

21st Annual Report
2022-23



Bangalore Electricity Supply Company Limited



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BOARD OF DIRECTORS & COMPANY SECRETARY

(As on the date of AGM)

Sl.No.	Sriyuths/Smt	Board
1	Sri. K.J. George Honorable Energy Minister GoK.	Chairman
2	Sri. Gaurav Gupta, IAS	Independent Director
3	Sri. Pankaj Kumar Pandey, IAS	Independent Director
4	Dr. Jaffer P.C, IAS	Director
5	Sri. Mahantesh Bilagi, IAS	Managing Director
6	Sri. Darshan J. IRS	CFO & Director (Finance)
7	Sri. H. J. Ramesh, BE	Director(Technical)
8	Sri. Krishnappa V.	Independent Director
9	Sri. R.H.Lakshmipathy	Director
10	Sri. K.Shivanna	Director
11	Smt. Suma G.P	Company Secretary

STATUTORY AUDITORS

M/s. A. RAGHAVENDRA RAO & ASSOCIATES

Chartered Accountants, Bengaluru.

SECRETARIAL AUDITORS

M/s. H.M. PRASANNA & ASSOCIATES

Company Secretaries, Bengaluru.

COST AUDITORS

M/s. GNV & ASSOCIATES

Cost Accountants, Bengaluru.

Registered Office : Corporate Office, K.R.Circle, Bengaluru-560 001, Karnataka

Bangalore Electricity Supply Company Limited

(Wholly owned Government of Karnataka Undertaking)
(CIN- U04010KA2002SGC030438)

Registered Office : Corporate Office, K.R.Circle, Bengaluru – 560 001

Telephone No. : 080-22266011 / 22266033, Fax No. 080-22354925
Website: <https://bescom.karnataka.gov.in/> E-mail : cs@bescom.co.in

SHORTER NOTICE OF 21st ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting (AGM) of the members of the "**Bangalore Electricity Supply Company Limited**" will be held on **Friday, 29th September 2023 at 12.00 Noon** at Board Room, MD Block, Corporate Office, BESCOM, K.R.Circle, Bangalore-560001 on a SHORTER NOTICE and Directors/ members/Auditors may also participate physically or through video conference and other audio visual means (VC) to transact the following business:

ORDINARY BUSINESS:

Item No.1: Consideration/adoption of Annual Financial Statements for the FY 2022-23 and reports of the Board of Directors and Auditors.

To receive, consider and adopt the Annual Financial Statements of the Company for the year ended 31 March 2023 viz. audited Balance Sheet as at 31 March 2023, the statement of Profit & Loss and Cash Flow for the year ended on that date, Notes to Accounts, Accounting Policies, Report of the Board of Directors, Statutory Auditors report and Comments Certificate received from the Comptroller & Auditor General of India under Section 146 (6)(b) of the Companies Act, 2013.

SPECIAL BUSINESS:

Item No.2: Ratification of appointment of Cost Auditors and their remuneration for the FY 2023-24 by Board of Directors pursuant to Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014:

To pass with or without modification the following as Ordinary Resolution: **RESOLVED THAT** pursuant to provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) rules, 2014, appointment of M/s GNV & Associates, Cost Accountants, No.8, 1st Floor, 4th Main road, Chamarajpet, Bengaluru-560018 as Cost Auditor for auditing the cost account records of BESCOM for the FY 2023-24 made by Board of Directors at its 124 Meeting held on 22 August, 2023 with professional fees of Rs 2,00,000/- (Rupees Two lakhs only) plus applicable GST plus out of pocket expenses at actuals be and is hereby **RATIFIED**

Item No.3: Noting & Confirming the appointment of Directors on the Board of the Company.

Government of Karnataka has appointed Six Directors on the Board of the Company during the FY 2022-23.

To consider and if thought fit, with or without modification pass the following resolution as Ordinary Resolution.

“RESOLVED THAT appointment of following Directors on the Board of BESCOM by the Government of Karnataka during FY 2022-23 be and is hereby noted & confirmed.

Sl. No.	Newly appointed Director	Date of Appointment	Position in Board	Government Notification No. & Date
1	Sri.Kapil Mohan,IAS.,	20.02.2023	Chairman, BESCOM	ENERGY103 EEB 2023 20.02.2023
2	Sri.Mahantesh Bilagi, IAS.,	18.07.2022	Managing Director	E-DPAR 300 SAS 2022 18.07.2022
3	Sri. Ramesh.H.J,	16.02.2023	Director (Technical)	ENERGY 100 EEB 2023 16.02.2023
4	Sri.R.H.Lakshmipathy	01.07.2022	Director	ENERGY 275 EEB 2022 01.07.2022
5	Sri.K.Shivanna	07.11.2022	Director	ENERGY 510 EEB 2022 07.11.2022
6	Sri.Krishnappa V	24.11.2022	Director	ENERGY 376 EEB 2022 24.11.2022

By order of the Board of Directors
For Bangalore Electricity Supply Company Limited

Sd/-
(SUMA.G.P)
Company Secretary

To:

1. All Shareholders- by name
2. All the Directors - by name
3. The Statutory Auditors - by name
4. The Secretarial Auditors - by name
5. The Cost Auditors - by name



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Website: <https://bescom.karnataka.gov.in/> E-mail : cs@bescom.co.in

EXPLANATORY STATEMENT

(under Section 102(1) of Companies Act, 2013)

SPECIAL BUSINESS :

ORDINARY RESOLUTION

Item No.2: Ratification of appointment of Cost Auditors and their remuneration for the FY 2023-24 by Board of Directors pursuant to Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014:

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, Board of every company covered under the said Rules, in respect of each of its financial year commencing on or after the 1st day of April, 2014, shall appoint a Cost Auditor and file notice of such appointment with Central Government.

Accordingly Board of Directors at its 124th Meeting held on 22-08-2023 have appointed M/s. GNV & Associates, Cost Accountants, No.8, 1st Floor, 4th Main road, Chamarajpet, Bengaluru- 560018 as Cost Auditor for auditing the cost account records of BESCOM for the FY 2023-24 with professional fees of Rs.2,00,000/- (Rupees Two lakhs only) plus applicable GST plus out of pocket expenses at actuals.

Members are requested to kindly RATIFY the same.

ORDINARY RESOLUTION

Item No.3: Noting & Confirming the appointment of Directors on the Board of the Company

Article 51 of Articles of Association of BESCOM - Appointment and remuneration of Director(s), Chairman, Chairman & Managing Director, Managing Director, & Whole time Directors states that "Subject to the provisions of the Act, so long as the entire paid up share capital in the Company is held by the Government of Karnataka or by the Central Govt. or by the Govt. of Karnataka and Central Govt. or by a subsidiary of a wholly owned Govt. Company, the Govt. of Karnataka shall have the right to nominate and appoint all the Directors of the Board of the Company and shall have also the right to remove the Director(s) from office at any time at its absolute discretion and appoint another /others in his/their place(s) and also fill any vacancy which may occur as a result of such Director(s) ceasing to hold office for any reason whatsoever."

Accordingly, Government of Karnataka has appointed Six Directors on the Board of the Company during the FY 2022-23.

None of the Directors, Key Managerial Personnel or their relatives (except above directors) are, in any way, concerned or interested (financial or other wise) in the passing of above resolution.

By order of the Board of Directors
For Bangalore Electricity Supply Company Limited

Sd/-
(SUMA.G.P)
Company Secretary

Bangalore Electricity Supply Company Limited

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NOTES:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members who is attending the AGM in person.
2. The Members who wish to join the AGM in the VC/OAVM mode can join 15 minutes before the scheduled time of the commencement of the Meeting.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at cs@bescom.co.in or csbescom@gmail.com.
5. The register of Directors and Key Managerial Personnel and their Shareholding maintained under section 170 of Act, the Annual Report and Annual Accounts of the subsidiary companies whose Annual Accounts have been consolidated with that of the Company and other documents referred to in the Notice, are open for inspection at the Registered Office of the Company on all working days, except Sunday and other holidays, between 10.00A.M. to 5.30 P.M. up to the date of the Annual General Meeting. Members seeking to inspect such documents can send an email to cs@bescom.co.in or csbescom@gmail.com with the subject line "BESCOM AGM". However, the same will be available electronically for inspection by the members during the AGM.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://bescom.karnataka.gov.in/>
7. AGM has been convened through VC/OAVM also in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No.10/2022 dated: 28.12.2022.
8. In keeping with the Ministry of Corporate Affairs Green Initiatives measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including Notice, Directors reports etc. from the Company electronically.

By order of the Board of Directors
For Bangalore Electricity Supply Company Limited

Sd/-
(SUMA.G.P)
Company Secretary

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General guidelines for VC participation:

- (1) Members may note that the AGM of the Company will be convened through VC in compliance with the applicable provisions of the Companies Act, 2013, read with the Circulars. The facility to attend the meeting through VC will be provided by the Company.
- (2) The facility of joining the AGM through VC / OAVM will be opened 15 minutes before the scheduled start-time of the AGM.
- (3) Members can participate in the AGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity.
- (4) Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any of the aforementioned glitches.

BY ORDER

Sd/-
COMPANY SECRETARY
BESCOM

Bangalore Electricity Supply Company Limited

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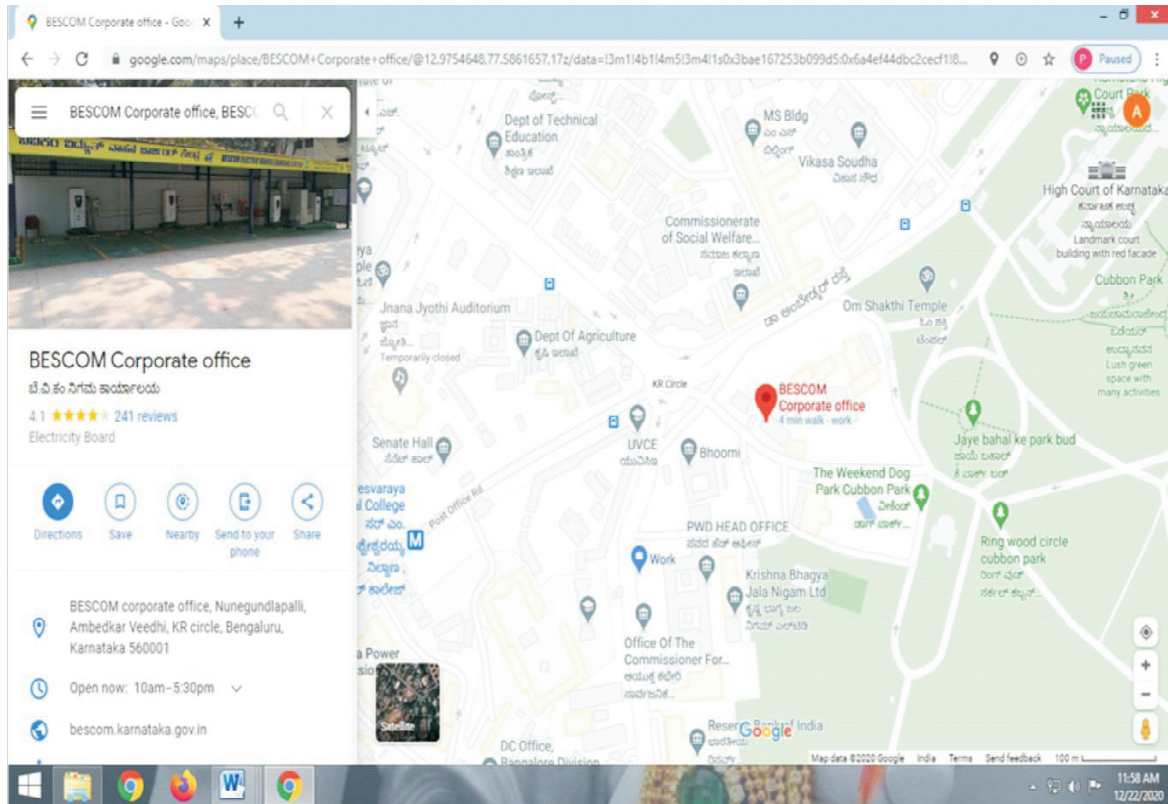
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Route Map to the Venue of Annual General Meeting

“Bangalore Electricity Supply Company Limited”

Address :

Board Room, BESCOM, Corporate Office, K.R.Circle, Bengaluru-560001.



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ATTENDANCE SLIP

21st ANNUAL GENERAL MEETING – 2023

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I/ We hereby record my/our presence at the 21st Annual General Meeting of **BESCOM** on **Friday, 29th September 2023 at 12.00Noon** at Board Room, MD Block, Corporate Office, BESCOM, K.R.Circle, Bangalore-560001.

Folio No./DP ID-Client ID :

Full Name of the Shareholder in Block Letters :

No. of Shares held :

Name of Proxy (if any) in Block Letters :

Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable

**Bangalore Electricity Supply Company Limited**(Wholly owned Government of Karnataka Undertaking)
(CIN- U04010KA2002SGC030438)**Registered Office : Corporate Office, K.R.Circle, Bengaluru – 560 001**Telephone No. : 080-22266011 / 22266033, Fax No. 080-22354925
Website: <https://bescom.karnataka.gov.in/> E-mail : cs@bescom.co.in**FORM NO. MGT-11
PROXY FORM****(Pursuant to Section 105 (6) of the Companies Act 2013 and rule 19 (3) of the
Companies (Management and Administration Rules 2014)**CIN:
Name of the Company:
Registered Office:

Name of the Member	
Registered address	
E-mail Id	
Folio No./Client Id	
DP ID	NA

I/We, being the member(s) of (.....) shares of the
above-named company, hereby appoint

1	Name	
	Address	
	Email ID	
	Signature	

Or failing him/her;

2	Name	
	Address	
	Email ID	
	Signature	

Or failing him/her;

3	Name	
	Address	
	Email ID	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of
the Company, to be held on **Friday, 29th September 2023 at 12.00 Noon at Board Room, MD Block,
Corporate Office, BESCOM, K.R.Circle, Bangalore-560001** and at any adjournment thereof in respect of
such resolutions as are indicated below:

(I)

Signed this..... day of..... 2023

Signature of shareholder:

Signature of Proxy holder(s):

Affix
Revenue
stamp**Note:** This form of proxy in order to be effective should be duly completed and deposited at the
Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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THE COMPANIES ACT, 2013

Consent by Shareholders for Shorter Notice And consent to hold at any place (Pursuant to Section 101)

To,
The Board of Directors,
M/s.Bangalore Electricity Supply Company Limited
Corporate Office,
K.R.Circle,
Bengaluru-560001.

Respected Sir/Madam,

I, the undersigned, a shareholder / GoK nominee shareholder of Bangalore Electricity Supply Company Limited give my consent pursuant to proviso to sub-section (1) of Section 101 of the Companies Act, 2013, to hold the **21st Annual General meeting on 29th September, 2023 at 12.00Noon, at a shorter notice.**

Date:

Signature

Place:Bangalore

[Name:]

CHAIRMAN'S MESSAGE



Dear Shareholders, Directors,

Welcome to the 21st Annual General Meeting of the Company.

It is my immense pleasure and privilege to present this 21st Annual Report for the Financial Year 2022-23 as Bangalore Electricity Supply Company Limited has successfully accomplished its 21st year of journey towards attaining its vision and mission. Management of BESCOM is consistently leaving no stone unturned to achieve sustainable growth and creation of long term value for both society and stakeholders serving nearly 139.01 lakhs consumers besides focusing on operational efficiency to boost its revenue. BESCOM has constantly strived and initiated progressive measures in the areas of Demand Side Management, Operations, implementation of High Voltage Distribution System, Niranthara Jyothi Yojana, Integrated Power Development Scheme and others.

Enhancing better quality services to the consumers is a key priority of the Company. In this regard, IT infrastructure upgradation, IT Security implementation and implementation of Mobile App, new design for transformer structure, operating centre for excellence, operating LED street lighting, establishment of integrated 24X7 Consumer Helpline, Whatsapp Helpline, organizing Customer Interaction Meeting on third Saturday of every month in all the Sub-Divisions of BESCOM, Gruha Jyothi -prestigious scheme of Government of Karnataka etc., have been initiated and strengthened to address the consumer grievances swiftly. The Government of Karnataka and Karnataka Electricity Regulatory Commission have continued to be instrumental in encouraging the initiatives and action taken by BESCOM.

It is noteworthy to mention that BESCOM is notified as the State Nodal Agency by Government of Karnataka several years ago for setting up of charging infrastructure for electric vehicles in the State. In this connection, BESCOM has developed 'EV Mitra' mobile app to provide information on EV charging stations and also organized EV Abhiyan and EV EXPO to promote the usage of electric vehicles.

Moving ahead, our goal shall be to provide timely and high quality service to the consumers by ensuring availability of uninterrupted quality power, power on demand, reducing losses and adopt state of the art technology in all areas and achieve stability and excellence in the financial arena.

To conclude, I would like to take this opportunity to thank our employees, whose unstinting efforts have facilitated us in accomplishing one more milestone. I would also like to express my sincere gratitude to all our stakeholders for their unceasing support in our journey towards sustainable growth by facilitating adoption of latest technologies and fostering the theme of consumer-centric, resilience, competitiveness and a commitment to create larger societal value, there by contributing vastly to State and Indian economy in the immediate as well as in the long run.

Date : 29.09.2023

Place: Bengaluru

Sd/-
Chairman

Bangalore Electricity Supply Company Limited

(Wholly owned Government of Karnataka Undertaking)

(CIN - U04010KA2002SGC030438)

DIRECTOR'S REPORT

Dear Members,

Board of Directors of Bangalore Electricity Supply Company Limited (BESCOM) has pleasure in presenting the Twenty-First Annual Report, for the year 2022-23 and the audited financial statements of the Company for the financial year ended on 31st March 2023 pursuant to Section 134 of Companies Act, 2013.

- (1) Bangalore Electricity Supply Company Limited was incorporated on 30th April 2002 under the Companies Act, 1956 and commenced its operations with effect from 1st June 2002.
- (2) The Company has successfully completed twenty-one years in the "Distribution of Electricity". The Company having its headquarters at Bangalore City has its jurisdiction comprising the districts of Bangalore Urban, Bangalore Rural, Kolar, Ramanagara, Chikkaballapura, Tumkur, Davanagere and Chitradurga.
- (3) During the year 2022-23, the Company took various initiatives for rendering best services in line with Government's objectives and policies. The Company had set its agenda for quality service in "Distribution of Electricity" to its consumers by strengthening the network system and improved efficiency measures in the field of information technology also.
- (4) BESCOM continued its pursuit of higher-level goals in the direction of increased metered sales, increased revenue collection, meaningful energy audit at 11 KV & below and increased customer care activities using information technology by reducing human intervention etc. All these have been ably supported by the employees and the result is reflected in present improved position of the Company.

The progress of the Company on different parameters is enumerated here under:

I. STRATEGY AND VISION OF THE COMPANY:

The vision of BESCOM is to become Number One in customer satisfaction in South Asia in power distribution. In order to achieve this vision, the Company has drawn up a strategy with focus on customer satisfaction, regulatory compliances and meeting stakeholders expectations etc.

II. MISSION:

The Mission of BESCOM is to ensure absolute consumer satisfaction and continuous profit in business by:

- (a) Ensuring total employee satisfaction.
- (b) Developing infrastructure commensurate with growth, thus ensuring reliable and quality power supply.
- (c) Using best technology in communication and best practices in power sector.

III. PERSPECTIVE:

BESCOM covers a contiguous area of 41,092 Sq. Kms with a population of 207 Lakhs and serves more than 139.01 Lakhs customers. The total asset is worth Rs. 36462.60 crores as on 31st March 2023.

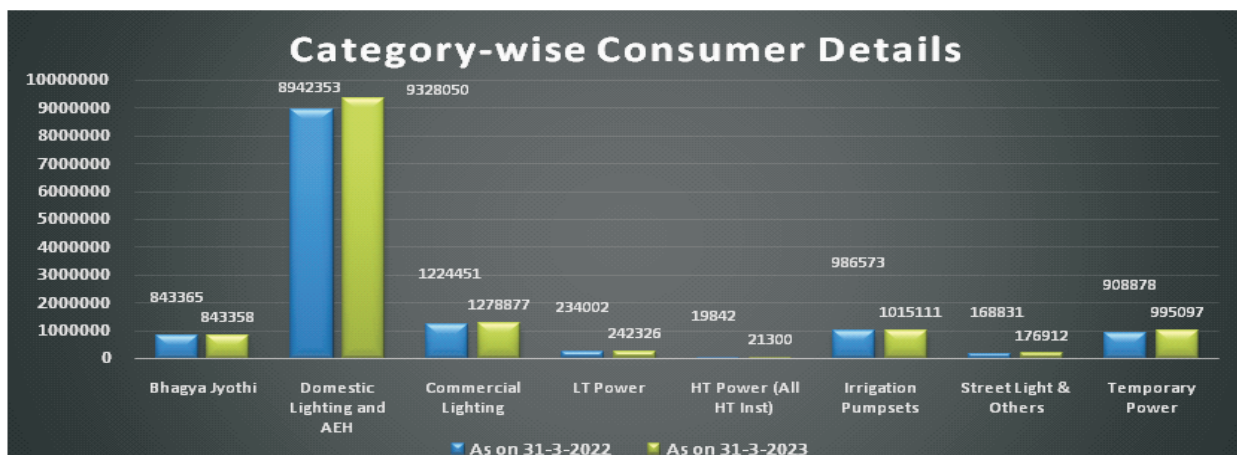
1	Area	41,092 Sq. Kms
2	District	8
3	Population	20.7 million
4	Consumers	13.90 million
5	No. of DTCs	4,78,361
6	HT Line length	132022.24 rkm
7	LT Line length	184876.40 rkm
8	Employee Strength	
	Sanctioned	24755
	Working	14478
9	Total Assets	36,462.60 Crores

(a) Consumer Population:

Consumer Population served by BESCOM is steadily increasing and recorded an increase of 4.30% in FY-23 over previous year. The number of consumers existing as on 31-03-2023 stands at:

Category-wise consumer details

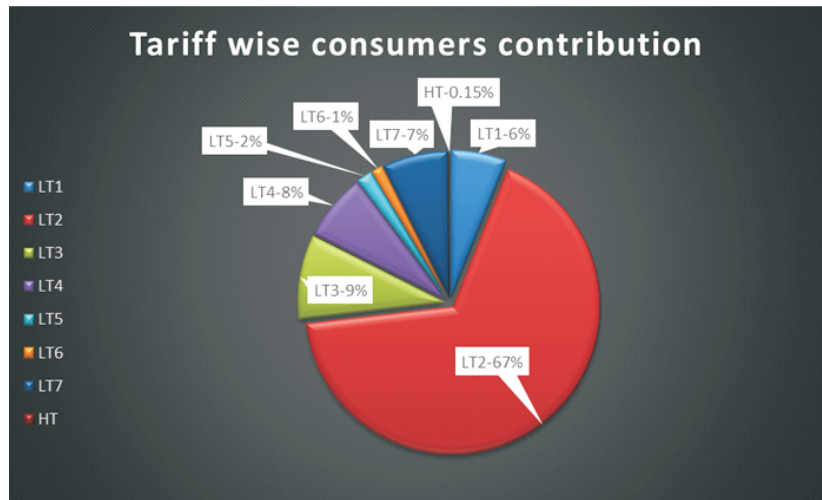
SL.NO.	Category	As on 31-3-2022	As on 31-3-2023	% of Increase
1	Bhagya Jyothi	843365	843358	-0.0008
2	Domestic Lighting and AEH	8942353	9328050	4.31
3	Commercial Lighting	1224451	1278877	4.44
4	LT Power	234002	242326	3.56
5	HT Power (All HT Inst)	19842	21300	7.35
6	Irrigation Pumpsets	986573	1015111	2.89
7	Street Light & Others	168831	176912	4.79
8	Temporary Power	908878	995097	9.49
TOTAL		13328295	13901031	4.30



(b) Tariff-wise number of consumers & its proportion to the total as on 31.03.2023

Tariff	LT1	LT2	LT3	LT4	LT5	LT6	LT7
Number of consumers	843358	9328050	1278547	1015111	242326	177242	995097
% To Total	6.07	67.10	9.20	7.30	1.74	1.28	7.16

Tariff	HT EV	HT1	HT2A	HT2B	HT2C	HT3	HT4	HT5	TOTAL
Number of consumers	14	301	8311	8785	1068	88	535	2198	13901031
% To Total		0.15							100

**IV. FINANCIAL PERFORMANCE :****Statement of Profit and Loss for the period ended 31st March 2023**

Amount Rs. in Crs.

