

**19th Annual Report
2017-18**



Karnataka Power Transmission Corporation Limited

CIN : U40109KA1999SGC025521



Table of Contents

1. Directors' Report	4
2. Comments of the C & AG of India	65
3. Auditors' Report	
1. Statutory Auditor	113
2. Secretarial Auditor	141
4. Balance Sheet	146
5. Profit & Loss Account	147
6. Notes	151



BOARD OF DIRECTORS

List of Directors (As on the date of AGM)

Sl. No.	Name	Designation
1.	Sri. H.D.Kumaraswamy	Chairman, KPTCL
2.	Dr. S.Selvakumar, IAS	Managing Director
3.	Sri. P.Ravikumar, IAS	Director
4.	Sri. I.S.N. Prasad, IAS	Director
5.	Dr. Ramana Reddy E.V. IAS	Director
6.	Sri. G.Kumar Naik, IAS	Director
7.	Dr. Aditi Raja	Director(Finance)
8.	Smt. C.Shikha , IAS	Director
9.	Dr. H.N.Gopalakrishna, IAS	Director (Admn. & HR)
10.	Sri. Shivakumar K.V	Director (Transmission)
11.	Sri. T.R. Ramakrishnaiah	Director
12.	Sri. A.N.Jayaraj	Director
	Sri. K.T.Hiriyanna, FCS	Authorised Signatory

STATUTORY AUDITORS

M/s. B.P.Rao & Co.,
Chartered Accountants, Bengaluru

COST AUDITORS

M/s. S.K. Tikare & Co.,
Cost Accountants, Belagavi

SECRETARIAL AUDITORS

Sri S. Viswanathan,
Company Secretary in Practice, Bengaluru



DIRECTORS' REPORT

Dear Members,

Board of Directors of Karnataka Power Transmission Corporation Limited (KPTCL) have immense pleasure in presenting the 19th Annual Report and the Audited Financial Statements of the Company for the Year ended 31st March 2018.

FINANCIAL POSITION:

The Financial position of the Company for the three years ending 31st March 2018 is as follows: (Rs. in Lakhs)

	Particulars	2015-16	2016-17	2017-18
	Assets			
a)	Gross Block	14 09 278.13	15 05 191.81	17 33 984.40
b)	Less: Depreciation	5 36 631.87	6 01 321.91	6 71 536.40
c)	Net Block	8 72 646.26	9 03 869.90	10 62 448.00
d)	Capital Work in Progress	2 13 555.88	3 16 216.60	3 03 291.76
e)	Other Current, Non-Current Assets, Short term, Long term Loans & Advances, Trade Receivables & Cash equivalents	2 43 515.93	2 07 643.11	1 92 943.77
f)	Miscellaneous Expenditure			
	Total	13 29 718.07	14 27 729.61	15 58 683.53
	Liabilities			
g)	Paid-up capital (including Share deposit)	2 18 232.25	2 18 232.25	2 18 232.25
h)	Reserves & Surplus	58 492.16	1 88 155.76	2 09 370.24
i)	Borrowings			
	Government of Karnataka	356.44	297.04	237.63
	Public Bonds			
	Private Bonds			
	Financial Institutions & Banks	4 20 264.31	4 36 220.03	4 61 751.04
	Cash Credit from Banks			
	Other Funds			
j)	Other long term, Other Current Liabilities, Short term, Long term Provisions & other liabilities (Including interest accrued & due)	6 32 372.91	5 84 824.53	6 69 092.37
	Total	13 29 718.07	14 27 729.61	15 58 683.53
	Capital Employed	7 40 902.70	10 00 222.94	11 35 423.82
	Net Worth	2 76 724.41	4 06 388.01	4 27 602.49

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 2018 is as follows:

(Rs. in Lakhs)

Sl.	Particulars	2015-16	2016-17	2017-18
I)	Profit (+) / Loss (-) for the year	25 898.90	1 81 650.93	81 235.29
ii)	Prior Period Adjustments	- 2 945.67	9 857.14	- 1 568.80
iii)	Profit (+) / Loss (-) before Tax	22 953.23	1 91 508.07	79 666.49
iv)	Tax Provision	5 141.80	61 844.47	58 452.02
v)	Profit (+) / Loss (-) after Tax	17 811.43	1 29 663.60	21 214.47
vi)	Percentage of Profit before tax to:			
	a) Sales	8.45	59.75	27.86
	b) Gross Fixed Assets	1.63	12.72	4.59
	c) Capital Employed	3.10	19.15	7.02
vii)	Percentage of Profit after tax to:			
	a) Net worth	6.44	31.91	4.96
	b) Equity Capital	8.16	59.42	9.72
	c) Capital Employed	2.40	12.96	1.87

EQUITY :

Rs. in crores

Particulars	As at 31.03.2017	As at 31.03.2018
Equity Share Capital	2182.32	2182.32
Debt	4968.20	5206.93
Debt Equity Ratio	2.28:1	2.39 : 1

ACCOUNTING POLICIES

(a) Accounting Policy 1.8 b: Property, Plant and Equipment:

KPTCL is carrying out large number of Capital Works for the purpose of Transmission of Power. Majority of Capital Works are being carried out through total turnkey basis/ partial turnkey basis or through Corporation itself. These type of infrastructure building activities are monitored through Major Works Divisions of KPTCL. Hence, all expenditure (Employee Cost, Administrative expenses, R&M expenses, Depreciation on assets used by Major Works Division incurred for maintaining such major Works Division are to be capitalized to the respective assets created by concerned major Works Division and Major Works Circles as per the requirement of Indian Accounting Standard-16 (IndAS-16)



In the light of the above, existing Accounting Policy with regard to Property, Plant and Equipment 1.8 b was modified as under:

Existing Policy	Modified Policy
Establishment expenditure and depreciation of Major Works Divisions which are directly attributable to capital works handled by the respective Divisions form part of the Capital Works. Incentives for early completion of works are added to the Capital Works as and when the contractor makes the claim.	Establishment and other administration expenditure of Works Circles and Major Works Divisions which are directly attributable to capital works are allocated to the capital works handled by the respective Divisions and form part of the cost of assets. Incentives for early completion of works are added to the Capital Works as and when the contractor makes the claim.

(b) Accounting Policy 1.10 b : revenue Recognition:

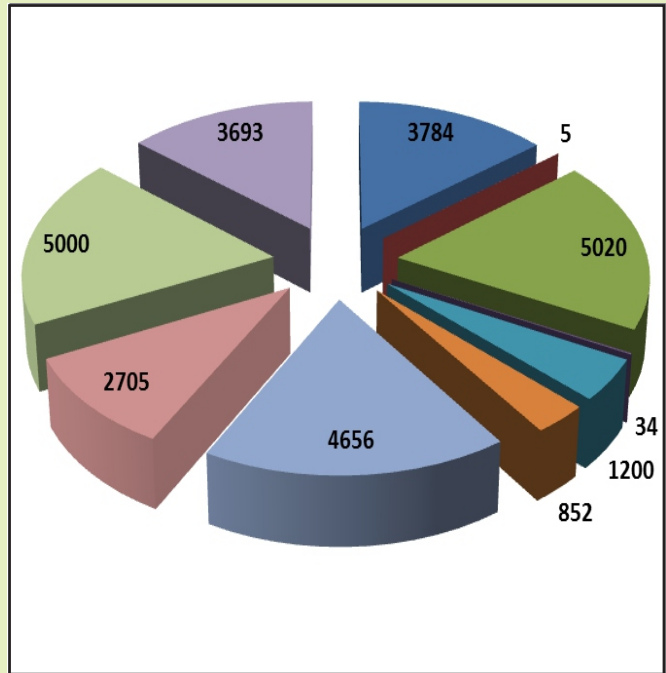
The wheeling charges were being accounted on pooling and sharing concept as per the REA (Regional Energy Account) Statements upto 31st March 2016. The CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 directed that the sharing of ISTS transmission charges shall be made based on Yearly Transmission Charges (YTC) w.e.f. 01.07.2011. Accordingly company filed a petition to CERC vide No. 225/TT/2013 for the approval of YTC for the period 01.07.2011 to 31.03.2014 and the same was approved by CERC vide its order dated: 28.01.2016.

In the light of the above, Accounting Policy with regard to Revenue Recognition was modified as under:

Existing Policy	Modified Policy
Revenue from Inter State Wheeling Charges is recognized on accrual basis based on Regional Energy Account (REA) published by Southern Region Power Committee (SRPC).	Yearly Transmission Charges (YTC) from ISTS lines are accounted on accrual basis as per the CERC Order from time to time.

SOURCE WISE INSTALLED GENERATION CAPACITY AS ON 31-03-2018:

Source	Capacity in Mws
Public	
Hydel	3784
Wind energy	5
Thermal	5020
Solar PV plant	34
Private	
Thermal	1200
Mini Hydel	852
Wind energy	4656
Cogeneration, Biomass & Captive	2705
Solar	5000
Central Generating Station Allocation	3693
Total	26949



KPTCL STATIONS & TRANSMISSION LINES AS ON 31.03.2018:

Voltage Class	Number of Sub-Stations	Length of Transmission Line/UG Cable in KMs.
400 kV	5+12*	3544
220 kV	W101	11279
110kV	413	10509
66kV	636	10792
Total	1155	36124

12 Nos. of 400 KV sub-station are maintained by PGCIL

Transmission Loss - 3.218% (FY 17-18)
(From KPTCL boundary point to IF point of ESCOMs i.e., excluding SR loss)



**ESCOM WISE INSTALLED TRANSMISSION CAPACITY- 2017-18
(220KV SUB-STATIONS) :**

Company	Number of Sub-Stations	Transformers Capacity in MVA	Transmission Capacity in MWs
BESCOM	44	11195	9516
MESCOM	8	1900	1615
CESC	12	2650	2252
GESCOM	15	2800	2380
HESCOM	22	4705	4000
TOTAL	101	23250	19763

- 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:

Year	Energy Requirement in MUs	Peak Demand in MWs
2018-19	73636	12169
2019-20	77532	12834
2020-21	81622	13534
2021-22	85932	14271
2022-23	90381	15033
2023-24	95042	15834
2024-25	99916	16674
2025-26	105017	17554
2026-27	110368	18481

**DETAILS OF NEW STATIONS AND TRANSMISSION LINES COMMISSIONED
AND AUGMENTATION WORKS CARRIED OUT DURING 2017-18:**

ABSTRACT

(a) New Stations Commissioned :

Sl.	Voltage (in KV)	New Stations Commissioned		New Stations Completed Nos.	2nd transformer commissioned of stations already commissioned during previous financial year		Total Total MVA
		Nos.	MVA		Nos.	MVA	
1	400			1			0
2	220	2	360				360
3	110	12	220	3	4	50	270
4	66	15	208	7			208
	Total	29	788	11	4	50	838

(b) Transmission Lines Commissioned :

Sl.	Voltage (in KV)	New Transmission lines Commissioned		New Transmission lines Completed		Strengthening / Re- conductoring progress upto the end of March 2018		Total Total Ckms
		Nos.	Ckms	Nos.	Ckms	Nos.	Ckms	
1	400	1	87.412	2	321.816			409.228
2	220	4	85.362	2	115.1			200.462
3	110	17	121.869	2	45.267			167.136
4	66	25	202.931	5	25.259			228.19
	Total	47	497.574	11	507.442			1005.016



(C) Augmentation of Stations :

Sl. No.	Voltage (in KV)	Additional & Replacement of Transformers		Augmentation of Stations Completed	2nd Transformers		Spare & Replacement of same capacity Transformers with different voltage class		Total	
		Nos.	MVA	Nos.	MVA	Nos.	Nos.	MVA		
1	400								0	0
2	220	1	100						1	100
3	110	17	160	1					18	160
4	66	38	308.1	2	16				40	324.1
	Total	56	568.1	3	16			0	59	584.1

DETAILS OF NEW STATIONS AND TRANSMISSION LINES COMMISSIONED AND AUGMENTATION WORKS CARRIED OUT DURING 2017-18:

A: 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 in KV	Date of Commissioning
Bagalkote Transmission Zone							
1	Bagalkote	Hebballi	Establishing 1x10 MVA, 110/11 kV sub-station			110	Completed
2	Bagalkote	Tolamatti (Anagawadi)	Establishing 1x10MVA 110/11kV substation	1x10	10	110	31-May-2017
3	Bagalkote	Halaki	Establishing 1x10MVA 110/11kV substation	1x10	10	110	27-Jul-2017
4	Belagavi	Khadakalat	Upgradation of 2x5 MVA 33/11 kV S/s to 2x10 MVA 110/11 kV substation	2x10	20	110	27-Sep-2017
5	Gadag	Gadag (Doni)	Establishing 2x500 MVA, 400/220 kV substation			400	Completed
6	Vijayapura	Hiremasali	Establishing 1x10MVA, 110/11kV substation	1x10	10	110	1-Aug-2017
7	Vijayapura	Devaragennur	Up-gradation of 33/11kV to 2x10MVA 110/11kV substation	2x10	20	110	27-Dec-2017
Sub-Total (MVA)					70		

Sl No.	District	Place	Project Name	Capacity added	Total MVA Added	Voltage in KV	Date of Commissioning
Bengaluru Transmission Zone							
8	Bengaluru Urban	Jigani/ Bannerghatta	Establishing 2x150 MVA, 220/66/11 KV substation	1x150	150	220	4-Mar-2018
9	Bengaluru Urban	Bengaluru International Exhibition center (BIEC)	Establishing 2x31.5 MVA 66/11 kV substation	2x31.5	63	66	31-Mar-2018
10	Ramanagara	Dashavara	Establishing 1x8MVA 66/11kV substation	1X8	8	66	26-Jul-2017
11	Ramanagara	Vandaraguppe	Establishing 1x8MVA 66/11kV substation			66	Completed
12	Ramanagara	Bijjahalli (Arendapp-anahalli)	Establishing 1x8MVA 66/11kV substation	1x8	8	66	31-Aug-2017
13	Ramanagara	Godur (Tattakere)	Establishing 1x8MVA, 66/11kV Sub-Station	1x8	8	66	27-Mar-2018
14	Ramanagara	Guruvinapura (Kanchanahalli)	Establishing 1x12.5MVA 66/11kV Sub-Station			66	Completed
15	Ramanagara	Hosapalya circle (Shivana-sandra)	Establishing 1x8MVA 66/11kV substation KV Sub-Station			66	Completed
16	Ramanagara	Mattikere (Hellegalli)	Establishing 1x8MVA 66/11kV substation	1X8	8	66	30-Dec-2017
Sub-Total (MVA)					245		

Hassan Transmission Zone							
17	Hassan	Belagumba (Hassan)	Establishing 2x10MVA, 110/11kV substation	2x10	20	110	23-Oct-2017
18	Hassan	Manjunathapura (Kothanaghata)	Establishing 2x8MVA, 66/11kV Sub-Station	2x8	16	66	23-Jan-2018
19	Hassan	Hettur	Establishing 1x8MVA, 66/11kV substation			66	Completed
20	Shivamogga	Ripponpet	Establishing 1x10MVA , 110/11kV substation	1X10	10	110	28-Jul-2017
21	Udupi	Karkala	Upgradation of 2x5 MVA, 33/11 kV S/s to 2x10 MVA, 110/11 kV substation			110	Completed
Sub-Total (MVA)					46		



SI No.	District	Place	Project Name	Capacity added	Total MVA Added	Voltage in KV	Date of Commissioning
Kalaburagi Transmission Zone							
22	Bellary	Harivi	Establishing 1x8MVA, 66/11kV substation			66	Completed
23	Bidar	Dubalgundi	Establishing 1x20 MVA, 110/33/11kV and 1x10 MVA 110/11kV substation	1X20 & 1X10	30	110	23-Mar-2018
24	Kalaburagi	Ghattarga (Afzalpur Tq)	Establishing 2x10MVA, 110/11kV substation	2x10	20	110	25-Nov-2017
25	Koppal	Bennur	Establishing 1x10 MVA, 110/11 kV sub-station			110	Completed
26	Raichur	Mallat (Manvi)	Establishing 2x100 MVA, 220/110/ kV and 1x10 MVA, 110/11 kV substation	2X100 & 1X10	210	220	7-Mar-2018
27	Raichur	Yapaldinni	Up-gradation of 33/11 kV S/s to 2x10MVA, 110/11kV Sub-Station	2x10	20	110	31-Mar-2018
28	Raichur	Yeragera	Up-gradation of existing 33/11kV MUSS to 2x10MVA , 110/11kV S/s and 1x20 MVA, 110/33 kV, substation	2X10 & 1X20	40	110	27-Dec-2017
29	Raichur	Muddapura	Establishing 1x10MVA, 110/11kV substation	1X10	10	110	7-Feb-2018
Sub-Total (MVA)					330		

Mysuru Transmission Zone							
30	Mandya	Thirumalapura (Vaderahalli)	Establishing 1x8MVA, 66/11kV Sub-Station	1X8	8	66	29-Dec-2017
31	Mysuru	Kalamandir Campus	Establishing 2x12.5 MVA, 66/11 kV GIS substation	2x12.5	25	66	14-Feb-2018
32	Mysuru	Hadya Village (Karya)	Establishing 1x8MVA, 66/11 KV substation	1x8	8	66	30-Nov-2017
33	Mysuru	Maradihundi	Establishing 1x8MVA, 66/11 KV substation	1x8	8	66	29-Nov-2017
34	Mysuru	Thayuru (Hariharapura)	Establishing 1x8MVA, 66/11 KV substation	1x8	8	66	30-Dec-2017
35	Mysuru	Kanagalu	Establishing 1x8MVA, 66/11 KV substation			66	Completed
36	Mysuru	Ranganathapura Village (Tumbla)	Establishing 1x8MVA, 66/11 KV substation	1X8	8	66	8-Feb-2018
Sub-Total (MVA)					65		

SI No.	District	Place	Project Name	Capacity added	Total MVA Added	Voltage in KV	Date of Commissioning
Tumakuru Transmission Zone							
37	Chitradurga	Madadakere	Establishing 2x8MVA 66/11 kV substation			66	Completed
38	Chitradurga	Neeragunda	Establishing 1x8MVA 66/11 kV substation	1x8	8	66	23-Mar-2018
39	Davanagere	Kadajji (Nagarakatte)	Establishing 2x8MVA, 66/11 kV substation	2X8	16	66	31-Aug-2017
40	Davanagere	Lokikere (Shyagale)	Establishing 1x8MVA 66/11 kV substation	1X8	8	66	23-Mar-2018
Sub-Total (MVA)					32		
Total (MVA)					788		

A): Zone-wise details of New Sub-Stations Commissioned during the year under report:

Station commissioned in previous year, 2nd Transformer commissioned during 2017-18

Bagalkote Transmission Zone

1	Belagavi	Benakatti	Establishing 2x10MVA, 110/11kV sub-station	1x10	10	110	11-May-17
2	Ballari	Sirigeri Cross	Upgradation of 33/11kV S/s to 2x10MVA, 110/11kV sub-station	1x10	10	110	30-Aug-17
3	Bagalkote	Navalagi	Establishing 2x10MVA, 110/11kV Sub-Station	1x10	10	110	24-May-17
Sub-Total (MVA)					30		

Kalaburagi Transmission Zone

4	Yadgir	Hunasagi	Up-gradation of existing 2x5 MVA, 33/11kV MUSS to 1x20MVA, 110/33kV and 1x10MVA, 110/11kV Sub-Station	1x20	20	110	16-Oct-17
Sub-Total (MVA)					20		
Total (MVA)					50		



B: Zone-wise details of Transmission Lines commissioned during the year under report:

SI No.	District	Place	Project Name	Voltage in KV	Length of Line in Ckm	Date of Commissioning
Bagalkot Transmission Zone						
1	Bagalkote	Tolamatti (Anagawadi) _Line	Construction of 110 kV SC line on DC towers from 110 kV Shiraguppi-Bilagi line to proposed 110 kV S/s at Tolamatti for a distance of 10.054 km	110	10.054	30-May-2017
2	Bagalkote	Halaki_Line	Construction of 110 kV SC line on DC towers from 110kV Jambagi K.D S/S to proposed 110/11kV Halaki Sub-station for a distance of 13.154 km along with construction of 110kV TB at 110kV Jambagi K.D substation.	110	13.154	27-Jul-2017
3	Bagalkote	Mahalingpur to Jamkhandi_110kV_Line	Construction of 110 kV DC line from 220 kV Mahalingapur S/S to 110 kV Jamakhandi S/S in the existing 110 kV SC line corridor	110	22.858	1-Jan-2018
4	Belagavi	Khadakalat _Line	Construction of 110 kV LILO line from 110 kV Chikkodi-Nippani SC line to proposed 110 kV S/s at Khadakalat for a distance of 5.841 km	110	11.682	23-Aug-2017
5	Gadag	Gadag (Doni) _Line	Construction of 400kV LILO line with twin Moose ACSR conductor from 400kV Guttur-Guddadahalli SC line to the proposed 400/220kV Station at Gadag(Doni) (26.798kms)	400	53.596	Completed
6	Gadag	Gadag (Doni) _Line	Construction of 220kV DC LILO line from 220kV Gadag-Lingapur DC line to the proposed 400/220kV station at Gadag(Doni)	220	11.100	Completed
7	Vijayapura	Kudgi UMPP evacuation line _Line	220kV MC Line from proposed Kudagi 400kV STPP to LILO to the existing 220 kV B.Bagewadi - Bijapur DC line	220	30.224	7-Feb-2018
8	Vijayapura	Hiremasali _Line	Construction of 110 kV SC tap line on DC towers from 110 kV Indi Devarahipparagi SC line to the proposed 110/11 kV Hiremasali s/s for a distance of 6.955 kms	110	6.955	1-Aug-2017
9	Vijayapura	Devaragennur _Line	Construction of 110 kV LILO line on DC towers for a distance of 1.464 kms from the existing 110 kV Mamadapur -Shirapur SC line to the proposed 110/11 kV Devaragennur S/s	110	2.928	27-Dec-2017
SUB-Total (Ckm)					162.551	

SI No.	District	Place	Project Name	Voltage in KV	Length of Line in Ckm	Date of Commissioning
Bengaluru Transmission Zone						
10	Bangalore Urban	Jigani/ Bannergatta _Line	Using Monopoles: Construction of 220 kV DC line with Drake ACSR for a route length of 5.714 km on monopole structures on the road median in Bommasandra Industrial area to LILO 220 kV Somanahalli-Yerrandanahalli SC line (near 66/11 kV Bommasandra Sub-Station limits) to the proposed 220/66/11 kV Jigani Station.	220	11.866	4-Mar-2018
11	Bengaluru Urban	Bengaluru International Exhibition center (BIEC) _Cable	Running of 66 kV, 1000 Sq.mm UG cable for a route length of 5.55 km from existing 66 kV Peenya-Nelamangala line to proposed 66/11 kV S/s at BIEC.	66	5.100	31-Mar-2018
12	Bengaluru Urban	Narayanapura limits to ITI (Hoody to ITI) _Cable	Running of 66 kV SC single core, 630 sq.mm XLPE insulated Copper UG Cable for a route length of 1.335 km from cable terminating structure near Narayanapura limits to 66/11 kV ITI S/s.	66	1.335	1-Jan-2018
13	Bengaluru Urban	66kV Cable from RBI to Elita Prominnede S/s_Cable	Running of 66 kV SC 630 sq.mm UGC for a route length of 0.982 km from 66/11 kV RBI S/s to 66/11 kV Elita Prominnede S/s	66	0.982	6-Nov-2017
14	Bengaluru Urban	Konadasapura - 4 Pole Structure _Cable	Running 66/11 kV 1000 Sqmm UG Cable from 66/11kV Sub-station Konadasapura to 4 Pole Structure near Kadugodi for a distance of 1.337 km.	66	1.337	31-May-2017
15	Bengaluru Urban	Nimhans 66 kV station to 66kV Jayadeva station_Cable	Running of 66kV SC 1000sqmm UG cable from 66kV Nimhans S/s to 66kV Jayadeva S/s	66	3.466	31-Oct-2017
16	Ramanagara	Dashavara _Line	Construction of 66 kV SC tap line on DC towers for a distance of 3.5 km from 66 kV Ramanagara-Bevoor SC line to the proposed 66/11 kV Dashavara S/s.	66	3.500	26-Jul-2017
17	Ramanagara	Bijjahalli (Arendappa-nahalli)_Line	Construction of 66 kV SC tap line on DC towers from 66 kV Kodihalli-Hunsenahalli SC line to proposed 66 kV S/s at Bijjahalli	66	3.213	31-Aug-2017
18	Ramanagara	Godur (Tattakere) _Line	Construction of 66 kV SC line on DC towers from 66/11 kV Maralawadi S/s to the proposed 66/11 kV S/s at Godur	66	7.250	16-Mar-2018



SI No.	District	Place	Project Name	Voltage in KV	Length of Line in Ckm	Date of Commissioning
19	Ramanagara	Guruvnapura (Kanchana-halli)_line_Line	Construction of 66 kV DC line for a distance of 0.834 km for LILO of proposed 66 kV B.V.halli SC line to the proposed 66/11 kV S/s at Guruvnapura.	66	1.668	Completed
20	Ramanagara	Hosapalya circle (Shivana-sandra)_Line	Construction of 66 kV SC line on DC towers for a route length of 3.99 km to tap the existing 66 kV Anchepalya-Magadi SC line to the proposed 66/11 kV Hosapalya Circle (Shivanasandra) Sub-Station.	66	3.990	Completed
21	Ramanagara	Mattikere (Hellegalli)_Line	Construction of 66 kV SC tap line on DC towers from the proposed 66 kV Magadi-Agalakote SC line to the proposed 66/11 kV Mattikere (Hellegalli) S/s	66	5.114	30-Dec-2017
SUB-Total (Ckm)					48.821	

Hassan Transmission Zone						
22	Dakshina Kannada	Gurupura (LILO arrangement)_110kV	Construction of 110 kV LILO line from proposed (under construction) 220 kV Varahi-Kavoor DC line (in which one circuit will be charged at 110kV level) in Gurupura limits (between Loc No.30 & 31) to the 110/11kV Gurupura S/s in the existing 110kV SC SK line corridor	110	2.800	1-Dec-2017
23	Hassan	Belagumba (Hassan)	Construction of 110 kV SC tap line on DC towers from existing 110 kV Kadur - 110 kV K.B.Cross (SBT-2) SC line to the proposed 110/11 kV Belagumba Sub-station for a distance of 0.155 km.	110	0.155	23-Oct-2017
24	Hassan	Hagare LILO_line	66 kV LILO arrangements to 66/11 kV Hagare sub-station by stringing the second circuit on the existing towers from one of the circuit of 66 kV Hassan-Chickamagalore MBT DC line- 0.78 kms and providing TB at Hagare sub-station	66	0.780	29-Jul-2017
25	Hassan	Manjunathapura (Kothanaghata)_66kV	Constn of 66kV LILO line from existing 66kV Yachenahally-Santhebachahally SC line to the proposed S/S	66	1.092	23-Jan-2018

SI No.	District	Place	Project Name	Capacity added	Total MVA Added	Voltage in KV	Date of Commissioning
26	Hassan	LILO arrangement at Hadavanahally	Construction of 66kV D/C line on DC towers for a distance of 0.11Km from existing 66kVHolenarasipura-C R Patna SC line to provide LILO arrangements at 66/11 KV Hadavanahally Sub-Station		66	0.220	1-Dec-2017
27	Hassan	Arasikere_ Arasikere _110kV 0.222kms	Construction of 110kV LILO line from the existing 110kV SBT line to the existing 110/11 kV S/S at Arasikere		110	0.444	4-May-2017
28	Hassan	Arasikere_ Banavara _110kV 0.466kms	Construction of 110kV LILO line from the existing 110kV SBT line (Shimoga -Bangalore) to the existing 110/11 kV S/S at Banavara		110	0.932	6-May-2017
29	Hassan	Doddahally (Hootagally) (LILO arrangement) _line	Stringing of 66kV 2nd circuit on existing 66kV DC towers from tap point of 2nd circuit of 66kV Kadavinakote-Hootagally line to the existing 66/11kV Doddahally S/S with TB at Doddahally Sub-Station for a distance of 0.315Kms		66	0.315	26-Jul-2017
30	Hassan	Balupet LILO_line	Providing LILO arrangement to Balupet S/s by stringing the 2nd circuit line on the existing DC towers from 66kV Hassan-Sakleshapura 2nd circuit line to 66/11kV Balupet Sub-station for a distance of 0.6 Kms		66	0.600	28-Jul-2017
31	Shivamogga	Ripponpe _Line	Construction of 110 kV SC Tap line on DC towers from 110 kV Shivamogga-Sagar SC line to the proposed Ripponpet S/s		110	10.164	28-Jul-2017
SUB-Total (Ckm)						17.502	



SI No.	District	Place	Project Name	Voltage in KV	Length of Line in Ckm	Date of Commissioning
Kalaburagi Transmission Zone						
32	Ballari	Bellary pooling stn 400 kV to Rampura limits (Kelagina Kanavi)_Line	Construction of 400kV MC Line with Quad Moose Conductor from Proposed Bellary 400kV pooling station (BPS to Ramapura limits (Kelagina Kanive) to connect to 400kV Madhurgiri & Chikkanayakan Halli DC Lines	400	87.412	24-Mar-2018
33	Ballari	Kurugod-Tekkalakote_Line	Const. of 110 kV SC Line on DC towers from 110 kV Kurugod tap Line to 110 kV Tekkalakote S/s for a distance of 28.978 km (as per actuals: 16 km) and const. of 01 no. 110 kV TB at Tekkalakote S/s	110	12.978	1-Sep-2017
34	Ballari	YTPS 400 kV to Bellary pooling Station (BPS)_Line	Construction of 400 kV MC Line (5.138 kms) and 400kV DC line (137.355 km) for a route length of 142.493 kms with Quad Moose ACSR from YTPS to Proposed 400 kV Bellary pooling station (BPS)	400	268.220	Completed
35	Bidar	Dubalgundi_Line	Const of 110 kV SC line on DC towers for a distance of 0.35 Kms for tapping of existing 110 kV Humnabad-Bhalki line to the proposed 110/33/11 kV Dubalgundi S/s.	110	0.350	23-Mar-2018
36	Kalaburagi	Ghattarga (Afzalpur Tq)_Line	Construction of 110 kV LILO line on DC towers for a distance of 0.64 Km from the existing 110 kV Shahabad-Afzalpur line to the proposed 110/11 kV Ghattarga S/s	110	1.280	25-Nov-2017
37	Koppal	Bennur_Line	Construction of 110 kV SC line on DC towers from 110 kV Yeradona S/s to the proposed 110 /11 kV Bennur S/s	110	8.667	Completed
38	Raichur	Mallat (Manvi)_Line	Construction of 220 kV LILO from 220 kV RTPS-Lingasugur SC line to the proposed 220 kV Station at Mallat	220	5.760	7-Mar-2018
39	Raichur	Yapaldinni_Line	Const of 110kV SC tap line on DC towers from existing 110kV Vadavatti-Chikkasugur line to proposed Yapaldinni S/s	110	11.145	31-Mar-2018
40	Raichur	Yeragera_Line	Const. of 110 kV SC line on DC towers from 110/11 kV S/s Maliyabad to the proposed 110/33/11 kV S/s at Yeragera	110	9.810	27-Dec-2017
41	Raichur	Muddapura_Line	Construction of 110kV LILO line from 110kV Sindhanur-Hatti SC line to the proposed 110/11kV Substation at Muddapura	110	4.180	7-Feb-2018
SUB-Total (Ckm)					409.8023	

SI No.	District	Place	Project Name	Voltage in KV	Length of Line in Ckm	Date of Commissioning
Mysuru Transmission Zone						
42	Mandya	Thirumalapura (Vaderahalli)_Line	Construction of 66 kV LILO line from existing 66 kV Yadiyur - B.G.Nagara SC line on DC towers to 66/11 kV S/s at Vaderahalli (Thirumalapura) S/s	66	7.648	29-Dec-2017
43	Mysuru	Kalamandir Campus_Cable	Running of 66kV Single core 630sq mm XLPE UG cable LILO line from existing 66kV Bhogadhi-Mysore South line to the proposed Kalamandir GIS	66	6.160	14-Feb-2018
44	Mysuru	Hadya Village (Karya)_Line	Construction of 66 kV SC line on DC towers from existing 66 kV Devanur-Panyadundi SC line to proposed 66/11 kV Karya (Hadya) S/s	66	7.301	30-Nov-2017
45	Mysuru	Maradihundi_Line	construction of 66 kV SC line on DC towers from existing 66 kV (Vajamangala-Kadakola) Ayarahalli SC line to proposed 66/11 kV S/s at Maradihundi (Tumbanerale)	66	6.301	29-Nov-2017
46	Mysuru	Thayuru (Hariharapura)_Line	Construction of 66 kV LILO line from 66 kV T.Narasipura-Mugur SC line to proposed 66 kV S/s at Thayuru (Hariharapura)	66	10.518	30-Dec-2017
47	Mysuru	Kanagalu_Line	Construction of 66 kV SC tap line on DC towers from 66 kV SC Ramanathapura-Kushalanagara line to proposed 66/11 kV Kanagal S/s	66	1.924	Completed
48	Mysuru	Ranganathapura Village (Tumbla)_Line	construction of 66 kV SC line on DC towers from existing 66 kV Megalapura -T.N.Pura SC line to proposed 66/11 kV Tumbla (Ranganathapura) S/s	66	0.619	8-Feb-2018
SUB-Total (Ckm)					40.471	



Sl No.	District	Place	Project Name	Voltage in KV	Length of Line in Ckm	Date of Commissioning
Tumakuru Transmission Zone						
49	Chitradurga	Tallak-Hanagal_Line	Const. of 66 kV DC line for a route length of 33.52 Kms from existing 220 kV Thallak S/s to existing 66 kV Hanagal S/s	66	67.194	19-Jan-2018
50	Chitradurga	Neeragunda_Line	Construction of 66 kV SC line on DC towers from existing 66 kV Hosadurga-Bagur line to proposed 66/11 kV S/s at Neeragunda Gate	66	8.548	23-Mar-2018
51	Davanagere	Kadajji (Nagarakatte)_Line	Const. of 66 kV SC tap line on DC towers from 66 kV Davanagere - Sokke SC line to proposed 66/11 kV S/s at Kadajji (Nagarakatte)	66	4.538	31-Aug-2017
52	Davanagere	Lokikere (Shyagale)_Line	Const. of 66 kV DC line for a route length of 6.04 km to LILO the 66 kV SC Davanagere-Lingadahalli Line to the proposed S/s	66	12.080	23-Mar-2018
53	Davanagere	Honnali-Devarabelakere_Line	Stringing of 2nd circuit using coyote ACSR conductor partly on the existing DC tower for a distance of 31.837 Kms and partly on the new corridor for a distance of 5.883 Kms from the 220 /66 kV R/s Honnalli to Devarabelakere LILo tower in Honnalli taluk, Davanagere district under TTK bais	66	37.720	3-Jul-2017
54	Tumakuru	Pavagada_Line	Const. of 220kV DC line from existing 220 kV Madhugiri R/s to proposed 220 kV Pavagada R/s along with one circuit LILo of the existing 220 kV DC line from 400 kV PGCIL Hiriyur - Gowribidanur line to the existing 220 kV Madhugiri R/s	220	104.000	Completed
55	Tumakuru	Pavagada_evacuation_Line	Const. of 66 kV DC line on DC towers for a route length of 8.626 Kms in the existing 66 kV line corridor from the proposed 220/66/11 kV Pavagada S/s to connect the 66/11 kV Shylapura and YN Hosakote S/s	66	17.252	Completed
56	Tumakuru	Pavagada_evacuation_Line	Const. of 66 kV SC line on DC towers by using Coyote ACSR conductor from proposed 220/66/11 kV Pavagada S/s to link the existing 66 kV SC Pavagada-Nagalamadike-Shylapura line in between tower no. 37 AP and 38	66	0.425	Completed
57	Tumakuru	Kibbanahally-Cnhalli-Huliyar_Line	Const. of 110kV DC line from 220 kV K.B.Cross Station to link the existing 110 kV Thimmanahalli tap point in new corridor with 2nos TBs for a distance of 26 Kms	110	36.600	Completed
58	Tumakuru	Vasanthanarasapura Antharasanhally_Line	Construction of 220kV DC line for a distance of 18.802 Kms from proposed 765/400/220 kV PGCIL station at Vasanthanarasapura to existing 220kV station at Anthrasanhally	220	37.512	12-Jan-2018
SUB-Total (Ckm)					325.869	
Total Length in CKMs					1005.016	

C: Zone-wise details of Reconductoring and Strengthening of Transmission Lines during the year under report:						
SI No.	District	Place	Project Name	Voltage in KV	Length of Line in Ckm	Date of Commissioning
Nil						

D: 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	Bagalkote	Badami	Replacement of 1X10 MVA, 110/11 KV by 1X20 MVA, 110/11 KV transformer	10	110	Replacement	9-Oct-2017
2	Bagalkote	Neerbudihal	Providing additional 1x10 MVA, 110/11kV transformer	10	110	Additional	20-Nov-2017
3	Bagalkote	Teradal	Providing additional 1X10MVA 110/11kV transformer at Teradal	10	110	Additional	19-Feb-2018
4	Belagavi	Ugar	Replacement of 1x10 MVA, 110/11 kV Tr. By 1x20 MVA, 110/11 kV Transformer	10	110	Replacement	14-Dec-2017
5	Belagavi	Chikkodi 220kV	Providing additional 1x10 MVA, 110/11kV transformer	10	110	Additional	9-Feb-2018
6	Belagavi	Ramadurga	Conversion of 33 kV reference to 11 kV reference of existing 20 MVA, 110/33-11kV transformer	0	110	Conversion (Voltage ref)	21-Jun-2017
7	Dharwad	Gadag Road	Providing additional 1x10 MVA, 110/11kV Transformer	10	110	Additional	30-Dec-2017
8	Gadag	Laxmeshwar	Replacement of 1X10MVA, 110/11kV by 1X20MVA, 110/11kV Power Transformer	10	110	Replacement	3-Jul-2017
9	Uttara Kannada	Haliyal	Replacement of 1X10 MVA, 110/11kV by 1X20MVA, 110/11kV Power Transformer	10	110	Replacement	1-Dec-2017
10	Vijayapura	Malaghan	Replacement of 1X10 MVA, 110/11 KV by 1X20 MVA, 110/11 KV transformer instead of Providing additional 1x10MVA, 110/11kV Transformer	10	110	Replacement	31-Dec-2017
Sub-Total (MVA)				90			



SI No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Bengaluru Transmission Zone							
11	Bengaluru Urban	Naganathapura	Providing Additional 1x20MVA 66/11kV Transformer	20	66	Additional	31-Dec-2017
12	Bengaluru Rural	Nallimaradhahalli	Replacing 1x12.5MVA, 66/11kV by 1x20MVA, 66/11kV transformer	7.5	66	Replacement	22-Sep-2017
13	Bengaluru Rural	BIAL Begur	Replacement of 1X8MVA by 1X20MVA 66/11kV transformer	12	66	Replacement	30-Jun-2017
14	Bengaluru Urban	E-city Ph-2 Sec-1 (Velankani)	Providing additional 1x20 MVA, 66/11 kV power transformer	20	66	Additional	31-Jul-2017
15	Bengaluru Urban	E-city Ph-2 Sec-2 (Malgudi)	Providing additional 1x20 MVA, 66/11 kV power transformer	20	66	Additional	31-Jul-2017
16	CB Pura	Ganjigunte	Replacing 1x8MVA, 66/11kV by 1x12.5MVA, 66/11kV transformer	4.5	66	Replacement	14-Mar-2018
17	Kolar	Malur Industrial Area	Replacing of 2X8 MVA by 2X20 MVA power transformers at 66/11KV S/S Malur Industrial Area	12	66	Replacement	1-Sep-2017
18	Ramanagara	Doddalahalli	Replacement of 1x6.3MVA, 66/11kV by 1x 8MVA, 66/11kV Transformer	1.7	66	Replacement	30-May-2017
19	Ramanagara	Kodihalli	Replacement of 1X8MVA by 1X12.5MVA Power Transformer at 66/11 kV Kodihalli S/s	4.5	66	Replacement	3-Feb-2018
20	Ramanagara	Ramanagara	Replacement of 1x12.5 MVA by 1x20 MVA, 66/11 kV Power Transformer	7.5	66	Replacement	3-Mar-2018
Sub-Total (MVA)				109.7			

SI No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Hassan Transmission Zone							
21	Chikkamagalur	Hiremagalur	Providing additional 1x8MVA, 66/11kV Transformer	8	66	Additional	13-Nov-2017
22	Chikkamagalur	Kalasapura	Providing additional 1x8MVA, 66/11kV Transformer	8	66	Additional	23-Jun-2017
23	Chikkamagalur	Mudigere	Replacement of 2 X 6.3 MVA by 2 X 12.5 MVA, 66/11kV Transformer	6.2	66	Replacement	29-Mar-2018
24	Hassan	Hadavanahally	Providing additional 1X8MVA, 66/11kV transformer	8	66	Additional	31-May-2017
25	Shimoga	Shiralkoppa	Replacement of 1x10 MVA 110/11 kV Transformer by 1x20 MVA 110/11 kV transformer	10	110	Replacement	5-Jul-2017
26	Shimoga	Alkola	Replacing 3rd 1x10MVA, 110/11kV by 1x20MVA, 110/11 kV transformer	10	110	Replacement	1-Aug-2017
27	Shimoga	Balligavi	Providing additional 1 X 10 MVA, 110/11 KV Transformer at 220kV Balligavi s/s		110	Additional	Completed
Sub-Total (MVA)				50.2			

