FIXED ASSETS

7.1) TANGIBLE ASSETS

(Amt.Rs. In Lakh

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.16	ADDITION DURING PERIOD	DELETION ADJUSTED	AS ON 31.03.17	UPTO 31.03.16	PROVIDED DURING PERIOD	Prior Period Dep.Adjustment	UPTO 31.03.17	AS ON 31.03.17	AS ON 31.3.16
Transmission Lines and Substation	10,263.37	16,982.28	-	27,245.65	5,610.53	916.35	159.36	6,686.24	20,559.41	4,652.84
Land for Sub.Stn. & Trans. Lines	2,291.65	1,311.72	0.01	3,603.36	-	-	-	-	3,603.36	2,291.65
Furniture & Fixture	44.88	18.61	-	63.49	34.06	5.11	-	39.17	24.32	10.81
Vehicle	19.60	-	-	19.60	12.09	2.93	-	15.02	4.58	7.52
Computer	59.60	12.79	-	72.39	50.86	7.99	-	58.85	13.54	8.74
Office Equipments	12.88	1.70	-	14.58	11.32	0.73	-	12.05	2.53	1.56
Miscellaneous Equipments	0.17	-	-	0.17	0.17	-	-	0.17	0.00	0.00
Fire Safety Equipments	0.45	-	-	0.45	0.45	-	-	0.45	0.00	0.00
Capital Expenditure on Leased Assets	1.38	-	-	1.38	1.38	-	-	1.38	-	-
Grand Total	**12,693.98**	**18,327.10**	**0.01**	**31,021.07**	**5,720.86**	**933.11**	**159.36**	**6,813.33**	**24,207.74**	**6,973.12**
Previous year	**12,438.56**	**255.42**	-	**12,693.98**	**5,296.09**	**266.30**	**158.47**	**5,720.86**	**6,973.12**	**7,129.95**

7.2) INTANGIBLE ASSETS

(Amt. Rs. in Lakh

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.4.16	ADDITION DURING PERIOD	DELETION ADJUST	AS ON 31.3.17	UPTO 31.3.16	PROVIDED DURING PERIOD	DELETION ADJUSTED	UPTO 31.3.17	AS ON 31.3.17	AS ON 31.3.16
Software	37.14	-	-	37.14	35.01	0.23	-	35.24	1.90	2.13
Previous year	37.14	-	-	37.14	33.42	1.59	-	35.01	2.13	3.72

(Kamlesh Sharma)
Manager (Accounts)

(Er. K.N.Sharma)
Dy.G.M.(Finance)

(Er.K.S.Attri)
Director(P&C)

(Er. R.K.Sharma)
Managing Director

For Doger & Co.
Chartered Accountants

CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675

Place: Shimla
Date: 03.05.2018

7.3) 7.3 Capital Work In Progress

Amt.Rs.in Lakh

Sr. No.	PARTICULARS	GROSS BLOCK				NET BLOCK	
		AS ON 01.04.16	ADDITION DURING PERIOD	Capitalised ADJUSTED	AS ON 31.03.17	AS ON 31.03.17	AS ON 31.3.16
1	Kashang Bhaba Transmission Line	1,936.89	6,762.47	8,699.36	-	-	1,936.89
2	33/132 KV GIS Pandoh	6.54	1,455.17	-	1,461.70	1,461.70	6.54
3	Sawra Kuddu project	2.22	-	-	2.22	2.22	2.22
4	5MVA GIS STN Palchan	283.02	7.90	-	290.92	290.92	283.02
5	Transmission line at Palchan to AD Hydro	265.88		240.19	25.69	25.69	265.89
6	33/220KV Sub Stn. at Karian	2,967.36	18.77	-	2,986.13	2,986.13	2,967.36
7	33/220/400Kv GIS Substation at Lahal	2.99	237.96	-	240.95	240.95	2.99
8	220/400Kv Substation Gumma Pragtinagar	8,583.85	3,387.18	-	11,971.03	11,971.03	8,583.85
9	22/66/220Kv Substation Bhoktoo	2,653.93	414.17	-	3,068.09	3,068.09	2,653.93
10	220Kv D/C Trans. Line Patlikhual to Phojal	1,220.53	325.02	1,545.55	-	-	1,220.53
11	Dep. Work 220/66/22Kv GIS Substation Bhoktoo(HPSEB)	1,403.68	94.41	-	1,498.10	1,498.10	1,403.68
12	33/220 Kv Substation Phojal	5,823.93	938.45	6,762.38	-	-	5,823.93
13	400/220/66KV GIS Substation Wangtoo(ADB)	4,265.31	8,836.86	-	13,102.16	13,102.16	4,265.31
14	Deposit work Snale Hatkoti	379.79	2.32	-	382.11	382.11	379.79
15	220kv D/C(T. M.) Line from Hatkoti to 220/400 Substation Gumma	3,192.69	964.16	-	4,156.85	4,156.85	3,192.69
16	220Kv Switching Stn Hatkoti	4.55	5.06	-	9.60	9.60	4.55
17	66Kv D/C Trans. Line Urni to Wangtoo	256.20	494.16	-	750.36	750.36	256.20
18	220kv s/c line on d/c tower karian to PGCIL	663.13	74.25	-	737.38	737.38	663.13
19	132kv D/C Tran.line Barsani to Charor	18.03	5.07	-	23.10	23.10	18.03
20	66/220 Kv GIS Substation Urni (ADB)	1,296.41	979.96	-	2,276.37	2,276.37	1,296.41
21	33 Kv D/C T.Line on Monopole Palchan to AD Hydro	7.64	-	-	7.64	7.64	7.64
22	132KvD/C T.LineTangnu Romal (44MW)HEP	9.25	1.35	-	10.60	10.60	9.25
23	220 Kv Trans. Line Charor to Banala Kullu	1,880.16	1,599.60	-	3,479.75	3,479.75	1,880.16
24	400KvD/Cline 33/220/400 S.Stn Lahal to PGCIL	0.24	-	-	0.24	0.24	0.24
25	220 Kv S/C Trans.line Lahal to Rajera	18.03	0.04	18.03	0.04	0.04	18.03
26	400 KV D/C Trans.line Lahal to Rajera	41.33	-	41.33	-	-	41.33
27	132/220 Kv Pooling Station at Sunda	2.85	3.09	-	5.94	5.94	2.85
28	220Kv Trans.line PS Sunda to Hatkoti	212.42	1,096.53	-	1,308.95	1,308.95	212.42
29	66/220Kv GIS Substation Sunda	1.30	4.77	-	6.06	6.06	1.30
30	220Kv Trans. line from Substation Lahal to Budhil	9.94	143.50	-	153.43	153.43	9.94
31	220 Kv Trans line from Bajoli Holi to SS Lahal	14.44	2.52	-	16.96	16.96	14.44
32	33/220Kv Substation AD Hydro Prini	65.68	2.59	5.30	62.97	62.97	65.68
33	132/220 kv GIS STN Charor	1.33	4.58	-	5.91	5.91	1.33
34	33/132/.2x25/31.5MVA Substation Chambi	2.15	1,204.39	-	1,206.54	1,206.54	2.15
35	132 Kv Transmission Line Chambi	26.46	3.16	-	29.62	29.62	26.46
36	400KV D/C t. Line Parwati -2 to PGCIL Banala	0.28	548.74	-	549.01	549.01	0.28
37	400 KV D/C T.Line Sainj Kullu	0.67	-	-	0.67	0.67	0.67
38	132 KV Transmission line Rupin HEP to PS Sunda	3.60	8.87	-	12.47	12.47	3.60
39	66Kv Transmission Bagipul to Kotla	1.22	3.62	-	4.84	4.84	1.22
40	220Kv Transmission line Majra to Karian	1.49	-	0.01	1.48	1.48	1.49
41	220 Kv GIS Charror	1.65	0.50	-	2.15	2.15	1.65

DOSER & CO. SHIMLA CHARTERED ACCOUNTANTS

42	33/132 kv GIS Barshani	-	8.57	-	8.57	8.57	-
43	220Kv Sub Stn Mazra (Pukhri)	-	103.93	-	103.93	103.93	-
44	33/132 Kv GIS Sub Stn Dehan (Patti)	-	2.15	-	2.15	2.15	-
45	132/220 Kv GIS Sub Stn Mazra Chamba	-	3.67	-	3.67	3.67	-
46	133Kv GIS S Stn Palchan	-	0.22	-	0.22	0.22	-
47	220KV D/C T. Line GIS Dehan to PGCIL Kankari	-	3.80	-	3.80	3.80	-
48	33Kv GIS Switching Stn at Plachan	-	0.31	-	0.31	30,721.00	-
49	33KV Palchan Prini Line	-	0.22	-	0.22	21,752.00	-
50	22/66/220Kv S.STN Bagipul	-	3.67	-	3.67	3,67,000.00	-
51	Installation of ERP system at HPPTCL	-	264.89	-	264.89	264.89	-
	Total	**37,529.06**	**30,022.58**	**17,312.15**	**50,239.48**	**50,239.48**	**37,529.06**
	preliminary expenses	101.78	37.50	-	139.28	139.28	101.78
	pre -operative expenses	3,521.07	4,081.00	822.29	6,779.78	6,779.78	827.95
	Total Carried forward to Balance Sheet	**41,151.92**				**57,158.55**	**38,458.79**

(Kamlesh Sharma)
Manager(Accounts)

Er. K.N. Sharma
Dy.G.M.(Finance)

Er.K.S.Attri
Director(P&C)

Er. R.K.Sharma
Managing Director

For Doger & Co.
Chartered Accountants

CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date:03.05.2018

8) Other non-current assets

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Deferred revenue expenditure (Contribution to IIIT Una)	480.00	480.00
Total	**480.00**	**480.00**

9) CASH AND CASH EQUIVALENTS

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Cash and Bank Balances		
(1) Cash in hand (including Imprest)	0.08	0.06
(2) Stamps in hand	0.08	0.07
(3) Bank Balances with scheduled banks		
(i) Current/SB Deposits	7,192.34	7,720.60
(iii) Term Deposits with maturity period upto 12 months.	5,778.00	5,214.70
Total	**12,970.50**	**12,935.43**

10) SHORT TERM LOANS AND ADVANCES:

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Advance to HP Govt. Deptt.	88.45	106.32
Recoverable from Employees & others	0.31	2.25
Advance to Land Acquisition Officer	-	601.04
Recoverable from Govt. Depptt.	239.02	1,695.10
Recoverable from Contractors/Suppliers/Vendors	6,885.21	7,679.16
Advance Tax Deposit/TDS/Recoverable from Tax Authorities	1,906.30	2,030.52
Prepaid Expenses	2.94	4.22
Prepaid Expenses(ARR Exp.MYT 2014-15 to 2018-19)	7.75	11.62
Total	**9,129.98**	**12,130.23**

11) OTHER CURRENT ASSETS

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Interest Accrued but not due	174.74	172.07
Security Deposits	0.58	0.54
Trade Debtors	79.29	-
Stationery in hand	0.75	2.16
Total	**255.36**	**174.77**

(Kamlesh Sharma)	(Er. K.N.Sharma)	(Er. K.S.Attri)	(Er. R.K.Sharma)
Manager (Accounts)	Dy.G.M.(Finance)	Director(P&C)	Managing Director

For Doger & Co.
Chartered Accountants

Place: Shimla
Date: 03.05.2018

CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

12. INCOME

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
i) MISCELLANEOUS INCOME:		
Sale of Tender Forms	14.94	2.86
Interest on Bank Deposits	514.09	591.38
Interest on ADB Loan Imprest	249.50	349.71
Misc. Receipts	1.55	0.32
WCA Interest	-	0.01
RTI Fee	0.01	0.03
Sale of Scrap	0.99	-
Intt. On IT Refund	0.87	-
Interest from Cont./Supplier	233.07	325.42
Total (i)	**1,015.02**	**1,269.73**
ii) Income of STU & Transmission lines		
Connectivity fee	34.00	34.00
STU Charges IEX STOA(SLDC)	25.27	-
Short Term Open Access	276.69	1,141.02
Transmission charges Income (old lines)	706.75	347.46
Trans. Charges Kashang Bhaba Line	61.73	-
Transmission charges Phosal	107.69	-
Total(ii)	**1,212.13**	**1,522.48**
TOTAL INCOME (i+ii)	**2,227.15**	**2,792.21**

13) EMPLOYEE BENEFITS EXPENSES:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Salaries, Wages, Allowances and Benefits	1,331.47	934.95
Contribution to Provident and Other Funds	29.60	22.85
Leave Salary and Pension Contribution	75.30	102.01
Welfare Expenses	38.93	37.01
Total	**1,475.30**	**1,096.82**
50% of Corp. Off. to STU & Transmission Income	393.38	299.20
Amount of PIU Phosal	24.35	-
Total for STU & Trans.	**417.73**	**299.20**
Balance pertains to Capital works	**1,057.57**	**797.63**
TOTAL	**1,475.30**	**1,096.83**

14) FINANCE COSTS:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Interest on Term Loans(ADB)	3,336.90	2,503.58
Bank Charges	0.18	0.05
Interest REC Loan	487.05	489.03
TOTAL	**3,824.13**	**2,992.66**

15) DEPRECIATION EXPENSES:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Depreciation for the Year on Tangible Assets	933.11	266.30
Depreciation for the Year on Intangible Assets	0.23	1.59
Total Depreciation for the Year	**933.34**	**267.89**
Transferred to Profit & Loss Statement	916.34	**256.79**
Transferred to Pre-Operative Exp. Statement	16.99	11.10
Balance	-	-

(Kamlesh Sharma) Manager (Accounts)

(Er. K.N.Sharma) Dy.G.M.(Finance)

(Er. K.S.Attri) Director(P&C)

(Er. R.K.Sharma) Managing Director

For Doger & Co.
Chartered Accountants
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

16) OTHER OFFICE AND ADMINISTRATIVE EXPENDITURE:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Printing & Stationery	5.29	5.11
Books & Periodicals	0.33	0.43
Electricity & Water Charges	7.09	8.42
Advertisement & Publicity Expenses	8.29	5.28
Hiring Charges for Vehicles	90.34	70.51
Fees & Subscription	1.21	1.40
Office Expenses	9.53	5.24
Other Misc. Expenses	0.19	-
Postage & courier	0.74	0.56
Office Building Rent	50.51	33.00
Insurance Vehicle & Others	0.29	0.40
EPF Damages	1.42	-
Hospitality Expenses	5.05	3.74
Consultancy & Professional Charges	35.19	35.76
Meeting expenses	0.14	0.12
Telephone Exps.	13.15	14.11
Vehicle Running Expenses	11.64	5.35
Internal Audit Fee	0.25	0.25
Statutory Audit Fee	1.16	0.40
Out of Pocket Expenses	-	0.17
Tax Audit Fee	0.40	0.40
Collection of Revenue record	0.01	-
Labour Charges	0.02	-
Lease Line Rent BSNL	0.50	-
Interest Paid	0.74	0.13
TA/DA consultant	3.99	2.16
Consumable elec. Fitting	0.34	0.36
Repair & Maintenance	0.75	0.36
TA/DA auditors	-	0.26
Other Misc.exp. Computer	1.09	0.72
Office Inaguration/ Shifting Expenses	3.42	0.40
ADB Consultant Remuneration	21.14	4.31
Safety related Exp. at Sarabai Kullu	-	0.18
Licence fee	0.05	-
Legal Charges Advocate	-	0.15
Service Tax paid	-	0.24
O&M Exp. GIS Bhoktoo	3.98	-
O&M Exp. Phosal sub stn	-	0.44
TA/DA ADB Consultants	0.09	0.10
Admn.& other exp. Sarabai Zone Office	5.58	-
Total Admn. & other Exp.	***283.93***	***200.47***
Less:- 50% of Corp. Off.for STU &Trans.	86.60	54.33
Balance Pertains to cwip (i)	**197.33**	**146.14**
Direct related exp.STU & Trans.		-
Membership fee STU(NRPC FUND)	7.00	11.00
ARR Exp.MYT Cont. Period 2011-12 to 2013-14	9.13	5.18
Licence & reg. fee	100.00	100.00
50% exp. Of Adm. & other exp.	86.60	54.33
Legal Charges Advocate	24.98	30.97
Service tax on Legal charges	2.27	-
O&M Exp. Kasang Bhaba Line	13.80	-
Other Admn. Expenses Phosal PIU	5.39	-
Repair & Maintance Phosal S.Stn	10.60	-
O&M Exp. Phosal sub stn	18.52	-
O&M Exp. From HPSEB	205.02	261.50
Total (ii)	**483.32**	**462.98**
Total(i+ii)	**680.65**	**609.12**

(Ramlesh Sharma)
Manager (Accounts)

(Er. K.N.Sharma)
Dy.G.M.(Finance)

(Er. K.S.Attri)
Director(P&C)

(Er. R.K.Sharma)
Managing Director

For Doger & Co.
Chartered Accountants
CA Sachin Doger,
M.No.502458.

