

17th Annual Report 2015-16



Karnataka Power Transmission Corporation Limited

CIN : U40109KA1999SGC025521

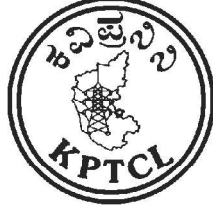


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BOARD OF DIRECTORS

List of Directors (As on the date of AGM)

Sl. No.	Name	Designation
1.	Sri. D.K. Shivakumar	Chairman, KPTCL
2.	Sri. Jawaid Akhtar I.A.S.	Managing Director
3.	Sri. P. Ravikumar I.A.S.	Independent Director
4.	Sri. I.S.N. Prasad, I.A.S.	Independent Director
5.	Sri. G. Kumar Naik, I.A.S.	Independent Director
6.	Sri. L.K. Atheeq, I.A.S.	Independent Director
7.	Smt. Khushboo Goel Chowdhary, I.A.S.	Independent Director
8.	Sri. T.H.M. Kumar, I.A.S.	Independent Director
9.	Dr. Aditi Raja	Director (Finance)
10.	Sri. S. Sumanth	Director (Transmission)
11.	Sri. R. Sridhara	Director & Company Secretary
12.	Sri. M. Ramakrishna	Director (Admn. & HR)
13.	Sri. M. Nagaraju	Director
14.	Sri. A.N. Jayaraj	Director
15.	Sri. Srinivas M.N.	Independent Director
16.	Sri. A.M. Mahadeva Prasad	Independent Director
17.	Sri. Deepak Rajaram Hegde	Director
18.	Sri. B.V. Munegowda	Director
19.	Sri. K.P. Sampath Kumar	Director
20.	Sri. Shivashankara Somalingappa Malagali	Director
21.	Sri. Mazhar Alam Khan	Director
22.	Sri. N. Jyothi Prakash	Director
23.	Sri. S.J. Jayaramgowda	Director
24.	Sri. Anand Prasad. S	Director

STATUTORY AUDITORS

M/s. MANIAN & RAO,
Chartered Accountants, Bengaluru

COST AUDITORS

M/s. N.S. & Associates,
Cost Accountants, Bengaluru

SECRETARIAL AUDITORS

M/s. K. Narayana Swamy & Co.,
Company Secretaries, Bengaluru



DIRECTORS' REPORT

Dear Members,

Board of Directors of Karnataka Power Transmission Corporation Limited (KPTCL) have immense pleasure in presenting the 17th Annual Report and the Audited financial statements of the Company for the year ended 31st March 2016.

FINANCIAL POSITION:

The Financial position of the Company for the three years ending 31st March 2016 is as follows: (Rs. in Lakhs)

Particulars		2013-14	2014-15	2015-16
Liabilities				
a)	Paid-up capital (including Share deposit)	200000.00	209532.25	218232.25
b)	Reserves & Surplus	35128.80	42045.48	58492.16
c)	Borrowings			
	Government of Karnataka	475.26	415.85	356.44
	Public Bonds	0	0	
	Private Bonds	0	0	
	Financial Institutions & Banks Cash Credit from Banks Other Funds	451095.47	440136.63	420264.31
d)	Other long term, Other Current Liabilities, Short term, Long term Provisions & other liabilities (Including interest accrued & due)	537275.24	557735.72	640192.23
	Total	1223974.77	1249865.93	1337537.39
Assets				
e)	Gross Block	1217164.20	1312273.92	1404789.76
f)	Less: Depreciation	418722.81	475966.79	536631.87
g)	Net Block	798441.39	836307.13	868157.89
h)	Capital Work in Progress	133074.83	114905.32	142187.67
i)	Other Current, Non-Current Assets, Short term, Long term Loans & Advances, Trade Receivables & Cash equivalents	292458.55	298653.48	327191.83
j)	Miscellaneous Expenditure			
	Total	1223974.77	1249865.93	1337537.39
	Capital Employed	647914.10	667858.06	657226.79
	Net Worth	235109.44	251568.93	276724.41

Note:

- 1) Capital Employed represents net fixed assets including capital work-in-progress plus working capital.
- 2) Net worth represents paid up capital plus reserves & surplus less intangible assets.



WORKING RESULTS:

The working results of the Company for the three years ending 31st March 2016 are as follows:

(Rs. in Lakhs)

		2013-14	2014-15	2015-16
i)	Profit (+) / Loss (-) for the year	6428.28	15603.36	25898.90
ii)	Prior Period Adjustments	-2811.28	-5500.43	-2945.67
iii)	Profit (+) / Loss (-) before Tax	3617.00	10102.93	22953.23
iv)	Tax Provision	758.14	2186.26	5141.80
v)	Profit (+) / Loss (-) after Tax	2858.86	7916.68	17811.43
vi)	Percentage of Profit before tax to:			
	a) Sales	1.56	4.34	8.32
	b) Gross Fixed Assets	0.30	0.77	1.63
	c) Capital Employed	0.56	1.51	3.49
vii)	Percentage of Profit after tax to:			
	a) Net worth	1.22	3.15	6.44
	b) Equity Capital	1.43	3.78	8.16
	c) Capital Employed	0.44	1.15	2.71

EQUITY :

Rs. in crores

Particulars	As at 31.03.2015	As at 31.03.2016
Equity Share Capital	2075.32	2075.32
Debt	4968.78	4825.53
Debt Equity Ratio	2.39 : 1	2.33 : 1

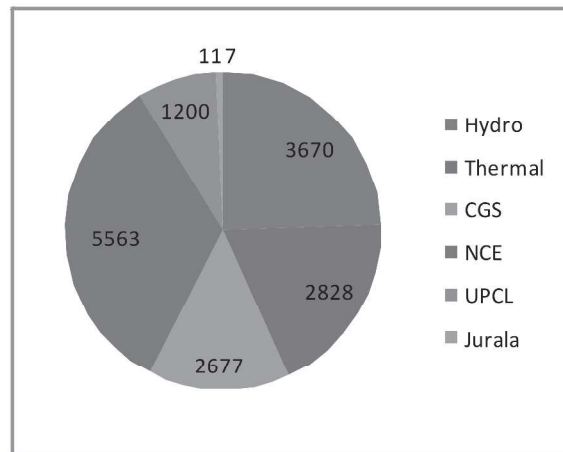
ENERGY DETAILS DURING LAST THREE YEARS :

Year	2013-14	2014-15	2015-16
Energy handles in MUs	59024.316	62034.730	64227
Maximum Energy recorded /Day in Mus	204.113	211.790	213.88
Maximum Peak recorded in MWs	9223	9549	9508



SOURCE WISE INSTALLED GENERATION CAPACITY AS ON 31-03-2016:

Source	Installed Generation Capacity in MW
Hydro	3670
Thermal	2828
CGS	2677
NCE	5563
UPCL	1200
Jurala	117
Total	16055



KPTCL STATIONS & TRANSMISSION LINES AS ON 31.03.2016:

Voltage Class	Number of Stations	Length of Transmission Line/UG Cable in Ckms
400 kV	4+10*	2683
220 kV	97	10948
110kV	385	10180
66kV	602	10425
Total	1088	34236

10 Nos. of 400 KV S/s are maintained by PGCIL

Transmission Loss - 3.535% (FY 15-16)
(From KPTCL boundary point to IF point of ESCOMs i.e. excluding SR loss)



ESCOM WISE INSTALLED TRANSMISSION CAPACITY- 2015-16 (220KV SUB-STATIONS) :

Company	Number of Sub-Stations	Transformers Capacity in MVA	Transmission Capacity in MWs
BESCOM	41	10145	8623
MESCOM	8	1900	1615
CESC	12	2650	2252
GESCOM	14	2500	2125
HESCOM	22	4705	4000
TOTAL	97	21900	18615

- Note:
1. Transmission capacity in MVA is arrived based on installed Transformer capacity at 220kV Sub- Stations.
 2. Transmission capacity in MW is arrived by multiplying power factor (0.85) to Transformer capacity in MVA.

ENERGY & DEMAND FORECAST:

Energy and Demand Forecast as per 18th EPS for the State of Karnataka is as follows :

Year	Engery in MUs	Demand in MWs
2016.17	78637	13010
2017-18	83917	13964
2018-19	89285	14945
2019-20	95059	16005
2020-21	101309	17159
2021-22	108012	18403

As per the PRDCL study report, the projected energy requirement and the peak demand for Six years is summarized as follows :

Year	Energy Requirement in MU	Peak Demand in MW
FY 17	75238	13214
FY 18	80903	14208
FY 19	87040	15286
FY 20	93685	17453
FY 21	100941	17728
FY 22	108833	19114

NEW INITIATIVES:

1. USAGE OF MULTI CIRCUIT MONOPOLE:

400 & 220 KV MCMV Line using monopole for line deviation in Bengaluru city (under self-execution).



USAGE OF MONOPOLE:

- Monopole is a High Tensile Steel Tabular Galvanised Tapered Pole with a narrow base (102 mts diameter).
- About 6 kms 220KV Monopole DC Line proposed in Road Median between Boomasandra IA to Jigani 220KV Station in Bangalore city due to space constraints.

2. POOLING STATION:

To evacuate power generated from Yeramarus, Edlapur, JSW and BTPS a scheme was envisaged and got approved from CEA on 19.11.2013. For the first time KPTCL decided to establish 400KV pooling station at Ballary(BPS) to evacuate power generated from above stations. In addition to the pooling stations two 400KV stations at Kalburagi and Chikkanayakanahalli is proposed. Associated to it 400KV lines to extent of 1000Kms of Double Circuit route length at total cost of Rs. 3000 Cr was approved to be executed in Two Phases. The work of Ballari Pooling station, 400KV D/C lines from BPS to Yeramarus & Kelagina Kanive to Vasanthanarasapur, 400kv M/C line form BPS to Kelagina kanive were started this financial year and work are in fast progress.

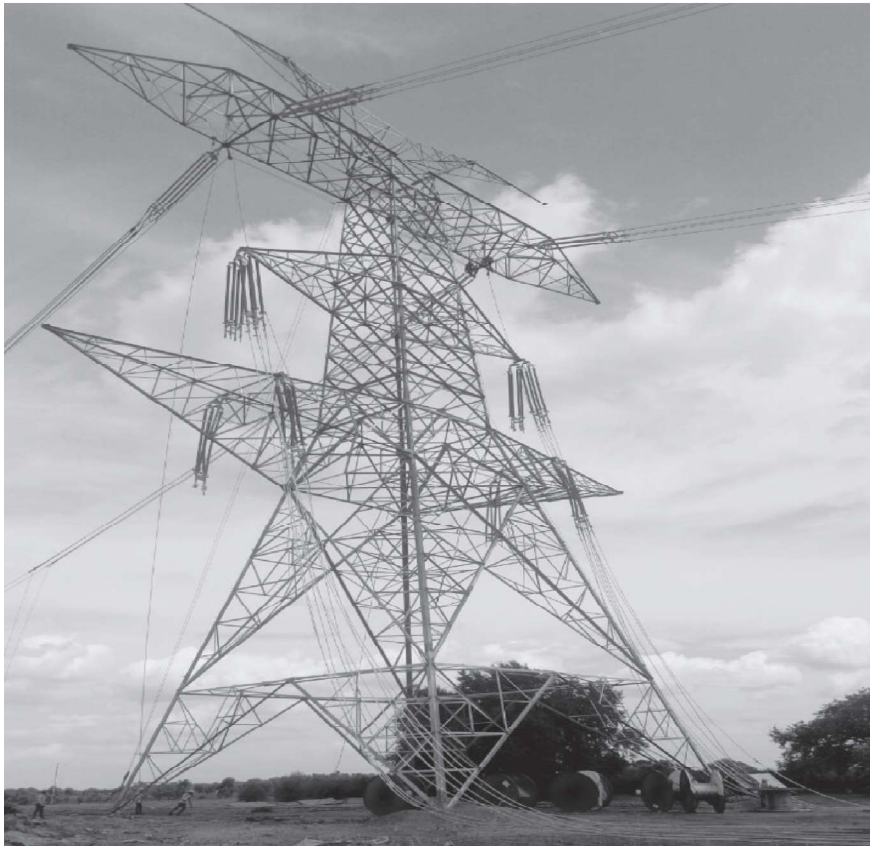
A) 400KV Ballary Pooling Station:



- B) 400KV QUAD MOOSE MC LINE BETWEEN BPS TO KELAGINA KANIVE 43KMS-HEIGHT OF THE TOWER 78 MTS.



- C) 400KV QUAD MOOSE DC LINE BETWEEN KELAGINA KANIVE TO VASANTHNARASAPURA 188 KMS- HEIGHT OF THE TOWER 52MTS.



D) USAGE OF COVERED CONDUCTOR:

USED FOR BY PASSING EXISTING 66KV LINE BETWEEN DG PLANT- CB HALLI (FIRST TIME IN INDIA):



- Study has been completed at CPRI & ERDA and also in consultation with Prof. Nagabhushan Rtd IISc HV Engineering and Prof. Pradeep Kumar Dixit, Electrical Engineering, MSRIT, Bangalore.
- Study documents have been submitted to CEA on 26-04-2016 to include in Safety Standards & Practice, CEA.
- Advantage: Corridor required for 66KV ACSR conductor is 18 Mts. However with usage of COVERED conductor corridor width reduces to 8 mts.
- Report is under study by Electrical Inspectorate, CEA.

E) Usage of High Temperature Low Sag (HTLS) Conductor :

- ⊠ Replacement of existing 66KV DC line with Coyote conductor by HTLS between Peenya- Brindavan Alloys-Commissioned.
- ⊠ Replacement of existing 66KV SC line with Coyote conductor by HTLS between Peenya- Bydrahalli- Commissioned.
- ⊠ Replacement of existing 66KV DC line with Coyote conductor by HTLS between ITI- Hebbal.
- ⊠ Replacement of existing 66KV DC line with Coyote conductor by HTLS between Peenya- CB halli.

**DETAILS OF NEW STATIONS AND TRANSMISSION LINES COMMISSIONED
AND AUGMENTATION WORKS CARRIED OUT DURING 2015-16:**

ABSTRACT

(a) New Stations Commissioned :

Sl.	Voltage Class in KV	Progress achieved upto the end of March 2016				
		New Stations Commissioned		2nd transformers commissioned during the year of stations already commissioned during previous financial year		Total
		Nos.	MVA	Nos.	MVA	Total MVA
1	400					
2	220	3	800			800
3	110	10	160			160
4	66	17	247			247
Total		30	1207	1	10	1217

(b) Transmission Lines Commissioned :

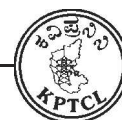
Sl.	Voltage Class in KV	Progress achieved upto the end of March 2016				
		New Transmission lines Commissioned		Strengthening / Re-conductoring progress upto the end of March 2016	Total	
		Nos.	Ckms	Nos.	Nos.	Ckms
1	400	1	33.304		1	33.304
2	220	6	651.138		6	651.138
3	110	12	172.486		12	172.486
4	66	25	176.77	2	27	176.77
Total		44	1033.698	2	46	1033.698



(C) Augmentation of Stations :

Sl	Voltage Class in KV	Progress achieved upto the end of March 2016				
		Additional & Replacement of Transformers		Spare & Replacement of same capacity of Transformers with different voltage class	Total	
		Nos.	MVA	Nos.	Nos.	MVA
1	400	-	-	-	-	-
2	220	-	45	-	-	45
3	110	37	405	-	37	405
4	66	42	315.6	1	43	315.6
Total		79	765.6	1	80	765.6

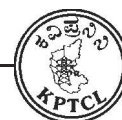
Zone-wise details of New Sub-Stations Commissioned during the year under report:							
Sl No.	District	Place	Project Name	Capacity added	Total MVA Added	Voltage Class in KV	Date of Commissioning
Bagalkote Transmission Zone							
1	Haveri	Tumminakatti	Upgradation of 33 kV S/S to 2X10 MVA, 110/ kV S/s	2x10	20	110	9-Oct-15
2	Vijayapura	Takkalaki	Establishing 2X10 MVA, 110/ kV S/S (1st Transformer commissioned)	1x10	10	110	25-Feb-16
3	Haveri	Shiggaon	Upgradation of 33 kV S/S to 2X10 MVA, 110/11 kV and 1x10 MVA 110/33kV S/s	2x10 1x10	30	110	29-Feb-16
4	Bagalkote	Alabala	Establishing 2X10 MVA, 110/ kV S/S	2x10	20	110	27-Mar-16
5	Belagavi	Mantur	Upgradation of existing 2X5 MVA 33/11 kV S/S to 2X10 MVA, 110/11 kV S/S at Mantur (1st Transformer commissioned)	1x10	10	110	30-Mar-16
6	Bagalkote	Kulageri Cross	Up-gradation of 2x5 MVA, 33/11 kV S/s to 2x10 MVA 110/ 11 kV S/s	2x10	20	110	31-Mar-16
Sub-Total (MVA)					110		



Zone-wise details of New Sub-Stations Commissioned during the year under report:							
SI No.	District	Place	Project Name	Capacity added	Total MVA Added	Voltage Class in KV	Date of Commissioning
Bengaluru Transmission Zone							
7	Bengaluru Urban	Khodays glass factory	Establishing 2x150 MVA & 2x31.5 MVA 220/66/11kV sub station.	2x150	300	220	30-Jul-15
8	Ramanagara	I.Gollahalli (Hukunda)	Establishing 1x8 MVA, 66/11kV Sub-Station	1x8	8	66	17-Aug-15
9	Bengaluru Urban	Primal Project	Establishing 2x31.5 MVA, 66/11 kV Substation	2x31.5	63	66	31-Aug-15
10	Bengaluru Urban	Yelahanka (DG Plant)	Establishing 2x150 MVA, 220/66kV Station	2x150	300	220	28-Dec-15
11	CB Pura	Somenahalli	Establishing of 1x8 MVA, 66/11 KV S/s at Somenahalli	1x8	8	66	27-Jan-16
12	Bengaluru Urban	Indian Heritage Trust (ISKCON)	Establishing 2x20 MVA, 66/11 kV Sub-Station	2x20	40	66	29-Jan-16
13	CB Pura	Mandikal	Establishing 1x8 MVA 66/11 KV S/s	1x8	8	66	30-Jan-16
14	Ramanagara	Sankalagere	Establishing 1x8 MVA, 66/11kV S/s	1x8	8	66	18-Feb-16
15	Bengaluru Urban	Hennur Road	Establishing 2x20 MVA 66/11kV sub station (1st Transformer commissioned)	1x20	20	66	2-Mar-16
16	Bengaluru Urban	Srigandhada kaval	Establishing 2x20 MVA, 66/11 kV Sub-Station (1st Transformer commissioned)	1x20	20	66	31-Mar-16
Sub-Total (MVA)					775		
Hassan Transmission Zone							
17	Hassan	Arasikere 220kV	Establishing of 2x100 MVA, 220/110/11kV and 1X10MVA, 110/11kV S/S at Arasikere	2x100	200	220	21-Dec-15
18	Shimoga	Jade	Establishing of 1x10 MVA, 110/11kV S/s	1x10	10	110	24-Mar-16
Sub-Total (MVA)					210		



Kalaburagi Transmission Zone							
19	Kalaburagi	Nalwar	Up-gradation of existing 2x5MVA, 33/11kV MUSS to 1x10 MVA 110/11kV and 1x10MVA, 110/33-11kV Sub-Station	1x10, 1x10	20	110	4-Nov-15
20	Raichur	Galaga	Establishing 1x10 MVA, 110/11 kV sub-station	1x10	10	110	22-Dec-15
21	Bellary	Metri / Devalapur	Establishing 1x10 MVA, 110/11 kV station	1x10	10	110	28-Mar-16
Sub-Total (MVA)					40		
Mysuru Transmission Zone							
22	Mandya	Bogadhi	Establishing 1x8 MVA 66/11kV S/s.	1x8	8	66	24-Apr-15
23	Mysuru	Doora	Establishing 1x8 MVA, 66/11kV Sub-Station	1x8	8	66	3-Jun-15
24	Mandya	Ganjigere	Establishing 1x8 MVA 66/11kV S/s	1x8	8	66	23-Jul-15
25	Mysuru	Hura	Establishing 1x8 MVA 66/11kV S/s	1x8	8	66	24-Jul-15
26	Mysuru	Ayarahalli	Establishing 1x8 MVA 66/11kV S/s	1x8	8	66	24-Aug-15
27	Mandya	Krishnapura	Establishing 1x8 MVA 66/11kV S/s	1x8	8	66	4-Mar-16
Sub-Total (MVA)					48		
Tumakuru Transmission Zone							
28	Tumakuru	Nidasale	Establishing 1x8 MVA, 66/11kV Sub-Station	1x8	8	66	20-Aug-15
29	Tumakuru	Jiddigere	Establishing 1x8 MVA, 66/11kV Sub-Station	1x8	8	66	14-Oct-15
30	Davanagere	Devarabel akere	Establishing 2x8 MVA, 66/11 kV S/s (1st Transformer commissioned)	1x8	8	66	31-Mar-16
Sub-Total (MVA)					24		
Station commissioned in previous year, 2nd Transformer commissioned during 2015-16							
1	Belagavi	Sultanpur	2nd 1x10 MVA Transformer	1x10	10	110	06-Jul-16
Total (MVA)					1217		



Zone-wise details of Transmission Lines commissioned during the year under report:						
SI No.	District	Place	Project Name	Voltage Class in KV	Length of line in Ckm	Date of Commissioning
Bagalkot Transmission Zone						
1	Haveri	Tumminakatti_line	110 kV LILO line to Tumminakatti for a distance of 10.48 kms	110	20.96	09-Oct-15
2	Belagavi	Kudachi_lines	Balance works for Construction of 220 KV DC Line Chikkodi to Kudachi for a distance of 35.17 kms.	220	70.34	28-Jan-16
3	Gadag	Bagalkot_Gadag 220 kV DC line	(a) Const of 220kV DC line from 220 kV Gadag to 220kV Bagalkot S/s (93.148 kms) (As per actuals: 96.755 km) (b) Const of 4 TBs at 220kV Gadag for lines (a) & (d) (c) 2 TBs at 220kV Bagalkot (d) LILO of 220kV Hubli-Lingapur 2nd ckt line to 220kV Gadag by providing 220kV DC and MC towers (7.766 kms) (As per actuals: 7.286 km)	220	208.08	28-Dec-15
4	Vijayapura	Takkalaki_line	Construction of 110 kV LILO line from 110kV KIADB Bijapur -Tikota SC line to the proposed 110/11kV s/s at Takkalaki for a distance of 11.135 Kms	110	22.27	25-Feb-16
5	Haveri	Shiggaon_line	110 kV line LILO from 110 kV Hubli-Haveri SC line to proposed 110kV Station at Shiggaon (0.88 kms)	110	1.76	29-Feb-16
6	Bagalkote	Alabala_Line	Construction of 110 kV SC line on DC towers from 110kV Yellammanawadi S/s to the proposed 110/11 kV S/s at Alabala for a distance of 13.311 kms along with construction of 110 kV TB at Yellammanawadi S/s.	110	13.31	27-Mar-16
7	Belagavi	Mantur_line	Construction of 110kV SC line on DC towers from 220/110kV Ghataprabha Station to the proposed 110/11kV Mantur sub-station for a distance of 13.583 kms and 110kV TB at Ghataprabha station for the proposed line. - actual length - 13.4 Kms	110	13.4	30-Mar-16
8	Bagalkote	Kulageri Cross_Line	Construction of 110kV LILO line from one circuit of 110kV Bagalkot-Hubli DC line to the proposed 110/11kV Kulageri Cross Sub-station for a distance of 0.363km in Bagalkot District	110	0.726	31-Mar-16
SUB-Total (Ckm)					350.846	



Bengaluru Transmission Zone						
9	Bangalore Urban	Naganathapura 220 kV station to 66kV Electronics city Ph-2 Sec-1_line	Running of 66kV SC 1000sqmm XLPE copper UG Cable from 220/66/11kV Naganathapura S/s to 66/11kV Electronic city Sector I Phase II S/s (4.094kms)	66	4.094	04-Jun-15
10	Ramanagara	I.Gollahalli (Hukunda)_line	Construction of 66 kV tap line on DC towers from 66 kV Harobebe-Kodihalli SC line to the proposed 66/11 kV A/s at I.Gollahalli (Hukunda) for a distance of 0.966 km.	66	0.966	17-Aug-15
11	Bangalore Urban	Yelahanka (DG Plant)_lines (e) & (f)	(e) Construction of 220-66kV MC line for a route length of 5.73 km (As per actuals: 5.706 km) partly on multi-circuit multi voltage towers and partly on DC towers from the proposed 220/66 kV Yelahanka station to the 8 pole structure at Chikkabettahalli in Vidyaranyapura limits (f) Construction of 66 kV DC line for a route length of 1.072 km (As per actuals: 1.064 km) with Drake ACSR Conductor from the proposed 220/66/11 kV DG Plant-Peenya 1 & 2 lines and DG Plant - Doddaballapura 1 & 2 lines	220	13.54	28-Dec-15
12	CB Pura	Somenahalli_line	Construction of 66kV SC line on DC towers to tap the existing 66kV Peresandra - Dibburahalli SC line to the proposed 66/11kV S/s at Somenahalli (route length - 7.87 kms)	66	7.87	27-Jan-16
13	Bangalore Urban	Indian Heritage Trust (ISKCON)_Line	Construction of 66 kV LILO line from existing 66 kV Somanahalli-Subramanyapura SC line-2 for a distance of 0.12 km (as per actuals: 0.075 km) to proposed 66/11 kV S/s at Indian Heritage Trust (ISKCON)	66	0.15	29-Jan-16
14	CB Pura	Mandikal_line	Construction of 66 kV DC line for a route length of 0.663 km (as per actuals: 0.63 km) for LILO of 66 kV Gowribidanur-Peresandra SC line to the proposed 66/11 kV S/s at Mandikal.	66	1.26	30-Jan-16
15	Ramanagara	Sankalagere_line	Construction of 66 kV SC Tap line for a distance of 6.53 km (as per actuals: 6.264 km) from 66 kV Ramanagara - Bevoor SC line to proposed 66/11 kV Sankalagere S/s.	66	6.264	18-Feb-16
16	Bangalore Urban	Hennur Road_line	1000 sqmm UG cable for a route length of 0.16 km to LILO one of the circuits of existing 66kV Peenya-Hoskote DC line (DG3/DG4) to the proposed 66/11kV sub-station Hennur road	66	0.16	02-Mar-16



17	Bangalore Urban	Srigandhada kaval_line	Running of 66 kC SC single core, 1000 sqmm, XLPE, Copper, UG Cable from 66/11 kV Byadarahalli Sub-Station to the proposed 66/11 kV Sreegandhadakaval Sub-Station for a route length of 4.5 kms.	66	4.5	31-Mar-16
SUB-Total (Ckm)					38.804	
Hassan Transmission Zone						
18	Dakshina Kannada	Kulashekar-dairy limit-Konaje_Line	Conversion of existing 110 KV SC line with Linnet ACSR and H - frame structures to 110 KV DC line with LYNX ACSR between Kulashekar dairy limits to Konaje 10.5 kms	110	10.5	11-Sep-15
19	Hassan	Arasikere_220 kV_line	Const. of 220/110kV LILO line on Multi voltage multi ckt towers & DC towers from the proposed Arasikere Station to Kanthenahalli village limits - 4.22 kms (as per actuals - 4.197 Kms)	220	8.394	21-Dec-15
20	Dakshina Kannada	Vamanjur to valachil via milk dairy_line	Construction of 110KV DC line in the corridor of 110 kV Kulashekar line between Vamanjoor & Volachil via Milk Dairy limits with TB at Kavoor & tapping structure(10.5 km)	110	10.5	29-Jan-16
21	Dakshina Kannada	Varahi-Khemar -Khemar-Kavoor_Line	Construction of 220kV DC line from Varahi (Hulikal Limits) to Kemar and Kemar to Kavoor in the existing corridor of 110kV SC SK line (DC - 111.87 km & MC-5.428 km) (as per actuals: DC-111.701 km)	220	245.114	24-Feb-16
22	Shimoga	Jade_line	Const of 110 kV SC line on DC towers from 110 kV Anavatti S/s to 110 kV Jade S/s for a distance of 11.85 km.	110	11.85	24-Mar-16
SUB-Total (Ckm)					286.358	
Kalaburagi Transmission Zone						
23	Raichur	400 kV MC/DC lines_YTPS (Yeramarus) start up power	Construction of 400 kV MC line from YTPS for route length of 8.4 km (as per actuals : 4.454 km) and 400 kV DC line for route length of 2.849 km (as per actuals :7.744 km) with QUAD Moose ACSR conductor to LILO the existing RTPS-BTPS- 400 kV SC line b/w loctns 34 & 35 to proposed YTPS for arranging start up power to YTPS along with providing associated PLCC equipments at YTPS.	400	33.304	17-May-15
24	Kalaburagi	Nalwar_Line	110kV LILO line form 110 kV Shahabad- Raichur CkT-II DC line 25.505 kms	110	51.01	04-Nov-15



25	Raichur	Galaga_line	Const. of 110 kV SC line on DC towers from existing 110 kV Alkod S/s to the proposed S/s at Galaga for a distance of 10.3 Kms (as per actuals - 10.6 Kms)	110	10.6	22-Dec-15
26	Kalaburagi	Kapnoor-Humnabad_line	Construction of 220 kV DC line on DC towers from 220 kV Kapanoor Station to 220 kV Humnabad Station in Gulbarga-Bidar district for a distance of 52.825 kms (As per actuals: 52.835 km) with 02 TBs each at 220 kV Kapanoor and 220 kV Humnabad Station for construction of 220 kV DC link line.	220	105.67	08-Jan-16
27	Bellary	Metri/Devalapur_line	Const. of 110 kV SC tap line on DC towers from existing 110 kV Munirabad-Hagari (Munirabad-Torangal) line for a route length of 6.148 Kms (as per actuals: 5.6 km) to proposed 110 kV S/s at Metri (Devalapura)	110	5.6	28-Mar-16
SUB-Total (Ckm)					206.184	
Mysuru Transmission Zone						
28	Mysuru	Doora_line	Construction of 66kV SC tap line on DC towers for route length of 0.88 km from 66 kV Kadakola-Santhesaragur line to Doora S/s	66	0.88	17-Apr-15
29	Mandya	Bogadhi_line	Construction of 66kV SC tap line on DC towers for a distance of 9.727 kms (as per actuals: 9.725 km) from existing Guddenahalli tap line to proposed 66/11kV Bogadhi S/s	66	9.725	24-Apr-15
30	Mandya	Chunchanakatte-Kushalnagar_line	(i) Const. of 66 kV DC line from proposed 220 kV Kushalnagar to 8 pole structure for a distance of 38.175 Kms with TB at Chunchanakatte (ii) Conversion of 8 pole structure to 9 pole structure near Chunchanakatte S/s	66	76.35	05-May-15
31	Mandya	Chikkamandya (LILO arrangement)_line	Providing LILO arrangement from Chikkamandya tapping point on Tubinakere-Basaralu 66kV SC line to the existing 66/11kV Chikkamandya S/s (0.2 kms) and construction of 1 No. of TB at Chikkamandya S/s.	66	0.4	08-Jun-15
32	Chamarajanagar	LILO at Madhuvanahalli-Doddainduvadi-Hanur_line	Providing LILO arrangement of the 66 kV Madhuvanahalli-Doddainduvadi-Hanur line at 66 kV Doddainduvadi S/s and construction of 2 Nos. of TBs at existing Doddainduvadi S/s (0.3 km)	66	0.6	11-Jun-15



33	Mandya	Chinakurali (LILO arrangement)_line	Providing LILO arrangement from Chinakurali tapping point on KR pet- Pandavapura 66kV SC line to existing 66/11kV Chinakurali S/s (1.529 kms) with construction of 1 no. of TB at Chinakurali S/s.	66	3.058	17-Jun-15
34	Mysuru	Bannur (LILO arrangement)_line	Construction of additional circuit on existing 66kV Bannur line for making LILO (0.127 km) from Bannur S/s tapping point on 66kV SFC-Vajamangala line (M1) upto 66/11kV Bannur S/s duly replacing existing H-Frame towers by new 66 kV DC towers and construction of 66 kV TB at Bannur S/s	66	0.254	13-Jul-15
35	Mandya	Ganjigere_line	Construction of 66kV SC tap line on DC towers from KR pet -Bukanakere line to proposed 66kV S/s at Ganjigere (6.08 kms, as per actuals: 5.86 km)	66	5.86	23-Jul-15
36	Mysuru	Hura_line	66kV SC line on DC towers tapping from one circuit of 66kV Kadakola-Santhesaragur DC line to proposed 66kV Hura S/s (8.62 kms as per actuals: 8.715 km)	66	8.715	24-Jul-15
37	Mysuru	Ayarahalli_Line	Construction of 66 kV SC tap line on DC towers from 66 kV Kadakola - D.K.Maidan line to proposed 66/11 kV S/s at Ayarahalli for a distance of 6.77 km (as per actuals 6.805 km).	66	6.805	24-Aug-15
38	Mandya	Krishnapura_line	Construction of 66kV LILO line on DC towers from the existing 66kV CR Patna-KR pet SC line to proposed 66/11kV S/s at Krishnapura (0.18 kms)	66	0.36	04-Mar-16
SUB-Total (Ckm)					113.007	
Tumakuru Transmission Zone						
39	Tumakuru	Nidasale_line	Construction of 66kV DC line for a distance of 2 Kms to LILO 66kV Huliurdurga - Dundanahalli SC line to proposed 66kV Nidasale (as per actuals: 2.2 km)	66	4.4	12-Aug-15
40	Davanagere	SRS, Davangere 220kV S/s to Davangere 66 kV MUSS_line	(a) Construction of 66 kV DC Line with Drake ACSR conductor partly on existing MC towers of Davanagere Guttur line and partly on New DC Narrow Based Towers in the existing corridor of Munirabad Harapanahalli Davanagere line near PSS Choultry from 220 kV Davanagere S/s to 66 kV Davanagere MUSS for a route length of 3.397 Km (as per actuals: 3.395 km).	66	6.79	13-Aug-15



			(b) Strengthening of existing 66 kV Bus-bar and shifting of 66 kV Terminal bay and extension of control room at 66/11 kV S/s Davanagere.			
41	Tumakuru	Jiddigere_line	Construction of 66kV SC line for a distance of 9 kms to tap 66kV Ancephalya-Yedyur SC line to proposed 66/11kV S/s at Jiddigere.	66	9	14-Oct-15
42	Tumakuru	Ancephalya 220kV to Ancephalya 66 kV_line	Construction of 66 kV DC line on DC towers from existing 220/66 kV R/s at Ancephalya to the existing 66/11 kV S/s at Ancephalya for a route length of 1.82 kms along with 66 kV terminal bays at 220 kV and 66 kV Ancephalya	66	3.64	28-Dec-15
43	Tumakuru	Kallambella (LILO arrangement)_line	Providing 66kV DC line to provide LILo line arrangement using Drake conductor in the existing SC line corridor and modification of 66kV Bay. 0.42 kms	66	0.84	04-Feb-16
44	Davanagere	Devarbelakere_line	Const. of 66 kV LILo line on DC towers from existing 66 kV Harihara-Shimoga SC line to the proposed 66 kV S/s at Devarabelakere for a distance of 6.915 Kms	66	13.83	31-Mar-16
SUB-Total (Ckm)					38.5	
Total Length in Ckms					1033.699	

Zone-wise details of Reconductoring and Strengthening of Transmission Lines during the year under report:						
Sl No.	District	Place	Project Name	Voltage Class in KV	Length of line in Ckm	Date of Commissioning
Bengaluru Transmission Zone						
1	Bengaluru Urban	Peenya - Byadara halli_line	Construction of 66kV SC line from existing 220/66kV Peenya S/s to existing 66/11kV Byadarahalli S/s using High temperature Low Sag(HTLS) conductor suitable for Coyote on proposed 66kV DC NBT (KPTCL design) & existing 66kV SC towers. (10.1 kms)	66	0	25-Jan-16
Tumakuru Transmission Zone						
2	Davanagere	Davanagere Sokke_line	Re-construction of 66 kV SC line on DC towers by using coyote ACSR conductor from 220 kV SRS Davanagere to 66 kV S/s at Sokke in the existing corridor of 66 kV Davanagere - Sokke line for a distance of 46.757 Kms	66	0	13-Aug-15
Total Ckms added					0	

Zone-wise details of Augmentation of Stations during the year under report:							
SI No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Bagalkote Transmission Zone							
1	Belagavi	Hidkal Dam_aug	Replacement of 1x10MVA, 110/11kV Transformer by 1x20MVA 110/11kV Tr.	10	110	Replacement	08-Jun-15
2	Belagavi	Munavalli	Replacing 1x10MVA 110/11kV by 1x20 MVA, 110/11kV transformer without SWG	10	110	Replacement	07-Aug-15
3	Bagalkote	Shirol_aug	Replacement of 1x10 MVA, 110/11kV Tr. by 1x20MVA, 110/11kV Tr.	10	110	Replacement	14-Sep-15
4	Dharwad	Kalghatagi_aug	Replacement of 1x10 MVA, 110/11 kV transformer by 1x20 MVA, 110/33/11 kV transformer	10	110	Replacement	03-Oct-15
5	Belgaum	110KV S/S Sankeshwar	Replacement of 1x10 MVA, 110/11kV by 1x20 MVA 110/11kV transformer	10	110	Replacement	18-Oct-15
6	Belagavi	110KV S/S Hukkeri_aug	Replacement of 1x10MVA, 110/11kV by 1x20 MVA 110/11kV Tr.	10	110	Replacement	06-Nov-15
7	Belagavi	110KV Boregaon	Replacement of 1x10MVA, 110/11kV by 1x20 MVA 110/11kV Tr.	10	110	Replacement	07-Nov-15
8	Belagavi	110 kV S/s Ankalagi	Replacement of 1x10MVA, 110/11kV by 1x20 MVA 110/11kV transformer.	10	110	Replacement	18-Nov-15
9	Belagavi	110KV S/S Bhoj	Replacement of 1x10MVA, 110/11kV by 1x20 MVA 110/11kV Tr.	10	110	Replacement	20-Nov-15
10	Belagavi	110KV S/S Mache	Replacement of 1x10MVA, 110/11kV by 1x20 MVA 110/11kV Tr.	10	110	Replacement	13-Dec-15
11	vijayapura	B.Bagewadi_aug	Providing additional 1x10 MVA, 110/11 kV Transformer.	10	110	Additional	25-Dec-15
12	Bagalkote	Mantur_aug	Additional 1x10 MVA, 110/11 kV Tr	10	110	Additional	25-Dec-15
13	Bagalkote	Uttur_aug	Additional 1x10 MVA, 110/11 kV Tr.	10	110	Additional	05-Jan-16