Kalaburagi Transmission Zone							
28	Bellary	Siruguppa	Replacing 1x10MVA, 110/11kV by 1x20MVA, 110/11kV transformer	10	110	Replacement	17-Mar-2018
29	Kalaburagi	Nalwar	Replacement of 1X10MVA by 1X20MVA, 110/33 KV Power Transformer	10	110	Replacement	1-Nov-2017
30	Kalaburagi	Mahagaon	Providing additional 1x10MVA, 110/33kV Transformer	10	110	Additional	12-Oct-2017
31	Raichur	Lingasuguru	Providing additional 1x100 MVA, 220/110 kV Power Transformer	100	220	Additional	1-Aug-2017
32	Raichur	Maski	Providing additional 1 x 10 MVA, 110/11 kV Power Transformer at Maski S/s	10	110	Additional	7-Mar-2018
Sub-Total (MVA)				140			



SI No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Mysuru Transmission Zone							
33	Chamaraja nagar	Terakanambi	Replacement of 2x8 MVA, 66/11 kV Transformer by 2x12.5 MVA, 66/11 kV Transformer	9	66	Replacement	30-May-2017
34	Chamaraja nagar	P.G.Palya	Providing additional 1x8 MVA, 66/11 kV transformer	8	66	Additional	23-Mar-2018
35	Mandya	Koppa	Replacing 2x8MVA, 66/11kV by 2x12.5MVA, 66/11 KV Transformer	4.5	66	Replacement	27-Sep-2017
36	Mandya	Kolkarana doddi	Additional 1x8 MVA 66/11kV transformer and replacement of 1x8 MVA by 1x12.5 MVA 66/11kV Transformer	4.5	66	Additional	31-Mar-2018
37	Mandya	Seelenere	Providing additional 1x12.5 MVA, 66/11kV Transformer	12.5	66	Additional	27-Nov-2017
38	Mandya	Haradanahalli (Devalapura)	Replacing the existing 1 X 8 MVA by 1 X 12.5 MVA 66/11 kV Power Transformer	4.5	66	Replacement	19-Jul-2017
39	Mandya	Haradanahalli (Devalapura)	Providing additional 1 X 8 MVA, 66/11 KV Transformer	8	66	Additional	30-Jan-2018
40	Mysuru	H.D.Kote	Replacing 2x12.5MVA, 66/11kV by 2x20MVA, 66/11kV transformers	7.5	66	Replacement	15-Sep-2017
41	Mysuru	Hampapura	Providing additional 1x8 MVA, 66/11 kV Power Transformer and Replacement of 1x8 MVA, 66/11 kV by 1x12.5 MVA, 66/11 kV Power Transformer	4.5	66	Additional	5-Feb-2018
42	Mysuru	Hunsur	Replacement of 2x12.5MVA, 66/11kV by 2x20MVA, 66/11kV transformers	15	66	Replacement	31-Jul-2017
43	Mysuru	Haradanahalli	Providing additional 1 X 8 MVA, 66/11 KV Transformer and Replacing 1 X 6.3 MVA by 1 X 8 at 66/11 KV Transformer	9.7	66	Replacement & Additional	11-Dec-2017
44	Mysuru	R.K Nagar	Replacement of 2nd 1x12.5 MVA, 66/11 kV Power Transformer by 1x20 MVA, 66/11 kV Power Transformer	7.5	66	Replacement	6-Sep-2017
45	Mysuru	Hullahalli	Replacement of 2 X 8 MVA by 2 X 12.5 MVA, 66/11kV Transformer	4.5	66	Replacement	27-Mar-2018
46	Mysuru	Suttur	Replacing 2x8MVA, 66/11kV by 2x12.5MVA, 66/11kV transformer	4.5	66	Replacement	7-Sep-2017
47	Mysuru	Bylakuppe	Replacement of 1x8 MVA by 1x12.5MVA , 66/11kV transformer	4.5	66	Replacement	16-Oct-2017
48	Mysuru	Ravandur	Replacement of 1x8 MVA by 1x12.5 MVA, 66/11 kV power transformer	4.5	66	Replacement	11-Oct-2017
Sub-Total (MVA)				113.2			

SI No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Tumakuru Transmission Zone							
49	Tumakuru	Kora	Replacing 1x8MVA 66/11kV by 1x20MVA 66/11kV Transformer	12	66	Replacement	23-Mar-2018
50	Chitradurga	Dyavaranahalli	Providing addl. 1x8 MVA, 66/11 kV Power Transformer		66	Additional	Completed
51	Chitradurga	Rangenahalli	Providing additional 1x8 MVA, 66/11kV Transformer		66	Additional	Completed
52	Chitradurga	Holalkere	Replacing 2nd 12.5MVA, 66/11kV by 1x 20MVA, 66/11kV Transformer	7.5	66	Replacement	7-Nov-2017
53	Davanagere	Uchangidurga	Replacement of 2X8 MVA by 2X12.5 MVA 66/11kV Power transformer	4.5	66	Replacement	2-Mar-2018
54	Davanagere	Nandigudi	Replacing 1x6.3MVA, 66/11kV by 1x 12.5MVA, 66/11kV Transformer	6.2	66	Replacement	11-Jan-2018
55	Tumakuru	Nittur	Replacing 1x10MVA, 110/11kV by 1x20MVA, 110/11kV Transformer	10	110	Replacement	14-Mar-2018
56	Tumakuru	Y N Hosakote	Replacing 1x6.3MVA, 66/11kV by 1x 12.5MVA, 66/11kV Transformer	6.2	66	Replacement	30-Jun-2017
57	Tumakuru	Bevinahalli	Replacement of 1x6.3MVA, 66/11kV by 1x 12.5MVA, 66/11kV Tr.	6.2	66	Replacement	8-Dec-2017
58	Tumakuru	Guligenahalli	Replacing 1x6.3MVA, 66/11kV by 1x 12.5 MVA, 66/11kV Transformer	6.2	66	Replacement	4-Dec-2017
59	Tumakuru	ID Halli	Replacing 1x6.3MVA, 66/11kV by 1x12.5MVA, 66/11kV transformer	6.2	66	Replacement	31-Jul-2017
Sub-Total (MVA)				65			
Grand Total (MVA)				568.10			

e) Zone-wise details of Augmentation of Stations (Spare Transformer) during the Year under report:

SI No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Nil							



f) Zone-wise details of 2nd Transformer of augmentation commissioned during the Year under report:							
Sl No.	District	Name of the Station	Capacity	MVA added	Voltage Class in kV	Nature of Work	Completion Date
Bengaluru Transmission Zone							
1	Bengaluru Rural	Dabaspet	Replacing 2x20MVA, 66/11kV by 2x31.5MVA, 66/11kV Transformers	11.5	66	Replacement	06-Apr-17
Sub-Total (MVA)				11.5			
Mysuru Transmission Zone							
1	Mysuru	Kadakola	Replacement of 2x8 MVA, 66/11 kV Power Transformer by 2x12.5 MVA, 66/11 kV Power Transformer	4.5	66	Replacement	08-Sep-17
Sub-Total (MVA)				4.5			
Grand-Total (MVA)				16.0			

KPTCL SCADA & COMMUNICATION SYSTEM

KPTCL has commissioned the Supervisory Control and Data Acquisition (SCADA) covering 1059 Nos. of major Generating Stations, Sub-stations and Receiving stations of 66 kV, 110 kV, 220 kV and 400 kV & also 286 Nos. of 33kV stations are completed so far.

The SCADA system was established as a part of the Integrated Extended SCADA project, with Phase I, taken up a cost of Rs.186.43 Crores, with Rs.128.01 towards the KPTCL portion of the work and Rs.58.42 towards ESCOMs portion of the work. The project commenced during December 2006 and the Phase I comprising of 588 KPTCL locations, 6 Area Load Despatch Centres, 5 Distribution Control Centres and 286 stations of ESCOMs are completed. The Phase II of the project covering 390 stations & 28 SAS Stations are 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 covered 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 220KV 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 11KV levels
- Intra State ABT functions covering Scheduling, Monitoring and Reporting.
- Real time Monitoring Systems for all ESCOMs.
- Operation of all Circuit breakers from 11KV to 400KV.
- Contingency Load Shedding Control at 11KV and 66KV levels.

Area Load Despatch Centers (ALDC) are functioning at all Six Zones viz., Bangalore, Tumkur, Hassan Mysore, Bagalkot and Gulbarga from where the Transmission network is monitored for stability and Load Management

As a continuing march towards automation, for effective Power system Management, trial run of total remote operation of 6 Nos of Sub-stations 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. As desired by the Southern Region Power Committee and 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 is done at 4 transmission corridors, 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 from 2014-15.

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 to share its VAST experience to recommend the model to other utilities in India.

The 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 Utility 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 at the SCADA Master Control Centre.
- ❑ KPTCL is the only State Utility having facility of monitoring all RE Generating Stations.



As a part of National policy towards improving communication infrastructure, the following works are taken up by SCADA, SLDC, KPTCL, for strengthening its communication Network.

1. KPTCL has proposed for providing Optical Ground Wire for 6000Kms for its 400kV and 220kV levels to cover all 220kV, 400kV & Generating Stations, The DPR is approved and submitted for PSDF funding.
2. 93 numbers of VSAT equipment's procured and commissioned in newly commissioned sub stations for which procurement of Remote Terminal Units (RTUs) are under progress.
3. Phasor Measurement Units (PMUs) are installed in 400kV Nelamangala, Guttur and Raichur Stations under URTDSM phase – I scheme and the data is reporting through Phasor Data Concentrators (PDCs) at SLDC.
4. DPR submitted for Upgradation of SCADA system project for PSDF funding.
5. Establishing Renewable Energy Management Center (REMC) work is in progress in co-ordination with NLDC.
6. DPR for Implementation of SAMAST (Scheduling Accounting Metering and Settlement of Transaction) is submitted for PSDF funding.
7. Providing Data Concentrator Units (DCUs) to all Sub Stations and Generating Stations and Meter Downloading & Accounting System (MDAS), for which REC is procuring DCUs for Karnataka.
8. Providing DLMS Energy Meters for Interface points and 11kV feeders' work is retendered for 3rd time and Technical evaluation is under progress.

TENDERING AND PROCUREMENT:

A. Purchase of materials.

During the year 2017-18, KPTCL has undertaken procurement of major equipments like power transformers, circuit breakers and lightning arrestors of voltage class up to 400KV. Apart from this DC earth fault locators, tower footing resistance and impedance measuring instruments required for maintenance of Transmission system have also been procured. The tenders relating to availing services like conducting online aptitude test for recruitment of various posts in KPTCL/ESCOMs, design & building of web based power simulations and engineering solutions software have also been processed from T&P section.

B. Following tenders of larger magnitude works are invited for:-

- I. Establishing 2x500MVA, 400/220KV Sub-station with Gas Insulation on 400KV side and Air Insulation on 220kV at Devanahalli Hardware Park, Bengaluru wherein 2 Nos. of 400KV Terminal Bays are being created for PGCIL to terminate 400kV DC Transmission line being constructed by M/s. PGCIL to evacuate Solar Power from Pavagada Solar Power Park.



- ii. Establishing 3x500MVA, 400/200KV Gas Insulated Substation at Mylasandra in Bengaluru South Taluk.
- iii. Establishing 1x100MVA, 220/66/11kV Sub-station with Hybrid Switchgear on 220KV & conventional Switchgear on 66kV at Channapattana in Ramanagara District.
- iv. Establishing 2x100MVA, 220/66/11kV Sub-station at Shivanasamudra in Mandya District under Green Energy Corridor.
- v. Establishing 2x100MVA, 220/66/11kV Sub-station at Hosadurga in Chitradurga District under Green Energy Corridor.
- vi. Establishing 2x100MVA, 220/110/11kV Sub-station at Ramasumudra in Yadgir District.
- vii. Establishing 2x150MVA, 220/66/11kV Sub-station at Kumbalagodu in Bidadi Taluk of Ramanagara District.
- viii. Establishing 2x100MVA, 220/110/11kV Sub-station at Heggunje in Udupi District.
- ix. Construction of 220kV S/C line on DC Towers from 400kV PGCIL Sub-station at Beerenahally to 220/66kV Hiriya Sub-station and Conversion of existing 220kV S/C Line from 220/66/11 Chitradurga Sub-station to 220/66/11KV Hiriya Sub-station under Green Energy Corridor.

Further, establishing 2x150MVA, 220/66/11kV Sub-stations at HBR and at CESSNA Park along with associated 220kV & 66kV UG Cable lines for improving the reliability of power supply and to cater to the future loads of Bengaluru are envisaged.

KPTCL has awarded many works related to construction of new sub-stations and transmission lines of 66kV, 110kV, 220kV and 400kV class including UG cables, GIS and construction of OFFICE complex at AR Circle and construction of multipurpose Auditorium, Amphitheatre and Additional Hostel Block at HRD Centre, KPTCL, Hoody on Total Turnkey basis to an extent of Rs.3,32,712.02 Lakhs.

- C. Amongst the above works awarded the specialised works included are construction of Gas Insulated Sub-stations of 400kV class at Devanahalli & at Mylasandra and of 220kV class at Koramangala, ITI, Brindavana and at Kumbalagodu.

D. Following is an abstract of award of works and procurement during the financial Year 2017-18.

1. Works :

i) 400KV & 220KV Works

Tenders floated	No's	Amount in Rs. Lakhs	Works involving	No's/ Lengths
220kV & above voltage works	13	167419.73	400kV Air Insulated Stations	NIL.
			400kV Gas Insulated Stations	02Nos.
			220kV Air Insulated Stations	05Nos.
			220kV Gas Insulated Stations	01No.
			400/220kV, 500MVA Power Transformers	05Nos.
			220/66/11kV, 150MVA Power Transformers	06Nos.
			220/110kV, 100MVA Power Transformers	05Nos.
			220/66/11kV, 100MVA Power Transformers	05Nos.
			110/11kV, 10MVA Power Transformer	01No.
			220kV R&M Works	NIL.
			400kV O.H Lines	1.709Kms.
			220kV O.H Lines	166.765Kms.
			110kV O.H Lines	73.542Kms.
			66kV O.H Lines	117.841Kms.
			400kV TBs	NIL.
			220kV TBs	16Nos.
			110kV TBs	05Nos.
			66kV TBs	06Nos.
			220kV UG Cable	23.999Kms.
66kV UG Cable	7.648Kms.			

Tenders dropped	No's	Amount in Rs. Lakhs	Works involving	No's/ Lengths
220kV & above works	1	821.27	220/110kV, 100MVA Power Transformers	01No.



Tenders floated	No's	Amount in Rs. Lakhs	Works involving	No's/ Lengths
220kV & above voltage works	20	253186.33	400kV Air Insulated Stations	NIL.
			400kV Gas Insulated Stations	02Nos.
			220kV Air Insulated Stations	07Nos.
			220kV Gas Insulated Stations	04Nos.
			400/220kV, 500MVA Power Transformers	05Nos.
			220/66/11kV, 150MVA Power Transformers	10Nos.
			220/110kV, 100MVA Power Transformers	04Nos.
			220/66/11kV, 100MVA Power Transformers	09Nos.
			110/11kV, 10MVA Power Transformer	01No.
			220kV R&M Works	NIL.
			400kV O.H Lines	1.709Kms.
			220kV O.H Lines	424.432Kms
			110kV O.H Lines	41.358Kms.
			66kV O.H Lines	151.022Kms
			400kV TBs	NIL.
			220kV TBs	31Nos.
			110kV TBs	02Nos.
			66kV TBs	09Nos.
220kV UG Cable	29.879Kms.			
66kV UG Cable	13.048Kms.			

ii) 110kV and 66kV Works

Tenders floated	No's	Amount in Rs. Lakhs	Works involving	No's/ Lengths
110/11kV Stations, 66/11kV Stations, 66kV Overhead Lines, 66kV UG Cable Lines and 110kV UG Cable Line,	58	51097.81	110/11kV Stations	13 Nos.
			66/11kV Stations	38 Nos.
			66kV Overhead Lines	46.039 Kms.
			66kV UG Cable Lines	7.098 Kms.
			i) 1C X 1000sqmm	17.692 Kms
			ii) 3C X 300sqmm	
110kV, 1C X 240sqmm UG Cable Line	2.123 Kms			

Tenders floated	No's	Amount in Rs. Lakhs	Works involving	No's/ Lengths
110/11kV Stations, 66/11kV Stations and 66 kV Overhead line	12	10874.86	110/11kV Stations	4 Nos.
			66/11kV Stations	7 Nos.
			66/11kV Overhead Line	1 No.

Tenders floated	No's	Amount in Rs. Lakhs	Works involving	No's/ Lengths
110/11kV Stations, 66/11kV Stations, 66kV Overhead Lines, 66kV, 1CX1000sqmm UG Cable Lines and 110kV, 1CX240sqmm UG Cable Line	55	49366.81	110/11kV Stations	15 Nos.
			66/11kV Stations	33 Nos.
			66kV Overhead Lines	68.52 Kms.
			66kV, 1CX1000sqmm UG Cable Lines	13.983 Kms.
			110kV, 1CX240sqmm UG Cable Line	2.123 Kms

2. Goods and Services:

Description of goods and services procured	Amount for which P.Os are issued (in Rs. Lakhs)	Works involving
Procurement of Power Transformers, 400KV circuit breakers, 220kV Lightning arrestors, DC earth fault locators, Tower footing resistance, Battery sets & furniture & impedance measuring instruments, availing services like conducting of online aptitude test for recruitment to various posts in KPTCL/ESCOMs, Design & building of web based power simulation and Engineering solution software.	12075.00	Station capacity augmentation, replacements and arranging services like conducting of online aptitude test for recruitment to various posts in KPTCL/ESCOMs and design & building of web based power simulation and Engineering solution software.

3. Civil Works:

Description	Amount for which DWAs are issued (in Rs. Lakhs)
Construction of office complex after dismantling old and dilapidated ITC building and abandoned meter testing shed at A R circle, Construction of Multipurpose Auditorium, Amphitheatre and Additional Hostel block at HRD Centre, KPTCL, Hoody, Bengaluru and Appointment of Third Party inspection and monitoring Agency for the same.	18083.00

PLANNING & CO-ORDINATION:

Mission, objectives and functions of Planning and Co-ordination wing:

Mission:

To formulate, update and execute integrated Transmission master plan for strengthening of transmission network and evacuation of power from Generating station to the Load Centre.



Objectives:

- a) Expanding transmission network in the State in an efficient, coordinated and economical manner as envisaged in the Electricity Act-2003.
- b) Transmission system planning to ensure principles of reliability, security and economy.

Functions:

- a) Preparation of technical specification of equipment used in transmission of power.
- b) Discharging all functions of planning and coordination relating to intra-State transmission system with Central Electricity Authority, Central Transmission utility, ESCOM's, Central/State Government, IPP's etc.,
- c) Provide non-discriminatory open access to its transmission system under LTOA and MTOA.

Transmission System planned and approved for the year-2017-18:

KPTCL as a transmission Utility in the State has been assigned the role of State Transmission Utility (STU) 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 of power. The following transmission system elements have been curved out from the in-house system study and they are also duly approved by the Technical coordination committee

Voltage class in KV	Sub stations in no's	
	Planned	Approved
400	3	2
220	12	11
110	56	49
66	23	22
Total	94	84

Renewable Energy Capacity addition for the year-2017-18:

Sl. No.	Category	Capacity of Evacuation scheme granted in MW	Interconnected with the Grid in MW
1	Wind	1552.10	864.2
2	Mini Hydel	87	13
3	Co-Generation	73.6	89.17
4	Biomass + Captive	56.5	
5	Solar	2342.175	3201.68
6	Total	4114.38	4168.05

Improvements adopted in Sub-Station and Transmission Line Engineering:

- Assessment of Maximum Penetration Level of RE Generator especially from Wind & Solar in Karnataka Grid for period 2016 to 2021.
- Installation of Main-II protection to all 220KV 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 Nos new projects taken up to assist effective evacuation of Renewable generation at an Estimated Cost of Rs. 906 Crores under Green Energy Corridor Energy 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.
- Establishing 400/220KV Sub-station at Devanahalli Hardware Park in Bengaluru Rural District for evacuation of power from 2000 MW Ultra Mega Solar Power Park at Pavagada in Tumkuru District.
- Establishing of 400/220 kV Sub-Station at Yalwar, Lokapur & Dommasandra to improve power condition/evacuation arrangements for RE power.

The Civil wing of KPTCL is working as supporting staff which supports the main activity in construction of sub stations, transmission lines, buildings and such other infrastructure works in addition to maintaining the existing assets in satisfactory conditions.

1. Detailed work Award for Rs.147.84 Crs was issued by O/o CEE(T&P) to M/s. JMC Projects (India) Ltd. for construction of Multi storied office Building Complex "**Indhana Bhavana**" after dismantling existing old and dilapidated ITC buildings and abandoned Meter Testing sheds in Ananda Rao circle, Bengaluru.
2. As approved, Detailed work Award for Rs.31.46 Crs was issued by O/o CEE(T&P) to M/s. Consolidated Construction Consortium Ltd., Chennai for construction of Multipurpose Auditorium, Hostel Block and other facilities in HRD centre, Hoody, Bengaluru.



RT AND R & D:

The Chief Engineer Electy., RT and R&D has the technical jurisdiction over the activities carried out by three important wings of the organization such as Relay Testing, Research & Development and Hotline Maintenance across State's Transmission system and monitors protections issues, Live line maintenance and condition monitoring of Transmission system elements.

RELAY TESTING WING:

(A) Technical functions of Relay Testing wing:-

The Relay Testing wing is responsible for carrying out activities of testing and maintenance of all the relays installed in various Substation/Receiving stations for the protection of our EHV Lines starting from 66 kV to 400 kV Transmission elements in the network. In the process it takes care of 1137 Stations of various voltage classes spread across the State. [400 KV-05 no's, 220 KV-102 no's, 110 KV-410 no's and 66 KV-620 no's] The discriminative tripping is the backbone of any Transmission system since it helps in isolating the exact faulty section which otherwise would have tripped healthy sections of the network along with faulty network. Apart from this, the spurious tripping of any Transmission elements is also being investigated for taking corrective measures, if any. Besides these main activities, the following activities are also carried out;

- a) Coordinating with other agencies like CEA, SLDC and POSOCO for effective protection of the Transmission system elements.
- b) Monitoring and upkeep of protection system and metering system by arranging routine testing and calibration of relays and meters.
- c) Monitoring healthiness of different substation equipment's by conducting periodical inspection.
- d) Investigation of the causes of breakdown of any Transmission system elements duly suggesting corrective measures to be taken to mitigate such breakdowns.
- e) Conducting Pre-Commissioning (PC) tests on various Transmission system elements including IPP's and EHT consumer stations before energizing / synchronizing it.
- f) Undertakes testing of third party meters along with associated metering equipment on cost basis.
- g) Undertakes inspection of materials procured by Corporation directly or indirectly through Turn Key agencies jointly with TA&QC Wing.



(B) Activities carried out by Relay testing Wing as below;

- i. The Pre-commissioning tests carried out on new sub stations, Capacity augmentation, additional bays and IPP's / EHT consumer station and breakdowns attended is appended below;
- ii. The periodical calibration works carried out on relays and meters with its associated metering equipment including that of third parties and amount collected thereon;

No. of Protective Relays subjected for testing and calibration.	79953
No. of Meters installed at KPTCL Stations subjected for testing and calibration.	19816
No. of Meters installed at IPP installations subjected for testing and calibration.	253
No. of Meters installed at EHT consumer installations subjected for testing and calibration.	135
Amount collected towards testing of third party Meters and its associated metering equipment.	Rs. 1,97,85,709/-

- iii. Apart from the above, as per the directives of Central Electricity Authority and the Hon'ble Central Electricity Regulatory commission, implementation of Renovation and Up gradation of the existing Protection system infrastructure has been taken up at an awarded cost of Rs.10111 Lakhs in 220 KV and above voltage class stations of KPTCL. The Ministry of Power, Govt. of India has sanctioned a grant of Rs.6042 Lakhs from Power System Development Fund and an amount of Rs.1208.4 lakhs has been released during F.Y-2017-18. The work is under progress which is being monitored by the Relay Testing Wing on a continuous basis for its early completion.

RESEARCH AND DEVELOPMENT WING:

(A) Technical functions of Research and Development Wing:

The Research & Development Wing maintains a highly equipped Laboratory having sophisticated testing and measuring equipment at Bengaluru for testing of Oil samples of Power Transformers. It is also responsible for carrying out Earth Mat designs for Sub stations of KPTCL. This is one of the most important part of its several activities as proper design of Earth Mat will ensure safety against various fault conditions both for the Electrical equipment and operating personnel in the sub stations. Apart from this, it also carries out condition monitoring of Power Transformer which is one of the most important Element in the Transmission system. Besides these main activities, the following activities are also carried out;



- a) Carries out soil resistivity measurements for design of Earth Mats, conducts earthing efficacy tests periodically. It also extends its consultancy services for design of Earth Mat to ESCOM's and other IPP's on request on chargeable basis.
- b) Undertakes condition monitoring tests on Power Transformers by testing and analyzing its Oil Samples as per IS 335, IS 1866 and as per IEC 60296-2012 periodically and validates the result with historical data maintained in its data base for assessing healthiness of the Power Transformers. It also extends its consultancy services on Oil testing to ESCOM's and other IPP's on request on chargeable basis.
- c) Undertakes condition monitoring tests like Tan Delta and Capacitance tests on Power Transformers windings, its Bushings and Instrument Transformers (CT/PT/CVT) periodically and validates the result with historical data maintained in its data base for assessing healthiness of the Power Transformers.

(B) Activities carried out by Research and Development Wing is appended below;

- I. The Activities connected with design of Earth Mat and Earthing investigation is appended below;

Sl. No.	Particulars	Voltage class in KV					Total
		400	220	110	66	33	
1	Soil Resistivity Measurements	02	15	20	41	25	103
2	Earth Mat Design for new Stations	04	28	38	65	16	151
3	Earthing Investigations	-	13	16	68	-	97
4	Earth Mat design for existing Stations (augmentation works)						260

- ii. The Activities connected with Condition Monitoring tests is appended below;

A Power Transformers / Instrument Transformer tests Lightning Arresters		
1	No. of Transformers subjected to Tan Delta & Capacitance tests.	55
2	No. of Transformers bushings subjected to Tan Delta & Capacitance tests.	06
3	SFRA tests	28
B Transformer Oil samples tests		
1	No. of Oil samples analyzed	3521 no's
2	Insulation Diagnostic Analysis (IDAX tests on power Transformer)	55 no's
3	Dissolved Gas Analysis	991 no's.
4	Furan Analysis	878 no's.

HOT LINE WING:

(A) Technical functions of Hot Line Wing;

The Hot Line Wing is vested with the responsibility of carrying out preventive/predictive maintenance and emergency maintenance works on 220 KV and below Lines and stations by adopting Live Line Maintenance Technique using hot stick method. The technique ensures maintenance of Transmission Lines and Substation without taking any outage thus providing continuity in power supply without any interruption to the end users. The Hot line wing is equipped with well trained Personnel who have undergone vigorous training in Hotline techniques imparted by the Hotline Training Centre, National Power Training Institute, Govt. of India, Somanahalli, Bengaluru to undertake Maintenance on Live Transmission Lines and Substation Switch Yards. The following activities are generally carried out by the Hotline wing;

- Testing and detection of defective insulators in the lines.
- Replacement of faulty insulators.
- Strengthening of lines by providing by-pass jumps.
- Thermo vision scanning of stations and lines for identifying hot spots.
- Preventive maintenance of EHV Stations and Lines.
- Emergency Hotline works.



(B) Activities carried out by Hot Line Wing is as below;

i. The various activities carried out by Hot line wing is appended below;

Sl. No.	Particulars	Voltage class in KV				
		400	220	110	66	Total
1	No. of insulator strings tested.	-	363	908	426	1697
2	No. of replacement of faulty insulator strings.	-	09	15	-	24
3	No. of substations/insulators tested through thermo vision scanning for identifying hotspots.	07	182	206	665	1060
4	No. of jumpers tested.	-	-	24	-	24
5	No. of Preventive Maintenance done on Substation Switch yards.	07	205	280	691	1183
6	No. of Preventive Maintenance done on Lines.	-	-	6	-	6
7	Providing bypass jumpers at EHV sub-Stations.	-	-	59	-	59
8	Carrying out Emergency Works on Lines and substations during exigencies.	-	-	56	-	56
9	No of vibration dampers fixed on Tr.lines	-	665	-	634	1299
10	Measurement of vertical and horizontal clearance below and across EHT Lines from buildings.					434

TECHNICAL AUDIT AND QUALITY CONTROL

Technical Audit & Quality Control wing is headed by the Chief Engineer (Electy), Technical Audit & Quality Control, Bangalore.

The main functions of TA&QC Wing are,

- Inspection of materials at Factory/ Stores.
- Material inspections at Site.
- Periodical inspection of Stores.
- Inspection of on-going works of Sub-stations, Lines, Augmentation Works, Exclusive Lines etc.,
- Periodical inspection of existing Sub-stations, Lines, Exclusive Lines etc.,
- Auditing of completed works (Stations, Lines, Augmentation Works).
- Investigation of Petitions/Complaints.
- Inspection of materials of on-going works (Sub-Stations, lines etc.,) of IPP's. self execution, shifting etc.,
- Inspection of factory premises for vendor Analysis.



- j) Inspection of Civil Works pertaining to Sub Stations / Lines.
k) Any other duties entrusted by the corporation.

Apart from the above, any specific inspections, review and analysis referred by the Corporate Office are also attended and reports submitted to higher authorities.

This wing is having jurisdiction over the entire Karnataka State. The wing has periodically inspected 994 No's. of sub-stations (66KV Class and above) and 1427 No's. of EHT Lines (66KV Class and above) during the year under report.

Details of achievement recorded during the Reporting Year (2017-18) is as below:

Sl. No.	Actionable Items/ Programme	Annual Target	During the month		Cumulative		Remarks
			Target	Achv.	Target	Achv.	
1	Inspection of stores	31	7	8	14	19	
2	Inspection of on-going works **						
	a) Stations		38	37	549	535	Works under progress - 38 Works not under progress - 11 Works not yet started - 02
	b) Lines		37	36	543	532	Works under progress -33 Works not under progress - 11 Works not yet started - 01
	c) Augmentation/ Addl.		31	31	426	425	Works under progress - 35 Works not under progress - 28 Works not yet started - 01
	d) Exclusive Lines		23	23	301	300	Works under progress - 23 Works not under progress - 10 Works not yet started - 01
3	Inspection of existing Stations & Lines						
	a) Stations	994	82	66	984	665	
	b) Lines	1427	109	36	1305	374	
4	Inspection of Materials						
	a) At Factory						
	i) KPTCL Works			315	327	2291	
	ii) IPP Works			10	30	334	
	iii) Self execution Works			53	22	442	



Sl. No.	Actionable Items/ Programme	Annual Target	During the month		Cumulative		Remarks
			Target	Achv.	Target	Achv.	
	b) At works/site i) KPTCL Works ii) IPP Works iii) Self execution Works			66 0 13	327 0 1	365 61 65	
	c) At Stores			202	291	1263	
5	Auditing of completed works (14-15)						
	a) Stations b) Lines c) Augmentation/ Addl.	21 32 36	0 0 0	2 3 3	0 0 2	7 8 6	
6	Investigation of Vendor Analysis	0	0	0	3	7	
7	Miscellaneous						
							CIVIL
Sl. No.	Actionable Items/ Programme	Annual Target	During the month		Cumulative		Remarks
			Target	Achv.	Target	Achv.	
1	Inspection of on-going works a) Station		12	12		233	
2	Inspection of existing Stations & Lines a) Stations b) Lines		2	2		38	
3	Auditing of completed works a) Stations/ Miscellaneous b) Lines		0	0		23	
	Total		14	14		294	

INFORMATION TECHNOLOGY & MANAGEMENT INFORMATION SYSTEM

The I.T. Section of KPTCL manages the I.T. Infrastructure and maintains the KPTCL's Website, Internet, Intranet Portal e-Prasarana, Data center, Networking of Offices in Kaveri Bhavan, Hardware and System Administration, Maintenance of existing Software, Development of Software, Purchase of Hardware and Software.

During the reporting year 2017-18 the following I.T. activities were carried out.

1. Development & Maintenance of following In-House Softwares:
 - Payroll
 - Pension and Family Pension, Gratuity
 - Department Examination.
 - Bio-Data of A&B officers.
 - Uploading of KPTCL Project Photos
 - Bill Tracking System.
 - File Tracking System.
 - Inter Unit account clearance.
 - Monthly contribution of Employees - NDCPS.
 - KPTCL & ESCOM's Post and Personnel data as on 31.03.2018
 - Station e-log
 - Uploading of Station & Power Transformer Details.
 - GST Software
2. Creating, updating, mapping and granting roles to the users of e-procurement related to KPTCL.
3. Bio-metric attendance Monitoring system.
4. Co-ordinating with the agency for development of software for on line services. (Vendor approval, Application for power evacuation of HT Consumers, open access), Integration with the application software developed by BESCO for applications received from HT consumers.
5. 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 2017-18, 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 2017-18
108	1936	1913



The MIS Section is entrusted with the responsibility of collecting details, information and statistics pertaining to KPTCL and ESCOMs and furnishing the desired information to CEA, Central Government – Ministry of Power, State Government –Planning Department, Statutory bodies, etc., regularly as well as on request.

The MIS Section compiles and forwards progress reports every month to REC Ltd., New Delhi regarding the progress and achievements of rural electrification and pumpset energisation and the activities and achievements of ESCOMs to the government for Monthly Multilevel Review (MMR) and Karnataka Development Programme meeting.

The Section also performs the very important task of furnishing replies to the questions raised by the Hon'ble Members, in the Legislature and other matter raised under various rules during the Legislative session. During 2017-18, three Legislative sessions were held which are as follows:

SI No	Duration	Days	Session
1.	05-06-2017 to 21-06-2017	13 Days	Monsoon session
2.	13-11-2017 to 24-11-2017	10 Days	Winter session (Belagavi)
3.	05-02-2018 to 23-02-2018	11 Days	Budget session

Replies to 165 Assembly questions, 135 Council questions (Total 300) and 8 Nos of other issues under various rules including call attention motions and matters discussed during Zero hour pertaining to KPTCL and ESCOMs were furnished.

Replies to Lok sabha and Rajya sabha questions are also furnished from MIS Section. During 2017-18 replies to two nos. of Lok sabha and one no. of Rajya sabha questions were furnished.

Replies to the issues that arise in the petition committee, Assurance Committee and Other Committees of Legislature were also furnished by this section.

APR & TRANSMISSION TARIFF:

- 1. Annual Performance Review Application:** KPTCL had filed its Annual Performance Review Application on 30.11.2017 for FY 2016-17 based on Audited Annual Accounts for approval of ARR & determination of Transmission tariff before Hon'ble KERC.
- In the Annual Performance Review, KERC allowed an ARR of Rs.2708.28 Cr.
- In its order dated 14/05/2018, KERC has allowed total Incentive of Rs.22.11 Cr to KPTCL for achieving better System availability of 99.60% for FY16-17.

The details of the Capex for the Year 2016-17 for prudence check was submitted to KERC on 27.11.2017. Hon'ble Commission has decided to conduct the prudence check of randomly selected sample works pertaining to FY 17 and FY 18 during APR of FY 18.

HUMAN RESOURCES DEVELOPMENT

At HRD Centre, KPTCL, the training is imparted related to transmission & distribution of electricity as well as overall development of an individual. These trainings give adequate opportunity to gain skills that will help to improve their functional efficiency and enables them to serve the organization better and the organization is also benefitted. Proper methodology has been developed for imparting various trainings commiserate with the level of perception and capability of each employee.

Human Resource Development Centre at Hoody, is spread across an area of about 12 acres.

At present, this Centre has:

- Nine Class Rooms which can accommodate 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 with facilities to play etc.

In addition to this, construction of the **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 Programme carried out during the Financial Year 2017-18:

4886 numbers of Employees / Officers have been trained on various topics during the financial year 2017-18, on an average 93 Men per day.

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 programme were conducted during the Financial year 17-18:

- Induction Training Programme for the 333 numbers newly recruited Junior Linemen for a period of 10 working days.
- Induction Training Programme for the 49 numbers newly recruited Assistant Executive Engineers of 2016 batch 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 25 numbers newly recruited Assistant Engineers(Civil) of 2016 batch for a period of 60 working days which covers 30 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 2017-18.

- Refresher Training Programmes for AEE's, AE's, AO's, JE's.
- Arranged Technical training to group A & B officers conducted by M/s. KEEMA.
- Retirement planning for the Officers / Employees of ESCOMs / KPTCL
- Post promotional orientation Training for newly promoted AE's.
- Orientation training for newly promoted AAO's.
- GST training for the officers/employees of KPTCL.
- Accounts training on Accounts compilation.

3. Training Programme for KPTCL / ESCOMs Employees:

The Pre-employment/Pre-promotional training programmes for the following employees of KPTCL and other ESCOMs were conducted during the Financial year 2017-18.

- Junior Assistants & Daftaries of ESCOMs & KPTCL
- Pre-promotional training to CESC Linemens.

**Trainings conducted at HRD Centre, KPTCL, Bangalore for the
Officers/ Employees of KPTCL for the FY 2017-18**

Sl. No.	Name of the Training	No. of batches	No. of trainees Deputed	No. of trainees attended	Duration in days	Total ManDays	% of Trainees attended
1	Post promotional training for AEs	8	491	433	5	2165	88%
2	Induction training for Junior Linemen	6	362	333	10	3330	92%
3	GST Training	3	270	245	1	245	91%
4	Retirement planning for the Officers of KPTCL and ESCOMs(with spouse)	12	1264	668	2	1336	53%
5	Refresher training for AEs	8	477	388	2	776	81%
6	Refresher training for AEEs & Aos	2	120	64	2	128	53%
7	Refresher training for AEEs	13	820	552	2	1104	67%
8	First Aid fire fighting programme	5	270	240	10	2400	89%
9	Refresher training for JEs	28	1680	1201	2	2402	71%
10	Technical training for group A& B officers by KEEMA	1	44	38	1	38	86%
11	Induction training for newly recruited AEEs	1	52	49	30	1470	94%
12	Pre-employment training for daftaries	1	45	37	28	1036	82%
13	Induction training for newly recruited AE(Civil)	1	25	25	30	750	100%
14	Pre-promotional training for LM of CESC	1	49	49	40	1960	100%
15	Pre-employment training for Junior Assistants	2	82	79	28	2212	96%
16	Orientation training for newly promoted AAOs	1	20	20	5	100	100%
17	Accounts training	1	343	341	1	341	99%
18	Deputation to external training programmes		129	124	3	372	96%
	Grand Total of Training conduted at HRD Centre KPTCL, Hoody		6543	4886		22165	75%

Total Mondays - 22165 Mondays
 Total working days - 238 days
 Men per day - 93 Men per day



INTERNAL AUDIT

I 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 pointed out are being finalized after due discussions with the concerned head of the offices. Progress/ performance report of Internal Audit is being reported periodically.

II Internal Audit Achievements and Significant issues observed during FY 2017-18.

(1) Internal Audit at Corporate office has furnished its audit views for 180 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) During 2017-18 Audit has pointed out excess claims in Price Variation bills to an extent of Rs. 67 lakhs at the time of pre-audit of Price Variation bills.

(3) Due to constant persuasion by Internal Audit, the quarters rent and building rent has been demanded during 2017-18 to an extent of Rs. 6.46 crores and Rs. 5.36 crores respectively by TL&SS Divisions.

(4) Internal Audit has pointed out non-levy of penalty in various supply/ works bills to an extent of Rs. 69.54 lakhs during FY-2017-18.

(5) Audit has pointed out excess claims in Final Quantity Variation bills to an extent of Rs. 15 lakhs during 2017-18.

(6) The following are the details of Land Records existing in the different Zones during FY 2017-18.

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	330	172	158	0
2	Tumakuru	207	142	65	0
3	Kalaburagi	176	133	37	6
4	Mysuru	179	132	37	10
5	Hassana	196	125	40	31
6	Bagalakote	233	149	69	15
	Total of all Zones	1321	853	406	62



In view of consistent persuasion by audit, 69 Nos. of Land records has been updated in current year. The civil wing have to take adequate action to update the land records in respect of 468 (406 + 62) Nos. of Assets.

(7) The Internal Audit has furnished opinion on several Establishment issues which are sought by Administrative Offices in Corporate Office. Further, the Audit has pointed out wrong calculation of establishment claims to an extent of Rs. 17.26 lakhs during the FY 2017-18 in respect of earned leave surrender calculation; pay fixation, medical and other claims.

(8) The Internal Audit is verifying proposals placed before CPC/BOARD at Corporate office has pointed out wrong calculation of tax matters and compensation proposal etc., to an extent of Rs. 1.26 crores, during the FY 2017-18.

III The details of Audit Paras, excess payment, irregular expenditure pointed out and recovered/regularized during 2017-18 is as follows.

