

TRUE UP PETITION FOR MYT CONTROL PERIOD FROM FY 2014-15 TO FY 2018-19

Submitted To:
H.P. Electricity Regulatory Commission, Shimla

Submitted by:



H.P. Power Transmission Corporation Limited,
Himfed Bhawan, Panjari, Shimla - 171002

November, 2020

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION, SHIMLA

Case No. _____

IN THE MATTER OF:

Filing of the Petition for True Up for the period FY 2014-15 to FY 2018-19 of Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) under Section 62 read with Section 86 of the Electricity Act, 2003 (Act No. 36 of 2003) and Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and subsequent amendments to the Tariff Regulations carried thereafter.

-Applicant

Affidavit verifying the Petition

I, Sandeep Kumar Son of Shri Kishori Lal aged about 43 years, working as Senior Manager (C&M) Himachal Pradesh Transmission Corporation Limited, Shimla, do hereby solemnly affirm and declare as under:

1. That I am duly authorized to file this Petition and swear in the affidavit therein.
2. I submit that the enclosed tariff Petition is being filed for approval of True up of Control Period from FY 2014-15 to FY 2018-19 of HPPTCL.
3. The statement made in the tariff petition herein is based on petitioner company's official records maintained in the ordinary course of business and I believe them to be true and correct.
4. The documents attached with the petition are legible copies and duly attested by me.

Verified and signed at Shimla on this 12th day of November, 2020.

DEPONENT
Sr. Manager (C&M)
HPPTCL, Shimla-5

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION, SHIMLA**

File No: _____
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IN THE MATTER OF: Filing of the Petition for True Up for the period FY 2014-15 to FY 2018-19 of Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) under Section 62 read with Section 86 of the Electricity Act, 2003 (Act No. 36 of 2003) and Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and subsequent amendments to the Tariff Regulations carried thereafter.

-Applicant

VERSUS

1. Himachal Pradesh State Electricity Board Ltd., Vidyut Bhawan, Shimla-4.
.... **Respondent No. 1**

ATTESTED

RAKESH THAKUR
Advocate cum Military Public
Nova Cottage, Uningra Estate
Bholeaugani Shimla



**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION, SHIMLA**

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IN THE MATTER OF: Filing of the Petition for True Up for the period FY 2014-15 to FY 2018-19 of Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) under Section 62 read with Section 86 of the Electricity Act, 2003 (Act No. 36 of 2003) and Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and subsequent amendments to the Tariff Regulations carried thereafter.

-Applicant

The Petitioner respectfully submits as under: -

1. The Petitioner is a deemed transmission licensee under first, second and fifth provisions of Section 14 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for transmission of electricity in the State of Himachal Pradesh as notified by the Government of Himachal Pradesh (hereinafter referred to as 'GoHP'). HPPTCL is vested with the function of intra-State transmission of electricity in the State of Himachal Pradesh. Further, in terms of Section 39 of the Act, the Government of Himachal Pradesh declared HPPTCL as the State Transmission Utility (STU).
2. The Petitioner submits that the Hon'ble Commission has issued the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions of Determination of Transmission Tariff) Regulations, 2011 (hereinafter referred to as "HPERC MYT Regulations, 2011") in exercise of powers conferred on it by Section 61 read with Section 181(2) of the Electricity Act 2003 (No. 36 of 2003). The said Regulations are applicable to Transmission system, where tariff for transmission is not determined under Section 63 of the Electricity Act, 2003 through transparent process of tariff based competitive bidding in accordance with the competitive bidding guidelines issued by the Central Government.

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Associate Commissioner, Public
Noida, Uttar Pradesh
Biology, Shimla



3. As per Regulation 39 of the HPERC MYT Regulations, 2011, HPPTCL has to file an application for Comprehensive Review after the end of third Control Period i.e., from FY 2014-15 to FY 2018-19 on availability of audited accounts for each year of the Control Period before the Hon'ble Commission.
4. Further, as per Regulations 10 of the HPERC MYT Regulations, 2011, HPPTCL has to file an application for the True Up of the previous Control Period along with the Petition for determination of ARR cum transmission tariff for the Control Period. i.e., from FY 2019-20 to FY 2023-24.
5. As the annual accounts of FY 2017-18 were provisional and FY 2018-19 were not available, HPPTCL could not file for True Up while filing the MYT Petition for approval of this Hon'ble Commission.
6. The audited accounts for FY 2014-15 to FY 2018-19 are now available, and therefore, in line with the provisions of the HPERC MYT Regulations 2011 and subsequent amendments thereof, the Petitioner is hereby filing the **Comprehensive Petition for True Up for the period from FY 2014-15 to FY 2018-19.**

PRAYERS TO THE HON'BLE COMMISSION

The Petitioner respectfully prays to the Commission:

- a) To condone the delay in filing True Up Petition for the period from FY 2014-15 to FY 2018-19.
- b) To admit the Petition seeking for True Up for the Period from FY 2014-15 to FY 2018-19;
- c) To approve the total recovery of Gap for the Period FY 2014-15 to FY 2018-19 as proposed by the Petitioner;
- d) To condone any error/ omission and to give opportunity to modify/rectify the same;
- e) The filing is being done based on the best available information and in case of any change, the Petitioner may be permitted to make further submissions, addition and alteration to this Petition as may be necessary from time to time;
- f) To pass any other order/s as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice;

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RANI THAKUR
Advocate cum Notary Public
Nova Cottage, Dhringra Estate
Bilaspur, Jharkhand

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[Signature]

LIST OF ABBREVIATIONS

ABT	Availability Based Tariff
ADB	Asian Development Bank
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BPS	Basis points
CAGR	Compound Aggregate Growth Rate
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPI	Consumer Price Index
CT	Current Transformer
CSR	Corporate Social Responsibility
CWIP	Closing Work In Progress
DISCOM	Distribution Company
EA, 2003	Electricity Act, 2003
ERP	Enterprise Resource Planning
GDP	Gross Domestic Product
GFA	Gross Fixed Asset
GIS	Gas Insulated Substation
GOI	Government of India
GoHP	Government of Himachal Pradesh
HPERC	Himachal Pradesh Electricity Regulatory Commission
HPPTCL	Himachal Pradesh Power Transmission Corporation Limited
HPSEBL	Himachal Pradesh State Electricity Board Limited
HT	High Tension
IT	Information Technology
kV	Kilo Volt
LT	Low Tension
MOP	Ministry of Power
MYT	Multi Year Tariff
MU	Million Units (Million kWh)
MVA	Mega Volt Ampere
MW	Mega Watt
NEP	National Electricity Policy
PLCC	Power Line Carrier Communication
PGCIL	Power Grid Corporation of India Limited
PMU	Phasor Measurement Unit
PTCUL	Power Transmission Corporation of Uttarakhand Limited
REC	Rural Electrification Corporation
ROE	Return on Equity
ROW	Right of Way
RTU	Remote Terminal Unit
SAS	Substation Automation System
SCADA	Supervisory Control and Data Acquisition
SLDC	State Load Despatch Centre
STU	State Transmission Utility

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1 Introduction

1.1 Background

1.1.1 The Electricity Act, 2003 ("the Act") was enacted by the Parliament of India on June 10, 2003. Among other reforms brought out through the Act one of the key reforms as envisaged under the Act was to separate transmission and distribution business. Section 131 of the Act requires unbundling of the erstwhile State Electricity Boards, such that the Transmission activity is separated.

1.1.2 In exercise of powers conferred under sub-section 4 of Section 131 of the Act, the Government of Himachal Pradesh established Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) on August 27, 2008 with a view to strengthen the transmission network in the State of Himachal Pradesh and to facilitated the evacuation of power from upcoming generating power generating stations. HPPTCL was formed through an order notified by the State Government vide its notification No. -MPPA-A-(1)-4/2006-Loose dated September 11, 2008.

1.1.3 HPPTCL was declared State Transmission Utility (STU) vide notification no. MPP-A (3)-1/2001-iv dated June 10, 2010 by the Government of Himachal Pradesh and as a result thereof the Hon'ble Himachal Pradesh Electricity Regulatory Commission (HPERC) recognized HPPTCL as deemed "Transmission Licensee" under Section 14 and 15 of the Electricity Act, 2003 in the Hon'ble Commission's Order dated 31.07.2010 in Petition No. 32 of 2010 filed by HPPTCL.

1.1.4 Accordingly, HPPTCL as a Transmission Licensee is responsible for undertaking, amongst others, the following main functions as per Section 40 of the Act:

- a) to build, maintain and operate an efficient, co-ordinated and economical inter-State transmission system or intra-State transmission system, as the case may be;
- b) to comply with the directions of the Regional Load Despatch Centre and the State Load Despatch Centre as the case may be;
- c) to provide non-discriminatory open access to its transmission system for use by-

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- (i) any licensee or generating company on payment of the transmission charges; or
- (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

1.1.5 Further, HPPTCL has been notified as the State Transmission Utility and is responsible to carry out the following functions as per Section 39 of the Act.

- a) to undertake transmission of electricity through intra-State transmission system;
- b) to discharge all functions of planning and co-ordination relating to intra-State transmission system with -
 - (i) Central Transmission Utility;
 - (ii) State Governments;
 - (iii) generating companies;
 - (iv) Regional Power Committees;
 - (v) Authority;
 - (vi) licensees;
 - (vii) any other person notified by the State Government in this behalf;
- c) to ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;
- d) to provide non-discriminatory open access to its transmission system for use by-
 - (i) any licensee or generating company on payment of the transmission charges; or
 - (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon,

1.1.6 Further, as per the notification No-MPP-A-(1)-4/2006-Loose dated October 31, 2008 by the Government of Himachal Pradesh, HPPTCL is entrusted with the following works/business with immediate effect:

- All new works of construction of Sub-Stations of 66 KV and above.
- All new works of laying/construction of transmission lines of 66 kV and above.
- Formulation, updation and execution of Transmission Master Plan for the State in order to strengthen the Transmission Network and plan the evacuation of power including new works under schemes that are already

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submitted by the Board under this Plan to the Financial Institutions for funding and where loan agreements are not yet signed.

- All matters relating to Planning and Co-ordination of the Transmission related issues with Central Transmission (CTU), Central Electricity Authority (CEA), Ministry of Power, State Government and HPSEBL.
- Planning and coordinating with the IPPs / CPSUs / PSUs / Other Departments or organizations or agencies of the Central Government & State Government, HPSEBL and HPPCL regarding all Transmission related issues.
- All other matters related to the subject which the State Government may specifically assign to HPPTCL from time to time.

1.1.7 The State Government also transferred and vested in HPPTCL the ownership, operation and maintenance of Transmission lines of 66 kV and above owned by the Himachal Pradesh State Electricity Board (HPSEB) including the co-ordination of the lines owned and operated by Power Grid Corporation of India, (PGCIL), Independent Power Producers (IPPs), Haryana Vidyut Prasaran Nigam Limited (HVPNL) and Power Com (PSEB) vide its notification No. MPP-A (3)-1/2001-IV, dated June 21, 2010 read with earlier notification of even number dated June 10, 2010.

1.1.8 In compliance to the orders of the State Government, HPSEBL provided the details of Transmission network along with the asset value which were transferred to HPPTCL vide letter No.-HPSEBL/CE (ES)/AU-4/2010-6220-25, dated September 6, 2010 and even No.8648-53 dt. 19-11-2010. The capital cost of the transferred assets was revised by HPSEBL from Rs. 199.08 Crore to 102.63 Crore vide Letter No. HPSEBL/F&A/A&R-55/R&M works/2014-15-1024 -25 dt. 27-10-2014.

1.2 Multi Year Tariff Framework

1.2.1 The Hon'ble Commission notified HPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 on April 1, 2011 applicable for the Control period from FY 2011-12 to FY 2013-14. Thereafter the Hon'ble Commission on November 1, 2013 notified the HPERC (Terms and Conditions for Determination of Transmission Tariff) (First Amendment) Regulations, 2013 applicable for FY 2014-15 to FY 2018-19.

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1.2.2 The Commission issued the MYT Order for HPPTCL for the period from FY 2011 -12 to FY 2013-14 on July 14, 2011 and thereafter for the period from FY 2014-15 to FY 2018-19 on July 10, 2014. The Commission also issued Tariff Order on True Up for the period FY 2011-12 to FY 2013-14 on April 10, 2017 and Tariff Order on True Up for FY 2014-15 & FY 2015-16 and Mid-Term Review Order for FY 2016-17 to FY 2018-19 on October 6, 2017.

1.2.3 HPPTCL had filed the application for approval of Five-Year Business Plan and MYT Petition for the fourth Control Period from FY 2019-20 to FY 2023-24 on 30th November, 2018. The MYT Framework specifies to file an application for True Up of previous Control Period along with the Petition for determination of ARR cum Transmission Tariff for the Control Period. As, at the time of filing of MYT Petition for the fourth Control Period Annual Accounts for the year FY 2017-18 were provisional and only six months of actual data was available for FY 2018-19. HPPTCL is filing the present Petition for approval of True Up for FY 2014-15 to FY 2018-19 post finalisation of annual accounts of FY 2017-18 and FY 2018-19.

1.3 Existing Infrastructure Details of HPPTCL

1.3.1 As per notification no. MPP-A (3)-1/2001-iv dated June 10, 2010 by the Government of Himachal Pradesh, transmission lines vested with HPPTCL are as follows:

Table 1.1: Name of the Existing Transmission Lines

S. No.	Name of Existing lines	Type of line AC/ HVDC	S/C or D/C	Line length (km)	Date of Commercial Operation
A	220 KV Lines				
1	220 kV D/C Bairasuil - Pong Line (LIFO portion at Jassure)	AC	D/C	0.24	09-1985
2	220 kV S/C Jassure-Thein Line	AC	S/C	25.60	03-2001
3	220 kV Dehar-Kangoo Line (S/C ckt. Line on D/C tower)	AC	S/C	3.18	06-1999
4	220 kV D/C Panchkula-Kunihar Line	AC	D/C	46.72	05-1989
5	220 kV D/C Kodari-Majri Line	AC	D/C	35.02	09-1989
6	220 kV D/C Nalagarh (PGCIL)-Nalagarh Line	AC	D/C	3.50	07-2010
B	132 KV Lines				
7	132 kV S/C Giri-Kulhal Line	AC	S/C	17.40	04-1978
8	132 kV D/C Giri-Abdullapur Line	AC	D/C	16.22	08-1982
9	132 kV S/C Kangra Tap Line	AC	S/C	0.14	02-1979
10	132 kV S/C Dehar-Kangoo Line	AC	S/C	2.99	12-1998
11	132 kV D/C Shanan-Bassi Line	AC	D/C	5.00	03-1970
C	66 KV Lines				
12	66 kV Shanan-Bijni Line	AC	S/C	35.00	10-1969
13	66 kV Pinjore-Parwanoo Line	AC	S/C	8.23	04-1956
14	66 kV Pong-Sansarpur Terrace Line	AC	S/C	6.30	10-1990
15	66 kV Bhakra-Goalthai-Rakkar Line	AC	S/C	16.72	03-2006

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- 1.3.2 Out of the above transmission lines, 12 lines are Intra-State, whereas the other three lines are Inter-State, which are as follows:

Table 1.2: Name of the Existing Inter-State Transmission Line

S. No.	Name of Existing Inter-State lines	Type of line AC/ HVDC	S/C or D/C	Line length (km)	Date of Commercial Operation
	220 KV Lines				
1	220 kV S/C Jassure-Thein Line	AC	S/C	25.60	03-2001
2	220 kV D/C Panchkula-Kunihar Line	AC	D/C	46.72	05-1989
3	220 kV D/C Kodari-Majri Line	AC	D/C	35.02	09-1989

- 1.3.3 In addition to the above infrastructure that was vested with HPPTCL, the Petitioner has commissioned following Intra-State Transmission Schemes.

- 33/220 kV, 80/100 MVA GIS Sub-Station Phojal along with 220 kV D/C LILO Transmission Line
- 220 kV D/C Kashang Bhaba Transmission Line
- 220/66 kV Pooling station at Bhoktoo
- 220 kV D/C Charor Banala Transmission Line
- 33/220 kV, 50/63 MVA GIS Sub Station Karian Substation along with 220 kV D/C Karian Rajera Line
- 33/132 kV 31.5 MVA GIS Pooling Station Pondoh with LILO of 132 kV S/C of Larji-Bijni line
- 33/132 kV, 2x31.5 MVA sub-station at Chambi with LILO of 132 kV S/C Kangra- Dehra line
- 2x315 MVA, 220/33 kV GIS Pooling Station at Lahal, Himachal Pradesh
- 66/220/400 kV GIS Sub Station (66/220 kV, 2x80/100 MVA+220/400 kV, 2x315 MVA) at Wangtoo.

1.4 Funding of Assets transferred from HPPTCL

- 1.4.1 HPPTCL would like to submit that the assets of HPSEBL were transferred to HPPTCL as per the terms of "Himachal Pradesh Power Sector Reforms Transfer Scheme, 2010" notified by GoHP vide MPP-A (3)-1/2001-iv dated June 10, 2010.
- 1.4.2 Clause 4 of the transfer scheme dated June 10, 2010 specify as follows:

"4. Transfer of functions and undertakings:

(1) With effect from date of re-vesting, the "HPSEB Ltd." shall undertake the functions of generation, distribution and trading of electricity along with all undertakings including residuary and miscellaneous assets, rights, interests and obligations which have not been specifically transferred to "HPPTCL", under the scheme or retained by the government.

(2) With effect from the date of re-vesting, the function of evacuation of power by Intra-State or Inter-State transmission lines shall be done by "HPPTCL" subject to

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HPPTCL True Up Petition for the period FY 2014-15 to FY 2018-19

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permissible transmission system remaining part of distribution network of the "HPSEB Ltd."

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(10) As consideration for the re-vesting of the assets and liabilities, including all rights, obligations and contingencies to the Transferees as mentioned in sub-clause (1) and (2) above, shares of appropriate amount shall be issued to the State Government." {Emphasis Added}

- 1.4.3 The capital cost of the transferred assets from HPSEBL vide letter No.-HPSEBL/CE (ES)/AU-4/2010-6220-25 dated 06.09.2010 and even No.8648-53 dt. 19-11-2010 was Rs. 199.08 Crore and the same was revised to Rs. 102.63 Crore vide Letter No. HPSEBL/F&A/ A&R-55/R&M works/2014-15-1024 -25 dt. 27-10-2014.
- 1.4.4 It is submitted that the written down value of assets on above date amounting to Rs. 61.22 Crore only has been taken in books of account and amount shown as payable to HP State Govt./HPSEBL instead of shares to be issued against the asset value. The liabilities were transferred to the Audited Accounts for FY 2014-15 under the head of "Long Term Provisions" payable to "HP State Govt/ HPSEBL".
- 1.4.5 With regard to the segregation of assets of HPSEBL for the period prior to formation of HPPTCL, Hon'ble Commission while performing the True Up of HPSEBL for the first Control Period FY 2008-09 to FY 2010-11 in its Order dated April 24, 2012 has segregated GFA, depreciation and funding in to business segments of Generation, Transmission and Distribution. The relevant extracts of the same are reproduced below:

"6.19 The revised depreciation now approved by the Commission is shown below:

Table 77: Trued-up GFA & Depreciation for the Control Period (Rs. Cr)

Particulars	FY 09	FY 10	FY 11
Opening	3698.10	4016.97	4285.22
Generation	1827.02	1827.07	1847.83
Transmission	780.26	929.27	959.50
Distribution	1090.82	1260.63	1477.90
Addition	565.97	609.22	286.58
Generation	0.05	20.76	8.84
Transmission	149.01	30.22	85.23
Distribution	169.81	217.27	83.32
Reduction	0.00	0.00	0.00
Generation	0.00	0.00	0.00
Transmission	0.00	0.00	0.00
Distribution	0.00	0.00	0.00
Closing GFA	4016.97	4285.22	4462.61
Generation	1827.07	1847.83	1856.67
Transmission	929.27	959.50	1044.73

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Particulars	FY 09	FY 10	FY 11
Distribution	1260.63	1477.90	1561.22
Depreciation Rate			
Generation	2.52%	2.52%	2.52%
Transmission	2.50%	2.50%	2.50%
Distribution	2.50%	2.50%	2.50%
Depreciation	96.84	103.92	109.38
Generation	46.08	46.08	46.34
Transmission	21.37	23.61	25.05
Distribution	29.39	34.23	37.99

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Table 80: Classification of Capitalisation now approved (Rs. Cr.)

Particular	FY 2008-09	FY 2009-10	FY 2010-11
Total Capitalisation	318.87	268.25	177.39
Pre MYT Schemes	250.00	200.00	150.00
MYT Schemes	68.87	68.25	27.39

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6.25 The Commission has considered the following funding pattern for total asset capitalisation (both pre-MYT and MYT schemes, as segregation was not available)

Table 81: Capitalisation classification now approved (Rs. Cr.)

Funding	FY 2008-09		FY 2009-10		FY 2010-11	
	Loan	Grant	Loan	Grant	Loan	Grant
Transmission	149.01	0.00	30.22	0.00	85.23	0.00
Generation	0.05	0.00	20.76	0.00	8.84	0.00
Distribution	81.38	88.43	95.79	121.48	48.13	35.19
Total	230.44	88.43	146.78	121.48	142.20	35.19

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6.27 Funding details of the MYT schemes and interest now approved for the capitalization of fresh investment during the MYT Period is shown below:

Table 82: Funding Requirement and Funding now approved (Rs. Cr.)

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Funding Requirement	68.87	68.25	27.39
Consumer Contribution/Grant	22.08	21.88	8.78
Debt	46.79	46.37	18.61
Equity	0.00	0.00	0.00
New Loans taken for Capex			
Opening	0.00	42.08	66.45
Addition	46.79	46.37	18.61
Repayment	4.68	9.32	11.18
Closing	42.11	79.17	86.60
Interest Rate	10.25%	10.25%	10.25%
Interest	2.16	6.22	8.50

6.34 The Commission now approves ROE to the generation, transmission and distribution businesses at the rate of 14%, 14% and 16%, respectively, in accordance with its Tariff Regulations, as detailed in the table below:

Table 82: Trued Up RoE for the Control Period in MYT Order (Rs. Cr.)

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
-------------	------------	------------	------------

Equity	297.27	297.27	297.27
Generation	108.27	108.27	108.27
Transmission	79.05	79.05	79.05
Distribution	109.95	109.95	109.95
Rate of Return			
Generation	14.00%	14.00%	14.00%
Transmission	14.00%	14.00%	14.00%
Distribution	16.00%	16.00%	16.00%
Approved ROE	43.82	43.82	43.82
Generation	15.16	15.16	15.16
Transmission	11.07	11.07	11.07
Distribution	17.59	17.59	17.59

...

- 1.4.6 From the above, it can be observed that the combined GFA approved for Transmission and Distribution at the end of First Control Period (FY 2008-09 to FY 2010-11) i.e., is Rs. 2605.95 Crore (Rs. 1044.73 Crore +Rs. 1561.22 Crore). Further, the closing loan of HPSEBL considering the funding of schemes capitalized in FY 2010-11 is Rs. 86.60 Crore and the combined closing equity of Transmission and Distribution for FY 2010-11 is Rs. 189.00 Crore (Rs. 79.05 Crore +Rs. 109.95 Crore).
- 1.4.7 Subsequently, the Hon'ble Commission while performing Mid-Term Performance Review of HPSEBL for the Period FY 2014-15 to FY 2018-19 in its Order dated April 17, 2017 has adjusted the GFA of HPSEBL for FY 2011-12 as Rs. 2503.31 Crore by reducing the amount equivalent to the cost of Assets Transferred to HPPTCL amounting to Rs. 102.63 Crore from the combined GFA approved for Transmission and Distribution at the end of First Control Period (FY 2008-09 to FY 2010-11). The relevant extracts of the same are reproduced below:

"5.4.2 It is observed that the Commission had trued-up the GFA for the First Control Period (FY09-FY11) in the Order for First APR of the Second MYT Control Period (FY12-FY14) dated 24.04.2012. The Commission has therefore considered the transmission and distribution assets as per the approved closing GFA for FY11. Adjustment on account of assets transferred to HPPTCL has been considered to arrive at the opening GFA for FY12.

...

5.4.4 The revised depreciation now approved by the Commission is as below:

Table 76: Trued-up GFA & Depreciation for the Second Control Period (Rs. Cr.)

Particulars	FY 12	FY 13	FY 14
Opening GFA	2503.31	3069.28	3678.50
Addition	565.97	609.22	286.58
Closing GFA	3069.28	3,678.50	3,965.08
Depreciation on Total Assets @ 2.50%	69.66	84.35	95.54
Less: Depreciation on Assets created out of	19.61	29.20	36.19



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Bhola, Bogra, Dinajpur

Particulars	FY 12	FY 13	FY 14
grants/deposit works			
Approved Depreciation	50.04	55.15	59.36

1.4.8 However, with regard to interest on loan and equity for the second control period, the Hon'ble Commission in the above referred Order dated April 17, 2017 ruled as follows:

"5.5.4 The revised interest on loans for funding capitalization for First and Second Control Period is provided below:

Table 78: Trued-up Interest on Capital Loans for the Second Control Period (Rs. Cr.)

Particulars	FY 12	FY 13	FY 14
Loans for Capitalisation (FY 09-11)			
Opening	86.60	75.42	64.25
Addition	-	-	-
Repayment	11.18	11.18	11.18
Closing	75.42	64.25	53.07
Interest rate	10.25%	10.25%	10.25%
Interest	8.30	7.16	6.01
Loans for Capitalisation (FY 12-14)			
Opening	-	190.14	309.55
Addition	211.27	156.16	146.90
Repayment	21.13	156.16	146.90
Closing	190.14	309.55	405.02
Interest rate	12.00%	12.00%	12.00%
Interest	11.41	29.98	42.87
Approved Total Interest Cost	19.71	37.14	48.89

5.6.1 The Commission had not considered equity addition during the Second Control Period in the MYT Order. As per the funding pattern approved for the capitalization discussed in the previous section, the Commission has recomputed the return on equity towards the distribution business of HPSEBL which is as below:

Table 79: Approved Return on Equity for the Second Control Period (Rs. Cr)

Particulars	FY 12	FY 13	FY 14
Opening Equity	189.00	213.14	230.13
Addition	24.14	16.99	16.55
Closing Equity	213.14	230.13	246.69
Rate of Return	16%	16%	16%
RoE	32.17	35.46	38.15

1.4.9 From the above, it can be observed that the opening loan for HPSEBL for FY 2011-12 is Rs. 86.60 Crore and the opening equity is Rs. 189. 00 Crore. Therefore, it can be inferred that the Hon'ble Commission has only adjusted the CR of HPSEBL for the year FY 2011-12 by reducing the amount equivalent to the cost of Assets Transferred to HPPTCL amounting to Rs.