Place: Shimla
Date: 03.05.2018

17. Prior Period Income & Expenses Detail booked during 2016-17 Amt. Rs. In Lakh

Particulars	Period of Exp./Income	Amt. as on 31.3.17
Excess O&M charges claimed by HPSEBL credited		
Excess O&M charges provided during 2014-15	2010-11	139.09
Excess O&M charges provided during 2014-15	2014-15	66.44
Excess O&M charges provided during 2015-16	2015-16	66.57
Total		**272.10**
Less:-		
Depreciation of 2 lines provided as per CAG comments(2015-16) debited	**2010-11 to 2015-16**	159.36
Credit Balance of O&M expenses adjusted during the year(A)		**112.74**
Trans.charges income 2010-11 booked during 2014-15 withdrawn	2010-11	473.21
75% amt. of STOA pertains to HPSEB booked in HPPTCL	2014-15	633.00
75% amt. of STOA pertains to HPSEB booked in HPPTCL	2015-16	856.00
Total Excess Trans. charges booked as HPPTCL Income		**1,962.21**
Less:-		
Trans. Charges of 3 No.interstate line booked during the year	2014-15 & 2015-16	513.10
Income of 220 kv Kasang bhaba line booked during the year	2010-11 to 2014-15	115.51
Diff. of Trans. Charges as per tariff order FY 12 to FY 14	2011-12 to 2013-14	213.00
Diff of Trans. Charges as per true up order for FY 15 & FY 16	2014-15 to 2015-16	482.76
Total prior period income booked during 2016-17		**1,324.37**
Net Excess Prior Period Income debited during year(B)		**637.85**
Total prior period Income and expenses adjusted during the year transferred to Profit & Loss A/c statement(A-B)		**525.11**

(Kamlesh Sharma)
Manager (Accounts)

(Er. K.N.Sharma)
Dy.G.M.(Finance)

(Er. K.S.Attri)
Director(P&C)

(Er. R.K.Sharma)
Managing Director

For Doger & Co.
Chartered Accountants

CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017		(Amt. Rs. In Lakh)
Particulars	**Year ended 31.3.2017**	**Year ended 31.3.2016**
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax on STU & Transmission	(1,130.37)	314.42
Depreciation	933.34	267.89
Depreciation of Prior Period	159.37	158.47
Finance Charges	-	-
Inventories	-	-
Other Current Assets	(80.59)	(114.32)
Loans and Advances(Short & Long term)	3,000.25	(2,624.13)
Long Term provisions	3,037.86	2,329.73
Other Current Liabilities	12,925.94	1,095.60
Income Tax	-	(103.76)
Total (A)	18,845.80	1,323.90
(B) Cash flow from Investing activities		
Capital Expenditure on tangible Assets	(18,327.09)	(255.42)
Capital Expenditure on Intangible Assets	-	-
Net Expenditure on CWIP	(16,006.64)	(14,813.46)
Investment in IIIT Una		
Total(B)	(34,333.73)	(15,068.88)
(C) Cash flow from Financing Activities		
Share Capital	2,272.00	4,603.00
Share Application Money Pending for allotment	(321.00)	(1,324.00)
Repayment of Borrowings	-	-
Grant Received	1,572.00	-
Proceeds from Borrowings	12,000.00	8,500.00
Total (C)	15,523.00	11,779.00
Gross Total (A+B+C)	**35.07**	**(1,965.98)**
Add: Opening Cash and Equivalents	12,935.43	14,901.41
Closing Cash and Equivalents	**12,970.50**	**12,935.43**

(Kamlesh Sharma)
Manager (Accounts)

(Er. K.N.Sharma)
Dy.G.M.(Finance)

(Er. K.S.Attri)
Director(P&C)

(Er.R.K.Sharma)
Managing Director

For Doger & Co.
Chartered Accountants
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

H.P. Power Transmission Corporation Limited
Shimla-171005

(A State Government Undertaking)

Himfed Bhawan, Below Old MLA's Quarters (Panjri), Tutikandi,
Shimla-171005 (Himachal Pradesh)

HPPTCL

NINTH
ANNUAL REPORT
2016-17

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

Notice of 9th Adjourned Annual General Meeting of the HPPTCL.

"Notice is hereby given that 9th Adjourned Annual General Meeting of the Shareholders of the H.P. Power Transmission Corporation Limited, Shimla will be held on 12.9.2018 at 12.30 PM at Himfed Building, Bypass Road (Panjri), (Below Old MLA's Quarters), Tutikandi, Shimla HP 171005 (H.P.) to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (Annual Accounts) of the Company for the year ended 31st March, 2017 Board's Report and Report of Auditors thereon alongwith the comments of the Comptroller and Auditors General of India as on that date.

2. To note/approve the appointment of statutory auditors of the Company for the FY 2017-18.

Place: Shimla
Dated: 12/09/2018

By order of the Board of Directors

Sd/-
Keshav Attri
Director (P&C)

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- proxy form attached.
2. Memorandum for Shareholders is attached.

PROXY FORM

I/We member (s) of the H. P. Power Transmission Corporation Limited, Shimla, 171005 do hereby appoint ---------- of ---------- as my proxy to attend and vote for me/us in the 9th Adjourned Annual General Meeting of the Company to be held on ……and at any adjournment thereof.

Signatures

Signed this on ……

Affix Rs.5/-
Revenue Stamp

H. P. Power Transmission Corporation Limited

Board of Directors

1	Sh. Vineet Chawdhry, IAS Chief Secretary to Govt. of Himachal Pradesh	Chairperson
2	Dr. Shrikant Baldi,IAS ACS-cum- Pr. Secretary to the Hon'ble Chief Minister	Director
3	Sh. Anil Kumar Khachi, IAS ACS (Finance) GoHP	Director
4	Sh. Tarun Kapoor, IAS ACS (MPP & Power) GoHP	Director
5	Sh. Devesh Kumar, IAS MD, HPPCL	Director
6	Er. Ravinder Kumar Sharma MD, HPPTCL	Managing Director
7	Er. Rajesh Singh Director (Projects) HPPTCL	Director
8	Er. Keshav Singh Attri Director (P&C) HPPTCL	Director

Auditors:
M/s Doger & Co.
Chartered Accountants

Bankers:
1. State Bank of India, Khalini, Shimla-2.
2. State Bank of India, New Shimla.
3. Punjab national bank, Lift Road, The mall Shimla.
4. HDFC Bank, The Mall Shimla.
5. Yes Bank, Timber House, Shimla.
6. ICICI Bank, The Mall, Shimla.
7. PNB, The Mall, Shimla.

H. P. Power Transmission Corporation Limited
(A State Government Undertaking)
Himfed Bhawan, Below Old MLA's Quarters, Tutikandi, (Panjri),
Shimla-171005 (Himachal Pradesh)

BOARD'S REPORT 2017

Dear Members,

Your Directors are pleased to present the Ninth Annual Report of the Company for the year ended March 31, 2017 along with the Financial Statement (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 Sub-Stations 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 co-ordinating the transmission related issues with CTU, CEA, MOP (GOI), HP Government and HPSEBL. HPPTCL is also responsible for planning and coordination 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, Objectives and Functions :

(a) Mission :

Formulation, updation and execution of integrated Transmission master plan for strengthening of Transmission Network and evacuation of power from Small, Medium and Large Hydro Generating Stations to the load centres/ CTU points.

(b) Objectives :

(i) Expanding transmission network in the State in an efficient, co-ordinated and economical manner.

(ii) Efficient operation and maintenance of transmission system and aspiring for minimum down time.

(iii) Completion of Transmission system planning to ensure principles of reliability, security and economy matched with rising and desirable expectation of cleaner, safer, healthier environment to people, both affected and benefited by its activities.

(iv) Discharging all functions of Planning and Coordination relating to Intra-State Transmission System with: - (a) Central Transmission Utility (b) Central Electricity Authority (c) Central Government (d) State Government (e) Distribution Corporation (HPSEB Ltd.) (f) HPPCL (g) Independent Power Producers (h) Central Power Sector Utilities (i) any other person notified by State Government in this behalf.

(c) Functions :

(i) Construction of all new sub-stations of 66 kV and above.

(ii) Construction/Laying of all new transmission lines of 66 kV and above.

(iii) Formulation, Updation and Execution of transmission Master Plan for the State for

strengthening of Transmission network and evacuation of power including new works under schemes already submitted by the HPSEB Ltd. Under this plan, to financial institutions for funding and where loan agreements have not yet been signed.

(iv) Planning and Co-ordination with the IPPs/CPSUs/State PSUs and other departments or Organizations or Agencies of Central Govt. and State Govt., HPSEB L and HPPCL with regard to all transmission issues.

(v) Any other matter or subject that the State Govt. may specifically assign to the Corporation from time to time.

(vi) To provide non-discriminatory Open Access to its Transmission System for use by:-

(a) any Licensee or Generating Company on payment of the Transmission Charges; or

(b) any Consumer as and when such Open Access is provided by the State Commission under Sub-Section (2) of Section 42 on payment.

3. Works :

a) 6 No works of ADB Tranche-I have been awarded amounting to Rs.651Crore.

b) 9 No works of ADB Tranche-II amounting to Rs.533 Crore have been awarded.

c) 5 No works of ADB Tranche-III amounting to Rs.314 Crore have been awarded.

d) Loan amount of Rs.749 Crore has been drawn from ADB till date.

e) Loan negotiation for ADB Tranche –III has been completed. The loan agreement for Tranche-III is proposed to be signed during 2018.

f) 7 No works of KFW GEC-I amounting to Rs.295 Crore have been awarded.

g) Loan amounting to Rs.28 Crore has been drawn from KFW.

h) 33/220 KV Fozal Sub Station and 220 KV line has been energized during June, 2016.

i) 220 KV Kashang Bhaba line has been energized during June, 2016.

j) 220/66/22KV Bhoktoo Sub Station has been energized during March, 2017.

k) 220KV Line from Karian to Rajera has been energized during April, 2018.

4. Human Resources :

The total approved staff strength of the Corporation is 488 and as on date 181 employees apart from 3 Whole Time Directors (including MD) are on the rolls. The staff comprises of staff on secondment basis from HPSEBL, other departments and HPPTCL's own cadre.

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.

5. Corporate Social Responsibility initiatives taken during the year

Corporate Social Responsibility Committee has been constituted as per provisions of the Companies Act, 2013. The 2ND meeting of the CSR Committee has been held on 23.06.2018 in the financial year 2018-19.

6. Environment :

HPPTCL is formulating its own Environment & Social Safeguard policy. All the Environment Management Plans (EMP) of the State Government and of the Company are proposed to be implemented diligently with a view to ensure safeguarding environment and improving the same wherever possible.

7. Rehabilitation and Resettlement

Continuing with its commitment to improve the lives of affected people compared to pre-project

scenario, HPPTCL has adopted its standard Resettlement and Rehabilitation (R&R) Plan while striving to prepare and implement project specific RR Plans, which incorporate additionally negotiated packages and compensations with the aim to provide clarity, focus and ease of implementation.

8. Accounts

The Financial Statement (Annual Accounts) consisting of Statement of Profit & Loss, Pre-Operative Expenditure Statement for the period ended 31st March, 2017 and Balance Sheet as on that date is annexed alongwith report of Statutory Auditors and comments of CAG of India thereon for the financial year 2016-17 alongwith Management replies on comments of auditors.

9. 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 the firms of Chartered Accountants.

10. Dividend

Since the Company has not yet started full commercial operations and has not earned sufficient revenue, therefore, the information may kindly be treated as nil.

11. Reserves

Reserve & surplus represent unutilized capital grant received from MNRE, net of cumulative loss set off. As such the information may be treated as nil.

12. Change in the nature of business, if any.

No such changes occurred during the year.

13. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

No such changes occurred during the year.

14. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the Going Concern status and Company's operations

There were no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations during the financial year ending 31st March, 2017.

15. Subsidiary/Joint Ventures/Associate Companies

The Company has not entered into any agreement/MOU to create any Joint Venture/Subsidiary company(s) during the year. Hence, the information may kindly be treated as nil.

16. Performance and Financial Position of each of the Subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statement.

Not applicable.

17. Deposits

The Company has not accepted deposits. Hence the information is nil.

18. Statutory Auditors and Auditors' Report:-

M/S Doger & Co. Chartered Accountants, First Floor, Opp. Panchyat Bhawan Main Gate, Bus Stand, Shimla were appointed as the Statutory Auditors of the Company for the financial year ended 31st March, 2017 on 9.8.2016 by the Comptroller & Auditor General of India. The auditors have audited the accounts and submitted their report on 03.05.2018 which is annexed to accounts.

