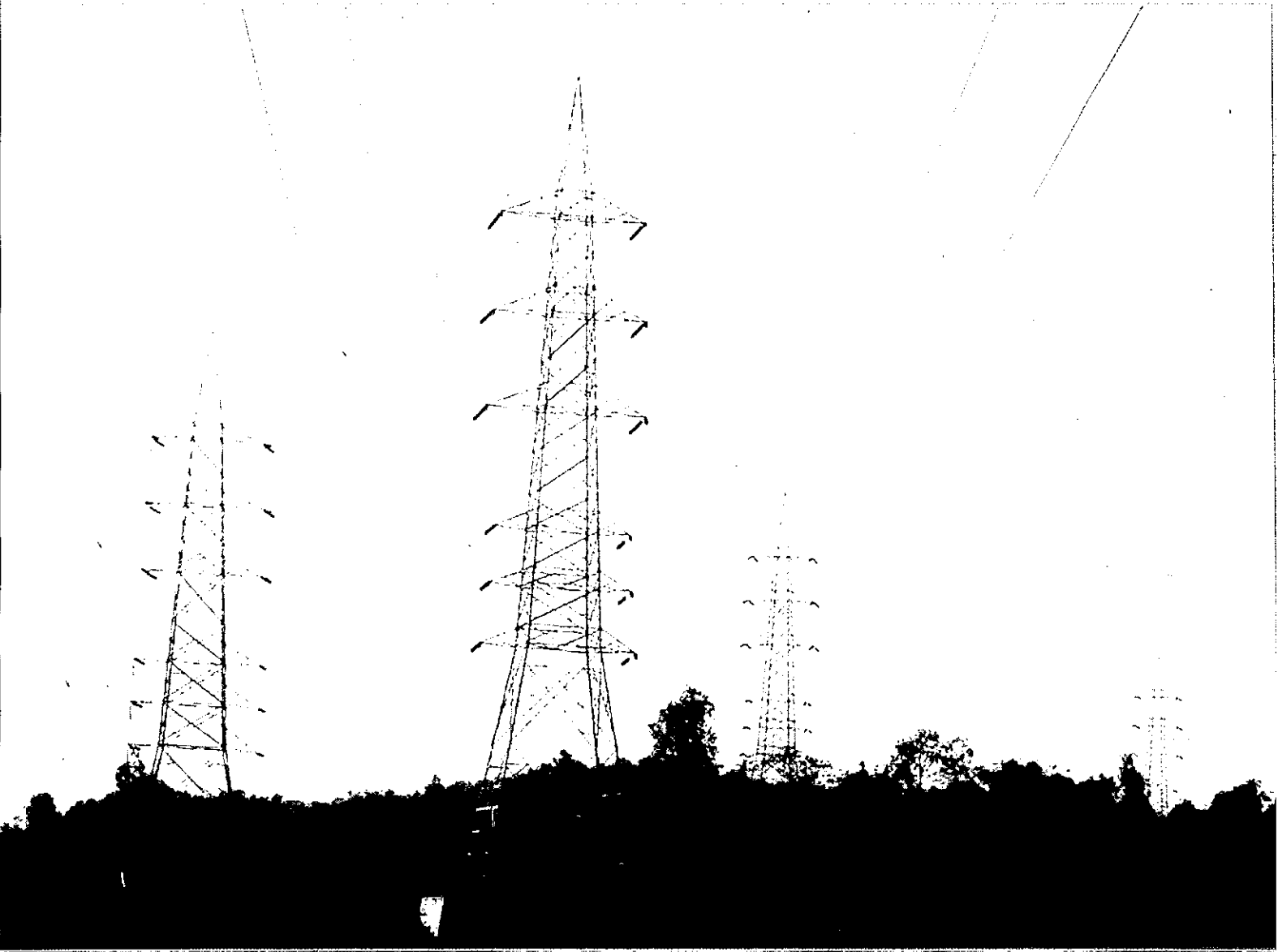


KARNATAKA POWER TRANSMISSION CORPORATION LIMITED



**7th Annual Report
2005-06**

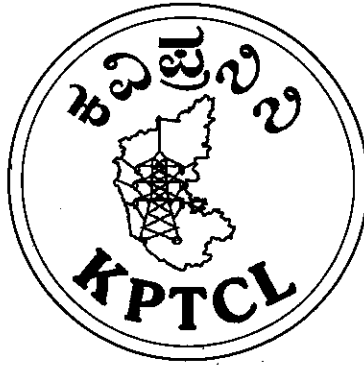


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BOARD OF DIRECTORS

(as on the AGM date)

Sl. No.	Name of the Director	Particulars
1.	Sri. H.D.Revanna	Chairman, KPTCL
2.	Sri. K.C.Reddy	Director
3.	Sri. Bharat Lal, I.A.S.,	Managing Director
4.	Dr. Aditi Raja	Director (Finance)
5.	Smt. G Kalpana, I.A.S.	Director (P & IT)
6.	Sri. V.M.Chandre Gowda, B.E., M.B.A.	Director (Transmission)
7.	Sri. Dilip Rau, I.A.S.	Director
8.	Sri. N.Gokul Ram, I.A.S.	Director
9.	Sri. L.V. Nagarajan, I.A.S.	Director
10.	Sri. Gonal Bheemappa, I.A.S.	Director
11.	Sri. Baba Gouda Rudra Gouda Patil	Director
12.	Sri. S. Ravinarayan	Director
13.	Sri. B.T.Jnaneshwar	Director
14.	Sri. K.Prasanna Kumar	Director

COMPANY SECRETARY

R. Sridhara

STATUTORY AUDITORS

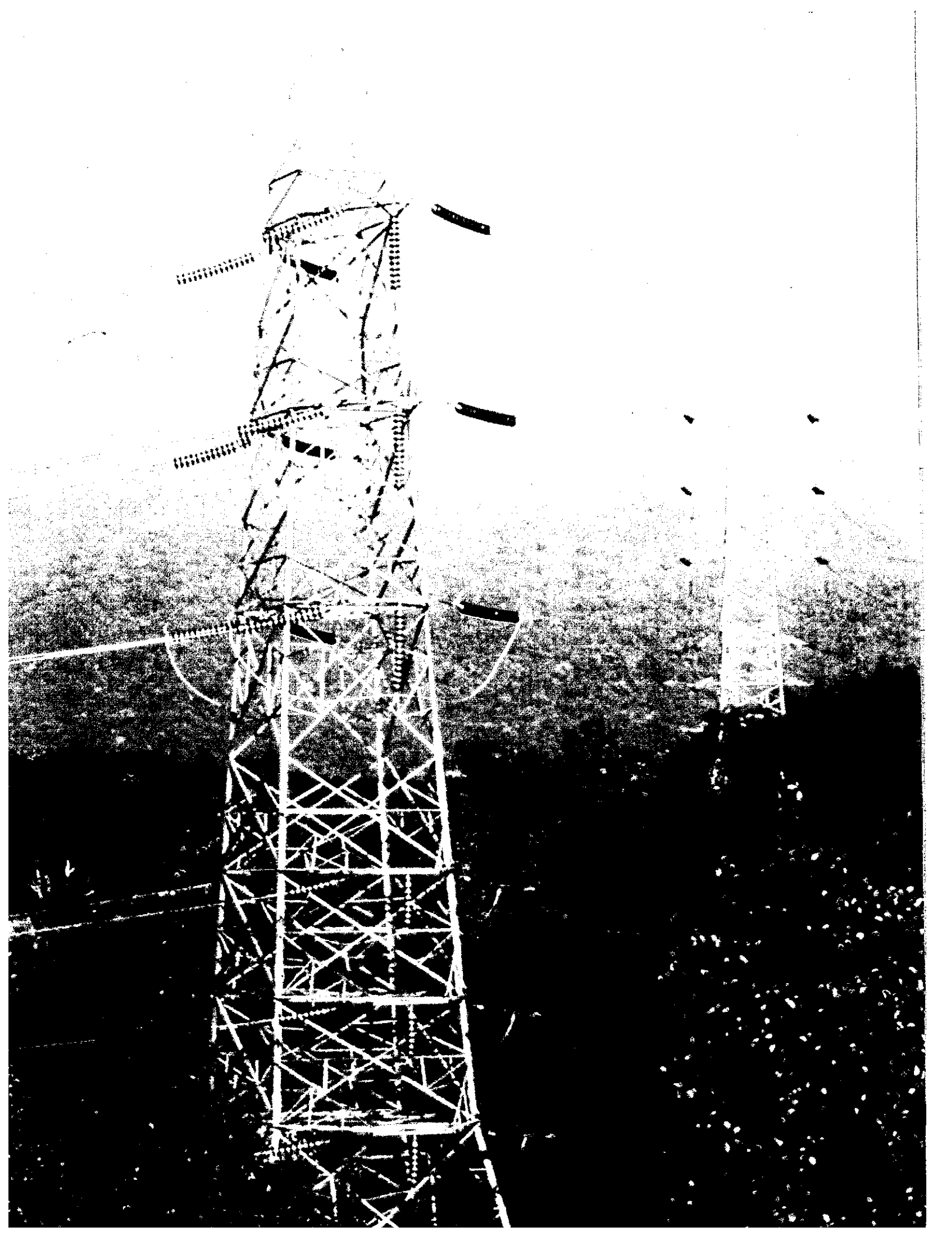
M/s. A. R. Viswanathan & Co.,

Chartered Accountants

COST AUDITORS

M/s. GNV & Associates,

Bangalore





Directors' Report

Dear members,

The Board of Directors of Karnataka Power Transmission Corporation Limited (KPTCL) have immense pleasure in presenting the 7th Annual Report for the year 2005-06 and the Audited Accounts of the Company for the year ended March 31, 2006.

MISSION

The Mission of the Karnataka Power Transmission Corporation Limited is to ensure reliable and quality power to customers. It is committed to put in place the best Systems and robust network of Transmission. KPTCL is committed to achieving this Mission through encouraging best practices in ensuring high order maintenance of all its technical facilities.

To be the best electricity utility in the country, KPTCL pledges to optimize its Human and Technical resources for the benefit of all its customers.

CURRENT SCENARIO

The Karnataka Power Sector has undergone a sea change in the last decade and is all set to undergo a paradigm shift in the next few years. Unbundling of the Sector has resulted in five regional distribution companies (ESCOs), and the lone Transmission Company (KPTCL). Trading has been delinked from the Transmission Company and the responsibility now vests with the respective ESCOs. The Electricity Act 2003 provides for lot of scope for bringing a radical change in the Sector. The Regulatory regime in the State is in full force and has initiated several measures to bring the intended change in the Sector. Open Access has been introduced which provides for issue of license to procure power as open access customer.

Transmission function in the State has improved to a great extent. The Transmission loss has been provisionally worked out at 4.33%. Unlike Distribution, Transmission requires huge investments to expand the network, overcome the constraints and to maintain the current levels of performance.

The Power Sector is unique in the sense that it has to meet the demands of all the sectors of the society viz., industry, agriculture, common man, socially and economically weaker sections etc. It concerns every one, everywhere and anytime.

Directors' Report



FINANCIAL POSITION

1. Financial Position :

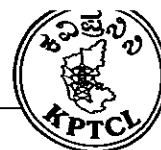
The Financial position of the Company for the three years ending 31st March 2006 is as follows:

(Rs. in Lakhs)

		2003-04	2004-05	2005-06
	Liabilities			
a)	Paid-up capital (including Share deposit)	73292.42	68254.80	71294.72
b)	Reserves & Surplus	9825.15	21433.10	27535.98
c)	Borrowings			
	Government of Karnataka	3191.25	3834.30	3807.30
	Public Bonds	413.00	413.00	413.00
	Private Bonds	4000.00	0	0
	Financial Institutions	364439.52	361502.20	319459.97
	Cash Credit from Banks	0	0	0
	Other Funds	4456.69	4221.75	4094.88
d)	Current Liabilities and Provisions (Including interest accrued & due)	427844.10	425424.82	403736.18
	Total	887462.13	885083.97	830342.03
	Assets			
e)	Gross Block	312378.04	351415.62	383158.26
f)	Less: Depreciation	105295.87	125129.05	145392.81
g)	Net Block	207082.17	226286.57	237765.45
h)	Capital Work in Progress	45780.52	42748.70	46305.20
i)	Current Assets, Loans & Advances	634440.11	615464.04	545431.32
j)	Miscellaneous Expenditure	159.33	584.66	840.06
	Total	887462.13	885083.97	830342.03
	Capital Employed	459458.70	459074.49	425765.79
	Net Worth	82958.24	89103.24	97990.64

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



2 Working Results :

The working results of the Company for the three years ending 31st March 2006 are as follows:

(Rs. in Lakhs)

		2003-04	2004-05	2005-06
i)	Profit (+) / Loss (-) for the year	1333.10	13241.99	9374.46
ii)	Prior Period Adjustments	4644.95	-1523.77	-792.73
iii)	Profit (+) / Loss (-) before Tax	5978.05	11718.22	8581.73
iv)	Tax Provision	738.60	836.53	3381.18
v)	Profit (+) / Loss (-) after Tax	5239.45	10881.69	5200.55
vi)	Percentage of Profit before Tax to:			
	a) Sales	0.93	1.77	5.42
	b) Gross Fixed Assets	1.91	3.33	2.24
	c) Capital Employed	1.30	2.55	2.02
vii)	Percentage of Profit after tax to			
	a) Net worth	6.30	12.21	5.31
	b) Equity Capital	7.15	15.94	7.29
	c) Capital Employed	1.14	2.37	1.22

VISION 2020

To make the sector consumer friendly, financially viable and function effectively on commercial principles coupled with social obligations, a comprehensive Action Plan for the next 10-15 years in the form of VISION-2020 has been prepared. The VISION-2020 envisages plans and strategies to achieve the objective of making Karnataka Power Sector number one in the country. Good Governance, Total Transparency in functioning and extensive use of IT and ITES are the key strategies indicated to make the vision a reality.

ERC AND TARIFF RELATED ISSUES

I ERC for FY-05 & FY-06

- 1) ERC of KPTCL for FY-05 & FY-06 were under consideration of KERC.
- 2) KPTCL published the summary of these ERCs in newspapers in May-05 inviting objections, if any. KPTCL replied to all the objection petitions.
- 3) KPTCL attended the public hearing held during August & September 2005 and provided suitable replies in the hearing.



- 4) KERC passed Tariff Order 2006 on 27th Sept 2005 approving the ERC of KPTCL & ESCOMs for FY - 06.
- 5) KPTCL and ESCOMs published the gist of the ERC approved alongwith the rationalised tariff structure in the newspaper on 3rd Oct 2005.

II ERC for FY-07

- 1) KPTCL filed its ERC for FY-07 on 30-11-2005 as required under KERC Tariff Regulations
- 2) KPTCL has sought approval of 26.06 paise per unit transmission charges.
- 3) KPTCL has published ERC for FY-07 in the newspapers duly inviting objections, if any.
- 4) MD & Directors and other Senior Officers of KPTCL attended the public hearing on KPTCL ERC FY-07 held on 21.03.2006.
- 5) Commission has passed its order on 07.04.2006 on KPTCL ERC FY- 07

III Regulations issued under Electricity Act 2003

KERC had issued several discussion papers on regulations to be framed under Electricity Act 2003. KPTCL had provided comments/replies to all those discussion papers.

KERC notified new regulations apart from revised existing regulations under Electricity Act 2003.

KPTCL has given wide publicity by publishing a compendium of all the approved and notified regulations.

REGULATIONS ISSUED UNDER ELECTRICITY ACT 2003

SL. No.	CONTENTS	DATE OF NOTIFICATION BY THE COMMISSION	PAGE NO.
1.	KERC (Conditions of Licence to ESCOMs) Regulations, 2004	28.04.2004	1
2.	KERC (Tariff) (Amendment) Regulations, 2004 KERC (Tariff) Regulation format	12.05.2004	19
3.	KERC (Consumer Grievance Redressal Forum and Ombudsman) Regulations, 2004	12.05.2004	63
4.	KERC (Consumer Complaints Handling Procedure) Regulations, 2004	24.05.2004	77
5.	KERC (Licensees Standards of Performance) Regulations, 2004	24.05.2004	85
6.	KERC (State Advisory Committee) Regulations, 2004	28.05.2004	97
7.	KERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004. SLDC Formats	07.07.2004	103

SL. No.	CONTENTS	DATE OF NOTIFICATION BY THE COMMISSION	PAGE NO.
8.	KERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulations, 2004	27.09.2004	123
9.	KERC (Fees) Regulations 2004	27.09.2004	127
10.	KERC (Duty of the Licensee to supply Electricity on request) Regulations, 2004	28.09.2004	131
11.	KERC (Licensing) Regulations, 2004. Form-I (Format) KERC (Licensing) Regulations, 2004. Form-II (Transmission License) KERC (Licensing) Regulations, 2004. Form-III (Distribution License) KERC (Licensing) Regulations, 2004. Form-IV (Trading License)	04.11.2004	135
12.	KERC (Eligibility conditions and Duties of Electricity Trader) Regulations 2004	09.11.2004	193
13.	KERC (Terms and Conditions for Open Access) Regulations, 2004	12.11.2004	201
14.	KERC (Recovery of Expenditure for supply of Electricity) Regulations, 2004	12.11.2004	213
15.	KERC (Electricity Supply) Code, 2004	12.11.2004	223
16.	KERC (Interest on Security Deposit) Regulations, 2005	25.03.2005	235
17.	Amendment to KERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2004	25.03.2005	241
18.	KERC (Procedure for Filing Appeal before the Appellate Authority) Regulations, 2005	25.03.2005	243





PLANNING & CO-ORDINATION

Total out-lay of Rs.900 Crores (Rs. Nine hundred Crores only) for the Year 2005-06 for Annual Programme of Capital works of KPTCL was approved. An exclusive software for the preparation of DPR is



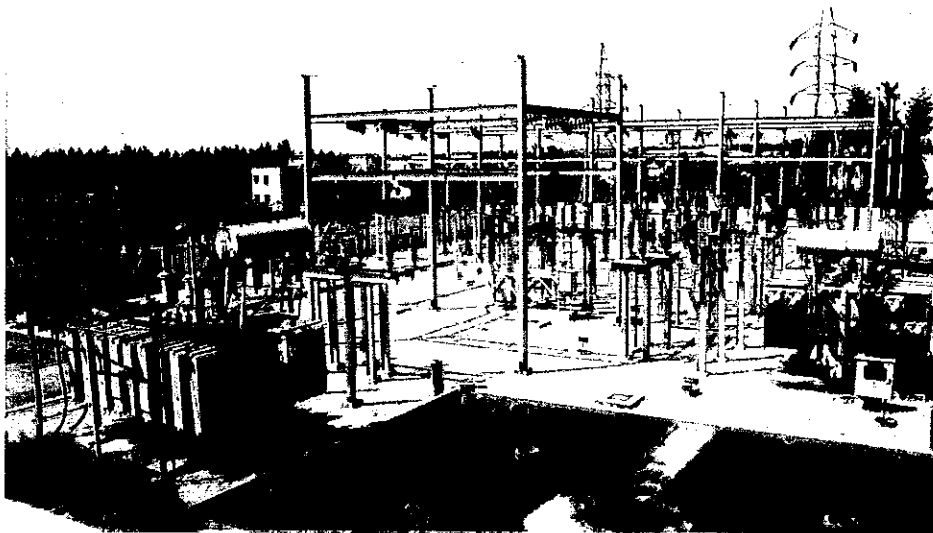
developed, by which the period of preparation of DPR is drastically reduced. Total number of 251 DPRs were prepared during 2005-06 for establishing new stations, augmentation of station capacity and up-gradation of 33 kV Station to 66/11 kV Station. A System study group conducted comprehensive load

flow studies at all voltage levels for designing transmission network, establishing new 220 kV station & loss assessment of project.

TECHNICAL ADVISORY COMMITTEE

In the interest of ensuring standardization in specifications and also to involve experts in the process of technical feasibility study for clearance of Major Works, a Technical Advisory Committee has been constituted

consisting of experts from outside as also experienced Engineers who have served the organization at various senior positions. The Expert Committee has cleared various Capital Investment proposals placed before them after thorough technical analysis for their feasibility and essentiality to the System.





The composition of the Technical Advisory Committee is as follows:

Sl. No.	Name of the Member Sriyuths :	
1.	V. Sreenivasa Murthy, Chief Engineer,(Rtd.), KPCL	Chairman
2.	Bharat Lal, Managing Director, KPTCL	Member
3.	Dr. Aditi Raja, Director (Finance), KPTCL	Member
4.	Smt. Kalpana G. Director (P & IT), KPTCL	Member
5.	V.M.Chandre Gowda, Director (Transmission), KPTCL	Member
6.	Zafrulla S.M., Director (Technical), KPCL	Member
7.	Dr.Channakeshava, Jt.Director, CPRI (Rtd.)	Member
8.	Prof. H.P. Kincha, Chairman of Electrical Division Indian Institute of Science, Bangalore	Member
9.	M.Veeranna Gowda, C.E.E.(Rtd.), KPTCL	Member
10.	K.T. Ramaswamy, C.E.E.(Rtd.), KPTCL	Member

The following are the terms of reference for Technical Advisory Committee:

- To accord Technical Clearance to all new projects.
- To scrutinize the estimates and clear Detailed Project Reports of all Capital Works.
- To analyse and recommend tenders and claims of Contractors in respect of all Capital Works.
- To finalise the Schedule of Rates prepared by the KPTCL SR Revision Committee to be adopted from time to time.
- Any other Technical matter relevant to the effective functioning of the Corporation.



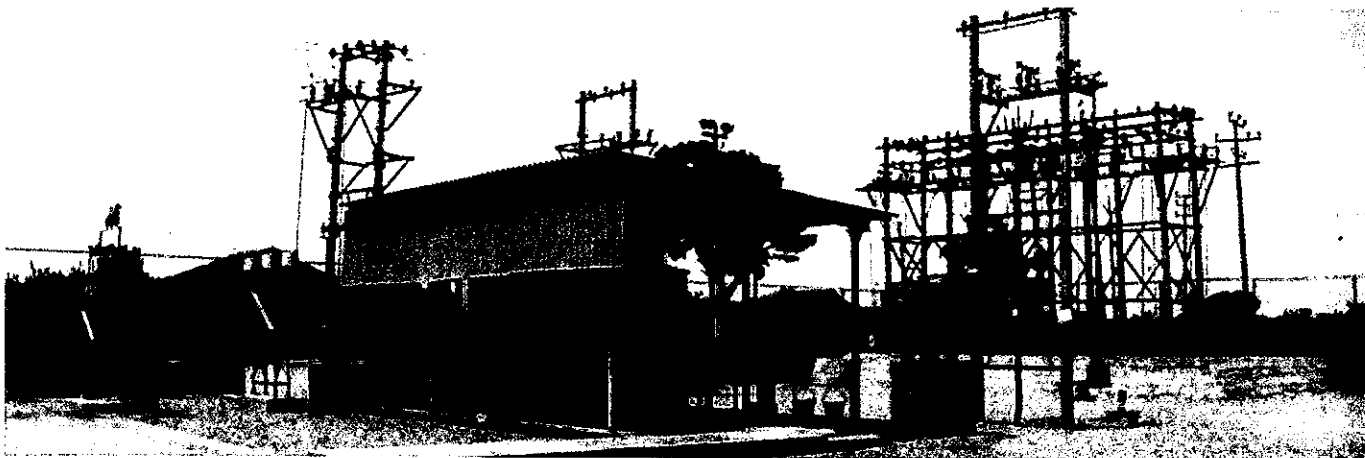
During the year under report fifteen meetings of Technically Advisory committee were held as follows:

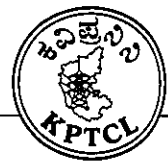
Sl.No.	Meeting No.	Held on
1	16 th	05.04.2005
2	17 th	06.05.2005
3	18 th	03.06.2005
4	19 th	12.07.2005
5	20 th	17.08.2005
6	21 st	21.09.2005
7	22 nd	05.10.2005
8	23 rd	18.10.2005
9	24 th	29.10.2005
10	25 th	08.12.2005
11	26 th	16.12.2005
12	27 th	30.12.2005
13	28 th	16.01.2006
14	29 th	20.03.2006
15	30 th	27.03.2006

TRANSMISSION LOSS REDUCTION MEASURES- CAPITAL WORKS

To bring down the Transmission losses in the State on par with international standards, a systematic time bound action plan has been made to reduce technical losses in the System which envisages:

- a) Identifying System Constraints and taking appropriate measures to remove the same.
- b) Capital Investment to build necessary infrastructure to reduce losses.





CAPITAL WORKS EXECUTED AND COMPLETED

LIST OF STATION/LINE WORKS

ABSTRACT OF MAJOR WORKS PROGRESS UPTO THE END OF MARCH '2006. [2005-2006]

(a) NEW STATIONS COMMISSIONED :

Sl. No.	Voltage	Annual Target		Programme upto the end of Mar. 2006		Progress upto the end of Mar. 2006	
		NOs.	MVA	NOs.	MVA	NOs.	MVA
1	400 KV	-	-	-	-	-	-
2	220 KV	7	1250.00	7	1250.00	3	600.00
3	110 KV	39	815.00	39	815.00	14	220.00
4	66 KV	54	827.50	54	827.50	15	281.70
TOTAL		100	2892.50	100	2892.50	32	1101.70

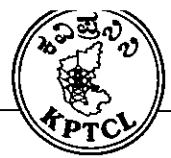
(b) AUGMENTATION OF STATIONS :

Sl. No.	Voltage	Annual Target		Programme upto the end of Mar. 2006		Progress upto the end of Mar. 2006	
		NOs.	MVA	NOs.	MVA	NOs.	MVA
1	400 KV	2	815.00	2	815.00	1	500.00
2	220 KV	5	715.00	5	715.00	1	50.00
3	110 KV	28	335.00	28	335.00	10	130.00
4	66 KV	68	1065.30	68	1065.30	30	230.30
TOTAL		103	2930.30	103	2930.30	42	910.30

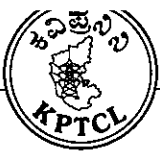


(a) NEW STATIONS COMMISSIONED

Sl. No.	Name	Voltage	Capacity	MVA added	Date of Commissioning
1	Kadur (Chickmagalur Dist.)	220/110 KV	1st 100 MVA	100.00	30-06-05
			2nd 100 MVA	100.00	08-07-05
		110/11 KV	1st 10 MVA	10.00	08-07-05
			2nd 10 MVA	10.00	11-07-05
2	Kudachi (Belgaum Dist.)	220/110 KV	2 X 100 MVA	200.00	29-03-06
3	Madhuvanahalli (C.R.Nagar Dist.)	220/66 KV	2 X 100 MVA	200.00	16-03-06
4	Shirbur (Bijapur Dist.)	110/11 KV	1 X 10 MVA	10.00	21-05-05
5	Anandanagar (Dharwad Dist.)	110/11 KV	1 X 10 MVA	10.00	23-05-05
6	Donimalai (Bellary Dist.)	110/11 KV	1 X 10 MVA	10.00	24-07-05
		110/33 KV	1 X 10 MVA	10.00	
7	Hirekerur (Haveri Dist.)	110/11 KV	1 X 10 MVA	10.00	25-07-05
		110/33 KV	1 X 10 MVA	10.00	
8	Bharangi (Shimoga Dist.)	110/11 KV	1 X 10 MVA	10.00	29-07-05
9	Nagenahalli (Chickmagalur Dist.)	110/11 KV	1 X 10 MVA	10.00	28-09-05
10	Uttur (Bagalkot Dist.)	110/11 KV	1 X 10 MVA	10.00	29-09-05
		110/33 KV	1 X 20 MVA	20.00	
11	Hangal (Haveri Dist.)	110/11 KV	1 X 10 MVA	10.00	15-10-05
		110/33 KV	1 X 10 MVA	10.00	24-10-05
12	Rattihalli (Haveri Dist.)	110/11 KV	1 X 10 MVA	10.00	11/21/2005
13	Handanakere (Tumkur Dist.)	110/11 KV	1 X 10 MVA	10.00	11/28/2005
14	Nidagatta (Chickmagalur Dist.)	110/11 KV	1 X 10 MVA	10.00	12/6/2005
15	Sriramnagar (Koppal Dist.)	110/11 KV	1X 10 MVA	10.00	1/29/2006
16	Venkatagiri (Koppal Dist.)	110 / 11 KV	1X 10 MVA	10.00	1/31/2006



Sl. No.	Name	Voltage	Capacity	MVA added	Date of Commissioning
17	Tekkalakote (Bellary Dist.)	110/11 KV	1 X 10 MVA	10.00	3/17/2006
		110/33 KV	1 X 10 MVA	10.00	
18	Khodays Glass Factory (B'lore Urban Dist.)	66/11 KV	2 X 20 MVA	40.00	25-05-05
19	K.Honnalagere (Mandya Dist.)	66/11 KV	2 X 8 MVA	16.00	26-05-05
20	Belagola: Down grading 1X20 MVA, 110 KV station to 66 KV station with 2X12.5 MVA 66/11 KV Transformer (Mandya Dist.)	66/11 KV	2 X12.50 MVA	25.00	06-06-05
21	Mallasandra (Tumkur Dist.)	66/11 KV	2 X 6.3 MVA	12.60	30-06-05
22	Y.N. Hosakote (Tumkur Dist.)	66/11 KV	2 X 6.3 MVA	12.60	30-06-05
23	Kamasamudra (Kolar Dist.)	66/11 KV	1 X 8 MVA	8.00	17-08-05
24	Shanivarasanthe (Kodagu Dist.)	66/11 KV	1 X 8 MVA	8.00	31-08-05
25	H.D.Kote (Mysore Dist.)	66/11 KV	2 X 8 MVA	16.00	30-09-05
26	Shanthigrama (Hassan Dist.)	66/11 KV	2 X 8 MVA	16.00	12-12-05
27	Halagur (Mandya Dist.)	66/11 KV	1 X 6.3 MVA	6.30	22-12-05
28	Telecom Layout (B'lore Urban Dist.)	66/11 KV	2 X 20 MVA	40.00	26-12-05
29	Melukote (Mandya Dist.)	66/11 KV	2 X 6.3 MVA	12.60	27-12-05
30	Hulurameshwara (Chitradurga Dist.)	66/11 KV	2 X 6.3 MVA	12.60	31-12-05
31	EPIP, White field (B'lore Urban Dist.)	66/11 KV	2 X 20 MVA	40.00	08-02-06
32	Holavanahalli (Tumkur Dist.)	66/11 KV	2 X 8 MVA	16.00	17-03-06
Total MVA added (New Stations)				1101.70	



(b) AUGMENTATION OF STATIONS

Sl. No.	Name	Voltage	Capacity	MVA added	Date of Commissioning
1	Nelamangala (B'lore Rural Dist.)	400/220 KV	Providing 2nd 3x167 MVA Transformer	500.00	29-06-05
2	Doddaballapura (B'lore Rural Dist.)	220/66 KV	Replacing 1X50 MVA Transformer by 1X100 MVA Transformer	50.00	2/14/2006
3	Vadagaon (Belgaum Dist.)	110/33 KV	Additional 10 MVA 110/33 KV Transformer	10.00	25-05-05
4	Yelburga (Koppal Dist.)	110/11 KV	Additional 10 MVA 110/11KV Transformer 110/33 KV Additional 20 MVA 110/33 KV Transformer	10.00 20.00	06-09-05
5	Nittur (Tumkur Dist.)	110/11 KV	Replacing 1X10 MVA Transformer by 1X20 MVA Transformer	10.00	19-09-05
6	Gokak (Belgaum Dist.)	110/11 KV	Additional 10 MVA, 110/11 KV Transformer	10.00	27-09-05
7	Athani (Belgaum Dist.)	110/33 KV	Replacing 1X10 MVA Transformer by 1X20 MVA Transformer	10.00	10-11-05
8	Arasikere (Hassan Dist.)	110/11 KV	Replacing 1X10 MVA Transformer by 1X20 MVA Transformer	10.00	14-12-05
9	Sadalaga (Belgaum Dist.)	110/33 KV	Additional 1X20 MVA Transformer	20.00	17-12-05
10	Bellary (Bellary Dist.)	110/11 KV	Replacing 1X10 MVA Transformer by 1X20 MVA Transformer	10.00	11-02-06
11	Javagal (Hassan Dist.)	110/11 KV	Additional 10 MVA Transformer	10.00	27-02-06
12	Guttal (Haveri Dist.)	110/11 KV	Additional 10 MVA Transformer	10.00	28-02-06
13	KIADB D.B.Pura (B'lore Rural Dist.)	66/11 KV	Replacing 1X12.5 MVA by 1X20 MVA Transformer	7.50	25-04-05

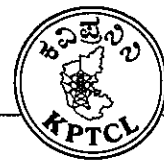


Sl. No.	Name	Voltage	Capacity	MVA added	Date of Commissioning
14	K.R.Pet (Mandya Dist.)	66/11 KV	Additional 3rd 12.5 MVA, 66/11 KV Transformer	12.50	05-05-05
15	Jagalur (Davanagere Dist.)	66/11 KV	Replacing 1X6.3 MVA Transformer by 1X12.5 MVA Transformers	6.20	16-05-05
16	Thovinakere (Tumkur Dist.)	66/11 KV	Replacing 1X6.3 MVA Transformer by 1X12.5 MVA Transformer	6.20	18-05-05
17	Saligrama (Mysore Dist.)	66/11 KV	Additional 8 MVA, 66/11 KV Transformer	8.00	19-05-05
18	Guttur (Davanager Dist.)	66/11 KV	Replacing 2x6.3 MVA Transformers by 2X12.5 MVA Transformers	12.40	10-6-05
19	Ramanathapura (Hassan Dist.)	66/11 KV	Replacing 1X5 MVA Transformer by 1X8 MVA Transformer	3.00	19-7-05
20	Malur (Kolar Dist.)	66/11 KV	Additional 8 MVA, 66/11 KV Transformer	8.00	20-7-05
21	M. Gollahalli (Kolar Dist.)	66/11 KV	Replacing 1X5 MVA Transformer by 1X8 MVA Transformer	3.00	25-7-05
22	Vijayapura (B'lore Rural Dist.)	66/11 KV	Replacing 1X8 MVA Transformer by 1X12.5 MVA Transformer	4.50	29-7-05
23	Keonics City (B'lore Urban Dist.)	66/11 KV	Additional 20 MVA 66/11 KV Transformer	20.00	30-09-05
24	Lakkur (Kolar Dist.)	66/11 KV	Additional 1 X 8 MVA 66/11 KV Transformer	8.00	20-10-05
25	Hassan (Hassan Dist.)	66/11 KV	Replacing 1X12.5 MVA by 1X20 MVA Transformer	7.50	18-11-05
26	Amar Jyothi (B'lore Urban Dist.)	66/11 KV	Replacing 1X12.5 MVA by 1X20 MVA Transformer	7.50	19-11-05
27	Chikkandagola (Hassan Dist.)	66/11 KV	Replacing 1X6.3 MVA Transformer by 1X12.5 MVA Transformer	6.20	25-11-05
28	NGEF (B'lore Urban Dist.)	66/11 KV	Replacing 1X12.5 MVA by 1X20 MVA Transformer	7.50	29-11-05



Karnataka Power Transmission Corporation Limited

Sl. No.	Name	Voltage	Capacity	MVA added	Date of Commissioning
29	D' Cross, D.B.Pura (B'lore Urban Dist.)	66/11 KV	Replacing 1X12.5 MVA by 1X20 MVA Transformer	7.50	01-12-05
30	Periyapatna (Hassan Dist.)	66/11 KV	Additional 6.3 MVA, 66/11 KV Transformer	6.30	13-12-05
31	Nangli (Kolar Dist.)	66/11 KV	Replacing 1X8 MVA Transformer by 1X12.5 MVA Transformer	4.50	17-12-05
32	Yeragunta (Davanagere Dist.)	66/11 KV	Replacing 1X8 MVA Transformer by 1X12.5 MVA Transformer	4.50	22-12-05
33	Bannur (Mysore Dist.)	66/11 KV	Replacing 1X6.3 MVA Transformer by 1X12.5 MVA Transformer	6.20	31-12-05
34	Nelamangala (B'lore Rural Dist.)	66/11 KV	Additional 3rd 20 MVA Transformer	20.00	31-12-05
35	Holenarasipura (Hassan Dist.)	66/11 KV	Replacing 1X8 MVA Transformer by 1X12.5 MVA Transformer	4.50	06-01-06
36	Dibburalli (Kolar Dist.)	66/11 KV	Replacing 1X8 MVA Transformer by 1X12.5 MVA Transformer	4.50	07-01-06
37	Yaragunta (Davanagere Dist.)	66/11 KV	Replacing 1X8 MVA Transformer by 1X12.5 MVA Transformer	4.50	24-01-06
38	Hanagal (Chitradurga Dist.)	66/11 KV	Replacing 3 MVA Transformer by 1X8 MVA Transformer Replacing 1X6.3 MVA Transformer by 1X8 MVA Transformer	5.00 1.70	27-01-06 16-02-06
39	Thimmampalli (Kolar Dist.)	66/11 KV	Additional 1X6.3 MVA Transformer	6.30	31-01-06
40	Santhebachyhalli (Mandya Dist.)	66/11 KV	Additional 1X6.3 MVA Transformer	6.30	31-01-06
41	Tekal (Kolar Dist.)	66/11 KV	Additional 1X8 MVA Transformer	8.00	22-02-06
42	Hootagally (Mysore Dist.)	66/11 KV	Additional 1X12.5 MVA Transformer	12.50	27-02-06
Total				910.30	



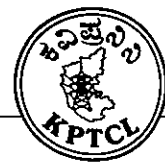
(c) TRANSMISSION LINES

Sl. No.	Particulars	Voltage	Length of line CKMs.	Date of Commissioning
1	220 KV LILO from the proposed RTPS-Gulbarga 220 KV line to the existing 220 KV Shahabad Sub-Station (Gulbarga Dist.)	220 KV	8.3	17-05-05
2	220 KV DC LILO line to Kadur Sub-station (Chickmagalur Dist.)	220 KV	0.42	27-06-05
3	220 KV SC line on DC tower from B.Bagewadi to Beluti LIS (Bijapur Dist.)	220 KV	37.78	21-11-05
4	220 KV DC Line from Narendra to Haveri (Haveri Dist.)	220 KV	97.41	7-1-06
5	220 KV DC Line from Manahalingapur to Kudachi (Belgaum Dist.)	220 KV	26.00	23-1-06
6	220 KV DC Line from T.K.Halli to Madhuvanahally (C.R.Nagar Dist.)	220 KV	34.10	15-3-06
7	110 KV line on DC towers from Mamadapur to Shirubur (Bijapur Dist.)	110 KV	14.90	27-04-05
8	110 KV tapping line from 110 KV Hubli-Belgaum S/C line to Anandanagar (Dharwad Dist.)	110 KV	0.03	07-05-05
9	110 KV SC line from Shiralakoppa-Soraba line to Bharangi (Shimoga Dist.)	110 KV	18.40	28-07-05
10	110 KV Tap line from Tangli Limits to Nagenahalli (C.M.lur Dist.)	110 KV	17.71	28-09-05
11	110 KV S/C Tap line from Bagalkot-Mahalingapur to Uttur (Bagalkot Dist.)	110 KV	6.81	29-09-05
12	110 KV SC line to 110/11 KV Sub-stn. at Nidagatta (Shimoga Dist.)	110 KV	0.64	26-11-05
13	110 KV SC line on DC tower from existing Hulyur-C.N.Halli line to Handankere (Tumkur Dist.)	110 KV	11.70	28-11-05
14	110 KV LILO Line from existing 110 KV Munirabad-Sindanur DC line to Sriramnagar (Koppal Dist.)	110 KV	0.20	29-01-06
15	110 KV SC Line on DC tower from existing 110 KV Munirabad-Sindanur DC line to Venkatagiri (Koppal Dist.)	110 KV	12.40	29-01-06
16	110 KV Line to Tekkalakote (Bellary Dist.)	110 KV	15.86	17-03-06
17	110 KV SC Line DC towers from 110 KV Sub-stn., Shirbur to Nandisugar Co- generation Power at Krishnsagar (Bijapur Dist.)	110 KV	2.17	21-03-06
18	110 KV Link line from 220 KV Kudachi Stn., to existing 110 KV Ugar Stn., (Belgaum Dist.)	110 KV	0.59	27-03-06



Karnataka Power Transmission Corporation Limited

Sl. No.	Particulars	Voltage	Length of line CKMs.	Date of Commissioning
19	110 KV Link line from 220 KV Kudachi Stn., to existing 110 KV M'pur Stn., (Belgaum Dist.)	110 KV	0.37	27-03-06
20	111 KV Link line from 220 KV Kudachi Stn., to existing 110 KV Ainapur Stn., (Belgaum Dist.)	110 KV	1.59	27-03-06
21	66 KV S/C line on DC towers from 66/11 KV Iggalur Sub-Stn., to the 66/11 KV K.Honnalagere Sub-Stn., (Mandya Dist.)	66 KV	11.50	18-05-05
22	66 KV UG Cable from Somanahally-Subramanyapura B2 line upto Kodays Glass Factory (B'lore Urban Dist.)	66 KV	3.05	25-05-05
23	66 KV tapping line from 66 KV Method-Panchanahalli S/C line to Garaga (Chitradurga Dist.)	66 KV	1.40	30-06-05
24	66 KV DC Line from Shylapura to Y.N.Hosakote (Tumkur Dist.)	66 KV	17.17	30-06-05
25	66 KV SC line on DC Towers from Koramandal (KGF) to Kamasamudra (Kolar Dist.)	66 KV	14.00	17-08-05
26	66 KV Tap line from Arakalagud-Yeslur line to Shanivarasanthe (Hassan Dist.)	66 KV	3.76	29-08-05
27	66 KV Multicircuit line from Kolar 220 KV station to Mulbagal (Kolar Dist.)	66 KV	28.50	12-11-05
28	66 KV LILO line on DC Towers tapping from existing C.R.Patna-Hassan line to Shantigrama (Hassan Dist.)	66 KV	4.40	12-12-05
29	66 KV UG Cable from NRS to Telecom Layout (B'lore Urban Dist.)	66 KV	4.10	26-12-05
30	66 KV LILO line from Tubinakere-Nagamangala line to Melukote (Mandya Dist.)	66 KV	9.50	27-12-05
31	66 KV line from Hosadurga to Hulurameshwara (Chitradurga Dist.)	66 KV	9.03	27-12-05
32	66 KV Line from Davnagere-Shimoga No.1 Line to Nandigudi (Davanagere Dist.)	66 KV	14.50	30-01-06
33	66 KV LILO line from Hoody-Chandapura SC line to EPIP, Whitefield (B'lore Urban Dist.)	66 KV	2.00	08-02-06
34	66 KV LILO line to Holavanahalli (Tumkur Dist.)	66 KV	6.17	17-03-06
35	66 KV LILO line tapping from FTS - Kollegala line to Megalapura (Mysore Dist.)	66 KV	6.60	31-03-06
TOTAL CKMs.			443.06	



**STATIONS AND TRANSMISSION LINES TARGETS AND ACHIEVEMENT
(EXCLUDING 33 KV STATION & LINE WORKS)**

Sl. No.	Particulars	2003-04				2004-05			
		Annual Target		Progress		Annual Target		Progress	
		Nos.	MVA	Nos.	MVA	Nos.	MVA	Nos.	MVA
1	Stations	44	2,359.10	38	2,203.90	59	1,605.70	31	887.00
2	Augmentation of Stations	95	1,540.60	47	895.40	68	1,224.50	67	743.50
		Nos.	CKMs	Nos.	CKMs	Nos.	CKMs	Nos.	CKMs
3	Transmission lines	58	1,914.39	55	1,235.68	61	969.35	39	636.37

Tendering & Procurement

- | | | |
|-----|---|-------------------|
| i) | Turnkey Award of Work Orders placed during 2005-06 | Rs.12218.00 Lakhs |
| ii) | Procurement of Materials/Equipments
for Major Works during 05-06 | Rs.34794.95 Lakhs |

Works Awarded during the Year :

Sl.No.	Particulars	Total No. of works	Total Amount
1.	400 kV Stations	Nil	—
2.	400 kV Lines	1 (Tr. Zone Gulbarga)	Rs. 1.43 Crores
3.	220 kV Stations	6 (Tr. Zone Bagalkot – 2 Tr. Zone Bangalore – 4)	Rs.113.95 Crores
4.	220 kV Lines	2 (Tr. Zone Mysore – 1 Tr. Zone Bagalkot – 1)	Rs. 6.80 Crores
	Total	9	Rs.122.18 Crores

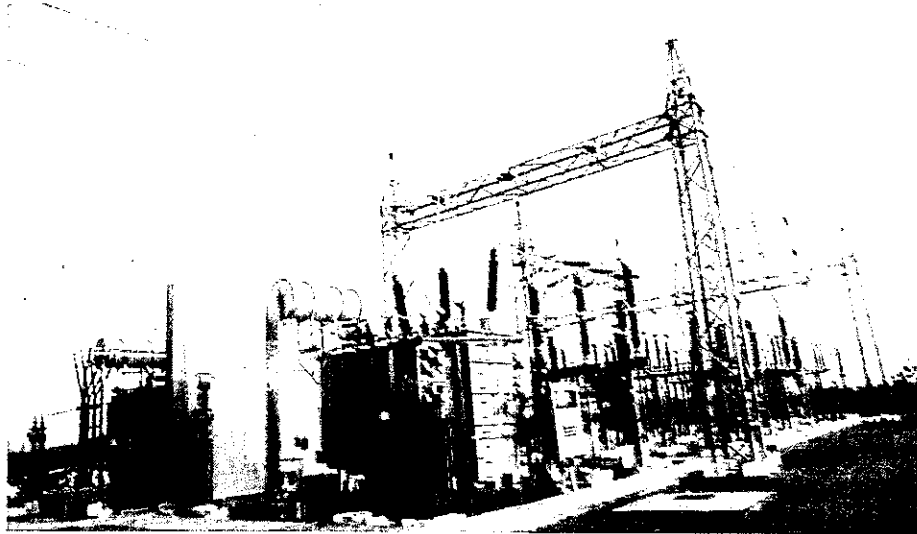
RESEARCH AND DEVELOPMENT

Research and Development Wing of the company undertakes the study of various research projects allotted by Central Board of Irrigation and Power and also by the company. This wing of the company works as a brain behind every major activity and achievements in the power sector. Various aspects of the updated knowledge in the power sector is best utilized



R & D Wing would be strengthened to carry out applied research through critical analysis and experiments to make the system more efficient and conducive to adopt new technology. In-house expertise in transmission and distribution systems will be made use of. Necessary assistance (if required) would be obtained from

reputed power research institutes in areas like interpretation of test results, conducting of tests using latest technology equipment, etc. Budgetary assistance will be provided to carry out the R & D activities in Key Result Areas on a continuous basis.



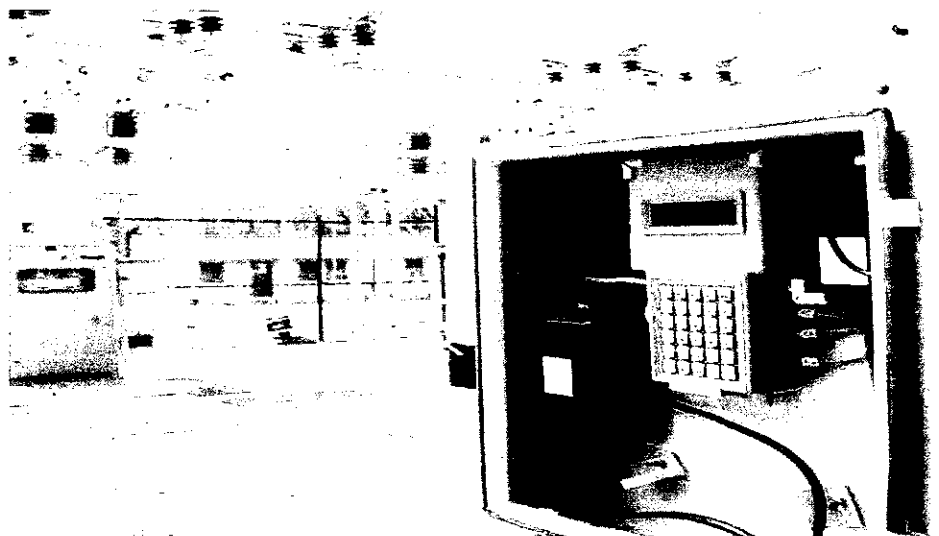
CIVIL ENGINEERING WORKS

During the year under report a sum of Rs.996 lakhs have been

spent under capital expenditure, excluding construction works of sub-stations and Rs.422 lakhs have been spent as Revenue expenditure on civil works.

HOT LINE MAINTENANCE

- It is very well known and established fact that any work either preventive or break-down maintenance either on HT/LT or EHV system has to be carried out invariably by availing line clear once. This results in interruption of power supply causing not only inconvenience to consumers but also revenue loss.
- Hence, Hot Line Maintenance Technique has been evolved and adopted for the maintenance of the EHV system to minimize interruptions and total breakdown of power supply and consequential effect as No. of consumers affected due to interruptions in the EHV system is much more than the 11 kV feeder interruption.
- The very concept of Hot Line Maintenance is carrying out of predictive / preventive maintenance in ODS of receiving stations, MUSS and Transmission Lines for minimizing interruptions and avoiding total break-down of power supply during peak load conditions without availing line clear.



- Even though 2 types of techniques namely BARE HAND Technique and HOT STICK METHOD are in vogue, KPTCL have adopted Live Line Maintenance of EHT system by HOT STICK METHOD in KPTCL.
- 3 Nos. of Hot Line Sub-Divisions are strategically located to cater the needs of Hot Line maintenance of EHV system as under:



- a) Bangalore – BESCO area
- b) Shimoga – MESCOM & CHESCO area
- c) Hubli – HESCO & GESCOM area

ENERGY CONSERVATION:

Energy Conservation measures are implemented to achieve the objective of judicious and effective use of energy and to minimize the costs. All the

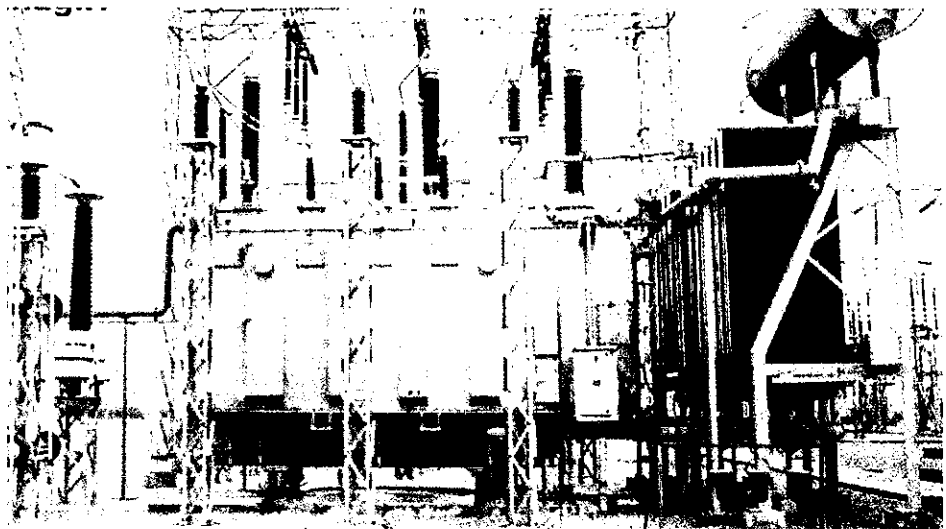
energy conservation measures and standards stated in the ENERGY CONSERVATION ACT 2001 (EC ACT 2001) would be implemented in a phased manner. Karnataka Renewable Energy Development Limited (KREDL) has undertaken a massive consumer education programme to enhance energy conservation awareness among all categories of consumers in the State.