102.63 Crore and has not considered the similar adjustment for Equity. This improper adjustment has led to the situation where the GFA is owned by HPPTCL but Return on Equity on the assets owned by HPPTCL is allowed to HPSEBL.

- 1.4.10 As the True Up for the period FY 2014-15 to FY 2018-19 is yet to be performed by the Hon'ble Commission and has not attained finality, HPPTCL prays the Hon'ble Commission to allow Return on Equity for the years FY 2014-15 to FY 2018-19 on the Assets re-vested in HPPTCL by GoHP as per the transfer scheme dated June 10, 2010.

1.5 Approach for Filing the Petition

- 1.5.1 As per Regulation 10 of the HPERC MYT Regulations, 2011 and its amendments thereof, True Up across various controllable parameters shall be performed as specified in:

"10. True Up

(1) The true up across various controllable parameters shall be conducted by the Commission, for the previous years for which the actual/audited accounts are made available by the Transmission Licensee, at the times and as per principles stated below; -

(a) at the times-

- (i) for the previous years of the previous control period: - along with the petition for determination of ARR cum transmission tariff for the control period;*
- (ii) for the previous years of the control period and for the previous control period: - along with the mid-term performance review during the control period;*
- (iii) for the control period true up: - along with the mid-term performance review of the next control period*

(b) as per principles-

- (i) the Commission shall review actual capital investment vis-à-vis approved capital investment;*
 - (ii) depreciation and financing cost, which includes cost of debt including working capital (interest), cost of equity (return) shall be trued up on the basis of actual/audited information and prudence check by the Commission;*
 - (iii) any surplus and deficit on account of O&M expenses shall be to the account of the Transmission Licensee and shall not be trued up in ARR; and*
- (2) The gain or loss on account of other controllable factors, unless otherwise specifically provided by the Commission shall be to the account of the Transmission Licensee.*
- (3) Notwithstanding anything contained in these regulations, the gains or losses in the controllable items of ARR on account of force majeure, change in law and change in taxes and duties shall be passed on as an additional charge or rebate in ARR over such period as may be laid down in the order of the Commission."*

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- 1.5.2 Further, as per Regulations 39 of the HPERC MYT Regulations, 2011 and its amendments thereof, HPPTCL has to file an application for Comprehensive Review after the end of the third Control Period on availability of audited accounts for each year of the Control Period, as follows:

"39. Mid-term Performance Review and Review at the End of the Control Period

....

(2) Review at the end of control period - The transmission licensee shall also make an application for Comprehensive Review after the end of the third Control Period on availability of audited accounts for each year of the control period. The comprehensive review shall be based as per the principles laid down under these Regulations for various parameters of ARR;

Provided that the transmission licensee shall submit to the Commission information in such format as may be stipulated by the Commission, together with the audited account statements, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges.

(3) Towards the end of the control period, the Commission shall review if the implementation of the principles laid down in these regulations has achieved their intended objectives. While doing this, the Commission shall take into account, among other things, the industry structure, sector requirements, consumer and other stakeholder expectations and the licensee's requirements at that point in time. Depending on the requirements of the sector to meet the objects of the Act, the Commission may revise the principles for the next control period.

(4) The end of the control period shall be the beginning of the next control period and the licensee shall follow the same procedure, unless required otherwise by the Commission. The Commission shall analyze the performance of the licensee with respect to the targets set out at the beginning of the control period and based on the actual performance, expected efficiency improvements and other factors prevalent, determine the initial values for the next control period."

- 1.5.3 Accordingly, the True Up Petition for Control Period FY 2014-15 to FY 2018-19 has been prepared as per the principles stated above in the HPERC MYT Regulations, 2011 and its amendments thereof.

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2 True Up for ARR for FY 2014-15 to FY 2018-19

- 2.1.1 This Chapter outlines the actual performance of HPPTCL for the years FY 2014-15 to FY 2018-19 in line with the provisions of HPERC MYT Regulations, 2011 and its amendments thereof.
- 2.1.2 HPPTCL has worked out the revenue gap/surplus and has presented actual revenue components for the period from FY 2014-15 to FY 2018-19 considering the Mid-Term Review Order dated October 6, 2017 with respect to audited annual accounts for the years FY 2014-15 to FY 2018-19. Copies of the annual accounts for the years FY 2014-15 to FY 2018-19 are hereby annexed as Annexure 1.

2.2 Operation and Maintenance Expenses

- 2.2.1 The Regulation 12 of the HPERC MYT Regulations, 2011 and its amendments thereof specifies the provision of calculating O&M Expenses for transmission utilities as below:

"13. Operation and Maintenance (O&M) Expenses

(1) Operation and Maintenance (O&M) expenses shall comprise of the following:-

- (a) Salaries, wages, pension contribution and other employee costs;*
- (b) Administrative and general expenses including insurance charges if any;*
- (c) Repairs and maintenance expenses;*
- (d) Other miscellaneous expenses, statutory levies and taxes (except corporate income tax)*

(1-a) O&M Norms -

- (i) The transmission licensee shall propose separate trajectories of norms for each of the components of O&M expenses viz., employee cost, R&M expense and A&G expense;*
- (ii) Norms shall be defined in terms of combination of number of personnel per long/ medium term consumer, number of personnel per MW of capacity handled for long/ medium term consumers or number of personnel per transmission circuit kilometer line length and number of substations along with annual expenses per personnel for Employee expenses, combination of A&G expense per personnel and A&G expense per long/ medium term consumer (or per MW of capacity handled) for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses;*

.....

(3) The O&M expenses for the nth year of the control period shall be approved based on the formula given below: -

$$O\&M_n = R\&M_n + EMP_n + A\&G_n;$$

Where -

$$EMP_n' = [(EMP_{n-1}) \times (1 + G_n) \times (CPI_{inflation})] + Provision (Emp);$$

$$'A\&G_n' = [(A\&G_{n-1}) \times (WPI_{inflation})] + Provision(A\&G);$$

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$$'R\&Mn' = K \times (GFA\ n-1) \times (WPIinflation);$$

'K' - is a constant (could be expressed in %). Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

'CPIinflation' - is the average increase in the Consumer Price Index (CPI) for immediately preceding three years before the base year;

'WPIinflation' - is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years before the base year;

'EMPn' - employee's cost of the transmission licensee for the nth year (employee cost for the base year would be adjusted for provisions for expenses beyond the control of the licensee and one time expected expenses, such as recovery/ adjustment of terminal benefits, implication of pay revisions, arrears and interim relief.);

'Provision(Emp)'- Provision corresponding to clauses (iii), (iv) and (v) of subregulation (1-a) of regulation 13, duly projected for relevant year for expenses beyond control of the Transmission Licensee and expected one-time expenses as specified above;

'A&Gn' - administrative and general costs of the transmission licensee for the nth year;

'Provision(A&G)'-Cost for initiatives or other one-time expenses as proposed by the Transmission licensee and approved by the Commission after prudence check;"

'R&Mn' - Repair and Maintenance costs of the transmission licensee for the nth year;

'GFA n-1' - Gross Fixed Asset of the transmission licensee for the n-1th year;

'Gn' - is a growth factor for the nth year. Value of Gn shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate;

Provided that, repair and maintenance expenses determined shall be utilized towards repair and maintenance works only;

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Provided further that, the impact of pay revision (including arrears) shall be allowed on actual during the mid-term performance review or at the end of the control period as per actual/ audited accounts, subject to prudence check and any other factor considered appropriate by the Commission.

....
"

- 2.2.2 Employee Expenses and A&G Expenses have been computed by considering the approach followed by the Hon'ble Commission while approving the Tariff for the MYT period FY 2019-20 to FY 2023-24 in the Order dated June 29, 2019 viz. allocation of 25% of the Total Employee cost and A&G Expenses respectively for arriving at the Expenses towards Intra-State business. The R & M Expenses submitted by HPSEBL were adjusted by deducting the expenses incurred on account of Inter-State Lines. The O&M Expenses computed for the period FY 2014-15 to FY 2018-19 are as below:

Table 2.1 O&M Expenses for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Employee Expenses	2.64	2.74	3.69	4.08	4.16
A&G Expenses	1.58	1.92	2.05	1.93	2.09
R&M Expenses	1.75	1.64	1.91	1.71	1.87
Total	5.97	6.30	7.65	7.72	8.12

- 2.2.3 HPPTCL requests the Hon'ble Commission to allow the O&M Expenses as shown in the above table.

2.3 Depreciation

- 2.3.1 As per the HPERC Tariff Regulations, 2011 and its amendments, Depreciation is to be computed as per following methodology:

"23. Depreciation

(1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

(3) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the assets of the transmission system:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the asset.

(4) For transmission project which are in operation for less than 12 years, the difference between the cumulative depreciation recovered and the cumulative depreciation arrived at by applying the depreciation rates specified in this regulation corresponding to 12 years, shall be spread over the period up to 12 years, and the remaining depreciable value as on 31st March of the year closing after a period of 12

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years from date of commercial operation shall be spread over the balance useful life of the asset.

(5) For the project in operation for more than 12 years, the balance depreciation to be recovered shall be spread over the remaining useful life of the asset.

(6) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis."

- 2.3.2 The Depreciation has been computed based on the methodology adopted by Hon'ble Commission while approving the Depreciation for the period FY 2014-15 to FY 2018-19 in the Mid Term Review Order dated October 6, 2017. The Depreciation for the period FY 2014-15 to FY 2018-19 is shown below for the approval of Hon'ble Commission:

Table 2.2 Depreciation for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Depreciation	0.76	0.76	0.76	0.75	0.69

2.4 Interest on Loan

- 2.4.1 The Regulation 20 of the HPERC MYT Regulations, 2011 and its amendments thereof specifies the provision of calculating Interest and Finance Charges for transmission utilities as below:

"20. Interest and Finance Charges

(1) Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of repayment in accordance with the terms and conditions of relevant agreements of loan, bond or non-convertible debentures. Exception can be made for the existing or past loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

(2) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the transmission licensee does not have actual loan then the weighted average rate of interest of the transmission licensee as a whole shall be considered.

(3) The interest rate on the amount of equity in excess of 30% treated as notional loan shall be the weighted average rate of the loans of the respective years and shall be further limited to the rate of return on equity specified in these regulations:

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Provided that all loans considered for this purpose shall be identified with the assets created:

Provided further that the interest and finance charges of re-negotiated loan agreements shall not be considered, if they result in higher charges:

Provided further that the interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost:

Provided further that neither penal interest nor overdue interest shall be allowed for computation of tariff.

(4) In case any moratorium period is availed of in any loan, depreciation provided for in the tariff during the years of moratorium shall be treated, as notional repayment of loan during those years and interest on loan capital shall be calculated accordingly."

2.4.2 The Petitioner would like to draw the Hon'ble Commission's attention to Section 1.4 of this Petition, where in it has been submitted that the Hon'ble Commission while performing Mid-Term Performance Review of HPSEBL for the third Control Period (FY 2014-15 to FY 2018-19) in its Order dated April 17, 2017 has already adjusted the GFA of HPSEBL for FY 2011-12 by reducing the amount equivalent to the cost of Assets Transferred to HPPTCL amounting to Rs. 102.63 Crore from the combined GFA approved for Transmission and Distribution at the end of First Control Period (FY 2008-09 to FY 2010-11). However, the similar treatment has not been performed in case of Return on Equity of HPSEBL for the year FY 2011-12 leading to a situation where the asset is held by HPPTCL but RoE is allowed to HPSEBL against the provisions in the transfer scheme dated June 10, 2010.

2.4.3 With regard to the re-vesting of assets in HPPTCL, GoHP vide File No. MPP-A(3)-1/2001-V dated 18.08.2020 communicated that Finance Department of GoHP has directed that 30% of the gross value of transferred assets should be considered as equity and paid up capital of HPPTCL to be revised accordingly.

2.4.4 In line with the above, HPPTCL prays the Hon'ble Commission allows the Interest on normative Loan (i.e., Rs. 19.54 Crore less accumulated Depreciation of Rs. 5.26 Crore) for the years FY 2014-15 to FY 2018-19 on the Assets re-vested in HPPTCL by GoHP as per the transfer scheme dated June 10, 2010.

2.4.5 As the loan amount corresponds to the date of transfer of assets, any depreciation allowed post that has to be utilized for reducing the outstanding loan. HPPTCL has accordingly considered repayment of the normative loan equal to the sum of depreciation as per the following:

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(i) Considering that the Hon'ble Commission has approved combined Depreciation for both the Inter and Intra State Transmission lines for the period till FY 2013-14 in the True Up Order dated April 10, 2017. Therefore, HPPTCL has calculated the Depreciation for the Intra State Lines for the period from 13.06.2010 till FY 2013-14 as per the methodology described in the earlier section for Depreciation. The Depreciation considered for the same is as follows:

Table 2.3 Depreciation for Intra State Assets for the period till FY 2013-14 (Rs. Crore)

Particular	FY 2010-11*	FY 2011-12	FY 2012-13	FY 2013-14	Total
Depreciation as per the methodology described in Section 2.3 above	0.64	0.77	0.77	0.76	2.94

*Prorated for the period from 13.06.2010 till 31.03.2011

2.4.6 Accordingly, the opening loan for FY 2014-15 is as follows:

Table 2.4 Opening loan for FY 2014-15

S. No.	Particular	Amount (Rs. Crore)
A	Normative Loan (70% of Rs. 14.28 Crore)	10.00
C	Depreciation from 13.06.2010 till FY 2013-14	2.94
D	Opening Loan for FY 2014-15	7.05

2.4.7 For the purpose of rate of interest on loan HPPTCL has considered the rate equal to average Base Rate of State Bank of India for the last six months prior to the filing of MYT Petition plus 250 basis points.

2.4.8 The interest on loan for the period FY 2014-15 to FY 2018-19 is shown below for the approval of Hon'ble Commission.

Table 2.5 Interest on Loan for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Opening	7.05	6.30	5.54	4.79	4.04
Addition during the year	0.00	0.00	0.00	0.00	0.00
Repayment	0.76	0.76	0.76	0.75	0.69
Closing	6.30	5.54	4.79	4.04	3.35
Average	6.68	5.92	5.17	4.41	3.69
Rate of Interest on Loan	12.27%	12.27%	12.27%	12.27%	12.27%
Interest on Loan	0.82	0.73	0.63	0.54	0.45

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2.5 Interest on Working Capital

2.5.1 Regulation 21 and 22 of the HPERC MYT Regulations, 2011 and its amendment thereof provide as follows on Working Capital and Interest on Working Capital respectively:

"21. Working Capital

The Commission shall calculate the working capital requirement for the transmission licensee containing the following components: -

- (a) O&M expenses for 1 month;*
- (b) maintenance spare @ 40% of repair and maintenance expenses for one month.*
- (c) receivables for two months on the projected annual transmission charges; and*

22. Interest Charges on Working Capital

Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal to the Average Base Rate of State Bank of India for the last six months prior to the filing of the MYT petition plus 350 basis points. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures."

2.5.2 The rate of Interest on Working Capital approved by the Hon'ble Commission in the MYT Order for FY 2014-15 to FY 2018-19 dated June 10, 2014 is 13.27%. The relevant extract from the aforementioned Order is as follows:

"4.8.1 Based on the approved O&M expenses and expected receivables, the Commission approves the working capital requirements and interest on working Capital for the Control Period in accordance with regulations 21 & 22 of the HPERC MYT Transmission Regulations. As per the amended regulations -2 -

"Amendment of regulation 22 - In regulation 22 of the said regulations, for the words and figure "Short Term Prime Lending Rate of the State Bank of India as on the 1st April of the relevant year" the words and figures "Average Base Rate of State Bank of India for the last six months prior to the filing of the MYT petition plus 350 basis points" shall be substituted."

4.8.2 Accordingly, the rate of interest on working capital has been arrived as below:

Table 42: Approved Rate of interest for Working capital requirement

Particulars	Jun-13	Jul-13	Aug-13	Sept-13	Oct-13	Nov-13
SBI Base rate (%)	9.70%	9.70%	9.70%	9.74%	9.80%	9.96%
Average for last six months	9.77%					
Rate of Interest for computing IWC (Avg Base rate + 350 basis point)	13.27%					

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2.5.3 The Petitioner would like to submit that the Hon'ble Commission while approving the Interest on Working Capital in the Mid Term Review Order dated October 6, 2017 has approved the rate of Interest on Working Capital as 13.25% instead of 13.27% for the years FY 2014-15 and FY 2015-16 and also approved a different rate for the period FY 2016-17 to FY 2018-19. The relevant extract from the aforementioned Order is as follows:

"4.7.1 The Commission has projected the working capital requirement for ARR in line with the Regulation 21 and 22 of the MYT Tariff Regulations, 2011 as reproduced below

" ...

22. Interest Charges on Working Capital

Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal to the Average Base Rate of State Bank of India for the last six months prior to the filing of the MYT petition plus 350 basis points as on 1st April of the relevant year. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures....."

4.7.2 The Commission has considered the relevant base rate as on 1st April of each year for approving the interest on working capital as follows:

Table 27: Revised Interest on working capital (Rs Cr.) approved under Mid-term Review

Particulars	FY15	FY16	FY17	FY18	FY19
O&M expenses for 1 month	0.37	0.38	0.39	0.41	0.42
Maintenance spares	0.06	0.05	0.06	0.06	0.06
Receivables for 2 months	1.01	0.95	0.97	0.99	1.01
Total Working Capital	1.43	1.38	1.42	1.46	1.49
Rate of interest	13.25%	13.25%	12.80%	12.60%	12.60%
Interest on Working Capital	0.19	0.18	0.18	0.18	0.19

...."

2.5.4 Therefore, the Petitioner requests the Hon'ble Commission to allow the Interest on Working Capital for the period FY 2014-15 to FY 2018-19 calculated with the rate as 13.27% as follows:

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Table 2.6 Interest on Working Capital for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
O&M Expenses for one month	0.50	0.52	0.64	0.64	0.68
Maintenance Spares (40% of R& M Expenses for one month)	0.06	0.05	0.06	0.06	0.06
Receivable for 2 months	1.57	1.55	1.61	1.52	1.45
Total Working capital	2.13	2.12	2.31	2.22	2.18
Rate of Interest on Working Capital	13.27%	13.27%	13.27%	13.27%	13.27%
Interest on Working Capital	0.28	0.28	0.31	0.29	0.29

2.6 Return on Equity

2.6.1 Regulation 19 of the HPERC MYT Regulations, 2011 and its amendment thereof provide as follows on RoE:

"19. Return on Equity

(1) Return on equity shall be computed on the equity determined in accordance with regulation 18 and on pre-tax basis at the base rate of 15.5% to be grossed up as per sub-regulation (3) of this regulation:

(2) The rate of return on equity shall be computed by grossing up the base rate with the normal tax rate as per latest available audited accounts of the concerned transmission licensee:

Provided that in line with the provisions of the relevant Finance Acts of the respective year, the return on equity with respect to the actual tax rate applicable to the transmission licensee during the years of the control period shall be trued up separately for each year during the mid-term performance review and at the end of the control period along with the tariff petition filed for the next control period.

(3) Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below:-

(a) Rate of pre-tax return on equity = Base rate / (1-t)

(b) Where t is the applicable tax rate in accordance with sub-regulation (2) of this regulation. ..."

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2.6.2 The Hon'ble Commission has not allowed any Return on Equity on the transferred assets for the Second Control Period (FY 2011-12 to FY 2013-14) and in the Mid-Term Review for the third Control Period (FY 2014-15 to FY 2018-19). While disallowing the Return on Equity, the Hon'ble Commission had stated the following from the True Up Order for Second Control Period (FY 2011-12 to FY 2013-14):

"4.7.2. The Petitioner was asked to provide the details of original funding of the fifteen lines transferred from HPSEBL to HPPTCL. In response, the Petitioner was not able to provide any details regarding the funding (debt, equity, grant, etc.) of these lines. Further, it is observed that some of these lines are very old and have outlived their economic life. It is also observed that no investment / additional expense has been done by HPPTCL on the existing transmission lines which have been transferred to them and therefore the vesting of assets from HPSEBL to HPPTCL by issuance of shares to the GoHP was primarily an accounting entry.

4.7.3. In absence of any details with regard to original funding of the fifteen lines transferred from HPSEBL to HPPTCL and no corresponding transfer of liabilities with regard to these lines, the Commission feels that approving Return on Equity based on the transfer amount would lead to double charging the consumers for the same capital cost."[Emphasis Added]

2.6.3 The Petitioner would like to submit that the Hon'ble Commission did not allow Return on Equity on the basis of the following rationale.

- a) First that the original funding of the asset was not submitted by the Petitioner.
- b) Corresponding liability towards assets transferred to HPPTCL were not transferred to HPPTCL
- c) Allowing RoE will lead to double charging to consumers.

2.6.4 The Petitioner would like to submit some facts to allay the above concerns of Hon'ble Commission over approving RoE for the transferred assets.

2.6.5 With regard to importance of the original funding of the assets, it is submitted that the same is irrelevant in this case as the tariff sought here is not in terms of original cost of the assets, funding, cost of funds etc., instead the same is on the basis of assets and liabilities transferred in terms of Transfer Scheme which specifically transferred assets worth Rs. 61.22 Crore (Rs. 102.63 Crore net of Rs. 41.41 Crore accumulated depreciation) for which corresponding liability of HPPTCL has also increased by Rs. 61.22 Crore. Out of this Rs. 61.22 Crore, Inter-State Transmission lines amounts to Rs. 46.94 Crore and therefore balance assets towards existing 12 Intra-State system is Rs. 14.28 Crore which has been vested in HPPTCL in the form of 100% equity funding.

2.6.6 It is further submitted that Hon'ble CERC while dealing with exactly the same issue of non-availability of funding of old transmission lines of

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Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) in Petition No.112/TT/2017 has considered normative debt equity of 70:30 while approving the tariff. The relevant extract of the Order dated May 4, 2018 is reproduced as below for Hon'ble Commission's approval:

"13. It is observed that the information submitted by the petitioner States for computation of transmission charges for the deemed ISTS lines are not uniform, thereby causing divergence in working out the tariff. In some cases, the data related to funding and depreciation was not available and in some cases the assets have already completed, or nearing, their useful life. In most of the petitions, the states have expressed their inability to furnish the audited capital cost of transmission lines as the lines are old. As a result, tariff workings for old assets are ending in skewed results. It is further observed that the YTC figures emerging out by the existing ARR methodology are on the higher side. Considering these facts, we have conceptualized a modified methodology for determining the tariff of the inter-State transmission lines. The methodology is broadly based on the following:-

(a) PGCIL's Annual Report data has been used as the reference data; based on which, year wise benchmark cost has been derived

(b) Useful life of Transmission Line has been considered as 25 years. Thus, if life is more than or equal to 25 years as on 1.4.2014, only O & M Expenses and Interest on Working Capital (IWC) shall be allowed as per the existing Tariff Regulations, in lieu of complete tariff.

I It is expected that the States do have the audited financial data of recently commissioned (i.e. on or after 1.4.2014) lines

.....

17. While calculating tariff, the following has been considered:-

(i) Useful life of the transmission line shall be deemed to be 25 years.

(ii) Prevailing depreciation rates as per the 2014 Tariff Regulations shall be considered uniformly for all the previous tariff periods so as to do away with the Advance Against Depreciation which was in vogue during earlier tariff periods. Notwithstanding the depreciation considered as recovered earlier, for the purpose of these tariff calculations, remaining depreciable value shall be spread over the remaining useful life of the transmission line, where the elapsed life is more than or equal to 12 years.

(iii) Normative Debt-Equity ratio shall be 70:30.

(iv) Normative loan repayment during a year shall be deemed to be equal to the depreciation allowed for that year.

v) Rate of Interest on normative loan shall be the weighted average rate of interest as derived on the basis of PGCIL's Balance Sheet.

(vi) In order to avoid complexity, grossing up of rate of Return on Equity with tax rate is being dispensed with

vii) Bank rate as defined in 2014 Tariff Regulations, 2014 as on 1.4.2014 shall be applied for calculating the rate of interest on working capital on normative basis.

viii) O & M Expenses as per the 2014 Tariff Regulations shall be considered.

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Brijendra Kumar

HPPTCL True Up Petition for the period FY 2014-15 to FY 2018-19

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ix) Where the life of transmission line is more than or equal to 25 years as on 1.4.2014, only O & M Expenses and IWC shall be allowed in lieu of complete tariff."

The copy of the Hon'ble CERC's Order is attached as **Annexure 2** to this Petition.

- 2.6.7 With regard to transfer of liability, Hon'ble Commission has ruled that transfer of liability is just an accounting entry implying that there is no actual transfer of liability. In this regard it is submitted that Accounting Principles are very clear on the treatment of equity share capital and any equity capital has to be treated as liability to the company. It is further submitted that whenever there has been re-organisation of State Board across this country same accounting adjustments have been made. The Petitioner would like to state some of the actual cases that will allay Hon'ble Commission's concern on the manner in which liability transfer have been carried out.

Case 1: Bifurcation of Uttarakhand Power Corporation Limited (UPCL) into Power Transmission Corporation of Uttarakhand Limited (PTCUL).

Hon'ble UERC in the case of non-availability of details of financing of the assets of PTCUL for the years FY 2004-05 and FY 2005-06 has assumed to be financed with 30% equity and balance 70% through normative loan in the Order dated July 12, 2006. The relevant extracts of the aforementioned Order are reproduced below for Hon'ble Commission's perusal:

"5.2.3 Financing of Capital Assets

...