19. Share Capital

The Authorized Share Capital of the Company as on 31.03.2017 was Rs.250 crore (Rs. Two hundred fifty Crore only), whereas, the issued, subscribed & paid up capital of the Company was Rs. 249,23,50,000/-.

A) Issue of equity shares with differential rights

The information is nil.

B) Issue of sweat equity shares

The information is nil.

C) Issue of employee stock options

The information is nil.

D) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

The information is nil.

20. Extract of the Annual Return

The information pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended hereunder in annexure **MGT-9 at Annexure-B.**

21. The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as per Rule 8 of the Companies (Accounts) Rules, 2014.

a) Conservation of Energy

The Company has adopted various guidelines for conservation of energy issued by GOI/GOHP from time to time.

b) Foreign Exchange Earning and Out-Go

There was foreign exchange out-Go of USD 15.70 lakh during the year.

c) Technology Absorption

The company worked closely with vendors and contractors for development of systems for transport of the transformers over narrow low capacity bridges.

22. Directors:

A) The Board of Directors

1.1 Size of the Board

HPPTCL is a Government Company within the meaning of the Companies Act. The entire shareholding is owned by the Government of Himachal Pradesh and Himachal Pradesh Infrastructure Development Board (HPIDB), a Board of the State Govt. 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 Nominee Directors.

1.2 Composition & Tenure of the Board

As on 31.03.2017, the Board is comprised of 8 (Eight) members, consisting of 1 Managing Director, two whole-time Directors and other part-time Nominee Directors representing the Government of

H.P./HPPCL.

1.3 Board Meetings

The Board Meetings are held normally at Shimla to facilitate full participation by the Directors. During the FY 2016-17, 03 Board Meetings have been held on 06/08/2016, 28/12/2016 and 18/03/2017 and almost all the Directors have attended these meetings.

1.4). Corporate Governance

HPPTCL continuously strive to bring the best practices expected of us by all the stakeholders in the conduct of business. The Company is a Private Limited and unlisted Company as on date and it is our endeavour to adhere to the latest provisions of the Companies Act, 2013.

PARTICULARS OF THE PERSONS WHO ARE/WERE DIRECTORS/SECRETARY OF THE COMPANY AS ON THE CLOSURE OF FINANCIAL YEAR (2016-17).

Sr. No	Name	USUAL ADDRESS	DATE OF BIRTH	DATE OF APPOINTMENT	DATE OF CESSATION (after closure of financial year : If any)
1.	Sh. Vidya Chander Pharka, IAS	House Number 1, Type VI, Officers Colony, Kasumpti, Shimla (H.P.)-171009	15.10.59	25/12/2012	In position as Chairperson (Ceased on 30/12/2017).
2.	Sh. Tarun Shridhar , IAS	Set No 13/VI, Richmond, Jakhu, Shimla-1, Himachal Pradesh	13/07/59	01/10/2015	In position as Nominee Director (Ceased on 29/12/2017).
3.	Dr. Shrikant Baldi, IAS	House No.17, Type -6, Govt. Officers' Colony, Mehli, Kasumpti Shimla 171009	12.12.59	25.07.2011	In position as Nominee Director
4.	Sh. Thubdan Gomphel Negi, IAS	31/3, Mashobra Bazar Tehsil Shimla (Rural) Shimla, H.P.-171012	04/06/52	23/07/2016	In position as Nominee Director (Ceased on 27/12/2017).
5.	Sh. Devendra Kumar Sharma	House no. - 472/04, Sector-IV, Near DAV School, New Shimla, Shimla, 171009, H.P.	18.07.60	13.09.2012	In position as Nominee Director (Ceased on 20/04/2017).
6.	Sh. Jai Parkash Kalta	Kalta Villa, Below B.C.S. Phase -III, New Shimla, Shimla, (H. P) India-171009	10/05/60	08/04/2016	In position as Managing Director (Ceased on 03/01/2018).
7.	Sh. Rajesh Singh	82/1, Veer Cottage, Vikas Nagar, Kasumpti, Shimla 171009 HP IN	31/01/59	25/04/2016	In position as Whole Time Director
8.	Sh. Keshav Singh Attri	House No.-1378, Near Municipal Bhawan, Sector- 68, (P.O. - Chandigarh Sector- 62), Mohali Punjab, India 160062	12.03.61	14/03/2017	In position as Whole Time Director.

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

PARTICULARS OF CHANGE IN THE PERSONS WHO ARE/WERE DIRECTORS/ SECRETARY OF THE COMPANY DURING THE FINANCIAL YEAR (2016-17).

Sr. No	Name	USUAL ADDRESS	DATE OF BIRTH	DATE OF APPOINTMENT	DATE OF CESSATION (after closure of financial year : If any)
1.	Sh. Thubdan Gomphel Negi, IAS	31/3, Mashobra Bazar Tehsil Shimla (Rural) Shimla, H.P.-171012	04/06/52	23/07/2016	Appointed as Nominee Director (Ceased on 27/12/2017).
2.	Sh. Jai Parkash Kalta	Kalta Vi lla, Below B.C.S. Phase -III, New Shimla, Shimla, (H. P) India-171009	10/05/60	08/04/2016	Appointed as Managing Director (Ceased on 03/01/2018).
3.	Sh. Rajesh Singh	82/1, Veer Cottage, Vikas Nagar, Kasumpti, Shimla 171009 HP IN	31/01/59	25/04/2016	Appointed as Whole Time Director
4.	Sh. Keshav Singh Attri	House No. -1378, Near Municipal Bhawan, Sector- 68, (P.O. - Chandigarh Sector- 62), Mohali, Punjab, India 160062	12/03/61	14/03/2017	Appointed as Whole Time Director.
5.	Sh. Satish Kumar Sharda	Board Col ony, New Totu, P.O.- Totu, Tehsil & District- Shimla H.P. India-171011	10/01/57	07/10/2013	Ceased as Whole Time Director w.e.f. 09/01/2017

PARTICULARS OF DIRECTORS/SECRETARY AS ON DATE.

- Sh. Vineet Chawdhry, IAS, Chief Secretary to Govt. of Himachal Pradesh-Chairperson
- Dr. Shrikant Baldi, IAS, ACS-cum-Pr. Secretary to the Hon'ble Chief Minister,– Director
- Sh. Anil Kumar Khachi, IAS, ACS (Finance) GoHP– Director
- Sh. Tarun Kapoor, IAS, ACS (MPP & Power), GoHP - Director
- Sh. Devesh Kumar, IAS, MD, HPPCL– Director
- Er. Ravinder Kumar Sharma - Managing Director
- Er. Rajesh Singh -Director (Projects) – Director
- Er. Keshav Singh Attri -Director (P&C) – Director

23. Audit Committee

Although, the provisions of the Companies Act, 2013 with respect to constitution of Audit Committee are not applicable, yet in order to have good Corporate Governance, the Audit committee has been constituted with the following Directors of the Board.

I). Additional Chief Secretary/ Pr. Secretary (MPP & Power)
ii). Additional Chief Secretary/Pr. Secretary (Finance)
iii). Managing Director, HPPTCL.

24. Details of establishment of Vigil Mechanism Committee for Directors and employees

The Vigil Mechanism Committee has been established with the approval of the Board.

25. Nomination and Remuneration Committee

Not Applicable.

26. Particulars of loans, guarantees or investments under Section 186

The information is nil.

27. Particulars of contracts or arrangements with related parties

The information is nil.

28. Secretarial Audit Report

Not Applicable.

29. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(I) By the Auditor in his report:

Replies to the Auditors Report stand given in the Annexures of the Financial Statements, where the Board's Report is being annexed.

(II) By the Secretarial Auditor in his report: ---

Not Applicable.

30. Risk Management Policy

The information is nil.

31. Director's Responsibilities Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submit its responsibility Statement:—

(a) In the preparation of the Financial Statement (annual accounts), the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments 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 and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the Financial Statement (annual accounts) on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. Company's policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178

Since being Company entirely owned by the State Govt., the subject matter is regulated as per Govt. notifications issued from time to time.

33. Particulars of employees pursuant to section 217 (2a) of the Companies Act, 1956 and now as per the Companies Act, 2013.

The information is NIL.

34. Other information:-

There is no decision to buy back its shares during the year under report as per the Companies Act, 2013.

35. Acknowledgements

Your Directors acknowledge the support provided by the State Govt. and its Departments such as Department of Power, Department of Energy, Department of Finance, Department of Forests, HPERC, 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,KFW, PFC, REC and Banks etc.

The Board conveys 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 HPSEBL and other agencies for their institutional support. The Directors would also like to thank the office of A.G. H.P., who has made efforts in conducting and finalizing the audit report and arranging comments of the Comptroller and Auditor General of India on Financial Statement (annual accounts) of the Company.

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

Thanking you,

For and on behalf of Board of Directors

Sd/-
Er. Keshav Singh Attri
Director (P & C)

Sd/-
Ravinder Kumar Sharma
Managing Director

Place: Shimla
Dated: 12.09.2018

ANNEXURE I TO THE DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	**U40101HP2008SGC030950**
ii.	Registration Date	27/08/2008
iii.	Name of the Company	H. P. Power Transmission Corporation Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares (State Govt. Company)
v.	Address of the Registered office and contact details	Himfed Bhawan, Below Old MLAs Quarters, Tutikandi, (Panjri), Shimla - 171005 (Himachal Pradesh)
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NIL

9. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Electricity, gas, steam and air condition supply	40101	100 %

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	-	-	-	-	-

VI.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i.Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian	0	0	0	0	0	0	0	0	-
a) Individual/ HUF	0	0	0	0	0	0	0	0	-
b) Central Govt	0	0	0	0	0	0	0	0	-
c) State Govt(s)	11780500			52.01	14052500			56.38	4.37
d) Bodies Corp	0	0	0	0	0	0	0	0	-
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any Other 10870000 Shares in the name of Himachal Pradesh Infrastructure Development Board (Board of Govt. of H.P.) & 1000 Shares in the name of 5 Sr. Officers of the State Govt.	10871000			47.99	10871000			43.62	-4.37
Sub-total(A)(1):-	**22651500**			**100**	**24923500**			**100**	-
2) Foreign									-
a) NRIs-Individuals	0	0	0	0	0	0	0	0	-
b) Other-	0			0	0			0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	-
d) Banks / FI	0	0	0	0	0	0	0	0	-
e) Any Other....	0	0	0	0	0	0	0	0	-
Sub-total **(**A)(2):-									-
B. Public Shareholding									
1. ***Institutions***									
1. Mutual Funds	0	0	0	0	0	0	0	0	-

2. Banks / FI	0	0	0	0	0	0	0	0	-
3. Central Govt	0	0	0	0	0	0	0	0	
4. State Govt(s)	0	0	0	0	0	0	0	0	-
5. Venture Capital Funds	0	0	0	0	0	0	0	0	-
6. Insurance Companies	0	0	0	0	0	0	0	0	-
7. FIIs	0	0	0	0	0	0	0	0	-
8. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
9. Others (specify)	0	0	0	0	0	0	0	0	-
Sub-total (B)(1)	0	0	0	0	0	0	0	0	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	-
c) Others(Specify)	0	0	0	0	0	0	0	0	-
Sub-total (B)(2)	0	0	0	0	0	0	0	0	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	-
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	**22651500**			**100**	**24923500**			**100**	-

II. Shareholding of Promoters

Sr. No	Share Holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Governor of Himachal Pradesh	11780500	52.01	-	14052500	56.38	-	4.37
2.	Himachal Pradesh Infrastructure Development Board (was not Promoter at the time of incorporation of Company)	10870000	47.99	-	10870000	43.62	-	-4.37
3.	Sh. P.Mitra , IAS	200	0.00	-	-	-	-	0.00
4.	Sh. Vidya Chander Pharka, IAS	200	0.00	-	200	0.00	-	-
5.	Sh. Thubdan Gomplel Negi, IAS	-	-	-	200	0.00	-	-
6.	Sh. Tarun Shridhar, IAS	200	0.00	-	200	0.00	-	0.00
7.	Dr. Shrikant Baldi, IAS	200	0.00	-	200	0.00	-	0.00
8.	Sh. Devendra Kumar Sharma	200	0.00	-	200	0.00	-	0.00
		22651500	**100**		**24923500**	**100**		

Change in Promoters' Shareholding:

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	22651500	100	2272000	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**DATE**	**NO. OF SHARES**	**TO WHOM ISSUED**	**REASON**
	ALLOTMENT	**DATE**	**NO. OF SHARES**	**TO WHOM ISSUED**	**REASON**
		06/08/2016 28/12/2016 Total=	1272000 1000000 2272000	The Governor of H. P.	Allotment to existing Shareholders
	TRANSFER	**DATE**	**NO. OF SHARES**	**Transferor**	**Transferee**
		28/12/2016	200	Sh. P.Mitra , IAS	Sh. Vidya Chander Pharka, IAS
		18/03/2017	200	Sh. Vidya Chander Pharka, IAS	Sh. Thubdan Gomplel Negi, IAS
	At the End of the year	**24923500**	**100**	**24923500**	**100**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (2016-17)				
i) Principal Amount	**39,83,89,255**	**298,18,06,000**		**338, 01, 95, 255**
ii) Interest due but not paid	**0**	**0**		**0**
iii) Interest accrued but not due	**16,04,472**	**40,99,61,015**		**41 ,15, 65, 487**
Total (i+ii+iii)	**39,99,93,727**	**339,17,67,015**		**379,17,60,742**
Change in Indebtedness during the financial year				
- Addition	**4,87,04,493**	**153,36,90,279**		**158,23,94,772**
- Reduction	**4,88,02,682**	**0**		**4,88,02,682**
Net Change	**(-)98,189**	**153,36,90,279**		**153,35,92,090**
Indebtedness at the end of the financial year(2016-17)				
i) Principal Amount	**39,83,89,255**	**418,18,06,000**		**458,01,95,255**
ii) Interest due but not paid	**0**	**3,14,21,844**		**3,14,21,844**
iii) Interest accrued but not due	**15,06,283**	**71,22,29,450**		**71,37,35,733**
Total (i+ii+iii)	**39,98,95,538**	**492,54,57,294**		**532,53,52,832**

VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Designation	Total Amount (in Rs.)
1.	**Name of MD/WTD/ Manager:** **1) Sh. Jai Parkash Kalta** Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	**(Managing Director)**	21,16,701
	Name of MD/WTD/ Manager: **1) Sh. Satish Kumar Sharda** Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	**(Whole Time Director)**	14,04,529
	Name of MD/WTD/ Manager: **1) Sh. Rajesh Singh Thakur** Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act 1961	**(Whole Time Director)**	20,05,079

1.	**Name of MD/WTD/ Manager:** **1) Sh. Keshav Singh Attri** Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	**(Whole Time Director)**	59400
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify…	-	-
5.	Others, please specify	-	-
6.	Total (A)	-	55,85,709
	Ceiling as per the Act		

