# HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED

*(A State Govt. undertaking)*


Registered office: Vidyut Bhawan, HPSEBL, Shimla-171004(H.P)
(CIN): U40109HP2009SGC31255
GST No. 2 AACCH4894EHZB
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आज़ादी का अमृत महोत्सव

No. HPSEBL/F&A/A&R-33/Vol-IV/2024-25- 2232-2382 Dated:- 31-03-2026

To

All the Chief Engineers,
In HPSEB Ltd.

All the Superintending Engineers,
In HPSEB Ltd.

The Under Secretary,
HPSEB Ltd., Shimla-04.

SE (IT)

**Sub:-Submission of Accounts for the Month of March - 2026 - Instructions thereof.**

It is informed that under Section 129 read with Sections 96 and 134 of the Companies Act, 2013, it is obligatory for all the Companies to finalize their Audited Annual Accounts and related accounts statements within six months from the closure of the financial year i.e. by **30th September** every year. It may be noted that in case of failure of a Company to adhere to the stipulated date for finalization of accounts, there is a provision u/s 128 of the Companies Act, 2013 for levy of heavy penalties on the concerned officers of such Company. Further, it is added that except few, most field Accounting Units are not giving due priority to the timely posting of the entries & closing of accounts and requesting

the Head Office to open the back dated SAP Period, which ultimately results in an inordinate delay in the finalization of the annual accounts of the Company.

The financial statements of the company are required to be prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs, under the provisions of the Companies Act, 2013 and various other instructions issued from time to time require a number of adjustments to be carried out in the Account. These adjustments have been detailed in the enclosed annexure. It should be ensured that all relevant adjustments applicable to your accounting unit, suggested by the Internal Auditors are incorporated in the **March 2026** accounts. The scheduled date for submission of the monthly account for March 2026 is **10th April 2026** for all Accounting Units of the Company. Therefore, it is expected that all field Accounting Units will close their accounts for March 2026 after carrying out all types of applicable adjustments and provisioning of bills, etc. as suggested in the attached Instructions List, to the Head Office **on or before 10th April 2026** positively, so that the process of compilation and finalization of these accounts could be started without any delay.

Besides this, all the Accounting Units of HPSEB Ltd., are requested to pay attention to the following points while preparing the monthly account for March 2026:-

1. No separate supplementary accounts for FY 2025-26 will be submitted to the Head Office and all types of adjustments and provisioning entries will be made in the accounts of March 2026 only.
2. The annual Account for FY 2025-26 will be prepared in accordance with Indian Accounting Standards, provisions of the Companies Act, 2013(**Requirement of Schedule III**), provisions of the Electricity Act, 2003, guidelines mentioned in the Accounting Manual of the HPSEB Ltd. circulated vide letter no. HPSEBL/ F&A/C&M/5/2016-17/1-225 dated 25-05-2017 and the detailed instructions /guidelines are enclosed herewith.
3. All the adjustments/rectifications entries that directly affect the profitability and financial results of HPSEB Ltd. should be carried out during the March 2026 accounts. Adequate provisions for known liabilities/works done should be made wherever applicable.
4. Rectification/correction/adjustments against **all the outstanding queries/paras/ observations raised by the Internal Auditors, Statutory Auditors and CAG of India** are to be carried out in March 2026 accounts. The previous year's observations/queries and suggestions of Internal Auditors may be kept in mind while transferring/closing the period for the FY 2025-26 so that repetition of these queries during the current financial year may be avoided.
5. It may be clearly understood that requests for changes/adjustments received after the above dates shall not be entertained and the responsibility for non-incorporation of any adjustment shall rest with the concerned DDO/Accounting Unit. However, adjustment entries, if required, by the Statutory Auditors/ CAG shall be carried out by the concerned Accounting Units in consultation with the Head Office and should be submitted to the Head office for accounting purposes.
6. The instructions/guidelines may also be seen on the Company's website *www.hpseb.in*.

Yours faithfully,

**Chief Account Officer,**
**F&A Wing, VidyutBhawan,**
**HPSEB Ltd., Shimla-04**

**Copy of the above along with instructions is forwarded for information and necessary action to the following:-**

1) Managing Director, BVPCL, Jogindernagar, Distt. Mandi for information. He is requested to prepare the financial statement of BVPCL for FY 2025-26 as per the requirement of IND AS being a subsidiary Company of HPSEBLtd.
2) Managing Director cum Chief Engineer (Gen), Himachal Renewable Energy Ltd., HPSEBLtd., Sundernagar for information. He is requested to prepare the financial statement of Himachal Renewable Energy Ltd. for FY 2025-26 as per the requirement of IND AS being a joint Venture Company of HPSEBL.
3) Sr. PS/PS to Managing Director/Directors, HPSEB Ltd., VidyutBhawan, Shimla-04 for their information,please.
4) The Chief Auditor, HPSEB Ltd., F&A Wing, VidyutBhawan, Shimla-04.
5) The Superintending Engineer (IT), HPSEB Ltd., VidyutBhawan, Shimla-04 with the request to upload these instructions on the website of the Company.
6) All the Addl. SE's/Executive Engineers of HPSEB Ltd. It shall be their personal responsibility to ensure that the certificates of complete entries in compliance with these instructions be submitted by the due date i.e. **10th April 2026** without fail. They are also requested to bring the instructions to the notice of all Superintendents (Divisional Account) and implement them in letter and spirit before closing of monthly account of March 2026.
7) All the Drawing & Disbursing Officers of Head Office, HPSEB Ltd., Shimla-04. are requested to reconcile the SAP(ERP) balances appearing in their profit centre with the balances with relevant schedules/actual liability and confirm the same well in time.
8) All the Sr. Accounts Officers/Accounts Officers in F&A Wing, HPSEB Ltd., Shimla-04. They are requested to reconcile sub-head-wise SAP(ERP) balances with the balances of the Compilation/A&R Section before 15th **April 2026** and to maintain the subsidiary records as per the checklist supplied by the Statutory Auditors.
9) The Accounts Officers, Electrical System and Generation Wing of HPSEB Ltd. He is directed to comply with the instructions in letter and spirit. It is the responsibility of the AOs concerned to verify/check the shortcomings appearing in the Trial Balance of the Division under their control and to get those rectified in the monthly accounts of March 2026 before the closing of the financial year. They should also get the balances verified in respect of each Division under their control with the subsidiary record and Trial Balance

and a certificate should be furnished to AO (Compilation) regarding the reconciliation of the same.