For capitalizations claimed in 2004-05 and 2005-06, the Petitioner was required to furnish the details of their financing, segregating grants, loans and equity used in these assets. However, the Petitioner has not furnished this. The Commission is therefore considering the financing of the capitalized assets only as per the plan stipulated by the concerned financial institution in its sanction. Assets financed through internal resources have been assumed to be financed with 30% equity and balance 70% through normative loan in terms of Regulation 15(5) with 10 years tenure and interest at the rate of weighted average for other long term loans....."

The copy of the Hon'ble UERC's Order is attached as **Annexure 3** to this Petition.

Case 2: Formation of Powergrid from NTPC, NHPC & NEEPCO

Hon'ble CERC in the Tariff Order dated December 21, 2000 has considered a normative debt/equity ratio of 50:50 in case of assets of Powergrid. The relevant extracts of the aforementioned Order are reproduced below for Hon'ble Commission's perusal:

"6.3 Methodology

6.3.1

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HPPCL True Up Petition for the period FY 2014-15 to FY 2018-19
No. 100/2014-15
Bhishan Singh Sharma



The present practice is to charge depreciation on the additional capitalisation and also charge interest and ROE on the normative basis of debt/equity mix of 50:50. The variation to be charged for the 1st year is 50% of the number as it is reckoned at the end of the year. This treatment avoids tariff shocks and is commendable. The ultimate impact on tariff should be to the extent of return on equity, interest on loan and depreciation as if the increase in asset is an additional investment. In order to ensure uniformity all utilities shall follow this practice in future. We are conscious that change over to this method in case of NHPC may create a liquidity problem as suitable source of finance has to be found for the actual repayment. However, since 50 % of the escalation is treated as equity, there is a leverage provided to the utility which should incentivise NHPC to change over to the new system. We understand that NHPC was adopting the system of annual revision but switched over to the system of charging at the time of repayment since 1997-98. As already stated this system is not advisable as it gives a tariff jolt to the beneficiaries and is also not in accordance with the accounting standard.

The methodology suggested above is also tax neutral. Any adjustment in tariff on account of interest on the additional loan amount and on account of depreciation would get allowed for taxation purposes, thereby leaving only the return to get taxed which in any case has to be borne by the beneficiaries. In the methodology followed by NHPC the tax neutrality is doubtful."

The copy of the Hon'ble CERC's Order is attached as **Annexure 4** to this Petition

2.6.8 With regard to the Hon'ble Commission's concern on double charging, the Petitioner would like to draw the Hon'ble Commission's attention to Section 1.4 of this Petition, where in it was submitted that the Hon'ble Commission while performing Mid-Term Performance Review of HPSEBL for the third Control Period (FY 2014-15 to FY 2018-19) in its Order dated April 17, 2017 has already adjusted the GFA of HPSEBL for FY 2011-12 by reducing the amount equivalent to the cost of Assets Transferred to HPPTCL amounting to Rs. 102.63 Crore from the combined GFA approved for Transmission and Distribution at the end of First Control Period (FY 2008-09 to FY 2010-11). However, the similar treatment has not been performed in case of Return on Equity of HPSEBL for the year FY 2011-12 leading to a situation where the asset is held by HPPTCL but the Return on Equity is allowed to HPSEBL against the provisions in the transfer scheme dated June 10, 2010.

2.6.9 Further, with regard to the re-vesting of assets in HPPTCL, GoHP vide File No. MPP-A(3)-1/2001-V dated 18.08.2020 communicated that Finance Department of GoHP has directed that 30% of the gross value of transferred assets should be considered as equity and paid up capital of HPPTCL to be revised accordingly

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Advocate cum Public
Notary Public
Bhadrachalam District
Bhadrachalam



2.6.10 HPPTCL therefore prays that the Hon'ble Commission allows the Return on Equity for the years FY 2014-15 to FY 2018-19 on the 30% of the gross value of assets re-vested in HPPTCL by GoHP i.e., Rs. 5.86 Crore.

2.6.11 The Return on Equity calculated based on the above Regulations is shown below for the approval of Hon'ble Commission:

Table 2.7 RoE for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Opening	5.86	5.86	5.86	5.86	5.86
Addition during the year	0.00	0.00	0.00	0.00	0.00
Closing	5.86	5.86	5.86	5.86	5.86
Average	5.86	5.86	5.86	5.86	5.86
Rate of Return on Equity	15.5%	15.5%	15.5%	15.5%	15.5%
Return on Equity	0.91	0.91	0.91	0.91	0.91

2.7 Income Tax

2.7.1 It is submitted that Hon'ble Commission has already approved Income Tax for the years FY 2014-15 and FY 2015-16 during the Mid Term Review Order dated October 6, 2017.

2.7.2 It is also submitted that the Petitioner has not paid any Income Tax for the period FY 2016-17 to FY 2018-19 as HPPTCL is in losses for the same period.

2.8 Non-Tariff Income

2.8.1 Regulation 24 of the HPERC MYT Regulations, 2011 and its amendment thereof provide as follows on Non-Tariff Income:

"24. Non-tariff income

(1) All income being incidental to electricity business and derived by the licensee from sources, including but not limited to profit derived from disposal of assets, rents, income from investment and miscellaneous receipts from the transmission customers excluding income to licensed business from the other business of the transmission licensee shall constitute non-tariff income of the licensee.

(2) The amount projected by the licensee on account of non-tariff income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of the licensee:

2.8.2 The Non-Tariff Income as per the Annual Accounts of the respective year of HPPTCL for the period FY 2014-15 to FY 2018-19 is as follows:

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Table 2.8 Non-Tariff Income for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Connectivity Fee	0.58	0.34	0.34	0.18	0.44
STU Charges IEX STOA (SLDC)			0.25	0.91	1.35
Total Non-Tariff Income	0.58	0.34	0.59	1.09	1.79

2.9 Income from Other Business

2.9.1 HPERC Tariff Regulations, 2011 and its amendments provide as follows with regards to Income from Other Business:

"25. Other Income of the Transmission Licensee

Where the transmission licensee is engaged in any other business, the income from such business will be calculated in accordance with the Himachal Pradesh Electricity Regulatory Commission (Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensees) Regulations, 2005 and shall be deducted from the aggregate revenue requirement in calculating the revenue requirement of the transmission licensee:

Provided that the transmission licensee shall follow a reasonable basis for allocation of all joint and common costs between the transmission business and the other business and shall submit the allocation statement, as approved by its board of directors, to the Commission along with his application for determination of tariff:

Provided further that where the sum total of the direct and indirect costs of such other business exceeds the revenues from such other business or for any other reason, no amount shall be allowed to be added to the aggregate revenue requirement of the transmission licensee on account of such other business."

2.9.2 HPPTCL would like to submit that as it is not involved in any other business as defined in the HPERC Tariff Regulations, 2011 and its subsequent amendments, no Income on Other Business is proposed.

2.10 Revenue from Short Term Open Access

2.10.1 HPERC Tariff Regulations, 2011 and its amendments provide as follows with regards to Revenue from Short-Term Open Access

"33. Allocation of Transmission Service Charge and Losses

(4) 25% of the charges collected from the short term open access customer shall be retained by the transmission licensee and the balance 75% shall be considered as non-tariff income and adjusted towards reduction in the transmission service charges payable by the long term and medium term users."

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State Council

HPPTCL

HPPTCL True Up Petition for the period FY 2014-15 to FY 2018-19

2.10.2 The Revenue from Short Term Open Access as per the Annual Accounts of the respective year of HPPTCL for the period FY 2014-15 to FY 2018-19 is as follows:

Table 2.9 Revenue from STOA for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Short-term Open Access Charges recovered	8.44	11.41	2.77	2.94	2.78
Revenue to be considered (75% of STOA as NTI)	6.33	8.56	2.08	2.21	2.08

2.11 Revenue from Transmission Charges

2.11.1 The Revenue from Transmission Charges as per the Annual Accounts of the respective year of HPPTCL for the period FY 2014-15 to FY 2018-19 is as follows:

Table 2.10 Revenue from Long Term Transmission consumers for period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Revenue from Long-term transmission consumers	3.45	3.47	7.07	6.16	6.04

2.12 ARR for the Control Period

2.12.1 Based on the relevant clauses of HPERC Tariff Regulations, 2011 and its subsequent amendments, each component of the ARR as discussed in this section are summarized for the Control Period as below:

Table 2.11 ARR for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Operation & Maintenance Expenses	5.97	6.30	7.65	7.72	8.12
Depreciation	0.76	0.76	0.76	0.75	0.69
Interest on Term-Loan	0.82	0.73	0.63	0.54	0.45
Interest on Working Capital	0.28	0.28	0.31	0.29	0.29
Return on Equity	0.91	0.91	0.91	0.91	0.91
Income Tax	1.28	0.64	0.00	0.00	0.00
Gross ARR	10.02	9.61	10.25	10.22	10.46
Less: Non-Tariff Income	0.58	0.34	0.59	1.09	1.79
Total	9.44	9.27	9.66	9.13	8.67

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Associate Company Secretary Public
Nov. Cottage, Dhringra Estate
Ecliaugani Shimla



2.12.2 It is prayed before the Hon'ble Commission that the above expenses be approved and allowed to be recovered by HPPTCL in accordance with HPERC Tariff Regulations, 2011 and its amendments thereof.

2.13 Revenue Surplus/Gap

2.13.1 Based on the relevant clauses of HPERC Tariff Regulations, 2011 and its subsequent amendments the trued-up Revenue Surplus/Gap for the period FY 2014-15 to FY 2018-19 is as follows:

Table 2.12 Revenue Surplus/Gap for the period FY 2014-15 to FY 2018-19 (Rs. Crore)

Particular	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
ARR	9.44	9.27	9.66	9.13	8.67
Total Revenue	9.78	12.03	9.14	8.37	8.12
Revenue (Surplus)/ Gap	-0.34	-2.76	0.51	0.76	0.55

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RANITHA
 Advocate cum. Chartered Accountant
 Nova Cottage, Uningra Estate
 Bioteaugani Shimla



H P POWER TRANSMISSION CORPORATION LTD.
Barowalia House Khalini, Shimla

Balance Sheet As At 31st March-2015			
		(Amt.Rs.in Lacs)	
Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds:			
(a) Share Capital	1	18,048.50	17,248.50
(b) Reserves and surplus	2	365.84	287.52
(2) Share application money pending allotment	3	2,596.00	800.00
(3) Non-Current Liabilities			
(a) Long Term Borrowings	4	25,301.95	15,039.95
(b) Long Term Provisions	5	8,208.07	884.36
(4) Current Liabilities:			
(a) Other current liabilities	6	3,899.72	2,470.10
Total		58,420.08	36,730.43
II. ASSETS			
(1) Non-current assets:			
(a) Fixed assets			
(i) Tangible assets	7.1	7,129.95	1,983.26
(ii) Intangible Assets	7.2	3.72	10.14
(iii) Capital work-in-progress	7.3	26,338.45	10,168.45
(2) Investment in HPT Unl	8	480.00	
(3) Current assets:			
(a) Cash and cash equivalents	9	14,901.41	16,538.86
(b) Short-term loans and advances	10	9,506.10	7,929.69
(c) Other current assets	11	60.45	100.23
Significant Accounting Policies & Notes to Accounts	18		
Total		58,420.08	36,730.43

Kapil Singh
(Kapil Singh Sharma)
Manager (Accounts)

Amrit Chauhan
(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

J.P. Kalra
(Er. J.P. Kalra)
Managing Director

Place, Shimla
Date: 18.6.2016



For Doger & Co.
Chartered Accountants

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

True copy
[Signature]
Sr. Manager (C&A)
HPP, Ltd, Shimla-6

H P POWER TRANSMISSION CORPORATION LTD.

Barowalia House Khalini, Shimla

(Amt. Rs. in Lacs)

Profit & loss statement for the year ended as on 31.3.15

Particulars	Note No.	As on 31.03.2015	As on 31.03.2014
I. Revenue from operations	12	1 246.83	876.94
II. Other Income		-	-
III. Total Revenue (I + II)		1 246.83	876.94
IV. Expenses:			
Employee benefit expenses	13	255.48	23.44
Financial costs	14	-	-
Depreciation and amortization expenses	15	103.51	-
Other expenses	16	412.11	119.26
Total Expenses		771.10	142.70
V. Profit before exceptional and extraordinary items & tax(III-IV)		475.73	734.24
VI. Prior Period Adjustment	17	335.08	298.90
VII. Profit before extraordinary items and tax (V - VI)		140.65	435.34
VIII. Tax expense		-	-
(1) Current tax		45.57	147.82
(2) Deferred tax		-	-
IX. Profit & Loss for the period transferred to reserve & surplus(VII-VIII)	(VII-VIII)	95.08	287.52
Significant Accounting Policies & Notes to Accounts	18		

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Katta)
Managing Director

For Doger & Co.
Chartered Accountants

Place: Shimla
Date: 18.6.2016



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

True Copy

Sr. Manager (C&A)
HPPTCL, Shimla-6

H P POWER TRANSMISSION CORPORATION LTD.

Barowalia House Khalini, Shimla

(All Rs in Lacs)

PRE-OPERATIVE EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST.MARCH, 2015

Particulars	Note No.	As on 31.03.2015	As on 31.03.2014
Expenses(A)			
Employee benefit expenses	13	800.93	914.25
Financial costs	14	1,735.36	722.78
Depreciation and amortization expenses	15	20.57	18.41
Other expenses	16	130.42	185.06
Total (A)		2,687.28	1,840.50
Less:- Miscellaneous income	12	1,435.73	312.49
Prior Period Adjustment	17	-	298.90
Net Expenditure (B)			
(Carried forward to CWIP)		1,251.55	198.11
Significant Accounting Policies & Notes to Accounts	18		

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Katta)
Managing Director

For Doger & Co.
Chartered Accountants

Place Shimla
Date: 18.5.2016



CA Sachin Doger, Partner
V.No 502458
C&A Regd No NR1675
ICAI FRN 019515N

True Copy

Sr. Manager (COA)
HPPTCL, Shimla-5

1) SHARE CAPITAL

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015		Amt.Rs.in Lacs As at 31.03.2014
AUTHORISED SHARE CAPITAL (2,00,00,000 Equity Shares of Rs.100/- each) (Previous year : 50,00,000 equity shares of Rs. 100/- each)	20,000.00		15,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL (1,80,48,500 Equity Shares of Rs. 100/- each fully paid up) Previous year : 72,48,500 equity shares of Rs. 100/- each Fully paid up)	18,048.50		17,248.50
Total Paid Up Capital	18,048.50		17,248.50

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	Amt.Rs.in Lacs As at 31.03.2015	%	Amt.Rs.in Lacs As at 31.03.2014	%
HP Govt	7,178.50	39.77	6,378.50	36.98
HPIDB	10,870.00	60.23	10,870.00	63.02
	18,048.50		17,248.50	

1.2) Reconciliation of shares outstanding is set out below:

PARTICULARS	No. of shares		Amt.Rs.in Lacs
No. of shares at the beginning (as on 01.04.2014)	17248500		17,248.50
No. of shares issued during the year	8,00,000		800.00
No. of shares at the end (as on 31.03.2015)	1,80,48,500		18,048.50

2) Reserve & Surplus

PARTICULARS	Amt. Rs. In Lacs As at 31.3.2015		Amt.Rs.in Lacs As at 31.3.2014
Balance of Profit & Loss statement of STU segment	270.76		287.52
Balance of Profit & Loss statement for 2014-15	95.08		0.00
	365.84		287.52

(Kamlesh Sharma)
Manager (Accounts)

(CMA Anant Chauhan)
Addl.G.M.(Finance)

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

(Er.J.P.Kalra)
Managing Director

Place: Shimla
Date: 18.6.2016

For Doger & Co.
Chartered Accountants
CA Sachin Doger, Partner
M.No 502488
CAG Regd.No NR1675
CAI FRN: 019516N

True copy

Sr. Manager (C&A)
HPTCL, Shimla

3) ADVANCE SHARE APPLICATION MONEY

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015	Amt.Rs.in Lacs As at 31.03.2014
A) HP Govt. Share Application pending allotment	2,596.00	800.00
TOTAL	2,596.00	800.00

4) LONG TERM BORROWINGS:

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015	Amt.Rs.in Lacs As at 31.03.2014
Long Term Loans		
State Govt. Loans (ADB) Tranche-1 (Installment of principal & interest payable yearly on 15th January, however principal yet not due)	14,430.51	11,056.06
State Govt. Loans (ADB) Tranche-2 (Installment of principal & interest payable yearly on 15th January, however principal yet not due)	6,887.55	-
Loan from M/s REC Ltd.	3,983.89	3,983.89
TOTAL	25,301.95	15,039.95

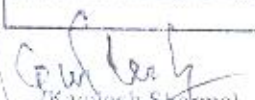
There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.

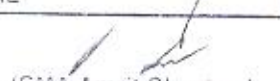
5) LONG TERM PROVISIONS:

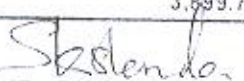
PARTICULARS	Amount(Rs. In Lacs) As at 31.03.2015	Amount(Rs. In Lacs) As at 31.03.2014
Provision for Pension & Leave salary Contribution	310.74	228.27
Interest on 90% Loan of ADB Govt. of HP	1,775.17	611.09
HP State Govt. HPSEB (Assets Cost)	6,122.16	-
TOTAL	8,208.07	884.36

6) OTHER CURRENT LIABILITIES:

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015	Amt.Rs.in Lacs As at 31.03.2014
Liabilities for Employees' Remuneration and Benefits	101.65	65.28
Liabilities for Contractors & Suppliers	2,568.83	1,543.26
Liabilities against deposit Work & other Govt. Deptt.	713.95	700.37
Taxes and Duties Payable	215.29	167.21
TOTAL	3,899.72	2,476.10


(Kamlesh Sharma)
Manager (Accounts)


(CMA Amrit Chauhan)
Addl.G.M.(Finance)


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


(Er. J.P. Kalta)
Managing Director

For Doger & Co.
Chartered Accountants

Place: Shimla
Date: 15.6.2016



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

True Copy


Sr. Manager (Accounts)
HPSEB, Shimla

FIXED ASSETS
7.1 TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	REVALUATION	ADDITION	DELETION	AS ON	UP TO	PROVIDED	DELETION	UP TO	AS ON	AS ON
	31.03.14	DURING PERIOD	ADJUSTED	31.03.15	31.03.14	DURING PERIOD	ADJUSTED	31.03.15	31.03.14	31.03.15
1. Transmission Lines, poles and hardware	-	10,292.37	-	10,292.37	9,091.75	1,200.62	12.5	6,207.75	4,091.75	-
2. P.C.S. Sub. Stn.	1,17,112	100.19	-	20,52.97	-	-	-	-	2,150.11	2,150.11
3. Transformer	1,17,112	3.00	-	41.78	26.44	15.34	-	11.10	1,144.74	1,144.74
4. Cables	7,430	-	-	12.20	9.44	2.76	-	6.68	7,421.26	7,421.26
5. Other Equip.	4,735	4.31	-	53.62	24.97	28.65	1.40	47.53	4,687.05	4,687.05
6. Other Equip. (computer)	11.08	0.74	-	12.42	5.54	6.88	-	6.66	5.76	5.76
7. Miscellaneous Equipments	0.47	-	-	0.17	0.17	-	-	0.17	0.30	0.30
8. Fire Safety Equipments	0.45	-	-	0.45	0.45	-	-	0.45	0.00	0.00
9. Car and Exp. on Car	1,138	-	-	1.38	1.38	-	-	1.38	-	-
10. Other Assets	-	-	-	-	-	-	-	-	-	-
Grand Total	2,06,475	10,392.56	-	12,438.93	5,173.25	138.76	34.68	5,034.49	1,120.55	1,206.16
Previous year	24,485	1,121.70	-	20,663	71.84	31.65	-	21.49	1,084.26	691.20

7.2 INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	REVALUATION	ADDITION	DELETION	AS ON	UP TO	PROVIDED	DELETION	UP TO	AS ON	AS ON
	31.03.14	DURING PERIOD	ADJUSTED	31.03.15	31.03.14	DURING PERIOD	ADJUSTED	31.03.15	31.03.14	31.03.15
1. Software	16,114	1.07	-	37.14	25.92	11.22	2.12	37.04	1,112.06	1,112.06
2. Other Intangible Assets	24,000	-	-	36.00	19.17	16.83	-	19.17	1,112.06	1,112.06

[Signature]
Manager (Accounts)

[Signature]
(CMA Anand Chaudhary)
Asstt. C.M. (Finance)

[Signature]
(Dr. S. K. Sharma)
Director (P&C)

[Signature]
(Mr. D. K. Bhat)
Managing Director

Place: Shimla
Date: 10.6.2015

For Dager & Co.
Chartered Accountants
CA. S. K. Sharma, Partner
M No. 502458
A/C Regd. No. NR 1675
ICAI FRN: 019516N

True Copy
Sr. Manager (C&A)
HPPTCL, Shimla-6
-41-

7.3		7.3 Capital Work In Progress				Amt. Rs. In Lacs	
Sl. No.	PARTICULARS	GROSS BLOCK				NET BLOCK	
		AS ON 31.03.14	ADDITION DURING PERIOD 18.1.14	DELETION ADJUSTED	AS ON 31.03.15	AS ON 31.03.15	AS ON 31.03.15
1	Kachhwa Bhabha Project	1,514.07	18.14	-	1,532.21	1,532.21	1,532.21
2	33/132 KV GIS Panchot	0.73	0.16	-	1.65	1.65	0.73
3	Sawra Kuranu project	15.60	-	-	15.60	15.60	15.60
4	44KV GIS STN Palghat	283.02	-	-	283.02	283.02	283.02
5	Transmission line at Palghat to AD Hydro	265.83	-	-	265.83	265.83	265.83
6	33/220KV Sub Stn at Kanar	2,916.85	50.23	-	2,967.08	2,967.08	2,967.08
7	33KV SERVICE STATION AT LAHAL	2.84	0.15	-	2.99	2.99	2.84
8	220/400KV S STN GUMMA	9.50	1,078.11	-	1,087.61	1,087.61	9.50
9	32/65/220KV S STN RHOCTOO	119.45	1,947.89	-	2,067.34	2,067.34	119.45
10	220KV D.C. LINE PAT. BUDHIL TO LAHAL	581.59	568.10	-	1,149.69	1,149.69	581.59
11	Dep. Work 220/400KV S STN dhotad(HPSEB)	8.55	815.76	-	824.31	824.31	8.55
12	33/220 KV S STN FOGZA	805.12	4,852.15	-	5,657.27	5,657.27	805.12
13	400/220KV GIS S STN WANGTO DADH	98.00	3.88	-	101.88	101.88	98.00
14	Deposit work Snale Hake	23.11	4.42	-	27.53	27.53	23.11
15	32KV D.C. T. Line Hake to 220/400S stn Gumma	2,402.38	258.77	-	2,661.15	2,661.15	2,402.38
16	32KV Switching Stn Hake	4.45	4.45	-	8.90	8.90	4.45
17	33KV D.C. LINE URNA TO WANGTOO	8.61	8.61	-	17.22	17.22	8.61
18	32KV line on dip tower Kanar to FOGZ	522.73	135.28	-	658.01	658.01	522.73
19	132KV D.C. T. LINE BARSANI TO CHAROR	11.63	6.35	-	17.98	17.98	11.63
20	65/220KV GIS SUB STN URNA ADB	2.43	0.27	-	2.70	2.70	2.43
21	33KV D.C. T. Line on Mangole Pachan TO AD Hydro	6.03	-	-	6.03	6.03	6.03
22	132KV D.C. T. Line Tangui Romal (44MW) to P. Rotu	5.81	0.20	-	6.01	6.01	5.81
23	220KV T. LINE CHAROR TO BANAL KULLU	8.75	0.20	-	8.95	8.95	8.75
24	400KV D.C. T. Line 33/220KV S Stn Lahar to FOGZ	0.24	-	-	0.24	0.24	0.24
25	220KV D.C. T. LINE LAHAL TO RAJERA	16.30	1.73	-	18.03	18.03	16.30
26	400KV D.C. T. LINE LAHAL TO RAJERA	9.72	14.34	-	24.06	24.06	9.72
27	33/220KV POOLING STN AT SUNDA	2.31	0.44	-	2.75	2.75	2.31
28	220KV T. LINE PS SUNDA TO HATKOTI	14.47	4.90	-	19.37	19.37	14.47
29	33/220KV GIS SUB STN SUNDA	0.33	0.97	-	1.30	1.30	0.33
30	220KV T. LINE FROM S STN LAHAL TO BUDHIL	1.70	-	-	1.70	1.70	1.70
31	220 KV T. LINE FROM BAZOI ROLI TO SS LAHAL	0.30	-	-	0.30	0.30	0.30
32	33/220KV S STN AD Hydro P. Rom	-	33.68	-	33.68	33.68	-
33	132/220 KV GIS STN Charor	-	1.33	-	1.33	1.33	-
34	132/33 KV/501.5MVA S STN Chambi	-	2.15	-	2.15	2.15	-
35	132 KV Transmission Line Chandi	-	5.67	-	5.67	5.67	-
36	400KV D.C. T. Line Hake to 2 to FOGZ, Banal	-	0.27	-	0.27	0.27	-
37	400 KV D.C. T. Line Sany. Kullu	-	0.67	-	0.67	0.67	-
38	132 KV Transmission line Rupa HEP to PS Sunda	-	3.60	-	3.60	3.60	-
	Total	9,643.19	15,765.53	-	25,408.72	25,408.72	9,643.19
	preliminary expenses	101.78	-	-	101.78	101.78	101.78
	pre-operative expenses	425.58	251.05	847.08	1,524.71	1,524.71	425.58
	Total Carried forward to Balance Sheet	10,169.55	16,017.58	847.08	27,002.21	27,002.21	10,169.55

(Kamlesh Sharma)
Manager(Accounts)

Place Shimla, Date 18.6.2015

CMA Anil Chauhan
Addl. G.M. (Finance)

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

Er. J. P. Kalra
Managing Director

CA Sachin Dogar, Partner
M No. 001466

DAC Regd No SH1671

True Copy
Sr. Manager (C&A)
HPPTCL, Shimla-5

8) INVESTMENTS

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015	Amt.Rs.in Lacs As at 31.03.2014
Investment with IIT Una	480.00	-
TOTAL	480.00	-