Details of Excess Payment				Rs. in lakhs
Opening Balance	Pointed Out	Total	Recovery	Closing Balance
28.97	694.87	723.84	657.37	66.47
Details of Irregular expenditure				Rs. in lakhs
Opening Balance	Pointed Out	Total	Regularised	Closing Balance
25.53	284.78	310.31	271.29	39.02
Details of Audit Paras				In Nos.
Opening Balance	Audit Para Issued	Total	Reply Received	Closing Balance
415	2108	2523	2213	310



Zone Wise Details are as under:

Details of Audit para for the FY-2017-18

Sl. No.	Name of the Office	Opening Balance	Audit Paras Issued	Total	Reply Received	Closing Balance
1	Bengaluru	52	550	602	559	43
2	Tumakuru	38	264	302	301	1
3	Kalaburgi	56	193	249	142	107
4	Mysuru	61	210	271	226	45
5	Hassana	49	228	277	245	32
6	Bagalkote	145	546	691	620	71
7	Head Qtrs	10	98	108	102	6
8	S.L.D.C	4	19	23	18	5
	Total	415	2108	2523	2213	310

Details of Excess Expenditure for the FY-2017-18

Sl. No.	Name of the Office	Excess Expenditure during FY-2017-18				Rs. In Lakhs
		Opening Balance	Pointed Out	Total	Recovery	Closing Balance
1	Bengaluru	3.14	315.94	319.08	316.24	2.84
2	Tumakuru	3.21	94.58	97.79	97.49	0.30
3	Kalaburgi	3.57	27.84	31.41	24.11	7.30
4	Mysuru	5.89	42.92	48.81	8.70	40.11
5	Hassana	9.30	63.41	72.71	67.37	5.34
6	Bagalkote	2.91	121.85	124.76	123.67	1.09
7	Head Qtrs	0.00	23.76	23.76	15.15	8.61
8	S.L.D.C	0.95	4.57	5.52	4.64	0.88
	Total	28.97	694.87	723.84	657.37	66.47

Details of Irregular Expenditure during FY-2017-18

Sl. No.	Name of the Office	Irregular Expenditure during FY-2017-18				Rs. In Lakhs
		Opening Balance	Pointed Out	Total	Reply Received	Closing Balance
1	Bengaluru	1.47	8.93	10.40	6.82	3.58
2	Tumakuru	4.72	101.55	106.27	106.27	0
3	Kalaburji	1.67	5.98	7.65	1.58	6.07
4	Mysuru	4.55	22.44	26.99	20.23	6.76
5	Hassana	1.37	24.89	26.26	25.97	0.29
6	Bagalkote	11.26	95.10	106.36	84.25	22.11
7	Head Qtrs	0.00	25.43	25.43	25.43	0.00
8	S.L.D.C	0.49	0.46	0.95	0.74	0.21
	Total	25.53	284.78	310.31	271.29	39.02

IMPORTANT ORDERS ISSUED BY PERSONNEL SECTION:

1. A Notification was issued amending the KEB R&P Regulations by Inserting of a new post of Senior Personal Secretary as Sl.No-11 under Chapter-VII vide No: KPTCL/B16/B61/5795/2008-09 dated: 01.04.2017.
2. A Notification was issued inviting application from eligible candidates belonging to SC/ST category for filling up of 3 Backlog posts of Station Attendant Gr-II and 24 posts of Assistant Lineman vide Notification No: KPTCL/B16/3590(2)/89-90 dated: 11.04.2017.
3. The Provisional Selection List for the post of Assistant Executive Engineer(Ele) and Assistant Engineer(Civil) was published on 20.04.2017 vide Notification No: KPTCL/B16/40360/2016-17.
4. A reserve list of candidates for the post of Junior Lineman and Backlog post of Junior Station Attendant was published on 28.04.2017 vide Notification No: KPTCL/B16/40342/2016-17.
5. A Circular was issued vide No: KPTCL/B16/40352/2016-17 on 02.05.2017 with regard to Family Pension pertaining to Ex-serviceman/ others.
6. An Order was issued on 08.05.2017 duly adopting the Government Order dated: 06.05.2017 issued with regard to preparation of revised seniority list consequent to the Judgment dated: 09.02.2017 of Hon'ble Supreme Court of India in Civil appeal No: 2368-69/2011 filed by B.K.Pavithra and others.



7. The Final Selection List for the post of Assistant Executive Engineer(Ele) and Assistant Engineer(Civil) was published on 10.05.2017 vide Notification No: KPTCL/B16/40360/2016-17.
8. A Circular was issued on 10.05.2017 vide No: KPTCL/B16/Misc(2)/2014-15 with regard to the consideration of employees under Technical/ Non-Technical quota for promotion from the cadre of Operator/ Oversear/ Meter Reader/ Assistant Store Keeper to the cadre of Junior Engineer(Ele).
9. An order was issued vide No: KPTCL/B16/4681/06-07 on 27.05.2017 wherein approval was accorded for extending the consequential benefits from 29.12.2010 to 31.03.2016 to contract Assistant Engineer(Ele) and contract Junior Engineer(Ele).
10. Order No: KPTCL/B16/4682(3)/2006-07 dated: 08.09.2017 was issued enhancing the monthly remuneration payable to Physically Challenged Revenue Assistants with degree qualification from existing `10,000/- to `12,500/- and to those with SSLC qualification from the existing `8,000/- to `10,500/- w.e.f 01.07.2017 duly extending their contract for a further period of one year from Jan-2017 to Dec-2017.
11. Order was issued vide No: KPTCL/B16/B1/1001/2016-17, on 08.09.2017 wherein approval was accorded for payment of Travelling Allowance to Non-Functional Directors of KPTCL for attending the Board Meetings.
12. A Notification was issued for insertion of New Regulation-6(5) in the KEB Recruitment (Appointment on Compassionate Grounds) (Amendment) Regulation-1997 vide No: KPTCL/B5/721/2011-12 dated: 08.09.2017 wherein provision has been made for providing appointment on compassionate grounds to the eligible dependents of Junior Station Attendant/ Junior Lineman who were initially appointed from the year 2015 onwards and who die while on duty during their period of training.
13. Circular instructions was issued for processing of Compassionate Ground Appointment duly prescribing the income ceiling limit of `35,218/- for applications submitted from 01.07.2017 onwards vide No: KPTCL/B5c/721(Gen)/80-81dated: 26.10.2017.
14. A Notification was issued for insertion of New Regulation 129(c) under Chapter-VIII of The Karnataka Electricity Board Employees Service Regulations wherein provision has been made for withholding whole or part of the cash equivalent of earned leave at the time of retirement, under suspension or while disciplinary/ criminal proceedings are pending against him vide No: KPTCL/B16/B55/25028/2011-12 dated: 01.12.2017.



15. An Order was issued amending para 504(16) of KEB Accounts Manual Volume-II Part-'B' by insertion of new sub-para 16(xi) wherein provision has been made for withholding whole or part of the cash equivalent of earned leave at the time of retirement, under suspension or while disciplinary/ criminal proceedings are pending against him vide No: KPTCL/B16/B55/25028/2011-12 dated: 01.12.2017.
16. An order was issued vide No: KPTCL/B16/3595/98-99, dated: 17.01.2018 according approval for sanction of educational allowance of Rs.500/- per month to the employees having blind or physically challenged children.
17. The Provisional Selection List for the post of Assistant Engineer(Ele), Assistant Engineer(Ele) (NHK) (Backlog), Assistant Accounts Officer, Junior Engineer(Ele/Civil), Junior Engineer(Ele) (NHK & HK) (Backlog), Assistant and Junior Assistant was published vide No: KPTCL/B16/40360/2016-17 dated: 27.01.2018.
18. An Order was issued vide No: KPTCL/B16/5411/1996-97 dated: 16.02.2018 adopting the Government Order No: DPAR/02/SMR/2015 dated: 27.09.2017 issued with regard to revision of monthly income ceiling limit for reimbursement of the dependent parents of Government employees.
19. The Final Selection List of candidates selected under direct recruitment for the post of Assistant Engineer(Ele), Assistant Accounts Officer, Junior Engineer(Ele/Civil), Assistant and Junior Assistant in KPTCL was published vide No: KPTCL/B16/40360/2016-17 dated: 06.03.2018.
20. An Order was issued vide No: KPTCL/B16/69516/2017-18 dated: 09.03.2018 revising the time scale of pay of workmen at 26% w.e.f.01.04.2017.
21. An Order was issued vide No: KPTCL/B16/69517/2017-18 dated: 09.03.2018 revising the time scale of pay of Officers at 26% w.e.f.01.04.2017.
22. An Order was issued vide No: KPTCL/B16/69518/2017-18 dated: 09.03.2018 revising the pensionary benefits w.e.f.01.04.2017 of the employees retiring/ expired on or after 01.04.2017 and Pension/ family pension of the pensioners/ family pensioners existing as on 31.03.2017 and of those pensioners and family pensioners of KPTCL prior to 01.04.2017.
23. A Circular was issued vide No: KPTCL/B16/Misc-2/2014-15 on 14.03.2018 with regard to consideration of employees under Technical quota for promotion to the cadre of Junior Engineer(Ele).
24. An Order was issued vide No: KPTCL/B16/5607(2)/2000-01 dated: 15.03.2018 wherein the posts of Lineman, Assistant Lineman and Junior Lineman was re-designated as 'Power Man', 'Assistant Power man' and 'Junior Power Man' respectively.



25. Notification was issued duly amending the method of Recruitment prescribed for direct recruitment of in-service employees under 10% quota in SI.No.12 and 13 under Chapter-VI and SI.No: 7, 8, 15 under Chapter-VII of KEB R&P Regulations vide No: KPTCL/B16/67600/2017-18 dated: 26.03.2018 wherein selection is to be made purely on merit on the basis of marks secured in the prescribed academic qualification.
26. Order No: KPTCL/B16/4682(A)/2006-07 dated: 26.03.2018 was issued enhancing the monthly remuneration payable to Physically Challenged Revenue Assistants with degree qualification from existing `12,500/- to `18,000/- and to those with SSLC qualification from the existing `10,500/- to `15,000/- w.e.f 01.01.2018 duly extending their contract for a further period of one year from Jan-2018 to Dec-2018.
27. An Order was issued vide No: KPTCL/B16/69516/2017-18, dated: 26.03.2018 wherein the Special Leave for Child care is withdrawn w.e.f. 09.03.2018.
28. Notification was issued duly amending the relevant provisions prescribed in SI.No.12A Junior Engineer(Ele), SI No. 13A Junior Engineer(Civil), under Chapter IV and SI No.7A Assistant and 8A Junior Assistant under Chapter VII of KEB R&P Regulations wherein the appointing authority is prescribed as SEE(T), Works and Maintenance and SEE(T), Maintenance, KPTCL vide No: KPTCL/B16/39395(V)/2013-14 dated: 26.03.2018.
29. Notification was issued duly amending the minimum qualification prescribed for promotion in SI No.2 Chief Engineer, Electy., under Chapter-VI and the minimum qualification prescribed in SI No.1 Financial Advisor under Chapter-VII of KEB R&P Regulations vide No: KPTCL/B16/5607(I)/2000-01 dated: 26.03.2018 wherein a provision is made for relaxing the qualifying service by two years.
30. Three (3) Probationary Mazdoors working in KPTCL/ESCOM's were converted as Junior Lineman after completion of 3 years of continuous service as Probationary Mazdoor during the year 2017-18.

INDUSTRIAL RELATION

Corporation has considered the Manpower as a valuable asset in accomplishing the object and also taking care of social security and labour welfare measures to them. The Corporation mutually discuss and settle the employees grievances with the KPTC Employees Union representatives periodically. During the year 2016-17, Approval accorded to convert 4 No. of Gangman to Probationary Mazdoors and 07 Nos. of probationary Mazdoors were absorbed into Junior Lineman in pursuance of the Settlement dated: 03-06-2004 entered into with the Employees Union.



As the Corporation is in the process of reformation and it will discuss with the Union as and when called for. Corporation has identified the “Employees Role in Management” and the Union has always extends its support in the reform process, with a view to provide a better service to the consumers.

KPTC Employees Union has submitted its Charter of Demands on 09.02.2017 for Revision of Pay Scales with effect from 01.04.2017. The subject was placed before the Board of Directors meeting held on 20.12.2017 and 19.02.2018. The Board accorded approval for hike in Pay Scale by 26%. w.e.f 01.04.2017. Accordingly the Memorandum of settlement dated: 02.03.2018 entered between Management of KPTCL and the KPTC Employees' Union (Reg No 659). The order was passed on 09.03.2018.

Parallely the payment of Pension/Family Pension to the Pensioners/Family Pensioners was also revised and enhanced the percentage of pension/Family Pension by 26% w.e.f 01.04.2017 by order dated 09.03.2018.

As on 31-03-2017, there are about **43** labour related matters, 60 No. of cases in different Labour Courts and around **90** Nos of Writ petition/Writ Appeals are pending in Hon'ble High Court of Karnataka Bangalore, Dharwad and Kalburgi bench.

i. Women Grievance Committee

As per Board order dated: 03.07.1998, the Corporation was constituted the committee for prevention of sexual harassment of women at work place. The committee consists of one Chairperson with Seven members including convener and one External member from the legal background.

The committee is meeting regularly to discuss upon the complaints. In the year 2017-18, no complaint was registered.

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 2018, the Board of Directors comprised of 25 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 2017-18, Board meetings were held on the dates as mentioned below:

Sl.No.	Meeting No.	Held on
1	105 th Meeting	04.07.2017
2	106 th Meeting	06.09.2017
3	107 th Meeting	06.12.2017
4	108 th Meeting	20.12.2017
5	109 th Meeting	19.02.2018

Key Managerial Personnel:

Board of KPTCL at its 93rd Meeting appointed **Dr. Aditi Raja, Director (Finance), KPTCL as Chief Financial Officer** (key Managerial Personnel) pursuant to Section 203(2) of the Companies Act, 2013:

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
	Authorised Signatory, 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) 164 th Tendering & Procurement b) 137 th Transmission Zone, Bengaluru c) 54 th Transmission Zone, Hassan d) 87 th Transmission Zone, Mysuru e) 84 nd Transmission Zone, Bagalkote f) 53 ^d Transmission Zone, Tumakuru	19.04.2017
2.	a) 165 th Tendering & Procurement b) 138 th Transmission Zone, Bengaluru c) 55 th Transmission Zone, Hassan d) 88 th Transmission Zone, Mysuru e) 85 th Transmission Zone, Bagalkote f) 60 th Transmission Zone, Kalaburagi	24.05.2017
3.	a) 166 th Tendering & Procurement	23.06.2017
4.	a) 167 th Tendering & Procurement b) 139 th Transmission Zone, Bengaluru c) 56 th Transmission Zone, Hassan d) 54 th Transmission Zone, Tumakuru e) 86 th Transmission Zone, Bagalkote f) 61 st Transmission Zone, Kalaburagi	19.07.2017 & 07.08.2017
5.	a) 168 th Tendering & Procurement b) 140 th Transmission Zone, Bengaluru	01.09.2017
6.	a) 169 th Tendering & Procurement	04.11.2017
7.	a) 170 th Tendering & Procurement b) 141 st Transmission Zone, Bengaluru c) 57 th Transmission Zone, Hassan d) 55 th Transmission Zone, Tumakuru e) 89 th Transmission Zone, Mysuru f) 62 nd Transmission Zone, Kalaburagi g) 87 th Transmission Zone, Bagalkote	26.12.2017



Sl. No	Meeting No.	Held on
8.	a) 171 st Tendering & Procurement b) 142 nd Transmission Zone, Bengaluru c) 58 th Transmission Zone, Hassan d) 63 rd Transmission Zone, Kalaburagi e) 88 th Transmission Zone, Bagalkote	01.02.2018
9.	a) 172 nd Tendering & Procurement b) 143 rd Transmission Zone, Bengaluru c) 59 th Transmission Zone, Hassan d) 90 th Transmission Zone, Mysuru e) 89 th Transmission Zone, Bagalkote	07.02.2018
10.	a) 173 rd Tendering & Procurement	19.02.2018
11.	a) 174 th Tendering & Procurement b) 144 th Transmission Zone, Bengaluru c) 56 th Transmission Zone, Tumakuru d) 64 th Transmission Zone, Kalaburagi	03.03.2018

2. Borrowings Sub Committee:

The Borrowings Sub-Committee has been delegated 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,
2. Additional Chief Secretary to Govt, Finance Department, GoK,
3. Managing Director, KPTCL
4. Director (Finance), KPTCL

Authorised Signatory, KPTCL : Convener

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

Sl. No.	For Availing Long Term Finance from	Amount	Held on
1	Jammu & Kashmir Bank Limited	Rs.550 Crores	31.01.2018

3. Audit Committee:

In accordance with the provision of Companies Act, 2013, KPTCL has constituted an Audit Committee with the following members & Terms of Reference as per Companies Act, 2013.

Sl.No.	Members	Designation
1.	Sri.P.Ravikumar IAS., ACS, GoK, Energy Department	Chairman
2.	Sri. I.S.N. Prasad IAS., ACS, GoK, Finance Department	Member
3.	Sri.K.V.Shivakumar, Director (Transmission), KPTCL	Member
	Authorised Signatory, KPTCL	Convener

II TERMS OF REFERENCE:

- 1) Recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- 2) Review and monitor the Auditor's independence and performance, and effectiveness of Audit process;
- 3) Examination of the financial statement and the Auditors' report thereon;
- 4) Approval or any subsequent modification of transactions of the company with related parties;
- 5) Scrutiny of inter-corporate loans and investments;
- 6) Valuation of undertakings or assets of the company, wherever it is necessary;
- 7) Evaluation of internal financial controls and risk management Systems;
- 8) Monitoring the end use of funds raised through public offers and related matters.

Auditors and Whole time Key Managerial Personnel were invited to the meetings of the Audit Committee when it considers the Auditor's report but shall not have the right to vote.

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

Sl. No.	Meeting No.	Held on
1	27 th Meeting	05.09.2017
2	28 th Meeting	30.11.2017



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

- a) By the Statutory Auditor in his report; enclosed as Annexure-2
- b) Particulars of loans, guarantees or investments under section 186 Nil
- c) Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form; Nil
- d) The state of the company's affairs; indicated ante
- e) The amounts, if any, which it proposes to carry to any reserves – No amount is proposed to carry to any Reserve.
- f) The amount, if any, which it recommends should be paid by way of dividend – No amount recommended towards dividend.



- g) 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 - NIL
- h) Statement Concerning Development and Implementation of risk Management Policy of the Company - NIL.

D. 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	Designation
1.	Additional Chief Secretary to Govt., GoK, Energy Department	Chairman
2.	Additional Chief Secretary to Govt., GoK, Finance Department	Member
3.	Managing Director, KPTCL	Member
	Authorised Signatory, 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	4 th Meeting	23 rd March 2018
2	5 th Meeting	26 th March 2018

B. Contribution towards CSR during 2017-18:

An amount of Rs. 15.4 Crores was spent towards activities listed under Schedule VII to Companies Act 2013 as Corporate Social Responsibility Expenditure for FY 2017-18.

SPORTS:

Athletics, Kabaddi, Basket ball, Cricket, Shuttle Badminton (Men), Lawn Tennis and Women Sports teams of KPTCL have participated in the AIESCB Tournaments.

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



<u>Table Tennis:</u>	<p><u>At International Level</u> Sri Sanjeeva G Hamannavar, AEE, MW, UDIS Sub Div, KPTCL, Belgaum, Represented India in the 9th Alvatani International Physically Disable Table tennis Championship 2017 held at Aman Nagar, Jordan from during November 2017 and Secured Silver Medal in Singles and Silver Medal in Team Event.</p>
<u>BODY BUILDING</u>	<p><u>At National Level</u> Sri Roshan Ferrao, Jr. Asst, Ullal Sub division Participated in the 66th National Fitness & Body Building Championship held at Bangalore during Feb 2018 and secured Gold Medal.</p>
<u>Billiards and Snooker</u>	<p><u>At National Level</u> Sri D Rajkumar, HRDC, KPTCL represented Karnataka State in the National 6 Reds Snooker Championship held at Chennai during Jan 2018 and Reached the Top 32 Round. Sri D Rajkumar, HRDC, KPTCL, Represented Karnataka State in the National Billiards and Snooker Championship held at Bangalore during the month of Feb 2018 and Reached the Top 32 round in Billiards.</p>
<u>Archery</u>	<p><u>At National Level</u> Smt Keerthana. L, Asst. Manager (I/M), KPTCL, Kaveri Bhavan, Represented Karnataka in the 38th Senior Women Re- curve round National Archery Championship held at Pune during the month of April 2018.</p>
<u>Athletics</u>	<p><u>At National Level</u> Sri D.M. Srinivas, Asst. Devanahalli sub division, BESCO , Represented Karnataka in the 39th Masters National Athletics Championship held at Bangalore during the month of Feb 2018.</p>
<u>Billiards and Pool</u>	<p><u>At State Level</u> Sri D Rajkumar, HRDC, KPTCL has Participated in the below mentioned State Ranking Tournaments for the year 2017-18 and has achived following Ranks.</p> <ul style="list-style-type: none"> • 9 Ball Pool – 2nd Rank • Billiards - 5th Rank • Snooker - 5th Rank • 6 Reds Snooker – 5th Rank

<u>Participation and Achievements of KPTCL Teams in AIESCB and other Tournaments</u>	
<u>Kabaddi</u>	KPTCL Kabaddi Team participated in the 42 nd AIESCB Kabaddi Tournament held at Nagpur, Maharashtra during Jan-2018 and secured 2 nd Place
<u>Athletics</u>	KPTCL Athletics Team participated in the 42 nd AIESCB Athletics Tournament held at Patiala, Punjab during Nov-2017 and secured 2 nd Place
<u>Lawn Tennis</u>	KPTCL Lawn Tennis (Men) Team participated in the 42 nd AIESCB Lawn Tennis Tournament held at Vadodara, Gujarat during Feb-2018 and secured 3 rd Place.
<u>Basket Ball</u>	KPTCL Basket Ball Team participated in the 42 nd AIESCB Basket Ball Tournament held at coimbatore, Tamilnadu during Feb - 2018.
<u>Cricket</u>	KPTCL Cricket Team Participated in the 42 nd AIESCB Cricket tournament held at Kolkata during March-2018.
<u>Shuttle Badminton (Men)</u>	KPTCL Shuttle Badminton (Men) Team participated in the 42 nd AIESCB Shuttle Badminton Tournament held at Kerala during March-2018.
<u>Cricket</u>	KPTCL Cricket Team Participated in the KSCA Group II, 2 nd Divison League tournament held at Bangalore during Feb-2018.
<u>Kabaddi</u>	Sri A. Kiran, A.E, TCD division, KPTCL, Sri. Manjunath.C Poojar, Jr.Asst, TA&QC, KPTCL and Sri Thyagraj, Sr. Asst, I/A, KPTCL Participated in the Selection Camp of State Kabaddi Team during December-2017.

<u>Participation of players as Coach and Scorers in Tournament</u>	
<u>Kabaddi</u>	Sri Mutturaj, JLM, East division BESCOM, participated as Coach of the Karnataka Junior Boys Team in the 28 th Sub Junior Girls and Boys National Kabaddi Championship held at Coimbatore, Tamil Nadu during April-2017.

In view of participation of more number of young players and newly recruited officers/ employees The Sports Section at HRDC is giving lectures with power point presentation with a brief introduction about KPTCL Sports Organization, about Sports Players and Sports activities of KPTCL Sports Organization at Inter National, National, AIESCB and State Level Competitions. And most importantly about Company wise selections, Inter Company Tournaments with the selection Process for representing KPTCL Teams in AIESCB Tournaments. The Sports Section is also conducting Sports Activities and Competitions to the newly recruited officers/employees during their training period at HRD Centre during 2017-2018.



Under the auspices of the KPTCL Sports Organization the Selection process of the company teams of all ESCOMs to participate in the Inter Company Tournament is successfully completed by the Sports Committees' of all ESCOMs, giving opportunities for all employees and officers of KPTCL and ESCOMS to participate in 21 events.

The KPTCL Sports organization recognizes and feels proud of the Players who are participating in the Open State Championships, National championships and International Championships uplifting the name of KPTCL by achieving Medals / Ranks at International.

STATUTORY AUDITORS

C & AG of India have appointed M/s. B. P. Rao & Co., Bangalore as Statutory Auditors for Auditing the Accounts of KPTCL for the Financial Year 2017-18.

COST AUDITORS

Board of Directors have appointed of M/s. S. K. Tikare & Co., as Cost Auditors for Auditing the Cost Accounting Records of KPTCL for the Financial Year 2017-18.

SECRETARIAL AUDITORS

Board have appointed Sri S. Viswanathan, Company Secretary in Practice as Secretarial Auditor for KPTCL for FY 2017-18 under Section 204 of the Companies Act, 2013.

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/-

(SHIVAKUMAR K.V)

**DIN: 08104146
DIRECTOR(TRANSMISSION),KPTCL**

Sd/-

(Dr.S.SELVAKUMAR, IAS)

**DIN: 00962240
MANAGING DIRECTOR, KPTCL**



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, BENGALURU FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statement of **Karnataka Power Transmission Corporation Limited, BENGALURU** for the year ended **31 March 2018** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)1 of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated **16.08.2018**

I, on behalf of the Comptroller and Audit General of India, have conducted a supplementary audit of the financial statements of **Karnataka Power Transmission Corporation Limited, Bengaluru** for the year ended 31 March 2018, under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to 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.

Place: Bengaluru
Dated: 20.09.2018



Form No. MGT-9**EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON
31st MARCH 2018**

[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:-

SL. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	Transmission		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%		2183225	2183225	100%	+8.95%
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-		20753225	20753225	100%		2183225	2183225	100%	+8.95%
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%		2183225	2183225	100%	+8.95%

ii. Share holding of Promoters

Sl. 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.	Hon'ble Governor State of Karnataka	20753218	100		21823218	100%	-	+8.95%
2.	Sri. P. Ravikumar	1	0		1	0	-	
3.	Sri. I.S.N. Prasad	1	0		1	0	-	
4.	Sri. Jawaid Ahktar	1	0		1	0	-	
5.	Sri G. Kumar Naik	1	0		1	0	-	
6.	Sri. P. Rajendra Cholan	0	0		1	0	-	+100%
7.	Dr. Aditi Raja Director (Finance)	1	0		1	0	-	
8.	Sri T.H.M. Kumar	1	0		0	0	-	-100%
9.	Sri H. Nagesh	1	0		1	0	-	-
	Total	20753225	100		21823225	100%		

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

Sl. no	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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):	1070000 No. of Equity Shares of Rs.1000/- each- issued in favour of Hon'ble Governor vide Board Resolution dated: 04-07-2017	--	--	--
	At the End of the year	21823225	100	21823225	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	49646330943	35644329	0	49681975272
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not	25206472	0	0	25206472
Total (i+ii+iii)	49671537415	35644329	0	49707181744
Change in Indebtedness during the financial year				
- Addition	8667600000	3000000000	0	11667600000
- Reduction	6274327606	1422607599	0	7696935205
Net Change	2393272394	1577392401	0	3970664795
Interest Amount				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
I Principal Amount	52039603337	1613036730	0	53652640067
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	43074396	672603	0	43746999
Total (i+ii+iii)	52082677733	1613709333	0	53696387066

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 2017-18	Sri Jawaid Akhtar, Managing Director	Rs.32,34,659.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.32,34,659.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	
	(c) Profits in lieu of salary under section17(3) Income- tax Act,1961	-	
2.	Gross salary FY 2017-18	Dr.Aditi Raja Director (Finance)	Rs.25,61,492.00
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	Rs.25,61,492.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary undersection17(3) Income- tax Act,1961	-	
3.	Gross salary FY 2017-18	Sri. H.Nagesh, Director (Transmission)	Rs. 1957919.00
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	Rs. 1957919.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary undersection17(3) Income- tax Act, 1961	-	
4.	Gross salary FY 2017-18	Sri. Shivakumar KV Director (Transmission)	Rs. 16,93,753.00
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	Rs. 16,93,753.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section17(3) Income- tax Act, 1961	-	
5.	Gross salary FY 2017-18	Sri. Sridhara .R. Director & CS	Rs. 24,78,727.00
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	Rs. 24,78,727.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section17(3) Income- tax Act,1961	-	



Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
6.	Gross salary FY 2017-18 (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	Sri. Ramakrishna.M Director (Admn. & HR) Rs.10,14,589.00 - -	Rs.10,14,589.00
7.	Stock Option	0	-
8.	Sweat Equity	0	-
9.	Commission - as % of profit - others, specify...	0	-
10.	Others, please specify	-	-
11.	Total (A)	Rs. 12941139.00	Rs.12941139.00
	Ceiling as per the Act		

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1.	Independent Directors · Fee for attending board committee meetings · Commission - nil · Others TA and DA		Sitting Fees	TA and DA	Rs.100680/-
		Dr. Rajneesh Goel	Rs.3,000/-	-	
		Sri.P.Ravikumar	Rs.7,000/-	-	
		Sri. I.S.N.Prasad	Rs.7,000/-	-	
		Sri.G.Kumar Naik	Rs.5,000/-	-	
		Sri. L.K.Atheeq	Rs.2,000/-	-	
		Sri. T.H.M.Kumar	Rs.6,000/-	-	
		Sri. A.M. Mahadeva Prasad	Rs.15,000/-	Rs.22,080/-	
		Sri.Srinivas M.N	Rs.15,000/-	Rs.18,600/-	
	Total (1)		Rs.60,000/-	Rs.40,680/-	Rs.100680/-

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
			Sitting fees TA/DA	
2.	Other Non-Executive Directors · Fee for attending board committee meetings	1. Sri S.P.Sakkari	Rs.5000/- -	Rs.5000/-
		2. Sri T.R.Rama krishnaiah	Rs.4000/- -	Rs.4000/-
		3. Sri A.N.Jayaraj	Rs.5000/- -	Rs.5000/-
		4. Sri Anand prasad	Rs.15000/- Rs.1536/-	Rs.16536/-
		5. Sri B.V. Mune Gowda	Rs.15000/- Rs.7560/-	Rs.22560/-
		6. Sri Bhyregowda	Rs.3000/- Rs.3480/-	Rs.6480/-
		7. Sri Deepak Rajaram Hegde	Rs.12000/- Rs.38976/-	Rs.50976/-
		8. Sri K.P. Sapath Kumar	Rs.15000/- Rs.24480/-	Rs.39480/-
		9. Sri Mazhar Alam Khan	Rs.9000/- -	Rs.9000/-
		10. Sri N.Jyothi Prakash	Rs.15000/- Rs.1800/-	Rs.16800/-
		11. Sri Srinivas Raju	Rs.9000/- -	Rs.9000/-
		12. Sri Shivashan kara Somaling- appa Malagali	Rs.9000/- Rs.39168/-	Rs.48168/-
		13. Sri T.N. Ramesh	Rs.15000/- Rs.9600/-	Rs.24600/-
	Total (2)	Rs. 1,31,000/-	Rs. 1,26,600/-	Rs.2,57,600 /-
	Total (B)=(1+2)			Rs.3,58,280/-
	Total Managerial Remuneration			Rs.1,32,99,419/-
	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				

NIL

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					

NIL



**FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATION/COMMENTS
OF THE STATUTORY AUDITORS ON THE ACCOUNTS FOR 2017-18**

Sl. No.	Observations of Statutory Auditors	Management Replies
i)	Note 1.2 (b) with regard to restatement of previous year's figures in accordance with IND AS, the company has not restated with regard to Opening Other Equity, Other Comprehensive Income	Factual. The issue will be examined and action will be taken to comply the observations.
ii)	Note No.1.6 Significant Accounting Policies, Note 2.5(b) and Note 33, the company has not corrected material Prior Period errors retrospectively by restating the comparative amounts presented in which the error occurred or by restating the opening balance of assets, liabilities and other equity for the earliest period in accordance with IND AS 8 'Accounting Policies, Changes in Accounting Estimates and Error' issued under the Companies (Indian Accounting Standards) Rules, 2015.	Factual. The prior period items accounted during the year includes prior period components pertaining to year 2000-01 to 2016-17. Major portion of prior period items constitutes 'Depreciation under-provided in previous years. Management considers value of Net prior period items is not material. As per the Accounting policy, material prior period items will only be restated. Hence, Prior period item are not restated during the year. However, Issue will be examined and action will be taken to comply the observations during 2018-19.
iii)	Note No. 1.9 Significant Accounting Policies and Note No. 31.1, with regard to non-capitalization of the Fiber Optic separately and charging depreciation at rate of 5.28% instead of 6.33% in accordance with the CERC Notification L-1/144/2013/CERC dated 05-11-2015, the consequential effect on PPE and depreciation could not be ascertained.	Instructions have already been issued to accounting Units on 12/12/2017 to identify and reclassify the Fiber optic and to account separately for providing depreciation in accordance with CERC Notification. Accordingly, Rs.33.49 Cr worth of Fiber optic has been identified and accounted separately during 2017-18 and further identification of Fiber optic is under progress.



Sl. No.	Observations of Statutory Auditors	Management Replies
iv)	<p>Note No.1.9 (g) Significant Accounting Policies and Note 2A.1 (b) for the purpose of depreciation, the life of released assets when put to re-use have been considered as if they were new asset at written down value and depreciated accordingly, which is not in compliance with the IND AS 16, 'PROPERTY, PLANT AND EQUIPMENT' issued under the Companies (Indian Accounting Standards) Rules, 2015 wherein depreciation is to be provided over the residual life of the original asset. The consequential effect on PPE and depreciation thereon could not be ascertained.</p>	<p>Due to practical difficulties in identifying the original cost of asset and accumulated depreciation thereon to a specific asset when it is removed from the field and kept at stores, released assets are accounted at written down value and subsequently put to re-use at the written down value. This method is consistently being followed since inception of then KEB.</p>
v)	<p>Note No. 1.10 (d) Significant Accounting Policies, Revenue Recognition of supervision charges, inspection charges, testing charges, earth mat design charges and Mandap keeper charges on cash basis is not in compliance with IND AS 18 'Revenue' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential impact of the same on the financial statements is not ascertainable;</p>	<p>Supervision charges, inspection charges, testing charges, earth mat design charges and Mandap keeper charges will be collected upfront and in majority of the cases service will be rendered before the closure of financial year.</p>
vi)	<p>Note No. 1.15 Significant Accounting Policies with regard to computation of Capitalization rate based on the weighted average method and non-adoption of Effective Interest rate method which is not in compliance/accordance with IND AS 23, 'BORROWING COST' issued under the</p>	<p>KPTCL is capitalizing the interest on borrowings based on weighted average method as per the provisions of Ind AS-23. However, modification if required with respect to existing method of computing interest for capitalization will be examined and action will be taken accordingly.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
	Companies (Indian Accounting Standards) Rules, 2015, the consequential effect on PPE, Capital work in progress and depreciation thereon, could not be ascertained.	
vii)	<p>The Company has not complied with IND AS with regard to Accounting/Presentation/restatement/Adequate Disclosure in the financials for giving effect to the following-</p> <p>a) Identification and Restatement of Other Comprehensive Incomes.</p> <p>b) Accounting at fair value of Land acquired at concessional rate/free of cost- INDAS – 20.</p> <p>c) Recognition of Revenue and PPE in respect of Customer Contribution Works – Appendix – C of INDAS 18.</p> <p>d) Non Consideration of Deferred Tax as per IND AS for 2015-16 having an impact in the Comparable figure of FY 2016-17.</p> <p>e) Non Adoption of Effective Interest Rate Method for Interest Expenses/income.</p> <p>f) Presentation of Financial Assets / Liabilities at Present Value.</p> <p>g) Presentation of Statement of Cash Flows.</p>	a) to h) Factual, Issue will be examined and action will be taken to comply the observations.
viii)	Note No. 1.17 Significant Accounting Policies and Note No. 37.7, the company has not provided any documentation as to technical evaluation to test for any impairment of assets in compliance with INDAS – 36 'IMPAIRMENT OF ASSETS' issued under the Companies (Indian Accounting Standards)	KPTCL is a power transmission utility and all the transmission equipment are required to be in usable condition throughout the year to carry out the activity of transmission of power. Instances of impairment of transmission equipment may not crop up.



Sl. No.	Observations of Statutory Auditors	Management Replies
	Rules, 2015 and the consequential effect if any, on misstatement in respect of carrying cost of PPE and depreciation thereon could not be ascertained.	
ix)	Note No. 2.1 pending reconciliation of classification of Leasehold/Freehold land in the financial statements, the consequential effect on misstatement of the presentation and measurement of free hold, lease hold land and amortization could not be ascertained.	Instructions have been issued to Accounting units as well as Civil section of KPTCL on 20/01/2018 to correctly classify freehold land and leasehold land by obtaining land documents from concerned authorities. Accordingly, majority of the units have collected land documents and rectified the wrong classification. Efforts are being made to trace old land records and wrong classification if any, will be rectified.
x)	Note No. 2.2 (h) and Note 37.18 the non- accounting of land acquired from Government and Other parties either at concessional rate or free of cost at the fair value in accordance with IND AS 20 'Accounting for Government Grants and disclosure of Government assistance ' and Appendix C of IND AS 18 'Revenue' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential effect of misstatement in the financial statement with regard to PPE, amortization, Grants, Consumer Contribution and Other Income is not ascertainable.	GoK, in certain cases, while allotting land to KPTCL, has offered land at concessional rates for construction of sub stations . KPTCL has accounted such land at purchased cost in its books. As GoK is not releasing any grant to KPTCL, it may not be appropriate to account the concessional value, as grant received by GoK which may depict wrong picture in the books of KPTCL. Para 3 of Ind AS-20 stress upon the transfer of resources from Government to entity, hence land allotted in concessional rate can be treated as transfer of resources is to be examined. In the same para, it states that 'Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets.' Since KPTCL has not received any grant,' purchase, construct or otherwise acquire long-term assets' out of the grant received does not arise. Para 23 of Ind AS-20 states 'A

Sl. No.	Observations of Statutory Auditors	Management Replies
		<p>government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances, the fair value of the non-monetary asset is assessed and both grant and asset are accounted for at that fair value.' As GoK has allotted land at concessional rate and KPTCL has paid the same towards cost of land, the transaction cannot be construed as 'transfer of non-monetary asset'.</p> <p>However, the issue will be examined and necessary action will be taken during 2018-19 if required.</p>
xi)	<p>Note 2.4 (c) and 3.6, the Company estimated that an amount of INR 2652.86 lakhs was incurred as expenditure under the Niranthara Jyothi Yojana (NJY) which at present is accounted under PPE and CWIP but is recoverable from the ESCOMs after due ascertainment, as the Company has not provided sufficient information, we are unable to ascertain the correctness or completeness of the same and the consequential impact on Financial Statement.</p>	<p>The issue will be examined and necessary directions will be issued to account the expenditure incurred towards NJY works as receivable from concerned ESCOMs.</p>
xii)	<p>Note No.2.4 (e), No. 3.1, Note 26.4, Note 26.1(i) and Note 37.18 - in respect of on-going and completed Self Execution Works (SEW's), the Company does not have sufficient information with regard to such works , we are unable to ascertain either correctness or completeness of the same including non-capitalization at fair value, amortization of the same over the</p>	<p>Self-execution works are being carried out by consumer himself with the permission of Corporation and hand over the asset to Corporation after commissioning of the Work duly completing the process of taking joint inventory. In certain cases, pending completion of joint inventory, assets created out of self-execution works are yet to be accounted as assets of KPTCL. The same will be accounted as assets of KPTCL after completing</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>useful life instead of the agreement period wherever applicable, absence of adequate method for computation of recovering infrastructure charges, inconsistency in recognizing of one time non-refundable deposit towards land spared and the consequential impact of the same on PPE, Liabilities, Receivables and Revenue is not ascertainable. Further, based on our audit to the extent identified, the Company could not ensure the capitalization of SEW's amounting to INR 35415.67 Lakhs the consequential impact of the same on PPE, Liabilities, Receivables and Revenue is not ascertainable.</p>	<p>the required formalities during 2018-19.</p> <p>With regard to amortization of assets created out of self-execution works, the issue will be examined and action will be taken accordingly.</p> <p>Instructions will be issued regarding computation of recovery of infrastructure charges from IPPs in case of sparing of existing infrastructure of KPTCL to IPPs.</p> <p>One time non-refundable deposits has been accounted as income to the extent of Rs.26.47 Cr during 2017-18.</p>
xiii)	<p>Note No. 2.5 (a) pending reconciliation of Fixed Assets Register, the Company has adopted adhoc values of the components that are released for inter unit transfers, decommissioning and sale of assets as it is unable to identify the carrying value of such components (Gross cost less accumulated depreciation) and the consequential effect of misstatement in the financial statement with regard to PPE, assets held for sale, depreciation and profit/ loss on sale of asset is not ascertainable.</p>	<p>In majority of the cases, values of components of assets are being identified based on fixed asset registers. However, in order to streamline and ease the process of identification of correct values for assets components, assets are segregated and assigned with new asset account codes and instructed the Units vide circular dated 03/02/2018 to reclassify the existing assets accordingly. Units are in the process of reclassification of assets in accordance with the Circular instructions, the same may be completed during 2018-19.</p>
xiv)	<p>Note No's. 2.5 (c), 3.1, 3.2 and 3.3 regarding accounting of capital work in progress, capitalization, ownership, documentation, physical controls, non-provision of incentives and non-ascertaining/non provision</p>	

Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>of quantity variation to/from contractors, capitalization and apportionment of establishment charges, employee costs, administrative charges and other general overheads, borrowing costs, allocation of expenses incurred on Supervisory charges recovered on Self Execution Works, capitalization of present value of the estimated cost of decommissioning during the initial recognition and actual date of capitalization which is not in compliance with IND AS 16 'PROPERTY, PLANT & EQUIPMENT' issued under the Companies (Indian Accounting Standards) Rules, 2015 on Accounting for Capital Work in Progress and PPE, the consequential impact of which, on CWIP, PPE and depreciation is not ascertainable;</p>	<p>general overheads, borrowing costs have already been issued vide circular dated 08/02/2018 and implemented the same during 2017-18. Guidelines on actual date of capitalization has also been issued on 16/01/2018 and accounted the assets accordingly. With regard to allocation of expenses incurred on Supervisory charges recovered on Self Execution Works, the issue will be examined action will be taken if necessary, during 2018-19. Incentive clause in tenders was introduced during 2014-15 and the same has been removed from Tender conditions in respect of all the Tenders issued from April 2017 onwards. Only few contractors have completed the Work within the stipulated time and they are yet to submit the bills. Action will be taken after receipt of incentive bills from contractors.</p>
xv)	<p>Note No. 2.5 (d), regarding investment property, as stated therein, the company has not provided any documentation as to establish the carrying cost of such assets to be insignificant as per IND AS 40, 'INVESTMENT PROPERTY' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential effect if any, on misstatement in respect of carrying cost of PPE, Investment Property and depreciation thereon could not be ascertained.</p>	<p>In majority of the cases KPTCL has occupied and using the premises for its own use. In few cases KPTCL's premises are partly shared with ESCOMs where majority portion of premises are occupied by KPTCL and a very little portion is being occupied by ESCOMs. It is difficult to bifurcate and determine the cost of the premises occupied by ESCOMs.</p>
xvi)	<p>Note No.3.1, Note 18, Note 22, and Note 37.18 in respect of on-going and completed Deposit Contribution Works (DCW's), as the Company</p>	<p>Deposit Contribution Works are being monitored using relevant schedules and 'C' registers. However, suitable instructions will be issued to ascertain current status of work.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>does not have sufficient information with regard to the status of such works , we are unable to ascertain either correctness or completeness of the same including non-capitalization at fair value, amortization of the same over the useful life instead of the agreement period wherever applicable and the consequential impact of the same on PPE, Current/ Non-Current Liabilities, Receivables and Revenue is not ascertainable. Further, the Company does not have a policy to account the Revenue of DCW's in accordance with Appendix C of IND AS 18 'Revenue' and the consequential impact of the same on Revenue and Profit before tax is not ascertainable.</p>	<p>Deposit Contribution Works will be examined with regard to applicability of Appendix C of INDAS 18.</p>
xvii)	<p>Note 3.5 in respect of non-ascertaining of expenditure as capital or revenue, incurred towards work for the renovation and upgradation of the protection system of various 220KV and 400KV Substation undertaken from contribution from PSDF amounting to INR 5948.06 Lakhs, accordingly we are unable to ascertain the consequential impact on CWIP, repairs and maintenance and profit for the year.</p>	<p>As PSDF Work involves numerous materials and the same are yet to be erected in majority of cases, classification of Capital and Revenue is not available at this juncture. Efforts will be made to classify the works as Capital and Revenue during 2018-19.</p>
xviii)	<p>Note No. 3.7 accounting of compensations towards tower, corridor, plantation, crop, tree cut, etc on cash basis is not in compliance with IND AS 1 'Presentation of Financial Statements' issued under the</p>	<p>Compensation are not part of Detailed Work Award (DWA), these compensations are to be determined based on field conditions. There are cases of litigations after determination of compensation before the same is disbursed. Hence, actual compensation after disbursement</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
	Companies (Indian Accounting Standards) Rules, 2015 and the consequential impact of the same on the financial statements is not ascertainable;	to beneficiaries are being accounted.
xix)	Note No.6.5 pending identification of obsolete items in Inventories, no provision has been made in accordance with the Company policy and the consequential effect on Inventories and the Profit before Tax could not be ascertained.	Scrap approval committee has identified scrap materials and approved the same as scrap in two Transmission Zones and taken to account accordingly. Scrap approval committee will identify scrap materials and approved the same in the remaining zones during 2018-19.
xx)	Note No. 7.2 with regard to rebate of INR 6913.23 Lakhs claimed by ESCOM's towards timely payment in accordance with the Transmission Agreement entered into with the ESCOM's read with KERC Tariff Regulations, 2006, pending outcome of the dispute, the consequential effect on Financial Statements is not ascertainable.	<p>Reference is invited to clause 8.7 of the transmission agreement with ESCOMs(standard format approved by the Hon'ble Commission). Extract of relevant clauses is reproduced below:</p> <p>“8.5 Rebate 8.5.1 ESCOMs/Open Access Customer with LC arrangement for payment of transmission charges are entitled for a rebate of 2% on the bill amount if the payment is made within the due date through letter of Credit.</p> <p>8.6 Penalty 8.6.1 ESCOMs/Open Access Customer with LC arrangement are liable to pay 2% per month or part thereof, on the bill amount, as penalty to KPTCL, for payments made beyond the due date.</p> <p>8.7 However, Articles 8.5 and 8.6 are not applicable to ESCOMs/Open Access Customer having Escrow arrangement for payment of transmission charges.”</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
		<p>As per this, the clauses 8.5 (Rebate), 8.6 (Penalty) are not applicable to ESCOMs having ESCROW arrangement for payment of transmission charges. Further as per Government order dated 10th May 2005 , the ESCOMs are bound to open an ESCROW account for payment of transmission charges. Extract of Government Order reproduced below: “(12) Each ESCOM shall open a current ESCROW Account with KPTCL in respect of transmission charges”</p> <p>This decision of opening ESCROW was taken consciously in order to ensure uniformity in payment mechanism by all ESCOMs (including HESCOM & GESCOM which are not cash sufficient companies) and also not to burden the end consumers with Bank LC charges. This matter has been brought to the notice of KERC in APR filing of FY16 and FY 17.</p>
xxi)	<p>Note No's. 16, 18.1, and 23, with regard to the information, assumptions and disclosures considered for Actuarial valuation of Defined Benefit Plans and Long Term employee Benefits are not appropriate in respect of leave encashment rate, non-consideration of plan assets, salary escalation rate and applicable annual leave encashment days for each Cadre of employees, The consequent impact of the same in the financial statements is not ascertainable. Further, the company has accounted for the entire Actuarial gain under Employee Costs without bifurcating to Other Comprehensive Income and no adequate disclosure has been</p>	<p>In case of Earned leave encashment, salary, salary increment rate and applicable annual leave encashment days, opening and closing balance of leave, leave credited, utilized, encashed for each Cadre of employees as per scale register and Service registers maintained at accounting Units have been obtained from each accounting Unit for 2017-18 and provided the same to actuaries for getting the actuarial valuation Report.</p> <p>Salary escalation rate is considered by the actuary based on increment rate of the existing time scale and current DA release rate. Leave encashment rate is considered by the actuary based on actual employee data furnished by Accounting Units. Actuary has considered standard assumptions for bringing out Actuarial valuation Report on Earned leave encashment.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
	disclosed in Financial statement as per IND AS 19 'EMPLOYEE BENEFITS' issued under the Companies (Indian Accounting Standards) Rules, 2015 for Defined Benefit Plans and Long Term employee Benefits which is not ascertainable.	Provision has been made towards leave encashment as per the Actuarial valuation Report.
xxii)	Note No. 18.5 Adjustment pending notification by GoK, INR 4238.43 Lakhs shown in 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 31.03.2018 the reconciliation of the above accounts is under progress, pending which the effect on the net worth could not be ascertained.	Action will be initiated to reconcile the amount with ESCOMs.
xxiii)	Note No. 20 - 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 INR 4207.38 Lakhs (excluding interest of INR 66853.20 Lakhs payable to KPCL) stated to be the balance amount payable relating to purchase of power made up to 09.06.2005.	<p>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.</p> <p>Liability in respect of Tamil Nadu Electricity Board amounting to Rs.26.34 Cr has been discharged during 2018-19.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
xxiv)	<p>Note No. 20.1 with regard to balance liability of INR 668.53 Crores pertaining to KPCL towards interest accounted for outstanding purchase of power is not appropriate, as it is not in accordance with the GOK statutory order G.O No.EN 131 PSR 2003 dated 10-05-2005 and KERC tariff Order dated 25.11.2009 wherein it was clearly held that as the power trading business of the Company has been transferred to the ESCOM's, all liabilities towards power purchase has to be met by ESCOM's. Accordingly, in our opinion, this has resulted in the understatement of opening Reserves and overstatement of opening Trade Payables by INR 668.53 Crores.</p>	<p>Efforts will be made to transfer the existing liability to ESCOMs</p>
xxv)	<p>Note No. 22, 26.1 (ii) and Note 26.3 with regard to inadequate policy on penalty towards Short Closed Works and inadequate information in respect of condonation applications received from the contractors, as the Company has not provided sufficient information, we are unable to ascertain the correctness or completeness of INR 8149.17 lakhs under Other Payables and INR 5172 Lakhs under Other Income, the consequential impact on Financial Statement is not ascertainable.</p>	<p>A policy will be formulated for treatment of penalty recovered from short closed works during 2018-19. Instructions have already been issued to record and monitor delay condonation applications vide circular dated 15/12/2017. However, a separate register will be maintained to register and monitor delay condonation applications.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
xxvi)	Note No. 22.3, the Company continues to collect Augmentation charges from the Consumers inspite of having no authority to do so w.e.f. 30-11-2012 as per KERC Order No. N/64/11 dated 30-11-2012 and the quantum of such unauthorized amount collected as on the reporting date is INR 1330 Lakhs and the consequential impact on the Financials	Instructions have already been issued to stop the collection of Augmentation charges and to refund the same to the concerned vide circular dated 17/01/2018.
xxvii)	Note No. 22.5 'Other Current Liabilities' regarding net credit/debit balances of INR 1572.26 Lakhs under Inter Unit Account – Materials and INR 2357.20 Lakhs under Inter Unit Account – Released assets & Note No. 12.1 'Other Current Assets' regarding debit balances of INR 101.78 Lakhs under Inter Unit Account – Personnel & of INR 19.42 Lakhs which represents un reconciled / un responded entries in Inter Unit Accounts and which also includes several old transactions. The consequential effect of the same on the financial Statements is not ascertainable in the absence of information.	Old items under IUA transactions are being reconciled. 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.
xxviii)	Note No. 22.6 with regard to outcome of pending reconciliation of the balance shown in State Load Dispatch Centre (SLDC) towards Unscheduled Interface (UI) credit balance of INR 424.29 Lakhs and the balance in bank showing a debit balance of UI charges of INR 230.92 Lakhs, we are unable to ascertain the consequential impact on the financial statements, if any.	Reconciliation of Unscheduled Interface (UI) credit balance with the balance in bank is nearing completion. Necessary accounting treatment will be given after the completion of reconciliation.



Sl. No.	Observations of Statutory Auditors	Management Replies
xxix)	<p>Note No. 26 Other Income (16) and Note 26.2 - Miscellaneous Recoveries include INR 1950.62 Lakhs in respect of O & M Charges from IPP to the extent identified, as the Company has not provided sufficient information with regard to the number of IPP's for which O & M charges are to be recovered, we are unable to ascertain either the correctness or completeness of the same and the consequential impact of the same on the financial statements is not ascertainable;</p>	<p>Income in respect of O&M charges from IPPs for FY2016-17 and 2017-18 are revised and accounted in accordance with KERC interim Order dated 24/04/2018. O&M charges demand in respect IPPs left out if any, will be accounted during 2018-19.</p>
xxx)	<p>Note No. 26.1 (iv) With regard to non-reconciliation of income as per financials with FORM 26AS where in, the income pertaining to TDS receivable of INR 196 Lakhs has not been reconciled and accounted as income, consequential impact of the same on Revenue, Advance from customers and Trade Receivables is not ascertainable.</p>	<p>In order to reconcile accounts figures with 26AS, a new Annexure to March final accounts has been designed and obtained TDS details. All-out efforts has been made to reconcile accounts figures with 26AS, as deductee's TAN number is not appearing in 26AS statement and transactions are very large in number, reconciliation of the same seems very difficult. However, difference of accounts figures and 26AS has been accounted as income during 2017-18.</p>
xxxi)	<p>Note 29 Administrative & Other Expenses includes INR 560.30 Lakhs under Miscellaneous Expenses spent on conducting examination for recruitment of employees which needs to be apportioned to respective ESCOM's and consequential impact on expenses, Profit Before Tax, Other Equity and Recoverable.</p>	<p>Expenses in respect of conducting examination for recruitment of employees will be apportioned to respective ESCOM's during 2018-19.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
xxxii)	Note No. 37.10 (ii) With regard to non-accounting of INR 2331 Lakhs for Incentive Receivable for the financial year 2017 -18 for the efficiency of Transmission System Availability and Transmission Loss Reduction, pending approval from KERC is not in accordance with the IND AS 18 "Revenue" issued under the Companies (Indian Accounting Standards) Rules, 2015 and the impact of the same on the financial statements is not ascertainable;	Incentive is an income to the Organisation . It is an internal Resource generated out of the efficiency factor. In tariff order 2018, the KERC for the first time , has suggested what needs to be done with the incentive and the management has taken note of it. As regards accrued incentive for 2017-18 the commission is yet to consider it based on the Audited Accounts. Hence at present, it may not be possible to envisage what KERC would suggest regarding utilisation of the "to be allowed incentive" for 2017-18. Hence, the same is shown as contingent asset in 'Note-37- Other Notes to Accounts'.
xxxiii)	Note No. 37.12 (b), on the accounts regarding receivables from ESCOM's aggregating to INR 17040.04 Lakhs (Note No.10) and Payables to ESCOM's aggregating to INR 18307.58 Lakhs (Note No.22). These balances are subject to confirmation and pending reconciliation, the consequential impact on the financial Statements is not ascertainable.	Reconciliation of receivables and payables accounts with ESCOMs are being pursued at Accounting Unit level as well as at Corporate Office. Necessary action will be taken to speed up the reconciliation process.
xxxiv)	With regard to non-charging of Late Payment Surcharge @ 1.25% for ESCOM's for delayed payments beyond the stipulated period which is not in accordance with the Transmission Agreement entered into with the ESCOM's read with KERC Tariff Regulations, 2006, we are unable to ascertain the amount, as necessary information with regard to payments received beyond the stipulated period was not made available and the consequential effect on the financial statements, if any.	Refer reply to Sl No. (xx) above..



Reply to Statutory Auditors' Report on IFC

Sl. No.	Observations of Statutory Auditors	Management Replies
i)	<p>Property Plant and Equipment (PPE):</p> <p>The Company does not have effective procedure and internal financial control in respect of:</p> <p>a) Updating the Fixed Asset Registers with relevant information for each individual asset on timely basis.</p> <p>b) Identification of the assets which are impaired as on the reporting date.</p> <p>c) Physical verification of fixed assets other than movable assets as there is no regular programme.</p> <p>d) Reconciliation of Physical verification report of movable assets with the Fixed Asset Register.</p> <p>e) To estimate the decommissioning charges to recognize as part of cost of PPE during capitalization.</p> <p>The above deficiencies may lead to material misstatement of PPE and consequential impact on the Depreciation and Maintenance cost in the financial statements of the company.</p>	<p>a) Refer reply to Sl No. (xiii) of Audit Report.</p> <p>b) As the Company is carrying out the transmission of power, it is maintaining its assets in good condition on all 365 days of a year. As such, there may not be any impairment of assets on the reporting date.</p> <p>c&d) It is not practically possible for the Company to conduct periodic physical verification as the assets like lines, run through forest area, hilly region and are spread over the entire State. However, the assets are considered as physically available as long as the transmission and related functions are continued to be discharged.</p> <p>e) It is practically not possible to estimate the decommissioning cost of the assets at the time of capitalisation, considering the uncertainty in life period of equipment used in creation of transmission assets.</p>
ii)	<p>The Company's internal control system with regard to identification of nature of land is not operating effectively, which leads to material misstatement on classification of Leasehold / Freehold land and its amortization in the financial statements.</p>	<p>Refer reply to Sl No. (ix) of Audit Report.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
iii)	<p>The Company does not have adequate policy and procedure to account; the land acquired at concessional rate/ free of cost in accordance with IND AS 20 'Accounting for Government Grants and disclosure of Government assistance' issued under the Companies (Indian Accounting Standards) Rules, 2015 which may lead to misstatement in the financial statement with regard to PPE, amortization, Grants, and Other Income.</p>	<p>Refer reply to Sl No. (x) of Audit Report.</p>
iv)	<p>The Company's adequate procedure and internal control system were not operating effectively to ensure :</p> <p>a. The completeness with regard to the costs of asset as on the date of commissioning of PPE.</p> <p>b. The Maintenance of the adequate cost register (C Register) as intended to be maintained as per Company's policy.</p> <p>This could potentially result in material misstatement in respect of understatement/overstatement of PPE capitalized, depreciation thereon and liability towards contractors as on the reporting date in the financial statements.</p>	<p>a. KPTCL is capitalizing the cost of equipment and other expenses relating construction of an asset as accounted in Cost registers as on the date of commissioning of the asset. Bills received subsequently and expenditure booked will also be capitalized to the same asset and depreciation charged retrospectively from date of commissioning of the asset. However, effort will be made to identify the balance expenditure to be booked in respect of works completed as on reporting date with reference to DWA and to make provision accordingly.</p> <p>b. In majority of the cases, 'C' registers are being maintained as per Company's policy. In a few cases the same was not updated during the visit of Auditors, which was subsequently updated.</p>
v)	<p>The Company does not have adequate procedure and internal financial control to ensure computation of Capitalization rate based on the weighted average</p>	<p>Refer reply to Sl No. (vi) of Audit Report.</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
	method in accordance with IND AS 23 'BORROWING COST' issued under the Companies (Indian Accounting Standards) Rules, 2015. This could potentially result in material misstatement of capital work-in progress, PPE, depreciation and finance cost in the financial statements.	
vi)	The Company's procedure and internal control over financial reporting with regard to allocation and apportionment of Establishment expenses and Borrowing cost over the PPE were operating inconsistently over various divisions, which could potentially result in material misstatement of capital work-in progress, PPE and depreciation in the financial statements.	Refer reply to Sl No. (xiv) of Audit Report.
vii)	The Company does not have adequate policy and procedure to issue a commissioning certificate on timely manner. This could potentially result in material misstatement in early/delayed capitalization of PPE, allocation of Expenditure during Construction (EDC) including Borrowing cost and depreciation in the financial statements.	Refer reply to Sl No. (xiv) of Audit Report.
viii)	Due to lack of effective procedure and internal financial control to ensure providing appropriate depreciation for the released assets and appropriate valuation of assets transferred to other division, which could potentially result in material misstatement in carrying cost of	Refer reply to Sl No. (xiii) of Audit Report.

Sl. No.	Observations of Statutory Auditors	Management Replies
	PPE and depreciation in the financial statements of the company.	
ix)	The Company does not have adequate policy to technically evaluate the employee cost attributable to supervision charges in respect of Major Works Division. This could potentially result in material misstatement in respect of Employee cost allocated to PPE, depreciation thereon and overstatement of employee cost in the financial statements.	Refer reply to SI No. (xiv) of Audit Report.
x)	The Company does not have adequate procedure to assess the cost incurred towards expenditure on survey/Feasibility study of Projects on regular basis. This could potentially result in material misstatement in carrying cost of PPE and depreciation thereon in the financial statements.	<p>In the 73rd Technical Co-ordination Committee Meeting held on 20/03/2017, It came to the knowledge of the committee that many projects which were cleared in TAC/TCC meeting prior to March 2012 are yet to take off and estimates are not submitted for preparation due to land disputes, constrains etc cropped up later. The committee is of the view that proposals prior to March 2012 requires fresh look and are to be studied with reference to the present scenario before proceeding further. The Committee took a decision that Works approved in TAC/TCCM prior to March 2012 are to be resubmitted.</p> <p>In the light of above decision, it was instructed vide circular dated 20/12/2017 that expenditure booked towards survey and feasibility studies prior to March 2012 and accounted under Account code '17.301' and Works not yet taken up till date shall be charged off to Revenue as infructuous capital expenditure(Account code 79.532) during 2017-18. Accordingly, expenditure incurred towards survey and feasibility studies prior to March</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
		2012 amounting to Rs.79.42 lakh has been charged off as infructuous capital expenditure. Further, wherever the works are taken up during 2017-18, expenditure incurred towards survey and feasibility studies are transferred to CWIP.
xi)	The Company does not have adequate policy and procedure to identify the let-out office buildings/staff quarters as an "Investment Property". This could potentially result in material misstatement in respect of presentation of PPE and Investment Property in the financial statements.	Refer reply to Sl No. (xv) of Audit Report.
xii)	<p>Self-Execution Works (SEW's) or Deposit Contribution Works (DCW's):</p> <p>The Company does not have adequate procedure and internal financial control to ensure that the register is being maintained for each of the Self-Execution works (SEW's) and Deposit Contribution Works (DCW's) with the relevant information. This could potentially result in material misstatement in timely capitalization of PPE, depreciation, Customer Contribution, Expenses and Revenue recognition.</p>	<p>Instructions have already been issued to accounting units to maintain a Self-execution Works register to monitor the progress, completion, commission and handing over assets created out of Self-execution works vide circular dated . An annexure to March Final Accounts has also been designed and obtained relevant details from the Accounting Units in this regard.</p> <p>Deposit Contribution Works are being monitored using relevant schedules and 'C' registers. However, suitable instructions will be issued to ascertain current status of work.</p>
xiii)	The Company does not have adequate procedures and internal controls to ensure the signing of connection agreement at time of interconnection as required by Karnataka Electricity Grid Code, 2015 and Issue of appropriate interconnection approval to applicant connecting to the Grid,	As per Electricity Grid code 2015, KPTCL has prepared draft connection agreement. After obtaining Corporate approval, the same will be submitted to KERC before 10th September 2018 for approval.

Sl. No.	Observations of Statutory Auditors	Management Replies
	which may result in material misstatement in timely capitalization of Self Execution works / Deposit Contribution Works as PPE, amortization, consumer Contribution, revenue recognition and collection of Operation and maintenance charges in the financial statement.	
xiv)	The Company does not have adequate procedures and internal controls with regards to accounting of Supervision charges on “percentage of completion method”. This could potentially result in material misstatement in early recognition of revenue in the financial statements.	Self- execution works are being carried out by the consumer himself and KPTCL collects Supervision charges in order to supervise the works at regular intervals. In majority of the cases supervision has been made during the same year in which supervision charges are collected. In a few cases where Supervision charges collected during the end of financial year ie., during January, February and March, Supervision may be made during subsequent year, which may not have material impact on Accounts.
xv)	The Company does not have adequate policy and procedure for timely demand, collection, liquidated damages on delayed payment and internal financial controls to verify the accuracy and completeness of Operation & Maintenance charges recovered from the IPP's. This could potentially result in the material misstatement of profit in the financial statements.	Suitable instructions will be issued in this regard after obtaining necessary directions from KERC.
xvi)	The Company does not have adequate policies and procedure for appropriate and timely accounting of customer's contribution towards Self Execution Works /Deposit contribution works / One time non-refundable charges for sparing of Land and other Infrastructure,	The issue will be examined with regard to applicability of Appendix C of INDAS 18 and action will be taken accordingly.



Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>valuation of commissioned Self Execution Works /Deposit contribution works in accordance with Appendix – C of IND AS - 18 – Revenue. This may result in of misstatement of PPE, depreciation thereon, Revenue recognition and receivables from/ payables to customers in the financial statements.</p>	
<p>xvii)</p>	<p>The Company does not have adequate policies and procedure for appropriate computation and recovery of cost of infrastructures spared to applicants of Self Execution Works, which may leads to material misstatement in PPE and Depreciation thereon, Operation maintenance Charges, Supervision Charges in the financial statements.</p>	<p>As per directions of Hon'ble KERC, KPTCL has submitted discussion paper on collection of O&M charges by KPTCL from IPPs to KERC. KERC has published discussion paper for public hearing. The comments are invited from all stakeholder to furnished to KERC on or before 12/09/2018.</p>
<p>xviii)</p>	<p>Processing of Work Bills:</p> <p>The Company's internal control systems with regard to processing of contractor's bills were not operating effectively with regard to the following:</p> <p>a) 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 Running Account (RA) Bills have been prepared/ received.</p> <p>b) Provisions for Capital / Renovation and Modernization /Repairs and maintenance works completed (including Quantity variation bills) as on the reporting</p>	<p>a) Field staff will be insisted to record all the measurement in the Measurement Book on site as and when the work progresses.</p> <p>b) In majority of the cases provisions in respect of works completed as on the reporting date are being made. Instructions has been issued to accounting units in this regard.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
	<p>date are not made adequately by the company.</p> <p>c) Price variation bills/Quantity variation bills were not processed on a timely basis.</p> <p>d) Running Account (RA) Bills for works are not being verified before processing for payment by the Internal Auditors.</p> <p>This could potentially result in material misstatement in the company's liabilities and provisions, capital work-in progress, fixed assets, allocation of EDC including Borrowing cost, depreciation and Cost of asset maintenance.</p>	<p>c) Price variation and quantity variation claims are being processed at Units and sent for approval of higher authorities. These bills are to be approved at various levels before passing for payment which is consuming much time.</p> <p>d) 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>
<p>xix)</p>	<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. Further important areas with regard to Capitalization of asset, income and expenses recognition which at present is not covered, Training of internal audit staff should be planned as a continuous process to equip them with adequate skills and latest techniques.</p>	<p>The internal audit is being carried out under the supervision of Financial Advisor (Internal Audit) as per the Audit Manual and circulars issued by the corporation from time to time. The audit is being carried out in two stages, i.e., pre audit and post audit besides verifying Cash transactions, Accounts and Store transactions, Procurement proposals, SLDC transactions and Transmission Billing Activities etc. Presently the Internal Audit wing is managed with skeleton staff at Zonal level.</p> <p>In view of the above the strengthening of Internal Audit wing has been envisaged and detailed proposal has been sent to Administrative Authority duly considering the scope and coverage of transactions of accounting units, and their jurisdictions vide Note No . K C O - 4 6 / 4 3 9 8 2 / 12-13/240 dated 19.10.2012. Further one more Note has been sent duly highlighting the need for strengthening of Internal Audit wing to the Financial</p>



Sl. No.	Observations of Statutory Auditors	Management Replies
		<p>Advisor (A&R) vide Note No. KCO-46/31582/2015-16/141 dated: 04.02.2016 and chairman of the Internal Man Power Committee to include the same in the report.</p> <p>The Internal Committee on ASCI's report on Work Load & Man Power Study for KPTCL has also been recommended for Strengthening of Internal Audit on Top priority duly considering the scope, extent and coverage as per the observations made by AG's & Statutory Auditors.</p> <p>With regard to auditing of Running Accounts (RA) bills, RA bills are being audited at the time of voucher audit (post audit basis) & final bills are being audited on pre audit basis as per the Corporate Office Circular No. KPTCL/B8/2344/ 09-10(6) Dated: 24.03.2010.</p> <p>With regard to capitalization of asset, income and expenses recognition, the Zonal Deputy Controllers and Assistant Accounts officers are regularly verifying the capitalization of assets, income and expenses during the course of inspection and audit. However, instructions to focus on capitalization of assets and recognition of income and expenses will be given.</p>
xx)	<p>The Company does not have adequate policies, procedures and internal controls to collect/pay, in respect of late payment surcharge/ rebate in accordance with the transmission agreement entered into with the ESCOM's read with KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006. This could potentially result in material misstatement of Revenue,</p>	<p>Refer reply to Sl No. (xx) and (xxxiv) of Audit Report.</p>

Sl. No.	Observations of Statutory Auditors	Management Replies
	Expenses, Assets and Liabilities in the financial statements.	
xxi)	The Company does not have appropriate internal controls to ensure the completeness of timely accounting of statutory dues payables; this could potentially result in delayed payment of statutory dues along with applicable interest and other charges.	The statutory dues are being accounted and paid to concerned department within the stipulated dates. In a few cases, delay is noticed, the same will be avoided.
xxii)	The Company does not have adequate controls to identify/demand/collect on timely basis and also to account on accrual basis for revenues like O & M charges, Transmission Charges, Supervision charges, Incentives, penalty recovery etc., This could potentially result in material misstatement of Revenue, Expenses, Assets and Liabilities in the financial statements.	O&M charges and Transmission charges are being accounted on accrual basis. Whereas Supervision charges, Incentives, penalty recovery are being accounted on cash basis as per the accounting policy of KPTCL
xxiii)	The Company does not have adequate policies and procedures to be fully compliant with the INDAS with respect to the measurement, presentation and disclosures in the financial statements.	Adequate policies and procedures has been formulated to comply with provisions of INDAS. The same will be implemented in future.
xxiv)	Others: The Company does not have appropriate internal controls for reconciliations and confirmations of Earnest Money Deposit (EMD) and other deposits from the contractors, which could potentially result in material misstatement of current liabilities in the financial statements.	Constructing and maintaining infrastructure by KPTCL is a continuous process, which requires KPTCL to take up large number of works year after year. As KPTCL is carrying out these works through contractors/firms, KPTCL is collecting EMD and other deposits from contractors/firms and maintaining work-wise, contractor/firm-wise schedules for monitoring collection and refund of deposits. As there are enormous number of items in



Sl. No.	Observations of Statutory Auditors	Management Replies
		schedules, it is practically not feasible to obtain confirmation from each contractor/firm.
xxv)	The Company does not have adequate policies and procedures to identify contractors under Micro, Small and Medium Enterprises Development Act, 2006 to disclose the information in the financial statements. This could potentially result in material misstatement of adequate disclosure in the financial statements.	Separate Annexure has been prescribed in March Final Accounts for obtaining data from the accounting Units in respect Micro, Small and Medium Enterprises firms. As per the details obtained from Accounting Units, no transaction has been made with Micro, Small and Medium Enterprises firms during 2017-18.
xxvi)	The Company does not have adequate policies and procedures to identify the Current/Non-Current Assets/Liabilities. This could potentially result in material misstatement with respect to presentation of assets and liabilities in the financial statements.	Data in respect of Current/Non-current Assets/Liabilities have been obtained from each accounting unit of KPTCL and incorporated the same in Annual Accounts for 2017-18. However, modification if required with respect to existing method of identifying Current/Non-current Assets/Liabilities will be examined and action will be taken accordingly.
xxvii)	The Company does not have adequate procedures and internal controls over identification and reporting of prior period items. This could potentially result in material misstatement in reporting of the current year profit or loss and State of affairs in the financial statements of the company.	Annexure has been prescribed to March Final Accounts and obtained data in respect of prior period items booked during the year. Prior period items are not restated as there is no material impact on accounts.
xxviii)	The Company does not have adequate procedures to adopt the New Regulation/ Notification/ Orders/ amendment from CERC/ KERC on a timely basis, which could potentially result in material misstatement in Revenue recognition and Current assets in the financial statements.	New Regulation/ Notification/ Orders/ amendment issued from CERC/ KERC are being adopted by KPTCL.

Sl. No.	Observations of Statutory Auditors	Management Replies
xxix)	The Company does not have adequate procedures and internal controls in respect of delay condonation applications received from the contractors by maintaining a suitable register. This could potentially result in material misstatement in revenue recognition of penalty recovered as per company policy in the financial statements.	Refer reply to Sl No. (xxv) of Audit Report.
xxx)	The Company does not have adequate procedures and internal controls in respect of computation of probable liability with regard to employee benefits in accordance with the IND AS 19 'Employee Benefits' issued under the Companies (Indian Accounting Standards) Rules, 2015.	Employee-wise details are being obtained from each accounting unit in the form of Annexure to March final accounts and the same is being submitted to Actuary for determining probable liability towards employee benefits.
xxxii)	The Company does not have adequate procedures and internal controls in respect of accounting and reconciliation of TDS deducted by others with Form 26 AS, which could result in material misstatement in computation of advance tax payment as well as on Revenue, Advance from customers and Trade Receivables.	Refer reply to Sl No. (xxx) of Audit Report.
xxxii)	Lack of effective procedures and internal controls in respect of consistency over inventory valuation may lead to material misstatement in the valuation of inventory as on the reporting date.	Inventory is being valued at purchase price at the time of procurement. Issue of inventory is being done on weighted average rate basis. Numerical ledger at Stores and Pricing ledger at Accounting units are being maintained to monitor receipts and issues of materials. In case of Turnkey works instructions have already been issued to maintain separate numerical ledger and pricing ledger for monitoring



Sl. No.	Observations of Statutory Auditors	Management Replies
		receipt and issue of Turnkey works, the same will be ensured during 2018-19.
xxxiii)	The Company does not have adequate procedures and internal controls in respect of capitalization of capital spares at the time of procurement. This potentially could lead to overstatement of Inventory and understatement of capital work in progress.	KPTCL procures material for maintenance of stations and transmission lines as well as minor capital works. At the time of procurement of materials it is not possible to segregate as to utilization of such materials to R&M works/capital works. Same type of materials can be used to R&M works as well as to capital works. When Compared to huge amount of capital expenditure being incurred by KPTCL every year non-capitalization of capital spares at the time of procurement may not have material impact on accounts.
xxxiv)	The Company does not have adequate procedures and internal controls to reconcile the balance as on the reporting date with the respective customers / contractors / suppliers. This could potentially lead to overstatement / understatement of Assets and liabilities in the financial statements.	Firm-wise and Work-wise schedules are being maintained by each accounting unit for monitoring all the receivables and payable accounts. Amount recovered/ received/ to be received and payable/paid are being recorded in the said schedules. Due to enormous number of items in such schedules, it is practically not feasible to reconcile the balances with each contractor/firm/suppliers.
xxxv)	Lack of effective procedures and internal controls in respect of consistency over the basis for demand and collection of sharing of renovation and maintenance expenses incurred by the company with the ESCOM's with regard to residential quarters may lead to material misstatement in the maintenance cost for the year.	Renovation and maintenance expenses incurred by KPTCL with regard to residential quarters occupied by ESCOM's has to be shared in accordance with arm's length arrangement approved vide Order dated 29/05/2003. Efforts will be made to rectify the Inconsistency, if any, in implementation of the above Order during 2018-19.
xxxvi)	Company's does not have an adequate internal control system to compute the provisioning or disclosure of contingent liability /	Information has been obtained from the Units along with Accounts in the form of Annexure, in order to disclose contingent liabilities in Notes to

Sl. No.	Observations of Statutory Auditors	Management Replies
	asset as on the reporting date in the financial statement.	Accounts. Further, details of court cases has also been obtained from legal section. Both the information are consolidated to arrive at contingent liability and the same is disclosed in the Accounts. Existence of contingent asset in the Units are remote. However, action will be taken to obtain details of contingent assets from Units during 2018-19 and onwards.
xxx-vii)	<p>Computerization:</p> <p>An effective procedure and internal financial control may be evolved to computerize the accounting system to ensure the accuracy and timely financial reporting and consistency over accounting and computing in respect of reports to the Head Office. The absence of computerization may potentially result in material misstatement in the financial statement of the company.</p>	<p>Management is planning for integrated system in computerization of Accounts. Many Software companies are approaching KPTCL in this regard. However, a proposal will be initiated for computerizing the accounting system.</p> <p>However, 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.,



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.	Name Sriyuths	Particulars
1.	Additional Chief Secretary to Govt., GoK, Energy Department	Chairman
2.	Additional Chief Secretary to Govt., GoK, Finance Department	Member
3.	Managing Director, KPTCL	Member
	Authorised Signatory, KPTCL	Convener

3. Average net profit of the company for last three financial years (FY 2014-15 to 2016-17):

Financial Year	Net Profit before Tax (Rs.)
2014-15	Rs. 1,01,02,93,474
2015-16	Rs. 2,29,53,23,390
2016-17	Rs. 19,15,08,07,018
Total	Rs. 22,45,64,23,882
Average Net Profit	Rs. 7,48,54,74,627
2% of Average Net Profit	Rs. 14,97,09,493
Amount unspent during the previous FY	Rs. 48,781
CSR amount to be spent during this FY before the end of March 2018	Rs. 14,97,58,274
(Rs. Fourteen Crores Ninety Seven Lakhs Fifty Eight Thousand Two Hundred and Seventy Four only)	

Average net profit of the company for last three financial years(FY 2014-15 to 2016-17):Rs. 7,48,54,74,627 /- (considering Net Profit before Tax)

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):Rs.14,97,58,274/-

5. Details of CSR spent during the financial year 2017-18.

(a) Total amount spent for the financial year: Rs.1540 Lakhs

Board of Directors at its 110th Meeting held on 20-06-2018 resolved to take back the unspent money in cases where (1) Tenders have not called (2) tenders have been made and works have not been awarded (3) Lol has been issued and work award has not been issued. However, the said amount is yet to be received back from respective Dy. Commissioners. (Except, DC, Mandya who has returned, SI No.12)

(b) Amount unspent, if any: NIL

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

d) Give details of implementing Agency.

(1) Sl. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects/programs Sub heads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent Direct or through implementing Agency
1	Construction of Dr. B.R. Ambedkar Bhavana	Rural Development Project	Kanakapura Town in Ramanagara District	Rs.200 Lakhs	Construction of Dr. B.R. Ambedkar Bhavana	Rs.200 Lakhs	Through GoK
2	Playground Development Works	Rural Development Project	Kodihalli, Kanakapura Taluk, Ramanagara District	Rs.200 Lakhs	Playground Development Works	Rs.400 Lakhs	Through GoK
3	Construction of Samudhaya Bhavana	Rural Development Project	Kolagondanahalli, Kanakapura Taluk, Ramanagara District	Rs.200 Lakhs	Construction of Samudhaya Bhavana	Rs.600 Lakhs	Through GoK
4	Construction of General Maternity Hospital	Health Care	Kanakapura Town, Ramanagara District	Rs.300 Lakhs	Construction of General Maternity Hospital	Rs.900 Lakhs	Through GoK
5	Construction of Pipeline Park	Others	Ramanagara Town, Kanakapura Taluk, Ramanagara District	Rs.100 Lakhs	Construction of Pipeline Park	Rs.1000 Lakhs	Through GoK
6	Playground Development works	Others	Pete maidana, Channapattana Town	Rs.100 Lakhs	Playground Development works	Rs.1100 Lakhs	Through GoK
7	Construction of School Room, Anganavadi and Samudhaya Bhavana under Sansad Adarsha Grama	Education	Yalachavaadi, Ramanagara Vidhana Sabha jurisdiction	Rs.100 Lakhs	Construction of School Room, Anganavadi and Samudhaya Bhavana under Sansad Adarsha Grama	Rs.1200 Lakhs	Through GoK
8	Construction of Public Toilet	Sanitation	Harohalli Village, Kanakapura Taluk, Ramanagara District	Rs.20 Lakhs	Construction of Public Toilet	Rs.1220 Lakhs	Through GoK
9	Construction of Sri krishna Devaraj Urs Samudhaya Bhavana	Rural Development Project	Kodamballi Village, Channapattana Taluk, Ramanagara District	Rs.50 Lakhs	Construction of Sri krishna Devaraj Urs Samudhaya Bhavana	Rs.1270 Lakhs	Through GoK
10	Construction of Public Toilet	Sanitation	Magadi City, Ramanagara District	Rs.20 Lakhs	Construction of Public Toilet	Rs.1290 Lakhs	Through GoK

• Give details of implementing Agency.

(1) Sl. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other district where projects or programs was undertaken (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects/programs Sub heads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent Direct or through implementing Agency
11	Construction of Samudhaya Bhavana	Rural Development Project	Madigondanahalli Village, Madigondanahalli Grama Panchayat, Magadi Taluk, Ramanagara District	Rs.20 Lakhs	Construction of Samudhaya Bhavana	Rs.1310 Lakhs	Through GoK
12	Construction of Samudhaya Bhavana by Vokkaligara Sangha	Rural Development Project	Malavalli Taluk, Mandya District	Rs.25 Lakhs	Construction of Samudhaya Bhavana by Vokkaligara Sangha	Rs.1335 Lakhs	Through GoK
13	Construction of Maruthi Samudhaya Bhavana	Rural Development Project	Kodagihalli Grama Panchayat, Sondekoppa Village, amrathur Hobli, Kunigal Taluk, Tumakuru District	Rs.20 Lakhs	Construction of Maruthi Samudhaya Bhavana	Rs.1355 Lakhs	Through GoK
14	Construction of Samudhaya Bhavana	Rural Development Project	Hosahalli Village, Huttaridurga Hobli, Kunigal Taluk, Tumakuru District	Rs.20 Lakhs	Construction of Samudhaya Bhavana	Rs.1375 Lakhs	Through GoK
15	Construction of Samudhaya Bhavana	Rural Development Project	Alkere hosahalli Village, Huttaridurga Hobli, Kunigal Taluk, Tumakuru District	Rs.20 Lakhs	Construction of Samudhaya Bhavana	Rs.1395 Lakhs	Through GoK
16	Construction of Lakshmidevi Samudhaya Bhavana	Rural Development Project	Kodagihalli Village, Amrathur Hobli, Kunigal Taluk, Tumakuru district	Rs.20 Lakhs	Construction of Lakshmidevi Samudhaya Bhavana	Rs.1415 Lakhs	Through GoK
17	Construction of Samudhaya Bhavana	Rural Development Project	Sobaganahalli Village, Sobaganahalli, koththagere Hobli, Kunigal Tq, Tumakuru District	Rs.20 Lakhs	Construction of Samudhaya Bhavana	Rs.1435 Lakhs	Through GoK



- Give details of implementing Agency.

(1) Sl. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects/programs Sub heads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent Direct or through implementing Agency
18	Construction of Samudhaya Bhavana	Rural Development Project	Hanumaapura Village, markonahalli Grama Panchayat, Amrathur Hobli, Kunigal Tq, Tumakuru District	Rs.20 Lakhs	Construction of Samudhaya Bhavana	Rs.1455 Lakhs	Through GoK
19	Construction of Public Toilets	Sanitation	Kunigal City, Tumakuru District	Rs.20 Lakhs	Construction of Public Toilets	Rs.1475 Lakhs	Through GoK
20	Swamy Vivekananda Youth Movement	Education	H.D.Kote, Mysore	Rs.15 Lakhs	For adopting appropriate non conventional energy sources.	Rs.1490 Lakhs	Through GoK
21	Bowring and lady Curzon Hospital	Health Care	Bengaluru	Rs.50 Lakhs	Dead Body cold Storage Cabinets to Forensic Medicine Department	Rs.1540 Lakhs	Through GoK
				Total Rs.1540 Lakhs			

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/-

(Dr.S.SELVAKUMAR, IAS)

DIN: 00962240

MANAGING DIRECTOR, KPTCL

Sd/-

(P.RAVIKUMAR, IAS)

DIN: 02285126

CHAIRMAN, CSR COMMITTEE, KPTCL

**KARNATAKA POWER TRANSMISSION CORPORATION LIMITED
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 a 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.