10) All the Asstt. Accounts Officers in the Accounting Circle of Operation Wing in HPSEB Ltd. for similar action as mentioned at Sr.No. 09 above.

Anurag Mahajan
21/03/2018

**Accounts Officer(A&R),**
**F&A Wing, Vidyut Bhawan,**
**HPSEB Ltd., Shimla-04.**

## INSTRUCTIONS

Besides the instructions applicable for the preparation of Annual Accounts, your special attention is also drawn on the following points which must be kept in view while finalizing the accounts for **March 2026**:-

### (A) Fixed Assets i.e. Property, Plant and Equipment (PPE) – Policy

1. All works/schemes that have been put to use during FY 2025-26 and full expenses have been booked should be transferred to appropriate fixed assets accounts (BH 10/18-Fixed Assets) from the Block Head 14& 15i.e. Capital Works-in-Progress by debiting to BH-10/18 and contra crediting to GH-14 & 15 i.e. Capital-Work-in-Progress and Contract-in- progress after receipt of completion/Put to use certificate from the concerned Executing Officer. **All these units are to ensure that the WBS against each expenditureis prepared and the cost of consumption of stock accounts, and deferred expensesaresettled before the closing of accounts.**

2. Assets not in use/stolen/retired/scrapped should be identified and are to be adjusted without delay by crediting to GH-10/18 for the original values and debit to the appropriate Account Code under Block Head-16 with written down value and depreciation to BH-12. Thereafter, the approval of competent authority may be sought and accounting entries carried out as per instructions mentioned in the Accounting Manual.

3. The donated land should be valued at prevailing market rates and the value/cost so fixed, should be accounted for in the accounts by debiting to the assets account and contra credit to Capital Reserve BH 56.2. It may also be ensured that the value of all donated land is invariably accounted for by all the concerned field Units and the matter of transferring the ownership of donated land needs to be pursued with concerned revenue authorities vigorously.

4. The fixed assets and CWIPs that are damaged due to natural calamities Viz. Fire, Flood, Snow, Rain etc., are to be repaired to bring them to their original capacities. The cost of such repairs is to be treated as Revenue expenditure and should be debited to the appropriate account code under BH-74. However, if the entire assets/materials are destroyed and nothing could be recouped and the entire asset is required to be constructed/ procured, then the value of such asset/ material, etc. should be withdrawn from assets Account BH-10 or 14 or stock and debit immediately to BH 16 i.e. Assets not in use or BH 22.7 as the case may be. Afterwards, after obtaining sanction from the competent authority, this amount should be booked to BH-79. The amount of subsidy against such losses received from the Govt. is also treated as revenue receipt and is required to be credited to BH 63.2. Normally the amounts of subsidies are received in the Head office only.

5. The instructions for the accounting of consumer's share have already been imparted to all concerned. The Consumer's share is being reduced by some of the field units from the estimates and the balance cost of estimates only is being accounted for as an expenditure on capital works, which is contrary to the accounting procedure. In fact, the amount received as consumer's share for which no conditions remain to be

fulfilled and no portion of the consumer share is refundable, should be directly credited/received inappropriate BH-55.1" Consumer's contribution towards the cost of capital assets". On the other hand, the entire cost of estimates (including the consumer share) should be charged/debited to the Capital Work-in-Progress account. All estimates of such nature should be reviewed by the Divisions concerned and wrong accounting entries, if any, should be adjusted during March 2026 account.

6. Maintenance and updating of Fixed Assets Registers (FAR) in respect of all the assets are to be ensured by the field Units as per detailed instructions in vogue. Non-compliance with IND AS 16 (Property, Plant &Equipments) for the same shall be the responsibility of the concerned drawing and disbursing Officers. **The Accounts Officer (FAR) has to ensure the same before the close of the financial year.**

   i. *The Company has adopted the cost model of recognition under Ind AS 16 to measure the Property, Plant and Equipment. Consequently, all the Property, Plant and Equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.*

   ii. *The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable expenditure to bring the Property, Plant and Equipment to the location and making it ready for its intended use.*

   iii. ***The Property, Plant and Equipment acquired as replacement of the existing assets/ component are capitalized and its corresponding replaced assets/ component removed/ retired from active use are derecognized.***

   iv. ***Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria of Property, Plant and Equipment are capitalized and added to the carrying amount of such item. The carrying amount of spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.***

   v. ***Stand-by equipment and servicing equipment are recognized in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.***

   vi. *Gains or losses arising from the de-recognition of an item of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.*

   vii. *In case of Property, Plant and Equipment put to use, where the final settlement of bills with contractors are yet to be effected, capitalization is done up to the claim accepted by HPSEBLtd. as per the term of the contract.* ***No partial capitalization shall be allowed.***

   viii. *Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance of claims.*

   ix. *Property, Plant and Equipment created on land not belonging to HPSEBLtd. are included under Property, Plant & Equipment.*

   x. ***The cost of a new meter used to replace the damaged meter is charged to revenue and the cost of the damaged meter and its accumulated depreciation is not withdrawn.***

   xi. *The details of the assets decapitalized during the year are to be shared along with the FAR of March 2026.*

xii. ***Physical verification certificate against all the Assets is to be submitted to the FAR Section alongwith the FAR.***