B. Remuneration to other directors:

	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	-				-
	Total (1)					
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	-				-
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	-				-
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
	(Name)	CEO	Company Secretary	CFO	Total
10.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
11.	Stock Option	-	-	-	
12.	Sweat Equity	-	-	-	
13.	Commission - as % of profit - others, specify…	-	-	-	
14.	Others, please specify	-	-	-	
15.	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Sd/-
Managing Director

H P POWER TRANSMISSION CORPORATION LTD.
Himfed Building, Tutikandi,(Panjri)Shimla

Balance Sheet As At 31st March,2017			(Amt. Rs. In Lakh)
Particulars	**Note No.**	**As at 31.03.2017**	**As at 31.03.2016**
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds:			
(a) Share Capital	1	**24,923.50**	**22,651.50**
(b) Reserves and surplus	2	**1,030.65**	**589.02**
(2) Share application money pending allotment	3	**951.00**	**1,272.00**
(3) Non- Current Liabilities			**-**
(a) Long Term Borrowings	4	**45,801.95**	**33,801.95**
(b) Long Term Provisions	5	**13,575.66**	**10,537.79**
(4) Current Liabilities:			**-**
(a) Other current liabilities	6	**17,921.26**	**4,995.33**
Total		**104,204.02**	**73,847.59**
II. ASSETS			
(1) Non-current assets:			
(a) Fixed assets			
(i) Tangible assets	7.1	**24,207.74**	**6,973.12**
(ii) Intangible Assets	7.2	**1.90**	**2.13**
(iii) Capital work-in-progress	7.3	**57,158.55**	**41,151.91**
(b)Other non-current assets	8	**480.00**	**480.00**
(2) Current assets:			
(a) Cash and cash equivalents	9	**12,970.50**	**12,935.43**
(b) Short-term loans and advances	10	**9,129.98**	**12,130.23**
(c) Other current assets	11	**255.35**	**174.77**
Significant Accounting Policies & Notes to Accounts	18		
Total		**104,204.02**	**73,847.59**

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er. R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants

Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi,(Panjri)Shimla

PRE-OPERATIVE EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST.MARCH, 2017

(Amt. Rs. In Lakh)

Particulars	Note No.	As on 31.03.2017	As on 31.03.2016
Expenses(A)			
Employee benefit expenses	13	1,057.57	797.63
Financial costs	14	3,824.12	2,992.66
Depreciation and amortization expenses	15	16.99	11.10
Other expenses	16	197.33	146.14
Prior Period Adjustment	17	-	15.32
Total (A)		**5,096.02**	**3,962.85**
Less:- i.Miscellaneous Income	12	1,015.02	1,269.73
Net Expenditure (B) **(Carried forward to CWIP)**		**4,081.00**	**2,693.12**
Significant Accounting Policies & Notes to Accounts	18		

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er. R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants

Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi,(Panjri)Shimla

(Amt. Rs.in Lakh)

Profit & loss statement for the year ended as on 31.3.17

Particulars	Note No.	As on 31.03.2017	As on 31.03.2016
I. Revenue from operations	12	1,212.13	1,522.48
II. Other Income		-	-
III. Total Revenue (I +II)		1,212.13	1,522.48
IV. Expenses:			
Employee benefit expenses	13	417.73	299.20
Financial costs	14	-	-
Depreciation and amortization expenses	15	916.34	256.79
Other expenses	16	483.32	462.98
Total Expenses		1,817.39	1,018.97
V. Profit before exceptional and extraordinary items & tax(III-IV)		(605.26)	503.51
VI. Prior Period Adjustment	17	525.11	189.09
VII. Profit before extraordinary items and tax (V- VI)		(1,130.37)	314.42
VIII. Tax expense:		-	
(1) Current tax			103.76
(2) Deferred tax		-	
IX. Profit & Loss for the period transfered to reserve & surplus/ Balance Sheet(VII-VIII)	(VII-VIII)	(1,130.37)	210.66
Significant Accounting Policies & Notes to Accounts	18		

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er. R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants

Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

1) SHARE CAPITAL

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017		Amt. Rs. in Lakh As at 31.03.2016
AUTHORISED SHARE CAPITAL (2,50,00,000 Equity Shares of Rs100/-each)(Previous year 2,50,00,000 equity shares of Rs. 100/-each)	25,000.00		25,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL (2,49,23,500 Equity Shares of Rs. 100/- each fully paid up) (Previous year 2,26,51,500 equity shares of Rs. 100/- each (Fully paid up)	24,923.50		22,651.50
Total Paid Up Capital	**24,923.50**		**22,651.50**

1) The company has issued only one class of shares referred to as equity shares having a par value of Rs. 100/- each. All equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the company's residual assets.

1.1) Detail of shareholding more than 5% shares in company:

Name of Shareholder	Amount As at 31.03.2017	%	Amount As at 31.03.2016	%
HP Govt	14,053.50	56.39	11,781.50	52.01
HPIDB	10,870.00	43.61	10,870.00	47.99
Total	**24,923.50**		**22,651.50**	

(Share holding of HP Govt. is inclusive of 1000 shares of Rs.100/- each issued favour of 5No. Govt. nominee Directors)

1.2) Reconciliation of shares outstanding is set out below:

PARTICULARS	No. of shares		Amt. Rs. in Lakh
No of shares at the beginning (as on 01.04.2016)	22,651,500		22,651.50
No of shares issued during the year	2,272,000		2,272.00
No of shares at the end (as on 31.03.2017)	**24,923,500**		**24,923.50**

2.) Reserve & Surplus

PARTICULARS	Amt. Rs. in Lakh As at 31.3.2017		Amt. Rs. in Lakh As at 31.3.2016
Capital Reserves/ Capital Grants			
MNRE Grant from Government of India			
Opening Balance	-		-
Add:-Receipt during the year	1572.00		-
Less:- Utilised during the year	0.00		-
Closing Balance	**1572.00**		-
Deficit/ Profit			
Opening Balance Balance of P&L Statement	589.02		365.84
Balance of Profit & Loss statement for 2016-17	(1,130.37)		210.66
Trans. Line value adjustment 2015-16.	-		12.52
Closing Balance	**(541.35)**		**589.02**
Total	**1,030.65**		**589.02**

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Er. K.N.Sharma)
Dy.G.M.(Finance)

Sd/-
(Er. K.S.Attri)
Director(P&C)

Sd/-
(Er. R.K.Sharma)
Managing Director

For Doger & Co.
Chartered Accountants
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

3) ADVANCE SHARE APPLICATION MONEY

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
A) HP Govt. Share Application pending allotment	951.00	1,272.00
Total	**951.00**	**1,272.00**

4)LONG TERM BORROWINGS:

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Long Term Loans		
State Govt. Loans (ADB) Tranch-1. *(Installment of principal & interest payable yearly on 15th January, however principal yet not due)*	28,818.78	19,512.02
State Govt. Loans (ADB) Tranch-2. *(Installment of principal & interest payable yearly on 15th January, however principal yet not due)*	12,999.28	10,306.04
Loan from M/s REC Ltd.	3,983.89	3,983.89
Total	**45,801.95**	**33,801.95**
There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.		

5) LONG TERM PROVISIONS:

PARTICULARS	Amt. Rs. In Lakh As at 31.03.2017	Amt. Rs.in Lakh As at 31.03.2016
Provision for Pension & Leave salary Contribution	421.90	387.24
Interest on 90%Loan of ADB Govt. of HP	7,031.60	4,028.39
HP State Govt/ HPSEB (Assets Cost)	6,122.16	6,122.16
Total	**13,575.66**	**10,537.79**

6) OTHER CURRENT LIABILITIES:

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Liabilites for Employees' Remuneration and Benefits	140.82	134.00
Liabilities for Contractors & Suppliers	8,219.99	3,869.56
Liabilities against deposit Work & other Govt. Deptt.	9,265.17	851.36
Deposit against way cost	157.80	-
Taxes and Duties Payable	137.48	140.41
Total	**17,921.26**	**4,995.33**

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er. R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

FIXED ASSETS

7.1) TANGIBLE ASSETS

(Amt.Rs. In Lakh

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.16	ADDITION DURING PERIOD	DELETION ADJUSTED	AS ON 31.03.17	UPTO 31.03.16	PROVIDED DURING PERIOD	Prior Period Dep.Adjustment	UPTO 31.03.17	AS ON 31.03.17	AS ON 31.3.16
Transmission Lines and Substation	10,263.37	16,982.28	-	27,245.65	5,610.53	916.35	159.36	6,686.24	20,559.41	4,652.84
Land for Sub.Stn. & Trans. Lines	2,291.65	1,311.72	0.01	3,603.36	-	-	-	-	3,603.36	2,291.65
Furniture & Fixture	44.88	18.61	-	63.49	34.06	5.11	-	39.17	24.32	10.81
Vehicle	19.60	-	-	19.60	12.09	2.93	-	15.02	4.58	7.52
Computer	59.60	12.79	-	72.39	50.86	7.99	-	58.85	13.54	8.74
Office Equipments	12.88	1.70	-	14.58	11.32	0.73	-	12.05	2.53	1.56
Miscellaneous Equipments	0.17	-	-	0.17	0.17	-	-	0.17	0.00	0.00
Fire Safety Equipments	0.45	-	-	0.45	0.45	-	-	0.45	0.00	0.00
Capital Expenditure on Leased Assets	1.38	-	-	1.38	1.38	-	-	1.38	-	-
Grand Total	**12,693.98**	**18,327.10**	**0.01**	**31,021.07**	**5,720.86**	**933.11**	**159.36**	**6,813.33**	**24,207.74**	**6,973.12**
Previous year	**12,438.56**	**255.42**	-	**12,693.98**	**5,296.09**	**266.30**	158.47	**5,720.86**	**6,973.12**	**7,129.95**

7.2) INTANGIBLE ASSETS

(Amt. Rs. in Lakh

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.4.16	ADDITION DURING PERIOD	DELETION ADJUST	AS ON 31.3.17	UPTO 31.3.16	PROVIDED DURING PERIOD	DELETION ADJUSTED	UPTO 31.3.17	AS ON 31.3.17	AS ON 31.3.16
Software	37.14	-	-	37.14	35.01	0.23	-	35.24	1.90	2.13
Previous year	**37.14**	**-**	-	**37.14**	**33.42**	**1.59**	-	**35.01**	**2.13**	**3.72**

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er.K.S.Attri)**	**(Er. R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants
Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

7.3)

7.3 Capital Work In Progress

Amt.Rs.in Lakh

Sr. No.	PARTICULARS	GROSS BLOCK				NET BLOCK	
		AS ON	ADDITION	Capitalised	AS ON	AS ON	AS ON
		01.04.16	DURING PERIOD	ADJUSTED	31.03.17	31.03.17	31.3.16
1	Kashang Bhaba Transmission Line	1,936.89	6,762.47	8,699.36	-	-	1,936.89
2	33/132 KV GIS Pandoh	6.54	1,455.17	-	1,461.70	1,461.70	6.54
3	Sawra Kuddu project	2.22	-	-	2.22	2.22	2.22
4	5MVA GIS STN Palchan	283.02	7.90	-	290.92	290.92	283.02
5	Transmission line at Palchan to AD Hydro	265.88		240.19	25.69	25.69	265.89
6	33/220KV Sub Stn. at Karian	2,967.36	18.77	-	2,986.13	2,986.13	2,967.36
7	33/220/400Kv GIS Substation at Lahal	2.99	237.96	-	240.95	240.95	2.99
8	220/400Kv Substation Gumma Pragtinagar	8,583.85	3,387.18	-	11,971.03	11,971.03	8,583.85
9	22/66/220Kv Substation Bhoktoo	2,653.93	414.17	-	3,068.09	3,068.09	2,653.93
10	220Kv D/C Trans. Line Patlikhual to Phojal	1,220.53	325.02	1,545.55	-	-	1,220.53
11	Dep. Work 220/66/22Kv GIS Substation Bhoktoo(HPSEB)	1,403.68	94.41	-	1,498.10	1,498.10	1,403.68
12	33/220 Kv Substation Phojal	5,823.93	938.45	6,762.38	-	-	5,823.93
13	400/220/66KV GIS Substation Wangtoo(ADB)	4,265.31	8,836.86	-	13,102.16	13,102.16	4,265.31
14	Deposit work Snale Hatkoti	379.79	2.32	-	382.11	382.11	379.79
15	220kv D/C(T. M.) Line from Hatkoti to 220/400 Substation Gumma	3,192.69	964.16	-	4,156.85	4,156.85	3,192.69
16	220Kv Switching Stn Hatkoti	4.55	5.06	-	9.60	9.60	4.55
17	66Kv D/C Trans. Line Urni to Wangtoo	256.20	494.16	-	750.36	750.36	256.20
18	220kv s/c line on d/c tower karian to PGCIL	663.13	74.25	-	737.38	737.38	663.13
19	132kv D/C Tran.line Barsani to Charor	18.03	5.07	-	23.10	23.10	18.03
20	66/220 Kv GIS Substation Urni (ADB)	1,296.41	979.96	-	2,276.37	2,276.37	1,296.41
21	33 Kv D/C T.Line on Monopole Palchan to AD Hydro	7.64	-	-	7.64	7.64	7.64
22	132KvD/C T.LineTangnu Romal (44MW)HEP	9.25	1.35	-	10.60	10.60	9.25
23	220 Kv Trans. Line Charor to Banala Kullu	1,880.16	1,599.60	-	3,479.75	3,479.75	1,880.16
24	400KvD/Cline 33/220/400 S.Stn Lahal to PGCIL	0.24	-	-	0.24	0.24	0.24
25	220 Kv S/C Trans.line Lahal to Rajera	18.03	0.04	18.03	0.04	0.04	18.03
26	400 KV D/C Trans.line Lahal to Rajera	41.33	-	41.33	-	-	41.33
27	132/220 Kv Pooling Station at Sunda	2.85	3.09	-	5.94	5.94	2.85
28	220Kv Trans.line PS Sunda to Hatkoti	212.42	1,096.53	-	1,308.95	1,308.95	212.42
29	66/220Kv GIS Substation Sunda	1.30	4.77	-	6.06	6.06	1.30
	220Kv Trans. line from Substation Lahal to						

