

HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED

(A State Govt. undertaking)



Registered office:
(CIN):
GST No.
Telephone No.
Website address:
Email:



Vidyut Bhawan, HPSEBL, Shimla-171004(H.P)
U40109HP2009SGC31255
2 AACCH4894EHZB
0177-2803600, 2801675 (Office), 2658984(Fax)
www.hpseb.com
cmd@hpseb.in & directorfa@hpseb.in



No. HPSEBL/F&A/Admn-5/Publication/2024-25/ 4975-81 Dated:- 15-03-2025
To

The Director (Information & Public Relation),
Shimla-02.

Subject: - Publication of Expression of Interest on Account of Preparation and Updating of the Accounting, Budget, Banking, and Procurement Manuals for HPSEBL.

Sir,

Enclosed please find herewith the Publication of Expression of Interest on Account of Preparation and Updating of the Accounting, Budget, Banking, and Procurement Manuals for HPSEBL. The Publication shall be on at least Three National Daily (English) and Two Regional (Hindi) Newspaper on 17/03/2025 (17th March 2025)

This is for your kind information and necessary action please.

DA/-As above.

Yours Faithfully

(Kapil Kumar Bhimta)
Chief Accounts Officer,
F&A Wing, HPSEB Ltd.,
Shimla-04.

Copy forwarded to the following for Information please:-

1. The Company Secretary, Vidyut Bhawan, HPSEB Ltd., Shimla-04.
2. The PRO, HPSEBL, Kumar House Shimla-4.
3. PA to CAO/CA/Dy. CA of Finance and Accounts Wing, Kumar House Shimla-4.
- ✓ 4. The Superintending Engineer (IT) HPSEBL, with a request to upload the expression of interest (EOI) on the website of HPSEBL.

(Kapil Kumar Bhimta)
Chief Accounts Officer,
F&A Wing, HPSEB Ltd.,
Shimla-04

HIMACHAL PRADESH STATE ELECTRICITY BOARD LTD

(A State Govt. Undertaking)

Expression of Interest (EOI) for Preparation and Updating of the Accounting, Budget, Banking, and Procurement Manuals for HPSEBL

Himachal Pradesh State Electricity Board Ltd. (HPSEBL) invites applications from interested Chartered Accountants/Registered CA (Firm) and Financial Consultant for Preparation and Updating of the Accounting, Budget, Banking, and Procurement Manuals for HPSEBL. The applicants, who intend to participate in the empanelment process, may submit their application in the prescribed format. The application form can be downloaded from www.hpseb.in

The application complete in all respect shall be submitted only through registered post/speed post in the address of **Chief Accounts Officer, HPSEBL, Vidyut Bhawan, Kumar House, Chaura Maidan, Shimla 171004** and no request for submitting offer (EOI) documents by hand will be entertained. The last date for receiving the application is during office hours. Applications received after the due date & time will not be considered. It has to be downloaded from the website invariably. HPSEBL reserves the right to accept or reject any application in full or part without assigning any reason whatsoever. Last date for submission of application is on or before 29th March 2025.

.....SD.....

**Chief Accounts Officer
F&A Wing HPSEBL Shimla-4.
(Ph. No-0177-2801762)**

HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED
A State Government Undertaking



Chief Accounts Officer

HPSEB Ltd., Vidyut Bhawan, Shimla- 171004

Website: www.hpseb.in

Email: caohpsebl@gmail.com

Phone/Fax No. 0177-2801762

**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR UPDATING OF THE
ACCOUNTING, BUDGET, BANKING AND PROCUREMENT MANUALS OF HPSEBL**

1. Introduction:

The Himachal Pradesh State Electricity Board has been reorganized as Himachal Pradesh State Electricity Board Ltd. w.e.f. 14.06.2010 under the Company Act 1956. HPSEBL is responsible for the supply of Uninterrupted & Quality power to all consumers in Himachal Pradesh. Power is being supplied through network of Transmission, Sub-Transmission & Distribution lines laid in the state. Since its inception, the Board has made long strides in executing the targets entrusted to it. Himachal Pradesh achieved 100 percent Electrification in all its census villages in the year 1988. Ensured 24 x 7 uninterrupted Power Supply. Himachal Pradesh has the honor of providing electricity at the lowest tariff in the country. Himachal Pradesh achieved the unique distinction of 100% metering, billing, and collection. Achieved the highest household/consumer coverage ratio in the country i.e. about 98% as per REC's survey & they have been adjudged one of the best boards in the country. Installed and commissioned a powerhouse at the highest altitude in the world (Rongtong Power House at an altitude of approx. 12,000 ft.). Installed and commissioned a completely underground Power House which is unique in Asia (Bhaba Power House 120 MW).

