



H. P. POWER TRANSMISSION CORPORATION LIMITED
(A State Government Undertaking)
BAROWALIA HOUSE, KHALINI, SHIMLA – 171002

DIRECTORS' REPORT 2011

Dear Members,

Your Directors are pleased to present the Third Annual Report of the Company for the year ended March 31, 2011 along with the Annual Accounts, Report of Auditors and Comments of the Comptroller and Auditor General of India.

1. GENESIS

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

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

2. MISSION, OBJECTIVES AND FUNCTIONS :

(a) Mission :

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

(b) Objectives :

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

- (ii) Efficient operation and maintenance of transmission system and aspiring for minimum down time.
- (iii) Completion of Transmission system planning to ensure principles of reliability, security and economy matched with rising and desirable expectation of cleaner, safer, healthier environment to people, both affected and benefited by its activities.
- (iv) Discharging all functions of Planning and Coordination relating to Intra-State Transmission System with :- (a) Central Transmission Utility (b) Central Electricity Authority (c) Central Government (d) State Government (e) Distribution Corporation (HPSEB Ltd.) (f) HPPCL (g) Independent Power Producers (h) Central Power Sector Utilities (i) any other person notified by State Government in this behalf.

(c) Functions :

- (i) Construction of all new sub-stations of 66 kV and above.
- (ii) Construction / laying of all new transmission lines of 66 kV and above.
- (iii) Formulation, Updation and Execution of Transmission Master Plan for the State for strengthening of Transmission net work and evacuation of power including new works under schemes already submitted by the HPSEB Ltd. under this plan, to financial institutions for funding and where loan agreement have not yet been signed.
- (iv) Planning and Co-ordination with the IPPs/CPSUs/State PSUs and other departments or Organizations or Agencies of Central Govt. and State Govt., HPSEB L and HPPCL with regard to all transmission issues.
- (v) Any other matter or subject that the State Govt. may specifically assign to the Corporation from time to time.
- (vi) To provide non- discriminatory Open Access to its Transmission System for use by:-
 - (a) any Licensee or Generating Company on payment of the Transmission Charges; or
 - (b) any Consumer as and when such Open Access is provided by the State Commission under Sub-Section (2) of Section 42 on payment.

3. WORKS :

- a) Awards for i) Construction of 220 kV Transmission Line from Palchan- AD Hydro Switchyard (Manali), ii) Construction of 220 /33 kV, 25/31.5 MVA GIS sub-station at Palchan, iii) 33/330 kV, 1x50/63 MVA GIS pooling station at Karian (Chamba) and iv) 220 kV S/C line on D/C towers from Karian to PGCIL Pooling Stations near Chamera-II HEP - on TURN KEY basis have been awarded.

- b) ADB Loan approval for \$ 350 million under multi- tranche financing arrangement has been received. Loan agreement for Tranche-I projects is expected to be signed during second week of December, 2011.
- c) Bids evaluation of 22/66/220 kV (1x31.5 MVA) pooling GIS Sub-Station at Bhoktoo with LILO of 220 kV Kashang – Bhaba line has been approved by ADB and the award shall be placed after approval of BOD.
- d) Tenders for 220kV D/C Transmission line(Twin Moose) for Hatkoti to proposed 220/400 kV Sub-Station Pragatinagar and 220/400 kV, 1x315 MVA GIS Sub -Station Pragatinagar have been floated and Bids likely to be opened in first week of December,2011.
- e) Tender specification for 66/220/400 KV GIS P.S at Wangtoo are under preparation.
- f) As on 30.11.2011 the Corporation has spent a sum of Rs.29.78 Crore on Works, Contingencies and Administration.

4. ENVIRONMENT :

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

5. HUMAN RESOURCES :

The total approved posts of the Corporation are 146 and as on today 102 employees apart from 2 Whole Time Functional Directors are on the rolls. Most of the strength is on secondment basis from HPSEBL.

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

6. DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors' confirm that in the preparation of annual accounts for the year ended March 31, 2011:

- The applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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

7. AUDITORS' REPORT

M/S Chander Sareen & Associates, Highland Estate, Near Railway Station, Shoghi, Shimla were appointed as the Statutory Auditors of the Company for the financial year ended 31st March, 2011 on 05.08.2010 by the Comptroller & Auditor General of India. The auditors have audited the accounts and submitted their report on 23rd September, 2011, which is annexed to accounts.