Particulars		Year Ended on 31st March 2023 (Ind AS)	Year Ended on 31st March 2022 (Ind AS)
I	Income		
	Revenue from operations	26,235.49	21,605.91
	Other Income	230.83	147.50
	Total Income	26,466.32	21,753.41
II	Expenses		
	Purchase of Power	22,334.90	17,617.30
	Other Operating expenses	261.88	216.55
	Employee benefits expense	2,012.11	1,583.05
	Finance costs	1,228.96	1,058.51
	Depreciation and amortisation expense	1,053.95	910.38
	Other Expenses	559.67	661.64
	Total Expenses	27,451.46	22,047.44
III	Profit/loss before exceptional items	(985.14)	(294.03)
	Exceptional Items		-
IV	Profit/loss before tax	(985.14)	(294.03)

V	Tax expenses		
	Current Tax		
	Deferred Tax liability	93.66	(16.29)
VI	Profit for the period before movement in Regulatory deferral account balance	(1,078.80)	(277.74)
	Net Movement in Regulatory deferral account balances related to profit or loss	(688.69)	(2,641.80)
	Profit for the period and movement in Regulatory deferral account balance	(1,767.49)	(2,919.54)
	Other comprehensive income: Items that will not be reclassified subsequently to profit or loss : Re-measurement of the net defined benefit liability		
VII	Total Other comprehensive income/(loss) for the period, net of tax		
VIII	Total Comprehensive income for the period	(1,767.49)	(2,919.54)
IX	Earnings per share excluding net movement of Regulatory (In Rupees)		
	Basic/Diluted	(8.03)	(2.07)
X	Earnings per share (In Rupees)		
	Basic/Diluted	(13.16)	(21.73)

V. Quantitative details of Power Purchase, Distribution Loss and Transmission Loss (As complied and certified by the Management)

Distribution Loss

In MUs.

Sl.No.	Particulars	FY 2022-23
1	Total Energy at Interface Point*	32334.64
2	Total Metered Sales	23078.56
3	Total Un-metered sales	6278.30
4	Total Sales (2+3)	29356.46
5	Distribution Loss (1-4)	2978.18
6	Percentage of Distribution Loss (5/1)x100	9.21%

Transmission Loss:

In MUs.

Sl.No.	Particulars	FY 2022-23
1	Total Energy purchased at Generation Point*	34270.89
2	Total Energy at Interface Point*	32334.64
3	Transmission Loss (1-2)	1936.25
4	Percentage of Transmission Loss (3/1)x100	5.65%

(*) Note: On account of the staggered billing cycle from April-2022 to March-23, the input from March-22 to Feb-23 is considered against the energy billed during the FY 2022-23.

Method proposed by Central Electricity Authority vide order dated 30.06.2023			FY-23	Remarks
Sl. No.	Particulars	Description in detail	Mu's and Amount in Crs	
A	Input Energy (MUs)	Energy Generated-Auxiliary consumption Energy purchased (Gross) - Energy traded/ Interstate sales	34270.89	At Generation point
B	Transmission Losses (MUs)		1936.25	
C	Net Input Energy (MUs)	Gross Input Energy - Transmission Losses	32334.64	At IF Point (Gross Energy available for Sale)
D	Energy Sold (MUs)	Energy sold to all categories of consumers excluding units of Energy Traded/Inter-State Sales	29356.46	Energy sold including Agricultural assessed sales –Refer ARR (Col 4) item under row "Total -4"
E	Revenue from Sale of Energy (Rs. Crs.)	Revenue from Sale of Energy to all categories of consumers (including Subsidy booked) but excluding Revenue from Energy Traded/Inter-State Sales	26127.01	Revenue from sale of power - Refer ARR Revenue demand (Col15) and Row "Total -4"
F	Adjusted Revenue from Sale of Energy on Subsidy received basis (Rs. Crs.)	Revenue from Sale of Energy (same as E above) minus Subsidy Booked plus Subsidy Received against subsidy booked during the year	26084.98	Revenue from sale of power on subsidy received basis
G	Opening Debtors for sale of Energy (Rs. Crs)	Opening debtors for Sale of Energy as shown in Receivable Schedule (without deducting provisions for doubtful debtors). Unbilled Revenue shall not be considered as Debtors	5521.03	Refer ARR Opening balance (Col7) item row "Total 3"
H	Closing Debtors for sale of Energy(Rs. Crs)	I) Closing debtors for Sale of Energy as shown in Receivable schedule (Without deducting provisions for doubtful debts). Unbilled Revenue shall not be considered as Debtors.	6694.36	Refer ARR Closing balance (Col-19) item row "Total 3"
		(ii) Any amount written off during the year directly from (i)	0.00	
I	Adjusted Closing Debtors for sale of Energy (Rs. Crs)	H(i+ii)	6694.36	Formula
J	Collection Efficiency (%)	(F+G-I)/E*100	95.35	
K	Units realized MU= [Energy sold* Collection Efficiency	D*J/100	27990.88	
L	Units unrealized (Mu)= [Net InputEnergy-units realized]	C-K	4343.76	
M	AT&C Loss (%)= [{Units unrealized/ Net input Energy}*100]	L/C*100	13.43	

VI. METERED CONSUMPTION :

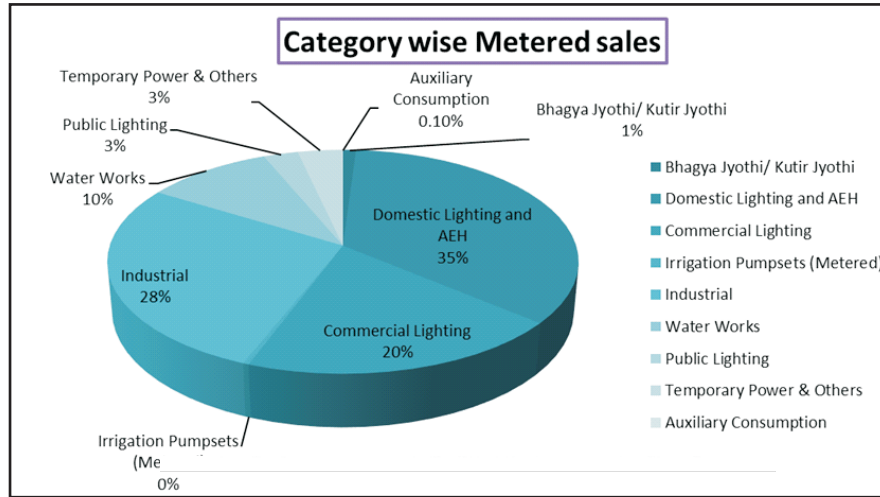
Year	Energy Input (MU)	Consumption by Metered Category	% Increase over previous year
FY-06	15321	8307.06	15.58
FY-07	18522	9717.36	16.98
FY-08	18665	11283.82	16.12
FY-09	19566	12205.78	8.17
FY-10	20329	12940.32	6.02
FY-11	21909	14263.2	10.22
FY-12	24584	15675.92	9.90
FY-13	26568	17069.13	8.89
FY-14	26786	17827.25	4.44
FY-15	28256	18676.96	4.77
FY-16	27893	18348.38	-1.76
FY-17	30228	18953.78	3.30
FY-18	29907	19678.23	3.82
FY-19	31616	20533.71	4.35
FY-20	31626	20884.34	1.71
FY-21	28584	18324.01	-12.26
FY-22	30061	20333.29	10.97
FY-23	32335	23078.16	13.50

VII. SALE OF ENERGY:

During FY 23, 29356.46 Mus. were sold to various categories of consumers, out of which 23078.16 Mus were under metered category and the balance of 6278.30 Mus was accounted under un metered category. The distribution loss for the year is assessed at 9.21% and AT & C loss is assessed at 13.43%.

a) Metered Energy Sales :

Sl. No.	Category	LT	HT	Total (in Mus)
1	Bhagya Jyothi	239.21	0.00	239.21
2	Domestic Lighting including AEH	7995.30	96.33	8091.63
3	Commercial Lighting	2281.45	2237.95	4519.40
4	Irrigation Pump sets (Metered)	7.58	75.92	83.50
5	Industrial	1350.98	5035.98	6386.97
6	Water Works	1449.46	857.49	2306.94
7	Public Lighting	628.25	0.00	628.25
8	Temporary Power & Others	257.30	542.10	799.40
9	Auxiliary Consumption	22.87	-	22.87
TOTAL		14232.40	8845.76	23078.16

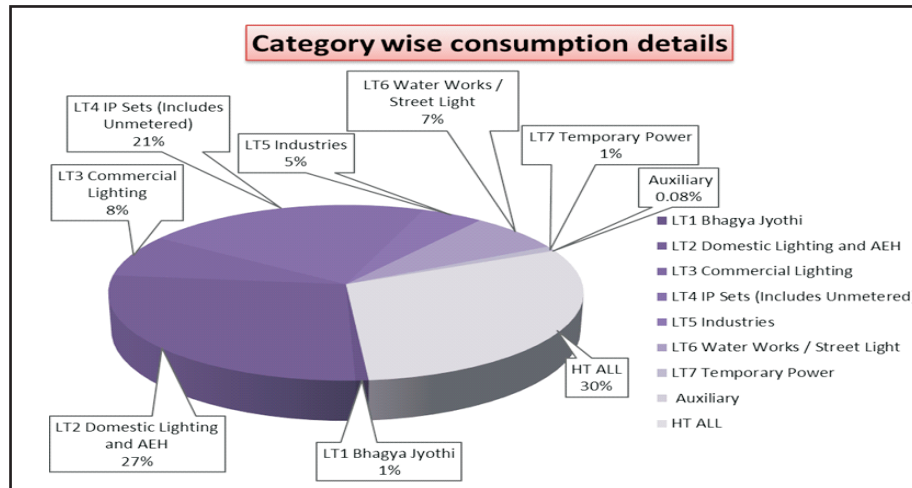


b) Un-Metered Energy Sales :

Sl. No.	Category	In MUs.
1	Irrigation Pumpsets (LT4A)	6278.30
TOTAL		6278.30

c) Category wise energy sold 2022-23 :

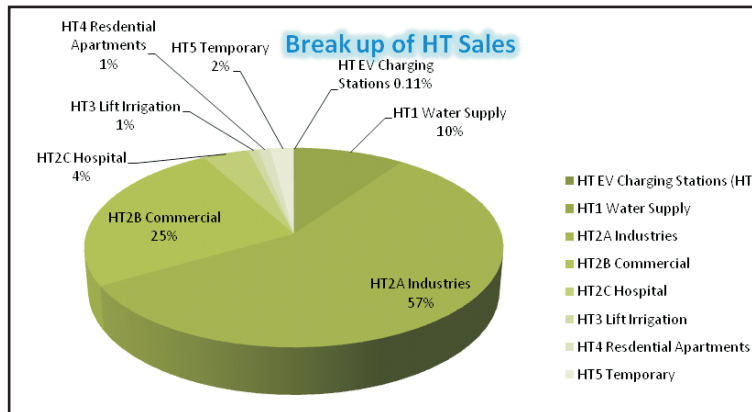
Tariff	Category	Energy Sold in Mus	Energy Sold in %
LT1	Bhagya Jyothi	239.21	1%
LT2	Domestic Lighting including AEH	7995.30	27%
LT3	Commercial Lighting	2281.45	8%
LT4	IP Sets (Includes Unmetered)	6285.88	21%
LT5	Industries	1350.98	5%
LT6	Water Works / Street Light	2077.71	7%
LT7	Temporary Power	257.30	1%
-	Auxiliary	22.87	0.08%
LT	Total	20510.70	70%
HT	ALL	8845.76	30%
	Grand Total (LT+HT)	29356.46	100%



d) Break up of HT sales:

Tariff	Category	Energy Sold in Mus
HT EV	EV Charging Stations	9.86
HT1	Water Supply	857.49
HT2A	Industries	5035.98
HT2B	Commercial	2228.09
HT2C	Hospital	357.41
HT3	Lift Irrigation	75.92
HT4	Residential Apartments	96.33
HT5	Temporary	184.69
Total		8845.77

Break up of HT Sales



VIII. (A) REVENUE DEMAND AND COLLECTION :

The revenue demand consequent to the growth in consumers numbers and tariff has increased over the years as follows:

Financial Year	Demand (Rs. in crores)	Collection (Rs. in crores)
2010-11	8246	7855
2011-12	9348	8794
2012-13	10724	10096
2013-14	11560	11147
2014-15	13385	12884
2015-16	14218	14049
2016-17	15838	15543
2017-18	18042	18677
2018-19	18892	18361
2019-20	21171	20525
2020-21	19681	19233
2021-22	21606	20712
2022-23	26235	24700

VIII (B) Comparison of energy at IF points over previous years:-

The total energy drawn at IF point is 32334.64 Mus. The energy drawn at IF point during previous years & percentage of increase or decrease in each year is as furnished below:

Sl. No.	Year	Energy MUs at IF points	% increase over previous year	Energy available for Sale	% Increase over previous year	Distribution Loss (%)	AT & C Loss
1	FY 2006	15321	4.55	11613.69	5.15	24.2	34.25
2	FY 2007	18522	20.89	14126.45	21.64	23.73	26.55
3	FY 2008	18665	0.77	14933.57	5.71	19.99	26.15
4	FY 2009	19566	4.83	16310.48	9.22	16.64	17.42
5	FY 2010	20329	3.90	17251.60	5.77	15.14	17.54
6	FY 2011	21909	7.77	18736.12	8.60	14.48	18.54
7	FY 2012	24584	10.88	21029.95	12.24	14.46	19.50
8	FY 2013	26569	8.07	22796.00	8.40	14.20	19.22
9	FY2014	26786	8.10	23065.37	1.18	13.89	16.97
10	FY2015	28256	5.20	24436.08	5.94	13.52	16.76
11	FY2016	27893.40	-1.30	24538.19	0.42	12.03	13.07
12	FY2017	30227.64	7.72	26239.25	6.93	13.19	14.81
		30227.64	7.72	26239.25	6.93	13.19	14.88
13	FY2018	29906.78	-1.07	25967.26	-1.04	13.17	10.12
		29906.78	-1.07	25967.26	-1.04	13.17	10.28
14	FY 2019	31616.53	5.41	27736.05	6.38	12.27	14.74
		31616.53	5.41	27736.05	6.38	12.27	15.92
15	FY 2020	31625.73	0.029	27800.70	0.23	12.49	14.78
		31625.73	0.029	27800.70	0.23	12.49	17.62
16	FY 2021	28586.62	-9.62	25234.21	-9.23	11.73	13.74
		28586.62	-9.62	25234.21	-9.23	11.73	13.70
		28373.39	-10.28	25234.21	-9.23	11.06	13.09
		28373.39	-10.28	25234.21	-9.23	11.06	13.05
17	FY 2022	30061.01	5.95	26684.73	5.75	11.23	9.64
18	FY 2023	32334.64*	7.56	29356.46	10.01	9.21	13.43

*Mar-22 to Feb-23 Input Energy, Demand as per DCB & Collection considering CB OB movement as per CEA method is considered.

IX. POWER PURCHASE:-

- BESCOM is purchasing power from various sources as per Government of Karnataka Order No. EN 131 PSR 2003 dated 10.5.2005 w.e.f., 10.6.2005 and subsequent orders issued from time to time. Government of Karnataka vide order dated.29.03.2022 had allocated the share of allocation of power for power purchase payments to be made by ESCOMs to GENCOs and TRANSCO.

The power is procured from the following sources.

- Central Generating Stations like NPTC, NLC, NTECL, Kaiga, Kudankulam, MAPS, NTPL and DVC.
- State owned Generating Stations of KPCL- Hydel, Thermal, Solar and Wind.
- Major Independent Power Producer - Udupi Power Corporation Ltd.
- Independent Power Producers of Non-conventional energy sources like Wind, Cogeneration, Biomass, Solar and Mini-hydel

The firm capacity available from various sources for 2022-23 is as below.

Sources	Capacity in MW.
Hydel	852.28
Thermal	5511.26
Atomic	366.35
Non-Conventional Projects	4449.23
Total	11179.12

2. The share of allocation for source wise power procured and paid as per Government of Karnataka order dt 25.03.2022 and average power purchase rate per unit for the individual source are as furnished below.

Sl. No.	Source	Share of allocation	Av. Power Purchase Cost in paise/Kwh.
1 (a) (b)	KPCL Hydel:	27.085/8.242/29.4327%	107.54
	KPCL Thermal:		
	RTPS 1 to 7	63.283%	641.03
	RTPS VIII	63.283%	652.19
	BTPS Unit I	63.283%	602.51
	BTPS Unit II	63.283%	620.67
	BTPS Unit III	63.283%	661.05
	RPCL	63.283%	653.64
2.	Central Generating Stations:		
a)	NTPC	51.4327%	573.53
	NTPC Vallur	51.4327%	561.90
b)	NLC	51.4327%	374.14
	NTPL	51.4327%	590.37
	DVC	51.4327%	509.75
c)	Kaiga	51.4327%	352.47
d)	MAPS	51.4327%	261.52
	KKNP	51.4327%	436.35
3.	Major IPPs Udupi Power Corporation Ltd.	42.7646%	1956.95
4.	Minor IPPs (NCE Projects)		
	Co generation :	46.149%	
	Biomass		560.75
	Mini Hydel		296.79
	Wind		389.7
	Solar		524.55

3. Transmission Charges:-

BESCOM is making payment of transmission charges to KPTCL and Central Transmission Utility (CTU). The transmission charges being paid to KPTCL is on MW basis as approved by KERC and for CTU, it is as per Regulations notified by CERC from time to time and transmission tariff approved by CERC.

4. Power Purchase Cost:-

- (a) The total energy purchased at generation point, energy drawn at IF point and Average Power Purchase cost are as follows:-

Total Energy purchased in MUs.	Total Energy drawn at IF points in MUs.	Power Purchase cost (Rs. in Crore)	Average Power Purchase cost (Rs./unit)	
			At Gen. point	At IF point
34270.89	32373.73	22334.90	6.52	6.90

(b) Comparison of Source-wise Power Purchase Cost during 2021-22 and 2022-23

Sl. No.	Source	2021-22		2022-23		Percentage of increase(+)/ decrease (-)	
		POWER PURCHASED MUS	AMOUNT Rs / CRORES	POWER PURCHASED MUS	AMOUNT Rs / CRORES	Energy in (MU)	Amount (Rs. Crore)
1	Hydel Power	6069.14	714.43	3624.53	516.38	-67.45	-38.35
2	Thermal Power	17273.76	9569.64	20589.84	13149.89	16.11	27.23
3	Lignite Power	1862.75	687.97	1390.19	512.45	-33.99	-34.25
4	Atomic Energy	2591.19	976.43	2635.85	1052.80	1.69	7.25
5	Non-conventional Energy	5667.54	2608.42	5372.42	2802.27	-5.49	6.92
6	Wind Mill Energy	2554.93	982.54	2469.95	962.68	-3.44	-2.06
7	Unscheduled Inter Change Charges	-93.13	-29.73	-115.21	-54.19	19.17	45.48
8	OA charges of short term sale						
9	Tr.Charges(KPTCL/GCIL)		3246.92		4359.04		25.51
i	POSO CO Charges/tangedco		2.32		2.32		
ii	SLDC O&M Expenses		17.55		17.48		
iii	Cost of banked energy			398.91	5.31		
iv	PCKL Rev. Expenses		6.04		8.06		25.06
10	Energy Balancing	-1570.69	-855.12	-651.51	-502.00	-141.08	-70.34
11	Inter ESCOM	14.60	7.82	21.24	11.25	31.26	30.48
12	(Prior period expenses)		775.55		502.12		
13	Prior period income		-3.030		-19.80		
14	Solar rooftop	109.79	62.24	120	51.19		
	IEX Sale	-2810.12	-1152.69	-1585.32	-826.74	-77.26	-39.43
	REC Sales				-215.61		
	TOTAL	31669.76	17617.30	34270.89	22334.90	7.59	21.12

(c) Statement showing the details of power purchased, power purchase cost (P.P.Cost) and cost per unit from various sources and transmission charges and other charges for the year 2022-23.

Sl. No.	Name of the Company	Consumption IN MUs	Amount Billed (Rs. in crore)	Average PP COST (Rs/Kwh)
1	Central projects			
	NTPC	6306.45	3616.95	5.74
	NLC	1647.27	616.34	3.74
	VALLUR	56.63	14.81	2.62
	MAPS	1042.48	367.44	3.52
	KAIGA	480.12	269.78	5.62
	KUDANKULAM	1536.74	670.55	4.36
	DVC	1572.33	801.50	5.10
	NTPL	646.78	381.84	5.90
	NTPC BUNDLED POWER (coal)	183.46	105.18	5.72
	Southwestern railway	-13.29		
	UI Charges	-115.21	-54.19	
	TBHE	11.73	2.92	2.49
	Jurala	76.61	20.81	2.72
	IEX Purchase	307.43	250.75	
	IEX Sale	-1892.75	-1077.49	
	Net IEX sale	-1585.32	-826.74	
2	State Projects			
	KPCL- HYDEL	2971.01	319.51	1.08
	KPCL-THERMAL	10614.45	6808.37	6.41
3	Private Producers			
	UPCL	542.88	1062.39	
4	NCE Projects			
a	Non Solar			
	Co generation	67.59	2.06	
	Bio-Mass	64.59	36.86	5.71
	Mini-Hydel	565.17	173.14	3.06
	Wind	2464.13	960.39	3.90
	KPCL Wind	5.82	2.29	3.94
b	Solar			
	Solar other than KPCL	4606.31	2416.22	5.25
	KPCL Solar	2.39	1.59	6.65
	NTPC BUNDLED POWER(solar) VVNL	45.92	54.33	11.83
	NTPC BUNDLED POWER(solar) NSM 2	585.63	291.21	4.97
	SUB-TOTAL (I)	34382.26	18115.55	5.27
5	Transmission Charges			
	CTUIL Tr.Charges		1769.70	
	KPTCL Tr. Charges		2589.34	
	SUB-TOTAL (II)		4359.04	

Sl. No.	Name of the Company	Consumption IN MUs	Amount Billed (Rs. in crore)	Average PP COST (Rs/Kwh)
6	Cost of banked energy	398.91	5.31	
7	INTER ESCOM EXCHANGE OF POWER (below 66 kv)			
	GESCOM	6.42	3.37	
	HESCOM	20.49	10.64	
	MESCOM	-3.93	-1.73	
	CESC	-1.74	-1.04	
8	ENERGY BALANCING CHARGES (above 66KV)			
	GESCOM	-321.59	-192.81	
	MESCOM	-43.05	-86.87	
	HESCOM	-483.25	-312.65	
	CESC	196.37	90.33	
	SUB TOTAL (III)	-231.37	-485.45	
9	OTHER CHARGES			
	SLDC O&M EXP		17.48	
	POSOCO charges, Tangedco		2.32	
	PCKL Rev. Expenses		8.06	
	Prior period Exp		502.12	
	Prior period income		-19.80	
	REC Sales		-215.61	
	GRAND TOTAL	34150.89	22283.71	6.52
10	Solar roof top	120	62.24	
	GRAND TOTAL	34270.89	22334.90	6.52

- (d) The surplus power furnished by SLDC is traded through Power Markets like IEX / PXIL by PCKL. The Surplus power is being traded under Real Time Market, Day Ahead Market, Term Ahead Market, Green Term Ahead Market and Day Ahead Contingency Market. Also power requirement during peak hours is met through purchase of power through Power Market. The amount realized from sale of surplus power through IEX/PXIL, for BESCOM and amount paid by BESCOM for power purchase through power markets is furnished as below:

5. Statement showing the details of energy sold through IEX in 2022-23

Particulars	ENERGY (in Mu)	Rate (Rs/unit)	Amount (Rs./Crore)
IEX purchase	307.43	8.15	250.75
IEX Sale	-1892.75	5.69	-1077.49
NET IEX / PXIL Sale	-1585.32	5.21	-826.74

6. Demand and Input Energy details:-

The details of maximum load and minimum load of BESCOM and Wheeled energy and Input energy for year 2022-23 are as furnished below:

Month	Maximum demand	Minimum demand	Wheeled Energy (MU)	Input Energy at IF point (MU)
	(in MW)	(in MW)		
Apr-22	7010	2707	345.34	3132.56
May-22	5821	2349	403.82	2484.76
Jun-22	5690	2251	427.13	2501.94
Jul-22	5223	2266	405.94	2385.03
Aug-22	5543	2255	422.85	2342.41
Sep-22	5763	2123	427.30	2348.65
Oct-22	5397	2240	402.65	2247.83
Nov-22	5711	2355	401.02	2468.31
Dec-22	6024	2208	370.35	2689.84
Jan-23	6836	2810	403.08	3112.83
Feb-23	7496	3117	406.51	3122.49
Mar-23	7740	3515	489.69	3537.08
Total	7740	2123	4905.68	32373.73

7. Comparison of Energy at IF points over previous years:-

The total energy drawn at IF point is 32373.73 MU for 2022-23. The energy drawn at IF point during previous years and percentage of increase/decrease in each year is as furnished below:

Sl. No.	Year	Energy MU at IF points	% increase over previous year
1.	FY 2006	15321	4.55
2.	FY 2007	18522	20.89
3.	FY 2008	18665	0.77
4.	FY 2009	19566	4.83
5.	FY 2010	20329	3.90
6.	FY 2011	21909	7.77
7.	FY 2012	24584	12.21
8.	FY 2013	26569	8.07
9.	FY2014	26786	0.82
10.	FY2015	28256	5.49
11.	FY2016	27893.4	-1.28
12.	FY2017	30228.00	8.37
13.	FY2018	29907	-1.07
14.	FY 2019	31742	6.14
15.	FY 2020	31626	-0.37
16.	FY 2021	28587	-10.63
17.	FY 2022	30084.58	4.98
18.	FY 2023	32373.73	7.07

Compliance of Renewable purchase Obligation (RPO) for 2022-23:

BESCOM had complied the Renewable purchase obligation (RPO) for Solar and Non solar for the year 2022-23 after reconciliation of energy among all ESCOMs in presence of SLDC. The details of RPO Compliance are as below:

RPO COMPLIANCE FOR 2022-23

(In MUs)

Total Energy consumption after deducting Hydel energy and Energy balancing Hydel Energy	31122.62
Target % (Solar and Non Solar)	23.75%
Target Energy	7391.62
Actual energy purchased	8349.6
Excess energy over and above Target RPO	957.98
Actual RPO achieved	26.828%

X. ONLINE PAYMENT CELL

Online payment cell deals with monitoring and reconciliation of collection of electricity bills through various modes such as cash, cheque, DD, Debit card, credit card, net banking, UPI, QR code, NEFT/RTGS and mobile wallet through various vendors such as BBPS, BESCOM Mithra, BESCOM portal, post office, IMI, Bangalore one and Karnataka one counters and portal and Khajane 2

Following are the vendors for the financial year 2022-2023 :

Sl. No.	Vendor Name	Modes of Collection	No. of Transactions	Amount collected in Crores
1	BILL DESK PG	Debit card/credit card/ net banking/UPI/QR	32,20,570	3,774.19
2	BESCOM MITHRA (MOBILE APP)	Debit card/credit card/ net banking/ UPI	15,04,848	371.07
3	BANK OF BARODA PG	Debit card/credit card/ net banking/UPI/QR	2,48,206	137.94
4	KANATAKA ONE	Cash/Cheque/DD/debit card/ credit card/net banking	66,31,516	725.57
5	BANGALORE ONE	Cash/Cheque/DD/debit card/ credit card/net banking	13,14,939	152.33
6	NEFT	NEFT/RTGS	1,59,092	6,156.69
7	KHAJANE II (Govt. installations only)	NEFT/RTGS	67,669	93.93
8	IMI	Debit card/credit card/ net banking/wallets	5,078	1.09
9	POST OFFICE	Cash	1,56,546	12.34
10	NATIONAL AUTOMATED CLEARING HOUSE (NACH/ECS)	Auto debit from consumer account	4,59,457	176.95
11	BANK OF BARODA -BBPS	Debit card/credit card/net banking/wallets/auto debit/UPI/QR	1,84,29,835	2,421.80
12	CANARA BANK - BBPS	Debit card/credit card/net banking/wallets/auto debit/UPI/QR	2,59,37,674	3,347.58
13	E- Belaku (RDPR)	DBT	12,975	43.57

Progress of total collection at online payment cell from past 5 years

Year	Number of transactions	Collections amount in Rs. Crores
2018-2019	3,74,60,140	11,280.78
2019-2020	4,23,45,538	12,920.81
2020-2021	4,30,32,583	11,753.63
2021-2022	5,01,74,186	13,696.21
2022-2023	5,81,48,405	17,415.05

XI. TECHNOLOGY INNOVATION CENTRE –

1. Supply and installation of HRC Fuse switch based LT Feeder pillar box in BMAZ, BESCOM

Objective:

On an average, there are 10 departmental and 100 non departmental fatalities due to electrical accidents every year and it is imperative for BESCOM to give prime importance to the safety of the Linemen and public. This HRC fuse switch based LT feeder pillar box forms an ideal solution for the safety of operators as well as public. Apart from safety, there are a number of additional beneficial features like compact dimensions, provision for advertisement, group operating switches and padlocking system.

The advertising facility will be a source of revenue to BESCOM. Further, the advertising agencies will ensure the surroundings of the pillar box are kept clean, thus improving the overall aesthetics and contributing for a cleaner environment.

Scope of Work:

Supply and installation of 5500 numbers of HRC fuse switch based LT feeder pillar box in the jurisdiction of Model of BESCOM for a period of 2 years on total turnkey basis under percentage quoting 5483 no. of HRC fuse switch based LT feeder pillar boxes fixed in BMAZ till 28.03.2023

2. Creation of Centre of Excellence for BESCOM

Objective:

The concept for the creation of Centre of Excellence for BESCOM was discussed during the 5th Technology Innovation Council Meeting. Centre of Excellence enables proper risk management while implementing any new technology. It helps test and analyse any new technology in a controlled environment, without the implementation of new technology on pilot basis, thereby reducing the cost of investment in pilot projects. It also fosters professional growth, development and hands on experience of real time scenarios to the employees.

Scope of Work:

1. Replicate HT and LT distribution network on digital multi-screen displays for small scale model for one Urban Sub Division and one Rural Sub Division.
2. Smart City reduced model focused on incorporating Smart Grid with Conventional and Renewable Energy Sources with state-of-the-art supporting technology infrastructure.
3. Testing: Establish small scale sub-system test infrastructure and component test infrastructure

Status: The work is completed

3. Establishing underground Distribution Transformer Centre comprising DTR and RMU at one location in BESCOM

First of its kind in India wherein it is proposed to install and commission one distribution transformer and RMU underground to cater uninterrupted and continuous power to the consumers as the electrical equipment along with its supply arrangement prevents exposure to severe climatic conditions of the said system thus improving/increasing the reliability and life of the equipment. Also, this smart underground distribution infrastructure improves the aesthetics of the urban area and also establishes a safe and healthy environment for pedestrians.

Status: Cable Connections and RMU Communication work under progress.

4. Mobile application for Consumers and Employees of BESCOM – BESCOM Mithra.

BESCOM with an intention to successfully establish a relationship with Consumers has created a Virtual Relationship Manager in the form of Mobile App.

Objective:

Providing Android & iOS based Mobile Application to the consumers and employees of BESCOM.

Features of mobile application:

Consumers faced:

- Generic information about BESCOM (Tariff, Policies, Schemes, Offices etc.,)
- Information on scheduled and unscheduled power outages.
- Registration to 1 or more accounts/installations.
- Consumption, Billing and Payment history.
- Online bill payment.
- Complaint registration, status tracking, GPS based tracking of restoration team and Rating.

Employee faced:

- Display RR no. wise list of payment dues.
- Complaints status tracking, updating and closure
- Scheduled and un-scheduled Power outage information

Status:

The mobile application was officially launched to Consumers on 12.12.2017. User Interface has been redesigned and many new features like Additional Security Deposit (ASD) payment, multiple account payment in single transaction, Display EV Charging stations and HT & >40 HP installations pertaining to a Subdivision on Google map.

Usage statistics :

No. of Downloads: 7 lakh

Average No. of payment transactions per month: 1,30,000

Average Collection per month Rs. 32 crores

5. Unified Online Portal for Ganga Kalyana Scheme for use of all ESCOMs and Development Corporations of Govt. of Karnataka:

Objective:

Ganga Kalyana online application is a unified web based Software developed & deployed which brings all the users distributed across 9 Development Corporations, 5 ESCOMs & Energy Department under one platform. The software enables the users to know the exact status of the application pertaining to beneficiaries.

Scope of Work:

1. There are multiple stages in unified Web Based Software of Ganga Kalyana application, where the District Manager from the respective Development Corporation needs to register the application on behalf of the beneficiary identified by the Development Corporation itself. Once the registration process is completed by the respective Development Corporation, the application is moved to respective Sub Division of the ESCOMs.
2. The registered application will be viewable in the dashboard of respective Sub Division. Further, the application will be processed stage by stage (Spot Inspection, Work Award, Electrification) and finally R.R. No will be provided.
3. The Development Corporations will need to make bulk payment to the respective ESCOM's and the amount deposited will be displayed as opening balance in the Beneficiary Registration Screen. Depending on the selected load, amount will be deducted from the opening balance.

4. With the help of the reports generated in the Unified Online Portal we can track the status of the applications registered at each and every stage

Status:

Training has been given to all Development Corporations and ESCOM Officers in the month of December-2022 on the use of Ganga Kalyana online portal.

A mandate has been included in the DWA itself to conduct training every three months till July-2024 to the Officers of all Development Corporations and ESCOMs. Accordingly, training on Ganga Kalyana online portal will be organized in the month of June-2023 for all the nominated Development Corporations and additional by ESCOM.

6. Cyber Security related Activities:

1. General Manager (DAS) is nominated as Chief Information Security Officer (CISO) and Deputy General Manager, TIC is nominated as alternate CISO for BESCOM vide OM No. BESCOM/BC31/65/2021-22/753 dated 08.03.2022.
2. Cyber Security policy for BESCOM is issued.
3. Vulnerability Assessment, Penetration testing (VAPT), Network Analysis & Cyber Forensic Assessment to identify malicious activity in BESCOM's IT/OT/IoT systems biannually.
4. Distribution Automation System of BESCOM is identified as Critical Information Infrastructure (CII) in coordination with National Critical Information Infrastructure Protection Centre (NCIIPC).
5. Information Security Steering Committee is formed for monitoring and taking policy decisions pertaining to CII.
6. Cyber Security training and certificate program conducted by National Power Training Institute (NPTI) was provided to Officers from DAS, BESCOM.
7. DWA is issued for establishing Managed Security Operations Center for BESCOM's IPDS system (new system yet to be commissioned).

XII. Project handled by ICT & MIS section.

A. IPDS IT PHASE-II PROJECT

- Ministry of Power, Govt. of India has launched Integrated Power Development Scheme (IPDS) IT enablement Phase –II for the urban areas having population more than 5000. RAPDRP Part-A will get subsumed in this scheme and continued as a separate component of IPDS.
- 20 Towns in BESCOM and total 124 towns across all ESCOMs in Karnataka are covered under this project. BESCOM is the nodal agency on behalf of all ESCOMs in Karnataka
- Power Finance Corporation (PFC) is the nodal agency for IPDS IT Enablement.
- The financial support by Gol to an extent of 60% of all ESCOMs approved DPR cost i.e, Rs.37.19 Crs (All ESCOMs Approved DPR Cost Rs.61.98 Crs) convertible to grant. No revenue expenditure considered in the DPR and need to be borne by Utility

The project awarded during March-2020 in different packages as below:

				in Crores	
Sl. No	Package	Firm	Awarded Date	Award Cost	
1	(a) DC-DRC Hardware and Software refresh across all ESCOMs of Karnataka	M/s. Infinite Computer Solutions	26.03.2020	172.00	
	(b) Replacement of Storage at DC	M/s. Corporate Infotech Pvt Ltd	30.10.2018	6.84	
	(c) Replacement of Router at DC	M/s. Value Point Systems Pvt Ltd	30.03.2020	8.75	
2	GIS survey	M/s. Cyberswift Infotech Pvt. Ltd	26.03.2020	5.68	
3	Fixing of Modems	M/s Analogics Pvt. Ltd.	30.03.2020	5.95	
4	IT Infrastructure	M/s Idea Infinity Pvt. Ltd.	10.09.2020	19.6	
Total Award Cost					218.82

Details of works under the project:

- Replacement of Data Centre hardware procured under RAPDRP Part-A project and Implementation of 18 software application modules, covering both 98 RAPDRP towns and 124 IPDS towns across all ESCOMs
- Hosting Disaster Recovery Centre(DRC) on MEITY Empanelled Cloud
- GIS based Asset Mapping, Survey and Digitization and Integration of Consumer Indexing of all ESCOMs.
- Supply and fixing Modems to Feeders/ DTCs/ Boundary/ HT/ LT (>40HP) installations in IPDS towns of all ESCOMs.
- Supply and installation of IT infrastructure in the IPDS towns of all ESCOMs.

Stipulated Timeline by MoP/PFC:

DPR sanction	05.07.2017
Project Completion	31.12.2021
Project Verification and Closure	31.01.2022
Project Completion declared by BESCOM	30.12.2021
TPCEA Verification	Feb'22
Closure documents submitted to PFC	15.03.2022

Release of Funds:

IPDS IT Phase-II Project Completion for IPDS towns declared on 30.12.2021. Approved grant amount of Rs.20.52 Crs released by PFC. Last tranche amount received in the month of March-2022

List of 124 towns across all ESCOMs under IPDS:

SI.No	BESCOM	CESC	GESCOM	HESCOM		MESCOM
1	Bagepalli	T Narasipura	Kottur	Kalaghatagi	Khanapur	Ullala
2	Devanahalli	Bannur	Hoovina Hadejali	Alnavar	Mudalagi	Mulky
3	Gudibande	Periyapatna	Kamalapur	Kundagol	Konnur	Moodabidare
4	Magadi	H D Kote	Tekkalkota	Navalagund	Raibag	Sullia
5	Malur	Saraguru	Sandur	Annigeri	Kudachi	Belthangady
6	Nelamangala	Gundlupet	Kudligi	Mulgund	Sadalaga	Karkala
7	Srinivaspura	Hanuru	Afzalpur	Shirahatti	Bilagi	Saligrama
8	Vijayapura	Yalanduru	Chincholi	Mundaragi	Terdal	Kundapura
9	Channagiri	Somvarpete	Shahabad Acc	Naregal	Hunagund	Thirthahalli
10	Chikka nayakanahalli	Virajpete	Jewargi	Ron	Kerur	Hosanagar
11	Gubbi	Kushalnagara	Chittapur	Gajendragad	Badami	Jog
12	Holalkere	Maddur	Bheemrayanagudi	Bankapura	B.Bagewadi	Soraba
13	Honnali	Pandavapura	Gurmitkal	Shiggaon	Managuli	Shiralkoppa
14	Hosadurga	Srirangapattana	Aurad	Hanagal	Nidagundi	N R pura
15	Jagaluru	Krishnarajpet	Chittaguppa	Byadagi	Kolhar	Mudigere
16	Koratagere	Nagamangala	Lingsugur	Hirekerur	Muddebihal	Sringeri
17	Madhugiri	Alur	Mudgal	Ankola	Nalatawad	Koppa
18	Molakalmuru	Beluw	Yelburgi	Honnava	Talikoti	Birur
19	Pavagada	SK Pura	Kustagi	Siddapura	Chadchan	
20	Turuvekere	HN Pura	Hatti	Yellapura	Sindagi	
21		Arkalgudu	Devdurga	Mundgod	Almel	
22				Haliyal	D.Hipparagi	
	20 Towns	21 Towns	21 Towns	44 Towns		18 Towns

B. Implementation of Enterprise Resource Planning (ERP) under IPDS in BESCOM:

- Under Integrated Power Development System (IPDS), GoI flagship project funded by Power Finance Corporation (PFC), BESCOM is implementing Enterprise Resource Planning (ERP) for automating back office operations with an objective of a scalable and standardized business processes across BESCOM.
- PFC has sanctioned DPR for a total cost of Rs. 51.05 crores under this project vide sanction letter dated. 01.02.2018, with 60% grant on DPR cost i.e., Rs. 30.63 crores along with Project Management Agency (PMA) cost of Rs. 0.26 crores for the implementation of below 3 modules.
 1. Human Resource Management System
 2. Finance and Accounts
 3. Material Management (Purchase and Stores).
- The Project has been awarded to M/s Tech Mahindra Ltd. on 30.03.2020 for Rs.65,00,21,000/- for the implementation of below 7 Modules.
- Modules Covered in ERP are:
 1. Human Resource Management System
 2. Finance and Accounts
 3. Material Management (Purchase and Stores).
 4. Power Purchase Module.
 5. Quality, Standards & Safety
 6. Project Management
 7. Document Management System and Work Flow Management.

Brief scope of work involves:

1. **AS-IS study:** Carry out AS-IS study.
2. **Supply ERP Licenses:** Supply ERP Product with required Licenses to meet the functionality, performance criteria etc., as mentioned in this RFP.
3. **DC and DR set up:** Setting up of Data Center for full fledge operations and Disaster Recovery Center with a 1:0.5 redundancy for 24 x 7 availability, on MEITY empaneled public cloud.
4. **Implementation:** Implementation of ERP Solution including business process analysis, conceptualization, design, development, configuration, customization, testing, audit, quality control services
5. **Data migration:** Legacy Data migration.
6. **Training:** Impart sufficient training towards the ERP solution implemented to all category of identified users of BESCOM.
7. **Maintenance support:** Project management, handholding and maintenance support for the entire ERP Solution.
8. **ERP Helpdesk:** Centralized Helpdesk to be established to address the issues related to ERP.

Physical Progress:

As per the directions from PFC, the activities pertaining to implementation of ERP project in BESCOM under IPDS are declared completed for the following modules :-

1. Human Resource Management including Self Service for employees.
 2. Finance and Accounts.
 3. Materials (Stores and Purchase)
- Implementation of remaining 4 modules is under progress. As per management approval, the balance implementation activities shall be completed by 30.04.2023.

Financial progress of the project (Amount in Crores):

Sanctioned DPR Cost for 3 modules	Sanctioned PMA Cost for 3 modules	Approved Grant (60%)	Total Grants released from PFC for 3 modules	Total Expenditure/ Financial progress (Including PMA)
A	B	$C=(A*60\%)+B$	D	E
51.05	0.26	30.89	18.42	31.26

C. Establishment of Tier-3 Standard Data Center by BESCOM:

- BESCOM has built Tier-3 Standard Data Center at, H.S.R Layout Bengaluru, with a capacity of more than 50 Racks.
- To host services/applications on a consolidated common infrastructure for efficient management, ensuring computing resources and support connectivity infrastructure.
- The Data Center is operated with BESCOM own IPDS IT Phase II Infrastructure hosting Billing and allied application software consuming 10 Racks.
- Remaining Racks – Looking for co-location or co-hosting service offerings to the needy organizations

XIII CONSUMERS INITIATIVES:

- Well established 100 seated 24x7 Helpline- 1912.
- Whatsapp Helpline has been introduced by providing district wise whatsapp number for registration of complaints by consumers along with photos, videos etc.
- Established 24x7 Control Room Helpline for monitoring of grievances received from consumers of all district.
- Well customized iPGRS software application including escalation matrix, technical Dash board & SMS Gateway facility.
- Complaints have been categorized based on nature of problem and time duration as per KERC SoP (A to N category).
- Customer Interaction meeting are being conducted every month on third Saturday in all the sub Divisions of BESCOM.
- Reaching out consumers via social media (Facebook, twitter & Whatsapp) for communication of information.

XIV INTEGRATED POWER DEVELOPMENT SCHEME (IPDS):

Government of India, Ministry of Power have sanctioned the IPDS Scheme for strengthening of Distribution Network in Urban areas in order to supply good quality power to the consumers of Urban area.

Objectives of the scheme:

- Providing reliable and quality power supply in an efficient manner in urban areas.
- Efficient management of Distribution sector with adequate metering arrangements in urban areas
- AT & C loss reduction as per trajectory finalized by MoP.

Scope of work:

- Strengthening of distribution networks in the urban areas.
- Metering of feeders, DTC & all category consumers in the urban areas.
- Providing Solar Roof Top Photo Voltaic (SRTPV) units on the Government buildings for solar power generation.

The Zone/ Circle wise approved DPR cost

Rs. in crores

Zone	Circle	System Strengthening	SRTPV	Metering	Total
BMAZ	East	187.20	4.00	8.83	200.03
	North				
	South				
	West				
BRAZ	Kolar	42.29	1.00	8.73	52.02
	BRC	7.42	0.72	1.87	10.01
	Ramanagara	40.62	1.00	0.37	41.99
CTAZ	Davanagere	97.44	1.10	3.57	102.11
	Tumkur	45.13	1.00	4.87	51
Total		420.10	8.82	28.23	457.16

Funding Mechanism:

The Government of India extended support by funding 60% of the total sanctioned project cost as grants through M/s. PFC New Delhi and 30% of the total sanctioned cost as loan from financial Institutions like REC/FIs/ Banks and remaining 10% of the total sanctioned cost from BESCOM's own funds.

Physical Progress:

The works of all 5 circles & BMAZ area under IPDS scheme have been completed by March- 2019 and recommendations of the State Level Distribution Reforms Committee (**SLDR**C) meeting held on 16.10.2019 towards physical closure has been sent to M/s PFC New Delhi on 13.12.2019.

Financial Progress:

M/s PFC Sanction cost	: Rs. 457.16 Crores
Awarded Amount for System strengthening works	: Rs.479.02 Crores.
Awarded Amount for metering works	: Rs.15.31 Crores.
Awarded Amount for Solar RoofTop works	: Rs.7.9 Crores.
Total Awarded cost	: Rs 502.23 crores
Total Expenditure booked under the scheme	: Rs.499.04 Crores.
The acceptance of Closure of IPDS System	
Strengthening works by M/s. PFC Dated	: 01.09.2021

XV Creating Electrical Infrastructure to Regularized IP sets

- The Government of Karnataka has introduced a scheme called Regularization of Un-Authorized IP sets vide GoK order dated: 15.3.2005, 11.3.2011, 14.07.2014 to regularize the un-authorized IP sets existing in the field under the following conditions:
 - For those who have registered as on 31-07-2012 to regularize their unauthorized IP sets and pending for payment of Rs. 10,000/- and other deposits, the infrastructure will be created on seniority basis in a phased manner after making the above payments.
 - The unauthorized IP sets running after 31-07-2012 and new IP set applicants can register by making payment of Rs 10,000/- and other required deposits. The infrastructure will be provided on seniority basis, where there is no LT extension required, power supply will be arranged by service mains.
 - On request by the applicant the infrastructure shall be created with their own cost under self-execution with exemption of Supervision charges, by making payment of Rs 10,000/- and other required deposits and if required, 25 KVA transformer will be provided by ESCOMs.
- From 11-3-2005 to 30-3-2023 the No. of UNIP sets (already running on BESCOM Network) registered are 4,13,579 Nos.
- Rs. 10,000/- & other required deposits paid are 3,16,511 Nos.
- Out of which only Registration Fees of Rs. 50/- paid are 97,068 Nos.
- Infrastructure is created for 2,54,832 Nos. of UNIP sets.
- Tenders have been floated for creating electrical infrastructure to regularized balance IP sets and the detailed work awards are issued to the qualified agencies during March-2023.

XVI NIRANTHARA JYOTHI YOJANA (NJY)

- Niranthara Jyothi Project is a prestigious scheme of Government of Karnataka intends to provide 24 hrs 3 phase power supply to non-agricultural loads like domestic, commercial,

water supply, street light, rural industries, milk dairies etc., in rural areas by segregating the rural loads into agricultural and non-agricultural loads.

➤ **Objectives of NJY scheme:**

- 1 24 X 7 power supply to non-agricultural loads in rural areas.
- 2 Better quality and reliable power supply.
- 3 Reduction in Transformer failure.
- 4 Reduction in Technical loss.
- 5 Increase in consumption of metered category.
- 6 Assessment of agriculture energy consumption.
- 7 Improvement in rural economy.

➤ NJY project was implemented across BESCOM in three phases.

• **Phase I :**

- ❖ No of 11KV feeders:- 271 feeders
- ❖ No. of Taluks:20 Taluks
- ❖ Project cost : Rs. 349.66 cr.
- ❖ Date of Completion: March-2014.

• **Phase II :**

- ❖ No of 11KV feeders:-281 feeders.
- ❖ No. of Taluks: 23 Taluks.
- ❖ Project cost: Rs. 633.18 cr.
- ❖ Date of completion: Feb-2017

• **Phase-III:**

- ❖ No. of feeders proposed: 414
- ❖ No. of Taluks:41 Taluks
- ❖ Total Project cost : Rs.1022.20 crs
- ❖ Date of completion : July -2019.

NJY physical and Financial Progress as on March-2023

NJY Phase	No of Feeders proposed	No of Feeders completed	Project Cost in Crs	Expenditure Booked in Crs
I	271	271	349.66	331.01
II	281	281	633.18	578.58
III	414	414	1022.20	963.11
Total	966	966	2005.04	1872.7

XVII HIGH VOLTAGE DISTRIBUTION SYSTEM (HVDS):

- The Karnataka Electricity Regulatory Commission has issued various directives to reduce high levels of technical and commercial losses in the distribution system. Implementation of High Voltage Distribution System is one such important directive.
- **Concept of HVDS: High voltage Distribution System (HVDS)** envisages running of 11 kV lines right up to one or a cluster of two pump sets, employ small capacity of 25 KVA 3 star rated (instead of 63/100 KVA) distribution transformers and extend supply to these one or two pump sets with least (or almost nil) LT lines, preferably by insulated overhead cables (Aerial Bunched Cables) system. Due to use of smaller rating 3 phase transformers, length of LT lines is considerably reduced or eliminated and power is distributed mainly through HV (11 kV) lines.
- **Scope of works:**
 - a) Conversion of LT line to 11KV HT OH /AB Cable and Extension of new 11KV Line.
 - b) Commissioning of 25KVA Distribution Transformers with removal of existing 63/100/250 KVA transformers.
 - c) Running of LTAB Cable (where ever required).
- **Benefits:**
 - a) Better quality and reliability of power supply to IP consumers.
 - b) Reduction in T & D and AT & C losses & improved load management.
 - c) The failure rate of distribution transformers due to LT line short circuit and unauthorized IP set connection will be reduced.
 - d) Facilitates to prevent unauthorized IP set connections & their easy identification if, connected.
 - e) The fatal non-departmental accidents occurring in rural areas due to snapping of LT line conductors & inadequate LT line ground clearances due to conductor sagging will be completely prevented.
- **Funding mechanism:**
 - Availing loan from M/s. REC, New Delhi for 90% of sanctioned cost for Phase-1 work.
 - Availing loan from M/s. REC, New Delhi for 90% of sanctioned cost for Phase-2 work.
 - Availing loan from Canara Bank for 90% of sanctioned cost for Phase-3 work.
 - Availing loan from SBI Bank for 75% of sanctioned cost for Phase-4 work.
- **HVDS works:**
 - ❖ HVDS project was taken up in the below mentioned areas of BESCOM jurisdiction in phased manner
 - Phase-1 Scheme: Tumkur Rural, Chikkaballapura & Doddaballapura.
 - Phase-2 Scheme: Kanakapura & Tumkur Rural (Huliyurdurga section).
 - Phase-3 Scheme: Ramanagara Rural, Channapatna Rural, Channapatna urban & Bidadi.
 - Phase-4 Scheme: Magadi, Kudur, Kunigal & Huliyurdurga.
 - ❖ Total No's of agricultural feeders proposed for HVDS Scheme: 276 feeders.
 - ❖ Total Project cost: Rs. 1307.51 crores.

Abstract of HVDS works completed phase wise:

Sl no.	HVDS phase wise	Name of the Division	Feeders proposed	Feeders completed	Feeders work Under progress	Project Cost in Rs. crores	Expenditure booked in Rs. crores	DTC added	IP sets proposed	IP sets covered	HT line Length in Kms	LT line Length in Km s	Work Status
1	Phase-I (Started on 2013) TTK	Tumkur	68	68	--	699.41	590.2	15433	20797	27031	2726.41	575.37	Completed & commissioned (Nov-2015)
2	Phase-II (Started on 2015) PTK	Kanakapura and Tumkur	61	60	0	181.50 (inc. BESCOM Portion)	173.09	12589	23422	19028	2388.47	396.03	1 feeder work in Harohalli S/d lot dropped. Work completed by Aug-2019
3	Phase-III (Started on 2017) TTK	Ramanagara	65	65	--	197.28	196.52	15361	24289	22364	2527.02	294.87	W. C on Oct 2020
4	Phase-IV (Started on 2018) PTK	Kunigal & Magadi	82	82	00	242.29 (inc. BESCOM Portion)	180.55	15595	26757	19323	4485.70	522.73	5 feeders - works are under progress
Total			276	275	00	1320.48	1140.36	58978	95265	87746	12127.6	1789	

XVIII. Conversion of 11kV OH line into UG cable system, Running of new feeder for bifurcation of load & Conversion of LT OH line into UG/AB cable system and laying of Optic Fibre cable (OFC) along with UG cable in 14 sub divisions under PHASE-I, 15 sub divisions under PHASE-II & 10 sub divisions under PHASE-III in BMAZ area, BESCOM on total turnkey basis.

Summary Proposal:

1. The Government of Karnataka has announced conversion of all Overhead 11kV/LT line in Bangalore into UG cable in Budget programme during the financial year 2018-19. In this regard, the Under Secretary, Energy department, GoK vide ltr. no: EN 149 VSC 2018 Dt: 16.07.2018 has directed to prepare DPR for implementation of said scheme in phased manner & e-mail dt: 03.09.2018 of EMC-1, Energy department, GoK has requested to submit the action taken report for 2018-19 towards Budget announcement.
2. Adhering to the directions of the Government, the subject was placed before the 92nd meeting of Board of Directors of BESCOM held on 17.11.2018 and resolved to send the proposal to GoK for approval and authorizing Director (Finance), BESCOM to explore options for arranging funding of the project and Director (Technical), BESCOM to arrange to submit DPR to the Board for further decision / directions. Further, BESCOM envisages to lay OFC network for the purpose of improving its internal communication network and also commercially.
3. Accordingly, the detailed project Reports (DPR) for the work of conversion of overhead distribution lines into Underground cable system has been prepared at an **approximate cost of Rs. 4590.71 Crores** by considering the rates of Schedule of Rates 2018-19.

4. PROJECT DESCRIPTION:

This project envisages to improve the quality of power supply to the consumers and to mitigate the following issues:

- An increase in death of departmental & non-departmental personnel due to contact of live wire occurs repeatedly. Also possibility of foreign bodies like trees / animals is come in contact with the live overhead line leading to accident & power failure.

- Due to natural calamities caused by heavy wind, rain & storm, breakdown of poles/conductors in general distribution system may occur, causing interruptions to the consumers & accidents to human being/ animals & also damage to electric equipment due to fluctuations in current/voltage.
- In some locations, the overhead lines of different feeders are running in parallel causing to unforeseen damage necessitating to avail line clear on all the feeders for maintenance work, causing interruption to the consumers.

5. NATURE OF WORKS:

- Conversion of HT Overhead lines by UG cable & providing RMUs.
- Running of New 11kV line by UG cable for bifurcation of load on the existing overloaded feeder.
- Conversion of LT Overhead lines by Under Ground (UG) / Aerial Bunched (AB) cable.
- Laying of OFC along with UG cable.
- Laying of LT UG cable & termination at consumer premises.
- Conversion of DP/TP structure into spun pole for erection of existing DTC.
- Releasing of overhead lines & DP structures.

6. OBJECTIVES OF PROJECT:

- Improvement of reliability and quality of power supply due to reduction in duration of interruptions.
- Reduction of accident / interruption due to foreign bodies coming in contact with the live wire & interruption due to natural calamities like wind, rain, storm etc.,
- To avoid unforeseen damages to the supports carrying the live wire.
- To improve the aesthetic view of Bangalore city.
- Reduction in damage to electrical equipment due to heavy current during short circuit faults of OH line.
- Reduction in transmission/distribution loss resulting in energy savings. Quick & easier change over facility by providing loop cable system.
- Lower maintenance cost & providing quality power supply as the voltage variations due to overhead lines will be reduced.

7. PROJECT BENEFITS:

- Better quality and reliability of power supply to the consumers.
- Reduction in T&D and AT&C losses & improved load management.
- The failure rate of distribution transformers due to HT / LT OH line short circuit and unauthorized connection will be reduced.
- Reduction in accidents occurring due to snapping of OH line conductors & inadequate OH line ground clearances due to conductor sagging will be completely prevented.
- Reduction of duration of interruption period.
- A fiber Optic communication system is proposed to be established in Bangalore city for augmenting Information Technology (IT)/ Operational Technology (OT) by laying OFC along with the 11kV & LT Underground (UG) cable in BMAZ area and thereby BESCOM will own extensive Optic fiber network.
- Augment non-operational revenue for BESCOM through leasing of dark optic fibers in BESCOM network.

- Providing Optic Fibre Cable for Communication System for BESCOM.
 - After implementation of RAPDRP a lot of data acquisition, processing and management of data is required.
 - A robust communication system is essential for BESCOM which aspires to move towards Smart Grid System.
 - Optic Fiber is viable solution to provide BESCOM communication network, hence it is proposed to lay OFC along with 11kV and LT UG Cable within the same restoration cost.
8. The Government of Karnataka has accorded approval for conversion of OH line into UG / AB cable & laying of OFC along with UG cable vide Itr Dt: 14.02.2019 and GoK has extended the guarantee for ADB, Sovereign loan of 100M\$.
9. The Karnataka Electricity Regulatory Commission (KERC) has accorded in principle approval for taking up the proposed works.
10. **The Gist of the detailed project are as under :**

Total no. of sub divisions in BMAZ area	63
Sub-divisions covered	52
Total Estimate cost	Rs. 4590.71 crores
Conversion of 11KV OH Line	
Proposed 11KV UG cable length	6868.38 KMs
11KV work Estimate cost	Rs. 3368.26 crores
Running of new 11KV feeder	
Proposed 11KV UG cable length	283.35KMs
New feeder work Estimate cost	Rs. 145.17 crores
Conversion of LT OH Line	
Into UG cable	1624.36 KMs
Into Aerial Bunched cable	11112.50 KMs
Total	12736.86 KMs
LT works Estimate cost	Rs. 1077.27 crores.
OFC works Cost	Rs. 734.51 crores
Total Project cost including OFC	Rs. 5325.23 crores.

11. As per the 97th BOD approval, Rate contracts have been issued to the L-1 bidders to carry out the said works under Phase-I and Phase-II.
12. As per the 102nd BOD approval, Rate contracts have been issued to the L-1 bidders to carry out the said works under Phase-III.
13. As per the 105th & 106th BOD approval, Rate Contracts/Letter of Award (RC/LOA) have been issued to the successful bidders on 10.02.2021 & 11.02.2021 for the said works under Phase-IV funded by M/s. Asian Development Bank (Sovereign loan) and SBI.
14. As per the Clause-5.0 of RC, the Rate contract is valid for a period of 18 months from the date of issue of RC, the Rate Contracts under Phase-I & II are issued on 15.07.2019. Due to pandemic situation in the country because of COVID-19 & other reasons, the completion period is extended for 9 months i.e., upto 13.10.2021 vide O.M dt: 09.03.2021.
15. **FINANCIAL ARRANGEMENT:**
- **M/s. KUIDFC** – INR 400 Cr. - 6.5% per year/ Loan term- 10 years.

- **M/s. Asian Development Bank (ADB)** – INR 750 Cr (100M\$) under **Sovereign loan** - Approx. 1.08% per year + 1% commission to GoK /Loan term- 27 years.
- **M/s. Asian Development Bank (ADB)**– INR 660.12 Cr (90 M\$) under **Non-Sovereign** - Approx. 8.74% per year/Loan term- 13 years + 3% margin & 1% upfront fee.
- **M/s. State Bank of India (SBI)** – INR 1576 Cr. - Approx. 7.5% per year/ Loan term- 15 years.
- **M/s. Indian Bank** – INR 668.10 Cr. - Approx. 7.3% per year/Loan term-15 years.

16. Award details are as under:

Phase	Name of Agency	Name of the S/D	Award cost (Rs. in Crores)	Awarded on	Original Completion period	Completion period Extended upto
Phase-I	M/s. Asian Fab Tech Limited, Bangalore	S-20	100.98	15.07.2019	14.01.2021	12.10.2022
	M/s. Larson & Toubro Limited, Chennai	E-6 & E-10	219.47			
	M/s. Asian Fab Tech Limited, Bangalore	N-5 & N-7	322.83			
	M/s. Larson & Toubro Limited, Chennai	C-1, C-2 & C-6	109.06			
	M/s. Asian Fab Tech Limited, Bangalore	N-1, N-2, N-3, N-6, N-8 & N-10	315.75			
Phase-II	M/s. Asian Fab Tech Limited, Bangalore	S-1, S-2, S-6, S-14 & S-15	308.33	15.07.2019	14.01.2021	12.10.2022
	M/s. Kumar Electricals, Bangalore	W-1, W-2, W-6, W-7 & W-8	186.71			
	M/s. Asian Fab Tech Limited, Bangalore	E-1 & E-5	188.75			
	M/s. NCC Limited, Hyderabad	E-11	230.20			
	M/s. Larson & Toubro Limited, Chennai	C-7	223.31			
	M/s. Asian Fab Tech Limited, Bangalore	C-8	198.69			
Phase-III	M/s. NCC Limited, Hyderabad	S-5 & S-9	97.93	30.04.2020	29.10.2021	28.10.2022
	M/s. Aravinda Electricals, Bangalore	S-18	115.99			
	M/s. NCC Limited, Hyderabad	K-1 & K-4	249.61			
	M/s. Asian Fab Tec Limited, Bangalore	C-4 & C-5	219.57			
	M/s. NCC Limited, Hyderabad	K-2	142.61			
	M/s. Asian Fab Tec Limited, Bangalore	C-9	193.60			
	M/s. Larson & Toubro Limited, Chennai	E-9	248.60			

Phase	Name of Agency	Name of the S/D	Award cost (Rs. in Crores)	Awarded on	Original Completion period	Completion period Extended upto
Phase-IV (ADB-Sovereign Loan)	M/s. V. R Patil Vividh Vidyuth Nirman Pvt. Ltd, Koppal	S-4, S-7 & S-17	230.33	11.02.2021	10.08.2022	09.03.2023
	M/s. Rajashree Electricals, Davanagere	S-8 & S-11	228.20			
	M/s. Kumar Electricals, Bangalore	S-12	195.22			
	M/s. Rajashree Electricals, Davanagere	E-4	212.20			
Phase-IV	M/s. Aravinda Electricals, Bangalore	S-3	56.45	10.02.2021	09.08.2022	09.03.2023
	M/s. Transglobal Power Limited, Bangalore	S-16	78.72			
	M/s. Larson & Toubro Limited, Chennai	C-3 & N-9	158.72			
	M/s. Rajashree Electricals, Davanagere	E-7	80.81			
	M/s. Larson & Toubro Limited, Chennai	E-12	118.90			
Grand Total			5031.65			

17. BESCOM has appointed various third party Project Management Consultants for the work of monitoring of said workd as detailed under:

DWANo's	Name of Division	Name of Agency
PMC-01	JAYANAGARA division	M/s. REC Power Distribution Co. Ltd., New Delhi
PMC-02	KORAMANGALA division	M/s. Tata Power Company Ltd, New Delhi
PMC-03	H.S.R Division	M/s. REC Power Distribution Co. Ltd., New Delhi
PMC-04	RAJAJINAGARA division	M/s. Voyants Solutions Pvt. Ltd. Haryana
PMC-05	R. R. NAGAR division	M/s. Mercados Energy Markets India Pvt. Ltd, New Delhi
PMC-06	KENGERI division	M/s. Power Research and Development Consultants Pvt. Ltd, Bangalore
PMC-07	SHIVAJINAGARA division	M/s. Voyants Solutions Pvt. Ltd. Haryana
PMC-08	INDIRANAGARA division	M/s. REC Power Distribution Co. Ltd., New Delhi
PMC-09	WHITE FIELD division	M/s. N_Arc Consulting, New Delhi
PMC-10	PEENYA division	M/s. Tata Power Company Ltd, New Delhi
PMC-11	MALLESHWARAM division	M/s. Voyants Solutions Pvt. Ltd. Haryana
PMC-12	JALAHALLI division	M/s. Tata Power Company Ltd, New Delhi
PMC-13	HEBBALA division	M/s. REC Power Distribution Co. Ltd., New Delhi

18. BESCOM has appointed various third party Project Management Consultants for the work of “Construction, Supervision & Monitoring of works with Quality and Quantity Assurance, Quality Inspection of materials, Verification & certification of bills, Assessment of progress of works and Pre & Post analysis of the proposed work of Conversion of 11KV/LT overhead line into UG/AB cable & laying of Optic Fibre Cable (OFC) along with UG cable and other CAPEX works in 13 Divisions of BMAZ, BESCOM”.

19. The Physical & Financial progress as on 31.03.2023 are as under:

Abstract of Conversion of OH to UG /AB Cable project under Phase-I, II, III & IV as on 31.03.2023

SI no	Name of the Phase	No of sub-division covered	Length of 11kV UG cable proposed in kms	11kV DAS and Non DAS RMU proposed in Nos	Conversion of LT OH line into UG/AB cable in kms	Physical progress as on 31.03.2023			
						11kV		LT	
						In %	In kms	In %	In kms
1	I	14	1306.867	744	1704.40	97.48%	1273.89	98.25%	1674.53
2	II	15	1650.402	832	2048.322	99.28%	1638.55	99.02%	2028.25
3	III	10	1946.285	738	1220.844	93.65%	1822.78	90.83%	1108.86
4	IV	13	2126.779	916	844.979	91.42%	1944.28	86.12%	727.73
TOTAL		52	7030.33	3230	5818.55	95.01%	6679.49	95.20%	5539.38

20. Expenditure incurred as on 31.03.2023 is Rs.4006.23 Crores and the works are under progress. The entire project is planning to complete before December-2023.

XIX Deena Dayal Upadhyaya Grama Jyothi Yojana (DDUGJY):

Deena Dayal Upadhyaya Grama Jyothi Yojana (DDUGJY) scheme is a Central Government scheme for rural electrification. The main objective is providing electricity connection to all the un-electrified BPL households by creating infrastructure (like extension of HT/LT lines, installation of new DTCs) at free of cost.

Scope of works:

- Strengthening of sub-transmission and distribution system.
- Rural electrification – providing electricity connection to all the un-electrified BPL households.
- All the works under Sansad Adarsh Grama Yojana (SAGY).
- Metering works.

The other work, includes feeder separation, system strengthening and metering. M/s REC, New Delhi has sanctioned Rs.235.36 crores to BESCOM for carrying out works under DDUGJY scheme.

Accordingly, the works were awarded to successful bidder in 8 districts namely, Bangalore Urban, Bangalore Rural, Ramanagara, Kolar, Chikkaballapura, Tumkur, Chitradurga and Davanagere during March-2017 and May-2017.

Details of scheme:

- Total Sanctioned project cost : Rs.235.36 Crores.
- Detailed Work Award cost : Rs.282.16 Crores
- Total No. of Districts covered : 8 Districts.
- Actual completion of the project : 31.03.2020.
- Eligible grant (60% of sanctioned cost) : Rs.142.33 Crores
- Total grant released as on date : Rs.142.33 Crores
- Expenditure booked as on date : Rs.311.16 Crores

As per the guidelines of REC, all the identified works under DDUGJY scheme in 8 districts are completed at the end of March-2020.

Details of works carried out in BESCOM under DDUGJY:

1. Free electricity connection provided to 105990 nos of un-electrified BPL households.
2. 2361 KMs of new 11 KV line are executed.
3. 1062 KMs of new LT lines are executed.
4. 2614 Nos of new distribution transformers are erected.
5. 305 Nos of HT consumer metering are replaced.

Present status:

All the works under the scheme is completed by March 2020 and M/s REC, has given the acceptance to the closure proposals on 02.09.2021.

XX MODEL SUB DIVISION & SYSTEM IMPROVEMENT WORKS:

Scope of work:

- 11kV New link lines/New feeders.
- Conversion of overhead by UG cables - 11 KV Feeders.
- Conversion of LT overhead by LT UG cables/AB Cable.
- Conversion of overhead Service Mains by UG service mains.
- LTAB Cable in Hazardous Location.
- Refurbishment of Existing DTC/ Providing 5 star rated Distribution Transformers.
- Providing Additional Transformers and compact substations.
- Providing DAS compatible RMUs.

Advantages:

- Reducing the interruptions and to improve reliability index.
- Improving quality of power supply and to increase safety environment by using underground cable system exclusively in urban areas.
- To reduce the length of trunk line thereby reducing the technical losses.
- To reduce AT&C losses.
- Reduction in accidents.

Model sub division works are implemented in S10, S13, E8 and N4 and system improvement works in E3 Sub division in BMAZ area of BESCOM. The total awarded amount for all the 5 Sub divisions is Rs.951.51 crores and the expenditure booked is Rs.928.57 crores.

XXI Revamped Distribution Sector Scheme (RDSS)

The Govt. of India have formulated the Results-linked, Distribution Sector Scheme seeks to improve the operational efficiencies and financial sustainability, by providing conditional financial assistance to DISCOMs for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks.

Revised Operational guidelines for Revamped Scheme issued by the MoP on 31.12.2021

➤ Objectives:

- Improved quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
- Reduce AT&C losses to 12-15% by 2024-25*
- Reduce ACS-ARR gaps to zero by 2024-25*

➤ Parts of the Scheme:

The scheme has the following parts-

Part A:

Component I: Metering.

Component II: Distribution Infrastructure Works.

Component III: Project Management

Part B: Training, Capacity Building and other Enabling & Supporting activities

➤ Releasing of Grants:

- Component-I: 15% grants (limited to Rs. 900 per meter for consumer metering) and 15 % on system metering.
- Component-II: 60% grants of the project cost and the balance 40% of the project cost would be borne by ESCOMs.

The GoI has provisionally allotted an amount of Rs. 8062.00 crs to Karnataka State for works of loss reduction & modernization (excluding installation of smart metering works).

Further, the Energy Department GoK has provisionally re-allotted Rs. 2809.00 Crs to BESCOM towards loss reduction & modernization works (excluding installation of smart metering works).

The tentative cost proposal of Rs. 9131.21crs (both Component I & II) is submitted to Energy Department on 13.09.2022. The abstract of tentative cost proposal is as below:

Component 1: Metering	: Rs.4977.00 Cr
Component 2: Distribution Infrastructure	: Rs.4154.21 Cr

Present status:

- As per the guidelines, the Action plan & DPR has been placed in SLDRC meeting held on 23.12.2021 and the committee accepted and resolved to recommend the Action plan & DPR for onward submission to Cabinet.
- The approval is pending from the Cabinet, GoK and Monitoring Committee / MoP. The amount may vary according to the project sanctioned cost by Monitoring Committee / MoP.

XXII Information pertaining to Operations

➤ GANGA KALYANA SCHEME:

- Ganga Kalyana Scheme started during 1983. It is one of the social responsibility of Government of Karnataka in which IP sets belongs to SC, ST, Backward class, Minority, Vishwakarma, Adhijambhava, Uppara, Nija Sharana Ambhigara Chowdaiah, Bhovi Community category farmers are being energized.
- Target fixed for the year 2022-23 is 3529 Nos. The total applications received are 2476 Nos (pending applications at the end of 2021-22 is 224 Nos and applications registered in the year 2022-23 is 2252 Nos. Out of which BESCOM has energized 2402 number of IP sets under this scheme.

➤ SCHEDULED CASTE SUB PLAN [SCSP]:

- During the year 2022-23, Rs. 42.93 lakhs has been released under Scheduled Caste Sub Plan by Government of Karnataka. BESCOM has energized 16 Nos. of IP sets under Ganga kalyana Scheme by utilizing amount of Rs. 21.38 lakhs. Amount of Rs. 16.93 lakhs has been utilized for energisation of borewell drilled at own cost expenses by SC beneficiaries. Amount of Rs. 4.62 Lakhs has been utilized for providing electricity connection to Anganawadis and schools in SC Colonies.

TRIBAL SUB PLAN [TSP]:

- During the year 2022-23, Rs. 6.00 lakhs has been released under Tribal Sub Plan by Government of Karnataka. BESCOM has energized 1 No. of IP set under Ganga kalyana Scheme by utilizing amount of Rs. 1.7 lakhs. The amount of Rs. 4.3 lakhs has been utilized for energisation of borewells drilled under own cost by the ST beneficiaries

➤ ENERGISATION OF IRRIGATION PUMP SETS:

Under Ganga Kalyana Scheme, 2402 number of IP sets have been energized during the year 2022-23.

The target fixed for the FY 2023-24 is as below:-

- Ganga Kalyana –2330 Nos.

➤ Drinking water Supply:

- Drinking water supply is one of the Social Responsibility of Government of Karnataka. In this scheme, water supply will be provided to Urban and Rural areas on top priority

● The following are the Schemes of Drinking Water Supply

1. MWS (Mini Water Supply)
2. PWS (Piped Water Supply)
3. TMC (Town Municipal Corporation)
4. KUWS (Karnataka Urban Water Supply)
5. Scarcity

During the year **2022-23** (upto March 23) BESCOM has energized **943** Nos. of Drinking water Supply installations as against the target of **1525** Nos.

As at the end of March 2023, number of pending applications for energization is 76 Nos in which 20 Nos are at BESCOM end & 56 Nos are at Local Bodies.

BESCOM has setup a target of energizing 1520 Nos. of drinking water Supply installations for FY **2023-24**

New Lines:

- **HT Lines:** 7237.58 rkm of HT lines were added during the year 2022-23 (upto March-23) and total length of existing HT lines is 132022.24 rkm in the system.

- **LT Lines:** 5535.90 rkm of LT lines were added during the year 2022-23 (upto March-23) and total length of existing LT lines is 184876.40 rkm in the system.

➤ **SYSTEM IMPROVEMENT WORKS:**

New Distribution Transformer centres:

- To reduce the load on over loaded transformers.
- To improve the voltage at tail ends.
- To minimize failure of Transformers
- To maintain uninterrupted power supply
- During the year 2022-23 (upto March-23) 22,930 Nos. of New Distribution transformer Centers were added to the system.
- As at the end of 2022-23 (upto March-23) the total Distribution transformer Centers existing are 4,78,361 Nos.

XXIII DEMAND SIDE MANAGEMENT

The following DSM measures were adopted in BESCOM for the year 2022-23 towards Energy Conservation:

1. Implementation of Solar Rooftop system in BESCOM:

- The Government of Karnataka has announced the Solar Policy 2014-21 for grid connected Solar rooftop system under net-metering basis on 22.05.2014 with revised target of 2400MW to be achieved by 2022.
- KERC is issuing the tariff order and other operational clarification from time to time, related to SRTPV on multiple SRTPV installations/ Government buildings etc.
- Online applications are invited from all categories of consumers of BESCOM with solar proposed capacity from 1KW to 2MW. The SRTPV capacity should be equivalent to 100% of the sanctioned load.
- The online application for grid connectivity, KERC orders / Notifications / Guidelines / timelines and standard format of application, power purchase agreement and other formats of SRTPV plants are made available in the BESCOM website.
- The programme encourages installation of rooftop solar photovoltaic power generation plant for self-consumption as well as supply / sale of electricity to the grid under net / gross metering arrangements.
- For the benefits of consumers, BESCOM empanel grid tied inverter manufactures. Total empanelled grid tied inverter manufacturers is 12.
- Under IPDS scheme for installation of SRTPV plants on rooftop of BESCOM owned buildings, 51 Nos. of installations with capacity of 673.8KWp has been commissioned.
- Under the GoI funds of 13th Finance Commission, solar rooftop plants have been commissioned on 123 Government buildings for a cumulative capacity of 7.2 MW as on 31.03.2023.
- The commissioned SRTPV installations from 07.11.2014 to 31.03.2023 is 6076 nos. with capacity of 229.225 MW.

2. Implementation of Soura Gruha Yojana in BESCOM:

- The Ministry of New & Renewable Energy (MNRE), GoI vide order dated 20.08.2019 has issued guidelines for implementation of MNRE Phase-II Grid Connected Rooftop Solar Program for achieving cumulative capacity of 40GW from Rooftop Solar Projects by the year 2022.
- The program provides Central Finance Assistance (CFA) for setting up of rooftop solar plants for Individual Residential Consumers and Group Housing Societies / Residential Welfare Associations.

- The CFA pattern is detailed below:

Type of Residential sector	CFA (as % of benchmark cost or cost discovered through competitive process whichever is lower)
Residential sector (Maximum upto 3KW capacity)	40%
Residential sector (above 3kW capacity and upto 10KW capacity)	40% upto 3KW Plus 20% for RTS system above 3KW and upto 10KW
Group Housing Societies/ Residential Welfare Associations (GHS/RWA) etc for common facilities up to 500 KWp (@ 10KWp per house), with the upper limit being inclusive of individual rooftop plants already installed by individual residents in that GHS/RWA at the time of installation of RTS for common activity.	20%

- MNRE has allocated 10MW capacity to BESCOM vide order dated 19.01.2022 for FY 2021-22.
- BESCOM is implementing the MNRE Phase-II Rooftop Solar Scheme in its jurisdiction as Soura Gruha Yojane. The scheme is applicable only to Residential Consumers of BESCOM.
- Online Applications are invited from residential consumers and GHS/ RWAs upto their sanctioned load of the installation and the applications will be received till allocated capacity of 10 MW is reached.
- BESCOM has floated tenders on 18.01.2022 for Empanelment of Vendors for installation of grid connected rooftop solar plants under the scheme and for discovery of rate/KW for installation.
- The number of empanelled vendors under this scheme is 13.
- The SRTPV installation will be carried out by empanelled EPC Vendor and commissioning of Solar Plant will be done by BESCOM.
- Consumer has to pay the amount excluding CFA to the Empanelled Vendor and has to enter into EPC agreement with Empanelled Vendor. Consumer has to execute Power Purchase Agreement within the stipulated time period as intimated by BESCOM.

MNRE Simplified Procedure:

- MNRE simplified procedure for installation of Solar Rooftop plants under the scheme and developed the new web portal <https://solarrooftop.gov.in/> for implementation of simplified procedure.
- The Consumer has to apply through National Solar Rooftop portal for installation of solar rooftop plant under the scheme.
- As per the MNRE guidelines for simplified procedure, BESCOM has empanelled 52 vendors under simplified procedure, by collecting Bank Guarantees of Rs.2.5 lakhs and declaration in MNRE prescribed format.

● **Subsidy Structure under National Portal:**

Sl. No.	Type of household	Subsidy Applicable	
		1	Individual Household
		Beyond 3KW & upto 10KW	Rs. 7294/- per KW
2	Resident Welfare Associations/Group Housing Societies (RWA/GHS)	Rs.7294/-per KW for common facilities up to 500 kWp @ 10 kWp per house.	

- The Consumer has to pay the full cost of installation to the Vendor. The Rate/kW for installation will be as per the rate mutually agreed by Consumer and Vendor.
- The subsidy will be released directly to the Consumer by MNRE.

3. Surya Raitha Scheme:

The Govt. of Karnataka has announced “Surya Raitha” scheme vide order dtd: 20.09.2014, for the welfare of farmers. The scheme proposes to provide Net metered, grid connected solar water pump systems.

BESCOM has implemented a pilot project, which is first of its kind in India where farmers irrigate through Solar powered IP sets. The pilot project is taken up for 310 no. of IP sets on Harobele 11KV agricultural feeder of Kanakapura taluk by replacing existing inefficient irrigation pumpsets with energy efficient pumpsets and energizing these IP sets with solar power and feed-in excess energy to the grid on Net-metering concept.

The excess energy fed into the grid will be paid back to the farmers as per the KERC tariff of Rs.6.03 resulting in additional income to the farmers apart from the income earned through crops. The total cost of the project is Rs.24.36 Crs.

The scheme has been financed by a combination of farmer investment, GoK subsidy, MNRE subsidy and BESCOM investment through interest-free loan to the farmers that will be repaid by the farmers through their Net metering tariff revenues in the initial years. The Net metering revenues will be diverted first to the loan account and, if in surplus, to the farmer's account. During the loan period, farmers will be paid Rs.1 as generation based incentives, Rs.0.2 will be paid to the Farmers' Co-operative Society and the balance amount of Rs.4.83 will be adjusted towards the BESCOM interest free loan. After the loan period, Rs.0.2 will be paid to the Farmers' Cooperative Society and the balance amount of Rs.5.83 will be paid to the farmers.

All 310 systems are commissioned by May-2018 and connected to the grid. The solar energy generated during 2022-23 is 2.2 MUs and cumulative energy generated from 2015-16 is 14.16 MUs.

Benefits from Surya Raitha scheme:

❖ **To Gov. of Karnataka:-**

- Reduction of subsidy cost towards energy to the agricultural customers with opportunity to deploy in other revenue generating segments
- Energy saved from agricultural customers and delivered from Net-metering can be used to bridge energy deficit in the State
- Improved ground water ecology and agricultural output

❖ **To BESCOM:-**

- Reduction in demand and energy consumption
- Reduction of T&D loss
- Savings on infrastructure cost

- Reduction in failure of DTCs
- Savings on high cost energy
- **To Farmers:-**
 - Enhance quality of irrigation
 - Assured day time power supply
 - Steady income from solar generation
 - Source of income during drought years

4. Feeder Level Solarization under Component-C of PM-KUSUM scheme

The Ministry of New & Renewable Energy (MNRE), Govt. of India has issued guidelines for Pradhan Manthri Kisan Urja Suraksha evam Uththan Mahabhiyaan (PM-KUSUM) scheme on 22.07.2019 and 04.12.2020, for installation of grid-connected solar power plants and solar pumps with the following Components:

- ❖ **Component-A:** 10,000MW of Decentralized ground mounted Grid Connected Renewable Power Plants of individual plant size upto 2MW.
- ❖ **Component-B:** Installation of 20 lakh standalone Solar powered Agriculture pumps of individual pump capacity upto 7.5 HP.
- ❖ **Component-C:** Solarisation of 15 lakh grid-connected Agriculture pumps;
 - Individual pump capacity upto 7.5 HP OR
 - Feeder level solarisation

MNRE has sanctioned 2,62,000 IP sets to BESCOM under Component-C of Feeder level solarisation. Implementation of the scheme is under progress.

5. Solar off-grid pump set programme through KREDL:

Karnataka Renewable Energy Development Limited (KREDL) is the nodal agency for implementation of the Solar off-grid pump set programme. The programme involves supply, installation, commissioning of IP sets along with 5 years maintenance. Under Component-B Solar off-grid pump set programme of PM-KUSUM scheme, MNRE will provide 30% CFA (Central Financial Assistance), GoK subsidy is 30% and farmer investment is 40% of the total cost of the system. MNRE will provide CFA limited to 7.5 HP only.

KREDL invited online applications from 319 SC/ST farmers on 28.08.2020 for 3HP and 7.5HP systems. Total 68 Solar off grid pump systems are commissioned in BESCOM jurisdiction.

Further, KREDL invited online applications from 1325 farmers on 15.07.2022 for 3HP, 5HP, 7.5HP and 10HP systems. 306 applications (General:217, SC:47 & ST:42) received in BESCOM jurisdiction.

6. Perform, Achieve and Trade (PAT):

Bureau of Energy Efficiency (BEE), MoP, Gol has developed "The Perform, Achieve and Trade (PAT)" scheme. It is a regulatory instrument to reduce specific energy consumption through T&D losses. Under this scheme, reductions in specific energy saving targets are assigned to Designated Consumers (DCs) for a three-year cycle based on their current levels of energy efficiency, one of such sector is Electricity Distribution Companies or DISCOMs.

BESCOM notified as DC in PAT cycle-II (2016 to 2019). The target set to reduce T&D loss is 14.78% (baseline year:2014-15) to 14.50% (target year:2018-19). BESCOM achieved 12.62% with Energy savings certificates (ESCerts) of +45692. BESCOM registered with Grid India (formely known as POSOCO), for trading of these ESCert sunder PAT Cycle-II.

Now, BESCOM is identified as DC under PAT Cycle-VII and BEE has fixed the target to reduce T&D loss from 12.62% (baseline year : 2018-19) to 12.11% (target year : 2024-25).

7. Unnat Jyoti by Affordable LEDs for All (UJALA):

BESCOM under UJALA scheme (renamed the program as “Hosa Belaku” in Karnataka) of GoI, has taken up an action to save electricity by promoting use of Light Emitting Diode (LED) based bulbs & tube lights among the consumers. Widespread use of these may lead towards realizing one of the load management objectives of reducing the peak demand. The program is implemented through M/s. Energy Efficiency Services Limited (EESL).

a. Phase-I - LED bulbs:

This program enables distribution of high quality LED bulbs at a cost much lower than the market price as replacement for Incandescent Lamps (ICLs) and Compact Fluorescent Lamps (CFLs) for energy savings. Consumers can purchase the LED bulbs at a cost of Rs.70/- per bulb.

Total LED bulbs sold from FY-16 to FY-23 is 1,13,83,900 and annual energy savings for 2022-23 is 167.82 Mus.

b. Phase-II - LED tube lights:

BESCOM under Phase-2 of Hosa Belaku is distributing 20W LED tube lights at a unit cost of Rs.220/- on upfront basis to the consumers in BESCOM jurisdiction. 2,75,188 no. of 20W LED tube lights were sold from 2016-17 to 2022-23 and annual energy savings for 2022-23 is 6.34 Mus.

Warranty:

One year warranty for LED bulbs and Three years warranty for LED tube lights, at free of cost commencing from the date of distribution to the consumers, for replacement of the faulty bulb / tube lights due to technical defects (excludes physical damage, outdoor applications etc.,).

8. PAVAN Scheme - BEE 5 star rated Ceiling Fan:

BESCOM under PAVAN scheme is distributing BEE 5 star rated Ceiling Fan at a unit cost of Rs.1150/- on upfront basis to the domestic consumers in BESCOM jurisdiction. M/s Energy Efficiency Services Limited (EESL) is the implementing agency. 41,757 no. of BEE 5 star rated Ceiling Fans were sold from 2017-18 to 2022-23 and annual energy savings for 2022-23 is 1.03 Mus.

Warranty:

Two and half years warranty at free of cost commencing from the date of distribution of BEE 5 star rated ceiling fans to the consumer for replacement of the faulty BEE 5 star rated ceiling fans due to technical defects (excludes physical damage, outdoor applications etc.,)

Benefits of UJALA & PAVAN programs:

- Reduction in evening peak load
- Mitigate power deficit
- Reduction in power purchase cost
- Reduction in power consumption of domestic consumers

9. Grama Ujala:

Grama Ujala is carbon finance based program implementing through M/s Convergence Efficiency Services Limited (CESL), a 100% subsidiary of M/s EESL, a PSU under Ministry of Power. The programme has been launched on 14.12.2021. Under the programme, 12W and 7W high quality LED bulbs are distributed in rural areas on exchange of Incandescent bulbs (ICLs). BESCOM acts a facilitator without any financial commitment. Maximum 5 nos. of LED bulbs per household are distributed at a cost of Rs.10/- per bulb, which covers 3 years warranty period.

46,343 LED bulbs were sold during 2022-23 and cumulative LED bulbs sold from FY-22 & FY-23 is 2,29,608 nos. The annual energy savings for 2022-23 is 3.38 Mus.

10. Implementation of Mandatory use of Solar Water Heaters:

As a Demand Side Management program, BESCOM has made mandatory use of solar water heaters. Total no. of solar water heaters installed during 2022-23 in BESCOM is 40,517.

Energy savings*	MUs
Annual Energy savings for 40,517nos. of SWH	40.11
Per day Energy savings for 40,517nos. of SWH	0.12

* By considering avg. 2kW for 1½ hrs per day per SWH system, for 330 days

11. Providing timer switches to Street light installations:

BESCOM has requested BBMP and other local municipal bodies to install timer switches to Street lights resulting in energy savings and reduces evening peak hour load on grid.

Sl. No.	Zone	No. of Str. light ckt existing as on Mar -23	No. of timer switches fixed as on Mar -23	No. of timer switches in working condition as on Mar-23	No. of timer switches not in working condition as on Mar-23	Balance no. of timer switches to be fixed as on Mar -23
1	BMANZ	9243	7176	5486	1690	2067
2	BMASZ	13664	9099	6838	2261	4565
3	BRAZ	22039	4638	4327	311	17401
4	CTAZ	20619	4414	3588	826	16205
Total		65565	25327	20239	5088	40238

12. Energy Awareness Program:

Communication Modes utilized through:

- Advertisements in Newspapers, Magazines, Souvenir etc.
- Through stalls
- On Hoardings
- Jingles in Doordarshan, AIR, Big FM etc.
- Posters, Pamphlets, Brochures, etc.
- Through Customer Interaction Meetings by Sub Division Officers/Section Officers with Grama Panchayath and Zilla Parishat offices
- Vidhyuth Adalat on every 3rd Saturday at Village level by BESCOM Officers
- Through Interaction meetings at Taluk development/District development Meetings.

13. Earth Hour:

Earth Hour-2023 was observed on 25th March 2023 between 8.30pm to 9.30pm by BESCOM Officers/Employees and the consumers, by switching 'OFF' unnecessary lights.

XXIV VIGILANCE DEPARTMENT

The Vigilance department is headed by the Superintendent of Police, along with supporting staff of one Deputy General Manager (Ele), One Assistant General (F&C), One Deputy Superintendent of Police ,11 Police Inspectors, 11 Assistant Executive Engineer(Ele) and more than eighty numbers of Police and BESCOM staffs.

The Vigilance department has spread over 8 districts of Karnataka coming under the Jurisdiction of BESCOM. The Vigilance is functioning through 11 Vigilance Police Stations in BESCOM area. The main activities of Vigilance department is to take action as per the provision of Electricity Act-2003, besides exercising checks over the installations and to control theft, pilferage, misuse of electricity and unauthorised extension of power.

The Vigilance department is regularly conducting mass raids on weekly basis, covering the jurisdictional areas of all Vigilance Police Stations limits to bring awareness among consumers and general public.”

The performance of Vigilance wing for the Financial Year 2022-23 are follows:

1.	No. of Installations Inspected	26798	
2.	No. of Cognizable Cases booked	4878	
		No. of Cases	Amount
3.	Back Billing Charges Preferred	4878	17,24,09,173
4.	Compounding Charges Preferred		5,36,16,690
5.	Back Billing Charges Recovered	4817	7,77,00,756
6.	Compounding Charges Recovered		4,86,44,300

XXV QUALITY STANDARDS & SAFETY WING:

Matter to be included in Annual report 2022-23 Pertaining to QS&S section

- QS&S section is entrusted with works of maintaining quality of the materials, revising and updating the standards to ensure safety.
- In order to ensure supply of quality materials to BESCOM, all material inspections are carried out for the purchase orders placed by procurement section, project section etc.
- Common Schedule of Rates for all ESCOMs is being prepared comparing various market rates, PO's of other ESCOMs, Schedule of Rates of other states.
- From the year 2021-22 Common Schedule of Rates is prepared for the entire state of Karnataka which will be effective for all Government departments. This preparation of Schedule of Rates is called UNIFORM Schedule of Rates (one item one rate, one department) BESCOM is the nodal agency for energy department which includes KPTCL, other ESCOMs & PWD Electrical. These rates are being published in respective ESCOM, KPTCL and PWD Websites.
- Vendor approvals are being accorded to the firms only after ascertaining the capability of the firm to manufacture and supply of good quality material required for BESCOM works. Factory inspections are carried out by QS&S officers for both Technical and Financial analysis. Only after ensuring that the materials conforms to BESCOM specification/IS standards Vendor approval is accorded for manufacture/supply of materials to BESCOM works.
- Standardization of the technical specification and drawing in respect of the materials which are being procured and adopt revised specification in all ESCOM has reviewed and digitalized for easy reference of ESCOM Staff.
- BESCOM intends to bring the electrical accident levels to zero. In order to achieve the same BESCOM have taken up various remedial measures and provided all safety materials such as Safety Helmets with induction tester, Safety Belts, 11kV live line tester, earthing rods, hand gloves, reflective jackets, rain wear, FRP ladders, safety shoes, torches, Insulated cutting pliers and Screw drivers to the maintenance staff.
- Apart from issuing safety materials, random inspections are done by the officers at works spot to ensure the usage of safety materials by maintenance staff. Also safety meetings are being conducted at the sub division/section offices to create the awareness among the maintenance staff regarding the importance of usage of safety materials in day to day routine works.
- Safety Awareness Programmes taken up during FY 2022-23 are as under
 - Safety awareness promotions through social media such as Facebook, Instagram, YouTube channels & phone in programmes and to create awareness among public in effective manner pamphlets were distributed to each house hold, advertisements/videos related to electrical safety awareness is displayed on 164Nos LED TV screens at BMTC bus stations.
 - Safety awareness programme to the public regarding dos and don'ts in matters relating to handling of electricity addressed by Managing Director in Prajavani phone in programme.
 - As per the Hon'ble Energy Minister 100 days programme Shifting of existing hazardous 11KV/LT line passing over school premises to a suitable place, or replacing with covered conductor /Aerial bunched/UG cable in BESCOM jurisdiction.

- The work has been awarded to various agencies through e-proc tender.
- 3822 Nos, locations have been identified and 3509nos have been rectified.
- Remaining 313 Nos, will be completed on top priority.
- Transformer maintenance campaign is held across 8 districts of BESCOM as on date 174972 nos of DTCs have been attended.
- Distribution transformer centers existing in footpath, causing hindrance to general public have been identified and replaced with special design transformer structures 2587 nos have been identified and 1911 Nos of DTC have been replaced with special transformer structure as on March - 2023.
- Safety work shop has been conducted to all Powermen and to all field officers at divisional level in BESCOM jurisdiction in the month of November - 2022 regarding usage of safety equipments and to follow safety procedure during the work

XXVI ELECTRIC VEHICLE CHARGING STATIONS:

➤ **Electric Vehicle Charging Stations:**

- Karnataka Electric Vehicle & Energy Storage (EV&ES) Policy 2017 was issued by Government of Karnataka, in view of shifting to electric mobility due to the fast depletion of fossil fuels, increase in energy costs, impact of transportation on the environment and concerns over climate change.
- In view of promoting the usage of Electric Vehicle, BESCOM has hired 05 Electric Vehicles for Corporate use at Energy Department, KERC & BESCOM.
- Karnataka Electricity regulatory Commission (KERC) vide order dt.14.05.2018 has approved separate tariff LT6 (c) for the supply of power to Electric Vehicle Charging Stations under LT and HT connection.
- The Electric Vehicle Charging Rates for charging stations established by BESCOM – “Cost to Serve” is as below:

SI.No.	Connector Details	Cost per kWh
1	AC Slow Charger (IEC Connector)	Rs. 7.26
2	DC Charger (GB/T Connector)	Rs. 7.41
3	DC Fast Charger (CCS/CHAdemo connector)	Rs. 8.07

- BESCOM has been notified as the "State Nodal Agency" for setting up of Charging Infrastructure for Electric Vehicles in the Karnataka State.
- BESCOM has launched branding "Logo" for EV Charging Stations in Karnataka.



- Total EV Charging Stations set-up in BESCOM jurisdiction which are available to public for usage are as below:

Charger type	2018	2019	2022	Total
AC	6	100	184	290
DC	4	26	0	30
Total	10	126	184	320

- **Solar Integrated EV Charging Station:**

With support from Shakthi Foundation and CSTEP, BESCOM has taken up a study pilot on integrating the EV Charging Station with the existing SRTPV along with the Energy Storage system. An attempt is made successfully to charge dynamically the Electric Vehicles using solar energy which is first of its kind in the Country.

The pilot project has won "ISGF Innovation Award 2021" and 'SKOCH Annual Awards 2021'.

- Study of Impact of EV Charging Stations on the Grid:

The study was carried out for load flow of five Nos. 11 kV feeders in Bangalore city with the support of SSEF & ISGF. The study was completed and report was submitted by ISGF. This study report was released by Hon'ble Energy Minister, GoK on 18.09.2021.

- **Janasnehi Vidhyuth Sevegalu (JVS):**

- BESCOM has initiated Janasnehi Vidhyuth Sevegalu to simplify the procedure of availing power supply and to make it consumer friendly.

- **Jana Snehi Vidhyuth Services facilitates the following within 24 hours:**

- a) New Connection: to arrange power supply to domestic and commercial Consumers (Single or Multiple Connections) for load up to 18 KW (from 04.10.2021 started 18kW but earlier it was 7.5kW from February 2018) within 24 hours post completion of registration process, wherever additional infrastructure & line extension is not required.
 - b) Name change: To transfer the ownership of the installation from one person to another.
 - c) Tariff change: To change the purpose of Energy utilization
 - d) Additional/ Reduction of Load: To modify the sanction load as per the requirement.
- Consumers can apply ONLINE or OFFLINE for availing the services.
 - BESCOM Janasnehi Vidhyuth Sevegalu cumulative progress as on 31.03.2023 is as below :

BESCOM FTNC PROGRESS as on 31-03-2023

Type	Total Applications Registered (A)	Total Applications Completed (B)	Total Applications Rejected (C)	% Completion B/(A-C)*100
New Connection	305795	219689	81164	97.80%
Name Change	534268	424647	106782	99.34%
Tariff Change	63375	48417	13777	97.62%
Load Reduction	12529	7706	4589	97.05%
Load Enhancement	21839	11674	9359	93.54%
Grand Total	937806	712133	215671	98.61%

XXVII. DAS UNDER BENGALURU DISTRIBUTION UP-GRADATION PROJECT:

The city of Bengaluru is facilitated with a modern Distribution Automation System (DAS) for power supply management at 11kV level by BESCOM.

1. The DAS is established by:

- Upgrading existing 11kV overhead lines and underground cables of 11 kV distribution network.
- Installing SCADA Switch gear (1591 nos. of Ring Main Units (RMU's), 795 nos. Line Re-closer units and 745 nos of Load Break Switches) in the city at various locations in the 11Kv distribution network.

- Creating a Hybrid communication facility and required hardware exclusively for DAS operations
- Creating two active control centers (one at HSR Layout and one at Rajajinagar) working 24X7 facilitating field engineers for power supply management.

2. Activities of DAS

- SCADA operations on 11kV distribution network.
- Network planning.
- Outage management

3. Benefits derived from Distribution Automation System during 2022-23:

- Remote monitoring of 1461, 11KV Feedres
- Remote operation on 679, 11KV Feedres
- 8747 nos of remote operations were carried out in the last quarter of FY 2022-23
- Interruption duration reduced from 86 hours to 33.58 hours per consumer per year in the year 2021-22 and to 19.05 hrs per costumer per year in the year 2022-23
- Reduced losses to an extent of 129.46 Million units as on 31st March 2023
- Avoided expenditure of 79.95 crs by Network Planning for new works at the end of year 2022-23.
- Total benefits derived from the system as on 31st March 2023 is 205.38 crores.
- Improve capacity building of distribution network.

4. Savings From DAS

Activity	Year	Reduction in losses in Million units	Savings (Rs in Crores)
Replacement of lower capacity asset by Higher capacity asset	From 2012	129.46	79.59
Corrections to Network modification proposals received from field engineers	2019 to 2022	-	79.95
Engineering effort in NOM creation	-	-	6.72
Avoided AMC cost on SCADA IT and Communication System	2019 to Till date (Depends on USD exchange)	-	36.16
Engineering effort in Integrating KPTCL SCADA with BESCOM	-	-	2.96
Total savings to BESCOM			205.38

5. Recognition for DAS

DAS project is recipient of “SKOCH Award”, instituted in 2003, is the highest civilian honor in the country conferred by an independent organization. It recognizes people, projects and institutions that go the extra mile to make India a better nation.

6. Road ahead

- Upgrade Distribution Automation System to Sustain DAS Operations
 - Upgrade obsolete IT systems(end of service life and OEM support)
 - Upgrade beyond repair SCADA switches
 - Expand SCADA facility to the expanded distribution network.
- Improve control centre operations
- Implement line clear activities from control centre
- Capacity building of BESCOM employees to work automated mode of distribution network
- Increase revenue by increase in sales
- Continue to reduce losses

XXVIII. HRD WINGS

HUMAN RESOURCE DEVELOPMENT PROGRAMME:

Cadre wise Training conducted during the Year 2022-23:

Sl. No.	Year	EEs and above/DCAs and above	AEs and AEEs/ AAOs and AOs	Others (C&D group)	Total
1	2022-23	222	446	572	1240

Note: Apprentice Training details for FY 2022-23 are as shown below:

Sl. No.	Apprentice Course	Notified Nos. of Apprentice	Nos. of Apprentice Selected	Nos. of Apprentice Reported for Training
1	Graduate Apprentice	325	50	34
2	Diploma Apprentice	75	01	01
	Total	400	51	35

XXIX . INTERNAL AUDIT WING:

- 1) Internal Audit wing in BESCOM is headed by CGM(I/A) and functioning independently under the control of Managing Director, BESCOM.
- 2) The CGM(I/A), DGM(I/A) & 6 AGMs(I/A) are functioning at Corporate office and looking after the audit of : Purchase orders, power purchase bills, pre audit of establishment matter, correspondence relating to AG Paras & COPU paras. Supervision / Monitoring the audit work related to Revenue/ Cash/ Stores etc., of the Audit section of Division / Circle / Zone.
- 3) Verification of Purchase orders, Establishment related issues, stores audit, Revenue/Cash/Voucher audit will be done at Divisions, Circles and Zonal offices.
- 4) All the activities relating to the accounting aspects of the Company as stated above, coming under the purview of internal audit is being carried out/done as per the guidelines prescribed in Audit manual/other codal rules/ circulars/ orders issued periodically from the company.

5) List of Activities of Internal Audit wing :

- a) **Revenue Section:** The Internal Audit section will verify the accounts of all categories of consumers billing accuracy and the procedural lapses if any, in maintaining the consumer accounts.

Due to shortage of staff, the services of Graduate Assistants are being utilized to conduct audit work as per action plan and to complete the same.

The internal audit has pointed out Rs.26.12 crores of Audit Short Claim during the FY 2022-23 and collected ASC of Rs.22.98 crores (including previous years balance Rs.16.55 crores).

Cash Audit: To ensure proper accounting of cash collected/ recovered from consumers and remittance to head office bank account BRS & Cash accounts are being checked for their correctness and irregularities to prevent cash defalcation/ misappropriation. During the course of the audit if any irregularities/misappropriation are noticed, the same will be brought to the knowledge of the Management.

- b) **Voucher Audit:** Every month, the voucher audit is being carried out at Corporate, Zone, Circle and Division level. Excess payment of Rs.0.80 crores has been pointed out during this FY year 2022-23

and out of which Rs.0.88 crores has been recovered including previous year balance. Similarly Rs.0.57 crores of irregular expenditure has been pointed out and Rs.2.68 crores has been regularized including previous year balance of Rs.3.56 crores.

- c) **Store Audit:** The test audit of stores transactions will be conducted in each quarter and report will be issued to the concerned Divisional Officer for the irregularities observed such as issue of materials, un-accounting of materials received, the difference in the balances of pricing and numerical ledgers etc.

At the time of audit of stores, it will be verified whether the annual counting of stores is done during December/ January and the final orders are passed and differences if any will be reported to next higher authorities.

- d) **AG Paras:** There are 8 paras pending relating to COPU till the financial year 2022-23
- e) **Special Audit:** 6 No's of Special Audit proposals have been received during the FY-2022-23 out of which 2 final reports have been received and 4 No's are under progress. 15 reports are sent to different competent authorities for final orders.

XXX. CT & GST SECTION:

Ministry of Finance, Government of India had introduced Goods and Service Tax Act (GST) w.e.f . 01.07.2017. As per GST Act, the generation, transmission and distribution of power is exempted from payment of GST. GST is also exempted for providing services to Central Government, State Government, Union Territory, Local Authority or a Government Authority as per notification dated 28.06.2017. BESCOM has to collect GST on supporting services for electricity distribution as per circular no. 34/8/2018-GST dated 01.03.2018. To look after the GST activities along with Income Tax and Cost Auditing, GST cell is formed in BESCOM during 2017.

The total amount paid towards GST for Suppliers & Service providers.

Sl. No.	Year	Rs. in crore			
		Supply of material	Services provided	TK/PTK	Total
1	2017-18	43.94	29.52	100.27	173.73
2	2018-19	61.35	43.95	281.83	387.13
3	2019-20	45.99	58.67	289.77	394.43
4	2020-21	45.44	57.50	291.10	394.04
5	2021-22	37.52	70.37	449.37	557.26
6	2022-23	54.75	61.10	399.32	515.17

The details of value of services which attracts GST and not attracts GST
(Rs in crore)

Sl. No.	Year	Taxable value of services for which GST attract	Taxable value of services for which does not attract GST	Total
1	2017-18	202.99	-	202.99
2	2018-19	271.18	24.58	295.76
3	2019-20	374.44	40.65	415.09
4	2020-21	270.99	39.39	310.38
5	2021-22	298.15	48.66	346.81
6	2022-23	616.89	32.16	649.05

The details of GST amount paid by BESCOM under RCM for services received
(Rs in crore)

Sl No.	Year	Reverse charge mechanism (RCM)
1	2017-18	1.43
2	2018-19	0.42
3	2019-20	3.27
4	2020-21	3.51
5	2021-22	3.31
6	2022-23	1.40

The following amounts are collected towards GST from Consumer/Buyer on service provided by BESCOM.

(Rs in crore)

Sl. No.	Year	GST collected from consumers	GST on Sale of Scrap	GST on LD/Penalty	Total
1	2017 - 18	35.29	1.27	0.00	36.56
2	2018 - 19	45.07	4.06	1.90	51.03
3	2019 - 20	38.05	3.78	25.42	67.25
4	2020 - 21	44.36	2.62	1.80	48.78
5	2021 - 22	49.28	2.93	1.43	53.64
6	2022 - 23	111.04	12.36	0.92	124.32

- The GST annual returns for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22 has been filed within due dates. The due date for FY 2022-23 is 31.12.2023
- The average collection and remittance of GST is Rs. 5 crores per month.

Cost Audit

BESCOM has completed the cost audit of the Company from its inception as per Section 148 (3) of the Companies Act 2013.

Income Tax

As per the Income Tax act 1961, BESCOM is being a domestic company under the State Government of Karnataka is liable to pay the Corporate Tax. BESCOM had remitted Corporate Tax and filed ITR U/s 139 before due dates.

(Rs in crore)

Sl No	Financial Year	Assessment Year	Amount
1	2018 - 19	2019 - 20	11.31
2	2019 - 20	2020 - 21	26.62
3	2020 - 21	2021 - 22	-
4	2021 - 22	2022 - 23	-
5	2022 - 23	2023 - 24	-
Grand Total			37.93

Note: ITR for FY 2020-21, FY 2021-22 are filed as per the new introduced section 115BAA of IT Act and for FY 2022-23 is yet to be filed. (Last date for filing is 30.09.2023)

XXXI. METER & COMMERICAL SECTION:
➤ REPLACEMENT OF ELECTROMECHNAICAL METERS BY ELECTRO STATIC METERS:

- 1) In BESCOM, as at the end of June-2021, 24,60,510 nos. (23,69,349 single phase and 91,161 three phase) of electromechanical meters are existing in the field
- 2) Tenders are invited for replacement of existing Electro-mechanical meters by Electrostatic meters in East & West, North and South circles of BESCOM. Details of contract and progress is as follows:

DWA	Name of the agency	Circle	Qty of single phase meters in Nos	Qty of three phase meters in Nos	Total quantity in Nos	Progress as on 30.06.2023
DWA No. CSGEV002 Dt. 12.04.2022	M/s Rajashree Electricals	East & West	711817	27896	739713	East-328320 West-293162
DWA No. CSGEV003 Dt. 12.04.2022	V R Patil Vividh Vidyuth Nirman Pvt Ltd.,	North	472568	15362	487930	379989
DWA No. CSGEV005 Dt. 15.07.2022	M/s Rajashree Electricals	South	529562	33677	563239	432320
Total			1713947	76935	1790882	1433791

XXXII CORPORATE GOVERNANCE :

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meeting its stakeholders' aspirations and societal expectations. It is the Company's constant endeavor to adopt the best Corporate Governance practices, The Board of BESCOM believes and supports Corporate Governance practices of a high standard, ensuring observance of these principles in all its dealings. All the Directors take active part in the proceedings of Board and Sub-Committee Meeting which add value in the decision making process. The non-functional Directors receive sitting fees for Board/Sub-Committee Meeting attended by them. Company has complied with various statutory requirements prescribed under the Companies Act 2013, labour laws and other corporate laws wherever applicable for the FY 2022-23 without any default/violations.

(1) Board of Directors:

The Meetings of the Board of Directors are scheduled in advance for which notice is served to each Director in writing/email. The agenda and other relevant notes are circulated to all the Directors in advance. The prescribed Secretarial standards are being followed.

During the year 2022-23, following are the changes in the composition of Board:

Sl. No.	Newly appointed Director	Date of Appointment	Appointed in place of	Date of Cessation	Position in Board
1	Sri.R.H.Lakshmipathy	01.07.2022	Sri.T.R.Ramakrishnaiah	31.05.2022	Director
2	Sri.Mahantesh Bilagi, IAS	18.07.2022	Sri. P.Rajendra Cholan, IAS	18.07.2022	Managing Director
3	Sri.K.Shivanna	07.11.2022	Sri.T.M.Shivaprakash	07.11.2022	Director
4	Sri.Krishnappa V	24.11.2022	---	---	Director
5	Sri. Ramesh.H.J	16.02.2023	Sri. Nagarjuna.D.	16.02.2023	Director (Technical)
6	Sri.Kapil Mohan, IAS	20.02.2023	Sri. G. Kumar Naik, IAS.	20.02.2023	Chairman, BESCOM

Following are the Directors of BESCOM as on the date of Annual General Meeting:

Sl. No.	Name of Directors	Position in Board	Date of Appointment
1	Sri.K.J.George, Hon'ble Energy Minister, Energy Department, GoK.	Chairman	06.06.2023
2	Sri .Garuav Gupta, IAS	Director	05.06.2023
3	Dr. Jaffer, P.C., IAS	Director	18.08.2023
4	Sri. Pankaj Kumar Pandey, IAS	Director	15.06.2023
5	Sri. Mahantesh Bilagi, IAS	Managing Director	18.07.2022
6	Sri. Darshan J, IRS,	CFO & Director (Finance),	19.11 .2021
7	Sri. H.J.Ramesh, BE.,	Director (Technical)	16.02.2023
8	Sri. Krishnappa V.	Director	24.11.2022
9	Sri. K.Shivanna	Director	07.11.2022
10	Sri. R.H.Lakshmipathy	Director	01.07.2022

Sri.Darshan J, IRS is appointed as CFO & Director (Finance) of BESCOM in the place of Dr.R.C.Chethan, IRS as per Govt. Order No-E-DPAR 74 SFP 2020 dated 19.11.2021.

During FY 2022-23, Six Board meetings including one Adjourned Board Meeting took place as detailed below:

SI. No.	Meeting No.	Held on
1	117th BoDM	12.04.2022
2	118th BoDM	09.06.2022
3	119th BoDM	29.08.2022
4	120th BoDM	21.09.2022
5	121st BoDM & 121st Adjourned BoDM	05.12.2022 & 10.01.2023
6	122nd BoDM	03.03.2023

(2) Board Sub-Committees:

The Sub-Committees of the Board were constituted to give more focused attention on important issues.

(i) Central Purchase Committee:

Central Purchase Committee was formed to consider all cases of purchases & Award of Station / Line works or any other works and all matters relating there to whether for Distribution, Projects, Procurement and award of works costing more than Rupees Ten crores and upto Rupees Twenty crores as per the prevailing delegation of financial powers.

The Composition of the Central Purchase Committee as on the date of Annual General Meeting is as below:

SI.No	Name	Position
1	Managing Director, BESCOM	Chairman
2	CFO & Director (Finance), BESCOM	Member
3	Director(Technical), BESCOM	Member
4	Company Secretary, BESCOM	Convener

During FY 2022-23, Central Purchase Committee met as below:

SI No.	Meeting No.	Held on
1	120th CPC	21.04.2022
2	121st CPC	24.06.2022
3	122nd CPC	27.09.2022
4	123rd CPC	05.01.2023
5	124th CPC	01.03.2023
6	125th CPC	14.03.2023
7	126th CPC	28.03.2023

(ii) Borrowing Sub Committee:

The Borrowing Sub-Committee has been delegated certain specific powers to borrow Long term Loans from Banks/Financial institutions on behalf of the Board from time to time subject to ceiling limit approved by Shareholders at the General Meeting.

The Composition of the Borrowing Sub-Committee as on date of Annual General Meeting is as below:

Sl. No.	Name	Position
1	Managing Director, BESCOM	Chairman
2	CFO & Director (Finance), BESCOM	Member
3	Director(Technical), BESCOM	Member
4	Company Secretary, BESCOM	Convener

During the FY 2022-23, the Borrowing Sub-Committee met as below

Sl. No.	Meeting No.	For availing financial assistance from	Amount (Rs.) (in crores)	Held on
1	66th BSC	Bank of Maharashtra	150.00 crores	21.06.2022
2	67th BSC	Bank of Maharashtra	300.00 crores	29.09.2022
3	68th BSC	Bank of Maharashtra	1000.00 crores	15.12.2022
4	69th BSC	M/s.REC Ltd.,	175.17 crores	24.02.2023
5	70th BSC	M/s.REC Ltd.,	353.30 crores	14.03.2023
6	71st BSC	M/s.REC Ltd.,	300.00 crores	30.03.2023

(iii) Audit Committee:

Audit Committee was formed to consider and recommend the financial results to the Board. Statutory Auditors along with Chief General Manager (I/A) were invited to attend the Meeting. Audit Committee has adequate powers and terms of reference to play an effective role as mentioned in Companies Act 2013 which includes discussion with the Auditors periodically about Internal Control System and the Scope of Audit including observations of the Auditors.

- (1) Review of the Annual Financial statements before submission to the Board
- (2) Ensure compliance of Internal Control systems
- (3) Investigation into any of the matters as may be referred to by the Board.
- (4) Financial & Risk Management Policies and Fraud & Fraudulent Risks.
- (5) Review of annual capital, revenue and store budgets before being placed before the Board or approval.
- (6) Review of programmes of finalization of annual accounts for timely completion of audit and approval.
- (7) Review of adequacy of internal controls to review reports on inventory, completion reports of capital works, standard and specifications wherever applicable.
- (8) Review of Internal Audit paras.
- (9) Review of AG Audit paras.
- (10) Review of disciplinary cases.

- (11) Review of vigilance activities, MRT, TAQC Wings and write offs
- (12) Review of power purchase cost.
- (13) Review of Borrowings.
- (14) Discussions with Statutory Auditors and Cost Auditors regarding their reports.
- (15) Any other matters as may be referred to by the Board.

The Composition of the Audit Committee as on the date of Annual General Meeting is as below:

Sl. No.	Name	Position
01	Director representing Finance Dept., GoK & Director, BESCOM	Chairman
02	Managing Director, KPTCL & Director, BESCOM	Member
03	Director(Technical), BESCOM	Member
04	Company Secretary, BESCOM	Convener

During FY 2022-23, Audit Committee met as below:

Sl. No.	Meeting No.	Held on
1	36th AC	06.06.2022
2	37th AC	26.08.2022

(iv) Nomination and Remuneration Committee:

The Composition of the Nomination and Remuneration Committee as on the date of Annual General Meeting is as below:

Sl No.	Name	Position
1	ACS, Energy Dept., Director, BESCOM	Chairman
2	Director representing Finance Dept., GoK & Director, BESCOM	Member
3	Managing Director, KPTCL & Director, BESCOM	Member
4	Managing Director, BESCOM	Member
5	Company Secretary, BESCOM	Convener

(3) During the year under Report, General Meeting was held as below:

Meeting No. & Date	Business
20th AGM – 22.09.2022	<p>Ordinary Business -</p> <ul style="list-style-type: none"> (I) Consideration of financial statements, Report of the Board of Directors and Auditors. (ii) Adoption of Annual accounts for the financial Year 2021-22. (iii) To consider appointment of Statutory Auditors for FY 2022-23 and to fix their remuneration <p>Special Business -</p> <p>Ratification of appointment of Cost Auditors and their remuneration for the FY 2022-23 by Board of Directors pursuant to Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014</p>

(4) Vigil Mechanism (Whistle Blower) Policy:

Pursuant to requirement under Section 177(9) of the Companies Act, 2013, the Company has established Vigil Mechanism (Whistle Blower) Policy. The copy of the policy is available in the Company website www.bescom.karnataka.gov.in.

(5) Corporate Social Responsibility Committee:**(1) Brief outline on CSR Policy of the Company**

As stipulated under Section 135 of the Companies Act, 2013, every Company having a net worth of rupees five hundred crores or more or turnover of rupees one thousand crores or more or net profit of rupees five crores or more during any financial year shall constitute Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director. According to the said provisions under Companies Act 2013, BESCOM is required to constitute the CSR Committee since the net worth of BESCOM exceeds the minimum limit prescribed under the Companies Act 2013.

The Board of every Company referred to in section 135 sub-section (1), shall ensure that the Company spends, in every Financial Year, at least two percent of the average net profits of the Company made during the three immediately preceding financial year, in pursuance of its Corporate Social Responsibility Policy. Since the resultant average of immediately preceding three years is at loss, there is no liability to Company towards CSR activities in FY 2022-23.

(2) Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Kapil Mohan, IAS	Chairman	Nil	NA
2	Dr.Ekroop Caur, IAS	Member	Nil	NA
3	Dr.N.Manjula, IAS	Member	Nil	NA
4	Mahantesh Bilagi, IAS	Member	Nil	NA

(3) Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

The composition of CSR committee and CSR policy are published on the Company's website. The link is www.bescom.karnataka.gov.in.

(4) Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. –NOT APPLICABLE**(5) (a) Average net profit of the Company as per sub-section (5) of section 135. –Nil**

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135. –Nil

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. –Nil

(d) Amount required to be set-off for the financial year, if any. –Nil

(e) Total CSR obligation for the financial year [(b) + (c) - (d)]. –Nil

(6) (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). –Nil

(b) Amount spent in Administrative Overheads. –Nil

(c) Amount spent on Impact Assessment, if applicable. –Nil

(d) Total amount spent for the Financial Year [(a) + (b) + (c)]. –Nil

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-Section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
NIL					

f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii) - (iv)]	Nil

(7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-1	NIL						
2	FY-2							
3	FY-3							

(8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: - No

If yes, enter the number of Capital assets created/ acquired - NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NOT APPLICABLE							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

(9) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

For the last 3 Financial Years viz. FY 2019-20, 2020-21 & 2021-22, BESCOM has incurred loss as below:

FY	Board approved PBT (Rs.in crores)
2019-20	(-)1437.60 crores
2020-21	(-)1629.33 crores
2021-22	(-) 294.03 crores

As such the average net profit for preceding 3 FYs for the purpose of CSR liability for FY 2022-23 will be NIL. Hence BESCOM's liability towards spending of CSR amount during the FY 2022-23 is NIL.

(6) Staff Welfare & Industrial Relations:

Several steps were taken in the area of staff welfare during the year. The Company had taken up a number of initiatives for ensuring health of the employees and their dependents by a way of inclusion of reputed hospitals in its approved list of hospitals and health awareness is created among the employees. The Company also maintained cordial and harmonious relations at all levels.

(7) Disclosure under Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Reddresal) Act 2013:

The Company has framed Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees are covered under the policy).

(8) Statutory Auditors:

The C&AG of India has appointed A.Raghavendra Rao & Associates, #52, 19th Main, 2nd Block, Rajajinagar, Opp. Health and Glow, Bangalore as Statutory Auditors for auditing the accounts of BESCOM for the FY 2022-23 as per the provisions of Companies Act 2013. The said auditors have completed the audit and have submitted their report as per statutory requirement.

(9) Cost Auditors

The Board of BESCOM has appointed M/s. GNV & Associates, No.8, 1st Floor, 4th Main Road, Chamarajapet, Bengaluru -560 018 as Cost Auditors for auditing the cost accounts of BESCOM for the Financial Year FY 2022-23 as per the provisions of Companies Act 2013. The said auditors have completed the audit and have submitted their report as per statutory requirement.

(10) Secretarial Auditors:

The Board of BESCOM has appointed H.M.Prasanna & Associates, Company Secretaries, #3, Deepti Chambers, 1st Floor, 7th Main, 80ft Road, Subbanapalya, Banaswadi, Bangalore-560033 as Secretarial Auditors for auditing the accounts of BESCOM for the Financial Year FY 2022-23 as per provisions of Companies Act 2013.

(11) Pursuant to provisions of Section 134 of the Companies Act, 2013 the following information is provided:

(a) ANNUAL RETURN:

The Annual Return pursuant to the provisions of sub-section (3) of Section 92 of Companies Act, 2013 in form MGT 7 is placed on the website of the Company at www.bescom.karnataka.gov.in.

(b) Directors' Responsibility Statement:

Pursuant to the requirement under Section 134 of the Companies Act 2013 with regard to "Directors Responsibility Statement", it is hereby confirmed that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
- Accounting policies have been selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to provide 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 the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and
- Annual accounts have been prepared on a going concern basis.
- The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

(c) Compliance Status:

All the returns/e-filing which are required to be made under various provision laid down under relevant, applicable sections of Companies Act 2013 have been filed with Registrar of Companies, Government of India.

(d) Explanations or Comments by the Board on every Qualification, Reservation or Adverse Remark or Disclaimer Made -

By the Statutory Auditor in his report is attached as Annexure - 1

(e) Particulars of loans, guarantees or investments under section 186 – Nil

(f) Particulars of contracts or arrangements with related parties referred to sub-section(1) of Section 188 in the prescribed form – Nil

(g) The state of company's affairs; As indicated above

- (h) The amounts, if any, which it proposes to carry to any reserves – Loss is carried over resulting in negative reserve.
- (i) The amount, if any, which it recommends should be paid by way of dividend – No amount recommended towards dividend.
- (j) Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report – NIL
- (k) The Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo;
As the Company's operations do not involve any manufacturing or processing activities, the particulars regarding conservation of energy and technology absorption, are not applicable. During the year under review, there is no foreign exchange earnings and outgo.
- (l) Statement concerning development and implementation of risk management policy of the company – NIL (Note: Risk Management Committee is constituted w.e.f. 23.06.2023).

(12) Dividend:

No Dividend was declared for the Financial Year 2022-23 due to Net Loss incurred by the company.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for all the assistance and guidance by the Government of India, Government of Karnataka, Karnataka Power Transmission Corporation Limited, CERC, KERC, Ministry of Corporate Affairs, Registrar of Companies, Karnataka and Consumers of BESCOM for their co-operation and support to BESCOM in its endeavor to serve the public. Board would also like to place on record its appreciation for the dedicated and committed service rendered by the employees of the Company and co-operation extended by the Union and Associations.

(K.J.GEORGE)

CHAIRMAN, BESCOM

Energy Minister,

Energy Department, GoK.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, BANGALORE, FOR THE YEAR ENDED 31st MARCH 2023.

The preparation of financial statements of **Bangalore Electricity Supply Company Limited, Bangalore** for the year ended **31st March 2023** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated **27.09.2023** which supersedes their earlier Audit Report dated **23.08.2023**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Bangalore Electricity supply Company Limited, Bangalore** for the year ended **31st March 2023** under section 143(6) (a) of the Act. The supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the financial statements by the management, as indicated in **Note No. 27** of the **financial statements** to give effect to some of, my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-

(SHANTHI PRIYA. S)

PRINCIPALACCOUNTANT GENERAL
(AUDIT-II)
KARNATAKA, BENGALURU

Bengaluru
Date : 27.09.2023

KPR & ASSOCIATES
Company Secretaries

Reg. Office: No.4C-1012, 1st Block, 1st Floor, HRBR Extension,
Outer Ring Road, Opp to Nandini Deluxe Restaurant, Horamavu
Junction, Banaswadi, Bangalore-560043.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Bangalore Electricity Supply Company Limited

CIN: U04010KA2002SGC030438

Registered office: K.R.CircleBangalore KA 560001 IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Bangalore Electricity Supply Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Bangalore Electricity Supply Company Limited** for the financial year ended on 31st March, 2023 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 being a unlisted public Government Company, wholly owned by the Government of Karnataka.

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

Not applicable for the reporting period.

- (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;

Not applicable for the reporting period.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

Are not applicable to the Company being a unlisted Public Government Company, wholly owned by the Government of Karnataka:-

- (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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (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) The Secretarial standard issued by the Institute of Company Secretary of India,
- (vii) The provisions including the industry specified Laws as applicable which are mentioned under Annexure-I to this reported
- (viii) We further report that based on the information, explanations and representations received from the Management, the Company has developed and implemented adequate systems and processes which are in place to monitor and ensure the compliance with the General Laws mentioned under Annexure-II attached to this report. Further, the compliance of applicable Labour laws has not been reviewed in this Audit, since the same have been subject to review by the designated professionals.

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

- (i) Secretarial Standards with regard to the Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by 'The Institute of Company Secretaries of India'.

We 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. We further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts and Compliance of applicable Labour laws have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

We further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule most of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company

commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no specific event / action having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, guidelines, standards, etc. referred to above.

OBSERVATIONS/ QUALIFICATIONS:

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

1. With respect to the - Meetings, the Company has not complied with Secretarial Standards issued by the ICSI. Company has circulated Board meeting notice as per the secretarial standards however agenda of the meeting has not been circulated with notice and the same has been circulated 3 days before the meeting.
2. The Company has delayed in filling e-Form Form MGT-7- SRN: F51222917 and which were filed by payment of additional filing fees.
3. Treatment of Amount pending for allotment shown in the Balance sheet for year ended 31/03/2022.

KPR & ASSOCIATES

Practicing Company Secretaries,
Peer Review Certificate No. 4309/2023

KALMESH S KUBYAL

Partner

M. No: A35783 CP No: 26225

UDIN: A035783E001041997

Date: September 20, 2023

Place: Bangalore

This report is to be read with Annexure A which forms an integral part of this report.

KPR & ASSOCIATES

Company Secretaries

Reg. Office: No.4C-1012, 1st Block, 1st Floor, HRBR Extension,
Outer Ring Road, Opp to Nandini Deluxe Restaurant, Horamavu
Junction, Banaswadi, Bangalore-560043.

ANNEXURE A

To,
The Members,
Bangalore Electricity Supply Company Limited,

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We 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 the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed, provide reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

KPR & ASSOCIATES

Practicing Company Secretaries,
Peer Review Certificate No. 4309/2023

KALMESH S KUBYAL

Partner

M. No: A35783 CP No: 26225

UDIN: A035783E001041997

Date: September 20, 2023

Place: Bangalore

KPR & ASSOCIATES
Company Secretaries

Reg. Office: No.4C-1012, 1st Block, 1st Floor, HRBR Extension,
Outer Ring Road, Opp to Nandini Deluxe Restaurant, Horamavu
Junction, Banaswadi, Bangalore-560043.

ANNEXURE - I

Industry specific Laws (including any modification or re-enactment thereof):

1. Karnataka Electricity Act and Rules made thereunder.
2. Electricity Act, 2003 and the Rules made there under and the Annual performance review and regulatory mechanism with the Karnataka Electricity Regulatory Commission.
3. Central Electricity Authority (Measure relating to safety and Electricity Supply Regulations 2022
4. Central Electricity Authority (Installation and Operation of Meters) (Amendment) Regulations, 2022.
5. Central Electricity Authority (Flexible Operation of Coal based Thermal Power Generating Units) Regulations, 2023
6. Central Electricity Authority (Procedure for Transaction of Business) Regulations, 2006
7. Central Electricity Authority (Furnishing of Statistics, Returns & Information) Regulations, 2007
8. Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) (Amendment) Regulations, 2022
9. Central Electricity Authority (Grid Standards) Regulations, 2010
10. Central Electricity Authority (Technical Standards for Connectivity to the Grid) (Amendment) Regulations, 2019
11. Central Electricity Authority (Technical Standards for Connectivity of the Distributed Generation Resources) Amendment Regulations, 2013
12. Central Electricity Authority (Technical Standards for Communication System in Power System Operation) Regulations, 2020
13. Regulations by the Karnataka Electricity Regulatory Commission.

KPR & ASSOCIATES
Company Secretaries

Reg. Office: No.4C-1012, 1st Block, 1st Floor, HRBR Extension,
Outer Ring Road, Opp to Nandini Deluxe Restaurant, Horamavu
Junction, Banaswadi, Bangalore-560043.

ANNEXURE - II

General Laws (including any modification or re-enactment thereof):

1. Air (Prevention and Control of Pollution) Act, 1981,
2. Water (Prevention and Control of Pollution) Act, 1974,
3. Environment (Protection) Act, 1986
4. Sexual Harassment of Women at Workplace (Prevention and Prohibition and Redressal) Act, 2013.
5. Consumer Protection Act, 1986
6. Apprentices Act, 1961
7. Factories Act, 1948
8. Industrial Disputes Act, 1947
9. Maternity Benefit Act, 1961 (Applicable to Women Employees who are outside the purview of the ESI Act)
10. The Contract Labour (Regulation and Abolition) Act, 1970 and various allied acts,
11. Contract Labour (Regulation and Abolition) Karnataka Rules, 1974
12. Payment of Bonus Act, 1965
13. Payment of wages Act, 1936
14. Workmen's Compensation Act, 1923
15. Employee's state Insurance Act, 1948
16. Employee's Provided Funds Miscellaneous Provisions Act, 1952
17. Payment of Gratuity Act, 1972
18. Employment Exchange Act, 1959
19. Equal Remuneration Act, 1976
20. Minimum Wages Act, 1947
21. The Indian Stamp Act, 1899
22. Property Tax
23. Forest (Conservation) Act, 1980
24. Indian Contract Act, 1872
25. Other allied applicable Labour Laws, Rules & Regulations thereof.

Replies to Secretarial Auditors Report for FY 2022-23

1.	With respect to the Meetings, the Company has not complied with Secretarial Standards issued by the ICSI. Company has circulated Board Meeting notice as per the Secretarial standards however agenda of the Meeting has not been circulated with notice and the same has been circulated 3 days before the Meeting.	Being a Government Company, the Meeting of Board of Directors are arranged with the prior permission of Chairman and Additional Chief Secretary of Energy Department, GoK and the dates are finalized depending upon the availability of Chairman. Hence, most of the Meetings are conducted at shorter notice. Accordingly Agendas were circulated.
2.	The Company has delayed in filling e-Form MGT-7 SRN: F51222917 and which were filed by payment of additional filing fees.	Delay was due to technical issues in MCA portal. Noted for future guidance.
3.	Treatment of Amount pending for allotment shown in the Balance Sheet for year ended 31.03.2022.	Allotment was made as per the Resolution of 123rd Board of Directors Meeting dated:23.06.2023.

A. RAGHAVENDRA RAO & ASSOCIATES,
(Formerly known as A. RAGHAVENDRA RAO)
Chartered Accountants

Flat No. SF-2, 2nd Floor, Sampurna Chambers
No. 13, Vasavi Temple Street, V. V. Puram,
Basavanagudi, Bengaluru-560004.

INDEPENDENT AUDITORS' REPORT

To:
THE MEMBERS OF
M/s BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
BANGALORE

Report on the Audit of the Financial Statements

Pursuant to the observations made by the Comptroller and Auditor General of India, under section 143(6a) of the Companies Act 2013, the accounts approved by the Board of Directors on 22.08.2023 have been revised. This report supersedes our earlier report date 23.08.2023. The report is mainly revised to incorporate the observations made by the Comptroller and Auditor General of India on Financial statements and books of accounts of the company. The impact of the revision in the accounts of the company stated in note number 27.

ADVERSE OPINION

We have audited the financial statements of BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED ("the company") which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss, including the statement of other comprehensive income, and the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the aforesaid financial statements, do not adhere to the information required by the Companies Act, 2013 ("the Act") in the manner so required and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR ADVERSE OPINION

1. Deviations from Indian Accounting Standards:

- Indian Accounting Standard 2 - 'Inventories': requires the Company to value its inventories at lower of cost or net realizable value. However, the company values its inventories at standard rates. The company does not consider the net realizable value of its inventories. Also the difference between the actual cost and standard cost is fully adjusted in material cost variance account without any apportionment to the inventories. The impact of such deviations from the Indian Accounting Standard is not ascertainable.
- Indian Accounting Standard 7 - 'Statement of cash flows': The "net Loss before tax" figure reported in the statement of cash flow is incorrect, as it includes the effect of Net Movement in Regulatory deferral account balances. There is no appropriate reconciliation provided and hence the presentation and disclosure is not appropriate.
- Indian Accounting Standard 16 - 'Property, Plant and Equipment': requires the cost of dismantling to be estimated and included in arriving at the cost of the item for capitalisation. Company has not included the estimated cost of dismantling for capitalisation.

- d. Indian Accounting Standard 19 – 'Employee Benefits': The Company has not carried out actuarial valuation for any employee benefits for financial year 2022-23 except NDCPS Employees which is contrary to Indian Accounting Standard-19 – 'Employee Benefits'.

The impact/quantification of above deviation on the financial statement of account is not ascertainable.

- e. Indian Accounting Standard 20 - Accounting for Government Grants and Disclosure of Government Assistance: Government grant should be recognised in Statement of Profit & Loss over the period in which entity recognises expense for which grant is intended to compensate.

Depreciation for assets for which grant is received is recognised on SLM basis [CERC Rates] and deferred Income write-back is on the written down value of the Government grant [@5.28%]. i.e. the method of write back on Government grant is not in accordance with depreciation charged on asset for which Grant is received. The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.

- f. Indian Accounting Standard 23 – Borrowing Cost: An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs after the Qualifying Asset is ready to use. This is not complied with, in reference to Interest incurred for the period till it is ready to use. The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.

- g. Indian Accounting Standard 36 – 'Impairment of Assets': An entity shall assess at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset and account for the impairment loss/ gain, which is not carried out.

The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.

- h. Indian Accounting Standard 2: – 'Inventories': The company has received 65,58,581 MWH as Renewable Energy certificates for the year 2019-20 and 2020-21. Out of this 21,60,085 MWH have been sold during the year 2022-23 for Rs.215.61 crores and accounted as revenue. The remaining 43,98,496 MWH are held by the company as stock. Since RECs meet the definition of Inventories under Ind AS 2. These have however not been accounted as an asset. The impact on account of the same considering a rate of Rs 1000 per REC (Equal to one MW) is Rs 439.85 Crores.

- i. Indian Accounting Standard 109 – 'Financial Instruments': An entity shall de-recognize a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition

- The company in its financial statements has recognized Rs.1024.00 crores as tariff subsidy receivable from Government of Karnataka since long time. As the receivability of the same is uncertain, this calls for an appropriate provision. Consequently, the profits are overstated to that extent.

- The company in its financial statements has recognized Rs.260.09 crores as Power charges for IP sector receivable from customers since 01/08/2008. As the receivability of the same is uncertain, this calls for an appropriate provision. Consequently, the profits are overstated to that extent.

- j. Indian Accounting Standard 116 – 'Leases': The company has not followed the requirements of Ind AS 116 in recognizing the right of use asset (ROU asset) and lease liability for assets taken on lease. The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.

k. As per Indian Accounting Standard 105 – Non-Current Assets Held for Sale: With respect to scrapped assets, the company has not estimated the fair value less cost to sell in accordance with the requirements of Standard. The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.

2. Balance Confirmation/ Reconciliation of related party: The Company has not obtained any confirmation from the related party companies. It is not reconciled the balances either receivable or payable to/ from KPTCL, KPCL, other ESCOMs and PCKL as on 31-03-2023.
3. Presentation of Financial Statement: The Financial Statements reported as not in conformity with the amendments to Schedule III of Companies Act 2013 with regard to the following:
 - The Company has borrowings from banks or financial institutions on the basis of security of current assets, however it has not disclosed whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts, summary of reconciliation and reasons of material discrepancies, if any.
 - The company has not provided the details of all the immovable property whose title deeds are not held in the name of the company due to non-availability of details with the Company.

4. **Going concern**

The Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a total comprehensive loss of Rs. 1767.49 crores during the current year (Previous Year – Rs.2,919.54crores) and the Company's current liabilities exceeded its current assets as at the balance sheet date, due to which the Company may be unable to discharge its liabilities in the normal course of business. This condition indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern in the absence of infusion of additional share capital or comfort letter issued by the Government of Karnataka.

However, the management contends that the Company is engaged in the distribution of basic utility, wholly owned by the Government of Karnataka (GOK) and has adequate support from GOK from time to time by way of subsidies and equity participation. Hence the management confirms that the Company shall be a going concern.

5. **Share application money**

Share application money received to the extent of Rs.608.68 crores from the Government of Karnataka for equity investment during FY 2019-20 to FY 2022-23 has not been regularized by way of allotment of shares within the stipulated period and hence it is to be considered deemed deposit as per rule 2(1) (c) (vii) of the Companies (Acceptance of Deposits) Rules, 2014. The punishment for contravention as per Section 76A of the Act is as follows:

- In addition to the payment of the amount of deposit the same is punishable with fine which shall not be less than one crore rupees or twice the amount of deposit accepted by the company, whichever is lower, but which may extend to ten crore rupees; and
- Every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years and with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees.

6. **Loans and advances as per Note 2.6 of the financial statements**

We draw attention to Note No.2.6 Loan, in the Notes to the financial statements. This includes amount spent by the company over and above Rs.50,000 / Rs. 75,000 (ceiling fixed by Government of Karnataka) for providing Infrastructure under Ganga Kalyana, drinking water supply scheme, etc amounting to Rs. 1,022.51 Crores (Refer Note 2.6) is shown as receivables from respective GOK controlled corporation pending decision of Government of Karnataka on reimbursement of this expenditure beyond the ceiling and reconciliation with

respective corporations. The recoverability of the said assets being carried in the books has not been justified to us by the management. Consequently, we were unable to determine whether any adjustments were necessary to these amounts on account of impairment required to be recorded in the statement of profit and loss.

7. Inter branch accounts:

- As per General Note No.9 regarding Inter Unit Accounts are subject to reconciliation/adjustments to the extent of Rs 41.03 Crores (Credit) as on 31 March 2023. Pending completion of reconciliation by the management, we were unable to determine whether any impact is required to be recorded in the statement of profit and loss.
 - A balance of Rs 5.96 Crores liability towards NDCPS contribution is carried in HO since FY2014 (earlier to formation of exclusive BESCOM Pension section) which needs reconciling of transactions among the Accounting units and H.O of BESCOM. Pending completion of reconciliation by the management, we were unable to determine whether any impact is required to be recorded in the statement of profit and loss.
8. General Note No. 8.3 regarding Interest claimed Rs.2,278.95 Crores by KPCL. Company has requested Government to waive off the interest of KPCL and has not provided for same. In the absence of any approval for waiver, the provision for the said expense should have been recorded in the books and therefore incorrect.
9. General Note No.8.11 regarding non provision of interest and penal interest amounting to Rs.88.46 crores on RAPDRP Part B loan as the same is expected to be converted into grant. In the absence of any approval for conversion, the provision for the said expense should have been recorded in the books and is therefore incorrect.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of ethics. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon;

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Company's Annual Report is expected to be made available to us after the date of this auditor's Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements;

The Company's Board of Directors and management is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss including other comprehensive income, changes in Equity and

cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility;

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than forgone resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Divisions not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the Divisions not visited by us.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, except for the matter described in the 'Basis for Adverse Opinion' paragraph above.;
 - e) Section 164 (2) companies Act, 2013 regarding disqualifications of board of directors is not applicable to Government companies as per MCA notification G.S.R 463(E) dated 05.06.2015.
 - f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness' of such controls, refer to our separate report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014. in our opinion and to the best of our information and according to the explanations given to us,
 - i. The company has disclosed the impact of pending litigations on its financial positions in its financial statements - refer various sub notes under note no.8
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate

Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

3. Compliance to directions issued by C&AG of India u/s 143(5) of the Act are given in the Annexure C of the auditor's report.

For A Raghavendra Rao and Associates

Chartered Accountants
Firm's Reg. No. 003324S

Sd/-

CA G Sathyanarayana

Partner

Membership No. 205603
UDIN:-23205603BGSLEU9639

Place: Bangalore
Date: 27.09.2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date) to the members of BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED ("the Company") for the year ended 31st March 2023, we report the following;

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) According to information and explanation given to us and on the basis of our examination of the books of the company, in the Property, Plant and Equipment records, particulars like quantity, locations and situation of all the Property, Plant and Equipment are not maintained. The Company is yet to obtain title deeds / relevant documents of certain lands / buildings reflected in the Note 2.3 in relation to Property, Plant and Equipment. Also, we are informed that the Company is still in the process of obtaining details of the identification, location, situation, description and the extent of transfer of titles in its favour in respect of movable, immovable and leased assets transferred from Government/ KPTCL
 - (B) In the Intangible Assets records, company has not maintained proper records.
 - b) As explained to us, the company has physically verified items falling under category of Office Equipment, T&P materials (Almirahs, Chairs, Tables. etc.), Computer and Peripherals, Vehicles, Buildings and Civil works at regular intervals. The reconciliation between the physical verification and books of account is reported to be pending.

The company has not conducted a physical verification in respect of plant & machinery and lines & cables during the year. Hence, we are unable to comment on the adequacy or otherwise of the regularity of physical verification of such assets.

Transfer of certain land and buildings from KPTCL have been recorded on the basis of the notification by GOK but title deeds relating to such assets are not available.
 - c) We are unable to report on whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, due to non-availability of details with the Company. Also refer Paragraph 1 of the Basis for Adverse opinion Section of the main audit report.
 - d) According to information and explanation given to us and on the basis of our examination of the books of the company, Company did not revalue its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
 - e) According to information and explanation given to us and on the basis of our examination of the books of the company, the company is not holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under this sub-clause is not applicable.
- ii. In respect of inventories,
 - a) According to information and explanation given to us and on the basis of our examination of the books of the company, inventories lying in the stores of the company have been physically verified by the management during the year. In our opinion, frequency of

verification is reasonable and the discrepancies noticed on physical verification and the books of accounts were not material.

- b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. We have however not been provided the quarterly returns or statements filed by the company with such banks or financial institutions for our verification to check if they are in agreement with the books of account of the Company. Also refer Paragraph 1 of the Basis for Adverse opinion Section of the main audit report.
- iii. According to information and explanation given to us and on the basis of our examination of the books of the company, during the year the company has neither made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence reporting under para 3(iii) of the Order is not applicable.
- iv. According to the information and explanation given to us, the Company has not given loans, guarantees, security and made investment in respect of section 185 and 186 of the Companies Act, 2013;
- v. According to information and explanation given to us and on the basis of our examination of the books of the company, the company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Companies Act, 2013, any other relevant provisions of the Act and the rules framed there under, subject to, share application money received to the extent of Rs.608.68 crores from the Government of Karnataka for equity investment during FY 2019-20 to FY 2022-23 has not been regularized within the stipulated period and hence it is to be considered deemed deposit as per rule 2(1) (c) of the Companies (Acceptance of Deposits) Rules, 2014.
- vi. Based on the information and explanations provided to us, maintenance of cost records has been prescribed by the Central Government for the company. We have not reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act 2013 as these have not been provided for our verification.
- vii. In respect of statutory dues
- a) According to the information and explanations given to us and on the basis of our examination of the books of the company, amounts deducted/ accrued in the books of account in respect of undisputed amount payable dues including Provident Fund, Income Tax, Goods and Services Tax, duty of customs, cess, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Goods and Services tax, duty of customs, cess and other statutory dues were in arrears as at 31st March 2023, for a period of more than six months from the date they become payable
- b) According to the information and explanations given to us, the company has not deposited the following statutory dues on account of disputes.

Name of the Statute	Nature of the dues	Amount of tax involved (Rs in crore)	Period to which the amount relates	Forum of dispute
Income Tax Act 1961	Income Tax	41.29	AY 2017-18	CIT(Appeals)
Total		41.29		

- viii. According to information and explanation given to us and on the basis of our examination of the books of the company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. In respect of Loan and borrowings,
- According to information and explanation given to us and on the basis of our examination of the books of the company, company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender,
 - The company has not been declared wilful defaulter by any bank or financial institution or other lender;
 - The term loans were applied for the purpose for which the loans were obtained;
 - According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short-term basis aggregating to Rs.1,211.74 crores for long-term purposes
 - The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under para 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us, The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under para 3(x)(b) of the Order is not applicable.
- xi. a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the company or any fraud on the Company has been noticed or reported during the year, Except theft of power to the extent of 28.29 crores(out of which Rs 12.63 Crores has been recovered till date).
- b) Report under sub-section (12) of section 143 of the Companies Act is not applicable and hence reporting under para 3(xi)(b) of the Order is not applicable.
- c) According to the information and explanations given to us, though there is a whistleblower policy which requires the nodal officer to submit a half yearly report to the audit committee, such report was not provided to us for our verification and therefore we are unable to comment if anywhistle-blower complaints were received during the year by the company.

- xii. In our opinion, the company is not a Nidhi Company as prescribed under section 406 of the act and hence not commented upon.
- xiii. According to information and explanation given to us and on the basis of our examination of the books of the company all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed appropriately in the financial statements, etc., as required by the applicable Indian accounting standards;
- xiv. a) In our opinion and based on our examination, the company does not have an internal audit system commensurate with the size and nature of its business;
- b) The reports of the Internal Auditors for the period under audit were not considered by the statutory auditor as same were not furnished for verification.
- xv. According to the information and explanations given to us, The company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under para 3(xv) of the Order is not applicable.
- xvi. a) According to information and explanation given to us, we are of the opinion that, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and hence reporting under para 3(xvi)(a) of the Order is not applicable.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities and hence reporting under para 3(xvi)(b) of the Order is not applicable.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and hence reporting under para 3(xvi)(c) of the Order is not applicable
- xvii. The company hasnot incurred cash lossesin the financial year.
- xviii. There has not been any resignation of the statutory auditors during the year,
- xix. As the net worth of the company as on 31-3-2023 and based on the of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, auditor is not able to comment as to whether material certainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Also refer Paragraph 5 of the Basis for Adverse opinion Section of the main audit report.
- xx. Since the company is incurring losses, it is neither required to incur expenditure towards CSR activities nor transfer unspent amount to specified account in compliance of section 135 of the act, during the year, hence reporting under para 3(xx) (a) and (b) is not applicable
- xxi. The reporting under the clause (xxi) is not applicable in respect of Standalone financial statements of the company.

For A Raghavendra Rao and Associates

Chartered Accountants
Firm's Reg. No. 003324S

Sd/-

CA G Sathyanarayana

Partner

Membership No. 205603

UDIN:-23205603BGSLEU9639

Place: Bangalore
Date: 27.09.2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

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

We have audited the internal financial controls over financial reporting of **BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED** as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:

- The company does not have an appropriate internal control system with regard to Capitalisation of fixed assets, charging of depreciation, updation of fixed asset registers, etc. We have come across situations where there is delayed capitalization resulting in Excess/ Short depreciation provision in the books.
- Physical verification of Plant & Machinery and Lines & Cables and reconciliation of same with books of account are not done at regular intervals.
- The company does not have an appropriate internal control system with regard to maintenance of accounts as internal audit has noticed revenue leakage and excess payments and payment without proper approval during the transaction audit of divisions and corporate office.
- The Company does not have suitable computerised system in respect of financial accounting, Payroll, Inventory, Cap-ex etc., impacting reliability, grouping and adequate disclosure of financial transactions.
- There was no evaluation of internal financial controls and risk management systems by Audit Committee of the Company as required by section 177 (4) (vii) of Companies Act 2013.
- The Company does not have the procedure of getting balance confirmation from parties in respect of Related Parties, Sundry Debtors, Sundry Creditors, Advances, Recoverable etc.,

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of the Company, and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.

For A Raghavendra Rao and Associates

Chartered Accountants
Firm's Reg. No. 003324S

Sd/-

CA G Sathyanarayana

Partner

Membership No. 205603

UDIN:-23205603BGSLEU9639

Place: Bangalore
Date: 27.09.2023

ANNEXURE C TO THE AUDITORS' REPORT
Directions under section 143(5) of Companies Act 2013

Sl.No	Directions
1	<p>Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p> <p>As such the company does not have any IT System to process accounting transactions, entire transactions are processed manually and then those will be recorded in a cloud-based accounting software.</p>
2	<p>Whether there is any restructuring of an existing loan or cases of waiver/ write off to debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.</p> <p>No restructuring of loans or cases of waiver/write off made by the lenders</p>
3	<p>Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.</p> <p>Funds received/receivable for specific schemes from Central/ State agencies are properly accounted for/ utilized as per its terms and conditions.</p>

Additional Company Specific Directions:

- (a) All the items with regard to Cash and Bank balances as in the Annexure-1 shall be verified and report the cases of specific non-compliances. Details of unexplained balances/balances operated under suspense head may also be examined.

The direction is carried out and the details are as in Annexure-1

- (b) Report on the efficacy of the system of billing and collection of revenue in the Company. Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing was ensured.

As per code on distribution of energy issued by KERC, BESCOM is having all the installations metered except Irrigation Pump sets which is monitored at Feeder/DTC level metering. Meters are of Electromechanical & Electrostatic nature. Billing and Collection system are tamper proof with identity management wherein all activities concerning demand and collection is password protected and system driven with built-in validation for rates etc.

- (c) Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?

KERC has put in mechanism for arriving at quarterly FAC for each quarter up to the end of December-2022 based on sales mix. Further KERC (Fuel and Power Purchase Cost Adjustment) (First Amendment) Regulations, 2023 notified on 23.02.2023, the distribution licensees were allowed to recover FPPCA charges on monthly basis effective from Jan-2023 onwards.

- (d) Comment on the confirmation of balances of trade receivables, trade payables, advances and other similar balances and whether an effective mechanism for reconciliation of the same exists

There is a periodical reconciliation on power purchase activity. Reconciliation of Inter ESCOM receivables and payables i.e., between BESCOM and other ESCOMs in respect of material and

other transfer is not being carried out periodically. Confirmation of balance is pending from other ESCOMS. With regards to receivable and payables company has not obtained confirmation

- (e) Whether system of monitoring the execution of works in case of sub-stations and lines vis-a-vis the milestone stipulated in the agreement is in existence and the impact of cost escalation, if any, abandoned projects, if any, revenues/losses from contracts, etc., have been properly accounted for in the books.

BESCOM has no sub-station under its area of operations, there is no abandoned projects notice in the company.

For A Raghavendra Rao and Associates

Chartered Accountants
Firm's Reg. No. 003324S

Sd/-

CA G Sathyanarayana

Partner

Membership No. 205603
UDIN:-23205603BGSLEU9639

Place: Bangalore
Date: 27.09.2023

A. RAGHAVENDRA RAO & ASSOCIATES,
(Formerly known as A. RAGHAVENDRA RAO)
Chartered Accountants

Flat No. SF-2, 2nd Floor, Sampurna Chambers
No. 13, Vasavi Temple Street, V. V. Puram,
Basavanagudi, Bengaluru-560004.

Annexure-I

S.N	Items in Check list	Remarks
1	Whether all Banks Accounts/Fixed Deposits have been opened with banks/ proper authorization and approvals as per theaforesaid delegation of powers?	YES
2	Whether there was a periodical system of preparation of Bank reconciliation statement and whether they were produced for verification to audit?	YES
3	Whether Bank reconciliation of the Main account and all subsidiary bank accounts were done?	YES
4	Was the authorisation to operate the bank accounts were given to a single signatory?	NO
5	Whether the interest for the entire duration of Fixed Deposits was accounted in the books of accounts'?	YES
6	Whether physical verification of cash has taken place periodically?	YES
7	Whether the cash in hand as shown in the Balance Sheet tallies with the certificate of physical verification of cash?	YES
8	Is there a register of Fixed Deposits showing amounts, maturity dates, rates of interest and dates for payment of interest?	NO
9	Is there a follow-up system to ensure that interest on Fixed Deposits is received on due dates?	YES
10.	Is there a follow-up system to ensure that transfer of matured amount of FixedDeposits is done without any delay'?	NO
11.	Whether bank confirmation statements are obtained periodically from the banks for all accounts: SB accounts, CurrentAccounts and Fixed deposits'?	YES
12.	Whether confirmations of balances in respect of all bank balances tally withthe Bank statements?	YES
13.	Whether Fixed Deposits and interests as per Fixed Deposits Register tally with the confirmation/certificate issued by the bank?	YES
14.	Whether the confirmation statements received from banks are authenticated and in the letter head by the bank?	YES
15.	In case of any difference observed in the above check, whether the same was adjusted in the subsequent year?	NA
16.	Whether external confirmations were obtained from Banks in the test checked cases, if so details thereof with.	Online Bank statement are test checked
17.	Whether any of the aforesaid lapses were brought out in the Report of theInternal Financial controls by the Statutory Auditor, if not, whether Audit Enquiry was issued?	NO

For A Raghavendra Rao and Associates

Chartered Accountants
Firm's Reg. No. 003324S

Sd/-

CA G Sathyanarayana

Partner

Membership No. 205603

UDIN:-23205603BGSLEU9639

Place: Bangalore
Date: 27.09.2023

ADDENDUM TO DIRECTORS REPORT

for the year 31st March 2023

Replies offered on the observation/ comments of the Statutory Auditors on the accounts of the company for the year 22-23 are as follows:

Sl.No.	Observations of the Statutory Auditors	Management's Reply
1	<p>a) Indian Accounting Standard 2 – 'Inventories': requires the Company to value its inventories at lower of cost or net realizable value. However, the company values its inventories at standard rates. The company does not consider the net realizable value of its inventories. Also the difference between the actual cost and standard cost is fully adjusted in material cost variance account without any apportionment to the inventories. The impact of such deviations from the Indian Accounting Standard is not ascertainable</p>	<p>As per prudent practice, the Company values its inventory as per Standard rate (SR) arrived by taking present market rate and Standard rates are determined by a exclusive committee which revises the SR periodically on regular basis. The required accounting treatment for the difference in purchase value and Standard value is dealt in the Books (Material Cost Variance) as per stipulated procedure. