

***H.P. Power Transmission Corporation Limited
(A State Government Undertaking)***

Barowalia House, Khalini, Shimla-171002



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**SECOND
Annual Report
2009-2010**



H.P. POWER TRANSMISSION CORPORATION LIMITED
(A STATE GOVT. UNDERTAKING)
BAROWALIA HOUSE, KHALINI, SHIMLA

**NOTICE OF
SECOND ANNUAL GENERAL MEETING
OF THE HPPTC LTD.**

“Notice is hereby given that the Second Annual General Meeting of the Members of the HPPTCL Ltd., will be held on Wednesday, the 9th February, 2011 at 11.00 AM at Office-Chamber of the Chief Secretary, H.P. Secretariat, Shimla-171002 to transact the following business:

ORDINARY BUSINESS:

To receive, consider and adopt the Annual Accounts of the Company for the year ended 31st March, 2010, Directors’ Report and Report of Auditors thereon alongwith the comments of the Comptroller and Auditors General of India as on that date.

Place: Shimla

By order of the Board of Directors

Dated: 09.02.2011

Tarun Kapoor, IAS

Managing Director

Note:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956 as set out above, is annexed hereto.

**H.P. Power Transmission
Corporation Limited, Shimla-171002
Board of Directors**

1. Mrs. Rajwant Sandhu, IAS Chief Secretary to the Govt. of Himachal Pradesh Shimla-171002	Chairperson
2. Sh. Bhim Sen, IAS Pr. Secretary to the Hon'ble CM, Shimla-171002	Director
3. Sh. Deepak Sanan, IAS Pr. Secretary (MPP & Power) to the Govt. of H.P. Shimla-171002	Director
4. Sh. Ajay Tyagi, IAS Pr. Secretary (Finance) to the Govt. of H.P., Shimla-171002	Director
5. Sh. S.K B.S Negi, IAS Director (Finance), HPSEB Ltd., Shimla 171004	Director
6. Sh. Tarun Kapoor, IAS MD, HPPCL, Shimla-171005	Managing Director
7. Er. Vijay Kumar Kaprate Director (P&C), HPPTCL, Khalini, Shimla-2	Director
8. Er. Hari Singh Beshtoo, Director (Projects), HPPTCL Khalini, Shimla-2	Director

Auditors

M/s. Chander Sareen & Associates
Chartered Accountants

Bankers:

1. State Bank of India, Shimla
2. Punjab National Bank, Lift Road, the Mall Shimla



HP POWER TRANSMISSION CORPORATION LIMITED

(A State Government Undertaking)

BAROWALIA HOUSE, KHALINI, SHIMLA - 171002

DIRECTORS' REPORT 2010

Dear Members,

Your Directors are pleased to present the Second Annual Report of the Company for the year ended March 31, 2010 along with the Annual Accounts, Report of Auditors and Comments of the Comptroller and Auditor General of India.

1. GENESIS

H. P. Power Transmission Corporation Limited (HPPTCL), an undertaking of Government of Himachal Pradesh was established on 27.08.2008 with a view to strengthen the Transmission Network in Himachal Pradesh and to facilitate evacuation of Power from upcoming Generating Plants. The jobs entrusted to Corporation by GoHP inter-alia included execution of all NEW WORKS – both Transmission Lines and Substations of 66 kV and above Voltage Ratings, Formulation, Updation, Execution of Transmission Master Plan of HP for Strengthening of Transmission Network and Evacuation of Power. Besides, coordinating the transmission related issues with CTU, CEA, MOP (GOI), HP Government and HPSEBL. HPPTCL is also responsible for planning and co-ordination of transmission related issues with IPPs, CPSUs, State PSUs, HPPCL and other State/ Central Government Agencies.

The Government of Himachal Pradesh vide Notification No.: MPP - A (3) - 1 / 2001 - IV dated 10.06.2010 has declared HPPTCL as State Transmission Utility (STU).

2. MISSION, AIMS, AND TARGETS

The Corporation's objectives are:

- (a) to undertake transmission of electricity through Intra - State Transmission System;
- (b) to discharge all functions of Planning and Co - ordination relating to Intra - State Transmission System with: -
 - (i) Central Transmission Utility;
 - (ii) State Governments;
 - (iii) Generating Companies;
 - (iv) Regional Power Committees;
 - (v) Authority;
 - (vi) Licensees;
 - (vii) Any other person notified by the State Government in this behalf;

- (c) to ensure development of an efficient, co-ordinated and economical system of Intra-State Transmission Lines for smooth flow of electricity from a Generating Station to the Load Centres;
- (d) to provide non-discriminatory Open Access to its Transmission System for use by: -
 - (i) any Licensee or Generating Company on payment of the Transmission Charges; or
 - (ii) any Consumer as and when such Open Access is provided by the State Commission under Sub - Section (2) of Section 42, on payment of the Transmission Charges and a Surcharge thereon, as may be specified by the State Commission.