8. BOARD OF DIRECTORS

Since the date of last AGM of the Company, the following is the position of the Directors, who are the Sr. officers of the State Government/Company :

Sr No	Name	NATI ONA LITY	USUAL ADDRESS	DATE OF BIRTH	DATE OF APPOINTM ENT	DATE OF CESSATION (IF ANY)
1.	Mrs. Rajwant Sandhu, IAS	Indian	Set no-14, Type-VI , Mehli, Near Kasumpti, Shimla, 171009, Himachal Pradesh	18.03.52	01.08.2010	In position as Chairperson
2	Sh. Jagdish Chander Sharma, IAS	Indian	Type-V, Set No. 18, GAD Colony,, Kasumpti, Shimla- 171009, Shimla, 171009, Himachal Pradesh, INDIA	27.01.62	24.08.2011	In position as Managing Director
3	Dr. Shrikant Baldi, IAS	Indian	Old Brock Hourst No. 1,, Chotta Shimla, Shimla, 171002, Himachal Pradesh, INDIA	12.12.59	25.07.2011	In position as Nominee Director
4.	Sh. Deepak Sanan, IAS	Indian	House No 10 Type V, Kasumpti, Shimla, 171009, Himachal Pradesh, INDIA	02.01.57	24.12.2009	In position as Nominee Director
5.	Sh. Ajay Mittal, IAS	Indian	Type-VI, Set/House No.5,, Govt. Colony Kasumpti, Shimla, 171009, Himachal Pradesh, INDIA	24.02.58	25.03.2011	In position as Nominee Director

6.	Sh. Sanjay Murthy Kondru, IAS	Indian	Set No-12, Type-V, Govt. Accommodation, Kasumpti, Kasumpti, Shimla, Kasumpti Bazar, Shimla, 171009, Himachal Pradesh, INDIA	24.12.64	16.05.2011	In position as Nominee Director
7.	Sh. Hari Singh Beshtoo	Indian	33/11 KV SUB/STN, Type-IV Qtrs, Above HPSEB Control Room Building, Keleston, Shimla-171001, Himachal Pradesh	08.04.52	29.01.2010	In position as Whole- time-Director
8.	Sh. Vijay Kumar Kaprate	Indian	Navjyoti, North OAK, Sanjauli, District- Shimla-171006, Himachal Pradesh, INDIA	19.07.53	29.01.2010	In position as Whole- time-Director
9.	Sh. Tarun Kapoor, IAS	Indian	West View, Kelston Estate, Shimla-171001	23.11.61	27.08.2008 as Director and as Managing Director w.e.f 14.12.2009	Ceased as Managing Director w.e.f. 16.05.2011
10.	Sh. Ajay Tyagi, IAS	Indian	D-1/62, Bharti Nagar, New Delhi, 110003, INDIA	10.12.58	10.09.2009	Ceased as Nominee Director w.e.f. 25.07.2011
11.	Sh. Subhash Chander Negi, IAS	Indian	Type-VI, Set no.-1, Kasumpti, Shimla-171009	22.09.50	29.05.2009	Ceased as Director w.e.f. 31.01.2011
12.	Sh. Sushil Kumar Bhim Sen Negi, IAS	Indian	Abey File Cottage, Lakkur Bazar, Shimla, 171001, Himachal Pradesh, INDIA	11.09.56	24.12.2009	Ceased as Nominee Director w.e.f. 17.03.2011
13.	Sh. Bhim Sen, IAS	Indian	Burj House, Ambedkar Chowk, Shimla-171004	27.09.52	03.11.2008	Ceased as Director w.e.f. 23.03.2011

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

9. AUDIT COMMITTEE

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

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

10. SHARE CAPITAL

The Authorized Share Capital of the Company as on today is Rs.50 (Rs. Fifty Crore only). The issued subscribed & paid up capital of the Company is Rs.48.71 Crore.

11. ACCOUNTS

The pre- operative expenditure statement for the period ended 31st March, 2011 and Balance Sheet as on that date has been prepared and is annexed.

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

a) Conservation of Energy

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

b) Foreign Exchange Earning and Out-Go

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

c) Technology Absorption

This information is Nil.

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

The information under Section 217(2A) of the Companies Act, 1956 for the year ending 31st March, 2011 is nil.

14. CORPORATE GOVERNANCE

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

Board of Directors

1.1 Size of the Board

HPPTCL is a Government Company within the meaning of Section 617 of the Companies Act, 1956. The entire shareholding is owned by the Government of Himachal Pradesh. As per Articles of Association, the power to appoint Directors vests in the Government of H.P. The Strength of the Board shall not be less than 3 and not more than 10. These numbers include all whole-time and part-time Directors.

1.2 Composition & Tenure of the Board

As on 31st March, 2011, the Board comprised of 7 (Seven) members, consisting of one Managing Director and other part-time Directors representing Government of H.P.

1.3 Board Meetings

The Board Meetings are held normally at Shimla to facilitate full participation by the Directors. From the incorporation of the Company, 12 Board Meetings were held and almost all the Directors have attended these meetings.

1.4 Applicability of Section 274 (1)(g)

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

15. INTERNAL CONTROL SYSTEMS:

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

16. OTHERS

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

17. ACKNOWLEDGEMENTS

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

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

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

Thanking you

For and on behalf of Board of Directors

Place: Shimla
Date:

JAGDISH CHANDER SHARMA, IAS
MANAGING DIRECTOR

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

**Notice of Second Annual General Meeting of the
HPPTC LTD.**

(Barowalia House, Khalini, Shimla (H.P.))

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

ORDINARY BUSINESS:

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

Place: Shimla
Dated: 09.02.2011

By order of the Board of Directors

Tarun Kapoor, IAS
Managing Director

Note:

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

