



No: BSNL/ERP/FICO/RoP/2013-14

Dated 24.12.2013

To

The CGMTs/IFAs

All BSNL Telecom Circles / regions/ projects/ Training centers, BSNL
(Except Karnataka / Maharashtra/ WTP/STR/ALTTC).

Sub : ERP Implementation (FICO Module) – Preparation of Assets Template.

This has reference to this office letter no. BSNL/ERP/FICO/RoP/2013-14 dated 07.07.2013 vide which FICO Transactional data migration strategy was circulated to all the Circles. One of the important Finance Template which needs to be meticulously filled is the **Fixed Assets** data Template. The Circles should start preparing this template without waiting for any communication from Corporate Office regarding ERP GO Live date for their circle.

The assets template has to be prepared and kept ready with details of **each line item** as on GO-LIVE date. The assets data required for migration is related to following schedules:

BASIC - 105,106,107,108,109,110,189,190 & 191 and
CMTS - 405,408 & 489.

It is basically the fixed asset register only. In existing system, assets are being maintained at major class level only. For example, Asset Class- A&P (Apparatus & Plants) is a major class where all the related items (assets) maintained are getting clubbed and actual assets at detailed level becomes difficult to identify even with the description of assets. In many cases, it is found in FAR (Fixed Asset Register) that description of assets is either improper or incomplete/missing, which creates much difficulty every year during physical verification, decommissioning/retirement, transfer of assets besides inviting adverse observations from auditors every year. In the current practice, emphasis is on matching asset gross block & depreciation in asset register with GL Account balances.

With introduction of ERP, it has been decided to go for maintenance of component wise assets register, which will also be an essential pre-requisite for compliance with IFRS as and when these are implemented. Accordingly, in SAP assets have been categorized into three layers (Main Class-Sub Class- Components) and asset details (price & quantity) are maintained at component level (lowest layer). Components are grouped into sub-classes and finally being grouped at Main classes. Grouping of assets at Sub-class and Main class are for reporting purpose. In short, the circles are required to maintain their individual assets (lines) in the combination of class-subclass-component. This will also ensure compliance with present Companies Act requirement as well as IFRS requirements which is going to be implemented in near future. The Main-Class will have one-to-one relation with current GL account i.e., 15 account codes are used for 15 Main-Class. The number of Assets class, Sub-class and components are given below:

Assets class	-	15 Nos.
Assets Sub-class	-	41 Nos.
Assets Components	-	439 Nos. (Nos. are dynamic, not fixed. According to requirement, new items can be added)

The three layer structure that has been configured in SAP is as under:

1. **Asset class** (Major class, like A&P, L&W, Transmission Media (renamed of Cables), etc.)
2. **Asset sub-class** (Major class is sub-divided in to Sub-classes. Ex. A&P_GSM core, A&P_CDMA core, A&P_WIMAX core, A&P_Transmission Eqpt etc.)

3. **Asset Components** (Sub-class is finally divided into components which are **final assets** and have individual identity, ex. MSC server, Gateway router, signaling NW eqpt etc. are the final assets of sub-class A&P_GSM core).

The important points which need to be kept in mind while filling Asset Template are as under:

1. All the Assets classification should be reviewed and wherever reclassification/adjustment is required, the necessary correction may be done in legacy book with reconciliation of Trial balance. For eg., the actual asset is of **Electrical** class but booking is made in **A & P** class or actual asset is of **A & P** class but booking has been made in other asset class like **Cable, Computer** etc. In those cases, the relevant asset component will only be available under corresponding class and there is no other option available but to correct the books by passing JV and fill the template in proper combination. Drop down is available in col.22 to Col.28 logically which may be followed accordingly.
2. Major Class "Cables" has been renamed as Transmission Media. 'Cables' is placed in its sub-class along with other item 'Radio'.
3. The sum of fixed assets register must be in conformity with Legacy Trial balance that will be migrated to SAP i.e. Asset register should be reconciled with class-wise and accode-wise as per Trial balance.
4. The accounting of assets shall be updated in respect of capitalization and depreciation in Trial Balance before GO-LIVE.
5. For Ready-to-use asset (not acquisitioned through CWIP) items like Table, Chair, Fax, Printer etc. which costs up to Rs. 5000/- and to be 100% depreciated in the year of acquisition, may be taken into special component "LVA upto 5000" [LVA = Low Value Asset] with maintaining of the proper Asset description. This special component is available under class F&F, OM&E, COMP, EF&A, IA, ITE, SI.
6. Worksheets of **Guidelines** and **check-list** are available in Template itself. It is recommended that all concerned must go through 'Guidelines' carefully before filling up template. It will certainly help to prepare the template in correct way.
7. Column no 26 – Cost Centre in the template may be left blank. The Final list of cost Centers will be intimated in due course.(Circles are requested to expedite the information requested vide this office letter no BSNL/ERP/FICO/2013-14 dated 29.11.2013 regarding finalization of Business Area and confirmation of applicable cost centres)
8. It is requested that Circles should not 'experiment with the template". In case of any doubt/queries, the same may be immediately sent to following Core Team members :

i). Shri Bhaskar Mallick
ii). Shri Praveen Kumar

Mob: 7588621360 email : mallickbhaskar65@gmail.com
Mob: 9412222699 email : pkbsnl@gmail.com

Enclosures : Asset Template. (in Excel format, to be used with "Macros" enabled)



G M (RA/ERP)

Copy for kind information to:

1. Director (CFA/CM/Enterprise) , BSNL CO, New Delhi.
2. Executive Director (Finance)/CA/ NB) BSNL CO, New Delhi.
3. CGM (ITPC) Pune /CGM (NATFM) Hyderabad
4. Sr G M (CIT)/G M(CA/IA), BSNL CO, New Delhi.