9) CASH AND CASH EQUIVALENTS

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015	Amt.Rs.in Lacs As at 31.03.2014
Cash and Bank Balances		
(1) Cash in hand (including imprest)	0.09	0.05
(2) Stamps in hand	0.06	0.03
(3) Bank Balances with scheduled banks		
(i) Current/SB Deposits	8,486.74	5,125.97
(ii) Term Deposits with maturity period upto 12 months	5,414.52	11,412.61
TOTAL	14,901.41	16,538.66

10) SHORT TERM LOANS AND ADVANCES:

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015	Amt.Rs.in Lacs As at 31.03.2014
Advance to HP Govt. Deptt.	96.35	48.51
Recoverable from Employees	2.16	0.32
Advance to Land Acquisition Officer	601.04	576.74
Recoverable from Govt. Departments	1,639.76	146.55
Recoverable from Contractors/Suppliers/Vendors	5,409.61	5,741.64
Advance Tax Deposits/TDS/Recoverable from Tax Authorities	1,735.70	1,399.75
Prepaid Expenses	5.99	6.54
Prepaid Expenses (ARR Exp. MYT 2014-15 to 2018-19)	15.49	9.62
Total	9,506.10	7,929.67

11) OTHER CURRENT ASSETS

PARTICULARS	Amt.Rs.in Lacs As at 31.03.2015	Amt.Rs.in Lacs As at 31.03.2014
Interest Accrued but not due	57.81	58.34
Security Deposits	0.49	0.42
Stationery in hand	2.15	1.16
Total	60.45	60.22

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Kalra)
Managing Director

For Doger & Co.
Chartered Accountants

Place Shimla
Date: 18.6.2016



CA Sachin Doger, Partner
M.No.502458
CAG Regd.No NR1075
ICAI FRN: 019516N

True copy
#

Sr. Manager (C&M)
HPPTCL, Shimla-6

12. INCOME

PARTICULARS	Amt.Rs.in Lacs As on 31.03.2015	Amt.Rs.in Lacs As on 31.03.2014
(i) MISCELLANEOUS INCOME:		
Sale of Tender Forms	8.86	5.63
Interest on Bank Deposits	775.36	918.30
Interest on AOB Loan Interest	315.45	245.96
Misc. Receipts	0.56	0.14
Deptt. Charges	-	0.05
RTI Fee	0.02	0.02
Interest from Cont./Supplier	334.48	172.39
Total (i)	1,435.73	1,343.49
(ii) Income of STU & Transmission lines		
Connectivity fee	58.00	23.60
Short Term Open Access	844.06	848.94
Transmission charges income	344.77	-
Total (ii)	1,246.83	876.94
TOTAL INCOME (i+ii)	2,682.56	2,220.43

13) EMPLOYEE BENEFITS EXPENSES:

PARTICULARS	Amt.Rs.in Lacs As on 31.03.2015	Amt.Rs.in Lacs As on 31.03.2014
Salaries, Wages, Allowances and Benefits	893.18	759.13
Contribution to Provident and Other Funds	18.97	5.19
Leave Salary and Pension Contribution	110.92	90.21
Welfare Expenses	35.34	80.16
Total	1,056.41	937.69
50% of Corp. Off. to STU & Transmission Income	255.48	23.44
Balance pertains to Capital works	800.93	814.25
TOTAL	1,056.41	937.69

14) FINANCE COSTS:

PARTICULARS	Amt.Rs.in Lacs As on 31.03.2015	Amt.Rs.in Lacs As on 31.03.2014
Interest on Term Loans(AOB)	1,244.53	696.98
Bank Charges	0.06	0.08
Bank Guarantee fee	2.74	0.31
Interest PFC Loan	488.03	25.40
TOTAL	1,735.36	722.77

15) DEPRECIATION EXPENSES:

PARTICULARS	Amt.Rs.in Lacs As on 31.03.2015	Amt.Rs.in Lacs As on 31.03.2014
Depreciation for the Year on Tangible Assets	118.76	87.75
Depreciation for the Year on Intangible Assets	5.32	11.65
Total Depreciation for the Year	124.08	118.41
Transferred to Profit & Loss Statement	103.51	-
Transferred to Pre-Operative Exp. Statement	20.57	18.41
Balance	-	-

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M. (Finance)

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

(Er. J.P. Kalra)
Managing Director
For Dager & Co.
Chartered Accountants

Place: Shimla

Date: 15.6.2015



CA Sachin Dager, Partner
M No. 502458
CAG Regd. No. NR1675
ICAI FRN: 019518N

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Er. Manager (C&A)
HPPTCL, Shimla

16) OTHER OFFICE AND ADMINISTRATIVE EXPENDITURE:

PARTICULARS	Amt.Rs.in Lacs As on 31.03.2015	Amt.Rs.in Lacs As on 31.03.2014
Printing & Stationery	5.04	4.48
Books & Periodicals	0.41	0.32
Electricity & Water Charges	6.59	5.47
Advertisement & Publicity Expenses	3.79	5.45
Hiring Charges for Vehicles	63.11	54.92
Fees & Subscription	1.06	0.52
Office Expenses	4.55	4.01
Postage & courier	0.67	0.62
Office Building Rent	28.22	27.34
Insurance Vehicle & Others	0.17	0.04
Hospitality Expenses	3.11	2.08
Professional Charges	35.35	36.51
Meeting expenses	0.11	0.27
Telephone Exps	12.34	11.51
Vehicle Running Expenses	5.56	7.65
Internal Audit Fee	0.25	0.24
Statutory Audit Fee	0.40	0.39
Out of Pocket Expenses	0.17	0.17
Tax Audit Fee	0.26	0.17
Interest Paid	0.00	0.01
TA/DA consultant	2.77	2.34
Cons. material elec. Fitting	0.27	0.04
Repair & Maintenance	0.57	0.95
TA/DA guide fee	0.52	0.37
Oper. & exp. Computer	1.75	0.34
Collection of Revenue Record Exp	-	0.01
ADB Consultant Remuneration	6.33	14.35
Annual Subscription Auto cad	-	-
Legal Charges Advocate	2.23	2.13
Service Tax Paid	0.56	0.56
Loss on Disposal of Assets	-	-
TA/DA ADB Consultants	0.22	0.38
Total Admin. & Other Exp.	186.90	139.81
Less: 50% of Corp. Off for STU & Trans.	56.48	4.75
Balance Pertains to CWIP (i)	130.42	185.05
STU & Transmission Expenses		
Membership fee STU (NRPC FLNG)	11.00	11.11
ARR Exp. AYI Conf. Period 2011-12 to 2013-14	3.87	3.01
Licence & reg. fee	100.00	100.00
EOA exp. Of adm. & other exp.	56.48	4.75
O&M Exp. From HPSEB	240.78	-
Total (ii)	412.11	119.26
Total (i+ii)	542.53	304.32

Kantlesh Sharma
(Kantlesh Sharma)
Manager (Accounts)

Amrit Chauhan
(CMA Amrit Chauhan)
Addl. G.M. (Finance)

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

J.P. Kalra
(Er. J.P. Kalra)
Managing Director

For Doger & Co.
Chartered Accountants

Place: Shimla
Date: 18.03.15



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

True copy

Sr. Manager (C&A)
HPPTCL, Shimla-5

17. Prior Period Income & Expenses Detail of Transmission Income w.e.f. 2010-11 to 2013-14
(Amt.Rs.in Lacs)

Particulars	Amt. as on 31.3.11	Amt. as on 31.3.12	Amt. as on 31.3.13	Amt. as on 31.3.14	Total up to 31.3.14
Expenses incurred by HPSEB					
Employees Cost	113.45	158.89	171.99	198.72	642.85
Material Charges	19.92	30.31	38.23	31.57	120.03
A&G Expenses	5.72	13.74	7.85	4.48	31.79
Total Exp. HPSEB(i)	139.09	202.74	218.07	234.77	794.67
Expenses of HPPTCL					
Admin. Exp. Total Amt.	183.21	240.07	274.16	304.32	1001.76
Expenses pertains to Corp. Office	157.74	206.29	233.85	239.70	837.58
Charged in STU Segment Exp. (2013-14)	86.60	117.37	125.74	119.26	448.96
Balance of Corporate office Expenses	71.14	88.92	108.11	125.44	393.61
50% amt. of Corporate Office expenses to be charged to Trans. Income (ii)	35.57	44.46	54.06	60.22	194.31
Employees Cost Total Amt.	455.87	685.41	754.00	890.57	2785.85
Expenses pertains to Corp. Office	250.97	329.92	387.41	430.96	1379.26
Charged in STU Segment Exp. (2013-14)	11.39	15.45	23.44	23.44	73.73
Balance of Corporate office Expenses	239.58	314.47	343.97	407.52	1305.54
50% amt. of Corporate Office expenses to be charged to Trans. Income (iii)	119.79	157.24	171.99	203.76	652.78
Depreciation of Trans. Lines (iv)	199.57	250.32	250.32	250.32	950.53
Total Expenses pertaining to Transmission charges income a=(i)+(ii)+(iii)+(iv)	494.02	654.76	694.44	749.07	2592.29
Income earlier adjusted in CW/P					
Transmission Charges bills	473.21	585.50	602.50	596.00	2257.21
Total Income from Operation	473.21	585.50	602.50	596.00	2257.21
Excess of prior period expenses over prior period income not charged to Profit & Loss account of previous years charged in current year.	-20.81	-69.26	-91.94	-153.07	-335.08

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Katta)
Managing Director

Place Shimla
Date 18.6.2016



For Doger & Co.
Chartered Accountants

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

True Copy
Sr. Manager (C&M)
HPPTCL, Shimla

H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

Balance Sheet As At 31st March-2016				(Amt. Rs.in Lakh)
Particulars	Note No.	As at 31.03.2016	As at 31.03.2015	
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds:				
(a) Share Capital	1	22,651.50	18,048.50	
(b) Reserves and surplus	2	589.02	365.84	
(2) Share application money pending allotment	3	1,272.00	2,596.00	
(3) Non- Current Liabilities				
(a) Long Term Borrowings	4	33,801.95	25,301.95	
(b) Long Term Provisions	5	10,537.79	8,208.07	
(4) Current Liabilities:				
(a) Other current liabilities	6	4,995.33	3,899.72	
Total		73,847.59	58,420.08	
II. ASSETS				
(1) Non-current assets:				
(a) Fixed assets				
(i) Tangible assets	7	6,973.12	7,129.95	
(ii) Intangible Assets	7	2.13	3.72	
(iii) Capital work-in-progress	7	41,151.91	26,338.45	
(2) Investment in IIT Una	8	480.00	480.00	
(3) Current assets:				
(a) Cash and cash equivalents	9	12,935.43	14,901.41	
(b) Short-term loans and advances	10	12,130.23	9,506.10	
(c) Other current assets	11	174.77	60.45	
Significant Accounting Policies & Notes to Accounts	18			
Total		73,847.59	58,420.08	

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Kalta)
Managing Director

Place Shimla
Date: 24.6.2017

For Doger & Co.
Chartered Accountants

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

Sr. Manager (C&A)
HPPTCL, Shimla-5

H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

(Amt. Rs. in Lakh)

PRE-OPERATIVE EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST.MARCH, 2016

Particulars	Note No.	As on 31.03.2016	As on 31.03.2015
Expenses(A)			
Employee benefit expenses	13	797.63	800.93
Financial costs	14	2,992.66	1,735.36
Depreciation and amortization expenses	15	11.10	20.57
Other expenses	16	146.14	130.42
Prior Period Adjustment	17	15.32	
Total (A)		3,962.84	2,687.28
Less: - Miscellaneous Income	12	1,269.73	1,435.73
Net Expenditure (B)			
(Carried forward to CWIP)		2,693.12	1,251.55
Significant Accounting Policies & Notes to Accounts	18		

(Ranillesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Katta)
Managing Director

Place: Shimla
Date: 24.6.2017

For Doger & Co.

Chartered Accountants

CA Sachin Doger, Partner

M.No.502458

CAG Regd.No.NR1675

ICAI FRN 018516N

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Sr. Manager (C&M)
HPPTOL, Shimla-5

H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

(Amt. Rs. in Lakhs)

Profit & loss statement for the year ended as on 31.3.16

Particulars	Note No.	As on 31.03.2016	As on 31.03.2015
I. Revenue from operations	12	1,522.48	1,246.83
II. Other Income		-	-
III. Total Revenue (I + II)		1,522.48	1,246.83
IV. Expenses:			
Employee benefit expenses	13	299.20	255.48
Financial costs	14	-	-
Depreciation and amortization expenses	15	256.79	103.51
Other expenses	16	462.98	412.11
Total Expenses		1,018.97	771.10
V. Profit before exceptional and extraordinary items & tax (III-IV)		503.51	475.73
VI. Prior Period Adjustment	17	169.09	335.08
VII. Profit before extraordinary items and tax (V- VI)		314.42	140.65
VIII. Tax expense:			
(1) Current tax		103.76	45.57
(2) Deferred tax		-	-
IX. Profit & Loss for the period transfered to reserve & surplus (VII-VIII)	(VII-VIII)	210.66	95.08
Significant Accounting Policies & Notes to Accounts	18		

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Kalra)
Managing Director

Place: Shimla
Date: 24.6.2017

For Doger & Co.
Chartered Accountants

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

True Copy

Sr. Manager (C&A)
HPPTCL, Shimla

1) SHARE CAPITAL

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
AUTHORISED SHARE CAPITAL (2,50,00,000 Equity Shares of Rs100/-each)(Previous year 2 00,00,000 equity shares of Rs. 100/-each)	25,000.00	20,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL (2,26,51,500 Equity Shares of Rs. 100/- each fully paid up) (Previous year 1,80,48,500 equity shares of Rs. 100/- each (Fully paid up)	22,651.50	18,048.50
Total Paid Up Capital	22,651.50	18,048.50

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	Amt. Rs in Lakh As at 31.03.2016	%	Amt. Rs in Lakh As at 31.03.2015	%
HP Govt	11,781.50	52.01	7,178.50	39.77
HPIDB	10,870.00	47.99	10,870.00	60.22
	22,651.50		18,048.50	

(Share holding of HP Govt. is inclusive of 1000 shares of Rs.100/- each issued infavour 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 01.04.2015)	1,80,48,500	18,048.50
No of shares issued during the year	46,03,000	4,603.00
No of shares at the end (as on 31.03.2016)	2,26,51,500	22,651.50

2.) Reserve & Surplus

PARTICULARS	Amt. Rs in Lakh As at 31.3.2016	Amt. Rs in Lakh As at 31.3.2015
Balance of Profit & Loss statement upto 2014-15	365.84	270.76
Trans lines value wrongly debited during 2014-15	12.52	0.00
Balance of Profit & Loss statement for 2015-16	210.66	95.08
	589.02	365.84

Kamlesh Sharma
(Kamlesh Sharma)
Manager (Accounts)

(CMA) Amrit Chauhan
(CMA) Amrit Chauhan
Addl.G.M.(Finance)

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

(Er.J.P.Kalta)
(Er.J.P.Kalta)
Managing Director

Place: Shimla
Date: 24.6.2017

For Doger & Co.
Chartered Accountants.
CA Sachin Doger, Partner
M.No.592458
CAG Regd.No.NR1675
ICAI FRN: 019516N

True copy

Sr. Manager (C&A)
Sr. Manager (C&A)
HPPTCL, Shimla-5

3) ADVANCE SHARE APPLICATION MONEY

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
A) HP Govt. Share Application pending allotment	1,272.00	2,596.00
TOTAL	1,272.00	2,596.00

4) LONG TERM BORROWINGS:

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
Long Term Loans		
State Govt. Loans (ADB) Tranch-1. (Installment of principal & interest payable yearly on 15th January, however principal yet not due)	19,512.02	14,430.51
State Govt. Loans (ADB) Tranch-2. (Installment of principal & interest payable yearly on 15th January, however principal yet not due)	10,306.04	6,887.55
Loan from M/s REC Ltd.	3,983.89	3,983.89
	33,801.95	25,301.95

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 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
Provision for Pension & Leave salary Contribution	387.24	310.74
Interest on 90% Loan of ADB Govt. of HP	4,028.39	1,775.17
HP State Govt/ HPSEB (Assets Cost)	6,122.16	6,122.16
Total	10,537.79	8,208.07

6) OTHER CURRENT LIABILITIES:

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
Liabilities for Employees' Remuneration and Benefits	134.00	101.65
Liabilities for Contractors & Suppliers	3,869.56	2,069.83
Liabilities against deposit Work & other Govt. Deptt.	851.36	713.95
Taxes and Duties Payable	140.41	215.29
TOTAL	4,995.33	3,899.72

(Ramlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl. G.M. (Finance)

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

(Er. J.P. Kalita)
Managing Director

Place Shimla
Date: 24.6.2017

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

Sr. Manager (G&M)
HPPTCL, Shimla-5

FIXED ASSETS
7.1) TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON	ADDITION	DELE	AS ON	UPTO	PROVIDED	DEL FOR	UPTO	AS ON	AS ON
	31.03.15	DURING PERIOD	ADJUSTED	31.03.16	31.03.15	DURING PERIOD	ADJUSTED	31.03.16	31.03.16	31.03.16
Old Transmission Lines from HPSEB	10,263.37	-	-	10,263.37	5,207.79	756.79	145.55	5,610.53	4,652.84	5,096.14
Land for Sub Sta	2,052.97	238.68	-	2,291.65	-	-	-	-	2,291.65	2,291.65
Landline & Fictone	41.78	3.10	-	44.88	30.62	3.44	-	34.06	10.82	11.19
Vehicle	12.20	7.40	-	19.60	10.53	0.56	-	12.09	7.51	1.48
Computer	51.82	5.77	-	57.59	47.55	3.31	-	50.86	8.73	5.29
Other Equipments	12.42	0.47	-	12.89	10.72	3.20	-	11.32	3.47	2.79
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	1.38	-	-	1.38	1.38	-	-	1.38	-	-
Total Assets										
Grand Total	12,438.56	255.92	-	12,693.98	5,308.61	266.30	145.55	5,720.86	6,973.12	7,391.95
Previous year	2,066.75	10,371.81	-	12,438.56	5,175.25	118.76	145.55	5,308.61	7,129.95	5,931.56

7.2) INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON	ADDITION	DELE	AS ON	UPTO	PROVIDED	DEL FOR	UPTO	AS ON	AS ON
	31.03.15	DURING PERIOD	ADJUSTED	31.03.16	31.03.15	DURING PERIOD	ADJUSTED	31.03.16	31.03.16	31.03.16
Software	37.14	-	-	37.14	33.42	1.59	-	35.02	2.13	1.17
Previous year	36.07	1.07	-	37.14	28.93	5.31	2.13	33.42	3.72	10.14

Kamlesh
(Kamlesh Sharma)
Manager (Accounts)

ICMA Anshu Chauhan
(ICMA Anshu Chauhan)
Addl.G.M.(Finance)

Keshu
(Er. K.S. Singh)
Director(P&C)

Loz
(Er. J.P. Kalia)
Managing Director

Place: Shimla
Date: 24.6.2017

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

True copy
[Signature]
Sr. Manager (C&M)
HPPTCL, Shimla

7.3 Capital Work in Progress		7.3 Capital Work in Progress				7.3 Capital Work in Progress	
Sl. No.	PARTICULARS	GROSS BLOCK			NET BLOCK		
		AS ON 31.03.15	ADDITON DURING PERIOD	DELETION ADJUSTED	AS ON 31.03.15	AS ON 31.03.15	AS ON 31.03.15
1	Kashang Bhada Project	1,765.21	231.66	-	1,935.29	1,935.29	1,765.21
2	33/132 KV GIS Pandra	1.89	4.85	-	6.54	6.54	1.89
3	Santa Kaddu project	15.00	-	13.38	2.22	2.22	15.00
4	NMVA GIS STN Pakchan	283.02	-	-	283.02	283.02	283.02
5	Tap stream line up Pachun to Aft Hydar	265.88	-	-	265.88	265.88	265.88
6	33/220KV S STN at Pakchan	2,967.21	0.15	-	2,967.36	2,967.36	2,967.21
7	33KV SERVICE STATION AT LAHAL	2.59	-	-	2.59	2.59	2.59
8	220/66KV S STN GUMMA	7,087.51	1,489.24	-	8,561.85	8,561.85	7,087.51
9	220/66KV S STN SHORTEG	1,682.34	991.50	-	2,652.50	2,652.50	1,682.34
10	220KV D/C LINE PATIKUHAI TO FOZAL	1,127.78	92.74	-	1,220.53	1,220.53	1,127.78
11	Dep. Work 220/66/22KV GIS S STN BhokmogHPSEB	924.30	479.30	-	1,401.60	1,401.60	924.30
12	33/220 KV S STN FOZAL	5,857.37	100.50	-	5,923.93	5,923.93	5,857.37
13	400/220KV GIS S STN WANGTODGADG	98.89	4,166.42	-	4,265.31	4,265.31	98.89
14	Depot work Shale Hakob	27.53	350.25	-	377.78	377.78	27.53
15	220KV D/C T. M. J. H. Hakob to 220/66KV S Stn Gums	2,741.15	451.54	-	3,192.69	3,192.69	2,741.15
16	220KV Switching Stn Hakob	4.45	0.10	-	4.55	4.55	4.45
17	66KV D/C LINE URNI TO WANGTODG	8.11	247.58	-	255.69	255.69	8.11
18	220KV S/C line on the tower kuran to PGOL	65.29	4.84	-	66.13	66.13	65.29
19	220KV D/C T. LINE BAKGANI TO CHAROR	15.03	-	-	15.03	15.03	15.03
20	66/220KVGIS SUB STN URNIADEB	2.70	1,260.71	-	1,263.41	1,263.41	2.70
21	33KV D/C T. Line ST. Manjode Pakchan TO AD Hydar	6.03	1.81	-	7.84	7.84	6.03
22	132/400KV T. Line Targu, Rumu (44MW/HEP) Rotor	8.14	1.12	-	9.26	9.26	8.14
23	220KV T. LINE CHAROR TO BANALA KULLU	11.15	1,609.01	-	1,620.16	1,620.16	11.15
24	400/220KV D/C 33/220/400 S STN Lohale PGOL	0.24	-	-	0.24	0.24	0.24
25	220KV S/C T. LINE LAHAL TO RAJERA	18.03	-	-	18.03	18.03	18.03
26	400KV D/C T. LINE LAHAL TO RAJERA	24.58	18.77	-	41.33	41.33	24.58
27	132/220KV PDRING STN AT SUNDI	2.75	0.10	-	2.85	2.85	2.75
28	220KV T. LINE PS SUNDI TO HAKOTI	19.37	193.05	-	212.42	212.42	19.37
29	220/22KV GIS SUB STN SUNDI	1.50	-	-	1.50	1.50	1.50
30	220KV T. LINE FROM S STN LAHAL TO BUDHI	1.70	0.24	-	1.94	1.94	1.70
31	220 KV T. LINE FROM RAJOLI HOU TO SS LAHAL	4.33	12.11	-	16.44	16.44	4.33
32	33/220KV S STN AD Hydar Pini	36.59	28.90	-	65.49	65.49	36.59
33	132/220KV GIS STN Chamba	1.32	-	-	1.32	1.32	1.32
34	33/132/220KV NMVA S STN Chamba	2.15	-	-	2.15	2.15	2.15
35	132 KV Transmission Line Chamba	5.67	20.79	-	26.46	26.46	5.67
36	400KV D/C T. Line Pakchan to PGOL Banala	0.27	-	-	0.27	0.27	0.27
37	400 KV D/C T. Line Sany Kal	0.67	-	-	0.67	0.67	0.67
38	132 KV Transmission line Rajoli HOU to PS Sunda	3.60	-	-	3.60	3.60	3.60
39	400KV Transmission Rajoli HOU to Kura	-	1.22	-	1.22	1.22	-
40	220KV Transmission line Mayo to Karlo	-	1.49	-	1.49	1.49	-
41	220 KV GIS Chamba	-	1.65	-	1.65	1.65	-
Total		25,408.72	12,133.72	13.38	37,525.06	37,525.06	25,408.72
200 m/crv expenses		101.76	-	-	101.76	101.76	101.76
200 m/crv expenses		107.95	2,853.12	-	3,029.08	3,029.08	107.95
Total Carried forward to Balance Sheet		25,618.43	-	-	40,655.90	40,655.90	25,618.43

Place: Shimla
Date: 24.6.2017

[Signature]
Manager (Accounts)

[Signature]
CMA Anand Chaudhary
Addl.G.M.(Finance)

[Signature]
Er. J.P. Kalia
Director (P&C) Managing Director

[Signature]
CA Sachin Dagar, Partner
F.No. 502/458

[Signature]
Sr. Manager (C&A)
HPPTCL, Shimla

8) INVESTMENTS

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
Investment with IIIT Una	480.00	480.00
TOTAL	480.00	480.00

9) CASH AND CASH EQUIVALENTS

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
Cash and Bank Balances		
(1) Cash in hand (including Imprest)	0.06	0.00
(2) Stamps in hand	0.07	0.06
(3) Bank Balances with scheduled banks		
(i) Current/SB Deposits	7,720.60	8,486.74
(iii) Term Deposits with maturity period upto 12 months	5,214.70	6,414.52
TOTAL	12,935.43	14,901.41

10) SHORT TERM LOANS AND ADVANCES:

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
Advance to HP Govt. Deptt.	106.32	96.30
Recoverable from Employees & others	2.25	2.10
Advance to Land Acquisition Officer	601.04	601.04
Recoverable from Govt. Deppt.	1,695.10	1,639.76
Recoverable from Contractors/Suppliers/Vendors	7,679.16	5,408.61
Advance Tax Deposit/TDS/Recoverable from Tax Authorities	2,030.52	1,735.70
Prepaid Expenses	4.22	5.98
Prepaid Expenses (ARR Exp. MYT 2014-15 to 2018-19)	11.62	15.49
Total	12,130.23	9,506.09

11) OTHER CURRENT ASSETS

PARTICULARS	Amt. Rs in Lakh As at 31.03.2016	Amt. Rs in Lakh As at 31.03.2015
Interest Accrued but not due	172.07	57.81
Security Deposits	0.54	0.45
Stationery in hand	2.16	2.15
Total	174.77	60.45

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl. G.M. (Finance)

