Annual Accounts of MSETCL for Financial Year 2010-11 is required to be prepared as per the Companies Act 1956. The Annual Accounts are to be placed in the Annual General Meeting of the Company within the scheduled time frame. It is also to inform that the Cost Audit has become compulsory for MSETCL and Cost Audit Report is also required to be submitted to Ministry of Company Affairs, Govt. of India within scheduled time. It has become essential to finalize the Annual Accounts and submit the same to Corporate Office on or before 2<sup>nd</sup> April 2011. **At any case, the submission of Annual Accounts for FY 2010-11 should not be delayed beyond 2<sup>nd</sup> April 2011 and any delay for whatsoever reasons will be viewed seriously and the responsibility will be fixed on the concerned.** It is also important to adhere this time limit in view of Go-Live target of ERP-MIS Project of MSETCL as a whole as per the directive of Director (Operation).

Detailed instructions for the Divisions/Accounting units are enclosed at Annexure 'A' for guidance and for ensuring complete and proper accounting. While preparing the Annual Accounts the following points should be kept in view so that the accounts will be prepared properly without any major comments from the Statutory Auditors.

1. It should be noted that the audit of the Annual Accounts for the year 2010-11 will be conducted by the Statutory Auditors.
2. It is necessary to ensure the clearance of IUA differences in Final Accounts itself along with WIP Clearance as per timeline mentioned vide Circular NO MSETCL/FA/ERP/2010-11/3549 Dt. 04.03.2011. The difference between Transfer in and Transfer out of Fixed Assets shall also be ensured to be NIL in the Final Accounts itself. It is the responsibility of the transferring accounting unit to ensure its acceptance by the transferred units in the Final Accounts positively.
3. It should be ensured that the Final Accounts are properly compiled and completed in all respects leaving no scope for Audit / Head Office comments thereon. The Final Accounts due for submission on 2<sup>nd</sup> April 2011 should be kept ready for Statutory Audit alongwith 'A' to 'L' Performa to avoid any complaints regarding non completion of the accounts. It should also be ensured that the audited accounts are submitted to Head Office within 4 days period after completion of audit alongwith compliance of audit comments with due correction in the accounts, wherever necessary. In no case queries raised by

Statutory Auditor / Govt. Auditor on the accounts in the earlier year remain uncompeled in the Final Accounts for the year 2010-11.

4. The Manager/ Dy. Manager are requested to check thoroughly the Schedules, Statements, additional information etc. compiled respectively by the Circle/Major Store Office and then forward it to Head Office. All the required information should be furnished along with the Annual Accounts only.
5. (a) The IUA pertaining to transfer of assets and depreciation are to be raised **on or before 14th March, 2011**. It will be the responsibility of IBA raising unit to ensure to obtain and keep on record the acceptance JV No. & Date of the corresponding unit. **No such IUA shall be raised by any accounting unit beyond the cut off date.**

(b) The IUA transactions other than IUAs mentioned in (a) above should be dispatched on or before 14th March, 2011 positively. It is the responsibility of the unit raising IUA to ensure that the IUAs raised are accepted by the units to which the same are raised and obtain and keep on record the acceptance JV No. and Date of corresponding unit.

In no case, the accounts with IUA differences will be accepted at Head Office. Soft copy of IUA details generated in Circle/Major Store viz. XXXXMMYY.IBA are to be submitted to F&A Section alongwith printed copy of FC 95 report duly tallied with figure shown in statement 3. (Refer Circular No. AD/BA/FABC/5263 dt. 19.12.2002 erstwhile MSEB). The soft copy should also be forwarded through email at [msetclcorpoffice@gmail.com](mailto:msetclcorpoffice@gmail.com).

- (c) Further, before submission of the Final Accounts to F&A Section, all Accounting Units should carry out I.U.A. reconciliation with Head office and F.M.S.(W&M Section) as per the instructions issued by Executive Director (Operations) vide Circular NO MSETCL/FA/ERP/2010-11/3549 Dt 04.03.2011 and then submit the Final Accounts to F&A Section along with copy of reconciliation statement so as to avoid subsequent changes in the Accounts of H.O. Accounts Section and F.M. Section's. A.G.M/ Sr. Manager should ensure completion of IUA reconciliation of all the units well within the time schedule of Final Accounts and the reconciliation programme should be chalked out accordingly. It should also be ensured that there should not be any IUA difference within Circle/Inter Circle units.
6. Inter Company Transactions:- The instructions regarding Accounting of Inter Company Transactions are issued by MSEDCL vide Circular No. 11 Dt. 28-02-2006. However, it should be ensured that there should not be any unaccepted transactions at the time of Closing of Accounts. It should also be ensured by the Circle/Major Stores Managers/ Dy. Managers those instructions given in the above Circular are followed scrupulously.
7. Prescribed proforma for additional information required with the Final Accounts are enclosed. (proforma I to XXIII )
8. The necessary Schedules, Statements and additional information (Proforma I to XXIII) etc. should be submitted alongwith the Final Accounts. Similarly Statement of voltage wise Assets as per Circular No. 200/dtd. 30/08/2005

should also be submitted alongwith Final Accounts without fail. The same being a MERC Compliance.

9. All the required provisions should be incorporated in the Final Accounts itself so as to avoid any booking of prior period expenses in the subsequent years.
10. The works which were completed and commissioned lying in WIP Accounts shall be transferred to the Fixed Assets Account Otherwise, this would necessitate withdrawal of excess interest capitalized and charging of depreciation etc. afterwards. The WIP Account should, therefore, be thoroughly reviewed before closing the Accounts for the said period and the necessary accounting of assets should be ensured. This is essential from Income Tax point of view.
11. Statement of BFC-13 (MERC Proforma No. 4.3 & 4.4) as per Annexure-B enclosed herewith for Scheme wise capital expenditure should be sent duly tallied with Trial Balance and variation if any reasons may be specified.
12. Further guidelines issued for maintenance of proper record of Works Accounts vide Circular No. F&A/MSETCL/1862 dt. 21.2.07 and the instructions are given in circular of Proper Booking of Capital expenditure in the Periodical Accounts issued vide letter no. F&A/MSETCL/2008/558 dt. 11.01.08 should also be scrupulously followed.
13. All the field offices are instructed to ensure that the accounts are finalised as per the revised accounting policies issued by Corporate Office.
14. All field offices are also instructed to follow the sub-directives under section 619(3) (a) of the Companies Act 1956, required by Auditors. The copy of said directives is enclosed herewith.

Attention of Managers/Dy. Managers of all Accounting Units is drawn on the above points and they are directed to follow the instructions scrupulously and ensure the submission of Final Accounts along with required information as per time schedule informed.

**Encl: As stated above.**

  
**Chief General Manager (F&A)**

To

**All as per mailing list up to Divisional level**