Karnataka 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 Lines. KPTCL in its endeavor 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:

1. Schedule VII of Companies Act, 2013 provides for the following which may be included by Companies as their Corporate Social Responsibility Policy Activities:



- i) Eradicating Hunger, Poverty and Malnutrition, Promoting Health Care including Preventive Health Care and Sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of Sanitation and making available safe Drinking Water.
- ii) Promoting Education including Special Education And Employment Enhancing Vocation Skills especially among Children, Women, Elderly And Differently Abled and Livelihood Enhancement Projects.
- iii) Promoting Gender Equality, Empowering Women, Setting up Homes and Hostels for Women and Orphans; Setting up Old Age Homes, Day Care Centres and such other Facilities for Senior Citizens and Measures for reducing Inequalities faced by Socially and Economically Backward Groups.
- iv) Ensuring Environmental Sustainability, Ecological Balance, Protection of Flora & Fauna, Animal Welfare, Agroforestry, Conservation of Natural Resources and Maintaining Quality of Soil, Air & Water including contribution to the Clean Ganga Fund set-up by Central Government for rejuvenation of River Ganga.
- v) Protection of National Heritage, Art And Culture Including Restoration Of Buildings and Sites of Historical Importance and Works of Art; Setting up Public Libraries; Promotion and Development of Traditional Art and Handicrafts;
- vi) Measures for the Benefit of Armed Forces Veterans, War Widows and their Dependents;
- vii) Training to promote Rural Sports, Nationally Recognised Sports, Paralympic Sports & Olympic Sports
- viii) Contribution to the Prime Minister's National Relief Fund or any other Fund set up by the Central Govt. for Socio Economic Development and Relief and Welfare of The Schedule Caste, Tribes, Other Backward Classes, Minorities and Women;
- ix) Contributions or Funds Provided to Technology Incubators located within Academic Institutions which are Approved by Central Govt.
- x) Rural Development Projects
- xi) Slum Area Development.



Explanation.- For the purposes of this item, the term `Slum Area' shall mean any Area declared as such by the Central Government or any State Government or any other Competent Authority under any Law for the time being in force.

Schedule VII of the Companies Act, 2013 is the guiding Document towards the areas for consideration of expenditure under CSR obligation which would be revised by MoCA. Hence, Schedule VII as amended by MoCA, GoI from time to time shall be replaced in the CSR Policy.

5. CSRAMOUNT:

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 CSRAMOUNT:

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 Directors' 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.

INDEPENDENT AUDITOR'S REPORT

To

The Members of Karnataka Power Transmission Corporation Limited.

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying IND AS financial statements of Karnataka Power Transmission Corporation Limited ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'INDAS financial statements')

MANAGEMENT'S RESPONSIBILITY FOR IND AS FINANCIAL STATEMENTS

The Board of Directors of the company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed 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 INDAS 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 IND AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under and the Order issued under Section 143(11) of the Act.



We have conducted our audit of the IND AS financial statements 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 IND AS financial statements are free from material misstatement.

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

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

BASIS FOR QUALIFIED OPINION:

- i) Note 1.2 (b) with regard to restatement of previous year's figures in accordance with IND AS, the company has not restated with regard to Opening Other Equity, Other Comprehensive Income
- ii) Note No.1.6 Significant Accounting Policies, Note 2.5(b) and Note 33, the company has not corrected material Prior Period errors retrospectively by restating the comparative amounts presented in which the error occurred or by restating the opening balance of assets, liabilities and other equity for the earliest period in accordance with IND AS 8 'Accounting Policies, Changes in Accounting Estimates and Error' issued under the Companies (Indian Accounting Standards) Rules, 2015.
- iii) Note No. 1.9 Significant Accounting Policies and Note No. 31.1, with regard to non-capitalization of the Fiber Optic separately and charging depreciation at rate of 5.28% instead of 6.33% in accordance with the CERC Notification L-1/144/2013/CERC dated 05-11-2015, the consequential effect on PPE and depreciation could not be ascertained.
- iv) Note No.1.9 (g) Significant Accounting Policies and Note 2A.1 (b) for the purpose of depreciation, the life of released assets when put to re-use have been considered as if they were new asset at written down value and



depreciated accordingly, which is not in compliance with the INDAS 16, 'PROPERTY, PLANT AND EQUIPMENT' issued under the Companies (Indian Accounting Standards) Rules, 2015 wherein depreciation is to be provided over the residual life of the original asset. The consequential effect on PPE and depreciation thereon could not be ascertained.

- v) Note No. 1.10 (d) Significant Accounting Policies, Revenue Recognition of supervision charges, inspection charges, testing charges, earth mat design charges and Mandap keeper charges on cash basis is not in compliance with IND AS 18 'Revenue' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential impact of the same on the financial statements is not ascertainable;
- vi) Note No. 1.15 Significant Accounting Policies with regard to computation of Capitalization rate based on the weighted average method and non-adoption of Effective Interest rate method which is not in compliance/accordance with IND AS 23, 'BORROWING COST' issued under the Companies (Indian Accounting Standards) Rules, 2015, the consequential effect on PPE, Capital work in progress and depreciation thereon, could not be ascertained.
- vii) The Company has not complied with IND AS with regard to Accounting/Presentation/restatement/Adequate Disclosure in the financials for giving effect to the following-
 - a) Identification and Restatement of Other Comprehensive Incomes.
 - b) Accounting at fair value of Land acquired at concessional rate/ free of cost -INDAS– 20.
 - c) Recognition of Revenue and PPE in respect of Customer Contribution Works –Appendix – C of INDAS 18.
 - d) Non Consideration of Deferred Tax as per IND AS for 2015-16 having an impact in the Comparable figure of FY 2016-17.
 - e) Non Adoption of Effective Interest Rate Method for Interest Expenses/income.
 - f) Presentation of Financial Assets / Liabilities at Present Value.
 - g) Presentation of Statement of Cash Flows.
- viii) Note No. 1.17 Significant Accounting Policies and Note No. 37.7, the company has not provided any documentation as to technical evaluation to test for any impairment of assets in compliance with IND AS – 36 'IMPAIRMENT OF ASSETS' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential effect if any, on



misstatement in respect of carrying cost of PPE and depreciation thereon could not be ascertained.

- ix) Note No. 2.1 pending reconciliation of classification of Leasehold/Freehold land in the financial statements, the consequential effect on misstatement of the presentation and measurement of free hold, lease hold land and amortization could not be ascertained.
- x) Note No. 2.2 (h) and Note 37.18 the non- accounting of land acquired from Government and Other parties either at concessional rate or free of cost at the fair value in accordance with IND AS 20 'Accounting for Government Grants and disclosure of Government assistance ' and Appendix C of IND AS 18 'Revenue' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential effect of misstatement in the financial statement with regard to PPE, amortization, Grants, Consumer Contribution and Other Income is not ascertainable.
- xi) Note 2.4 (c) and 3.6, the Company estimated that an amount of INR 2652.86 lakhs was incurred as expenditure under the Niranthara Jyothi Yojana (NJY) which at present is accounted under PPE and CWIP but is recoverable from the ESCOMs after due ascertainment, as the Company has not provided sufficient information, we are unable to ascertain the correctness or completeness of the same and the consequential impact on Financial Statement.
- xii) Note No.2.4 (e), No. 3.1, Note 26.4, Note 26.1(i) and Note 37.18 - in respect of on-going and completed Self Execution Works (SEW's), the Company does not have sufficient information with regard to such works , we are unable to ascertain either correctness or completeness of the same including non-capitalization at fair value, amortization of the same over the useful life instead of the agreement period wherever applicable, absence of adequate method for computation of recovering infrastructure charges, inconsistency in recognizing of one time non-refundable deposit towards land spared and the consequential impact of the same on PPE, Liabilities, Receivables and Revenue is not ascertainable. Further, based on our audit to the extent identified, the Company could not ensure the capitalization of SEW's amounting to INR 35415.67 Lakhs the consequential impact of the same on PPE, Liabilities, Receivables and Revenue is not ascertainable.
- xiii) Note No. 2.5 (a) pending reconciliation of Fixed Assets Register, the Company has adopted adhoc values of the components that are released for inter unit transfers, decommissioning and sale of assets as it is unable to identify the carrying value of such components (Gross cost less accumulated depreciation) and the consequential effect of misstatement in



the financial statement with regard to PPE, assets held for sale, depreciation and profit/ loss on sale of asset is not ascertainable.

- xiv) Note No's. 2.5 (c), 3.1, 3.2 and 3.3 regarding accounting of capital work in progress, capitalization, ownership, documentation, physical controls, non-provision of incentives and non-ascertaining/non provision of quantity variation to/from contractors, capitalization and apportionment of establishment charges, employee costs, administrative charges and other general overheads, borrowing costs, allocation of expenses incurred on Supervisory charges recovered on Self Execution Works, capitalization of present value of the estimated cost of decommissioning during the initial recognition and actual date of capitalization which is not in compliance with IND AS 16 'PROPERTY, PLANT & EQUIPMENT' issued under the Companies (Indian Accounting Standards) Rules, 2015 on Accounting for Capital Work in Progress and PPE, the consequential impact of which, on CWIP, PPE and depreciation is not ascertainable;
- xv) Note No. 2.5 (d), regarding investment property, as stated therein, the company has not provided any documentation as to establish the carrying cost of such assets to be insignificant as per IND AS 40, 'INVESTMENT PROPERTY' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential effect if any, on misstatement in respect of carrying cost of PPE, Investment Property and depreciation thereon could not be ascertained.
- xvi) Note No.3.1, Note 18, Note 22, and Note 37.18 in respect of on-going and completed Deposit Contribution Works (DCW's), as the Company does not have sufficient information with regard to the status of such works , we are unable to ascertain either correctness or completeness of the same including non-capitalization at fair value, amortization of the same over the useful life instead of the agreement period wherever applicable and the consequential impact of the same on PPE, Current/ Non-Current Liabilities, Receivables and Revenue is not ascertainable. Further, the Company does not have a policy to account the Revenue of DCW's in accordance with Appendix C of IND AS 18 'Revenue' and the consequential impact of the same on Revenue and Profit before tax is not ascertainable.
- xvii) Note 3.5 in respect of non- ascertaining of expenditure as capital or revenue, incurred towards work for the renovation and upgradation of the protection system of various 220KV and 400KV Substation undertaken from contribution from PSDF amounting to INR 5948.06 Lakhs, accordingly we are unable to ascertain the consequential impact on CWIP, repairs and maintenance and profit for the year.



- xviii) Note No. 3.7 accounting of compensations towards tower, corridor, plantation, crop, tree cut, etc on cash basis is not in compliance with INDAS 1 'Presentation of Financial Statements' issued under the Companies (Indian Accounting Standards) Rules, 2015 and the consequential impact of the same on the financial statements is not ascertainable;
- xix) Note No.6.5 pending identification of obsolete items in Inventories, no provision has been made in accordance with the Company policy and the consequential effect on Inventories and the Profit before Tax could not be ascertained.
- xx) Note No. 7.2 with regard to rebate of INR 6913.23 Lakhs claimed by ESCOM's towards timely payment in accordance with the Transmission Agreement entered into with the ESCOM's read with KERC Tariff Regulations, 2006, pending outcome of the dispute, the consequential effect on Financial Statements is not ascertainable.
- xxi) Note No's. 16, 18.1, and 23, with regard to the information, assumptions and disclosures considered for Actuarial valuation of Defined Benefit Plans and Long Term employee Benefits are not appropriate in respect of leave encashment rate, non-consideration of plan assets, salary escalation rate and applicable annual leave encashment days for each Cadre of employees, The consequent impact of the same in the financial statements is not ascertainable. Further, the company has accounted for the entire Actuarial gain under Employee Costs without bifurcating to Other Comprehensive Income and no adequate disclosure has been disclosed in Financial statement as per IND AS 19 'EMPLOYEE BENEFITS' issued under the Companies (Indian Accounting Standards) Rules, 2015 for Defined Benefit Plans and Long Term employee Benefits which is not ascertainable.
- xxii) Note No. 18.5 Adjustment pending notification by GoK, INR 4238.43 Lakhs shown in 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 31.03.2018 the reconciliation of the above accounts is under progress, pending which the effect on the net worth could not be ascertained.
- xxiii) Note No. 20 - 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 INR 4207.38 Lakhs (excluding interest of INR



66853.20 Lakhs payable to KPCL) stated to be the balance amount payable relating to purchase of power made up to 09.06.2005.

- xxiv) Note No. 20.1 with regard to balance liability of INR 668.53 Crores pertaining to KPCL towards interest accounted for outstanding purchase of power is not appropriate, as it is not in accordance with the GOK statutory order G.O No.EN 131 PSR 2003 dated 10-05-2005 and KERC tariff Order dated 25.11.2009 wherein it was clearly held that as the power trading business of the Company has been transferred to the ESCOM's, all liabilities towards power purchase has to be met by ESCOM's. Accordingly, in our opinion, this has resulted in the understatement of opening Reserves and overstatement of opening Trade Payables by INR 668.53 Crores.
- xxv) Note No. 22, 26.1 (ii) and Note 26.3 with regard to inadequate policy on penalty towards Short Closed Works and inadequate information in respect of condonation applications received from the contractors, as the Company has not provided sufficient information, we are unable to ascertain the correctness or completeness of INR 8149.17 lakhs under Other Payables and INR 5172 Lakhs under Other Income, the consequential impact on Financial Statement is not ascertainable.
- xxvi) Note No. 22.3, the Company continues to collect Augmentation charges from the Consumers inspite of having no authority to do so w.e.f. 30-11-2012 as per KERC Order No. N/64/11 dated 30-11-2012 and the quantum of such unauthorized amount collected as on the reporting date is INR 1330 Lakhs and the consequential impact on the Financials
- xxvii) Note No. 22.5 'Other Current Liabilities' regarding net credit/ debit balances of INR 1572.26 Lakhs under Inter Unit Account – Materials and INR 2357.20 Lakhs under Inter Unit Account – Released assets & Note No. 12.1 'Other Current Assets' regarding debit balances of INR 101.78 Lakhs under Inter Unit Account – Personnel & of INR 19.42 Lakhs which represents un reconciled / un responded entries in Inter Unit Accounts and which also includes several old transactions. The consequential effect of the same on the financial Statements is not ascertainable in the absence of information.
- xxviii) Note No. 22.6 with regard to outcome of pending reconciliation of the balance shown in State Load Dispatch Centre (SLDC) towards Unscheduled Interface (UI) credit balance of INR 424.29 Lakhs and the balance in bank showing a debit balance of UI charges of INR 230.92 Lakhs, we are unable to ascertain the consequential impact on the financial statements, if any.



- xxix) Note No. 26 Other Income (16) and Note 26.2 - Miscellaneous Recoveries include INR 1950.62 Lakhs in respect of O & M Charges from IPP to the extent identified, as the Company has not provided sufficient information with regard to the number of IPP's for which O & M charges are to be recovered, we are unable to ascertain either the correctness or completeness of the same and the consequential impact of the same on the financial statements is not ascertainable;
- xxx) Note No. 26.1 (iv) With regard to non-reconciliation of income as per financials with FORM 26AS where in, the income pertaining to TDS receivable of INR 196 Lakhs has not been reconciled and accounted as income, consequential impact of the same on Revenue, Advance from customers and Trade Receivables is not ascertainable.
- xxxi) Note 29 Administrative & Other Expenses includes INR 560.30 Lakhs under Miscellaneous Expenses spent on conducting examination for recruitment of employees which needs to be apportioned to respective ESCOM's and consequential impact on expenses, Profit Before Tax, Other Equity and Recoverable.
- xxxii) Note No. 37.10 (ii) With regard to non-accounting of INR 2331 Lakhs for Incentive Receivable for the financial year 2017 -18 for the efficiency of Transmission System Availability and Transmission Loss Reduction, pending approval from KERC is not in accordance with the IND AS 18 "Revenue" issued under the Companies (Indian Accounting Standards) Rules, 2015 and the impact of the same on the financial statements is not ascertainable;
- xxxiii) Note No. 37.12 (b), on the accounts regarding receivables from ESCOM's aggregating to INR 17040.04 Lakhs (Note No.10) and Payables to ESCOM's aggregating to INR 18307.58 Lakhs (Note No.22). These balances are subject to confirmation and pending reconciliation, the consequential impact on the financial Statements is not ascertainable.
- xxxiv) With regard to non-charging of Late Payment Surcharge @ 1.25% for ESCOM's for delayed payments beyond the stipulated period which is not in accordance with the Transmission Agreement entered into with the ESCOM's read with KERC Tariff Regulations, 2006, we are unable to ascertain the amount, as necessary information with regard to payments received beyond the stipulated period was not made available and the consequential effect on the financial statements, if any.



Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters referred to in the Basis for Qualified Opinion Paragraph above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its profits, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

Without qualifying our opinion, attention is drawn to the following Notes to the Financial Statement:

- a) Note 1.10, Note.25.3 and Note 37.18 with regarding to accounting of truing up of revenue from transmission charges in the year of adjustment based on the respective tariff orders pending opinion from the appropriate forum
- b) Note No.1, 2 & 3 – Para 1(a)/ 1 (c)/1(e) /1(f) and 5 regarding Non availability of adequate MOU/Agreement between JSW Energy Limited and the Company with regard to establishing of Pooling Station at Bellary on Self Execution Basis and further observed that Land acquired from KIADB at a Cost of INR 5379.70 lakhs by the Company for the Construction of BPS, even though the same is executed on Self execution basis..
- c) Note No. 2.4 (a), regarding INR 112.50 Lakhs demanded by lessor (including INR 59.60 Lakhs relating to assets held by ESCOM's) for transfer of title over the assets earlier obtained on finance 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 No. 2.4 (b) Plant & Machinery does not include cost of assets sold and leased back from ING Vysya Bank (now Kotak Mahindra Bank) retained by the Company after the expiry of the agreement period, as the assets has reached their residual value and pertains to erstwhile KEB period and the exact location of such assets are not identifiable.
- e) Note No. 4 and 18.4 regarding accounting of additional fixed cost paid by the Company to TBPCL as regulatory asset and recoverable from ESCOM's to the extent of INR 543.84 Lakhs pending further directions from KERC.
- f) Note 4.8 regarding proposed appropriate action by the Management with regard to applicability of Workers Welfare Cess on overall contract value including Material portion from 27/04/2012 based on the clarification from concerned Board.



- g) Note 18 and 22 with regard to absence of policy for treatment of unclaimed credit balance of Retention money out of INR 82169.02 lakhs.
- h) Note No. 18.3 regarding difference in transmission charges billed and accounted in earlier year amounting to INR 26243.84 Lakhs disclosed under other long term liabilities pending further directions from KERC.
- i) Note No.21.1 regarding pending transfer of INR 113.99 lakhs to proposed Employee Welfare Trust for non-completion of formalities and modalities.
- j) Note No. 22.1 regarding disclosure of information pertaining to vendors under Micro, Small and Medium Enterprises Development Act, 2006.
- k) Note No. 22.2, regarding Ex-gratia paid since FY 2014-15 is subject to post facto approval / ratification of Government of Karnataka.
- l) Note 25.2 with regard to non-adjustment of Yearly Transmission Charges in respect of ISTS lines for the Annual Revenue Requirement (ARR) of financial year 2017-18.
- m) Note No.25.4 with regard to non-accounting of yearly transmission charges due to the pending order of the petition filed before CERC for 110 kV S/C line of Konaje-Manjeshwar.
- n) Note no.27.5- Company had made provision of INR 14091.41 lakhs with respect to Revision order dated 09.03.2018 with effect from 01.04.2017 for Officers and employees on an provisional basis subject to finalization of the same.
- o) Note No. 37.12 (a), wherein balance confirmations have been obtained only in respect of Borrowings from Banks, Financial Institutions and Bank balances. Consequently, the balances in respect of receivables/ trade payables/ loans/ advances / other liabilities/ Goods sent on Repairs, etc., as disclosed in the accounts are subject to confirmation.
- p) Note No. 37.13 (a) with regard to non- obtaining of utilization certificate for INR 1540.00 Lakhs for Corporate Social Responsibility and subsequent Board resolution dated 20th June 2018 to call back unspent money.
- q) Note No.37.19 (a) -The figures appearing in the Financial Statements of the company has not been rounded off to the nearest, lakhs, millions or crores, or decimals as required by the Schedule III of the Companies Act 2013 issued for INDAS Financials statement.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure -A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) we have sought and except for the matters/ effects/ possible effects of the matters described in the Basis of Qualified Opinion paragraph, obtained all the information and explanations which is to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) except for the matters/ effects/ possible effects of the matters described in the Basis of Qualified Opinion paragraph in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) except for the matters/ effects/ possible effects of the matters described in the Basis of Qualified Opinion paragraph, the financial statements dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, for the matters referred to in Basis for Qualified Opinion, the aforesaid INDAS financial statements do not comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule issued thereunder;
 - e) as per GSR- 463 (E) dated 5th June 2015, issued by the Ministry of Corporate Affairs, the provisions of Section 164(2) of the Companies Act, 2013 regarding disqualification of director is not applicable to the company, since the Company is a Government Company;
 - f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified opinion paragraph;
 - g) 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 - B.
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. except for the matters/ effects/ possible effects of the matters described in the Basis of Qualified Opinion paragraph, the company has disclosed the estimated impact, of pending litigations on its the financial position as detailed in Note 37.9 & 37.10 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
-
- i) As required by Section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor-General of India, the action taken thereon and its impact on the accounts and financial statements of the company is given in Annexure - C.

For B. P. Rao & Co

Chartered Accountants

Firm Reg No. 003116S

Sd/-

B. Prasanna Achar

Partner

Membership No. 202100

Place: Bengaluru

Date: 16/08/2018



Annexure – A Referred to in paragraph 1 of the section on “Report on Other Legal and Regulatory Requirements” of our Report at even date

(i) Fixed Assets (Presently Referred as Property, Plant and Equipment):

- a) As per the information and explanations provided to us the company has not maintained adequate records showing particulars, including quantitative details and location of Property, Plant and Equipment. Further, the company has not maintained adequate records with respect to;
- i) Lands to classify the same as Free-hold or Lease-hold Land in the Books of Account.
 - ii) Assets (including Land) acquired at concessional rate / Free of cost from Government / Customers.
- 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, However Fixed Asset register were not maintained with the adequate quantitative information, accordingly we are unable to comment on the discrepancies on such verification, if any.
 - 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) According to the information and explanations given to us, the company does not hold title deeds in respect 468 properties. Further, In respect of 263.62 acres of land acquired for INR 5158.30 Lakhs from KIADB through Sale cum Lease Agreements, the company is the process of replacing the existing terms of 99 years lease to a Lease cum Sale period fixed for minimum of two years in relation to the amendments made by GOK vide



“Order No.CI 15 SPQ 2017 dated 09/03/2017”. Out of 263.62 acres of land, KPTCL has is yet to receive possession for 9.62 acres from KIADB.

(ii) Inventories:

- a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals in respect of stores, spares, tools, plants and released assets.
- b) As explained to us, discrepancies on physical verification of stock as compared to book records were not properly dealt with in the books of accounts by making necessary provision for shortage and obsolescence.

(iii) Loans and Advances:

In our opinion and according to the information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered under Section 189 of the Companies Act, 2013. Hence our reporting on the matters referred to in Clause 3(iii) of the Companies (Auditor’s Report) Order, 2016 does not arise.

(iv) Loans, Investments and Guarantees:

In our opinion and according to the information and explanations given to us, the company has not given any loan to directors, etc., covered under Section 185 of the Companies Act, 2013 or made any loans, investments, guarantees and security covered under Section 186 of the Companies Act, 2013. Hence our reporting on the matters referred to in Clause 3(iv) of the Companies (Auditor’s Report) Order, 2016 does not arise.

(v) Deposits:

According to the information and explanation given to us, the company has not accepted any deposits from the public covered under Sections 73 to 76 of the Companies Act, 2013 and rules framed there under, except in case of Network Augmentation charges collected post 30-11-2012 amounting to INR 1330 Lakhs which is against the directionsof KERC and not refunded within the prescribed period as per Act/Rules.

(vi) Cost Records:

The maintenance of cost records in respect of electricity transmission of power has been prescribed by the government under Section 148(1) of the Companies Act, 2013. We were informed that the company does not keep separate set of registers and books for cost records. The cost statements are prepared based on the financial accounting books and records.

(vii) Statutory Dues:

- a) According to the information provided to and relied upon by us, the company

is generally regular in depositing the undisputed applicable statutory dues with appropriate authorities, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, VAT, Service Tax, Cess, Royalty 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, except for the following:

Sl. No	Name of the Statute	Nature of Statutory Dues	Amount in INR
1	Service Tax	Service Tax	44,52,833/-
2	Central Goods and Services Tax Act, 2017	Central Goods and Services Tax	37,32,359/-
3	Karnataka Goods and Services Tax Act, 2017	State Goods and Services Tax	37,32,359/-
Total			1,19,17,551/-

- b) According to the information and explanations given to us, there are no dues of Income tax, GST, VAT, Service Tax, Customs duty and Excise duty which have not been deposited on account of any dispute, except for the following as detailed below:

Name of the Statute	Nature of Dues	Amount in INR	Period	Forum where the Dispute is pending
Service Tax	Service Tax (VSAT Charges)	1,68,568/ -	2011 -12	CESTAT
Service Tax	Service Tax (Renting Of Immovable Property)	1,02,03,581/ -	2007-08 to 2009-10	CESTAT
		16,28,588/ -	April 2010 to March 2011	
		37,70,652/ -	April 2011 to March 2012	
		12,30,928/ -	01.04.2012 to 30.06.2012	Commissioner (Appeals)
		17,86,173/ -	July 2012 to September 2013	Commissioner (Appeals)
Service Tax	Service Tax (To & Fro charges in connection with Technical Inspection & Certification Services)	14,63,998/ -	17.05.2007 to 2009-10	CESTAT
		3,62,972/ -	April 2010 to September 2010	
		1,94,104/ -	April 2011 to September 2011	
		3,75,086/ -	October 2011 to March 2012	



Service Tax	Service Tax (Deposits, retention money and penalty recovered pending decision for refund transferred to income after 3 years)	14,86,38,823/-	01.07.2012 to 30.03.2015	Honorable High Court of Karnataka
		22,42,464/-	April 2015 to March 2016	Honorable High Court of Karnataka
The Income Tax Act, 1961	Income Tax (Adjustment of dues from the refund)	86,26,972/-	Assessment Year 2009-10	Assistant commissioner of Income Tax (ACIT)
		73,03,387/-	Assessment Year 2009-10 (FBT)	
		33,013/-	Assessment Year 2012-13	
		80,73,980/-	Assessment Year 2015-16	
Service Tax	Service Tax (Supervision charges)	1,96,62,528/-	July 2012 to August 2014	CESTAT
Service Tax	Service Tax (Gurantee Commission paid to GOK)	72,344/-	April 2012 to March 2013 & July 2012 to March 2013	Commissioner (Appeals)

(viii) In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to banks, financial institutions and Government. According to the information and explanation given to us the company has not raised and loan by way of issue of debentures.

(ix) In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer including debt instruments.

As regards the specific term loans from banks, we are of the opinion that the same has also been utilized towards other than specific capital works for which the loan was obtained and with the information available, the same could not be ascertained.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed during the course of our audit nor we have been informed of any such cases 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.

(xi) The Company, being a Government Company is exempted from the provisions of Section 197 of the Companies Act, 2013 relating to managerial remuneration in terms of MCA notification No.GSR 463 (E) dated 05th June 2015. Hence our reporting on the matters referred to in Clause 3 (xi) of the Companies (Auditor's Report) Order, 2016 does not arise.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence our reporting on the matters referred to in Clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 does not arise.
- (xiii) The Company, being a Government Company is exempted from the provisions of Section 177 and Section 188 of the Companies Act, 2013 relating to transactions with related parties in terms of MCA notification No. GSR 463 (E) dated 05th June 2015. Hence our reporting on the matters referred to in Clause 3 (xiii) of the Companies (Auditor's Report) Order, 2016 does not arise.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the company has made preferential allotment of shares amounting to INR 10700 lakhs for which the share application money was received from GoK during the FY 2014-15 & 2015-16, resulting in non-compliance of section 42 of the Companies Act, 2013 by allotting shares beyond the stipulated period of 60 days. However, the Deposit Rules as prescribed under the Companies Act, 2013 are not applicable to the company for the amount received from the Government.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with its directors or persons connected with him. Hence our reporting on the matters referred to in Clause 3(xv) of the Companies (Auditor's Report) Order, 2016 on compliance with the provisions of Section 192 of the Companies Act, 2013 does not arise.
- (xvi) The Company is not a 'Non-Banking Financial Company' and hence, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bengaluru
Date: 16/08/2018

For B. P. Rao & Co
Chartered Accountants
Firm Reg No. 003116S

Sd/-
B. Prasanna Achar
Partner
Membership No. 202100



Annexure -B Referred to in paragraph 2(g) of the section on “Report on Other Legal and Regulatory Requirements” of our Report at even date

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

We have audited the Internal Financial Controls with reference to Financial Statements of Karnataka Power Transmission Corporation Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the IND AS 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 Financial Controls with reference to Financial Statements 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements 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 with reference to Financial Statements, and the Guidance Note issued by the ICAI. 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the IND AS 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 with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Controls with reference to Financial Statements 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 with reference to Financial Statements as at 31 March 2018:

Property Plant and Equipment (PPE):

- i) The Company does not have effective procedure and internal financial control in respect of:
 - a) Updating the Fixed Asset Registers with relevant information for each individual asset on timely basis.
 - b) Identification of the assets which are impaired as on the reporting date.



- c) Physical verification of fixed assets other than movable assets as there is no regular programme.
- d) Reconciliation of Physical verification report of movable assets with the Fixed Asset Register.
- e) To estimate the decommissioning charges to recognize as part of cost of PPE during capitalization.

The above deficiencies may lead to material misstatement of PPE and consequential impact on the Depreciation and Maintenance cost in the financial statements of the company.

- ii) The Company's internal control system with regard to identification of nature of land is not operating effectively, which leads to material misstatement on classification of Leasehold / Freehold land and its amortization in the financial statements.
- iii) The Company does not have adequate policy and procedure to account; the land acquired at concessional rate/ free of cost in accordance with IND AS 20 'Accounting for Government Grants and disclosure of Government assistance' issued under the Companies (Indian Accounting Standards) Rules, 2015 which may lead to misstatement in the financial statement with regard to PPE, amortization, Grants, and Other Income.
- iv) The Company's adequate procedure and internal control system were not operating effectively to ensure :
 - a. The completeness with regard to the costs of asset as on the date of commissioning of PPE.
 - b. The Maintenance of the adequate cost register(C-Register) as intended to be maintained as per Company's policy.

This could potentially result in material misstatement in respect of understatement/overstatement of PPE capitalized, depreciation thereon and liability towards contractors as on the reporting date in the financial statements.

- v) The Company does not have adequate procedure and internal financial control to ensure computation of Capitalization rate based on the weighted average method in accordance with IND AS 23 'BORROWING COST' issued under the Companies (Indian Accounting Standards) Rules, 2015. This could potentially result in material misstatement of capital work-in progress, PPE, depreciation and finance cost in the financial statements.
- vi) The Company's procedure and internal control over financial reporting with regard to allocation and apportionment of Establishment expenses and Borrowing cost over the PPE were operating inconsistently over various

divisions, which could potentially result in material misstatement of capital work-in progress, PPE and depreciation in the financial statements.

- vii) The Company does not have adequate policy and procedure to issue a commissioning certificate on timely manner. This could potentially result in material misstatement in early/delayed capitalization of PPE, allocation of Expenditure during Construction (EDC) including Borrowing cost and depreciation in the financial statements.
- viii) Due to lack of effective procedure and internal financial control to ensure providing appropriate depreciation for the released assets and appropriate valuation of assets transferred to other division, which could potentially result in material misstatement in carrying cost of PPE and depreciation in the financial statements of the company.
- ix) The Company does not have adequate policy to technically evaluate the employee cost attributable to supervision charges in respect of Major Works Division. This could potentially result in material misstatement in respect of Employee cost allocated to PPE, depreciation thereon and overstatement of employee cost in the financial statements.
- x) The Company does not have adequate procedure to assess the cost incurred towards expenditure on survey/Feasibility study of Projects on regular basis. This could potentially result in material misstatement in carrying cost of PPE and depreciation thereon in the financial statements.
- xi) The Company does not have adequate policy and procedure to identify the let-out office buildings/staff quarters as an “Investment Property”. This could potentially result in material misstatement in respect of presentation of PPE and Investment Property in the financial statements.

Self-Execution Works (SEW's) or Deposit Contribution Works (DCW's):

- xii) The Company does not have adequate procedure and internal financial control to ensure that the register is being maintained for each of the Self-Execution works (SEW's) and Deposit Contribution Works (DCW's) with the relevant information. This could potentially result in material misstatement in timely capitalization of PPE, depreciation, Customer Contribution, Expenses and Revenue recognition.
- xiii) The Company does not have adequate procedures and internal controls to ensure the signing of connection agreement at time of interconnection as required by Karnataka Electricity Grid Code, 2015 and Issue of appropriate interconnection approval to applicant connecting to the Grid, which may result in material misstatement in timely capitalization of Self Execution works / Deposit Contribution Works as PPE, amortization, consumer Contribution, revenue recognition and collection of Operation and maintenance charges in the financial statement.



- xiv) The Company does not have adequate procedures and internal controls with regards to accounting of Supervision charges on “percentage of completion method”. This could potentially result in material misstatement in early recognition of revenue in the financial statements.
- xv) The Company does not have adequate policy and procedure for timely demand, collection, liquidated damages on delayed payment and internal financial controls to verify the accuracy and completeness of Operation & Maintenance charges recovered from the IPP’s. This could potentially result in the material misstatement of profit in the financial statements.
- xvi) The Company does not have adequate policies and procedure for appropriate and timely accounting of customer’s contribution towards Self Execution Works /Deposit contribution works / One time non-refundable charges for sparing of Land and other Infrastructure, valuation of commissioned Self Execution Works /Deposit contribution works in accordance with Appendix – C of IND AS - 18 – Revenue. This may result in of misstatement of PPE, depreciation thereon, Revenue recognition and receivables from/ payables to customers in the financial statements.
- xvii) The Company does not have adequate policies and procedure for appropriate computation and recovery of cost of infrastructures spared to applicants of Self Execution Works, which may leads to material misstatement in PPE and Depreciation thereon, Operation maintenance Charges, Supervision Charges in the financial statements.

Processing of Work Bills:

- xviii) The Company’s internal control systems with regard to processing of contractor’s bills were not operating effectively with regard to the following:
 - a) 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 Running Account (RA) Bills have been prepared/ received.
 - b) Provisions for Capital /Renovation and Modernization /Repairs and maintenance works completed (including Quantity variation bills) as on the reporting date are not made adequately by the company.
 - c) Price variation bills/Quantity variation bills were not processed on a timely basis.
 - d) Running Account (RA) Bills for works are not being verified before processing for payment by the Internal Auditors.

This could potentially result in material misstatement in the company’s liabilities and provisions, capital work-in progress, fixed assets, allocation of EDC including Borrowing cost, depreciation and Cost of asset maintenance.

Internal Audit System:

- xix) 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. Further important areas with regard to Capitalization of asset, income and expenses recognition which at present is not covered, Training of internal audit staff should be planned as a continuous process to equip them with adequate skills and latest techniques.
- xx) The Company does not have adequate policies, procedures and internal controls to collect/pay, in respect of late payment surcharge/ rebate in accordance with the transmission agreement entered into with the ESCOM's read with KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006. This could potentially result in material misstatement of Revenue, Expenses, Assets and Liabilities in the financial statements.
- xxi) The Company does not have appropriate internal controls to ensure the completeness of timely accounting of statutory dues payables; this could potentially result in delayed payment of statutory dues along with applicable interest and other charges.
- xxii) The Company does not have adequate controls to identify/demand/collect on timely basis and also to account on accrual basis for revenues like O & M charges, Transmission Charges, Supervision charges, Incentives, penalty recovery etc., This could potentially result in material misstatement of Revenue, Expenses, Assets and Liabilities in the financial statements.
- xxiii) The Company does not have adequate policies and procedures to be fully compliant with the IND AS with respect to the measurement, presentation and disclosures in the financial statements.

Others:

- xxiv) The Company does not have appropriate internal controls for reconciliations and confirmations of Earnest Money Deposit (EMD) and other deposits from the contractors, which could potentially result in material misstatement of current liabilities in the financial statements.
- xxv) The Company does not have adequate policies and procedures to identify contractors under Micro, Small and Medium Enterprises Development Act, 2006 to disclose the information in the financial statements. This could potentially result in material misstatement of adequate disclosure in the financial statements.



- xxvi) The Company does not have adequate policies and procedures to identify the Current/Non-Current Assets/Liabilities. This could potentially result in material misstatement with respect to presentation of assets and liabilities in the financial statements.
- xxvii) The Company does not have adequate procedures and internal controls over identification and reporting of prior period items. This could potentially result in material misstatement in reporting of the current year profit or loss and State of affairs in the financial statements of the company.
- xxviii) The Company does not have adequate procedures to adopt the New Regulation/Notification/Orders/amendment from CERC/KERC on a timely basis, which could potentially result in material misstatement in Revenue recognition and Current assets in the financial statements.
- xxix) The Company does not have adequate procedures and internal controls in respect of delay condonation applications received from the contractors by maintaining a suitable register. This could potentially result in material misstatement in revenue recognition of penalty recovered as per company policy in the financial statements.
- xxx) The Company does not have adequate procedures and internal controls in respect of computation of probable liability with regard to employee benefits in accordance with the IND AS 19 'Employee Benefits' issued under the Companies (Indian Accounting Standards) Rules, 2015.
- xxxi) The Company does not have adequate procedures and internal controls in respect of accounting and reconciliation of TDS deducted by others with Form 26 AS, which could result in material misstatement in computation of advance tax payment as well as on Revenue, Advance from customers and Trade Receivables.
- xxxii) Lack of effective procedures and internal controls in respect of consistency over inventory valuation may lead to material misstatement in the valuation of inventory as on the reporting date.
- xxxiii) The Company does not have adequate procedures and internal controls in respect of capitalization of capital spares at the time of procurement. This potentially could lead to overstatement of Inventory and understatement of capital work in progress.
- xxxiv) The Company does not have adequate procedures and internal controls to reconcile the balance as on the reporting date with the respective customers/ contractors/ suppliers. This could potentially lead to overstatement/understatement of Assets and liabilities in the financial statements.



- xxxv) Lack of effective procedures and internal controls in respect of consistency over the basis for demand and collection of sharing of renovation and maintenance expenses incurred by the company with the ESCOM's with regard to residential quarters may lead to material misstatement in the maintenance cost for the year.
- xxxvi) Company's does not have an adequate internal control system to compute the provisioning or disclosure of contingent liability/ asset as on the reporting date in the financial statement.

Computerization:

- xxxvii) An effective procedure and internal financial control may be evolved to computerize the accounting system to ensure the accuracy and timely financial reporting and consistency over accounting and computing in respect of reports to the Head Office. The absence of computerization may potentially result in material misstatement in the financial statement of the company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in Internal Financial Controls with reference to Financial Statements, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has not maintained adequate Internal Financial Controls with reference to Financial Statements as of 31st March 2018, based on the Internal Financial Controls with reference to Financial Statements criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of March 31, 2018 the financial statements of the Company, and 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 B. P. Rao & Co
Chartered Accountants
Firm Reg No. 003116S

Sd/-
B. Prasanna Achar
Partner
Membership No. 202100

Place: Bengaluru
Date: 16/08/2018



Annexure-C Referred to in paragraph 2(i) of the section on “Report on Other Legal and Regulatory Requirements” of our Report at even date

(Report on / Replies to directions/additional directions of C&AG are given in italics)

A. 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, 2018 Directions under Section 143(5) of Companies Act, 2013)

Sl.No.	Directions	Reply
1.	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	<p>According to the information and explanations given to us, the company has taken up the reconciliation of classification of Leasehold/Freehold land.</p> <p>We are informed by the management that,</p> <ul style="list-style-type: none"> i. The company does not hold title deeds in respect 468 properties ii. Company is in the process of entering into lease agreements with various parties in 78 cases where the lands have been taken on lease to the extent of 265.08 acres & 832.09 Guntas iii. Company is in the process of entering into lease agreements with various parties in 11 cases where the lands have been given on lease to the extent of 3 Acres & 155.04 Guntas iv. In respect of 263.62 acres of land acquired for INR 5158.30 Lakhs from KIADB through Sale cum Lease Agreements, the company is the process of replacing the existing terms of 99 years lease to a Lease cum Sale period fixed for minimum of two years in relation to the amendments made by GOK vide “Order No.CI 15 SPQ 2017 dated 09/03/2017”. Out of 263.62 acres of land, KPTCL has is yet to receive possession for 9.62 acres from KIADB.



2.	Whether there are any cases of waiver / write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	As per the information provided by the management and based on our verification, we have not come across any cases of waiver/ write off of debts/ loans/ interest, etc., except bad & doubtful debts provided for pertaining to the amount receivable from Building & Other Construction Workers Welfare Board to the extent of INR 231.92 Lakhs
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	As per the information provided by the management and based on our verification, Schedules were being maintained for inventories lying with third parties. We have not noticed any assets received as gifts/grants from the Government or other parties during the Financial Year 2017-18. However, on our verification we observed that in respect of transformers sent for repairs amounting to Rs. 2805.04 Lakhs there is no system of periodic follow-up, inspection and obtaining confirmation from third parties for such assets.

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, 2018)

Directions	Reply
(a) Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details, may be provided.	As informed to us, total of 156 Acres 42 Guntas have been encroached by various parties and necessary efforts and action are being taken to clear the encroachment.
(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.	As informed to us the system of evacuation of power commensurate with power available for transmission with the generating company and no loss has been claimed by the generating Company.
(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?	As per the information and explanation given to us, the actual transmission loss of 3.22% for the financial year 2017-18 is within the KERC approved range of 3.37%.