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

(Er. J.P. Kalita)
Managing Director

Place: Shimla
Date: 24.6.2017

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

True copy
Sr. Manager (C&A)
HPPTCL, Shimla

12. INCOME

21

PARTICULARS	Amt. Rs in Lakh As on 31.03.2016	Amt. Rs in Lakh As on 31.03.2015
i) MISCELLANEOUS INCOME:		
Sale of Tender Forms	2.86	8.86
Interest on Bank Deposits	591.38	776.36
Interest on ADB Loan Imprest	349.71	315.45
Misc. Receipts	0.32	0.56
WCA Interest	0.01	-
RTI Fee	0.03	0.02
Interest from Cont./Supplier	325.42	334.48
Total (i)	1,269.73	1,435.73
ii) Income of STU & Transmission lines		
Connectivity fee	34.00	58.00
Short Term Open Access	1,141.02	844.08
Transmission charges Income	347.46	344.77
Total(ii)	1,522.48	1,246.83
TOTAL INCOME (i+ii)	2,792.21	2,682.56

13) EMPLOYEE BENEFITS EXPENSES:

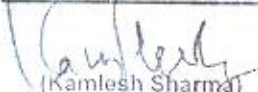
PARTICULARS	Amt. Rs in Lakh As on 31.03.2016	Amt. Rs in Lakh As on 31.03.2015
Salaries, Wages, Allowances and Benefits	934.95	893.16
Contribution to Provident and Other Funds	22.85	16.97
Leave Salary and Pension Contribution	102.01	110.92
Welfare Expenses	37.01	35.54
Total	1,096.83	1,056.41
50% of Corp. Off. to STU & Transmission Income	299.20	255.48
Balance pertains to Capital works	797.63	800.93
TOTAL	1,096.83	1,056.41

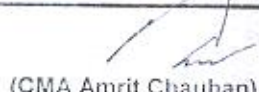
14) FINANCE COSTS:

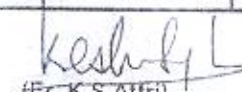
PARTICULARS	Amt. Rs in Lakh As on 31.03.2016	Amt. Rs in Lakh As on 31.03.2015
Interest on Term Loans(ADB)	2,503.58	1,244.53
Bank Charges	0.05	0.06
Bank Guarantee fee	-	2.74
Interest REC Loan	489.03	488.03
TOTAL	2,992.66	1,735.36

15) DEPRECIATION EXPENSES:

PARTICULARS	Amt. Rs in Lakh As on 31.03.2016	Amt. Rs in Lakh As on 31.03.2015
Depreciation for the Year on Tangible Assets	266.30	118.76
Depreciation for the Year on Intangible Assets	1.59	5.32
Total Depreciation for the Year	267.89	124.08
Transferred to Profit & Loss Statement	256.79	103.51
Transferred to Pre-Operative Exp. Statement	11.10	20.57
Balance	-	-


(Kamlesh Sharma)
Manager (Accounts)


(CMA Amrit Chauhan)
Addl.G.M.(Finance)


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


(Er. J.P. Kalita)
Managing Director

Place: Shimla
Date: 24.6.2017


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


Sr. Manager (C&A)
HPPTCL, Shimla

16) OTHER OFFICE AND ADMINISTRATIVE EXPENDITURE:

PARTICULARS	Amt. Rs in Lakh As on 31.03.2016	Amt. Rs in Lakh As on 31.03.2015
Printing & Stationery	5.11	5.04
Books & Periodicals	0.43	0.41
Electricity & Water Charges	8.43	6.59
Advertisement & Publicity Expenses	5.28	3.79
Hiring Charges for Vehicles	70.51	63.11
Fees & Subscription	1.40	1.08
Office Expenses	5.24	4.55
Postage & courier	0.55	0.67
Office Building Rent	33.00	28.22
Insurance Vehicle & Others	0.40	0.17
Hospitality Expenses	3.74	3.11
Professional Charges	35.76	35.35
Meeting expenses	0.12	0.11
Telephone Exps.	14.11	12.84
Vehicle Running Expenses	5.35	5.56
Internal Audit Fee	0.25	0.25
Statutory Audit Fee	0.40	0.40
Out of Pocket Expenses	0.17	0.17
Tax Audit Fee	0.40	0.28
Interest Paid	0.13	0.00
TA/DA consultant	2.16	2.77
Consumable elec. Fitting	0.36	0.27
Repair & Maintenance	0.36	0.57
TA/DA auditors	0.26	0.52
Other Misc exp. Computer	0.72	1.75
Office Inaguration Expenses Chambi	0.40	-
ADB Consultant Remuneration	4.31	6.33
Safety related Exp. at Sarabai Kullu	0.18	-
Legal Charges Advocate	0.15	2.23
Service Tax paid	0.24	0.56
O&M Exp. Phosal sub stn	0.44	-
TA/DA ADB Consultants	0.10	0.22
Total Admn. & other Exp.	200.47	186.90
Less - 50% of Corp. Off. for STU & Trans.	54.33	56.48
Balance Pertains to cwip(i)	146.14	130.42
STU Segment Exp.		
Membership fee STU(NRPC FUND)	11.00	11.00
ARR Exp. MYT Cont. Period 2011-12 to 2013-14	5.18	3.87
Licence & reg. fee	100.00	100.00
50% exp. Of Adm. & other exp.	54.33	56.48
Legal Charges Advocate	30.97	-
O&M Exp. From HPSEB	261.50	240.76
Total (ii)	462.98	412.11
Total (i+ii)	609.12	542.53

(Kamlesh Sharma)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl. G.M. (Finance)

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

(Er. J.P. Kalita)
Managing Director

Place Shimla
Date 24.6.2017

For Doger & Co.
Chartered Accountants

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

Sr. Manager (CA)
HPPTCL, Shimla

17. Prior Period Income & Expenses Detail booked during 2015-16

Particulars	Period of Expenses	Amt. as on 31.3.16
Expenses incurred by HPSEB		
Employees Cost	2014-15	13.62
Material Charges	2014-15	16.95
A&G Expenses	2014-15	0.05
Total Expensea HPSEB		30.62
Prior Period Depreciation	2014-15	158.47
Total Expenses transferred to Profit & Loss Statement		189.09
Expenses of HPPTCL		
Leave Encashment of other staff	2008-09 to 2012-13	8.00
Gratuity of other staff	2008-09 to 2012-13	7.32
Total Expenses transferred to Pre operative expenditure statement		15.32
Grand Total		204.41

(Kamlesh Sharina)
Manager (Accounts)

(CMA Amrit Chauhan)
Addl.G.M.(Finance)

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

(Er. J.P.Kalta)
aging Director

For Doger & Co.
Chartered Accountants

Place: Shimla
Date: 24.06.2017

CA Sachin Doger, Partner
M No.502453
CAG Regd No.NR1675
ICAI FRN: 019516N

Two Copy

Sr. Manager (C&M)
HPPTCL, Shimla-5

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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/-
(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

Himachal Pradesh Power Transmission Corporation Limited

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Sr. Manager (C&M)
HPPTCL, Shimla

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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/-
(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

Place: Shimla
Date: 03.05.2018

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

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Sr. Manager (C&M)
HPPTCL, Shimla-5

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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 transferred to reserve & surplus/ Balance Sheet(VII-VIII)	(VII-VIII)	(1,130.37)	210.66
Significant Accounting Policies & Notes to Accounts	18		

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

Place: Shimla
Date: 03.05.2018

Sd/-
CA Sachin Doger, Partner
M.No.502458
CAG Regd.No.NR1675
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Himachal Pradesh Power Transmission Corporation Limited

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HPPTCL, Shimla-5
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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 Rs.100/-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

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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

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Sr. Manager (C&A)
HPPTCL, Shimla
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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
Liabilities 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/-
(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

Place: Shimla
Date: 03.05.2018

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

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Sr. Manager (C&M)
HPPTCL, Shimla
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Sr. Manager (C&M)
HPPOL, Springfield
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7.3 Capital Work In Progress

Sl. No.	PARTICULARS	GROSS BLOCK				NET BLOCK		Amt.Rs.in Lakh
		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	285.88	-	240.19	25.69	25.69	285.88	
6	33/220Kv Sub Stn. at Karan	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 Praglinagar	8,583.85	3,387.18	-	11,971.03	11,971.03	8,583.85	
9	22/66/220Kv Substation Bhokko	2,653.93	414.17	-	3,068.09	3,068.09	2,653.93	
10	220Kv D/C Trans. Line Palikhuah to Phojal	1,220.53	325.02	1,545.55	-	-	1,220.53	
11	Dep. Work 220/66/22Kv GIS Substation Bhokko(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 Halkoti	379.79	2.32	-	382.11	382.11	379.79	
15	220Kv D/C(T. M.) Line from Halkoti to 220/400 Substation Gumma	3,192.69	984.16	-	4,156.85	4,156.85	3,192.69	
16	220Kv Switching Stn Halkoti	4.55	5.08	-	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	683.13	74.25	-	737.38	737.38	683.13	
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.Line Tangnu Romal (44MW)HEP	9.25	1.35	-	10.60	10.60	9.25	
23	220 Kv Trans. Line Charor to Barala 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 Ralera	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 Halkoti	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							

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Sr. Manager (C&M)
HPPTCL, Shimla
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30	Budhil		9.94	143.50	-	153.43	153.43	9.94
31	220 Kv Trans. line from Bajoli Holi to SS Lahar		14.44	2.52	-	16.96	16.96	14.44
32	33/220Kv Substation AD Hydro Pini		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 L Line Parwati -2 to PGCIL Banala		0.28	548.74	-	549.01	549.01	0.28
37	400 KV D/C T Line Sanj Kullu		0.67	-	-	0.67	0.67	0.67
38	132 Kv Transmission line Rupin HEP to PS							
39	Sunda		3.60	8.87	-	12.47	12.47	3.60
40	66Kv Transmission Bagpaul to Kolla		1.22	3.62	-	4.84	4.84	1.22
41	220Kv Transmission line Majra to Karian		1.49	-	0.01	1.48	1.48	1.49
42	220 Kv GIS Charor		1.65	0.50	-	2.15	2.15	1.65
43	33/132 kv GIS Barshani		-	8.57	-	8.57	8.57	-
44	220Kv Sub Stn Mazra (Pukhri)		-	103.93	-	103.93	103.93	-
45	33/132 Kv GIS Sub Stn Dehan (Patti)		-	2.15	-	2.15	2.15	-
46	132/220 Kv GIS Sub Stn Mazra Chamba		-	3.67	-	3.67	3.67	-
47	220KV D/C T Line GIS Dehan to PGCIL		-	0.22	-	0.22	0.22	-
48	Kankari		-	3.80	-	3.80	3.80	-
49	33Kv GIS Switching Stn at Plachan		-	0.31	-	0.31	0.31	-
50	33KV Palchan Pini Line		-	0.22	-	0.22	0.22	-
51	22/66/220Kv S, STN Bagpaul		-	3.67	-	3.67	3.67	-
52	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	57,158.55	38,458.79

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

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

For Doger & Co.
Chartered Accountants

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

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

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Place: Shimla
Date: 03.05.2018

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Sr. Manager (C&A)
HPPTCL, Shimla-5
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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/-
(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

Place: Shimla
Date: 03.05.2018

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

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[Signature]
Sr. Manager (C&M)
HPPTCL, Shimla-5
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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	-
Intl. 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	107.89	-
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/-
(Kamlesh Sharma)
Manager (Accounts)

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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: 013519N

Place: Shimla
Date: 03.05.2018

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Sr. Manager (C&A)
HPPTCL Shimla
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ANNUAL REPORT 2016-17

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	6.42
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	0.18	-
Postage & courier	0.74	0.58
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	35.78
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	1.18	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	-	0.28
Other Misc.exp. Computer	1.09	0.72
Office Inauguration/ 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 & Mantance Phosal S.Stn	10.60	-
O&M Exp. Phosal sub stn	18.52	-
O&M Exp. From HPSEB	205.02	231.50
Total (ii)	483.32	462.98
Total (i+ii)	680.65	609.12

Sd/-
(Kamlesh Sharma)
Manager (Accounts)
Place: Shimla
Date: 03.05.2018

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,
M.No.502458

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Sr. Manager (C&M)
HPPTCL, Shimla-5
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ANNUAL REPORT 2016-17



17. Prior Period Income & Expenses Detail booked during 2016-17

Particulars	Period of Exp./Income	Amt. Rs. In Lakh 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

Place: Shimla
Date: 03.05.2018

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

True Copy
Sr. Manager (C&A)
HPPTCL, Shimla-6
- 70 -



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H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tufikandi, (Panjri) Shimla

Balance Sheet As At 31st March-2018		(Amt. Rs. in Lakh)	
Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
ASSETS			
Non-current assets:			
Property, Plant and Equipments	2.1	27,171.89	24,207.74
Capital work-in-progress	2.2	91,274.78	57,158.55
Other Intangible Assets	2.3	1.83	1.90
Financial assets			
Investments		-	-
Loans		-	-
Other		-	-
Deferred Tax Assets (Net)		-	-
Other Non Current Assets	2.4	978.75	480.58
Total Non Current Assets		119,425.25	81,848.77
Current assets:			
Inventories		-	-
Financial Assets			
Trade Receivables	2.5	346.24	79.29
Cash and cash equivalents	2.6	12,719.05	12,370.50
Bank Balance other than above	2.7	871.10	-
Investments		-	-
Loans	2.8	1.48	239.33
Other	2.9	4,587.72	7,059.95
Current Tax Assets	2.10	2,022.21	1,906.30
Other Current Assets	2.11	90.34	99.83
Total Current Assets		20,638.15	22,355.26
Total Assets		140,063.39	104,204.03
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.12	27,475.30	24,023.50
Share Application Money	2.13	1,170.00	951.00
Other Equity	2.14	1,782.67	1,030.85
Total Equity		30,427.97	26,005.35
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Other Borrowings	2.15	72,812.70	46,801.56
Other Financial Liabilities	2.16	6,348.47	3,952.15
Provisions	2.17	18,353.19	13,575.08
Other non current liabilities		-	-
Total Non Current Liabilities		97,514.36	63,329.79
Current Liabilities:			
Financial Liabilities			
Trade Payables		-	-
Other financial liabilities	2.18	12,121.06	13,989.12
Provisions		-	-
Total Current Liabilities		12,121.06	13,989.12
Total Equity & Liabilities		140,063.39	104,204.03
Significant Accounting Policies	1		

The accompanying notes from 2.1 to 2.26 form an integral part of the financial statements.

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M. (Finance)

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

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

For Manish K Gupta & Associates
Chartered Accountants

Sd/-
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.01.2019

ANNUAL REPORT 2017-18



H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

(Amt. Rs.in Lakh)

Profit & Loss statement for the year ended as on 31.3.18			
Particulars	Note No.	As on 31.03.2018	As on 31.03.2017
Income			
Revenue from operations	2.19	1,931.24	1,212.13
Other Income	2.20	-	-
Total Income		1,931.24	1,212.13
Expenses:			
Operating Expenses	2.21	480.24	364.07
Employee benefit expenses	2.22	439.30	417.73
Financial costs	2.23	508.57	-
Depreciation and amortization expenses	2.24	1,200.26	916.34
Other Administrative Expenses	2.25	104.38	119.25
Total Expenses		2,732.75	1,817.39
Profit before net movement in regulatory deferred account balance and tax			
Net movement in deferred Account Balance			
Profit before tax		(801.51)	(605.26)
Prior Period Adjustment	2.26	129.11	(525.11)
Tax expenses			
Current Tax			
Deferred Tax			
Profit for the period		(672.40)	(1,130.37)
Total		(672.40)	(1,130.37)
Earning per equity Share(before net movement in regulatory deferred Account Balance)		(0.0000245)	(0.0000454)
basic and diluted		(0.0000245)	(0.0000454)
Earning per equity Share(after net movement in regulatory deferred Account Balance)		(0.0000245)	(0.0000454)
basic and diluted		(0.0000245)	(0.0000454)
Significant Accounting Policies	1		

The accompanying notes from 2.1 to 2.26 form an integral part of the financial statements.

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

For Manish K Gupta & Associates
Chartered Accountants

Sd/-
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.03.2019

True copy
[Signature]
Sr. Manager (CAAT)

Himachal Pradesh Power Transmission Corporation Limited



ANNUAL REPORT 2017-18

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

(Amt. Rs.in Lakh)

2.2.1) Expenditure Attributable to Construction

Particulars	Note No.	As on 31.03.2018	As on 31.03.2017
Expenses(A)			
Employee benefit expenses	2.22	1,192.69	1,057.57
Financial costs	2.23	5,241.44	3,824.13
Depreciation and amortization expenses	2.24	18.89	16.99
Other Administrative Expenses	2.25	228.53	197.33
Prior Period Adjustment		-	-
Total (A)		6,681.55	5,096.02
Less:- i.Miscellaneous Income	2.20	696.32	1,015.02
Net Expenditure (B) (Carried forward to CWIP)		5,985.23	4,081.00
Significant Accounting Policies & Notes to Accounts	1		

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

For Manish K Gupta & Associates
Chartered Accountants

Sd/-
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.03.2019

Two copy
\$

Sr. Manager (CAM)
HPPTCL Shimla

ANNUAL REPORT 2017-18



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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	Note No.	Amount Rs.in Lakh
Opening Balance as at April 1, 2017	2.12	24923.50
Equity Share Issued during the year		2551.80
Closing Balance as at March,31,2018		27475.30

B. Share Application Money

Particulars	Note No.	Amount Rs.in Lakh
Opening Balance as at April 1, 2017	2.13	951.00
Add:- Amount received during the year .		2770.80
Less :- Share Issued during the year		2551.80
Closing Balance as at March,31,2018		1170.00

C. Other Equity

Particulars	Note No.	Amount Rs.in Lakh		
		Reserve & Surplus		Total Other Equity
		Retained Earnings	MNRE Grant	
Opening Balance as at April,1,2017	2.14	-541.35	1572.00	1030.65
Other comprehensive Income for the year				
Profit for the period		-672.40		-672.40
Total Comprehensive Income				
Dividends				
Final Dividend				
Interim Dividend				
Dividend Tax				
Final Dividend				
Interim Dividend				
MNRE Capital Grant received during the year			1313.70	1313.70
Interest on MNRE Grant received			110.72	110.72
Closing Balance as at March31,2018		-1213.75	2996.42	1782.67

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

For Manish K Gupta & Associates
Chartered Accountants

Sd/-
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.03.2019

Two Copy
Sr. Manager (C&I)
HPPTCL, Shimla-5

Himachal Pradesh Power Transmission Corporation Limited



ANNUAL REPORT 2017-18

H P POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Amt. Rs.in Lakh)

Particulars	Year ended 31.03.2018	Year ended 31.3.2017
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-672.40	-1,130.37
Depreciation	1,219.15	933.34
Depreciation of Prior Period	-	159.36
Finance Charges	508.57	-
Long Term Provisions (Net)	4,777.54	3,037.86
Adjustment for Current Assets & Current Laibilites		
Inventories	-	-
Other Current Assets	-348.30	-80.59
Loans & Others	2,710.07	3,000.25
Other Current Liabilities	-1,848.06	12,925.93
Income Tax	-25.00	-
Net cash generated by operating activites(A)	6,321.57	18,845.80
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on tangible Assets	-4,183.22	-18,327.09
Capital Expenditure on Intangible Assets	-	-
Net Expenditure on CWIP	-31,719.91	-16,006.64
Deposit Given	-496.18	-
Net cash used in investing activites (B)	-36,399.31	-34,333.73
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	2,551.80	2,272.00
Share Application Money Pending for allotment	219.00	-321.00
Repayment of Borrowings	-265.59	-
Grant Received	1,424.41	1,572.00
Proceeds from Borrowings (Net)	27,276.34	12,000.00
Finance Cost	-508.57	-
Net cash used in Financing activites (C)	30,697.39	15,523.00
Net increase in cash and cash equivalents	619.65	35.07
Add: Opening Cash and Equivalents	12,970.50	12,935.43
Closing Cash and Equivalents	13,590.15	12,970.50

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy. G. M. (Finance)

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

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

Sd/-
For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225

CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.03.2019

True copy
[Signature]
Sr. Manager (C&M)
HPPTCL Shimla

Himachal Pradesh Power Transmission Corporation Limited

ANNUAL REPORT 2017-18



(Amt. Rs in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 01.04.17	ADDITION DURING PERIOD	DELETION ADJUSTED	AS ON 31.03.18	UPTO 31.03.17	PROVIDED DURING PERIOD	Rel. Earnings Prior Period Exp./ADJUSTED	UPTO 31.03.18
Transmission Lines and Substation	27,245.65	3,707.69	-	30,953.34	6,686.24	1,200.20	-	7,886.50
Land for Sub. Stn. & Trans. Lines	3,603.36	481.41	20.62	4,054.17	-	-	-	4,054.17
Furniture & Fixture	63.48	7.50	-	70.98	39.17	8.59	-	47.76
Vehicle	19.61	-	-	19.61	15.02	1.53	-	16.60
Computer	72.39	6.32	-	78.71	58.85	7.55	-	66.40
Office Equipments	14.58	0.90	-	15.48	12.05	1.04	-	13.13
Miscellaneous Equipments	0.17	-	-	0.17	0.17	-	-	0.17
Fire Safety Equipments	0.45	-	-	0.45	0.45	-	-	0.45
Capital Expenditure on Leased Assets	1.38	-	-	1.38	1.38	-	-	1.38
Grand Total	31,021.07	4,203.84	20.62	35,204.29	6,813.33	1,219.07	-	8,032.39
Previous year	12,693.98	18,327.10	0.01	31,021.07	5,720.86	933.11	159.36	6,813.33
								27,171.89
								24,207.74
								6,973.12

ASSETS

2.1) Property, Plant and Equipments

Sd/- (Kamlesh Sharma) Sd/- (Er. K.S. Attri) Sd/- (Er. R.K. Sharma)
 Manager (Accounts) Director(P&C) Managing Director
 Place: Shimla For Manish K Gupta & Associates
 Date: 20.03.2019 Chartered Accountants
 CA Ankur Mahajan
 (Partner)
 M.No. 520473



ANNUAL REPORT 2017-18

CAPITAL WORK IN PROGRESS										Amt. Rs in Lakhs				
PARTICULARS										GROSS BLOCK			NET BLOCK	
Sr. No.	AS ON	ADDITION	Capitalised	Adjustment	AS ON	AS ON	AS ON	AS ON	AS ON	AS ON	AS ON	AS ON	AS ON	
	01.04.17	DURING PERIOD	During year	During year	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18	31.03.17	
1	33/132 Kv GIS Pancholi	681.88	-	-	2,143.58	2,143.58	1,461.70	1,461.70	2,143.58	2,143.58	2,143.58	2,143.58	1,461.70	
2	Sawra Kuddu project	-	-	-	2.22	2.22	2.22	2.22	2.22	2.22	2.22	2.22	2.22	
3	220/132KV/25/31.5MVA GIS STN Paldham	290.92	-	-	254.08	254.08	250.92	250.92	254.08	254.08	254.08	254.08	250.92	
4	220 kv Transmission line at Paldham to AD Hydro	0.61	-	36.84	26.31	26.31	26.31	26.31	26.31	26.31	26.31	26.31	26.31	
5	33/220KV Sub Stn. at Karan	2,980.13	-	-	3,052.33	3,052.33	2,986.13	2,986.13	3,052.33	3,052.33	3,052.33	3,052.33	2,986.13	
6	33/220/400KV GIS Substation at Lahul	240.96	-	-	6,573.88	6,573.88	240.95	240.95	6,573.88	6,573.88	6,573.88	6,573.88	240.95	
7	220/400 Kv Substation Gumma Praglinegar	11,971.03	-	-	14,699.53	14,699.53	11,971.02	11,971.02	14,699.53	14,699.53	14,699.53	14,699.53	11,971.02	
8	22/66/220Kv Substation Bhokto	639.60	-	-	3,707.68	3,707.68	3,068.09	3,068.09	3,707.68	3,707.68	3,707.68	3,707.68	3,068.09	
9	220/66/22Kv GIS Substation Bhokto (HPSEB)	1,498.10	-	-	1,503.76	1,503.76	1,498.10	1,498.10	1,503.76	1,503.76	1,503.76	1,503.76	1,498.10	
10	33/220 Kv Substation Phogal	-	-	-	-	-	-	-	-	-	-	-	-	
11	400/220/66KV GIS Substation Wangtoe (ADB)	13,102.16	-	-	21,753.40	21,753.40	13,102.16	13,102.16	21,753.40	21,753.40	21,753.40	21,753.40	13,102.16	
12	220KV T. Line Snaal to Harkoti (old)	382.11	-	70.03	327.94	327.94	382.11	382.11	327.94	327.94	327.94	327.94	382.11	
13	220kv D/C (T. M.) Line from Harkoti to 220/400 Kv Sub Station Gumma	4,156.85	1,962.24	-	6,109.09	6,109.09	4,156.85	4,156.85	6,109.09	6,109.09	6,109.09	6,109.09	4,156.85	
14	220KV Switching Station Harkoti	9.60	-	-	9.61	9.61	9.60	9.60	9.61	9.61	9.61	9.61	9.60	
15	66kv D/C Trans. Line Umi to Wangtoe	750.36	263.51	-	1,013.87	1,013.87	750.36	750.36	1,013.87	1,013.87	1,013.87	1,013.87	750.36	
16	220kv sc line on c/c tower karan to PGCIL	737.38	26.46	-	734.33	734.33	737.38	737.38	734.33	734.33	734.33	734.33	737.38	
17	132kv D/C Tranline Barsant to Charor	23.10	0.10	-	23.20	23.20	23.10	23.10	23.20	23.20	23.20	23.20	23.10	
18	66/220 Kv GIS Substation Umi (ADB)	2,276.37	161.53	-	2,437.90	2,437.90	2,276.37	2,276.37	2,437.90	2,437.90	2,437.90	2,437.90	2,276.37	
19	33 Kv D/C T. Line on Monopole Paldham to AD Hydro	7.64	-	-	7.64	7.64	7.64	7.64	7.64	7.64	7.64	7.64	7.64	
20	132KV D/C T. Line Tangnu Romal (44MW) HEP	10.60	140.66	-	151.26	151.26	10.60	10.60	151.26	151.26	151.26	151.26	10.60	
21	220 Kv Trans. Line Charor to Banala Kullu	3,479.76	1,240.24	-	4,720.00	4,720.00	3,479.76	3,479.76	4,720.00	4,720.00	4,720.00	4,720.00	3,479.76	
22	400KV D/C Line 33/220/400 S. Sin Lahul to PGCIL	0.24	1.65	-	1.89	1.89	0.24	0.24	1.89	1.89	1.89	1.89	0.24	
23	220 Kv S/C Trans. line Lahul to Rajara	0.04	1.08	-	1.12	1.12	0.04	0.04	1.12	1.12	1.12	1.12	0.04	
24	400 KV D/C Trans. line Lahul to Rajara	-	-	-	-	-	-	-	-	-	-	-	-	
25	132/220 Kv Pooling Station at Sumda	5.94	-	-	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	
26	220KV Trans. line PS Sumda to Harkoti	1,308.95	4,426.68	-	5,735.63	5,735.63	1,308.95	1,308.95	5,735.63	5,735.63	5,735.63	5,735.63	1,308.95	
27	66/220KV GIS Substation Sumda	6.06	2.00	-	8.06	8.06	6.06	6.06	8.06	8.06	8.06	8.06	6.06	
28	220KV Trans. line from Substation Lahul to Dudhil	153.43	160.61	-	320.05	320.05	153.43	153.43	320.05	320.05	320.05	320.05	153.43	
29	220 Kv Trans. line from Bajoli Holi to SS Lahul	16.96	418.20	-	433.16	433.16	16.96	16.96	433.16	433.16	433.16	433.16	16.96	
30	33/220kv Substation AD Hydro Priti	62.97	14.57	-	77.54	77.54	62.97	62.97	77.54	77.54	77.54	77.54	62.97	
31	132/220 kv GIS STN Charor	5.91	-	-	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91	5.91	
32	33/132/2x25/31.5MVA Substation Chantoli	1,206.54	1,649.26	-	2,855.80	2,855.80	1,206.54	1,206.54	2,855.80	2,855.80	2,855.80	2,855.80	1,206.54	
33	132 Kv Transmission Line Chantoli	29.82	264.20	-	293.82	293.82	29.82	29.82	293.82	293.82	293.82	293.82	29.82	
34	400KV D/C T. Line Parwali - 2 to PGCIL Banala	549.01	45.96	-	-	-	549.01	549.01	-	-	-	-	549.01	
35	400 KV D/C T. Line Saini Kullu	0.67	-	-	-	-	0.67	0.67	-	-	-	-	0.67	
36	132 KV Transmission line Rupin HEP to PS Sumda	12.47	-	-	11.69	11.69	12.47	12.47	11.69	11.69	11.69	11.69	12.47	
37	66kv Transmission Bagpitol to Kollu	4.84	1.60	-	6.44	6.44	4.84	4.84	6.44	6.44	6.44	6.44	4.84	
38	220KV Transmission line Majra to Karan	1.48	0.56	-	2.04	2.04	1.48	1.48	2.04	2.04	2.04	2.04	1.48	
39	220 Kv GIS Charor	2.15	0.61	-	2.76	2.76	2.15	2.15	2.76	2.76	2.76	2.76	2.15	
40	33/132 kv GIS Barshanti	8.57	1.99	-	10.56	10.56	8.57	8.57	10.56	10.56	10.56	10.56	8.57	
41	220kv Sub Stn Mazra (Pukhari)	103.95	11.43	-	115.38	115.38	103.95	103.95	-	-	-	-	103.95	
42	33/132 Kv GIS Sub Stn Dehan (Pati)	2.15	-	-	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	

