

**16<sup>TH</sup> ANNUAL REPORT**

**2017 –18**



**Mangalore Electricity Supply Company Limited**

## BOARD OF DIRECTORS

1	Jawaid Akhtar, IAS.,	: Chairman
2	K Ramakrishna	Managing Director
3	Ananda Naik	: Director (Technical)
4	Dr. Aditi Raja IA & AS	: Director
5	H Nagesh	: Director
6	Dr. RC Chethan, IRS.,	: Director
7	N. Thimme Gowda	: Director
8	M.D Ravi	: Director
9	A.N Jayaraj	: Director
10	T R Ramakrishnaiah	: Director
11	S. Sanjeeva Shetty	: Director
12	Surendra B Kambaly	: Director
13	B.V. Jayaram	: Director
14	Riyaz Ahmad	: Director
15	Mallika P Pakkala	: Director
16	Abhilash P.V	: Director
17	Sudhir Kumar	: Director
18	J. Sadashiva Ameen	: Director
19	K.M Krishnappa	: Director
20	R. Mohan	: Director

## CORPORATE OFFICE

"MESCOM BHAVANA", Kavoor Cross Road, Bejai, Mangaluru - 575 004.

## WEBSITE

[www.mesco.in](http://www.mesco.in)

## CORPORATE IDENTITY No. (CIN):

U40109 KA 2002 SGC 030425

PAN : AADCM7029H GSTIN: 29AADCM7029H1ZA

## BANKERS:

1. Syndicate Bank
2. Canara Bank
3. State Bank of India
4. Vijaya Bank
5. Corporation Bank
6. Karnataka Bank
7. Punjab & Sindh Bank
8. Indian Bank
9. Axis Bank
10. Union Bank of India

## COMPANY SECRETARIAL

Sri. K.T. Hirianna, FCS., Authorised Signatory

## STATUTORY AUDITORS

M/s. Gopalaiyar and Subramanian, Chartered Accountants, Coimbatore

## COST AUDITORS

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

## SECRETARIAL AUDITORS

M/s. Ullas Kumar Melinamogaru & Associates, Mangaluru

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## DIRECTORS' REPORT FOR FY 2017-18

- The Board of Directors herewith present the 16<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2018 duly expressing its sincere thanks to the esteemed consumers and duly recognizing with gratitude, the guidance and efforts of predecessor Chairman and Directors who have served in the Company. Mangalore Electricity Supply Company Limited (MESCO) being wholly owned Government of Karnataka undertaking, was awarded with the Chief Minister's Annual Award i.e., "Rathna 2014-15", is engaged in distribution of electricity in four districts of Karnataka i.e., Dakshina Kannada, Udupi, Shivamogga and Chikmagalur. It has performed creditable in 2017-18 also.
- Company having a working strength of 5560 employees is serving 2283734 consumers of various category has achieved an all-time record turnover of about Rs. 3278.18 Crores during the year 2017-18.
- The status of the Company as on 31-03-2018 at a glance:**

Area of Supply and Distribution (Sq. Km.)	26,222
Number of sub stations 400 KV, 220 KV, 110 KV, 66 KV (of KPTCL)	85
Number of 33 KV sub stations	39
Number of Distribution Transformers	66843
Length of LT Lines (in RKMs)	80609
Length of 11 KV Lines (in RKMs)	35563
Length of 33 KV Lines (in RKMs)	773

#### 4. Consumer Base

As on 1st April 2017 the Company had a consumer base of 2220040 No's with the additional of 63694 No's of new consumers during the year, the number of consumers at the end of the year March 2018 stood at 2283734 No's, comprising of the following Categories.

Tariff	Description	No of Consumers as on 31.03.2018
LT-1	BJ/KJ	191162
LT-2a&b	Domestic lighting and AEH	1493645
LT-3	Commercial	204617
LT-4	IP Sets	310196
LT-5	Industries	29973
LT-6a	Public water supply	14860
LT-6b	Public lighting	20856
LT-7	Temporary Supply	16431
<b>LT -TOTAL</b>		<b>2281740</b>
HT-1	water supply	100
HT-2a	Industries	827
HT-2b	Commercial	693
HT-2c	Hospitals	277
HT-3	Lift Irrigation	28
HT-4	Residential Colony supply	55
HT-5	Temporary Supply	14
<b>HT -TOTAL</b>		<b>1994</b>
<b>LT+HT -TOTAL</b>		<b>2283734</b>

## 5. Review of Balance Sheet and Statement of Profit and Loss:

Review of Balance Sheet and Statement of Profit and Loss for the year ending 31<sup>st</sup> March 2018 with the previous Year ending 31<sup>st</sup> March 2017 is as detailed below:

### Analysis of Balance Sheet

(₹ in lakh)

Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017	Increase (+)/ Decrease (-)	% variation
<b>I</b>	<b>ASSETS</b>				
<b>I</b>	<b>Non-Current Assets</b>				
	(a) Property, plant and Equipment	150886.55	120022.28	30864.28	25.72
	(b) Capital Work in progress	17705.56	14655.74	3049.82	20.81
	(c) Intangible Assets under Development	776.36	425.41	350.95	82.50
	(d) <b>Financial Assets</b>				
	i Investments	251.00	251.00	-	-
	ii Loans	728.65	683.06	45.59	6.67
	iii Other financial assets	12301.74	17149.60	-4847.86	-28.27
	(e) Non-current tax assets	2883.36	2864.20	19.15	0.67
	(f) Other non-current assets	20345.80	6423.84	13921.97	216.72
	<b>Total Non-current Assets</b>	<b>205879.02</b>	<b>162475.13</b>	<b>43403.89</b>	<b>26.71</b>
<b>II</b>	<b>Current Assets</b>				
	(a) Inventories	3157.45	3772.41	-614.96	-16.30
	(b) <b>Financial Assets</b>				
	i Trade receivables	39452.68	31604.70	7847.98	24.83
	ii Cash and cash equivalents	3356.79	3672.72	-315.93	-8.60
	iii Bank Balances other than (ii) above	6.84	3585.84	-3579.00	-99.81
	iv Loans	116.50	117.33	-0.83	-0.71
	v Other Financial Assets	123190.11	133625.56	-10435.46	-7.81
	(c) Current Tax Assets	265.73	403.30	-137.57	-34.11
	(d) Other current Assets	197.44	173.72	23.72	13.66
	<b>Sub-total</b>	<b>169743.54</b>	<b>176955.59</b>	<b>-7212.05</b>	<b>-4.08</b>
III	Assets held for sale	575.37	450.80	124.57	27.63
IV	Regulatory Deferral Account	91190.10	90770.93	419.17	0.46
	<b>Total Assets</b>	<b>467388.03</b>	<b>430652.45</b>	<b>36735.58</b>	<b>8.53</b>
<b>II</b>	<b>LIABILITIES</b>				
<b>I</b>	<b>Equity</b>				
	(a) Equity Share Capital	35807.02	35807.02	-	-
	(b) Other Equity	25164.48	12978.73	12185.75	93.89
	<b>Total Equity</b>	<b>60971.50</b>	<b>48785.75</b>	<b>12185.75</b>	<b>24.98</b>
<b>II</b>	<b>Non-current Liabilities</b>				
	(a) <b>Financial liabilities</b>				
	i Borrowings	59895.76	46042.64	13853.12	30.09
	ii Trade Payables	60381.36	89098.86	-28717.50	-32.23
	iii Other Financial Liabilities	107895.15	100560.94	7334.21	7.29

Sl. No.	Particulars	31.03.2018	31.03.2017	Increase (+)/ Decrease (-)	% variation
	(b) Provisions	5240.86	4186.83	1054.03	25.17
	(c) Deferred income	20565.60	9665.38	10900.22	112.78
	(d) Other Non-current liabilities	48.49	68.59	-20.09	-29.30
	<b>Total Non-current liabilities</b>	<b>254027.22</b>	<b>249623.24</b>	<b>4403.98</b>	<b>1.76</b>
<b>III</b>	<b>Current Liabilities</b>				
	<b>(a) Financial Liabilities</b>				
	i Borrowings	31418.72	26412.14	5006.58	18.96
	ii Trade Payables	27052.54	34436.09	-7383.55	-21.44
	iii Other Financial Liabilities	79207.24	59065.54	20141.70	34.10
	(b) Other current liabilities	13164.55	10993.79	2170.76	19.75
	(c) Provisions	961.50	890.84	70.65	7.93
	(d) Deferred income	584.76	445.05	139.71	31.39
	<b>Total Current Liabilities</b>	<b>152389.31</b>	<b>132243.45</b>	<b>20145.86</b>	<b>15.23</b>
	<b>Total Liabilities</b>	<b>406416.53</b>	<b>381866.69</b>	<b>24549.84</b>	<b>6.43</b>
	<b>Total Equity and Liabilities</b>	<b>467388.03</b>	<b>430652.44</b>	<b>36735.59</b>	<b>8.53</b>

## 1. Non-Current Assets

- ❖ **Property plant and equipment:** This is increased by ₹ 30864.28 lakh due to categorization of Capital Works during the Year.
- ❖ **Capital Work in progress:** It is increased by ₹ 3049.82 lakh due to ongoing Station Works, and Improvement works, etc.
- ❖ **Intangible assets under development:** This is increased by ₹ 350.95 lakh due to incurring cost towards the development of software for GPS Survey, Validation, Updation & Enumeration of IP Sets.
- ❖ **Loans:** It is increased by ₹ 45.59 lakh, mainly due to capitalization of interest earned on the deposit with M/s Coastal Tamilnadu Power Ltd., Bihar Mega Power Ltd. and Deoghar Mega Power Ltd (₹ 22.92 lakh), and payment of deposit paid to KPTCL for feeder segregation works (₹ 36.63 lakh). There is reduction of ₹ 13.96 lakh in other items.
- ❖ **Other Financial Assets:** It is decreased by ₹ 4847.86 lakh mainly due to writing off of old ROR subsidy amounting to ₹ 4847.86 lakh.
- ❖ **Non-current tax Assets:** It is increased by ₹ 19.15 lakh (net) due to refund of advance tax by Income Tax Department paid by Company for FY 2015-16.
- ❖ **Other Non-current Assets:** It is increased by ₹ 13921.97 lakh due to accounting of MAT Credit to the extent of ₹ 478.69 lakh and increase in advances paid to Suppliers and Contractors for supplies/works to the extent of ₹ 13379.90 lakh. There is increase of ₹ 63.38 lakh in other items.

## 2. Current Assets:

- ❖ **Inventories:** It is decreased by ₹ 614.96 lakh due to usage of materials to works.
- ❖ **Trade receivables:** It is increased by ₹ 7847.97 lakh due to non-receipt of electricity charges from water supply and street light installations of Local bodies.
- ❖ **Cash and cash equivalents:** It is decreased by ₹ 315.93 lakh due to less holding of cash on hand.
- ❖ **Other Bank Balances:** It is decreased by ₹ 3579.00 lakh due to utilization of funds received for IPDS and DDUGJY schemes.
- ❖ **Loans:** It is marginally decreased by ₹ 0.83 lakh.

- ❖ **Other financial assets:** It is decreased by ₹ 10435.46 lakh (net). The decrease is mainly due to increase in sundry debtors for unbilled revenue (₹ 2889.28 lakh), increase in subsidy receivable from GoK (₹ 25324.51 lakh). Net receivables from KPTCL and other ESCOMs are decreased by ₹ 17635.32 lakh. Other Financial Assets decreased also due to realization of amount accounted as receivable from PCKL on account of securitization of debtors amounting to ₹ 21959.03 lakh. Further it is increased by ₹ 945.10 lakh in other items.
- ❖ **Current tax assets:** It is decreased by ₹ 137.57 lakh.
- ❖ **Other Current assets:** It is increased by ₹ 23.72 lakh mainly due to increase in advances paid to M/s PCKL and SLDC.
- ❖ **Assets held for sale:** It is increased by ₹ 124.57 lakh.
- ❖ **Regulatory Deferral Account Debit Balance:** It is increased by ₹ 419.17 lakh.

During the year 2017-18 Company has reversed the Regulatory Asset amounting to ₹ 39574.00 lakh which was created during FY 2015-16 since it is treated as recovered during FY 2017-18. A fresh regulatory Asset to the extent of ₹ 35807.10 lakh is created in the accounts for FY 2017-18 by computing the provisional gap expected to be considered by KERC for inclusion in the tariff revision of future years.

Further additional regulatory Asset to the extent of ₹ 4186.07 lakh is accounted for FY 2016-17 considering the deficit approved by KERC in Annual Performance Review for the year.

### 3. Equity and Liabilities:

- ❖ **Equity Share Capital:** There is no change in Equity Share Capital during the year.
- ❖ **Other Equity:** It is increased by ₹ 12185.75 lakh (net)

Amounts added to other equity are as follows:

	Amount (₹ in lakh)
1. Share Deposits given by State Govt.	9113.00
2. Profit for the year	3142.14
3. Change in Capital reserve	-69.39
<b>Net increase</b>	<b>12185.75</b>

### 4. Non-Current Liabilities:

- ❖ **Borrowings:** This is increased by ₹ 13853.12 lakh (net). During the Year MESCO has borrowed ₹ 31354.00 Lakh and repaid ₹ 19729.73 lakh. Further current maturities of long term loans repayable during FY 2018-19 amounting to ₹ 17534.98 Lakh have been transferred to current liabilities. Current maturities of long term loans are decreased by ₹ 2228.85 lakh.
- ❖ **Trade Payables:** This is decreased by ₹ 28717.50 lakh (net) mainly due to repayment of power purchase dues of M/s KPCL by adjustment of amount received from M/s PCKL on account of securitization of debtors amounting to ₹ 21959.03 lakh.
- ❖ **Other Financial liabilities:** This is increased by ₹ 7334.21 lakh (net). Initial/Additional Security deposits have been collected to the extent of ₹ 6403.69 lakh and MSD to the extent of ₹ 70.41 lakhs. Security deposit and retention money collected from the suppliers/contractors to the extent of ₹ 826.83 lakhs. There is increase of ₹ 33.28 lakh in other items.
- ❖ **Provisions:** This is increased by ₹ 1054.03 lakh due to increase in long term liability on account of Earned leave encashment and FBF accounted in accordance with actuarial valuation reports.
- ❖ **Deferred Income:** This is increased by ₹ 10900.22 lakh due to increase in consumers contributions (₹ 5290.98 lakh), release of grants under DDUGJY (₹ 4284.55 lakh) and IPDS schemes (₹ 1909.00 lakh). There is decrease of ₹ 584.31 lakh in other items.
- ❖ **Other non-current liabilities:** This is decreased by ₹ 20.09 lakh.

**5. Current Liabilities**

- ❖ **Borrowings:** This is increased by ₹ 5006.58 lakh mainly due to drawal of additional Bank overdraft for payment of power purchase dues.
- ❖ **Trade Payables:** This is decreased by ₹ 7383.55 lakh mainly due to payment of outstanding Power purchase dues of M/s UPCL, M/s NLC, M/s PGCIL etc.
- ❖ **Other Financial Liabilities:** This is increased by ₹ 20141.70 lakh (Net). Retention money to the extent of ₹ 5832.80 lakh was collected from the suppliers/contractors. Provision for liability is increased by ₹ 7443.58 lakh mainly due to creating provision for pay revision arrears. Net payable to BESCOM on account of energy balancing dues is increased by ₹ 5423.39 lakh. Other liabilities are increased by ₹ 1441.93 lakh.
- ❖ **Other Current Liabilities:** This is increased by ₹ 2170.76 lakh (Net). The increase is mainly due to increase in liabilities of statutory dues to the extent of ₹ 950.56 lakh and electricity tax amounting to ₹ 458.80 lakh. There is increase of ₹ 761.40 lakh in other items.
- ❖ **Provisions:** This is increased by ₹ 70.65 lakh due to increase in short term liability on account of Earned leave encashment and FBF accounted in accordance with actuarial valuation reports.
- ❖ **Deferred Income:** Current liability under deferred income is increased by ₹ 139.71 lakh.
- ❖ **Ratios**

Sl. No.	Particulars	31.03.2018	31.03.2017
1	Debt: Equity Ratio	1.06 : 1	1.04 : 1
2	Current Ratio	1.12 : 1	1.34 : 1
3	Liquid Ratio	1.10 : 1	1.31 : 1

**Analysis of Statement of Profit and Loss**

(₹ in lakh)

Sl. No.	Particulars	31.03.2018	31.03.2017	Increase(+)/ decrease(-)	Variance in (%)
<b>A</b>	<b>Income</b>				
I	Revenue from operations	319034.40	277978.35	41056.05	14.77
II	Other Income	8783.17	11754.92	-2971.75	-25.28
<b>III</b>	<b>Total Revenue (I+II)</b>	<b>327817.57</b>	<b>289733.27</b>	<b>38084.30</b>	<b>13.14</b>
<b>IV</b>	<b>Expenses</b>				
	Purchase of power	250801.33	254382.13	-3580.80	-1.41
	Employee Benefits Expense	35567.58	26733.70	8833.89	33.04
	Finance Costs	8256.05	8856.54	-600.49	-6.78
	Depreciations and amortization expenses	9038.78	7989.92	1048.85	13.13
	Other Expenses	16583.00	16490.23	92.77	0.56
	<b>Total Expenses (IV)</b>	<b>320246.74</b>	<b>314452.52</b>	<b>5794.22</b>	<b>1.84</b>
<b>V</b>	<b>Profit before exceptional items &amp; tax (III-IV)</b>	<b>7570.83</b>	<b>-24719.25</b>	<b>32290.08</b>	<b>-130.63</b>
<b>VI</b>	<b>Exceptional Items (income)/ expenses (net)</b>	<b>4847.86</b>	<b>19804.00</b>	<b>-14956.14</b>	<b>-75.52</b>
<b>VII</b>	<b>Profit/ (Loss) before tax (V+VI)</b>	<b>2722.97</b>	<b>-44523.25</b>	<b>47246.22</b>	<b>-106.12</b>



Sl. No.	Particulars	31.03.2018	31.03.2017	Increase(+)/ decrease(-)	Variance in (%)
VIII	<b>Tax Expense</b>	<b>478.69</b>	<b>307.01</b>	<b>171.68</b>	<b>55.92</b>
IX	<b>MAT credit entitlement</b>	<b>-478.69</b>	<b>-307.01</b>	<b>-171.68</b>	<b>55.92</b>
X	<b>Net movement in Regulatory Deferral account Balance related to Profit or Loss</b>	<b>419.17</b>	<b>45816.93</b>	<b>-45397.75</b>	<b>-99.09</b>
XI	<b>Profit after Tax</b>	<b>3142.14</b>	<b>1293.68</b>	<b>1848.46</b>	<b>142.88</b>

- ❖ **Total Revenue from Operations** has increased by 14.77% (₹ 41056.05 Lakh) net, over the previous year. This increase in revenue is because of increase in sale of energy to the extent of 221.29, Mus and increase in the tariff.
- ❖ **Other Income is decreased by 25.28% (₹ 2975.75 lakh)** over the previous year.
- ❖ **Since the arrears in respect of IP set Consumers having connected load upto 10 HP is frozen with effect from 01.08.2008, the Company has stopped charging interest on said arrears from the year 2011-12 which has an impact of ₹ 8.78 Crs in FY-18.**
- ❖ **Power purchase cost is decreased by 1.41% (₹ 3580.80 lakh)** over the previous year. As per the energy balancing for the year 2017-18, Company is payable to other ESCOMs to the extent of ₹ 16972.08 lakh.
- ❖ **Employee cost has increased by 33.04% (₹ 8833.89 lakh)** over the previous year on account of increase in salaries, wages and increase in the rate of pension contribution payable to the Trust.
- ❖ **Finance Charges has decreased by 6.78% (₹ 600.49 lakh)** over the previous year due to lower interest rate when compared to previous year. **This year also Company has not accounted the interest liability for belated payment of power purchase dues of KPCL.**
- ❖ **Depreciation and amortization expenses have increased by 13.13% (₹ 1048.85 lakh)** over the previous year due to increase in the assets.
- ❖ **Other expenses have increased by 0.56% (₹ 92.77 lakhs)** over the previous year due to increase in vehicle running expenses and remuneration paid for Contract agencies for the services obtained.
- ❖ **The Current tax** works out at ₹ 478.69 lakh, against the profit of ₹ 3142.14 lakh on MAT basis.
- ❖ **MAT Credit Entitlement:** Company has accounted the MAT credit entitlement to the extent of ₹ 478.69 lakh for the current year.
- ❖ **Regulatory Asset:** Company had accounted Regulatory Assets of ₹ 39574.00 lakhs and ₹ 51196.93 lakh during FY 2015-16 and FY 2016-17 respectively. Regulatory Asset created during FY 2015-16 amounting to ₹ 39574.00 lakh is treated as recovered during FY 2017-18 and reversed in the accounts.

Hon'ble KERC has arrived at a Revenue Gap of ₹ 55383.00 lakhs for the year 2016-17 in the APR and carried forward the same for allowing in the year 2018-19. Hence additional Regulatory Asset to the extent of ₹ 4186.07 lakh is created in the year 2017-18.

Further fresh Regulatory Asset to the extent of ₹ 35807.10 lakh is created in the accounts for FY 2017-18 by computing the provisional gap expected to be considered by KERC for inclusion in the tariff revision of future years.

- ❖ **Profit after Tax** has increased by ₹1848.47 lakh over the previous year

## 6. Dividend

The Board has not proposed any dividend for the financial year ended 31<sup>st</sup> March, 2018.

## 7. Source of funds & Borrowings

- a) The source of funds of the Company stands at ₹ 609.72 Cr. at the end of the Financial Year comprising of Equity Share Capital A/c of ₹ 358.07 Cr., and Reserves & Surplus of ₹ 251.65 Cr.

- b) The total long term borrowing of the Company amounts to ₹ 598.96 Cr. and the security deposits from consumer's amounts to ₹ 573.83 cr.

**8. Power purchase**

During the year 2017-18, the power purchase is 5666.69 MU at a total cost of ₹ 2508.01 cr. Total energy available for sale is 5642.43 Mus. Total sales during the year were 5015.71 MU. Remaining 626.72 MU was attributable to system loss.

9. 1. MESCOM is purchasing power from generators as per GoK order No. EN 131 PSR 2003 dated 10.05.2005 w.e.f. 10.06.2005. The power is procured from the following sources during FY 18.
1. Central Generating Stations like NTPC, NTPC VVNL, NLC, NPCIL, NTECL, NTPL & NTPC (Bundled Solar Power).
  2. State owned generating stations of
    - (a). KPCL – Hydel ,Thermal
    - (b). Raichur Power Corporation Ltd., - Thermal.
  3. Major Independent Power Producer - Udupi Power Company Ltd.,
  4. Independent power producers from non-conventional sources like Wind, Solar & Mini hydel.
  5. Telangana State Power Generation Corporation Ltd.,(Priyadarshini Jurala)
  6. Damodar Valley Corporation Ltd.,
  7. Short term & Medium Term (Co-gen).
2. The GoK issues order allocating share to each ESCOM for payment purpose and also power allocation. The share of payment allocation to MESCOM for FY 18 as per order No: EN 11 PSR 2017, Bengaluru dated 31.03.2017 is as below:

1.	KPC Hydel, TB Dam	8.390% to 17.9%
2.	KPC Thermal, RPCL, Jurala & CGS	5% to 9.25%
3.	Major IPPs	3.0583%
4.	Short term	12.5%
5.	Medium term (Co-gen)	8.0184%
6.	IPPs of NCE sources with whom MESCOM has entered into PPA	100%

3. The source wise power purchase and cost incurred by MESCOM during FY 2017-18 is as below:

Source	Energy (MU)	Amount (Cr)	Average Cost (₹/Unit)
KPCL (Thermal)	861.44	394.73	4.58
KPCL (Hydel)	873.75	76.23	0.87
Raichur Power Corporation Ltd.,	71.96	60.72	8.44
<b>Total KPCL</b>	<b>1807.15</b>	<b>531.67</b>	<b>2.94</b>
CGS	1753.50	682.13	3.89
Priyadarshini Jurala	7.62	5.40	7.09
Damodar Valley Corporation	237.85	105.08	4.42
Major IPPs	177.64	101.35	5.71
Short term power purchase	467.41	190.56	4.08
Medium term Power Purchase (Co-gen)	96.42	44.76	4.64
<b>NCE Projects</b>			
Mini Hydel	267.93	90.92	3.39
Wind Mill	261.66	93.74	3.58
Solar	169.14	111.03	6.56
<b>Total NCE</b>	<b>698.72</b>	<b>295.70</b>	<b>4.23</b>

Source	Energy (MU)	Amount (Cr)	Average Cost (₹/Unit)
UI Charges	10.40	4.81	4.62
KPTCL Transmission Charges	-	218.04	-
PGCIL Transmission Charges	-	156.22	-
Other Expenses	2.03	2.57	12.68
<b>Total</b>	<b>5258.74</b>	<b>2338.29</b>	<b>4.45</b>
<b>Energy Balancing FY 18</b>	<b>407.95</b>	<b>169.72</b>	<b>-</b>
<b>Total</b>	<b>5666.69</b>	<b>2508.01</b>	<b>4.43</b>

#### 4. The comparison of source wise power purchase cost during FY 2016-17 & 2017-18 :

Source	2016-17			2017-18		
	Energy (MU)	Cost (Cr)	Average Cost (₹/unit)	Energy (MU)	Cost (Cr)	Average Cost (₹/unit)
KPCL	1959.55	712.67	3.64	1735.19	470.96	2.71
Raichur Power Corporation Ltd.,	-	-	-	71.96	60.72	8.44
CGS	1575.61	562.34	3.57	1753.50	682.13	3.89
Priyadarshini Jurala	9.55	4.73	4.95	7.62	5.40	7.09
Damodar Valley Corporation	267.47	119.16	4.46	237.85	105.08	4.42
Major IPPs	594.03	266.59	4.49	177.64	101.35	5.71
Short term power purchase	369.65	162.54	4.40	467.41	190.56	4.08
Medium power purchase (Co-gen)	16.31	5.65	3.46	96.42	44.76	4.64
NCE	586.91	236.18	4.02	698.72	295.70	4.23
KPTCL Transmission Charges	-	248.38	-	-	218.04	-
PGCIL Transmission Charges	-	111.70	-	-	156.22	-
UI Charges & Other Expenses	56.62	20.60	3.64	12.43	7.38	-
<b>Total</b>	<b>5435.70</b>	<b>2450.54</b>	<b>4.51</b>	<b>5258.74</b>	<b>2338.29</b>	<b>4.45</b>
<b>Energy Balancing adjustment</b>	<b>233.14</b>	<b>89.22</b>	<b>-</b>	<b>407.95</b>	<b>169.72</b>	<b>4.16</b>
<b>Net Energy &amp; Amount</b>	<b>5668.84</b>	<b>2539.76</b>	<b>4.48</b>	<b>5666.69</b>	<b>2508.01</b>	<b>4.43</b>

10. An overview of the performance of MESCOM (with regard to Distribution Transformers, HT/LT lines, Electrification is as under):

SI No	Particulars	Measure	2017-18	2016-17	2015-16	2014-15	2013-14
<b>1</b>	<b>Total Lines &amp; TCs added:</b>						
a.	DTCs erected	Nos.	7673	5114	4504	4749	3620
b.	11 KV HT lines	RKms	2455.39	1781.36	1595.70	1187.70	1135.57
c.	LT lines	RKms	2387.48	1413.62	1462.38	1931.99	1290.07
d.	Reconductoring of HT Lines	RKms	160.02	103.65	252.47	179.06	190.29
e.	Reconductoring of LT Lines	RKms	602.07	362.05	579.45	780.54	607.88
<b>2</b>	<b>DTC Failures</b>	<b>%</b>	<b>11.20%</b>	<b>11.67%</b>	<b>11.88%</b>	<b>11.52%</b>	<b>10.02%</b>

SI No	Particulars	Measure	2016-17	2015-16	2014-15	2013-14	2012-13
<b>3</b>	<b>RE Works:</b>						
a.	Electrification of Hamlets	Nos.	3	3	12	12	24
b.	Electrification of Harijan Basthies/JCs/Tandas	Nos.	17	13	6	8	13
c.	Electrification of Tribal Colonies	Nos.	22	9	8	10	4
<b>4</b>	<b>Servicing of:</b>						
a.	Drinking Water Supply Schemes	Nos.	818	1018	631	887	814
b.	Ganga Kalyana Schemes	Nos.	1579	1593	1090	1150	997
<b>5</b>	<b>Total Energy Handled</b>	<b>MU</b>	<b>5642.43</b>	<b>5411.61</b>	<b>4869.13</b>	<b>4688.54</b>	<b>4584.63</b>
<b>6</b>	<b>Distribution loss</b>	<b>%</b>	<b>11.11%</b>	<b>11.40%</b>	<b>11.50%</b>	<b>11.57%</b>	<b>11.93%</b>
<b>7</b>	<b>IP set serviced</b>						
a.	IP sets serviced	Nos.	14602	10650	11996	10273	8493
b.	Regularisation of Unauthorised IP sets serviced	Nos.	-	-	9394	6142	-
<b>8</b>	<b>BJ/KJ installations serviced</b>	Nos.	1807	2412	1083	1351	492

#### 11. Milestones achieved during 2017-18:

Several initiatives have been taken up to strengthen and stabilise the distribution system as well as the fiscal status of the Company. A bird's eye view of some of the major achievements and the innovative initiatives are as follows:

##### (A) Addition of new Distribution Transformers to the System:

In order to improve the quality and reliability of power supply, 1391 numbers of distribution transformers are added to the system in the identified low voltage pockets.

##### (B) Metering Programme:

The Company is marching towards 100% metering of the installations. With a perennial and dedicated commitment, through universal metering programme, the Company has achieved 97.50% metering as at the end of FY 18.

##### (C) Metering of Distribution Transformer Centers:

MESCOM has contemplated to introduce metering to all Distribution Transformer centers with RRAMR facility to carry out energy audit in a more effective manner. 39418 numbers of DTCs have been metered out of 66843 numbers of DTCs as at the end of FY-18.

Further, providing meters to the balance numbers of Distribution Transformer Centres is under progress.

##### (D) New 33/11 KV Sub-station/ Enhancement /Providing additional power transformers in existing 33/11 KV Sub-station:

###### On Going 33/11 KV New Sub-stations:

- ❖ Establishing 2x5 MVA, 33/11 KV Substation at Malpe in Udupi Division and Construction of 33 kV Single Circuit Tap line to a distance of 7 Kms.
- ❖ Establishing 2x5MVA, 33/11KV at Kalladka in Bantwal Division and construction of 33 KV double circuit line to a distance of 0.25 Kms.
- ❖ Establishing 33/11KV, 1x5MVA Substation at Byakodu in Sagar Division and Construction of 33 KV S/C Tap line to a distance of 65 kms.
- ❖ Establishing 1X5MVA, 33/11 KV Substation at Kavuu at Madnoor Village in Puttur Division and Construction of 33KV S/C line for a distance of 3.0 kms.
- ❖ Providing additional 1x5 MVA, 33/11 KV power transformer at 33/11KV, 1x5 MVA Savanoor substation in Puttur division.

- ❖ Enhancement of 1x5 MVA power transformer by 1x12.5 MVA power transformer at 33/11KV Sullia substation, Puttur Division.
- ❖ Establishing 2x5 MVA, 33/KV Substation at Guthigaru in Sullia Taluk in Puttur Division and construction of 33 KV single circuit line to a distance of 24 Kms using Coyote conductor & 2.5 Kms using UG cable.
- ❖ Providing additional 1x5 MVA 33/11KV Transformer at existing 1x5 MVA 33/11KV Sub-Station Dharmastala in Bantwal Division.
- ❖ Establishing 1x5 MVA, 33/11KV sub-station at Kollur, Kundapura Taluk in Kundapura Division and construction of 33KV SC line using coyote conductor to a distance of 20.848 Kms by tapping the existing 33KV Kundapura Byndoor line.

## 12. Other Schemes

### ❖ Decentralized Distribution Generation(DDG):

REC has communicated sanction for only 2 DDG projects covering 3 unelectrified villages namely Shettihalli, Chitrashettihalli and Urulugallu villages in Shivamogga District for electrification of 123 households in Shivamogga District for an amount of ₹ 0.615 Crores considering Standalone solar system and the works have been completed during FY-2017.

### ❖ Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

GoI has launched DDUGJY for Rural areas. REC is the Nodal Agency. Scope of work includes feeder separation, strengthening of sub-transmission and distribution system, metering, rural electrification etc. 'In-Principle' approval for an amount of ₹ 395.67 Crores has been communicated from REC/GoK during January-2017 for all 4 districts of MESCOM.

Accordingly all the works have been awarded and these works are under progress at present.

### ❖ Integrated Power Development Scheme(IPDS)

GoI has launched IPDS for Urban/ Semi-urban areas. PFC is the Nodal agency. Scope of work includes strengthening of sub-transmission and distribution network, metering, provision for solar panels, IT enablement works etc. Sanction for an amount of ₹ 157.80 Crores has been communicated from PFC for 29 statutory towns for the above works excluding IT enablement works.

Accordingly all the works have been awarded and these works are under progress at present.

### ❖ IPDS (Integrated Power Development Scheme) Part -II:

The scope of work involves implementation of IT enablement in IPDS towns under Phase II, IT of IPDS Scheme. The DPR amounting to ₹ 6.00 crores was submitted to MoP and PFC communicated the sanction of DPR amounting to ₹ 4.76 crores for 18 statutory towns of MESCOM for IT enablement. BESCO being the Nodal Agency published the tender for appointing IT implementing Agency (ITIA) for the project on behalf of all ESCOMs in e-procurement portal and is under process.

### ❖ Belaku Yojana

'Belaku Yojana' scheme is a GoK programme which aims at large scale replacement of 2 incandescent Lamps in Anthyodaya Anna Yojane (AAJ) households with 2 CFLs. MESCOM has been allotted 2,00,400 CFLs for distribution out of which 1,92,807 CFLs have been distributed.

### ❖ LED distribution

It is a Domestic Efficient Lighting Program(DELP) launched by GoK with the name as "Hosa Belaku" and is implemented through M/s EESL, a joint venture of PSU's of MoP, GoI, with an objective to encourage public to use LED's and thus reduce the peak load demand and save energy.

Under this programme the consumers can purchase LED bulbs/ tube lights and Energy Efficient fans at a price lesser than the market price. In MESCOM, 37, 66,870 numbers of LED bulbs; 32712 numbers of LED tube lights and 2005 numbers of LED fans have been distributed up to March 2018.

❖ **Distribution of Solar LED Lanterns:**

Solar LED Lanterns scheme is a GoK programme for promotion of renewable energy which aims at distribution of 'Solar LED Lanterns' to the beneficiaries who are economically backward, living in remote and isolated locations and the households are not supplied with electricity. MESCOM has been allotted 6,500 'Solar LED Lanterns' for distribution out of which 5,353 Solar LED Lanterns have been distributed.

**13. Other Programme:**

❖ **Replacement of Electromechanical meters by Static meters:**

As per CEA Guidelines all the interface meters, consumer meters and energy accounting and audit meters shall be of Static type, with an objective to increase metered consumption, thereby reducing commercial losses especially in LT2, LT3, LT5 installations.

At present in MESCOM only New/MNR installations are provided with Static meters supplied through Meter outlets.

❖ **Providing Infrastructure to regularized UIP sets :**

As per GoK order dated 14.07.2014, 14,117 numbers of regularized UIP sets are pending for providing infrastructure. For speedy execution of providing infrastructure to these balance UIP sets works have been awarded on total turnkey basis (Rate Contract) during March-2017 and works are under progress.

❖ **Improvement works for Model Electricity village:**

As per the Budget Speech 2017-18 by Hon'ble Chief Minister, 6 numbers of villages in each assembly constituency are to be converted as model electricity villages. It is proposed to execute some of the improvement works in the selected 138 number of villages for which tender evaluation is under process.

❖ **Improvement works for Model Sub Division:**

Mangaluru and Shivamogga are selected as Smart Cities under flagship programme of Central Government. MESCOM has selected prominent areas of Mangaluru and Shivamogga ie. Attavara Sub-division in Mangaluru and City Sub Division-1 in Shivamogga. DPRs amounting ₹ 267.00 Crores have been prepared and approved by Hon'ble KERC to take up the following works. At present tender process has been completed and work is to be awarded.

- **Laying of 11KV/LT UG Cable.**
- **Establishing and Commissioning of RMUs.**
- **Establishing of LT Feeder Pillar Boxes.**

**Proposed Target for Capital Investment Plan 2018-19:**

Sl. No.	Schemes	Target
1.	Electrification of Hamlets	10 Nos.
2.	Electrification of HB/JC/Tandas	10 Nos.
3.	Electrification of Tribal Colonies	10 Nos.
4.	Energization of IP sets	14000 Nos.
5.	Electrification of BPL households	1500 Nos.
6.	Service Connection	50000 Nos.
7.	Addition of new 33 KV sub-stations and allied lines	2 Nos.
8.	Augmentation of 33 KV Stations.	2 Nos.
9.	New HT Line	1200 Kms.
10.	New LT line	1200 Kms.
11.	Distribution Transformers	3000 Nos.

#### 14. Civil Engineering Works:

During 2017-18 the following office buildings and other infrastructure works has been taken up in MESCOM.

Sl. No.	Particulars	[₹ In Lakhs]		
		Completed works		Spill over works
		Expenditure during 2017-18 ₹ in lakhs	Nos., of work completed	Expenditure required during 2018-19
1	Construction of office Building/ Stores/Guest houses and other building and extension works	1104.00	21	2162.00
2	Other infrastructure works such as compound, road, water supply, fencing & drainage etc.,	1049.70	95	838.00
	<b>Total</b>	<b>2153.70</b>	<b>116</b>	<b>3000.00</b>

For financial year 2018-19, a budget of ₹ 3000.00 lakhs is allocated towards spill-over and fresh Civil Engineering works in MESCOM.

#### 15. New initiatives in procurement of Materials:

##### 1. Energy Efficient star labeled Distribution Transformers:-

In order to comply with Energy Conservation Act-2001, Procurement of Energy Efficient minimum 3 star labeled Distribution Transformers is being implemented since 2008. Number of such Distribution Transformers procured during FY-2017-18 is as below:-

Capacity	Quantity (Nos)
25 KVA	3464
63 KVA	1278
100 KVA	200
<b>Total</b>	<b>4942</b>

Further, Purchase Orders have been issued for supply of 1200 Nos of Star-1 and 500 Nos of Star-2 Distribution Transformers.

2. Following Polymeric Type Materials are being procured instead of Porcelain type materials in order to minimize the failure rates.
  - Only Polymeric type Lightning Arrestors are being procured in order to minimize the distribution transformer failure rate especially in the heavy lightning prone areas. Quantity procured during 2017-18 is 11750 Nos.
  - 30000 Nos of 45KN Polymeric type Disc Insulators for 11KV distribution system are procured during 2017-18.
  - 50000 Nos of 11KV 5KN Polymeric Type Pin Insulators for 11KV distribution system are procured during 2017-18 for usage in coastal and heavy lightning prone areas.
3. 1 No each of Single Phase, 40 Position & Three Phase, 10 Position, Fully Automatic Energy Meter Test Benches suitable for calibration of 3 Phase and single phase energy meters are installed at Shivamogga & Chikkamagaluru Circles.
4. 7sets of fully automatic Distribution Transformer Test Benches are installed at the Transformer Repair Centres in MESCOM jurisdiction.

5. 10Nos of Lorries are supplied to various divisions in MESCOM jurisdiction.
6. Letter of Intent has been issued for supply of 13 Nos of truck mounted Cranes to various divisions in MESCOM jurisdiction.

**16. Public Grievances Cell**

- a. Public Grievances Cell established in the Corporate office is working under the direct control of Managing Director which is headed by Manager (PG Cell). During the year 2017-18, the Public Grievances Cell received 478 written complaints out of which 96.50% i.e., 461 complaints were resolved satisfactorily. The remaining 19 complaints were redressed in the current financial year. Further 168 minor complaints relating to fuse-off call, low voltage, etc, were received through telephonic calls.
- b. The category-wise complaints:

Sl. No.	Category of complaints	Nos. of Complaints
1	Electricity Supply & Distribution code -violation	-
2	Voltage/Interruptions	15
3	Bills Related	48
4	Delay in Sanction & Work	3
5	Accident & Compensation	5
6	Theft & unauthorized use of Electricity	35
7	Transformers Shifting etc.	35
8	Bribe/Corruption/Dishonest	4
9	Reduction in Deposits /Load Reduction/Repayment of Deposits	70
10	New Connection	14
11	Disconnections	3
12	Other Miscellaneous Complaints.	246
	<b>Total</b>	<b>478</b>

- c. A comparative data of complaints are as follows;

No. of Complaints	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Remarks
Written Complaints	590	406	370	340	338	478	Increase of 140 complaints
Minor Telephonic Complaints	475	850	600	579	829	168	Decrease of 661 complaints

**17. Personnel, Industrial Relations and Human Resource Development:**

- A) The Company functions through the following organizational structure:  
(as on 31.03.2018)

Corporate Office	O&M Zone	O&M Circles	O&M Divisions	O&M Sub Divisions	Revenue Sections	O&M Sections
1	2	4	13	59	11	219



**B) Personnel Details:**

The working strength of the employees as on 31.03.2018 is placed category – wise as under:

Cadres	Mangaluru Circle			Udupi Circle			Shivamogga Circle			Chikmagaluru Circle			Total		
	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V
A-Grade (Regular Employees)	145	107	38	32	29	3	54	44	10	35	24	11	266	204	62
A-Grade (Deputation Employees)	1	1	-	-	-	-	-	-	-	-	-	-	1	1	-
<b>Total</b>	<b>146</b>	<b>108</b>	<b>38</b>	<b>32</b>	<b>29</b>	<b>3</b>	<b>54</b>	<b>44</b>	<b>10</b>	<b>35</b>	<b>24</b>	<b>11</b>	<b>267</b>	<b>205</b>	<b>62</b>
B-Grade (Regular Employees)	146	110	36	49	40	9	98	84	14	56	46	10	349	280	69
B-Grade (Deputation Employees)	1	-	1	1	1	-	1	-	1	1	-	1	4	1	3
<b>Total</b>	<b>147</b>	<b>110</b>	<b>37</b>	<b>50</b>	<b>41</b>	<b>9</b>	<b>99</b>	<b>84</b>	<b>15</b>	<b>57</b>	<b>46</b>	<b>11</b>	<b>353</b>	<b>281</b>	<b>72</b>
C-Grade (Regular Employees)	923	589	334	499	297	202	763	552	211	505	347	158	2690	1785	905
C-Grade (Deputation Employees)	4	1	3	4	4	-	4	4	-	4	4	-	16	13	3
<b>Total</b>	<b>927</b>	<b>590</b>	<b>337</b>	<b>503</b>	<b>301</b>	<b>202</b>	<b>767</b>	<b>556</b>	<b>211</b>	<b>509</b>	<b>351</b>	<b>158</b>	<b>2706</b>	<b>1798</b>	<b>908</b>
D-Grade (Regular Employees)	1922	1065	857	1088	597	491	1599	1042	557	1097	572	525	5706	3276	2430
<b>Company Grand Total</b>	<b>3142</b>	<b>1873</b>	<b>1269</b>	<b>1673</b>	<b>968</b>	<b>705</b>	<b>2519</b>	<b>1726</b>	<b>793</b>	<b>1698</b>	<b>993</b>	<b>705</b>	<b>9032</b>	<b>5560</b>	<b>3472</b>

**S-Sanctioned Posts, W-Working Posts, V-Vacant Posts**

**C) Training and Development Programmes during the year 2017-18**

- Keeping in view of the organization growth and by considering necessity to provide training through internal and external agencies in the fast growing technological environment training is imparted, with special importance to work culture to the officers and employees at each level of organization hierarchy.
- Also, training on Contract Management, Implementation of Cyber Security for Power Infrastructure in India, Right to Information Act – 2005, Sevottam, Metering in India, Labour Laws-EPF, ESI, Employees Compensation and Contract Labour Act – Procedures in Dealing Court Cases, Energy Conservation Building Code (ECBC), Concept to Commissioning of Solar Plants (including O&M), Indian Accounting Standards, Electricity Safety, K-GIS implementation, Power Purchase Agreement, Finance for Non-Finance executives : Understanding of Financial Statements, Auditing & Corporate Governance, Taxation, Bifurcation of S8 & S3 RAPDRP Modules, Universal Household Electrification, Awareness of Cyber Security for Power Utility Engineers, Financial Awareness & Administrative Matters, Purchase and Inventory Management, Cost & Financial Management and social security measures for State PSEs, Corporate Governance, Implementation of Goods and Services Tax (GST), Communication & Customer Relations, Efficiency Improvement Measures in Distribution System, Revenue Management & Loss Reduction, Right to Information Act, 2005 (including CIC/SIC judgements) and modern HR Practices, Scada & Smart Grid Applications (Sponsored by PFC), Smart Power Technologies, Energy Conservation Building Code (ECBC), Pradhan Mantri Sahaj Bijli Har Ghar Yojana : Saubhagya, Oracle Customer Innovation, Seminar

on Power Sector : Present and Future Perspective, Scada & Smart Grid Applications (Sponsored by PFC) EAT module for implementing Agencies, Discoms “Distribution Utility Meet – DUM – 2017” Implementation of Reservation Policy on SCs, STs & OBCs in PSEs, Banks, Government Aided Bodies and Government Institutions, Power Trading – Power Exchanges and Merchant Power Plants etc., have been given to the employees for the enrichment of their knowledge and betterment of their attitudes and behavior.

- c) During the year 2017-18, the company has organized several Internal Training Programmes and deputed the regular working staff of the company to various external training programmes.

**The Details of training programmes are as follows:**

**Internal Training Programmes :**

Sl. No.	Subject	No. of Participants	Total Cost (in ₹)
1	M.T.T.P-2	79	10,40,000
2	REC/C&D	276	8,50,000
	<b>Total</b>	<b>355</b>	<b>18,90,000</b>

Total No. of Internal Training Programmes	2
No. of Persons Participated	355
Total Cost including Programme fees	₹ 18,90,000/-
Cost per Head (Average)	₹ 5,324/-

**External Training Programmes on various subjects :**

Sl. No.	Subject	No. of Participants	Amount (in ₹)
1	Contract Management	3	-
2	Implementation of Cyber Security for Power Infrastructure in India	1	-
3	Right to Information Act - 2005	12	69000
4	Sevottam	8	-
5	Metering in India	6	41400
6	Labour Laws-EPF, ESI, Employees Compensation and Contract Labour Act - Procedures in Dealing Court Cases	3	70092
7	Energy Conservation Building Code (ECBC)	7	-
8	Concept to Commissioning of Solar Plants (including O&M)	3	87615
9	Indian Accounting Standards	4	-
10	Electricity Safety	4	61950
11	K-GIS implementation	1	-
12	Power Purchase Agreement	2	51920
13	Finance for Non-Finance executives : Understanding of Financial Statements, Auditing & Corporate Governance, Taxation	4	-
14	Bifurcation of S8 & S3 RAPDRP Modules	4	-

Sl. No.	Subject	No. of Participants	Amount (in ₹)
15	Universal Household Electrification	1	-
16	Awareness of Cyber Security for Power Utility Engineers	2	-
17	Financial Awareness & Administrative Matters	6	-
18	Purchase and Inventory Management, Cost & Financial Management and Social Security Measures for State PSEs	5	-
19	Corporate Governance	4	-
20	Implementation of Goods and Services Tax (GST)	3	70092
21	Communication & Customer Relations	4	-
22	Efficiency Improvement Measures in Distribution System	4	-
23	Revenue Management & Loss Reduction	4	-
24	Right to Information Act, 2005 (including CIC/SIC judgements) and modern HR Practices	2	110684
25	Scada & Smart Grid Applications (Sponsored by PFC)	4	-
26	Smart Power Technologies	7	57820
27	Energy Conservation Building Code (ECBC)	29	-
28	Pradhan Mantri Sahaj Bijli Har Ghar Yojana : Saubhagya	5	-
29	Oracle Customer Innovation	5	-
30	Seminar on Power Sector : Present and Future Perspective	2	-
31	Scada & Smart Grid Applications (Sponsored by PFC)	4	-
32	EAT module for Implementing Agencies	1	-
33	Discoms "Distribution Utility Meet - DUM - 2017"	13	-
34	Implementation of Reservation Policy on SCs, STs & OBCs in PSEs, Banks, Government Aided Bodies and Government Institutions	3	53100
35	Power Trading - Power Exchanges and Merchant Power Plants	4	63720
	<b>Total</b>	<b>174</b>	<b>737393</b>

Total No. of External Training Programmes	37
No. of Persons Participated	174
Total Cost including Programme fees	₹ 7,37,393/-
Cost per Head (Average)	₹ 4,237/-

#### D. Industrial Relations:

The Company has maintained cordial relations with the employees and their union. Employee's grievances if any are redressed at respective offices by conducting periodical meeting with the local office bearers of the union.

#### E. Employee's Welfare Schemes:

As a step towards strengthening the relationship between the Employees and Management, several welfare schemes have been initiated by the company.

- In order to maintain efficiency continuously in future days, MESCOM has decided to promote and encourage officers/employees by awarding cash prize and appreciation letter to best O&M Division, best O&M Sub-division and best O&M Section in the year 2017-18.
- To promote and encourage sports excellence, an amount of ₹ 8,00,000/- has been sponsored to MESCOM/KPTCL sports organization for conducting KPTCL/inter Company State level sports. And also awarding cash prize and appreciation letter to who won the award on KPTCL/inter company State level Sports.

- c) To maintain cordial relation and welfare of employees ₹ 25 Lakhs has been given to KPTCL Employees Association at Chikmagaluru, for construction of Samudhaya Bhavana.
- d) Company Quarters facilities wherever available are provided to the Company employees.

**F. Training Activities of HRD Centre, MESCOM for the year 2017-18:**

During the year 2017-18, MESCOM HRD Centre has organized Mandatory Technical Training Programme for KPTCL employees for 40 working days (MTTP -3) for 40 members of Linemen & Station Attendant during the period from 10.04.2017 to 30.05.2017 and 40 working days (MTTP -2) for 39 members of Overseer, Meter Reader, Operator and Assistant Store Keeper during the period from 07.08.2017 to 28.09.2017 for MESCOM/KPTCL employees.

**National Training Programme conducted to C&D Employees of MESCOM during the year – 2017-18**

REC & MESCOM have jointly sponsored 4 days training programme to 276 Nos. of maintenance staff in 10 batches of C&D groups and also one day field training for training.

**Sponsoring of socio-economic Project**

- Rs. 4 Lakhs to Public Socio- Economic Projects for maintaining one Lion at Dr. Shivarama Karantha Pilikula Nisargadhama, Mangalore.
- To promote and encourage academic excellence, cash incentive of ₹ 2,500/- (Rupees Two Thousand Five Hundred Only) is been awarded since 2007-08 to each of the meritorious children of the employees of the company, who secure 90% and above marks in SSLC/10<sup>th</sup> Standard and 2<sup>nd</sup> PUC examination. During FY 2017-18 the cash incentive is awarded to 35 numbers of meritorious children.

**18. Pension payment & Recruitment Activities:**

In MESCOM notification was issued vide Employment Notification No. MESCOM/GM(A&HRD)/AGM(P)/AO(P)/2015-16/4477 dated: 8.01.2016 to recruit 441 various posts, out of which 305 posts were filled. The process to fill the balance posts in under progress.

In case of group C&D employees working in MESCOM as well as KPTCL (Under MESCOM Jurisdiction) the employees on retirement/death, the pension and other terminal benefits are being processed in the Corporate Office.

During the current financial year the Pension claims settled are as below:

No. of Pension docket received	No. of pension docket Processed
168	166

Medical reimbursement scheme is followed in the company as per which bills more than ₹ 2000/- are processed and approval is being conveyed from the Corporate Office. During the financial year 893 numbers of cases were processed, amounting to ₹163.72 lakhs.

Further in order to have financial security to the families of employees in case of death of an employee, group insurance policy has been initiated to all the employees for a total sum of ₹ 5 lakhs for each employee. During the year 3 death cases were reported and a sum of ₹15 lakhs has been paid to the family of the diseased.

## 19. Electrical Accidents during the year- 2017-18

The details of electrical accidents are presented as below.

SI. No	Name of the Circle/Division	Departmental		Non-Departmental		Animal	Grand Total
		Fatal	Non-Fatal	Fatal	Non-Fatal		
<b>MANGALURU CIRCLE:</b>							
1	Mangaluru -1	-	1	2	1	1	5
2	Kavooru	-	3	2	1	2	8
3	Bantwal	-	3	10	2	3	18
4	Puttur	-	-	2	3	-	5
<b>Circle Total</b>		<b>-</b>	<b>7</b>	<b>16</b>	<b>7</b>	<b>6</b>	<b>36</b>
<b>UDUPI CIRCLE:</b>							
1	Udupi	-	15	1	4	1	21
2	Kundapura	-	8	2	-	6	16
<b>Circle Total</b>		<b>-</b>	<b>23</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>37</b>
<b>SHIVAMOGGA CIRCLE:</b>							
1	Shimoga	-	2	7	5	11	25
2	Bhadravathi	-	2	1	-	1	4
3	Sagar	1	2	5	-	21	29
4	Shikaripura	-	2	6	1	5	14
<b>Circle Total</b>		<b>1</b>	<b>8</b>	<b>19</b>	<b>6</b>	<b>38</b>	<b>72</b>
<b>CHIKKMAGALURU CIRCLE:</b>							
1	Chikkmagaluru	3	5	6	-	8	22
2	Koppa	-	1	2	2	7	12
3	Kadur	-	9	14	1	8	32
<b>Circle Total</b>		<b>3</b>	<b>15</b>	<b>22</b>	<b>3</b>	<b>23</b>	<b>66</b>
<b>Grand Total</b>		<b>4</b>	<b>53</b>	<b>60</b>	<b>20</b>	<b>74</b>	<b>211</b>

## 20. Public Relation and Communication activities in MESCOM for the year 2017-18

MESCOM has a separate wing for Communication activities which is looking after Public Relations and Corporate protocol duties. Accounts Officer (Public Relation and Communication) is discharging the duties of this section duly reporting to the Managing Director. Maintaining the relationship with the public and media as well as representing the Company in the society are the main functions of this wing. Arrangement for publication of Company's news and public Notifications like Tender & such other notifications arranging programmes etc., are the routine activities of the section. Further, the news regarding the Power Sector and highlights of company activities will be brought into the knowledge of the management on daily basis.

### Highlights of Public Relations and Communication activities in MESCOM during 2017-18:

#### a) Jana Samparka Sabhas :

It has been made mandatory that, the concerned Superintending Engineers (Ele) of O&M Circles shall conduct consumer meets i.e., Jana Samparka Sabhas, a direct interaction programme with the general public and consumers at sub-divisional headquarters on frequent intervals. The programme schedules of these Jana Samparka Sabhas will be published in the leading news papers by way of notification and also in the form of news. Under these programmes, the problems and grievances of the consumers relating to electricity distribution is dealt with and solved in the presence of Company's local officers.

**b) Attending VP, TP & ZP Meetings:**

The concerned O&M Section Officers are regularly attending the meetings of concerned Village Panchayats and the concerned O&M Sub-divisional Officers are attending the meetings of concerned Taluk Panchayat. Further, the concerned O&M Divisional Officers are attending concerned Zilla Panchayat meetings. In these meetings, Company's concerned Officers will discuss on various ongoing O&M works and Capital works and also redress the customers' complaints and problems if any.

**c) Consumer Education Programmes :**

Under the Consumer Education Programmes the information and guidance on electricity usage and safety, as well as rules and regulations with regard to electricity are being given to the consumers, during the various programmes and meetings with consumers. Information on power saving, safety and payment modes are made available to the consumers through the paper notification and printed handouts. These informations are being telecasted through audio messages in KSRTC Bus stations and Radio station of MESCOM jurisdiction.

**Consumer Friendly Measures:**

- ❖ 24 Hours Consumer Service Centres have been opened in major city and town places.
- ❖ Soujanya counters are working at Sub Divisional level to redress the public grievances.
- ❖ Consumer Grievance Redressal Forums (CGRF) is formed at each District headquarters under the chairmanship of respective O&M Circle's Superintending Engineers (Ele). The details of CGRF and address and contact numbers of the Forum and about its members have been widely published in the leading News Papers.
- ❖ Implementation of Geographical Information System to improve quality of power supply.
- ❖ Computerization of all revenue sections and implementation of information technology in day to day activity.
- ❖ Electronic clearing system has been introduced for payment of Electricity bills.
- ❖ ATP machine have been installed in Sub Divisional and Prime locations, they are working satisfactorily.
- ❖ Provision has been made to collect the Consumer Electricity bills through Post Offices.
- ❖ Electricity Bills are also collected at 'Mangaluru One' and Shivamogga One' Centers, a multi service providing centre recognized by the Government.
- ❖ Electricity bills are also collected through Online, Karnataka Mobile One App and Paytm.
- ❖ Brochures on Electricity safety, Electricity saving and different kind of payment Modes were printed and distributed through all the subdivisions in Company jurisdiction.
- ❖ 24x7 CCC (Centralized Customer Care centre) opened in Mangalore. Consumer can approach from any part of MESCOM jurisdiction through toll free No. 1912 for their electricity related complaints and help.

**Other Programmes:**

- ❖ The newly built Bantwal Division Office building was dedicated to the public by Hon'ble Chief Minister of Karnataka on 22.10.2017. Inauguration function was arranged at Bantwal. Energy Minister, District Minister along with other ministers of Govt. of Karnataka, local representatives, Directors, other department heads, Media, our customers and general public were participated. This function brought a very good public relation to the company.
- ❖ The newly built Moodabidre Subdivision Office building was dedicated to the public by Hon'ble Chief Minister of Karnataka on 07.01.2018. Energy Minister, District Minister along with other ministers of Govt. of Karnataka, local representatives, Directors, other department

heads, Media, our customers and general public were participated. This function brought a very good public relation to the company.

- ❖ The newly formed Shimoga Zonal office was inaugurated on 02.03.2018 and dedicated to public by the Energy Minister. Shimoga District Minister, Local Ministers and media, general public were participated.
- ❖ November -2017 month was celebrated as “Safety Month“ in which the awareness programme on safety issues, guidelines for reducing technical and commercial loss, information on vigilance activities were conducted. The senior officers gave talk on the above issues and the employees were actively participated. The programme was conducted in 58 Sub Divisions and 216 Section Offices, which helped the employees in day to day working and there by influenced the working efficiency in employees.
- ❖ As per the guidelines of Govt. of Karnataka a programme called “Vigilance Awareness Week” was arranged in the company, where in awareness was created on “My Vision Corruption free India” among the employees of the Company.

#### **Internal Communication activities:**

- ❖ Three days orientation programme was arranged at Corporate Office for the newly recruited employees like Asst. Engineers, Junior Engineers, Asst. Accounts Officers, Assistants and Junior Assistants. The Managing Director, Director (Technical) and Chief Financial Officers had interaction with newly recruited employees. Senior Officers and experts enlightened the duties, responsibilities, working culture, do's and don'ts to employees.
- ❖ **Kannada Rajyothsava:** Kannada Rajyothsava programme was arranged in a grand manner. The officers and employees actively participated and it helped to bonding the employees and management relationship. In the programme the employees were staged many cultural programmes. Company was provided a good opportunity for the employee to exhibit their talents. The senior most retired employees residing in headquarters were identified and felicitated. Every year key note address programme is being arranged by inviting a eminent personality in kannada literature.
- ❖ The National festivals are being celebrated in the company in a meaningful way.
- ❖ The New Year greetings, Dairy and Calendars were distributed among the officers and staff and also to the important persons, media persons, Directors etc.
- ❖ Felicitation programme to the retired employees of the company are being arranged by honouring them with a Silver Memento worth ₹ 10,000/-. During the financial year, 112 retired employees were felicitated along with their family members. This meaningful programme was appreciated by all.

#### **21. Internal Audit in MESCOM**

The Internal Audit Wing of MESCOM is headed by Financial Advisor (Internal Audit), functioning independently and reporting directly to the Managing Director of the Company. The Revenue Audit, Voucher Audit, Cash Audit, Store Audit, Audit of Power Purchase Bills, Power purchase Agreements and day to day pre and post audit are the regular functions of Internal Audit. Also on need basis special inspections are independently carried out by the Internal Audit Officers and Staff of the Company. The Tender documents, Technical/price bids, LOIs, Work Awards and Purchase Orders placed at Divisional, Circle, Zonal level and Corporate office level are being verified by the Internal Audit in the respective offices. The working strength of the IA MESCOM is as follows.

Name of the Division	FA			Accounts Officer			Asst. Account Officer			Senior Assistant			Assistant			Total		
	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V
Corporate Office	1	1	-	1	1	-	1	1	-	1	-	1	1	-	1	5	3	2
Mangaluru	-	-	-	1	1	-	1	1	-	2	2	-	1	-	1	5	4	1
Kavooru	-	-	-	1	1	-	1	-	1	2	1	1	1	-	1	5	2	3
Udupi	-	-	-	1	1	-	1	1	-	2	1	1	-	-	-	4	3	1
Kundapura	-	-	-	1	1	-	1	-	1	1	-	1	-	-	-	3	1	2
Puttur	-	-	-	1	1	-	1	-	1	3	1	2	1	-	1	6	2	4
Bantwal	-	-	-	1	1	-	1	-	1	1	1	-	1	-	1	4	2	2
Shivamogga	-	-	-	1	1	-	1	1	-	3	3	-	1	1	-	6	6	-
Sagar	-	-	-	1	-	1	1	1	-	2	1	1	-	-	-	4	2	2
Bhadravathi	-	-	-	1	1	-	1	-	1	1	1	-	-	-	-	3	2	1
Shikaripura	-	-	-	1	1	-	1	-	1	2	2	-	-	-	-	4	3	1
Chikkamagaluru	-	-	-	1	1	-	2	-	2	3	2	1	-	-	-	6	3	3
Kadur	-	-	-	1	-	1	1	-	1	1	1	-	-	-	-	3	1	2
Koppa	-	-	-	1	-	1	1	-	1	2	-	2	1	-	1	5	-	5
<b>Total</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>14</b>	<b>11</b>	<b>3</b>	<b>15</b>	<b>5</b>	<b>10</b>	<b>26</b>	<b>16</b>	<b>10</b>	<b>7</b>	<b>1</b>	<b>6</b>	<b>63</b>	<b>34</b>	<b>29</b>

The Revenue Ledgers maintained in the Sub-Divisions and Accounting Section are audited as per Action Plan by concerned Divisional Assistant Accounts Officer (IA) and Senior Assistants (IA). Depending upon the requirement and availability the services of Rtd. Senior Assistants are also utilized on contract basis during the period to audit the Revenue Ledgers of LT-2 & LT-3 Tariff category. Further, the services of B.Com Graduates who have knowledge in auditing have been obtained on contract basis in Mangaluru, Kavooru, Puttur, Bantwal, Kundapura, Bhadravathi, Sagar, Shikaripura, Chikkamagaluru and Kadur Divisions. Their services are utilized to audit the Revenue Ledgers of Power installations and LT-2 & LT-3 Tariff category.

Audit functions are being continuously carried out as per approved Action Plan. The overall performance of Internal Audit is being reported to the Managing Director on the basis of information obtained from the Accounts Officers of Internal Audit every month. The meetings of the Accounts Officers of Internal Audit are being held at every quarter in which the progress is reviewed and action plan of audit will be monitored periodically so as to have effective control in audit programme and also to have efficiency in auditing.

## 22. Vigilance Activities in MESCOM

1. As per the Electricity Act 2003, four Vigilance Police Stations are working in MESCOM, headed by Superintending Engineer (Ele) (Commercial), who is assisted by Executive Engineer of Vigilance in technical matters. Deputy Superintendent of Police is assisting in police matters.
2. Assistant Executive Engineers (Ele) / Police Sub Inspectors are working in each district and are assisted by / Head Constables / Police Constables.
3. Under section 126 and 135 of Electricity Act 2003, non- cognizable and cognizable cases are booked in MESCOM vigilance police stations.
4. Cases booked under section 135 are admitted only in special courts.
5. Statement showing the progress of vigilance activities for the year 2017-18 is furnished below.



Sl.No.	Name of the Police station	No. of installations checked	No. of cases booked		Total Cases	Total units pilfered in Units	Demand		Compounding fee raised (Amount in ₹)	Total amount (Amount in ₹)	Recovery			Total Recovery in ₹
			Violation cases	Cog. Cases			Violation cases (Amount in ₹)	Cognizable cases (Amount in ₹)			Violation cases (Amount in ₹)	Cognizable cases (Amount in ₹)	Compounding (Amount in ₹)	
1	Mangaluru	7528	205	18	223	24514	88,48,661	3,25,064	1,25,000	92,98,725	1,57,45,470	3,14,923	1,23,000	1,61,83,393
2	Shivamogga	6774	252	75	327	164987	38,96,438	3,06,320	4,42,860	46,45,618	92,43,952	3,21,897	4,07,860	99,73,709
3	Chikkamagaluru	4020	188	51	239	475087	38,65,140	5,93,037	3,64,000	48,22,177	55,25,410	4,81,522	3,86,000	63,92,932
4	Udupi	7305	278	21	299	496853	30,73,455	17,14,403	4,09,597	51,97,455	33,55,052	3,08,550	99,597	37,63,199
<b>TOTAL</b>		<b>25627</b>	<b>923</b>	<b>165</b>	<b>1088</b>	<b>1161441</b>	<b>1,96,83,694</b>	<b>29,38,824</b>	<b>13,41,457</b>	<b>2,39,63,975</b>	<b>3,38,69,884</b>	<b>14,26,892</b>	<b>10,16,457</b>	<b>3,63,13,233</b>

### 23. Implementation of Right to Information Act 2005 in MESCOM

1. The details of records maintained in MESCOM Corporate Office is made available to the general public in MESCOM official website [www.mesco.in](http://www.mesco.in) as per section 4(1)(a).
2. The details to be made available under the section 4(1) (b) of RTI Act 2005 is also published in [www.mesco.in](http://www.mesco.in).
3. The details of Public Information Officer (PIO's), Asst. Public Information Officer (APIO's) and respective First Appellate Authorities have been notified and updated in MESCOM website [www.mesco.in](http://www.mesco.in) under the caption Right to Information Act in home page and the details are also made available to the general public in the respective offices.
4. During 2017-18, 2421 No.s of applications including 741 applications from BPL citizens have been received seeking information under RTI act 2005 across the Company, for which ₹ 30,811/- has been collected towards the application fee and charges for furnishing information. During the year 2405 No.s of request for information were attended within the time limit & 4 No.s of request were disposed off after the time limit. Remaining 12 No.s of applications are pending. Further, during 2017-18, 32 No.s of Appeals received. 32 No.s of Appeals were disposed off within the time limit.

### 24. Particulars as per Companies (particulars of employees) Rules, 1975 and as amended:

None of the employees of the Company was in receipt of remuneration amounting to ₹ 60,00,000/- and above per annum or at the rate of ₹ 5,00,000/- and above per month during the financial year under review.

### 25. Appointment of Cost Auditors:

The Ministry of Corporate Affairs, Govt vide No.52/62/CAB-2008 dated 4th Feb.2008 has directed the Cost Audit of cost accounts maintained by the Company in respect of the financial year ending 31.03.2008 and for every financial year thereafter continuously to be conducted by an Auditor with qualifications prescribed in section 233 (B) of the Companies Act, 1956. Accordingly, M/s. N.S. & Associates, Cost Accountants, Bengaluru have been appointed as the Cost Auditors of the Company for the FY 2017-18.

The details of Cost Audit Reports filed with Gol are as under:

Financial Year	Due date to Submit Report	Date of Submission of Report
2007-08	30.09.2008	30.09.2008
2008-09	30.09.2009	08.12.2009
2009-10	30.09.2010	29.09.2010
2010-11	30.09.2011	04.11.2011
2011-12	30.09.2012	10.01.2013
2012-13	30.09.2013	26.12.2013
2013-14	30.09.2014	27.09.2014
2014-15	30.09.2015	29.09.2015
2015-16	30.09.2016	27.10.2016
2016-17	30.09.2017	17.10.2017

## 26. Secretarial Audit

In Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Auditor M/s Ullas Kumar Melinamogaru & Associates, Mangaluru was appointed as Secretarial Auditor for conducting Secretarial Audit for FY 2017-18 as per the authorization of the Board vide Board Resolution No. 70/7. The Report of the Secretarial Audit has been enclosed here with vide Annexure-1 and the replies of the Management are enclosed here with vide Annexure-2.

## 27. Board of Directors

(A)

Sl. No.	Shriyuths/Smt.,	Particulars
1.	Jawaid Akhtar IAS	Chairman from 27.05.2015 to 18.08.2018
2.	Dr. S. Selva Kumar, IAS.,	Chairman from 18.08.2018
3.	Dr. Aditi Raja IA &AS	Director from 24.09.2008
4.	K. Ramakrishna	Managing Director on 23.08.2017 to 16.04.2018
5.	T.H.M. Kumar IAS	Managing Director from 16.04.2018 to 06.08.2018
6.	Ananda Naik	Director (Tech) from 15.09.2017 to 16.04.2018
7.	H.K Bharathi	Director (Tech) from 16.04.2018 to 16.08.2018 & Managing Director (i/c) from 07.08.2018 to 16.08.2018
8.	Raghu Prakash N	Director (Tech) & Managing Director (i/c) from 16.08.2018
9.	H. Nagesh	Director from 22.04.2017 to 19.03.2018
10.	Dr. R. C. Chethan, IRS.,	Director From 14.09.2017
11.	N. Thimmegowda	Director from 22.04.2017
12.	M.D. Ravi	Director from 07.05.2016
13.	A.N. Jayaraj	Director from 07.04.2015
14.	T.R. Ramakrishnaiah	Director from 14.08.2017
15.	Sanjeeva Shetty	Directors from 07.04.2016 to 28.05.2018
16.	Surendra B. Kambaly	
17.	B.V. Jayaram	
18.	Riyaz Ahmad	
19.	Mallika P. Pakkala	
20.	P.V. Abhilash	
21.	Sudhir Kumar	
22.	Sadashiva Ameen	
23.	K.M Krishnappa	
24.	R. Mohan	

The Board places on record its sincere appreciation and gratitude of the services rendered by the outgoing Directors.

**(B) Board Sub Committees :**

<p><b>(I) Purchase Committee:</b></p> <p>1. Managing Director, MESCOM, Mangaluru 2. Director(Finance), BESCO, Bengaluru 3. Director(Tec), MESCOM, Mangaluru 4. Authorised Signatory</p>	<p>Chairman Member Member Convener</p>
<p><b>(ii) Audit Committee :</b></p> <p>1. Director (Finance), KPTCL, Bengaluru 2. Director(Technical),MESCOM, Mangaluru 3. Director(Finance), Energy Dept., Gok 4. Authorised Signatory</p>	<p>Chairperson Member Member Convener</p>
<p><b>(iii) Corporate Social Responsibility Committee :</b></p> <p>1. Director (Finance), KPTCL, Bengaluru 2. Director(Finance), BESCO, Bengaluru 3. Director(Tec), MESCOM, Mangaluru 4. Authorised Signatory</p>	<p>Chairman Member Member Convener</p>
<p><b>(iv) Borrowing Committee :</b></p> <p>1. Director (Finance), KPTCL, Bengaluru 2. Director(Finance), BESCO, Bengaluru 3. Director(Tec), MESCOM, Mangaluru 4. Authorised Signatory</p>	<p>Chairman Member Member Convener</p>

**C) Meetings of the Board and Board Sub-Committees**

<p><b>i) Board meetings</b></p> <p>65th Meeting 26.04.2017 66th Meeting 10.08.2017 67th Meeting 18.09.2017 68th Meeting 12.01.2018 69th Meeting 27.02.2018</p>	<p>5</p>
<p><b>ii) Purchase Committee meetings</b></p> <p>68th Meeting 18.04.2017 69th Meeting 24.10.2017 70th Meeting 06.01.2018 71st Meeting 26.02.2018 72nd Meeting 09.03.2018</p>	<p>5</p>
<p><b>iii) Audit Committee meeting</b></p> <p>23rd Meeting 10.08.2017</p>	<p>1</p>

**D) MESCOM Directors Attendance of Meetings for 2017-18**

Sl. No.	Name of the Director Shriyuths/Smts.	65th BM	66th BM	67th BM	68th BM	69th BM	23rd AC	68th PC	69th PC	70th PC	71st PC	72nd PC
		26.4.17	10.8.17	18.9.17	12.1.18	27.2.18	10.8.17	18.4.17	24.10.17	6.1.18	26.2.18	9.3.18
1	Jawaid Akhtar	P	P	-	-	P	-	-	-	-	-	-
2	Dr. Aditi Raja	P	P	P	P	-	P	-	-	-	-	-
3	H. Nagesh	-	P	P	P	P	-	-	P	P	P	-
4	Prachi Pandey	P	-	-	-	-	-	-	-	-	-	-
5	Dr. RC Chetan	-	-	-	P	P	-	-	-	-	-	-
6	Chikkananjappa	P	P	-	-	-	-	P	-	-	-	-
7	K. Ramakrishna	P	P	P	P	P	P	P	P	P	P	P
8	Ananda Naik	-	-	-	P	P	-	-	P	P	P	P
9	M.D Ravi	P	P	P	P	P	P	-	-	-	-	-
10	N. Thimmegowda	-	-	-	P	P	-	-	-	-	-	-
11	C. Adinarayana	P	-	-	-	-	-	P	-	-	-	-
12	A.N Jayaraj	P	P	P	P	P	-	-	-	-	-	-
13	M. Nagaraju	P	-	-	-	-	-	-	-	-	-	-
14	TR Ramakrishnaiah	-	-	P	P	-	-	-	-	-	-	-
15	S. Sanjeeva Shetty	P	P	P	P	P	-	-	-	-	-	-
16	Surendra B Kambaly	P	P	P	P	P	-	-	-	-	-	-
17	B.V. Jayaram	P	P	P	P	P	-	-	-	-	-	-
18	Riyaz Ahmad	P	P	P	P	P	-	-	-	-	-	-
19	Mallika P Pakkala	P	P	P	P	P	-	-	-	-	-	-
20	Abhilash P.V	-	-	-	-	-	-	-	-	-	-	-
21	Sudhir Kumar	P	P	P	P	P	-	-	-	-	-	-
22	J. Sadashiva Ameen	P	P	-	P	P	-	-	-	-	-	-
23	K.M Krishnappa	P	P	-	P	P	-	-	-	-	-	-
24	R. Mohan	P	P	P	P	P	-	-	-	-	-	-

**P : present**

**BM : Board Meeting, PC: Purchase Committee Meeting, AC: Audit Committee Meeting**

**(E) General Meetings:**

The 15th Annual General Body Meeting of the Company was held at the Registered Office of the Company on 27th September 2018 for consideration and adoption of accounts of the year 2016-17.

**(F) Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy:

- ❖ To direct CSR programs of MESCOM towards one or more of the following- promotion of education, preservation and enhancement of environmental and natural capital, promotion of sports, contributing to development and relief funds of government, contributing to the welfare of schedule castes and the scheduled tribe and other backward classes and minorities, promoting gender equality and women empowerment, promoting healthcare in rural areas, promotion of cultural activities.

- ❖ To engage in activities such as skill development, vocational training so as to enhance employability of persons from different sections of society.
  - ❖ Adopt approaches that contribute towards achieving balanced socio-economic development of the society.
  - ❖ To carry out CSR programs to full fill commitments arising from requests by government.
2. The Board has re-constituted a Corporate Social Responsibility Committee comprising of Director (Finance), KPTCL, Bengaluru, Director (Finance), BESCO, Bengaluru, Director (Tech), MESCOM, Mangaluru and authorized signatory as the convener.
  3. The Average net profit of the Company for the last three financial year: ₹ 11,75,74,813/-
  4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 23,51,496/-
  5. Details of CSR spent during the financial year:
    - (i) Total amount spent during the financial year: ₹ 37,17,914/-
    - (ii) Amount unspent, if any: ₹ Nil
    - (iii) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub - heads:	Cumulative expenditure upto to the reporting period	Amount spent Direct or through implementing agency
1	2	3	4	5	6	7	8
1	Consumer Education	Consumer Education	Mangalore	-	-	259200	
2	Consumer Education	Consumer Education	Mangalore	-	-	259200	
3	Consumer Education	Consumer Education	Mangalore	-	-	259200	
4	Consumer Education	Consumer Education	Mangalore	-	-	259200	
5	Consumer Education	Consumer Education	Mangalore	-	-	305856	
6	Consumer Education	Consumer Education	Bangalore	-	-	10000	
7	Consumer Education	Consumer Education	Mangalore	-	-	16000	
8	Consumer Education	Consumer Education	Mangalore	-	-	15000	
9	Consumer Education	Consumer Education	Mangalore	-	-	305856	
10	Consumer Education	Consumer Education	Mangalore	-	-	305856	
11	Consumer Education	Consumer Education	Mangalore	-	-	21000	

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub - heads:	Cumulative expenditure upto to the reporting period	Amount spent Direct or through implementing agency
1	2	3	4	5	6	7	8
12	Consumer Education	Consumer Education	Mangalore	-	-	26250	
13	Consumer Education	Consumer Education	Mangalore	-	-	36750	
14	Consumer Education	Consumer Education	Mangalore	-	-	36750	
15	Consumer Education	Consumer Education	Mangalore	-	-	36750	
16	Consumer Education	Consumer Education	Mangalore	-	-	75000	
17	Consumer Education	Consumer Education	Mangalore	-	-	20000	
18	Consumer Education	Consumer Education	Mangalore	-	-	20000	
19	Consumer Education	Consumer Education	Mangalore	-	-	15000	
20	Consumer Education	Consumer Education	Mangalore	-	-	10000	
21	Consumer Education	Consumer Education	Mangalore	-	-	15000	
22	Consumer Education	Consumer Education	Mangalore	-	-	47250	
23	Consumer Education	Consumer Education	Mangalore	-	-	26250	
24	Promotion of Sports	Promotion of Sports	Mangalore	-	-	75000	
25	Protection of Natural resource	Protection of Natural resource	Mangalore	-	-	400000	
26	Promotion of Sports	Promotion of Sports	Mangalore	-	-	500000	
27	Promotion of Sports	Promotion of Sports	Mangalore	-	-	25000	
28	Consumer Education	Consumer Education	Mangalore	-	-	336546	
	<b>TOTAL</b>					<b>37,17,914</b>	

6. **Responsibility Statement:** The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

### 28. Annual Return

Extract of Annual Return pursuant to the provisions of section 92 furnished in Annexure-3 (Form MGT-9)

### 29. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors wish to state that to the best of their knowledge:

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. Annual Accounts have been prepared for the Financial Year ended March 31, 2018 on a going concern basis.

### 30. General:

The Board would like to place on record its appreciation of:

- ❖ The Government of Karnataka, the Government of India, Central Electricity Authority, Comptroller & Auditor General of India, Central Electricity Regulatory Commission, Karnataka Electricity Regulatory Commission, Karnataka Power Transmission Corporation Ltd., Karnataka Power Corporation Ltd., & Power Company of Karnataka Ltd., for their assistance, guidance and co-operation.
- ❖ Financing agencies, such as Rural Electrification Corporation, Power Finance Corporation, Syndicate Bank, Canara Bank, Corporation Bank, Vijaya Bank, State Bank of India, Punjab & Sindh Bank, Indian Bank, Axis Bank, Karnataka Bank and Union Bank of India for their financial support.
- ❖ The media for publicity and creating awareness among the public.
- ❖ The Statutory Auditors and Cost Auditors for their guidance and support.
- ❖ All the agencies associated with the computerization of billing.
- ❖ The Employees, Employees' Union and other Associations of employees for their co-operation and collective participation.
- ❖ The Suppliers, Contractors and Consultants for their co-operation

Place : Mangalore  
Date : 18.09.2018

Sd/-  
(Dr. S. Selva Kumar)  
Chairman

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018**

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

To,

The Members,  
MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED  
Mescom Bhavana Bejai,  
Kavoor Cross Road,  
Mangalore-575 004.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mangalore Electricity Supply Company Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mangalore Electricity Supply Company Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**not applicable to the Company as it is an Unlisted Public Company**);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**not applicable to the Company as it is an Unlisted Public Company**);
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**not applicable to the Company as it is an Unlisted Public Company**):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Following other laws applicable to the Company:-
  - a. Electricity Act, 2003;
  - b. Contract Labour (Regulation and Abolition) Act, 1970;
  - c. Payment of Wages Act, 1936;
  - d. Industrial Disputes Act, 1947;
  - e. Employees State Insurance Act, 1948;
  - f. Maternity Benefit Act, 1961;
  - g. Minimum Wages Act, 1948;
  - h. Payment of Bonus Act, 1965;
  - i. Payment of Gratuity Act, 1972;
  - j. Provisions of Environment (Protection) Act, 1986;
  - k. The Water (Prevention and Control of Pollution) Act, 1974 and
  - l. The Air (Prevention and Control of Pollution) Act, 1981 and rules made there under.

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

- i. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges (**not applicable to the Company as it is an Unlisted Public Company**)

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. The Company has not constituted Nomination and Remuneration committee as required under Section 178 of the Companies Act, 2013. However as per the explanation provided to me since it is a Government Company all the Appointments and Remunerations thereof are decided by the Government of Karnataka.
- b. The Company has not appointed an Internal Auditor as per Section 138 of the Companies Act, 2013.
- c. During the year under review, the office of Mr. Abhilash Vijayakumari Prabhakaran Pillai, Director (DIN: 07532736) has become vacant pursuant to Section 167(1)(b) of the Companies Act, 2013 as he absents himself from all the meetings of the Board of Directors held during a period of twelve months.
- d. The Company has not made disclosure pursuant to Section 177(10) with respect to the establishment of vigil mechanism on its website.
- e. Provisions of Sec. 203 of the Companies Act, 2013 relating to Appointment of KMP by the Company is not complied with as the Company does not have a whole-time company secretary. However as per the explanation provided to me, measures have been taken to appoint Whole-time company secretary.
- f. The Fixed Assets Register maintained by the Company does not show full particulars such as asset identification number and its situation and also the said register is not maintained as per the provisions of the Act.
- g. The share application money pending for allotment amounting to ₹ 14,00,00,000/- remains unallotted for a period of over 60 days or allotted after the period of 60 days from the receipt of money and thereby provisions of the Companies (Acceptance of Deposit) Rules, 2014 are not complied with.

- h. During the year under review, no meeting of the CSR committee was held as per the requirement of Secretarial Standard on Meetings of the Board Of Directors.
- i. The Board of Directors meeting was not held for the third quarter of the year under review. However the company has complied with requirement of holding the Board of Directors meeting as per Section 173 of the Companies Act, 2013 in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.
- j. The company requires better compliance with regard to Secretarial Standards.

**I further report that**

The Board of Directors of the Company is duly constituted consisting of Executive Directors and Independent Directors on its Board for the Financial Year ended 31<sup>st</sup> March, 2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and were given atleast seven days in advance and wherein the Notice was given at a shorter period, agenda and detailed notes on agenda were not usually sent at least seven days in advance, but the consent for the shorter notice was obtained from the Directors entitled to attend the Board Meeting as per Section 173(3) of the Companies Act, 2013.

The 15<sup>th</sup> Annual General Meeting of the Company was held on Wednesday 27<sup>th</sup> September, 2017 though as per the provisions of the Companies Act, 2013 the Annual General Meeting of the Company is to be held within 6 months from the date of closing of the Financial Year that is on or before 30<sup>th</sup> September, 2017.

The Annual General Meeting of the Company was held with the shorter notice but the consent for the shorter notice was obtained by the Company as per Section 101(1) of the Companies Act, 2013.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to the observation that has already been made by the Statutory Auditors in their Report.

**I further report that** during the audit period, the Company does not have specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Ullas Kumar Melinamogaru & Associates**  
Practising Company Secretaries

**Sd/-**  
**CS Ullas Kumar Melinamogaru**  
**Proprietor**  
**FCS 6202, CP No. 6640**

**Date : 06.08.2018**

**Place : Mangaluru**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

## Annexure - A

To,

The Members,  
Mangalore Electricity Supply Company Limited,  
Mescom Bhavana Bejai,  
Kavoor Cross Road,  
Mangalore-575 004.

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

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

*For Ullas Kumar Melinamogaru & Associates  
Practising Company Secretaries*

*Sd/-*

**CS Ullas Kumar Melinamogaru**  
**Proprietor**  
**FCS 6202, CP No. 6640**

Date : 06.08.2018  
Place : Mangaluru

## Annexure -2

Management Replies to the observations of Secretarial Auditors [M/s Ullas Kumar Melinamogaru & Associates, Practicing Company Secretary, Mangalore] in their report for 2017-18

Observations	Management reply
a. The Company has not constituted Nomination and Remuneration committee as required under Section 178 of the Companies Act, 2013. However as per the explanation provided to me since it is a Government Company all the Appointments and Remunerations thereof are decided by the Government of Karnataka.	Whole time directors are appointed by Govt. of Karnataka and the officials are given their scale of pay in the parent department / organization - hence no role for such committee.
b. The Company has not appointed an Internal Auditor as per Section 138 of the Companies Act, 2013.	Company has already formed separate Internal Auditors wing in its first Board meeting, which is headed by Financial Adviser to carry out regular audit and special investigation.
c. During the year under review, the office of Mr. Abhilash Vijayakumari Prabhakaran Pillai, Director(DIN: 07532736) has become vacant pursuant to Section 167(1)(b) of the Companies Act, 2013 as he absents himself from all the meetings of the Board of Directors held during a period of twelve months.	Noted. At present Mr. Abhilash Vijayakumari Prabhakaran Pillai, Director (DIN: 07532736) is not holding any office at MESCOM.
d. The Company has not made disclosure pursuant to Section 177(10) with respect to the establishment of vigil mechanism on its website.	MESCOM has separate Audit Committee which is a sub Committee of the Board, an independent Internal Audit wing headed by the Financial Advisor, and a separate vigilance wing headed by the group 'A' officer which provide a forum to report grievances.  As per the section 177(10) the information about Audit Committee, Internal Audit and vigilance are disclosed in the Board's report.
e. Provisions of Sec.203 of the Companies Act, 2013 relating to Appointment of KMP by the Company is not complied with as the Company does not have a whole-time Company Secretary. However as per the explanation provided to me, measures have been taken to appoint Whole-time Company Secretary.	The subject of recruitment of a whole-time Company Secretary to MESCOM is in progress.
f. The Fixed Assets Register maintained by the Company does not show full particulars	Owing to the particular nature of power distribution business, it has not been possible

Observations	Management reply
<p>such as asset identification number and its situation and also the said register is not maintained as per the provisions of the Act.</p>	<p>allot asset identification number to all assets of the company. However, Fixed asset register maintained at the division office give particulars about the nature of assets, year of installation etc.</p>
<p>g. The share application money pending for allotment amounting to ₹ 14,00,00,000/- remains un allotted for a period of over 60 days or allotted after the period of 60 days from the receipt of money and thereby provisions of the Companies (Acceptance of Deposit) Rules, 2014 are not complied with.</p>	<p>₹ 14.00Cr is the MESCOM's share of allocation given by GoK out of total payment of ₹ 70 Crs made to M/s Jurala Power Project through M/s PCKL as an Investment in Power Utilities for consideration at the time of filing of power tariff before CERC.</p> <p>As there is no specific direction as to issue of shares to GoK, correspondence with regard to issue of shares is in progress. Further, under section 2(31) of the Companies Act, deposit does not include any amount received from a State Govt and hence could not attract the provision of the Companies Acceptance of Deposit Rules 2014.</p>
<p>h. During the year under review, no meeting of the CSR committee was held as per the requirement of Secretarial Standard on Meetings of the Board of Directors.</p>	<p>The Secretarial Standard on Meetings says that, the Committees shall meet as often as necessary subject to the minimum number and frequency stipulated by the Board or as prescribed by any law or authority. The minimum number and frequency are not stipulated by the Board.</p>
<p>i. The Board of Directors meeting was not held for the third quarter of the year under review. However the company has complied with requirement of holding the Board of Directors meeting as per Section 173 of the Companies Act, 2013 in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.</p>	<p>The time gap between two Board of Directors meetings has not exceeded 120 days. Hence there is no violation of provisions of Section 173 of the Companies Act, 2013.</p>
<p>j. The company requires better compliance with regard to Secretarial Standards.</p>	<p>Noted.</p>

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2018**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U40109 KA 2002 SGC 030425
2.	Registration Date	29/04/2002
3.	Name of the Company	MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED
5.	Address of the Registered office & contact details	MESCOM BHAVANA, KAVOOR CROSS ROAD, BEJAI MANGALORE-575004. Tel:0824-2885700
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	—

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	ELECTRICITY	35109/Distribution of power to Domestic/Commercial & industrial usage	100%

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Subsidiary Company- NIL

CIN: -NA-

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

Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]			No. of Shares held at the end of the year [As on 31-March-2018]			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a) Individual/ HUF	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	358070231	358070231	100%	358070231	358070231	100%	-
d) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>358070231</b>	<b>358070231</b>	<b>100%</b>	<b>358070231</b>	<b>358070231</b>	<b>100%</b>	<b>-</b>
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
<b>Sub-total (B)(1) :-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>							
a) Bodies Corp.	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-

Category of shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]			No. of Shares held at the end of the year [As on 31-March-2018]			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
Foreign Bodies-DR	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-
<b>Grand Total (A + B + C)</b>	<b>358070231</b>	<b>358070231</b>	<b>100%</b>	<b>358070231</b>	<b>358070231</b>	<b>100%</b>	-

**B) Shareholding of Promoter-**

Sl. No.	Shareholders Name	Shareholding at the beginning of the financial year			Shareholding at the end of the financial year			% Change in shareholding during the year
	Sriyuths / Smt	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	His Excellency Governor Of Karnataka	358070222	100	-	358070222	100	-	-
2	Jawaid Akthar	1	-	-	-	-	-	-
3	Dr. S Selvakumar	-	-	-	1	-	-	-
4	Chikkananjappa	1	-	-	-	-	-	-
5	Raghuprakash N	-	-	-	2	-	-	-
6	Dr. Aditi Raja	1	-	-	1	-	-	-
7	ISN Prasad	1	-	-	1	-	-	-
8	M.D. Ravi	1	-	-	1	-	-	-
9	K Ramakrishna	1	-	-	-	-	-	-
10	H Nagesh	1	-	-	-	-	-	-
11	Dr RC Chetan	-	-	-	1	-	-	-
12	Dr. K.G Jagadish	1	-	-	-	-	-	-
13	Shashikanth Senthil S	-	-	-	1	-	-	-
14	Javid Rubbani	1	-	-	1	-	-	-

**C) Change in Promoters' Shareholding (please specify, if there is no change) – There was no change.**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
At the beginning of the year	358070231	100	358070231	100
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	-	-	-	-
<b>At the end of the year</b>	<b>358070231</b>	<b>100</b>	<b>358070231</b>	<b>100</b>



**D) Shareholding Pattern of top ten Shareholders:**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
At the beginning of the year	As at Item IV (B)			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	“			
<b>At the end of the year</b>	“			

**E) Shareholding of Directors and Key Managerial Personnel:**

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
<b>At the end of the year</b>	-	-	-	-

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment. as on 31.03.2018 (₹ in Crs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	GoK Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	546.32	-	1.26	519.81	1067.39
i) Interest due but not paid	0.49	-	-	-	0.49
iii) Interest accrued but not due	0.20	-	-	-	0.20
<b>Total (i + ii + iii)</b>	<b>547.01</b>	-	<b>1.26</b>	<b>519.81</b>	<b>1068.08</b>
<b>Change in Indebtedness during the financial year</b>					
* Addition	313.54	-	-	53.92	367.46
* Reduction	197.22	-	0.08	-	197.30
<b>Net Change</b>	<b>116.32</b>	-	<b>-0.08</b>	<b>53.92</b>	<b>170.16</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	662.64	-	1.18	573.73	1237.55
ii) Interest due but not paid	1.24	-	-	-	1.24
iii) Interest accrued but not due	0.13	-	-	-	0.13
<b>Total (i + ii + iii)</b>	<b>664.01</b>	-	<b>1.18</b>	<b>573.73</b>	<b>1238.92</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

(₹)

SI. NO	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Managing Director		Director (Technical)		
1.	Gross salary	From 1.4.2017 to 22.8.2017	From 23.8.2017 to 31.3.2018	From 1.4.2017 to 22.8.2017	From 15.9.2017 to 31.3.2018	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Sri Chikkanajappa ₹ 608736	Sri. K. Ramakrishna ₹ 930710	Sri. K. Ramakrishna ₹ 646260	Sri Ananda Naik ₹ 604884	2790590
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	4392	-	4392	8784
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961					-
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify	82804	77233	79725	74314	314076
	<b>Total (A)</b>	<b>691540</b>	<b>1012335</b>	<b>725985</b>	<b>683590</b>	<b>3113450</b>
	Ceiling as per the Act					

**B. Remuneration to other directors**

SI. NO	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	----	
1.	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings (Is shown in table below)	-	-	-	-	--
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	<b>Overall Ceiling as per the Act</b>	-	-	-	-	-

**Fee for attending board committee meetings during FY 2017-18**

SI. NO	Name of the Director Shri/Smt.	Number of meetings attended				Sitting Fee ₹
		Board Meeting	Purchase Committee Meeting	Audit Committee	CSR Meeting	
1.	Jawaid Akhtar	3	-	-	-	3,000.00
2.	Dr. Aditi Raja	4	-	1	-	5,000.00

Sl. NO	Name of the Director Shri/Smt.	Number of meetings attended				Sitting Fee (₹)
		Board Meeting	Purchase Committee Meeting	Audit Committee	CSR Meeting	
3.	H. Nagesh	4	3	-	-	7,000.00
4.	Prachi Pandey	1	-	-	-	1,000.00
5.	Dr. RC Chetan	2	-	-	-	2,000.00
6.	Chikkananjappa	2	1	-	-	-
7.	K. Ramakrishna	5	5	1	-	-
8.	Ananda Naik	2	4	-	-	-
9.	M.D Ravi	5	-	1	-	6,000.00
10.	N. Thimmegowda	2	-	-	-	2,000.00
11.	C. Adinarayana	1	1	-	-	2,000.00
12.	A.N Jayaraj	5	-	-	-	5,000.00
13.	M. Nagaraju	1	-	-	-	1,000.00
14.	TR Ramakrishnaiah	2	-	-	-	2,000.00
15.	S. Sanjeeva Shetty	5	-	-	-	15,000.00
16.	Surendra B Kambaly	5	-	-	-	15,000.00
17.	B.V. Jayaram	5	-	-	-	15,000.00
18.	Riyaz Ahmad	5	-	-	-	15,000.00
19.	Mallika P Pakkala	5	-	-	-	15,000.00
20.	Abhilash P.V	-	-	-	-	-
21.	Sudhir Kumar	5	-	-	-	15,000.00
22.	J. Sadashiva Ameen	4	-	-	-	12,000.00
23.	K.M Krishnappa	4	-	-	-	12,000.00
24.	R. Mohan	5	-	-	-	15,000.00
	<b>Total Rs.</b>					<b>1,65,000.00</b>

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		-	CFO	-	-	Total
1.	Gross salary		From 1.4.2017 to 31.3.2018	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	Sri D. R. Srinivasa ₹ 1787878	-	-	₹ 1787878
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	4392	-	-	4392
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit others, specify...	-	163808	-	-	163808
5	Others, please specify	-	-	-	-	-
	<b>Total</b>		<b>1956078</b>			<b>1956078</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-