3. WORKS

HPPTCL has executed the Work for HPSEBL (Deposit) for installation of 16 MVA, 33 / 132 kV Transformer at Malana HEP for evacuation of Power being generated by IPPs.

Award for 'Construction of 220 kV Transmission Line from Palchan - AD Hydro Switchyard (Manali)' on Turn Key basis had been issued.

The Tenders for Construction of 220 / 33 kV, 25 / 31.5 MVA GIS Substation at Palchan were under process of evaluation for their Techno - commercial acceptance / responsiveness. The Price Bids of responsive Firms were to be opened after this evaluation.

As on 31.12.2010, the Corporation has spent a sum of Rs.17.26 Crores on Works, Contingencies and Administration.

4. ENVIRONMENT

All the Environment Management Plans (EMP) of the State Government or the Company are proposed to be implemented diligently with a view to ensure safeguarding environment and improving the same wherever possible. To this end, the HPPTCL may go beyond the provisions in EMP.

5. HUMAN RESOURCES

The total approved posts of the Corporation are 146 and as on today, 137 employees plus 2 Directors are on the rolls. Most of the strength is on secondment basis from HPSEBL.

Your company gives utmost importance for the enrichment of skills and towards this in-house and external training programmes are proposed to be organized in all disciplines and at all levels.

6. DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors' confirm that in the preparation of annual accounts for the year ended March 31, 2010:

- The applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- That the Directors had selected such accounting policies and applied them consistently except as disclosed in the Notes on Accounts and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Directors had prepared the annual accounts on a going concern basis.

7. AUDITORS' REPORT

M/s Chander Sareen & Associates, Highland Estate, near Railway Station, Shoghi, Shimla were appointed as the Statutory Auditors of the Company for the financial year ended 31st March, 2010 on 09.09.2009 by the Comptroller & Auditor General of India. The auditors have audited the accounts and submitted their report on 8th December, 2010, which is annexed to accounts.

8. BOARD OF DIRECTORS

Since the date of last AGM of the Company, the following is the position of the Directors, who are the Sr. officers of the State Govt. and HPSEB :

Sr. No	Name	NATIONALITY	USUAL ADDRESS	DATE OF BIRTH	DATE OF APPOINTMENT	DATE OF CESSATION (IF ANY)
1.	Mrs. Rajwant Sandhu	Indian	Set no-14, Type-VI , Mehli, Near Kasumpti, Shimla, 171009, Himachal Pradesh	18.03.52	01.08.2010	In position as Chairperson
2.	Sh. Tarun Kapoor, IAS	Indian	West View, Kelston Estate, Shimla-171001	23.11.61	27.08.2008 as Director and as MD w.e.f. 14.12.2009	In position as Managing Director

3.	Sh. Ajay Tyagi, IAS	Indian	D-1/62, Bharti Nagar, New Delhi, 110003, INDIA	10.12.58	10.09.2009	In position as Nominee Director
4.	Sh. Deepak Sanan, IAS	Indian	House No 10 Type V, Kasumpti, Shimla, 171009, Himachal Pradesh, INDIA	02.01.57	24.12.2009	In position as Nominee Director
5.	Sh. Subhash Chander Negi, IAS	Indian	Type-VI, Set no.-1, Kasumpti, Shimla- 171009	22.09.50	29.05.2009	In position as Director
6.	Sh. Sushil Kumar Bhim Sen Negi, IAS	Indian	Abey File Cottage, Lakkar Bazar, Shimla, 171001, Himachal Pradesh, INDIA	11.09.56	24.12.2009	In position as Nominee Director
7.	Sh. Bhim Sen , IAS	Indian	Burj House, Ambedkar Chowk, Shimla-171004	27.09.52	03.11.2008	In position as Director
8.	Hari Singh Beshtoo	Indian	33/11 KV SUB/STN, Type-IV Qtrs, Above HPSEB Control Room Building, Keleston, Shimla-171001, Himachal Pradesh, INDIA	08.04.52	29.01.2010	In position as Whole- time- Director
9.	Vijay Kumar Kaprate	Indian	Navjyoti, North OAK, Sanjauli, District- Shimla-171006, Himachal Pradesh, INDIA	19.07.53	29.01.2010	In position as Whole- time- Director
10.	Smt. Asha Swarup, IAS	Indian	House No.3, Benmore, Chhota Shimla-171002	03.07.50	27.08.2008	Ceased as Chairperson w.e.f. 01.08.10
11.	Sh. Jagdish Chander Sharma	Indian	House No. 18, Type-V, GAD Colony, Kasumpti, Shimla-171009	27-01-62	27-08-2008 as Director and as Managing Director w.e.f 10.09.2008	Ceased as Managing Director w.e.f. 14.12.09

The Board noted the contributions made by the above Directors during their tenure and placed on record its highest appreciation for their services.

9. AUDIT COMMITTEE

Although, the provisions of section 292 (A) of the Companies Act 1956 are not applicable yet, during the year, the Audit committee has been constituted with the following Officers/ Directors of the Board.

- i). Pr. Secretary (MPP& Power)
- ii). Pr. Secretary Finance
- iii). Managing Director

10. SHARE CAPITAL

The Authorized Share Capital of the Company as on today is Rs.50 (Rs. Fifty) crore only. The issued subscribed & paid up capital of the Company is Rs. 1,00,000/- .

11. ACCOUNTS

The pre- operative expenditure statement for the period ended 31st March, 2010 and Balance Sheet as on that date has been prepared and is annexed.

12. PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988

- a) Conservation of Energy

The Company does not consume any non-renewable energy in its projects or offices.

- b) Foreign Exchange Earning and Out-Go

There is no import and export of foreign exchange during this year and as such this information can be treated as Nil.

- c) Technology Absorption

This information is Nil.

13. PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

The information under Section 217(2A) of the Companies Act, 1956 for the year ending 31st March, 2010 is nil.

14. CORPORATE GOVERNANCE

HPPTCL continuously strive to bring the best practices expected of us by all the stake holders in the conduct of our business. Though, the Company is a private limited and unlisted company as on date, to the extent applicable, the information on the subject is furnished as under:

Board of Directors

1.1 Size of the Board

HPPTCL is a Government Company within the meaning of Section 617 of the Companies Act, 1956. The present share-holding is 60:40 between the Government of H.P. and Himachal Pradesh State Electricity Board. As per Articles of Association, the power to appoint Directors vests in the Government of H.P. The Strength of the Board shall not be less than 3 and not more than 10. These numbers include all whole-time and part-time Directors.

1.2 Composition & Tenure of the Board

As on 31st March 2010, the Board comprises of 9 (Nine) members, consisting of 1 Managing Director and other part-time Directors representing Government of H.P. and Himachal Pradesh State Electricity Board.

1.3 Board Meetings

The Board Meetings are held normally at Shimla to facilitate full participation by the Directors. From the incorporation of the Company, 10 Board Meetings including this meeting were held and almost all the Directors have attended these meetings.

1.4 Applicability of Section 274 (1)(g)

Since the Corporation is a Govt. Company , clause (g) of sub section (i) of section 274 of the Companies Act 1956 is not applicable to the Corporation in terms of notification No. G.S.R. 829 (E) dated 21.10.03.

15. INTERNAL CONTROL SYSTEMS:

The Company has adequate internal control systems and the transactions/processes are guided by delegation of powers, documented policies, guidelines etc. of the Company as well as of the State Govt. In order to ensure that all checks and balances are in place and internal control systems are in order, regular internal audit is conducted by firms of Chartered Accountants.

16. OTHERS

There is no decision to buy back its shares during the year under report under section 77A of the companies Act, 1956.

17. ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the continuous support and assistance provided by the State Govt. and its Departments such as Deptt. of Power, Deptt. of Finance, Deptt. of Forests, HPSEB, Pollution Control Board etc. The Board of Directors also acknowledge with thanks the guidance and help extended by various Ministries/Departments of the Government of India, Central Electricity Authority, and Financial Institutions, such as ADB, PFC, REC and Banks etc.

The Board convey its gratitude to the outgoing Directors for their dedicated services rendered during their tenure. The Directors further place on record, its gratitude to the officers of HPSEB and other agencies for their institutional support. The Directors would also like to thank the office of A.G. H.P. and C.A.G. of India, who have made efforts in conducting and finalizing the audit report of the Company.

Last but not least, the Board commends the hard work and dedicated efforts put in by the employees of the Corporation including the employees on deputation at all levels.

Thanking you

For and on behalf of Board of Directors

Place: Shimla
Date: 09.02.2011

Tarun Kapoor, IAS
MANAGING DIRECTOR