**(B) Depreciation**

i. ***Depreciation key/rates on the fixed assets shall be as per the rates approved by the Hon'ble HPERC, so that the actual amount of depreciation can be calculated in the SAP(ERP) at the HO level.***

ii. *Since deprecation on assets other than vehicles are being auto-charged in SAP(ERP) from the Head Office level, therefore field units are directed to provide details of the addition to the Fixed Assets i.e. capitalized during the year 2025-26 (01-04-2025 to 31-03-2026) including works under CWIP as per* ***Annexure –F1***

iii. ***Similar detail should be provided for assets demolished/sold/discarded / not in use / written off as per Annexure-F2.***

iv. *Details for the assets capitalized during the year under the head "Assets not owned by the Company" be provided as per* ***Annexure- F-3***

v. *It must be ensured that Depreciation credited to GH-12 & 19 is tallied with GH-77.*

vi. *The addition made during the financial year to assets, depreciation shall be charged on the assets from the date of addition of the asset/put to uses. Where an asset has been sold, discarded, demolished or destroyed during the year, depreciation shall be calculated till the date of sale/ discarded, etc.*

vii. *Depreciation is required to be charged as per the rate of depreciation prescribed by HPSEB Ltd. in chart* ***Annexure- F-4*** *is enclosed herewith.*

viii. ***One copy of the FAR abstract is to be supplied to the AO (FAR) of this office with the March account failing which the March account of the Division/ Accounting Unit for the month of 3/2026 shall not be entertained.***

ix. *Capital expenditure on assets not owned by HPSEBLtd. shall be amortized in 5 years from the date of capitalization.*

**(C) INVENTORIES**

i. *At the end of 3/2026, the return of critical/non-critical items of stores should be matched with the stock return of the concerned Division/Office.* ***All the Units shall ensure that the balance under BH 22200000 (GR/IR clearing A/c) should be nil by the end of the year and all invoices are to be posted against the concerned vendors.*** *In case fails to do the same, concerned officers of the Division shall be responsible.*

ii. *Shortages and surpluses of stores detected during physical verification should be accounted for in the accounts immediately upon receipt of the report. Shortages of stores are required to be credited to the stock account (BH-22.6) and contra debit to BH 22.830 and surpluses are required to be debited to (BH-22.6) and contra credit to BH 22.810. The BH 22.810 and 22.830 should, however, be cleared as soon as possible on completion of an investigation.*

iii. *The practice of accounting of Material at Site Account (MASA) which remains unutilized at year-end through raising a JV by debiting account head 22.640/22.650- and credited to the concerned estimate/work has been ceased the previous year. The material issued under (MASA) will now be treated as fully consumed in case unutilized material is not returned to stores.*

iv. *The total of the Stock should tally with the difference between Debit and Credit under code 22.6 of the Trial Balance for the period 2025-26.*

v. *The certificate of physical verification report/sheet of stock duly signed by the concerned AE/AEE of the store with the countersign of Addl. SE/Sr.Xen as per the format* *prescribed should also be sent alongwith the monthly Account of March 2026 as per requirements of Companies Audit Report Order 2015 (CARO) for statutory Audit (please refer to sr no 3 under the heading ' Certificates Required')*

vi. *The detailed physical verification report (PVR) (item wise) regarding quantity as per stock cards of the stores and quantity physically verified alongwith surplus/shortage if any for FY 2025-26 should also be provided along with the above-mentioned certificate as required by the Statutory Auditors and CAG.*

vii. *Misclassification and wrong adjustments under these heads should invariably be set right before March 2026.*

viii. *It may be ensured that the profit/loss on account of the Sale of Plant andMachinery (Damage Transformers etc.) is ascertained and may be accounted for properly.*

ix. *The cost of material that has been received up to 31.03.2026 should be adjusted by debit to stock/work and there should be no such amount outstanding in the schedule of advance payment to the supplier of the divisions where the material has been received.*

## (D) SALE OF POWER

i. *The provision for unbilled revenue should be made in March accounts as per the actual billing cycle period for which no billing has been done up to 31.03.2026 so that the correct amount of unbilled revenue could be booked to the concerned financial year.* ***In previous years, it has been noticed that most of the field Units were making provisions for unbilled revenue on an estimation basis and ignored the billing cycle which is not correct.*** *The provision of unbilled revenue kept in the March 2025 account must be reversed in the month of April 2026.* ***The Dummy Consumers should not be there in the SAP(ERP) against any office and the certificate of the same is to be provided to AO(Compilation) after verification of the record from the IT Cell.***

ii. *When the connection of any consumer is disconnected permanently and the consumer is having outstanding amount for recovery, the consumer shall be classified under GL 23.5 with the concerned category.* ***The AAOs/ Supdt./ IT Cell & Comp. Section ( D/AS) has to ensure the classification of PDCO consumers under GL 23.5 before the close of the FY.***

iii. *Revenue collected on account of sale of power and theft of energy should be segregated during the current year and should be accounted for under relevant account codes.*

iv. *Many Accounting Units are not operating BH-61.6 and BH-61.9 which are used for accounting of Meter rent equipment & service line of the HPSEBLtd. used by consumers (61.6) and all misc. recoveries from the consumer (61.9) respectively all are directed to follow the procedure in line with the Chart of Accounts. IT/Comp. Section to look into the same.*

v. *Clearance of credit balances appearing in Trial Balances of respective units under GL 10,14,15,16,17,18,20,22,23,24,25,26,27,28 and also the debit balances under GL 12,19,41,42,43,44,46,47,48,55,57. The AOs/AAOs and Supdt.( D/A) shall ensure the same before finalising the accounts ending 03/2025.* ***There should not be any minus balance under any account code in the Trial Balance.***

vi. *It may also be ensured that collection/service charges from MC, Shimla @ 1(one) paisa per unit from the total amount realized are invariably deducted and the amount is credited to Account code 62.932. GST @ 18% (HSN 9985) is required to be collected on this collection/service charges and deposited with GST department on the* *collection/service charges with regard to MC Tax collection, if any and credited to relevant GST account heads.*

vii. *The service charges on collection of Swachta Charges under BBN Area (*BBNDA Baddi, District Solan *-Op Circle Solan) @ Rs. 5.00 (Inclusive of GST) is required to be deducted should be credited to Account code 62.922 & GST @ 18% (HSN 9985) deposited with GST department. Also the Net Balance of GL 61981000 to 61984000 is required to be Zero every month or at the end of the Financial Year.*

viii. *The net balance of Milk Cess & Environmental Cess GL 61461000 to 61475000, 61482000 to 61485000, 61493000, 61494000, 61497000 & 61498000 is required to be Zero in every month or at the end of the Financial Year.*

ix. *The Accounting Units, who have not operated the Account Head 61.9 must make the necessary adjustments in March 2026 Account i.e. Service charges/Misc. charges are to be included in GH 61.9.*

x. *Cross Subsidy Surcharge recoverable from open access consumers shall be debited to Account code 23.703 to 704 per Contra Credit to 62.252 to 62.253 so that HPERC can be apprised.*

**(E) Bank-Related Transactions**

i. *Regarding e-payment by the consumers, instructions/guidelines issued vide Sr. Accounts Officer (Bkg.) vide letter No. F&A/BA/Instruction/2016-17-3466-3666 dated 08-02-2017 may be complied with strictly.It may be certified that amounts realized through e-payment during 2025-26 have been accounted for and tallied with the Trial Balance. The Certificate in this regard needs to be forwarded with the accounts of March 2026 to AO (Banking).*

ii. *The Bank reconciliation of collection accounts is being made by the concerned Sub-Division/Division and the reconciliation certificate & balance confirmation certificate ending March 2026 should be furnished to AO (Banking) along with the accounts of March 2026. The reconciliation statements as of 31-03-2026 should be tallied with BH 24.3 Trial Balance of the concerned Units.* ***There should not be any minus/negative Balance under 24.3 account codes in Trial Balance.***

**(F) Inter-Unit Transactions**

i. *All Accounting Units of HPSEB Ltd., have to ensure that Inter-Unit transfers (ATDs/IUTs) made during the FY 2025-26 or earlier must be reconciled and accounted for before closing the March 2026 accounts.* ***No pending IUT prior to FY 2025-26 should appear in the books of accounts of the concerned office.***

ii. *Non-Clearance of IUTs may attract disciplinary action against the delinquent officer/official concerned.*

**(G) TDS & Taxation**

i. ***Tax deducted /collected at source from consumers, employees, contractors and TCS collect from Consumers etc. should be deposited with the Central Govt. before 7th of the next month and TDS/ TCS returns of employees/ contractors etc. shall also be filed in Form 24Q/26Q/ 27Q by 30th May, 2026 and certificate be issued within 15 days from the last date of filing of TCS returns.***

ii. *GST was made applicable w.e.f. 01-07-2017 and various circulars/write-ups/ letters have been circulated and also various workshops/ Seminars/meetings have been conducted from time to time to make everyone aware of the provisions of GST. The HPSEBLtd. has obtained centralized GST No. and accordingly monthly returns are being filed by the Head Office on the basis of data/ input provided by the field units. HO have already circulated various annexures (1-6) for providing information from fields units. As you are aware the monthly return in FORM GSTR-3B" has to be filed before 20th of succeeding month on the basis of information/ data provided, which requires minimum 7-10 days time to compile before filling, therefore, it is once again reiterate of that the information desired in the annexure referred above should be provided before 7th of succeeding month positively, which will help us in filing GST return in time to avoid any penalty.* ***The GST payment made by the Head Office should be cleared upto Feb 2026 and only the liability for the month of March 2026 should be reflected in their book of accounts ending March 2026.***

iii. ***All the deductions from employees/amounts payable on account of Income Tax, LIC, and Sales Tax, TDS-Goods & Service Tax &LabourCess shall be paid and the "Return of the same" must be filed before or on stipulated dates to the concerned authorities. Any lapse in this regard shall be personal responsibility of the DDO's and in case any penalty is imposed by the Income Tax Department, the same will be recoverable from the concerned DDO.***

iv. *Form-16 and Form-16A against the deduction of Tax at Source and TCS for any payment/ received must be collected and sent to* ***AO(Tax) in time preferably by 15th May 2026*** *so that the refund of the same may be claimed in the return for that year. Any delay or lapse will be the responsibility of the concerned DDO.*

v. *With the introduction of GST w.e.f. 01/07/2017 Service Tax now is no more applicable However, it may be ensured that any amount deducted on account of service tax and kept A/c 49.901 is deposited to the concerned department immediately after reconciliation/ consultations with F&A wing. No amount of Service Tax payable to Govt should appear in thebooks of accounts.*

vi. *In case of any clarifications or assistance, the same can be obtained from the Retainer Consultants, CAs at Head Office.*

vii. ***Compliance with the accounting of GST TDS is to be ensured and complete detail of the same are to be submitted.***

**(H) Accounting of Employee Benefits and Pension**

i. *Implementation of instructions/accounting procedure in vogue regarding booking of employees cost to capital works may be ensured.*

ii. *All employee costs including the wages of work charged staff/daily labours in respect of Construction Divisions shall be fully charged to capital works on which they are actually employed.*

iii. *The salaries of regular staff will be allocated to the Capital Work in Progress (CWIP) at the years end in the prescribed manner (i.e. salaries of regular establishment, should first be transferred to Account Head 15.2, if not already done, then to be distributed amongst works in the ratio of expenditure incurred during the year and shown as a separate item in works register/account). Acolumn should be added in the works register for this purpose. No portion of the staff cost chargeable to capital works shall be allocated over the capital expenditure on furniture, office equipment, misc. equipment and vehicles.*

iv. *Liability for un-paid wages of regular/ work charged staff/daily labourers shall be provided by making a debit to the Account Head 75 employees cost per contra credit to*

*Account Code 44.210 to 44.212 unpaid wages of regular/work charged/daily wages establishment.*

v. *Adjustment/ Entries of salary for March 2026 of staff shall be accounted for on an accrual basis regardless of the actual receipt/ payment made during the period. The order of ADA or any other orders involving financial implications issued during the year and received before the closing of accounts of 03/2026, the entire expenditures/ receipts on theseaccounts should be accounted for in the current year only in which orders have been issued.*

vi. *In order to streamline the accounting system, it has been decided that field Accounting Units will not make any accounting entries on account of accrued interest on loans and advances issued to staff on account of House Building/Scooter & Motor Cycle/Car under Account Code 28.261 to 263 & 28.361 to 363 as the same will be carried out by Head Office from March 2016 onwards. Further, field Units are advised of transfer the Balances appearing under Account Code 27.101 to 103, 28.261 to 263 & 28.361 to 363, , 57.120, 57.170, 57.180 & 57.181 along with full details of payments made during year the 2025-26 to Head Office in the monthly account of March,2026. Therefore,Closing Balances of Account Code 27.101 to 103, 28.261 to 263 & 28.361 to 363, 57.120, 57.170, 57.180 & 57.181 should be NIL in March 2026 in the books of field Accounting Units.*