14	vijayapura	Atharga_aug	Additional 1x10 MVA, 110/11 kV Tr	10	110	Additional	23-Jan-16
15	Haveri	Hanagal_aug	Additional 1x20 MVA 110/33 kV transformer	20	110	Additional	06-Feb-16
16	Uttara Kannada	Honnagara_aug	Additional 1x10 MVA, 110/11 kV Tr	10	110	Additional	06-Feb-16
17	Uttara Kannada	Murudeshwar_aug	Additional 1x10 MVA 110/33 kV Tr	10	110	Additional	06-Feb-16
18	Vijayapura	Devara Hipparagi_aug	Creating 33 kV reference by installing additional 1x20 MVA, 110/33 kV Tr.	20	110	Additional	19-Feb-16
19	Bagalkote	Saidapur_aug	Providing additional 10MVA, 110/11kV Tr.	10	110	Additional	22-Feb-16
20	Bagalkote	Shiraguppi_aug	Providing additional 10 MVA, 110/11kV Tr.	10	110	Additional	11-Mar-16
21	Dharwad	Tadasinakoppa_aug	Providing additional 1x10MVA, 110/11kV transformer	10	110	Additional	21-Mar-16
22	Bagalkote	Melligeri_aug	Providing additional 10MVA, 110/11kV Tr.	10	110	Additional	26-Mar-16
Sub-Total (MVA)					240		
Bengaluru Transmission Zone							
23	Rama nagara	Harobele	Replacing 1x6.3 MVA by 1x12.5 MVA 66/11 kV power transformer at 66/11 kV Harobele S/s.	6.2	66	Replacement	14-Aug-15
24	Rama nagara	Rangandoddi_aug	Replacing 1x6.3 MVA by 1x12.5 MVA transformer	6.2	66	Replacement	22-Sep-15
25	Bengaluru Urban	Brindavan_Aug	Replacement of 1x20MVA, 66/11kV Tr. by 1x31.5MVA, 66/11kV Tr.	11.5	66	Replacement	04-Dec-15
26	Rama nagara	Bidadi 220kV R/S	Replacing 1x20MVA, 66/11kV by 1x31.5 MVA, 66/11kV transformer at 220/66/11 kV Bidadi S/s	11.5	66	Replacement	09-Dec-15
27	CB Pura	Bagepalli_aug	Replacing 1x12.5MVA, 66/11 kV by 1x20 MVA transformer	7.5	66	Replacement	29-Dec-15
28	CB Pura	Thimmampalli	Replacing 1x6.3MVA, 66/11kV by 1x12.5 MVA, 66/11kV transformer	6.2	66	Replacement	18-Jan-16
29	Rama nagara	Iggalur_Aug	Providing Additional 1x12.5MVA, 66/11kV Transformer	12.5	66	Additional	10-Mar-16
Sub-Total (MVA)					61.6		
Hassan Transmission Zone							
30	Shimoga	Hulikal_aug	Creating 33 kV reference by installing 1x10 MVA, 110/33-11 kV Tr.	10	110	Additional	26-Jun-15



31	Udupi	Nittur_aug_33kV	Creating 33 kV reference by providing additional 1x20 MVA 110/33-11 kV transformer	20	110	Additional	10-Jul-15
32	Dakshina Kannada	Bejai_11kV_ref	Creating 11kV reference by providing 1x20MVA 110/11kV Transformer.	20	110	Additional	13-Aug-15
33	Shimoga	Mallapura_aug	Providing additional 1x8MVA, 66/11kV Transformer	8	66	Additional	19-Aug-15
34	Chikka magalur	Lingadahalli_aug	Replacing 1x6.3MVA, 66/11kV by 1x12.5 MVA, 66/11kV transformer	6.2	66	Replacement	22-Sep-15
35	Shimoga	Shikaripura_aug	Replacing 1x10MVA, 110/11kV by 1x20 MVA, 110/11kV transformer	10	110	Replacement	08-Oct-15
36	Hassan	Hagare	Providing additional 1x8MVA, 66/11kV transformer.	8	66	Additional	14-Dec-15
37	Shimoga	Machenahalli_aug	Replacing 2nd 1x10MVA, 110/11kV by 1x20MVA, 110/11kV transformer	10	110	Replacement	16-Dec-15
38	Dakshina Kannada	Guruvayankere_aug	Providing additional 10 MVA, 110/11kV Tr.	10	110	Additional	23-Dec-15
39	Chikka magalur	Ajjampura_aug	Replacement of 1X10 MVA 110/11kV Power Transformer by 1X20MVA, 110/11kV Power Transformer.	10	110	Additional	22-Jan-16
40	Chikka magalur	Nagenahalli_aug	Providing additional 1x10 MVA 110/11 kV transformer	10	110	Additional	10-Feb-16
41	Chikka magalur	Tangli_aug	Replacement of 1x10 MVA, 110/11 kV transformer by 1x20 MVA, 110/11 kV Transformer.	10	110	Replacement	26-Feb-16
Sub-Total (MVA)					132.2		
Kalaburagi Transmission Zone							
42	Kalaburagi	Gulbarga (South)_aug	Replacing 1x10MVA, 110/11kV by 1x 20MVA, 110/11kV transformer	10	110	Replacement	15-May-15
43	Yadgir	Shahapur_aug	Replacing 1x5MVA, 110/11kV by 1x 10MVA, 110/11kV transformer	5	110	Replacement	26-May-15
44	Bidar	Kolhar_aug	Replacing 1x10MVA, 110/11kV by 1x 20MVA, 110/11kV Tr.	10	110	Replacement	06-Jul-15



45	Bellary	Somasamudra_aug	Providing additional 1x20 MVA, 110/33 kV Transformer (But 1x10 MVA Power Transformer utilised instead of 1x20 MVA)	10	110	Additional	06-Aug-15
46	Bellary	Gudekote_aug	Providing additional 1x8MVA, 66/11kV transformer	8	66	Additional	14-Sep-15
47	Bellary	Kottur_aug	Replacing 1x6.3 MVA, 66/11kV by 1x12.5 MVA, 66/11kV Tr.	6.2	66	Replacement	10-Oct-15
48	Bellary	UP Halli_aug	Replacing 1x6.3MVA, 66/11kV by 1x12.5 MVA, 66/11kV transformer	6.2	66	Replacement	31-Oct-15
49	Bellary	Venkatapura_aug	Replacing 1x6.3MVA, 66/11kV by 1x12.5 MVA, 66/11kV transformer	6.2	66	Replacement	04-Nov-15
50	Kalaburagi	Jewargi_aug	Providing additional 1x10MVA, 110/11kV Tr.	10	110	Additional	09-Nov-15
51	Raichur	Vadavatti_aug	Providing additional 1x10MVA, 110/11kV transformer	10	110	Additional	26-Feb-16
Sub-Total (MVA)					81.6		
Mysuru Transmission Zone							
52	Mandya	Doddabyadara halli_aug	Providing additional 1x 8 MVA, 66/11kV transformer	8	66	Additional	17-Jul-15
53	Chamaraja nagar	Yelandur MUSS_aug	Replacing 1x8MVA, 66/11kV by 1x12.5 MVA, 66/11kV transformer	4.5	66	Replacement	29-Jul-15
54	Chamaraja nagar	Santhamarana halli_aug	Replacing 1x6.3MVA, 66/11kV by 1x12.5 MVA, 66/11kV transformer	6.2	66	Replacement	07-Aug-15
55	Mandya	Gamanahalli_aug	Providing additional 1x12.5 MVA, 66/11kV transformer	12.5	66	Additional	12-Aug-15
56	Mandya	Arakere_aug	Replacing 1x6.3MVA, 66/11kV by 1x12.5 MVA, 66/11kV transformer	6.2	66	Replacement	17-Aug-15
57	Kodagu	Sathegala MUSS_aug	Replacing 1x6.3 MVA, 66/11kV by 1x12.5MVA, 66/11kV Tr.	6.2	66	Replacement	18-Aug-15
58	Mandya	Akki Hebbal_Aug	Replacement of 1x8 MVA, 66/11 kV Transformer by 1x12.5 MVA, 66/11 kV Transformer.	4.5	66	Replacement	20-Aug-15



59	Mysuru	Bettadapura_Aug	Replacement of 2x8 MVA, 66/11 kV Tr. by 2x12.5 MVA, 66/11 kV Tr.	9	66	Replacement	26-Aug-15
60	Mysuru	K.R.Nagara _aug	Replacing 2x6.3MVA, 66/11 kV by 2x 12.5MVA, 66/11kV transformers.	12.4	66	Replacement	11-Sep-15
61	Kodagu	Kushalnagara _aug	Replacing 1x6.3MVA, 66/11kV by 1x12.5MVA, 66/11kV transformer	6.2	66	Replacement	14-Sep-15
62	Mandya	Bannangadi_aug	Providing additional 1x12.5MVA, 66/11kV transformer	12.5	66	Additional	18-Sep-15
63	Chamaraja nagar	Chamarajanagar _aug	Spare 8 MVA 66/11 kV Tr at 220/66/11 kV Chamarajanagara S/s.	0	66	Additional	21-Nov-15
64	Mandya	Besagarahalli MUSS_aug	Providing additional 1x8MVA , 66/11kV Tr.	8	66	Additional	23-Nov-15
65	Mysuru	Hootagalli_aug	Replacing 1x6.3 MVA 66/11 kV Tr by 1x12.5 MVA 66/11 kV Tr.	6.2	66	Replacement	13-Jan-16
Sub-Total (MVA)					102.4		
Tumakuru Transmission Zone							
66	Davana gere	Mellakatte_aug	Replacement of 1 X6.3 MVA Tr by 1X12.5 MVA, 66/11kV S/S	6.2	66	Replacement	24-Jul-15
67	Davana gere	Santhebennur _aug	Replacement of 1 X8 MVA Tr by 1X12.5 MVA 66/11 kV tr.	4.5	66	Replacement	27-Jul-15
68	Chitra durga	Ramagiri_aug	Replacement of 1 X6.3 MVA Tr by 1X12.5 MVA 66/11 kV transformer	6.2	66	Replacement	11-Aug-15
69	Tumakuru	Brahmasandra _aug	Replacement of 2nd 8 MVA Tr by 12.5 MVA Tr.	4.5	66	Replacement	19-Aug-15
70	Chitra durga	Method_aug	Replacing 1x6.3MVA, 66/11kV by 1x 12.5 MVA, 66/11kV Transformer.	6.2	66	Replacement	20-Aug-15
71	Tumakuru	C.T.Kere_aug	Replacement of 1 X8 MVA by 1X12.5 MVA. Transformer.	4.5	66	Replacement	03-Sep-15
72	Tumakuru	Y.N.Hosakote_ aug	Replacement of 2nd 1 X6.3 MVA Tr by 1X12.5 MVA Transformer	6.2	66	Replacement	14-Sep-15
73	Davana gere	Nyamathi_aug	Replacing 1x6.3MVA, 66/11kV by 1x 12.5 MVA, 66/11kV Transformer.	6.2	66	Replacement	15-Sep-15
74	Tumakuru	Nagalmadike_ aug	Replacement of 1 X6.3 MVA Tr by 1X12.5 MVA Transformer	6.2	66	Replacement	21-Sep-15



75	Chitradurga	Garaga_aug	Replacing 1x6.3MVA, 66/11kV by 1x 12.5 MVA, 66/11kV Tr.	6.2	66	Replacement	30-Sep-15
76	Chitradurga	Hindusghatta _aug	Replacement of second 1x6.3MVA, 66/11kV by 1x 12.5 MVA, 66/11kV Tr.	6.2	66	Replacement	09-Oct-15
77	Davanagere	Malebennur_ aug	Replacing 1x8MVA, 66/11kV by 1x 12.5 MVA, 66/11kV Transformer	4.5	66	Replacement	13-Oct-15
78	Tumakuru	Pattanayakana halli_aug	Replacement of 1x8MVA, 66/11kV by 1x12.5MVA, 66/11kV Transformer.	4.5	66	Replacement	02-Nov-15
79	Chitradurga	Halurumesh wara_aug	Replacing 1 x 6.3MVA, 66/11kV by 1x 12.5 MVA, 66/11kV Transformer	6.2	66	Replacement	04-Nov-15
80	Tumakuru	Antharasana halli_aug	Providing addl. 1x20MVA, 66/11 kV Power Transformer	20	66	Additional	29-Jan-16
Sub-Total (MVA)					98.3		
Grand Total (MVA)					716.10		

Zone-wise details of 2nd Transformer commissioned during the year under report:

SI No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Bagalkote Transmission Zone							
1	Uttara Kannada	Ambewadi_aug	Replacement of 2x 55 MVA,220/110 kV Transformer by 2x100 MVA, 220/110 kV Trs. (2nd Transformer commissioned)	45	220	Replacement	17-Jul-15
Mysuru Transmission Zone							
2	Mandya	KM Doddi_aug	Replacing 1x6.3MVA, 66/11kV & 1x8MVA, 66/11kV by 2x12.5 MVA, 66/11kV transformers (2nd Transformer commissioned)	4.5	66	Replacement	08-Oct-15
Grand Total (MVA)				49.50			



STATE LOAD DESPATCH CENTRE:

SLDC is the apex body to ensure integrated operation of the power system in the state as per the provisions of the Electricity Act 2003. Following are the major activities being carried out by SLDC:

1. Based on the generation available in the state, CGS and all other sources, SLDC will allocate power to all the Distribution Companies as per the allocation fixed by the Government of Karnataka from time to time.
2. Taking all precautionary measures to maintain the Grid as per IEGC norms at all times.
3. Monitoring import and export of both state and interstate power.
4. As per section 39 of IE Act SLDC provides non-discriminatory open access to its Transmission System for the use by any Licensee or Generating Company on payment of Transmission Charges, operating charges and any other charges fixed by Central / State Regulatory Commissions.
5. SLDC issues directives to all Distribution Companies, IPPs and Captive Power Generators and NCE to follow the directions issued by CERC, KERC and IEGC in order to maintain the grid in safe and secure manner.
6. As per section 160(i) of IE Act 2003, Power and Telecommunication Coordination Committee (PTCC) is formed. The PTCC is a Statutory Body working under CEA. Chief Engineer Electricity, SLDC is the Member (Power) & Co-Chairman SLPTCC of Karnataka State. PTCC is a coordinating agency between the Telecom Sector and the Power Sector in Karnataka and mainly deals with all ESCOMs, KPTCL, BSNL, Defence & Railways to protect the Telecom Assets & Personnel working in it due to induction effects of Power Lines. PTCC has saved crores of rupees to KPTCL and ESCOMs.

During 2015-16, 122 PTCC cases have been resolved helping to speed up KPTCL and ESCOMs new projects which ensured that the Projects are completed within the stipulated period.

7. One of the major achievements of SLDC under ABT (UI) mechanism is by judicious management of the Grid. SLDC was able to draw 632.062 MU at the rate of Rs. 4.15 per unit during high frequency period under UI mechanism at a total cost of Rs. 262.5775 crores. If ESCOMs were to purchase this energy from outside, taking the prevailing rates of approximately Rs 5.50 per unit, ESCOMs would have incurred an additional cost of Rs 85.056 crores.



Any overdrawl of power under UI mechanism is not a source of power. As per the directives of CEA, MoP, CERC, SRLDC and SRPC, the state procured power through competitive e-bidding route. Additionally state imposed section-11 from 16.09.2015 for meeting the deficit.

8. SLDC has given consent to IPPs and CPPs who have opted for open access for selling power outside the state. During the year 2015-16, SLDC has received Rs. 38.43 crores towards Transmission, Scheduling and Processing Charges from open access customers.
9. SLDC has taken all care and precautions and has not drawn any UI power when the frequency was below the IEGC set limits during the year 2015-16. In spite of failure of monsoon and poor reservoir storage in major hydel station and also due to fire disaster at Sharavathi during Feb 2016, State had taken all measures for managing the Grid efficiently inspite of major crisis in the State.

SUPERVISION CONTROL & DATA ACQUISITION FOR LOAD AND ENERGY MANAGEMENT.

KPTCL has commissioned the Supervisory Control and Data Acquisition (SCADA) covering 1045 Nos. of major Generating Stations, Sub-stations and Receiving stations of 66 kV, 110 kV, 220 kV and 400 kV 265 Nos. of 33kV stations are completed so far.

SCADA system was established as a part of the Integrated Extended SCADA project, with Phase I, taken up at a cost of Rs.186.43 Crores (Rs.128.01 being the KPTCL portion of the work and Rs.58.42 towards ESCOMs portion of the work). The project commenced during December 2006 and Phase I comprising of 588 KPTCL locations, 6 Area Load Despatch Centres, 5 Distribution Control Centres and 259 stations of ESCOMs are completed. Phase II of the project covering 390 stations & 28 SAS Stations are also completed.

The State Load Despatch Centre which operates from the Master Control Centre at Ananda Rao circle has real time visualisation of the entire Generation and Transmission network. The System provides Real Time Data from the stations which helps in Grid Operations and effective Load Management.

The System has been particularly very helpful to monitor the Load Management programme during Power shortage periods by providing information on the 3 Phase, Single Phase and no supply period. The System has helped Load Despatch Centre to



effectively manage Inter State draws and has gained the appreciation of Southern Regional Power Committee for its excellent Grid Management for the past successive five years.

Independent Load Despatch Centre has been set up at all the five ESCOMs for scheduling and monitoring the Loads.

The data of ESCOM-wise schedule and Actual Loads and consumption on Real time which is acquired and computed by the System by means of real time displays and reports is shared with all the ESCOMS. As such, the first step towards total implementation of Intra State ABT as per KERC requirement is taken and UI bills are generated.

The System also provides the following functions:

- ⌘ Monitoring IPP injections at all voltage levels into State Grid.
- ⌘ Sharing data of all 220 kV stations and Generating Stations including wind and Solar with Southern Region Load Despatch Centre as per CERC requirements.
- ⌘ Generation of Daily Sub-station reports upto 11 kV levels
- ⌘ Intra State ABT functions covering Scheduling, Monitoring and reporting.
- ⌘ Real time Monitoring systems for all ESCOMs.
- ⌘ Operation of all Circuit breakers from 11 kV to 400 kV.
- ⌘ Contingency load shedding control at 11kV and 66 kV levels.

Area Load Despatch Centers (ALDC) are functioning at all Six Zones viz., Bangalore, Tumakuru, Hassan Mysuru, Bagalkote and Kalaburagi from where the Transmission Network is monitored for stability and Load Management. All Data concerning the respective ESCOMs are shared with DCC ESCOMs for effective Management of their system.

As a continuing march towards automation, for effective Power system Management, trial run of total remote operation of 6 Nos of Sub-stations (namely C-Station, Mathikere, IISc, Pottery Road, Yelarbande, RMV) in Bangalore City by utilizing SCADA is implemented.

The SCADA system is also utilized for Special Protection Schemes in three major



Generation and Line Corridors for Grid Security. This effectively contributes to the Southern Grid discipline.

Special Protection Schemes have been devised and implemented using SCADA, Power Line Carrier & Programmable Logic Controllers to satisfy CERC directives. This is done at 4 transmission corridors (namely Nelamangala-Hiriyur-BTPS, Nelamangala-Hiriyur-JSW, Nagjhari and Varahi). Koodankulam Generation outage relief of 243MW and Raichur-Sholapur 765kV line load relief of 198 MW. Automatic Load Disconnection Scheme has also been devised using SCADA, Power Line Carrier & Programmable Logic Controllers to cut off non-priority loads during Grid contingencies as per CERC directives. Different makes of Sub-Station Automation System (SAS) have been integrated to KPTCL SCADA System.

As per CERC directives an Automatic Demand Management Scheme (ADMS) is implemented using SCADA. Listed 11 kV feeders feeding ESCOMs are tripped automatically during over-drawl conditions depending on the extent of over-drawl by each ESCOM. Any frequency below 49.8 Hz is automatically detected and 11 kV feeders identified by ESCOMs are automatically tripped in round robin sequence. *KPTCL is the only Utility in India where ADMS control is carried out at 11 kV feeder level.*

Real time data is also uploaded in KPTCLs SLDC Website which helps all concerned to monitor the Grid at all times. Essential historical data is also posted on the Website which helps the concerned in the power sector to understand the status of the Network.

Central Electricity Authority, during its discussions on SCADA & communication in Power Utilities, has appreciated the KPTCL model. Central Electricity Authority has requested KPTCL to share its vast experience so as to recommend the Model to other Utilities in India.

SCADA system has earned the appreciation from many experts in the country. To name a few, Secretary, Ministry of Power, Government of India, Chairman KERC, Director CEA, Head Operations Tata Power Mumbai, Former Chairman UPPCL and MD Power Grid, Director General, CPRI, Chief Consultant, SCADA, Reliance Energy and Joint Secretary, Ministry of New and Renewable Energy. Further, many other Utilities have expressed interest in adopting the KPTCL SCADA Model.

The project has put KPTCL in the forefront of Power System Automation in the country and is unique with respect to the following :

- ✱ KPTCL has the largest SCADA Network in the country with respect to coverage and number of Control Centres.



- ⌘ KPTCL has the largest individually owned VSAT network to back the SCADA Network in order to provide high uptime which is a requirement for real time operations.
- ⌘ KPTCL and ESCOMs are the first in the country among the State Utilities to have independent Control Centres as per Regulatory requirements
- ⌘ KPTCL is the first State in the country to integrate Multiple Automation Systems of different makes to provide data into one single platform by adopting a common IEC Standard Protocol.
- ⌘ KPTCL is the first State Utility to envisage a Disaster Recovery Hub for the SCADA Master Control Centre.
- ⌘ KPTCL is the only State Utility having facility of monitoring all RE generating Stations.

SCADA and Telecommunication wing has been a part of CPRI's audit on 'Power Line Carrier Communication' in Delhi, Rajasthan, BBMB (Covering Himachal Pradesh, Haryana and Punjab), Omkareshwar Power Station & Indira Sagar Power Stations in Madhya Pradesh and Punjab State Transmission Corporation Ltd. (PSTCL) and has completed the task successfully on time by earning revenue of Rs. 27.40 lakhs to the Board. Further orders are expected from M/s CPRI for Uttar Pradesh Power Transmission Corporation Ltd (UPPTCL).

TENDERING AND PROCUREMENT:

During the year 2015-16, KPTCL has procured various equipments like, Power Transformers, switchgears, Capacitor Voltage Transformers, Nitrogen Fire Extinguisher Systems, Lightning Arrestors, Online Dryout Systems required for maintenance & replacement works and augmenting the installed capacities in sub stations.

Rate contract was placed on MEI for procurement of 11 KV Switchgears required for new & maintenance works. Rate Contract has also been placed on M/s Exide Batteries for supply of 110 & 220 Volts Plante Type Batteries.

Following Tenders are invited :

- A) Providing two runs of 2000 sq.mm. 220 kV class EHT XLPE single core copper cable to a route length of about 5.8KMs for evacuating of power from 400 kV PGCIL Singanayakanahalli station.
- B) Construction of 220 kV DC line with Drake conductor on Monopole for a route length of 5.7Kms in Jigani Area.
- C) Establishing 2 x 500 MVA, 400/220 kV Sub-station at Gadag (Doni) under Green corridor project.
- D) Establishing 2 x 500 MVA, 400/220 kV sub-station at Jagalur under Green Corridor project.



E) Establishing 2 x 150 MVA, 220/66/11kV GIS station at Koramangala with associated EHT UG cables under Bangalore Improvement works

Following works are envisaged:

- a) Establishing 2 x 150 MVA, 220/66/11kV GIS station at ITI, Brindavan and Kumbalgot with associated EHT UG cables/OH lines under Bangalore Improvement works.
- b) Providing 12.1 KV, 2.9 MVAR & 5.8 MVAR Capacitor Banks to 65 No's of various stations in Bangalore Transmission Zone.

KPTCL has awarded many works related to construction of new Stations and Lines of 66 KV, 110KV & 220 KV & 400KV Voltage Classes including UG cable lines on Total Turnkey Basis to an extent of Rs. 1551.5450 Crores.

Amongst the works awarded specialized works included are:

- a) Providing 12.1 kV, 2.9 MVAR capacitor Banks in 5 transmission zones of Tumakuru, Hassan, Mysuru, Bagalkot & Kalaburagi, the details of which are as follows:

Zones	No. of Sub-Stations	No. of Capacitor Banks	No. of Capacitor Units	Total MVAR
Bagalkot	46	89	534	258.1
Mysuru	14	21	126	60.9
Kalburgi	28	34	204	98.6
Tumkuru	57	96	576	278.4
Hassan	31	47	282	136.3
TOTAL MVAR				832.3

- b) Up-gradation & Modernization in 92 No's of 400 and 220 kV stations for implementation of Protection Audit as per the directions of CEA has been awarded.
- c) Construction of 400 kV DC and partly on MC for a route length of about 142.49 Kms from Yeramarus to Bellary pooling station has been awarded.
- d) Construction of 400 kV MC line for a route length of about 43 Kms from Bellary pooling station to Rampura limits has been awarded.

Following is the abstract of award of works & Procurement during the financial year 2015-16

a. 220 & 400 kV works

No. of Tenders floated.	Amount in Rs. Lakhs	Works involving
220kV & above works (many works were retendered due to Non-Response/High quote received) (28 Nos)	112628.00	220kV, 150MVA Additional Transformers - NIL. 220kV, 100MVA Additional Transformers - 2 Nos. 400kV Air Insulated Stations - 01 No. 400kV Gas Insulated Stations - 01 No. 220kV Air insulated Stations - NIL. 220kV Gas Insulated Stations - 01 No. 220kV R&M Works - 02Nos. 400kV O.H Lines - 91.82Kms. 220kV O.H Lines - 188.329Kms. 110kV O.H Lines - 20.23Kms. 66kV O.H Lines - 87.746Kms. 400kV TBs - NIL. 220kV TBs - 8Nos. 110kV TBs - 01 No. 66kV TBs - 03 No. 220kV UG Cable(2000+1000Sq.mm) - 8.482Kms. 66kV UG Cable(1000+630Sq.mm) - 1.76Kms
220kV & above works (10 Nos)	127597.31	220kV, 150MVA Additional Transformers - NIL. 220kV, 100MVA Additional Transformers -02 nos. 220kV Air insulated Stations - 02 nos. 220kV R&M Works - 01 no. 400kV O.H Lines - 189.59Kms. 220kV O.H Lines - 188.2Kms. 110kV O.H Lines - NIL. 66kV O.H Lines - 43.68Kms. 400kV TBs - NIL. 220kV TBs - 8Nos. 110kV TBs - NIL. 66kV TBs - NIL. 220kV UG Cable - NIL.

b. 110 & 66 kV works

No. of Tenders Floated	Amount in Rs. Lakhs	Works involving
110kV Stations, 66kV Stations, GIS Stations, 110 kV Overhead line, 66kV Overhead line, 66kV UG Cable and 12.1kV, 2.9/5.8 MVAR Capacitor Banks (73 Nos.)	73773.72	66kV Stations - 23 Nos. 110kV Stations - 35 Nos. 110kV Overhead Line - 23.897 Kms (1No.) 66kV Overhead Line - 20.694 Kms (4Nos.) 66kV UG Cable i) 630 Sqmm - 4.415 Kms (2 Nos.) ii) 1000 Sqmm - 29.846 Kms (4Nos.) GIS Stations - 1 No. 12.1kV, 2.9/5.8 MVAR Capacitor Banks - 1No.
110kV Stations, 66kV Stations, 66kV UG Cable and 12.1kV, 2.9 MVAR Capacitor Banks (27 Nos.)	25508.15	66kV Stations - 11 Nos. 110kV Stations - 10 Nos. 66kV UG Cable i) 1000 Sqmm - 9.5 Kms (1No.) 12.1kV, 2.9 MVAR Capacitor Banks - 5Nos.



PROCUREMENT OF GOODS AND SERVICES:-

Descriptions	Amount for which P.O's are issued (in Rs. Lakhs)	Works involving
Power Transformers, Capacitor Voltage Transformers, Nitrogen Fire Extinguisher systems, Lightning Arrestors, Online dry out system etc.,	2049.04	Station capacity augmentation, Replacements, etc.,

During the financial year 37 Nos. of works in 400/220KV voltage class, 73 Nos. in 110/66KV voltage class has been tendered and awarded. Also procurement of equipment's for station capacity augmentation and replacements has been done.

PLANNING & CO-ORDINATION :

Transmission System planned and approved for the year-2015-16:

KPTCL as a State Transmission Utility has been assigned the role of to carry out the functions specified in section 39 (2) of Electricity Act, 2003. Accordingly, Transmission System Planning has been done taking into account Capacity Addition in the State and projected demand for power. The following Transmission System elements have been curved out from the In-house System Study and duly approved by the Technical coordination committee :

Voltage class in KV	Sub stations in no's		Transmission Line in CKM	
	Planned	Approved	Planned	Approved
400				
220	10	2	268	18
110	17	11	147.55	101.05
66	20	15	114.25	80.85
Total	47	28	529.8	199.9

Planning for Renovation and Modernization (R & M) of sub stations for the year-2015-16

Renovation and Modernization (R&M) is one of the major initiatives of KPTCL taken up in 11th Five Year Plan (2012-17) considering inadequate capacity, obsolete Design and to provide uninterrupted quality power supply. The following sub stations were planned for taking up R & M works:

Sl. no.	Voltage class	Planned for 2012-17	Completed up to 2015-16
1	220	7	-
2	110	1	-
3	66	1	-



Renewable Energy Capacity addition for the year-2015-16;

Sl. no.	Category	Capacity of Evacuation scheme granted in MW	Interconnected with the Grid in MW
1	Wind	1383.95	230.9
2	Mini Hydel	27.8	50.25
3	Co-generation	92.64	79.5
4	Biomass + Captive	366	21.0
5	Solar	510	50
6	Total	2380.39	431.65

Improvements adopted in Substation and Transmission Line Engineering :

- ⌘ Assessment of Maximum Penetration Level of RE Generator especially from Wind & Solar in Karnataka Grid for the period 2016 to 2021.
- ⌘ Installation of Main-II protection to all 220 kV Receiving Stations at an Estimated Cost of Rs.74.87 Crores under Power System Development Funding (PSDF).
- ⌘ Installation of 1508 MVAR new Capacitor Banks throughout the state at an Estimated Cost of Rs. 74 Crores.
- ⌘ 7 new projects taken up to assist effective evacuation of Renewable Generation at an Estimated Cost of Rs. 906 Crores under Green Energy Corridor Projects with NCEF Grant.
- ⌘ LVRT proposed for all new wind & solar generations as per Gol guidelines. In addition reactive compensation is proposed for new Solar Generators opting for Grid connectivity.
- ⌘ Capacitors are proposed for all new wind & solar generations since 2014 to overcome low voltage & MVAR draws.

Improvements adopted for Bangalore Transmission Lines :

- ⌘ For improvement of existing transmission in Bangalore city, 26 Numbers of works has been proposed at a cost of Rs. 1720 Crs. The proposals have been approved in the 91st BOD meeting of KPTCL which was held on 25.11.2014. Also the proposal was presented to KERC Advisory Committee and same has been cleared after detailed discussion.



RT AND R & D:

Pre commissioning tests of new stations conducted during the Year 2015-16 :

RT Circle	Stations Commissioned				New Bays Commissioned	New Ipp / EHT Commissioned
	400 kV	200 kV	110 kV	66 kV		
Bengaluru	-	2	0	11	25	9/1
Hassan	-	1	1	6	24	1/3
Hubbali	-	-	6	-	61	3/1
Kalburgi	-	-	3	-	9	3/2
Total	-	3	10	17	119	16/7

- ✘ **30** numbers of new stations were commissioned during the year 2015-16.
- ✘ Testing and synchronization of **16** new IPP and **7** new EHT installations were carried out during the year.
- ✘ Testing and commissioning works of **119** numbers of new bays of different voltage classes were carried out in the existing stations.

Details of No. of power transformers existing as on 31.3.2016:

Sl. No.	Transformer capacity in MVA	RT Circle B'luru	RT Circle Hassan	RT Circle Hubbali	RT Circle K'burgi	Total
1	315	2	3	-	-	5
2	167	21	-	-	-	21*
3	150	24	-	-	-	24
4	100	61	46	45	25	177
5	75	-	0	-	-	0
6	67.5	1	-	-	-	1
7	60	1	-	-	-	1
8	55	-	-	0	-	0
9	50	1	-	1	-	2
10	31.5	85	-	-	-	85
11	20	212	75	138	82	507
12	15	1	-	-	-	1
13	12.5	203	115	3	14	335
14	10	53	102	342	195	692
15	8	228	169	1	19	417
16	6.3	52	46	-	10	108
17	5	1	6	4	1	12
18	1	-	-	1	-	1
	Total	946	562	535	346	2389

* 3 number of 167 MVA Single Phase Transformers are used as a bank of 500 MVA 400/220kV Transformer.



Details of Testing and Commissioning works related to enhancement of station capacity by augmentation works, providing additional Transformers in existing stations, the work of repairs of faulty Transformers and attending to breakdowns of station equipments :

Name of the RT Circle	Enhancement works	Addnl. Power Trfs. commissioned	Failed Power Trfs. repaired during the year	No. of Breakdowns attended
Bengaluru	19	03	7	1360
Hassan	33	10	5	313
Hubballi	12	12	3	304
Kalaburgi	07	04	4	791
Total	71	29	19	2768

Periodical calibration of all station equipments such as Protection Relays (Back up, Distance, and Differential etc.), ETV meters connected to panels, feeders and IF points were carried out.

Periodical inspection of station equipments such as CTs, PTs, Breakers, Battery chargers, Capacitor banks and power transformers were carried out.

Also the periodical calibration of ETV meters of IPP pooling stations and EHT consumers were witnessed.

The details of the above are as follows:

RT Circle	Relays	Energy Meters	IPP instns.	EHT instns.
RT Circle, Bengaluru	32759	7720	38	44
RT Circle, Hassan	17403	4412	49	41
RT Circle, Hubballi	10329	2462	06	02
RT Circle, Kalaburgi	8615	2180	34	33
Total	69106	16774	127	120



Details of Power Transformers repaired during the year 2015-16:

Sl. No.	Name of the S/s	Name plate Details of failed Pr. Tr.				Repaired by	Remarks
		Voltage Class in KV	Capacity in MVA	Make	Serial No. of Tfr.		
A. RT Circle, Bengaluru							
1	66/11KV Koramangala	66/11	20	Andrew yule	13016	M/s BLAZE Electrical works	Com'nd at Brigade Metropolis on 29.5.15
2	66/11KV Chandrappa Circle	66/11	20	BBL	3908/1	M/s. VTPL (FWGP)	Com'nd at 66kV Chandrappa Circle on 14.10.15
3	220kV Gowribidanur	66/11	20	APEX	T-903/01	M/s. Telwane Computech Electricals Ltd	Com'nd at 66kV Bagepalli on 29.12.15
4	66/11KV C station	66/11	31.5	BBL	4934/12	M/s. TTL	Com'nd at 66kV Brindavan on 04.12.15
B. RT Circle, Hassan							
1.	Gandasi	110/11	10	RIMA	1237/1	Departmentally	Commissioned
2.	Bherya	66/11	6.3	APEX	T920B/108	Departmentally	Commissioned
3.	Gandasi	110/11	10	NGEF	280054368	Departmentally	Commissioned
4.	Chikkakondgola	66/11	8	Crompton Parkinson	23617	Departmentally	Commissioned
5.	Rampura	66/12.1	12.5	GEC	B-27825	Departmentally	Commissioned
6.	Gurupura	110/11	10	Volt Amp	JN21887/18	Volt Amps	Commissioned at 110kV Nagena halli station.
7.	Birur	110/11	10	NGEF	2800056978	Departmentally	Commissioned in Shivani S/s
8.	220KV Tubinakere R/s	220/66/11	100	BHEL	2005377	M/s.Vishwas Power Engineering Ltd., Nagpur	Commissioned at 220KV Vajamangala R/s on 08-10-2015.
C. RT Circle, Hubballi							
1	110KV Laxmeshwar	110/33/11	10	EMCO	IT-1710/12635	Departmentally	Commissioned at 110 KV S/s Mareguddi on 11-3-2016
2	110 KV Mantur (Mudhol)	110/33	20	SPEC	ST-36864	Departmentally	Commissioned on 27-3-2016
D. RT Circle, Kalburgi							
1	66 kV Huvina Hadagali	66/11	6.3	Indotech	IT-34352	Departmentally	Commissioned



Details of CTs, PTs & ETVMs tested at RT Laboratories during the year 2015-16:

RT Circle	Testing charges collected in Rs.
RT Circle, Bengaluru	-
RT Circle, Hassan	10,09,375.00
RT Circle, Hubballi	1,19,179.00
RT Circle, Kalaburgi	2,02,644.00
Total	13,31,198.00

Research & Development Center:

The Corporation has its own Research & Development Centre situated at Bengaluru, which undertakes:

- 1) Soil Resistivity Measurement and designing of Earthmat for all the proposed substations of KPTCL/ESCOMS (on request) and other private firms/IPPs.
- 2) Investigation of earthings at the existing substations of KPTCL.
- 3) Approves Redesigning/Modification of Earthmats for the existing stations on account of Augmentation works etc.,
- 4) Earthing efficacy tests of the existing stations.
- 5) Tan-Delta & Capacitance tests on Power Transformers (windings & bushings), Sodium Bentonite clay sample testing.
- 6) 220KV & GIS station working drawing approvals.
- 7) Periodical testing of Oil Samples of all Power Transformers of KPTCL as per IS 1866, IS 335, and as per IEC 60296-2012.
- 8) Conducts Dissolved Gas Analysis Tests to detect any incipient faults in the power transformers, Furan analysis tests. Towards modernization and to meet the increasing work load at the Centre, new sophisticated equipments have been additionally procured and installed at the Centre.