INFORMATION TECHNOLOGY AND MIS

Strengthening of MIS wing:

To facilitate appropriate and timely decisions at the top level and also to monitor the efficiency of functioning at all levels, the Management Information System wing is being strengthened. Necessary infrastructure and expertise needed to make use of IT tools would be provided along with in-house expert team. Outsourcing of some activities to support MIS is also considered.

During the reporting year 2005-06, the following I.T. activities were carried out.





- Arranged basic computer training to all A, B & C group officers/officials of KPTCL to expose the staff to computer literacy.
- Pre-promotion counseling and transfer requests are made online.
- Developed and deployed software to all KPTCL Stores for Store Inventory.
- Development of software for online collection of MIS Data from ESCOMs and KPTCL and information for LA/LC Questions which are under testing stage.

The MIS Wing (Cell) is entrusted with the responsibility of collecting details, information and statistics pertaining to KPTCL and ESCOMs and from other agencies like other Electricity Boards and furnishing the desired information to the CEA, Central Government – Ministry of Power, State Government – Planning Department, Statutory Bodies, Public etc. regularly as well as on request.

During 2005-06, the Legislative Sessions were held thrice.

- | | | | | |
|--|---|---------|---|------------------|
| 1) 30-6-2005 to 3-8-2005 | - | 25 Days | - | Monsoon Session. |
| 2) 19-1-06, 27-1-06 to 24-2-06 &
3-3-06 | - | 08 Days | - | Winter Session |
| 3) 16-3-06 to 6-4-06 | - | 14 Days | - | Budget Session |

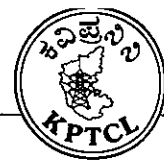
In all, replies to 131 Assembly Questions, 53 Council Questions and 23 Nos. of other issues under various rules including Call Attention motions and to the matters discussed during Zero Hour, were furnished to the Government.

Replies to issues that came in the Petition Committee and Assurance Committee of Legislature were also sent. Materials for Governor's address and Budget speech during assembly sessions were also furnished to the Government.

HUMAN RESOURCES DEVELOPMENT

During the course of various training programmes conducted at HRD centre and at other places other than HRD centre an overview on reforms (from 1999 to till date) in power sector has been briefed in the form of a recap to all the employees and officers.

The management has taken a decision to establish an in-house state-of-the art training centre at Hoody at a cost of Rs.6.87 crores to be utilized for regular residential training programme to make it a national level training centre for the personnel in power sector with a vision to meet the needs of the power sector in future and also as per the requirement of national training policy needs issued by the Ministry of Power, Govt. of India.



Corporation regards the Manpower as a valuable asset in accomplishing the objectives and hence takes care of their social security and welfare. The Corporation mutually discusses and settles the employees



grievances with the Employees Union representatives periodically.

In order to augment the staff at the cutting edge levels, 2847 No. of Gangmen were converted as Probationary Mazdoors during the year 2005-06 in pursuance of the Settlement entered into with the Employees Union.

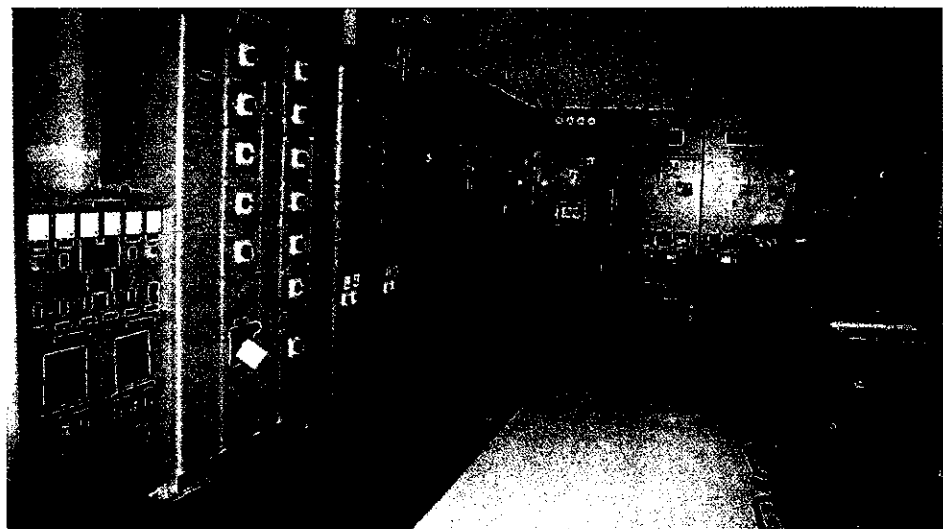
As the Corporation is in the process of Reforms, discussions are held with the Union representatives as and when called for. Corporation has identified the "Employees Role in Management" and the Union has always extended its support to the reform process.

Many Officers and Trade Union leaders were deputed for Training Programmes on Industrial Relations and Labour Laws sponsored by the various Organizations to equip them with updated knowledge. Employees were also deputed for other technical and administrative programmes.

The Corporation has maintained a good and cordial relationship with the Union, which helps in rendering a better service to consumers.

CORPORATE GOVERNANCE

KPTCL believes in striving continuously towards higher levels of transparency, responsibility and accountability and fairness in all aspects of its operations. At Karnataka Power Transmission Corporation, Corporate Governance practice is not merely a matter of adherence to a regulatory





framework, but a means of achieving excellence through adoption of competitive corporate strategies, prudent business plans and strategic monitoring.

The Board of KPTCL believes and supports Corporate Governance practices of a high standard, ensuring observance of these principles in all its dealings.

As on 31st March 2006, the Board of Directors comprised of 16 members out of which five are non official Directors. All the Directors take active part in the proceedings of Board and Sub- Committee meetings which add value to the decision making process.

Board Meetings

The meetings of the Board of Directors are scheduled in advance for which notice is given to each Director in writing. The Company Secretary helps and coordinates preparation of agendas for the meetings in consultation with the Chairman, Managing Director and functional Directors. The agenda and other relevant notes are circulated to the Directors in advance. During 2005-06 a total number of eight Board meetings took place the details of which are as follows:

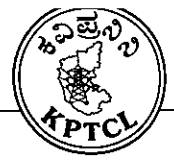
Sl.No.	Meeting No.	Held on
1	45 th Board Meeting	13 th May 2005
2	46 th Board Meeting	09 th June 2005
3	47 th Board Meeting	25 th July 2005
4	48 th Board Meeting	14 th September 2005
5	49 th Board Meeting	21 st October 2005
6	50 th Board Meeting	18 th November 2005
7	51 st Board Meeting	06 th January 2006
8	52 nd Board Meeting	25 th January 2006

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 some of the Sub-committees towards speeding up decisions.

1. Central Purchases Committee

Central purchases Committee was formed to consider all cases of purchases whether for transmission Zone, Projects or award of Station/Line works or any other works and all matters relating to such purchases which are beyond the powers delegated to the Chief Engineers, Electy.



The composition of the Central Purchases Committee is as follows:

Managing Director, KPTCL	Chairman of the Sub-Committee
Director(Finance)	Member
Director(P&IT)	Member
Director(Transmission)	Member
Company Secretary	Convener

The concerned Chief Engineers will be the Coordinating Officers and FA(IA), SEE(P&M), concerned Controllers are invited to the Meetings.

During the year the meetings were held as follows:

Sl.No.	Name of the Meeting	No. of Meetings
1	Tendering & Procurement	18
2	Transmission Zone, Bangalore	10
3	Transmission Zone, Mysore	07
4	Transmission Zone, Bagalkot	07
5	Transmission Zone, Gulbarga	07
6	Transmission Zone, Hassan	02
7	Transmission Zone, Tumkur	03

2. Borrowings Sub Committee

The Borrowings Sub-Committee was constituted to borrow long term loans from Banks/Financial Institutions on behalf of the Board from time to time.

The sub-committee consists of the following members:

1. Principal Secretary to GOK, Finance Department
2. Principal Secretary to GOK, Energy Department
3. Managing Director, KPTCL
4. Director (Finance), KPTCL



During the year the Sub-Committee held the following meetings:

SI.No.	For availing finance from	Held on
1	PFC New Delhi (228.91 Crores)	18 th July 2005
2	VIJAYA BANK, Bangalore (48.08 crores)	10 th August 2005
3	PFC New Delhi (239.67 Crores)	24 th March 2006

3. Audit Committee

An Audit Committee was formed on 21st June 2001 in accordance with the provisions of the Companies Act.

The composition of the Audit Committee as on 31st March 2006 is as follows:

1.	Sri Baba Gouda Rudra Gouda Patil	:	Chairman
2.	Sri L.V. Nagarajan	:	Member
3.	Sri G. Kumar Naik	:	Member
4.	Sri S. Ravinarayan	:	Member
5.	Sri K.Prasanna Kumar	:	Member

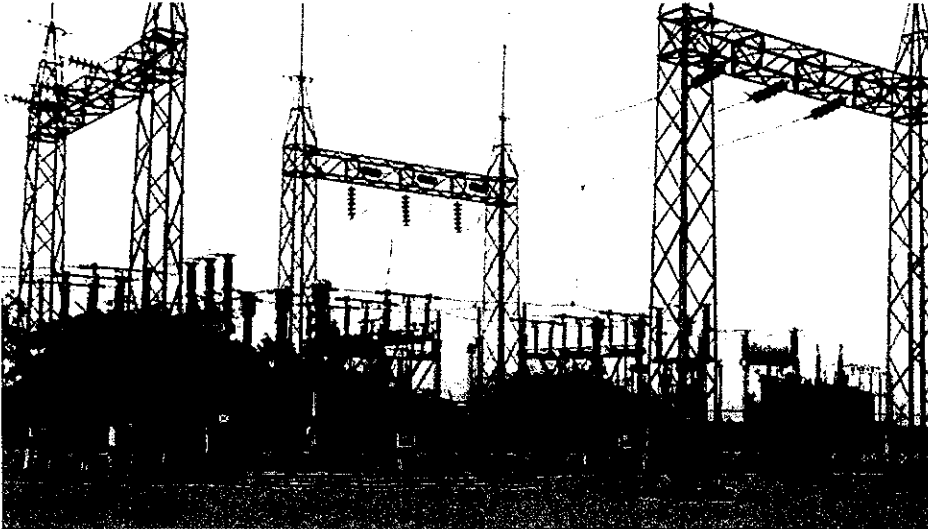
During the year under report, the following meetings of Audit Committee were held:

SI.No.	Meeting No.	Held on
1	05 th	08 th July 2005
2	06 th	09 th September 2005

The Audit Committee has adequate powers and Terms of Reference to play an effective role as mentioned in Companies Act which includes:

1. Discussions with the Auditors periodically about internal control system and the scope of audit including observations of the auditors.
2. Review of the half-yearly and Annual Financial statements before submission to the Board.
3. Ensure compliance of internal control systems.
4. Financial and Risk Management Policies and Fraud and Fraudulent Risks
5. Any other matters as may be referred to by the Board.

The Audit Committee considers and recommends the Financial results to the Board. The Statutory Auditors are invited to attend the meeting. The committee also invites the Director(F), FA(A&R) and FA(IA) to be present at the meeting.



VIGILANCE ACTIVITIES

To effectively implement the Electricity Act, 2003, 30 Vigilance Police Stations have been created through out Karnataka to exercise the powers conferred by clause (s) of Section 2 of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

To supervise the work of Vigilance Police Stations, Senior Officers of the rank of Superintendents of Police and Deputy Superintendents of Police and Executive Engineers, Elecl., have been posted to all the ESCOMs.

To supervise the work of Police Officers and overall Vigilance Activities in all ESCOMs a very Senior Officer of the Rank of Inspector General of Police has been posted to KPTCL.

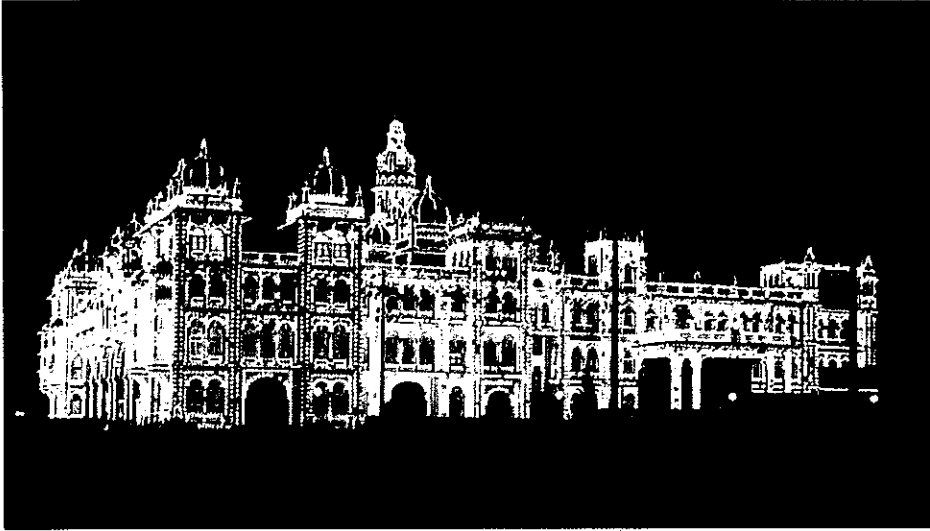
Government of Karnataka have constituted Special Courts and appointed District and Sessions Judges to be the judges of the Special Courts in each District of Karnataka State for exercising the powers conferred by Sub-section (1) and (2) of Section 153 of the Electricity Act, 2003 (Central Act No. 36 of 2003).

In exercise of the powers conferred by Section 151 of the Electricity Act, 2003 (Central Act, 2003), all Electricity Supply Companies can authorize all Engineers working in Operation and Maintenance Wing and Assistant Executive Engineers working in Vigilance Police Stations to file complaints and also to institute prosecution at the jurisdictional Police Stations and





Vigilance Police Stations established in Electricity Supply Company, when offences committed or are reasonably believed to have been committed under Sections 135 to 150 of the Electricity Act, 2003 by issuing a Notification.



LIGHTS MUSEUM AND ENERGY CENTRE(LIMEC)

A '*lights museum*' would be established to depict the history and development of electricity & the power sector in the State to create awareness among general public regarding the socio-economic impact of electrical energy, importance of conservation of energy and allied issues.

The LIMEC is to be the unique center of Excellence in the field of light and lighting related issues. It is to be the knowledge house having all updated information on all matters pertaining to light. It is also to be a one stop centre for light/lighting related matters in addition to becoming an entertainment center and center for learning.

It would have distinct activities both Indoor and Outdoor. The most modern and indoor component would be near Hoody in Bangalore. Real life and field outdoor component would be in Mysore.

KPTCL has taken lead in this regard. The concept has received encouragement from everyone. With the support of all it is going to become a National Monument of International Standard.

SHORT TERM PLANS (1-3 YEARS)

I) Technology initiatives :

- a) Supervisory Control and Data Acquisition (SCADA):** -Implementation of SCADA within one year: To reduce outage time and also manual intervention, Total SCADA of all the stations in KPTCL would be taken up and completed by the end of 2006. This also envisages real time data regarding load, line profile for congestion etc., so as to monitor power system.
- b) Voltage and frequency regulations:** Grid Code will be followed scrupulously in all the 400 kV and 220 kV sub-stations to have the right voltage level. The minimum voltage recorded at an important

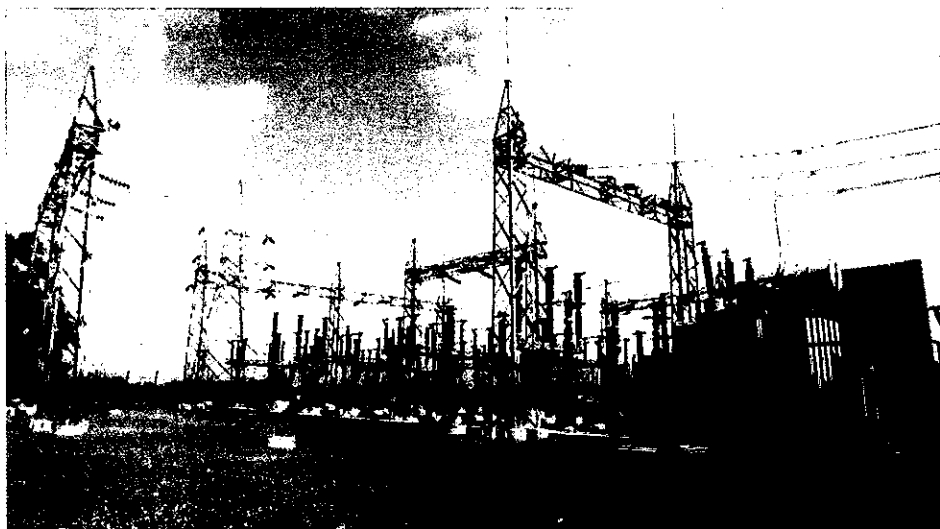
400 kV station has improved from 285 kV in 2000 to 380 kV in 2004-05. Average frequency of the grid shall also be maintained at the prescribed levels. The average frequency has improved from 48.70 Hz in 2000 to 49.9 Hz in 2004-05.

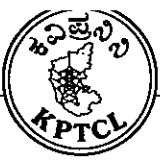
c) IT intervention in the following areas viz.

- i. Load forecasting
- ii. System studies
- iii. Network planning and construction
- iv. IT enabled energy accounting
- v. Loss assessment and energy audit
- vi. GIS mapping
- vii. Outages planning
- viii. congestion management
- ix. Monitoring quality transmission
- x. IT enabled station log-books
- xi. Document management
- xii. Real-time management of ABT through SCADA

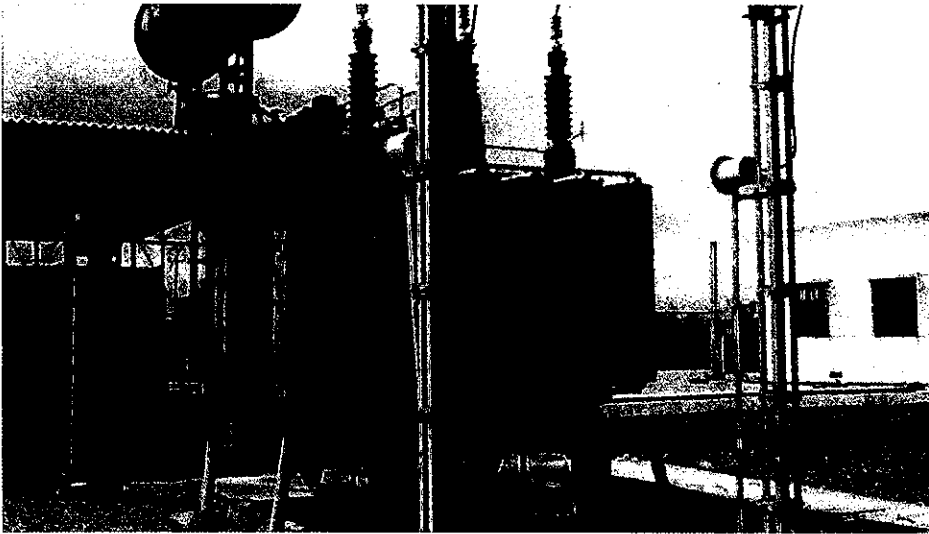
d) The website of Transmission utility to contain key information such as:

- 1) voltage wise transmission lines and stations with MW capacity
- 2) capacity reserved by long term / short term consumers and balance available, linkages to intra regional and inter regional transmission system (existing and planned)
- 3) transmission charges applicable for each year for short term customers, interstate and intra state transmission services in terms of CERC / KERC regulations.





- e) **Identification and Removal of bottlenecks in the transmission system:** The present transmission system is not adequate to supply quality and reliable power. There are several transmission constraint pockets in the system. These would be identified and removed in phases to achieve maximum quality and reliability.



- f) **Intra State ABT regime:** Steps to introduce Intra State ABT duly keeping in mind the experiences in the neighbouring States.
- g) **Investment prioritization:** Prioritized investments in the first two years: To remove transmission constraints, maximum investments are required in

the next two years. However prioritization norms will be laid down to identify critical investments that are needed to improve the system and maximum benefits are derived from such investments.

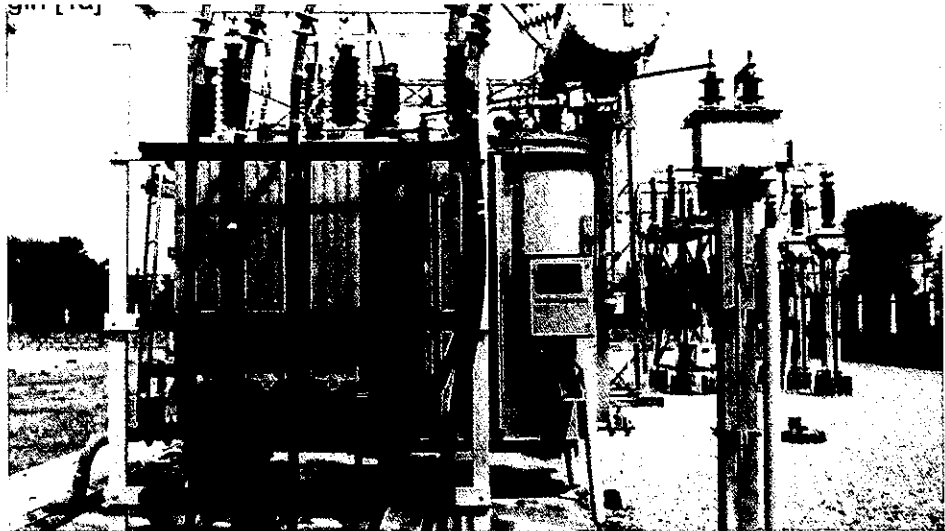
- h) **Preparation of data and identification of Load centers :** Based on the district wise load forecast, load centers would be identified. Construction of sub-stations at appropriate load centers would be taken up. The loads of the existing sub-stations are re-distributed to the new sub-stations thereby creating a more efficient transmission network.
- i) **To bring down transmission losses comparable to international lowest levels:** The present level of transmission losses is around 4.3% which is almost in a comparable range with international standards. However, KPTCL plans to initially maintain the same level for the next year and then further reduce to just equal to or below 4%.

II) Managerial initiatives:

- a) **Performance management:** To get the desired results it is necessary to manage the performance at the individual level, team level and organization as a whole. Tailor made performance management systems would be developed and implemented to manage various operations at different levels to get the desired output.
- b) **Total Quality Management (TQM):** It is another important tool to improve the overall efficiency and effectiveness of the organization. Quality would be ensured at all levels in the organization

right from the lowest unit to the corporate office and right from the lowest grade employee to the top management personnel.

- c) **Inventory Management:** Possibility of implementing JIT would be explored. Vendor rating would be done periodically to ensure quality and quantity of supply at right time. Suitable software to effectively use EOQ would be installed to reduce inventory levels and to prevent materials getting obsolete.



- d) **HRM- Human Resource Planning & Human Resource Development:** To have an excellent

performing organization, people in the organization must be well managed, motivated and trained periodically to enhance their knowledge base and skills. To have right kind of people, at right jobs and at right time, Human Resource Planning (HRP) is very much essential. To achieve all these, the existing training center would be developed to have full fledged in-house, as well as external trainers. Training will be made compulsory. Evaluation of training results and assessing training needs will be done continuously to make the programs meaningful and effective.

LONG TERM PLANS-TRANSMISSION (5-10 YEARS) :

- a) **100% automation of transmission function through effective utilization and implementation of IT** – To reduce human errors and to carry out the transmission activity in a competitive manner, use of IT tools is a must. Companies such as Power Grid have adopted the use of IT through system studies, SCADA and mapping. But IT has still not been used in forecasting, scheduling, energy accounting, trading, ABT management and monitoring quality supply. KPTCL now aims to implement IT in all these areas.
- b) **Upstream sub-transmission network and Grid substation network:** Grid sub-station network is vital in understanding system peak and also evaluating sub-transmission capacity. In planning the grid substation work, it is necessary to represent the complete neighbouring network also. It is



planned to have complete modeling of the neighbouring networks of Andhra Pradesh, Kerala and Tamil Nadu to carry out the load flow study.

- c) **400/220 kV Stations and Augmentation in about 23 stations:** About twenty three 400/220 kV stations have been prioritized for construction in different areas across the state in the next three years.
- d) A total of 428 stations have been planned to be constructed depending on the requirement of the area and future developments.
- e) **Rs.8400 Cr. investment** is planned to be invested during the 11th Plan in strengthening & expanding transmission network.