**(I) <u>Interest on Advance Security deposit.</u>**

i. *The advance/additional advance consumption deposit (ACD) and metering security may be segregated under Account Code 48.2 (Advance consumption deposit from consumers) and 48.1 (Security deposit from consumers-cash) respectively, if not already done.*

ii. *The replacement of burnt/damaged meters challenged meters and adjustment of misc. deposits from consumers should strictly be charged to the Revenue Head to avoid understatement of revenue income and overstatement of capital expenditure. The cost received against these under BH 47.601 to 47.603 is credited to 61.915. At the year's end the closing balances under this account should be "NIL".*

**(J) <u>Interest on Consumer Security</u>**

i. *Interest on consumer security deposits-meter and consumption (Account code 48.100/48.101 and advance consumption deposit 48.120/48.121) may be provided by debit to account code 78.601 per contra credit to 48.300-Interest Payable and account code 46.923-Income Tax deducted at source on payment of Interest. It must be ensured that the total interest provided is commensurate with the amount as worked out by applying the interest rate notified for the year on the total amount of securities appearing in the TB of the division.*

ii. *This provision is to be cleared on actual relief to the consumers through energy bills during the financial year 2025-26 by Dr. to 48.300 and Cr. 23.1.*

iii. *Income Tax deducted at source may be deposited with the Income Tax department on or before the due date (30th April) without fail. Income Tax on from interest on securities (Meter & consumption) has to be deducted at the time of payment or credit to Books of accounts whichever is earlier. Transfer to any account like a suspense account other than the party account is considered as if such interest amount has been credited in the Book of accounts. The due date to deposit TDS deducted/provision made in the month of March is 30th April. Penal Income Tax liability due to non-compliance with these instructions shall be the responsibility of the DDO.*

iv. *No opening/previous year balance should reflect under Account Code 48.300 at the end of March 2026 may be adjusted now if the same has not been adjusted earlier.*

v. ***A certificate regarding interest provided during 2025-26 on consumer securities that have actually been passed on to the concerned consumer may be submitted with March 2026 account.***

**(K) <u>Miscellaneous</u>**

1. The amount of unutilized Postage Stamps in hand at year-end under A/c Code 24.120 should be carried forward to next year. The practice of transferring this amount to the provision of liability for expenses/prepaid expenses has been ceased.
2. It has been observed that most of the units are charging the Annual premium paid for insurance of vehicle to R&M of vehicle BH 74.6 instead of Administrative & General charges BH 76.104 to 76.107 & 28.820 ( Insurance of fixed assets, stock Machinery & prepaid expense) which is contrary of accrual system of accounting principles. The portion of prepaid part of the premium should also be accounted for under prepaid head 28.820.
3. Provision for liabilities in respect of GH- 70, 74, 75 & 76 must be accounted for in March 2026 accounts. At the beginning of the subsequent year, the same shall be reversed. For any excess creation of Provision, the concerned office will be responsible.
4. Liability for unpaid wages of work charged staff/daily labour shall be provided by debiting to the Account Head-75-employees cost per contra credit to Account code 44.211 unpaid wages of work charged/daily wages establishment. Provision of Board share for EPF may be made on wages for 03/2026.
5. The interest on loans and advances to staff may be calculated and debited to Account Code 28.360 (Interest accrued but not due on loans and advances to staff) per contra credit to Account Code 62.210 for the year 2025-26. The employee-wise sub-ledger may be maintained. The detail showing the principal amount, rate of interest etc. should be mentioned in the Journal Voucher invariably. **It may be certified that Balances of loan Amounts of those employees who have been transferred to other accounting units, also stand transferred to such concerned accounting units.**
6. Interest on cash securities deposited by the HPSEBL Employees be provided by debit to Account Code 78.853 per contra credit to Account Code 46925700 and is not to be reversed. The interest shall be paid by debiting Account Code 46925700
7. **Provision for liability on account of expenditure on completed capital works, by contractors, for which Bills are not received or Bills received but not passed/paid be created. The cost of assets concerned shall be determined accordingly and capitalized when assets are first put to use.**
8. Provision for liability on account of material received during the FY but**bills are not received/**payment is not made in the same FY may also be made.
9. **Provisions of guarantee fee on loans:**-Provisions with regard to guarantee fee on loans raised by HPSEBLtd. against Govt. guarantees & interest on Govt. loans may also be made at the end of the year by the **Loan Section.**
10. **Provisions for liability for the purchase of power:**- Provisions for liability for the purchase of power should be made by **SL&D Section** by debit to the head 70.1 per contra credit to account code 41.2 in the monthly account for March 2026. **At the beginning of the subsequent year, this provision shall be reversed.**

11. **Prior Period Entries**: No prior period entries under BH 83 and BH 65 are to be posted/booked. In case any amount is posted in Prior period account Heads the same shall be transferred to the respective head of accounts in 03/2026 accounts.

12. **All the offices shall provide the following information also:** All the offices shall provide reasons for non-clearance of the long pending amount appearing in the in GH-14 & 15.

13. **Misc. Advances Accounts**:-Year wise break up and detail of items outstanding as of 31-03-2026 in the Sub Ledger, Schedule of Misc. Advances Account codes (28.401, 28.402, 28.810, 28.868, 28.870, 28.874, 23.1, 25.5, 26.5, Account Code 46.926 (Misc. Deposits) and 47.305 –Receipt for Deposit may be supplied along with Account of March 2026 in the following Performa:-

**Detail of Advances/Suspense Heads**

| **Sr. No.** | **Name of Party** | **Amount pending as on 31.3.2026** | **Date from which amount is pending** | **Reasons** |
|---|---|---|---|---|

14. **TDS (GH-27.4):**-Form-16A against the deduction of Tax at Source (TCS)for any payment must be got collected and sent to CAO/Income Tax in time preferably by **30th June 2026** so that the refund of the same may be claimed in the return for that year. Any delay or lapse will be the responsibility of the concerned accounting unit.

15. **The detail of the balance amount standing in stale cheques account 46.910 as of 31-03-2026 (party-wise with amount and period) as per the following format has to be supplied alongwith Adjustment Account-2026:-**

16.

