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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
Telephone No. 0177-2803600, 2801675 (Office), 2658984(Fax)
Website address: www.hpseb.com
Email: cmd@hpseb.in & directorfa@hpseb.in

आज़ादी का अमृत महोत्सव

No. HPSEBL/F&A/A&R-33/VOL-IV/ 2119-2319 Dated:- 25-02-2022

To

1. All the Chief Engineers,
   in HPSEB Ltd.

2. All the Superintending Engineers,
   Operation Circles, HPSEB Ltd.

3. The Superintending Engineer,
   M&T Circle, HPSEB Ltd., Bilaspur.

Sub:- **Submission of Accounts for the Month of March, 2022 - Instructions thereof.**

It is informed that under Section 129 read with Section 96 and 134 of Companies Act, 2013, it is obligatory for all the Companies to finalise their Audited Annual Accounts and related accounts statements within six months from the closure of 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 finalisation 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 for the timely submission of accounts to the Head Office, which ultimately results in inordinate delay in finalisation of annual accounts of the Company.

The financial statements of company is required to be prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs, under the provisions of Companies Act, 2013 and various other instructions issued from time to time require a number of adjustments to be carried out in the March 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-2022** accounts. The scheduled date for submission of monthly account of March, 2022 is **30th April, 2022** for all Accounting Units of the Company. Therefore, it is expected that all field Accounting Units will submit their accounts of 3/2022 after carrying out all type of applicable adjustments and provisioning of bills etc. as suggested in attached Instructions List, to Head Office **on or before 30th April, 2022** positively, so that the process of compilation and finalisation 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, 2022:-

1. No separate supplementary accounts for FY 2021-22 will be submitted to Head Office and all types of adjustments and provisioning entries will be made in the March, 2022 accounts only.

2. Annual Account for FY 2021-22 will be prepared in accordance with IND Accounting Standards , provisions of Companies Act, 2013, provision of Electricity Act, 2003, guidelines mentioned in Accounting Manual of the HPSEBL circulated vide letter No HPSEBL/ F&A/C&M/5/2016-17- 1-225 dated 25.5.2017 and the detailed instructions /guidelines enclosed herewith.

3. All adjustments/rectifications entries which directly affect the profitability and financial results of the HPSEB Ltd., should be carried out during the March, 2022 accounts. Adequate provisions for known liabilities /works done should be made wherever applicable.

4. All possible efforts should be made to settle all outstanding queries/paras pertaining to previous years raised by Internal Auditors, Statutory Auditors and CAG of India and the correction/adjustments be carried out in March, 2022 accounts. The previous year's observations/queries and suggestion of internal auditors may be kept in mind while transferring/closing of the period for the year 2021-22. So that repetition of these queries during the current year of 2021-22 is 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 Head Office and should be submitted to the Head office for accounting purposes.

6. The instructions/guidelines may also be seen on Company's website <u>www.hpseb.in</u> .

<u>DA: Instructions</u>

Yours faithfully,

Chief Accounts Officer,
HPSEB Ltd., Vidyut Bhawan,
Shimla-4.

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 2021-22 as per requirement of IND AS being a subsidiary Company of HPSEBL.
2. Managing Director cum Chief Engineer (Gen), Himachal Renewable Energy Ltd, HPSEBL, Sundernagar for information. He is requested to prepare the financial statement of Himachal Renewable Energy Ltd for FY 2021-22 as per requirement of IND AS being a joint Venture Company of HPSEBL.

3. Sr. PS/PS to Managing Director/Directors, HPSEB Ltd., Vidyut Bhawan, Shimla-4 for their information please.

4. The Chief Auditor, HPSEB Ltd., Shimla-4.

5. The Superintending Engineer (IT), HPSEB Ltd., Vidyut Bhawan, Shimla-04 with the request to upload these instructions on website of the HPSEB Ltd. He is also requested to provide extra/required support to all the Circles which have been recently made go live so or to enable them to achieve the goal by targeted date.

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 to these instructions be submitted by the due date i.e. **30th April, 2022** without fail. They are also requested to bring the instruction to the notice of all Superintendents (Divisional Account) and implement them in letter and spirit before closing of monthly account of March, 2022.