2. OBJECTIVE OF WORK

A. Objectives of preparing and updating Accounting, Budget, and Banking manuals

The objective of the work is to further stream line and strengthen operational financial and internal control management in HPSEBL to ensure:

- Consistency and uniformity in financial policies and procedures across all locations
- that standard forms/formats (both online & offline) are used for all business processes
- Efficient and accurate processing and accounting of transactions with adequate internal controls
- Streamline financial, budgeting, and banking processes by aligning them with best practices and SAP-ERP functionalities.
- Reduce redundancies and ensure seamless integration between manual processes and automated systems.
- Update manuals to comply with the latest Indian Accounting Standards (Ind AS), Companies Act, 2013, and other applicable laws and guidelines.
- Incorporate directives from regulatory authorities such as the Ministry of Corporate Affairs (MCA), Institute of Chartered Accountants of India (ICAI), and Reserve Bank of India (RBI).
- Establish robust internal financial controls to enhance error detection, reconciliation, and approval processes, reducing risks and promoting accountability.
- Optimize resource utilization through modern budgeting approaches like Zero-Based Budgeting and Performance Budgeting.
- Ensure effective fund management, cash flow forecasting, and cost optimization.
- Align work flows with SAP-ERP modules and document SAP-specific procedures for enhanced user understanding and operational consistency.
- Promote transparency and accountability through clear documentation of processes, roles, responsibilities, and approval hierarchies.
- Establish real-time monitoring, variance analysis, and financial reporting mechanisms to ensure the timely availability of accurate data for decision-making and compliance audits.
- Build organizational capacity by providing training materials and workshops for

HPSEBL staff to efficiently use updated manuals and SAP-ERP systems.

- Prepare HPSEBL's financial, budgeting, and banking systems for future technological and regulatory changes.
- Create a scalable framework to support the organization's long-term strategic goals. Process in line with the statutory requirements.
 - A clear "Delegation of Financial Power" matrix.
 - That process-based approach is followed to identify, account for, and monitor revenue and cost for the organization.
 - A robust financial management information system and strong internal control management.

B The objective of preparing and updating of Procurement Manua

- HPSEBL's goal is to provide its consumers with an uninterrupted and Quality power supply around the clock at the lowest possible cost and to achieve this it is expedient to consolidate the instructions for the effective procurement of goods, works, and services at the most economical cost within the accepted standards of quality, quantity, delivery and service.
- This Manual outlines HPSEBL's policy regarding the procurement of materials (including equipment, spares, and accessories), works (EPC), and services (consultancy for work execution or Facility Management Services (FMS), etc.)
- The basic objective of procurement management is to purchase the right quantity and quality of materials at the right price from the right source at the right time and place to ensure the aforementioned company's goal and also to avoid unnecessary blockage of working capital.
- The procedure shall be based on transparency, equality, and fairness and in line with relevant laws of the land.
- To strengthen and make transparency in the tendering process for the procurement of Goods, Works, and Services, Delegation of Financial Power, and Standard Bidding Documents.

3. SCOPE OF WORK

3 (A). Preparing and Updating the Accounting, Budget, And Banking manuals

- Study HPSEBL's various business processes and their applicability across various accounting procedures
- Review of all the Accounting Manuals adopted by HPSEBL.
- Re-accommodate any new accounting procedures required for the smooth operation of the business.
- Study of various costing procedures and update of cost records.
- Review and reorganization of the existing structure of the Accounting Manual, Budget Manual, and Banking Manual of HPSEBL.