30	Budhil	9.94	143.50	-	153.43	153.43	9.94
31	220 Kv Trans.line from Bajoli Holi to SS Lahal	14.44	2.52	-	16.96	16.96	14.44
32	33/220Kv Substation AD Hydro Prini	65.68	2.59	5.30	62.97	62.97	65.68
33	132/220 kv GIS STN Charor	1.33	4.58	-	5.91	5.91	1.33
34	33/132/,2x25/31.5MVA Substation Chambi	2.15	1,204.39	-	1,206.54	1,206.54	2.15
35	132 Kv Transmission Line Chambi	26.46	3.16	-	29.62	29.62	26.46
36	400KV D/C t. Line Parwati -2 to PGCIL Banala	0.28	548.74	-	549.01	549.01	0.28
37	400 KV D/C T.Line Sainj Kullu	0.67	-	-	0.67	0.67	0.67
38	132 KV Transmission line Rupin HEP to PS Sunda	3.60	8.87	-	12.47	12.47	3.60
39	66Kv Transmission Bagipul to Kotla	1.22	3.62	-	4.84	4.84	1.22
40	220Kv Transmission line Majra to Karian	1.49	-	0.01	1.48	1.48	1.49
41	220 Kv GIS Charror	1.65	0.50	-	2.15	2.15	1.65
42	33/132 kv GIS Barshani	-	8.57	-	8.57	8.57	-
43	220Kv Sub Stn Mazra (Pukhri)	-	103.93	-	103.93	103.93	-
44	33/132 Kv GIS Sub Stn Dehan (Patti)	-	2.15	-	2.15	2.15	-
45	132/220 Kv GIS Sub Stn Mazra Chamba	-	3.67	-	3.67	3.67	-
46	133Kv GIS S Stn Palchan	-	0.22	-	0.22	0.22	-
47	220KV D/C T. Line GIS Dehan to PGCIL Kankari	-	3.80	-	3.80	3.80	-
48	33Kv GIS Switiching Stn at Plachan	-	0.31	-	0.31	30,721.00	-
49	33KV Palchan Prini Line	-	0.22	-	0.22	21,752.00	-
50	22/66/220Kv S.STN Bagipul	-	3.67	-	3.67	367,000.00	-
51	Installation of ERP system at HPPTCL	-	264.89	-	264.89	264.89	-
	Total	**37,529.06**	**30,022.58**	**17,312.15**	**50,239.48**	**50,239.48**	**37,529.06**
	preliminary expenses	101.78	37.50	-	139.28	139.28	101.78
	pre -operative expenses	3,521.07	4,081.00	822.29	6,779.78	6,779.78	827.95
	Total Carried forward to Balance Sheet	**41,151.92**				**57,158.55**	**38,458.79**

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Er. K.N.Sharma)
Dy.G.M.(Finance)

Sd/-
(Er.K.S.Attri)
Director(P&C)

Sd/-
(Er. R.K.Sharma)
Managing Director

For Doger & Co.
Chartered Accountants
Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

8) Other non-current assets

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Deferred revenue expenditure (Contribution to IIIT Una)	480.00	480.00
Total	**480.00**	**480.00**

9) CASH AND CASH EQUIVALENTS

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Cash and Bank Balances		
(1) Cash in hand (including Imprest)	0.08	0.06
(2) Stamps in hand	0.08	0.07
(3) Bank Balances with scheduled banks		
(i) Current/SB Deposits	7,192.34	7,720.60
(iii) Term Deposits with maturity period upto		
12 months.	5,778.00	5,214.70
Total	**12,970.50**	**12,935.43**

10) SHORT TERM LOANS AND ADVANCES:

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Advance to HP Govt. Deptt.	88.45	106.32
Recoverable from Employees & others	0.31	2.25
Advance to Land Acquisition Officer	-	601.04
Recoverable from Govt. Depptt.	239.02	1,695.10
Recoverable from Contractors/Suppliers/Vendors	6,885.21	7,679.16
Advance Tax Deposit/TDS/Recoverable from Tax Authorities	1,906.30	2,030.52
Prepaid Expenses	2.94	4.22
Prepaid Expenses(ARR Exp.MYT 2014-15 to 2018-19)	7.75	11.62
Total	**9,129.98**	**12,130.23**

11) OTHER CURRENT ASSETS

PARTICULARS	Amt. Rs. in Lakh As at 31.03.2017	Amt. Rs. in Lakh As at 31.03.2016
Interest Accrued but not due	174.74	172.07
Security Deposits	0.58	0.54
Trade Debtors	79.29	-
Stationery in hand	0.75	2.16
Total	**255.36**	**174.77**

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er. R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants
Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

12. INCOME

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
i) MISCELLANEOUS INCOME:		
Sale of Tender Forms	14.94	2.86
Interest on Bank Deposits	514.09	591.38
Interest on ADB Loan Imprest	249.50	349.71
Misc. Receipts	1.55	0.32
WCA Interest	-	0.01
RTI Fee	0.01	0.03
Sale of Scrap	0.99	-
Intt. On IT Refund	0.87	-
Interest from Cont./Supplier	233.07	325.42
Total (i)	**1,015.02**	**1,269.73**
ii) Income of STU & Transmission lines		
Connectivity fee	34.00	34.00
STU Charges IEX STOA(SLDC)	25.27	-
Short Term Open Access	276.69	1,141.02
Transmission charges Income (old lines)	706.75	347.46
Trans. Charges Kashang Bhaba Line	61.73	-
Transmission charges Phosal	107.69	-
Total(ii)	**1,212.13**	**1,522.48**
TOTAL INCOME (i+ii)	**2,227.15**	**2,792.21**

13) EMPLOYEE BENEFITS EXPENSES:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Salaries, Wages, Allowances and Benefits	1,331.47	934.95
Contribution to Provident and Other Funds	29.60	22.85
Leave Salary and Pension Contribution	75.30	102.01
Welfare Expenses	38.93	37.01
Total	**1,475.30**	**1,096.82**
50% of Corp. Off. to STU & Transmission Income	393.38	299.20
Amount of PIU Phosal	24.35	-
Total for STU & Trans.	**417.73**	**299.20**
Balance pertains to Capital works	**1,057.57**	**797.63**
TOTAL	**1,475.30**	**1,096.83**

14) FINANCE COSTS:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Interest on Term Loans(ADB)	3,336.90	2,503.58
Bank Charges	0.18	0.05
Interest REC Loan	487.05	489.03
TOTAL	**3,824.13**	**2,992.66**

15) DEPRECIATION EXPENSES:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Depreciation for the Year on Tangible Assets	933.11	266.30
Depreciation for the Year on Intangible Assets	0.23	1.59
Total Depreciation for the Year	**933.34**	**267.89**
Transferred to Profit & Loss Statement	916.34	**256.79**
Transferred to Pre-Operative Exp. Statement	16.99	11.10
Balance	-	-

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er. R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants
Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

16) OTHER OFFICE AND ADMINISTRATIVE EXPENDITURE:

PARTICULARS	Amt. Rs. in Lakh As on 31.03.2017	Amt. Rs. in Lakh As on 31.03.2016
Printing & Stationery	5.29	5.11
Books & Periodicals	0.33	0.43
Electricity & Water Charges	7.09	8.42
Advertisement & Publicity Expenses	8.29	5.28
Hiring Charges for Vehicles	90.34	70.51
Fees & Subscription	1.21	1.40
Office Expenses	9.53	5.24
Other Misc. Expenses	0.19	-
Postage & courier	0.74	0.56
Office Building Rent	50.51	33.00
Insurance Vehicle & Others	0.29	0.40
EPF Damages	1.42	-
Hospitality Expenses	5.05	3.74
Consultancy & Professional Charges	35.19	35.76
Meeting expenses	0.14	0.12
Telephone Exps.	13.15	14.11
Vehicle Running Expenses	11.64	5.35
Internal Audit Fee	0.25	0.25
Statutory Audit Fee	1.16	0.40
Out of Pocket Expenses	-	0.17
Tax Audit Fee	0.40	0.40
Collection of Revenue record	0.01	-
Labour Charges	0.02	-
Lease Line Rent BSNL	0.50	-
Interest Paid	0.74	0.13
TA/DA consultant	3.99	2.16
Consumable elec. Fitting	0.34	0.36
Repair & Maintenance	0.75	0.36
TA/DA auditors	-	0.26
Other Misc.exp. Computer	1.09	0.72
Office Inaguration/ Shifting Expenses	3.42	0.40
ADB Consultant Remuneration	21.14	4.31
Safety related Exp. at Sarabai Kullu	-	0.18
Licence fee	0.05	-
Legal Charges Advocate	-	0.15
Service Tax paid	-	0.24
O&M Exp. GIS Bhoktoo	3.98	-
O&M Exp. Phosal sub stn	-	0.44
TA/DA ADB Consultants	0.09	0.10
Admn.& other exp. Sarabai Zone Office	5.58	-
Total Admn. & other Exp.	***283.93***	***200.47***
Less:- 50% of Corp. Off.for STU &Trans.	86.60	54.33
Balance Pertains to cwip (i)	**197.33**	**146.14**
Direct related exp.STU & Trans.		-
Membership fee STU(NRPC FUND)	7.00	11.00
ARR Exp.MYT Cont. Period 2011-12 to 2013-14	9.13	5.18
Licence & reg. fee	100.00	100.00
50% exp. Of Adm. & other exp.	86.60	54.33
Legal Charges Advocate	24.98	30.97
Service tax on Legal charges	2.27	-
O&M Exp. Kasang Bhaba Line	13.80	-
Other Admn. Expenses Phosal PIU	5.39	-
Repair & Maintance Phosal S.Stn	10.60	-
O&M Exp. Phosal sub stn	18.52	-
O&M Exp. From HPSEB	205.02	261.50
Total (ii)	**483.32**	**462.98**
Total(i+ii)	**680.65**	**609.12**

Sd/-	Sd/-	Sd/-	Sd/-	
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er. R.K.Sharma)**	**For Doger & Co.**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**	Chartered Accountants
Place: Shimla				**CA Sachin Doger,**
Date: 03.05.2018				M.No.502458

17. Prior Period Income & Expenses Detail booked during 2016-17 **Amt. Rs. In Lakh**

Particulars	Period of Exp./Income	Amt. as on 31.3.17
Excess O&M charges claimed by HPSEBL credited		
Excess O&M charges provided during 2014-15	2010-11	139.09
Excess O&M charges provided during 2014-15	2014-15	66.44
Excess O&M charges provided during 2015-16	2015-16	66.57
Total		**272.10**
Less:-		
Depreciation of 2 lines provided as per CAG comments(2015-16) debited	**2010-11 to 2015-16**	159.36
Credit Balance of O&M expenses adjusted during the year(A)		**112.74**
Trans.charges income 2010-11 booked during 2014-15 withdrawn	2010-11	473.21
75% amt. of STOA pertains to HPSEB booked in HPPTCL	2014-15	633.00
75% amt. of STOA pertains to HPSEB booked in HPPTCL	2015-16	856.00
Total Excess Trans. charges booked as HPPTCL Income		**1,962.21**
Less:-		
Trans. Charges of 3 No.interstate line booked during the year	2014-15 & 2015-16	513.10
Income of 220 kv Kasang bhaba line booked during the year	2010-11 to 2014-15	115.51
Diff. of Trans. Charges as per tariff order FY 12 to FY 14	2011-12 to 2013-14	213.00
Diff of Trans. Charges as per true up order for FY 15 & FY 16	2014-15 to 2015-16	482.76
Total prior period income booked during 2016-17		**1,324.37**
Net Excess Prior Period Income debited during year(B)		**637.85**
Total prior period Income and expenses adjusted during the year transferred to Profit & Loss A/c statement(A-B)		**525.11**

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Er. K.N.Sharma)
Dy.G.M.(Finance)

Sd/-
(Er. K.S.Attri)
Director(P&C)

Sd/-
(Er. R.K.Sharma)
Managing Director

For Doger & Co.
Chartered Accountants

Sd/-
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

18. **SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

1. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

i. Accounting Convention - The financial statements are prepared under the historical cost convention on accrual basis and in accordance with generally accepted accounting principles and applicable accounting standards in India. The financial statements adhere to the relevant presentation requirement of the Companies Act, 2013.

b. FIXED ASSETS Fixed assets are shown at historical cost less accumulated depreciation. The cost includes any cost attributable of bringing the assets to its working condition for its intended use.

c. Capital Work In Progress -

i. Various capital works in progress for construction of Transmission Lines and Sub-Stations is capitalized on the basis of bills already approved and paid to contractors & other indirect expenditure specifically related to such expenditure also capitalized & added to cost of such project.

d. DEPRECIATION :

i. Depreciation on transmission assets which are put in to use till the end of financial year is provided at the rate/amount notified by HPERC and CERC (Terms & Condition for Tariff) Regulation 2014. However the difference of depreciation of Rs.159.36 lakh as per CAG comments on the accounts of 2015-16 has been provided during this year as prior period expenses.

ii. Depreciation on individual assets below Rs.5000/- purchased before 1.4.2014 was provided at the rate of 100 percent taking useful life as 1 year and WDV Rs.1/- per asset.

iii. The depreciation on others assets provided as per written down value method as per the rates prescribed in the schedule II of the Companies Act.2013.

iv. Transmission assets are depreciated to the extent of 90% of the cost of the assets and 10% is retained as residual value.

v. Individual assets costing up to Rs.2500/-are fully depreciated in the year in which they are put to use after 1.4.2014.

e. RETIREMENT BENEFITS

i. Defined Contribution Plan (Provident Fund): Corporation's Contribution paid/payable during the year to Provident Fund is recognized in the statement of Profit & Loss and pre-operative expenditure pending allocation.

ii. Defined Benefit Plan (Gratuity, Pension Contribution & Leave Encashment): Since almost all employees of the Corporation as on Balance Sheet date are on deputation/ secondment basis, it is not possible for the Corporation to calculate actuarial valuation of leave encashment, gratuity and other retirement benefits payable to employees on deputation. Therefore corporation will not be able to follow Accounting Standard AS-15 "Accounting for Retirement Benefits" issued by the Institute of Chartered Accountants of India. However, the provisions for Leave Salary & Pension Contribution in r/o HPSEB Ltd. employees deployed on secondment basis is made as per Appendix II of FR for the year 2016-17. The Provision of Gratuity and leave salary contribution of employees other than HPSEB has also been made during the year 2016-17.

f. TAXES ON INCOME :-

i. There is no deferred tax liability for the period.

ii. The assessment for the FY 2009-10 has been completed by the Assessing Authority and demand of Rs.52.66 lakh was raised which stands deposited/ adjusted against advance tax. HPPTCL had filed appeal before CIT Appeal and ITAT Chandigarh and the same were dismissed. Now HPPTCL has filed appeal before Hon'ble High Court Shimla against orders of ITAT Chandigarh. After adjustment a sum of Rs.47.64 lakh stands as debit in Advance Income Tax & TDS A/c.

iii. The assessment for the FY 2010-11 has been completed by the Assessing Authority and demand of Rs.156.12 lakh was raised which stands deposited/ adjusted against advance tax. HPPTCL had filed an appeal before CIT appeal and ITAT Chandigarh which were dismissed and no relief was given to HPPTCL. Now HPPTCL has filed appeal before Hon'ble High Court HP Shimla against order of ITAT Chandigarh. After receipt of adjustment refund a sum of Rs.154.14 stands as debit in Advance Income Tax/ TDS A/c.