7. All the Drawing & Disbursing Officers of Head Office, HPSEB Ltd., Shimla-4. They are requested to reconcile the ERP/SAP balances appearing in their profit centre with the balances with relevant schedules and confirm the same in time.

8. All the Sr. Accounts Officers/Accounts Officers in F&A Wing, HPSEB Ltd., Shimla-4. They are requested to reconcile sub-head wise ERP/SAP balances with the balances of Comp/A&R Section before **30th April, 2022** and to maintain the subsidiary records as per check list 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 A.Os. concerned to verify/check the shortcomings appearing in the Trial of the Division under their control and to get those rectified in the monthly accounts of 3/2022 before closing of financial year. They should get the balances verified in respect of each Divisions under their control with the subsidiary record and Trial and a certificate should be furnished to AO (Compilation) regarding the reconciliation of the same.

10. All the Asstt. Accounts Officers in Accounting Circle of Operation Wing in HPSEB Ltd. for similar action as mentioned at Sr.No.9 above.

<u>DA: Instructions</u>

Accounts Officer (A&R)
HPSEB Ltd., Vidyut Bhawan,
Shimla-171004.

INSTRUCTIONS

Besides the instructions applicable for preparation of Accounts, your special attention is also drawn on the following points which must be kept in view while finalizing the accounts of March, 2022:-

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

1. All works/schemes which have been put to use during FY 2021-22 and full expenses have been booked there against should be transferred to appropriate fixed assets accounts (GH 10-Fixed Assets) from the Group Head 14 Works-in-Progress by debiting to GH-10 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. The SAP/ERP Go Live Units may ensure that WBS of each expenditure be prepared and cost of consumption of stock accounts, deferred expense be settled before 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 for the original values and debit to the appropriate Account Code under Group Head-16 with written down value and depreciation to GH-12. Thereafter, the approval of competent authority may be sought and accounting entries carried out as per instructions mentioned in 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 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 matter of transferring the ownership of donated land needs to be pursued with concerned revenue authorities vigorously.

4. The fixed assets and WIPs which 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 appropriate account code under BH-74. However, if the entire assets/ materials are destroyed and nothing could be recouped and 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 Assets not in use or BH 22.7 as the case may be. Afterwards, after obtaining sanction from 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 Head office only.

5. The instructions for the accountal 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 balance cost of estimates only is being accounted for 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 in appropriate BH-55.1" Consumer's contribution towards cost of capital assets". On the other hand, entire cost of estimates (including the consumer

share) should be charged / debited to Work-in-Progress account. All estimates of such nature should be reviewed by Divisions concerned and wrong accounting entries, if any, should be adjusted during 03/2022 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 of IND AS 16 (Property, Plant & equipments) for the same shall be the responsibility of concerned drawing and disbursing Officers. **The Accounts Officer (FAR) has to ensure the same before close of the financial year.**

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

b) 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.

c) 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.

d) Spare parts procured along with the Plant & Machinery or subsequently which meets the recognition criteria of Property, Plant and Equipment are capitalized and added in the carrying amount of such item. The carrying amount of spare parts that are replaced is 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.

e) 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.

f) Gains or losses arising from 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 is recognized in the statement of profit and loss when the asset is derecognized.

g) 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 HPSEBL as per the term of the contract. No partial capitalized shall be allowed.

h) Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance of claims

i) Property, Plant and Equipment created on land not belonging to HPSEBL are included under Property, Plant & Equipment.

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

Fixed Assets transferred by Construction Divisions should be classified under appropriate scheme/detailed sub-head wise while issuing/ accepting ATD by responding/ originating Accounting Units. In such cases, Photostat copies of Asset cards should invariably be sent with account for checking of scheme and depreciation. The debit balance for the year of BH 10 shall be tailed with the credit balance of BH 14 & 15 in case the same are not matched complete information may be provided to AO (Compilation) with 03/2022 accounts. No ATD in above accounts should be pending as on 31.03.2022.