Apart from the above, the scope of work for updating the Accounting, Budget, and Banking Manual of Himachal Pradesh State Electricity Board Limited (HPSEBL) has been structured to ensure comprehensive alignment with current best practices, statutory requirements, and ERP-SAP functionalities. The following detailed scope of work is provided:

The existing Accounting Manual of HPSEBL has already been prepared and enforced in 2017 under the manual as well as the SAP ERP environment. Presently, the ERP-SAP has been implemented in the entire HPSEBL and all activities are being done in ERP-SAP. The accounting process flow, accounting document formats, and the Chart of Accounts have been prescribed in the relevant User Manual. The accounting policies and accounting controls however would be the same under the computerized environment as well.

The existing accounting manual has been structured as follows. A separate chapter has been devoted to each accounting area as provided below:

- Chapter 1 – Structure of Accounting Manual (this chapter)
- Chapter 2 – Basis for the Accounting Framework
- Chapter 3 – Accounting Units
- Chapter 4 – Chart of Accounts
- Chapter 5 – Material Accounting

- Chapter 6 – Capital Expenditure and fixed assets accounting
- Chapter 7 – Accounting on Borrowings
- Chapter 8 – Accounting on Investments
- Chapter 9 – Accounting on Purchase of Power
- Chapter 10 – Accounting of Sale of Power
- Chapter 11 – General Expenses Accounting
- Chapter 12 – Employee Benefits Accounting
- Chapter 13 – Accounting on Cash and Bank
- Chapter 14 – Accounting on Inter-Unit Transactions
- Chapter 15 – Final Accounts Preparation
- Annexure I – Formats for Books & Registers (a separate document)
- Annexure II – Chart of Accounts (separate document)
- Each chapter of the accounting manual has been structured as under:
 - Section background
 - Accounting Policies
 - Process flow charts
 - Coverage of the accounting processes
 - Accounting entries

In view of the above foregoing, the following scope of work is required for updating the existing Accounting Manual of HPSEBL:

1. Accounting Manual Update

The objective is to revise and modernize the Accounting Manual to align with prevailing accounting standards and HPSEBL's ERP-SAP environment.

1.1 Review of Existing Accounting Manual:

Analyze the existing manual to identify gaps or outdated practices.

Map the current manual processes with SAP-ERP workflows.

1.2 Integration with Updated Accounting Standards:

Align accounting policies with the latest **Indian Accounting Standards (Ind AS)** and

regulatory requirements.

Ensure incorporation of directives from statutory bodies like the Ministry of Corporate Affairs (MCA), ICAI, and CAG.

1.3 Internal Financial Controls (IFC):

Document internal financial controls as per the Companies Act, 2013.

Establish monitoring frameworks for controls executed through SAP ERP.

1.4 Defining Key Financial Processes:

Accounts payable and receivable workflows.

Fixed asset management, depreciation methods, and reconciliation.

Expense recording, approvals, and reporting mechanisms.

SAP-specific General Ledger (GL) processes and ledger reconciliation workflows.

1.5 Financial Reporting:

Incorporate provisions for real-time reporting using SAP-ERP.

Map chart of accounts and cost centers in SAP for accurate reporting.

////////////////////////////////////

2. Budget Manual Update:

The Budget Manual will be enhanced to enable effective planning, allocation, and monitoring within the SAP framework.

2.1 Review of Budget Preparation Process:

Assess the current manual and identify areas of improvement.

Incorporate methodologies like Zero-Based Budgeting (ZBB), Incremental Budgeting, and Performance Budgeting.

2.2 Integration with SAP Budgeting Features:

Define budget preparation, approval, and monitoring within SAP-ERP's **Funds Management (FM)** module.

Automate workflows for budget control and real-time tracking.

2.3 Role Definition in Budgeting Process:

Clearly define roles and responsibilities for various stakeholders.

Ensure proper delegation of powers and approval hierarchies in SAP.

2.4 Establish Budget Monitoring Mechanisms:

Define protocols for variance analysis, including integration with SAP for real-time

variance reporting.

In addition to the above, it is further submitted that the existing Budget Manual and subsidiary statements require updates to align with the Company Act and ERP/SAP systems.