iv. The assessment for the FY 2011-12 has been completed by the Assessing Authority and demand of Rs.341.17 lakh was raised which stands adjusted by Income Tax department against refund of A/Y 2013-14. HPPTCL had filed appeal before CIT Appeal and ITAT Chandigarh which were dismissed and no relief was given to HPPTCL. Now HPPTCL had filed appeal before Hon'ble High Court HP Shimla against order of ITAT Chandigarh. After adjustment a sum of Rs.327.14 lakh stands as Debit in Income Tax &TDS A/c.

v. The assessment for FY 2012-13 has been completed and demand of Rs.476.04 lakh was raised which stands deposited/adjusted. HPPTCL had filed appeal before CIT Appeal and ITAT Chandigarh which were dismissed and no relief was given to HPPTCL. Now HPPTCL has filed appeal before Hon'ble High Court HP Shimla against order of ITAT Chandigarh. After adjustment a sum of Rs.428.62 lakh stands as Debit in Advance Income Tax & TDS A/c.

vi. The assessment for FY 2013-14 has been completed and assessed at Rs.710.90 After adjusting Advance tax and TDS of Rs.403.16 lakh demand of Rs.307.74 has been raised. Against assessment of Rs.710.90 lakh Rs.242.00 lakh has been allowed by HPERC in ARR. After rectification order u/s 154 of Income Tax Act.1961 dated 4.10.2016 the demand was reduced to 225.45 lakh against deposit of Rs.294.83 lakh and refund of Rs.69.37 has been requested from Income Tax Authorities. HPPTCL has filed appeal before CIT Appeal against order of ACIT Circle Shimla.

vii. Intimation U/S 143(1) of Income Tax Act.1961 for A.Y.2015-16 has been received vide communication Reference No. CPC/1516/A6/1534021599 dated 28.3.2016 along with refund of Rs.50926193/- after adjusting outstanding demand of Rs.999417/- u/s 220(2) as per IT department for 2010-11. The matter for rectification has been taken up with IT authorities.

viii. The assessment for FY 2014-15 has been completed and assessed at Rs.504.69 akh/- After adjusting Advance tax and TDS of Rs.127.51 lakh lakh demand of Rs.441.79 lakh has been raised. HPPTCL has filed appeal before CIT (Appeals) Solan against order of ACIT Circle Shimla and application for stay of demand filed with ACIT with the request to adjust 20% disputed demand amount from our refunds/rectifications.

ix. Demand of Rs.402.82 lakh against Penalty order of ACIT dated 8.11.2017 under section 271 (c) for AY 2013-14 has been raised and HPPTCL has filed appeal before CIT (Appeals) Solan against order of ACIT Circle Shimla and application for stay of demand filed with

ACIT with the request to adjust 20% disputed demand amount from our refunds/rectifications.

g. PROVISIONS AND CONTINGENT LIABILITIES :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities, if any, are not recognized, but are disclosed in the notes. Contingent assets are neither recognized, nor disclosed in the financial statements.

h. PRELIMINARY & PRE-OPERATIVE EXPENDITURE :

50% amount of Corporate office expenses and entire amount of expenditure incurred at different PIU's during construction period including Finance Costs and Depreciation on Fixed Assets other than transmission lines has been treated as incidental and capital expenditure during construction period and such expenditure are shown net of preoperative income. Further expenditure incurred on filing/ legal fees regarding formation of the Corporation and all expenses incurred prior to the incorporation of the corporation & expenditure incurred in relation to increase in authorized capital have been treated as Preliminary Expenses. No provision has been made for writing off of preliminary expenses during the year. The same will be written off after commencement of complete operations of the Corporation.

i. PRIOR PERIOD ADJUSTMENTS : HPPTCL followed the practice of making adjustments for prior period items through expenses/ income of previous year in the current year except few minor items.

j. Revenue Recognition:

i. Revenue from transmission charges is recognized on the basis of bills issued by HPPTCL during the year.

ii. Revenue on short term open access charges is recognized on receipt basis from Power system Corporation, NRLDC, SLDC and other user which is on the basis of actual transmission of power and directly credited to our account. As per true up tariff order of HPREC 75% income has been transferred to HPSEBL and necessary adjustment made in prior period income & expenses during current year.

iii. Surcharge on late payment billed to HPSEB has not been taken into account due to uncertainty of its realization and pending reconciliation of various accounts with HPSEBL and shall be accounted for on receipt basis as per HPREC regulation.

iv. Revenue from other sources is recognized on accrual basis.

2. NOTES TO ACCOUNTS

a.Contingent Liabilities

	Contingent Liabilities not provided for in respect of:		**As on 31.03.17** ***(Figures In lakh)***	**As on 31.03.16** ***(Figures In lakh)***
(i)	Income tax demand for F.Y.2009 -10 2010-11, 2011-12, 2012-13 and 2013-14 deposited / adjusted from advance tax not provided in books of accounts.		1426.44	1428.42
(ii)	Estimated amount of contract remaining to be executed on capital account (net of advances):	INR	67681.93	70836.41
		US$	20.57	12.52

b. Additional information required as in Part II of Schedule VI

Particulars		**(Rs. in lakh)**	
		Yr. Ended 31.03.17	**Yr. Ended 31.03.2016**
A) Expenditure in Foreign Currencies (Actual outgo):			
- Interest on borrowings		0.00	0.00
- Commitment Charges		0.00	0.00
- Foreign Travelling	(US$)	0	0.00
- Capital Expenditure	(US$)	15.70	0.00
TOTAL:-	**(US$)**	**15.70**	**0.00**

B) Earnings in Foreign Currencies:	0.00	0.00
C) Auditors remuneration:		
-Statutory Audit Fee	1.15	0.40
-Tax Audit Fee	0.40	0.40
-Other Matters	0.00	0.00
TOTAL	**1.55**	**0.80**
D) Managerial Remuneration:		
- Salary and allowances	55.85	35.39
- Contribution to PF and other funds	2.03	4.96
- Perquisites	0.90	1.56
- Sitting fee to Directors	0.00	0.00
TOTAL	**58.78**	**29.56**

During the year ended full remuneration was paid to Managing Director and Directors after recovering pension amount received by them during the year.

c. In terms of "Himachal Pradesh Power Sector Reforms Transfer Scheme, 2010" notified by the State Govt. vide No. MPP-A(3)-1/2001-IV dated 10.06.2010 transmission lines having gross value of Rs.10263.37 lakh are re-vested with HPPTCL. The written down value of assets on above date amounting to Rs.6122.00 lakh only has been taken in books of account and amount shown as payable to HP State Govt./HPSEBL.

d. The Corporation has not made any provision of Income Tax on bank interest Income. However Corporation has deposited advance Income Tax of Rs.50.00 lakh only.

e. Based on information available with the Corporation, there are no suppliers/service providers who are registered as Micro, Small and Medium undertakings under "The Micro, Small and Medium Enterprises Development Act 2006" as on 31st March, 2015 hence the Corporation has no outstanding liability towards Micro, Small and Medium Enterprises.

f. Fixed assets possessed by the Corporation are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard (AS-28) – "Impairment of Assets". As on 31st March 2017 there were no events or change in circumstances, which indicate any impairment in the assets.

g. In terms of Notification No. MPP-A(3) 1/2001-IV dated 10.06.2010 of Government of Himachal Pradesh (Department of MPP & Power) the statutory function of State Transmission

Utility (STU) shall be performed by Corporation along with evacuation of power by intra-state or inter-state transmission lines. In the current year transmission income and expenses pertaining to lines transferred from HPSEB and own constructed transmission line and Sub Stations commissioned during the year were taken into account as per bills raised. However no provision has been made for surcharge billed to HPSEB Ltd. on transmission charges income due to uncertainty of its realisation as a sum of Rs.6608.00 lakh is payable to HPSEB Ltd. on account of Kashang Bhaba Transmission line transferred to HPPTCL and therefore surcharge to be accounted for on receipt basis. Any further distribution of income shall be accounted for as and when required in future. The profit and Loss statement has been prepared by taking income of STU and STOA @25%as per true up tariff order of HPERC. Other Transmission income has been provided as per bills raised and after necessary rectification as per true up tariff order of HPERC. Employees cost and other administrative expenses of corporate office @50% & direct related expenses has been charged to this Income during the year. No depreciation of miscellaneous assets and finance cost has been charged to this income which has been capitalized to pre-operative expenses.

h. In the opinion of the Board of Directors, the value of current assets, loan and advances etc. if realized in ordinary course of business, shall not be less than the amount at which the same are stated in the balance sheet.

i. The amounts in Financial Statements are presented in Indian Rupees and all figures have been rounded off to the nearest rupee lakh and decimals thereof except when otherwise stated.

j. Previous year figures have been reclassified/ regrouped/ rearranged wherever necessary to conform to this year's classification.

k. Some of the balances shown under Current liabilities, loans and advances are subject to confirmation, reconciliation and consequential adjustment, if any.

l. Related party Disclosure:
As required by Accounting Standard (AS)-18 Related party disclosure details of transactions with the related parties are:

I) Related Parties-Key Management Personnel:
Whole time Directors:

Name	Designation
Er. J.P.Kalta	Managing Director (w.e.f. 8.4.16 to 3.1.18)
Er. R.K.Sharma	Managing Director (w.e.f.4.1.2018 to till date
Er. Sham Lal Sharma	Managing Director(w.e.f.18.12.13 to 8.4.16)
Er. S.K.Sharda	Director (P&C) w.e.f.7.10.2013 to 9.1.2017.
Er. Keshav Singh Attri	Director (Project) w.e.f. 26.7.2014 to 26.3.2016 and Director (P&C) w.e.f. 14.3.2017 to till date
Er. Rajesh Singh Thakur	Director(Project) w.e.f. 26.4.16 to till date

m. A sum of Rs.480.00 lakh was released by way of contribution for the establishment of IIIT Una as per Cabinet decision of Government of H.P. during 2014-15 which has been shown as other noncurrent assets as per Note No. 8 of Balance Sheet to be treated as deferred revenue expenditure.

n. During the year provision for interest on 90%ADB loan which was being provided earlier on accrual basis till 2015-16 has been reversed as per provision of the on lending agreement with State Government and again corrected as per previous year analogy after receipt of clarification from State Govt.

o. The detail of specified Bank Notes(SBN) held and transacted during the period 8.11.2016 to 30.12.2016 are as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	0	7402	7402
+Permitted receipt	0	105699	105699
(-)Permitted payments	0	94520	94520
(-)Amount deposited in bank	0	0	0
Closing cash in hand as on 30.12.2016	0	18581	18581

Sd/-	Sd/-	Sd/-	Sd/-
Kamlesh Sharma	**Er. K.N.Sharma**	**Er. K.S.Attri**	**Er. R.K.Sharma**
Manager Accounts	**Dy. G.M(Finance)**	**Director (P&C)**	**Managing Director**

For DOGER &CO.
CHARTERED ACCOUNTANTS
Sd/-
CA Sachin Doger, Partner
M. No.502458.
CAG Regd. No. NR1675
ICAI FRN : 019516N

Place: Shimla
Date: 03.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017 **(Amt. Rs. In Lakh)**

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax on STU & Transmission	(1,130.37)	314.42
Depreciation	933.34	267.89
Depreciation of Prior Period	159.37	158.47
Finance Charges	-	-
Inventories	-	-
Other Current Assets	(80.59)	(114.32)
Loans and Advances(Short & Long term)	3,000.25	(2,624.13)
Long Term provisions	3,037.86	2,329.73
Other Current Liabilities	12,925.94	1,095.60
Income Tax	-	(103.76)
Total (A)	18,845.80	1,323.90
(B) Cash flow from Investing activities		
Capital Expenditure on tangible Assets	(18,327.09)	(255.42)
Capital Expenditure on Intangible Assets	-	-
Net Expenditure on CWIP	(16,006.64)	(14,813.46)
Investment in IIIT Una		
Total(B)	(34,333.73)	(15,068.88)
(C) Cash flow from Financing Activities		
Share Capital	2,272.00	4,603.00
Share Application Money Pending for allotment	(321.00)	(1,324.00)
Repayment of Borrowings	-	-
Grant Received	1,572.00	-
Proceeds from Borrowings	12,000.00	8,500.00
Total (C)	15,523.00	11,779.00
Gross Total (A+B+C)	**35.07**	**(1,965.98)**
Add: Opening Cash and Equivalents	12,935.43	14,901.41
Closing Cash and Equivalents	**12,970.50**	**12,935.43**

Sd/-	Sd/-	Sd/-	Sd/-
(Kamlesh Sharma)	**(Er. K.N.Sharma)**	**(Er. K.S.Attri)**	**(Er.R.K.Sharma)**
Manager (Accounts)	**Dy.G.M.(Finance)**	**Director(P&C)**	**Managing Director**

For Doger & Co.
Chartered Accountants
CA Sachin Doger,Partner
M.No.502458
CAG Regd.No.NR1675
ICAI FRN: 019516N

Place: Shimla
Date: 03.05.2018

HPPTCL

DOGER & Co.
CHARTERED ACCOUNTANTS
(O) 0177-2656809, 2656162, (M) 98170-73000

INDEPENDENT AUDITOR'S REPORT

To
The Members of H.P. Power Transmission Corporation Limited.

Report on the Financial Statements

1. We have audited the accompanying financial statements of H.P. Power Transmission Corporation Limited, Shimla ("the Company") as at 31st March 2017, which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, Statement of Pre-operative Expenditure and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend upon auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedure that are appropriate in the circumstances. An audit also includes

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Email ID:dogersachin@gmail.com

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

5. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis of Qualified Opinion:

6. Accounting for taxes on income: In reference to Note No. No.18(1)(f) on Taxes on Income, we are to state that company is not doing accounting for taxes on income as per AS-22. The company has started its commercial operations of transmission on certain lines and depreciation rates applied by company are not in line with depreciation rates required to arrive at taxable income. Despite this, the Company has not recognized the tax effect of timing differences arising on account of difference in taxable income and accounting income. Further company is also not recognized Deferred Tax Assets or Deferred Tax liability. However, the consequential impact of these matters is not ascertainable on the financial statement of the Company.

7. Expenses on Income Tax: As detailed in Note no. No.18 (2) (d) and 18 (1) (f) to the Financial Statements, Company has not made any provision of Income Tax on "Bank Interest Income". The matter of taxability of interest income earned during construction period is under dispute with Income Tax Department. In cases for the financial years 2009-10, 2010-11, 2011-12, and 2012-13 company has lost the cases upto Income Tax Tribunal level and currently these cases are under appeal with Hon'ble Himachal Pradesh High Court. In Financial Years 2013-14 and 2014-15 also, in assessment proceedings, the Income Tax Department has raised the demand and company is in appeal before CIT(A).