**Detail of amount standing in stale cheques account 46.910 as of 31.03.2026.**

| **Sr. No.** | **Name of party/ person** | **Cheque No. & date** | **Amount standing under account code 46.910** |
|---|---|---|---|
| **1** | **2** | **3** | **4** |

17. **The Age-wise analysis in respect of:-**

a) Advances to Suppliers/contractorsagainst stock/works and inventory, and

b) Account codes 23.5, 46.926, 47.305, 44.210 and 44.211etc. may be submitted in the following performa with the Account of March 2026.

| **Position as on 31-03-2026** | **No. of Items** | **Amount (In Rs.)** |
|---|---|---|
| Upto one-year-old | | |
| More than one year and less than 2 years old | | |
| More than 2 years and less than 3 years old | | |
| More than 3 years old | | |

***<u>The IND AS are applicable to HPSEBLtd. as per the Companies Act, and the following information alongwith full details are required for disclosure/ incorporation in the Balance Sheet of the company. Therefore the same is to be supplied with March 2026 account to AO (A&R), F&A Wing:</u>***

a) ***<u>As per the Companies Act, the Contingent Assets/Liabilities of the company needs to be disclosed. Therefore, Contingent Assets/Liability(duly vetted by the Legal Cell of the Compnay), if any, of your office/ unit be supplied alongwith details for disclosure in the Final Accounts.</u>***

b) The number of items and amount of non-moving stores as of 31st March 2026 is to be intimated.

c) **The information under the Micro, Small and Medium Enterprises Act, 2006 (MSME Act 2006) is to be supplied as per GOI notification No 368 (E) dated 22.1.2019 in the following format:**

**Detail of Company:**

**(i) CIN No. (ii) PAN (iii) Address with e-mail ID (iv) Amount due to MSME more than 45 days (v) Reasons for the delay.**

d) As per Ind AS – 36(Impairment of Assets), disclosure regarding the impairment of assets is required. As such, the information in respect of assets impaired during the year be intimated alongwith details.

e) ***The detail of Profit/Loss on sale of Assets Charged to BH 62.4 over the written down value of the assets and 79.4- Misc losses and write off made during the year.***

f) Disclosure regarding pending commitments:- Detail showing item-wise estimated amount of contracted remaining to be executed on capital works not included in CWIP as of 31-03-2026 may be provided along with the account as under:
Name of Work, Amount, WO No.Amount, Work Completed, Pending Commitment

**(L) The AOs/AAOs of Accounting Units/Supdt. D/As of Accounting Divisions:-**

1. There should **not be any minus closing balance against** any of the Works in Form **CE-21** Works Register unless there are specific reasons for it. The reason should be recorded in form CE-21 against that item. The Scheme-wise expenditure under each scheme should be recorded and reconciled. The Capital expenditure booked up to March 2026 against an old work shall be brought forward and posted in a proper column in Form CE-21 Works Register. Works expenditure/employees cost/and interest should be shown separately.

2. The first five columns in form CE-21 Works Register be completed in respect of all the sanctioned estimates under the attestation of Supdt./(Divisional Accounts).

3. There is no minus item outstanding in the schedules/sub-ledgers against any suspense Head.

4. Supdt./(D/As) should prepare a tally sheet along with a monthly account for March 2026 on **Annexure F6.**

5. Cash Balance Report in respect of Sub-Division should be prepared duly signed by Supdt./(Divisional Accounts) as per existing practice and there should be a minimum cash balance in the chest on 31-03-2026. A consolidated cash balance report of each D.D.O be furnished with March 2026 accounts by all Accounting Units.

6. All the permanent and temporary imprest as of 31-03-2026 are to be adjusted and made Nil during the monthly account of March 2026 without fail.

7. The Sub-Division having a Collection Account with the Bank must supply the Bank Statement/Confirmation Certificate as on 31-03-2026 alongwith the Bank Reconciliation statement as on 31-03-2026.

8. Updated closing balances appearing under BH-10 to 58 relating to Assets and Liabilities need to be worked out and incorporated invariably in the relevant columns of Trial Balances-Forms CS-I by all the Accounting Divisions and Accounting Circles. The CS-I should be complete in all respects showing expenditure during the year, opening Balance from the previous year and closing balance. The lapses in this regard shall be the personal responsibility of concerned DDOs/ Supdt./(Divisional Accounts) of Divisions/Assistant Accounts Officer of Accounting Circles/Sr.AOs/AOs of Chief Office.

9. ***As per Ind AS-29, the Company having any contingent liabilities should be reported in its Balance Sheet. All Accounting Units have to maintain the details of such contingent liabilities and should supply the consolidated information to the Compilation Section along with March 2026 accounts. The Compilation Section will forward the consolidated information to the A&R Section on or before 31st May 2026.***

10. **GST Certificate as under:-**
**It is certified that:-**
   a) That GST as per provisions of CGST/SGST Act 2017 has been collected on all outward supplies of goods & services made by this office during FY 2025-26.
   b) That GST as per reverse charge provisions of CGST/SGST Act 2017 has been deposited on inward supplies of goods &services made by this office during FY 2025-26.
   c) That all outward and inward supplies of Goods & Services (Taxable, exempted. Nil rated, non GST, composite) made by this office during FY 2025-26 have been accounted for in Both the CGST/SGST returns as well as in Trial Balance and nothing has been left un-accounted as per Provisions of CGST/SGST Act 2017.
   d) That GST-TDS provisions have been complied with as per the instruction of Govt. of India and DDO has been registered.

**(M) Annexure /Certificates to be sent along with March 2026 accounts:-**

1. The age-wise analysis in respect of Advances to Suppliers/Contractors against stocks and/works and inventory in the following Performa may also be supplied with the account for March 2026:-

Annexure "A"

| Position as on 31st March 2026 | No. of item | Amount (Rs.) |
|---|---|---|
| 1. Up to one year old. | | |
| 2. More than one year & less than 2 years old. | | |
| 3. More than 2 years & less than 3 years old. | | |
| 4. More than 3 years old. | | |

2. All the Accounting Circles of (Op.) Wing and Accounts Officer (SL&D) local should supply the categories-wise and age-wise analysis in respect of sundry debtor under BH 23.1 (Sundry Debtors of SOP in Annexure-"B"), 23.5 (permanent Defaulters in

Annexure-"C") and (Sundry Debtors (Litigation) in Annexure-"D") respectively on the following format to Accounts Officer (Comp.) along with March accounts:-

**(Amt. in Rs.)**

| **Consumer category** | **Less than 3 Months** | **3 To 6 Months** | **6 Months To 1 Year** | **1 Year To 2 Year** | **2 Year To 3 Year** | **3 Year To 5 Years & above** |
|---|---|---|---|---|---|---|

3. All Accounting Units are instructed to collect the details of closing balances duly reconciled with CS-1from BH-25 to BH-57, 65 & 83) (except BH-44) from their respective Divisions and supply the consolidated details to AO (Comp.)

| **Sr.No.** | **Office Name** | **Party 's Name** | **Amount (Rs.)** | |
|---|---|---|---|---|
| | | | *Current | **Non -Current |
| | | | | |

*Current means any assets/liability which is recoverable /payable during FY 2025-26.

**Assets /liability which is recoverable/ payable in FY 2025-26

**(N) Disclosure of Schedule III of the Companies Act:-**The following disclosures under the Companies Act are required to be made in the Annual Accounts of the Company:-

i. **Trade Receivables:** Ageing schedule has to be given in the Less than 6 Months, 6 Months to 1 Year, 1 to 2 years, 2 to 3 years, More than 3 years. **Notes:** 1. Ageing for disputed and undisputed balance to be given separately. 2. Ageing has to be computed from due date of payment but if due date is not prescribed then from the date of transaction. 3. Unbilled dues shall be disclosed separately which means that unbilled receivables.

ii. **Trade Payables:** Ageing schedule has to be given in Less than 1 Year, 1 to 2 years, 2 to 3 years, More than 3 years.**Notes:** 1. Ageing for disputed and undisputed balance to be given separately. 2. Ageing has to be computed from due date of payment but if due date is not prescribed then from the date of transaction. 3. Unbilled dues shall be disclosed separately which means that accrual of expenses or any other unbilled dues has to be disclosed separately.

iii. **Capital Work-in-progress (CWIP) and Intangible assets under development (IAUD):** Ageing schedule for CWIP and IAUD has to be given in the Less than 1 Year, 1 to 2 years, 2 to 3 years, More than 3 years.**Note:** Ageing is to be given for "Projects in progress" and "Projects temporarily suspended". For CWIP / IAUD, **whose completion is overdue** or **has exceeded its cost compared to its original plan,** following CWIP /IAUD completion schedule shall be given, Project to be completed inLess than 1 Year, 1 to 2 years, 2 to 3 years, More than 3 years.**Note:** Details of projects where activity has been suspended shall be given separately.

iv. **Title deed for Immovable Properties:** Where title deed of any immovable property is not in the name of the Company, then following disclosure has to be given: - Description of item of property, Gross carrying value, Title deeds held in the name of Whether title deed holder is a Promoter, Director or relative of Promoter / Director or mployee of Promoter/Director, Property held since which date, Reason for not being held in the name of Company.

v. **Utilization of Borrowed Funds:** Where the company **has not used the borrowings** from banks and financial institutions **for the specific purpose for which it was taken** at the Balance Sheet date, the Company shall disclose the details of where they have been used.

vi. **Registration of charges or satisfaction:** Where any charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof shall be disclosed.

vii. **Finance Lease Liability (Current and Non-current):** Finance lease liabilities are currently disclosed under Borrowings, now the same.

viii. **Current maturities of Non-current borrowings:** At present, Current maturities of Non-current borrowings are disclosed under "Other Current Financial Liabilities". Now, the same has to be disclosed under "Current Borrowings" .

ix. **Wilful Defaulter:** Where a company is a **declared wilful defaulter** by any bank or financial institution or other lenders. The following details shall be given: Date of declaration as a willful defaulter, Details of defaults (amount and nature of defaults).

**O Additional borrowing limit of 0.50 percent of the Gross Domestic Product (GSDP) linked to the performance of the State in the Power Sector:** Following additional disclosures are required to be made under the additional borrowing limit of 0.50 percent of the Gross Domestic Product (GSDP) linked to the performance of the State in the Power Sectorin the Annual Accounts of the Company:-

i. The DISCOMs shall provide a monthly consolidated Statement of liabilities to all the Banks/NBFC/Other Institutions and Power Sellers and of State /State PSUs guarantees.

ii. Unpaid subsidies from the State Govt. for the year is to be separately disclosed in the Annual Accounts along with their age analysis. The age analysis is to be provided as **<=90 days, 90 to 180 days, 180 days to 1 year and >1 year.**

iii. Dues recoverable from the Govt. Departments/State PSUs/Subordinate Offices and Local Bodies have to be separately disclosed in the Annual Accounts **along with their age analysis.**The age analysis is to be provided as **<=90 days, 90 to 180 days, 180 days to 1 year and >1 year.**

iv. All guarantees issued by the State Govt. or any of its PSUs in support of borrowing by the DISCOMs have been separately disclosed in the Annual Accounts. **The disclosure is required to be made with their age analysis.**

v. The State Govt. has declared unit wisesubsidy for different category of subsidized consumers and the DISCOMs have raised the subsidy bill at least on quarterly basis on the energy consumption.

vi. Reduction in the cross subsidies is required to be provided in Annual Accounts.

vii. No Regulatory Assets (or uncovered losses or any other similar provisios) have been created for.

viii. Percentage of metered electricity consumption against total consumption including agriculture connectons.

ix. The detail of the AT&C losses are required to be provided in the Annual Accounts.

x. The detail of the ACS-ARR gap is required to be provided in the Annual Accounts.

xi. The detail of the Average Cost of Supply (ACOS) is required to be provided in the Annual Accounts.

xii. The detail of the total Govt. offices are on prepaid metering is required to be provided in the Annual Accounts.