- The manual serves as a comprehensive guide on budget processes for HPSEBL offices and the Budget Section of the F&A wing.
- The current edition was approved by the Board and implemented alongside the Revised Accounts classification and budget statements by the Central Electricity Authority.
- **The manual is structured to address all stages of the budget cycle:**
 - Chapter 1 introduces the HPSEBL budget and related documents.
 - Chapter 2 outlines the roles and responsibilities of field units in the budget process.
 - Chapter 3 explains the budget preparation process, including the estimation of receipts and expenditures.
 - Chapter 4 focuses on budget finalization and timelines for activities.
 - Chapter 5 covers budget execution, release, and interim revisions for expenditure control.
 - Chapter 6 addresses budget review through mid-term evaluations and monitoring for accountability.
 - Chapter 7 details the structure of HPSEBL Accounts Statements with common classifications for budgeting and accounting.
- The manual is essential for guiding field units and this office in preparing budgets and ensuring procedural compliance.
- Updates are needed to incorporate changes due to the amended General Financial Rules and the applicability of the Company Act.
- Procedural and technological changes, including increased use of IT in budgeting and expenditure control, must be integrated.

////////////////////////////////////

3. Banking Manual Updation

The Banking Manual will be revised to reflect the latest developments in digital banking and SAP's integration capabilities.

3.1 Review of Current Banking Practices:

Examine existing protocols for fund transfers, reconciliations, and payment processing.

Identify areas for improvement, particularly with digital banking trends.

3.2 SAP-ERP Integration for Banking Processes:

Map bank accounts with SAP modules for seamless reconciliation.

Implement SAP Bank Communication Management (BCM) for electronic fund transfers (EFTs).

Automate cash flow statements and treasury management functionalities.

3.3 Compliance with Banking Regulations:

Incorporate updates based on RBI guidelines for corporate banking, online transactions, and fund transfers.

Ensure protocols for anti-money laundering (AML) and know-your-customer (KYC) compliance.

3.4 Development of Guidelines for Digital Banking:

Document procedures for payment gateways, internet banking, and UPI transactions.

Provide SOPs for integrating third-party banking solutions with SAP.

3.5 Cash Flow and Treasury Management:

Define guidelines for cash flow forecasting and liquidity management.

Establish procedures for short-term and long-term investment decisions.

4. SAP ERP Alignment and Documentation

The updated manuals will comprehensively align with SAP-ERP modules and functionalities:

4.1 SAP Functionalities Integration:

Map SAP's Financial Accounting (FI), Controlling (CO), Material Management (MM), and Sales and Distribution (SD) processes with manual workflows.

Establish cross-functional integration points for financial operations.

4.2 Documentation of SAP Processes:

Develop user-friendly documentation of key SAP workflows, such as transaction processing, approval hierarchies, and reporting tools.

Ensure detailed SOPs for SAP-specific operations, including data validation and error resolution.

4.3 ERP Training Support:

Conduct workshops for stakeholders to familiarize them with updated manuals and their practical application within the SAP system.

Updation & integration of Cash & Bank Manual of HPSEBL with SAP ERP.

The Cash and Bank Manual of HPSEBL describes the policies, procedures, controls, and responsibilities related to Cash & Bank accounting of Himachal Pradesh State Electricity Board Limited (HPSEBL). The procedures detailed in the existing manual would serve as standard procedures to be followed at HPSEBL. The manual prescribes standard procedures for the following key activities that required to be updated and integrated with SAP ERP as per the requirement in the present scenario:

1. Collection and deposit of energy and non-energy charges
2. Release of other miscellaneous expense payments
3. Issuance of bank limit to divisions and subdivisions
4. Bank Reconciliation
5. Bank payments for payment to turn key contractors and payroll

Process narratives:

1. Collection of Energy Charges (Cash/cheque/online mode)
2. Collection of Non-energy Charges (Cash/cheque/online mode)
3. Deposit of collection into Banks.
4. Dishonor of cheques.
5. Withdrawal of Cash from Bank
6. Cash payment.
7. Checkup payments
8. Online payments.
9. Daily closing of Cash/bank book by Units.
10. Reconciliation of collection bank by depositing Offices.
11. Reconciliation of disbursement bank by units.
12. Reconciliation of disbursement bank by Head Office.
13. Accounting for Cash and Bank transactions of Sub-Division by Divisions
14. Imprest.
15. Temporary advances.
16. Fixation of Drawing Limits

17. Control over money receipt books.
18. Custody and issue of Cheque books.
19. Stale cheques.
20. Operation of collection account by HO.
21. Operation of disbursement account by HO.
22. Items debited/credited by the Banks.
23. Funds assessment.
24. Issuance of drawing limits to accounting units/DDOs.
25. Module interfacing of all processes with SAP ERP.