Special Studies of R & D

- I. **Tr. Oil testing:** The New oil in Power Transformers is tested as per IS 335 and IS 1866 and as per IEC 60296-2012 at the R&D lab before commissioning to ensure that only good quality oil of is utilized to serve its life span.
- II. **G.I.S Drawing approvals:** Along with the Conventional Earthmat Design, the earthmat designs for G.I.S substations are also approved by R&D. The detailed study of Comprehensive Earthing systems including buildings for GIS stations is



also carried out. The working drawings of GIS substations submitted by Turnkey Agencies regarding Comprehensive Earthing Scheme including earthmat, GIS building/module earthing systems and lightning protection would be discussed with the concerned agencies. The necessary modifications as per KPTCL practices and in accordance with CBIP 309 & IEEE 80:2000 guidelines would be included prior to the approval of drawings.

III. Revenue Collection: Apart from undertaking Earthmat Designs for KPTCL, designing, the Centre also is designing of Earthmats etc., for the substations being set up by ESCOMs and other private agencies on request and chargeable basis. As a result of this activity, the Centre has conducted the Soil Resistivity Tests at site for various substations other than that of KPTCL and an amount of Rs.88.29 lakhs have been collected as consultancy/testing charges during 2015-16 for providing services to ESCOMS/Private Agencies.

IV. Sodium Bentonite Clay Testing: Sodium Bentonite clay is a moisture retaining chemical product used as an earth electrode/ earthing back-fill to help lower soil resistivity. The Centre conducts Tests on Sodium Bentonite clay samples to ensure the resistivity is less than 10 ohm meters and PH value between 8 to 10 and swell index by volume is greater than 8.

V. Condition Monitoring of in service Power Transformers: R & D Centre undertakes the annually periodical testing of oil samples of all power transformers existing in KPTCL substations in order to monitor the healthiness of the transformer. At the Centre the computerized historical data for oil test results of all the in service power transformers in KPTCL grid is being maintained. This data assists to compare and analyze the recent test results with that of trends of previous results. During 2015-16, out of existing 2389 Nos. of Power Transformers of various capacities in KPTCL, the Centre has analysed the oil samples of 2976 Nos.(includes new & repeated test samples) of Power Transformers and recommended to take remedial measures to the station staff so as to improve the health of the transformer and curb revenue loss to the Organization.

✘ Dissolved Gas analysis has been carried out on 373 Nos. of oil samples during the year 2015-16.

These activities form the core of Condition Monitoring and applied research activity in R&D Centre. In case of some complicated technical issues, the R&D Centre would share the information and initiate an interaction with M/s. CPRI, a Govt. of India undertaking which is a well-established R&D wing situated in Bengaluru Centre towards resolving the issues.



The progress of R&D Centre for the Year 2015-16 is as detailed below:

i. Soil Resistivity (SR) Measurements conducted during 2015-16:

Sl. No.	Station Voltage Class	No. of S/s in which SR tests conducted during the year
1.	400 kV station	-
2.	220 kV station	23
3.	110 Kv station	15
4.	66 kV Station	34
5.	33 kV Station	46
	Total	118

ii. Earthmat Design (EMD) furnished (proposed/revised/Additional Earthmats) during 2015-16:

Sl. No.	Station Voltage Class	No. of S/s for which EMDs furnished during the year
1.	400 kV station	03
2.	220 kV station	27
3.	110 Kv station	36
4.	66 kV Station	44
5.	33 kV Station	15
	Total	125

iii. Earthing Investigations carried out and remedial measures suggested during 2015-16:

Sl. No.	Station Voltage Class	No. of S/s for which earthing investigations carried out during the year
1.	400 kV station	01
2.	220 kV station	17
3.	110 Kv station	30
4.	66 kV Station	58
5.	33 kV Station	-
	Total	106

iv. Tan Delta & Capacitance tests conducted on Transformer windings and bushings during 2015-16:

Sl. No.	Station Voltage Class	No. of S/s for which Tan Delta & Capacitance tests carried out during the year
1.	315 MVA	-
2.	167 MVA	-
3.	150 MVA	11
4.	100 MVA	53
5.	67.5 MVA	2
6.	31.5 MVA	13
	50 MVA	-
7.	Reactor	-
8.	ICTs	03
9.	Tr Bushings	15
10.	CTs/CVTs	36
	Total	133



v. Condition Monitoring tests conducted during 2015-16:

Transformers			
1	Oil samples analyzed	No. of Samples	2976 Nos
2	Insulation Diagnostic Analysis (IDAX tests on power transformer)	No. of Transformers	63 Nos
3	SFRA test conducted on Power Transformers	No. of Transformers	42 Nos
4	Dissolved Gas Analysis	No. of Samples	373 Nos.
5	Furan Analysis	No. of Samples	388Nos.
Earthing Systems			
1	Sodium Bentonite Clay tests	No. of Samples	05 Nos
2	Station earthing drawing approved	400/220KV	5 Nos
Lightning Arrestors			
1	Condition Monitoring tests on LAs	No. of LAs	331 Nos

HOTLINE MAINTENANCE:

The Hot Line Division, KPTCL, Peenya, Bengaluru has statewide jurisdiction for Hot Line Maintenance of EHV system in KPTCL. Hot Line subdivisions carry out preventive/predictive maintenance and emergency maintenance works on 66kV, 110kV and 220kV lines and stations for reducing major power interruptions by adopting Live Line Maintenance Technique using hot stick method.

Peenya & Hubballi Hotline Divisions:

i. Testing of insulators strings for identifying faulty insulators on following lines:

Sl. No.	Voltage Class	No. of Insulator strings tested
1	220 KV Lines	1739
2	110 KV Lines	816
3	66 KV Lines	2223
	Total	4778

ii. Replacement of faulty insulator strings.

Sl. No.	Voltage Class	No. of faulty insulator strings replaced
1	220 KV Lines	43
2	110 KV Lines	12
	Total	55

iii. **Conducting thermo vision scanning of stations, line jumpers and insulators for identifying hot spots (Hot spots can cause breakdown of power supply during peak load hours):**

Insulators:

Sl. No.	Station Voltage class	No. of insulators tested
1.	400 KV stations	14
2.	220 KV stations	106
3.	110 KV stations	06
4.	66 KV stations	326
	Total	452

(These numbers include repeated inspection of stations)

Jumpers:

Sl. No.	Voltage class	No. of jumpers tested
1.	400 KV jumpers	108
2.	220 KV jumpers	1939
3.	66 KV jumpers	1383
	Total	3430

vi. **Providing bypass jumpers at EHV sub-stations during peak load hours to avoid total break-down of power supply.**

Total 22 Nos.

v. **Conducting preventive maintenance of ODS of EHV sub-stations by tightening all loose connections (Loose connection is responsible for hot spot and consequent break-downs):**

Sl. No.	Station Voltage class	No. of Preventive Maintenance done
1.	400 KV stations	12
2.	220 KV stations	160
3.	110 KV stations	315
4.	66 KV stations	502
	Total	989

(These numbers include repeated inspection of stations)

vi. **Preventive maintenance work on Transmission lines by tightening loose jumper connections, setting-right of loose and slant arcing horns.**

220KV - 518 defective jumper connections attended.



v. Carrying out emergency works on lines and stations during exigencies.

Total number of emergency works attended - 96 Nos

vi. Assistance in measurement of clearance beneath the EHT lines and buildings and ground clearances.

Total number of measured locations 431.

All these works are carried out by Live Line Maintenance Technique using hot stick method without availing line clear, thus avoiding power interruptions, loss of image to KPTCL, public inconvenience and consequential revenue loss.

If a 220 KV line carrying a load of 100 MW radially is shut down for a period of 1 hour for maintenance in cold line method by availing line clear, there will be a revenue loss to the Corporation for not transmitting 1,00,000 units of power to the consumer due to interruption. This when converted, amounts to approximately Rs.4 to 5 Lakhs per hour.

The personnel working in Hotline Division have undergone special training in Hotline techniques imparted by The Hotline Training Centre, National Power Training Institute Govt. of India at Somanahalli, Bengaluru.

Information Technology & Management Information System

During 2015-16, five legislative sessions were held which are as follow:-

Sl. No.	Duration	Days	Session
1.	20-04-2015 to 27-04-2015	3 Days	Special Session
2.	29-06-2015 to 31-07-2015	22 Days	Monsoon Session
3.	16-11-2015 to 27-11-2015	10 Days	Winter Session
4.	29-02-2016 to 05-03-2016	5 days	Extended Session
5.	18-03-2016 to 31-03-2016	9 days	Budget Session

Totally, replies to 259 Assembly questions, 121 Council questions and 42 Nos of other issues under various rules including call attention motions and matters discussed during Zero hour connected to KPTCL and ESCOMs were furnished to the Government of Karnataka.

MIS cell is also responsible for furnishing replies to Lokasabha and Rajyasabha questions. During 2015-16, replies were furnished to 7 Nos. of parliamentary questions.

Replies to the issues that arise in the petition committee, Assurance Committee and Other Committees of legislature were also sent.



During the reporting year 2015-16, the following I.T. activities were carried out.

1. In-house development and implementation of software for:
 - ☒ Computerisation of Station log details of 11KV feeders (e-Log software).
 - ☒ Collection and Consolidation of data related to revenue budget.
 - ☒ Online software for Inventory management system.
2. Purchased 125 desktop computers, 28 laptops , 44 printers and 223 UPS for corporate office and other offices of KPTCL.
3. Maintenance of database related to the information provided from KPTCL, corporate office and other Public Information Officers under Right to Information Act. During the year 2015-16, the number of applications received and disposed off under RTI Act is given below.

Total No. of PIOs under the Public Authority	No. of applications received	No. of applications Disposed off during 2015-16
107	1732	1719

FOREST WING:

Laying of transmission lines through forest areas are carried out in accordance with the guidelines of Forest (Conservation) Act 1980, Ministry of Environment and Forest, New Delhi. Presently for the diversion of forest land of the below said Transmission lines and Sub-station lands are in compliance with the guidelines of Forest (Conservation) Act 1980 MOEF, New Delhi.

1. Madavu to Sulya
2. Hulical to Varahi
3. Guruvayanakere to Netlamadanur
4. Konandur Line
5. Mulibetta to Siddakatte
6. 110/11 KV Sub-station at Bilakanda Village
7. 110 KV Sub-station at Hatargi
8. Kodihally to Hunsanally Line



9. Temporary Diversion of 0.837 HA in Belur SF (Hassan-Nandikur Line)
10. Chandragutti to Banavasi Line
11. Murudeswara to Belalkanda Line (Bhatkal)
12. Diversion of 7.62 HA in Kundapura Forest Division
13. 66 KV line from Cowdahally to MM Hills
14. Hiriyur Gowribidanur Line
15. Sub-station at Bandy (Thirthahalli Taluk).
16. 110/11 KV Sub-station at Konandur
17. 66 KV line from Madikeri to Virajpet.
18. 33 KV SC line from Theggi to Anagawadi via Bilagi
19. Jamkhandi to Mahalingapura line (110 KV)

Annual Performance Review & MYT Application:

KPTCL filed its Annual performance Review application on 27.11.2015 for FY 2014-15 based on Audited Annual Accounts & also MYT filing for FY 17-19 on 30.11.2015 for approval of ARR & determination of Transmission Tariff, before Hon'ble KERC. In the Annual Performance Review, KERC allowed an ARR of Rs.2527.64 Cr.

Transmission Tariff:

KERC issued Transmission Tariff order on 30.03.2016 allowing Transmission Tariff of Rs.127400/MW/Month for the FY 2016-17, Rs.122889/MW/Month for the FY 2017-18 & Rs.129943/MW/Month for the FY 2018-19

In the said order KERC allowed incentive of Rs.19.88 Cr to KPTCL for achieving better System Availability @ 99.50% and also for reduction in Transmission losses.

The details of the Capex for the year 2014-15 for prudence check was submitted to KERC on 19.10.2015. Hon'ble Commission took sample 36 works for prudence check through Third Party and declared that all works were prudent.

HUMAN RESOURCES AND DEVELOPMENT

It is very essential to train the employees regularly both in the area of their work as well as in the area of Personality Development in order to get the best out of each employee of the organization. This enables them to serve the organization better and the organization is also benefitted. Frequent Training Sessions update their knowledge and helps in placing right person at the right place.

To develop such a Human Resource, there must be a meticulous way of programming the activities which necessitate a well established Human Resource Development Centre with good infrastructure and faculty base.



KPTCL has taken a step forward to establish Human Resource Development Centre at Hoody, which is spread across an area of about 12 acres.

At present, this Centre has:

- ⊠ Nine Class Rooms which can accommodate of about 50 candidates in each room
- ⊠ Two hostel blocks to accommodate about 50 persons in each block
- ⊠ In house Canteen Facility
- ⊠ Yoga Hall
- ⊠ Indoor Games Hall
- ⊠ Indoor Shuttle Badminton Court
- ⊠ A big outdoor Sports Ground.

In addition to this, construction of **State of the Art Multipurpose Auditorium** with a seating capacity for 400 to 500 persons, additional Hostel Block for 200 trainees which includes an exclusive executive block, executive conference Hall, Digital Library, working Modules/equipment's Display Laboratory, networking with premier Institutions/Organisations etc., are in the pipe line. ***“On the whole KPTCL has a vision to groom this Centre as a “Centre of Excellence”.***

Training Programmes carried out during the Financial year 2015-16:

2992 numbers of Employees / Officers have been trained on various Topics during the Financial Year 2015-16. On an average, 134 Men per day have been trained.

Training Programme for the employees of KPTCL is being carried out in **two categories viz. (1) Induction Training Programme and (2) In-Service Training Programme.**

1. INDUCTION TRAINING PROGRAMME:

This training is conducted for the newly recruited Employees of KPTCL and the following Induction Training Programmes were conducted during the Financial year 2015-16:

- ⊠ Induction Training programme for the 384 numbers newly recruited Assistant Engineers for a period of 60 working days which covers 30 working days Class Room Training & 30 working days Field Training.
- ⊠ Induction Training programme for the 440 numbers newly recruited Junior Engineers for a period of 60 working days which covers 30 working days Class Room Training & 30 working days Field Training.



- ⊗ Induction Training programme for the 34 numbers newly recruited Assistant Accounts Officers for a period of 90 working days which covers 60 working days Class Room Training & 30 working days Field Training.

2. In-Service Training Programme:

The following Training Programmes for the In-Service employees of KPTCL were conducted during the Financial year 2015-16

- ⊗ Refresher Training Programmes for AEEs, AEs, JEs, SA, SM and TLM.
- ⊗ Technical Training for Maintenance Engineers conducted by M/s. Taurus.
- ⊗ Retirement planning for the Officers / Employees of ESCOMs / KPTCL
- ⊗ Refresher Training for Financial Wing.

3. Training Programme for KPTCL / non KPTCL Employees:

The Pre-employment training programmes for the following employees of CESC and other ESCOMs were conducted during the Financial year 2015-16.

- ⊗ Junior Engineers of CESC
- ⊗ Daftaries of ESCOMs & KPTCL
- ⊗ Assistants of ESCOMs & KPTCL
- ⊗ Junior Assistants of ESCOMs & KPTCL

Staff Pattern of Officers/Employees in KPTCL is as follows:

Group	Sanctioned	Working	Vacant
A	1225	1011	214
B	1458	1160	298
C	6179	4431	1748
D	6996	3782	3214
Total	15858	10384	5474

INTERNAL AUDIT:

1. Internal Audit is being carried out as per the Audit Manual, Regulations Accounts manual and circulars issued by the Corporation from time to time under the supervision of Financial Adviser (Internal Audit). **Audit enquiries/notes issued during the course of audit and the excess payments /irregular expenditure point out are being finalized after due discussions with the concerned head of the offices. Progress/ performance report of Internal Audit is being reported periodically.**



2. Few important Internal Audit observations during FY 2015-16:

- (1) Internal Audit at Corporate office has furnished its audit views for 145 Nos. of procurement / turnkey proposals before CPC. Similarly, for procurement/ turnkey proposals at Zonal level, DCAs (IA) at Transmission Zone verified the proposals and furnished the audit remarks.
- (2) In a case of tender for Renovation and up-gradation of protection systems in 220kV and 400kV Sub-Stations of KPTCL (on total turnkey basis) received in two different Lots, Internal Audit has pointed out that the sole bidder has quoted different rates for similar type of materials. Based on Audit views, lowest rate considered has resulted in reduction of cost to the extent of Rs. 2.43 crore.
- (3) In respect of a combined package of different works under partial turnkey basis at Ukkeri, Boj, Unkhalagi and Huttur under the jurisdiction of Bagalakote Transmission Zone, Internal Audit has pointed out that the bidder has quoted different ex-works rate for the same material. Lower quoted price for such material considered as per Audit opinion has resulted in reduction in incurring excess outlay to the extent of Rs. 25.62 lakh.
- (4) In respect of a partial turnkey Tender invited for 12.1KV, 2.09 M.V.A.R capacitor banks pertaining to Hassan Zone proposed to place before CPC, the Audit has pointed out that the same bidder has quoted lesser rate for the same material in Tumakuru Zone. Audit observation on this has resulted in considerable reduction in rates of material cost.
- (5) In connection with supply of Tower in case of 66/11KV Hejjala Sub Station of Ramanagar Taluk, under the jurisdiction of Bengaluru Transmission Zone, Internal Audit has pointed out that the bidder has claimed Price Variation amount of Rs. 13,45,082/- considering the date of acceptance of supply of Material instead of the date prescribed/offered for inspection. Price variation claims revised as per audit remarks, enabled the Corporation to collect an amount to the extent of Rs. 5,37,966/- from the Bidder instead of making payment of price variation. This has led to avoid excess payment to the extent of Rs. 18.83 lakh.
- (6) Based on the details/records made available, Audit has pointed out that, out of the total No. of 1223 properties (Land) as at the end of FY 2015-16, only for 695 No. documents are available, partial documents are available for 350 Nos. and documents for 178 Nos. of properties are yet to be made available to audit. Zonewise details are as under:



Sl. No.	Name of the Zone	Total Nos. of Properties	No. of Documents Completely available	No. of documents available partially	Total Nos. of properties for which documents not available
1	Bengaluru	315	166	104	45
2	Tumakuru	189	97	41	51
3	Kalaburagi	172	98	50	24
4	Mysuru	151	111	26	14
5	Hassana	182	93	45	44
6	Bagalakote	214	130	84	0
		1223	695	350	178

Though after consistent persuasion by audit, 60 Nos. of Land records has been updated in current year. The civil wing to take action to update the land records for 350 + 178 Nos.

- (7) As a result of inspection of 130 offices and stores by Internal Auditors, scrap materials costing Rs. 7.82 crore has been disposed in 2015-16. Pending further disposal of scrap material stock worth of Rs.30.20 crore in FY 2016-17.
- (8) After constant persuasion with Units by Internal Audit, quarters rent and building rent demand respectively for Rs. 5.54 crore and Rs. 7.09 crore raised in the books in respect of KPTCL quarters' rent and building rent to be collected from ESCOMs.
- (9) Huge amount of abnormal expenditure towards under the head of account R&M to Plant & Machinery was being incurred by Davangere TL&SS Division, in respect of following types of works.
- Arresting of oil leakage of power transformers, Painting of power and Maintenance work
 - Providing annunciator panel and transformers & structures and Repair and servicing of battery charger
 - Supply of spare parts
 - Top up of transil oil etc.



As a result of Internal Audit's observation on the above, it could be seen from the following table that there is reduction in abnormal R&M to P&M expenses in 2015-16 compared to previous years.

Sl. No.	Financial Year	Approved Budget (Rs. in Lakh)	Total Expenditure (Rs. In Lakh)	Remarks
1.	2010-11	80.82	162.71	Abnormal expenditure incurred in excess of approved budget got reappropriated by TL & SS Division, Davangere
2.	2011-12	170.78	246.87	
3.	2012-13	348.35	380.31	
4.	2013-14	421.00	443.22	
5.	2014-15	425.00	483.96	
6.	2015-16	460.00	320.77	

(10) Improper maintenance and non-updating of subsidiary books by TLSS Division Kolar has affected 2014-15 Accounts, Internal Audit in its Special Audit report for FY 2015-16 of TL&SS Kolar has pointed out that one of the main reasons is inadequate Staff (sanctioned post not filled in) and due to not deploying the staff Accounts works carried out by TLM staff has resulted in improper and non-updating of subsidy books. Audit has recommended to fill up the vacancies at TL&SS Division Kolar on top priority.

(11) Internal Audit (Head quarters) unit has pointed out excess payment of Rs. 17 lakh towards earned leave surrender calculation, pay fixation, medical and other claims.

3. It could be seen from the following table that during FY 2015-16 Internal Audit has issued audit paras and pointed out excess payment/irregular expenditure as under.

Particulars	Opening Balance	Pointed Out	Total Regularized	Recovery / Balance	Closing
Audit Reports (in Nos.)	316	1802	2118	1900	218
Excess Payments (Rs. in Lakh)	19.74	317.49	337.24	322.67	14.57
Irregular expenditure (Rs. in Lakh)	14.21	89.16	103.35	89.81	13.54



**Zone Wise Details are as under:
Details of Audit para for the FY-2015-16**

Rs. in Lakhs

Sl. No.	Name of the Office	Opening Balance	Audit Para issued	Total	Reply Received	Closing Balance
1	Bengaluru	41	477	518	469	49
2	Tumakuru	17	133	150	134	16
3	Kalaburgi	59	115	174	117	57
4	Mysuru	87	77	164	148	16
5	Hassana	59	380	439	400	39
6	Bagalkote	41	512	553	524	29
7	Head Qtrs	5	81	86	77	9
8	S.L.D.C	7	27	34	31	3
	Total	316	1802	2118	1900	218

Details of Excess Expenditure for the FY 2015-16

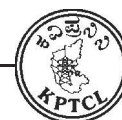
Rs. in Lakhs

Sl. No.	Name of the Office	Excess Expenditure during FY - 2015-16				
		Opening Balance	Audit Para issued	Total	Reply Received	Closing Balance
1	Bengaluru	1.11	133.38	134.50	132.81	1.68
2	Tumakuru	0.29	15.41	15.70	15.28	0.42
3	Kalburgi	3.68	18.93	22.61	18.31	4.31
4	Mysuru	7.17	12.00	19.17	17.50	1.67
5	Hassana	0.67	37.49	38.16	36.89	1.27
6	Bagalkote	5.80	82.68	88.48	83.44	5.04
7	Head Qtrs.	0.99	17.49	18.48	18.33	0.15
8	S.L.D.C.	0.03	0.11	0.14	0.11	0.03
	Total	19.74	317.49	337.24	322.67	14.57

Details of Irregular Expenditure during FY-2015-16

Rs. in Lakhs

Sl. No.	Name of the Office	Irregular Expenditure during FY - 2015-16				
		Opening Balance	Pointed Out	Total	Reply Received	Closing Balance
1	Bengaluru	0.41	1.53	1.94	1.86	0.08
2	Tumakuru	2.08	8.24	10.32	7.85	2.47
3	Kalburgi	1.34	3.05	4.38	1.66	2.72
4	Mysuru	1.41	7.28	8.69	8.60	0.08
5	Hassana	6.93	24.04	30.97	30.38	0.59
6	Bagalkote	1.91	36.27	38.17	38.11	0.06
7	Head Qtrs.	0.00	6.73	6.73	0.00	6.73
8	S.L.D.C.	0.13	2.02	2.15	1.35	0.81
	Total	14.21	89.16	103.35	89.81	13.54



Details of Stock position for the period ending on March 2016

Rs. in Crores

Sl. No.	Name of the Office	Material Details					Closing Balance 2015-16
		Opening Balance 2014-15	Obsolete	Un-operated	Scrap	Good Material	
1	Bengaluru	56.23	2.56	3.81	3.50	35.87	45.74
2	Tumakuru	7.55	4.43	2.67	1.46	5.94	14.50
3	Kalburgi	9.09	0.00	0.15	1.58	4.86	6.60
4	Mysuru	10.47	0.33	0.97	2.95	6.74	10.99
5	Hassana	15.78	0.24	2.16	0.69	6.76	9.85
6	Bagalkote	16.64	0.97	1.62	1.97	12.51	17.06
7	S.L.D.C.	0.39	0.00	0.00	0.05	0.37	0.41
	Total	116.15	8.53	11.38	12.20	73.05	105.15

WOMENS GRIEVANCE REDRESSAL COMMITTEE

Constitution of the Committee is as follows :

Sl. No.	Name	Designation
1	Smt. Vijaya, Superintending Engineer E(EI), Corporate Office, KPTCL, Kaveri Bhavan,	President
2	Assistant General Manager (Per), Corporate Office, KPTCL, Kaveri Bhavan,	Member.
3	Smt. K.S. Hema, Assistant Executive Engineer (EI), 220KV Sub-station, KPTCL, Hoody,	Member
4	Smt. M.M. Sudhamani, Assistant Executive Engineer(EI), 400 KV Sub-station, kptcl, Hoody.	Member
5.	Smt. Shanatha, Accounts Officer (Internal Audit), KPTCL, Kaveri Bhavan,	Member
6.	Smt. Bharathi, Accounts Officer (Enquiries-1) , Corporate Office, KPTCL, Kaveri Bhavan,	Member & Convener
7.	Smt. K.V. Bharathi, Senior Assistant, Corporate Office, KPTCL, Kaveri Bhavan,	Member
8.	Smt. K.P. Radha, Junior Assistant, Corporate Office, KPTCL, Kaveri Bhavan,	Member
9.	Smt. Shweta Luthra, Legal Consultant, SASHA, H.S.R. Lay-out. Bangalore,	Co-Opted Member



CORPORATE GOVERNANCE

KPTCL believes in transparency, accountability and fairness in all aspects of its operations.

Board of KPTCL believes and supports Corporate Governance Practices ensuring observance of best practices in all its dealings.

The Governance process in the company includes an effective post-meeting follow-up, review and reporting process for Action Taken/pending on decisions of the Board & Board Sub-committees.

As on 31st March 2016, the Board of Directors comprised of 14 members. All the Directors took active part in the proceedings of Board and Sub-Committee meetings which add value to the decision making process.

Board Meetings:

Meetings of the Board of Directors are scheduled in advance for which notice is given to each Director in writing. Agenda and other relevant Notes are circulated to the Directors well in advance.

During 2015-16, Board meetings were held on the dates as mentioned below:

Sl. No.	Meeting No.	Held on
1	93 rd Meeting	14.07.2015
2	94 th Meeting	27.08.2015
3	95 th Meeting	28.09.2015
4	96 th Meeting	30.09.2015
5	97 th Meeting	21.12.2015
6	98 th Meeting	26.02.2016

Key Managerial Personnel:

Appointment of MD as Key Managerial Personnel has been exempted by GoI.

Board of KPTCL at its 93rd Meeting appointed the following as Key Managerial Personnel pursuant to section 203(2) of the Companies Act, 2013:

1. Dr. Aditi Raja : Chief Financial Officer

Remuneration: As per existing service conditions relating to pay, allowances and other benefits applicable from time to time.

2. Sri. R. Sridhara : Company Secretary

Remuneration: As per existing service conditions relating to pay, allowances and other benefits applicable from time to time.

Board Sub-Committees :

The Sub-Committees of the Board were constituted not only to give more focused attention on important issues but also to expedite decisions on such issues. The Board has delegated certain specific powers to the Sub-Committees towards expediting decisions.



1. Central Purchases Committee:

Central purchases Committee was formed to consider all cases of purchases & Award of Station/Line Works or any other works and all matters relating thereto whether for Transmission Zone, Projects which are beyond the powers delegated to the Chief Engineers, Electricity upto a financial implication of Rs. 20 Crores.

The composition of the Central Purchases Committee is as follows:

Sl. No.	Members	Designation
1	Managing Director, KPTCL	Chairman
2	Director (Finance), KPTCL	Member
3	Director (Transmission), KPTCL	Member
	Director & Company Secretary, KPTCL	Convener

The concerned Zonal Chief Engineer will be the Coordinating Officer.

During the year under report, CPC meetings were held as follows:

Sl. No	Meeting No.	Held on
1	a) 148 th Tendering & Procurement b) 123 rd Transmission Zone, Bengaluru c) 54 th Transmission Zone, Kalaburagi	20.05.2015
2.	a) 45 th Transmission Zone, Hassan b) 78 th Transmission Zone, Mysuru	9.06.2015
3.	a) 149 th Tendering & Procurement b) 76 th Transmission Zone, Bagalkote	23.06.2015 & 24.06.2015
4.	a) 150 th Tendering & Procurement b) 123 rd Transmission Zone, Bengaluru	13.07.2015
5.	125 th Transmission Zone, Bengaluru	28.07.2015
6.	151 st Tendering & Procurement	09.09.2015
7.	a) 55 th Transmission Zone, Kalaburagi b) 76 th Transmission Zone, Bagalkote c) 48 th Transmission Zone, Tumakuru d) 46 th Transmission Zone, Hassan e) 126 th Transmission Zone, Bengaluru f) 79 th Transmission Zone, Mysuru g) 152 nd Tendering & Procurement	03.11.2015



Sl. No	Meeting No.	Held on
8.	a) 153 rd Tendering & Procurement b) 128 th Transmission Zone, Bengaluru	30.11.2015
9.	a) 154 th Tendering & Procurement b) 56 th Transmission Zone, Kalaburagi c) 78 th Transmission Zone, Bagalkote f) 47 th Transmission Zone, Hassan g) 126 th Transmission Zone, Bengaluru h) 80 th Transmission Zone, Mysuru	11.01.2016
10.	a) 155 th Tendering & Procurement b) 129 th Transmission Zone, Bengaluru c) 79 th Transmission Zone, Bagalkote d) 48 th Transmission Zone, Hassan e) 81 st Transmission Zone, Mysuru f) 57 th Transmission Zone, Kalaburagi g) 49 th Transmission Zone, Tumakuru	23.03.2016

2. Borrowings Sub Committee:

The Borrowings Sub-Committee has been delegated with powers to borrow Long Term Loans from Banks/Financial Institutions on behalf of the Board upto the limit fixed by the shareholders at the General Meeting from time to time.

The Sub-Committee consists of the following members:

1. Additional Chief Secretary to GoK., Energy Department, GoK - Chairman
2. Additional Chief Secretary to Govt, Finance Department, GoK - Member
3. Managing Director, KPTCL - Member
4. Director (Finance), KPTCL - Member

During the year under report, the Borrowing Sub-Committee held its meetings as below:

Sl. No.	For Availing Long Term Financial Assistance from	Amount	Held on
1	M/s. State Bank of Mysore	Rs. 200 Crores	18.09.2015
2	M/s. Vijaya Bank	Rs. 150 Crores	27.05.2015
3	M/s. UCO Bank	Rs. 200 Crores	22.03.2016
4	M/s Punjab National Bank	Rs. 300 Crores	29.03.2016



3. Audit Committee:

In accordance with the provision of Companies Act, 2013, KPTCL has constituted an Audit Committee as below:

Sl. No.	Members	Designation
1	Sri P. Ravikumar, I.A.S., ACS, GoK, Energy Department	Chairman
2	Sri. I.S.N. Prasad I.A.S., ACS, GoK, Finance Department	Member
3	Sri. T.H.M. Kumar I.A.S., Managing Director, PCKL	Member
4	Sri S. Sumanth, Director (Transmission), KPTCL	Member
	Sri R. Sridhara, Director and Company Secretary, KPTCL	Convener

NOTE : Membership is coterminous with their Directorship on the Board of KPTCL.

The following Terms of Reference as per Companies Act, 2013 are prescribed to Audit Committee to play an effective role:

- i. Recommendation for remuneration of Auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statement and the auditors' report thereon;
- iv. Approval or any subsequent modification of transactions of the company with related parties;
- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and related matters.



During the year under report, the Audit Committee held its meetings as below:

Sl. No.	Meeting No.	Held on
1	20 th Meeting	29.05.2015
2	21 st Meeting	21.08.2015
3	22 nd Meeting	27.09.2015

Pursuant to provisions of Section 134(3) of the Act, the following information is provided:

(a) ANNUAL RETURN:

Extract of Annual Return pursuant to the provisions of Section 92 furnished in Annexure 1 is attached to this Report (MGT-9).

(b) Directors' Responsibility Statement;

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, the Directors state that :

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
 - (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
 - (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - (d) The directors have prepared the annual accounts on a going concern basis; and
 - (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (c) Explanations or Comments by the Board on every Qualification, Reservation Or Adverse Remark Or Disclaimer Made
- (i) By the auditor in his report : enclosed as Annexure-2
 - (ii) By the Company Secretary in practice in his Secretarial Audit Report:



enclosed as Annexure-3

- (d) Particulars of loans, guarantees or investments under section 186 - Nil
- (e) Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form : Nil
- (f) The state of the company's affairs : indicated ante
- (g) The amounts, if any, which it proposes to carry to any reserves : No amount is proposed to carry to any Reserve.
- (h) The amount, if any, which it recommends should be paid by way of dividend : No amount recommended towards dividend.
- (i) Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report
Provision for Bonus and ex-gratia has been made in 2015-16 Accounts based on Corporation Order No.KPTCL/B16/5608(i)/2000-01 dated: 04/04/2016
- (j) The conservation of energy, technology absorption, foreign exchange earnings and outgo:

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption, are not applicable. During the year under review, there is no foreign exchange earnings and outgo.

- (k) Statement Concerning Development and Implementation of risk Management Policy of the Company : NIL
- (l) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

A. CSR COMMITTEE:

Corporate Social Responsibility Committee is constituted in accordance with Section 135 of the Companies Act, 2013. The present composition is as below:

Sl. No.	Members Sriyuths	Designation
1.	P. Ravi Kumar	Chairman
2.	I.S.N. Prasad	Member
3.	Jawaid Akhtar	Member
	Director & Company Secretary, KPTCL	Convener



During the year under report, the CSR (Corporate Social Responsibility) Committee held its meetings as below:

Sl. No.	Meeting No.	Held on
1	2 nd Meeting	3rd March 2016

B. Contribution towards CSR during 2015-16:

An amount of Rs.1,28,37,438/- (Rs. One Crore Twenty Eight Lakhs Thirty Seven Thousand Four Hundred and Thirty Eight only) was spent towards activities listed under schedule VII to Companies Act 2013 as Corporate Social Responsibility expenditure for FY 2015-16.

SPORTS:

Achievements of KPTCL Sports Organisation Players for the Year 2015-16 :

The following of KPTCL teams have participated in the AIESCB Tournaments:

Women Sports, Athletics, Body Building and Power Lifting, Kabaddi , Foot Ball KPTCL Teams have participated in the AIESCB tournaments for 2015-16 and have secured Top three places in many events and made our organization proud.

KPTCL Players have participated in International, Open National and Open State Championships and have Secured International Ranks, National Ranks and State Ranks and made our organization Proud.

BODY BUILDING :	<p>International Level</p> <p>Sri Roshan Ferrao, MESCOM represented India in the Natural Mr.Olympia -2015 Body Building Championship held at Las Vegas (California) during November -2015 and secured 6th Place.</p>
BILLIARDS :	<p>At National Level</p> <p>Sri D. Rajkumar, HRDC KPTCL represented Karnataka State Team in the National Billiards Championship held at Indore, Madhya Pradesh during Jan-2016 and has reached the top 16 of India.</p> <p>At State Level</p> <p>Sri D Rajkumar, HRDC, KPTCL is Ranked No 2 of Karnataka in Senior Billiards State Ranking Tournament</p> <p>Sri. D Rajkumar, HRDC, KPTCL is Ranked No 5 of Karnataka in Snooker State Ranking Tournament.</p> <p>Achievements of KPTCL Teams in AIESCB Tournaments</p>



Women Sports :	<p>KPTCL Women Players Team had participated in the 40th AIESCB Women Sports Tournament held at Hyderabad during May-2015 and displayed splendid performance by securing the following places:</p> <ol style="list-style-type: none"> 1) Tennikoit Open Singles- 1st Place Smt Poornima 2) Tennikoit Team Event 2nd place Smt Nanda.B, Smt Varalakshmi, Smt. Gowramma. 3) Tennikoit Open Doubles- 3rd place Smt Nanda.B and Smt Poornima <p>KPTCL Woman players Team had participated in the 41st AIESCB Woman Sports Tournament held at Velly, Andra Pradesh during March-2016 and displayed splendid performance by securing the following places:</p> <ol style="list-style-type: none"> 1) Shuttle Badminton Team Event 1st place -Smt Kokila B.R, Smt Nandini.E.B, Smt Usha H and Smt Nischitha.C 2) Shuttle Badminton Double Event 1st place Smt Kokila B.R. and Smt Nandini.E.B 3) Table Tennis Team Event 2nd place Smt Manjula, Smt Gangamma Patil, Smt Sundara M.S and Smt Preethi Sonakatti. 4) Tennikoit Team Event 2nd place - Smt Nanda B and Smt Poornima, Smt Gouramma and Smt Varalakshmi. 5) TenniKoit Doubles Event 2nd place - Smt Nanda B and Smt Poornima 6) Table Tennis Singles Event 2nd place Smt Manjula B 7) TenniKoit Doubles Event 3rd place - Smt Gouramma and Smt Varalakshmi.D.S <p style="text-align: center;">Overall Championship 1st Place</p>
Kabaddi :	KPTCL Kabaddi Team had participated in the 40 th AIESCB Kabaddi Tournament held at Kollapur during July-2015 and displayed splendid performance by securing 2 nd Place
Body Building Power Lifting :	KPTCL Body Building and Power Lifting Team had participated in the 40 th AIESCB Body Building and Power Lifting Tournament held at Punchakula, Hariyana during Aug-2015 and displayed splendid performance by securing 2 nd Place.
Athletes :	KPTCL Athletics Team participated in the 41 st AIESCB Athletics Tournament held at Lacknow, Madhya Pradesh during Jan-2016 and displayed splendid performance by securing 3 rd Place.
CRICKET :	KPTCL Cricket Team participated in the KSCA Group II 2 nd Division League Held at Bangalore during Jan -2016 and performed well by reaching Quarter Finals level in the Tournament.