**P. Additional disclosures in the Annual Accounts as per the Directives issued by the Hon'ble HPERC in the Tariff Order issued on dt. 28-03-2025:-**

1. **14.2.11:-** *The Petitioner is directed to ensure that billing determinants (such as the number of Consumers, connected load, and sales) and actual revenue collected, categorized by Consumer category/sub-category, are included in the Audited Accounts as an Annexure.* **:- CE (Commercial)/ SE(IT) under o/o CE (P&M).**
2. **14.2.12:-** *The Petitioner is directed to ensure that records of actual power purchased (MUs), ex-bus energy delivered at the Discom periphery (MUs), and inter and intra-state power purchases (MUs), including inter- and intra-state losses, are incorporated into the Audited Accounts as an Annexure.* **:- CE (Commercial)/ SO.**
3. **14.2.13:-** *The Petitioner is directed to categorize revenue under different heads, distinguishing revenue from operations (such as the sale of energy to Consumers) from wheeling charges, CSS, and other charges approved by the Commission. These should be reported separately in audited accounts and ARR/Tariff Petitions.* **:- CE (Commercial)/ ES/ Operation Circles & SL&D Section, F&A Wing.**
4. **14.2.14:-** *The Petitioner is instructed to present the expenses related to its failure to adhere to the Standard of Performance (SOP) as per the Regulations and the expenses related to implementation of CGRF orders/judgements separately in the Audited Accounts.* **:- CE (Commercial)/ ES & Operation Circles.**
5. **14.2.15:-** *The Petitioner is directed to provide detailed monthly records of energy managed through net metering, including energy banked, adjusted, and settled at the end of the financial year. The Petitioner must also report how this is reflected in financial statements and regulatory submissions annually, along with ARR/Tariff filings.* **:- CE (Commercial)/ SO.**
6. **14.2.16:-** *The Petitioner is directed to submit the Division wise / Category wise details of actual bad debts written off till date within 2 months of the date of Order.* **:- Operation Circles.**

7. **14.2.17:-** *The Petitioner is directed to reconcile the salary of outsourced employees booked under R&M expenses and employee expenses.* **:- All the field Units & DDO's of Head Office.**

**<u>Certificates:-</u>**

1. That the closing balances for each account code 24.110, 24.120 & 24.130 should be submitted along with the March accounts.
2. Certified that all material issued up to 31st March 2026 has been accounted for in the account of FY 2025-26.
3. That the interest on all staff loans and advances (interest bearing) (except HBA Loan) for the year 2025-26 has been provided.
4. That the stock of Scrap generated up to 31st March 2026 has been accounted for.
5. That the prepaid expenses have been excluded from the expenses by transferring to the prepaid expenses head.
6. **That the deposit works completed up to 31st March 2026 (under GH-47) have been adjusted.**
7. That all the books of accounts as per the Companies Act, 2013 and HPSEBLtd. Accounting Manual, 2017 have been maintained and kept up to date.
8. That no account code has been operated in contravention of the Chart of Accounts of the Company.
9. That the Bank statements/balances confirmation certificate from concerned Bankers as on 31-03-2026 has been obtained and supplied along with the March accounts.

**Chief Account Officer,**
**F&A Wing, VidyutBhawan,**
**HPSEB Ltd., Shimla-04.**

**Annexure-A**

**Accounts Circulars Issued during FY 2025-26**

The classification of expenditure/receipt must be in accordance with the Chart of Accounts / Accounts Circulars issued by the CFO/WM&G Section from time to time. However, for ready reference the detail of circulars issued during the current year is as under:

| Sr. No. | Circular No. | Newly opened Account Head | Description/Remarks |
|---|---|---|---|
| 1. | HPSEBL/F&A/C&M-05/Vol-IV/2024-25/08-158 Dated- 07-04-2025 | 23241000 | Sundry Debtors for Environment Cess - Domestic |
| | | 23246000 | Sundry Debtrs fr Enviromnt Cess -Irr & Agriculture |
| | | 23247000 | Sundry Debtors for Environment Cess-public ligtng |
| | | 23248000 | Sundry Debtors for Environment Cess-Bulk consumers |
| | | 23249000 | Sundry Debtors for Environment Cess-Grid supply |
| | | 23250000 | Sundry Debtors for Environment Cess-others |
| | | 23251000 | Sundry Debtors for ES-Public_water & Severage |
| | | 23252000 | Sundry Debtors for Environment Cess- NDNC |
| | | 23255000 | Sundry Debtrs fr Environment Ces- Railway Traction |
| 2. | HPSEBL/F&A/C&M-05/Vol-IV/2024-25/563-713 Dated- 08-05-2025 | 46741000 | Interest accrued but not due on loan from Govt. under Himachal Pradesh power Sector Development Program (World bank) Schemes. |
| | | 46742000 | Interest accrued but not due on loan from Govt. under "PSDF (SLDC & HPERC) Schemes. |
| | | 78103000 | Interest accrued but not due on loan from Govt. under Himachal Pradesh power Sector Development Program (World bank) Schemes. |
| | | 78104000 | Interest accrued but not due on loan from Govt. under "PSDF (SLDC & HPERC) Schemes. |
| 3. | HPSEBL/F&A/C&M-05/Vol-IV/2024-25/718-817 Dated- 17-05-2025 | 76187000 | Exchange Fee Paid to IEX/PXIL on account of Sale of Renewable Certificate. |
| 4. | HPSEBL/F&A/C&M-05/Vol-IV/2024-25/819-969 Dated- 17-05-2025 | 23707000 | Sundry debtors for Swchta Charges under BBN Area-Small Power. |
| | | 23708000 | Sundry debtors for Swchta Chrges under BBN Area-Non Dom & Non-Comm. |
| | | 23709000 | Sundry debtors for Swchta Chrges under BBN Area-Temp Meter Supply. |
| 5. | HPSEBL/F&A/C&M-05/Vol-IV/2024-25/1232-1382 Dated- 24-07-2025 | 23710000 | Sundry debtors for Swchta Chrges under BBN Area-Irrigation and Agriculture. |

| | | | |
|---|---|---|---|
| 6. | HPSEBL/F&A/C&M-05/Vol-IV/2024-25/1619-1768 Dated- 22-09-2025 | 47923000 | Grant/ Incentive under PM Surya Ghar Muft Bijli Yojana. |
| | | 63170000 | Grant/ Incentive under PM Surya Ghar Muft Bijli Yojana and other Schemes. |
| | | 76172000 | Expenditure under PM Surya Ghar Muft Bijli Yojana and other Schemes. |