(A) Depreciation

1. Depreciation on vehicles shall be charged @15% PA by considering the life of each vehicle for 6 years in case of non-Golive by the concerned field Units. Depreciation for other assets shall be calculated **at HO** level.
2. Since deprecation on assets other than vehicle are being auto charged in SAP from HO level, therefore fields units are directed to provide details of addition to Fixed Assets capitalized during the year 2021-22 (1/4/2021 to 31/3/2022) including works under CWIP as per **Annexure –F1**
3. Similar detail should be provided for assets demolished/ sold / discarded / not in use / written off as per **Annexure-F 2.**
4. Details for the assets capitalized during the year under the head "Assets not owned by the Company" be provided as per **Annexure- F-3**
5. It must be ensured that Depreciation credited to GH-12 is tallied with GH-77.
6. The addition made during the financial year to assets, depreciation shall be charged on the assets from the date of addition of the assets. Where an asset has been sold, discarded, demolished or destroyed during the year, depreciation shall be calculated till the date of sale/ discarded etc.
7. Depreciation is required to be charged as per rate of depreciation prescribed by the HPSEB in chart **Annexure- F-4** is enclosed herewith.
8. One copy of the FAR abstract be supplied to AO (FAR) of this office with the March account failing which March account of Division/ Accounting Unit for the month of *3/2022* shall not be entertained.
9. Capital expenditure on assets not owned by the HPSEBL shall be amortized in 5 years from the date of capitalization.

(B) INVENTORIES

1. After reconciling of physical balances with the book balances of stock, all debit and credit balances appearing under BH-22.2 to BH-22.5 in Non Go live Units should be transferred to BH-22.6 during March, 2022 accounts. No balances should appear under BH-22.2 to BH-22.5. At the end of 3/2022, the return of critical/non-critical items of stores should be matched with the stock return of the concerned Division/Office. The Go live Units shall ensure that balance under BH 22200000 (GR/IR clearing A/c) should be nil by the end of year and all invoices are posted against the concerned vendors. In case Go live unit fail to do the same, concerned officers of the Division shall be responsible.

2. Shortages and surpluses of stores detected during physical verification should be accounted for in the accounts immediately on receipt of report. Shortages of stores are required to be credited to stock account (BH-22.5) and contra debit to BH 22.830 and surpluses are required to be debited to (BH-22.5) 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 investigation.

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

4. Total of the Stock should tally with the difference of Debit and Credit under code 22.6 of the Trial Balance for the period 2021-22.

5. The certificate of physical verification report/sheet of stock duly signed by concerned AE/AEE of the store with the counter sign of Addl. SE/Sr.Xen as per format prescribed should also be sent along-with monthly Account-03/2022 as per requirements of Companies Audit Report Order 2015 (CARO) for statutory Audit (please refer to sr no 3 under the heading ' Certificates Required')

6. The detailed physical verification report (PVR) (item wise) regarding quantity as per stock cards of the stores and quantity physically verified along-with surplus/shortage if any for FY 2021-22 should also be provided along with the above mentioned certificate as required by the Statutory Auditors and CAG.

7 Misclassification and wrong adjustments under these heads should invariably be set right before March 2022.

8. It may be ensured that the profit/loss on account of Sale of Plant and Machinery (Damage Transformers Etc) is ascertained and may be accounted for properly.

9. The cost of material which has been received upto 31.03.2022 should be adjusted by debit to stock/work and there should be no such amount outstanding in the schedule of advance payment to supplier of the divisions where the material has been received.

(D) SALE OF POWER

1. 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 31.03.2022 so that correct amount of unbilled revenue could be booked to the concerned financial year. In previous years, it has been noticed that most of field Units were making provision for unbilled revenue on estimation basis and ignored billing cycle which is not correct. The provision of unbilled revenue kept in 3/2022 account must be reversed in the month of April, 2022.

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

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

4. Many Accounting Units are not operating BH-61.6 and BH-61.9 which are used for accounting of rental for metering equipments & service line of the HPSEBL 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 Chart of Accounts.

5. 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 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 03/2022. There should not be any minus balance under any account code in Trial balance.

6. It may also be ensured that collection/service charges from MC, Shimla @ 1(one) paisa per unit from 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.