<p>(d) Examine the system of effective utilisation Loans/Grant-in-Aid/Subsidy. List the cases of diversion of funds.</p>	<p>As per our examination and information provided by the company, there is adequate system for effective utilization of grants/loans. The company has not received any subsidy during the year. The borrowings by way of term loans are generally utilized for the purpose for which the loans were obtained except, in some of the cases, term loans have not been exclusively utilized for the project for which the loan has been sanctioned.</p> <p>Company has received during the year INR 2652.30 and in Previous year INR 7681.00 Lakhs towards creation of Inter-state Transmission System in the state of Himachal Pradesh and Karnataka under Green Energy Corridor Project, further interest accrued amounting to INR 1.63 Lakhs on deposit created out of grant received were also credited to Grants. The company spent for the approved projects to the extent of amounting INR 10334.40 lakhs as on 31.03.2018 and unspent amount of INR 0.52 lakhs is carried over to next year through the dedicated bank account.</p> <p>Company has received during the year INR 1208.40 Lakhs and in Previous year INR 604.20 Lakhs towards renovation and up-gradation of protection system in 400 KV and 220 KV substations under PSDF Project. The company had utilized 1812.60 lakhs as on 31.03.2018.</p>
<p>(e) Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.</p>	<p>We are informed by the management that the transmission infrastructure of substation and related line works are created by the Company based on the request of ESCOM's. The KERC fixes the tariff based on the ARR which includes all the related operational costs and depreciation towards capital expenditure. Hence, in our opinion the company recovers its capital expenditure over the years as part of tariff fixed by KERC.</p>

Place: Bengaluru
Date :16/08/2018

For B. P. Rao & Co
Chartered Accountants
Firm Reg No. 003116S
Sd/-
B. Prasanna Achar
Partner
Membership No. 202100



FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2018

[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

I 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 (CIN: U40109KA1999SGC025521)** having its Registered Office at **CAUVERY BHAVAN K.G. ROAD, BANGALORE-560009** (hereinafter called **the Company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Company is an Unlisted Public Company, wholly owned by Government of Karnataka. It is engaged in transmission of electricity. Besides the Companies Act and other applicable laws, the Company is required to comply with directions issued by the Government of Karnataka from time to time in the interest of the Company. The Company has no foreign investment. By Notifications No GSR 463(E) dated 5.6.2015 and dated 13.6.2017 Government Companies have been exempted from certain provisions of the Companies Act, 2013 and Rules made there under.

Based on my 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, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2018, complied with the statutory provisions listed here under 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 here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended, 31st March, 2018 according to the provisions of:



- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Contracts Act.
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; **NOT APPLICABLE**
- iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **NOT APPLICABLE**
- v) 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; **NOT APPLICABLE**
- (vi) Electricity Act, 2003 and the Rules made there under and in particular the Annual performance review and regulatory mechanism with the Karnataka Electricity Regulatory Commission.
- (vii) Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010.
- (viii) Central Electricity Authority (Measures relating to safety and Electricity supply) Regulations 2010 (as amended in 2015)
- (xi) Central Electricity Authority (Safety requirements for construction, operations, and maintenance of electrical plants and electrical lines) Regulations 2011
- (x) Indian Electricity Grid Code Regulations 2010
- (xi) Energy Conservation Act, 2011
- (xii) Forest (Conservation) Act, 1980

I have also reviewed the **systems and mechanisms** established by the Company for ensuring compliances under other applicable Acts, Laws, Rules, Regulations, Guidelines applicable to the Company and categorized under the following major heads/groups:

1. Air (prevention And Control Of Pollution) Act, 1961
2. Water (prevention And Control Of Pollution) Act, 1974
3. The Water (prevention And Control Of Pollution) Cess Act, 1977
4. Environment (protection) Act, 1986
5. Consumer Protection Act, 1986
6. Apprentices Act, 1961
7. Factories Act 1948 And Rules

8. Industrial Disputes Act, 1947
9. Maternity Benefit Act (Applicable To Woman Employees Who Are Outside The Preview Of The ESI Act)
10. Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013.
11. Contract Labour (Regulation & Abolition) Act 1970 , Contract Labour (Regualtion And Abolition) Karnataka Rules 1974.
12. Payment Of Bonus Act, 1965
13. Payment Of Wages Act, 1936
14. Workmen's Compensation Act, 1923.
15. KERC (General & Conduct of Proceedings) Regulations 2000
16. KERC (Licensing) Regulations 2000.
17. KERC (fee) Regulations 2016.
18. KERC (Tariff) Regulations 2000.
19. KERC (recovery Of Expenditure For Supply Of Electricity) Regulations 2004
20. KERC (Electricity Supply) Code 2004.
21. Karnataka Electricity Grid Code 2005.
22. Karnataka Electricity Board Employees' Service Regulations.
23. Conditions Of Supply Of Electricity Of Distribution Licensees in the State Of Karnataka Gazette Notification Dated 17.6.2006.
24. KERC Notification No. KERC/COS/D/07/10 Dated 1.7.2016

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE); **NOT APPLICABLE.**
- (iii) Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 **NOT APPLICABLE.**

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the observations made below:



Regarding “ Other laws” , the Company is a well established Government Company and , in general , there are proper systems and mechanisms in place for Compliance with the Provisions of Other laws, including rules governing recruitment, promotion, leave etc and purchases.

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted. The Company has constituted the following Committees.

- 1) Combined Central Purchase Committee
- 2) Audit Committee
- 3) CSR committee
- 4) Borrowing Committee

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are 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.

The Minutes of Meetings of the Board and its Sub Committees are maintained properly.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines. Certificates of Compliance of Other applicable laws are obtained from concerned departmental Heads.

S. Viswanathan

Practicing Company Secretary

ACS No: 5284

CP No: 5284

Place: Bangalore

Date : 22/09/2018

Encl: Annexure A



Annexure A

To
The Members
Karnataka Power Transmission Corporation Limited

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure 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.

S Viswanathan

Practicing Company Secretary

ACS No: 5284

CP No: 5284

Place: Bangalore

Date : 22/09/2018



BALANCE SHEET AS AT 31st MARCH 2018

(Amount in INR)

PARTICULARS	NOTE NO.	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I ASSETS						
1 Non-Current Assets						
(a) Property, Plant and Equipment	2	10,12 & 16.2	10624 47 99 799		9038 69 90 448	
(b) Capital Work-in-progress	3	14 & 15	3032 91 76 338		3162 16 60 078	
(c) Financial Assets						
(i) Others	4	25 to 27 & 28	632 82 42 183		681 53 01 084	
(d) Other Non-Current Assets	5	17,25,26,27,28,28.4 to 28.9 & 31 to 37	111 93 44 574	14402 15 62 894	116 95 10 012	12999 34 61 622
Current assets						
(a) Inventories	6	22&16.1	60 81 41 198		61 70 49 858	
(b) Financial Assets						
(i) Trade Receivables	7	23 & 28.1	661 95 30 785		730 85 65 403	
(ii) Cash and Cash Equivalents	8	20 & 24	130 31 40 350		196 36 37 435	
(iii) Other Bank Balances	9	24.8 & 20.2	90 30 80 779		80 05 05 215	
(iv) Loans	10	25 & 27	3 31 84 657		3 37 61 053	
(v) Other Financial Assets	11	28	236 75 91 848		204 50 67 181	
(c) Other Current Assets	12	16,28.1 to 28.9	1 21 20 160	1184 67 89 777	1 09 12 814	1277 94 98 959
TOTAL ASSETS				15586 83 52 671		14277 29 60 581
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share Capital	13	52.301	2182 32 25 000		2075 32 25 000	
(b) Other Equity	14	55 to 58	2093 70 23 942		1988 55 76 481	
TOTAL EQUITY				4276 02 48 942		4063 88 01 481
Non-Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	15	51 to 54	4619 88 66 775		4365 17 06 962	
(b) Provisions	16	44	173 14 76 182		200 76 50 917	
(c) Deferred Tax Liabilities (Net)	17	46.802	898 22 89 128		483 72 97 748	
(d) Other Non-Current Liabilities	18	42 to 53	2131 70 87 585	7822 97 19 670	1687 16 48 261	6736 83 03 888
Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	19	51 to 54	158 33 33 123		-	
(ii) Trade Payables	20	41	710 60 58 214		710 78 17 343	
(iii) Other Financial Liabilities	21	46.9	611 66 72 005		674 15 64 893	
(b) Other Current Liabilities	22	42 to 46	1028 34 74 723		1109 48 11 468	
(c) Provisions	23	42,44,46	934 52 90 638		712 27 19 707	
(d) Current Income Tax Liabilities (Net)	24	46.8	44 35 55 356	3487 83 84 059	269 89 41 801	3476 58 55 212
TOTAL EQUITY AND LIABILITY				15586 83 52 671		14277 29 60 581

Significant Accounting Policies & Notes to Accounts 1-37

For and on behalf of the Board of Directors

The accompanying notes form an integral part of the financial statements
As per our Report of even date attached

For B.P.Rao & Co.
Chartered Accountants
FRN : 003116S

B. PRASANNA ACHAR
Partner
Membership No. 202100

Place: Bengaluru
Date :16/08/2018

Sd/-
(Dr. S. SELVA KUMAR)
Managing Director

Sd/-
(Dr. ADITI RAJA)
Director (Finance)

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

Sd/-
(K. T. HIRIYANNA)
Authorised Signatory for C.S



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in INR)

PARTICULARS	NOTE NO.	ACCOUNT CODE	CURRENT YEAR 2017-18	PREVIOUS YEAR 2016-17
I Revenue from Operations (Transmission of Power)	25	61 & 62	2859 53 10 195	3204 96 95 209
II Other Income	26	62	235 11 23 563	175 30 55 494
III Total Revenue (I+II)			3094 64 33 758	3380 27 50 703
Expenditure				
a) Employee Costs	27	75	873 66 92 643	686 55 53 416
b) Repairs and Maintenance	28	74	215 26 46 336	191 93 78 759
c) Administrative and Other Expenses	29	76	104 98 05 266	91 18 86 456
d) Finance Cost	30	78	366 58 56 674	382 25 75 597
e) Depreciation and Amortization	31	77	716 23 68 415	663 76 78 346
f) Other Expenses	32	77, 79 & 80	5 55 35 350	15 57 91 306
(IV) Total Expenditure			2282 29 04 684	2031 28 63 880
(V) Add/(Less): Prior period credits / (charges)	33		-15 68 79 814	98 57 13 504
Profit/(Loss) Before Exception Items and Taxes (III - IV + V)			796 66 49 260	1447 56 00 327
Exceptional Items	34	62	-	467 52 06 691
Profit/(Loss) Before Tax			796 66 49 260	1915 08 07 018
Tax Expense	35,36	81.1, 81.201	584 52 01 799	618 44 46 521
Profit/(Loss) for the period			212 14 47 461	1296 63 60 497
Other Comprehensive Income				
A.1. Items that will not be reclassified subsequently to Profit or Loss			-	-
A.2. Income tax relating to above items			-	-
B.1. Items that will be reclassified subsequently to profit or loss			-	-
B.2. Income tax relating to above items			-	-
Total Other Comprehensive Income/(Loss) for the year (Net of Tax)			-	-
Total Comprehensive Income/(Loss) for the year			212 14 47 461	1296 63 60 497

Earnings per Equity Share (in INR)

Face Value of Equity Share: INR 1,000/-

Basic	98.45	624.79
Diluted	97.21	594.15

Weighted Average Equity Shares used in computing earnings per equity share

Basic	2 15 47 663	2 07 53 225
Diluted	2 18 23 225	2 18 23 225

Significant Accounting Policies & Notes to Accounts

1-37

As per our Report of even date attached

For B.P.Rao & Co.

Chartered Accountants

FRN : 03116S

B. PRASANNA ACHAR

Partner

Membership No. 202100

Place : Bengaluru

Date : 16/08/2018

For and on behalf of the Board of Directors

Sd/-

(Dr. S. SELVA KUMAR)

Managing Director

Sd/-

(Dr. ADITI RAJA)

Director (Finance)

Sd/-

(RUTH.G.MIRAJKAR)

Financial Adviser (A&R)

Sd/-

(K. T. HIRIYANNA)

Authorised Signatory for C.S



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in INR)

PARTICULARS	A. EQUITY SHARE CAPITAL	B. OTHER EQUITY			TOTAL
		SHARE APPLICATION MONEY PENDING ALLOTMENT	Reserves and Surplus		
			CAPITAL RESERVE	RETAINED EARNINGS	
Balance at the beginning of the reporting period (01/04/2016)	2075 32 25 000	107 00 00 000	7 45 46 563	577 46 69 423	691 92 15 986
<u>Add:</u> Transfer to retained earnings	-	-	-	1296 63 60 497	1296 63 60 497
<u>Less:</u> Shares allotted during the year 2016-17	-	-	-	-	-
Balance at the end of the reporting period (31/03/2017)	2075 32 25 000	107 00 00 000	7 45 46 563	1874 10 29 920	1988 55 76 483

The accompanying notes form an integral part of the financial statements
As per our Report of even date attached

For B.P.Rao & Co.
Chartered Accountants
FRN No. : 003116S

B. PRASANNA ACHAR
Partner
Membership No. : 202100

Place: Bengaluru
Date : 16/08/2018

Sd/-
(Dr. S. SELVA KUMAR)
Managing Director

Sd/-
(Dr. ADITI RAJA)
Director (Finance)

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

Sd/-
(K. T. HIRIYANNA)
Authorised Signatory for C.S





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

(Amount in INR)

PARTICULARS	A. EQUITY SHARE CAPITAL	B. OTHER EQUITY			TOTAL
		SHARE APPLICATION MONEY PENDING ALLOTMENT	Reserves and Surplus		
			CAPITAL RESERVE	RETAINED EARNINGS	
Balance at the beginning of the reporting period (01/04/2017)	2075 32 25 000	107 00 00 000	7 45 46 563	1874 10 29 918	1988 55 76 481
<u>Add:</u> Transfer to retained earnings	-	-	-	212 14 47 461	212 14 47 461
<u>Less:</u> Shares allotted during the year 2017-18	107 00 00 000	- 107 00 00 000	-	-	- 107 00 00 000
Balance at the end of the reporting period (31/03/2018)	2182 32 25 000		7 45 46 563	2086 24 77 379	2093 70 23 942

Note: 1070000 Equity Shares (Previous Year : Nil) of Rs. 1,000/- each were allotted during the year 2017-18 to The Hon'ble Governor of Karnataka on 04/07/2017.

The accompanying notes form an integral part of the financial statements
As per our Report of even date attached

For B.P.Rao & Co.
Chartered Accountants
FRN No. : 003116S

Sd/-
(Dr. S. SELVA KUMAR)
Managing Director

Sd/-
(Dr. ADITI RAJA)
Director (Finance)

B. PRASANNA ACHAR
Partner
Membership No. : 202100

Sd/-
(K. T. HIRIYANNA)
Authorised Signatory for C.S

Place: Bengaluru
Date : 16/08/2018

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

(Amount in INR)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	796 66 49 260	1915 08 07 018
Adjustments for:		
i Depreciation and Amortization Expenses	716 23 68 415	663 76 78 344
ii Withdrawal of Excess provision made during Previous years	-4 91 49 633	-2 11 26 925
iii Depreciation on Assets created out of Consumer Contribution	-49 95 48 093	-33 32 53 084
iv Provision for Stock shortage	49 55 669	- 60 50 249
v Profit on sale of stores	- 17 66 314	- 25 80 632
vi Sale of scrap	- 27 34 759	- 8 72 615
vii Profit on sale of released Assets	-4 29 19 440	-7 31 26 289
viii Sundry Receivables Write off & Other Write off & exceptional items	70 99 383	-457 45 77 574
ix Interest income	-6 00 16 200	-2 69 42 634
x Finance Costs	366 58 56 674	382 25 75 597
Operating Profit/(Loss) before working capital changes	1815 07 94 962	2457 25 30 957
Change in Operating Assets and Liabilities		
i (Increase)/Decrease in trade receivables	68 90 34 618	-379 85 21 281
ii (Increase)/Decrease in inventories	39 52 991	6 22 58 095
iii (Increase)/Decrease in current assets	-28 34 10 884	439 35 82 296
iv (Increase)/Decrease in current liabilities & provisions	113 79 59 175	-996 15 79 971
v (Increase)/Decrease in Non-current assets	53 72 24 340	884 69 88 423
vi Increase/(Decrease) in Non-current liabilities	378 30 32 087	-39 38 74 589
vii (Increase)/ Decrease in Loans	5 76 396	1 16 95 669
Cash Generated from Operations	2401 91 63 685	2373 30 79 599
Add/(Less): Income Tax Paid (Net of Refund)	- 425 98 24 236	-139 12 24 086
Net Cash Inflow From Operating Activities (A)	1975 93 39 449	2234 18 55 513
II CASH FLOW FROM INVESTING ACTIVITIES		
i Changes in PPE & Capital Work in Progress	-2113 13 79 526	-1933 99 85 062
ii Net increase/decrease in Bank Deposit with maturities exceeding 3 months	-10 25 75 564	-7 38 61 955
iii Interest Income	6 00 16 200	2 69 42 634
Net Cash Inflow From Investing Activities (B)	-2117 39 38 890	-1938 69 04 383
III CASH FLOW FROM FINANCING ACTIVITIES		
i Contribution & Grants towards cost of capital assets	88 57 80 595	116 17 73 084
ii Changes in Secured Loans	255 31 00 534	159 55 72 412
iii Changes in Unsecured Loans	157 73 92 402	- 59 40 723
iv Finance and other Charges	-426 21 71 174	-450 87 05 665
Net Cash Inflow From Financing Activities (C)	75 41 02 357	-175 73 00 892
Net Change in Cash and Cash equivalents (A+B+C)	-66 04 97 085	119 76 50 238
Add: Opening Cash and Cash Equivalents as on 01.04.2017	196 36 37 435	76 59 87 197
Closing Cash and Cash Equivalents as on 31.03.2018	130 31 40 350	196 36 37 435

Note- 1) The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 "Statement of Cash Flows".

Note-2) Cash and Cash Equivalents balances held by the Company not available for use amounts to INR 5,23,940/- earmarked towards Pension Security Fund and INR 13,623/- earmarked to Family Benefit Fund. Cash and Cash Equivalents INR 2,25,29,289/- collected towards UI Charges from Short Term Open Access Customers which is payable to/adjustable with ESCOM's. Cash and Cash equivalents INR 81,976/- earmarked towards Govt. Treasury. Cash and Cash equivalents INR 25,000/- and INR 52,131/- earmarked towards GEC and PSDF grants respectively.

For and on behalf of the Board of Directors

The accompanying notes form an integral part of the financial statements
As per our Report of even date attached

For B.P.Rao & Co.
Chartered Accountants
FRN No. : 003116S

Sd/-
(Dr. S. SELVA KUMAR)
Managing Director

Sd/-
(Dr. ADITI RAJA)
Director (Finance)

B. PRASANNA ACHAR
Partner
Membership No. : 202100

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

Sd/-
(K. T. HIRIYANNA)
Authorised Signatory for C.S

Place: Bengaluru
Date :16/08/2018



Note – 1 – Company Overview and Significant Accounting Policies

- 1.1. Karnataka Power Transmission Corporation Limited (KPTCL) is a Public Limited Company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka.

KPTCL is engaged in the business of power transmission to ESCOM's and Open Access Customers and such other related activities.

1.2. Basis of preparation of Financial Statements

- a. The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost (fair value as mandated by Ind AS where applicable) and going concern convention on the accrual basis and the provisions of the Companies Act, 2013('Act') and The Electricity Act, 2003. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- b. The financial statements for the period up to 31 March, 2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous Indian GAAP). Pursuant to the mandatory requirement for adoption of Indian Accounting Standards (Ind AS), as notified by the Ministry of Corporate Affairs (MCA), the Company has prepared its financial statements for the year ended 31st March, 2017 in accordance with Ind AS101-First time adoption of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. As mandated by the Ind AS, the comparative figures in the financial statements with respect to the previous year also have been restated.
- c. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.
- d. The Assets are classified as Current Assets and Non-Current Assets and Liabilities are classified as Current Liabilities and Non-Current Liabilities considering the operating cycle of the Company as 12 months.

1.3. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies requires critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the financial statements.

Unclaimed liability/liability existed in respect of supply of materials under Head of Account "Liability for Supply of Materials" and "Sundry Creditors / Control Account" without any disputes and which are continued to exist in the books of Accounts for more than 10 years period as on closure of current financial year are transferred to Miscellaneous income.

1.4. Valuation of Inventories

- a. Inventories are valued at the lower of cost and net realizable value. Cost is determined based on weighted average cost method.
- b. Cost includes bringing the inventories to their present location and condition.
- c. The value of materials which are identified as scrap/obsolete by the Scrap approval committee are accounted at net realisable value if available in Schedule of Rates (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.
- d. 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.

1.5. Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expenses associated with the investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.6. Prior Period Items

The Company corrects material prior period errors retrospectively in the first set of financial statements approved for issue after discovery by:

- a) Restating the comparative amounts for the prior period(s) presented in which the error occurred or
- b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.



1.7. Income Tax and Deferred Tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities. Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.8. Property, Plant and Equipment (PPE)

- a. Company applies Cost Model for recognising and measuring all PPE's. PPE's are stated at cost less accumulated depreciation and impairment, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- b. Establishment and other administration expenditure of Works Circles and Major Works Divisions which are directly attributable to capital works are allocated to the capital works handled by the respective Divisions and form part of the cost of assets. Incentives for early completion of works are added to the Capital Works as and when the contractor makes the claim.
- c. Assets put up by third parties, which vest with the Company under Regulation for Condition of Supply of Electricity issued by the KERC, are incorporated in the books at the Fair Value(cost estimate approved by the Company in the absence of actual cost).
- d. Land cost includes acquisition cost (including enhanced compensation), Compensation paid for afforestation and social forestry to the local people/families affected by the projects.
- e. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets before ready to use as intended by the Management are disclosed under 'Capital work-in-progress'.
- f. Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with the Assets flow to the company and the cost of the item can be measured reliably.
- g. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.
- h. An item of PPE and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.
- i. Decommissioning Cost is not capitalised to the PPE at the present value of estimated cost of decommissioning.
- j. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

1.9. Depreciation

- a. Depreciation is calculated on straight line method at the rates notified by Central Electricity Regulatory Commission (CERC) and adopted by Karnataka Electricity Regulatory Commission (KERC) from time to time. The depreciation rates as per CERC are as under:

Sl.No.	Particulars	Depreciation Rates
1	Buildings and Roads	3.34%
2	Internal Wiring, Optic Fibre, Communication Equipments, Furniture and Fixtures, Calculators, Typewriters, Cash Registers, Cash Chest, Duplicars, Xerox and Copiers	6.33%
3	Trucks, Tempos, Treckers, Buses, Jeeps, Vans, Motor Cars and Other Vehicles	9.50%
4	Computers and such other IT Equipments	15.00%
5	Temporary Erections such as wooden structures	100.00%
6	All other assets not covered above	5.28%

- 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. (i) 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.
(ii) Civil Structures are depreciated 100% over the useful life of the Assets or lease period whichever is earlier.
- g. Depreciation on released assets (Assets not in use) and released assets issued for repairs has been charged at the rate prescribed under Note 1.9a on the written down value of those assets on written down value method.
- h. Depreciation on assets created out of deposit contribution and assets created out of self execution are transferred to Income in the same proportion as the depreciation charged during the year on the assets created out of Contribution/Grants.
- i. Gains and losses on disposals are determined by comparing sale proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

1.10. Revenue Recognition

- a. Revenue from Transmission is recognized on accrual basis at the tariff as notified by Karnataka Electricity Regulatory Commission (KERC) annually which is based on Multi Year Tariff (MYT) Regulations and also considering the estimated Return on Equity and other relevant aspects.
- b. Yearly Transmission Charges(YTC) from ISTS lines are accounted on accrual basis as per the CERC Order from time to time.
- c. Works executed/assets created out of contributions received from the third parties vest in the Company under the Regulation for Condition of Supply of Electricity by the KERC and they are incorporated as assets in the books at the fair value. Consumer contribution towards cost of Capital Asset are treated as Deferred Income and are grouped under Non-Current Liabilities which are subsequently adjusted as Income in the same proportion as the depreciation is charged during the year on the assets acquired out of the Contribution/ Grant.
- d. Other operating revenues from rendering services are accounted on the basis of stage of completion method except for supervision charges, inspection charges, testing charges, Earth Mat design charges and Mandap Keeper Charges which are accounted for on cash basis.
- e. Interest income is recognized using effective interest method.

1.11. Leases

As a Lessee

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term in the Statement of Profit and Loss.

Cost of improvements made to lease assets is amortized in equal instalments over remaining lease period of the asset.



As a Lessor

Lease Income from operating lease where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

1.12. Accounting for Grants

- a. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grant related to income is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to an asset is recognised as income in equal amounts over the expected useful life of the related asset.
- b. Revenue/Untied grants are treated as income on satisfying the obligations attached to them and receipt of the same is certain.

1.13. Employee Benefits

a. Short Term Employee Benefits

Short-term employee benefits viz., salaries, wages and other benefits are recognized as expenses at the undiscounted amount as per contractual terms in the Statement of Profit and Loss for the year in which the related service is rendered.

b. Defined Contribution Plans

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. Defined Benefit Plans

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 the "KPTCL & ESCOMs Pension & Gratuity Trust" (KEPGT). The rates/amounts are arrived at based on the Actuarial Valuation Report done in accordance with Ind AS-19 by KEPGT from time to time. Actuarial gains or losses are recognized in the Other Comprehensive Income for the period in which they occur.

d. Leave Encashment

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. Actuarial gains or losses are recognized in the Other Comprehensive Income for the period in which they occur.

e. Family Benefit Fund

'Employees Family Benefit Fund' Scheme has been introduced with effect from 01.07.1978. INR 200/- is deducted from each employee and paid to this Fund. In case of death of an employee while in service, INR 2,00,000/- is being paid to the legal heir of the employee if contribution of INR 2,400/- is been made by the employee for a minimum period of 12 months. As per the Scheme, the Company contributes to this Fund as per the terms of the Scheme in case of Death/Retirement of the employees. Actuarial gains or losses are recognized in the Other Comprehensive Income for the period in which they occur.

f. Pension Security Fund

'KEB Pensioners Family Benefit/Security Fund' was established on 08.10.1998. As per the Scheme, every pensioner/family pensioner shall make a monthly contribution of INR 100/- to the Fund. When the Member of the Fund expires after contributing for a minimum of 12 months, the Nominee(s) shall be paid a lumpsum of INR 30,000/- out of the Fund. The Company does not make any contribution to the Fund.

1.14. Foreign Currency Transactions

a. Functional currency

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees.

b. Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.



1.15. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalization by applying capitalization rate to the expenditure incurred on such cost. The capitalization rate determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

1.16. Earnings per Share

Basic Earnings per Share

Basic Earnings per Share is calculated by dividing the profit attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the number of equity shares used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of equity shares including additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.17. Impairment of PPE and Intangible Assets:

The carrying values of PPE's and Intangible Assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

1.18. Provisions, Contingent Liabilities and Contingent Assets:

- a. 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.
- b. Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability.
- c. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A Contingent asset is not recognised in the financial statements. The details of contingent asset are disclosed in the Notes when the inflow of economic benefits is probable.
- d. Contingent Liabilities and Contingent Assets are assessed continuously to appropriately disclose/recognise in the Financial Statements.

1.19. Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Intangible assets (consist of rights under licensing agreement and software licences which) are amortised on straight line basis over 3 years.

1.20. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.



The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOC and financial assets/liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

a. Financial Assets

Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

- a) Amortised cost; or
- b) Fair value through other comprehensive income (FVTOCI); or
- c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised Cost	The objective of the company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiaries are carried at cost (i.e.,) previous GAAP carrying amount as at the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised Cost	Trade receivables, loans and advances, deposits, Interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity Instrument in companies other than subsidiaries as an option exercise at the time of initial recognition.
FVTPL	Investment in mutual funds, forward exchange contracts.

Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

- a) significant risk and rewards of the financial asset, or
- b) control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

Upon de-recognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:



Name of Financial Asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial Assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. However the impairment testing methodology used in respect of unbilled revenue is same as that of trade receivables.

b. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.21 Financial Liabilities

Financial liabilities comprises of Borrowings, Trade payables, Derivative financial instruments, financial guarantee obligation and other financial liabilities.

The Company measures its financial liabilities as below:

Measurement Basis	Name of Financial Liabilities
Amortised Cost	Borrowings, Trade payables, Interest Accrued, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Financial liabilities are derecognised when and only when it is extinguished (i.e.,) when the obligation specified in the contract is discharged or cancelled or expired.

Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

1.22 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.



NOTE-02 : PROPERTY PLANT & EQUIPMENT

(Amount in INR)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	A/C CODE	AS AT 1ST APRIL 2017	ADDITIONS	DEDUCTIONS/ADJUSTMENTS	AS AT 31ST MARCH 2018	A/C CODE	AS AT 1ST APRIL 2017	ADDITIONS	DEDUCTIONS/ADJUSTMENTS	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH 2017	AS AT 31ST MARCH 2018
Land & Rights	10.1	281 72 07 396	80 20 46 915	-2 62 57 725	359 29 96 586	12.1	1 70 19 26 621	18 54 08 206	- 51 14 534	1 88 22 20 293	281 72 07 396	359 29 96 586
Buildings	10.2	566 36 12 266	45 77 81 334	-3 70 14 862	608 43 78 738	12.2	1 70 19 26 621	18 54 08 206	- 51 14 534	1 88 22 20 293	396 16 85 645	420 21 58 445
Hydraulic Works	10.3	73 81 53 862	8 54 06 664	1 56 31 991	83 91 92 517	12.3	22 63 48 759	4 20 02 525	61 126	26 84 12 410	51 18 05 103	57 07 80 107
Other Civil Works	10.4	72 15 46 905	23 38 17 782	7 14 42 173	102 68 06 860	12.4	13 77 85 602	3 51 88 228	56 626	17 30 30 456	58 37 61 303	85 37 76 404
Plant & Machinery	10.5	7815 05 63 316	707 93 84 406	-77 88 75 070	8445 10 72 652	12.5	33 38 29 93 129	3 84 48 05 084	-41 17 41 764	36 81 60 56 449	44 76 75 70 187	47 63 50 16 203
Lines Cable Networks	10.6	6163 23 22 642	1458 57 21 845	32 45 79 008	7654 26 23 495	12.6	24 49 77 57 769	3 19 94 12 366	11 79 31 060	27 81 51 01 195	37 13 45 64 873	48 72 75 22 300
Vehicles	10.7	8 38 39 451	7 24 176	- 23 81 355	8 21 82 272	12.7	4 78 54 803	45 45 066	- 19 15 847	5 04 84 022	3 59 84 648	3 16 98 250
Furniture & Fixtures	10.8	19 12 70 670	1 15 81 581	6 09 544	20 34 61 795	12.8	9 13 19 511	1 05 38 764	- 4 20 818	10 14 37 457	9 99 51 159	10 20 24 338
Office Equipments	10.9	4 42 05 536	17 53 690	- 22 97 069	4 36 62 157	12.9	2 30 12 317	20 28 076	- 17 84 552	2 32 55 841	2 11 93 219	2 04 06 316
TOTAL		15004 27 22 044	2325 82 18 393	-43 45 63 367	17286 63 77 072		6010 89 98 511	732 39 28 315	-30 29 28 703	6712 99 98 123	8993 37 23 533	10573 63 78 949
PREVIOUS YEAR		14047 89 76 101	990 61 49 750	-34 24 03 807	15004 27 22 044		5366 31 86 701	669 05 27 426	-24 47 15 616	6010 89 98 511	8681 57 89 400	8993 37 23 533

* The Company has opted to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition to Ind AS.

Fixed Assets

Note 2.1- Land register reconciliation

The Company is considering to initiate the process of reconciliation of the Land registers maintained (comprising quantitative information of Land available in various localities including leasehold land) to the value stated in the Financial Statements amounting to INR 359,29,96,586/- of free hold land including INR 11,97,30,473/- of lease hold land as on 31st March, 2018.

Note 2.2- Land and Title Deeds

- As per the Land Registers maintained, Company has capitalised land aggregating 7772 Acres 25.80 Guntas of 1321 premises (includes 80.46 A 635.84 G of land gifted to KPCTCL), 187 A 26 G of Forest land under lease, 839 A 31.40 G of Government land under lease and 35 A 6.8 G of Private lands under lease.
- Process of updating the land records including title is in progress.
- Out of 7772 Acres 25.80 Guntas, 156 Acres 42 Guntas of land are encroached by various parties. Company is pursuing with the respective Revenue Authorities to complete the documentation in favour of the Company, for the remaining premises.
- Out of 7772 Acres 25.80 Guntas, 156 Acres 42 Guntas 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.
- Land INR 359,29,96,586/- includes INR 1,03,85,214/- given on lease to various entities.
- Land INR 359,29,96,586/- includes possession of land at MEI Lay out and at Mandur on amounting to INR 10,48,590/- which KPCTCL has constructed 66/11 KV stations but yet to be registered in the name of KPCTCL.
- Land includes land allotted by KIADB on lease cum sale agreement dated 13th Oct 2011 for INR 6,67,00,000/-. The land will be registered in the name of KPCTCL at the end of lease period as per the terms and conditions of lease.
- 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 KPCTCL.
- Land includes various land allotments made by GOK amounting to INR 5,56,84,860 located in Ajanahalli, Kempagondanahalli, Kallubealu and Indlavadiyura and later found not suitable for construction of Sub stations. The Company has therefore made a request for the refund/return of the amount paid on such lands, vide letter dated 12/12/2012 to the Deputy Commissioner, Bengaluru Urban District and pending settlement.
- Land cost includes 252.23 acres of Land amounting to INR 53,79,70,746/- acquired from KIADB through Lease Agreement dated 03/03/2017 for a period of 99 years. GOK vide order No.CI 15 SPQ 2017 dated 09/03/2017 has issued an order to replace the existing terms of 99years lease to a "Lease cum Sale period fixed for minimum of two years and the sale deed shall be executed on implementation of the project and satisfactory utilization of Land". The management is in the process of examining the further course of action to make an amendment to the Original Lease Agreement with KIADB.
- GOK has allotted land to KPCTCL towards construction of stations at concessional rates, the same was accounted at cost. KPCTCL has also received land at free of cost from various parties. Consequently to adoption of Ind AS, necessary action to value the land at fair market value will be taken during 2018-19.
- Land measuring 9.62 A at Bellary is in the possession of KPCTCL and title of the land is yet to be transferred to KPCTCL.
- Company is in the process of entering into lease agreements with various parties in 78 cases where lands have been taken on lease to the extent of 265.08 A 832.09 Guntas
- Company is in the process of entering into lease agreements with various parties in 11 cases where lands have been given on lease to the extent of 3 A 155.04 Guntas





Note 2.3-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 amounting to INR 41,03,69,016/- in favor of the Company are pending.

Note 2.4 -Plant & Machinery

- a) Plant & Machinery does not include the Gross cost of assets amounting to INR 47,01,29,660 obtained on finance lease from IDBI vide agreement dated 29.03.1996 and retained by the Company after the expiry of the primary lease period pending agreement on the price. The lessor has demanded INR 1,12,50,000(including INR 59,60,000 of assets held by ESCOMs) which is not accepted by the Company. 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. The Company has not obtained any latest valuation report for such assets retained as on date.
- b) Plant & Machinery does not include cost of assets sold and leased back from ING Vysya Bank (now Kotak Mahindra B) retained by the Company after the expiry of the agreement period, as the assets has reached their residual value and pertains to erstwhile KEB period and the exact location of such assets are not identifiable.
- c) PPE includes additional Switch gears and other equipments installed at various stations of KPTCL under NJY scheme for which amount is to be ascertained and recovered from ESCOM.
- d) Company is in the process of vetting the connection agreement to be signed at the time of interconnection as required by KEGC 2015.
- e) Self execution Works completed and commissioned will be identified and categorised after handing over of inventory.

Note 2.5 -PPE register

a) Management is considering to initiate the process of reconciling the Fixed Asset register to the Gross cost of assets stated in the Financial statements .

b) Previous year Commissioned projects and current year capitalisation

During the year, capitalisation amounting to INR 150,22,40,076/- is related to the projects commissioned prior to 1st April, 2016 and the corresponding depreciation on such capitalisation amounting to INR 4,26,08,127/- has been accounted under the Prior Period Item (Refer Note No. 33)

c) Overhead apportionment to PPE

- i) The Establishment cost and interest cost attributable to the PPE has been apportioned based only on the Asset Categories. However, due to the practical concerns and considering the inherent nature of the operations such costs attributable to the PPE has not been apportioned to independent Asset components/Equipment wise. Establishment cost is excluding the administrative overheads as prescribed under IndAS 16.
- ii) Establishment cost capitalised is net of supervision charges collected on Self Execution Works.

d) Investment property

The Company has not classified the PPE held for the purpose of earning rental income as Investment Property, since the carrying value of such assets are insignificant.

NOTE-2A PROPERTY PLANT & EQUIPMENT

Asset Group	A/c Code	Opening WDV	Increase or Decrease	Depreciation	Closing WDV
WDV of Standby-by assets/released & re-usable assets	16.2	17 57 29 870	6 10 57 957	88 71 303	22 79 16 524
Transformers issued to Contractors / Suppliers for repairs	26.604	27 75 37 045	1 77 38 218	1 47 70 936	28 05 04 327
		45 32 66 915	7 87 96 175	2 36 42 239	50 84 20 851

Note 2A.1

a) WDV of Standby-by assets/released & re-usable assets/Assets sent for repair aggregating to INR 50,84,20,851/- which are reusable is disclosed separately as shown above and depreciated based on WDV method at the prescribed rates.

b) When such assets are regularised and installed into the PPE again, the WDV computed as on the date of installation is considered to be the revised Cost of the regularised asset and transferred to either CWIP/Plant and Machinery as the case may be as if it is a new asset and depreciation is charged on SLM on such revised cost arrived at based on the prescribed rates.

NOTE 2B ABSTRACT - PROPERTY PLANT & EQUIPMENT

Particulars	Opening WDV	Closing WDV
Note No 2	8993 37 23 533	10573 63 78 949
Note No 2A	45 32 66 915	50 84 20 851
Total	9038 69 90 448	10624 47 99 800

NOTE: 3 CAPITAL WORKS IN PROGRESS**(Amount in INR)**

SL. NO.	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH 2018		AS AT 31ST MARCH 2017	
1	Capital Work in Progress	14	2236 51 67 443		2291 97 75 393	
	Sub-Total			2236 51 67 443		2291 97 75 393
2	Turnkey Contractors Control Account in respect of Capital Works	26.605	840 06 93 454		910 32 71 067	
	Sub-Total			840 06 93 454		910 32 71 067
3	Less : Encashment of Bank Guarantee pending decision for adjustment to Capital works	56.202		- 43 66 84 559		- 40 13 86 383
	TOTAL			3032 91 76 338		3162 16 60 077

Note 3.1: CWIP does not include the Self execution works and Deposit contribution works that are in progress. The Asset would be recognised in PPE once the same is handed over to KPTCL after the joint inventory procedures are completed. The Management is considering to make a comprehensive and detailed register for the Deposit Contribution Works (both completed and Work in progress).

Note 3.2: Capital expenditure as on year end is accounted only to the extent of Bills received and bills not received from the Contractors for the work completed during the year.

Note 3.3: CWIP includes materials issued at site and not utilised amounting to INR 1,20,41,039/-. (Previous Year : INR 4,11,21,490/-)

Note 3.4: Turnkey Contractors Control Account in respect of Capital Works includes INR 59,48,06,469/- pertaining to PSDF Work (including KPTCL Portion) and INR 62,20,86,863/- pertaining to NCEF Work (including KPTCL Portion)

Note 3.5: CWIP and Turnkey Contractors Control Account in respect of Capital Works includes works taken up under PSDF. Classification of PSDF Work with regard to Revenue or Capital in nature is to be ascertained.

Note 3.6: CWIP includes Additional Switchgears and other equipments supplied to various stations of KPTCL under Niranthara Jyothi Yojana Scheme for which amount is to be ascertained and recovered from ESCOM's.

Note 3.7: Tree/Crop/Land Compensation is accounted for on cash basis.



NOTE 4 : OTHER NON-CURRENT FINANCIAL ASSETS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Advances to Staff - Interest Bearing (Secured (Considered good))	27.101 to 27.106	4 02 390		4 01 473	
2	Advance Income Tax and Tax deducted at source, Other tax payment (Net of Provision) (Unsecured (Considered good)) (Refer Note No. 4.1 & 26.1(iv))	27.4 & 28.821	53 53 30 726		22 45 10 048	
3	Amounts Recoverable from Employees (Refer Note No. 4.2 & 4.3)	28.401	3 94 77 791		3 57 09 274	
4	Advances to Contractors	28.411	48 497		13 582	
5	Claims for Loss / Damage to Capital Assets	28.74	1 50 863		1 50 863	
6	Other Receivables (Refer Note No. 4.4 & 4.8)	28.8 & 28.9	12 15 24 370		13 35 92 696	
7	Deposits with Others (Refer Note No. 4.5, 4.6 & 4.7) (Unsecured (Considered good))	28.935	19 08 69 630		98 16 52 238	
8	Security Deposit made with ESCOMS for obtaining power supply to KPTCL Installations (Unsecured (considered good))	28.936, 28.937	20 37 916		8 70 910	
9	Regulatory Asset-Receiveable towards additional fixed cost of TBPCL from ESCOMS (Refer Note No. 18.4)	28.968 to 28.973	543 84 00 000		543 84 00 000	
	TOTAL		632 82 42 183		681 53 01 084	

Note 4.1 : Advance Income Tax includes INR 4,54,06,442/- (Previous Year : INR 4,54,06,442/-) has been paid under Protest to the IT Department towards non-effecting TDS on Interest Provision on Belated Payment of Power Purchase Dues for Assessment Year 2004-05, 05-06 and 06-07.