In view of participation of more number of young players of our Organisation in the current year tournaments, the events were more competitive. The Managements of KPTCL, ESCOMS and the Members of Company Sports Committees' have encouraged our players to achieve more in National and Inter-National level Competitions.

KPTCL Sports Organization has given opportunity for all employees and officers of KPTCL and ESCOMS to participate in 21 events. KPTCL Sports Organization has always been in the forefront in the AIESCB Overall Championship by participating in the most number of Tournaments and Championships organized by different Electricity utilities of the Country.

KPTCL Sports Organization has conducted Sports classes and organized sports competitions to the newly recruited **34 Assistant Accounts Officers, 384 Assistant Engineers and 413 Junior Engineers** during their Induction Training Program at HRD Centre from 01.01.2016 to 19.03.2016. The Sports Classes were conducted with a power point presentation with a brief introduction about KPTCL Sports Organization to enlighten and to create awareness to the newly recruited officers and employees about the facilities and encouragement given to sports players in KPTCL, Company wise selections, Inter Company Tournaments with the selection Process for representing KPTCL Teams in AIESCB Tournaments and about the achievements of KPTCL Sports players in Inter National, National, State Level and also in AIESCB Tournaments. In view of encouraging the newly recruited Officers to take up Sports in their daily routine with their day to day work of our organization to maintain good health and to have sportive and efficient approach in their work.

STATUTORY AUDITORS

C & AG of India have appointed M/s. Manian & Rao, Bangalore as Statutory Auditors for auditing the Accounts of KPTCL for the Financial Year 2015-16.

COST AUDITORS

Board of Directors have appointed of M/s. N.S. & Associates, Bengaluru as Cost Auditors for auditing the Cost Accounting Records of KPTCL for the Financial Year 2015-2016.

SECRETARIAL AUDITORS

Under Section 204 of the Companies Act, 2013, Board have appointed M/s. K.Narayana Swamy & Co., as Secretarial Auditor for KPTCL for FY 2015-16.



ACKNOWLEDGEMENTS

Board of Directors would like to place on record its appreciation for all the support and guidance extended by the Government of Karnataka, Government of India, Karnataka Electricity Regulatory Commission, Central Electricity Authority, Central Electricity Regulatory Commission, Power Finance Corporation Ltd., Commercial Banks & other Financial Institutions, Ministry of Corporate Affairs, Registrar of Companies and the General Public for their co-operation and active support to KPTCL.

Board of Directors would also like to place on record its appreciation for the untiring efforts and contributions of the employees at all levels to ensure that the company continues to grow and excel.

For & on behalf of the Board

Sd/-

D.K. SHIVAKUMAR

DIN 02021885

CHAIRMAN, KPTCL



Annexure - 1 to Directors Report
Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON
31st MARCH 2016

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40109KA1999SGC025521
ii.	Registration Date	28-07-1999
iii.	Name of the Company	Karnataka Power Transmission Corporation Limited
iv.	Category/Sub-Category of the Company	Government Company
v.	Address of the Registered office and contact details	Corporate Office, Kaveri Bhavan, Bengaluru 560 009
vi.	Whether listed company	Not Listed Company
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	Transmission of Electricity		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL
2.					
3.					
4.					
5.					



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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)		20753225	20753225	100%		20753225	20753225	100%	Nil
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-									
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									



i) Others (specify)									
Sub-total (B)(1)									
2. Non Institutions									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)									
Sub-total (B)(2)									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C.Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		20753225	20753225	100%		20753225	20753225	100%	Nil



ii. Share holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Sri G. Kumar Naik	1	0		0	0		
2.	Sri. Jawaid Ahktar Managing Director	0	0		1	0		
3.	Sri. P. Ravikumar	1	0		1	0		
4.	Sri. M. Maheshwar Rao	1	0		1	0		
5.	Sri. I.S.N. Prasad	1	0		1	0		
6.	Sri.Pankaj Kumar Pandey	1	0		1	0		
7.	Dr. Aditi Raja Director (Finance)	1	0		1	0.		
8.	Sri. S. Sumanth Director (Transmission)	1	0		1	0		
9.	Hon'ble Governor State of Karnataka	20753 218	100%		20753 218	100%		
	Total	20753 225	100%		20753 225	100%		

iii. Change in Promoters' Shareholding (please specify, if there is no change

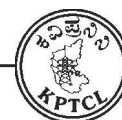
Sr. no	Particulars	Shareholding at the beginning of the year		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20753225	100	20753225	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the End of the year	20753225	100	20753225	100



iv. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4851579612	69468944		48585265076
ii) Interest due but not paid				
iii) Interest accrued but not	32789048	67198		32856246
Total (i+ii+iii)	48548585180	69536142	0	48618121322
Change in Indebtedness during the financial year				
- Addition	5300000000			5300000000
- Reduction	5613966601	16912310		5630878911
Net Change	-313966601	-16912310	0	-330878911
Interest Amount				
- Addition	4826713308	6909502		4833622810
- Reduction	4794499882	6943101		32179827
Net Change	32213426	-33599	0	32179827
Indebtedness at the end of the financial year				
i) Principal Amount	48201829531	52556634		48254386165
ii) Interest due but not paid				
iii) Interest accrued but not due	65002474	33599		65036073
Total (i+ii+iii)	48266832005	52590233	0	48319422238



V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

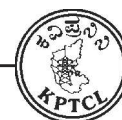
Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary FY 2015-16	Sri G Kumar Naik Managing Director Upto 20.04.2015 Rs. 129690.00	Rs. 129690.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
	FY 2015-16	Sri Jawaid Akhtar, Managing Director From 11.05.2015 Rs. 2086045.00	Rs. 2086045.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
	FY 2015-16	Dr. Aditi Raja Director (Finance) Rs. 2270299.00	Rs. 2270299.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
	FY 2015-16	Sri. S. Sumanth Director (Transmission) Rs. 2303575.00	Rs. 2303575.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
	FY 2015-16	Sri. R. Sridhara Director & CS Rs. 2195384.00	Rs. 2195384.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	



	FY 2015-16	Sri Ramakrishna M Director (Admn. & HR)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.828702.00	Rs.828702.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
6.	Total (A)	Rs. 9813695.00	Rs.9813695.00
	Ceiling as per the Act		

B. Remuneration to other directors : NIL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify		
	Total (1)		
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify		
	Total (2)		
	Total (B) = (1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		



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

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

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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



ANNEXURE-2 to Directors Report

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS OF THE STATUTORY AUDITORS ON THE ACCOUNTS FOR 2015-16

Sl. No.	Observations of Statutory Auditors	Management Replies
1	Non-compliance of the financial statements dealt with by this report with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 or significant accounting policies of the Company observed by us as listed below:	
1.1	During the financial year 2014-15, the Company has modified the valuation policy in respect of inventory of stores & spares. Up to the FY: 2013-14, stores & spares were valued at standard rate or at purchase cost if standard rate is not available. From FY: 2014-15, stores & spares are valued at lower of purchase cost or net realizable value. However, in respect of inventory of stores & spares lying in stock as on 31.03.2014 and not consumed as on 31.03.2016, the impact because of the change in the accounting policy has not been ascertained and brought into books. The effect of the same on the accounts could not be ascertained.	KPTCL has implemented AS-2 with effect from 01/04/2014. Stock as on 31/03/2016 are at lower of purchase cost, as majority of the store materials are made of Copper and Aluminum the cost of the same as on 31/03/2016 is always less than Market price as on 31/03/2016. Hence there is no impact on stock because of the change in the accounting policy.
1.2	Current Assets include value of stores & spares amounting to Rs.6521.46 lakhs (Refer Note 16). As per the information and explanations given to us, the	Necessary action will be taken to hold the scrap approval committee meeting at regular intervals to ensure timely disposal of scrap materials.



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>Company has not fully identified through Scrap Approval Committee obsolete or scrap materials lying in stock in most of the divisions. The same is not in compliance with Accounting Standard – 2 “Valuation of Inventories”. In the absence of the information, the impact of the same on the accounts is not ascertainable.</p>	
1.3	<p>The Company follows a policy of charging off to revenue R&M Spares at the time of drawal from stores. To the extent of spares withdrawn and not put to use, the R&M expenses for the year are overstated and stock of stores & spares are understated. In case of capital spares, the same are not capitalized at the time of procurement. In the absence of information, the effect of the same on the accounts could not be ascertained.</p>	<p>The issue will be examined in detail and suitable policy in this regard will be evolved during 2016-17 if necessary.</p>
1.4	<p>Outstanding provision towards Family Benefit Fund towards long term liability on Retirement / Death Benefit is held to the extent of Rs.6220.35 lakhs as on 31.03.2016. The Company has not ascertained the liability for the same on the basis of actuarial valuation which is not in conformity with Accounting Standard (AS) 15 on “Employee Benefits”, the effect of which on the accounts could not be ascertained.</p>	<p>Amount collected from the Employees towards Family Benefit Fund is being deposited in a separate dedicated Bank Account. The interest earned during 2015-16 on such deposit is Rs.5.5Crore. The Interest so earned is being credited to the Family Benefit Fund deposit Account and thereby Fund is growing on its own. Hence additional provision towards Fund is not necessary and no provision has been made during 2015-16 Accounts. As such, liability as per Actuarial valuation not ascertained for the year.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
1.5	Provision for long term employee benefit of pension & gratuity in respect of employees joined on or before 31/03/2006 is made on adhoc basis at contribution rates furnished by KPTCL & ESCOM.s Pension & Gratuity Trust as stated in Note 11.2 & 24.4 to the Accounts without ascertaining liability based on actuarial valuation as on 31.03.2016 which is not in conformity with Accounting Standard (AS) 15 on "Employee Benefits", the effect of which could not be ascertained.	KPTCL & ESCOMs Pension and Gratuity Trust(KEPGT) has appointed the Actuary on behalf of KPTCL & ESCOMs. Actuary is yet to submit the Actuarial Valuation Report. In the absence of Actuarial Valuation Report, provision towards Pension and Gratuity has been made based on the Actuarial Valuation Report as on 31/03/2015.
1.6	Liability towards leave encashment has not been made in respect of 95 AE.s & 189 JE.s of the Company as stated in Note 24.2 to the Accounts which is not in conformity with Accounting Standard (AS) 15 on "Employee Benefits", the effect of which on the accounts could not be ascertained.	Order for regularization of Contract AEs and JEs with effect from 2012 are issued during April 2016. Hence information relating to employees regularized are not furnished to Actuary for valuation.
1.7	Additional disclosures required to be made in terms of Accounting Standard AS-15 has also not been made in respect of long term employee benefits.	Actuarial valuation report as on 31-03-2016 is not been provided by KEPGT. Hence disclosure in accordance with AS-15 is not made.
1.8	Note 5.1 regarding Deferred Tax Liability provided in earlier years considered as sufficient, the correctness of which could not be ascertained in the absence of necessary details of working for the position as on 31-03-2016. The same is not in conformity with Accounting Standard (AS) 22 – "Accounting for taxes on Income" and Accounting Policy Note	The Deferred Tax Liability has been worked out and it is found that, Deferred Tax Liability provided in earlier years is considered as adequate.



Sl. No.	Observations of Statutory Auditors	Management Replies
	No.35.10 (c&d) of Significant Accounting Policies. The effect of the same on the accounts is not ascertainable.	
2	Attention is drawn to Note 10 regarding credit balances of Rs.1687.63 lakhs under Inter Unit Account – Materials, Rs.2120.67 lakhs under Inter Unit Account – Released Assets & Rs.11.56 lakhs under Inter Unit Account – Personnel grouped under „Other Current Liabilities. & Note 20 regarding debit balances of Rs.132.69 lakhs grouped under „Other Current Assets. which represents un reconciled / un responded entries in Inter Unit Accounts and which also includes several old transactions. Consequent impact of the same on the accounts is not readily ascertainable in the absence of details.	Except a few old items, majority of unmatched IUA transactions have been reconciled and paired off. For IUA Transactions from 01/04/2015 and onwards a new software has been developed and implemented with effect from 01.04.2015 to operate IUA transactions through on-line. Further action will be taken to reconcile the old balances.
3	Liability for Suppliers / Works Rs.4950.73 lakhs disclosed under Note 10 include an un-reconciled amount of Rs.117.59 lakhs pertaining to the year 2001-02 of Major Works Division, Bagalkot. As informed to us, the bills have been passed at this unit and sent to Transmission Zone – Bengaluru for arranging payment. The payment has been made but subsequently AT.s have not been given effect for want of details. In the absence of information, the effect of the same on the accounts is not ascertainable.	The issue will be examined in detail and action will be taken to reconcile the amount during 2016-17
4	Attention is drawn to Note 36.6 (b) on the accounts regarding receivables	Reconciliation completed in respect of BESCOM and in respect of other



Sl. No.	Observations of Statutory Auditors	Management Replies
	from and Payable to ESCOM.s (aggregating to Rs.13,188.65 lakhs &Rs. 12,601.13 lakhs respectively), out of which unreconciled balances are to the extent of Rs.587.52lakhs under receivables. Pending reconciliation and subject to confirmation, consequential impact of the same on the accounts is not ascertainable.	ESCOMs required details has been furnished from KPTCL side to ESCOMs and ESCOMS to take action and same will be pursued.
5	We are unable to ascertain either the correctness of liability or additional liability, if any, required in respect of Sundry Creditors for purchase of Power Rs.206,833 lakhs (shown in Note 09 on Accounts) stated to be balance amount payable relating to purchase of power made up to 09.06.2005 (substantial portion of which is outstanding for more than three years).	The liability shown in the Sundry creditors for purchase of Power are correct. As the company has to discharge these liabilities, the same are being continued under the liability Account.
6	Adjustment pending notification by GOK, Rs.4238.43 lakhs shown in Note 6.5 to the Accounts under „Other Long term Liabilities. which represents adjustments made after notification of final opening balance sheet as on 01.06.2002. As per GOK letter dated 14.06.2012, Government has directed KPTCL to reconcile the above balance with ESCOMS and to send the revised proposal for approval. As on 31.03.2016 the reconciliation of the above accounts is under progress, pending which the effect on the net worth could not be ascertained.	Required details has been furnished from KPTCL to ESCOMs and ESCOMS to take action and same will be pursued.
7	Other Payables – Sundry Liabilities Rs.6564.92 lakhs (Note 10 to accounts) include Rs.113.99 lakhs being amount recovered from	“KPTCL and ESCOMs Employees Welfare Trust” was formed in 2008. Further course of action will be taken.



Sl. No.	Observations of Statutory Auditors	Management Replies
	employees in earlier years pending payment to Employees Welfare Trust, which as informed to us was constituted but modalities have not been framed and notified.	
8	Amounts Recoverable from Employees of Rs. 274.10 lakhs disclosed in Note 15 to the Accounts and Rs. 59.14 lakhs disclosed in Note 20 to the Accounts includes amounts recoverable relating to shortage of stores etc., proposed to be recovered from future salaries/terminal benefits. In the absence of necessary details, amount required to be provided towards irrecoverable balance could not be ascertained.	In most of the cases, recovery is being effected from the salary of the employees. Since, the amount will be recovered from employees/retired employees out of the monthly salary/Terminal benefits of the employees/retired employees, making provision for outstanding balance which is recoverable does not arise.
9	Wheeling charges receivable from other States (net of payable) Rs. 2777.12 lakhs disclosed under Note 17 „Trade Receivables. includes Rs.763.51 lakhs receivable from KSEB and TNEB outstanding for over three years and not realized till date. As informed to us, steps are being taken to recover the amounts. Consequential amounts required to be written off, if any, is not ascertainable.	In respect of KSEBL and TNEB the wheeling charges receivables by KPTCL has been reconciled. The KSEBL has transferred net amount of Rs.2.93 Crores to KPTCL on 19.08.2016.
10	Attention is drawn to Note 12, wherein transfer of title deeds in favour of the Company is under process in respect of certain lands; complete documents are not available in respect of certain premises occupied by the Company and some of the lands are under encroachment.	Transfer of title in favour of KPTCL is under process. Out of 1251 premises complete documents for 786 premises are available. Necessary Action is being taken by Zones/Circles for updating of balance land records and for clearing Land encroachment.



Sl. No.	Observations of Statutory Auditors	Management Replies
11	Attention is also drawn to Note 10.3 on Accounts – Ex-gratia paid for FY: 2014-15 is subject to post facto approval / ratification of Govt. of Karnataka.	Efforts will be made to obtain Ratifications for ex-gratia payout for the year 2014-15 and 2015-16.
12	In some of the divisions, Royalty payable to Govt. has not been deducted / deducted at a lesser rate than the prevailing rate fixed by Mines & Geology Department from Work bills. To that extent, other current liabilities are understated and payable to Contractors is overstated. In the absence of information, the amount could not be quantified and its effect on the accounts could not be ascertained.	Necessary instructions will be issued to the Accounting Units to recover the Royalty amount at prevailing rates, difference if any will be recovered during 2016-17.
13	In respect of some major works, as per tender terms and internal clarifications, reimbursement of taxes / variation in duties & taxes like Excise duty & CST need to be reimbursed to the Contractors on actual basis based on valid documentary proof. However, we observed that payments have been made based on amounts as per Detailed Work Award (DWA) instead of actuals based on documentary evidence resulting in excess payment to the Contractors and overstatement of Capital Work-In-Progress/ Fixed Assets. In the absence of documentary proof / workings, the effect of the same on the accounts could not be ascertained.	Proposal for including new clause in the tender documents in respect of furnishing of Split-up details of taxes, duties, charges and documentary proof for the same by the Contractor at the time of payment for both own manufactured and bought out items is under consideration. The same will be included in the tender documents after approval of competent authorities. Government of India is envisaging introduction of GST and the details of the same are awaited.(This was also raised in last year and replies furnished in Management replies)
14	As per GO FD 59 PRO. CELL 2004 dt: 26.11.2004 applicable for tenders invited before 21.11.2008, Price adjustment clause shall be	Government have issued two orders in this context viz., G.O. No. FD59 PRO. CELL 2004 dated 26.11.2004 and FD 3 PCL 2008 dated 21.11.2008.



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>included in all works contracts whose estimated cost put to tender is Rs.100 lakhs or more and the period of completion is 12 months or more. However, Board vide in its 47th meeting held on 25th July, 2005 had modified the completion period to 6 months from 12 months. The same is not in accordance of the above GO. During the year we have observed payment to Contractors towards price variation which is not in compliance with the above G.O. In the absence of workings, we are unable to quantify the amount or its effect in the accounts. Ratification be obtained from GOK for all payments made that is not in accordance with the above GO.</p>	<p>Essentially both the orders are aimed at bringing in some flexibility to the approved price in a Tender. Apparently both the orders appear to be most relevant to PWD works since the price variation refers to construction materials such as Cement, Steel, Bitumen etc., The purpose of the order appears to be the following:</p> <ol style="list-style-type: none"> a) To deter the bidders from factoring unreasonably high variations to their rates imagining very high escalation in the cost of materials. b) To insulate the organisation against possible downward trend in the price of materials during the term of the contract. c) To provide for a fair and reasonable rate for the works/materials during the period of contract. <p>Having observed that the above G.O.s are most relevant to PWD works, the State Government, keeping in view the volatile fluctuations of “appropriate” Price Adjustment clause in respect of tender documents involving procurement of Electric Cables, Transformers etc., with due approval of the Head of office. By the above, State Government, realizing the need for a PV Clause in respect of Electrical Equipments, has left the discretion to the Procurement Entity. Unlike Cement, Steel, Bitumen on a reference to the IEEMA indices month on month it can be seen that the rates for Electrical Equipments fluctuates even within a period of 3-6months. Considering the nuances involved in the Procurement Electrical Equipments and also keeping in view the purpose and spirit</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
		<p>of providing price variation in Tender Documents, the Board of KPTCL at its 47th Meeting have approved incorporation of an “appropriate” price Adjustment Clause for works costing Rs. 100 Lakhs or more with a completion period of 6 months or more. It has to be appreciated that Government in its orders have not mandated any specific price Adjustment Clause for Procurement Electrical Equipments. However, they have left it open to the relevant procuring entity to provide for appropriate Price Adjustment Clause in its Tender Document. Taking a cue from the same, KPTCL as a major procuring entity of Electrical Equipments, keeping in view its practical relevance, has prescribed the necessary conditions for providing price variation to procurement of certain Electrical Materials. Since such a prescription has been left to the procuring entity, the aspect of addressing Government for ratification does not arise.</p>
15	<p>The Company does not have appropriate policy guidelines in accordance with KERC norms for deciding the various situations under which a work need to be carried out either under Self-Execution basis (SE) / under Deposit-Contribution – Works (DCW) or in its capital budget under Annual Program of Works (APW).</p> <p>The capital expenditure amounting to Rs.636.17 lakhs in respect of establishing 2 x 20 MVA, 66/11KV sub-station and related works at</p>	<p>The guidelines for establishment of substations are already there in the regulations framed by Hon'ble KERC The Capital expenditure being incurred by KPTCL covers the following objectives:</p> <ul style="list-style-type: none"> a) Putting up evacuation infrastructure b) Meeting load growth c) Addressing deteriorating assets and new technology investment d) Improving reliability and quality of power supply

Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>India Heritage Trust (ISKCON), Vasanthapura, Bengaluru had been included under its capital budget in the Annual Program of Works (APW). We were informed that for any demand exceeding 7.5 MVA, the work need to be carried out under SE/ DCW basis. It is observed from the Power forecasting statement of BESCO, that the load demand from India Heritage Trust (ISKCON) is 7 MVA and the load demand mentioned for Mantri Serenity Project is 12 MVA. It is observed that there is existing load demand of 3.278 MW from Gokulam Apartments associated with India Heritage Trust. Hence, it is seen that the load requirement of the India Heritage Trust and its associate is more than 7.5 MVA. But we were informed that the entities have to be treated as different. Also, it is observed that the demand for Mantri Serenity Apartments itself is 12 MVA and hence as per KERC regulations, the cost is to be borne by the developers. But we were informed that there is no application in respect of Mantri Serenity forwarded by BESCO and if any application is received decision will be taken at that point of time as per KERC guidelines. Also, some correspondences available in this regard mention that the work may have to be carried out on DCW basis.</p> <p>In a similar work of establishing 3 x 20 MVA. 66/11 KVA sub-station at Divyashree Techno Park,</p>	<p>Apart from the above other Transmission system infrastructure works are also being taken up by the developers of layout/group of MS Buildings especially under (b) above (wherever the load to be catered exceeds 7500 KVA) in order to cater power supply for their layouts/Group of MS Buildings as mandated under KERC Regulations. As per the Regulation, they are supposed to put up the required Transmission system infrastructure on self-execution basis. But in case, they request the licensee to carry out the Work (which is allowed under the Regulations) then the same is taken up by Licensees at their behest on deposition of estimated cost together with 10% as tender premium on the total estimated cost. However after commissioning of the Project, any difference in amount to be paid by the developer is also collected and such asset is also taken over by KPTCL after it gets commissioned for maintaining it. In case of Divyashree Tecno Park, the required Transmission system infrastructure has been put up by the Developer under self-execution at their cost and risk since the entire load to be catered through that infrastructure belonged to one firm, whereas in case of Primal Project, the Transmission system infrastructure has been put up by KPTCL under (b) above to meet anticipated load growth as informed by BESCO and the load to be catered to, from this infrastructure belonged to different legal entities though they might be related as pointed out by Audit.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>Kundalahalli Village estimated to cost Rs.18.10 crores, the work has been executed under “Self-Execution” basis at the cost of the promoters of Divyashree Techno Park.</p> <p>As pointed out in our Statutory Audit Report dt.28/09/2015 for FY: 2014-15, in the case of establishing 2 x 31.5 MVA, 66/11 KVA sub-station and related works at Primal Projects, Bellandur, Bangalore, the work was carried out under APW and it was observed the three applicants of Primal Projects are all related parties and total contract demand from them is 16 MVA. The reasons for the differential treatment in various cases could not be satisfactorily explained by the Company. Also, we were informed that requisitions from customers are made to ESCOMs and the Company does not undertake validation of such requests. But since the capital expenditure incurred by the Company, some validation need to be carried out by the Company. Hence, the Company need to devise suitable policy guidelines in accordance with KERC norms for deciding the various situations under which a work need to be carried out either under Self-Execution basis / under Deposit-Contribution (Works) or under APW. In the absence of such guidelines or proper explanations, we are unable to comment on the appropriateness of some of the Capital expenditures incurred by the Company under APW.</p>	



Sl. No.	Observations of Statutory Auditors	Management Replies
16	<p>In respect of the transmission system for the proposed Yaramarus (2X800 MW) & Edlapur (1X800 MW) thermal power plant, the establishment of 400 KV Ballari Pooling Station (BPS) near BTPS, Ballari, was considered as an alternative. The project for the construction of 400 KV Pooling Station (BPS) in Kudithini Industrial area, Ballari was approved in the 56th Technical Co-ordination Committee meeting (TCCM) held in November 2013 and was also included in Annual Program of Works for the year 2014-15 (List III). In the original scheme for evacuation of power from YTPS (2 x 800MW) and Edlapur (1 x 800 MW) vide minutes of joint meeting of the standing committees of power system planning of SR & WR held on 28/12/2013, it was agreed that the KPTCL would implement the following among other things for evacuation of power from YTPS under stage-I.</p> <p>i) Bellary 400 KV Pooling station near BTPS.</p> <p>ii) Yermarus TPS – BPS 400 KV D/C line</p> <p>iii) Bellary TPS – Bellary Pooling Station 400 KV D/C line with quad moose conductor</p> <p>iv) De-link 400 KV S/C line running between RTPS-BTPS-JSW-Guttur with BTPS and JSW Bus so as to retain direct connectivity between RTPS and Guttur</p> <p>v) JSW TPS – BPS 400 KV D/C</p>	<p>Earlier the audit had raised the same observations for which the replies were furnished on the following dates:</p> <p>1) 12-08-2015-Annexure-1</p> <p>2) 10-08-2016-Annexure-2</p> <p>3) 16-08-2016-Annexure-3</p> <p>Copies of replies are once again placed.</p> <p>However, the reply to the present audit observations are as under:</p> <p>(1) In the paras(1) & (2), the audit has explained the scheme as stated in the standing committee meetings dtd 28-12-2013 and 28 & 29-12-2015. The observations made in para(3) expressing a doubt that there will be an additional cost implications for KPTCL for dropping BTPS-BPS link through construction of 400 kV DC line between BTPS & Guttur. The same is answered in detail in the reply sent on 16-08-2016. The same reply which has 11 points may please be perused and holds good since the observations are same.</p> <p>(2) Another observation made with respect to land has already been answered in the reply dtd 12-08-2015, in para-I. The reply holds good now also.</p> <p>(3) It is now expressed whether cost benefit analysis is made. It is to be stated that, these are evacuation lines are for state owned projects and wind generation projects. As a STU, if the evacuation is under 400 kV, the state has to undertake</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>line with quad moose conductor</p> <p>vi) KPTCL would plan an additional 400 KV D/C transmission line from JSW TPS or would configure the JSW-Bellary link in such a way that in case of contingency the LILO of RTPS-Guttur at JSW would be re-established.</p> <p>Vide 39th meeting of standing committee of Power system Planning of SR held on 28th – 29th Dec, 2015, KPTCL has intimated CEA that JSW Energy Ltd had come up with a proposal for evacuating additional 660 MW generation (to be connected at 400 KV level) together with the existing capacity of 1200 MW (at 400 KV level) and 260 MW (at 220 KV level). It was informed to CEA that with the additional 660 MW generation, the existing 400 KV twin Moose line between BTPS and Hiriyur gets loaded beyond its thermal limits. Also, the fault level at BTPS is nearing 40 KA due to ingress of additional 660 MW by JSW. KPTCL had further proposed to retain the LILO to BTPS only from the existing 400 KV SC line running between RTPS-BTPS-JSW-Guttur (300 km), the 400 KV DC quad line link (8 km) between BPS and BTPS may be dropped. Further it is observed by PGCIL that if BTPS-BPS link is dropped and the LILO is retained, there would be need of another corridor towards Guttur or Hiriyur to take care of reliability criterion. Hence,</p>	<p>these works with concurrence of Standing committee of CEA. As already informed in the earlier replies, this is a requirement the state has to comply as per the decisions of the standing committee. In fact this is a requirement for smooth flow of power.</p> <p>Hence the question of Cost benefit analysis does not arise as this is requirement as per decision of Standing Committee.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>PGCIL suggested to construct one more 400 KV DC line between BTPS to Guttur which was agreed.</p> <p>From the above it can be seen that there is additional cost implication for KPTCL for dropping BTPS – BPS link through construction of 400 KV DC line between BTPS and Guttur. M/s. JSW, for transmitting additional 660 MW had to construct a DC line from Bellary for evacuating the additional power in case link to BPS is not available. Hence, there is savings in cost to M/s. JSW. It is also to be seen that KPTCL had leased 263 acres of land from KIADB at a cost of Rs.52 crores for construction of BPS even though the cost of construction of the pooling station is borne by M/s. JSW.</p> <p>Hence, proper evaluation or Cost-Benefit study has not been conducted or substantiated by KPTCL for dropping the BTPS – BPS link.</p>	

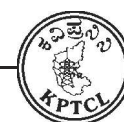


ANNEXURE - 1 Replies to observations of Statutory Auditors

MAJOR WORKS DIVISION, BALLARI STATUTORY AUDIT OBSERVATION FOR THE PERIOD APRIL 2014 TO MARCH 2015

Date : 12-08-2015

Queries raised	Reply
<p>I (c) Deposit with others (28.9353)</p> <p>An amount of Rs.51,58,29,997/- was deposited with KIADB for acquisition of 263.62 acres for establishing of 400 KV Ballary pooling station near BTPS. Land measuring 201.16 acres was handed over to KPTCL vide Letter No. KIADB/297/2014-15 dt: 30-12-2014, however we observed that the same wrongly kept under deposit with others instead of capitalised as land. Also, it is observed as per minutes of meeting held on 21.01.2015 between KPTCL & JSW Energy Ltd, land measuring 201.16 acres is handed over to JSW Energy Ltd for construction of 400 KV pooling Station in Kuditini Industrial Area under self-execution basis by JSW Energy Ltd. Memorandum of Understanding of KPTCL with JSW was not provided for our verification to know the reason for handing over of land to JSW Energy Ltd.</p>	<p>I. It is a common practice of accounting cost of land followed by KPTCL. This is also based on certain conditions laid down by KIADB. These conditions are formulated as per the Land Acquisition Act and statutes in vogue. KPTCL will transfer the amount held under deposit to cost of land as soon as the land is Registered in the name of KPTCL. The land will be transferred by the KIADB as soon as the station is constructed. It is also to be mentioned here that the land value is Rs. 51.58 Crore. and not 250 crore as per the mail dated 11-08-2015. Also, the land is not transferred to M/s JSW since the land as well as the station is going to be established will be the property of KPTCL. The land is in the process of transfer to KPTCL as per the procedure set forth by KIADB.</p> <p>Establishment of 400 KV Pooling Station at Ballary is a part of evacuation scheme approved for evacuation of power from the proposed thermal power plants at Yeramarus (YTPS) and Edlapur (ETPS) [of M/s Raichur Power Corporation Ltd.,] and also from the existing thermal power plants at Ballary (BTPS) [of M/s Karnataka Power Corporation Ltd.,] and M/s JSW Energy Ltd., [an independent power producer]. While evacuation scheme for the power plants at YTPS, ETPS and BTPS (3rd unit) was being planned and finalized by CEA, M/s JSW Energy Ltd., in their letter dated 17.10.2013 addressed to CEA requested to consider their Generation also, so that the power generated could be evacuated without any transmission constraints. The evacuation scheme has been approved by the Standing Committee of Central Electricity Authority (CEA) after reckoning its technical feasibility and the same has been communicated to KPTCL by CEA in its letter No.54/1/2013SP&PA/2052-54 date 19/11/2013. Further the scheme approved by CEA was placed before the 88th Board meeting of KPTCL held on 14.02.2014 and the same has been approved by the Board also.</p> <p>Further during the meeting held on 21.01.2014 at the Corporate Office, KPTCL, chaired by the Managing Director, KPTCL, M/s JSW Energy Ltd., expressed their intention to put up the 400 KV switching station at Ballari at their cost and risk on self-execution basis on the and to be provided by KPTCL on certain terms and conditions and the same was confirmed by them in letter dated 28.01.2014. As such 201.16 acres of land was handed over to M/s JSW Energy Ltd., (without transferring the title of the land) to facilitate construction of switching station.</p>



II. MOU with JSW & Proceedings of the Board approving the handing over of land to JSW in respect of Bellary Pooling Station and note on how it is more beneficial to parties other than JSW.

III. Bellary MWD - Why no MOU is there with M/s JSW Energy Ltd., for construction of BPS since the work is being executed on self execution basis but 200 acres of land worth Rs.250 crores has been handed over to JSW Energy. Also, in the meeting on 24/07/15 it was informed that major beneficiary will not be JSW Energy. In such a situation, whether the project was analysed by KPTCL and any cost benefit analysis done by KPTCL for the cost incurred vis-a-vis benefits to JSW Energy.

II. No memorandum of understanding was signed in this behalf between M/s JSW Energy Ltd., and KPTCL. A decision on agreeing to put up 400 KV Pooling Station at the cost and risk of M/s JSW Energy Ltd, was taken on file by the Corporate Office as being done on all self executed works. Further with regard to benefits are concerned, the KPTCL is the major beneficiary as it would be termination 10 (ten) of its 400 KV evacuation lines [2 lines each from YTPS, ETPS and BTPS, the State Govt. owned Generators and 2 lines each to the major load centres in the Transmission network] to the said pooling station being put up by M/s JSW Energy Ltd., and M/s JSW Energy Ltd., would be terminating 02 (two) of its 400 KV evacuation lines to the said pooling station. Added to this, the KPTCL has the advantage of using this station as a step down station in future just by installing interconnecting Transformers as the said pooling station is put up in the Industrial layout being developed by M/s KIADB and the power requirement by the industries coming in this layout is certain.

III. Some of the query brought out in this section has already been replied above. Further, with regard to cost incurred vis-a-vis benefits to M/s JSW Energy Ltd., the same would be hypothetical as M/s JSW Energy Ltd., have very right to seek connectivity with the said pooling station without actually investing for the pooling station under the Electricity Act as they would be paying Transmission charges to the KPTCL for using the network for Transmitting their Generated power. It may be noted that M/s JSW Energy Ltd., were already evacuating power using the KPTCL network to which already RTPS and BTPS were connected and they anticipated Transmission constraints on the line to which they are already connected if Generation capacity augmentation was to happen at BTPS.

Sd/-
Chief Engineer Electy.,
(Planning and Coordination)



**ANNEXURE - 2 Replies to observations of Statutory Auditors
Deposit with others (28.9353) (Non Availability of
MOU in respect of Pooling Station)**

Date : 10/8/2016

Observation	Reply										
<p>In respect of the transmission system for the proposed Yaramarus (2 x 800 MW) & Edlapur (1 x 800 MW) thermal power plant, the establishment of 400 kV Bellary Pooling Station (BPS) near BTPS, Bellary, was considered as an alternative. The project for the construction of 400 kv Pooling Station in Kudithini Industrial Area, Bellary was approved in the 56th Technical Co-ordination Committee meeting (TCCM) held in November - 2013 and was also included in Annual program of works for the year 2014-15 (list-III). In the kick off meeting, it was decided (July-2014) that KPTCL (company) would acquire land from Karnataka Industrial Area Development Board (KIADB) and hand over to JSW who would construct pooling station at their cost and hand over to company for maintenance. The company had approved the purchase of 263.62 acres of KIADB land in October-2014, KIADB requested KPTCL to pay a sum of Rs.51.58 crores for 263.62 acres. The details of the sum requested by KIADB are mentioned below :</p> <table border="1"> <thead> <tr> <th align="center">Particulars</th> <th align="center">Amount (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Tentative cost of the land @ Rs.12,00,000/- per acre for 263.62 acres</td> <td align="right">31,63,44,000</td> </tr> <tr> <td>Board Service Charges @ 10%</td> <td align="right">3,16,34,400</td> </tr> <tr> <td>Interest @ 12.75% per annum on Rs. 31,63,44,000/- for 1519 days from 29.9.2010 to 31.10.2014</td> <td align="right">16,78,51,597</td> </tr> <tr> <td align="center">Total</td> <td align="right">51,58,29,997</td> </tr> </tbody> </table> <p>The sum was paid to KIADB in November-2014 and subsequently the allotment letter for 263.62 acres was issued. Further, it was observed that out of 262.62 acres possession certificate was issued to Major works Division, KPTCL, Bellary for 201.16 acres in December -2014 and 49 in January-2016. KIADB also requested to execute lease deed</p>	Particulars	Amount (in Rs.)	Tentative cost of the land @ Rs.12,00,000/- per acre for 263.62 acres	31,63,44,000	Board Service Charges @ 10%	3,16,34,400	Interest @ 12.75% per annum on Rs. 31,63,44,000/- for 1519 days from 29.9.2010 to 31.10.2014	16,78,51,597	Total	51,58,29,997	<p>1. The MOU or MOM are one and the same. As per the standing committee approval letter No. 51/4/SP&PA-2014/150-171/dated 21.01.2014 the entire scheme has to be implemented by the KPTCL. It may be noted that there is no higher technical authority other than standing committee (CEA) in India.</p> <p>As per the scheme the drawings are approved and work is in fast progress. Incidentally, there is no financial implication/commercial terms in respect of Establishment of Bellary Pooling Station by M/s JSW.</p> <p>2. This does not arise as all charges are being collected from M/s JSW. The same points were also being raised earlier by Finance Wing.</p> <p>3. The observation pointed out may not be relevant as the scheme is already cleared by CEA standing committee which is known to be highest committee for such matter in India.</p>
Particulars	Amount (in Rs.)										
Tentative cost of the land @ Rs.12,00,000/- per acre for 263.62 acres	31,63,44,000										
Board Service Charges @ 10%	3,16,34,400										
Interest @ 12.75% per annum on Rs. 31,63,44,000/- for 1519 days from 29.9.2010 to 31.10.2014	16,78,51,597										
Total	51,58,29,997										



Observation	Reply
<p>agreement. Accordingly approval was sought by the chief Engineer transmission zone, KPTCL, Kalburgi for a payment of Rs. 3.43 crores at stamp duty (5.65% and registration fees 1%) on a total land cost (Rs.51.58 crores) and Miscellaneous charges of Rs.7,300/- for deed preparation from the Director (HRD), KPTCL in February-2016. The registration is yet to be done. In this connection, against a requisition for a copy of Memorandum of understanding between KPTCL and JSW, a copy of the minutes of the meeting between KPTCL and JSW was only made available by the division.</p> <p>i. In the absence of Memorandum of Understanding, we are unable to examine the complete implication of the arrangement, in terms of the commercial terms of evacuation of power generated by BTPS/YTPS.</p> <p>ii. As per Minutes of Meeting held on 21.01.2015 between KPTCL & M/s JSW Energy Ltd, the drawing processing fees, inspection charges, supervision charges are waived off considering the special case of execution, which are approved by CE (Elec.). However, we were not provided with the power available under "Delegation of Powers" for approving the same.</p> <p>iii. As informed to us, power generated from BTPS cannot be evacuated from the proposed pooling station due to short distance from BTPS which is very near to the pooling station and may damage the equipments in the pooling station. Also, we were not provided with any plan/construction done for evacuating power from BTPS through this pooling station. Hence, it is clear that the pooling station has been constructed only for the benefit of JSW.</p>	



ANNEXURE - 3 Replies to observations of Statutory Auditors

Reply to Statutory Auditors observation:

Date 16/08/2016

The audit committee on 11.08.2016 desired a note on subject 11 which was not discussed earlier, hence this note:

1. 400 kv pooling station(BPS) was a requirement to facilitate evacuation of power from both Yeramarus (YTPS, 2*800 MW) and Edlapur (ETPS, 1*800 MW) generating station of M/s RPCL considering all existing injecton of RTPS, JSW, Sharavathy Etc., and also to provide n-1-1 criteria for BTPS of M/s KPCL.
2. The whole planning for evacuation of power has to be looked into two separate perspectives and cannot be clubbed. Earlier also statutory audit had raised certain question about Bellary Pooling station which is answered. The observation now raised in a different one presented in the audit committee.
3. The comprehensive evacuation scheme is as per section 39 of Electricity Act-2003. This is as per approval of standing committee of CEA.
4. The planning envisaged took into cognizance the evacuation of power from YTPS, ETPS, JSW, RTPS and all other existing generators and accordingly link between BPS and BTPS was also proposed in addition to other evacuation lines from YTPS, ETPS, JSW and BPS. The transmission scheme for the above was approved by the Joint meeting of the Standing committee of Power System Planning held on 26.12.2013.
5. At a later date, M/s JSW came up with a requirement of exporting additional 660 MW (application dated 25.09.2014) in addition to the existing 1100 MW and in view of this additional requirement, the transmission planning had to be worked out to determine the capability of the network to handle additional injection of 660 MW as per Sec-39 along with an already approved planned generation injection in system planning requirement of 26.12.2013. The work as approved had already started.
6. The load flow studies done jointly with CEA and PGCIL revealed that the already planned link between BPS and BTPS had to be abandoned in view of increased fault level at BTPS and also to have n-1-1 requirement for the BTPS the existing SC line between BTPS and Guttur was to be converted into Double circuit. The scheme was approved by the 39th Standing Committee of CEA held on 25.12.2015 for technical reasons discussed in Standing Committee .