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42	132/220 Kv GIS Sub Stn Mazra Chamba	3.67	-	-	-	3.67	0.67	3.67
44	133Kv GIS S Stn Palchan	0.22	-	-	-	0.22	0.22	0.22
45	220Kv D/C T Line GIS Dehan to PGCIL Kankan	3.80	2.68	-	-	6.48	6.48	3.80
46	33Kv GIS Switching Stn at Plachan	0.31	-	-	-	0.31	0.31	0.31
47	33Kv Palchan Pini Line	0.22	-	-	-	0.22	0.22	0.22
48	220/220Kv S. STN Bagaul	3.67	-	-	-	3.67	3.67	3.67
49	Installation of ERP system at HPPTCL	264.88	144.59	-	-	409.48	409.48	204.89
50	Road Canal 400/220Kv GIS GUMMA	-	28.63	-	-	28.63	28.63	-
51	65/220Kv SUB STN DHALLI	-	2.40	-	-	2.40	2.40	-
52	66 Kv TRANS LINE SALUM TO DALI	-	141.12	-	-	141.12	141.12	-
53	220/66 Kv SUB STN HEILING	-	11.80	-	-	11.80	11.80	-
54	220Kv T LINE SNAIL TO HAIKOTI (KFW)	-	567.98	-	-	567.98	567.98	-
55	400 TRANSFORMER 400/220Kv GUMMA	-	1,296.71	-	-	1,296.71	1,296.71	-
56	SUPERVISION OF IMPL. OF GREEN ENERGY	-	645.54	-	-	645.54	645.54	-
57	GIS SUB STN BARSANI KULLU	-	0.77	-	-	0.77	0.77	-
58	SURVEY WORK BAJOLI HOLI	-	0.76	-	-	0.76	0.76	-
59	132 Kv S/STN TANGANU ROMAI	-	0.06	-	-	0.06	0.06	-
60	33/132 SUB STN RUPIN	-	0.99	-	-	0.99	0.99	-
61	400Kv D/C T LINE JHAKRI ABDULLAPUR	-	10.76	-	-	10.76	10.76	-
Total		50,239.48	33,165.43	3,707.69	847.17	78,850.06	78,850.06	50,239.48
	Preliminary expenses	135.28	37.50	-	-	176.78	176.78	135
	Expenditure attributable to Construction	6,779.78	5,885.23	-	517.07	12,247.94	12,247.94	6,780
	Total Carried forward to Balance Sheet	57,158.55	-	-	-	91,274.78	91,274.78	57,158.55

2.2.1]Expenditure Attributable to Construction

PARTICULARS	Note No.	Amount Rs. in Lakh As on 31.03.2018	Amount Rs. in Lakh As on 31.03.2017
Employee benefit expenses	2.23	1192.89	1087.58
Financial costs	2.24	5241.44	3824.12
Depreciation and amortization expenses	2.25	19.80	16.99
Other expenses	2.26	228.53	187.33
Prior Period Adjustment		0.00	0.00
Total (A)		6681.55	5096.02
Less:- Miscellaneous income	2.21	896.32	1015.02
Net Expenditure [B = A Carried forward to CWIP]		5985.23	4081.00

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

For Manish K Gupta & Associates
Chartered Accountants

Sd/-
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.03.2019

(Amt. Rs. in Lakhs)

2.3) OTHER INTANGIBLE ASSETS				GROSS BLOCK			DEPRECIATION			NET BLOCK		
PARTICULARS	AS ON	ADDITION	DELETION	AS ON	UPTO	PROVIDED	DELETION	UPTO	AS ON	AS ON	AS ON	AS ON
	1.4.17	DURING PERIOD	ADJUSTED	31.3.18	31.3.17	DURING PERIOD	ADJUSTED	31.3.18	31.3.18	31.3.17	31.3.17	31.3.17
Software	37.14	-	-	37.14	35.24	0.08	-	35.32	1.83	1.90	1.90	1.90
Previous year	37.14	-	-	37.14	35.01	0.23	-	35.24	1.90	2.13	2.13	2.13

Sd/- (Kamlesh Sharma) Sd/- (Anil Kumar Sharma) Sd/- (Er. R.K.Sharma)

Manager (Accounts) Dy.G.M.(Finance) Managing Director

For Manish K Gupta & Associates
Chartered Accountants

Sd/-
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.03.2019

True copy
[Signature]
Sr. Manager (C&M)
HPPTCL Shimla-5

Himachal Pradesh Power Transmission Corporation Limited

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2.4) Other non-current assets

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
PPP Contribution to IIIT Una	480.00	480.00
Security Deposit	0.64	0.58
Advance to Contractor & Supplier	496.11	-
TOTAL	976.75	480.58

2.5) Trade Receivables

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Secured considered good	-	-
Un secured considered good	346.24	79.29
TOTAL	346.24	79.29

2.6) CASH AND CASH EQUIVALENTS

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Cash in hand	0.10	0.08
Stamps in hand	0.05	0.08
Balance with Banks (Current/SB A/c)	10,016.78	7,192.34
Term Deposits with having maturity with in 3 months	2,702.12	5,778.00
TOTAL	12,719.05	12,970.50

2.7) Other Bank Balances

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Other term deposits (having original maturity more than 3 months)	871.10	-
TOTAL	871.10	-

2.8) Loans and Advances

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Recoverable from Employees & others	1.48	0.31
Recoverable from Govt. Depptt.	-	239.02
TOTAL	1.48	239.33

2.9) Other Financial Assets

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Interest Accrued but not due	135.88	174.74
Recoverable from Contractor/Supplier/Vendors	4,451.84	6,885.21
TOTAL	4,587.72	7,059.95

2.10 Current Tax Assets

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Advance Tax Deposit/TDS/Recoverable from Tax Authorities	2,022.21	1,906.30
TOTAL	2,022.21	1,906.30

2.11) Other Current Assets

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Advance to Govt. Departments	84.70	88.45
Pre Paid expenses	1.45	2.94
Prepaid Expenses (ARR Exp.MYT 2014-15 to 2018-19)	3.87	7.74
Stationery in hand	0.32	0.74
TOTAL	90.34	99.88



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2.12) Equity Share Capital

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
AUTHORISED SHARE CAPITAL (3,00,00,000 Equity Shares of Rs100/-each)(Previous year 2,50,00,000 equity shares of Rs. 100/-each)	30,000.00	25,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL (2,74,75,300 Equity Shares of Rs. 100/- each fully paid up) (Previous year 2,49,23,500 equity shares of Rs. 100/- each (Fully paid up)	27,475.30	24,923.50
Total Paid Up Capital	27,475.30	24,923.50

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	Amt. Rs.in Lakh As at 31.03.2018	%	Amt. Rs.in Lakh As at 31.03.2017	%
HP Govt	16,605.30	60.44	14,053.50	56.39
HPIDB	10,870.00	39.56	10,870.00	43.61
Total	27,475.30		24,923.50	

(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 01.04.2017)	24,923,500	24,923.50
No. of shares issued during the year	2,551,800	2,551.80
No. of shares at the end (as on 31.03.2018)	27,475,300	27,475.30

2.13) SHARE APPLICATION MONEY

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
A) HP Govt. Share Application pending allotment	1,170.00	951.00
TOTAL	1,170.00	951.00

2.14) Other Equity

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Opening Balance of P&L Account	(541.35)	589.02
Profit during the year	(672.40)	(1,130.37)
Closing Balance of P&L Account	(1,213.75)	(541.35)
Opening Balance of Capital Grant (MNRE)	1,572.00	-
Add: Grant Received during the year	1,313.70	1,572.00
Add: Interest on MNRE Grant during the year	110.72	
Closing Balance of Capital Grant (MNRE)	2,996.42	1,572.00
Total of Other Equity	1,782.67	1,030.65

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2.15) BORROWINGS:

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Term Loan		
Long Term Loans		
State Govt. Loans (ADB) Tranch-1. (<i>Installment of principal & interest payable yearly on 15th January.</i>)	44,322.47	28,818.78
State Govt. Loans (ADB) Tranch-2. (<i>Installment of principal & interest payable yearly on 15th January, however principal yet not due</i>)	23,763.94	12,999.28
Loan from M/s REC Ltd. (Repayable in 15 equal annual installments with moratorium period of 3 years, being 1st installment becoming due in FY 2017-18)	3,718.30	3,983.89
KFW GREEN ENERGY LOAN (Repayable in 15 equal annual installments with moratorium period of 5 years, being 1st installment becoming due in FY 2022-23)	1,007.99	-
TOTAL	72,812.70	45,801.95

2.16) Other Financial Liabilities

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Deposits, Retention Money from Contractors & other	6,348.47	3,952.15
TOTAL	6,348.47	3,952.15

2.17) NON- CURRENT PROVISIONS

PARTICULARS	Amount Rs. in Lakh As at 31.03.2018	Amount Rs. in Lakh As at 31.03.2017
Provision for Pension & Leave salary Contribution	435.85	421.89
Interest on 90%Loan of ADB Govt. of HP	11,724.87	7,031.60
Interest on 90%Loan of KFW Govt. of HP	70.31	-
HP State Govt/ HPSEB (Assets Cost)	6,122.16	6,122.16
TOTAL	18,353.19	13,575.65

2.18) OTHER FINANCIAL LIABILITIES-CURRENT

PARTICULARS	Amt. Rs.in Lakh As at 31.03.2018	Amt. Rs.in Lakh As at 31.03.2017
Liabilities for Employees Remuneration and Benefits	217.62	140.82
Liabilities for Contractors & Suppliers	3,887.79	5,313.03
Liabilities against deposit Work & other Govt. Deptt.	7,604.42	8,219.99
Deposit against Bay cost	157.80	157.80
Deposit, Retention Money from Contractor and others	83.35	-
Taxes and Duties Payable	170.08	137.48
TOTAL	12,121.06	13,969.12

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HPPTCL, Shimla-5



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2.19) Revenue from operation

PARTICULARS	Amt. Rs.in Lakh As on 31.03.2018	Amt. Rs.in Lakh As on 31.03.2017
Connectivity fee	18.00	34.00
STU Charges IEX STOA(SLDC)	90.97	25.27
Short Term Open Access	294.29	276.69
Transmission charges Income(old Intra State)	616.00	706.75
Transmission charges Income(old Inter State)	259.27	-
Trans. Charges Kashang Bhaba Line	439.54	61.73
O&M Charges for usage of HPPTCL system Bhoktoo	43.25	-
Transmission charges Phojal	169.92	107.69
Total	1,931.24	1,212.13

2.20) Miscellaneous Income

PARTICULARS	Amt. Rs.in Lakh As on 31.03.2018	Amt. Rs.in Lakh As on 31.03.2017
Sale of Tender Forms	8.07	14.94
Interest on Bank Deposits	410.58	514.09
Interest on ADB Loan Imprest	99.03	249.50
Misc. Receipts	0.06	1.55
Home Stay/ Guest House income	0.02	-
RTI Fee	0.01	0.01
Sale of Scrap	1.40	0.99
Intt. On IT Refund	10.28	0.57
Interest from Cont./Supplier	166.87	233.07
Total	696.32	1,015.02
Less: Income Attributable to Pre Construction Period	696.32	1,015.02
Income Transferred to Profit & Loss	(0)	(0)

2.21) Operating Expenses

PARTICULARS	Amt. Rs.in Lakh As on 31.03.2018	Amt. Rs.in Lakh As on 31.03.2017
Membership fee STU(NRPC FUND)	10.00	7.00
ARR Exp.MYT Cont. Period 2011-12 to 2013-14	23.50	9.13
Licence & reg. fee	100.00	100.00
O&M Exp. Kasang Bhaba Line	54.62	13.80
Repair & Maintance Phojal S.Stn	4.02	10.60
O&M Exp. Bhoktoo Sub Station	27.40	-
O&M Exp. Phosal sub stn	10.76	18.52
O&M Exp. From HPSEB	249.94	205.02
Total	480.24	364.07

2.22) Employees Benefits Expenses:

PARTICULARS	Amt. Rs.in Lakh As on 31.03.2018	Amt. Rs.in Lakh As on 31.03.2017
Salaries, Wages, Allowances and Benefits	1,436.94	1,331.47
Contribution to Provident and Other Funds	24.09	29.60
Leave Salary and Pension Contribution	107.71	75.30
Welfare Expenses	83.25	38.93
Total	1,631.99	1,475.30
50% of Corp. Off. to STU & Transmission Income	377.85	393.38
Amount of PIU Phosal	61.45	24.35
Total for Profit & Loss Statement	439.30	417.73
Balance Expenditure attributable to Construction	1,192.69	1,057.57
Total	1,631.99	1,475.30

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HPPTCL, Shimla-5

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2.23) Financial Cost

PARTICULARS	Amt. Rs.in Lakh As on 31.03.2018	Amt. Rs.in Lakh As on 31.03.2017
Interest on Term Loans ADB (Tranche I & II)	5,214.74	3,336.90
Less: Interest of Bhoktoo SSTN for FY 2017-18	238.61	-
Net Interest on Term Loans ADB (a)	4,976.14	3,336.90
Interest on REC Loan	457.14	487.04
Less: Interest of PIU Phojal for FY 2017-18	269.96	-
Net Interest on REC Loan (b)	187.18	487.04
Interest on KFW Loan (c)	78.12	
Bank Charges (d)	-	0.18
Total Finance Cost Charged to Profit & Loss	508.57	-
Total Finance Cost Attributable to Construction (a+b+c+d)	5,241.44	3,824.13
Total Finance Cost	5,750.01	3,824.13

2.24) Depreciation and Amortization Expenses

PARTICULARS	Amt. Rs.in Lakh As on 31.03.2017	Amt. Rs.in Lakh As on 31.03.2017
Depreciation for the Year on Tangible Assets	1,219.07	933.11
Depreciation for the Year on Intangible Assets	0.08	0.23
Total Depreciation for the Year	1,219.15	933.34
Transferred to Profit & Loss Statement (i)	1,200.26	916.34
Transferred to Expenditure attributable to Construction(ii)	18.89	16.99
Balance	-	-

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Sr. Manager (C&M)
HPPTCL, Shimla

Himachal Pradesh Power Transmission Corporation Limited



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2.25) Other Administrative Expenses

PARTICULARS	Amt. Rs.in Lakh As on 31.03.2018	Amt. Rs.in Lakh As on 31.03.2017
Printing & Stationery	5.96	5.29
Books & Periodicals	0.63	0.33
Electricity & Water Charges	8.44	7.09
Advertisement & Publicity Expenses	4.52	8.29
Hiring Charges for Vehicles	110.77	90.34
Fees & Subscription	0.73	1.21
Office Expenses	12.74	9.53
Other Misc. Expenses (3350+1271)	0.05	0.19
Postage & courier	0.88	0.74
Office Building Rent	66.02	50.51
Insurance Vehicle & Others	0.37	0.29
EPF Damages	0.11	1.42
Hospitality Expenses	5.34	5.05
Consultancy & Professional Charges	39.98	35.19
Meeting expenses	0.48	0.14
Telephone Exps.	11.57	13.15
Vehicle Running Expenses	5.65	11.64
Internal Audit Fee	0.53	0.25
Statutory Audit Fee	1.18	1.16
Prior period SA audit fee	0.57	-
FEE APFS AUDIT	0.29	-
Tax Audit Fee	-	0.40
Collection of Revenue record	0.00	0.01
Labour Charges	-	0.02
Lease Line Rent BSNL	1.86	0.50
Interest Paid	10.09	0.74
TA/DA consultant	0.97	3.99
Consumable elec. Fitting	0.47	0.34
Repair & Maintenance	11.73	0.75
Guest House / Home stay rent	0.29	-
Other Misc.exp. Computer	1.97	1.10
Office Inaguration/ Shifting Expenses	0.36	3.42
ADB Consultant Remuneration	11.83	21.14
Legal Charges Advocate	3.60	-
Service tax on Legal charges	2.12	-
GST on legal services	0.58	-
Licence fee	-	0.05
O&M Exp. GIS Bhoktoo	-	3.98
Bank charges	0.19	-
TA/DA ADB Consultants	0.05	0.09
Admn.& other exp. Sarabai Zone Office	1.06	5.58
Legal Charges Advocate	-	24.99
Service tax on Legal charges	-	2.27
Other Admn. Expenses Phojal PIU	8.91	5.39
Grand Total other Exp.	332.91	316.58
Out of above:		
Expenses to be Charged to Profit & Loss Account		
50% of Corp. Office Expenses Charged to Profit & Loss	95.47	86.60
Other Admin Expenses PIU Phojal Charged to Profit & Loss	8.91	5.39
Legal Charges Advocate Charged to Profit & Loss	-	24.99
Service tax on Legal charges Charged to Profit & Loss	-	2.27
Total (a)	104.38	119.25
Total Expenditure attributable to Construction (b)	228.53	197.33

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2.26) Prior Period Income booked during 2017-18

Particulars	Period of Exp./Income	Amt Rs. in Lakh
		Amt. as on 31.3.18
1. Transmission charges Income for 2016-17		
Transmission charges Income of 3 No. interstate transmission lines w.e.f. 1.10.2016 to 31.3.2017 not provided in books of accounts for 2016-17 as per CERC tariff order dated 16.5.2016	2016-17	129.11
Total prior period Income adjusted during the year transferred to Profit & Loss A/c statement		129.11

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

For Manish K Gupta & Associates
Chartered Accountants

Sd/-
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 20.03.2019



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HP POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

Balance Sheet As At 31st March-2019

Particulars	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-current assets:			
Property, Plant and Equipments	2.1	31,109.57	27,171.89
Capital work-in-progress	2.2	142,478.77	91,274.78
Other Intangible Assets	2.3	2.52	1.83
Financial assets			
Investments		-	-
Loans		-	-
Other		-	-
Deferred Tax Assets (Net)		-	-
Other Non Current Assets	2.4	622.12	976.75
Total Non Current Assets		174,212.98	119,425.25
Current assets:			
(a) Current investments		-	-
Inventories		-	-
(c) Trade receivables		-	-
Financial Assets			
Trade Receivables	2.5	277.28	346.24
Cash and cash equivalents	2.6	12,247.92	12,719.05
Bank Balance other than above	2.7	739.41	871.10
Investments		-	-
Loans	2.8	1.22	1.48
Other	2.9	6,970.14	4,587.71
Current Tax Assets	2.10	2,127.94	2,022.21
Other Current Assets	2.11	47.52	90.34
Total Current Assets		22,411.44	20,638.14
Total Assets		196,624.41	140,063.39
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.12	29,445.34	27,475.30
Share Application Money	2.13	3,199.96	1,170.00
Other Equity	2.14	3,071.26	1,782.67
Total Equity		35,716.56	30,427.97
Liabilities			
Non Current Liabilities			
Financial Liabilities		-	-
Other Borrowings	2.15	114,579.90	72,812.70
Other Financial Liabilities	2.16	9,810.79	6,348.47
Provisions	2.17	25,981.71	18,353.19
Other non current liabilities		-	-
Total Non Current Liabilities		150,372.40	97,514.36
Current Liabilities:			
Financial Liabilities			
Trade Payables		-	-
Other financial liabilities	2.18	10,536.45	12,121.06
Provisions		-	-
Total Current Liabilities		10,536.45	12,121.06
Total Equity & Liabilities		196,624.41	140,063.39

The accompanying notes from 2.1 to 2.26 form an integral part of the financial statements.

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

Sd/-
For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225

Place: Shimla
Date: 28.03.2019

CA Ankur Mahajan
(Partner)
M.No. 520473

ANNUAL REPORT 2018-19



HP POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

Profit & Loss statement for the year ended as on 31.3.19			
Particulars	Note No.	As on 31.03.2019	As on 31.03.2018
Income			
Revenue from operations	2.19	1,832.80	1,931.24
Other Income	2.20	-	-
Total Income		1,832.80	1,931.24
Expenses:			
Operating Expenses	2.21	2,930.53	480.24
Employee benefit expenses	2.22	33.60	439.30
Financial costs	2.23	912.86	508.57
Depreciation and amortization expenses	2.24	1,446.74	1,200.26
Other Administrative Expenses	2.25	10.27	104.38
Total Expenses		5,333.99	2,732.75
Profit before net movement in regulatory deferred account balance and tax			
Net movement in deferred Account Balance			
Profit before tax		(3,501.19)	(801.51)
Prior Period Adjustment	2.26	(591.22)	129.11
Tax expenses			
Current Tax			
Deferred Tax			
Profit for the period		(4,092.41)	(672.40)
Total		(4,092.41)	(672.40)
Earning per equity Share(before net movement in regulatory deferred Account Balance basic and diluted		(14.86)	(2.45)
Earning per equity Share(after net movement in regulatory deferred Account Balance basic and diluted		(14.86)	(2.45)
Significan Accounting Policies	1		

The accompanying notes from 2.1 to 2.26 form an integral part of the financial statements.

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

Sd/-
For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225

Place: Shimla
Date: 28.09.2019

CA Ankur Mahajan
(Partner)
M.No. 520473



ANNUAL REPORT 2018-19

HP POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

2.2.1) Expenditure Attributable to Construction

Particulars	Note No.	As on 31.03.2019	As on 31.03.2018
Expenses(A)			
Employee benefit expenses	2.22	1,630.31	1,192.70
Financial costs	2.23	8,168.29	5,241.44
Depreciation and amortization expenses	2.24	-	18.88
Other Administrative Expenses	2.25	385.40	228.53
Prior Period Adjustment		-	-
Total (A)		10,184.00	6,681.55
Less:- i.Miscellaneous Income	2.20	633.81	696.32
Net Expenditure (B) (Carried forward to CWIP)		9,550.19	5,985.23
Significant Accounting Policies & Notes to Accounts	1		

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

Sd/-

For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225

Place: Shimla
Date: 28.09.2019

CA Ankur Mahajan
(Partner)
M.No. 520473

ANNUAL REPORT 2018-19



HP POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Amt Rs. in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.3.2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-4,092.41	-672.40
Depreciation	1,446.74	1,219.15
Depreciation of Prior Period	-	-
Finance Charges	912.86	508.57
Long Term Provisions (Net)	7,628.52	4,777.54
Adjustment for Current Assets & Current Liabilities		
Decrease in Trade Receivables	68.97	-
Increase in Current Tax Assets	-105.73	-348.30
Decrease in Other Current Assets	42.81	-
Decrease in loans	0.26	-
Increase in others	-2,382.43	2,710.08
Other Current Liabilities	-1,585.61	-1,848.06
Income Tax	-	-25.00
Other Current Assets	-	-
Loans & Others	-	-
Other Current Liabilities	-	-
Income Tax	-	-
Net cash generated by operating activities(A)	1,933.97	6,321.57
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on tangible Assets	-5,384.32	-4,183.22
Capital Expenditure on Intangible Assets	-0.79	-
Net Expenditure on CWIP	-47,741.67	-31,719.91
Deposit Given	354.64	-496.18
Net cash used in investing activities (B)	-52,772.15	-36,399.31
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	1,970.04	2,551.80
Share Application Money Pending for allotment	2,029.96	219.00
Repayment of Borrowings	-512.40	-265.59
Grant Received	5,381.00	1,424.42
Proceeds from Borrowings (Net)	42,279.60	27,276.34
Finance Cost	-912.86	-508.57
Net cash used in Financing activities (C)	50,235.35	30,697.39
Net increase in cash and cash equivalents	-602.83	619.66
Add: Opening Cash and Equivalents	13,590.16	12,970.50
Closing Cash and Equivalents	12,987.33	13,590.16

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

Sd/-
For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225

Place: Shimla
Date: 28.09.2019

CA Ankur Mahajan
(Partner)
M.No. 520473

True Copy
Sr. Manager (C&M)
HPPTCL, Shimla



ANNUAL REPORT 2018-19

HP POWER TRANSMISSION CORPORATION LTD.