3 (B). Preparing and Updating the Procurement manual (Goods, Works and Services)

- A thorough study of the existing purchase manual, prevalent processes followed for the tendering process for the procurement of Goods, Works, and Services, Delegation of Financial Power, and Standard Bidding Documents.
- Incorporating amendments and additions of new clauses and formulation of Systematic Operating procedures for the procurement of Goods, Works & hiring of Services that are to be in line with the latest CVC guidelines, procedure of tendering as per NIC portal, CPWD manual, delegation of financial powers of HPSEBL, SPA-ERP and CEA guidelines.
- As per the amendment and additions incorporated in the procurement manual, the standard bidding documents for procurement and EPC work are to be revised.

4. Applicability

- This procurement manual is applicable for all the offices of HPSEBL including the corporate office in matters relating to the procurement of raw materials, equipment, spares, accessories, consumable items, chemicals, construction, fabrication, repair, overhauling, renovation, installation, erection, excavation, all types of civil works, electrical and mechanical works, maintenance work of machinery and plant and also all outsourced works/service related job including labor supply job. However, the items stated above are not exhaustive but illustrative.

5. Deliverables

- Updated Accounting Manual, Budget Manual, Banking, And Procurement Manuals (both in physical and editable soft copy).

- Detailed SOPs for all processes covered under the Finance manuals.
- Detailed systematic operating procedures to be followed during the procurement process.
- Updated Standard Bidding Documents for the procurement of Goods, Works, and Services.
- Periodic progress reports and a final presentation to HPSEBL management.
- Comprehensive training materials, if applicable.

Each manual/chapter should be on the following lines

- Process brief
- Accounting policies
- Key SAP screens
- Accounting entries
- Documents/records to be maintained and formats
- Roles & Responsibility identification
- Dataflow diagrams

6. Minimum Eligibility Criteria

- The firm must have experience in preparing at least two Accounting or budgeting or Banking manuals for CPSU/State PSU/Govt. Departments or power utilities of similar size as HPSEBL and shall submit the award letter and performance certificate of the same.
- The minimum average annual turnover of the last 3 years of the firm should not be less than Rs. One Crore.
- The net worth of the firm should be positive.
- The firm shall submit the audited balance sheet of the last three years and income tax returns from the last three years.
- The firm should not be de-barred/ blacklisted from any CPSU/State PSU/Govt. Departments or power utilities and shall submit the undertaking on a hundred rupees non-judicial stamp paper.
- The firm should have Professionals/Experts with at least 05 years of experience in SAP Software / ERP Environment and shall furnish the experiences and qualifying certificates of at least 3 professionals/experts.

7. Selection Criteria:

The selection of the firm shall be as per the fulfillment of minimum eligibility criteria and opening of financial bids thereafter the firm quoting the lowest rate shall be selected for the updating of the Accounting Manual, Budget Manual, Banking Manual & Procurement Manual.

Code of Ethics for Accounting Manual, Budget Manual, Banking Manual & Procurement Manual:

- They should keep themselves away from illegal practices / dishonest arrangements.
- They shall have an obligation to work objectively and diligently while performing his/her duties.
- None of the staff of the Team would direct or supervise the activities of any department of HPSEBL, except where such activities are a part of the Accounting Manual, Budget Manual, Banking Manual, or Procurement Manual preparation/ update process.

8. Time Frame and Financial Bid for Updating the Accounting Manual, Budget Manual, and Banking Manual & Procurement Manual:

The draft updated **Accounting Manual, Budget Manual, Banking Manual & Procurement Manual** must be prepared by the firm within the 6 Months of the award of work. Further, interested firms are required to quote their financial bid in a separate sealed envelope and the same may be super-scribed with the title "**Financial Bid for preparation/ updating of Accounting Manual, Budget Manual, Banking Manual & Procurement Manual**". The financial bids of the firms fulfilling the minimum eligibility criteria will be opened.

9. Schedule of Payment

1. 5% will be paid on submission of the inception report and copies of the draft **Accounting Manual, Budget Manual, Banking Manual, and Procurement Manual**.
2. 20 % will be paid after the training for the use/application **Accounting Manual, Budget Manual, Banking Manual, and Procurement Manual**
3. 25 % will be paid after the submission of the final copy of the **Accounting Manual, Budget Manual, Banking Manual, and Procurement Manual** incorporating all the comments and feedback from the training.

4. 50% will be paid after the approval of the **Accounting Manual, Budget Manual, Banking Manual & Procurement Manual** from the BOD of HPSEBL.

10. Other terms & conditions:

- The firm shall not disclose the data i.e. physical, documented management systems, etc. to any third party including their internal department.
- **Bid security:** The firm has to deposit EMD/ Bid security amounting to Rs.1,00,000/- (One Lack only) along with the application form in the shape of a Bank /Demand Draft in favor of Himachal Pradesh State Electricity Board Ltd.(HPSEBL).
- **Performance Security:** The firm to whom the work will be awarded has to deposit Performance Security in the shape of a Bank Guarantee / Demand Draft amounting to 10% of the Awarded value within 30 days of the award of work. In case the performance of the firm is found satisfactory, then the **Performance Security** shall be released after approval of the **Accounting Manual, Budget Manual, and Banking and Procurement Manual** from the BOD of HPSEBL.
- The firm will be required to comply with the instructions if any issued by the HPSEBL.
- The firm to whom the work is awarded shall not subcontract the work to any other parties either in part or full.
- The firm shall not be entitled to claim any additional amount for any reason whatsoever for the above **Accounting Manual, Budget Manual, Banking Manual, and Procurement Manual**.
- In case of any dispute, the decision of HPSEBL Management shall be final and binding on the firm.
- The terms and conditions enumerated in this document can be modified at any time by HPSEBL at its sole discretion.

11. Disclaimer:

HPSEBL reserves the right to cancel the assignment at any stage without assigning any reason, without thereby incurring any liability to the Firm concerned or any obligation to inform the firm concerned of the grounds, for the action.

12. Jurisdiction of courts:

Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of the Hon'ble High Court of H.P.Shimla only.

APPLICATION FORMAT FOR THE ELIGIBLE CHARTERED ACCOUNTANT FIRMS, FINANCIAL ADVISORY FIRMS & ACCOUNTING ADVISORY FIRMS FOR UPDATING THE ACCOUNTING, BUDGET, BANKING & PROCUREMENT MANUALS OF HPSEBL.

1. Name of the firm: _____
2. Office Address: _____
 Permanent Address: _____
 Correspondence Address: _____
 Telephone No.: _____
 E-mail Address: _____
3. Other Details: (copies shall be attached)
 - a) Year of Establishment _____
 - b) Firm Registration No. _____
 (In case of Company/Partnership Firm/Sole proprietary Firm)
 - c) Proprietor's Membership No. _____
 (In case of members not having Firm Name)
 - d) GST Registration No. _____
 - e) Permanent Account No. (PAN) of Firm/Proprietor _____

4. Minimum average Annual Turnover in the last three financial years shall be Rs. One Crore a/w supporting documents.

5. Experience Details:

I. Details of experience in preparing Accounting Manual, Budget Manual, Banking Manual & Procurement Manual for CPSU/State PSU/Govt. Departments or power utilities of similar to HPSEBL. (Certification from concerned PSUs/ Govt. Companies are mandatory).

(Proof of work experience must be attached)

Note:-All the pages of offers and documents are to be signed by the authorized signatory of the firm along with its seal.

I/we _____ authorized _____ Signatory of the _____ Firm "_____"
 _____, hereby declare
 that the above information furnished is true & correct to the best of my knowledge and I
 will abide by the Terms & Conditions set by HPSEBL for the said work.

Signature
(with the seal of the Firm)