

TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED  
ACCOUNTS BRANCH

144, Anna Salai,  
Chennai – 600 002.

Circular Memo.No. 94/CFC/GI/FC/P/DFC/W/AO/W/D71/24 dated 04.04.2024

Sub: TANGEDCO – Accounts FY 2023-24 - Effective measures to be taken for finalization of annual accounts – Instructions issued – Reg.

Ref: U.O.No.CFC/IND AS/FC/Accts/DFC/BS/AAO/BS/F.MSA 2023-24/D.86/2024 dated 28.03.2024.

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In the reference cited, CFC/IND AS has advised to take up effective measures to finalise the annual accounts of Financial Year 2023-24 so as to complete it within the time line stipulated in the Companies Act 2013.

The following measures shall be adopted for closure of work orders and fair capitalisation of assets.

**1. There are huge number of work orders pending to be closed even after tech closure from Technical wing which needs to be followed up with circles for closure and converted as Fixed Assets.**

In order to avoid this in the FY 2023-24, utmost efforts shall be taken by instructing the EDC'S to close the work orders instantaneously as soon as the works were completed. In this connection, Besides, SE's are here by instructed to assess the pendency in closing of work orders pertaining to the years up to 2023-24. The respective AE's, AEE's and EE's shall be instructed to close the work orders pertaining to the period up to 2023-24 and responsibilities with time line may be fixed with concerned offices. Difficulties faced if any, during closure of work orders pertaining to earlier period, the Superintending Engineers are requested to contact Superintending Engineers/IT immediately to resolve the issues then and there and close the work order in full tempo.

**2. Review of periodical settlement process carried out by the circles and ensure for complete settlement.**

The transfer of value of works completed partially against the work orders to capital work in progress will be achieved only if periodical settlement is made. Hence the concerned SE's of distn circles FC's/Generating stations and DFC's shall be instructed to review the pending periodical settlement in ERP by opening the T "code zps\_wbs\_rpt" for further action.

### 3. DCW Work orders

DCW nature of work orders at the circles which has to be meticulously reviewed for recovery of deposits equivalent to the completed value of work, along with due allocation of IDCs overheads. Transfer of deposits into revenue GL for incases of completed works and deferred revenue GL in case of WIP at the year end are also to be reviewed.

### 4. There are instances at the circles for misclassification of fixed assets component wise accounting, while closing the work orders and capitalizing in to fixed asset.

The Accounts wing closes the work order duly capitalising the material and labour, while capitalising, when the work order is with more than one class of asset, then such assets have to be capitalised under relevant class, (Examp., Land and Building, Plant and Machinery, Lines & Cables) with material and appropriate labour, over heads and IDC costs. This is not being carried out in most cases due to non-selection of relevant class of asset in ERP, but selection of only one class of asset wrongly. Hence the Superintending Engineers EDC's and Generating stations are requested to issue suitable instruction to the field level in order to achieve the above, the estimate should be prepared in ERP with breakup of component wise assets for each fixes asset involved so that the same could be adopted in opening, processing and closing of work orders to capitalise the appropriate value of fixed assets and its component wise in ERP.

Hence, in view of the above, all CE/Distribution regions and Generating stations are requested to issue appropriate instruction to the SE's under the control for taking action at the earliest.

  
Chief Financial Controller/General

To

All the Chief Engineers and Superintending Engineers of TANGEDCO,  
The Financial Controllers of all Generating stations and Projects.  
The Deputy Financial Controllers of all EDCs

Copy to JMD/Finance, Dir./Fin./TANGEDCO, CFC/IND AS, FC/Accounts

Copy to EE/ERP in O/o CE/IT & R-APDRP to ensure suitable provision in ERP