Note 4.2 : Amount recoverable from Employees include INR 2,72,70,111/- (Previous Year : INR 2,69,06,746/-) pertaining to the recoveries to be made from employees as on March 31, 2018 on account of short deduction of TDS on Salaries in the FY 2012-13, 2013-14 & 2014-15. The Company has settled the TDS demand during 2016-17 raised by the Income Tax Department for the shortfall, amounting to INR 3,64,48,286/- including interest of INR 95,41,540/- and has made an appeal on 20.01.2017 and 28.02.2017 against the demand raised. During FY2017-18 the Interest component has been charged to the profit and loss Account. ITAT allowed the appeal in favour of KPTCL in respect of 78 cases and the remaining Appeals are pending for adjudication by other benches of ITAT. The Company has continued recovering the amounts from the employees on monthly basis. However, If all the appeals are disposed in favour of the Company, the amount recovered from the employees until such date would be refunded back.

Note 4.3 : Amount recoverable from Employees include INR 2,28,17,791/- (Previous Year : INR 1,24,68,787/-) relating to shortage of stores etc, proposed to be recovered from future salaries/terminal benefits.

Note 4.4 : Other receivables includes INR 6,62,13,820/- (Previous Year : INR 6,62,13,820/-) receivable from revenue department towards refund/return of land cost paid for Singanayakanahalli and Sunkadakatte lands. Other receivables is net of INR 2,31,91,679/- (Previous Year : Nil) towards Bad and Doubtful Debts provided for - Others (Amount receivable from Buidling & Other Construction Workers Welfare Board)

Note 4.5 : Deposit with Others includes INR 17,34,646/- 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 4.6 : Deposit with others includes land advances made to GOK amounting to INR 1,17,92,825/- located in Sadenahalli, Maranayakanahalli & Thammanayakanahalli & later found not suitable for construction of Sub-stations. The Company has made request for refund/return of the advance amounts paid, vide letter dated 12/12/2012 to the Deputy Commissioner, Bengaluru Urban District and pending settlement.

Note 4.7 : Based on Letter from Workers welfare Cess Board dated 27/04/2012, the Workers Welfare Cess (WWC) is not applicable on Material portion and the amount remitted to the board may be refunded based on the representation from the company, accordingly the company refunded the WWC to the contractor to the extent of INR. 2,31,91,679/- and stopped recovering on material portion from the pending and fresh contract thereafter. But when the representation has been made before the board for the refund of earlier remittance, It has clarified through letter dated 17/01/2018 that WWC is applicable on overall contract value including Material portion, accordingly withdrawn the earlier clarification and denied for the refund. Company made a provision for the doubtful receivables from the board to the extent of INR. 2,31,91,679/-. Company is in the process of taking appropriate action on the aforesaid letter in respect of recovery of WWC on the material portion.



NOTE 5 : OTHER NON CURRENT ASSETS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Preliminary expenditure on survey / feasibility studies of projects not yet sanctioned	17.301		9 94 01 530		12 51 31 893
2	Income Tax Income Tax Refund receivable from Income Tax Department for AY 2014-15	28.819		3 06 30 657		3 06 30 657
3	Proposed adjustments to Net-worth (Refer Note No.20.1 & 5.1)	52.304 to 52.309		97 70 78 513		97 70 78 513
4	Advance to Suppliers and Contractors (Unsecured (Considered good))(Refer Note No. 5.2)	25 & 26	2 32 14 982		4 76 50 058	
	Less : Provision for Bad & Doubtful Debts - Advances to Suppliers / Contractors		-1 09 81 108	1 22 33 874	-1 09 81 108	3 66 68 950
	TOTAL			111 93 44 574		116 95 10 013

Note 5.1 : Proposed adjustment to Net worth represents the net amount accounted on transfer of 'R.E. Subsidy dues receivable from GoK and Power purchase dues payable to KPCL' from KPTCL to ESCOMs as per G.O.No.EN 67 PSR 2017 dated 31/07/2017.

Note 5.2 : Advance to suppliers and contractors includes INR 1,09,81,108/- to be reconciled with the counterpart Accounting Units and hence provision is made for the same.

NOTE 6 : INVENTORIES

(Amount in INR)

SL NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	Stores & Spares					
1	WDV of Obsolete / Scrapped Assets	16.1	11 11 07 049		12 90 89 906	
	Less : Provision for obsolescence		8 88 04 085	2 23 02 964	10 32 71 924	2 58 17 982
2	Materials Stock Account	22.610	58 75 87 788		59 10 14 499	
3	Materials issued on hire basis	22.732	11 437		11 437	
4	Materials pending Inspection	22.660			19 81 518	
	Sub-Total			58 75 99 225		59 30 07 454
II	Materials stock Excess / Shortage Pending Investigation					
1	Stock Excess pending Investigation.	22.810	-17 60 990		-17 75 578	
2	Stock Shortage pending investigation. Less : Provision towards Stock Shortage	22.820	95 13 774 -95 13 774		1 44 69 443 -1 44 69 443	
	Sub-Total			-17 60 990		-17 75 578
	TOTAL			60 81 41 198		61 70 49 858

Note 6.1 : Material stock includes INR 1,15,08,475/- value of items identified as obsolete and valued at 10 % of actual cost (Previous Year : INR 72,16,460/-).

Note 6.2 : Material stock includes slow / non-moving materials for more than 3 years to the extent of INR 24,41,49,637/- (Previous Year : INR 12,04,46,641/-).

Note 6.3 : 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 6.4 : Inventories include Capital Spares not issued for installation/erection.

Note 6.5 : During the year Company has not taken up identification and accounting of obsolete items in the books in case of 4 Zones (other than Bangalore & Bagalkot)



NOTE 7 : TRADE RECEIVABLES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	(Un-secured and considered good)					
1	Trade Receivables for Transmission Charges					
a)	BESCOM (Refer Note No. 7.2)	23.101	112 03 05 192		97 41 91 638	
b)	MESCOM (Refer Note No. 7.2)	23.102	33 38 53 476		39 93 21 784	
c)	HESCOM	23.103	309 15 00 544		213 09 70 811	
d)	GESCOM	23.104	85 29 44 630		137 84 63 506	
e)	CESCO	23.107	84 98 89 058		97 13 82 163	
f)	Long term open access customer - South Western Railways	23.108	39 04 530		-	
2	Sundry Debtors for sale of Power – Inter State	23.6	13 27 208		13 27 208	
	Sub-Total			625 37 24 638		585 56 57 110
3	Trade Receivables - Wheeling charges-Other States (Refer Note No. 25.1 and Note No. 7.3(a) & 7.3(b))	28.120		36 57 68 865		145 29 08 293
4	SLDC expenditure recoverable from Open Access Customers	28.130		37 282		
	TOTAL			661 95 30 785		730 85 65 403

Note 7.1 : Trade Receivables

Particulars	2017-18	2016-17
1) Outstanding Over 6 months	441 54 22 981	131 55 98 742
2) Others	220 41 07 804	599 29 66 661

Note 7.2 : Transmission charges receivable from BESCOM and MESCOM includes rebate for prompt payment of Transmission charges as per KERC Regulation, 2006 demanded and deducted from Transmission charges bills payable by BESCOM and MESCOM to KPTCL amounting to INR 69,13,23,430/- (Previous Year : INR 41,98,15,087/-) KPTCL has raised a dispute against claiming of rebate by BESCOM and MESCOM on the ground that the rebate claimed by BESCOM and MESCOM is against the terms and conditions of Transmission Agreement entered into between KPTCL & BESCOM during 2012. KPTCL has filed a petition before KERC against the unilateral decision of BESCOM and MESCOM. KERC vide tariff order dated 11th April 2017 expressed its decision to deal this issue as per the Transmission Agreement entered into between KPTCL & ESCOMs during 2012. The amount deducted from Transmission charges towards rebate by BESCOM and MESCOM has to be paid to KPTCL.

Note 7.3(a): Transmission charges from Interstate transmission lines has been received from PGCIL for the period from 01/04/2014 to 31/03/2018 based on the rates specified in CERC Order for 2011-2014 after entering into an Agreement with PGCIL. KPTCL has filed petition before CERC for determining the rates for the period from 2014-2019.

Note 7.3(b): Wheeling charges receivable amounting to INR 36,57,68,865/- (Previous Year : INR 1,45,29,08,293/-) under Trade Receivables includes INR 2,52,87,771/- (Previous Year : INR 2,52,87,771/-) (calculated on pooling and sharing basis) receivable from TNEB which is outstanding since 31.03.2011.



NOTE 8 : CASH AND CASH EQUIVALENTS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	Cash and Cash Equivalents					
1	Cash on Hand	24.110	1 28 158		2 07 494	
2	Imprest Balance	24.210	30 11 500		29 75 500	
3	Balance with Banks (Refer Note No.8.1)		125 79 32 547		185 61 43 135	
4	Cheque on Hand		55 86 897		-	
II	Others					
1	Govt. Treasury	24.850	81 976		81 976	
2	Postage stamps on hand	24.120	1 56 228		98 330	
3	Funds in Transit	24.5, 24.6	3 62 43 044		10 41 31 000	
	TOTAL			130 31 40 350		196 36 37 435

Note 8.1 : Cash and Cash Equivalents balances held by the Company not available for use amounts to INR 5,23,940/- (Previous Year : INR26,19,116/-) earmarked towards Pension Security Fund and INR 13,623/- (Previous Year : INR 5,750/-) earmarked to Family Benefit Fund. Cash and Cash Equivalents INR 2,25,29,289/- (Previous Year : INR 3,74,27,424/-) collected towards UI Charges from Short Term Open Access Customers which is payable to/adjustable with ESCOM's. Cash and Cash equivalents INR 81,976/- (Previous Year : INR 81,976/-) earmarked towards Govt. Treasury. Cash and Cash equivalents INR 25,000/- (Previous Year : INR 6,04,00,000/-) and INR 52,131/-(Previous Year : INR 76,81,20,000/-) earmarked towards GEC and PSDF grants respectively..

NOTE 9 : OTHER BANK BALANCES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Deposits with maturity period more than 3 months	20.280 24.882 28.210	3 98 06 229		2 35 80 058	
2	Employee Welfare Fund Balances (Refer Note No. 9.1)		86 32 74 550		77 69 25 156	
	TOTAL			90 30 80 779		80 05 05 214

Note 9.1 : Details of Family Benefit Fund and Pension Security Fund

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Family Benefit Fund	24.882		69 37 70 328		63 62 84 334
2	Pension Security Fund	20.280		15 12 00 000		12 36 00 000
3.	Interest Accrued on above Funds	20.280, 28.210		1 83 04 222		1 70 40 822
	TOTAL			86 32 74 550		77 69 25 156



NOTE 10 : LOANS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
	Advances Recoverable in cash or in kind or for value to be received					
1	Secured Considered good					
	Advances to Staff - Interest Bearing	27.101 to 27.106	10 800		23 434	
2	Unsecured Considered good					
a)	Advances to Staff - Interest Free	27.201 to 27.210	2 31 17 983		2 45 73 104	
b)	Amount Recoverable from Suppliers and Contractors towards TDS remitted by KPTCL on their behalf	25.502	1 00 55 874		91 64 515	
	TOTAL			3 31 84 657		3 37 61 053

NOTE 11 : OTHER CURRENT FINANCIAL ASSETS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Income Accrued but not due- Other than Fund Investments	28.3	26 31 278		24 03 972	
2	Amounts Recoverable from Employees (Refer Note No. 4.2 & 4.3)	28.4	1 90 97 217		65 47 708	
3	Other Receivables - BESCO	28.8 & 28.9, 28.125,28.926	53 09 08 964		47 98 44 002	
4	Other Receivables - MESCOM	28.8 & 28.9, 28.126	17 45 21 486		18 79 29 391	
5	Other Receivables - HESCO	28.8 & 28.9, 28.127	38 68 07 396		32 22 88 121	
6	Other Receivables - GESCOM	28.8 & 28.9, 28.128	41 15 47 247		37 52 76 244	
7	Other Receivables - CESCO	28.9	20 02 18 662		17 29 09 497	
8	Receivables - P & G Trust- Advance Paid	28.907	3 64 28 890		1 12 50 716	
9	Prepaid Expenses	28.820	2 70 19 564		3 15 17 229	
10	Receivable - Others	28.101 to 28.109, 28.111 to 28.124, 28.810,28.836, 28.917,28.898	57 84 11 144		45 51 00 301	
	TOTAL			236 75 91 848		204 50 67 181



NOTE 12 : OTHER CURRENT ASSETS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	IUA - Personnel (Refer Note No. 12.1)	36	19 42 480		36 14 905	
2	IUA- Other transactions / adjustments (Refer Note No. 12.1)	37	1 01 77 680		72 97 909	
	TOTAL			1 21 20 160		1 09 12 814

Note 12.1 : Inter Unit Account - INR 1,21,20,160/- (Previous Year : INR 1,09,12,814/-) represents net debit balance under reconciliation details are given below:

	Debits un-paired	Credits un-paired
37.300 - IUA-Other transactions/adjustments	1475,65,72,362/-	1474,63,94,682/-
36.300 - IUA Personnel	20,13,47,909/-	19,94,05,429/-

NOTE 13 : EQUITY SHARE CAPITAL

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	Authorised Capital 3,00,00,000 Equity Shares of INR 1,000/- each (Previous Year 3,00,00,000 Equity Shares)		3000 00 00 000		3000 00 00 000	
II	Issued, Subscribed and Paid up 2,18,23,225 Equity Shares of INR 1,000/- each (Previous Year 2,07,53,225 Equity Shares)	52.301	2182 32 25 000		2075 32 25 000	
	TOTAL			2182 32 25 000		2075 32 25 000

Note 13.1 : Reconciliation of Equity Share Capital:

(Amount in INR)

PARTICULARS	AS AT 31ST MARCH, 2018 (No. of Shares)	AS AT 31ST MARCH, 2017 (No. of Shares)	AS AT 31ST MARCH, 2018 (Amount in INR)	AS AT 31ST MARCH, 2017 (Amount in INR)
Equity Shares at the beginning of the year	2 07 53 225	2 07 53 225	2075 32 25 000	20 75 32 25 000
Add : Shares issued	10 70 000		107 00 00 000	
Equity Shares at the end of the year	2 18 23 225	2 07 53 225	2182 32 25 000	20 75 32 25 000

Note 13.2 : Details of shareholders holding more than 5% shares in the Company:

(Amount in INR)

NAME OF THE SHAREHOLDER	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Hon'ble Governor of State of Karnataka (including 7 nominee shareholders)	2 18 23 225	100%	2 07 53 225	100%

Note 13.3 : Rights, preference and restrictions attached

The Company has one class of equity shares having a par value of INR 1,000/- per share. These shares rank pari passu in all respects including voting rights and entitlement to dividend.

Note 13.4 : 1070000 Equity Shares of Rs. 1,000/- each were allotted during the year 2017-18 to The Hon'ble Governor of Karnataka on 04/07/2017.



NOTE 14 : OTHER EQUITY

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Capital Reserve(Ref Note No14.2)	56.2		7 45 46 563		7 45 46 563
2	Share Application Money Pending Allotment(Ref Note No13.4)	52.302 & 52.303		-		107 00 00 000
3	Surplus in Profit and Loss Account	58		2086 24 77 379		1874 10 29 918
	TOTAL			2093 70 23 942		1988 55 76 481

Note 14.1 - Movement in Other Equity

(Amount in INR)

SL. NO	Particulars	ACCOUNT CODE	OPENING BALANCE	ADDITIONS	DELETIONS	BALANCE AS AT 31ST MARCH, 2018
1	Capital Reserve	56.2	7 45 46 563	-	-	7 45 46 563
2	Share Application Money pending Allotment	52.302 & 52.303	107 00 00 000	-	107 00 00 000	-
3	Surplus in Profit and Loss Account	58	1874 10 29 918	212 14 47 461	-	2086 24 77 379
	Total		1988 55 76 481	212 14 47 461	107 00 00 000	2093 70 23 942

Note 14.2 : Capital Reserve represents gain on sale of assets in excess of the accumulated depreciation charged by the company on sold asset has been treated as Capital Reserve in accordance with para 2.77 of ESAAR 1985. The transactions are pertaining to the period prior to 2012.

NOTE 15 : NON-CURRENT BORROWINGS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	SECURED LOANS					
1	Term Loans					
a)	From Banks (Refer Note No. 15.1)	53 & 54		4614 36 14 943		4357 47 70 009
b)	Other Financial Institutions (Refer Note No. 15.1)			3 14 88 946		4 72 33 346
	SUB-TOTAL			4617 51 03 889		4362 20 03 355
II	UNSECURED LOANS					
1	From Others (Refer Note No. 15.1)	53 & 54		2 37 62 886		2 97 03 607
	SUB-TOTAL			2 37 62 886		2 97 03 607
	TOTAL			4619 88 66 775		4365 17 06 962



Note 15.1 : Non-Current Borrowings										
(Amount in INR)										
SI No	Bank Name	Amount of loan	Security & Terms of repayment	Amount as at 31.03.2018	Amount as at 31.03.2017	Tenure of Loan (Years)	Loan From	Loan To	Period of Maturity from 31.03.2018	
	Secured Loans from Banks:									
1	Jammu & Kashmir Bank	550 Crores (INR 80 Crores Disbursed)	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 13,75,00,000/- each.	800 000 000	0	13	02/03/2018	02/03/2031	12 Years 11 Months	
2	Bank of India	350 Crores (INR 38 Crores Disbursed)	13 years Term Loan secured by hypothecation assets of various stations & lines, repayable in last 40 quarterly instalments of INR 8,75,00,000/- each.	380 000 000	0	13	20/09/2017	20/09/2030	12 Years 6 Months	
3	Canara Bank	500 Crores	13 years Term Loan secured by hypothecation of assets of 3 Works, repayable in last 40 quarterly instalments of INR 12,50,00,000/- each.	5 000 000 000	2 700 000 000	13	17/02/2017	17/02/2030	11 Years 11 Months	
4	State Bank of India	300 Crores (INR 225 Crores Disbursed)	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 7,50,00,000/- each.	2 250 000 000	0	13	26/03/2018	31/03/2029	11 Years	
5	State Bank of India	578 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 14,45,00,000/- each.	5 780 000 000	2 842 400 000	13	17/10/2016	31/03/2029	11 Years	
6	Punjab National Bank	300 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 7,50,00,000/- each.	3 000 000 000	3 000 000 000	13	31/03/2016	31/03/2029	11 Years	
7	UCO Bank	200 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 5,00,00,000/- each.	2 000 000 000	2 000 000 000	13	28/03/2016	28/03/2029	11 Years	
8	State Bank of Mysore	200 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 5,00,00,000/- each.	2 000 000 000	2 000 000 000	13	21/09/2015	21/09/2028	10 Years 6 Months	
9	Vijaya Bank	195 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 4,87,50,000/- each.	1 950 000 000	1 950 000 000	13	19/06/2015	19/06/2028	10 Years 3 Months	
10	State Bank of Mysore	300 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 7,50,00,000/- each.	2 850 000 000	3 000 000 000	13	18/07/2014	18/07/2027	9 Years 4 Months	
11	Vijaya Bank	60 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 1,50,00,000/- each.	555 000 000	600 000 000	13	04/04/2014	04/04/2027	9 Years	





12	Bank of India	200 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 5,00,00,000/- each.	1 650 000 000	1 850 000 000	13	03/06/2013	03/06/2026	8 Years 2 Months
13	Canara Bank	300 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 7,50,00,000/- each.	1 375 000 000	1 675 000 000	13	03/06/2013	03/06/2026	8 Years 2 Months
14	Vijaya Bank	55 Crores	13 years Term Loan secured by hypothecation of 4 TL&SS Stations, repayable in last 40 quarterly instalments of INR 1,37,50,000/- each.	453 750 000	508 750 000	13	01/06/2013	01/06/2026	8 Years 2 Months
15	Punjab & Sind Bank	300 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 7,50,00,000/- each.	2 400 000 000	2 700 000 000	13	18/03/2013	18/03/2026	8 Years
16	Vijaya Bank	150 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 3.75 Cr each.	1 125 000 000	1 275 000 000	13	11/09/2012	11/09/2025	7 Years 6 Months
17	Punjab & Sind Bank	200 Crores	13 years Term Loan secured by hypothecation of 4 TL&SS stations, repayable in last 40 quarterly instalments of INR 5,00,00,000/- each.	1 400 000 000	1 600 000 000	13	08/02/2012	08/02/2025	6 Years 10 Months
18	Vijaya Bank	300 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 7,50,00,000/- each.	1 800 000 000	2 100 000 000	13	01/03/2011	01/03/2024	5 Years 11 Months
19	Vijaya Bank	64.77 Crores	9 years Term Loan secured by hypothecation of stations & lines, repayable in last 34 quarterly instalments as per the terms of the agreement.	361 660 150	457 024 150	9	18/02/2015	08/02/2024	5 Years 11 Months
20	Canara Bank	500 Crores	13 years Term Loan secured by hypothecation of stations & lines, repayable in last 40 quarterly instalments of INR 12,50,00,000/- each.	3 000 000 000	3 500 000 000	13	02/02/2011	02/02/2024	5 Years 10 Months
21	Punjab & Sind Bank	100 Crores	13 years Term Loan secured by hypothecation of 5 TL&SS Stations, repayable in last 40 quarterly instalments of INR 2,50,00,000/- each.	600 000 000	700 000 000	13	06/01/2011	06/01/2024	5 Years 9 Months
22	Corporation Bank	200 Crores	13 years Term Loan secured by hypothecation of 3 TL&SS Divisions, repayable in last 40 quarterly instalments of INR 5,00,00,000/- each.	1 150 000 000	1 350 000 000	13	08/10/2010	08/10/2023	5 Years 7 Months
23	Corporation Bank	300 Crores	10 years Term Loan secured by hypothecation of assets created out of PFC term loan, repayable in last 30 quarterly instalments as per the term loan agreement.	1 012 893 474	1 454 472 702	10	30/09/2013	30/09/2023	5 Years 6 Months

24	Indian Bank	200 Crores	13 years Term Loan secured by hypothecation of 4 TL&SS Stations, repayable in last 40 quarterly instalments of INR 5,00,00,000/- each.	1 100 000 000	1 300 000 000	13	29/09/2010	29/09/2023	5 Years 6 Months
25	Vijaya Bank	564 Crores	13 years Term Loan secured by hypothecation of 7 TL&SS Divisions, repayable in last 40 quarterly instalments of INR 14, 10,00,000/- each.	3 102 000 000	3 666 000 000	13	29/09/2010	29/09/2023	5 Years 6 Months
26	Bank of India	300 Crores	13 years Term Loan secured by hypothecation of 5 TL &SS Stations, repayable in last 40 quarterly instalments of INR 7,50,00,000/- each.	1 575 000 000	1 875 000 000	13	30/06/2010	30/06/2023	5 Years 3 Months
27	State Bank of Mysore	250.01 Crores (INR 241.08 Crores disbursed)	7 years Term Loan secured by hypothecation of stations & lines, repayable in last 28 quarterly instalments of INR 8,92,90,455/- each.	1 250 066 367	1 607 228 187	7	28/11/2014	28/11/2021	3 Years 8 Months
28	Indian Bank	100 Crores	13 years Term Loan secured by hypothecation of assets of 4 works, repayable in last 40 quarterly instalments of INR 2,50,00,000/- each.	300 000 000	400 000 000	13	28/03/2008	28/03/2021	3 Years
29	Vijaya Bank	165 Crores	13 years Term Loan secured by hypothecation of assets of 17 works, repayable in last 40 quarterly instalments of INR 4,12,50,000/- each.	315 000 000	480 000 000	13	14/01/2008	14/01/2021	2 Years 10 Months
30	Canara Bank	485.04 Crores	7 years Term Loan secured by hypothecation of 8 TL&SS Stations, repayable in first 27 quarterly instalments of INR 17,86,00,000/- Each & last 1 Quarterly instalment of Rs.2,82,00,000/-	1 457 000 000	2 171 400 000	7	28/06/2013	28/06/2020	2 Year 3 Months
31	Bank of Maharashtra	100 Crores	10 years Term Loan secured by hypothecation of 3 TL&SS Stations, repayable in last 28 quarterly instalments of INR 3,58,00,000/- each (Preclosed during 2017-18).	0	392 857 155	10	15/10/2009	13/04/2017	NA
32	Vijaya Bank	126 Crores	12 years Term Loan secured by hypothecation of stations & lines, repayable in last 32 quarterly instalments of INR 3,52,00,000/- each (Preclosed during 2017-18).	0	70 321 003	12	09/03/2007	08/05/2017	NA
33	Oriental Bank of Commerce	100 Crores	13 years Term Loan secured by hypothecation of 6 TL&SS Stations, repayable in last 40 quarterly instalments of INR 2.5 Cr each (Preclosed during 2017-18).	0	75 000 000	13	31/12/2004	12/04/2017	NA
34	Bank of Maharashtra	100 Crores	5 years Term Loan secured by hypothecation of 3 TL&SS stations, repayable in last 18 quarterly instalments of INR 5.56 Cr each (Preclosed during 2017-18).	0	110 400 000	5	28/09/2012	13/04/2017	NA
35	Punjab National Bank	345 Crores	13 years Term Loan secured by hypothecation of assets in 122 locations, repayable in last 40 quarterly instalments of INR 8,62,50,000/- Cr each (Preclosed during 2017-18).	0	172 500 000	13	24/09/2004	22/09/2017	NA



	Total		51 992 369 991	49 583 353 197				
	Less: Current maturities of Long term debts (Refer Note No. 21)		5 848 755 048	6 008 583 188				
	Total Secured Loans from Banks (A)		46 143 614 943	43 574 770 009				
	Secured Loans from Others:							
36	Loan from REC 13 years Term Loan amounting to INR 17,36,30,000/- Guaranteed by State Government and assets are mortgaged. The Rate of Interest ranges from 11.25% to 12.25% p.a.		47 233 346	62 977 746	13	10/04/2007	10/04/2020	2 Years
	Total		47 233 346	6 29 77 746				
	Less: Current maturities of Long term debts (Refer Note No. 21)		15 744 400	15 744 400				
	Total Secured Loans from Others (B)		31 488 946	4 72 33 346				
	Unsecured Loans from Others:							
37	State Government Loan 20 years Loan at the rate of interest ranging from 10.50% to 11.50% p.a.		29 703 607	35 644 329	20	01/03/2003	01/03/2023	4 Years 11 Months
	Total		29 703 607	35 644 329				
	Less: Current maturities of Long term debts (Refer Note No. 21)		5 940 721	5 940 722				
	Total Unsecured Loans from Others ©		23 762 886	29 703 607				
	Total Long Term Borrowings (A+B+C)		4619 88 66 775	4365 17 06 962				
	Note: 15.2 - There is no default in repayment of any of the above loans or payment of interest as on 31/03/2018							
	Note: 15.3 - Interest for Term loans from Bank are floating in nature ranging between 8.14% to 8.75% during the FY 2017-18							

NOTE 16 : NON CURRENT PROVISIONS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	Provision for Employee Benefits					
1	Provision for Leave encashment	44.130,44.131		173 14 76 182		200 76 50 917
	TOTAL			173 14 76 182		200 76 50 917

Note 16.1 : Movement in Provision

Movement in provision (including short term provisions)					
Opening Balance	Provision made during the year	Provision no longer required	Received from the Units	Payment made during the year	Closing Balance
241 00 39 991	15 14 96 658	-	62 78 526	45 98 43 957	210 79 71 218
Non - Current					173 14 76 182
Current (Refer Note No.23)					37 64 95 036

NOTE 17 : DEFERRED TAX LIABILITY

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Deferred Tax Liability (Net) (Refer Note No. 17.1)	46.802	898 22 89 128		483 72 97 748	
	TOTAL		898 22 89 128		483 72 97 748	

Note 17.1 : Calculation of Deferred Tax Liability/Asset

Particulars	FY 2017-18	FY 2016-17
I Deferred Tax Liability		
WDV of Assets as per Accounts (excluding land)	10265 18 03 214	8756 97 83 052
WDV of Assets as per Income Tax Rules (excluding land)	6215 91 34 345	5166 15 75 866
Timing Difference from Deferred Tax Liabilities	4049 26 68 869	3590 82 07 186
Deferred Tax Liabilities @ 34.944% * (A)	1414 97 58 210	1242 71 12 343
II Deferred Tax Assets		
Leave encashment Provision u/s 43B	210 79 71 218	241 00 39 991
Bonus and Ex-Gratia	7 29 36 909	7 43 30 443
Employers Contribution to Gratuity	620 58 57 219	581 55 56 714
Timing Difference from Deferred Tax Assets	838 67 65 346	829 99 27 148
Deferred Tax Assets @ 34.944% *	293 06 71 282	287 24 38 787
Add: MAT Credit Entitlement	223 67 97 799	471 73 75 808
Total Deferred Tax Assets (B)	516 74 69 081	758 98 14 595
Net Deferred Tax Liability as on 31.03.2017 (A - B)	898 22 89 128	483 72 97 748
Total Deferred Tax Expenses for the year 2017-18	414 49 91 380	209 43 98 872

* Effective Tax Rate has been arrived at 34.944% i.e., 30% of Corporate Tax, 12% of Surcharge, 2% of Education Cess and 1% of Secondary and Higher Education Cess and 1% of Health and Education Cess .



NOTE 18 : OTHER NON CURRENT LIABILITIES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	EMPLOYEE BENEFITS					
	Family Benefit Fund	44.140 to 44.143		71 37 73 838		66 25 39 817
II	OTHERS					
1	Transmission charges collected pending Refixation of Tariff-Hukkeri (Refer Note No. 18.3)	46.989		1 26 18 427		1 26 18 427
2	Transmission charges collected pending Refixation of Tariff-ESCOMS (Refer Note No. 18.3)	46.984 to 46.988		261 17 65 715		261 17 65 715
3	Security Deposits in cash from Suppliers / Contractors	46.101		19 57 60 090		8 43 34 991
4	KPTCL Pensioners / Family Pensioners Family Benefit / Security Fund	46.103		15 53 84 221		13 56 50 044
5	Retention Money - Bill amount retained as per terms of P.O / Turnkey Contract	46.104+ 46.205 to 46.208		343 12 96 023		229 15 30 984
6	Security Deposit received from open Access Customer	46.105		1 00 65 600		4 71 800
7	Penalty recovered pending decision for refund (Refer Note No. 18.2)	46.109		61 38 30 777		22 42 43 783
8	Security Deposit -Generating Companies	46.110		7 48 36 487		4 36 37 419
9	Liability for Expenses(Refer Note No. 18.6)	46.435		2 94 96 478		2 94 96 478
10	Security Deposit from Employees	46.920		45 182		43 422
11	Additional Fixed cost of TBPCL recoverable from ESCOMS pending adjustment to subsidy (Refer Note No. 18.4)	46.983		543 84 00 000		543 84 00 000
12	Adjustments pending re-notification by GOK (Refer Note No. 18.5)	52.304 to 52.309		42 38 53 594		42 38 53 594
13	Contribution towards cost of capital assets (Refer Note No. 18.7 to 18.9)	55.1		639 12 08 651		408 45 41 787
14	Special Grant towards Capital Works (Refer Note No. 18.10)	55.310, 55.320, 55.500		121 47 52 502		82 85 20 000
	Sub-Total			2060 33 13 747		1620 91 08 444
	TOTAL			2131 70 87 585		1687 16 48 261

Note 18.1 : Family Benefit Fund represents amount collected from employees and is net of disbursement made on retirement / death.

Note 18.2 : Recoveries from Suppliers / Contractors, including amounts recovered for delay in supply / execution of work is retained in "Penalty Recovered pending decision for Refund".

Note 18.3 : INR 261,17,65,715/- & INR 1,26,18,427/- 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 Hon'ble Supreme Court vide order dated 11/04/2018 has dismissed the Appeal. Further directions from KERC is awaited.



Note 18.4 : 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 INR 543 84 00 000/- (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 .The Hon'ble Supreme Court vide order dated 11/04/2018 has dismissed the Appeal. Further directions from KERC is awaited.

Note 18.5 : 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 INR 42,38,43,024/- is accounted as 'Adjustment pending re-notification by GOK'.

Note 18.6 : INR 2,94,96,478/- pertains to amount payable to TBHES (Tungha Bhadra Hydro-Electric Scheme) towards 20% share of Revenue Expenditure.

Note 18.7 : Movement in 55.1-Consumer contribution towards Capital Assets

Opening Balance	Added during the year	Transferred to Reserve Account	Transferred to Income Account @ 5.28%(to the extent of depreciation charged)	Closing Balance
408 45 41 787	280 62 14 958		49 95 48 093	639 12 08 651

Note : 18.8 : 18.8 -Contribution towards cost of capital Assets INR 639,12,08,651/- (Previous Year INR 408,45,41,787/-) includes amount collected towards Network Augmentation charges of INR 118,11,29,113/- (Previous Year: INR 118,11,29,113/-) collected prior to 30/11/2012.

Note : 18.9 : As per Accounting Policy No. 1.10(c), 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 18.10 : The MNRE in its letter No.1/7/2015-EFM, Gol, MNRE, Dated: 31.03.2017 has conveyed sanction of NCEF grants of INR 76,81,00,000/- to KPTCL being 70% of the eligible grant (i.e., 40% of project cost or Award of Contract whichever is less) in respect of the two awarded works (Package 1 & Package 3). Balance 30% of the grant will be released by MNRE after successful commissioning of the project as per the DPR and performance testing of the project. INR 103 33 33 000/- (Previous Year INR 77,46,10,000/-) has been released to KPTCL upto 2017-18.

Cost Estimate of INR 77,46,10,000/- (Previous Year INR 67,13,46,000/-) was proposed by KPTCL towards Renovation & Up-gradation of protection systems in 220kV & 400kV substations of KPTCL in the State of Karnataka. Of the above, Cost Estimate of INR 67,13,46,000/- has been sanctioned for grant under PSDF and amount of grant sanctioned from PSDF is INR 60,42,46,000/- being 90% of sanctioned Cost Estimate. Expenditure beyond the sanctioned grant i.e., remaining 10% of Cost Estimate sanctioned i.e., INR 6,71,00,000/- to be borne by KPTCL. INR 18,12,60,000/- has been released to KPTCL upto 2017-18.

Note 19 : Borrowings

(Amount in INR)

SL. NO	BANK NAME	ACCOUNT CODE	AMOUNT OF LOAN	SECURITY & TERMS OF REPAYMENT	AMOUNT AS AT 31ST MARCH 2018	AMOUNT AS AT 31ST MARCH 2017
	Unsecured:					
I	Loans repayable on demand - From Banks					
1	Bank of India	53.324	100 00 00 000	1 Year Short Term Loan taken on 27/09/2017 (INR 73 0000 000) and on 31/10/2017 (INR 27 00 00 000) at the Rate of 8.10% p.a.	49 99 99 786	-
2	Canara Bank	53.324	100 00 00 000	1 Year Short Term Loan taken on 27/09/2017 at the Rate of 8.10% p.a.	50 00 00 002	-
3	Syndicate Bank	53.324	100 00 00 000	1 Year Short Term Loan taken on 30/10/2017 at the Rate of 8.05% p.a.	58 33 33 335	-
				Total	158 33 33 123	-



NOTE 20 : TRADE PAYABLES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
	Sundry Creditors for purchase of power					
1	Tamilnadu Electricity Board	41.101		26 33 96 728		26 33 96 728
2	Andhra Pradesh Transmission Corp.	41.104		3 85 04 127		3 85 04 127
3	Karnataka Power Corporation Ltd. (Refer Note No. 20.1)	41.108		668 53 20 368		668 53 20 367
4	JTPCL	41.125		9 97 40 936		9 97 40 936
5	Tata Company Ltd.	41.131		1 90 96 055		1 90 96 055
6	Raythara SSKM	41.139		-		8 18 810
7	GEB	41.157		-		9 40 320
	TOTAL			710 60 58 214		710 78 17 343

Note 20.1 : Power trading was being done by KPTCL till 09-06-2005 and RE Subsidy was accounted to meet the shortfall to earn the required return. The accumulated Past RE Subsidy till 09-06-2005 has not been released by Government of Karnataka (GoK) in spite of repeated requests by KPTCL. As on 31-03-2016 in the books of KPTCL, there was a balance of INR 986,49,69,309/- of past RE subsidy dues receivable from GoK and past power purchase dues of INR 2024,84,17,853 (including interest of INR 1136,05,72,393) (KPCL INR 1997,55,82,819/- + VVNL INR 27,28,35,035/-) payable to KPCL. KPTCL is not charging any interest on past RE Subsidy receivable from GoK. However KPCL is charging interest on the past power purchase dues. In order to settle this issue, KPTCL has requested Energy Department, GoK to transfer the balances under past RE subsidy dues receivable from GoK as well as past Power purchase dues payable by KPTCL to KPCL to the ESCOMs. In the meantime, KPCL in its 252nd Board of Directors meeting held on 29-07-2016 has decided to write-off interest receivable from KPTCL to the extent of INR 364,14,00,000/- and not to charge interest on KPTCL from 2015-16 and onwards. KPTCL had provided towards interest on belated payment of power purchase dues amounting to INR 103,38,06,691/- for FY 2015-16 also. Further, in the 105th meeting of Board of Directors held on 04-07-2017, it has been resolved that KPTCL is to request the GoK to issue necessary Orders to KPTCL to transfer past RE Subsidy dues and Power purchase dues of KPCL to ESCOMs. GoK vide Order No. EN 67 PSR 2017 dated 31-07-2017 has accorded approval for transfer of outstanding power purchase cost of INR 888,78,45,460/-, interest of INR 467,52,06,691/- relating to KPCL along with outstanding subsidy of INR 986.50 Crore receivable from Government from KPTCL to ESCOMs and to account the net of receivable and payable arising from the above transaction under proposed adjustment to Net Worth account in the books of KPTCL for 2016-17.

Accordingly, KPTCL has transferred RE Subsidy dues of INR 986,49,69,309/- and Power Purchase Cost of INR 888,78,45,460/- relating to KPCL to ESCOM's. The interest on Power Purchase Dues written off by KPCL amounting to INR 364,14,00,000/- Crore and INR 103,38,06,691/- provided during 2015-16 by KPTCL has been accounted as income for FY 2016-17 and remaining interest portion of INR 668,53,20,368/- is shown as power purchase liability towards KPCL in the Books of KPTCL.

NOTE 21 : OTHER FINANCIAL LIABILITIES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
I	OTHERS					
1	Un-issued Cheques	46.911	16 23 40 201		63 31 02 033	
2	Advance received for sale of Stores scrap etc.,	46.922	52 69 766		90 87 032	
3	Payable to Other departments (Refer Note No. 21.1)	46.940,46.952, 46.953, 46.954	3 25 91 274		4 08 61 498	
4	Stale Cheques	46.910	22 83 596	20 24 84 837	30 39 548	68 60 90 111
II	CURRENT MATURITIES OF LONG TERM DEBTS					
1	From Banks (Refer Note No. 15.1)		584 87 55 048		600 85 83 188	
2	From Others (Refer Note No. 15.1)		2 16 85 121	587 04 40 169	2 16 85 122	603 02 68 310
III	Interest accrued but not due on borrowings	46.710		4 37 46 999		2 52 06 472
	TOTAL			611 66 72 005		674 15 64 893

Note 21.1 : Payable to Other Departments includes INR 1,13,99,341/- (Previous Year : INR 1,13,99,341/-) pertaining to amount collected from employees towards Employee Welfare Trust. It will be transferred to the Trust after completing the formalities and modalities.



NOTE 22 : OTHER CURRENT LIABILITIES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017
I	Other Payables			
1	Statutory dues	46.923,46.926, 46.927,46.941, 46.951,46.921 46.956,46.958, 46.960	7 31 33 636	2 00 44 331
2	Sundry Liabilities (Refer Note No. 22.3)	46.9	78 98 72 706	35 20 54 643
3	Deferred Income	46.943	1 03 85 214	14 07 90 806
4	Miscellaneous Deposit	46.966	9 60 41 363	20 66 65 186
5	UI charges collected from short term open access customers and payable / adjustable to ESCOMS (Refer Note No. 22.6)	46.937	4 24 28 819	4 24 28 819
	Sub-Total		101 18 61 738	76 19 83 785
6	Security Deposits in cash from Suppliers / Contractors	46.101	5 11 69 354	16 97 27 981
7	Retention Money - Bill amount retained as per terms of P.O / Turnkey Contract	46.104	478 56 05 610	458 62 31 857
8	Penalty recovered pending decision for refund	46.109	81 49 16 882	124 32 27 294
9	Deposit Contribution works (Refer Note No. 22.7)	47.3	43 50 35 722	161 87 64 853
10	Liability for Suppliers/Works	42	32 98 64 997	36 19 15 017
11	Payables - BESCOM	42	77 27 96 473	47 85 14 147
12	Payables - MESCOM	42	20 39 09 835	16 80 78 396
13	Payables - HESCOM	42	48 22 07 926	40 90 08 131
14	Payables - GESCOM	42	12 03 83 264	10 14 79 382
15	Payables - CESCO	42	25 14 60 899	21 13 59 919
	Sub-Total		824 73 50 962	934 83 06 977
II	Staff Related Liabilities			
1	Pension & Leave contribution remitted by other Department payable to P&G Trust	44.275	36 99 543	37 86 024
2	Provision for KPTCL Contribution to Pension Scheme with effect from 01/04/2006	44.150	1 24 38 417	2 06 44 325
3	Salary payable	44.310&44.311	18 55 226	13 59 576
4	Bonus payable (Ref Note No. 22.2 and 37.8)	44.320	1 08 68 429	94 85 117
5	Ex-gratia payable (Ref Note No. 22.2 and 37.8)	44.330	6 20 68 480	6 48 45 326
	Sub-Total		9 09 30 095	10 01 20 368
6	Liability for Expenses	46.410To46.470	1 66 70 056	1 42 10 315
7	Electricity Tax and Other levies payable to Government	46.300	-	46 70 696
8	Receivable from GOK towards payment of Principal, Int & Guarantee commission on loans parked with GOK	28.859	-	1 82 87 972
9	Payable to ESCOMs / STOA Generators (Refer Note No. 22.4)	42.214,42.215, 42.216	52 37 16 912	47 03 16 395
10	IUA- Materials (Refer Note No. 22.5)	31	15 72 25 473	15 82 13 521
11	IUA - Released Assets/ Moveable Assets and other equipments-Acceptance not received (Refer Note No. 22.5)	32	23 57 19 487	21 87 01 437
	Sub-Total		93 33 31 928	88 44 00 336
	TOTAL		1028 34 74 723	1109 48 11 466



Note 22.1: No intimation / confirmation has been received by the Company from the Vendors with regard to their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence no disclosures is made in respect of (i) Amount due & Outstanding to suppliers as at the end of the accounting year, (ii) Interest paid during the year (iii) Interest due & payable at the end of the accounting year and (iv) Interest accrued and unpaid at the end of the accounting year.