   Despite unfavorable orders [refer to Note no. No.18 (1) (f) (ii) to (ix], neither the company has made any provision for the taxes paid nor it has written off the taxes paid. This is in contravention of Accounting Standard 22 "Accounting on Taxes on Income" issued by ICAI. Accordingly, expenses to the extent of Rs. 2306.19 Lakhs (for tax demands upto F.Y.2014-15) are understated and current assets are overstated to this extent. Further, the company has also underreported the contingent liabilities in note No. 18(2)(a) at Rs.1426.44 lakhs instead of Rs. 2306.19 lakhs.

8. Interest on Income Tax Refunds: During the year under audit the company has received refund of for the AY 2015-16 on which Interest to the tune of Rs. 29.39 lakhs has also been paid u/s 244A of Income Tax Act, 1961. However company has not credited this income to its revenue. Therefore, income of the company for the year is understated to the extent of Rs.29.39.

9. Non Booking of Income for surcharge: In reference to Note No. No.18(1)(j)(iii) and 18(2)(g) the Company has not accounted for surcharge of Rs.1259.08 Lakhs till 31.03.2017 (including Rs.420.25 lakhs for the year under audit) in the books by the company, despite the fact that same has duly been charged in the invoice issued to HPSEBL. We are to state that as per accounting principles generally accepted in India and also as per as per regulatory guidelines, amount of surcharge should have been booked in the company books. This is also in contravention of Accounting Standard AS-9 on Revenue Recognition issued by the ICAI. Accordingly, income for the year for Rs. 420.25 lakhs is understated in the company books and corresponding current assets are also understated.

10. As per CERC tariff order dated 16.05.216 for the control period 2014-19 the company has booked/ recognised income for the transmission charges of 3 interstate lines to the extent of Rs.642.21 Lakhs upto 30.09.2016. However, Company has not booked transmission income, on these 3 interstate lines, after 30.09.2016. Therefore Revenue from the operations is understated to the extent of Rs.129.11 lakhs and resulting Sundry debtors are also understated to this extent.

11. Non writing off of preliminary expenses : Read with Note No. 18.1(h), the company has not started the process of writing off its preliminary expenses which have been deferred by the company till the

commencement of complete operation. In this regard we are to state that the Company has started its commercial operations and non-amortization of Preliminary Expenses is not in line with AS-26. Similarly, in reference to Note No. 18.1(h), the payment made to IIT Una (Rs.480 lakhs), parked in Non-Current assets "to be treated as deferred revenue expenditure" has not been charged to revenue. As the company has commenced its commercial operations, it is prudent to write it off these expenses as soon as possible since it is unrepresented by any asset.

12. (a) In reference to note No. 18(1)(j)(i), and our observation in paragraph 10(b) of this report, we are to report that the Company is not following the policy of Revenue Recognition on revenue from Transmission charges as per AS-9. Company is recognizing the revenue from transmission charges on the basis of bills issued rather than accrual pure accrual basis. As reported in our observation in paragraph 10(b) of this report, company has not issued bills for Transmission Charges on 3 interstate lines after 30.09.2016 and same has also not been credited in books of accounts on accrual basis. This income is rather being accounted for on receipt basis (credited after 04.08.2017). This is in contravention to AS-9 on revenue recognition.

(b) Similarly In reference to note No. 18(1)(j)(ii), company is recognizing the revenue on account of STOA on receipt basis on the basis of amount credited to company's bank account. This is again in contravention to AS-9 on revenue recognition. Company has no record of accrual of this income which is contrary to requirements of section 128 of Companies Act 2013 which stipulates that "books shall be kept on accrual basis and according to the double entry system of accounting". Therefore we are to state that company should maintain its books of accounts on accrual basis.

13. During the year under audit, company has received Government grants in Aid from MNRE, GOI related to specific fixed assets which will be depreciable assets in nature. However, contrary to Accounting Standard -12-Accounting for Government Grants, the company has credited this Grant to Capital Reserve under Reserve and Surplus. Being government grants related to depreciable fixed assets, this should have been treated as deferred income which should be recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset, i.e., such grants should be allocated to income over the periods and in the proportions in which depreciation on those assets is charged. As per AS-12 this should be shown after 'Reserves and Surplus' but before 'Secured Loans' with a suitable description e.g. "Deferred Government Grants". Therefore, the Balance of Reserve and Surplus in Note 2 is overstated by Rs.1572 lakhs and deferred Income has understated to this extent. Further company has also not made any disclosure in its notes to accounts, as per requirements of AS-12, with regard to accounting policy adopted for government grants and nature and extent of government grants recognised in the financial statements.

14. Company is not complying with provisions for deduction of tax as the company is deducting the tax only at the time of payment to parties and not at the time of booking of expenditure which is earlier to payments. Further, Company has not deducted tax at source on O&M Charges being paid to HPSEBL. This may invite penal action under the income Tax Act.

15. The Company does not follow a system of obtaining confirmation of balances in respect of claims\amount recoverable/payables (including HPSEB Ltd, and State Govt. Loan (ADB)). except than from bankers, security deposits, advance for capital works etc. Due to non availability of confirmations of aforesaid balances, we are unable to quantify the impact of the adjustment, if any, arising from reconciliation and settlement of account balances in the financial statements.

16. **Non Compliance of Accounting Standards : The Company has not complied with the following mandatory accounting standards issued by the Institute of Chartered Accountants of India**

a. Accounting Standard I- regarding disclosure of Accounting Policies:

i. Non disclosure of any policy on write off & recovery of shortage from contractors and suppliers.

ii. Non disclosure of any policy on write off & recovery of shortage from employees

iii. Accounting treatment of capital and revenue items

iv. No disclosure about the company whether it is a Going Concern or not.

b. Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items and changes in Accounting Policies: Read with Note 18((1)(I) The Company has not complied with the requirements of Accounting standard 5 which deals with Prior period and extraordinary items, as the Company has no accounting policy for prior period items and changes in accounting policies and there is no disclosure of the same in the notes to accounts.

c. Accounting Standard 17: Segment Reporting: The Company has not complied with requirement of Accounting Standard 17 regarding segment reporting, although well defined segments of Transmission and STU are there.

d. Accounting Standard 20: Earnings Per Share: The Company has not complied with the accounting standard issued on the Earnings per Share issued by ICAI while preparing the financial statements.

Qualified Opinion

17. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion Paragraphs, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, and its losses and its cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to the following matters in the notes to the financial statements :

18. Read with Note No. 18.1(i), it is reported that the there are delays in finalization of accounts by the company and further company is making many charges through w.r.t. booking/ reversal of expenditure and income for the prior period through Prior Period Adjustment Account. Further company has not made adequate disclosure w.r.t. nature of adjustments made during the year in this statement. Due to excessive and frequent use of adjustments for prior period income / expenditure final account of company does not show consistent and comparable results over the years.

19. **Report on Other Legal and Regulatory Requirements**

a. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the Annexure-I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

b. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure-2 on the directions issued by Comptroller and Auditor General of India.

20. **As required by section 143(3) of the Act, we report that:**

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;

c. The Balance Sheet, Statement of Profit and Loss, Statement of Pre-operative Expenditure and Cash Flow Statement dealt with by this Report are in agreement

with the books of account.

d. In our opinion, the aforesaid financial statements, except for the effects of the matter described in the Basis of Qualified Opinion Paragraph, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3 to this report;

g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

i. The Company have pending litigations but it would not impact its financial position.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

iv. The Company has provided requisite disclosure in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th Nov.2016 to 30th Dec.2016 and these are in accordance with the books of accounts maintained by the company.

Refer to "Note 18(2)(o)" to the financial statements.

For DOGER &CO.
CHARTERED ACCOUNTANTS
Sd/-
CA Sachin Doger, Partner
M. No.502458
CAG Regd. No. Nr1675
ICAI : FRN : 019516N

Date : 03.05.2018
Place : Shimla

"Annexure 1" to the Auditors Report

[Referred to in paragraph 19 (a) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of H.P. Power Transmission Corporation Limited on the accounts of the company for the year ended 31st March, 2017]

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

i. In respect of its fixed assets:
   a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
   b. The company has conducted the physical verification of fixed assets at corporate office & divisional offices. However, physical verification of capital work in progress i.e. projects under implementation is monitored only from measurement book (MB) of the project work. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   c. The Title deeds of immovable properties were not shown to us except those which were acquired through acquisition order of Govt. However, the assets i.e. transmission lines vested in Company through Govt. Orders have not been updated in the revenue records.

ii. In respect of its inventory: The company is not holding any inventory as such, therefore matters specified in clause and its sub clauses do not apply to the Company.

iii. In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013: According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.

iv. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. In respect of investment in the Subsidiary and Joint Venture Companies, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

v. The company has not received any public deposits during the year.

vi. We have been informed that the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

vii. In respect of statutory dues:
   a. According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing <u>undisputed</u> statutory dues, including Income-tax, Tax deducted at sources, Service Tax and other material statutory dues applicable to it, with the appropriate authorities And there are no undisputed dues, outstanding as on 31st March 2017 for a period of more than six months from the date they became payable.
   b. According to the information and explanations given to us, the disputed statutory dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues that have not been deposited on account of any dispute are given below:

Status of Income tax Cases							
F.Year	Demand in Rs. Lacs	AO-ACIT	Appeal Before CIT	Appeal Before ITAT	Appeal Before High Court	Remarks	Exp. Booking Status
2009-10	**52.66**	Demand	Dismissed	Dismissed	Pending	Demand adjusted against advance tax	Expenditure not charged to P&L till date
2010-11	**156.12**	Demand	Dismissed	Dismissed	Pending	Demand deposited after adjustment of advance tax	Expenditure not charged to P&L till date
2011-12	**341.17**	Demand	Dismissed	Dismissed	Pending	Adjusted by ITD against refund of F.Y.2012-13	Expenditure not charged to P&L till date
2012-13	476.04	Demand	Dismissed	Dismissed	Not yet filed	Demand adjusted against advance tax	Expenditure not charged to P&L till date
2012-13	402.82	Penalty	Pending			Appeal pending with CIT (A) and ACIT Shimla requested for stay of demand and adjustment of 20% amount from refunds /rectifications	Expenditure not charged to P&L till date
2013-14	710.90	Demand	Pending			Demand adjusted against advance tax	Expenditure not charged to P&L till date
2014-15	569.3	Demand	Pending			Demand adjusted against advance tax	Expenditure not charged to P&L till date

The above disputed tax demands (other than penalty) stands deposited but same has not been charged to revenue.

In addition to this company has also deposited Rs.216150 as damages u/s 14B of EPF and Misc. Prov. Act 1952 with Interest. Same also stand deposited and also charged to revenue.

viii. As per information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions or banks.

ix. No money was raised by way of initial public offer or further public offer during the year. Further, according to the information and explanations given to us, the money raised by the Company by way term loans have been applied for the purpose for which they were obtained. Proceeds of loans for the time being are being parked in bank/FDR accounts.

x. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

xi. As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with

Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

xvi. According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For DOGER &CO.
CHARTERED ACCOUNTANTS
Sd/-
CA Sachin Doger, Partner
M. No.502458
CAG Regd. No. Nr1675
ICAI : FRN : 019516N

Date : 03.05.2018
Place : Shimla

"Annexure 2" to the Auditors Report

[Referred to in paragraph 19 (b) of our Report of even date to the members of H.P. Power Transmission Corporation Limited on the accounts of the company for the year ended 31st March, 2017]

Report / Comments in compliance with Company Specific Sub-Directions under section 143(5) of The Companies Act, 2013

Sr.No.	Direction	Remarks
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	As explained to us the company has clear title deeds for freehold and leasehold land. However, transmission lines vested in Company through Govt. orders have not been updated in the revenue records.
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During the year under audit, Company has waived off liquidated Damages (LD) amount of Rs.265.44 lakhs to four contractors by extending the completion period and withdrawing the LD charges imposed as per terms of agreement. In addition to this we have not come across any cases of waiver/ write off of debts/ loan/interest etc.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	During the year under review, the company does not have any inventories lying with any third party. Further company has not received any asset as gift from Government or other authorities.

For DOGER &CO.
CHARTERED ACCOUNTANTS
Sd/-
CA Sachin Doger, Partner
M. No.502458
CAG Regd. No. Nr1675
ICAI : FRN : 019516N

Date : 03.05.2018
Place : Shimla

4	State the cases where wastages/ defectives are beyond the norms fixed for it.	As per information transmission losses are within limits. As such Other wastages/ defectives are not applicable to company.
5	What is the system of valuation of by-products and Finished products ? List out the cases of the deviation from the declared Policy.	As such company is not a production company and there is no physical products or by-products. Therefore this is not applicable to company.
6	State the extent of utilization of Plant and machinery during the year vis-a vs installed capacity.	As per information provided by the company, till year end two sub-station have been commissioned and they are being utilized to the extent of 50% of their capacity. With regard to old lines with HPSEB no information provided to us.
7	Report on the cases of Discount/ Commission in regard to debtors and creditors where the company has deviated from its laid down policy	Please refer to paragraph no.9 of main audit report on Non Booking of Income for surcharge.

For DOGER &CO.
CHARTERED ACCOUNTANTS

CA Sachin Doger, Partner
M. No.502458
CAG Regd. No. NR1675
ICAI : FRN : 019516N

Date : 05.06.2018
Place : Shimla

"Annexure 3" to the Auditors Report

[Referred to in paragraph 19 (f) of our Report of even date to the members of H.P. Power Transmission Corporation Limited on the accounts of the company for the year ended 31st March, 2017]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of H.P. Power Transmission Corporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DOGER &CO.
CHARTERED ACCOUNTANTS
Sd/-
CA Sachin Doger, Partner
M. No.502458
CAG Regd. No. Nr1675
ICAI : FRN : 019516N

Date : 03.05.2018
Place : Shimla

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION
(A State Government Undertaking)
Himfed Building, Near Old MLA Quarters, TutiKandi,(Panjri)
Shimla-171005 (H.P.)

REPLY TO THE REPORT OF STATUTORY AUDITORS FOR THE FINANCIAL YEAR ENDING 31.3.17.