7. The Accounting Units, who have not operated the Account Head 61.9 must make the necessary adjustments in March 2022 Account i.e. Service charges/Misc. charges are to be included in GH 61.9.

8. 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 could be apprised.

(E) <u>Bank related Transactions</u>

1. 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 strictly. It may be certified that amounts realized through e-payment during 2021-22 have been accounted for and tallied with the Trial Balance. The Certificate in this regard needs to be forwarded with the accounts of 3/2022 to AO (Reco).

2. The Bank reconciliation of collection accounts are being made by the concerned Sub-Division/Division and the reconciliation certificate & balance confirmation certificate ending March, 2022 should be furnished to AO (B/R) along with the accounts of 3/2022. The reconciliation statements as at 31.03.2022 should be tallied with BH 24.3 trail balance of the concerned Units. There should not be any minus Balance under 24.3 account codes in Trial Balance.

(F) <u>Inter Unit Transactions</u>

1. All Accounting Units of HPSEB Ltd., have to ensure that Inter-Unit transfers (ATD's/IUT's) made during the FY 2021-22 or earlier must be reconciled and accounted for before closing the March 2022 accounts. Further, all non-golive Accounting Units have to ensure that all debit/credit balances appearing under Block Head 30 to 37 & 39/ 996002 are got reconciled with other Units and no ATD's/IUT's within Circle should be pending for clearance in their books of accounts as on 31-03-2022.

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

(G) <u>TDS & Taxation</u>

1. Tax deducted at source from employees, contractors 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, 2022 and certificate be issued within 15 days from the last date of filing of TDS returns.

2. GST was made applicable w.e.f. 01.07.2017 and various circulars/ write ups/ letters have been circulated and also various workshops/ Seminars/ meeting have been conducted from time to time to make every one aware of the provisions of GST. Since this is a new Act and HPSEBL has obtained centralized GST No. and accordingly monthly returns are being filed by HO on the basis of data/ input provided by the field units. HO have already circulated various annexure (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 IUT of the GST payment made by the Head Office should be cleared upto 02/2022 and only the liability for the month of March/2022 should be reflected in their book of accounts ending 03/2022.

3. All the deductions from employees/amount payable on account of Income Tax, LIC, and Sales Tax, TDS-Goods & Service Tax & labour cess shall be paid and the "Return of the same" must be filed before or on stipulated dates to 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.

   Form-16 and Form-16A against deduction of Tax at Source and TCS for any payment/ received must be collected and sent to AO/A&R in time preferably by 15th May, 2022 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 concerned DDO.

4. 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 concerned department immediately after reconciliation/ consultations with F&A wing.

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

Accounting of Employee Benefits and Pension

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

2. All employees 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.

3. The salaries of regular staff will be allocated to the Work in Progress (WIP) at the year 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). A column 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.

4. Liability for un-paid wages of regular/ work charged staff/daily labours shall be provided by making 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.

5. Adjustment/ Entries of salary for 03/2022 of staff shall be accounted for on 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 closing of accounts of 03/2022, the entire expenditures/ receipts on this accounts should be accounted for in the current year only in which orders have been issued.

6. 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 27.101to 103,28.261to 263&28.361 to 363, 44.110, 44.120, 44.130 ,57.120,57.170,57.180 & 57.181 along with full details of payments made during year 2021-22 to Head Office in monthly account of March,2021. Therefore ,Closing Balances of Account Code 27.101 to 103, 28.261 to 263 & 28.361 to 363

44.120, 44.130 ,57.120,57.170,57.180 & 57.181 should be NIL in March 2021 in the books of field Accounting Units.

(I) Interest on Advance Security deposit.

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

2. The replacement of burnt/damaged meters, challenged meters and adjustment of misc. deposits from consumers should strictly be charged to 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 end the closing balances under this account should be "NIL".

(J) Interest on Consumer Security

1. 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 total interest provided commensurate with the amount as worked out by applying interest rate notified for the year on total amount of securities appearing in the TB of the division.
2. This provision is to be cleared on actual relief to the consumers through energy bills during financial year 2022-23 by Dr. to 48.300 and Cr. 23.2.
3. Income Tax deducted at source may be deposited with the income Tax department on or before due date (30th April) without fail. Income Tax from interest on securities (Meter & consumption) has to be deducted at time of payment or credit to Books of accounts whichever is earlier. Transfer to any account like 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. In view of this the TDS to be deducted from the provision made on account of interest of consumers security has to be deposited on or before 30th April. Penal income Tax liability due to non-compliance of these instructions shall be the responsibility of the DDO.
4. The balance outstanding under Account Code 48.300 at the end of 3/2022 may be adjusted now if the same has not been adjusted earlier.
5. A certificate regarding interest provided during 2021-22 on consumers securities that has actually been passed on to concerned consumer may be submitted with March 2021 account.

(K) Miscellaneous

1. The amount of unutilized Postage Stamps in hand at year end under A/c Code 24.120 should be carry forwarded to next year. The practice of transferring this amount to provision of liability for expenses/prepaid expenses has been ceased.

2. It has been observed that most of the units are charging 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 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 2022 accounts. In 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 un-paid 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 Boards share for EPF may be made on wages for 03/2022.

5. The interest on loans and advances to staff may be calculated and debited to the 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 2021-2022. The employee wise sub ledger may be maintained. The detail showing principal amount, rate of interest etc. should be mentioned in Journal Voucher invariably. It may be certified that Balances of loan Amounts of those employees who have been transferred to other accounting units, also stands 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 46.926 and is not to be reversed. The interest shall be paid by debiting Account Code 46.926.

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 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 HPSEBL against Govt. guarantees & interest on Govt. loans may also be made at the end of the year by Loan Section.

10. **Provisions for liability for purchase of power:**- Provisions for liability for 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 03/2022. In the beginning of the subsequent year, this provision shall be reversed.

11. **Prior Period Entries:** No prior period entry under GH- 83 and GH-65 be posted / booked. In case any amount is posted in Prior period account Heads the same shall be transferred to respective head of accounts in 03/2022 accounts.

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

Sr. No.	Name of work	Amount	Start date	Reasons for Noncapital-sation.	Measures taken to clear the Pending.

13. **Misc. Advances Accounts:**-Year wise break up and Detail of items outstanding as on 31.03.2022 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, I.U.T. Code 30 to 39 etc.), Account Code 46.926 (Misc. Deposits) and 47.305 –Receipt for Deposit may be supplied along with Account of March 2022 in the following Performa:-

Detail of Advances/Suspense Heads

Sr. No	Name of Party	Amount pending as on 31.3.2022	Date from which amount is pending	Reasons

14. **TDS (GH-27.4):-**Form-16A against deduction of Tax at source for any payment must be got collected and sent to CAO/Income Tax in time preferably by 30th June, 2022 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 concerned accounting unit.

15. The detail of balance amount standing in stale cheques account 46.910 as on 31.03.2022 (party-wise with amount and period) as per following format has to be been supplied along-with Adjustment Account-2022:-

Detail of amount standing in stale cheques account 46.910 as on 31.03.2022

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

16. **The Age-wise analysis in respect of:-**
    a) Advances to Suppliers/contractors against 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 3/2022.

Position as on 31-3-2022	No. of Items	Amount (In Rs.)
1 Upto one year old		
2 More than one year and less than 2 years old		
3 More than 2 years and less than 3 years old		
4 More than 3 years old		

The IND AS are applicable to HPSEBL as per Companies Act, and the following information along-with full details are required for disclosure/ incorporation in Balance Sheet of the company. Therefore the same is to be supplied with March Account, 2022 to AO (A&R) F&A Wing:

a) As per Companies Act, the Contingent Assets/Liabilities of the company needs to be disclosed. Therefore, Contingent Assets/Liability, if any, of your office/ unit be supplied along-with details for disclosure in the Final Accounts.

b) The number of items and amount of non-moving stores as on 31st March, 2022 be intimated.

c) The information under Micro, Small and Medium Enterprises Act, 2006 be supplied as per GOI notification No 368 (E) dated 22.1.2019 on 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 delay.

d) As per Ind AS – 36, the disclosure regarding impairment of assets is required. As such, the information in respect of assets impaired during the year be intimated along-with 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 on 31.03.2022 may be provided along with 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. Scheme wise expenditure under each scheme should be recorded and reconciled. The Capital expenditure booked up to March, 2022 against an old work shall be brought forward and posted in 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 tally sheet along with monthly account for March, 2022 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 minimum cash balance in chest on 31.03.2022. A consolidated cash balance report of each D.D.O be furnished with 03/22 accounts by all Accounting Units.