7. This conversion of 400kv SC into DC as per 25.12.2015 between BTPS and Guttur is nothing to do with JSW's evacuation but is a overall system requirement to have n-1-1 reliability in evacuating power from all units considered not only in Karnataka but system as a whole as per section-39.
8. Any strengthening of the network that may be required in order to accommodate the needs or requirement of user of the grid; be it Generator or consumer has to be addressed by the State Transmission Utility in terms of Section 39 of Electricity Act-2003.
9. The first scheme was approved on 26.12.2013 and second scheme was approved on 25.12.2015. By this time, the work of pooling station and lines approved in 26.12.2013 had already started. The schemes will depend on injection considered at different points of time various generations.
10. In this backdrop, the conclusion made by the Audit that BPS was conceived only to benefit M/s. JSW is denied, as the same was conceived as per the system requirement to meet redundancy, reliability and security criteria for the grid based on sound technical reasoning of standing committee of the CEA.



Reply to Statutory Auditors' Report on IFC

Sl. No.	Observations of Statutory Auditors	Management Replies
a)	<p>Contract clauses for execution of Works:</p> <p>i) General conditions of the contract (GCC) in variation with special conditions of the contract (SCC). As per clause 3(b) of SCC, delay in obtaining any clearance including right of way (ROW) shall not form a ground for extension in the period of completion of works and waiver of penalties. However, as per clause 45.3 of GCC, if the Contractor at any time encounters conditions impeding timely delivery of goods or services, he shall notify the fact to the Company and the Company shall evaluate the situation and its discretion extend the time for performance. In most of the cases, the extension granted is on account of ROW problems encountered.</p> <p>ii) IEEMA Price Variation formula are invariably mentioned even for imported items. However, in our opinion and based on clarifications obtained, IEEMA formula are applicable only for domestically manufactured items/ equipment which are based on the raw material cost/ factor as per domestic market and for imported items, IEEMA Price Variation formula cannot be applied.</p>	<p>i) The clause 3(b) of SCC, delay in obtaining any clearance including right to way (ROW) shall not form a ground for extension in the period of completion of works and waiver of penalties and clause 45.3 of GCC is being examined and if required necessary amendment to the above tender conditions will be issued.</p> <p>Also clause 46.3 provides for settlement on the work on mutual discussion, if there is sincere intention of both the parties to complete the work.</p> <p>ii) The tender condition does not differentiate between imported materials and domestic (Indian) materials for application price variation clause. However, the bids are being accepted on local sales basis. Hence, the IEEMA Price Variation Formula is applicable.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>iii) Price variation clause allowed for electric items even for Contracts of 12 month period.</p> <p>In-appropriate clauses in the Contract may lead to different interpretation leading to litigation and potential loss to the Company.</p>	<p>iii) Refer Reply to 14th item of Audit Report</p>
	<p>b) Processing of Work Bills:</p> <p>i) As per clause 5 of KPTCL M-Book rules for measurement of work, "All the measurements should be recorded on site as and when the work progresses. However, in practice, M-Book is updated after the RA Bills have been prepared/ received.</p> <p>ii) Statutory deductions like Royalty etc., are not deducted as applicable in some of the divisions.</p> <p>iii) Reimbursement of taxes like Excise Duty are made not made on documentary evidence as stipulated in the Contracts.</p> <p>iv) RA Bills for works are not being verified by Internal Auditors but only final bills are verified.</p> <p>As per procedure RA Bills should not be processed without updating M-Book and statutory deductions should be made as per applicable provisions. Non-operation of the above controls may lead to excess/irregular processing & payment of work bills to Contractors.</p>	<p>i) Instructions have been issued to all Chief Engineers(ele) to instruct the field staff in their jurisdiction to record all the measurement in the Measurement Book on site as and when the work progresses.</p> <p>ii) Necessary instructions will be issued to the Accounting Units to recover the Royalty amount at prevailing rates, difference if any will be recovered during 2016-17.</p> <p>iii) Refer reply to item 13th of Audit Report.</p> <p>iv) RA bills are being audited at the time of voucher audit (post Audit basis) and final bills are being audited on pre audit basis.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
c)	<p>Expenditure for transmission infrastructure either under Annual Program of Works (APW) under Capital budget of KPTCL or under Self-Execution basis (SE) or Deposit Contribution – Works (DCW):</p> <p>As informed to us, applications are received by distribution Companies (ESCOM.s) from customers for contract demand (CD) and where the sub-station requirement is 66 KV and above ESCOM.s forward the request to KPTCL for putting the infrastructure. As per KERC regulations, where the load requirement is more than 7.5 MVA from any single customer, the sub-station and related works have to be executed by the customer under SE/ DCW basis. However, we observed that the applications received from ESCOM.s are not further scrutinized at KPTCL level and there are/ may be cases where the same person submit/ may submit applications under different entities so that the demand from one entity is less than 7.5 MVA. Also, we were not explained whether further demand from the same customer subsequent to the original demand after certain period of time are considered for this limit of 7.5 MVA. There are no policy guidelines for validation of requests from ESCOM.s and</p>	<p>Regarding Validation of Customer requirement, Distribution companies (ESCOMs) are following regulations issued by KERC i.e. "Conditions of supply of Electricity in State of Karnataka" In case same customer load increases beyond 7.5 MVA at a later date, the same is validated at ESCOM end and forwarded to KPTCL for technical connectivity</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>ensuring that the same party does not split the application in different names for avoiding capital expenditure at their end.</p> <p>The absence of policy guidelines for execution of work either under APW or under SE/ DCW basis may result in unnecessary capital expenditure for KPTCL.</p>	
d)	<p>Cost – Benefit Analysis for Capital Expenditure:</p> <p>In respect of construction of 400 KV Pooling Station at Bellary (BPS), in the original Proposal submitted to CEA, BTPS – Bellary Pooling Station link through 400 KV D/C line was proposed for evacuation of power from BTPS. However, in the subsequent plan, the BTPS – BPS link was dropped and PGCIL had suggested for another 400 KV D/C line between BTPS & Guttur if link to BPS was dropped and the same was agreed to by KPTCL. However, because of dropping the BTPS – BPS link, there is additional cost implication for KPTCL through construction of 400 KV DC line between BTPS and Guttur. Hence, proper Cost-Benefit study or evaluation has not been conducted or substantiated by KPTCL for dropping the BTPS – BPS link.</p>	Refer Reply to 16 th item of Audit Report



Sl. No.	Observations of Statutory Auditors	Management Replies
e)	<p>Control over assets of the Company:</p> <p>i) Out of 1251 premises, clear titles are available only in respect of 786 premises and 63 acres & 224.75 guntas of land are under encroachment. Updating of land records are still under progress.</p> <p>ii) Transformers given for repairs are not returned for a substantial period of time.</p> <p>iii) Material are drawn from stores without work orders in some cases.</p> <p>Absence of proper controls over the assets of the Company may lead to unauthorized access/ use of the Company's assets.</p>	<p>i) Transfer of title in favour of KPTCL is under process. Out of 1251 premises complete documents for 786 premises are available. Necessary Action is being taken by Zones/Circles for updating of balance land records.</p> <p>ii) Instructions have been issued to all Chief Engineers to take necessary action to get the repaired transformer in time.</p> <p>iii) In emergent situations, to restore Power supply, materials are being drawn and completed the Work. Subsequently the works are being regularized by issuing</p>
f)	<p>Organization Reporting Structure:</p> <p>Accounts Officers of each division report to the concerned Exec. Engineers (EE.s); Deputy Controller of Accounts (DCA.s) of each circle report to Supdt. Engineers (SE.s) of the concerned circle & Controller of Accounts (CA.s) report to Chief Engineers (CE.s) of the respective zones.</p> <p>The above reporting structure may impair the functional independence of Accounts Officers in bill processing & payment system and functionally AO.s should be made to report to</p>	Factual

Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>DCA.s, DCA.s to CA.s and CA.s to Financial Adviser (A&R) while retaining the administrative reporting structure.</p> <p>g) Computerization:</p> <p>Various processes like pro-curement, payments, accounting etc., are not automated.</p> <p>The absence of computerization may affect management's ability to make appropriate decisions in managing and controlling the Company's activities and prepare reliable & accurate financial reports in a timely manner. The Computerized data can be stored in offsite locations and can be retrieved at any time in case of damages due to natural and man-made disasters.</p>	<p>The following are the major automated processes being presently used in KPTCL:</p> <ol style="list-style-type: none"> 1. E-Procurement 2. Final Accounts Compilation-DSS software 3. IUA transaction and clearance 4. Bill tracking system 5. Bank Reconciliation System 6. Inventory Management System 7. Pension payment management system 8. Revenue Expenses bill tracking system. 9. ESCOMs performance monitoring system 10. Funds transfer from Pension and Gratuity Trust to Accounting Units 11. Pay Roll software used in establishment sections 12. Station log book e-Log 13. Project monitoring system 14. KPTCL Projects photo uploading 15. Monitoring NDCPS and etc.,



Sl. No.	Observations of Statutory Auditors	Management Replies
h)	<p>Procedural deficiencies having implications on the accounts:</p> <p>i. Identification of obsolete and scrap not done on timely basis by Scrap Committee.</p> <p>ii. Maintenance spares drawn by the respective divisions from the Stores during the year are accounted as revenue expenditure even though the same has not been put to use and capital spares are not capitalized at the time of procurement.</p> <p>iii. Errors in communication of date of commissioning of assets to accounts personnel resulting in wrong capitalization date & short charging of depreciation.</p> <p>iv. Expenditure incurred in respect of supplies made and work certified before the end of the year but bills received subsequently not being provided for in some of the accounting units.</p> <p>v. Actuarial valuation in respect of employee retirement benefits like Pension & Gratuity, FBF are not done as at the end of the financial year.</p> <p>vi. Un-reconciled / Un-responded entries in Inter Unit Accounts.</p>	<p>i) Instructions have been issued to all Chief Engineers to conduct scrap approval committee regularly and clear all the obsolete or scrap materials lying in stock.</p> <p>ii) The issue will be examined in detail and suitable policy in this regard will be evolved during 2016-17 if necessary.</p> <p>iii) Instructions have been issued to all Chief Engineers to instruct all the field staff to communicate the date of commissioning of assets immediately after commissioning of the same.</p> <p>iv) Necessary instructions will be issued provide in the books of Accounts in respect of Expenditure incurred / supplies made and work completed before the end of the year but bills received subsequently.</p> <p>v) Refer reply to item 1.4 and 1.5 of Audit Report.</p> <p>vi) Refer reply to item 2 of Audit Report.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>vii. Decisions of Board and various Committees having an impact on the accounts not being communicated on a timely basis for appropriate treatment in the accounts.</p> <p>viii. Appropriate policies not being made in respect of accounting of assets and liabilities operated on behalf of other entities.</p> <p>ix. Non receipt of confirmation of balances for Account Receivables and Accounts Payables and carrying out periodic reconciliations.</p> <p>The above deficiencies may lead to misstatement of assets and liabilities of the company.</p>	<p>vii) Decisions of Board and various Committees having an impact on the accounts are being communicated on a timely basis.</p> <p>viii) Policies are in vogue in respect of accounting of assets and liabilities operated on behalf of other entities</p> <p>ix) Confirmation of balances have been obtained for borrowings from Banks, Financial Institutions and Bank balances. Periodic reconciliation is being done with ESCOMs in respect of Receivables and payables.</p>
i)	<p>Internal Audit System:</p> <p>The internal audit department needs to be strengthened further with regard to availability of adequate & quality manpower, scope and extent of coverage of transactions. It is observed that RA Bills are not being verified by Internal Auditors but only final bills are being verified. Training of internal audit staff should be planned as a continuous process to equip them with adequate skills and latest techniques.</p>	<p>It is already proposed to strengthen the internal Audit. Management is reviewing the same.</p> <p>Action is being taken to have training to Internal Audit Personnel.</p>



ANNEXURE - 3 to Directors Report

Replies to the Secretarial Auditor's Report for the FY 2015-16

Secretarial Auditors Report	Management's Replies
<p>The Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.</p> <p>We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 which were made available to us according to the provisions of:</p> <p>(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;</p> <p>(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;</p> <p>(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;</p> <p>(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and</p> <p>(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').</p> <p>We report that during the year under review, except the activities envisaged under Sl. No.(i), there has been no activity which calls for any compliance under Sl. No. (ii), (iii), (iv) & (v) above.</p> <p>We further report that we have also examined compliance of the following industry specific laws as applicable to the Company in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI):</p> <p>(a) Electricity Act, 2003 (as amended in 2013);</p> <p>(b) Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010;</p> <p>(c) Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010 (as amended in 2015);</p> <p>(d) Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations, 2011;</p>	<p>Since the Secretarial Audit Report carries no qualification / remarks, no replies are furnished</p>



Secretarial Auditors Report	Management's Replies
<p>(e) Indian Electricity Grid Code Regulations, 2010;</p> <p>(f) Energy Conservation Act, 2011;</p> <p>(g) Forest (Conservation) Act, 1980;</p> <p>(h) Factories Act, 1948; &</p> <p>(i) Applicable Labour Laws.</p> <p>We have also examined compliance with the applicable secretarial standards issued by ICSI.</p> <p>Accordingly, we state that during the period under review there were adequate systems and processes in place to monitor and ensure compliance with various applicable laws and that the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.</p> <p>In this regard, we would like to state that since the provisions relating to Audit of Accounts and Financial Statements of the Company are dealt with under separate Audits, the same are not covered under the Secretarial Audit.</p> <p>We further report that:</p> <p>The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.</p> <p>Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the Meeting.</p> <p>As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions at the Meetings were unanimous inasmuch as minutes of the Meetings were self-explanatory.</p> <p>We further report that based on the information provided and representation made by the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.</p>	



CORPORATE SOCIAL RESPONSIBILITY POLICY

Table of Contents	
1.	Background
2.	Objective
3.	Terms of Reference to CSR Committee
4.	CSR Activities/Projects
5.	CSR Amount
6.	Spending of CSR Amount
7.	Governance
8.	Dissemination of information

1. BACKGROUND:

Corporate Social Responsibility is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Corporation believes in conducting its business responsibly, fairly and in most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

Karntaka Power Transmission Corporation Limited as a State Transmission Utility (STU) is vested with the functions of Transmission of power in the entire State of Karnataka through its Stations & Transmission Line. KPTCL in its endeavour to serve general public has set its mission to ensure reliable quality power at competitive prices through:

1. Encouraging best practices in transmission;
2. Ensuring high order maintenance of all its technical facilities; and
3. Emphasizing the best standards in customer service.

2. OBJECTIVE:

This policy lays down guidelines to make CSR a key business process. The Policy aims at enhancing welfare measures of the society based on social and environmental consequences of the Corporation's activities in India. This policy specifies the projects and programmes that can be undertaken in terms of the Schedule VII to the Companies Act, 2013. Policy brings out the plans and projects proposed to be undertaken during the implementation years, specifies the



modalities of execution in the areas / sectors chosen and the implementation schedule. The scope of the Policy has been kept as wide as possible, so as to allow the Corporation to respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013. However, no contribution will be made for any activities undertaken outside India.

3. TERMS OF REFERENCE TO CSR COMMITTEE:

Board of Directors of KPTCL have constituted a Corporate Social Responsibility (CSR) Committee of Directors with the following Terms of Reference:

- a) To formulate and recommend a CSR policy to the Board;
- b) To recommend amount of expenditure to be incurred on CSR activities;
- c) To monitor the CSR policy of the company from time to time; and
- d) To institute a transparent Monitoring Mechanism for Implementation of the CSR projects/programs or activities undertaken by the Company.

CSR Committee will play the following role in fulfilling the Corporation's CSR objectives:

- * Formulation and review of CSR Policy indicating the activities to be undertaken by the Corporation towards CSR initiatives;
- * Recommendation of the amount of expenditure to be incurred on the CSR activities; and
- * Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Corporation or the end use of the amount spent by it towards CSR activities.
- * Monitor and implement this Policy from time to time.
- * Annually report to the Board, the status of the CSR activities and contributions made by the Corporation.
- * Any other requirements mandated under the Act and Rules issued thereto.

4. CSR ACTIVITIES / PROJECTS:

Schedule VII to the Companies Act, 2013 lists down the activities which may be included by companies in their corporate social responsibility policies. The said activities relate to:

- (i) Eradicating extreme hunger and poverty;
- (ii) Promotion of education;
- (iii) Promoting gender equality and empowering women;



- (iv) Reducing child mortality and improving maternal health;
- (v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) Employment enhancing vocational skills;
- (viii) Social business Projects;
- (ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (x) Such other matters as may be prescribed.

The Corporation mainly plans to support and assist various CSR activities in the following areas :

1. Education

This would include partnerships with organisations working in the field of primary and secondary education, formal and non-formal, literacy programmes, scholarships etc. The main focus of supporting these programmes is to ensure basic literacy, offer vocational training, and manage teaching societies and study centres.

2. Community Development

This would cover the areas of women empowerment, rehabilitation of destitute women and children, improving slum habitat, the provision of necessary amenities for economically disadvantaged persons, causes of the elderly.

3. Child Welfare

This would cover partnerships with organisations that work in the areas of rehabilitation of street children, orphans and destitute children trying to integrate them into mainstream society.

4. Differently abled

This would include partnerships with organisations working towards rehabilitation of physically and mentally challenged children/adults. Beside organisations that work towards providing vocational training and guidance to challenged individuals with an effort to make them economically independent and contributing members of society.



5. Health care and Sanitation

This would include partnerships with organisations supporting sanitation and health-care initiatives, awareness programmes and provision of basic / specialised medical facilities for the underprivileged sections of society.

6. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

7. Others

This would cover partnerships with organisations and any other development activity undertaken with the main objective of betterment of society.

5. CSR AMOUNT:

The Corporation shall ensure that it spends, in every financial year, at least 2% of its average net profits made during the 3 immediately preceding financial years, in pursuance of its corporate social responsibility and subject to Section 135 of the Companies Act, 2013 and the Rules made thereunder.

For the purpose of this policy, the first CSR spending financial year would be 2014-15 and the net profit shall mean average of the annual net profits of the financial years 2011-12, 2012-13 and 2013-14.

Net profits mentioned herein above means, net profit before tax as per the books of accounts of the Corporation and shall not include profits arising from branches outside India.

6. SPENDING OF CSR AMOUNT:

The CSR Committee will decide on the following with regard to spending of CSR amount:

- * Percentage of total amount to be used for funding various development organisations and grass-root level organisations; and
- * Tranches of disbursement.
- * Any surplus arising from CSR projects or programs or activities will not form part of the business profits of the Corporation.
- * Any income arising from the contribution received and surplus arising out of the CSR activities will be used for CSR only.
- * The Committee shall recommend to contribute funds for building the CSR capacities of personnel for the corporation, through which it may undertake its CSR activities.



7. GOVERNANCE:

1. Every year, the CSR Committee will place for the Board's approval, a CSR plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR plan with any modification that may be deemed necessary.
2. The CSR Committee shall review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
3. Once every six months the CSR Committee will provide a status update on the progress of implementation of the approved CSR Programmes carried out during the six month period. It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of the same.
4. At the end of every financial year, the CSR Committee will submit its report to the Board.

8. DISSEMINATION OF INFORMATION

The CSR Committee shall report to the Board of the Corporation, at least on an annual basis, the status of the CSR projects/activities undertaken by the Corporation along with the report on the impact created by such projects/activities.

The Corporation shall also upload this Policy on its website www.kptcl.com/ePrasarana. Further, a detailed status report on the CSR activities carried out by the Corporation would be disclosed every year as part of the Director's Report in the Annual Report. The said information would also be uploaded on the website of the Corporation.

The CSR Committee will also make a Responsibility Statement in the Annual Report stating that the CSR Policy implementation and monitoring thereof is, in letter and spirit, in compliance with its CSR objectives.



ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken enclosed as Annexure-4. Reference to the web-link to the CSR policy and projects or programs: www.kptcl.com.
2. The Composition of the CSR Committee is as below:

Sl. No.	Members Sriyuths	Designation
1.	P. Ravi Kumar	Chairman
2.	I.S.N. Prasad	Member
3.	Jawaid Akhtar	Member
	Director & Company Secretary	Convener

3. Average net profit of the company for last three financial years (FY 2012-13 to 2014-15):

Financial Year	Net Profit before Tax
2012-13	Rs. 55,36,21,972
2013-14	Rs. 36,17,00,165
2014-15	Rs. 101,02,93,471
Average Net Profit before Tax	Rs. 64,18,71,870

Average net profit of the company for last three financial years (FY 2012-13 to 2014-15):
Rs. 64,18,71,870/- (considering Net Profit before Tax)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):Rs.1,28,37,438/-
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year: Rs.1,28,37,438/-
 - (b) Amount unspent, if any; NIL



(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken
1	Contribution towards construction of Electrical Crematorium at Kanakapura and Ramanagara Towns, Karnataka State	Environment sustainability	Project is at the Local area of the company viz., Kanakapura and Ramanagara Towns, Karnataka State
Total			

- Give details of implementing Agency.

(5)	(6)	(7)	(8)
Amount outlay (budget) project or programs wise	Amount spent on the projects/programs Sub heads	Cumulative expenditure upto to the reporting period	Amount spent Direct or through implementing Agency
Rs. 1,28,37,438/-	1. Direct expenditure on projects or program : Rs. 1,28,37,438/- 2. Overheads : NIL	Rs. 1,28,37,438/-	Deputy Commissioner Ramanagara District, Govt. of Karnataka

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report : Not Applicable since the Company has spent the prescribed amount towards its CSR.

7. A Responsibility Statement of the CSR Committee:

The Members state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
(JAWAID AKHTAR)
(Managing Director)

Sd/-
(P. RAVIKUMAR)
(Chairman CSR
Committee)



INDEPENDENT AUDITORS' REPORT

To the Members of Karnataka Power Transmission Corporation Limited

We have audited the accompanying financial statements of **KARNATAKA POWER TRANSMISSION CORPORATION LIMITED** ('the Company') which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Pursuant to the observations made by the Comptroller & Auditor General of India during their supplementary audit u/s 143 (6) (a) of the Companies Act, 2013, the accounts approved by the Board of Directors of the Company on 16th August, 2016 have undergone a revision. The impact of the revision in the accounts of the Company is stated in Note No. 36.11(d). This revised Report is issued consequent to the revision made in the accounts by the Company and supersedes our earlier Audit Report issued dated 16th August, 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and the auditing standards and matters which are required to be included



in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion:

1. Non-compliance of the financial statements dealt with by this report with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 or significant accounting policies of the Company observed by us as listed below:
 - 1.1) During the financial year 2014-15, the Company has modified the valuation policy in respect of inventory of stores & spares. Up to the FY: 2013-14, stores & spares were valued at standard rate or at purchase cost if standard rate is not available. From FY: 2014-15, stores & spares are valued at lower of purchase cost or net realizable value. However, in respect of inventory of stores & spares lying in stock as on 31.03.2014 and not consumed as on 31.03.2016, the impact because of the change in the accounting policy has not been ascertained and brought into books. The effect of the same on the accounts could not be ascertained.
 - 1.2) Current Assets include value of stores & spares amounting to Rs.6521.46 lakhs (Refer Note 16). As per the information and explanations given to us, the Company has not fully identified through Scrap Approval Committee obsolete or scrap materials lying in stock in most of the divisions. The same is not in compliance with Accounting Standard 2 "Valuation of Inventories". In the absence of the information, the impact of the same on the accounts is not ascertainable.



- 1.3) The Company follows a policy of charging off to revenue R&M Spares at the time of drawal from stores. To the extent of spares withdrawn and not put to use, the R&M expenses for the year are overstated and stock of stores & spares are understated. In case of capital spares, the same are not capitalized at the time of procurement. In the absence of information, the effect of the same on the accounts could not be ascertained.
- 1.4) Outstanding provision towards Family Benefit Fund towards long term liability on Retirement / Death Benefit is held to the extent of Rs.6220.35 lakhs as on 31.03.2016. The Company has not ascertained the liability for the same on the basis of actuarial valuation which is not in conformity with Accounting Standard (AS) 15 on "Employee Benefits", the effect of which on the accounts could not be ascertained.
- 1.5) Provision for long term employee benefit of pension & gratuity in respect of employees joined on or before 31/03/2006 is made on adhoc basis at contribution rates furnished by KPTCL & ESCOM's Pension & Gratuity Trust as stated in Note 11.2 & 24.4 to the Accounts without ascertaining liability based on actuarial valuation as on 31.03.2016 which is not in conformity with Accounting Standard (AS) 15 on "Employee Benefits", the effect of which could not be ascertained.
- 1.6) Liability towards leave encashment has not been made in respect of 95 AE's & 189 JE's of the Company as stated in Note 24.2 to the Accounts which is not in conformity with Accounting Standard (AS) 15 on "Employee Benefits", the effect of which on the accounts could not be ascertained.
- 1.7) Additional disclosures required to be made in terms of Accounting Standard AS-15 has also not been made in respect of long term employee benefits.
- 1.8) Note 5.1 regarding Deferred Tax Liability provided in earlier years considered as sufficient, the correctness of which could not be ascertained in the absence of necessary details of working for the position as on 31-03-2016. The same is not in conformity with Accounting Standard (AS) 22 "Accounting for taxes on Income" and Accounting Policy Note No.35.10 (c & d) of Significant Accounting Policies. The effect of the same on the accounts is not ascertainable.
2. Attention is drawn to Note 10 regarding credit balances of Rs.1687.63 lakhs under Inter Unit Account Materials, Rs.2120.67 lakhs under Inter Unit Account Released Assets & Rs.11.56 lakhs under Inter Unit Account Personnel grouped under 'Other Current Liabilities' & Note 20 regarding debit balances of Rs.132.69 lakhs grouped under 'Other Current Assets' which represents un reconciled / un responded entries in Inter Unit Accounts and which also includes several old transactions.



Consequent impact of the same on the accounts is not readily ascertainable in the absence of details.

3. Liability for Suppliers / Works Rs.4950.73 lakhs disclosed under Note 10 include an un-reconciled amount of Rs.117.59 lakhs pertaining to the year 2001-02 of Major Works Division, Bagalkot. As informed to us, the bills have been passed at this unit and sent to Transmission Zone Bengaluru for arranging payment. The payment has been made but subsequently AT's have not been given effect for want of details. In the absence of information, the effect of the same on the accounts is not ascertainable.
4. Attention is drawn to Note 36.6 (b) on the accounts regarding receivables from and Payable to ESCOM's (aggregating to Rs.13,188.65 lakhs & Rs. 12,601.13 lakhs respectively), out of which unreconciled balances are to the extent of Rs.587.52 lakhs under receivables. Pending reconciliation and subject to confirmation, consequential impact of the same on the accounts is not ascertainable.
5. We are unable to ascertain either the correctness of liability or additional liability, if any, required in respect of Sundry Creditors for purchase of Power Rs.206,833 lakhs (shown in Note 09 on Accounts) stated to be balance amount payable relating to purchase of power made up to 09.06.2005 (substantial portion of which is outstanding for more than three years).
6. Adjustment pending notification by GOK, Rs.4238.43 lakhs shown in Note 6.5 to the Accounts under 'Other Long term Liabilities' which represents adjustments made after notification of final opening balance sheet as on 01.06.2002. As per GOK letter dated 14.06.2012, Government has directed KPTCL to reconcile the above balance with ESCOMS and to send the revised proposal for approval. As on 31.03.2016 the reconciliation of the above accounts is under progress, pending which the effect on the net worth could not be ascertained.
7. Other Payables Sundry Liabilities Rs.6564.92 lakhs (Note 10 to accounts) include Rs.113.99 lakhs being amount recovered from employees in earlier years pending payment to Employees Welfare Trust, which as informed to us was constituted but modalities have not been framed and notified.
8. Amounts Recoverable from Employees of Rs. 274.10 lakhs disclosed in Note 15 to the Accounts and Rs. 59.14 lakhs disclosed in Note 20 to the Accounts includes amounts recoverable relating to shortage of stores etc., proposed to be recovered from future salaries/terminal benefits. In the absence of necessary details, amount required to be provided towards irrecoverable balance could not be ascertained.
9. Wheeling charges receivable from other States (net of payable) Rs. 2777.12 lakhs disclosed under Note 17 'Trade Receivables' includes Rs.763.51 lakhs receivable from KSEB and TNEB outstanding for over three years and not realized till date. As



informed to us, steps are being taken to recover the amounts. Consequential amounts required to be written off, if any, is not ascertainable.

10. Attention is drawn to Note 12, wherein transfer of title deeds in favour of the Company is under process in respect of certain lands; complete documents are not available in respect of certain premises occupied by the Company and some of the lands are under encroachment.
11. Attention is also drawn to Note 10.3 on Accounts Ex-gratia paid for FY: 2014-15 is subject to post facto approval / ratification of Govt. of Karnataka.
12. In some of the divisions, Royalty payable to Govt. has not been deducted / deducted at a lesser rate than the prevailing rate fixed by Mines & Geology Department from Work bills. To that extent, other current liabilities are understated and payable to Contractors is overstated. In the absence of information, the amount could not be quantified and its effect on the accounts could not be ascertained.
13. In respect of some major works, as per tender terms and internal clarifications, reimbursement of taxes / variation in duties & taxes like Excise duty & CST need to be reimbursed to the Contractors on actual basis based on valid documentary proof. However, we observed that payments have been made based on amounts as per Detailed Work Award (DWA) instead of actuals based on documentary evidence resulting in excess payment to the Contractors and overstatement of Capital Work-In-Progress/ Fixed Assets. In the absence of documentary proof / workings, the effect of the same on the accounts could not be ascertained.
14. As per GO FD 59 PRO. CELL 2004 dt: 26.11.2004 applicable for tenders invited before 21.11.2008, Price adjustment clause shall be included in all works contracts whose estimated cost put to tender is Rs.100 lakhs or more and the period of completion is 12 months or more. However, Board vide in its 47th meeting held on 25th July, 2005 had modified the completion period to 6 months from 12 months. The same is not in accordance of the above GO. During the year we have observed payment to Contractors towards price variation which is not in compliance with the above G.O. In the absence of workings, we are unable to quantify the amount or its effect in the accounts. Ratification be obtained from GOK for all payments made that is not in accordance with the above GO.
15. The Company does not have appropriate policy guidelines in accordance with KERC norms for deciding the various situations under which a work need to be carried out either under Self-Execution basis (SE) / under Deposit-Contribution Works (DCW) or in its capital budget under Annual Program of Works (APW).

The capital expenditure amounting to Rs.636.17 lakhs in respect of establishing 2 x 20 MVA, 66/11KV sub-station and related works at India Heritage Trust (ISKCON),



Vasanthapura, Bengaluru had been included under its capital budget in the Annual Program of Works (APW). We were informed that for any demand exceeding 7.5 MVA, the work need to be carried out under SE/ DCW basis. It is observed from the Power forecasting statement of BESCO, that the load demand from India Heritage Trust (ISKCON) is 7 MVA and the load demand mentioned for Mantri Serenity Project is 12 MVA. It is observed that there is existing load demand of 3.278 MW from Gokulam Apartments associated with India Heritage Trust. Hence, it is seen that the load requirement of the India Heritage Trust and its associate is more than 7.5 MVA. But we were informed that the entities have to be treated as different. Also, it is observed that the demand for Mantri Serenity Apartments itself is 12 MVA and hence as per KERC regulations, the cost is to be borne by the developers. But we were informed that there is no application in respect of Mantri Serenity forwarded by BESCO and if any application is received decision will be taken at that point of time as per KERC guidelines. Also, some correspondences available in this regard mention that the work may have to be carried out on DCW basis.

In a similar work of establishing 3 x 20 MVA, 66/11 KVA sub-station at Divyashree Techno Park, Kundalahalli Village estimated to cost Rs.18.10 crores, the work has been executed under "Self-Execution" basis at the cost of the promoters of Divyashree Techno Park.

As pointed out in our Statutory Audit Report dt.28/09/2015 for FY: 2014-15, in the case of establishing 2 x 31.5 MVA, 66/11 KVA sub-station and related works at Primal Projects, Bellandur, Bangalore, the work was carried out under APW and it was observed the three applicants of Primal Projects are all related parties and total contract demand from them is 16 MVA. The reasons for the differential treatment in various cases could not be satisfactorily explained by the Company. Also, we were informed that requisitions from customers are made to ESCOMs and the Company does not undertake validation of such requests. But since the capital expenditure incurred by the Company, some validation need to be carried out by the Company. Hence, the Company need to devise suitable policy guidelines in accordance with KERC norms for deciding the various situations under which a work need to be carried out either under Self-Execution basis / under Deposit-Contribution (Works) or under APW. In the absence of such guidelines or proper explanations, we are unable to comment on the appropriateness of some of the Capital expenditures incurred by the Company under APW.

16. In respect of the transmission system for the proposed Yaramarus (2X800 MW) & Edlapur (1X800 MW) thermal power plant, the establishment of 400 KV Ballari Pooling Station (BPS) near BTPS, Ballari, was considered as an alternative. The project for the construction of 400 KV Pooling Station (BPS) in Kudithini Industrial area, Ballari was approved in the 56th Technical Co-ordination Committee meeting



(TCCM) held in November 2013 and was also included in Annual Program of Works for the year 2014-15 (List III). In the original scheme for evacuation of power from YTPS (2 x 800MW) and Edlapur (1 x 800 MW) vide minutes of joint meeting of the standing committees of power system planning of SR & WR held on 28/12/2013, it was agreed that the KPTCL would implement the following among other things for evacuation of power from YTPS under stage-I.

- i) Bellary 400 KV Pooling station near BTPS.
- ii) Yermarus TPS BPS 400 KV D/C line
- iii) Bellary TPS Bellary Pooling Station 400 KV D/C line with quad moose conductor
- iv) De-link 400 KV S/C line running between RTPS-BTPS-JSW-Guttur with BTPS and JSW Bus so as to retain direct connectivity between RTPS and Guttur
- v) JSW TPS BPS 400 KV D/C line with quad moose conductor
- vi) KPTCL would plan an additional 400 KV D/C transmission line from JSW TPS or would configure the JSW-Bellary link in such a way that in case of contingency the LILO of RTPS-Guttur at JSW would be re-established.

Vide 39th meeting of standing committee of Power system Planning of SR held on 28th 29th Dec, 2015, KPTCL has intimated CEA that JSW Energy Ltd had come up with a proposal for evacuating additional 660 MW generation (to be connected at 400 KV level) together with the existing capacity of 1200 MW (at 400 KV level) and 260 MW (at 220 KV level). It was informed to CEA that with the additional 660 MW generation, the existing 400 KV twin Moose line between BTPS and Hiriyur gets loaded beyond its thermal limits. Also, the fault level at BTPS is nearing 40 KA due to ingress of additional 660 MW by JSW. KPTCL had further proposed to retain the LILO to BTPS only from the existing 400 KV SC line running between RTPS-BTPS-JSW-Guttur (300 km), the 400 KV DC quad line link (8 km) between BPS and BTPS may be dropped. Further it is observed by PGCIL that if BTPS-BPS link is dropped and the LILO is retained, there would be need of another corridor towards Guttur or Hiriyur to take care of reliability criterion. Hence, PGCIL suggested to construct one more 400 KV DC line between BTPS to Guttur which was agreed.