1. **Report on the Financial Statements** No Comments Required

2. **Management Responsibility for the Financial Statement** No Comments Required

3. **Auditor's Responsibility** No Comments Required

4. No comments required
5. No Comments required

Basis of Qualified opinion:

6. Consequential impact of these matters shall be provided as and when ascertainable as per Income tax Assessments.
7. The matter being subjudice, necessary provisions shall be made as per outcome of Hon'ble High Court decision.
8. The amount received against Income Tax refund and paid on regular assessment of concerned years are debited and credited to Advance Income Tax & TDS A/c of the concerned years till the final outcome of Income Tax cases pending with Hon'ble H.P. High Court. After final decision the same shall be provided in books of accounts.
9. As per memorandum of understanding vide MOM dated 6.12.2017 between HPSEBL and HPPTCL it was decided that as Rs.6608.00 lakh was payable by HPPTCL to HPSEBL on a/c c/o 220KV D/C Transmission line Kashang-Bhaba which was incurred prior to transmission bills raised by HPPTCL as such no surcharge was payable by HPSEBL and accordingly revised bill without surcharge were raised by HPPTCL and adjusted in the books of accounts during 2017-18.
10. The income upto 30.9.2016 was provided on the basis of bills raised to HPSEBL. However thereafter the income of 3 No. Interstate lines is to be provided as per receipt from PGCIL in future.
11. Considering the amount of preliminary expenses and deferred revenue expenditure compared to income from partial operations, the same has not been charged to revenue till commencement of complete commercial operations.
12. Reply as per comments at Sr.No.10.
13. Necessary provision and presentation as per guidelines of MNRE and AS 12 shall be done as required in future.
14. Noted for compliance in future.
15. Efforts are being made for confirmation of balances with other parties.
16. a. Noted for Compliance
    b. Already disclosed vide note no. 18 (1) (i) under Significant Accounting Policies and Notes to Accounts.
    c. No separate segment reporting required as HPPTCL is already notified as State Transmission Utility.

d. Not applicable as Corporation is in loss.

Qualified opinion

17. No Comments required.

Emphasis of Matter:

18. The delay in finalisation of accounts was mainly due to non reconciliation of accounts with HPSEBL resulting in booking /reversal of expenditure and Income pertaining to old assets transferred from HPSEBL and adjustment of income and expenditure based on true up orders by HPERC.

19. Report on other Legal and Regulatory Requirements

a) No comments required.

b) No comments required

20. As required by section 143(3) of the act, we report:

a) No Comments Required.

b) No Comments Required.

c) No Comments Required.

d) No Comments Required.

e) No Comments Required.

f) No Comments Required.

g) i) No Comments Required.

ii) No Comments Required.

iii) No Comments Required.

iv) No Comments Required.

Sd/-
Dy. General Manager (Fin.)
HPPTCL, Shimla.

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION
(A State Government Undertaking)
Himfed Building, Near Old MLA Quarters, TutiKandi,(Panjri)
Shimla-171005 (H.P.)

REPLY TO THE "ANNEXURE 1" TO THE AUDITORS REPORT

(Referred to in paragraph 19(a) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of HP Power Transmission Corporation Limited on the accounts of the company for the year ended 31st. March,2017.

i. **(a)** No Comments required.

(a) **No Comments required**

(b) Efforts are being made for updating revenue records of transmission lines vested as per Govt. Orders.

ii. No Comments required.

iii. No Comments required. .

iv. No Comments required.

v. No Comments required.

vi. No Comments required.

vii. a) No Comments required.

b) No Comments required.

viii. No Comments required.

ix. No Comments required.

x. No Comments required.

xi. No Comments required.

xii. No Comments required.

xiii. No comments required.

xiv. No Comments required.

xv. No Comments required.

xvi. No Comments required.

Sd/-
Dy. General Manager (Fin.)
HPPTCL, Shimla.

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION
(A State Government Undertaking)
Himfed Building, Near Old MLA Quarters, TutiKandi,(Panjri)
Shimla-171005 (H.P.)

REPLY TO THE AMENDED "ANNEXURE 2" TO THE AUDITORS REPORT DATED 5.6.2018.

(Referred to in paragraph 19(b) of our Report of even date to the members of HP Power Transmission Corporation Limited on the accounts of the company for the year ended 31st. March, 2017).

1. Efforts are being made for updating revenue records of transmission lines vested as per Govt. Orders.
2. No Comments required
3. No Comments required
4. No Comments Required.
5. No Comments Required
6. O&M of old lines assigned to HPSEBL for which no record available with HPPTCL.
7. No Comments required.

Sd/-
Dy. General Manager (Fin.)
HPPTCL, Shimla.

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION
(A State Government Undertaking)
Himfed Building, Near Old MLA Quarters, TutiKandi,(Panjri)
Shimla-171005 (H.P.)

REPLY TO THE "ANNEXURE 3" TO THE AUDITORS REPORT
(Referred to in paragraph 19(f) of our Report of even date to the members of HP Power Transmission Corporation Limited on the accounts of the company for the year ended 31st. March, 2017).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")
No Comments required.

Management's Responsibility for Internal Financial Controls
No Comments required

Auditor's Responsibility
No Comments required

Meaning of Internal Financial Controls over Financial Reporting
No Comments required.

Inherent Limitations of Internal Financial Controls over Financial Reporting
No Comments required

Opinion
No Comments Required

Sd/-
Dy. General Manager (Fin.)
HPPTCL, Shimla.

Government of India
Indian Audit and Accounts Department
Principal Accountant General (Audit)
Himachal Pradesh, Shimla-171 003

भारत सरकार
भारतीय लेखा तथा लेखा परीक्षा विभाग
प्रधान महालेखाकार (लेखा परीक्षा)
हिमाचल प्रदेश, शिमला – 171003

सत्यमेव जयते

क्रमांक: वा०ले०प०/आ०सै०-(आर०ए०ओ०)/ हि०प्र०प०ट्रा०कॉर्पो०लि०,-लेखे-2016-17/2018-19/ 176 दिनांक 27.07.2018

सेवा में

प्रबन्ध निदेशक,
हिमाचल प्रदेश पॉवर ट्रांसमीशन कार्पोरेशन लिमिटिड,
हिमफैड भवन पांजड़ी, शिमला-171005

विषय:- **कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अधीन टिप्पणियां।**

महोदय,

मैं, **31 मार्च 2017** को समाप्त वर्ष के लिए **हिमाचल प्रदेश पॉवर ट्रांसमीशन कार्पोरेशन लिमिटिड**, के लेखों के सम्बन्ध में कम्पनी अधिनियम, **2013 की धारा 143 (6)(b)** के अधीन टिप्पणियां भेज रहा हूं।

कृपया पावती भेजें।

भवदीय,

प्रधान महालेखाकार

संलग्न: उपरोक्त

Gorton Castle,Shimla-171 003, Telephone: 0177-2652612-18 Fax: 0177-2658949
गार्टन कैसल, शिमला-171 003, दूरभाष: 0177-2652612-18,फैक्स: 0177-2658949

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2017.

The preparation of financial statements of the Himachal Pradesh Power Transmission Corporation Limited for the year ended 31March 2017 in accordance with financial reporting frame work prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139(7) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 3rd May, 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Himachal Pradesh Power Transmission Corporation Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the statements and the related audit report.

1. Balance Sheet

(i). Non-Current Assets

Fixed Assets

Capital Work in Progress (Schedule7.3) Rs.571.58 Crore.

(a) As per Accounting Standard (AS) 16 Capitalisation of borrowing cost should be suspended during extended period in which development is interrupted. Work in two substations could not be started due to non-availability of right of way and forest clearance during the year 2016-17 and amount of Rs 20.10 crore was paid during the period for supply part, on which an amount of Rs.0.74 crore was paid as borrowing cost (Interest charges) and

included in Capital work in progress in non compliance of AS-16. Thus, the Reserve and Surplus and CWIP are overstated by Rs. 0.74 Crore.

(b) As per Accounting Standard 10, Fixed Assets should be depreciated when they are ready for use. The above includes expenditure of Rs 29.17 Crore incurred on construction of 33/220 KV GIS sub-station at Karian which was completed on 30.06.2013, and was ready to use. However depreciation as per AS 10 was not charged. This has resulted into understatement of Depreciation and Amortization expenses to the extent of Rs 4.38 Crore (Rs. 1.38 Crore for current year and Rs. 3.0 Crore for previous years) and understatement of loss for the current year to the extent of Rs. 1.38 Crore and overstatement of previous year profit to the extent of Rs. 3.0 Crore. This has also resulted in overstatement of Reserve and Surplus by Rs 4.38 Crore, overstatement of capital works in progress by Rs 29.17 Crore and understatement of Fixed Assets by Rs. 24.79 Crore.

(c) The above includes Rs. 26.54 Crore on account of construction of 22/66/220 KV Substation at Bhoktoo, Kinnaur, but the said Substation was already energized on 1st March 2017. Thus "Depreciation and amortization expenses" are understated to the extent of Rs. 0.12 crore and loss for the year is also understated to same extent. This had also resulted into overstatement of Capital-works-in progress by Rs. 26.54 Crore and understatement of Fixed Assets by Rs 26.42 Crore.

(ii). Current Liabilities
Other Current Liabilities (Schedule 6) Rs. 179.21Crore.

(a) In terms of clause 3.2 of project agreement entered between KfW Frankfurt and State of Himachal Pradesh and Himachal Pradesh Power Transmission Corporation Ltd. (Project Executive Agency) Management fee amounting to Rs. 1.06 Crore was payable to KfW but it was neither paid nor any provision for same was made in accounts. This resulted in understatement of current liabilities as well as loss for the year to the extent of Rs. 1.06 Crore.

2. Significant Accounting Policies and Notes to Accounts.
The Company has not disclosed that:

(1) In terms of directions of HPERC vide Interim orders dated 25.11.2017, there was a claim of Rs. 12.24 Crore for non providing of inter connection point by HPTCL at 33/220 KV sub-station at Karian for evacuation of Power Generated from Kurtha SHEP of Sahu Hydro Power Project.

(2) Capital work in Progress includes Rs. 3.12 Crore on account of forest land measuring 44.6404 hectare diverted in favour of HPPTCL. But the title of land is with Government of Himachal Pradesh.

3. Annexure-2 forming part of the Statutory Auditor's report

As per Section 143 (5) of the Companies Act 2013, the Statutory Auditors are required to follow directions and the manner in which the accounts of the Government Company are required to be audited by the Comptroller and Auditor General of India under, *ibid*, Section. The Statutory auditors were issued seven nos. of directions/ sub-directions of which only 3 Nos. of directions/sub-directions were qualified by the statutory Auditor.

4. Impact of comments

As a result of above comments in account for the year 2016-17, the current year's loss of Rs 11.30 Crore has been understated by Rs 3.30 Crore. In case these adjustments are carried out, loss would rise to Rs 14.60 Crore against reported figure of Rs 11.30 Crore.

For and on the behalf of the
Comptroller and Auditor General of India

Place:- Shimla
Date:- 31.07.2018

Principal Accountant General (Audit)
Himachal Pradesh

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION
(A State Government Undertaking)
Himfed Building, Near Old MLA Quarters, TutiKandi,(Panjri)
Shimla-171005 (H.P.)

REPLIES TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017.

1. Balance Sheet **(i). Non-Current Assets** **Fixed Assets** **Capital Work in Progress** **(Schedule7.3) Rs.571.58 Crore.** (a) As per Accounting Standard (AS) 16 Capitalisation of borrowing cost should be suspended during extended period in which development is interrupted. Work in two substations could not be started due to non-availability of right of way and forest clearance during the year 2016-17 and amount of Rs 20.10 crore was paid during the period for supply part, on which an amount of Rs.0.74 crore was paid as borrowing cost (Interest charges) and included in Capital work in progress in non compliance of AS-16. Thus, the Reserve and Surplus and CWIP are overstated by Rs. 0.74 Crore.	As substantial expenditure had already been incurred on two lines and various technical and administrative work was simultaneously being carried out, the borrowing cost was not suspended during this period and the interest was capitalised to project cost and as such was not charged to revenue.
(a) As per Accounting Standard 10, Fixed Assets should be depreciated when they are ready for use. The above includes expenditure of Rs 29.17 Crore incurred on construction of 33/220 KV GIS sub-station at Karian which was completed on 30.06.2013, and was ready to use. However depreciation as per AS 10 was not charged. This has resulted into understatement of Depreciation and Amortization expenses to the extent of Rs 4.38 Crore (Rs. 1.38 Crore for current year and Rs. 3.0 Crore for previous years) and understatement of loss for the current year to the extent of Rs. 1.38 Crore and overstatement of previous year profit to the extent of Rs. 3.0 Crore. This has also resulted in overstatement of Reserve and Surplus by Rs 4.38 Crore, overstatement of capital works in progress by Rs 29.17 Crore and understatement of Fixed Assets by Rs. 24.79 Crore.	As substation and its associated line are an integral part of one project and since work of Karian Chamera line was still in progress as on 31.3.2017 and not ready for use, the depreciation on Karian substation was also not charged as the asset was not put to use.

(c) The above includes Rs. 26.54 Crore on account of construction of 22/66/220 KV Substation at Bhoktoo, Kinnaur, but the said Substation was already energized on 1st March 2017. Thus "Depreciation and amortization expenses" are understated to the extent of Rs. 0.12 crore and loss for the year is also understated to same extent. This had also resulted into overstatement of Capital-works-in progress by Rs. 26.54 Crore and understatement of Fixed Assets by Rs 26.42 Crore.	The said substation was energized on 1.3.2017 and put on load on 23.3.2017 and moreover some of civil works were still in progress and as such it was not charged to fixed assets during the year 2016-17 and kept in capital work in progress. Therefore no depreciation was provided during the year.
(ii). Current Liabilities **Other Current Liabilities (Schedule 6) Rs. 179.21Crore.** (a) In terms of clause 3.2 of project agreement entered between KfW Frankfurt and State of Himachal Pradesh and Himachal Pradesh Power Transmission Corporation Ltd. (Project Executive Agency) Management fee amounting to Rs. 1.06 Crore was payable to KfW but it was neither paid nor any provision for same was made in accounts. This resulted in understatement of current liabilities as well as loss for the year to the extent of Rs. 1.06 Crore.	Necessary provision shall be made as and when demand is raised by KFW.
2. Significant Accounting Policies and Notes to Accounts. The Company has not disclosed that: (1) In terms of directions of HPERC vide Interim orders dated 25.11.2017, there was a claim of Rs. 12.24 Crore for non providing of inter connection point by HPTCL at 33/220 KV sub-station at Karian for evacuation of Power Generated from Kurtha SHEP of Sahu Hydro Power Project. (2) Capital work in Progress includes Rs. 3.12 Crore on account of forest land measuring 44.6404 hectare diverted in favour of HPPTCL. But the title of land is with Government of Himachal Pradesh.	1. In this regard HPERC had only issued directions to HPPTCL to file reply in response to claim filed by Sahu Hydro Power Project and no claim was allowed by HPERC. Therefore no disclosure to this extent was made in the notes to accounts. 2. Noted for compliance in future.

4. Impact of comments As a result of above comments in account for the year 2016-17, the current year's loss of Rs 11.30 Crore has been understated by Rs 3.30 Crore. In case these adjustments are carried out, loss would rise to Rs 14.60 Crore against reported figure of Rs 11.30 Crore.	As elaborated above no financial impact is being provided in the books of accounts.

Sd/-
Dy. General Manager (Fin.)
HPPTCL, Shimla.