6. All the permanent and temporary imprests as on 31.03.2022 are to be adjusted and made Nil during the monthly account of 3/2022 without fail.

7. The Sub-Division having Collection Account with the Bank must supply the Bank Statement/Confirmation Certificate as on 31.3.2022 alongwith Bank Reconciliation statement as on 31.03.2022.

8. Updated closing balances appearing under BH-10 to 58 relating to Assets and liabilities needs 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 respect showing expenditure during the year, opening Balance from previous year and closing balance. The lapses in this regards shall be 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 2022 accounts. The Compilation Section will forward the consolidated information to A&R Section on or before 31st May, 2022.

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 2021-22.

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 2021-22.

c) That all outward and inward supplies of goods & services (Taxable, exempted. Nil rated, non GST, composite) made by this office during FY 2021-22 have been accounted for in Both of CGST/SGST returns as well as in TB 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 instruction of Govt. of India and DDO has been registered .

(M) <u>Annexure /Certificates to be send along with March 2022 accounts:-</u>

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 03/2022:-

Annexure "A"

Position as on 31st March, 2022	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 Year & 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.)

S1No.	Office Name	Party 's Name	Amount (Rs.)	
			*Current	**Non –Current

*Current
means any assets/liability which is recoverable /payable during FY2022-23.

**Assets /liability which is recoverable/ payable in FY 2022-23

Certificates:-

1. that closing balances for each account code 24.110, 24.120 & 24.130 should be submitted along with March accounts.
2. Certified that all material issued up to 31st March, 2022 have been accounted for in the account of 2021-22.
3. that the interest on all staff loans and advances (interest bearing) (except HBA Loan) for the year 2021-22 has been provided.
4. that the stock of Scrap generated up to 31st March, 2022 have been accounted for.
5. that prepaid expenses have been excluded from the expenses by transferring to prepaid expenses head.
6. that deposit works completed up to 31st March, 2022 (under GH-47) have been adjusted.
7. that all the books of accounts as per the Companies Act, 2013 and HPSEBL 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 Company.
9. that Bank statements/balances confirmation certificate from concerned Bankers as on 31.03.2022 has been obtained and supplied along with the March accounts.

Sd/-

Chief Accounts Officer
F&A Wing, HPSEB Ltd,
Vidyut Bhawan, Shimla-4

Annexure-A

Accounts Circulars Issued during 2021-22

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 the ready reference the detail of circulars issued during current year is given as under:

Sr. No	Circular No.	Newly opened Account Head	Description/Remarks
1.	07/2021	47.502	Deposit for Smart Metering from Dharamshala Smart City Ltd.
		47.503	Deposit for Smart Metering from Shimla Smart City Ltd.
		63.150	Grant for Smart Metering from Dharamshala Smart City Ltd.
		63.160	Grant for Smart Metering from Shimla Smart City Ltd.
		76.109	Rental Charges against Smart Metering Project.
2.	12/2021	62.254	Interest on delay payment of Additional Security Deposit from Consumers.
		78.602	Interest on delay payment of Security Deposit to Consumers.
		78.603	Penal Interest on delay payment of Security Deposit to Consumers.

Annexure B

Tally Sheet (Non Go live)

Sr. No.	Particulars	Dr.	Cr.
1.	Transfer of completed Assets to GH-10	GH-10	GH-14/15
2.	Depreciation	GH-77	GH-12
3.	Depreciation on Cars/Jeeps	77.171/172	GH-12
4.	Capitalization of Depreciation in Const. Divisions	15.311	77.9
5	Sundry debtor A/c should be tallied with assessment/ Revenue	23.2	61.5
		23.1	61.2
		23.4	61.2 &3
		23.501 to 513	61.6
		23.701 to 23.702	61.7, 91.903 to 61.905,62.250
		23.741 to 23.752	61.941 to 91.952
		61.961 to 973	46.200