Note 22.2 : Exgratia paid to employees in lieu of Bonus since the year 2013-14, post facto approval/ratification of the Government of Karnataka has been obtained. However the approval for the subsequent financial periods has not been obtained.

Note 22.3 : 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 INR 13,29,62,332/-

Note 22.4 : INR 52,37,16,912/- (Previous Year : INR 47,03,16,395/-) represents amount Payable to ESCOMs/STOA Generators/IPPs towards UI/ deviation and backup power supply charges of ESCOMs/STOA Generators/IPPs.

Note 22.5 : IUA - Materials, Released assets and Personnel represents un reconciled/un responded entries in the Inter Unit Accounts. The management is in the process of reconciliation of the differences. Inter Unit Account - INR 39,29,44,959/- (Previous Year : INR 37,69,14,957/-) represents net credit balance details are given below

	Debits un-paired	Credits un-paired
31.300-IUAMaterials	49,72,01,206/-	65,44,26,681/-
32.300-IUARelAssets	1744,35,08,421/-	1767,92,27,906/-

Note-22.6 : Account Code 46.937-(UI Charges collected from Short Term Open Access Customers and Payable/Adjustable to ESCOM's) amounting to INR 4,24,28,819/- (Previous Year : INR 4,24,28,819/-) represents credit balance which is under reconciliation with the Bank Account maintained at SLDC amounting to INR 2,30,92,365/- (Previous Year : INR 3,74,27,424/-) along with the Recoverables/Payables from ESCOM's/STOA in TBC.

Note-22.7 : Account Code 47.3 (Deposit Contribution works) includes debit balances amounting to INR 2,94,43,912/- pertaining to PSDF Works, INR 103,34,40,371/- pertaining to GEC Works and INR 6,95,19,435 pertaining to DCW On-going works.

NOTE 23 : CURRENT PROVISIONS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017
I	Provision for Employee Benefits			
1	Provision for Pension and Gratuity payable to P&G Trust (Refer Note No. 23.1 and 23.2)	44.122	620 58 57 219	581 55 56 714
2	Pension & Leave Contribution collected from employees for counting their past services in other Depts.& Payable to P&G Trust	44.274	91 942	-
3	Provision for Leave Encashment	44.130	37 64 95 036	40 23 89 074
II	Other Provisions			
1	Adhoc Provision for work completed in the field but bills not received	42.601	57 38 38 073	30 84 47 953
2	Provision for outstanding liabilities (Refer Note No. 23.3)	46.430	218 90 08 368	59 63 25 966
	TOTAL		934 52 90 638	712 27 19 707

Note 23.1 : 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.

Note 23.2 : Pending Receipt of report of actuarial valuation as on 31/03/2018, monthly Pension/Gratuity contribution for the year is accounted as per the rates furnished by KPTCL & ESCOMs Pension and Gratuity Trust on 07/06/2018.

	2017-18	2016-17	Remarks
Pension	42.53%	33.05%	Percentage of Basic+ Dearness Pay+DA
Gratuity	6.08%	6.08%	Percentage of Basic+Dearness Pay

(Amount in INR)

Movement in provision			
Opening Balance	Provision made during the year	Payment made during the year	Closing Balance
581 55 56 714	136 40 51 425	97 37 50 920	620 58 57 219

Note 23.3 : Provision for outstanding liabilities includes INR 140,91,41,459/- provision towards arrears of pay consequent to revision of pay scale w.e.f. 01/04/2017



NOTE 24 : CURRENT INCOME TAX LIABILITIES (NET)

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
1	Provision for Income Tax	46.8		170 02 10 418		409 01 65 887
	Less: Advance Tax	28.821		122 59 00 000		135 97 00 000
	Less: Tax Deducted at Source	28.943		3 07 55 062		3 15 24 086
	TOTAL			44 35 55 356		269 89 41 801

NOTE 25 : REVENUE FROM OPERATIONS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
I	Transmission Charges :-					
1	BESCOM	61.211	1347 79 91 328		1487 21 66 400	
2	MESCOM	61.212	216 19 94 040		246 90 12 000	
3	HESCOM	61.213	535 47 84 000		611 36 71 200	
4	GESCOM	61.214	352 74 63 960		402 83 88 000	
5	CESCO	61.217	301 47 43 392		344 43 86 400	
6	Open Access Customers	61.218	38 18 55 259		42 22 80 711	
7	Transmission Charges and System Operating Charges in respect of MTOA	61.220	-		13 72 75 221	
8	Long term open access customers- South Western Railways	61.221	2 04 04 318			
9	Natural ISTS Lines (Refer Note No. 25.1)	61.222	36 03 78 508			
	Sub - Total			2829 96 14 805		3148 71 79 932
II	Other Operating Income					
1	Reactive Energy Charges demanded on IPPs	62.361	2 92 88 050		1 01 73 954	
2	Open access Processing fee	62.363	2 95 78 110		2 49 70 916	
3	Excess found on physical verification of Materials Stock.	62.905	5 117		2 27 734	
4	Excess found on physical verification of Fixed Assets.	62.906	-		27 561	
5	Supervision Charges	62.907 & 62.909	19 95 18 451		16 47 11 464	
6	Wheeling charges recoveries	61.8	-		36 24 03 649	
7	SLDC charges	61.803,61.804	3 73 05 662			
	Sub - Total			29 56 95 390		56 25 15 278
	TOTAL			2859 53 10 195		3204 96 95 210

Note 25.1: Based on the CERC orders 225/TT/2013 dated 28/01/2016, KPTCL has accounted the wheeling charges on YTC basis provisionally for the period 01/04/2017 to 31/03/2018 based on the YTC approved for the year 2013-14 by CERC.

Note 25.2 : YTC in respect of ISTS line approved by CERC vide Petition No. 125/TT/2013 dated 28/10/2016 will be proposed for adjustment in ARR before KERC for the future tariff order.

Note 25.3 : After Truing up of transmission charges, in the year of adjustment by KERC, the same has been accounted based on the respective tariff orders

Note 25.4 : KPTCL has filed the transmission charges in respect of 110 kV Konaje –Manjeshwar S/C line before CERC and orders from CERC is awaited.



NOTE 26 : OTHER INCOME

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
I	Interest					
1	Interest on Staff Loans and Advances	62.210 to 62.214	5 68 112		2 77 990	
2	Interest on Bank Fixed Deposits	62.222	5 96 99 261		2 64 68 898	
3	Interest from Banks	62.270	3 16 939		4 73 737	
	Sub-Total			6 05 84 312		2 72 20 625
1	Hire charges from Contractors	62.323	-			
2	Profit on sale of stores	62.330	17 66 314		25 80 632	
3	Sale of scrap	62.340	27 34 759		8 72 615	
4	Profit on sale of released PPE	62.350	4 29 19 440		7 31 26 289	
5	Other Miscellaneous receipts	62.360	35 78 425		1 83 975	
6	Rental from Staff Quarters	62.901	7 37 45 103		7 29 69 628	
7	Rental from others	62.902	45 50 263		46 81 212	
8	Rental from BESCO	62.925,62.935	8 70 77 823		8 08 46 824	
9	Rental from MESCOM	62.926,62.936	1 70 97 483		2 03 34 280	
10	Rental from HESCO	62.927,62.937	1 74 14 025		1 68 55 217	
11	Rental from GESCOM	62.928,62.938	67 06 456		61 13 554	
12	Rental from CESC	62.929,62.939	1 14 07 275		96 59 112	
13	Excess provision in earlier years no longer required	62.923	4 91 49 633		2 11 26 925	
14	Depreciation withdrawn on Assets created out of Consumer contribution	62.924	49 95 48 093		33 32 53 084	
15	Gain on Sale of Assets	62.400	12 18 51 372		10 18 786	
16	Miscellaneous Recoveries (Refer Note No.26.1)	61.907 to 61.924, 62.366, 62.368, 62.914 to 62.917	135 10 87 892		109 65 76 919	
	Sub-Total			229 06 34 356		174 01 99 052
	Less: Refunds/ withdrawal of miscellaneous income / transmission charges accounted in the previous Year	83.834,83.838		-95 105		-1 43 64 184
	GRAND TOTAL			235 11 23 563		175 30 55 493

Note 26.1 : Miscellaneous recoveries INR 135,10,87,892/- include :

- (i) One time non refundable charges collected from IPPs towards sparing of land is accounted as income amounting to INR 26,46,57,948/- crore (Previous Year : Nil)
- (ii) Penalties, liquidated damages recovered and not claimed for more than three years from the date of completion of work amounting to INR 45,06,15,079/- (Previous Year : INR 58,99,92,776/- Crore)
- (iii) Unclaimed credit balance for more than 3 years under EMD/SD (A C 46.101) is taken to Income amounting to INR 1,10,42,577/- (Previous Year : INR 1,09,11,458/-)
- (iv) Pending reconciliation of Income and TDS Receivable with FORM 26AS, an amount of INR 1,96,12,593/- (Previous Year : INR 57,50,574/-) pertaining to TDS Receivable has been accounted as Miscellaneous Income without identifying the corresponding income.

Note 26.2 : O & M Income from IPP's have been accounted to the extent of IPP's identified. Company is in the process of identifying and bringing into the books all the Self Execution Works taken up by IPP's to ensure the completeness of O & M Income. Company will issue suitable guidelines during 2018-19 in respect of timely demand (including interest/penalty for delayed receipts), collection and accounting for the same.

Note 26.3 : Company is in the process of issuing suitable guidelines in case of penalty recovered from short closed works.

Note 26.4 : Company will examine and issue suitable guidelines for recovery of Cost of infrastructure spared to applicants of Self Execution Works.



NOTE 27 : EMPLOYEE COST

(Amount in INR)

SL NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18	PREVIOUS YEAR 2016-17
I	Salaries and Wages			
1	Salaries (Refer Note No. 27.5)	75	712 05 61 925	544 76 79 449
2	Bonus & Exgratia	75.5	7 38 11 183	7 50 96 613
3	Earned leave encashment	75.617,75.618	24 75 40 226	59 79 23 575
4	Payment under workmens compensation Act.	75.629	16 38 240	
5	Payment to helpers/employees of Monsoon gang	75.630	23 67 337	24 42 180
6	Terminal Benefits (Refer Note No. 27.3)	75.8	88 80 498	1 27 04 306
	Sub-Total		745 47 99 408	613 58 46 123
II	Contribution to Pension & Other Funds			
1	KPTCL Contribution to P&G Trust (Refer Note No. 27.4)	75.830, 75.831 & 75.840	167 66 46 700	113 61 38 378
2	Corporation's Contribution to Labour Welfare Fund	75.763	2 66 484	91 816
3	Corporation's portion of EPF contribution in respect of Contract Employees	75.767	22 54 790	24 08 829
4	Pension and Leave contributions made in respect of employees of other Departments	76.165	8 12 271	5 73 412
	Sub-Total		167 99 80 245	113 92 12 435
III	Staff Welfare			
1	Medical Expenses reimbursement	75.611	5 98 76 630	5 74 48 033
2	Leave travel assistance	75.612	-	6 826
3	Others	75.7	1 31 38 194	1 62 08 258
	Sub-Total		7 30 14 824	7 36 63 117
	Less : Expenses shared by ESCOMS	75.910	-16 27 58 445	-14 62 82 900
	Less : KPTCL portion of P&G Trust	75.911	- 7 07 298	-5 11 884
	Less : Employee Cost Capitalised	75.9	-30 76 36 091	-33 63 73 474
	TOTAL		873 66 92 643	686 55 53 417

Note 27.1 : Salaries and Wages includes following in respect of employees covered under New Defined Contributory Pension Scheme (NDCPS)

Salaries	75.117	95 56 64 347	102 93 29 484
Dearness Pay	75.187	73 14 63 924	77 24 88 619
Dearness Allowance	75.317	76 26 18 924	69 68 59 526
Total		244 97 47 195	249 86 77 629

Note 27.2 : Earned Leave (EL) encashment disbursed during the year

75.616-EL encashment employees covered under NDCPS	14 38 01 217	10 12 81 012
75.617-EL encashment	13 49 17 694	10 95 98 746
75.618-EL encashment - Retired / Deceased employees	18 11 25 046	20 14 96 413
Total Amount disbursed during the year	45 98 43 957	41 23 76 171

Note 27.3 : Terminal Benefits includes amount paid by the Company in terms of the Scheme on employee's death while in service amounting to INR 60,92,718/- (Previous Year : INR 64,64,280/-).

Note 27.4 : 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 INR 24,60,43,366/- (Previous Year : INR 25,67,00,361/-)

Note 27.5 : Salaries includes provision towards pay scale arrears consequent to revision of pay scale w.e.f. 01/04/2017 amounting to INR 140,91,41,459/- provided for on a provisional basis.



NOTE 28 : REPAIRS AND MAINTENANCE

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
1	Plant and Machinery	74.1	174 39 86 734		148 13 35 776	
2	Buildings	74.2	12 83 10 145		15 36 58 143	
3	Civil Works	74.3	6 82 91 695		8 38 38 176	
4	Lines, Cable Net Work Etc.	74.5	23 61 76 098		23 89 82 681	
5	Vehicles	74.6	40 78 755		45 53 974	
6	Furniture and Fixtures	74.7	2 18 676		4 78 779	
7	Office Equipments	74.8	33 21 094		40 37 556	
	Sub Total		218 43 83 197		196 68 85 085	
	Less : Expenses shared by ESCOMS (Refer Note No. 28.1)	74.910	-2 47 67 272		-4 75 06 324	
	Less: R & M Expenses Capitalised	74.900	-69 69 589			
	TOTAL			215 26 46 336		191 93 78 761

Note No. 28.1 : Expenses borne by KPTCL in respect of Repairs & Maintenance to Residential Quarters of KPTCL which are occupied by ESCOM Employees are to be shared based on arm's length arrangement. Suitable action will be taken in FY 2018-19 to ensure correctness and completeness of allocation of expenses to ESCOM's.



NOTE 29 : ADMINISTRATION AND OTHER EXPENSES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
I	Administration Expenses					
1	Rent	76.101	51 06 684		54 42 625	
2	Rates & Taxes	76.102	4 75 82 617		2 99 54 733	
3	Expenses incurred towards security arrangements	76.103	5 78 72 950		4 34 04 397	
4	Service line charges paid to ESCOMS for obtaining power supply to KPTCL installations	76.107	-		43 052	
5	Pagers cellular phones E-mail, Telephone, Trunk call, Telegrams and Telex Charges	76.111 + 76.112	1 72 80 408		2 13 87 608	
6.	Postage	76.113+76.114	2 13 23 380		2 14 53 292	
7	Air net, Internet & Broadband Charges	76.116	7 04 38 648		6 21 54 966	
8	Legal Charges	76.121	1 09 64 775		1 19 57 753	
9	Audit Fees (Refer Note No. 29.1)	76.122	22 19 000		22 78 881	
10	Consultancy charges	76.123	49 23 641		63 67 000	
11	Technical Fees	76.124	97 235		3 71 760	
12	Other Professional Charges	76.125 + 76.126 + 76.127 + 76.128 + 76.129	13 71 88 202		11 76 58 427	
13	Conveyance & Travel expenses	76.131 To 76.135 & 76.137 to 76.139	25 75 98 647		26 03 93 217	
14	Vehicle running expenses (Refer Note No. 29.3)	76.136	2 50 75 843		2 79 46 298	
	Sub - Total			65 76 72 030		61 08 14 009
II	OTHER EXPENSES					
1	Fees & Subscriptions	76.151	70 77 623		1 11 55 066	
2	Books, periodicals and dairies	76.152	4 62 825		5 31 526	
3	Printing & Stationery	76.153	1 67 59 218		1 74 49 564	
4	Advertisement Expenses	76.155	5 64 33 071		4 10 73 750	
5	Computer stationary & floppies	76.156	54 52 292		46 04 211	
6	Contributions	76.157	10 39 610		55 00 000	
7	Electricity Charges	76.158	17 28 54 840		17 45 14 230	
8	Water Charges	76.160	1 00 04 209		1 44 50 702	
9	Entertainment	76.162	32 901		73 516	
10	Disputed Crop/Tree cut compensation paid after the commissioning of the Asset	76.169	1 26 95 887		2 83 27 459	
11	Contributions to Workers welfare cess - Work done by KPTCL/Others	76.166,76.167	7 33 681		1 51 31 576	
12	Corporate Social Responsibility (Refer Note No. 37.8 and 37.13)	76.180	15 40 00 000		2 44 00 000	
13	Miscellaneous expenses (Refer Note No. 29.2)	76.159,76.168, 76.190, 76.191, 76.192	11 46 82 707		4 69 99 167	
14	Freight & other material related expenses	76.201 To 76.282	59 10 358		52 47 586	
	Sub - Total			55 81 39 222		38 94 58 353
	Less : Expenses shared by ESCOMS	76.910	-8 48 84 649		-8 82 92 325	
	Less : KPTCL Portion of P&G Trust	76.911	-1 03 943		-93 582	
	Less: Expenses Capitalised	76.900	-8 10 17 394	-16 60 05 986		-8 83 85 907
	TOTAL			104 98 05 266		91 18 86 455



Note 29.1 : Break up of Audit Fees

Particulars	2017-18	2016-17
(a) To Statutory Auditor		
Statutory Audit Fee	15 50 000	15 50 000
Tax Audit Fee	2 50 000	2 50 000
Arrears	1 780	31 181
GST/ST	3 24 000	2 70 000
Total	21 25 780	21 01 181
(b) To other Auditors		
Cost Audit Fee	55 000	73 700
Secretarial Audit	24 000	43 250
Arrears	-	43 207
GST/ST	14 220	17 543
Total	93 220	1 77 700
Grand Total	22 19 000	22 78 881

Note 29.2 :

- a) Miscellaneous Expenses includes Sitting fees paid to Directors-
- | | |
|------------|------------|
| 2017-18 | 2016-17 |
| 2,10,040/- | 1,07,000/- |

Note 29.3 : Vehicle running expenses includes insurance on vehicles. Other Assets of the Company are not insured.

NOTE 30 : FINANCE COSTS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18	PREVIOUS YEAR 2016-17
	Interest on Loans:			
1	Loan from REC	78.540	53 65 283	79 59 781
2	APDP works	78.544	38 58 381	45 01 445
3	Short term Loan obtained from Commercial Banks/ Financial institutions	78.563	9 10 56 498	-
4	Loans from UCO Bank	78.564	17 13 17 489	9 00 01 619
5	Loans from Vijaya Bank	78.569	90 09 46 243	117 60 86 696
6	Loans drawn from PNB	78.574	25 81 98 665	21 09 25 712
7	Loans drawn from OBC	78.575	2 16 942	1 32 89 709
8	Loans drawn from Corporation Bank	78.576	22 15 14 130	30 58 70 635
9	Loans drawn from Bank of Maharashtra	78.577	15 19 036	6 76 50 795
10	Loans drawn from Bank of India	78.578	31 55 93 019	38 60 70 950
11	Loan from Indian Bank	78.591	13 67 80 718	18 26 06 988
12	Loan from Punjab and Sindh Bank	78.593	40 95 07 176	50 91 08 311
13	Loan from Canara Bank	78.594	92 32 95 239	81 88 14 771
14	Loan from SBM	78.595	53 76 37 166	65 10 05 736
15	Loan from SBI	78.596	28 00 14 053	8 48 12 517
16	Loan from Jammu and Kashmir Bank	78.597	53 51 136	-
			426 21 71 174	450 87 05 665
	Less : Interest and Finance charges capitalised	78.9	-59 63 14 500	-68 61 30 068
	TOTAL		366 58 56 674	382 25 75 597



NOTE 31 : DEPRECIATION AND AMORTIZATION

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR		PREVIOUS YEAR	
			2017-18		2016-17	
1	Amortisation of Lease Hold Assets	77.110	1 16 92 611	1 16 92 611	62 12 833	62 12 833
2	Depreciation on Buildings	77.120	18 50 12 506		17 24 11 983	
3	Depreciation on Hydraulic Works	77.130	4 05 86 025		3 62 97 048	
4	Depreciation on Civil Works	77.140	3 02 83 495		2 21 24 816	
5	Depreciation on Plant and Machinery	77.150	375 54 34 229		354 73 20 658	
6	Depreciation on lines, cable, network etc.,	77.160	310 41 44 692		281 89 91 151	
7	Depreciation on Vehicles	77.170	45 45 072		48 98 415	
8	Depreciation on furniture, fixtures	77.180	1 04 24 991		98 97 951	
9	Depreciation on Office equipments	77.190	20 28 259	713 24 59 270	20 38 821	661 39 80 843
	Sub-total			714 41 51 881		662 01 93 676
10	Depreciation on Released Assets and Released Assets issued to Repairs	77.151,77.161, 77.171,77.181, 77.191	2 36 42 239	2 36 42 239	2 31 91 693	2 31 91 693
	Sub-Total			716 77 94 120		664 33 85 369
	Less : Depreciation Capitalised	77.900	-54 25 705	-54 25 705	-57 07 025	-57 07 025
	GRAND TOTAL			716 23 68 415		663 76 78 344

Note 31.1 : Company is in the process of identifying the Fibre Optic Cables that has been included under PPE (Depreciated at 5.28%) for which depreciation at SLM Rate is fixed at 6.33% as per the Amendment to KERC Regulations.

NOTE 32 : OTHER EXPENSES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR		PREVIOUS YEAR	
			2017-18		2016-17	
1	Asset Decommissioning Costs	77.5	74 76 948		74 03 691	
2	Small & Low value items Written off	77.610	6 95 579		3 64 447	
3	Computer software	77.611	59 076		8 42 335	
4	Losses relating to Fixed Assets	77.7	22 91 037		17 46 616	
5	Other interest	78.102	1 39 960		1 60 60 230	
6	Interest on delayed compensation	78.101	9 72 002		1 57 32 698	
7	Interest on belated payment of Transmission charges (Refer Note No. 34.3)	80.302	-		15 65 998	
8	Bank Charges	78.8	6 41 260		3 89 502	
9	Rebate allowed on transmission charges	79.111	1 29 68 426		-	
10	Bad & Doubtful Debts Written off / provided for (Refer Note No. 32.1)	79.4	2 31 91 679		1 10 56 673	
11	Miscellaneous losses and Write offs (Refer Note No. 32.2)	79.5 & 79.7	70 99 383		10 06 29 117	
	TOTAL			5 55 35 350		15 57 91 307

Note 32.1: Bad & Doubtful Debts provided is INR 2,31,91,679/- (Previous Year : INR 1,09,81,108/-) towards bad and doubtful debts -provided for others.

Note 32.2: Miscellaneous losses and write off's includes NIL (Previous Year : INR 7,08,22,810/-) towards provision for loss on obsolescence of stores.



NOTE 33 : PRIOR PERIOD (CREDITS) / CHARGES

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
I	Income relating to previous years :					
1	Interest income for prior periods(Refer Note No.33.1)	65.400	1 25 980		8 68 78 512	
2	Excess provision for Depreciation in prior periods	65.600	64 81 756		24 17 094	
3	Other Income relating to prior periods (Refer Note No. 33.2)	65.900	3 53 84 010		103 68 70 549	
	Sub - Total			4 19 91 746		112 61 66 155
II	Prior Period Expenses / losses :					
1	Employee costs relating to previous years	83.500	-1 18 175		-84 427	
2	Depreciation under provided in previous years	83.600	-19 79 50 802		-7 89 63 678	
3	Other Expenses relating to prior periods (Refer Note No.33.2)	83.850	-8 02 583		-6 14 04 545	
	Sub - Total			-19 88 71 560		-14 04 52 650
	Net Prior Period credits/(charges) (A-B)			-15 68 79 814		98 57 13 505

Note 33.1 : Other Income relating to prior period includes interest income for wheeling charges amounting to NIL (Previous Year : INR 8,68,78,512/-)

Note 33.2 : Other Income relating to prior periods includes VSAT charges to be recovered from KPCL and other IPPs amounting to INR 2,76,53,443/- (Previous Year : NIL).

NOTE 34 : EXCEPTIONAL ITEMS

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
1	Interest Expenses reversed as per GoK Order (Refer Note No. 20.1)	79.571		-		467 52 06 691
	TOTAL			-		467 52 06 691

NOTE 35 : Current Tax

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
1	Income Tax - Current year	81.100	170 02 10 419		409 01 65 887	
2	Short Provision for Income Tax - Previous Year	83.810	-	170 02 10 419	66 14 233	409 67 80 120
3	Excess Provision for Income Tax - Previous Year	65.500		-		-67 32 471
	TOTAL			170 02 10 419		409 00 47 649

NOTE : 36 Deferred Tax

(Amount in INR)

SL. NO	PARTICULARS	ACCOUNT CODE	CURRENT YEAR 2017-18		PREVIOUS YEAR 2016-17	
1	Deferred Tax (Refer Note No. 17)	81.201		414 49 91 380		209 43 98 872
	TOTAL			414 49 91 380		209 43 98 872



Note 37 Other Notes to Accounts

37.1 First Time adoption of Indian Accounting Standards (IND-AS)

The financial statements of the Company for the year ended 31st March, 2018 have been prepared in accordance with IND-AS. For the purpose of transition to IND-AS, the Company has followed the guidance prescribed in IND-AS 101-First time adoption of Indian Accounting Standards with 1st April, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to IND-AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statement for the year ended 31st March, 2018 and the comparative information.

An explanation of how the transition from previous GAAP to IND-AS has affected the Company's Balance Sheet and Statement of Profit and Loss and the exemptions on First Time Adoption of IND-AS availed in accordance with IND-AS 1 have been set out as under:

Exemptions and exceptions availed

A.1 IND-AS optional exemptions

(a) Deemed cost

IND-AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by IND-AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

A.2 IND-AS mandatory exceptions

(a) Estimates

Estimates made under IND-AS as at 1st April, 2015 are consistent with the estimates as under previous GAAP.

(b) Classification and measurement of financial assets

IND-AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening IND-AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e. 1st April, 2015.

37.2 No Reconciliation has been made in Items in Equity, Other Comprehensive Income and in the Cash Flow Statement as previously reported under IGAAP to IND-AS.

37.3 Events after reporting date

There were no material subsequent events for the year ended 31 March, 2018. The directors are not aware of any other matter or circumstances since the financial year end and the date of this report, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Company and the results of its operations.

37.4 Leases

All Operating Lease Agreements entered into by the Company are cancellable in nature.

37.5 Related Party Disclosures

Related Parties Transactions:

Key Managerial Personnel (As per Notification issued by GoK)

Sl.No.	Name	Designation
(i)	Sri. Jawaid Akhtar	Managing Director (up to 08.08.2018)
(ii)	Dr. S. Selva Kumar	Managing Director (From 08.08.2018)
(iii)	Dr. Aditi Raja	Director (Finance)
(iv)	Sri. H. Nagesh (upto 19/03/2018)	Director (Transmission)
(v)	Sri. Shivakumar K.V (From 17.03.2018)	Director (Transmission)
(vi)	Sri. R. Sridhara	Director & Company Secretary (up to 31.03.2018)
(vii)	Sri. K.T. Hiriyanna	Authorised Signatory for CS
(viii)	Sri. Ramakrishna .M	Director (Admn & HR)

Controlling Entity

The Company is a wholly owned Government Company with 100% of the shares being held by the Honorable Governor on behalf of State of Karnataka.



Related Party Transactions:

Managerial remuneration paid or payable to Key Managerial Personnel:

(Amounts in INR)

Sl. No.	Particulars	2017-18	2016-17
(i)	Salary and Allowance	1,09,88,592	1,05,54,256
(ii)	Exgratia	30,082	47,021
(iii)	Medical Expenses	1,21,122	1,01,034
(iv)	Pension & Leave Contribution remitted to Government	10,85,456	3,12,715
(v)	Pension & gratuity Contribution payable to P&G Trust	12,96,994	12,35,034
(vi)	Leave Encashment	2,89,178	21,29,248
	TOTAL	1,38,11,424	1,43,79,308

37.6 Earnings Per Share (EPS)

(Amounts in INR)

Sl. No.	Particulars	2017-18	2016-17
(i)	Basic		
	A. Net Profit for the year (INR)	212,14,47,461	12,96,63,60,497
	B. Weighted Average Number of Equity Shares outstanding during the Year	2,15,47,663	2,07,53,225
	C. EPS (INR)	98.45	624.79
(ii)	Diluted *		
	A. Net Profit for the year (INR)	212,14,47,461	12,96,63,60,497
	B. Weighted Average Number of Equity Shares outstanding during the Year	2,18,23,225	2,18,23,225
	C. EPS (INR)	97.21	594.15

* After considering Potential Equity Share (Share Application Money).

37.7 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 for the year (Previous Year: Nil).

37.8 Movement of Provisions

(Amounts in INR)

Particulars	Bonus & Ex-Gratia (Refer Note : 23)	CSR (Ref Note : 30)
Carrying amount (01.04.2017)	7,43,30,443/-	NIL
Add: Additional provisions during the year	7,24,17,649/-	15,40,00,000/-
Less: Amounts paid/adjusted during the year	7,38,11,183/-	15,40,00,000/-
Carrying amount (31.03.2018)	7,29,36,909/-	NIL

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

(Amounts in Crore)

Sl. No.	Particulars	2017-18	2016-17
(i)	Contingent Liabilities		
	Claims against the company not acknowledged as debts	NIL	NIL
	Claims in respect of Land Acquisition Cases	24.87	22.68
	Income Tax related disputes in respect of various Assessment years	2.40	2.40
	Service Tax related disputes in respect of renting of immovable property, VSAT charges and Technical inspection Certificate service	19.18	19.43
	Price Variation Claims from Contractors / Suppliers	0.07	0.18
	Others	265.06	392.79
(ii)	Commitments		
	Estimated Amount of contracts remaining to be executed on Capital Account and not provided for	2811.22	2380.96



37.10 Contingent Assets:

(Amounts in INR)

Sl. No.	Particulars	2017-18	2016-17
(i)	TDS paid (including interest) to Income Tax Department (Refer Note No. 4.2)	3,64,48,286/-	3,64,48,286/-
(ii)	Incentive in respect of increase in the efficiency of transmission system availability and transmission loss reduction	23,31,00,000/-	19,54,79,886/-
(iii)	Transmission charges collected pending refixation of tariff (Refer Note No. 18.3)	262,43,84,142/-	NIL
(iv)	Refund claim of excess Service Tax amount on Supervision charges remitted to Dept.	46,07,830/-	NIL

37.11 Segment Reporting

There are no reportable segments other than the business of power transmission as per IND-AS 108.

37.12 Confirmation of balances:

a) Confirmations of balances have been obtained only for borrowings from Banks, Financial Institutions and Bank balances.

b) Balance with ESCOMS:

Reconciliation of Receivables and Payables with ESCOMs as on 31st March, 2018 (other than relating to Sundry Debtors for Transmission of Power), is furnished below, are subject to confirmation:

(Amounts in INR)

ESCOM's	Pooled Account Receivable+Cash Receivable	Pooled Account Payables+ Cash Payable	Net Receivable/ (Payable)
1	2	3	(4=2-3)
BESCOM	1,34,81,22,059/-	1,48,89,96,473/-	(14,08,74,414/-)
MESCOM	63,00,67,304/-	64,19,55,653/-	(1,18,88,349/-)
CESC	23,37,21,139/-	26,05,60,899/-	(2,68,39,760/-)
HESCOM	1,13,58,51,049/-	1,18,79,07,926/-	(5,20,56,877/-)
GESCOM	85,10,63,781/-	53,68,73,482/-	31,41,90,299/-
TOTAL	4,19,88,25,332/-	4,11,62,94,433/-	8,25,30,899/-

c) Necessary entries will be incorporated after completion of Reconciliation exercise in total and Confirmation from ESCOMs.

37.13 Corporate Social Responsibility (CSR):

a) The gross amount spent by the Company during the year on CSR activities is INR 15,40,00,000/- (Previous Year: INR 2,44,48,780/-) for which Utilization certificate is yet to be received.

b) The details of amount spent during the year on CSR activities are as follows:

(Amounts in INR)

Sl. No.	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction/acquisition of any asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	15,40,00,000/-	Nil	15,40,00,000/-

37.14 Value of Imports calculated on CIF basis:

(Amounts in INR)

Sl. No.	Particulars	2017-18	2016-17
(i)	Raw materials, spare parts and capital goods	NIL	NIL
(ii)	Capital goods	NIL	NIL

37.15 Expenditure in foreign currency:

(Amounts in INR)

Sl. No.	Particulars	2017-18	2016-17
(i)	Expenditure reimbursed on foreign travel	NIL	NIL

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

(Amounts in INR)

Sl. No.	Particulars	2017-18	2016-17
(i)	Indigenous Materials	Not ascertainable	Not ascertainable
(ii)	Imported Materials	Not ascertainable	Not ascertainable

37.17 Quantitative details of Transmission and Loss of Energy:

(in Mus)

Sl. No.	Particulars	2017-18	2016-17
(i)	Total Energy handled	70287.851	69656.938
(ii)	Total Energy Transmitted	68022.871	67370.170
(iii)	Transmission Loss in respect of Energy Transmitted	2264.980	2286.768
(iv)	Net Transmission to ESCOMS & Hukkeri society during the year	68022.871	67370.170
(v)	Total units accounted as Transmitted to ESCOMS & Hukkeri society during the year	68022.871	67370.170
(vi)	Total Transmission loss	2264.980	2286.768
(vii)	Percentage of Transmission Loss on handled Energy (6 / 1 X 100)	3.222%	3.283%

37.18 Company will take up with appropriate forum in FY 2018-19 for accounting treatment with respect to works taken up under DCW, Recovery of One time non-refundable amounts from applicants of SEW, Lands acquired at concessional rate/free of cost, Recovery of Cost of Infrastructure and truing up of transmission charges.

37.19 General

- All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest rupee except as otherwise stated.
- 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 Financial and Non-Financial Assets under Current and Non-Current as required under Schedule III (Division II) effective from 01.04.2016.
- The Financial statements are approved for issue by the company's Board of Directors on 16.08.2018.

For and on behalf of the Board of Directors

As per our Report of even date

For B.P. Rao & Co.
Chartered Accountants
FRN 003116S
Membership No. 202100

Sd/-
(Dr. S. SELVAKUMAR)
Managing Director

Sd/-
(Dr. ADITI RAJA)
Director (Finance)

Sd/-
B. PRASANNA ACHAR
Partner

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

Sd/-
(K. T. HIRIYANNA)
Authorised Signatory for C.S

Place: Bengaluru
Date :16/08/2018



**STATEMENT SHOWING SECTOR WISE CAPITAL EXPENDITURE FOR 2017-18
WITH AND WITHOUT RELEASED ASSETS ISSUED TO CAPITAL WORKS**

Account code	CWIP Brief Description of the Project	(Amount in INR)			
		Capital Budget Allocation (Sector wise) (in Crores)	Capital Expenditure during the year 2017-18	Released Assets issued to works during 2017-18	Net Capital Expenditure for the year 2017-18
TRANSMISSION LINES AND SUB STATIONS WITH ATTACHED CIVIL WORKS					
14.115	Transmission Lines-Others		1072 55 94 221	2 79 54 061	1069 76 40 160
14.120	Step Down Station-(GP)		177 774 335	4 408 943	173 365 393
14.125	Step Down Station- Others		318 75 68 537	1 032 522	318 65 36 015
14.128	CWIP- Sub Stations – PSDF	2 170.45	3 251 150	74 273	3 176 877
14.129	CWIP KPTCL Portion - NCEF		2 236 361 506		2 236 361 506
CAPACITOR INSTALLATIONS					
14.165	CWIP- Installation of Capacitors (GP)		29 701 166		29 701 166
	Sub Total	2 170.45	16 360 250 914	33 469 798	1632 67 81 116
14.130	Load Despatch & Communication	50.00	34 644 164		34 644 164
	Sub Total	50.00	34 644 164	0	34 644 164
EXTENSION AND IMPROVEMENTS					
14.150	Transmission lines+ Transformers etc -Improvements (GP)	220.88	264 405 782	32 951 097	231 454 685
14.152	Transformers- Improvements		1 276 096 634	36 123 826	1 239 972 808
14.153	Stations- Improvements		274 114 323	7 941 431	266 172 892
14.156	Transmission Lines- Improvements		66 502 402	0	66 502 402
	Sub Total	220.88	1 881 119 140	77 016 354	1 804 102 786
PROVIDING NEW TRANSFORMERS IN PLACE OF FAULTY / FAILED TRANSFORMER.					
14.170	Replacement of Distribution transformer with similar capacities	62.80	40 000 185		40 000 185
	Sub Total	62.80	40 000 185	0	40 000 185
OTHERS					
14.502	Buildings		194 017 704		194 017 704
14.607	Vehicles		1 448 352		1 448 352
14.708	Furniture & Fixtures	205.90	3 192 807		3 192 807
14.809 to 14.811	Office Equipment & Others		82 294 161	2 197 530	80 096 631
	Sub Total	205.90	280 953 023	2 197 530	278 755 493
	TOTAL-A	2 710.03	1859 69 67 426	1126 83 682	1848 42 83 744
	Less: Capital Expenditure transferred among KPTCL Units through IUA		231 431 284		231 431 284
	TOTAL-B	2 710.03	231 431 284	0	231 431 284
	NET CAPITAL EXPENDITURE	-	1836 55 36 143	1126 83 682	1825 28 52 461

Statement showing the details of Borrowings for the Financial Year 2017-18

SL. No.	Name of the Bank / Financial Institution	Opening Balance 01/04/2017	Receipts	Principal Payment	Closing Balance 31/03/2018
I	Short Term Borrowings				
1	Bank of India (100 Crs)		1 00 00 00 000	50 00 00 214	49 99 99 786
2	Canara Bank (100 Crs)		1 00 00 00 000	49 99 99 998	50 00 00 002
3	Syndicate Bank (100 Crs)		1 00 00 00 000	41 66 66 665	58 33 33 335
	Total - I	0	300 00 00 000	141 66 66 877	158 33 33 123
II	Long Term Borrowings				
1	Punjab National Bank	3 17 25 00 000	0	17 25 00 000	3 00 00 00 000
2	OBC	7 50 00 00 000	0	7 50 00 00 000	0
3	BOI	3 72 50 00 000	38 00 00 000	50 00 00 000	3 60 50 00 000
4	Vijaya Bank	11 10 70 95 153	0	1 44 46 85 003	9 66 24 10 150
5	Indian Bank	1 70 00 00 000	0	30 00 00 000	1 40 00 00 000
6	BOM	50 32 57 155	0	50 32 57 155	0
7	Corporation Bank	2 80 44 72 702	0	64 15 79 228	2 16 28 93 474
8	Punjab and Sind Bank	5 00 00 00 000	0	60 00 00 000	4 40 00 00 000
9	Canara Bank	10 04 64 00 000	2 30 00 00 000	1 51 44 00 000	10 83 20 00 000
10	SBM	6 60 72 28 187	0	50 71 61 820	6 10 00 66 367
11	UCO Bank	2 00 00 00 000	0	0	2 00 00 00 000
12	SBI	2 84 24 00 000	5 18 76 00 000	0	8 03 00 00 000
13	J&K Bank	0	80 00 00 000	0	80 00 00 000
14	REC Normal	6 29 77 746	0	1 57 44 400	4 72 33 346
15	REC APDRP	0	0	0	0
16	Loans GOK	3 56 44 329	0	59 40 722	2 97 03 607
	Total - II	4968 19 75 272	866 76 00 000	628 02 68 328	5206 93 06 944
	Total I + II	4968 19 75 272	1166 76 00 000	769 69 35 205	5365 26 40 067



DCB Statement for the year 2017-18

ESCOM	Energy supplied (in Mus)	Opening Balance	Demand	Grand Total (OB + Demand)	Collection	Closing Balance
BESCOM	33039.494	97 41 91 639	1347 79 91 328	1445 21 82 967	1333 18 77 774	112 03 05 193
MESCOM	5807.523	39 93 21 784	216 19 94 040	256 13 15 824	222 74 62 348	33 38 53 476
CESC	7178.433	97 13 82 163	301 47 43 392	398 61 25 555	313 62 36 497	84 98 89 058
HESCOM	12844.093	213 09 70 811	535 47 56 501	748 57 27 312	439 42 26 768	309 15 00 544
GESCOM	7904.822	137 84 63 506	352 74 63 960	490 59 27 466	405 29 82 836	85 29 44 630
Total	66774.366	585 43 29 903	2753 69 49 221	3339 12 79 124	2714 27 86 223	624 84 92 901