From the above it can be seen that there is additional cost implication for KPTCL for dropping BTPS BPS link through construction of 400 KV DC line between BTPS and Guttur. M/s. JSW, for transmitting additional 660 MW had to construct a DC line from Bellary for evacuating the additional power in case link to BPS is not available. Hence, there is savings in cost to M/s. JSW. It is also to be seen that KPTCL had leased 263 acres of land from KIADB at a cost of Rs.52 crores for construction of BPS even though the cost of construction of the pooling station is borne by M/s.



JSW.

Hence, proper evaluation or Cost-Benefit study has not been conducted or substantiated by KPTCL for dropping the BTPS BPS link.

17. The consequential effect of the above comments on the accounts is not ascertainable.

Qualified Opinion:

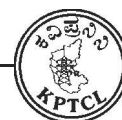
In our opinion and to the best of our information and according to the explanations given to us, except for the effects on the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to:

- (a) Note 6.3 regarding difference in transmission charges billed and accounted in earlier year amounting to Rs.26,117.65 lakhs disclosed under other long term liabilities and appealed by KERC before Hon'ble Supreme Court of India.
- (b) Note 6.4 & Note 15 regarding accounting of additional fixed cost paid by the Company to TBPCL as regulatory asset and recoverable from ESCOM's to the extent of Rs.54,384 lakhs.
- (c) Note 12.3 regarding Rs. 112.50 lakhs demanded by lessor (including Rs. 59.60 lakhs relating to assets held by ESCOMS) for transfer of title over the assets earlier obtained on lease, not provided for in the accounts, as negotiation to terminate the lease agreement and repossession of assets are stated to be in progress.
- (d) Note 31.2 regarding accounting of pension contribution of Rs.52,779 lakhs of GOK portion due as per Karnataka Electricity Reform (Transfer of Undertakings of KPTCL and its Personnel to Electricity Distribution and Retail Supply Companies) Rules, 2002 based on the directions from Energy Department, GOK as a special case and one time measure and disclosure of the same as an exceptional item.



- (e) Note 36.6 (a) wherein balance confirmation have been obtained only in respect of borrowings from Banks and financial Institutions and bank balances. Consequently, the balances in respect of receivables / trade payables / loans and advances / other liabilities etc., as disclosed in the accounts are subject to confirmation.

Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

- a) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in the paragraph 3 and 4 of the said Order.
- b) As required under Section 143 (5) of the Act, based on such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we give in Annexure 2 a statement on the directions issued by the Comptroller & Auditor General of India.
- c) As required by Section 143 (3) of the Act, we report that:
- (i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books;
 - (iii) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements dealt with by this report comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (v) The Company being a Government Company, the provision of Section 164(2) of the Act, regarding disqualification of Directors does not apply in terms of Notification G.S.R. 463 (E) dated 5th June, 2015.
 - (vi) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.



- (vii) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (viii) With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to explanations given to us:
- a) The company has disclosed the impact of pending litigation on its financial position in its financial statements except for employees' service matters refer note no. 36.1.
 - b) Except for the matter described in the Basis for Qualified Opinion paragraph, the company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

As per books of accounts and based on information and explanation provided to us, there were no amounts which were required to be transferred to Investor's Education and Protection Fund by the Company and hence commenting on delay in transferring amounts required to be transferred to the Investors Education & Protection Fund does not arise.

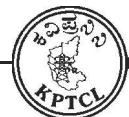
For Manian & Rao
Chartered Accountants
Firm Registration No: 001983S

Sd/-

Srikanth. R
Partner
Membership No: 203138

Place: Bangalore

Date: 26th September, 2016



ANNEXURE -1 TO THE AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of Karnataka Power Transmission Corporation Limited (“the Company”) for the year ended 31st March, 2016).

We report that:

1. In respect of its fixed Assets:

- a) The Company has been maintaining records showing particulars including quantitative details of fixed assets, except for land for which complete records are not available in respect of certain premises. It was informed to us that updating of land records is still in progress. Details of the situation of fixed assets have not been mentioned in all the cases.
- b) (i) According to the information and explanations give to us, the assets/installations put to use in electricity supply and transmission functions are considered as physically available so long as the functions are continued to be discharged and are not subject to periodical physical verification as assets like lines run through forest area and are spread over the State.
(ii) The Company has a system of physical verification of tools and furniture (T&P counting) every year.
(iii) Asset records at divisions relating to land need to be reconciled with documents held at Corporate Office.
(iv) In our opinion, the Company should evolve suitable system of periodic physical verification covering all types of fixed assets, capital work in progress (including material procured under turnkey contracts), and assets not in use.
- c) The Company does not hold valid title deeds in respect of 465 properties aggregating to 915 acres & 68.69 guntas. (Refer Note No.12.1 to the Accounts).

2. In respect of its inventories:

- a) According to the information and explanations given to us, the Company has a system of physical verification of inventories of stores & spares, tools & plants every year and at the time of handing over of charge. As explained to us, discrepancies on physical verification of stock as compared to book records have been properly dealt with in the books of accounts.

3. Loans & Advances:

According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability



Partnerships or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), 3 (iii) (b) & 3 (iii) (c) of the said Order are not applicable to the Company.

4. Loans, Investments and Guarantees:

As informed to us, the company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of clause 3 (iv) of the said Order are not applicable to the Company.

5. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 73, 74, 75 & 76 of the Companies Act, 2013 and the rules framed thereunder and to the extent notified. Therefore, provisions of clause 3 (v) of the Order are not applicable to the Company.

6. The maintenance of cost records in respect of electricity / transmission of power has been prescribed by the government under subsection (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014. We were informed that the Company does not keep separate set of registers and books for cost records and cost statements are prepared based on the financial accounting books and records. However, we have not made detailed examination of the statements with a view to determine whether they are accurate and complete.

7. In respect of statutory dues:

a) According to the information provided to us and relied upon by us, the Company, according to its records, is regular in depositing with appropriate authorities undisputed applicable statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Customs duty, Excise duty, VAT, Service Tax, Cess and other statutory dues. According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period exceeding six months from the date they became payable as at Balance Sheet date.

b) In our opinion and according to information and explanations given to us, there are no dues of Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Wealth tax, VAT, Customs duty, Excise duty, Cess and other Statutory dues which have not been deposited on account of any dispute except for Service tax as detailed below:



Service Tax Cases				
Sl. No.	Period	Nature of Dues	Forum where the dispute is pending	Amount (₹)
1	2006-07 to 2010-11	VSAT Charges	CESTAT	24,05,834/-
2	2011-12			1,68,568/-
3	2007-2008 to 2009-2010	Renting of Immovable Property	Addl. Commissioner, CE & ST, LTU, Bangalore.	1,02,03,580/-
4	2010-2011			16,28,588/-
5	2011-2012			37,70,652/-
6	01.04.2012 to 30.06.2012			12,30,928/-
7	July 2012 to Sep 2013			63,37,682/-
8	17.05.2007 to 2009-10	Technical Inspection & Certification Services	CESTAT	14,63,998/-
9	01.04.2010 to 30.09.2010			3,62,972/-
10	01.04.2011 to 30.09.2011			1,94,104/-
11	01.10.2011 to 31.03.2012			3,75,086/-

8. Based on our examination of books of account and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
9. According to the explanations and information given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and moneys raised by term loans have been applied for the purpose for which they were raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across of any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been



informed of any such case by the management. In respect of departmental enquiry initiated against a few employees relating to alleged serious irregularities, we are informed that the nature can be determined only on completion of enquiry.

11. The Company being a Government Company, the provision of Section 197 of the Act, regarding managerial remuneration does not apply in terms of Notification F No. 1/2/2014-CL.v dated 5th June, 2015.
12. The provisions of 3 (xii) of the Order are not applicable to the Company as it is not a Nidhi Company.
13. According to the explanations and information given to us, there are no transactions carried out with related parties and hence provisions of clause 3(xiii) of the Order is not applicable.
14. According to the explanations and information given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of the clause 3(xiv) of the Order are not applicable to the Company.
15. According to the explanation and information given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, provisions of the clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of the clause 3(xvi) of the Order are not applicable to the Company.

For Manian & Rao
Chartered Accountants
Firm Registration No: 001983S

Sd/-

Srikanth .R
Partner
Membership No: 203138

Place: Bangalore
Date: 26th September, 2016



ANNEXURE -2 TO AUDITOR'S REPORT

(Annexure referred to in our report of even date to the members of Karnataka Power Transmission Corporation Limited (“the Company”) for the year ended 31st March, 2016 Directions under section 143(5) of Companies Act, 2013)

Sl.No.	Directions	Reply															
1.	If the Company has been selected for disinvestment, a complete status report in terms of Valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	Not applicable															
2.	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	The Retention amount of Rs. 4,95,80,000/- being 20% of asset value (towards residual value of asset which is not refundable) under sale and lease back finance from Vysya Bank (Now Kotak Bank) during the year 94-95 has been written off as the secondary lease period is over and the leased assets pertain to erstwhile KEB period for which exact location of such assets are not available and also assets have reached their residual value (Refer Note no. 31.1 to the accounts).															
3.	Whether proper records are maintained for investments lying with third parties & assets received as gift from Govt. or other authorities.	Schedules are being maintained for inventories /assets lying with third parties. Assets received as gift from Govt. and other parties are recorded in Assets Registers maintained in Accounting Units. However on our verification we observed that in respect of transformers sent for repairs there is no system of periodic follow-up or inspection.															
4.	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency on all legal cases (foreign and local) may be given.	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Period</th> <th style="text-align: center;">Employee related</th> <th style="text-align: center;">Others</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">< 1 Year</td> <td style="text-align: center;">59</td> <td style="text-align: center;">46</td> </tr> <tr> <td style="text-align: center;">1-3 Years</td> <td style="text-align: center;">119</td> <td style="text-align: center;">59</td> </tr> <tr> <td style="text-align: center;">3-5 Years</td> <td style="text-align: center;">42</td> <td style="text-align: center;">27</td> </tr> <tr> <td style="text-align: center;">Above 5 Years</td> <td style="text-align: center;">21</td> <td style="text-align: center;">42</td> </tr> </tbody> </table> <p>The cases are pending at various judicial forums and Company is making the follow-up through the panel advocates. Appropriate policy have been evolved for incurring legal expenditure at various stages.</p>	Period	Employee related	Others	< 1 Year	59	46	1-3 Years	119	59	3-5 Years	42	27	Above 5 Years	21	42
Period	Employee related	Others															
< 1 Year	59	46															
1-3 Years	119	59															
3-5 Years	42	27															
Above 5 Years	21	42															



Additional Company Specific Directions:

(Annexure referred to in our report of even date to the members of Karnataka Power Transmission Corporation Limited (“the Company”) for the year ended 31st March, 2016).

Directions	Reply
(a) Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case of land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	Land to the extent of 63 acres & 224.75 guntas are encroached and it was informed to us that necessary efforts are being made to take possession of the land by the company and legal proceeding have been initiated.
(b) Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	Yes, as informed to us.
(c) How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	Transmission loss is within the approved range (Transmission loss approved by KERC for 2015-16 is 3.90% and the actual loss is 3.534%).
(d) Examine the system of effective utilization Loans/Grants-in-Aid/Subsidy. List the cases of diversion of funds.	As informed, borrowings by way of term loans and equity from GOK are generally utilized for the purpose of capital expenditure. Based on our audit, we have not come across any case of diversion of funds.
(e) Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.	The transmission infrastructure of sub-station and related line works are created by the Company at the request of ESCOMs and tariff is fixed by KERC based on the capital expenditure and operational cost. Hence, the Company recovers its capital expenditure as part of its tariff fixed by KERC.

For Manian & Rao
Chartered Accountants
Firm Registration No: 001983S

Sd/-

Srikanth .R
Partner
Membership No: 203138

Place: Bangalore
Date: 26th September, 2016



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in the Independent Auditor's Report of even date to the members of Karnataka Power Transmission Corporation Limited on the financial statements for the year ended 31st March, 2016.

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Karnataka Power Transmission Corporation Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,



assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified opinion

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the adequacy and operative effectiveness of the company's internal Financial Controls over Financial Reporting as at March 31, 2016:

- a) **Contract clauses for execution of Works:**
 - i) General conditions of the contract (GCC) in variation with special



conditions of the contract (SCC).As per clause 3(b) of SCC, delay in obtaining any clearance including right of way (ROW) shall not form a ground for extension in the period of completion of works and waiver of penalties. However, as per clause 45.3 of GCC, if the Contractor at any time encounters conditions impeding timely delivery of goods or services, he shall notify the fact to the Company and the Company shall evaluate the situation and its discretion extend the time for performance. In most of the cases, the extension granted is on account of ROW problems encountered.

- ii) IEEMA Price Variation formula are invariably mentioned even for imported items. However, in our opinion and based on clarifications obtained, IEEMA formula are applicable only for domestically manufactured items/ equipment which are based on the raw material cost/ factor as per domestic market and for imported items, IEEMA Price Variation formula cannot be applied.
- iii) Price variation clause allowed for electric items even for Contracts of 12 month period.

In-appropriate clauses in the Contract may lead to different interpretation leading to litigation and potential loss to the Company.

b) Processing of Work Bills:

- i) As per clause 5 of KPTCL M-Book rules for measurement of work, “All the measurements should be recorded on site as and when the work progresses. However, in practice, M-Book is updated after the RA Bills have been prepared/ received.
- ii) Statutory deductions like Royalty etc., are not deducted as applicable in some of the divisions.
- iii) Reimbursement of taxes like Excise Duty are made not made on documentary evidence as stipulated in the Contracts.
- iv) RA Bills for works are not being verified by Internal Auditors but only final bills are verified.

As per procedure RA Bills should not be processed without updating M-Book and statutory deductions should be made as per applicable provisions. Non-operation of the above controls may lead to excess/irregular processing & payment of work bills to Contractors.

c) Expenditure for transmission infrastructure either under Annual Program of Works (APW) under Capital budget of KPTCL or under Self-Execution basis (SE) or Deposit Contribution Works (DCW):



As informed to us, applications are received by distribution Companies (ESCOM's) from customers for contract demand (CD) and where the sub-station requirement is 66 KV and above ESCOM's forward the request to KPTCL for putting the infrastructure. As per KERC regulations, where the load requirement is more than 7.5 MVA from any single customer, the sub-station and related works have to be executed by the customer under SE/ DCW basis. However, we observed that the applications received from ESCOM's are not further scrutinized at KPTCL level and there are/ may be cases where the same person submit/ may submit applications under different entities so that the demand from one entity is less than 7.5 MVA. Also, we were not explained whether further demand from the same customer subsequent to the original demand after certain period of time are considered for this limit of 7.5 MVA. There are no policy guidelines for validation of requests from ESCOM's and ensuring that the same party does not split the application in different names for avoiding capital expenditure at their end.

The absence of policy guidelines for execution of work either under APW or under SE/ DCW basis may result in unnecessary capital expenditure for KPTCL.

d) Cost Benefit Analysis for Capital Expenditure:

In respect of construction of 400 KV Pooling Station at Bellary (BPS), in the original Proposal submitted to CEA, BTPS Bellary Pooling Station link through 400 KV D/C line was proposed for evacuation of power from BTPS. However, in the subsequent plan, the BTPS BPS link was dropped and PGCIL had suggested for another 400 KV D/C line between BTPS & Guttur if link to BPS was dropped and the same was agreed to by KPTCL. However, because of dropping the BTPS BPS link, there is additional cost implication for KPTCL through construction of 400 KV DC line between BTPS and Guttur. Hence, proper Cost-Benefit study or evaluation has not been conducted or substantiated by KPTCL for dropping the BTPS BPS link.

e) Control over assets of the Company:

- i) Out of 1251 premises, clear titles are available only in respect of 786 premises and 63 acres & 224.75 guntas of land are under encroachment. Updating of land records are still under progress.
- ii) Transformers given for repairs are not returned for a substantial period of time.
- iii) Material are drawn from stores without work orders in some cases.

Absence of proper controls over the assets of the Company may lead to unauthorized access/ use of the Company's assets.



f) Organization Reporting Structure:

Accounts Officers of each division report to the concerned Exec. Engineers (EE's); Deputy Controller of Accounts (DCA's) of each circle report to Supdt. Engineers (SE's) of the concerned circle & Controller of Accounts (CA's) report to Chief Engineers (CE's) of the respective zones.

The above reporting structure may impair the functional independence of Accounts Officers in bill processing & payment system and functionally AO's should be made to report to DCA's, DCA's to CA's and CA's to Financial Adviser (A&R) while retaining the administrative reporting structure.

g) Computerization:

i. Various processes like procurement, payments, accounting etc., are not automated.

The absence of computerization may affect management's ability to make appropriate decisions in managing and controlling the Company's activities and prepare reliable & accurate financial reports in a timely manner. The Computerized data can be stored in offsite locations and can be retrieved at any time in case of damages due to natural and man-made disasters.

h) Procedural deficiencies having implications on the accounts:

- i. Identification of obsolete and scrap not done on timely basis by Scrap Committee.
- ii. Maintenance spares drawn by the respective divisions from the Stores during the year are accounted as revenue expenditure even though the same has not been put to use and capital spares are not capitalized at the time of procurement.
- iii. Errors in communication of date of commissioning of assets to accounts personnel resulting in wrong capitalization date & short charging of depreciation.
- iv. Expenditure incurred in respect of supplies made and work certified before the end of the year but bills received subsequently not being provided for in some of the accounting units.
- v. Actuarial valuation in respect of employee retirement benefits like Pension & Gratuity, FBF are not done as at the end of the financial year.
- vi. Un-reconciled / Un-responded entries in Inter Unit Accounts.
- vii. Decisions of Board and various Committees having an impact on the accounts not being communicated on a timely basis for appropriate treatment in the accounts.



- viii. Appropriate policies not being made in respect of accounting of assets and liabilities operated on behalf of other entities.
- ix. Non receipt of confirmation of balances for Account Receivables and Accounts Payables and carrying out periodic reconciliations.

The above deficiencies may lead to misstatement of assets and liabilities of the company.

i) Internal Audit System:

The internal audit department needs to be strengthened further with regard to availability of adequate & quality manpower, scope and extent of coverage of transactions. It is observed that RA Bills are not being verified by Internal Auditors but only final bills are being verified. Training of internal audit staff should be planned as a continuous process to equip them with adequate skills and latest techniques.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 financial statements of the Company, wherever these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For Manian & Rao
Chartered Accountants
Firm Registration No: 001983S

Sd/-
Srikanth. R
Partner
Membership No: 203138

Place: Bangalore

Date: 26th September, 2016



SECRETARIAL AUDIT REPORT

(Form No.MR-3)

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Karnataka Power Transmission Corporation Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Karnataka Power Transmission Corporation Limited (hereinafter called 'the Company' CIN:U40109KA1999SGC025521). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 which were made available to us according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

We report that during the year under review, except the activities envisaged under Sl. No.(i), there has been no activity which calls for any compliance under Sl. No. (ii), (iii), (iv) & (v) above.

We further report that we have also examined compliance of the following industry specific laws as applicable to the Company in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI):

- (a) Electricity Act, 2003 (as amended in 2013);
- (b) Central Electricity Authority (Technical Standards for Construction of Electrical Plants and



- Electric Lines) Regulations, 2010;
- (c) Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010 (as amended in 2015);
 - (d) Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations, 2011;
 - (e) Indian Electricity Grid Code Regulations, 2010;
 - (f) Energy Conservation Act, 2011;
 - (g) Forest (Conservation) Act, 1980;
 - (h) Factories Act, 1948; &
 - (i) Applicable Labour Laws.

We have also examined compliance with the applicable secretarial standards issued by ICSI.

Accordingly, we state that during the period under review there were adequate systems and processes in place to monitor and ensure compliance with various applicable laws and that the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

In this regard, we would like to state that since the provisions relating to Audit of Accounts and Financial Statements of the Company are dealt with under separate Audits, the same are not covered under the Secretarial Audit.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the Meeting.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions at the Meetings were unanimous inasmuch as minutes of the Meetings were self-explanatory.

We further report that based on the information provided and representation made by the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

For K. Narayana Swamy & Co.,

Company Secretaries

Sd/-

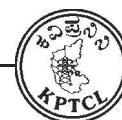
(K. Narayana Swamy)

FCS 1838 / CP 9878

Place : BANGALORE

Date : 19th September, 2016

Note: This Report is to be read with our letter of even date which is annexed as 'Annexure - A' and forms an integral part of this Report.



To,

The Members,

Karnataka Power Transmission Corporation Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, Central Excise, Customs, etc.
4. Wherever required, we have obtained the Management representations about the compliance of applicable Laws, Rules and Regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For K. Narayana Swamy & Co.,

Company Secretaries

Sd/-

(K. Narayana Swamy)

FCS 1838 / CP 9878

Place : BANGALORE

Date : 19th September, 2016



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KARNATAKA POWER TRANSMISSION CORPORATION LIMITED, BANGALORE FOR THE YEAR ENDED 31ST MARCH 2016

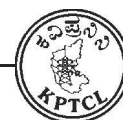
The preparation of financial statements of Karnataka Power Transmission Corporation Limited, Bangalore for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26th September 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Karnataka Power Transmission Corporation Limited, Bangalore for the year ended 31st March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the recounting records. In view of the revisions made in the financial statements by the managements, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No. 36.11 (d) of the financial statements, and also in the 'Auditors Report'. I have no further comments to offer upon or supplement to the Statutory Auditors report under section 143(6)(b) of the Act.

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

Sd/-
(BIJIT KUMAR MUKHERJEE)
ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT)
KARNATAKA, BENGALURU

Bengaluru
Date: 27.09.2016



BALANCE SHEET AS AT 31st MARCH 2016

(Amount in Rs.)

Sl. No.	Particulars	Note No.	Account Code	As at 31-03-2016		As at 31-03-2015	
I	EQUITY AND LIABILITIES						
(1)	Shareholder's Funds						
a)	Share Capital	1	52.301	2075 32 25 000		2075 32 25 000	
b)	Reserves and Surplus	2	55 to 58	584 92 15 987		420 45 47 757	
(2)	Equity Infusion (Shares pending Allotment)	2A	52.302 & 52.303	107 00 00 000		20 00 00 000	
(3)	Contribution & grants towards cost of capital assets	3	55.1	362 84 48 089		373 09 45 731	
					3130 08 89 076		2888 87 18 488
(4)	Non-Current Liabilities						
a)	Long-term borrowings	4	51 to 54	4206 20 75 273		4295 52 47 965	
b)	Deferred Tax Liabilities(Net)	5	46.802	274 28 98 876		274 28 98 876	
c)	Other long term liabilities	6	42 to 53	1313 07 52 968		1283 46 75 272	
d)	Long-term Provisions	7	44	168 54 52 710		314 46 93 904	
					5962 11 79 827		6167 75 16 017
(5)	Current Liabilities						
a)	Short-term borrowings	8	51 to 54			110 00 00 000	
b)	Trade payables	9	41	2068 33 41 039		1967 72 66 731	
c)	Other current liabilities	10	42 to 46	1468 15 09 140		1225 17 30 647	
d)	Short-term provisions	11	42,44,46	746 68 20 408		139 13 61 536	
					4283 16 70 587		3442 03 58 914
	TOTAL				13375 37 39 490		12498 65 93 419
II	ASSETS						
1	Non-Current assets						
(a)	Fixed assets						
(i)	Tangible Assets	12	10 & 12	8681 57 89 400		8363 07 12 065	
(ii)	Intangible assets	12 A	18			8 80 200	
(iii)	Capital work-in-progress	13	14 & 15	1421 87 66 574		1149 05 32 764	
(b)	Long Term loans and advances	14	25 to 27 & 28	204 97 32 180		225 44 91 151	
(c)	Other non-current assets	15	16,17,26,28.4 to 28.9 & 31 to 37	2314 96 57 155		2152 50 57 316	
					12623 39 45 309		11890 16 73 496
2	Current assets						
(a)	Inventories	16	22	65 03 70 536		86 40 34 808	
(b)	Trade receivables	17	23 & 28.1	351 00 44 123		219 05 39 844	
(c)	Cash and Bank Balances	18	20 & 24	149 26 30 457		153 74 85 243	
(d)	Short-term loans and advances	19	25 & 27	4 54 56 722		3 57 60 301	
(e)	Other current assets	20	16,28.1 to 28.9	182 12 92 343		145 70 99 727	
					751 97 94 181		608 49 19 923
	TOTAL				13375 37 39 490		12498 65 93 419

Significant Accounting Policies 35
Other Notes on Accounts 36

Sd/-
(RUTH.G.MIRAJKAR)
Financial Adviser (A&R)

Sd/-
(R.SRIDHARA)
Director & Company Secretary

Sd/-
(ADITI RAJA)
Director (Finance)

Sd/-
(JAWAID AKHTAR)
Managing Director

Refer our report of even date
For Manian & Rao
Chartered Accountants
FRN 001983S
Sd/-

Place: Bangalore.
Date : 26/09/2016

SRIKANTH . R
Partner
Membership No. 203138



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

(Amount in Rs.)

Sl. No.	Particulars	Note No.	Account Code	Current Year 2015-16	Previous Year 2014-15
I	Revenue from operations (Transmission of Power)	21	61 & 62	2758 93 25 095	2325 12 01 825
II	Other Income	22	62	116 50 30 269	70 67 90 021
III	Total Revenue (I+II)			2875 43 55 364	2395 79 91 846
IV	Expenses (Net)				
1	Transmission & Wheeling Charges	23	70		1 77 48 163
2	Employee Costs	24	75	676 62 31 215	753 99 55 510
3	Repairs and Maintenance	25	74	153 21 01 882	137 31 02 081
4	Administrative and Other Expenses	26	76	70 39 01 789	58 57 15 963
5	Finance Costs	27	78	441 93 15 544	486 67 67 580
6	Depreciation & amortization expenses (Net)	28	77	635 17 43 389	590 93 32 710
7	Others	29	77, 79 & 80	106 36 90 422	114 48 90 821
	Total Expenses			2083 69 84 241	2143 75 12 828
V	Add/(Less) : Prior period credits/(charges)	30	65 & 83	-29 45 66 953	-55 00 42 978
VI	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX			762 28 04 170	197 04 36 041
VII	Exceptional Items	31	79.571, 75.830	-532 74 80 780	-96 01 42 567
VIII	PROFIT BEFORE EXTRA ORDINARY ITEMS AND TAX			229 53 23 390	101 02 93 474
IX	Extraordinary items	32	63 & 79		
X	PROFIT BEFORE TAX			229 53 23 390	101 02 93 474
XI	TAX EXPENSE				
1	Current Tax	33	81.1	51 41 80 164	21 86 25 673
2	Deferred Tax	34	81.201		
XII	Profit / (Loss) for the period from continuing operations			178 11 43 226	79 16 67 801
XIII	Earning per equity share	36.1			
1	Basic			85.82	49.65
2	Diluted			84.41	37.90

Significant Accounting Policies 35

Other Notes on Accounts 36

Sd/-
(R.SRIDHARA)
Director & Company Secretary

Sd/-
(ADITI RAJA)
Director (Finance)

Sd/-
(JAWAID AKHTAR)
Managing Director

Sd/-
(RUTH.G.MIRAJKAR)
Financial Adviser (A&R)

Refer our report of even date
For Manian & Rao
Chartered Accountants
FRN 001983S
Sd/-

Place: Bangalore.
Date : 26/09/2016

SRIKANTH . R
Partner
Membership No. 203138



NOTE: 01 SHARE CAPITAL*(Amount in Rs.)*

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
1	Authorised Capital 3,00,00,000 (Previous Year - 3,00,00,000) Equity shares of Rs. 1000/- each		3000 00 00 000		3000 00 00 000	
2	Issued, Subscribed and Paid up 20753225 (Previous Year - 20753225) Shares of Rs1000/- each)	52.301	2075 32 25 000		2075 32 25 000	
TOTAL				2075 32 25 000		2075 32 25 000

1.1.The reconciliation of the number of shares outstanding is set out below :

Particulars	As at	As at
	31st March 2016	31st March 2015
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	2 07 53 225	1 57 53 225
Add : Shares issued	0	50 00 000
Equity Shares at the end of the year	2 07 53 225	2 07 53 225

1.2. Details of share holders holding more than 5% shares

Name of the Share holder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% held	No. of Shares	% held
Hon'ble Governor, State of Karnataka	2 07 53 225	100	2 07 53 225	100



NOTE: 2 RESERVES AND SURPLUS*(Amount in Rs.)*

Sl. No	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
I	Capital Reserve					
1	Capital Reserve	56.2	7 45 46 563	7 45 46 563	7 45 46 563	7 45 46 563
2	Special Grant towards capital works	55.500			13 64 74 999	13 64 74 999
3	Surplus in Profit and Loss Account	58	577 46 69 424	577 46 69 424	399 35 26 195	399 35 26 195
	TOTAL			584 92 15 987		420 45 47 757

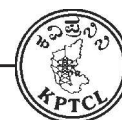
Note 2.1 - MOVEMENT IN RESERVES & SURPLUS*(Amount in Rs.)*

Sl. No.	Particulars	Account Code	Opening Balance	Additions	Deletions	Balance as at 31-03-2016
1	Capital Reserve	56.2	7 45 46 563			7 45 46 563
2	Special Grant Towards Capital works	55.500	13 64 74 999		13 64 74 999	
3	Surplus in Profit and Loss Account	58	399 35 26 195	178 11 43 229		577 46 69 424
	Total		420 45 47 757	178 11 43 229	13 64 74 999	584 92 15 987

NOTE: 2A EQUITY INFUSION (Shares pending allotment)*(Amount in Rs.)*

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
1	From Government of Karnataka	52.302 & 52.303	107 00 00 000		20 00 00 000	
	TOTAL			107 00 00 000		20 00 00 000

Note : 2A.1 The amount received from Government of Karnataka towards Equity Capital for 2015-16 is Rs.87 Cr. The entire amount outstanding is towards allotment of Equity to GoK and is not refundable.



NOTE: 3 CONTRIBUTION & GRANTS TOWARDS COST OF CAPITAL ASSETS (Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
1	Contribution towards cost of capital assets	55.1	362 84 48 089		373 09 45 731	
TOTAL				362 84 48 089		373 09 45 731

Note : 3.1 Movement in 55.1-Consumer contribution towards Capital Assets

Opening Balance	Added during the year	Transferred to Reserve Account	Transferred to Income Account (to the extent of depreciation charged)	Closing Balance
373 09 45 731	27 33 17 635		37 58 15 277	362 84 48 089

Note 3.2- Contribution towards cost of capital Assets Rs 362,84,48,089/- includes amount collected towards Net work Augmentation charges of Rs.118,11,29,113/- collected prior to 30/11/2012.

Note 3.3- As per Accounting Policy No.35.5(a) Consumer Contribution towards cost of capital assets is treated as ""Deferred Income"" under ""Contribution & Grants towards cost of capital assets"" and amount proportionate to the depreciation charged on such assets created out of contribution is subsequently adjusted as income and reduced from Contribution & Grants towards cost of capital assets.

NOTE: 04 LONG-TERM BORROWINGS (Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
I	SECURED LOANS					
	Term Loans					
	1 From Banks	53 & 54	4196 34 53 197		4282 31 07 385	
	2 Other Financial Institutions		6 29 77 746		7 87 22 046	
	SUB-TOTAL			4202 64 30 943		4290 18 29 431
II	UNSECURED LOANS					
	1 From Banks	53 & 54				
	2 From Others		3 56 44 330		5 34 18 534	
	SUB-TOTAL			3 56 44 330		5 34 18 534
TOTAL				4206 20 75 273		4295 52 47 965



Note 4.1 Particulars of terms of Repayment and Nature of Security
(Amount in Rs.)

Sl. No.	Name of the Bank	Term	Security	Balance Outstanding	
				Current Year 2015-16	Previous Year 2014-15
1	Loans obtained from State Bank of Mysore	13 Years (300 Crs) 7 Years (241.08 Crs.)	Hypothecation of Assets	660 72 28 187	496 43 90 007
2	Loans obtained from Vijaya Bank	13 Years	Hypothecation of Plant & Machinery	1157 95 95 153	1119 08 51 153
3	Loan drawn from Punjab National Bank	13 Years	Guaranteed by default Escrow and Hypothecation of Assets	77 25 00 000	51 75 00 000
4	Loan drawn from Oriental Bank of Commerce	13 Years	Hypothecation of Assets	7 50 00 000	17 50 00 000
5	Loan drawn from Corporation Bank	7 Years (12.5 Cr) 13 Years(200 Cr)	Hypothecation of Assets	280 44 72 702	344 60 51 930
6	Loan drawn from Bank of Maharashtra	7 Years(25 Cr), 10 Years(100 Cr)	Hypothecation of Assets	50 32 57 155	86 85 14 295
7	Loan from Bank Of India	7 Years(66.56 Cr) 13 Years(300 Cr)	Hypothecation of Assets	372 50 00 000	417 50 00 000
8	Loan drawn from UCO Bank	13 Years	Hypothecation of Assets	75 00 00 000	
9	Loan drawn from Indian Bank	13 Years	Hypothecation of Assets	170 00 00 000	200 00 00 000
10	Loan drawn from Punjab & Sindh Bank	13 Years	Hypothecation of Assets	500 00 00 000	560 00 00 000
11	Loan drawn from Canara Bank	13 Years	Hypothecation of Assets	844 64 00 000	988 58 00 000
				4196 34 53 197	4282 31 07 385
Secured Loans from Others					
1	Loans from REC	13 Years	Guaranteed by State Govt. and Escrow	6 29 77 746	7 87 22 046
UNSECURED LOANS Others					
1	APDRP - REC Loan Account	13 Years			1 09 71 583
2	State Govt. loans	20 Years		3 56 44 330	4 15 85 051
3	Loans of KPTCL parked with GOK (Ref Note 4.4)	13 Years			8 61 900
TOTAL				4206 20 75 273	4295 52 47 965

Note : 4.2- There is no default in repayment of any of the above loans or payment of interest as on 31-03-2016

Note : 4.3- Loans guaranteed by GOK

Secured Term Loans from Financial Institutions

6 29 77 746

7 87 22 046

Note : 4.4 - Balance loans taken over by GOK and agreed to be serviced by GOK vide Notification dated DE 8 PSR 2002 dt 31/05/2002

NOTE: 5 DEFERRED TAX LIABILITY
(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	Deferred Tax Liability	46.802	274 28 98 876		274 28 98 876	
TOTAL			274 28 98 876		274 28 98 876	

Note 5.1

-

Company has already provided Deferred Tax Liability to an extent of Rs.274,28,98,876/- upto 2007-08. The Company is of the view that the DTL provided is sufficient and hence not provided during the current year.



NOTE 06 : OTHER LONG TERM LIABILITIES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	EMPLOYEE BENEFITS					
1	Family Benefit Fund	44.140 to 44.143	62 20 34 942		54 50 97 092	
	OTHERS					
2	Transmission charges collected pending Refixation of Tariff-Hukkeri	46.989	1 26 18 427		1 26 18 427	
3	Transmission charges collected pending Refixation of Tariff-ESCOMS (See Note 6.3)	46.984 to 46.988	261 17 65 715		261 17 65 715	
4	Payables - ESCOMS	42.239			1 008	
5	Security Deposits in cash from Suppliers / Contractors	46.101	18 23 13 522		10 49 69 571	
6	KPTCL Pensioners / Family Pensioners Family Benefit / Security Fund	46.103	11 85 28 281		9 75 25 987	
7	Retention Money - Bill amount retained as per terms of P.O / Turnkey Contract	46.104	237 92 13 263		255 16 36 050	
8	Penalty recovered pending decision for refund (See Note 6.2)	46.109	128 70 65 169		101 68 76 703	
9	Security Deposit - Generating Companies	46.110	2 54 29 050		24 00 120	
10	Liability for Expenses(Ref Note 6.6)	46.435	2 94 96 478		2 94 96 478	
11	Security Deposit from Employees	46.920	45 097		45 097	
12	Additional Fixed cost of TBPCL recoverable from ESCOMS pending adjustment to subsidy (Refer Note 6.4)	46.983	543 84 00 000		543 84 00 000	
13	Adjustments pending re-notification by GOK (Refer Note 6.5)	52.304 to 52.309	42 38 43 024		42 38 43 024	
	Sub-Total			1313 07 52 968		1283 46 75 272
	TOTAL			1313 07 52 968		1283 46 75 272

Note 6.1 : Family Benefit Fund represents amount collected from employees and is net of disbursement made on retirement / death

Note 6.2 : Recoveries from Suppliers / Contractors, including amounts recovered for delay in supply / execution of work is retained in Penalty Recovered pending decision for Refund". Upon resolution of the dispute, the amount in excess of the Refund made to the Suppliers / Contractors, if any, is suitably adjusted.

Note 6.3 : Rs.261,17,65,715/- is the difference between Transmission charges approved by KERC(19.42 paise per unit) & Transmission charges already billed by KPTCL(26.23 paise per Unit). The Transmission Tariff as determined by KERC in its order dated 31.12.2007 was appealed by KPTCL before the Appellate Tribunal for Electricity (ATE), New Delhi. The Hon'ble ATE passed an Interim Order staying the operation of the KERC Order and directed the Company to collect Transmission Charges @ 19.42 Ps./Unit, which rate has been reckoned for Accounting Revenue for the year. Subsequently, the ATE in its Order Dated 09.05.2008 allowing the Appeal of the Company has passed Orders requiring KERC to carry out certain modifications in the Transmission Tariff. The KERC has preferred an Appeal against the Order of the ATE to the Hon'ble Supreme Court. The decision of the APEX Court would have an impact on the Profit reported, the extent of which is not determinable.