6	Inventory 22.201 to 218	22.201 to 218	22.301 to 22.318
	The balance of inventor appeared in 22.6 should be tailed with stock Returns at the year end		
7	Nil should be appeared	24.2	
	Remittance to HO should be tailed (except closing balance appearing in bank statement)	24.3	33
		24.4	34
8	The following accounts code should be nil at the year end		
		27.101 to 27.103	
		28.261 to 263	
		28.361 to 363	
		44.110	
		44.120	
		57.120	
		57.170	
		57.180	
		57.181	
9	Interest on consumer security	78.601	48.301 to 48.313
10	Closing Entry(This adjustment will be auto generated at HO	61 to 83	38

Annexure–'C'

Chart showing Useful life of assets and Depreciation Rate

Account Code	**Description**	**Useful life as per Reg. 3 (67) of HPERC Reg. 2014 and MoP Notification 29.3.1994.**	**Rate of Depreciation for First 12 Years upto 31'st March since date of commissioning**	**Rate of Depreciation for remaining useful life after 12 Years**
10.101	Land owned under full title	Infinity		
10.102	Land held under lease	As per agreement		3.34
Land for reservoir in Hydro Generating Stations		50	3.34	1.31
10.201	Building containing thermo-electric plant	25	3.34	3.84
10.202	Buildings containing hydro electric	35	3.34	2.17

	generating plant			
10.203	Bldg. containing diesel	25	3.34	3.84
10.206	Buildings containing Transmission installations above 66KVA	50	3.34	1.31
10.207	Buildings containing Transmission installations below 66 KVA	50	3.34	1.31
10.208	Buildings containing Distribution installations.	50	3.34	1.31
10.210	Ancilliary Building	50	3.34	1.31
10.211	Office buildings	50	3.34	1.31
10.222	Residential colony for staff.	50	3.34	1.31
10.234	Temporary buildings	100		-
10.244	Workshop buildings	50	3.34	1.31
10.245	Other buildings.	50	3.34	1.31
10.301	Diversion tunnels, channels &syphons.	35	5.28	1.16
10.302	Dams up stream and down structure etc.	35	5.28	1.16
10.303	Outlet works	35	5.28	1.16
10.304	Spillways	35	5.28	1.16
10.305	Hydro channels-Earth work-Lining	35	5.28	1.16
10.306	Cross drainage works	35	5.28	1.16
10.307	Head regulators	35	5.28	1.16
10.308	Cross regulators & escape channels	35	5.28	1.16
10.309	Bridges & culverts	35	5.28	1.16
10.310	Misc. works	35	5.28	1.16
10.320	Hydraulic works-part of hydro electric system	35	5.28	1.16
10.321	Reservoir, forebay & intake	35	5.28	1.16
10.322	Ducts &	35	5.28	1.16

	penstock			
10.323	Bypass channels & its works	35	5.28	1.16
10.324	Tail race channel	35	5.28	1.16
10.325	Misc. works	35	5.28	1.16
10.330	cooling water systems	25	5.28	2.05
10.331	Cooling Towers	25	5.28	2.05
10.335	Sweet water arrangement	25	5.28	2.05
10.340	Plant & pipelines for water supply	25	5.28	2.05
10.342	Drainage & sewerage - residential colony	25	5.28	2.05
10.401	Pucca roads.	50	3.34	1.31
10.402	Kutcha roads.	50	3.34	1.31
10.412	Railways sidings.	50	3.34	1.31
10.450	PCC Poles manu. in Boards factories	NA	-	-
10.460	Items fabricated in Boards workshops	NA	-	-
10.501	Turbine generator etc.	25	5.28	2.05
10.502	Plant foundations for steam power plant	25	5.28	2.05
10.503	Boiler plant & equipment	25	5.28	2.05
10.504	Locomotives	25	5.28	2.05
10.505	Coal handling Equipments	25	5.28	2.05
10.506	Oil storage equipment	25	5.28	2.05
10.507	Ash handling plant & equipment	25	5.28	2.05
10.508	Water treatment plant	25	5.28	2.05
10.509	Instrumentation & Controls	25	5.28	2.05
10.510	Station piping	25	5.28	2.05
10.531	Hydel power generating plant	35	5.28	1.16
10.532	Plant foundation for hydel power	35	5.28	1.16