Table 1 showing number of Sub-stations required in the long term plan

Voltage Level	2007-08	2008-09	2009-10	2010-11	2011-12	Plan Total
400 kV	0	0	1	0	1	2
220 kV	9	18	7	4	3	41
110 kV	67	42	6	15	6	136
66 kV	78	69	28	17	21	213
TOTAL	154	129	42	36	31	392

Table 2 showing Investment requirement for Transmission System (11th Plan)

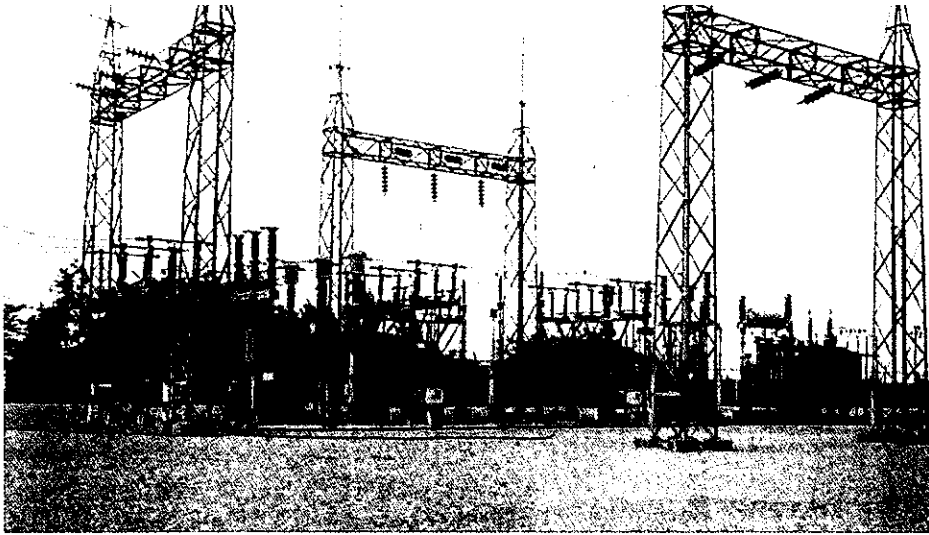
	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Total Investment required at current prices in Rs.Crores	2400	2100	1600	1300	1000	8400

STATUTORY AUDITORS

The C & AG of India appointed M/s A.R.Viswanathan & Co., Chartered Accountants as Statutory Auditors for audit of Accounts of KPTCL for the Financial Year 2005-2006.

COST AUDITOR

The Ministry of Company Affairs, Govt. of India appointed M/s GNV & Associates as Cost Auditor for auditing cost accounts of KPTCL for the Financial Year 2005-2006.



PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

The information under section 217(2A) of Companies Act, 1956 read with Company (particulars of employees) Rules, 1976 may be taken as NIL.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2A) of the

Companies Act, 1956 with respect of Directors' Responsibility Statement, it is hereby confirmed that

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. Accounting policies have been selected and applied consistently and judgments and estimates are made 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 or loss of the company for that period;

3. Proper and sufficient care has been taken 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 frauds and other irregularities and



4. Annual accounts have been prepared on going concern basis.



ACKNOWLEDGEMENTS

The 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 and other Agencies such as Government Treasury (Urban), CEA, LIC, PFC, REC, ICICI, IDBI, HDFC, , CERC, State Bank of India, Canara Bank, Syndicate Bank, State Bank of Mysore, Vijaya Bank, Vysya Bank, UTI Bank, Corporation Bank, Global Trust Bank and other financial institutions, KREDL, Ministry of Company Affairs, Registrar of Companies and the General Consumer Public for co-operation and active support to KPTCL, in our endeavour to serve them. The Board of Directors would also like to place on record its appreciation for the dedicated and committed service rendered by the employees of the Corporation.

The Board of Directors of the Company also express their gratitude to the shareholders for their valuable and un-stinted support extended to the Company throughout the year.

**Sd/-
CHAIRMAN
KPTCL**



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Pursuant to part IV of schedule - VI of the Company Act-1956)

Registration details

Registration No.	25521	State Code	8
Balance Sheet date	31.03.2006		
Capital Raised during the year (Amount in Rs.thousands)			
Public Issue	Nil	Right Issue	Nil
Bonds Issue	Nil	Private placement	Nil
Position of mobilization & deployment of Funds (Amount in Rs.thousands)			
Total Liabilities	42660585	Total assets	42660585
Sources of Funds (Amount in Rs.thousands)			
Paid up Capital	6903225	Secured Loan	24200668
Share deposit	226247	UnSecured Loans	8167358
Reserves & Surplus	2753598	Other Funds	409488
Application of Funds(Amount in Rs.Thousands)			
Net Fixed Assets	23776544	Investments	Nil
CWIP	4630520	Misc.Exp.	84006
Net current Assets	14169515		
Performance of Company (Amount in Rs.thousands)			
Turnover	21552481	Total Expenditure	20694308
Profit before Tax	858173	Profit after Tax	520055
Earnings per share in Rs.	75.34	Dividend rate %	Nil
Name of three principal / services of Company			
Item code No.	Nil		
Product description	Transmission of Electricity		

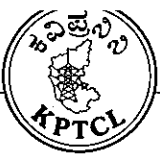
Sd/-

(S. Srinivasa Naik)
Financial Adviser (A&R)

Sd/-
(R. Sridhara)
Company Secretary

Sd/-
(Aditi Raja)
Director (Finance)

Sd/-
(Bharat Lal)
Managing Director



**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF
INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956
ON THE ACCOUNTS OF KARNATAKA POWER TRANSMISSION
CORPORATION LIMITED, BANGALORE FOR THE YEAR ENDED
31ST MARCH 2006.**

“In view of the revisions made in the accounts as a result of the observations made by the Comptroller and Auditor General of India as indicated in Para 1 of the Auditors’ Report to the Shareholders and Note No. 33 of notes forming part of accounts, there are no further comments to offer upon or supplement to the Auditors’ Report under section 619(4) of the Companies Act, 1956 on the accounts of **KARNATAKA POWER TRANSMISSION CORPORATION LIMITED, BANGALORE** for the year ended 31ST March 2006”.

Sd/-

(USHA SANKAR)
PR. ACCOUNTANT GENERAL
(CIVIL & COMMERCIAL AUDIT)
KARNATAKA, BANGALORE

BANGALORE

DATED: 22nd September 2006



Auditors' Report

To
The Members,

M/s Karnataka Power Transmission Corporation Limited.

We have audited the attached Balance Sheet of M/s Karnataka Power Transmission Corporation Limited (hereinafter referred to as 'KPTCL/the Company') as at 31st March, 2006 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. We state that the Financial Statements audited and reported by us vide our report dated 01/08/2006 has undergone revision in the light of the observations of Comptroller and Auditor General of India. Therefore, this report on the revised accounts supercedes our earlier audit report dated 01/08/2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- We conducted the audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 as amended time to time issued by the Government of India, pursuant to Sub section (4A) of Section 227 of the Companies Act, 1956 we enclose in the annexure a report on matters specified in para 4 and 5 of the said Order.
- The Company is governed by the provisions of the Electricity (Supply) Act, 2003 read with the rules and the regulations issued there under. The application of the said Act is in consonance with the provisions of Section 616(c) of the Companies Act, 1956. Accordingly, the Company has compiled the Accounts, adopting the principles and policies as enunciated in the Electricity (Supply) Annual Accounting Rules 1985.
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.



- In our opinion, proper books of accounts as required by law have been kept by the Company, in so far as it appears from our examination of those books.
- The Balance Sheet, Profit and Loss Account and cash flow statements dealt with by this report are in agreement with the books of accounts.
- According to Notification 02-05-2001 CL.V dated 22/03/2002 vide para 8(ii) of Department of Company Affairs, the provisions of Section 274(i)(g) of the Companies Act, 1956 are not applicable to the Company.
- In terms of the Government of Karnataka (herein after referred to as 'GOK') order, the Company ceased to engage in power purchases and sales operations with effect from 10.06.2005. Since then the Company's commercial activity has been purely of transmission of energy. However, the power purchase and sale transactions till 10.06.2005 have been incorporated in the accounts and reflected in financial statements for the year under report.
- Consequent to the change in the Business Profile of the Company in the course of the year under report, there is no effect on the holding of the Fixed Assets, as they remained with the Company. However, the cash flow of the Company had been affected.

In the course of our audit we observe:

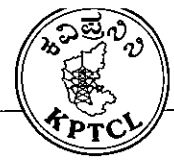
1. The loans taken for the ESCOMS and that for which GOK had taken over liability, further ear-marked and bifurcated vide Order no EN 112 PSR 2005/ P1 dated 19/05/2006 by the Government, continued to be shown in the Company's books as at the year end and for which the debt servicing was done by the Company for the year.

The debt servicing cost incurred and disbursement of loans on behalf of ESCOMS and GOK are brought into accounts as 'Receivables' whose balances stood at Rs. 1102.71 Crores and Rs. 419.01 Crores respectively regarding said transactions.

2. The Accounting Principles and Policies in terms of the Electricity (Supply) Annual Accounting Rules 1985, are not in agreement with the stipulations contained in the Accounting Standards in so far:

AS-2 of Valuation of Inventories, AS-3 of depiction in Cash Flow Statement, AS-6 of Accounting Depreciation for Assets, AS-10 of Accounting Fixed Assets, AS-12 of Accounting Govt. grants, AS-16 of Accounting Borrowing Cost and AS-22 of Accounting Taxes on Income.

The Company has been following the Accounting Principles and Policies in terms of the said Rules over the years. The impact and quantification as a result of non-adoption of Accounting Standards could not be assessed.



The above includes:

(i) **'Cash Flow Statements' (AS 3):**

The Cash flow statement attached to Balance Sheet and Profit and Loss account is not in the prescribed format. The figures reported in the statement regarding Investment and Financing activities does not reflect the cash flow but only depict the net incremental / decremental Balance sheet figures between the current and previous years. Further, due to change in the Power Tariff adopted for the financial year, the quantum and mix changes in the unit of power purchased and sold during the 70 days period, the impact of cessation of trading activities on the cash flow for the year could not be quantified.

(ii) **'Accounting for Government Grants' (AS 12):**

The grants of Rs. 9.85 crores is credited to Current Liabilities and is neither utilised as deferred income nor charged to the credit of any identified assets, which is in deviation to the requirement of the standard. In the absence of statement of purpose or scheme for which the grant was received, the extent of deviation could not be quantified.

(iii) **'Borrowing Cost' (AS 16):**

Borrowing cost in respect of Commercial Bank loan drawn on Capital account, Rs. 265 Crores, for which Borrowing Cost as may be required for capitalization, could not be assessed for want of details as to the extent of utilisation of funds for capital works.

3. Balances as at 31st March, 2006 in the account heads – Current account of ESCOMs, Government of Karnataka, Sundry debtors, Sundry creditors, Deposits, Materials with contractors, advances and other receivables and payables including receivable from Pension and Gratuity Trust (P&G Trust) Rs. 51.50 Crores being ESCOM portion of liability taken over by GOK and the difference in payable to Karnataka Power Corporation Limited (KPCL) Rs. 22.03 Crores (KPTCL Rs. 2068.20 Crores: KPCL Rs.2046.17 Crores) are subject to confirmation and reconciliation.

The above payable to KPCL i.e. Rs.2068.20 Crores does not include Rs.114.75 Crores (credit) being Interest Rebate afforded by KPCL, additional Power Purchase cost Rs.78.88 Crores (debit), Interest for belated payments Rs.9.24 Crores (debit) and reconciliation difference of Rs.8.55 Crores (debit). As informed to us, the reconciliation of Accounts with 'KPCL' is being completed in due course and the necessary effects are being reflected in subsequent year.

Included in the above referred accounts:

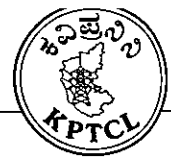
(i)

- (a) Liabilities and credit accounts, Rs. 72.60 Crores being dormant for more than 3 years or for which party wise, date wise details are not available.
- (b) Rs. 3.29 Crores arising out of bank transactions are taken as miscellaneous credits pending reconciliation.



- (c) Rs. 0.06 Crores on account of excess stocks found in Inventory.
- (d) Rs. 0.01 Crores on account of Negative values in stock accounts.
- (ii) Non provision in respect of the following:
 - (a) FEC claim for Rs. 2 Crores payable to KPCL for 70 days upto 09/06/2005.
 - (b) Debts/ Receivables more than 3 years and for balances lying in accounts without details for Rs. 29.64 Crores.
 - (c) Works In Progress of past years for which details are not available and consequently not categorized to assets Rs. 1.22 Crores. In the absence of identification of project wise expenses incurred and categorisation, the extent of impact on the current and/or past years depreciation, if any, could not be determined.
 - (d) Preliminary Expenses incurred for Rs. 0.49 Crores lying in the accounts over 3 years for which neither works have commenced nor decision regarding the future course of the proposed projects are taken and it includes those amounts for which proposal wise details are not furnished.
 - (e) Stocks/ Inventories lying dormant over 3 years for Rs. 6.70 Crores. Refer note 25 regarding non-submission of details by an unit.
 - (f) Scrapped assets for Rs. 1.59 Crores.
 - (g) Funds in transit more than 3 years Rs. 0.02 Crores.
 - (h) Trade Debtors for electricity wheeling charges for Rs. 2 Crores disputed by Goa Electricity Department.
 - (i) Trade Debtors for sale of power for Rs. 0.26 Crores to MPSEB outstanding for more than 3 years.
 - (j) Service Tax for Rs. 0.56 Crores on Processing/ Inspection charges on amount Rs. 5.48 Crores @ 10.2%.
- 4. Refer note 17 of Notes to accounts, for Property Tax and land Cess provided on the basis of Demand raised/ estimates obtained.
- 5. Refer note 1 (ii) of Notes to accounts regarding Capital Commitment.
- 6. In respect of Land and Buildings (including power houses) but excluding installations for which title deeds in favour of KPTCL have not been executed, but accounted for on the basis of Balance Sheet Restructuring programme issued by GOK.
- 7. The Company, for the year has reported net profit of Rs. 85.82 Crores after reckoning a subsidy claim for Rs. 316 Crores pending approval of GOK.

While considering the Estimated revenue charges for the year under report, the Karnataka Electricity Regulatory Commission (KEREC) had disallowed cost claims to the tune of Rs. 316 Crores in the tariff



structuring and in approving the tariffs for transmission and sale of electricity power. The tariff approved by the Commission, but for the cost disallowances, would have had net surplus.

The company had taken up the issue of cost disallowances and claimed a subsidy of Rs.316 Crores from GOK. The said subsidy is set up in the accounts in term of the letter number EN 93 PSR 2005 dated 11/07/2006 from the Special Officer (Reforms) GOK, duly forwarded to us vide letter FA (A & R) C (APA & A)/ AAO. II/ 5210.

In the absence of any assessment by the Company to the extent of crystallization of credits and liabilities and to the extent the debts and claims to be provided for as stated in the clause 3 and 3 (i) (a) to (d) and 3 (ii) (a) to (j) forgoing respectively, read with uncertainty of impact position consequent to deviations with Accounting Standards observed in clause 2 above, the net impact and quantification thereof on the net profit reported for the year and the assets and liabilities shown in the Balance Sheet as at the year end could not be ascertained and stated with reasonable degree of proximity to eventuality.

However, in the event of reckoning the full extent of those observations and incorporating in the Accounts for the year, the reported profit and changes in the assets and liabilities stated in the financial statements would be affected as below:

Amount Rs. (in crores)

Sl.No.	Particulars	Increase/ (Decrease)
1.	Impact on Profit	90.79
2.	Impact on Assets	(1562.35)
3.	Impact on Liabilities	(1471.56)

In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required, in conformity with the accounting principles generally accepted in India, **subject to paras 1 to 7 above**, give a true and fair view:

- In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006;
- In case of the Profit and Loss Account, of the Profit for the year ended on that date and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s A.R.Viswanathan & Co.,
Chartered Accountants

Sd/-
(A.R.Lakshminarayanan)
Partner
Membership No. 11820

Place : Bangalore
Date : 14-09-2006



ANNEXURE TO AUDITOR'S REPORT

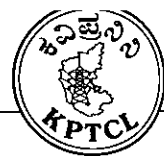
(Referred to in paragraph 4 of our report of even date)

- i.**
 - a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets.
 - b) According to information and explanation given 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.
 - c) During the year, in our opinion based on the information and explanation given to us, no substantial part of Fixed Assets has been disposed off by the Company.

- ii.**
 - a) According to information and explanations given to us, the inventories have been physically verified by the management in a phased manner at reasonable intervals.
 - b) In the light of our observation in para (ii)(a), in the preceding clause, the procedure set for verification of inventories, appears reasonable, time tested and adequate in relation to the size of the Company and nature of its business.
 - c) Adverting to our observation in para (ii)(a), it is pointed out that the Company has proper records of inventories and adequate control system for locating and resolving the discrepancies occurred in inventories. The system is being implemented satisfactorily.

- iii.**
 - a) According to information and explanation given to us, the Company has not taken any loan secured or unsecured from Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Hence, our comment regarding rate of interest and other terms and conditions of any agreement does not arise.
 - b) The Company has not granted any loans secured or unsecured from Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act 1956. Hence our comment regarding rate of interest, and other terms and conditions of any agreement does not arise.

- iv.** The Company has adequate internal control procedures systematically laid down in circulars. The control system is commensurate with the size of the Company and the nature of its business inclusive of operations covering inventories, fixed assets, purchases and sale of electricity power & goods.



However, we opine that the internal controls need to be strengthened with regard to transactions with ESCOMs, Capital Works and inter unit transactions especially with reference to maintenance of Cost register and categorization of assets with appropriate noting of date of commissioning.

- v. According to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Hence, our comments regarding the reasonableness of pricing of transactions involved in such contracts and arrangements do not arise.
- vi. The Company has not accepted any deposits from the public during the year, under Section 58(A) and 58(AA) or any other relevant provisions of the Companies Act, 1956. Further, the Company is not in receipt of any orders, in this regard from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- vii. The Company has a regular internal audit system. In our opinion, the audit wing requires to be strengthened with regard to scope and extent of coverage of transactions, especially checking of those transactions pertaining to maintenance and recording in Cost register and categorization of assets. Particular attention may be required in auditing the Cost Registers and proper recording of data and reconciliation with the financial records.
- viii. The Company has been brought under the purview of "The Cost Accounting Records (Electricity Industry) Rules, 2001" read with Section 209(1)(d) of the Companies Act, 1956 and is subject to Cost Audit. According to information and explanation given to us, the relevant details as required under the rules are maintained in the books of account.
- ix.
 - a) The unit is generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Excise Duty, Cess and any other statutory dues with the appropriate authorities. However, according to the information and explanations given to us and on the basis of our examination, Water Tax amounting to Rs. 0.01 Crores, Electricity Tax amounting to Rs. 0.04 Crores, Entry Tax amounting to Rs. 0.08 Crores, were outstanding for more than six months as on the date of Balance Sheet.

In respect of Provident Fund dues, Service tax and Property tax, in the absence of details of amount outstanding for more than six months as on the date of Balance Sheet, the gross balances amounting to Rs.0.44 Crores, Rs.0.56 Crores and Rs.1.11 Crores respectively are stated.

In respect of Property tax liability not provided for refer Note 17 of Notes to Accounts.

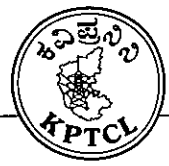


- b) According to the information and explanations given to us there are no dues of Sales Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute. However, based on the information given to us, the details of the disputed liability in respect of Income Tax, is as follows:

Statute	Nature of Dues	Forum where dispute is pending	Amount (Rs. In cr.)	Financial Year
Income Tax Act	Income Tax	Commissioner of IT (Appeals 1), Bangalore	6.45	2000-01
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	13.95	2001-02

- x. The Company has no accumulated losses as at the end of the year nor the Company has incurred any cash loss during the current year. (P/Y - Nil).
- xi. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks and financial institutions.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge on shares/debentures.
- xiii. The Company is not a Chit fund, Nidhi or Mutual Benefit Trust/ Society. Accordingly, the provisions of the para 4(xiii) of the Companies (Auditor's Report) Order, 2003 do not apply.
- xiv. According to information given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the para 4(xiv) of the Companies (Auditor's Report) Order, 2003 do not apply.
- xv. According to information given to us, the Company has not given any guarantee for the loans taken by others from Banks or financial institutions.
- xvi. In our opinion and according to information and explanations given to us, the Company has *prima facie* applied the term loans for the purpose for which they were obtained.

The Company, as an accredited borrower, has also borrowed funds from the financial institutions for and on behalf of ESCOMs. Those fund transactions have been routed through the current accounts. In the absence of information from the ESCOMs, on the end utilisation of these borrowed funds, we are unable to comment on the application of the funds.



- xvii.** According to information and explanations given to us, the Company obtained funds from REC, PFC and HUDCO for its projects / works and direct tie-ups of the release of the finances to projects are maintained. Similarly the loans are taken from commercial banks, mainly for working capital and operational purposes. But in the day-to-day operations, for exigencies of work, the mutual swapping of loans were made and noticed. Added to this, refer Audit Observation regarding cash flow statement, which does not reflect the actual flow of cash on investments and financial activities. Judged from the context, the fund utilization for different purposes i.e. long term/short term could not be determined.
- xviii.** According to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix.** The Company has not issued any debentures. Hence, the point of creating security or charge, in respect of debentures issued does not arise.
- xx.** According to information and explanations given to us, the Company has not raised any money from public issues during the year.
- xxi.** The Company has a vigilance department to investigate and deal with the fraud and other irregularities involved in the Company's transactions on a regular basis. According to the information given to us, by the said department, no fraud / misappropriation on or by the Company has been reported during the year.

for **M/s A.R.Viswanathan & Co.,**
Chartered Accountants

Sd/-
(A.R.Lakshminarayanan)
Partner
Membership No. 11820

Place : Bangalore
Date : 14-9-2006



**ADDENDUM TO DIRECTOR'S REPORT
FOR THE YEAR ENDED 31ST MARCH 2006**

FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATIONS / COMMENTS
OF THE STATUTORY AUDITOR ON THE ACCOUNTS FOR 2005-06.

	OBSERVATIONS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
1	In terms of the Government of Karnataka (herein after referred to as 'GOK') order, the Company ceased to engage in power purchases and sales operations with effect from 10-6-2005. Since then the Company's commercial activity has been purely of transmission of energy. However, the power purchase and sale transactions till 10-6-2005 have been incorporated in the accounts and reflected in financial statements for the year under report.	Factual – From 10 th June 2005 and onwards, the activities of purchase and sale of power have been taken away from the sphere of operation of KPTCL vide G.O. No. EN 131 PSR 2003 dated 10-5-2005. Now, KPTCL is left with activity of transmission of energy
2	Cash Flow Statements (AS 3) – The cash flow statement attached to Balance Sheet and Profit and Loss account is not in the prescribed format. The figures reported in the statement regarding investment and Financing activities does not reflect the cash flow but only depict the net incremental / decremental Balance sheet figures between the current and previous years. Further, due to change in the power Tariff adopted for the financial year, the quantum and mix changes in the unit of power purchased and sold during the 70 days period, the impact of cessation of trading activities on the cash flow for the year could not be quantified.	Considering the nature of business and the multi-phased units in which the financial activities are carried out, the cash flow statement is prepared based on Balance Sheet figures, which reflects inevitably other transactions also.
3	Accounting for Government Grants (AS 12)- The Grants of Rs.9.85 Crores is credited to current liabilities and is neither utilised as deferred income nor credited to the credit of any identified asset, which is in deviation to the requirements of the standard. In the absence of statement of purpose or scheme for which the grants were received, the extent of deviation cannot be quantified.	The action taken is in accordance with para 2.35 of Accounting Policies of Electricity (Supply) Annual Accounts Rules, 1985.



	OBSERVATIONS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
4	Borrowing Cost (AS 16) – Borrowing cost in respect of Commercial Bank loan drawn on Capital account, Rs.265 Crores, for which Borrowing Cost as may be required for capitalization, could not be assessed for want of details as to the extent of utilization of funds for capital works.	No Borrowing costs are incurred by KPTCL as verified from the records. It is borne by the concerned financial institutions. As such, the question of capitalization does not arise at all.
5	Balances as at 31 st March, 2006 in the account heads – Current accounts of ESCOMs, Government of Karnataka, Sundry Debtors, Sundry Creditors, Deposits, Materials with contractors, advances and other receivables and payables including receivable from Pension and Gratuity Trust (P&G Trust), Rs.51.50 Crores being ESCOM portion of liability taken over by GOK and the difference in payable to Karnataka Power Corporation Limited (KPCL) Rs.22.03 Crores (KPTCL Rs.2068.20 Crores: KPCL Rs.2046.17 Crores) are subject to confirmation and reconciliation.	Considering the nature and volume of transactions, specific confirmation is not obtained. However, the details are maintained in schedules / Registers and no dispute are raised by concerned parties. In respect of KPCL, reconciliation is completed and necessary entries to arrive at the mutually agreed balance will be passed during 2006-07.
6	Liabilities and credit accounts, Rs.72.60 Crores being dormant for more than 3 years or for which party-wise details are not available	Records are being traced to get the details. Necessary action will be taken to clear the balance outstanding for more than 3 years..
7	Rs.3.29 Crores arising out of bank transactions are taken as miscellaneous credits pending reconciliation.	Being reconciled.
8	Rs.0.06 Crores on account of excess stocks found in inventory.	Reasons for excess stock are being examined and corrective action will be taken during 2006-07
9	Rs. 0.01 Crores on account of Negative values in stock accounts	Necessary corrective action will be taken during 2006-07
10	Non-provision in respect of the following:	
a	FEC claim for Rs.2 Crores payable to KPCL for 70 days upto 9/6/2005	The issue is under correspondence.



	OBSERVATIONS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
b	Debts / Receivables more than 3 years and for balances lying in accounts without details for Rs.29.64 Crores.	Records are being traced to get the details.
c	Works in Progress of past years for which details are not available and consequently not categorized to assets Rs.1.22 Crores. In the absence of identification of project wise expenses incurred and categorisation, the extent of impact on the current and / or past years depreciation, if any, could not be determined.	The issue will be examined and corrective action will be taken during 2006-07.
d	Preliminary Expenses incurred for Rs. 0.49 Crores lying in the accounts over 3 years for which neither works have commenced nor decision regarding the future course of the proposed projects are taken and it includes those amounts for which proposal wise details are not furnished.	Details are being collected from the concerned units and necessary action will be taken during 2006-07
e	Stock / Inventories lying dormant over 3 years for Rs.6.70 Crores	New procedure will be evolved during 2006-07 to clear the stock not operated for more than three years
f	Scrapped assets for Rs.1.59 Crores	Scrapped assets will be sold by auction
g	Funds in transit more than 3 years Rs.0.02 Crores	Being reconciled
h	Trade Debtors for electricity wheeling charges for Rs.2 crores disputed by Goa Electricity Department	The issue is under correspondence.
i	Trade Debtors for sale of power for rs.0.26 crores to MPSEB outstanding for more than 3 years	The issue is under correspondence.
j	Service tax for Rs.0.56 crores on Processing / inspection charges on amount Rs.5.48 crores at 10.2%	Necessary action will be taken during 2006-07 duly obtaining expert opinion on the issue.
11	Refer Note 17 of Notes to Accounts, for Property Tax and land Cess provided on the basis of Demand raised / estimates obtained	Factual –Property Tax have been paid / Necessary provisions in the accounts have been made on receipt of demand notices from the concerned authorities or on estimates obtained.



	OBSERVATIONS OF STATUTORY AUDITORS	MANAGEMENT'S REPLY
12	<p>In respect of Land and Buildings (including powerhouses) but excluding installations, for which title deeds in favour of KPTCL have not been executed, but accounted for on the basis of Balance Sheet Restructuring Programme issued by GOK.</p>	<p>The process of documentation is in progress.</p> <p>GOK has notified Opening Balance Sheet of KPTCL & ESCOMS as at 1-6-2002. Accordingly, Assets & Liabilities as on that date have been accounted.</p>
13	<p>The Company, for the year has reported net profit of Rs.85.82 Crores after reckoning a subsidy claim for Rs.316 Crores pending approval of GOK.</p> <p>While considering the Estimated revenue charges for the year under report, the Karnataka Electricity Regulatory Commission (KEREC) had disallowed cost claims to the tune of Rs. 316 crores in the tariff structuring and in approving the tariff for transmission and sale of electricity power. The tariff approved by the Commission, but for the cost disallowances, would have had net surplus.</p> <p>The company had taken up the issue of cost disallowances and claimed a subsidy of Rs.316 crores from GOK. The said subsidy is set up in the accounts in term of the letter number EN 93 PSR 2005 dated 11/7/2006 from the Special Officer (Reforms) GOK, duly forwarded to us vide letter FA(A&R) C(AP&A)/AAO-II/5210.</p>	<p>The contention of the Company is that the expenses disallowed by KEREC have been incurred as per the decisions taken by GOK. As such, GOK has to reimburse these expenses by way of subsidy. Accordingly, necessary entries to account subsidy of Rs.316 crores have been incorporated in the accounts on accrual basis as per letter dated 11/7/2006 from Energy Department.</p>



BALANCE SHEET AS AT MARCH 31st 2006

(Amount in Rs.)

Sl. No.	Particulars	Sch No.	A/c Code	As at 31-03-2006		As at 31-03-2005	
I	SOURCES OF FUNDS						
1	<u>Share holders Funds</u>						
	Share Capital	1	52.301	690 32 25 000		690 32 25 000	
	Share Deposit	1A	52.302	22 62 47 247		-7 77 45 021	
	Reserves and Surplus	2	55 to 58	275 35 97 816		214 33 09 131	
					988 30 70 063		896 87 89 110
2	<u>Loans Funds</u>						
	Secured Loans	3	51 to 54	2420 06 68 682		3014 26 15 018	
	Unsecured Loans	4	52 & 54	816 73 58 453		643 23 35 101	
					3236 80 27 135		3657 49 50 119
3	<u>Other Funds</u>						
	Service Line and Security Deposits	5	47 & 48	40 94 88 437	40 94 88 437	42 21 74 566	42 21 74 566
	TOTAL				4266 05 85 635		4596 59 13 795
II	APPLICATION OF FUNDS						
1	<u>Fixed Assets</u>	6	10 & 12				
	(a) Gross Block			3831 58 25 677		3514 15 61 609	
	(b) Less: Depreciation			-1453 92 81 241		-1251 29 05 385	
	(c) Net Block			2377 65 44 436		2262 86 56 224	
	(d) Capital Work in Progress	7	14 & 15	463 05 20 036		427 48 69 597	
					2840 70 64 472		2690 35 25 821
2	<u>Investments</u>	8					
3	<u>Current Assets, Loans and Advances</u>						
	(a) Interest accrued on Inv. & Deposits	9					
	(b) Stores & Spares	10	22	75 99 42 424		59 20 02 569	
	(c) Sundry Debtors	11	23 & 28.1	852 08 49 975		1602 57 24 474	
	(d) Cash and Bank balances	12	20 & 24	168 99 19 564		180 09 69 057	
	(e) Loans and Advances	13	25 to 27 & 28	223 37 68 191		178 61 43 880	

BALANCE SHEET AS AT MARCH 31st 2006

(Amount in Rs.)

Sl. No.	Particulars	Sch No.	A/c Code	As at 31-03-2006		As at 31-03-2005	
	(f) Other Assets	14	28.4 to 28.9 & 31 to 37	4133 86 52 588		4134 15 63 695	
				5454 31 32 742		6154 64 03 675	
	Less: Current Liabilities & Provisions	15	40 to 55	4037 36 17 993		4254 24 81 744	
	Net Current Assets				1416 95 14 749		1900 39 21 931
4	Deferred Revenue Expenditure	30	17	8 40 06 414	8 40 06 414	5 84 66 043	5 84 66 043
	TOTAL				4266 05 85 635		4596 59 13 795

Significant Accounting Policies and Notes to Accounts form part of the Balance sheet 32

Sd/-

(S. Srinivasa Naik)
Financial Adviser (A&R)

Sd/-

(R. Sridhara)
Company Secretary

Sd/-

(Aditi Raja)
Director (Finance)

Sd/-

(Bharat Lal)
Managing Director

As per our report of even date
For A.R.Viswanathan & Co.
Chartered Accountants

Sd/-

(A.R. Lakshminarayanan)
Partner
Membership No.11820

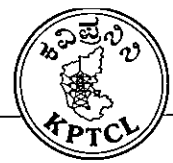
Date : 14-09-2006
Place : Bangalore



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2006

(Amount in Rs.)

Sl. No.	Particulars	Sch No.	A/c Code	Current Year 2005-06	Previous year 2004-05
I	INCOME				
1	Revenue from Sale of Power	16	61	1582 10 89 274	6615 41 18 895
2	Revenue Subsidies & Grants	17	63	315 91 00 000	
3	Other Income	18	62	257 22 92 204	159 51 26 094
	TOTAL			2155 24 81 478	6774 92 44 989
II	EXPENDITURE				
1	Purchase of Power	19	70	1235 22 40 308	6012 90 97 808
2	Generation of Power	31	71	1 27 20 783	64 74 714
3	Repairs and Maintenance	20	74	17 46 83 417	20 84 46 838
4	Employee Costs	21	75	194 46 04 251	144 92 21 804
5	Administrative and General Expenses	22	76	44 44 86 675	35 31 20 810
6	Other Expenses	23	77 & 79	73 81 405	41 40 030
	SUB-TOTAL			1493 61 16 839	6215 05 02 004
7	Less: Expenses Capitalised	24	74.9,75.9 & 76.9	16 84 79 709	17 00 32 054
	TOTAL			1476 76 37 130	6198 04 69 950
III	PROFIT BEFORE DEPRECIATION AND INTEREST			678 48 44 348	576 87 75 039
1	Less: Depreciation (Net)	25	77	209 97 39 904	193 47 35 002
IV	PROFIT BEFORE INTEREST AND TAXES			468 51 04 444	383 40 40 037
1	Less : Interest and other Bank Charges(Net)	26	78 & 80	374 76 58 529	250 98 40 972


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2006

(Amount in Rs.)

Sl. No.	Particulars	Sch No.	A/c Code	Current Year 2005-06	Previous year 2004-05
2	Add / Less: Net amount of Extra ordinary items	28			
3	Add/(Less) : Prior period credits/(charges)	29	65 & 83	-7 92 72 818	-15 23 77 475
V	PROFIT BEFORE TAX			85 81 73 097	117 18 21 590
1	Provision for Taxation	27	81.1	6 64 32 593	8 36 52 964
2	Short Provision for Income Tax - Previous Year		83.810	20 29 62 344	
3	Fringe Benefit Tax		81.101	6 87 22 589	
VI	NET PROFIT AFTER TAXATION			52 00 55 571	108 81 68 626
	Balance of profit brought over from Previous years			195 75 76 683	86 94 08 057
VII	APPROPRIATIONS				
	Balance Carried to Balance Sheet			247 76 32 254	195 75 76 683
	Significant Accounting Policies and Notes to Accounts form part of the Profit and Loss Account	32			

Sd/-

(S. Srinivasa Naik)
Financial Adviser (A&R)

Sd/-
(R. Sridhara)
Company Secretary

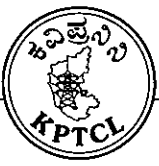
Sd/-
(Aditi Raja)
Director (Finance)

Sd/-
(Bharat Lal)
Managing Director

As per our report of even date
For A.R.Viswanathan & CO.
Chartered Accountants

Sd/-
(A.R. Lakshminarayanan)
Partner
Membership No.11820

Date : 14-09-2006
Place : Bangalore



SCHEDULE : 01 SHARE CAPITAL

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
1	Authorised Capital 1,00,00,000 Equity shares of Rs. 1000/- each			1000 00 00 000		1000 00 00 000
2	Issued, Subscribed and Paid up (6903225 Shares of Rs1000/- each of the above shares. These shares are allotted as fully paid-up pursuant to a contract without payments being received in cash)	52.301		690 32 25 000		690 32 25 000
				690 32 25 000		690 32 25 000
	TOTAL			690 32 25 000		690 32 25 000

SCHEDULE : 1A SHARE DEPOSIT

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Share Deposit (Received from GOK Pending Allotment)	52.302 & 52.303		467		467
	Adjustments pending re-notification by GOK	52.304 to 52.309	22 62 46 780		-7 77 45 488	
				22 62 47 247		-7 77 45 021
	TOTAL			22 62 47 247		-7 77 45 021

**SCHEDULE : 02 RESERVES AND SURPLUS**

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Capital Reserve	56.2	5 86 78 363		4 15 44 806	
	Surplus in Profit and Loss Account	58	247 76 32 254		195 75 76 682	
	<u>Contributions, grants and subsidies towards cost of Capital assets :</u>					
	Contribution towards cost of capital assets	55.1	21 72 87 199		14 41 87 643	
	TOTAL			275 35 97 816		214 33 09 131

ANNEXURE TO SCHEDULE : 02 RESERVES AND SURPLUS

(Amount in Rs.)

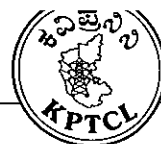
Sl. No.	Particulars	A/c Code	Opening Balance	Additions	Deletions	Balance as at 31-03-2006
	Capital Reserve	56.2	4 15 44 806	1 71 33 557		5 86 78 363
	Surplus in Profit and Loss Account	58	195 75 76 682	52 00 55 572		247 76 32 254
	<u>Contributions, grants and subsidies towards cost of Capital assets :-</u>					
	Contribution towards cost of capital assets	55.1	14 41 87 643	7 30 99 556		21 72 87 199
	TOTAL		214 33 09 131	61 02 88 685		275 35 97 816



SCHEDULE : 03 SECURED LOANS

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Loans From Financial Institutions					
	Loans from REC (Guaranteed by State Govt. and Escrow)	53.300	259 91 38 259		413 33 75 367	
	Short term Loans obtained from Commercial Banks / Financial Institutions(Mortgage of Assets and Charge on Receivables)	53.324	383 16 99 997		753 65 66 665	
	Loans obtained from UCO Bank (Hypothecation of Plant and machinery)	53.325	160 00 00 000		200 00 00 000	
	Loans obtained from Vijaya Bank(Hypothecation of assets)	53.330	159 99 99 920		200 00 00 000	
	Loans obtained from South Indian Bank (Hypothecation of assets)	53.345	50 00 00 000		50 00 00 000	
	Loan drawn from Punjab National Bank(Default Escrow and Hypothecation of assets)	53.346	345 00 00 000		345 00 00 000	
	Loan drawn from Oriental Bank of Commerce (Hypothecation of assets)	53.347	100 00 00 000		65 00 00 000	
	Loans from REC for SPA Scheme (Guaranteed by GOK and Mortgage of assets)	53.700	11 54 40 990		33 86 03 680	
	Loans from HDFC (Guaranteed by Escrow and Title deed)	53.900	3 48 10 172		4 51 49 523	
	Loans from Power Finance Corporation Ltd., (Guaranteed by GOK and Mortgage of assets)	53.960	933 25 67 110		948 89 18 782	
	Bills payable A/c R P G T L (ICICI) (Guaranteed by Escrow)	46.433			1 001	
	Principal & Interest Accrued and Due	51.1 & 51.2	13 70 12 234			
				2420 06 68 682		3014 26 15 018
	TOTAL			2420 06 68 682		3014 26 15 018

**SCHEDULE : 04 UNSECURED LOANS**

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Bonds					
	Public Bonds (Guaranteed by GOK)	52.110	4 13 00 000		4 13 00 000	
	Private Bonds (Guaranteed by GOK)	52.111		4 13 00 000		4 13 00 000
	Loans from REC - Rationalised REC-Loans (Guaranteed by GOK)	53.302	1 76 86 111	1 76 86 111	3 60 09 488	3 60 09 488
	APDRP - GOK Loan Account	53.335	199 42 10 714	199 42 10 714	205 03 76 785	205 03 76 785
	APDRP - REC Loan Account	53.336	573 34 31 900	573 34 31 900	392 12 19 100	392 12 19 100
	FUNDS FROM STATE GOVT.					
	State Govt. loans	54.200	38 07 29 728	38 07 29 728	38 34 29 728	38 34 29 728
	TOTAL			816 73 58 453		643 23 35 101



SCHEDULE : 05 DEPOSIT CONTRIBUTION WORKS AND SECURITY DEPOSITS

(Amount in Rs.)

SI. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Deposit Contribution works	47.3	40 94 88 437		42 21 74 566	
	TOTAL			40 94 88 437		42 21 74 566



(Amount in Rs.)

Schedule-6 Fixed Assets and Accumulated Depreciation

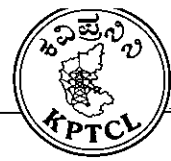
Asset Group	Sl. No.	Gross Block				Depreciation			Net Block	
		As at 1-04-2005	Additions	Deductions/ Adjustments	As at 31-3-2006	As at 1-04-2005	Additions	Deductions/ Adjustments	As at 01-04-2005	As at 31-03-2006
Land & Rights	10.1	471074879	54779480	-37240233	488614126	12.1			471074879	488614126
Buildings	10.2	1399216937	123031651	16642153	1538890741	12.2	81334311	4153748	1016488599	1070674344
Hydraulic Works	10.3	60571115	25022991	594276	86188382	12.3	1895669	-144511	49917630	73783739
Other Civil Works	10.4	83623304	18396290	867605	102887199	12.4	19327531	-15482662	71530070	86949096
Plant & Machinery	10.5	18191100630	2308047291	-350715968	20148431953	12.5	1256711305	-63740906	10959028878	11723389802
Lines Cable Networks	10.6	14811945758	1065301599	-57707223	15819540134	12.6	783924335	-45669328	10024296537	10293635906
Vehicles	10.7	66971848	2739548	-1961977	67749419	12.7	1013830	-1815771	8637231	10216743
Furniture & Fixtures	10.8	34478860	2795990	1091480	38366330	12.8	3763571	505600	19355555	18973854
Office Equipments	10.9	22578278	2742060	-162945	25157393	12.9	1132391	-533257	8326845	10306826
Total		35141561609	3602856900	-428592832	38315825677		2149102943	-122727087	22628656224	23776544436
Previous Year		31237804489	4004669156	-100912036	35141561609		2042617480	-59299263	20708217321	22628656224



SCHEDULE : 07 CAPITAL WORKS IN PROGRESS

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Capital Work in Progress	14	462 97 57 741		418 26 05 210	
	Sub Total			462 97 57 741		418 26 05 210
	Contracts in Progress	15.120			1 42 20 502	
	Provision for Completed Works	15.500	7 62 295		7 80 43 885	
	Construction Facilities	15.6				
	Sub Total			7 62 295		9 22 64 387
	TOTAL			463 05 20 036		427 48 69 597



SCHEDULE : 08 INVESTMENTS

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
1	Investments:					
	Quoted					
	Un Quoted					
	Investments in Subsidiaries	20.3	0.00		0.00	
	Investments in Partnership / Joint Ventures	20.4	0.00		0.00	
	TOTAL					



SCHEDULE : 09 INTEREST ACCRUED ON INVESTMENTS AND DEPOSITS

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	TOTAL					



SCHEDULE : 10 STORES AND SPARES

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
I	Assets not in use					
1)	Scrap value of obsolete / scrapped assets.	16.1	1 59 22 630		1 64 48 690	
2)	Written down value (WDV) of Faulty / Dismantled Assets.	16.2	48 38 041		90 11 802	
	Sub-Total			2 07 60 671		2 54 60 492
II	Materials Stock Account (Note :- Physical Stock are valued at Standard rate determined)					
	Materials Stock Account	22.610	73 92 95 375		56 36 77 821	
	Materials pending Inspection	22.660	82 761		93 06 457	
	Materials in Transit Account.	22.680	36 30 535		3 602	
	Sub-Total			74 30 08 671		57 29 87 880
III	Other Materials Account	22.7	1 88 432	1 88 432	1 61 975	1 61 975
IV	Materials stock Excess / Shortage Pending Investigation					
	Stock Excess pending Investigation.	22.810	- 50 31 794		- 73 74 607	
	Stock Shortage pending investigation.	22.820	10 16 444		7 66 829	
	Sub-Total			- 40 15 350		- 66 07 778
	TOTAL			75 99 42 424		59 20 02 569



SCHEDULE : 11 SUNDRY DEBTORS

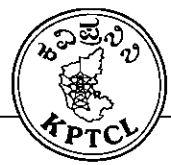
(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	(Un-secured and considered good)					
	Sundry Debtors for Transmission Charges					
	BESCOM	23.101	9 26 39 727		0.00	
	MESCOM	23.102	6 24 88 274		0.00	
	HESCOM	23.103	20 05 02 574		0.00	
	GESCOM	23.104	13 82 23 479		0.00	
	CESCO	23.107	6 76 05 806		0.00	
	Sundry Debtors for Transmission service charges- Hukkeri Co-op Society.	23.109	2 27 73 142		0.00	
				58 42 33 002		
	Sundry Debtors for sale of Power – Intra State					
	BESCOM	23.201	28 07 148		332 60 25 098	
	MESCOM	23.202	5 95 87 208		175 76 14 628	
	HESCOM	23.203	441 75 19 790		618 34 80 123	
	GESCOM	23.204	319 51 59 370		434 81 84 781	
	Hukkeri Co-op Society.	23.205	19 59 61 213		25 01 94 585	
	Sundry Debtors for sale of Power – Inter State	23.6	46 80 629		139 85 742	
	Sundry debtors - Delayed payment charges	23.7	3 15 08 604		44 82 015	
	Sub-Total			790 72 23 962		1588 39 66 972
	Less :					
	Provision for withdrawal of Revenue demand	23.8	-16 60 85 445		0.00	
	Sundry Debtors - Others	28.101 to 28.109,28.111 to 28.124	19 54 78 456	19 54 78 456	14 17 57 502	14 17 57 502
	TOTAL			852 08 49 975		1602 57 24 474

Annexure to Schedule 11 Sundry Debtors

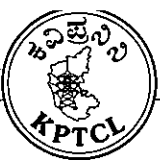
(in Crores)

1) Over 6 months old	11.14
2) Others	840.94

**SCHEDULE 12 : CASH AND BANK BALANCES**

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Fixed Deposits with Bank	20.2	73 51 23 658	73 51 23 658	101 88 24 166	101 88 24 166
	Cash Accounts					
	Cash on Hand	24.110	9 88 890		23 33 457	
	Postage stamps on hand	24.120	1 37 442		1 22 226	
	Revenue Receipt Stamps on hand	24.130	44		85	
	Sub-Total			11 26 376		24 55 768
	Cash Imprest with Staff – Accounts					
	Imprest	24.210	14 36 500	14 36 500	13 63 500	13 63 500
	Collecting Bank Accounts	24.3	4 99 36 223	4 99 36 223	5 88 90 202	5 88 90 202
	Disbursement Bank Account					
	Disbursement Bank Account - State Bank of Mysore	24.401	1 37 51 169		26 82 795	
	Disbursement Bank Account - State Bank of India	24.402	74 01 315		30 20 763	
	Disbursement Bank Account - State Bank of Hyderabad	24.403	5 27 436		6 91 154	
	Disbursement Bank Account - Canara Bank	24.404	9 93 182		21 55 209	
	Disbursement Bank Account - Syndicate Bank	24.405	11 82 032		23 06 427	
	Disbursement Bank Account - Punjab National Bank	24.408	81 416			
	Disbursement Bank Account - Vijaya Bank	24.409	8 40 86 790		3 10 01 134	



SCHEDULE 12 : (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Disbursement Bank Account - State Bank of Mysore	24.411	- 53 42 282		10 79 10 465	
	Disbursement Bank Account - State Bank of India	24.412	1 42 70 713		3 81 49 554	
	Disbursement Bank Account - State Bank of Hyderabad	24.413	12 45 532		2 52 71 626	
	Disbursement Bank Account - Canara Bank	24.414	21 80 399		1 27 77 384	
	Disbursement Bank Account - Syndicate Bank	24.415	1 30 72 561		5 45 16 055	
	Disbursement Bank Account - Bank of Baroda	24.420	7 36 714		3 52 79 885	
	Disbursement Bank Account - ICICI Bank	24.422	2 70 296		8 36 841	
	Disbursement Bank Account - Bank of India	24.423	1 20 37 517		16 93 804	
	Disbursement Bank Account - Corporation Bank	24.424	20 13 51 339		13 16 22 469	
				35 85 30 693		44 99 15 565
	Remittance to Head Office - Transit Account	24.5	98 44 963	98 44 963	1 27 09 788	127 09 788
	Transfers from Head Office In Transit Account	24.6	53 39 21 151	53 39 21 151	25 68 10 068	25 68 10 068
	TOTAL			168 99 19 564		180 09 69 057



SCHEDULE 13 : LOANS AND ADVANCES

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	LOANS AND ADVANCES					
	Advances to Suppliers (considered good & Fully Secured)	25	40 92 78 773		43 16 43 056	
	Advances to Contractors	26	124 83 09 886		100 19 91 803	
	Loans and advances to Staff (considered good & Fully Secured) Interest bearing					
	H.B.A / H.P.A	27.101	5 37 95 916		7 79 03 863	
	Vehicles	27.102	70 42 696		1 31 34 446	
	Marriage	27.103	66 660		1 45 085	
	Computer Advance	27.106	61 98 949		94 19 156	
	Interest free Loans & Advances to staff	27.2	79 56 799		72 86 427	
	Advance Income Tax and Tax deductions at source	27.4, 28.821 & 28.943	50 11 18 512		24 46 20 044	
				223 37 68 191		178 61 43 880
	TOTAL			223 37 68 191		178 61 43 880

Other Advances are considered good for which Corporation holds no security other than personal security.



SCHEDULE 14 : OTHER ASSETS

(Amount in Rs.)

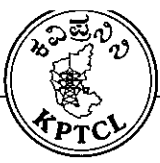
Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Income Accrued but not Due	28.3	48 83 493		1 73 47 391	
	Amounts Recoverable from Employees	28.4	3 28 36 177		3 33 78 381	
	Subsidy / Grants receivable from GOK	28.620	1546 52 35 166		1195 93 35 166	
	Subsidy receivable from GOK towards Power supplied to Hukkeri Electricity Co-op Society	28.621	30 92 70 486		30 92 70 486	
	Other receivables from GOK	28.8	487 75 49 183		487 42 48 703	
	Other Claims:					
	Claims for Loss / Damage to Materials	28.72	49 420		- 10 11 703	
	Claims for Loss / Damage to Capital Assets	28.74	1 33 521			
	Other Receivables - BESCO	28.8 & 28.9, 28.125	85 77 41 287		262 78 60 333	
	Other Receivables - MESCOM	28.8 & 28.9, 28.126	94 44 91 845		158 39 10 749	
	Other Receivables - HESCO	28.8 & 28.9, 28.127	155 85 71 698		210 65 46 044	
	Other Receivables - GESCOM	28.8 & 28.9, 28.128	108 46 63 175		119 23 62 015	
	Other Receivables - CESCO	28.9	5 95 11 033			
	Receivables - P & G Trust	28.907	63 09 78 457		7 58 63 231	
	Other Receivables - VVNL	28.8	- 64 11 274		- 64 60 634	
	Other Receivables	28.8 & 28.9	1 43 72 441		1 17 07 362	
	Prepaid Expenses	28.820	48 84 762		57 32 212	



SCHEDULE 14 : (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Deposits	28.930 to 28.937	19 89 97 255		11 59 19 343	
	Balance of Banked Energy as at Year end	29.101	10 20 71 753		3 23 79 222	
	INTER UNIT ACCOUNTS :					
	IUA- Materials	31	-8 97 00 370		-9 07 18 553	
	IUA - Capital Expenditure & Fixed Assets	32	-3 39 12 273		-2 00 12 911	
	IUA - Personnel	36	26 79 128		- 31 60 305	
	IUA- Other transactions / adjustments	37	15 91 46 841		31 19 08 706	
	Electricity tax and other levies payable to Government.	46.300	- 4 27 485			
	Receivables from GOK and Escoms towards loan as at 1-6-02	53.999	534 70 34 385		765 53 95 422	
	Receivables from Escoms towards loan drawn on behalf of them	53.309 to 53.329	218 78 46 045		267 96 53 323	
	Pooled APDRP Loan Receivable from ESCOMS - GOK Loan	53.333			35 56 73 874	
	Pooled APDRP Loan Receivable from ESCOMS - REC Loan	53.334	145 09 07 539		67 57 13 633	
	APDRP-GOK Loan Receivable from ESCOMS	53.337 to 53.340	199 42 10 714		169 47 02 911	
	APDRP-REC Loan Receivable from ESCOMS	53.341 to 53.344	418 10 38 186		314 40 19 294	
	Sub - total			4133 86 52 588		4134 15 63 695
	TOTAL			4133 86 52 588		4134 15 63 695



SCHEDULE 15 : CURRENT LIABILITIES & PROVISIONS

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006	As at 31-03-2005
I	LIABILITIES			
	Sundry Creditors for purchase of power			
	Tamilnadu Electricity Board	41.101	26 34 63 291	26 34 63 291
	Andhra Pradesh Transmission Corp.	41.104	6 00 89 526	5 97 06 104
	Karnataka Power Corporation Ltd.	41.108	2068 19 84 537	2189 70 44 106
	Visvesvaraya Vidyuth Nigama Limited	41.109	29 59 73 959	54 19 68 601
	National Thermal Power Corporation RSTP	41.110		56 17 51 536
	Madras Atomic Power Project, Kalpakam	41.111	68 78 940	3 54 05 926
	Neyveli Lignite Corporation, Neyveli.	41.112	22 73 66 488	85 96 68 431
	P.G.C.I.L.	41.113		15 25 21 312
	NPCIL Kaiga	41.114	49 28 817	26 74 20 548
	NTPC Eastern Region	41.116		56 52 395
	PTCIL	41.117		1 07 42 792
	International Tech Park B'lore	41.118		7 75 845
	Ugar Sugar Works Limited Co-Generation Plant (USWLCGP), Ugar	41.119		4 86 00 650
	SMIORE	41.120		6 73 59 554
	Bhoruka Power Corpn. Ltd.	41.122		1 91 69 863
	Murudeshwara Power Corpn. Ltd	41.123		2 92 95 440
	Shamanur Sugar Ltd.	41.124		7 91 34 192
	JTPCL	41.125	109 70 71 891	35 68 51 701
	Sri Renuka sugar Ltd.,	41.126		2 97 17 303
	Bannari Amman Sugars	41.127		4 35 14 244
	ICL Sugars	41.128		8 96 848



SCHEDULE 15 : (continued)

(Amount in Rs.)

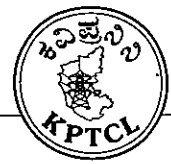
Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Royalaseema Alkalies	41.129			4 62 39 804	
	Prabhulingeshwara	41.130	2 23 50 948		1 65 55 894	
	Tata Company Ltd.	41.131	7 82 31 659		19 98 63 089	
	South India Paper Mills	41.132			1 15 92 862	
	Thanneerbhavi Co. Ltd.	41.133	8 30 01 455		65 65 05 337	
	Amoga Power Project Ltd	41.134			14 90 016	
	Malavalli Power Plant Pvt. Ltd	41.136			2 19 77 986	
	Nuziveedu Seeds Ltd	41.137			82 25 711	
	Atria Power Corp. Ltd	41.138			1 57 21 362	
	Raythara SSKM	41.139			25 51 553	
	Enercon wind farms India Ltd,	41.149			91 04 552	
	Topaz Investment Pvt. Ltd	41.150			6 66 560	
	CEPCO Industries Pvt. Ltd.	41.151			79 00 586	
	BSES Ltd.	41.152			68 98 831	
	Jamakhandi Sugars	41.153			40 90 721	
	Godavari sugar Ltd.,	41.154			5 21 37 750	
	Chatthisghad State Electricity Board	41.156	83 32 195		83 32 195	
	Vijayalakshmi Hydro Power Pvt. Ltd.	41.158			25 97 568	
	Moodabagilu Power Pvt. Ltd.	41.159			9 50 626	
	Gem sugar Ltd.,	41.160			98 76 170	
	Prabhath Agri Bio - Tech Ltd.,	41.161	36 00 540		45 24 632	
	Unscheduled inter change-charge payable to PGCIL-SREB	41.162	-2 30 80 872		18 75 29 129	
	Suttatti Enterprises Ltd.	41.163			10 01 655	
	VXL Systems # II	41.164			3 18 615	
	Raja Magnetics	41.165			4 16 858	
	Mayura Steels Pvt. Ltd.	41.166			3 12 918	
	Friends Associate Power Project	41.167			3 06 660	



SCHEDULE 15 : (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Texmo Precision Castings	41.168			11 21 033	
	RSM Autokast Ltd	41.169			7 08 950	
	Patel Shanthi Steel Pvt. Ltd.	41.170			3 19 632	
	BSES Ltd.(1.80MW)	41.171			17 18 855	
	Indan Energy Pvt. Ltd.	41.173			7 88 407	
	Savitha Chemicals Ltd.	41.174			35 89 984	
	Elveety Industries Pvt. Ltd.	41.175			1 88 443	
	VXL Systems # I	41.176			3 28 374	
	Siddaganga Oil Extraction Ltd.	41.177			9 57 953	
	Sharp Pumps Pvt. Ltd	41.178			3 06 634	
	Rajanikanth Foundation	41.179			2 66 065	
	Panama Business Centre	41.180			5 00 798	
	Fiza Developers and Inter Trade	41.181			12 24 037	
	Kamal Trading Co.	41.182			3 07 488	
	Maruthi Power Gen (I) Pvt. Ltd.	41.183			12 34 044	
	Jindal Alluminium Ltd.	41.184			14 23 448	
	Shilpa Medicate Ltd.	41.185			6 33 264	
	CEPCO Industries Pvt. Ltd. (0.60 MW)	41.186			4 81 503	
	MSPL Ltd.	41.187			9 87 829	
	NLC TPS Expansion I & II	41.188	134 95 36 723		30 08 77 315	
	NTPC Talcher Stage II	41.189			24 38 92 467	
	Balsaheb M . Ladkat	41.191			5 38 499	
	Sanjay D Godavath(HUF)	41.192			13 52 257	
	Topaz Investment Pvt. Ltd (1.2 MW)	41.193			20 70 944	
	Godawat Panmasala	41.194			1 02 06 032	
	Shri Ram Investments Ltd.	41.196			61 90 512	
	Texmo Industries Ltd.	41.197			34 22 115	
	Shri Ram City union Finance Ltd.	41.198			30 27 926	



SCHEDULE 15 : (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Shri Ram Transport Finance Ltd.	41.199			64 77 003	
	Lovely Fragrence	41.200			16 59 209	
	JN Investments	41.201			12 61 564	
	Enercon (Karnataka) Wind farm (21 MW)	41.202			3 92 30 052	
	Mohite & Mohite Pvt. Ltd.	41.203			24 53 791	
	Panama Credit and Capital Pvt. Ltd.	41.204			4 65 227	
	Shilpa Medicare Ltd.	41.205			4 61 896	
	Jindal Alluminium (6.6MW)	41.207			1 15 67 224	
	Graphite India Ltd. (1.5 MW)	41.208			14 863	
	MSPL Ltd.- Phase II (4.75MW)	41.209	7 54 49 369		55 09 192	
	Ramghad Mining (1.9MW)	41.210			17 47 525	
	Ghodawat Pan masala Products (Nandan Hosur Group 5.4MW)	41.211			54 32 557	
	International Power Corp. Ltd. (2.4MW)	41.212			30 37 571	
	Encon service Ltd.(3.8MW)	41.213			1 97 44 960	
	Pallavi green power (0.75MW)	41.215			10 25 332	
	Mansukmal Investments (0.95MW)	41.216			8 46 000	
	Bhoruka Power Corp. Ltd. (Shapura D9 1MW)	41.217			29 97 711	
	Deedee Enterprises (Nandan Hosur 0.6MW)	41.218			9 93 186	
	Bhagya Nagar solvent extractions Ltd.(5.4 MW)	41.219			33 22 539	
	Supreme Power Company (0.6MW)	41.220			10 44 294	
	Royal Energy Co.(0.6MW)	41.221			7 61 019	
	Prime Labels Co.(0.25MW)	41.222			8 35 894	
	R.K.Power Gen Pvt. Ltd.(20MW)	41.223			9 75 55 080	



SCHEDULE 15 : (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Nuziveedu seeds Ltd (NSL V - 1.9MW)	41.225			1 68 66 252	
	Nuziveedu seeds Ltd (NSL II & III - 10.5MW)	41.226			1 25 94 091	
	Davanagere Sugar Co. Ltd (20MW)	41.228			9 36 98 360	
	Sanjay D Godawath(I&II)	41.230			10 12 455	
	Channabasappa & sons (0.60MW)	41.231			18 78 958	
	Auto Tex Ancillaries Pvt Ltd (1.2MW)	41.232			9 57 102	
	Good Luck Syndicate	41.233			4 65 282	
	Godawath Pan Masala (4.2MW)	41.234			28 01 515	
	Shreya Laxmi Properties (0.60MW)	41.235			4 83 344	
	Sharada Constructions (6.6MW)	41.236			43 12 760	
	VXL Systems(0.60MW)	41.237			5 38 923	
	CEPCO Industries(1.2MW)	41.238			84 14 232	
	Deedee Enterprises (EG)(0.6MW)	41.239			6 35 751	
	Amson Distillaries Pvt Ltd (2MW)	41.240			92 027	
	Star Flexi pack Industries (0.6MW)	41.241			5 49 192	
	Savitha Chemicals (Encon Group)	41.242			13 15 027	
	B.S.C.Textiles(VVS)(0.6MW)	41.243			19 52 015	
	S.C.M. Sugars Ltd.(26MW)	41.244			6 93 00 924	
	Sri Indira Power Energies Ltd.	41.245			2 16 25 064	
	Eshwari Garments(1.5MW)	41.249			93 56 264	
	Eshwari Knitting Works(3 MW)	41.250			1 79 41 852	



SCHEDULE 15 : (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Eshwari Textiles(3 MW)	41.251			1 63 19 145	
	Victus Associates(1.5 MW)	41.252			96 30 873	
	Sri Doodhganga Krishna Sahakari Kharkhane Niyamitha (24 MW)	41.253			2 88 49 100	
	Deefree Engineering (P) Ltd. (0.6MW)	41.255			25 09 484	
	Poweronicks Ltd.(5.4 MW)	41.256			3 02 51 274	
	NCL Energy Ltd.(8.25MW)	41.257			1 57 291	
	SLS Power Industries Ltd. (4.5 MW)	41.258			30 76 703	
	Venkateshwara Power Project Ltd.(10 MW)	41.259			51 69 570	
	Sahyadri Power Co.(P) Ltd. (0.4 MW)	41.260			8 63 199	
	Koppal Green Power (6 MW)	41.261			1 40 56 138	
	Sai Spurthi Power	41.274			47 25 666	
	K.R.E.D.L	41.292		2 88 10 463		
	Provision for Liability for Purchase of Power	41.500		99 43 76 172		204 13 53 149
	Provision for Liability for Unutilized Balance of Banked Energy as at the Year end	41.600		10 20 71 753		3 23 79 222
	Sub-Total			2536 04 37 854		2986 15 91 023
	Liability for Suppliers/Works	42		205 26 07 602		189 26 08 377
	Payables - BESCO	42 & 46		139 89 36 520		120 93 37 985
	Payables - MESCOM	42 & 46		126 51 09 996		71 17 56 153
	Payables - HESCO	42 & 46		138 71 26 516		133 59 50 680
	Payables - GESCOM	42 & 46		59 97 78 693		43 91 59 376
	Payables - CESCO	42 & 46		67 88 184		



SCHEDULE 15 : (continued)

(Amount in Rs.)

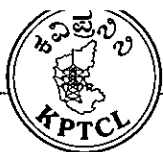
Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Payables - P & G Trust	44.121, 44.122 & 42.274	370 74 75 057		365 23 63 250	
	Payables - VVNL	42	5 60 532		5 60 532	
	Payables - ESCOMS	42 & 46.937	36 06 541		26 86 345	
	Sub Total			1042 19 89 641		924 44 22 698
	Staff Related Liabilities					
	Unpaid Salaries	44.210	1 55 500		2 17 653	
	Unpaid Bonus	44.220	16 699		12 748	
	Salary payable	44.310 & 44.311	14 10 127		25 91 865	
	Bonus payable	44.320	3 28 479			
	Ex-gratia payable	44.330	1 39 89 208		1 44 67 472	
	Sub Total			1 59 00 013		1 72 89 738
	Other Liabilities and Provisions					
	Security Deposits in cash from Suppliers / Contractors	46.101	38 63 21 738		35 41 11 808	
	Security deposit other than in cash from suppliers / contractors (Contra)	46.102			1 03 371	
	KPTCL Pensioners / Family Pensioners Family Benefit / Security Fund	46.103	33 78 245		34 45 926	
	Retention Money - Bill amount retained as per terms of P.O / Turnkey Contract	46.104	90 21 47 414		66 08 75 523	
	Funds received from Resources Section, KPTCL to SPPCC	46.107	- 24 25 962			
	Funds received from Resources Section, KPTCL to SLDC	46.108	- 84 12 346			
	Liability for Expenses	46.410 to 46.470	71 00 02 689		18 07 46 416	



SCHEDULE 15 : (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	As at 31-03-2006		As at 31-03-2005	
	Interest accrued but not due on borrowings	46.710	10 15 72 208		8 16 51 125	
	Unclaimed repayments on Bonds / Debentures	46.730			3 74 644	
	Sundry Liabilities for Provisions	46.9	14 20 88 822		11 89 43 943	
	Security Deposit from Employees	46.920	7 49 448		1 88 619	
	Miscellaneous Deposit	46.966	1 62 09 164		60 39 354	
	Repayments due - Private Bonds	51.102			11 20 000	
	Other grants payable to ESCOMS in respect of APDRP and PMGY	55.301 to 55.303, 55.500	11 34 74 999		9 84 74 999	
	APDRP Grant disburseable to ESCOMS	55.304 to 55.307			-13 51 35 924	
	APDRP Loan Disburseable to ESCOM Account-GOK Loan	53.331			38 40 72 090	
	APDRP Loan Disburseable to ESCOM Account-REC Loan	53.332	85 98 97 876		67 57 13 633	
	Staff Welfare Fund	57.150			247	
	Sub-Total			322 50 04 295		243 07 25 774
II	Provisions					
	Provision for Leave encashment and Family Benefit Fund	44.130, 44.140 to 44.142	73 63 80 749		74 72 30 433	
	Provision for Income-Tax	46.800	54 51 82 852		24 12 22 078	
	Provision for FBT	46.801	6 87 22 589			
	Sub-Total			135 02 86 190		98 84 52 511
	TOTAL			4037 36 17 993		4254 24 81 744



SCHEDULE : 16 REVENUE FROM SALE OF POWER

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Revenue from Sale of Power - Intra state consumers :-					
	BESCOM.	61.201	436 08 09 078		2840 19 01 359	
	MESCOM.	61.202	82 74 61 467		1176 35 87 913	
	HESCOM.	61.203	186 92 15 627		1219 54 93 517	
	GESCOM.	61.204	125 05 65 097		914 03 03 573	
	CESCO	61.207	90 57 48 394			
	Hukkeri Electricity Co-op. Society	61.205	3 27 64 334		17 52 41 822	
	Transmission Charges :-			924 65 63 997		6167 65 28 184
	BESCOM.	61.211	297 42 89 773		199 46 77 161	
	MESCOM.	61.212	57 04 18 003		81 30 79 447	
	HESCOM.	61.213	126 65 54 849		84 20 52 101	
	GESCOM.	61.214	91 49 74 403		63 11 32 874	
	CESCO	61.217	63 56 36 977			
	Open Access Customers	61.218	7 48 54 871			
	Transmission Service Charges	61.219	2 27 73 142			
	Revenue from Sale of Power - Hukkeri Electricity Co-op. Society - GOK Contribution	61.206	3 94 58 086		14 14 85 975	
	Sub - Total			649 89 60 104		442 24 27 558
	Revenue from Sale of Power - Inter State Consumers :-					
	APSEB.	61.304			20 42 189	
	Sub - total					20 42 189
	OTHER RECEIPTS					
	Wheeling charges recoveries	61.8	13 48 89 068	13 48 89 068	14 94 16 288	14 94 16 288
	Misc charges from open access customers	61.918	1 28 79 811			
	Other Receipts from consumers	61.906	850		15 79 046	
	Delayed payment charges from Hukkeri Electricity Co-op Society	61.915	6 22 28 692		3 73 54 241	
	Sub - total			7 51 09 353		3 89 33 287
	Less:Withdrawal of Revenue Demand	83.830	-13 44 33 248		-135228611	
				-13 44 33 248		-13 52 28 611
	TOTAL			1582 10 89 274		6615 41 18 895

**SCHEDULE : 17 REVENUE SUBSIDIES AND GRANTS**

(Amount in Rs.)

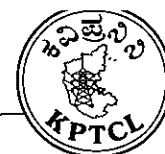
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
i)	R.E. Subsidies	63.110	315 91 00 000		0	
	TOTAL			315 91 00 000		0



SCHEDULE : 18 OTHER INCOME

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Interest on Staff Loans and Advances.	62.210 to 62.213	3 35 16 631	3 35 16 631	2 82 98 415	2 82 98 415
	Other income - Interest					
	Interest on securities.	62.221	3 850		6 177	
	Interest on Bank Fixed Deposits	62.222	5 85 22 650		6 54 51 168	
	Interest on Advances to Suppliers / Contractors	62.260	82 513		4 98 399	
	Interest from Banks.	62.270	2 873		31 876	
	Interest on loans to Societies	62.280				
	Sub-Total			5 86 11 886		6 59 87 620
	Other Income					
	Hire charges from Contractors	62.323	40 740		3 548	
	Profit on sale of stores	62.330	1 58 52 970			
	Sale of scrap	62.340	2 22 58 606		73 91 917	
	Other Miscellaneous receipts	62.360	69 22 606		58 14 717	
	Relative Energy Charges demanded on IPPs	62.361	3 21 019		3 54 238	
	Revenue from IPPs for excess drawal of Energy from KPTCL's Grid	62.362	52 38 101		53 98 583	
	Gain on Sale of Assets	62.400	87 327		7 84 019	
	Sub-Total			5 07 21 369		1 97 47 022
	Miscellaneous Receipts					
	Rental from Staff Quarters	62.901	1 56 16 914		2 27 37 196	
	Rental from others	62.902	61 76 576		5 90 658	
	Leave Contribution	62.903			2 34 873	
	Excess found on physical verification of Cash	62.904	2 000			



SCHEDULE : 18 (continued)

(Amount in Rs.)

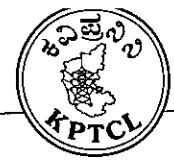
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Excess found on physical verification of Materials Stock.	62.905	31 34 964		32 14 982	
	Excess found on physical verification of Fixed Assets.	62.906	8 528		13 95 867	
	Supervision Charges	62.907	5 22 81 508		2 73 23 433	
	Other Receipts	62.908	21 96 914		7 22 207	
	Recovery for Transport and vehicle expenses (other than recoveries from staff)	62.910	6 000		60 215	
	Miscellaneous Recoveries.	62.917	16 09 14 495		30 44 15 027	
	Incentives received	62.918	25 05 69 161		48 23 03 713	
	Processing fee collected towards finalisation of evacuation proposals - C.E. Projects	62.920			1 00 000	
	Consultancy charges	62.922			9 693	
	Rental from BESCO	62.925	6 42 48 708		4 59 742	
	Rental from MESCOM	62.926	2 75 80 874		2 30 46 571	
	Rental from HESCO	62.927	61 09 544		2 36 74 054	
	Rental from GESCOM	62.928	9 18 797			
	Excess provision in earlier years no longer required	62.923	183 96 77 335		59 08 04 806	
	Sub-Total			242 94 42 318		148 10 93 037
	TOTAL			257 22 92 204		159 51 26 094



SCHEDULE : 19 PURCHASE OF POWER

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06	Previous Year 2004-05
	Purchase of Power			
	Tamilnadu Electricity Board	70.101	29 92 992	46 06 375
	Kerala State Electricity Board	70.102	18 843	23 353
	Andhra Pradesh Transmission Corp.	70.104	3 83 422	
	Goa Electricity Board	70.106		38 615
	Karnataka Power Corp. Ltd.	70.108	359 47 85 029	2587 78 83 313
	Visvesvaraya Vidyuth Nigama Limited	70.109	27 67 33 472	158 86 78 736
	National Thermal Power Corporation - RSTP	70.110	109 98 14 712	398 43 66 166
	Madras Atomic Power Project, Kalpakam.	70.111	1 82 57 491	20 65 45 341
	Neyveli Lignite Corporation, Neyveli	70.112	80 15 32 092	248 12 98 021
	Transmission charges to Power Grid Corporation of India Ltd.,	70.113	35 19 44 839	120 42 29 442
	NPCIL-Kaiga	70.114	56 32 53 078	252 04 49 085
	N.T.P.C-Eastern Region	70.116	8 39 423	1 98 30 037
	PTCIL	70.117		66 40 37 735
	International Tech Park B'lore	70.118	1 72 665	10 04 535
	Ugar Sugar Works Ltd., Co - Gene ration Plant (USWLCGP), Ugar	70.119		18 01 22 212
	SMIORE	70.120	61 33 500	8 73 59 554
	Energy Development Co. Ltd.	70.121		5 62 84 791
	Bhoruka Power Corpn. Ltd.	70.122	14 96 951	11 06 23 831
	Murudeshwara Power Corpn. Ltd.	70.123	44 38 066	12 53 19 895
	Shamanur Sugars Ltd.	70.124	5 19 39 371	29 59 84 383



SCHEDULE : 19 (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06	Previous Year 2004-05
	JTPCL	70.125	183 46 63 164	146 65 19 466
	Sri Renuka Sugars Ltd.	70.126	4 29 48 650	11 81 96 827
	Bannari Amman Sugar	70.127	1 78 61 662	15 52 24 098
	ICL Sugars	70.128		1 67 38 286
	Rayalaseema Alkalies	70.129	4 59 27 299	35 73 91 932
	Prabhulingeshwara	70.130	1 65 04 384	3 95 96 150
	Tata Co. Ltd.	70.131	28 58 12 848	146 82 42 921
	South India Paper Mills Ltd.,	70.132	1 01 82 499	3 59 47 438
	Thanneerbhavi Co. Ltd.	70.133	95 57 10 089	520 47 38 847
	Amoga Power Project Ltd	70.134	25 32 096	1 29 83 850
	Malavalli Power Plant Pvt. Ltd	70.136	1 95 35 830	6 92 30 006
	Nuziveedu seeds Ltd	70.137	70 573	7 45 45 367
	Atria Power Corp. Ltd	70.138	2 30 24 125	23 12 14 435
	Raythara SSKN	70.139		21 93 091
	Subash Kabini Power Ltd.	70.147	9 61 40 380	11 76 09 500
	Thungabhadra Steel Products Ltd.	70.148	1 183	46 80 739
	Enercon Wind farms India Ltd.	70.149	1 12 86 813	9 56 77 876
	Topaz Investment Pvt. Ltd.	70.150	9 65 146	69 93 550
	CEPCO Industries Pvt. Ltd.	70.151	1 01 12 549	8 15 37 667
	BSES Ltd.	70.152	1 11 22 400	6 98 54 989
	Jamakhandi Sugars Ltd	70.153	7 87 158	1 89 50 791
	Godavari Sugars Ltd	70.154	5 16 51 390	10 36 22 169
	Gujarath Electricity Board	70.155		7 65 447
	Vijayalakshmi Hydro Power Pvt. Ltd	70.158	2 49 106	1 18 74 060
	GEM Sugars Ltd.	70.160	56 52 639	3 72 91 952
	Prabhath Agro Biotech	70.161	7 34 527	39 70 327



SCHEDULE : 19 (continued)

(Amount in Rs.)

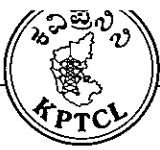
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Un scheduled interchange charges to PGCIL - SREB -Under ABT Regime	70.162	52 20 50 068		435 66 04 599	
	Suttatti Enterprises Ltd.	70.163	10 94 804		83 67 171	
	VXL Systems # II	70.164	4 20 912		24 51 615	
	Raja Magnetics Ltd.	70.165	4 50 382		35 88 937	
	Mayura Steels Pvt. Ltd.	70.166	4 11 117		24 64 459	
	Friends Associate Power Project	70.167	4 13 106		24 45 182	
	Texmo precision Castings	70.168	12 49 181		94 05 155	
	RSM Autokast Ltd	70.169	8 50 341		50 96 259	
	Patel Shanthi Steel Pvt. Ltd.	70.170	15 29 642		36 57 156	
	BSES Ltd.(1.80MW)	70.171	19 43 886		1 42 36 825	
	Indan Energy Pvt. Ltd.	70.173	10 79 382		63 49 857	
	Savitha Chemicals Ltd.	70.174	49 62 389		2 60 77 644	
	Elveety Industries Pvt. Ltd.	70.175	3 76 344		22 90 087	
	VXL Systems # I	70.176	4 34 722		25 49 738	
	Siddaganga oil extraction Ltd	70.177	21 90 920		1 30 69 136	
	Sharp Pumps Pvt. Ltd	70.178	4 17 321		23 80 320	
	Rajanikanth Foundation	70.179	4 05 406		23 45 293	
	Panama Business Centre	70.180	5 68 895		41 84 410	
	Fiza Developers & Inter trade	70.181	12 70 984		95 03 080	
	Kamal Trading Co.	70.182	4 11 091		24 20 172	
	Maruthi Power Gen (I) Pvt. Ltd.	70.183	3 19 504		2 16 09 892	
	Jindal Aluminium Ltd.	70.184	25 26 109		1 38 79 560	
	Shilpa Medicate Ltd.	70.185	8 49 599		48 74 766	
	Cepco Industries Ltd.	70.186	5 07 960		40 98 064	
	MSPL Ltd.	70.187	9 80 893		72 12 880	



SCHEDULE : 19 (continued)

(Amount in Rs.)

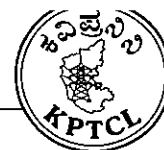
Sl. No.	Particulars	A/c Code	Current Year 2005-06	Previous Year 2004-05
	NLC TPS Expansion I & II	70.188	66 67 02 507	127 69 22 355
	Moodabagilu Power Pvt Ltd.	70.159	95 272	31 63 563
	NTPC - Talcher Stage II	70.189	25 83 27 061	273 48 86 836
	Kalson Power Tech Ltd.	70.190		1 12 75 918
	Balsaheb M.Ladkat	70.191	6 59 388	47 75 344
	Sanjay D.Godawat (HUF)	70.192	5 80 784	52 18 704
	Topaz Investment Pvt. Ltd (1.2 MW)	70.193	6 64 078	72 58 977
	Godawat Panmasala	70.194	41 63 557	3 94 18 130
	Shri Ram Investments Ltd.	70.196	39 59 287	2 63 71 617
	Texmo Industries Ltd.	70.197	20 73 377	1 48 29 690
	Shri Ram City union Finance Ltd.	70.198	18 26 886	1 30 44 522
	Shri Ram Transport Finance Ltd.	70.199	37 71 843	2 85 99 266
	Lovely Fragrence	70.200	7 85 722	62 44 174
	JN Investments	70.201	6 06 798	51 89 002
	Enercon (Karnataka) Wind farm (21 MW)	70.202	2 95 92 037	19 49 32 787
	Mohite & Mohite Pvt. Ltd.	70.203	30 78 514	1 27 60 115
	Panama Credit and Capital Pvt. Ltd.	70.204	6 00 092	43 75 100
	Shilpa Medicare Ltd.	70.205	13 51 024	43 09 968
	Jindal Alluminium (6.6MW)	70.207	73 43 892	4 77 56 009
	Graphite India Ltd. (1.5 MW)	70.208	10 150	81 69 301
	MSPL Ltd.- Phase II (4.75MW)	70.209	4 74 06 844	18 30 73 851
	Ramghad Mining (1.9MW)	70.210	1 70 13 178	1 72 94 697
	Ghodawat Pan masala Products (Nandan Hosur Group 5.4MW)	70.211	44 16 507	3 06 40 049
	International Power Corp. Ltd.(2.4MW)	70.212	14 26 939	9 47 71 651
	Encon service Ltd.(3.8MW)	70.213	28 64 324	1 72 99 459



SCHEDULE : 19 (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06	Previous Year 2004-05
	NEG Micon Pvt. Ltd.(3.8MW)	70.214	18 99 730	2 64 26 093
	Pallavi green power (0.75MW)	70.215	11 94 010	58 69 479
	Mansukmal Investments (0.95MW)	70.216	11 39 871	62 29 029
	Bhoruka Power Corp. Ltd. (Shapura D9 1MW)	70.217	33 00 095	1 08 17 000
	Deedee Enterprises (Nandan Hosur 0.6MW)	70.218	6 23 697	47 27 600
	Bhagya Nagar solvent extractions Ltd.(5.4 MW)	70.219		1 35 66 353
	Supreme Power Company (0.6MW)	70.220	6 39 048	48 56 447
	Royal Energy Co.(0.6MW)	70.221	4 53 575	34 82 922
	Prime Labels Co.(0.25MW)	70.222	9 68 542	59 94 568
	R.K.Power Gen Pvt. Ltd.(20MW)	70.223	16 77 19 478	28 77 08 190
	Maruthi Power Gen Pvt Ltd (Hemavathi Project) - 1.5MW	70.224		1 33 60 379
	Nuziveedu seeds Ltd (NSL V - 1.9MW)	70.225	1 60 33 570	6 16 25 215
	Nuziveedu seeds Ltd (NSL II & III - 10.5MW)	70.226	1 33 72 859	9 85 83 007
	Mahe Ltd - 0.25MW	70.227	32 01 291	2 52 86 934
	Davangere Sugar co. Ltd. - 20MW	70.228	7 27 47 510	29 43 31 521
	Sanjay D.Godawat (I & II)	70.230	9 38 033	82 15 509
	Channabasappa & Sons (0.60MW)	70.231	8 61 301	52 00 354
	Associates autotex ancillaries Pvt. Ltd - 1.2MW	70.232	9 03 489	70 37 850
	Good luck Syndicates - 0.6MW	70.233	4 25 261	43 14 404
	Godawat Panmasala - 4.2MW	70.234	28 27 939	2 90 51 350
	Shreya Lakshmi Properties - 0.60MW	70.235	4 10 418	38 49 985
	Shraddha Constructions - 6.6MW	70.236	48 45 346	4 05 14 334



SCHEDULE : 19 (continued)

(Amount in Rs.)

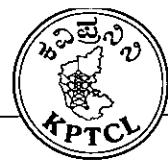
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	VXL Systems - 0.60MW	70.237	4 12 748		41 90 734	
	Cepco Industries - 1.2 MW	70.238	12 42 334		84 15 528	
	Deedee Enterprises (EG) - 0.6MW	70.239	7 66 591		73 29 859	
	Samson Distillers Pvt. Ltd - 2 MW	70.240			18 95 223	
	Star Flexi Pack Industries - 0.60 MW	70.241	4 59 354		41 19 459	
	Savitha Chemicals (Encon Group) - 0.75 MW	70.242	8 40 117		49 63 851	
	B.S.C. Textiles(VVS)(0.6MW)	70.243	8 37 086		39 50 736	
	S.C.M. Sugars Ltd.(26MW)	70.244	3 70 92 048		27 94 38 012	
	Sri Indira Power Energies Ltd.	70.245	1 81 62 521		3 63 74 686	
	Suresh Productions Pvt. Ltd.(0.75MW)	70.247	6 19 915		42 30 753	
	Sanghvi Movers Ltd (0.75MW)	70.248	5 62 229		32 09 036	
	Eshwari Garments(1.5MW)	70.249	13 71 620		93 56 600	
	Eshwari Knitting Works(3 MW)	70.250	27 32 509		1 79 42 302	
	Eshwari Textiles(3 MW)	70.251	34 97 983		1 63 19 745	
	Victus Associates(1.5 MW)	70.252	14 40 301		96 32 073	
	Sri Doddaganga Krishna Sahakari Kharkhane Niyamiitha(24 MW)	70.253			7 51 68 940	
	Kariganur Iron and steel Pvt. Ltd (0.75MW)	70.254	32 02 409		50 36 345	
	Deefree Engineering (P) Ltd.(0.6MW)	70.255	4 34 381		25 10 444	
	Poweronicks Ltd.(5.4 MW)	70.256	2 35 43 100		5 62 16 724	
	NCL Energy Ltd.(8.25MW)	70.257	24 948		34 56 129	
	SLS Power Industries Ltd.(4.5 MW)	70.258			46 05 293	
	Venkateshwara Power Project Ltd. (10 MW)	70.259			51 69 570	
	Sahyadri Power Co.(P) Ltd.(0.4 MW)	70.260	4 36 942		9 44 303	



SCHEDULE : 19 (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06	Previous Year 2004-05
	Koppal Green Power (6 MW)	70.261	2 11 64 814	1 40 56 138
	Meghana Automotives(VVS 20) (0.6MW)	70.262	4 78 145	15 77 253
	P.Vijayakumar (VVS 22)(0.6MW)	70.263	5 69 548	14 10 500
	P.Mohanlal (VVS 23)(0.6 MW)	70.264	6 11 096	13 63 155
	Prime Tex apparels(VVS 24)(0.6MW)	70.265	6 01 120	12 48 096
	Laxmi Organics (VVS 23)(1.2MW)	70.266	9 04 219	21 76 571
	Cooper foundry(VVS26)(2.4MW)	70.267	18 38 598	38 91 093
	Madeo Soaps(VVS-27)(6 MW)	70.268	52 22 381	85 04 308
	Mineral Enterprises(VVS-28)(3 MW)	70.269	21 61 489	42 87 312
	World Institute of Sustain Energy (VVS-29)(3 MW)	70.270	10 99 889	21 19 720
	Rajesh Constructions (Suzlon Group)(2.5MW)	70.271	33 05 653	57 12 673
	Ferromar Shipping Pvt Ltd(1.25MW)	70.272	15 87 175	30 25 415
	GM Agarwal(Suzlon Group)(2.5MW)	70.273	22 93 527	48 88 309
	Sai Spurthy Power Pvt Ltd.(10.2MW)	70.274	30 79 278	47 25 666
	Unnathi Projects(VVS 30)	70.275	16 58 758	18 949
	Jitendra D Majethia (VVS 31)	70.276	3 94 478	4 787
	Brindavan Agro industries(VVS 33)	70.277	10 50 307	31 967
	Gem Crafts (VVS-34)	70.278	5 63 717	11 251
	SE investments Ltd.(VVS 35)	70.279	17 55 448	14 283
	Sanjana Power (VVS 37)	70.280	4 15 918	401
	Inter national Conveyers(VVS 38)	70.281	4 60 458	401
	Swaraj PVC Pipes Ltd.(VVS 39)	70.282	4 46 034	3 162
	IGL India Ltd.(VVS 40)	70.283	4 85 250	1 200
	Amrita Bottlers Pvt. Ltd(VVS 42)	70.284	6 06 337	3 298



SCHEDULE : 19 (continued)

(Amount in Rs.)

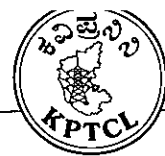
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	MK Agrotech Pvt. Ltd.(VVS 43)	70.285	7 67 955		598	
	Abhishek Exports	70.286	13 53 926		16 164	
	Amitronics Ltd.	70.287	9 12 672		90 994	
	Sanjana Gryogenics	70.288	21 13 440		8 517	
	Navalakha Translines	70.289	18 48 418		50 228	
	Mantri Developers	70.290	48 40 373		2 50 464	
	Jivraj Tea	70.291	19 91 417		11 574	
	KREDL	70.292	3 14 89 746		35 83 077	
	Enercon(Krishna) Wind Farms	70.293	2 76 75 818		24 64 873	
	Naranja Sakkare Karkhane	70.295	7 34 090			
	Bellary Iron Ores Pvt Ltd	70.296	11 73 220			
	Sanmathi Power	70.297	2 61 445			
	P.Venganashetty & sons	70.298	54 48 349			
	Ravikiran Power Projects	70.299	14 44 128			
	Sub Total			1235 22 40 308		6012 90 97 808
	TOTAL			1235 22 40 308		6012 90 97 808



SCHEDULE : 20 REPAIRS AND MAINTENANCE

(Amount in Rs.)

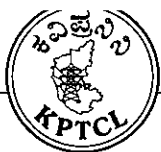
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Plant and Machinery	74.1	9 31 32 597		10 32 37 028	
	Buildings	74.2	3 73 76 341		3 17 45 043	
	Civil Works	74.3	51 33 450		38 13 524	
	Lines, Cable Net Work Etc.	74.5	3 01 95 508		6 10 15 639	
	Vehicles	74.6	58 83 687		64 19 265	
	Furniture and Fixtures	74.7	98 829		87 792	
	Office Equipments.	74.8	28 63 005		21 28 547	
	TOTAL			17 46 83 417		20 84 46 838



SCHEDULE : 21 EMPLOYEE COST

(Amount in Rs.)

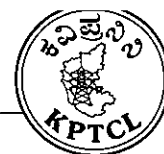
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Salaries	75.1	106 58 21 815		64 35 98 320	
	Over Time	75.2	1 62 60 879		1 75 97 105	
	Dearness Allowance	75.3	40 59 17 008		38 34 17 403	
	Other Allowances	75.4	8 01 62 729		8 22 15 098	
	Bonus	75.5	1 54 56 133		1 47 00 849	
	Sub-Total			158 36 18 564		114 15 28 775
	Medical Expenses reimbursement	75.611	1 85 68 301		1 63 87 717	
	Leave travel assistance	75.612	61 938		36 988	
	Earned leave encashment	75.617	8 19 36 240		5 18 35 418	
	E.L.Encashment - Retirement / Deceased Employees	75.618			1 98 00 000	
	Payment under workmens compensation Act	75.629			2 56 660	
	Payment to helpers/employees of Monsoon gang	75.630	82 95 171		82 20 741	
	Sub-Total			10 88 61 650		9 65 37 524
	Staff Welfare expenses	75.7	89 18 526		74 15 528	
	Terminal Benefits	75.8	24 32 05 511		20 37 39 977	
	Sub-Total			25 21 24 037		21 11 55 505
	TOTAL			194 46 04 251		144 92 21 804



SCHEDULE : 22 ADMINISTRATION AND GENERAL EXPENSES

(Amount in Rs.)

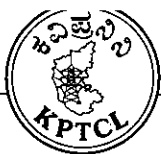
Sl. No.	Particulars	A/c Code	Current Year 2005-06	Previous Year 2004-05
	Administration Expenses			
1	Rent	76.101	61 16 746	43 36 448
2	Rates & Taxes	76.102	1 78 14 624	1 22 31 694
3	Expenses incurred towards security arrangements	76.103	69 03 938	64 19 562
4	Insurance	76.104 + 76.105 + 76.106	1 31 225	1 832
5	Service line charges paid to ESCOMS for obtaining power supply to KPTCL installations	76.107		500
6	Pagers cellular phones E-mail, Telephone, Trunk call, Telegrams and Telex Charges	76.111 + 76.112	2 02 49 428	2 69 81 103
7	Postage	76.113, 76.114	91 20 786	99 65 335
8	Revenue Receipts Stamps	76.115		169
9	Air net, Internet & Broadband Charges	76.116	68 321	
10	Legal Charges	76.121	29 16 746	13 64 693
11	Audit Fees includes Statutory Audit Fee - Rs.308660/- Tax audit fee- Rs.28060/-	76.122	3 90 005	2 75 500
12	Consultancy charges	76.123	8 33 114	13 21 107
13	Technical Fees	76.124	43 488	33 750
14	Other Professional Charges	76.125 + to 76.129	18 20 53 981	15 18 96 616



SCHEDULE : 22 (continued)

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
15	Conveyance & Travel expenses	76.131 to 76.135 & 76.137 to 76.139	6 16 75 111		5 64 43 431	
16	Vehicle running expenses	76.136	3 27 48 170		3 07 85 423	
	Sub - Total			34 10 65 683		30 20 57 163
	OTHER EXPENSES					
17	Fees & Subscriptions	76.151	91 68 832		76 04 167	
18	Books, periodicals and dairies	76.152	4 98 671		4 11 339	
19	Printing & Stationery	76.153	97 47 967		99 11 528	
20	Factory License Fees	76.154				
21	Advertisement Expenses	76.155	2 52 76 939		94 86 277	
22	Computer stationary and floppies	76.156	14 88 826		8 53 150	
23	Contributions	76.157	1 06 65 000		1 846	
24	Electricity Charges	76.158	3 19 48 274		95 82 407	
25	Statutory Payments as per Company Act 1956	76.159	36 045		74	
26	Water Charges	76.160	28 06 718		25 90 348	
27	Entertainment	76.162	10 48 496		16 46 367	
28	Secret Service grant	76.164	1 00 000		1 10 000	
29	Pension & leave Contributions of other Dept. Employees working in KPTCL	76.165	7 81 014			
30	Miscellaneous expenses	76.190 + 76.191+ 76.192	55 34 953		37 86 459	
31	Freight & other material related expenses	76.201 to 76.282	43 19 257		50 79 685	
	Sub - Total			10 34 20 992		5 10 63 647
	TOTAL			44 44 86 675		35 31 20 810



SCHEDULE : 23 OTHER EXPENSES

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Asset Decommissioning Costs	77.5	28 23 104		42 09 254	
	Small & Low value items Written off	77.600	1 39 056		1 06 665	
	Computer software	77.611	1 26 150		1 36 938	
	Losses relating to Fixed Assets	77.7	38 86 836		10 087	
	Material Cost Variance	79.110	-29 03 222		-17 00 323	
	Research & Development Expenses	79.2	1 92 503		2 64 494	
	Bad & Doubtful Debts Written off / provided for	79.4	2 666			
	Miscellaneous losses and Write offs	79.5	55 04 704		12 63 092	
	Other Expenditure charged to Capital Works	79.900	-23 90 392		-1 50 177	
				73 81 405		41 40 030
	TOTAL			73 81 405		41 40 030



SCHEDULE : 24 OTHER EXPENSES CAPITALISED

(Amount in Rs.)

SI. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Repairs and Maintenance	74.900	17 47 425		29 68 096	
	Employee costs	75.900	13 67 77 178		13 97 92 479	
	Administration and other expenses	76.900	2 99 55 106		2 72 71 479	
				16 84 79 709		17 00 32 054
	TOTAL			16 84 79 709		17 00 32 054



SCHEDULE : 25 DEPRECIATION

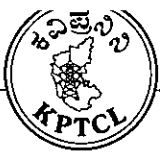
(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Amortisation of Lease Hold Assets	77.110	44 43 823			
	Depreciation on Buildings	77.120	3 89 95 007		4 13 07 139	
	Depreciation on Hydraulic Works	77.130	16 21 186		13 61 242	
	Depreciation on Civil Works	77.140	26 25 890		28 99 862	
	Depreciation on Plant and Machinery	77.150 + 77.151	130 92 31 066		120 65 29 973	
	Depreciation on lines, cable, network etc.,	77.160 + 77.161	74 75 21 540		70 43 69 419	
	Depreciation on Vehicles	77.170 + 77.171	8 97 995		12 26 549	
	Depreciation on furniture, fixtures	77.180, 77.181	36 10 121		30 37 692	
	Depreciation on Office equipments	77.190 + 77.191	14 67 485		17 09 807	
	Sub-Total		211 04 14 113		196 24 41 683	
	Less : Depreciation Capitalised	77.900	-1 06 74 209		-2 77 06 681	
				209 97 39 904		193 47 35 002
	TOTAL			209 97 39 904		193 47 35 002


SCHEDULE : 26 INTEREST AND OTHER CHARGES

(Amount in Rs.)

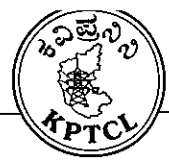
Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Interest on Bonds	78.2	47 49 500		3 31 50 891	
	Interest on Debentures	78.3			30	
	Interest on Loan from REC	78.540	15 37 15 448		17 04 64 338	
	Interest on APDP works	78.544	1 12 00 000		76 72 134	
	Interest on Short term Loan obtained from Commercial Banks/Financial institutions	78.563	34 08 78 103		51 60 50 997	
	Interest on Loans from UCO Bank	78.564	4 53 40 439		4 96 19 932	
	Interest on Loans from Vijaya Bank	78.569	13 29 44 379		15 16 02 741	
	Interest on Loans drawn from South Indian Bank	78.573	3 70 00 000		2 22 28 385	
	Interest on Loans drawn from PNB	78.574	24 83 99 996		12 86 23 560	
	Interest on Loans drawn from OBC	78.575	6 89 04 794		50 75 000	
	Interest on Loan from HUDCO	78.581			15 40 98 031	
	Interest on Loan from HDFC	78.582	58 10 637		1 11 10 755	
	Interest on Loan from PFC	78.584	39 46 00 826		27 77 84 137	
	Interest on Borrowings for Working Capital	78.7	15 17 409		3 76 693	
	Lease Rentals	78.810 to 78.815	10 36 37 720		12 92 39 100	
	Other Interest and Finance Charges	78.820 to 78.890	1 77 46 267		5 98 01 315	
	Interest on belated payment for power purchase	80.102 to 80.293	242 46 50 007		107 57 10 532	
	Sub-Total		399 10 95 525		279 26 08 571	
	Less : Interest and finance charges capitalised	78.9	-24 34 36 996		-28 27 67 599	
	TOTAL			374 76 58 529		250 98 40 972



SCHEDULE : 27 PROVISION FOR TAXATION

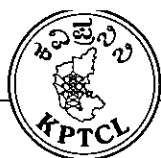
(Amount in Rs.)

SI. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Income Tax - Current year	81.100	6 64 32 593		8 36 52 964	
	Short Provision for Income Tax - Previous Year	83.810	20 29 62 344			
	Fringe Benefit Tax	81.101	6 87 22 589			
				33 81 17 526		8 36 52 964
	TOTAL			33 81 17 526		8 36 52 964


SCHEDULE : 28 EXTRAORDINARY ITEMS

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Extraordinary Credits (including subsidies against loss on account of flood, fire, cyclone, etc.,)	63.200	0		0	
	TOTAL					
	Less Extraordinary debits (Losses on account of flood, cyclone, fire etc.)	79.8	0		0	
	TOTAL					
	Net extraordinary items					



SCHEDULE : 29 PRIOR PERIOD CREDITS (CHARGES)

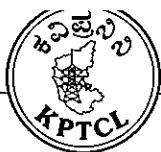
(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
A)	Income relating to previous years :					
	Excess provision for Income Tax in prior periods	65.500	12 748			
	Excess provision for Depreciation in prior periods	65.600	30 23 29 938		21 82 22 791	
	Excess provision for Interest and Finance Charges in prior periods	65.700	9 31 584		4 22 65 813	
	Other Excess provision in prior periods	65.800	13 45 302		10 17 32 295	
	Other Income relating to prior periods	65.900	8 13 81 482		4 34 80 823	
	Sub - Total			38 60 01 054		40 57 01 722
B)	Prior Period Expenses / losses :					
	Operating Expenses of previous years.	83.300	3 10 822		14 39 008	
	Employee costs relating to previous years	83.500	31 23 969		9 03 25 574	
	Depreciation under provided in previous years.	83.600	34 13 99 708		29 87 29 082	
	Interest and other Finance charges relating to previous years	83.700	3 72 000		13 58 16 661	
	Other Charges relating to Previous Years	83.800	6 48 22 062		0	
	Administrative Expenses - previous years.	83.820, 83.821	27 10 935		60 134	
	Withdrawal of Misc. income accounted in Previous years	83.834	3 84 00 673		3 05 97 042	
	Materials related expenses - previous years.	83.840	2 35 492		48 255	
	Other Expenses relating to prior periods	83.850	1 38 98 211		10 63 441	
	Sub - Total			46 52 73 872		55 80 79 197
	Net Prior Period credits/ (charges) (A-B)			-7 92 72 818		-15 23 77 475

**SCHEDULE 30 : DEFERRED REVENUE EXPENDITURE**

(Amount in Rs.)

SI. No.	Particulars	A/c Code	As At 31-03-2006		As At 31-03-2005	
	Expenditure on Survey / Feasibility studies of projects not yet Sanctioned	17.300	4 24 613			
	Preliminary expenditure on survey / feasibility studies of projects not yet sanctioned	17.301	8 35 81 801		5 84 66 043	
	TOTAL			8 40 06 414		5 84 66 043



SCHEDULE : 31 GENERATION OF POWER

(Amount in Rs.)

Sl. No.	Particulars	A/c Code	Current Year 2005-06		Previous Year 2004-05	
	Cost of Generation pertaining to 20% share of TBHE Board	71.153+ 71.151		1 27 20 783	64 74 714	
	TOTAL			1 27 20 783		64 74 714



SCHEDULE – 32

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:-

1. METHOD OF ACCOUNTING:-

- 1.1 The Financial statements are prepared under Historical Cost convention, in accordance with the Electricity Act, 2003 rules and regulations framed under it, in countenance with the Section 616 of the Companies Act, 1956. All Income and Expenditure having a material bearing on the Financial Statements are recognized on accrual basis.
- 1.2 Cash basis of Accounting is followed in respect of: Grants and Subsidies from Government in respect of Capital assets and 400 KV Transmission Charges of previous years due from Southern Region Electricity Boards.
- 1.3 In respect of Long term Loans & advances to employees (Interest bearing), the whole of interest accrued and due is treated as interest income for the year in which the whole of the principal amount of such loans are fully recovered by repayment or by way of adjustment from terminal benefits.
- 1.4 Interest for belated payments receivable from other State Electricity agencies as determined by the SREB is accounted on Cash basis.

2. NET PROFIT:-

KERC has approved a maximum of 12% Return on Equity (including Reserves & Surplus). However KERC has made certain disallowances in expenditure incurred by KPTCL while considering the Tariff fixation for the year 2005-06. This has initially resulted in net deficit in the accounts. KPTCL has set up a subsidy claim for Rs.316 crores thereby resulting in a surplus of Rs.52.01 Crores, which works out to 5.87 % R.O.E.

3. FIXED ASSETS:-

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses. All costs relating to the acquisition and installation of fixed assets are capitalized and include interest and finance charges payable up-to the date of commissioning of assets, on loans obtained for construction.

4. DEPRECIATION:-

- 4.1 Depreciation on all assets is provided on straight-line method as per Electricity (Supply) Act, 1948, on the basis of Central Government Notification No. S.O. 265 E dated 27-3-1994. Depreciation on Released Assets re-issued to works and categorized as assets, is charged at rates prescribed vide GOI notification dated 27-3-1994, considering the WDV as base value.
- 4.2 Depreciation on leasehold land is provided at the years' amortization rate arrived at on the basis of lease period.



- 4.3 Depreciation on all assets is provided up to 90% of the Original Cost as per Electricity (Supply) Act 1948 instead of 95% of the original cost as per Companies Act, 1956 in accordance with the Directions of Karnataka Electricity Regulatory Commission (KERC).
- 4.4 Plant & Machinery costing Rs.500/- or less individually are depreciated at 100 % in the year in which they are installed and put to use.
- 4.5 Depreciation is provided in the succeeding year of commissioning/acquisition of the assets. Depreciation is provided for the entire year in the year in which assets are decommissioned / scrapped / released irrespective of the date of the event.

5. CAPITAL WORK IN PROGRESS:-

Capital Work In progress includes projects and other capital works under commissioning, which are carried at cost, comprising Direct Cost and related incidental expenses. Further the interest and finance charges payable up-to the date of commissioning of the asset, on loans obtained for the projects/works are added and charged to the projects / works.

6. STORES AND SPARE PARTS:-

Stores and spare parts are valued at Standard rate, which is determined by the Company from time to time based on previous purchase price and prevailing market rates (As published in Schedule of Rates).

7. INVESTMENTS:-

Long-term investments are valued at cost less provision for permanent diminution in value of such investments. Current Investments are carried at Lower of cost or fair value.

8. RETIREMENT BENEFITS:-

Pension & Gratuity is provided based on actuarial valuation.

9. ACCOUNTING OF GRANTS/CONTRIBUTIONS:-

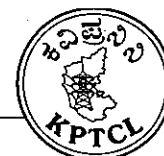
9.1 Grants/Contributions received for Capital Expenditure are included in Capital reserves and are neither diminished as Deferred Income nor cost of assets have been reduced to the extent of Grants.

9.2 Other Grants are credited to the Profit & Loss Account.

10. TAXATION :

Tax expenses comprise both current and deferred taxes. Current charges for the Income Tax is based on the tax liability computed after considering the tax allowances and exemptions. Deferred Tax assets/liabilities is recognized for timing differences between the profit as per financial statement and profit offered for income tax, based on the tax rates that have enacted or substantially enacted at the Balance Sheet date.

Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which they can be realized. The carrying amount of deferred tax asset is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that, sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

**B. NOTESTO ACCOUNTS :****1. Contingent Liabilities not provided for in the Accounts :** (Rs. In Crores)

Sl. No.	Particulars	Current Year	Previous Year
(i)	Claims against the company not acknowledged as debts:		
	M/s. Bharat conductors	NIL	3.02
	M/s. JTPCL	NIL	103.00
	Land acquisition cases	6.17	6.29
	M/s. KPCL	37.57	NIL
	M/s. Power Grid Corporation of India Limited	NIL	0.59
	M/s. NPCIL Kaiga Generating Station	NIL	1.12
	M/s. NLC	3.26	NIL
	Rural Electrification Corporation – Interest claim	2.91	2.91
	Interest demand from Income Tax department	1.45	NIL
	Income Tax Demand pending before Appellate authorities	3.12	13.95
	Others	10.28	8.70
(ii)	Estimated Amount of capital contracts remaining to be executed and not provided for **	851.92	509.38

** Includes balances certified by Executive Engineers in respect of 3 units and does not include balance in respect of one unit.

2. Value of Imports calculated on CIF basis : (Rs. In Crores)

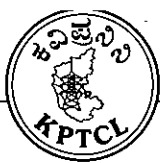
Sl. No.	Particulars	Current Year	Previous Year
i.	Raw materials, spare parts and capital goods	NIL	NIL
ii	Capital goods	NIL	NIL

3. Expenditure in foreign currency :

Sl. No.	Particulars	Current Year	Previous Year
i.	Expenditure in foreign currency on account of royalty, know-how, consultation fees, Interest, Travelling Expenses and other matters. (In Dollars, Euros and Rupees)	\$11749.81 (Rs.5,26,560)	Euro 5175 (Rs.2,97,179)

4. Value of indigenous and imported stores Spares and components consumed :

Sl. No.	Particulars	Current Year	Previous Year
i.	Indigenous Materials	NIL	NIL
ii	Imported Materials	NIL	NIL



5. Quantitative details of Purchase, Sale and Transmission Loss of Energy :

(In MUs)

Sl. No.	Particulars	Current Year (Provisional)	Previous Year
i	Total Energy handled	34640.55	33110.41
ii	Transmission Loss in respect of wheeled/ imported/ Exported Energy	-	-
iii	Total Energy Purchased	34640.55	33110.41
iv	Transmission Loss in respect of Energy Sold	1499.99	1382.75
v	MUSS consumption	-	-
va	Auxiliary Consumption	16.82	16.55
vb	Previous year's consumption billed during the year	-	48.89
vi	Net Sales to ESCOMS & Hukkeri society during the year (iii-iv-v-va)	33123.74	31711.11
via	Total units accounted as sale to ESCOMs & Hukkeri Society during the year (iii-iv-v-va+vb)	33123.74	31760.00
vii	Total Transmission loss and MUSS consumption (ii+iv+v)	1499.99	1382.75
viii	Percentage of Transmission Loss on handled Energy (vii / i. X 100)	4.33%	4.18%

6. Managerial remuneration paid or payable to the Directors including Managing Director :

(Amount In Rupees)

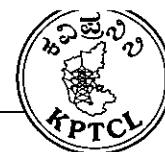
Sl. No.	Particulars	Current Year	Previous Year
i.	Salary and Allowance	25,60,818	18,61,841
ii	Exgratia	15,000	10,000
iii	Medical Expenses	71,032	52,338
iv	Travelling Expenses	14,11,711	2,94,800
v	Sitting Fees	84,000	66,000
TOTAL		41,42,561	22,84,979

7. Audit Fees :

(Amount In Rupees)

Sl. No.	Particulars	Current Year	Previous Year
i.	Statutory Audit excluding Service Tax	2,75,000	2,25,000
ii	Tax Audit excluding Service Tax	25,000	25,000
TOTAL		3,00,000	2,50,000

8. In accordance with the provisions of Electricity Act, 2003, Trading activity (Purchase and Sale of power) hitherto carried out by KPTCL is dispensed with w.e.f. 10-6-2005. All the Power Purchase Agreements entered into by KPTCL have been assigned to concerned ESCOMs.



9. All the assets and liabilities as at 31st May 2002, including the share deposit account have been notified by the GoK under BRP. Further the documentation in respect of transfer of assets and liabilities in BRP is yet to be made in respect of the Company and ESCOMs.

10. **INTER UNIT ACCOUNTS :**

The transactions in the Inter Unit Account show a net unreconciled balance of Rs. 3.82 Crores as on 31st March 2006 after reconciliation of balances as per new procedure evolved to oversee clearance activity to clear the unreconciled balances in Inter Unit Account through software developed for this purpose. The total amount cleared in reconciliation, as at the end of 31st March 2006 is Rs. 27128.75 Crores.

11. **TRANSACTIONS WITH ESCOMS :**

The balances of ESCOMs (BESCOM, MESCOM, HESCOM, GESCOM And CESCO) shown under various heads show the following differences, as compared to the confirmation of balances obtained from the respective ESCOM.

Position of Reconciliation of Receivables

Sl. No.	Name of ESCOM	Balance As per KPTCL	Balance As per Confirmations Received	Difference
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
1.	BESCOM	8577.41	1767.60	6809.81
2.	MESCOM	9444.92	1516.36	7928.56
3.	HESCOM	15585.72	10507.06	5078.66
4.	GESCOM	10846.63	9488.73	1357.90
5.	CESCO	595.11	594.62	0.49

Position of Reconciliation of Payables

Sl. No.	Name of ESCOM	Balance As per KPTCL	Balance As per Confirmations Received	Difference
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
1.	BESCOM	13989.37	13615.69	373.68
2.	MESCOM	12651.10	12651.10	0
3.	HESCOM	13871.27	13871.27	0
4.	GESCOM	5997.79	5997.79	0
5.	CESCO	67.88	67.88	0



The difference in balance is mainly attributable to accounting of receivables/payable by ESCOMS under different heads other than specifically prescribed heads of accounts for this purpose. However, the reconciliation of Accounts with ESCOMS is under progress.

12. The Balance Sheet Restructuring Process included segregation of loans to various ESCOMS and GOK, has since been notified vide order no. EN 112 PSR 2005 / P1 dated 19.05.2006. Pending transfer of loan balances to ESCOMS and GOK as at 31st March 2006, loans to the tune of Rs. 1102.71 Crores and Rs. 419.01 Crores respectively are still shown in the books.
13. Balances of Sundry Debtors, Sundry Creditors, Advances to suppliers are subject to confirmation/reconciliation.
14. The reconciliation of difference in value of stock as per Pricing Ledger and General Ledger is in progress.
15. The reconciliation of balances in accounts with the respective schedules maintained for the purpose in respect of Sundry Debtors, Sundry creditors, Advance to suppliers and other suspense balances transferred to Divisions for the year is in progress.
16. Pension and Gratuity is provided for the year 2005-06 on the basis of actuarial valuation for the period ended 31st March 2006.

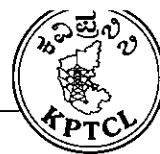
Liability towards Pension & Gratuity prior to 1-6-2002 has been taken over by the Government of Karnataka as per G.O. No.DE 14 PSR 2002 Bangalore dated 31-05-2002 and to pay the amount to KPTCL's Pension & Gratuity Trust.

17. Property Tax / Land Cess wherever applicable are provided for / paid on the basis of demand received or estimates received from the authorities. Wherever demand / estimates have not been received Property Tax / Land Cess will be accounted in the year of demand.
18. **M/s. JTPCL liability as per the Hon'ble High Court Order :**

KERC allowed Rs.103 crores refundable amount to JTPCL as expenditure in the tariff order, 2005 issued on 27-9-2005. Hence, provision has been made in the accounts. However, KPTCL has filed special leave petition before Hon'ble Supreme Court of India vide No. 18607/ 2004 against the order of High court of Karnataka in MFA No. 4795/ 2002.

19. SEGMENT REPORTING :

The Company is principally engaged in the business of Power transmission within Karnataka State. Accordingly there are no reportable segments as per AS – 17 issued by the Institute of Chartered Accountants of India on "Segment Reporting"



20. DEFERRED TAX:

The Company is having overall deferred tax Asset. As per the policy of the company the profit is maintained as per the profit margin provided in the tariff allowed by KERC. Further, there is no certainty that sufficient future Taxable Income will be available to allow all or part of the deferred tax asset to be utilized. In view of this deferred tax asset has not been recognized in the books.

21. No amount is outstanding for more than 30 days to small-scale industrial undertakings.
22. Wheeling charges in respect of seven IPPs is charged as per Interim Orders of Hon'ble High Court of Karnataka. Others are charged as per KERC Tariff Order 2003.
23. Previous year figures have been regrouped/recast wherever necessary.
24. KPTCL has terminated PPA signed earlier on various reasons. IPPs have approached the court and got stay for the termination. The rate admitted is provisional in respect of the following companies. Hence, the actual liability may be more / less which will be accounted only after receipt of final order from the court.

a	M/s SCM Sugars Ltd.
b	M/s Graphite India Ltd.
c	M/s Sri Indra Power Energies Ltd.
d	M/s Nuziveedu Seeds.
e	M/s Power Onicks Ltd.
f	M/s Boruka Power Corporation Ltd. (Shahapura D9)
g	M/s E.D.C.L.
h	M/s Godavari Sugars Ltd.

25. Stock held by the Corporation includes stock worth Rs. 6.70 crores which are not used for more than three years but does not include balance from MWD, Hubli.
26. KERC in its order dated 24-11-2004 has directed not to include 33KV Transformer and Line Loss to Hukkeri Rural Electric Co-operative Society. This will result in reduction in receivables to an extent of Rs.2.38 Crores. Since the issue is before Government of Karnataka for necessary directions / orders, no provision is made in the accounts for 2005-06.



27. Necessary disclosures with regard to operating lease as per AS 19 is as follows:

a) The total of future minimum lease payments under non-cancelable operating leases for each of the following periods:

i	not later than one year	0.35 Crs
ii	later than one year and not later than five years	6.39 Crs.
iii	later than five years	NIL

b) Lease payments recognized in the statement of Profit and Loss for the period, with specific amounts for minimum lease payments and contingent rents:- Rs.10.36 Crs.

28. Sale of energy to ESCOMS has been billed as per rates approved by KERC as per tariff approved by KERC, vide its order dated 27-9-2005.

29. Power purchase bills of Hydel stations of VVNL are admitted as per draft PPA, as these PPA are yet to be finalized by KPTCL/ ESCOMs and then approved by KERC. In respect of the bills of DG Plant, Yelahanka, only Variable cost is admitted and provision has been made in the accounts towards fixed cost, pending decision in appeal filed by VVNL before Hon'ble High court of Karnataka.

30. For the leased assets being used by KPTCL after the expiry of lease period, negotiations with lessor i.e. IDBI to terminate agreement and acquire the leased assets for Rs.1,12,50,000/- as full and final consideration are going on.

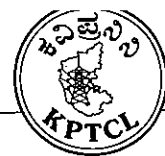
31. An amount of Rs.45 crores and Rs. 0.48 Crores towards payment of arrears of revision of pay scale and arrears of Dearness Allowance to employees of KPTCL has been estimated and provided in the accounts for 2005-06

32.

a. **KPCL**

The power purchase agreement for existing Hydel stations has been approved by KERC, for which KPCL has challenged in the High Court of Karnataka. In view of this, the bills in respect of Hydel stations are admitted as per the existing tariff fixed by GOK/ tentative tariffs.

The Power purchase agreement for RTPS units 1 to 7 have been approved by KERC. The order of KERC is under challenge in MFA No. 6225 before Hon'ble High court of Karnataka for which a stay has been granted by the court. Hence, the bills in respect of RTPS unit 1 to 4 have been admitted as per



GOK orders. The bills in respect of RTPS units 5&6 have been admitted based on existing PPA. In respect of RTPS unit 7, the bills have been admitted based on the initialed PPA.

b. Almatti

The bills in respect of Almatti Power House have been admitted at tentative tariff of 187.75 Ps per unit as per the decision taken in the joint meeting held on 22-7-2005. However, royalty of 51 Ps. per unit is yet to be claimed by KPCL after settlement of the issue.

33. Accounts approved by the Board vide resolution dated 1-8-2006 and reported upon by the Statutory Auditors on 1-8-2006 were revised in the light of the observations of the Comptroller and Auditor General of India during their supplementary audit under Sec. 618(4) of the Companies Act, 1956, resulting in net increase in surplus for the year 2005-06 by Rs. 2.96 crores, the break-up for which are as follows: -

COMMENTS	Rupees in Crores
Understatement of Income	0.67
Understatement of Expenditure	(0.38)
Overstatement of Income	(4.78)
Overstatement of Expenditure	7.45
Net Increase in surplus	2.96

Signatories to Schedule 1 to 32

Sd/-

(S. Srinivasa Naik)
Financial Adviser (A&R)

Sd/-

(R. Sridhara)
Company Secretary

Sd/-

(Aditi Raja)
Director (Finance)

Sd/-

(Bharat Lal)
Managing Director

As per our report of even date
For **A.R.Viswanathan & CO.**
Chartered Accountants

Sd/-

(A.R. Lakshminarayanan)
Partner

Membership No.11820

Date : 14-09-2006

Place : Bangalore



Karnataka Power Transmission Corporation Limited

Cash Flow Statement Annexed to the Balance Sheet for the period April 2005 - March 2006

Particulars	Amount in Rs	Amount in Rs
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Profit & Loss Account	85 81 73 097	
<u>Adjustments for :</u>		
Depreciation (net)	209 97 39 904	
Finance and Other Charges	374 76 58 529	
Interest on Investment	-5 86 11 886	
Other Income	-251 36 80 318	
Income Tax	-33 81 17 526	
Contributions, grants & subsidies towards cost of capital assets	7 30 99 557	
Prior period and Extraordinary items	7 92 72 818	
Operating Profit before working capital changes	394 75 34 176	
<u>Adjustments for :</u>		
Changes in Stores & spares	-16 79 39 854	
Changes in Sundry Debtors	750 48 74 498	
Changes in Loans & Advances	-44 76 24 310	
Changes in Other Receivables	29 11 106	
Changes in Current liabilities & provisions	-216 88 63 751	
Operating Profit after working capital changes	867 08 91 865	
Prior period and Extraordinary items	-7 92 72 818	
Deferred Expenditure	-2 55 40 371	
Net cash inflow from Operating Activities		856 60 78 675
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Changes in Fixed Assets (Net of Assets sales and losses)	-324 76 28 117	
Changes in Capital Work in Progress	-35 56 50 438	
Sale /(Purchase) of Investments	28 37 00 508	
Interest on Investment	5 86 11 886	
Net cash inflow from Investment Activities		-326 09 66 160
C CASH FLOW FROM FINANCING ACTIVITIES:		
Changes in Share Capital/ Share Deposits	30 39 92 269	
Changes in Secured Loans	-594 19 46 336	
Changes in Unsecured Loans	173 50 23 352	
Changes in Capital Reserves	1 71 33 557	
Changes in Deposit Contribution works	-1 26 86 129	
Other Income	251 36 80 318	
Finance and other Charges	-374 76 58 529	
Net Cash used in financing activities		-513 24 61 498
Net Change in Cash and Cash equivalents (A+B+C)		17 26 51 017
Add: Opening Cash and Cash Equivalents as on 1.4.2005		78 21 44 889
Closing Cash and Cash Equivalents as on 31.3.2006		95 47 95 906

Subject to our comment vide para
No.2(i) of our report of even date

For A.R.Viswanathan & Co.
Chartered Accountants

Sd/-
(A.R. Lakshminarayanan)
Partner
Membership No.11820

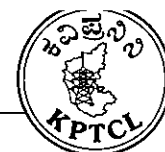
Sd/-
(R. Sridhara)
Company Secretary

Sd/-
(Aditi Raja)
Director (Finance)

Sd/-
(Bharat Lal)
Managing Director

Sd/-
(S. Srinivasa Naik)
Financial Adviser (A&R)

Date : 14-09-2006
Place : Bangalore



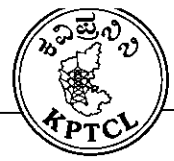
**STATEMENT SHOWING SECTOR-WISE CAPITAL EXPENDITURE FOR 2005-06
WITH AND WITHOUT RELESED ASSETS ISSUED TO CAPITAL WORKS**

CWIP		(Amount in Rupees)			
Account Code	Brief Description of Project	Capital Expenditure Allocation (Sectorwise) (In crores)	Capital Expenditure during the year 2005-06	Released Assets issued to Works during 2005-06	Net Capital Expenditure for the year 05-06 (Out of Source other than released assets)
TRANSMISSION LINES AND SUB-STATIONS WITH ATTACHED CIVIL WORKS					
14.110	CWIP - Transmission Lines (G.P)		59 48 01 863	19 86 690	59 28 15 173
14.116	CWIP - Transmission Lines (KPP-1)		6 51 79 607		6 51 79 607
14.120	CWIP - Step Down Stations (G.P)		186 29 38 677	2 89 18 920	183 40 19 757
14.126	CWIP - Step Down Stations (N.P)		13 70 44 101	4 27 477	13 66 16 624
14.127	CWIP - Step Down Stations (APDP WORKS)		25 99 598		25 99 598
14.113	CWIP - Transmission Lines (PFC)		6 12 18 500		6 12 18 500
14.114	CWIP - Transmission Lines (ADB)		59 788		59 788
14.123	CWIP - Step Down Station (PFC)		44 99 69 198	18 68 530	44 81 00 668
14.124	CWIP - Step Down Station (ADB)		24 93 86 508		24 93 86 508
14.901	CWIP - APDB Transmission Lines - Step Down stations		3 18 133		3 18 133
Sub Total		815.5	342 35 15 973	332 01 617	339 03 14 356
CAPACITORS INSTALLATIONS					
14.163	CWIP - Installation of Capacitors (PFC)		23 19 255		23 19 255
14.165	CWIP - Installation of Capacitors (G.P)		16 59 688		16 59 688
Sub Total		16	39 78 943	0	39 78 943
UDI SCHEMES					
14.151	CWIP - Transmission line, Transformers etc., Improvements(N.P)		2 29 39 457	22 486	2 29 16 971
Sub Total			2 29 39 457	22 486	2 29 16 971
LOAD DESPATCH & COMMUNICATION					
14.130	Load Despatch & Communication		32 03 134		32 03 134
Sub Total		5	32 03 134	0	32 03 134
EXTENSIONS & IMPROVEMENTS					
14.150	CWIP - Transmission Lines, Transformers etc-Improvements (GP)	6	36 19 38 924	1 41 10 899	34 78 28 025
14.170	CWIP - Replacement of Transformer		6 71 89 787		6 71 89 787
Sub Total		45	42 91 28 711	1 41 10 899	41 50 17 812



Karnataka Power Transmission Corporation Limited

Account Code	Brief Description of Project	Capital Expenditure Allocation (Sectorwise) (In crores)	(Amount in Rupees)		
			Capital Expenditure during the year 2005-06	Released Assets issued to Works during 2005-06	Net Capital Expenditure for the year 05-06 (Out of Source other than released assets)
	RURAL ELECTRIFICATION				
14.200	CWIP - REC - Plan Schemes		22 53 70 303	37 599	22 53 32 704
14.240	CWIP - REC - System Improvement		5 77 70 356		5 77 70 356
	Sub Total		28 31 40 659	37 599	28 31 03 060
	OTHERS				
14.502	CWIP - Buildings	14	8 93 76 707		8 93 76 707
14.607	CWIP - Vehicles		54 48 347		54 48 347
14.708	CWIP - Furniture & Fixtures		18 24 691		18 24 691
14.809	CWIP - Office Equipments		3 96 25 574		3 96 25 574
14.810	CWIP - Tools & Plants		1 02 15 087		1 02 15 087
14.811	CWIP - Mobile Phones/Cellular Phones		7 93 693		7 93 693
14.910	CWIP - Survey & Investigation on Projects	4.5	53 06 461		53 06 461
	Sub Total	18.5	15 25 90 560		15 25 90 560
	Total	900	431 84 97 437	4 73 72 601	427 11 24 836
	PROVISION MADE FOR CAPITAL WORKS				
14.994	Cost of lines		4 07 68 616		4 07 68 616
14.995	Cost of Station Works		3 05 01 641		3 05 01 641
14.996	Cost of Civil Works		2 05 30 647		2 05 30 647
14.997	Cost of lines		14 64 29 031		14 64 29 031
14.998	Cost of Station Works		17 01 13 079		17 01 13 079
14.999	Cost of Civil Works		11 01 94 573		11 01 94 573
	Sub Total		51 85 37 587		51 85 37 587
	GRANDTOTAL		483 70 35 024	4 73 72 601	478 96 62 423



STATEMENT SHOWING THE DETAILS OF BORROWING FOR THE FINANCIAL YEAR 2005-06

(Includes Loan drawn by KPTCL for and on behalf of ESCOMs pending transfer to ESCOMs)

A/c Code	Name of the Institution	OB as on 01/04/2005	Receipts	Repayments	CB as on 31/03/2006
53.300	REC	413 33 75 367	9 13 71 600	162 56 08 708	259 91 38 259
53.324	Short Term Loans	753 65 66 665	187 21 29 876	557 69 96 544	383 16 99 997
53.325	UCO Bank	200 00 00 000		40 00 00 000	160 00 00 000
53.330	Vijaya Bank	200 00 00 000		40 00 00 080	159 99 99 920
53.335	APDRP-GOK	205 03 76 785		5 61 66 071	199 42 10 714
53.336	APDRP-REC	392 12 19 100	181 22 12 800		573 34 31 900
53.700	REC-SPA	33 86 03 680		22 31 62 690	11 54 40 990
53.900	HDFC	4 51 49 523		1 03 39 351	3 48 10 172
53.960	PFC	948 89 18 782	151 94 96 925	167 58 48 597	933 25 67 110
46.433	ICICI(RPGT)	1 001		1 001	
52.110	PUBLIC BONDS	4 13 00 000			4 13 00 000
53.302	REC-RATIONALISED LOANS	3 60 09 488		1 83 23 377	1 76 86 111
53.345	SOUTH INDIAN BANK	50 00 00 000			50 00 00 000
53.346	PUNJAB NATIONAL BANK	345 00 00 000			345 00 00 000
53.347	ORIENTAL BANK OF COMMERCE	65 00 00 000	35 00 00 000		100 00 00 000
54.200	STATE GOVERNEMENT LOANS	38 34 29 728		27 00 000	38 07 29 728
	GRAND TOTAL	3657 49 50 119	564 52 11 201	998 91 46 419	3223 10 14 901



DCB STATEMENT FOR THE YEAR 2005-06

(Amount in Rupees)

Sl. No.	ESCOM	Opening Balance	Bulk Supply Charges	Transmission Charges	Others	Total (Current year)	Grand Total (OB + Current Year)	Collection	Closing Balance	
									Transmission Charges	Bulk Supply Charges
1	BESCOM	3326025098	4360809078	2974289773		7335098851	10661123949	10565677074	92639727	2807148
2	MESCOM	1757614628	827461467	570418003		1397879470	3155494098	3033418616	62488274	59587208
3	HESCOM	6183480123	1869215627	1266554849		3135770476	9319250599	4701228235	200502574	4417519790
4	GESCOM	4348184781	1250565097	914974403		2165539500	6513724281	3180341432	138223479	3195159370
5	CESCO		905748394	635636977		1541385371	1541385371	1473779565	67605806	
6	HUKKERI	250194585	32764334		39458086	72222420	322417005	103682650	22773142	195961213
	Grand Total	15865499215	9246563997	6361874005	39458086	15647896088	31513395303	23058127572	584233002	7871034729