Note : 6.4 : The payment of additional fixed cost to M/s.Tannirbavi Power Corporation Limited(TBPCL) was disputed and the issue was referred to Arbitral Tribunal. It was held by the Arbitral Tribunal that, TBPCL is entitled for payment of Fixed charges. Accordingly, TBPCL invoked ESCROW and realised the full Fixed Cost from KPTCL. KERC disallowed this cost in the Bulk Supply Tariff and Retail Tariff which was contested by KPTCL before the Appellate Tribunal for Electricity, New Delhi. ATE allowed the Appeal of KPTCL. Based on the ATE Order a Regulatory Asset to an extent of Rs. 543.84 Cr(for the period from 2001-02 to 2005-06) i.e Additional Fixed Cost of TBPCL recoverable from ESCOMs pending adjustment to Subsidy has been created and accounted in the books of Accounts by corresponding credit to Liability Additional Fixed Cost of TBPCL recoverable from ESCOMs pending adjustment to Subsidy. The Order of ATE has been contested by FKCCI & KERC before the Hon'ble Supreme Court of India and the same is pending.

Note : 6.5 : At the time of Notification of Opening Balance Sheet of KPTCL and ESCOMs, in the G.O. Dated DE 48 PSR 2003 Bangalore dated 31/05/2003, Energy Department is authorised to accept and notify the Final Opening Balance sheet of KPTCL and four ESCOMs as on 01-06-2002 after audit. Further corrections if any in future to Capital Structure of KPTCL and four ESCOMs, shall be got approved by Principal Secretary to Government, Energy Department as instructed vide G.O. no. DE 48 PSR 2003 Bangalore Dated 07/10/2004. Accordingly this amount is accounted as 'Adjustment pending re-notification by GOK.

Note: 6.6 : Rs.2,94,96,478/- pertains to amount payable to TBHES, TB Dam towards 20% share of Revenue Expenditure.



NOTE 07 : LONG TERM PROVISIONS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	Provision for Employee Benefits					
	Provision for Leave encashment	44.130, 44.131	168 54 52 710		314 46 93 904	
	TOTAL		168 54 52 710		314 46 93 904	

Note 7.1 : Movement in Provision

Movement in provision					
Opening Balance	Provision made during the year	Provision no longer required	Received from the Units	Payment made during the year*	Closing Balance
314 46 93 904		47 45 59 707	43 05 469	43 45 84 298	223 98 55 368

Note 7.2 : As on 31/03/2015, the provision for leave encashment was made on adhoc basis considering the Actuarial Valuation as on 31/03/2014, pending receipt of Actuarial valuation report for 2014-15. During the current year Rs.47.46 Crore being the provision no longer required based on Actuarial Valuation as on 31/03/2016 has been credited to Statement of Profit and Loss.

* Refer Note 24.3 for details

NOTE : 08 SHORT-TERM BORROWINGS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	Borrowings for working capital :					
	UNSECURED LOANS					
	Short term Loans from Banks	53.324			110 00 00 000	110 00 00 000
	TOTAL					110 00 00 000

Note 8.1

There is no default in repayment of any of the above loans or payment of interest as on 31-03-2016

NOTE : 09 TRADE PAYABLES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
I	LIABILITIES					
	Sundry Creditors for purchase of power					
	Tamilnadu Electricity Board	41.101	26 33 96 728		26 33 96 728	
	Andhra Pradesh Transmission Corp.	41.104	4 27 92 713		5 52 38 207	
	Karnataka Power Corporation Ltd.	41.108	1997 55 82 819		1894 17 76 128	
	KPCL(VVNL)	41.109	27 28 35 035		27 28 35 035	
	JTPCL	41.125	9 97 40 936		9 97 40 936	
	Royalaseema Alkalies	41.129			1 52 86 889	
	Tata Company Ltd.	41.131	1 90 96 055		1 90 96 055	
	Raythara SSKM	41.139	8 18 810		8 18 810	
	Chathisghar State Electricity Board	41.156	73 72 176		73 72 176	
	GEB	41.157	9 40 320		9 40 320	
	Provision for Liability for Purchase of Power	41.500	7 65 447		7 65 447	
				2068 33 41 039		1967 72 66 731
	TOTAL			2068 33 41 039		1967 72 66 731



NOTE 10 : OTHER CURRENT LIABILITIES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	CURRENT MATURITIES OF LONG TERM DEBTS					
	From Banks		615 96 54 188		553 50 70 862	
	From Others		3 35 18 609		9 75 33 149	
	Sub-Total			619 31 72 797		563 26 04 011
	Interest accrued but not due on borrowings	46.710	6 50 36 073	6 50 36 073	3 28 56 246	3 28 56 246
	Other Payables					
	Sundry Liabilities (Ref Note 10.6)	46.9	65 64 91 501		97 15 48 469	
	Miscellaneous Deposit	46.966	9 56 31 328		12 36 24 097	
	UI charges collected from short term open access customers and payable / adjustable to ESCOMS	46.937	4 22 91 534		4 99 16 492	
	Sub-Total			79 44 14 363		114 50 89 058
	Security Deposits in cash from Suppliers/ Contractors	46.101	3 45 00 596		3 30 18 858	
	Retention Money - Bill amount retained as per terms of P.O / Turnkey Contract	46.104	266 74 39 513		162 43 19 829	
	Penalty recovered pending decision for refund	46.109	59 51 87 368		52 50 29 856	
	Deposit Contribution works	47.3	71 63 55 938		81 10 94 741	
	Liability for Suppliers/Works	42	49 50 73 623		29 73 68 448	
	Payables - BESCO	42	39 03 72 391		36 26 95 000	
	Payables - MESCOM	42	22 67 58 623		10 06 91 591	
	Payables - HESCO	42	36 82 59 784		11 99 39 089	
	Payables - GESCOM	42	8 55 10 552		6 41 546	
	Payables - CESCO	42	18 92 12 452		3 04 50 832	
	Sub-Total			576 86 70 840		390 52 49 790
	Staff Related Liabilities					
	Pension & Leave contribution remitted by other Department payable to P&G Trust	44.275	53 11 995		41 48 284	
	Provision for KPTCL Contribution to Pension Scheme with effect from 01/4/2006	44.150	1 89 27 005		1 50 70 371	
	Salary payable	44.310 & 44.311	1 86 111		81 107	
	Unpaid Bonus	44.220			4 957	
	Bonus payable	44.320	64 86 731		8 31 463	
	Ex-gratia payable	44.330	9 72 18 724		3 18 60 644	
	Sub-Total			12 81 30 566		5 19 96 826
	Liability for Expenses	46.410 To 46.470	93 16 96 300		109 60 18 817	
	Electricity Tax and Other levies payable to Government	46.300	-58 414		52 366	
	Receivable from GOK towards payment of Principal, Int & Gurantee commission on loans parked with GOK	28.859	1 82 87 165		1 82 82 322	
	Payable to ESCOMs /STOA Generators	42.214, 42.215, 42.216	40 01 72 996			
	IUA- Materials	31	16 87 63 369		19 36 69 398	
	IUA - Released Assets/Moveable Assets and other equipments- Acceptance not received	32	21 20 67 032		17 40 47 394	
	IUA - Personnel	36	11 56 053		18 64 419	
	Sub-Total			173 20 84 501		148 39 34 716
	TOTAL			1468 15 09 140		1225 17 30 647



Note 10.1 Details of Current maturities of long term debts

(Amount in Rs.)

Sl. No.	Name of the Banks	Current Year 2015-16	Previous Year 2014-15
1	Loans obtained from State Bank of Mysore	35 71 61 820	35 71 61 820
2	Loans obtained from Vijaya Bank(Hypothication of assets)Term-13 Years	156 12 56 000	144 50 06 000
3	Loans obtained from Punjab National Bank	34 50 00 000	34 50 00 000
4	Loan drawn from Punjab and Sindh Bank(Guaranteed by default Escrow and Hypothication of Assets)Term-13 Years	60 00 00 000	30 00 00 000
5	Loan drawn from Oriental Bank of Commerce(Hypothication of assets) Term-13 Years	10 00 00 000	10 00 00 000
6	Loan drawn from Corporation Bank(Hypothication of assets)Term-7 Years (12.5 Cr), 13 Years(200 Cr)	64 15 79 228	64 15 79 228
7	Loan drawn from Bank of Maharashtra (Hypothication of assets)Term-7 Years(25 Cr), 10 Years(100 Cr)	36 52 57 140	36 52 57 140
8	Loan from Bank Of India(Hypothication of assets)Term-7 Years(66.56 Cr),13 Years(300 Cr)	45 00 00 000	30 00 00 000
9	Loans drawn from Bank of Baroda (Hypothecation of Assets)Term-8.5 Years	0	16 66 66 674
10	Loan drawn from Indian Bank (Hypothecation of assets)Term-13 Years	30 00 00 000	30 00 00 000
11	Loan drawn from Canara Bank (Hypothecation of assets)Term-13 Years	143 94 00 000	121 44 00 000
	Sub-Total	615 96 54 188	553 50 70 862
	From Others		
1	Loans from REC (Guaranteed by State Govt. and Escrow) Term-13 years	1 57 44 400	1 57 44 400
2	Loans drawn from Power Finance Corporation Ltd., (Guaranteed by GOK and Mortgage of assets) Term-10 Years	0	6 31 51 439
	UNSECURED LOANS		
	Others		
1	APDRP - REC Loan Account Term-13 years	1 09 71 588	1 09 71 588
2	State Govt. loans Term-20 Years	59 40 721	59 40 722
3	Loans of KPTCL parked with GOK (Ref Note 4.4)	8 61 900	17 25 000
	Sub-Total	3 35 18 609	9 75 33 149
	Grand Total	619 31 72 797	563 26 04 011

Note 10.2: As per information available with the Company, there are no dues to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006

Note 10.3: Exgratia paid to employees in lieu of Bonus for the year 2013-14, post facto approval/ratification of the Government of Karnataka has been obtained.

Note 10.4: There is no default in repayment of any one of the above loan or payment of interest as on the date of 31-03-2016

Note 10.5: Inter Unit Account - Rs.38,19,86,454/- represents net credit balance under reconciliation details are given below:

	Debits un-paired	Credits un-paired
31.300- IUA Materials	- 1039768691/-	1208532060/-
32.300-IUA Rel Assets	- 5878993904/-	6091060936/-
36.300-IUA Personnel	- 557507169/-	558663222/-

Note 10.6: Sundry liabilities includes amount collected after 30-11-2012 in respect of Network Augmentation charges. The same has to be refunded to captive generators as per KERC Order No. N/64/11 dated 30-11-2012 to the extent of Rs.12.58 Cr.

Note-10.7: A/c Code 46.937- Rs.4,22,91,534/- represents net credit balance under reconciliation between liability and the balance held in the Bank in this regard (SLDC & TBC).



NOTE 11 : SHORT TERM PROVISIONS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	Provision for Employee Benefits					
	Provision for Pension and Gratuity payable to P&G Trust	44.122	591 92 09 998		53 16 19 142	
	Pension & Leave Contribution collected from employees for counting their past services in other Depts.& Payable to P&G Trust	44.274	35 301		21 000	
	Provision for Leave encashment	44.130	55 44 02 658			
	Other Provisions					
	Provision for Income-Tax	46.800	78 19 32 042		72 76 91 444	
	Adhoc Provision for work completed in the field but bills not received	42.601	21 12 40 409		10 23 29 950	
	Provision for loss or write off of shortages found on physical verification of stock	46.964			2 97 00 000	
	TOTAL			746 68 20 408		139 13 61 536

Note 11.1: Liability for pension and gratuity for service up to 31.5.2002 is met by the Government of Karnataka and liability for the subsequent period arising from 1.6.2002, is met by the Corporation by contribution to the Trust, at percentage intimated by the Trust.(Also refer Note 31.2)

Note 11.2: Pending Receipt of report of actuarial valuation as on 31/03/2016, monthly Pension/Gratuity contribution for the year is accounted as per the rates furnished by KPTCL & ESCOMs Pension and Gratuity Trust on 23/02/2016.

	2015-16	2014-15	Remarks
Pension	33.02%	33.02%	Percentage of Basic + Dearness Pay + DA
Gratuity	6.06%	6.06%	Percentage of Basic + Dearness Pay

Note 11.3: In addition to the rates furnished by the P&G Trust, the Company has provided an amount of Rs. 527.79 Crore towards Pension Contribution to the P&G Trust based on energy Department, GoK letter dated 25/02/2016 addressed to the P&G Trust to recover the short fall over and above the contribution of Rs. 550 Crore from GoK during FY 2016-17 from KPTCL. The P&G Trust vide its letter dated 09/03/2016 has accordingly intimated KPTCL the additional liability of Rs.527.79 Crore for contribution.

Movement in provision			
Opening Balance	Provision made during the year	Payment made during the year	Closing Balance
53 16 19 142	638 30 20 267	99 54 29 411	591 92 09 998



NOTE-12 : FIXED ASSETS AND ACCUMULATED DEPRECIATION - TANGIBLE ASSETS

Asset Group	Gross Block				Depreciation			Net Block				
	A/c Code	As at 01/04/2015	Additions	Deduction/ Adjustments	As at 3/03/2016	A/c Code	As at 01/04/2015	Additions	Deduction/ Adjustments	As at 31/03/2016	As at 01/04/2015	As at 31/03/2016
Land & Rights	10.1	180 63 08 795	12 25 98 255	-7 20 44 732	185 68 62 318	12.1					180 63 08 795	185 68 62 318
Land held under Lease	10.102 & 10.103	7 78 99 437	1 51 09 180	-56 33 306	8 73 75 311						7 78 99 437	8 73 75 311
Buildings	10.2	486.01 43 943	36 46 07 081	1 30 53 280	523 78 04 304	12.2	1 35 99 49 755	16 48 15 191	- 15 44 181	1 52 32 20 765	350 01 94 188	371 45 83 539
Hydraulic Works	10.3	59 09 82 481	7 01 07 807	20 94 799	66 31 85 087	12.3	15 45 98 748	3 32 62 826	1 91 308	18 80 52 882	43 63 83 733	47 51 32 205
Other Civil Works	10.4	44 04 36 967	18 87 32 670	-1 63 96 503	61 27 73 134	12.4	9 81 10 353	1 70 00 804	89 325	11 52 00 482	34 23 26 614	49 75 72 652
Plant & Machinery	10.5	6947 30 40 985	542 43 03 324	-75 18 01 700	7414 55 42 609	12.5	26 89 36 09 685	3 45 74 58 315	-32 98 02 977	30 02 12 65 023	4257 94 31 300	4412 42 77 586
Lines Cable Networks	10.6	5369 24 08 341	418 20 63 087	-30 98 35 484	5766 46 35 944	12.6	18 95 01 74 694	2 73 41 46 469	-1 71 40 658	21 66 71 80 505	3474 22 33 647	3589 74 55 439
Vehicles	10.7	7 67 86 984	1 71 37 024	-97 74 954	8 41 49 054	12.7	4 85 37 835	38 83 443	-73 19 323	4 51 01 955	2 82 49 149	3 90 47 099
Furniture & Fixtures	10.8	16 82 34 248	3 28 08 626	-1 79 06 522	18 31 36 352	12.8	7 18 60 080	1 10 73 185	-10 05 068	8 19 28 197	9 63 74 168	10 12 08 155
Office Equipments	10.9	4 11 49 419	28 00 152	-4 37 583	4 35 11 988	12.9	1 98 38 385	18 85 436	-4 86 929	2 12 36 892	2 13 11 034	2 22 75 096
Total		13122 73 91 600	1042 02 67 206	-116 86 82 705	14047 89 76 101		4759 66 79 535	642 35 25 669	-35 70 18 503	5366 31 86 701	8363 07 12 065	8681 57 89 400
Previous Year Figures		12171 29 00 477	1098 99 29 179	-147 54 38 056	13122 73 91 600		4187 06 97 227	607 22 39 611	-34 62 57 303	4759 66 79 535	7984 22 03 250	8363 07 12 065

Fixed Assets

Note 12.1- Land and Title Deeds

a) Corporation has capitalised land aggregating 7413 Acres 93.52 Guntas of 1251 premises (includes 96 A 5.24G of land gifted to KPTCL), 183 A 33 G of Forest land under lease, 745 A 0.19 G of Government land under lease and 42A 21.8G of Private lands under lease.

1) Process of updating the land records including title is in progress.

2) Out of 1251 premises complete documents are available for 786 premises. Corporation is pursuing with the respective Revenue Authorities to complete the documentation in favour of the Corporation.

3) Out of 7413A 93.52G, 63A 224.75G of land are encroached by various parties. Efforts are being made in order to take the possession of land and legal course is being initiated.

b) Land Rs.185,68,62,318/- includes Rs.6,50,10,689/- given on lease to various entities. (Refer Note 21.1)

c) Land Rs.185,68,62,318/- includes possession of land at MEI Lay out and at Mandur on which KPTCL has constructed 66/11 KV stations but yet to be got registered in the name of KPTCL.

d) Land includes land allotted by KIADB on lease cum sale agreement dated 13th Oct 2011 for Rs.6.67 Cr. The land will be registered in the name of KPTCL at the end of lease period as per the terms and conditions of lease.

e) Plant and Machinery includes construction of 2 X 10 MVA, 110/11 KV stations at Bejai and Bramhavara in MESCOM land taken on lease by KPTCL. "

Note 12.2-Land and Buildings

Land and Buildings (including Powerhouses but excluding installations) at the time of unbundling of KPTCL have been accounted on the basis of Balance Sheet Restructuring Program issued by the Government of Karnataka. Formalities for transfer of title of certain assets in favor of the Corporation are pending.

Note 12.3 -Plant & Machinery

Plant & Machinery does not include cost of assets obtained on lease from IDBI retained by the Corporation after expiry of the Primary lease period pending agreement on the price. The lessor has demanded Rs.1,12,50,000 (including Rs.59,60,000 of assets held by ESCOMs) which is not accepted by the Corporation. Necessary entry for capitalisation of the asset and depreciation from 31/12/2003, date of expiry of Primary lease period, will be provided in the Accounts after settlement on the price.



NOTE 12A : INTANGIBLE ASSETS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	Custom built Application software for internal use	18	35 20 800	35 20 800	35 20 800	35 20 800
	Less : Depreciation to date		- 35 20 800	- 35 20 800	- 26 40 600	- 26 40 600
	Written down value					
	Sub Total					8 80 200
TOTAL						8 80 200

NOTE: 13 CAPITAL WORKS IN PROGRESS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	Capital Work in Progress	14	1435 89 11 355		1157 27 26 076	
	Sub Total			1435 89 11 355		1157 27 26 076
	Less : Encashment of Bank Gaurantee pending decision for adjustment to Capital works	56.202	-14 01 44 781	-14 01 44 781	-8 21 93 312	-8 21 93 312
TOTAL				1421 87 66 574		1149 05 32 764

Note 13.1 : CWIP includes cost of replacement of C&R panels at Hoody and Nelamangala to the extent of Rs.2.33 Crore which has to be shared by beneficiaries of SRPC constituent Sates. Pending intimation of ratio of cost sharing based on Transmission charges by the constituents to SRPC, the amount recoverable from other constituents could not be ascertained and hence the entire expenditure incurred is retained in CWIP.

NOTE 14 : LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
1	Capital Advance					
	Unsecured (Considered Good)					
	Advances to Contractors	28.411	20 287			
2	Security Deposits					
	Unsecured (Considered Good)					
	Security Deposit made with ESCOMS for obtaining power supply to KPTCL Installations	28.936, 28.937	4 06 070	4 06 070	3 75 210	3 75 210
3	Other Loans and Advances					
	Secured (Considered Good)					
	Advances to Staff - Interest Bearing	27.101 to 27.106	4 24 907	4 24 907	4 68 707	4 68 707
	Unsecured (Considered Good)					
	Deposits with Others (Refer Note No. 14.2)	28.935	94 44 09 416		99 81 14 216	
	Advance to Suppliers and Contractors (Ref Note No.14.1)	25 & 26	3 74 56 694		6 28 23 206	
	Advance Income Tax and Tax deducted at source, Other tax payment (Net of Provision)	27.4 & 28.821	106 70 14 806		119 27 09 812	
TOTAL				204 97 32 180		225 44 91 151

Note 14.1 : Advance to suppliers and contractors includes Rs.1,59,74,377/- to be regularised with counterpart Units.

Note 14.2 : Rs.94,44,09,416/- includes Rs. 17.34 lakh paid to Safal Market complex towards cost of land on lease basis for 30 years for construction of substation at Konadasapura. The lease agreement for the same is yet to be entered.



NOTE 15 : OTHER NON CURRENT ASSETS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	ASSETS NOT IN USE					
	WDV of Faulty / Dismantled Assets	16.2	20 17 18 371		15 41 65 461	
	Transformers issued to Contractors / Suppliers for repairs	26.604	24 71 18 182		21 45 70 028	
	Deferred Costs					
	Preliminary expenditure on survey / feasibility studies of projects not yet sanctioned	17.301	7 94 64 975		4 72 75 754	
	Turnkey Contractors Control Account	26.605	713 68 21 220		565 86 29 289	
	Amounts Recoverable from Employees	28.401	2 74 10 381		3 13 79 859	
	Subsidy / Grants receivable from GOK	28.620	986 49 69 309		986 49 69 309	
	Claims for Loss / Damage to Capital Assets	28.74	2 66 223		2 66 223	
	Other Receivables	28.8 & 28.9	15 34 88 494		11 45 39 493	
	Regulatory Asset-Receivable towards additional fixed cost of TBPCL from ESCOMS	28.968 to 28.973	543 84 00 000		543 84 00 000	
	Electricity Tax and Other levies payable to Government	46.300				
	Pooled Loan Account (Refer Note 4.4)	53.999			8 61 900	
	TOTAL			2314 96 57 155		2152 50 57 316

Note 15.1 : WDV of Faulty/ Dismantled Asset aggregating Rs 20,17,18,371/- which are reusable is net of depreciation which has been charged at normal rates on WDV as on date of dismantling.

Note 15.2 : Transformers with book value of Rs 24,71,18,182/- sent for repairs is net of depreciation charged on such assets during the period of repair on WDV as on date of dismantling.

NOTE - 16 INVENTORIES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
I	Stores & Spares					
	Materials Stock Account	22.610	65 21 46 114		86 57 44 177	
	Sub-Total			65 21 46 114		86 57 44 177
II	Materials stock Excess / Shortage Pending Investigation.					
	Stock Excess pending Investigation.	22.810	- 17 75 578		- 17 09 369	
	Stock Shortage pending investigation.	22.820	84 19 194		60 63 242	
	Less: Provision towards Stock Shortage		- 84 19 194		- 60 63 242	
	Sub-Total			- 17 75 578		- 17 09 369
	TOTAL			65 03 70 536		86 40 34 808

Note 16.1 : Material stock includes Rs.30,63,293/- value of items identified as obsolete and valued at 10 % of actual cost

Note 16.2 : Material stock includes slow / non-moving materials for more than 3 years to the extent of Rs.13,35,22,433/-.



NOTE : 17 TRADE RECEIVABLES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
I	(Un-secured and considered good)					
1	Sundry Debtors for Transmission Charges					
	BESCOM	23.101	78 02 99 498		1 26 17 347	
	MESCOM	23.102	33 88 98 126		19 32 53 915	
	HESCOM	23.103	117 08 68 799		93 35 67 037	
	GESCOM	23.104	22 71 00 241		20 60 52 699	
	CESCO	23.107	65 14 95 763		59 26 27 919	
	Sundry Debtors for Transmission Charges and System Operating Charges in respect of MTOA	23.146	6 23 42 073		1 35 66 165	
2	Sundry Debtors for sale of Power – Inter State	23.6	13 27 208		13 27 208	
	Sub-Total			323 23 31 708		195 30 12 290
	Sundry debtors - Wheeling charges - Other states	28.120	27 77 12 415	27 77 12 415	23 75 27 554	23 75 27 554
	Sub-Total			351 00 44 123		219 05 39 844
	Provision for Doubtful Debts	23.8				
	TOTAL			351 00 44 123		219 05 39 844

Note 17.1- Sundry Debtors

Particulars	This Year	Previous Year
1) Outstanding Over 6 months	16 21 84 487	12 82 96 486
2) Others	334 78 59 636	206 22 43 358

NOTE 18 : CASH AND BANK BALANCES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
a)	Cash and Cash Equivalents					
i)	Cash on Hand	24.110	50 058		4 98 395	
ii)	Imprest Balance	24.210	29 09 500		28 29 500	
iii)	Balance with Banks					
	In Current Accounts (Refer Note 18.1)	20 & 24	72 85 08 282		82 32 93 102	
iv)	Others					
	Govt. Treasury	24.850	81 976		81 976	
	Postage stamps on hand	24.120	1 63 002		1 50 552	
	Funds in Transit	24.5, 24.6	3 42 74 379		7 79 27 000	
	Cash and cash equivalent			76 59 87 197		90 47 80 525
b)	Other Bank Balances		72 66 43 260	72 66 43 260	63 27 04 718	63 27 04 718
	(Deposits with maturity period more than 3 months) (Refer Note : 18.2)					
	TOTAL			149 26 30 457		153 74 85 243

Note : 18.1 : One Bank Account with Book Balance of Rs.77,433/- is under attachment of the PF Authorities**Note : 18.2 :** Includes Deposit held in respect of KEB Pensioners' Security Fund and Employees Family Benefit Fund.

NOTE 19 : SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	Advances Recoverable in cash or in kind or for value to be received					
	Secured Considered good					
	Advances to Staff - Interest Bearing	27.101 to 27.106	43 800		68 400	
	Unsecured Considered good					
	Advances to Staff - Interest Free	27.201 to 27.210	3 60 63 753		2 70 47 763	
	Amount Recoverable from Suppliers and Contractors towards TDS remitted by KPTCL on their behalf	25.502	93 49 169		86 44 138	
	TOTAL		4 54 56 722		3 57 60 301	

NOTE 20 : OTHER CURRENT ASSETS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	As at 31-03-2016		As at 31-03-2015	
	ASSETS NOT IN USE					
	WDV of Obsolete / Scrapped Assets	16.1	11 44 35 842		14 58 89 141	
	Less : Provision for obsolescence		9 15 48 674		11 67 11 313	
				2 28 87 168		2 91 77 828
	Income Accrued but not Due- other than fund investments	28.3	24 62 081		25 40 963	
	Amounts Recoverable from Employees	28.4	59 13 571		70 61 803	
	Other Receivables - BESCO	28.8 & 28.9, 28.125,28.926	39 25 91 921		40 65 71 124	
	Other Receivables - MESCOM	28.8 & 28.9, 28.126	17 00 78 023		18 26 33 571	
	Other Receivables - HESCO	28.8 & 28.9,28.127	24 04 51 221		21 96 43 780	
	Other Receivables - GESCOM	28.8 & 28.9,28.128	35 93 96 224		31 63 44 597	
	Other Receivables - CESCO	28.9	15 63 49 185		12 35 39 417	
	Pooled Loan Account (Refer Note 4.4)	53.999	8 61 900		17 25 000	
	Receivables - P & G Trust -Advance Paid	28.907	1 52 06 110		69 94 049	
	Prepaid Expenses	28.820	2 00 69 640		4 22 54 792	
	Debtors - Others	28.101 to 28.109, 28.111 to 28.124, 28.810, 28.917, 28.898	42 17 56 204		10 49 97 643	
	IUA- Other transactions / adjustments	37	1 32 69 095		1 36 15 160	
				179 84 05 175		142 79 21 899
	TOTAL		182 12 92 343		145 70 99 727	

Note 20.1 : Inter Unit Account - Rs.1,32,69,095/- represents net debit balance under reconciliation details are given below:

	Debits un-paired	Credits un-paired
37.300 - IUA-Other transactions/adjustments	1095229102824/-	1095215833729/-

Note 20.2 : Provision for obsolescence is being made on WDV of obsolete/scrapped assets on adhoc basis at the rate of 80% on WDV of obsolete/scrapped assets



NOTE: 21 REVENUE FROM OPERATIONS

(Amount in Rs.)

Sl. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
	Transmission Charges :-					
	BESCOM.	61.211	1216 90 89 504		1033 81 40 384	
	MESCOM.	61.212	217 20 91 020		181 12 21 820	
	HESCOM.	61.213	537 84 47 052		438 28 33 804	
	GESCOM.	61.214	331 52 96 820		292 12 81 360	
	CESCO	61.217	303 01 67 844		265 49 89 272	
	Open Access Customers	61.218	37 37 25 018		50 93 07 632	
	Transmission Charges and System Operating Charges in respect of MTOA	61.220	47 59 11 645		1 58 19 574	
	Sub - total			2691 47 28 903		2263 35 93 846
	Other Operating Income					
	Hire charges from Contractors	62.323	1 17 474			
	Other Miscellaneous receipts	62.360	2 16 398		2 50 697	
	Reactive Energy Charges demanded on IPPs	62.361	20 59 114		3 86 410	
	Open access Processing fee	62.363	1 16 89 000		1 49 95 126	
	Excess found on physical verification of Materials Stock.	62.905	14 30 528		11 579	
	Supervision Charges	62.907 & 62.909	9 72 25 817		6 29 54 028	
	Other Receipts	62.908	3 44 82 634		22 52 692	
	Miscellaneous Recoveries.	61.907 to 61.924, 62.366, 62.368, 62.914 to 62.917	38 25 27 351		83 19 23 524	
	Wheeling charges recoveries	61.8	15 19 26 486		19 17 10 215	
	Sub - Total			68 16 74 802		110 44 84 271
	Less: Refunds/ withdrawal of miscellaneous income accounted in the previous Year	83.834,83.837	- 70 78 610	- 70 78 610	-48 68 76 292	-48 68 76 292
	TOTAL			2758 93 25 095		2325 12 01 825

Note 21.1 : Miscellaneous recoveries Rs.38,25,27,351/- includes :

(i) Disclosure in respect of lease rents

Place	Area	Amount	Period	Amount taken to Income during the year (A/c code 62.917)
110/11 KV SS Gajanur (TLSS Shimoga)	4195.8 Sq ft	3 54 472	30 Years	11 816
110KV SS Nagara Munnoli(TLSS Chikodi)	7210 Sq ft	6 62 420	30 Years	22 081
110KV SS Ainapur(TLSS Chikodi)	511.5 Sq ft	11 51 030	30 Years	38 368
110KV Bhoj(TLSS Chikodi)	21 X 88 mtrs	12 12 000	30 Years	40 400
220 Kv Athani(TLSS Chikodi)	7110 sqft	23 51 635	30 Years	78 388
TLSS Chikodi	7210 sqft	9 02 000	30 Years	30 067
110 Kv Kagawad(TLSS Chikodi)	2906 sqft	5 57 000	30 Years	18 566
110KV Savadatti(TLSS Belgaum)	1231 Sq ft	2 39 200	30 Years	7 973
110KV Ghataprabha(TLSS Belgaum)	595 sqft	4 65 500	30 Years	15 517
110KV Salahalli(TLSS Belgaum)	3880 sqft	3 87 100	30 Years	12 903



Place	Area	Amount	Period	Amount taken to Income during the year (A/c code 62.917)
110KV Mamdapurai (TLSS Belgaum)	4869 sqft	5 78 340	30 Years	19 278
110KV Kanaburgi (TLSS Belgaum)	1840 sqft	33 03 720	30 Years	1 10 124
Bidanal (TLSS Hubli)	29453.90 sqft	1 39 17 000	30 Years	4 63 900
220 Kv Ranibennur (TLSS Haveri)	890 sq ft	4 29 052	30 Years	14 302
110Kv- Tilavalli (TLSS Haveri)	1320 sqft	1 56 000	30 Years	5 200
110/33KV SS Byadagi in Haveri Dist (TLSS Haveri)	4477.82 Sq ft	14 69 285	30 Years	48976
Kalamaranahalli (TLSS Davanagere)	5000 sqft	5 25 000	30 Years	17500
220KV Station, Bidadi (MWD South)"	7.5 X 42.75 Meters	31 69 000	30 Years	105633
110KV SS Gorgunta (TLSS Lingasagur)	43 X 26 mtrs	16 88 749	30 Years	58233
TLSS Lingasagur	1 17 52 691		30 Years	405286
110 Kv Shiralakoppa	50 mts X 50 mts		30 Years	1345
New electric colony(TLSS Hassan)	30X40		30 Years	5000
MRS Shimoga	25mtsX25mts		30 Years	31750
66Kv HD Pura (TLSS Davanagere)	1975 sqft	2 65 955	30 Years	16991
66Kv Rampura (TLSS Davanagere)	3267sqft	10 30 000	30 Years	17167
66Kv Kundur (TLSS Davanagere)	2459sqft	4 84 116	30 Years	5379
66Kv Ranganathapura (TLSS Davanagere)	5400 sqft	8 50 500	30 Years	2363
66Kv PD Kote (TLSS Davanagere)	5400 sqft	4 44 000	30 Years	2467
Vyshali (220Kv TLSS Bijapur)		80 41 000	30 Years	268033
Balaji (110 KV Muddebihal-TLSS Bijapur)		20 60 444	30 Years	68681
TLSS Gadag	2195.8 sqft	33 89 217	30 Years	225948
Naregal (TLSS Gadag)	696sqft	3 81 544	30 Years	25436
Betageri (TLSS Gadag)	1637 sqft	3 31 781	30 Years	11059
110Kv Uttur (TLSS Bagalkot)		24 60 938	30 Years	82031
Total		6 50 10 689		22 88 161

(ii) Unclaimed credit balance under Deposit Account - 46.101 taken to Income amounting to Rs.1,62,61,390/-



NOTE: 22 OTHER INCOME

(Amount in Rs.)

Sl. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
1	Interest					
1	Interest on Staff Loans and Advances.	62.210 to 62.214	10 88 437		43 99 600	
2	Interest on Bank Fixed Deposits	62.222	1 54 90 515		2 73 29 797	
3	Interest from Banks.	62.270	1 09 427		1 49 753	
	Sub-Total			1 66 88 379		3 18 79 150
1	Profit on sale of stores	62.330	8 25 771		1 40 98 090	
2	Sale of scrap	62.340	5 54 738		33 92 087	
3	Profit on sale of released Assets	62.350	2 66 96 243		3 95 33 255	
4	Rental from Staff Quarters	62.901	7 34 29 366		8 93 14 671	
5	Rental from others	62.902	6 96 048		6 73 669	
6	Consultancy charges	62.922	10 300			
7	Rental from BESCO	62.925,62.935	8 66 73 166		7 06 08 671	
8	Rental from MESCOM	62.926,62.936	1 71 53 498		1 32 68 683	
9	Rental from HESCO	62.927,62.937	1 80 06 648		92 04 498	
10	Rental from GESCOM	62.928,62.938	62 68 384		82 30 923	
11	Rental from CESC	62.929,62.939	1 05 03 891		83 87 896	
12	Excess provision in earlier years no longer required (Ref Note 24.2)	62.923	53 16 77 103		1 31 72 036	
13	Depreciation withdrawn on Assets created out of Consumer contribution	62.924	37 58 15 277		40 46 50 326	
14	Gain on Sale of Assets	62.400	31 457		3 76 066	
	Sub-Total			114 83 41 890		67 49 10 871
	GRAND TOTAL			116 50 30 269		70 67 90 021

NOTE : 23 TRANSMISSION AND WHEELING CHARGES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
	Wheeling Charges	70.400			1 77 48 163	
	Sub Total					1 77 48 163
	TOTAL					1 77 48 163



NOTE : 24 EMPLOYEE COST

(Amount in Rs.)

Sl. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
	Salaries and Wages					
	Salaries	75.1	216 91 53 899		195 45 69 029	
	Dearness Pay	75.180 to 75.187	157 59 33 216		147 28 76 726	
	Over Time	75.2	6 98 05 968		6 51 22 533	
	Dearness Allowance	75.3	117 47 00 197		84 80 57 471	
	Other Allowances	75.4	74 86 79 336		66 92 23 790	
	Bonus & Exgratia	75.5	10 40 48 991		3 30 31 260	
	Earned leave encashment	75.617,75.618	68 62 378		164 00 86 144	
	Payment to helpers/employees of Monsoon gang	75.630	39 94 667		37 92 034	
	Sub-Total			585 31 78 652		668 67 58 987
	Contribution to Pension & Other Funds					
	KPTCL Contribution to P&G Trust (Refer Note 24.4)	75.830, 75.831 & 75.840	134 40 19 110		126 33 12 683	
	Sub-Total			134 40 19 110		126 33 12 683
	Staff Welfare					
	Medical Expenses reimbursement	75.611	5 20 82 845		5 84 84 844	
	Leave travel assistance	75.612			1 71 505	
	Staff Welfare expenses(Refer Note 24.5)"	75.7	3 54 02 869		2 24 87 706	
	Terminal Benefits - Others	75.8	86 55 135		66 51 900	
	Terminal Benefits - FBF Contribution (Refer Note 24.6)	75.860	87 34 540		94 62 928	
	Sub-Total			10 48 75 389		9 72 58 883
	Less : Expenses shared by ESCOMS	75.910	-15 31 21 200		-14 54 21 691	
	Less : KPTCL portion of P&G Trust	75.911	- 5 86 432			
	Expenses Capitalised	75.9	-38 21 34 304	-53 58 41 936	-36 19 53 352	-50 73 75 043
	TOTAL			676 62 31 215		753 99 55 510

Note 24.1 : Salaries and Wages includes following in respect of employees covered under New Defined Contributory Pension Scheme (NDCPS)

Salaries	75.117	99 02 47 193
Dearness Pay	75.187	72 64 06 789
Dearness Allowance	75.317	53 78 48 629
		225 45 02 611

Note 24.2 : Liability towards leave encashment as per the Actuarial Valuation Report as on 31/03/2016 is to the extent of Rs.223,98,55,368/-. As the outstanding provision after considering payments made during the year is in excess of the liability reported in Actuarial valuation, the Company has reversed the excess provision of Rs.47.46 Crore(Ref Note 22). However, liability towards leave encashment in respect of 95 A.Es and 189 J.Es whose services were regularised by the Company based on the decisions of Hon'ble High Court of Karnataka have not been ascertained and provided since the required information could not be provided to the Actuary in time for the purpose of valuation.