10.535	Auxillaries in hydel power plant	35	5.28	1.16
10.540	Transformers for repairs	35	5.28	1.16
10.541	Transformers and equipments etc.above 100 KVA	25	5.28	2.05
10.542	T/Fs and equipments etc.ohter than above 100 KVA	25	5.28	2.05
10.551	Material handling equipmemt	25	5.28	2.05
10.552	Material handling equipment-cement mixers	25	5.28	2.05
10.553	Material handling equip. -Cranes	25	5.28	2.05
10.555	Material handling equipment-others	25	5.28	2.05
10.561	Switchgear including cable connections.	25	5.28	2.05
10.563	Batteries including charging equipment	25	5.28	2.05
10.565	Fabrication /workshop plant & equipments	25	5.28	2.05
10.567	Lightening arrestors.	25	5.28	2.05
10.571	Cummunication equipment:Radio and high frequency carrier system	15	6.33	4.68
10.572	Communication equipment: telephone lines and telephones	15	6.33	4.68
10.574	Static machine tools & equipment	25	5.28	2.05

10.576	Air conditionering plant-static	25	5.28	2.05
10.577	Air conditioning plant- portable	-		9.50
10.580	Refrigerators and water coolers.	25	5.28	2.05
10.581	Meter testing laboratory tools & equipment	25	5.28	2.05
10.582	Equipment in hospitals/clinics	25	5.28	2.05
10.583	Tools & tackles.	25	5.28	2.05
Fire Fighting Equipment		25	5.28	2.05
10.585	Hydrogen gas gen.plant	25	5.28	2.05
10.586	Surveying , drawing instruments	25	5.28	2.05
10.599	Other Misc,equipments.	25	5.28	2.05
10.601	Overhead lines (towers, poles etc.) at nominal voltage	25	5.28	2.05
10.602	Overhead lines(towers, poles, fixtures, overhead conductors and devices), lines on fabricated steel supports operating at nominal voltage higher than 13.2 KV but not exceeding 66 KV	35	5.28	1.16
10.603	Overhead lines on reinforced support	25	5.28	2.05
10.604	Overhead lines on treated wood supports	25	5.28	2.05
10.611	Underground cables	25	5.28	2.05

	including joint boxes			
10.612	Underground cables - duct system.	50	5.28	0.70
10.621	Service connections DS and CS	25	5.28	2.05
10.622	Service connections-Industrial.	25	5.28	2.05
10.623	Service connections - Tubewell.	25	5.28	2.05
10.625	Service connections Temporary	25	5.28	2.05
10.630	Meters for repairs	NA	-	-
10.631	Metering equipments.	25	5.28	2.05
10.641	Street lighting and signal system.	25	5.28	2.05
10.685	Miscellaneous equipments.	25	5.28	2.05
10.710	Trucks,Tempos trekkers etc.	-		9.50
10.720	Buses including mini buses	-		9.50
10.730	Jeeps amd motor cars.	-		9.50
10.740	Other vehicles.	-		9.50
10.801	Furniture and fixtures office.	15	6.33	4.68
10.802	Furniture and fixture Rest/Guest houses etc.	15	6.33	4.68
10.901	Caculators	NA	NA	NA
10.902	Type writters and duplicaing machines	15	6.33	4.68
10.903	Cash registrex machines	15	6.33	4.68
10.904	Computers	-		15.00
10.904	Computers-Server	-		15.00
10.905	Security equipment (weapons)	15	6.33	4.68

Note:

1	Rate of depreciation is taken from Appendix II of CERC Regulation dated 21-02-14.
2	Useful life of assets is taken from CERC Regulation dated 21-02-14 and where useful life is not given in CERC regulation, it is taken from MoP notification SO 266E dated 29-03-1994 as conveyed by PSERC vide letter no 391 dated 26-05-17.
3	Where useful life of assets given is less than 12 year, depreciation is provided as per appendix II of CERC Notification 21-02-14