Himfed Building, Tutikandi, (Panjri) Shimla

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2019

A. Equity Share Capital

Particulars	Note No.	Amount Rs. in Lakh
Opening Balance as at April 1, 2018	2.12	27475.30
Equity Share Issued during the year		1970.04
Closing Balance as at March,31,2019		29445.34

B. Share Application Money

Particulars	Note No.	Amount in Rs.
Opening Balance as at April 1, 2018	2.13	1170.00
Add:- Amount received during the year		4000.00
Less :- Share Issued during the year		1970.04
Closing Balance as at March,31,2019		3199.96

C. Other Equity

Particulars	Note No.	Reserve & Surplus		Total Other Equity
		Retained Earnings	MNRE Capital Grant	
Opening Balance as at April,1,2018	2.14	-1213.74	2996.42	2534.68
Other comprehensive Income for the year				
Profit for the period		-4092.41		-4092.41
Total Comprehensive Income				
Dividends				
Final Dividend				
Interim Dividend				
Dividend Tax				
Final Dividend				
Interim Dividend				
MNRE Grant Received during the year			5146.70	5146.70
Interest on MNRE Grant received			234.30	234.30
Closing Balance as at March31,2019		-5306.16	8377.41826	3071.26

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

Sd/-
For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225

Place: Shimla
Date: 28.09.2019

CA Ankur Mahajan
(Partner)
M.No. 520473

True Copy
[Signature]
Sr. Manager (C&M)
HPPTCL, Shimla

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ASSETS

2.1) Property, Plant and Equipments

(Amt. Rs. in Lakh.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON	ADDITION	ADJUSTED	AS ON	UPTO	PROVIDED	Rel. Earnings Prior Period Dep./AD JUSTED	UPTO	AS ON	AS ON
01.04.18		DURING PERIOD		31.03.19	31.03.18	DURING PERIOD		31.03.19		31.3.18
Transmission Lines and Substation	30,953.34	5,286.34	249.70	35,989.48	7,886.50	1,421.35	-	9,307.85	26,882.13	23,066.84
Land for Sub. Sim. & Trans. Lines	4,064.17	239.85	-	4,304.02	-	-	-	-	4,304.02	4,064.17
Furniture & Fixture	70.98	14.24	0.00	85.23	47.76	8.21	-	55.97	29.26	23.22
Vehicle	19.61	29.60	(0.00)	49.20	16.60	2.34	-	18.94	30.26	3.01
Computer	78.71	55.09	-	133.80	66.41	13.43	-	79.83	53.96	12.30
Office Equipments	15.48	8.90	-	24.38	13.14	1.22	-	14.46	9.93	2.34
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	35,204.29	5,634.03	249.70	40,888.02	8,032.40	1,446.65	-	9,479.05	31,109.57	27,171.89
Previous year	310,210.07	42,030.84	20.02	35,204.29	6,813.33	1,219.07	-	8,032.40	27,171.89	24,207.74

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

For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 28.09.2019

2.2 Capital Work In Progress

Sr. No.	PARTICULARS	GROSS BLOCK				NET BLOCK	
		AS ON 01.04.18	ADDITION DURING PERIOD	Capitalised During year	Adjustment During year	AS ON 31.03.19	AS ON 31.3.18
	ADB TRANCHE-I						
1	33/132/2x25/31.5MVA Substation Chambi (Shahpur)	2,855.80	2,137.13	-	-	4,992.93	2,855.80
2	220kv D/C(T. M.) Line from Halkoti to 220/400 kv Substation Pragti Nagar	6,109.09	4,634.61	-	-	10,743.90	6,109.09
3	220/400KV/1x31.5MVA Substation at Pragti Nagar	14,699.53	3,740.38	-	-	18,439.91	14,699.53
4	33/132 KV GIS Pambih	2,143.58	1,677.34	-	-	3,820.92	2,143.58
5	400/220/66KV GIS Substation Wangtoni(ADB)	21,753.40	17,841.07	-	-	39,594.47	21,753.40
6	Installation of ERP system at HPPTCL	409.48	162.38	-	-	571.86	409.48
7	PROCUREMENT OF CLOUD SERVICES FOR ERP	-	24.61	-	-	24.65	-
8	Road Const. 400/220kv GIS GUMMA	28.63	-	-	28.63	-	28.63
9	400KV D/C T.LINE JHAKRI ABDULLAPUR	10.76	-	-	10.76	-	10.76
	TOTAL ADB TRANCHE-I (A)	48,010.27	30,217.73	-	39.40	78,188.64	48,010.27
	ADB TRANCHE-II						
1	220Kv line from 33/220KV Lahul Sub Station up to 220 KV yard of Budhi HEP	320.05	295.96	-	-	616.01	320.05
2	66KV D/C Trans. Line Urni to Wangtoo	1,013.87	271.74	-	-	1,285.61	1,013.87
3	132/220 kv Sub Station at Charor	5.91	85.71	-	-	91.62	5.91
4	132/220 Kv 2x100 MVA Pooling Station at Sunda	5.94	75.67	-	-	81.61	5.94
5	220Kv D/c (Twin Mouse) Trans. line Sunda to Halkoti	5,735.63	2,815.10	-	-	8,550.72	5,735.63
6	220 Kv D/C Line (T.M) from Charor to 400/220KV Banala Sub Station at PSCII	4,710.99	2,063.81	-	-	6,774.80	4,710.99
7	33/220/400KV GIS Substation at Lahul	6,573.68	20,919.48	-	-	27,493.16	6,573.68
8	66 Kv Switching station at Urni (ADB)	2,437.90	564.51	-	-	3,002.41	2,437.90
9	LULO of 132KV Kangra-Delra Line at Chambi	293.82	1,478.92	-	-	1,772.74	293.82
10	132KV D/c	2.76	-	-	2.76	-	2.76
11	220 Kv GIS Charor	0.77	-	-	0.77	-	0.77
	TOTAL ADB TRANCHE-II (B)	21,110.51	28,573.91	-	3.53	49,680.89	21,110.51

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ADB TRANCHE-III									
1	132/33 Kv 2x100 MVA GIS Sub Sta Mazra	3.67	2.20	-	-	5.87	5.87	5.87	3.67
2	132kv D/C Trunkline Baran to Charor	23.20	1,497.89	-	-	1,520.89	1,520.89	1,520.89	23.20
3	220 Kv D/C line (Twin Moose) from Bajoli Huli	433.16	240.13	-	-	673.29	673.29	673.29	433.16
4	220KV Switching Sub Halkoti	9.60	990.03	-	-	999.63	999.63	999.63	9.60
5	220KV D/C Transmission line from Majra to Kanan	2.04	7.29	-	-	9.33	9.33	9.33	2.04
6	33/132 kv Sub Station at Barabani	10.56	1.57	-	-	12.13	12.13	12.13	10.56
7	400KV D/C Line (Twin Moose) from 400/220KV 2x310 MVA Lateral GIS to 400/220KV Chamera Pooling Station of PGCIL	1.89	1,081.75	-	-	1,083.64	1,083.64	1,083.64	1.89
8	66KV D/C Transmission Nirmand to Kotla	6.44	475.08	-	-	481.52	481.52	481.52	6.44
9	66/22 KV 2x10 MVA GIS Substation at Nirmand (Bagisul)	3.67	1.39	-	-	5.06	5.06	5.06	3.67
10	4022033 Kv Trunk line Lateral to Rajara	1.12	-	-	-	-	-	-	1.12
11	66 KV D/C T/L NIRMAND TO KOTLA	1.09	1.09	-	-	-	-	-	1.09
12	132 KV T/L KORTIK-BATHIRI	1.21	1.21	-	-	-	-	-	1.21
13	33/220KV Sub Sta. at Kanan	3,052.33	1,117.51	-	-	4,169.85	-	-	3,052.33
14	220kv s/c line on d/c lower Kanan to PGCIL	734.35	283.00	-	-	1,017.35	-	-	734.35
15	SURVEY WORK BAJOLI HULI	0.76	-	-	-	-	-	-	0.76
TOTAL ADB TRANCHE-III (C)		4,282.77	5,707.00	5,187.23	4.18	4,798.36	4,798.36	4,798.36	4,282.77
KFW Funded Projects									
1	132KV D/C T-Line from Tanghu Ramal to 132/220 KV PS Sunda	151.26	1.033	-	-	152.29	152.29	152.29	151.26
2	132/22KV 2x31.5 MVA GIS Substation near Tanghu Ramal HEP	0.06	3.07	-	-	3.13	3.13	3.13	0.06
3	132/220 KV Sub Sta. at Dehan	2.15	77.91	-	-	80.06	80.06	80.06	2.15
4	132/33KV 31.5 MVA GIS Substation in the yard of Rupin HEP	0.69	0.79	-	-	1.77	1.77	1.77	0.69
5	132KV D/C Line Rupin to Sunda SS	11.60	1.15	-	-	12.84	12.84	12.84	11.69
6	220KV D/C (single Zebra) Siale Halkoti T-Line	927.94	1,077.69	-	-	2,205.63	2,205.63	2,205.63	927.94
7	220/66KV 80/100 MVA Additional Sunda Substation	8.06	41.94	-	-	50.00	50.00	50.00	8.06
8	220/66KV 80/100 MVA GIS Substation at Haling and LICO of 220 KV Bajoli - Holi Lateral	2.40	27.50	-	-	29.90	29.90	29.90	2.40
9	220KV D/C T-Line From Dehan SS to Hemipur SS	8.49	23.79	-	-	30.28	30.28	30.28	8.49
10	33 KV D/C Pachan Pura Trans Line	26.31	477.17	-	-	503.48	503.48	503.48	26.31
11	33KV GIS SIN Pachan	254.08	74.40	-	-	328.52	328.52	328.52	254.08
12	Additional 400/33KV 80/100 MVA Transformer at Charor Substation	-	0.52	-	-	0.52	0.52	0.52	-
13	Additional 400/220KV Transformer at Gumma Substation	1,206.71	3,253.66	-	-	4,590.67	4,590.67	4,590.67	1,206.71
14	SUPERVISION OF IMPL OF GREEN ENERGY	945.64	780.60	-	-	1,426.19	1,426.19	1,426.19	945.64
15	66 KV TRANS LINE SALUN TO DALLI	141.12	29.70	-	-	170.82	170.82	170.82	141.12
16	33 KV D/C T-Line on Manipole Pachan to AD Hydro	7.84	-	-	-	-	-	-	7.84
17	33KV Pachan Pura Line	0.22	-	-	-	-	-	-	0.22
18	ADD TRANSFORMER 66/220 KV GIS SUNDI	-	0.28	-	-	-	-	-	-
19	33KV GIS Switching Sta. at Pachan	0.31	0.53	-	-	0.84	0.84	0.84	0.31
20	220KV T LINE SMAIL TO HATKOTI (KFW)	960.00	-	-	-	960.00	960.00	960.00	960.00
21	133KV GIS 3 Sin Pachan	0.22	-	-	-	-	-	-	0.22
22	220/66 KV SUB STA HEILING	11.29	-	-	-	-	-	-	11.29
Total KFW Funded Projects (D)		3,862.97	6,729.40	-	-	9,603.40	9,603.40	9,603.40	3,862.97

True Copy

Sr. Manager (C&M)
HPPTCL Shimla



Himachal Pradesh Power Transmission Corporation Limited

2.2.1) Expenditure Attributable to Construction

- 95 -

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

Place: Shimla
Date: 28.09.2019

Sr. Manager (C&M)
HPPTCL Shimla-5

ANNUAL REPORT 2018-19



[Amounts in Lakhs]

2.3) OTHER INTANGIBLE ASSETS		GROSS BLOCK			DEPRECIATION			NET BLOCK	
PARTICULARS	AS ON	ADDITION DURING PERIOD	DELETION ADJUSTED	AS ON	UPTO	PROVIDED DURING PERIOD	DELETION ADJUSTED	UPTO	AS ON
Software	14.18	0.79	6.00	31.31	31.31	0.09	-	31.31	31.31
Previous year	37.14	-	-	37.14	35.32	0.08	-	35.32	35.32
	37.14	-	-	37.14	35.24	0.08	-	35.24	35.24

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225
CA Ankur Mahajan
(Partner)
M.No. 520473

Place: Shimla
Date: 28.09.2019



ANNUAL REPORT 2018-19

2.4) Other non-current assets

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
PPP Contribution to IIT Una	480.00	480.00
Security Deposit	0.69	0.64
Advance to Contractor & Supplier	-	496.11
Preliminary Expenditure	141.43	-
TOTAL	622.12	976.75

2.5) Trade Receivables

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Secured considered good	-	-
Un secured considered good	277.28	346.24
TOTAL	277.28	346.24

2.6) CASH AND CASH EQUIVALENTS

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Cash in hand	0.07	0.10
Stamps in hand	0.13	0.05
Balance with Banks (Current/SB A/c)	11,737.51	10,016.78
Term Deposits with having maturity within 3 months	510.21	2,702.12
TOTAL	12,247.92	12,719.05

2.7) Other Bank Balances

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Other term deposits (having original maturity more than 3 months)	739.41	871.10
TOTAL	739.41	871.10

2.8) Loans and Advances

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Recoverable from Employees & others	1.22	1.48
TOTAL	1.22	1.48

2.9) Other Financial Assets

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Interest Accrued but not due	13.77	135.87
Recoverable from Contractor/Supplier/Vendors	6,956.37	4,451.84
TOTAL	6,970.14	4,587.71

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2.10 Current Tax Assets

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Advance Tax Deposit/TDS/Recoverable from Tax Authorities	2,127.94	2,022.21
TOTAL	2,127.94	2,022.21

2.11) Other Current Assets

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Advance to Govt. Departments	43.40	84.70
Pre Paid expenses	3.56	1.45
Prepaid Expenses (ARR Exp.MYT 2014-15 to 2018-19)	-	3.87
Stationery in hand	0.56	0.32
TOTAL	47.52	90.34

2.12) Equity Share Capital

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
AUTHORISED SHARE CAPITAL (3,00,00,000 Equity Shares of Rs.100/-each)(Previous year 3,00,00,000 equity shares of Rs. 100/-each)	30,000.00	30,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL (2,94,45,340 Equity Shares of Rs. 100/- each fully paid up) (Previous year 2,74,75,300 equity shares of Rs. 100/- each (Fully paid up)	29,445.34	27,475.30
Total Paid Up Capital	29,445.34	27,475.30

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	Amt.Rs.in Lakh As at 31.03.2019	%	Amt.Rs.in Lakh As at 31.03.2018	%
HP Govt	18,575.34	63.08	16,605.30	60.44
HPIDB	10,870.00	36.92	10,870.00	39.56
Total	29,445.34	100.00	27,475.30	100.00

(Share holding of HP Govt. is inclusive of 1000 shares of Rs.100/- each issued in favour of 5 No. 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 01.04.2018)	27,475,300	27,475.30
No of shares issued during the year	1,970,040	1,970.04
No of shares at the end (as on 31.03.2019)	29,445,340	29,445.34



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2.13) SHARE APPLICATION MONEY

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
A) HP Govt. Share Application pending allotment	3,199.96	1,170.00
TOTAL	3,199.96	1,170.00

2.14) Other Equity

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
i) Profit & Loass A/c		
Opening Balance of P&L Account	(1,213.74)	(541)
Profit during the year	(4,092.41)	(672)
Closing Balance of P&L Account	(5,306.16)	(1,214)
ii) Capital Grant		
Opening Balance of Capital Grant (MNRE)	2,885.70	1,572.00
Opening Balance of interest on Capital Grant	110.72	-
Add: Grant Received during the year	5,146.70	1,313.70
Add: Interest on MNRE Grant during the year	234.30	110.72
Closing Balance of Capital Grant (MNRE)	8,377.42	2,996.42
Total of Other Equity	3,071.26	1,782.67

2.15) BORROWINGS:

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Term Loan		
Long Term Loans		
State Govt. Loans (ADB) Tranch-1. (Installment of principal & interest payable yearly on 15th January.)	59,874.31	44,322.47
State Govt. Loans (ADB) Tranch-2. (Installment of principal & interest payable yearly on 15th January, however principal yet not due)	40,916.53	23,763.94
State Govt. Loans (ADB) Tranch-3. (Installment of principal & interest payable yearly on 15th January, however principal yet not due)	3,795.57	-
Loan from M/s REC Ltd. (Repayable in 15 equal annual instalments with moratorium period of 3 years, being 1st installment becoming due in FY 2017-18)	6,661.19	3,718.30
KFW GREEN ENERGY LOAN (Repayable in 15 equal annual instalments with moratorium period of 5 years, being 1st installment becoming due in FY 2022-23)	3,332.30	1,007.99
TOTAL	114,579.90	72,812.70

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2.16) Other Financial Liabilities

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Deposits, Retention Money from Contractors & other	9,810.79	6,348.47
TOTAL	9,810.79	6,348.47

2.17) NON- CURRENT PROVISIONS

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Provision for Pension & Leave salary Contribution	488.19	435.86
Interest on 90% Loan of ADB Govt. of HP	19,078.68	11,724.87
Interest on 90% Loan of KfW Govt. of HP	282.88	70.31
HP State Govt/ HPSEB (Assets Cost)	6,122.16	6,122.16
TOTAL	25,981.71	18,353.19

2.18) OTHER FINANCIAL LIABILITIES-CURRENT

PARTICULARS	Amt.Rs.in Lakh As at 31.03.2019	Amt.Rs.in Lakh As at 31.03.2018
Liabilities for Employees' Remuneration and Benefits	73.49	217.62
Liabilities for Contractors & Suppliers	3,354.50	3,887.79
Liabilities against deposit Work & other Govt. Deptt.	6,683.68	7,604.42
Deposit against Bay cost	176.50	157.80
Deposit, Retention Money from Contractor and others	6.11	83.35
Taxes and Duties Payable	241.16	170.08
TOTAL	10,535.45	12,121.06

2.19) Revenue from operation	Amt.Rs.in Lakh As on 31.03.2019	Amt.Rs.in Lakh As on 31.03.2018
Connectivity fee	44.00	18.00
STU Charges IEX STOA/SLDC	134.84	90.97
Short Term Open Access	277.81	294.29
Transmission charges Income (old Intra State)	604.00	616.00
Transmission charges Income (old Inter State)	263.50	259.27
Trans. Charges Kashang Bhaba Line	277.61	439.54
O&M Charges for usage of HPPTCL system Bhoktoo S. Station	51.84	43.25
O&M Charges for usage of HPPTCL system Phojal S. Station	10.00	-
Transmission charges Phojal	155.76	169.92
R&M 400Kv LILO D/C T/L Sainj HEP HPPCL	8.44	-
O&M Charges 33/220 Kv Karian Sub Station	8.23	-
Total	1,832.80	1,931.24

2.20) Misc Income

PARTICULARS	Amt.Rs.in Lakh As on 31.03.2019	Amt.Rs.in Lakh As on 31.03.2018
MISCELLANEOUS INCOME:		
Sale of Tender Forms	8.31	8.07
Interest on Bank Deposits	196.85	410.58
Interest on ADB Loan Imprast	242.66	99.03
Misc. Receipts	0.18	0.06
Home Stay/ Guest House income	0.34	0.02
RTI Fee	0.00	0.01
Sale of Scrap	2.51	1.40
Intl. On IT Refund	-	10.28
EMD RET. MONEY FORFEITED	123.00	-
Interest from Cont./Supplier	62.96	168.87
Total	633.81	696.32
Less: Income Attributable to Pre Construction Period	633.81	696.32
Income Transferred to Profit & Loss	-	-



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2.21) Operating Expenses

Particulars	Amt.Rs.in Lakh As on 31.03.2019	Amt.Rs.in Lakh As on 31.03.2018
Membership fee STU/NRPC FUND)	10.00	10.00
ARR Exp.MYT Cont. Period 2011-12 to 2013-14	21.74	23.60
Licence & reg. fee	100.00	100.00
O&M Exp. Kasang Bhaba Line	54.50	54.62
Repair & Maintance Phojal S.Str	18.90	4.02
O&M Exp. Bhoktoo Sub Station	42.00	27.40
O&M Exp. Phosal sub str	31.74	10.79
O&M Exp. Intra State Trans. Line from HPSEB	187.49	170.82
O&M Exp. Inter State Tran. Line from HPSEB	76.79	79.12
O&M Exp. GIS Karian Chamba	51.58	-
O&M Exp. Karian Rajara Line	17.69	-
NON POC BILLING CERC(PGCIL)	2,282.73	-
Preliminary Expenses Written off	35.36	-
Total	2,930.53	480.24

2.22) EMPLOYEE BENEFITS EXPENSES:

PARTICULARS	Amt.Rs.in Lakh As on 31.03.2019	Amt.Rs.in Lakh As on 31.03.2018
Salaries, Wages, Allowances and Benefits	1,478.14	1,436.94
Contribution to Provident and Other Funds	23.64	24.09
Leave Salary and Pension Contribution	73.10	107.71
Welfare Expenses	89.03	63.25
Total	1,663.91	1,631.99
50% of Corp. Off. to STU & Transmission Income	-	377.85
Amount of PIU Phosal	33.60	61.45
Total for Profit & Loss Statement	33.60	439.30
Balance Expenditure attributable to Construction	1,630.31	1,192.70
TOTAL	1,663.91	1,631.99

2.23) FINANCIAL COSTS:

PARTICULARS	Amt.Rs.in Lakh As on 31.03.2019	Amt.Rs.in Lakh As on 31.03.2018
Interest on Term Loans ADB (Tranche I & II)	8,167.78	5,214.74
Less: Interest of Bhoktoo SSTN for FY 2018-19	249.69	238.61
Net Interest on Term Loans ADB (a)	7,918.09	4,976.14
Interest on REC Loan	663.17	457.14
Less: Interest of PIU Phojal for FY 2018-19	391.82	269.96
Interest on GIS Karian S Str & Line for FY 2018-19	271.55	-
Net Interest on REC Loan (b)	-	187.18
Interest on KFW Loan (c)	247.08	78.12
Interest on Term Loans ADB (Tranche-3) (d)	3.12	-
Total Finance Cost Charged to Profit & Loss	912.86	508.57
Total Finance Cost Attributable to Construction (a+b+c+d)	8,168.29	5,241.44
TOTAL Finance Cost	9,081.15	5,750.01

2.24) Depreciation and Amortization Expenses

PARTICULARS	Amt.Rs.in Lakh As on 31.03.2019	Amt.Rs.in Lakh As on 31.03.2018
Depreciation for the Year on Tangible Assets	1,446.65	1,219.07
Depreciation for the Year on Intangible Assets	0.09	7,916.00
Total Depreciation for the Year	1,446.74	9,135.07
Transferred to Profit & Loss Statement (i)	1,446.74	1,200.26
Transferred to Expenditure attributable to Construction(ii)	-	7,934.81
Balance	-	-

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2.25) Other Administrative Expenses

PARTICULARS	Amt.Rs.in Lakh As on 31.03.2019	Amt.Rs.in Lakh As on 31.03.2018
Printing & Stationery	6.26	5.96
Books & Periodicals	0.46	0.63
Electricity & Water Charges	7.82	8.44
Advertisement & Publicity Expenses	3.62	4.52
Hiring Charges for Vehicles	141.41	110.78
Fees & Subscription	2.11	0.73
Office Expenses	14.17	12.74
Other Misc. Expenses	0.30	0.05
Postage & courier	0.89	0.88
Office Building Rent	66.48	66.02
Insurance Vehicle & Others	0.58	0.37
Penalty & Damages	0.49	0.12
Hospitality Expenses	6.46	5.34
Consultancy & Professional Charges	6.98	39.98
Meeting expenses	1.00	0.48
Telephone Exps.(140523+1004294)	11.45	11.57
Vehicle Running Expenses	9.04	5.65
Internal Audit Fee	0.54	0.53
Statutory Audit Fee	1.21	1.19
Prior period SA audit fee	-	57.50
FEE APFS AUDIT	1.85	0.29
Tax Audit Fee	1.42	-
Collection of Revenue record	0.00	0.00
Lease Line Rent BSNL	8.58	1.88
Interest Paid	0.22	10.09
TA/DA consultant	0.53	0.98
Consumable elec. Fitting	1.18	0.47
Repair & Maintenance	4.41	11.73
Repair & Maintenance Corp. Office Building	11.04	-
Guest House / Home stay rent	3.60	0.29
Other Misc exp. Computer	2.87	1.97
Office Inauguration/ Shifting Expenses	0.81	0.30
ADB Consultant Remuneration	54.17	11.93
Legal Charges Advocate	2.78	3.60
Service tax on Legal charges	-	2.12
GST on legal services	1.64	0.58
Bank charges	0.22	0.18
TA/DA ADB Consultants	0.16	0.05
Admn.& other exp. Sarabai Zone Office	6.70	1.06
Other Admn. Expenses Phojal PIU	10.27	8.90
Safety Related exp. Sarabai	0.49	-
CM Relief fund	0.10	-
Ind AS Compliance A/C Alternation fee	0.59	-
TA DA Auditors	0.98	-
Grand Total other Exp.	395.67	389.83
Out of above:		
Expenses to be Charged to Profit & Loss Account		
50% of Corp. Office Expenses Charged to Profit & Loss	-	95.47
Other Admin Expenses PIU Phojal Charged to Profit & Loss	10.27	8.90
Total (a)	10.27	104.38
Total Expenditure attributable to Construction (b)	385.40	285.46

Himachal Pradesh Power Transmission Corporation Limited

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Sr. Manager (C&M)
HPPTCL, Shimla.

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2.26) Prior Period Income and Expensiture booked during 2018-19

Particulars	Period of Exp./Income	Amt. Rs.in Lakh As on 31.3.2019
1. Prior Period Income		
O&M exp. of GIS Phojal from Kanchanjunga for 2016-17 & 2017-18	2016-17 & 2017-18	15.54
Interest on Income Tax refund for FY 2014-15 not credited earlier now credited	2014-15	29.39
Total		44.93
2. Prior Period Expenses		
Prior Period NON POC Bills from PGCIL	2017-18	554.21
Provision for Income Tax for FY 2014-15 not provided for earlier now debited	2014-15	81.94
Total		636.15
Net prior period Income and expenses adjusted during the year transferred to Profit & Loss A/c statement		(591.22)

Sd/-
(Kamlesh Sharma)
Manager (Accounts)

Sd/-
(Anil Kumar Sharma)
Dy.G.M.(Finance)

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

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

Sd/-
For Manish K Gupta & Associates
Chartered Accountants
FRN No. 016533N
CAG Regd. No. NR1225

Place: Shimla
Date: 28.09.2019

CA Ankur Mahajan
(Partner)
M.No. 520473

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 112/TT/2017

Coram:

**Shri A. K. Singhal, Member
Shri A. S. Bakshi, Member
Dr. M. K. Iyer, Member**

Date of Order: 4.5.2018

In the matter of:

Determination of Tariff for the year 2014-15, 2015-16 and 2016-17 in respect of RVPN owned transmission lines/system connecting with other States and intervening transmission lines incidental to inter-State transmission of electricity for Inclusion in the POC transmission charges in accordance with the Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations 2014 and Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulation, 2010 and its subsequent amendments.

And in the matter of:

Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRRVPNL)
Vidyut Bhawan, Jyoti Nagar,
Jaipur-302005

.....Petitioner

Vs

1. Power Grid Corporation of India Ltd.
Saudamini, Plot No.2, Sector-29,
Near IFFCO Chowk,
Gurgaon, (Haryana) - 122001.
2. Haryana Vidyut Prasaran Nigam,
Shakti Bhawan, Sector-6,
Panchkula, (Haryana) - 134109.
3. Haryana Power Purchase Center (HPPC),
2nd Floor, Shakti Bhawan, Sector-6,
Panchkula, (Haryana) - 134109.
4. M.P Power Transmission Company Ltd.
Block No.2, Shakti Bhawan, Rampur,

 Order in Petition No. 112/TT/2017

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Sr. Manager (C&M)
HPPTCL, Shimla

Jabalpur, (Madhya Pradesh) – 482008.

5. MP Power Management Co. Ltd. (MPPMCL),
Block No.11, 1st Floor, Shakti Bhawan, Rampur,
Jabalpur, (Madhya Pradesh) – 482008.
6. Delhi Transco Ltd.
Shakti Sadan, Kotla Road,
New Delhi – 110002.
7. BSES Yamuna Power Ltd.
BSES Bhawan, Nehru Place,
New Delhi.
8. BSES Rajdhani Power Ltd,
BSES Bhawan, Nehru Place,
New Delhi.
9. North Delhi Power Ltd,
Power Trading and Load Dispatch Group,
CENNET Building, Pitampura,
New Delhi – 110034.
10. UP Power Transmission Corporation Ltd,
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 2266001.
11. UP Power Corporation Ltd,
Shakti Bhawan, 14, Ashok Marg,
Lucknow – 226001

.....Respondents

For petitioner : Shri Pradeep Misra, Advocate, RRVPNL
Shri R.K Jain, RRVPNL
Shri Rajeev Jain, RRVPNL

For respondent : Shri S.S Raju, PGCIL
Shri B. Dash, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri V.P. Rastogi, PGCIL

in Northern, Eastern, Western and Southern regions to file petitions under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 for including their transmission assets in computation of Point of Connection transmission charges and losses under the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010. Some of the owners/developers of these lines had filed tariff petitions and accordingly, tariff was allowed for the period from 2011-12 to 2013-14. Further, the owners/developers of these lines were directed to file petitions for determination of tariff for the 2014-19 tariff period.

13. It is observed that the information submitted by the petitioner States for computation of transmission charges for the deemed ISTS lines are not uniform, thereby causing divergence in working out the tariff. In some cases, the data related to funding and depreciation was not available and in some cases the assets have already completed, or nearing, their useful life. In most of the petitions, the states have expressed their inability to furnish the audited capital cost of transmission lines as the lines are old. As a result, tariff workings for old assets are ending in skewed results. It is further observed that the YTC figures emerging out by the existing ARR methodology are on the higher side. Considering these facts, we have conceptualized a modified methodology for determining the tariff of the inter-State transmission lines. The methodology is broadly based on the following:-

- (a) PGCIL's Annual Report data has been used as the reference data; based on which, year wise benchmark cost has been derived.

- (b) Useful life of Transmission Line has been considered as 25 years. Thus, if life is more than or equal to 25 years as on 1.4.2014, only O & M Expenses and Interest on Working Capital (IWC) shall be allowed as per the existing Tariff Regulations, in lieu of complete tariff.
- (c) It is expected that the States do have the audited financial data of recently commissioned (i.e. on or after 1.4.2014) lines.

Tariff Methodology

14. As per the petitions filed by the states, their ISTS lines generally have the configuration of 132 kV, 220 kV or 400 kV. In the absence of an established tariff data base, in order to develop this methodology Annual Reports of PGCIL from 1989-90 to 2013-14 have been referred to. The Annual Reports depict, inter alia, the information pertaining to year wise total length of transmission lines in ckt-km and corresponding Gross Block. This pan-India data represents all the five transmission regions and is a composite mix of parameters like terrains, wind-zones, tower and conductor type etc. +/- 500 kV HVDC and 765 kV and above voltage level AC lines too have come up in between and the data also includes those lines. Voltage level-wise data as on 30th April 2017, obtained from PGCIL indicates that the percentage of 220 kV, 132 kV and 66 kV Transmission Line taken together makes it around 8.3 % of the total line length owned by PGCIL. Further, 132 kV Transmission Lines were established in NER prior to 1990, and Transmission Lines of 220 kV voltage levels were last commissioned in around the year 2004 in NR. Majority of the transmission lines consist of 400 kV which corresponds to 66% of the total transmission line lengths. Thus, the 400 kV and lesser voltage levels account for approximately 75% of the transmission lines. Assuming the above referred

spread of voltage wise percentages for earlier years too, it can be said that the year wise average Transmission Line cost figures derived from PGCIL data, when further reduced by 25%, fairly represent the average transmission line capital cost corresponding to a 400 kV S/C line. Considering 400 kV S/C transmission line cost as reference cost, analysis of PGCIL's indicative cost data (P/L Feb 2017) suggests the following:-

	Reference cost of 400 kV S/C TL	₹ X lakh/km
1	400 kV D/C TL	1.39 X
2	220 kV D/C TL	0.57 X
3	220 kV S/C TL	0.36 X
4	132 kV D/C TL	0.43 X
5	132 kV S/C TL	0.31 X

15. Therefore, for arriving at the costs of transmission lines of other voltage levels and circuit configurations, the average transmission line cost data shall be multiplied by the factors illustrated in the above table. Lower voltage levels can be treated as part of 132 kV. The above table contemplates *Twin Moose* conductor which is widely used in State transmission lines.

16. Based on respective year end data, average transmission line length during the year has been worked out. Difference between a particular year's average transmission line length figures and that for the immediate preceding year provides us the transmission line length added during that year. Average gross block corresponding to transmission lines has been divided by the average transmission line length to arrive at the Average Cost of transmission line (in ₹ lakh per ckt-km) during the year. Thus, considering the year of COD of a State's ISTS line and its ckt-km, its cost would be worked out by relating it to PGCIL's transmission line cost during that year. Although the

Commission has relied on PGCIL's Annual Reports, there are certain deviations in the cost data worked out. The year 1989-90 was the year of incorporation for PGCIL, and the transmission assets of NTPC, NHPC, NEEPCO etc were taken over by PGCIL by mid 1991-92. Thus, as the base data for these years was not available, the corresponding average cost of transmission line could not be worked out. The average cost from 1992-93 onwards up to 2013-14 shows an increasing trend at a CAGR of 5.17%. Therefore, for the years 1989-90, 1990-91 and 1991-92, the average cost of transmission line has been back derived considering the 1992-93 average cost. Similarly, abnormal dip/spikes in the transmission line cost for the years 1996-97, 2001-02 and 2004-05 has been corrected by considering the average values of the transmission line costs in the immediate preceding and succeeding years.

17. While calculating tariff, the following has been considered:-

- (i) Useful life of the transmission line shall be deemed to be 25 years.
- (ii) Prevailing depreciation rates as per the 2014 Tariff Regulations shall be considered uniformly for all the previous tariff periods so as to do away with the Advance Against Depreciation which was in vogue during earlier tariff periods. Notwithstanding the depreciation considered as recovered earlier, for the purpose of these tariff calculations, remaining depreciable value shall be spread over the remaining useful life of the transmission line, where the elapsed life is more than or equal to 12 years.
- (iii) Normative Debt-Equity ratio shall be 70:30.
- (iv) Normative loan repayment during a year shall be deemed to be equal to the depreciation allowed for that year.

- (v) Rate of Interest on normative loan shall be the weighted average rate of interest as derived on the basis of PGCIL's Balance Sheet.
- (vi) In order to avoid complexity, grossing up of rate of Return on Equity with tax rate is being dispensed with.
- (vii) Bank rate as defined in 2014 Tariff Regulations, 2014 as on 1.4.2014 shall be applied for calculating the rate of interest on working capital on normative basis.
- (viii) O & M Expenses as per the 2014 Tariff Regulations shall be considered.
- (ix) Where the life of transmission line is more than or equal to 25 years as on 1.4.2014, only O & M Expenses and IWC shall be allowed in lieu of complete tariff.

18. Thus, in effect, this is a normative tariff working methodology which shall be applied in those cases where the audited capital cost information is not available. In the instant case, RRVPNL has not provided the audited capital cost certificates. In line with the methodology explained in foregoing paragraphs, we now proceed to determine the tariff for instant transmission lines.

19. Assets-2, 3 and 5 to 13 have already completed twenty five years. Therefore, as per the above methodology, only IWC and O & M components of tariff shall be allowable for these assets. For Assets-1 and 4 all the components of tariff have been worked out. For Assets-14, 15, 16, 17 and 20, YTC is worked out only for the year 2016-17.

**Order on Transmission Tariff
for
Power Transmission Corporation of
Uttaranchal Ltd.
for
2006-07**

12th July 2006

UTTARANCHAL ELECTRICITY REGULATORY COMMISSION
80, Vasant Vihar, Phase-I, Dehradun - 248006

True copy

Sr. Manager (C&M)
HPPTCL, Shimla-5

Table 5.4: GFA including Additional Capitalization (Rs. Crore)

Particulars	2004-05	2005-06
1. Opening value	140.09	144.71
2. Additions in the year		
(i) REC old Scheme	2.69	13.60
(ii) NABARD Scheme	0.00	11.83
(iii) REC new Scheme	0.00	0.00
(iv) ADB Scheme	0.00	0.00
(v) Other Schemes	0.00	0.00
Grants etc.	1.42	0.00
SIDCUL Deposit Works	0.00	0.00
Civil Works	0.00	0.00
Other than schemes	0.54	0.00
Total Additions during the year	4.65	25.43
3. Less: Deletions during the year	0.03	0.00
4. Closing value	144.71	170.13

Thus, the opening value of Petitioner's GFA for the year 2006-07 works out to Rs. 170.13 Crore against Rs. 293.68 Crore claimed in the Petition.

5.2.3 Financing of Capital Assets

Regulation 15(5) on financing of projects, stipulates that:

"(5) (a) In case of all projects, debt-equity ratio as on the date of commercial operation shall be 70:30 for determination of tariff. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as the normative loan.

Provided that in case of the projects where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of tariff.

(b) The debt and equity amounts arrived at in accordance with clause (a) shall be used for calculating interest on loan, return on equity, Advance Against Depreciation and Foreign Exchange Rate Variation."

The value of capital cost, which is to be considered for calculating depreciation, is defined in Regulation 18(1)(a) as follows:

"The value base for the purpose of depreciation shall be the historical cost, excluding capital subsidy/grant, of the asset capitalized."

Thus, for ascertaining the permissible levels of capital related expenses, financing of these assets through loans, equity or grants is required. The opening balance sheet of PTCUL, given in the Transfer Scheme, shows long term liabilities of Rs. 27.89 Crore under REC loan and another Rs. 23.99 Crore towards GPF liability and shows no equity financing. The REC loan was received at the end of 2002-03 and capitalization of some works done under it for Rs. 18.78 Crore, i.e. Rs. 1.22 Crore for works capitalized during 2002-03 and Rs. 17.56 Crore for works capitalized during 2003-04, has been admitted above. Hence, only assets worth Rs. 18.78 Crore financed through loan taken from REC were transferred to the Petitioner. The GPF liability which is a part of the UPCL's claimed liability, has been examined in considerable details and disallowed in the Commission's Orders dated 08.09.2003, 08.12.2003 and again in the Order dated 25.04.2005. There is no reason for the Commission to go into this question again here.

For capitalizations claimed in 2004-05 and 2005-06, the Petitioner was required to furnish the details of their financing, segregating grants, loans and equity used in these assets. However, the Petitioner has not furnished this. The Commission is therefore considering the financing of the capitalized assets only as per the plan stipulated by the concerned financial institution in its sanction. Assets financed through internal resources have been assumed to be financed with 30% equity and balance 70% through normative loan in terms of Regulation 15(5) with 10 years tenure and interest at the rate of weighted average for other long term loans. This position is summarized below:

Table 5.5: Financing of additional capitalization

Scheme	Grants/Contributions	Loan	Equity	Total
REC Old Scheme	-	100%	-	100%
NABARD Scheme	-	78%	22%	100%
Internal resources	-	70% (normative)	30%	100%

Based on the above, financing of assets existing on 31.03.06 is given in the Table below:

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Table 5.6: Financing of assets (Rs. Crore)

Particulars	2004-05				2005-06			
	Grant	Loan	Equity	Total	Grant	Loan	Equity	Total
1. Opening value	121.31	18.78	0.00	140.09	122.69	21.85	0.16	144.71
2. Additions in								
(i) REC old Scheme		2.69	0.00	2.69		13.60	0.00	13.60
(ii) NABARD Scheme				0.00		8.96	2.87	11.83
(iii) REC new Scheme								
(iv) ADB Scheme								
(v) Other Schemes								
Grants etc.	1.42	-	-	1.42				
SIDCUL Deposit Works								
Civil Works								
Other than schemes	0.00	0.38	0.16	0.54				0.00
(vi) Total Additions during the year	1.42	3.07	0.16	4.65	0.00	22.56	2.87	25.43
3. Less: Deductions	-0.03			-0.03				0.00
4. Closing value	122.69	21.85	0.16	144.71	122.69	44.41	3.03	170.13

Capital related costs have, therefore, been calculated hereafter based on the above values.

5.2.4 Interest on Loans

In the previous Tariff Order, pending finalization of division of assets and liabilities between UPCL and PTCUL, the Commission had permitted an interest of Rs. 12.09 Crore relating to transmission assets still serviced by UPCL. This was only an interim arrangement. PTCUL has now requested that interest on transmission related loans be provided for in its ARR instead of UPCL. The Commission is accepting PTCUL's request subject to the condition that any difference in amounts considered in this Order and those appearing in the audited accounts shall be adjusted/corrected in future.

The Petitioner had claimed interest of Rs. 23.42 Crore on outstanding loans, out of which Rs. 13.76 Crore was transferred to CWIP, and balance Rs. 9.66 Crore has been claimed in tariff. This claimed amount includes interest on loans under REC (new) scheme. It is found that the Petitioner has not obtained Commission's approval to the investments proposed to be made under this scheme. In absence of prior scrutiny and approval, the Commission does not recognize investments proposed to be made under this scheme. Accordingly, interest claims pertaining to this particular loan have been disallowed.

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Coram:

1. Shri S.L. Rao, Chairman
2. Shri D.P. Sinha, Member
3. Shri G.S. Rajamani, Member
4. Shri A.R. Ramanathan, Member

In the matter of

Petition No.4/2000

Operational norms for thermal generation

Petition No.31/2000

In the matter of

Financial norms for rate of depreciation

Petition No.32/2000

In the matter of

Financial norms for cost of capital

Petition No.34/2000

In the matter of

Surcharge on hydro generation

Petition No.85/2000

In the matter of

O&M cost norms for hydro power stations

Petition No.86/2000

In the matter of

O&M cost norms for inter-State transmission

Petition No.88/2000

In the matter of

O&M cost norms for thermal stations.

The details of the representatives of the parties who attended the hearings in above-noted petitions are contained in Annexure-A attached

Tariff Order

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Sr. Manager (C&M)
HPPTCL, Shimla

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

5. Shri S.L. Rao, Chairman
6. Shri D.P. Sinha, Member
7. Shri G.S. Rajamani, Member
8. Shri A.R. Ramanathan, Member

In the matter of

Petition No.4/2009

Operational norms for thermal generation

The following were present :-

1. Shri V.S. Verma, Chief Engineer, CEA
2. Shri Suresh Chander, Director, CEA
3. Shri A.K. Gupta, Director, CEA
4. Shri Sanjay Sharma, Dy. Director, CEA
5. Shri R.K. Sethi, Dy. Director, CEA
6. Shri S.K. Kassi, Asstt. Director, CEA
7. Dr. I.M.N. Soti, Chief Engineer, HPGCL,
8. Shri Sajit Singh, Dy. Director, PSEB
9. Shri A.K. Mathur, CGM, UPRVUNL
10. Shri R. Suresh, CE(Comm), NLC Ltd.
11. Shri M. Subramanian, DS/Plg, NLC
12. Shri B.N. Qjha, Director (Operation), NTPC
13. Shri S.L. Bajaj, Director, NTPC
14. Shri M.S. Chawla, DGM, NTPC
15. Shri S.N. Goel, DGM (Comm), NTPC
16. Shri K.C. Mondol, Sr. Mgr (Comm), NTPC
17. Shri Manoj Saxena, Sr. Mgr., NTPC
18. Shri T.R. Sonal, NTPC
19. Shri M.G. Ramachandran, Advocate, NTPC
20. Shri A.K. Das, GM, Power Grid
21. Shri Bhana Bhushan, Director (Operation), Power Grid
22. Shri K. Venkateshwar Rao, RE, KPCL
23. Shri V.K. Gupta, SE (ISP), RVPN

Petition No. 11/2009

In the matter of

Financial norms for rate of depreciation

The following were present :-

1. Shri Suresh, AGM, ICRA
2. Shri Deepak, Sr. Analyst, ICRA
3. Shri S.C. Mehta, EE, RSEB
4. Shri R.K. Sharma, ED (Comm), NHPC
5. Shri P. Kaul, SM (E), NHPC
6. Shri S.K. Aggarwal, GM (Comm), NHPC
7. Shri H.L. Bajaj, Dir. (Comm), NTPC
8. Shri Shyam Wachera, GM (Comm), NTPC
9. Shri M.S. Chawla, DGM (Comm), NTPC
10. Shri R. Suresh, CE (Comm), NLC
11. Shri S. Misra, AGM, GRIDCO
12. Shri P.T. Yohannan, CE, KSEB
13. Shri B. Ravindran, OSD, KSEB

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Sr. Manager (C&M)
HPPTCL, Shimla-5

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14. Shri G.C. Jain, EE, UPPCL
15. Shri B.K. Saxena, Sr. AE, UPPCL
16. Shri T.C. Sharma, DY FA, PSEB
17. Shri R.K. Arora, XEN, HVPN
18. Shri Bhonu Bhushan, Dir (O), PGCIL
19. Shri J. Sridharan, ED (F), PGCIL
20. Shri M.D. Ravi, AO, KPTCL
21. Shri S.K. Anantha, AO, KPTCL

In the matter of

Petition No. 32/2000

Financial norms for cost of capital

The following were present:

1. Shri Manish Aggarwal, Head (Energy), CRISIL
2. Shri Amit Kumar, CRISIL
3. Shri S.C. Mehta, EE, RSCB
4. Shri R.K. Sharma, ED (Comm.), NHPC
5. Shri P. Kaul, SM (E), NHPC
6. Shri S.K. Aggarwal, GM (Comm), NHPC
7. Shri H.L. Bajaj, Dir. (Comm), NTPC
8. Shri Shyam Wadhwa, GM (Comm.), NTPC
9. Shri M.S. Chawla, DGM (Comm), NTPC
10. Shri R. Suresh, CE (Comm.), NLC
11. Shri S. Misra, AGM, GRIDCO
12. Shri P.T. Yohannan, CE, KSEB
13. Shri B. Ravindran, OSD, KSEB
14. Shri G.C. Jain, EE, UPPCL
15. Shri B.K. Saxena, Sr. AE, UPPCL
16. Shri T.C. Sharma, DY FA, PSEB
17. Shri R.K. Arora, XEN, HVPN
18. Shri Bhonu Bhushan, Dir (O), PGCIL
19. Shri J. Sridharan, ED (F), PGCIL
20. Shri M.D. Ravi, AO, KPTCL
21. Shri S.K. Anantha, AO, KPTCL

In the matter of

Petition No. 34/2000

Surcharge on hydro generation

The following were present:

1. Shri Ajit Pudussery, Advocate, NHPC
2. Shri R.K. Sharma, ED (Comm.), NHPC
3. Shri S.K. Agarwal, CE (T), NHPC

In the matter of

Petition No. 85/2000

O&M cost norms for hydro power stations

The following were present:

1. Shri Ajit Pudussery, Advocate, NHPC
2. Shri R.K. Sharma, Director (Tech), NHPC
3. Shri V.K. Kanjha, ED (Comm), NHPC
4. Shri Nam Singh, CE (O&M), NHPC
5. Shri S.K. Agarwal, CE (T), NHPC
6. Shri Ranjan Mitra, SM (E), NHPC
7. Shri P. Kaul, SM (E), NHPC

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Sr. Manager (C&M)
HPPTCL, Shimla-5

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extent not already included in the tariff which is decided up front. The methodology can be put in position so that actual quantification could be done and charged to beneficiaries without seeking formal approval once again.

6.3 Methodology

6.3.1 Regarding the methodology for escalation, in case of debt, we find two different practices in NHPC and NTPC. In the former case, the entire burden of rate variation falls at the time of repayment of the loan; whereas in the latter case a revaluation on each balance sheet date is done thereby correspondingly increasing the value of the fixed asset so that consequent return, interest and depreciation are charged to tariff. Charging the return variation at the time of repayment is more harmful particularly, if there are bullet repayments or there is a progressive devaluation of the Rupee. Such a practice gives a big tariff jolt. Hence the practice adopted by NTPC which is also in accordance with the Accounting Standards of the Institute of Chartered Accountants of India (AS-11) is advisable and should be adopted. The present practice is to charge depreciation on the additional capitalisation and also charge interest and ROE on the normative basis of debt/equity mix of 50:50. The variation to be charged for the 1st year is 50% of the number as it is reckoned at the end of the year. This treatment avoids tariff shocks and is commendable. The ultimate impact on tariff should be to the extent of return on equity, interest on loan and depreciation as if the increase in asset is an additional investment. **In order to ensure uniformity all utilities shall follow this practice in future. We are conscious that change over to this method in case of NHPC may create a liquidity problem as suitable source of finance has to be found for the actual repayment. However, since 50 % of the escalation is treated as equity, there is a leverage provided to the utility which should incentivise NHPC to change over to the new system. We understand that NHPC was adopting the system of annual revision but switched over to the system of charging at the time of repayment since 1997-98. As already stated**

this system is not advisable as it gives a tariff jolt to the beneficiaries and is also not in accordance with the accounting standard.

The methodology suggested above is also tax neutral. Any adjustment in tariff on account of interest on the additional loan amount and on account of depreciation would get allowed for taxation purposes, thereby leaving only the return to get taxed which in any case has to be borne by the beneficiaries. In the methodology followed by NHPC the tax neutrality is doubtful.

Any exchange rate variation on non-project financing or on account of normal purchases may have to be absorbed through the allowed O&M Cost and Return and can not be additionally passed on to the beneficiaries. Presently such a practice has not come to our notice either. As regards exchange risk on interest payment the variation has to be recognised at the time of payment of interest, which can not be helped. However, the same can be spread over subsequent year's billing, though payment of interest on half yearly basis may be the normal practice. The variation on account of interest of previous year shall be chargeable next year. The variations in principal and interest should be limited to the extent of permissible loans only. This shall be communicated before the commencement of each financial year, duly authenticated.

As regards exchange rate variation on equity in case of floatation of equity, it cannot be a charge on the tariff. However, any rate variation on project financing in foreign currency should ensure the dollar/Foreign Currency return as per the agreement and to the extent of the permissible equity. Hence any exchange rate variation to the extent of the dividend paid out on permissible equity contributed in foreign currency subject to the ceiling of permissible return has

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Sr. Manager (C&M)
HPPTCL, Shimla-5

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to have an element of exchange rate risk which has to be built into the tariff. This as and when paid may be spread over the 12 month period in arrears. This is at present is irrelevant in case of CSUs. Any joint venture however may attract this treatment if the case falls under cost based tariff fixation. In the final analysis exchange rate variation both on loan (including interest) and dividend shall be allowed subject to the normative debt/equity on pro rata basis. This is in line with the Government of India Notification as well.

6.5 Procedural Simplification

In our consultation paper we raised the issue of how can costly and time consuming procedures can be avoided on escalations of tariff. Presently petitions are being filed every time exchange rate variations are claimed. This can be clearly avoided. Once the principles for escalations are settled, the utilities have to get their data verified by the Auditors of the company both on account of repayment and interest and forward the same to the beneficiaries annually for information and continue to charge the tariff accordingly. It is unnecessary to file separate petitions in this regard. This procedure will facilitate beneficiaries in including the same in their annual revenue requirements. If beneficiaries have any objection to the charge they may file a petition before the Commission.

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