Note 24.3 : Earned Leave(EL) encashment disbursed during the year

75.616-EL encashment employees covered under NDCPS	11 87 76 464
75.617-EL encashment	12 28 76 500
75.618-EL encashment - Retired / Deceased employees	19 29 31 334

Note 24.4 : Liability for pension and gratuity for service up to 31.5.2002 is met by the Government of Karnataka and liability for the subsequent period arising from 1.6.2002, is met by the Corporation by contribution to the Trust, based on Actuarial valuation. Contributions to employees covered under NDCPs applicable to employees who have joined after 01/04/2006 is Rs.23,88,98,074/-

Note 24.5 : Staff Welfare Expenses includes :

Contribution to Labour Welfare Fund	87,150
EPF contribution in respect of Contract Employees	50,69,507
Pension, Leave Contribution of employees of other department deputed to KPTCL	7,11,287

Note 24.6 : Terminal Benefits - FBF represents amount borne by the Company in terms of the Scheme on employee's death while in service.



NOTE : 25 REPAIRS AND MAINTENANCE

(Amount in Rs.)

Sl. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
1	Plant and Machinery	74.1	115 98 99 815		103 60 15 411	
2	Buildings	74.2	13 19 88 851		15 37 38 767	
3	Civil Works	74.3	6 98 25 431		7 50 08 982	
4	"Lines, Cable Net Work Etc."	74.5	20 74 93 969		12 03 77 805	
5	Vehicles	74.6	40 45 662		47 94 359	
6	Furniture and Fixtures	74.7	1 84 851		70 120	
7	Office Equipments.	74.8	28 17 894		31 46 212	
	Sub Total		157 62 56 473		139 31 51 656	
8	Less : Expenses shared by ESCOMS	74.910	-4 36 66 166		-1 92 12 244	
9	Expenses Capitalised	74.900	- 4 88 425		- 8 37 331	
	TOTAL			153 21 01 882		137 31 02 081



NOTE : 26 ADMINISTRATION AND OTHER EXPENSES

(Amount in Rs.)

Sl. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
	Administration Expenses					
1	Rent	76.101	51 05 816		58 44 411	
2	Rates & Taxes	76.102	2 40 46 382		3 12 67 606	
3	Expenses incurred towards security arrangements	76.103	4 24 43 935		3 36 15 830	
4	Insurance	76.104, 76.105, 76.106			2 236	
5	Service line charges paid to ESCOMS for obtaining power supply to KPTCL installations	76.107	3 45 309			
6	Pagers cellular phones E-mail, Telephone, Trunk call, Telegrams and Telex Charges	76.111, 76.112	1 98 59 039		2 02 85 981	
7	Postage	76.113,76.114	1 84 06 394		1 68 63 489	
8	Air net, Internet & Broadband Charges	76.116	5 37 47 543		4 41 08 979	
9	Legal Charges	76.121	1 68 21 403		2 04 38 504	
10	Audit Fees	76.122	22 62 965		15 45 648	
11	Consultancy charges	76.123	1 45 70 752		48 52 059	
12	Technical Fees	76.124	89 220		1 34 860	
13	Other Professional Charges	76.125, 76.126, 76.127, 76.128, 76.129	9 84 49 222		7 71 38 583	
14	Conveyance & Travel expenses	76.131 To 76.135 & 76.137 to 76.139	23 37 36 323		21 85 74 007	
15	Vehicle running expenses	76.136	2 64 69 386		3 24 86 916	
	Sub - Total			55 63 53 689		50 71 59 109
	OTHER EXPENSES					
16	Fees & Subscriptions	76.151	1 14 18 296		1 16 83 485	
17	Books, periodicals and dairies	76.152	5 81 880		4 68 360	
18	Printing & Stationery	76.153	1 49 57 821		1 67 00 595	
19	Advertisement Expenses	76.155	3 13 77 664		2 54 24 215	
20	Computer stationary & floppies	76.156	39 04 890		39 56 801	
21	Contributions	76.157	66 32 330		16 00 000	
22	Electricity Charges	76.158	15 50 87 119		9 23 52 588	
23	Water Charges	76.160	97 27 439		94 56 198	
24	Entertainment	76.162	69 960		50 640	
25	Contributions to Workers welfare cess - Work done by KPTCL/Others	76.166, 76.167	34 04 374		42 51 494	
26	Corporate Social Responsibility	76.180	1 28 37 438		66 82 541	
27	Miscellaneous expenses	76.159,76.168, 76.190, 76.191, 76.192	4 11 47 956		2 22 78 088	
28	Freight & other material related expenses	76.201 To 76.282	42 55 357		38 42 576	
	Sub - Total			29 54 02 524		19 87 47 581
	Less : Expenses shared by ESCOMS	76.910	-8 30 93 450		-5 84 13 851	
	KPTCL Portion of P&G Trust Expenses	76.911	- 61 359			
	Expenses Capitalised	76.900	-6 46 99 615		-6 17 76 876	
	TOTAL			70 39 01 789		58 57 15 963

Note 26.1 :

a) Miscellaneous Expenses includes Sitting fees paid to Directors

2015-16

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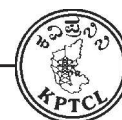
2014-15

29000

b) In pursuance of Section 135 of Companies Act, 2013, an amount of Rs.1.28 Cr (being 2% of the average Net Profit of the Corporation made during the three immediately preceding Financial years) was required to be spent during 2015-16 towards CSR activities and the Corporation has spent Rs.1.28 Cr.

Note 26.2 : Break up of Audit Fees

Particulars		2015-16	2014-15
(a)	Statutory Auditor		
	Statutory Audit Fee	15 50 000	10 25 000
	Tax Audit Fee	2 50 000	1 75 000
	Arrears	20 000	67 552
(b)	Cost Audit Fee	67 000	90 000
	Arrears	20 575	22 472
(c)	Secretarial Audit	69 250	
	Service Tax	2 86 140	1 65 624
	Total	22 62 965	15 45 648

Note 26.3 : Vehicle running expenses includes insurance on vehicles. Other Assets of the Corporation are not insured.


NOTE : 27 - FINANCE COSTS

(Amount in Rs.)

SI. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
I	Interest					
1	Loan from REC	78.540	1 12 82 209		1 41 37 072	
2	Rationalised REC Loans	78.541			55 326	
3	APDP works	78.544	51 44 509		57 87 572	
4	Short term Loan obtained from Commercial Banks/Financial institutions	78.563	3 22 02 334		8 84 92 334	
5	Loans from UCO Bank	78.564	7 95 082			
6	Loans from Vijaya Bank	78.569	134 58 88 221		130 61 93 114	
7	Loans drawn from PNB	78.574	730 91 511		11 19 16 989	
8	Loans drawn from OBC	78.575	2 39 61 592		3 54 06 446	
9	Loans drawn from Corporation Bank	78.576	38 14 36 349		46 40 81 844	
10	Loans drawn from Bank of Maharashtra	78.577	10 61 18 693		14 86 52 525	
11	Loans drawn from Bank of India	78.578	43 78 83 586		48 16 43 242	
12	Loan from Bank of Baroda	78.579	60 03 847		3 83 68 248	
13	Loan from PFC	78.584	8 71 733		37 31 22 526	
14	Loan from Indian Bank	78.591	22 15 58 238		26 09 32 191	
15	Loan from Punjab and Sindh Bank	78.593	58 02 25 367		54 44 48 384	
16	Loan from Canara Bank	78.594	106 18 52 843		124 05 24 541	
17	Loan from SBM	78.595	58 02 51 839		13 99 68 807	
				486 85 67 953		525 37 31 161
II	Other Borrowing Costs					
	Guarantee Commission				98 404	
	Sub-Total			486 85 67 953		525 38 29 565
	Less : Interest and finance charges capitalised	78.9	-44 92 52 409	-44 92 52 409	-38 70 61 985	-38 70 61 985
	TOTAL			441 93 15 544		486 67 67 580



NOTE : 28 DEPRECIATION AND AMORTIZATION

(Amount in Rs.)

Sl. No.	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
1	Amortisation of Lease Hold Assets	77.110	35 10 279	35 10 279	33 58 905	33 58 905
2	Depreciation on Buildings	77.120	16 27 15 345		15 26 52 752	
3	Depreciation on Hydraulic Works	77.130	3 28 59 960		2 98 53 680	
4	Depreciation on Civil Works	77.140	1 67 91 872		1 41 84 752	
5	Depreciation on Plant and Machinery	77.150	340 13 04 631		317 61 15 632	
6	Depreciation on lines, cable, network etc.,	77.160	270 49 45 033		250 43 15 786	
7	Depreciation on Vehicles	77.170	38 93 329		36 85 929	
8	Depreciation on furniture, fixtures	77.180	1 02 68 234		84 75 268	
9	Depreciation on Office equipments	77.190	18 85 449		17 71 090	
	Sub-total			633 46 63 853		589 10 54 889
10	Depreciation on Intangible Assets	77.801	8 80 200	8 80 200	10 56 240	10 56 240
11	Depreciation on Released Assets and Released Assets issued to Repairs	77.151, 77.161, 77.171, 77.181, 77.191	2 28 37 274	2 28 37 274	1 63 75 127	1 63 75 127
	Sub-Total			636 18 91 606		591 18 45 161
12	Less : Depreciation Capitalised	77.900	-1 01 48 217		- 25 12 451	
GRAND TOTAL				635 17 43 389		590 93 32 710

NOTE : 29 OTHERS

(Amount in Rs.)

Sl. No	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
	Asset Decommissioning Costs	77.5	57 71 306		53 78 804	
	Small & Low value items Written off	77.600	5 71 359		10 85 837	
	Computer software	77.611	76 908		2 63 506	
	Losses relating to Fixed Assets	77.7	83 39 102		7 39 633	
	Interest on delayed compensation	78.101	56 02 170		4 09 40 847	
	Interest on belated payment for power purchase	80.108	103 38 06 691		103 38 28 462	
	Other Bank Charges	78.8	3 42 703		4 41 217	
	Research & Development Expenses	79.2	4 44 508		2 22 621	
	Bad & Doubtful Debts Written off / provided for	79.4			- 57 816	
	Miscellaneous losses and Write offs	79.5 & 79.7	87 35 675		6 20 47 710	
TOTAL				106 36 90 422		114 48 90 821



NOTE : 30 PRIOR PERIOD (CREDITS) / CHARGES

(Amount in Rs.)

Sl. No	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
A)	Income relating to previous years :					
	Excess provision for Depreciation in prior periods	65.600	54 00 72 551		3 22 75 731	
	Other Income relating to prior periods	65.900	7 46 39 831		28 38 49 556	
	Sub - Total			61 47 12 382		37 61 25 287
B)	Prior Period Expenses / losses :					
	Employee costs relating to previous years	83.500	4 14 298		14 54 42 829	
	Depreciation under provided in previous years.	83.600	62 89 34 367		21 34 60 453	
	Administrative Expenses - previous years.	83.820, 83.821	1 47 22 973		22 93 00 000	
	Other Expenses relating to prior periods	83.850	26 52 07 697		27 79 64 983	
	Sub - Total			90 92 79 335		86 61 68 265
	Net Prior Period credits/(charges) (A-B)			-29 45 66 953		-55 00 42 978

NOTE : 31 EXCEPTIONAL ITEMS

(Amount in Rs.)

Sl. No	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
	KPTCL portion of Arrears contribution of P&G Trust not released by GoK	75.830	527 79 00 000			
	Sundry Debit Balance written off	79.571	4 95 80 780		96 01 42 567	
	TOTAL			532 74 80 780		96 01 42 567

Note 31.1 : Sundry Debit balance written off pertains to residual value of the lease Assets obtained under sale and lease back, now written off on expiry of lease period as the Assets have reached their residual value and the assets pertains to erstwhile KEB period and exact location of such assets is not identifiable.

Note 31.2 : As per Karnataka Electricity Reform (Transfer of Undertakings of KPTCL and its personnel to Electricity Distribution and Retail Supply Companies) Rules, 2002 (KERR 2002 rules) GoK, shall be liable for making appropriate arrangement in regard to funding of the pension funds and of all statutory and other personnel related funds for the services rendered by the Specified Personnel to Karnataka Electricity Board and KPTCL prior to the effective date of Second Transfer of the specified personnel and to the extent they are unfunded as at the respective effective date of second transfer of the specified personnel. As per the Scheme, an actuarial valuation had to be done within 3 months from the effective date of Second Transfer to determine the amount to be maintained in such funds and a Trust shall be established to manage such funds.

GoK, vide G.O. No. DE PSR 2002 dated 19/02/2002, accorded approval to follow 'Pay-As-You-Go' option for settlement of terminal benefits of KPTCL/ESCOMs employees. As per that option, as and when the employee retires from the Service of KPTCL/ESCOM, the State Government assumes the liability towards Terminal Benefits of the retired employees up to 31/05/2002 and contribute the same to the Trust. KPTCL and ESCOMs are making contributions for the portion of service rendered by the employees after 31/05/2002. However, GoK has not fully reimbursed the claim of the Trust towards its portion of liability resulting in accumulation of arrears over a period of time.

Meanwhile, Energy Department, GoK vide letter dated 25-02-2016 addressed to the Trust has informed that against the proposed Pension and Gratuity contribution of Rs. 996.39 Crore for 2016-17 and the arrears of pension contribution of Rs.2047.84 Crore, an amount of Rs.550 Crore only will be available for 2016-17 for meeting the Pension liability and the Trust was directed to work out the amount of contribution for recovering through Tariff. Accordingly, P&G Trust has worked out KPTCL's portion of contribution to be recovered through Tariff amounting to Rs.527.79 Crore. Based on this, KPTCL had filed Additional Revenue Requirement (ARR) application before the KERC on 16-03-2016. KERC vide Tariff Order 2016 dated 30-03-2016 has not accepted the Additional Revenue requirement application of KPTCL stating that GoK is liable to meet the Pension & Gratuity requirement of existing pensioners in accordance with KERR 2002.

After taking in to account the rejection of the ARR application of KPTCL by KERC, Energy Dept, GoK vide its letter dated 16/09/2016 has directed KPTCL to take cognisance of the liability pertaining to it as worked out and intimated by the Trust, assume and account the liability as a special case and one time measure, considering erosion in the Corpus of fund held by the Trust as GoK had not agreed to make good its portion of liability nor KERC agreed to allow the same as part of tariff.

In the light of directions issued by Energy Department, GoK, the company has accounted the liability of Rs.527.79 Crore pertaining to KPTCL and considering the nature, the same is disclosed as an exceptional item in the Statement of Profit and Loss.



NOTE : 32 EXTRAORDINARY ITEMS

(Amount in Rs.)

Sl. No	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
1	Extraordinary Credits (including subsidies against loss on account of flood, fire, cyclone, etc.,)	63.200	NIL		NIL	
	TOTAL					
2	Less: Extraordinary debits (Losses on account of flood, cyclone, fire etc.)	79.8	NIL		NIL	
	TOTAL					
Net extraordinary items						

NOTE :33 CURRENT TAX

(Amount in Rs.)

Sl. No	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
1	Income Tax - Current year	81.100	48 98 58 736		21 62 59 142	
2	Short Provision for Income Tax - Previous Year	83.810	3 08 96 068	52 07 54 804	23 66 531	21 86 25 673
3	Excess Provision for Income Tax - Previous Year	65.500	- 65 74 640	- 65 74 640		
TOTAL				51 41 80 164		21 86 25 673

Note 33.1 : Provision for Income Tax has been made under MAT since the liabilities will not arise under regular tax provisions. Since the Corporation is of the opinion that Income Tax liability under regular tax provisions will not arise in the near future, MAT amount paid is not recognised as an Asset in the Balance Sheet but charged off to Profit and Loss Account.

NOTE : 34 DEFERRED TAX

(Amount in Rs.)

Sl. No	Particulars	Account Code	Current Year 2015-16		Previous Year 2014-15	
1	Deferred Tax	81.201	Nil		Nil	
TOTAL						



Karnataka Power Transmission Corporation Limited
2015-16

NOTE 35: Significant Accounting Policies

35.1 Basis of preparation

- a. Financial statements have been prepared under historical cost convention on a going concern and accrual basis in accordance with generally accepted accounting principles (GAAP) in India and comply materially with the Accounting Standards specified under section 133 of Companies Act, 2013 read with Rules 7 of Companies (Accounts) Rules, 2014 and relevant provisions of Companies Act, 2013 as applicable and provisions of the Electricity Act, 2003.
- b. The preparation of the Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
- c. The Assets are classified as Current Assets and Non-Current Assets and Liabilities are classified as Current Liabilities and Non-Current Liabilities assuming the operating cycle of the Corporation as duration of 12 months.

35.2 Revenue Recognition

- a. Revenue from Transmission is recognized on accrual basis at the tariff as notified by Karnataka Electricity Regulatory Commission (KERC) from time to time in its Multi Year Tariff (MYT) which is arrived on the basis of estimated Return on Equity and other relevant aspects.
- b. Revenue from Inter State Wheeling Charges is recognized on accrual basis based on Regional Energy Account (REA) published by Southern Region Power Committee (SRPC).
- c. Revenue from Other Sources is also accounted on accrual basis.

35.3 Fixed Assets

- a. Fixed assets are stated at cost including expenses related to acquisition, construction and installation less accumulated depreciation and impairment loss.
- b. Establishment and other administration expenditure of Works Circles and Major Works Divisions are allocated to the capital works handled by the respective Divisions and form part of the cost of assets.
- c. Assets put up by third parties, which vest in the Corporation under Regulation for Condition of Supply of Electricity issued by the KERC, are incorporated in the books at the cost estimate approved by the Corporation in the absence of actual cost.
- d. Land cost includes acquisition cost, including enhanced compensation paid as awarded by the Courts, Compensation paid for afforestation and social forestry for the project affected local people/families.
- e. Expenditure on replacement of assets/part of asset with independent existence are capitalised irrespective of the cost. The Original Cost and Accumulated Depreciation thereon in respect of replaced assets are removed from Accounts.

35.4 Depreciation

- a. Depreciation is calculated on straight line method at the rates notified by CERC and adopted by KERC from time to time;
- b. Assets are depreciated to the extent of 90% of the cost of the asset and 10% is retained as residual value.
- c. For additions to assets from 1.4.2007, depreciation is provided from the beginning of the month of addition. For additions to assets up to 31.3.2007, depreciation has been provided from the year succeeding the year of addition.
- d. Depreciation is charged upto the previous month in which asset is discarded/dismantled.
- e. Individual assets costing up to Rs. 500/- are fully depreciated in the year in which they are put to use.



- f. Where the carrying amount of any fixed asset has undergone a change in accordance with the policy for foreign currency transactions, depreciation on the unamortized depreciable asset is spread over the useful life of the asset.
- g. (1) Depreciation on structures and other assets other than Civil structures put up on leasehold properties are depreciated in such a manner that the assets are depreciated **up to 90%** over the life period of the structures and other assets or period of lease of the land whichever is earlier.
- (2) Civil Structures are depreciated 100% over the life period of Assets or lease period whichever is earlier.
- h. Depreciation on released assets (Assets not in use) and released assets issued for repairs has been charged at normal rates on the written down value of those assets.
- i. Depreciation on assets created out of deposit contribution, consumer built and grant assets are subsequently adjusted as Income in the same proportion as the depreciation charged on the assets acquired out of Contribution/Grant.

35.5 Accounting for Grants

- a. Works executed/assets created out of contributions received from the third parties vest in the Corporation under Regulation for Condition of Supply of Electricity by the KERC, and they are incorporated as assets in the books at the full value. Capital grants/grants related to specific assets and Consumer contribution towards cost of capital assets are not reduced from the cost of the assets but treated as deferred Income, grouped under "Contribution & Grants towards Cost of Capital Assets" and subsequently adjusted as Income in the same proportion as the depreciation charged on the assets acquired out of the Contribution/ Grant.
- b. Revenue / Untied grants are treated as income.

35.6 Investments

- a) Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
- b) Current investments are valued at lower of cost and fair market value.

35.7 Valuation of Inventories

- a. Materials are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.
- b. The value of materials which are identified as scrap/obsolete by the Scrap approval committee are accounted at scrap rates if available in SR and in cases where rates are not available in the SR, the value of such materials are reduced by 90% of the existing (original) value and the remaining 10% value will be retained till their disposal.

35.8 Borrowing Costs

- a. Borrowing costs attributable to the construction/acquisition of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial time to get ready for intended use.
- b. Nonspecific borrowing costs for acquisition of qualifying assets are apportioned to individual assets in the ratio of expenditure on assets to such borrowing costs, quantum of borrowing costs being determined on the basis of simple average cost of the borrowings outstanding during the period. Other borrowing costs are recognized in the period in which they are incurred.

35.9 Employee Benefits

- a. Expenditure towards defined benefit scheme Gratuity and Pension which covers employees who have joined service upto 31.03.2006 is provided on the basis of rates / amount and method as intimated by KPTCL & ESCOMs Pension & Gratuity Trust(KEPGT) based on Actuarial Valuation as per AS-15 got done by KEPGT from time to time.
- b. Employees who have joined the Corporation on or after 01.04.2006 are covered under "New Defined Contributory Pension Scheme (NDCPS)" and Company's Contribution at fixed percentage of salary is ascertained and paid/provided accordingly.
- c. Long term benefit Leave Encashment is ascertained on the basis of Actuarial valuation using Projected Unit Credit



Method (PUCM) and provided at the end of each financial Year as required by Accounting Standard 15. Actuarial gains or losses are recognized in the Profit and Loss Account.

35.10 Accounting for Taxes on Income

- a. Provision for Current Tax is made in accordance with the provisions of the Income Tax Act, 1961.
- b. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Corporation will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Corporation.
- c. Deferred tax on account of timing difference between taxable and accounting income is provided using the tax rates and tax laws enacted or substantially enacted by the Balance Sheet date.
- d. Deferred Tax is recognized, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized, if there is virtual certainty of realization of such assets.

35.11 Foreign Currency Transactions

- a. Foreign currency transactions are initially recorded at the exchange rate prevailing on the date of the transaction.
- b. Foreign Currency monetary assets and liabilities are translated at the year end exchange rates. Exchange differences related to liabilities for acquisition of fixed assets from outside India are adjusted in the carrying cost of assets. Exchange differences arising on other transactions are recognized as income or expenditure in the year in which it arises.

35.12 Impairment of Assets

- a. Carrying amount of assets is reviewed at each balance sheet date to determine whether there is any impairment.
- b. An impairment loss is recognized, whenever the carrying amount of such assets exceed the recoverable amount. Reversal of impairment loss is recognized as income in the profit and loss account.
- c. Sub-Station and Transmission lines are identified as Cash Generating Units.

35.13 Amortisation of Intangible Assets

Cost of acquisition of custom built application software is recognized as an intangible asset and amortised on straight line method over a period of three years, commencing from the year of purchase.

35.14 Amortisation of lease assets

- a. Lease payments made upfront in respect of leased assets are amortized in equal installments over the period of lease.
- b. Annual lease rent payments are charged to revenue.
- c. Cost of improvements made to leased assets is amortized in equal installments over remaining lease period of the asset.

35.15 Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Corporation has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. A Contingent asset is neither recognised nor disclosed in the financial statements.



**Karnataka Power Transmission Corporation Limited
2015-16**

Note 36 - Notes on Accounts

36.1 Contingent Liabilities and Commitments (to the extent not provided for) :

(Rs. In Crores)

Sl. No.	Particulars	Current Year	Previous Year
(i)	Contingent Liabilities		
	Claims against the company not acknowledged as debts :		
	Claims in respect of Land Acquisition Cases	19.01	29.42
	Income Tax related disputes in respect of various Assessment years		
	Service Tax related disputes in respect of renting of immovable property, VSAT charges and Technical inspection Certificate service	2.81	3.11
	Price Variation Claims from Contractors/Suppliers	1.60	2.74
	Others	331.86	301.75
(ii)	Commitments		
	Estimated Amount of contracts remaining to be executed on Capital Account and not provided for	3121.54	6833.24

36.2 Value of Imports calculated on CIF basis:

(Rs. In Crores)

Sl. No.	Particulars	Current Year	Previous Year
i	Raw materials, spare parts and capital goods	NIL	NIL
II	Capital goods	NIL	NIL

36.3 Expenditure in foreign currency:

Sl. No.	Particulars	Current Year	Previous Year
i	Expenditure reimbursed on foreign travel	Nil	Nil

36.4 Value of indigenous and imported stores Spares and components consumed:

Sl. No.	Particulars	Current Year	Previous Year
i	Indigenous Materials	Not ascertainable	Not ascertainable
II	Imported Materials	Not ascertainable	Not ascertainable



36.5 Quantitative details of Transmission and Loss of Energy:

(In MUs)

Sl. No.	Particulars	Current Year	Previous Year
1	Total Energy handled	64227.058	62034.726
2	Total Energy Transmitted	61957.511	59759.619
3.	Transmission Loss in respect of Energy Transmitted	2269.547	2275.107
4.	Net Transmission to ESCOMs & Hukkeri society during the year	61957.511	59759.619
5.	Total units accounted as Transmitted to ESCOMs & Hukkeri society during the year	61957.511	59759.619
6.	Total Transmission loss	2269.547	2275.107
7.	Percentage of Transmission Loss on handled Energy (6/1 x 100) *	3.534%	3.667%

36.6 Confirmation of balances

- Confirmation of balances have been obtained only for borrowings from Banks, Financial Institutions and Bank balances.
- Balance with ESCOMs

Reconciliation of Receivables and Payables with ESCOMs as on 31-03-2016 (other than relating to Sundry Debtors for Transmission of Power), taking balance outstanding as on 31.03.2014 as detailed below, are subject to confirmation:

(Rs In Crore)

ESCOM	Pooled Account		Reconciled		
	Pooled Account Receivable+ Cash Receivable	Pooled Account Payables+ Cash Payable	Net Receivable /(Payable)	Receivable	Payable
1	2	3	(4=2-3)	5	6
BESCOM	110.88	110.66	0.22	19.47	
MESCOM	60.82	66.48	-5.66		
CESC 16.54	16.54	19.83	-3.29		
HESCOM	94.61	107.40	-12.79		
GESCOM	77.59	50.20	27.39		
	360.44	354.57	5.87	19.47	

- During 2015-16, Receivable to the extent of Rs19.47Cr, out of Rs. 360.44Cr. outstanding as on 31/03/2016 has been reconciled. Required entries to this effect will be passed after completion of Reconciliation exercise in toto and Confirmation from ESCOMs.



36.7 Segment Reporting

As the Corporation is engaged only in the business of power transmission within the state of Karnataka, there are no reportable segments as per AS-17 on “Segment Reporting”.

36.8 Impairment of Assets

The Company has identified Sub-Stations and Transmission Lines as “Cash Generating Unit”. Carrying amount has been reviewed as at the balance Sheet date and there is no impairment of Assets.

36.9 Related party Disclosures

Related Party Transactions:

Key Managerial Personnel As per Notification issued by GoK.

Sl. No.	Name	Designation
1.	Sri G. Kumar Naik (Upto 20.04.2015)	Managing Director
2.	Sri Jawaid Akhtar (from 11.05.2015)	Managing Director
3.	Dr. Aditi Raja	Director (Finance)
4.	Sri S. Sumanth	Director (Transmission)
5.	Sri R. Sridhara	Director & Company Secretary
6.	Sri Ramakrishna M.	Director (Admn. & H.R.)

Managerial remuneration paid or payable to Key Managerial Personnel:

(Amount in Rupees)

Sl. No.	Particulars	Current Year	Previous Year
i	Salary and Allowance	95 16 936	89 14 007
ii	Exgratia	16 292	14 866
iii	Medical Expenses	2 47 177	27 712
iv	Pension & Leave Contribution remitted to Government	2 73 907	2 98 055
v	Pension & Gratuity Contribution payable to P & G Trust	13 16 980	11 32 982
vi	Leave Encashment	2 80 467	2 20 225
	TOTAL	1 16 51 759	1 06 07 847



36.10 Earning Per Share (EPS)

Sl. No.	Particulars	Current Year (2015-16)	Previous Year (2014-15)
i	Basic		
	A. Net Profit for the year	178,11,43,226	79,16,67,798
	B. Weighted Average Number of Equity Shares outstanding during the year	2,07,53,225	1,59,45,006
	C. EPS	85.52	49.65
ii	Diluted *		
	A. Net Profit for the year	178,11,43,226	79,16,67,798
	B. Weighted Average Number of Equity Shares outstanding during the year	2,11,00,438	2,08,90,211
	c. EPS	84.41	37.90

* After considering Potential Equity Share to be issued against Equity Infusion (Note 3).

36.11 General

- Paisa has been rounded off to the nearest rupee.
- Previous year figures have been regrouped / recast wherever necessary for purposes of Comparability.
- Current Year's Figures of Assets and liabilities have been grouped as Non- Current and Current as required under Revised Schedule VI effective from 01.04.2011.
- The Accounts approved by the Board on 16/08/2016 were revised based on the observations made by the Comptroller and Auditor General of India u/s 143(6) of the Companies Act 2013. Accordingly, the revision has resulted in :- Decrease in Profit Before Tax by Rs. 50.05 Crore (from Rs. 279.58 Crore to Rs. 229.53 Crore) (b) Increase in Long Term Liabilities by Rs.1.7 Crore (c) Increase in Other Current Liabilities Rs.60 Crore (d) Increase in Other Current Assets by Rs.1.51 Crore (e) Decrease in CWIP by Rs.27.44 Crore (f) Increase in Assets by Rs.28.18 Crore (g) Increase/Decrease in Consumer Contribution, Special grant, Cash & Bank, Trade Receivables by Rs.9.4 Crore.

Signature to Note 1 to 36

Sd/-
(R.SRIDHARA)
Director & Company Secretary

Sd/-
(ADITI RAJA)
Director (Finance)

Sd/-
(JAWAID AKHTAR)
Managing Director

Sd/-
(RUTH.G.MIRAJKAR)
Financial Adviser (A&R)

Refer our report of even date
For Manian & Rao
Chartered Accountants
FRN 001983S
Sd/-

SRIKANTH . R
Partner
Membership No. 203138

Place: Bangalore.
Date : 26/09/2016



Cash Flow Statement Annexed to the Balance Sheet for the period April 2015 - March 2016

Particulars	Amount in Rs	Amount in Rs
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Profit & Loss Account	229 53 23 390	
Adjustments for :		
Depreciation (net)	635 17 43 389	
Finance and Other Charges	441 93 15 544	
Withdrawal of Excess provision made during Previous years	-53 16 77 103	
Changes in Net appropriation Account (Depreciation on Assets created out of Consumer contribution for 2002-03 to 2015-16)	-37 58 15 277	
Provision for Stock shortage	- 23 55 952	
Profit on sale of stores	- 8 25 771	
Sale of scrap	- 5 54 738	
Profit on sale of released Assets	-2 66 96 243	
Sundry Receivables Write off & Other Write off & exceptional items	533 62 16 456	
Operating Profit before working capital changes	1746 46 73 695	
Adjustments for :		
Changes in Stores & spares	21 60 20 224	
Changes in Sundry Debtors	-131 95 04 279	
Changes in Loans & Advances	-38 89 78 415	
Changes in Other Receivables	-724 93 79 249	
Changes in Current Liabilities & Provisions	833 34 65 287	
Cash generated from Operations	1705 62 97 263	
Income Tax (Advance Tax + TDS)	58 40 40 965	
Net cash inflow from Operating Activities		1764 03 38 228
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Changes in Fixed Assets & Capital Work In Progress	-1186 24 74 831	
Net increase/decrease in Bank Deposit with maturities exceeding 3 months	-9 39 38 542	
Net cash inflow from Investment Activities		-1195 64 13 373
C CASH FLOW FROM FINANCING ACTIVITIES:		
Changes in Share Capital/ Equity Infusion	87 00 00 000	
Contribution & Grants towards cost of capital assets	13 68 42 635	
Changes in Secured Loans	-87 53 98 488	
Changes in Unsecured Loans	-111 77 74 204	
Finance and other Charges	-483 63 88 126	
Net Cash used in financing activities		-582 27 18 183
Net Change in Cash and Cash equivalents (A+B+C)		-13 87 93 328
Add: Opening Cash and Cash Equivalents as on 1.4.2015		90 47 80 525
Closing Cash and Cash Equivalents as on 31.3.2016 (See Note)		76 59 87 197

Note- 1) The Cash Flow statement has been prepared under the 'Indirect method' as set out in the Accounting Standard - 3 "Cash Flow Statements"

Note- 2) Significant Cash and Cash equivalents balances held by the Company not available for use by the Company is Rs.3,83,26,045/- (held on behalf of ESCOMs)

Sd/-
(R.SRIDHARA)
Director & Company Secretary

Sd/-
(ADITI RAJA)
Director (Finance)

Sd/-
(JAWAID AKHTAR)
Managing Director

Sd/-
(RUTH.G.MIRAJKAR)
Financial Adviser (A&R)

Refer our report of even date
For Manian & Rao
Chartered Accountants
FRN 001983S
Sd/-

Place: Bangalore.
Date : 26/09/2016

SRIKANTH . R
Partner
Membership No. 203138



**STATEMENT SHOWING SECTOR WISE CAPITAL EXPENDITURE FOR 2015-16
WITH AND WITHOUT RELEASED ASSETS ISSUED TO CAPITAL WORKS**

Account code	CWIP Brief Description of the Project	(Amount in Rupees)			
		Capital Budget Allocation (Sectorwise) (in Crores)	Capital Expenditure during the year 2015-16	Released Assets issued to works during 2015-16	Net Capital Expenditure for the year 2015-16 (deducting Released Assets issued to works)
TRANSMISSION LINES AND SUB STATIONS WITH ATTACHED CIVIL WORKS					
14.110	Transmission lines (GP)		2,320,609	227,049	2,093,560
14.115	Transmission lines-others		7,334,870,048	2,952,824	7,331,917,224
14.120	Step Down Station-(GP)		84,445,532	8,028,980	76,416,552
14.125	Step Down Station-others		3,213,210,646	21,971,615	3,191,239,031
	Sub Total	1,075.05	10,634,846,835	33,180,468	10,601,666,367
	CAPACITOR INSTALLATIONS				
14.165	CWIP-Installation of Capacitors (GP)		-	-	-
	Sub Total		-	-	-
	LOAD DESPATCH AND COMMUNICATION				
14.130	Load DESPATCHED & Communication		5 50 93 390		55,093,390
	Sub Total	33.18	55,093,390	-	55,093,390
	EXTENSION AND IMPROVEMENTS				
14.150	Transmission lines + Transformers etc-Improvements (GP)		296,649,022	71,377,317	225,271,705
14.152	Transmission- Improvements		1,505,084,787	64,107,351	1,440,977,436
14.153	Station-Improvements		364,306,441	77,045,429	287,261,012
14.156	Transmission Lines-Improvements		1,471,877		1,471,877
	Sub Total	219.51	2,167,512,127	212,530,097	1,954,982,030
	PROVIDING NEW TRANSFORMERS IN PLACE OF FAULTY/FAILED TRANSFORMER				
14.170	Replacement of Distribution Transformer with similar capacities		17,929,155	1,806,361	16,122,794
	Sub Total	14.25	17,929,155	1,806,361	16,122,794



Account code	CWIP	(Amount in Rupees)			
	Brief Description of the Project	Capital Budget Allocation (Sectorwise) (in Crores)	Capital Expenditure during the year 2015-16	Released Assets issued to works during 2015-16	Net Capital Expenditure for the year 2015-16 (deducting Released Assets issued to works)
OTHERS					
14.502	Buildings		174,051,627		174,051,627
14.607	Vehicles		25,981,636		25,981,636
14.708	Furniture & Fixtures		10,985,764		10,985,764
14.809 to 14.811	Office Equipment & Others		241,662,505	745,121	240,917,384
	Sub Total	58.01	452,681,532	745,121	451,936,411
	Total -A	1,400.00	13,328,063,039	248,262,046	13,079,800,993
	Less : Capital Expenditure Transferred among KPTCL Units through IUA		291,657,448		291,657,448
	Total-B		291,657,448	-	291,657,448
	NET CAPITAL EXPENDITURE	1400.00	13,036,405,591	248,262,046	12,788,143,545



Statement showing the details of Borrowings for the Financial year 2015-16

A/c Code	Name of the Institution	OB as on 01/04/2015	Receipts	Repayments	CB as on 31/03/2016
53.300	REC	94466446		15744300	78722146
53.324	Short term loans	1100000000	1100000000	2200000000	0
53.330	Vijaya Bank	12635857153	1950000000	1445006000	13140851153
53.336	REC- APDRP	21943171		10971588	10971583
53.960	PFC	63151439		63151439	0
53.348	Punjab National Bank	862500000	600000000	345000000	1117500000
53.347	Oriental Bank of Commerce	275000000		100000000	175000000
53.353	Corporation Bank	4087631158		641579228	3446051930
53.354	Bank of Maharashtra	1233771435		365257140	868514295
53.355	Bank of India	4475000000		300000000	4175000000
53.356	Bank of Baroda	166666674		166666674	0
53.357	Indian Bank	2300000000		300000000	2000000000
53.359	Punjab & Sindh Bank	5900000000		300000000	5600000000
53.360	Canara Bank	11100200000		1214400000	9885800000
	State Bank of Mysore	5321551827	2000000000	357161820	6964390007
54.200	State Government Loans	47525773		5940722	41585051
	UCO BANK		750000000		750000000
	TOTAL	49685265076	6400000000	7830878911	48254386165



DCB Statement for the year 2015-16

ESCOM	Energy Supplied (in Muss)	Opening Balance	Transmission charges (Current year Demand)	Grand Total (OB+Current Year)	Collection	Closing Balance
BESCOM	29394.386	12,617,348	12,169,089,504	12,181,706,852	11,401,407,353	780,299,499
MESCOM	4929.318	193,253,915	2,172,091,020	2,365,344,935	2,026,446,809	338,898,126
HESCOM	12606.467	933,567,037	5,378,447,052	6,312,014,089	5,141,145,290	1,170,868,799
GESCOM	8012.171	206,052,699	3,315,296,820	3,521,349,519	3,294,249,278	227,100,241
CESC	6480.986	592,627,919	3,030,167,844	3,622,795,763	2,971,300,000	651,495,763
Grand Total	61423.328	1,938,118,918	26,065,092,240	28,003,211,158	24,834,548,730	3,168,662,428

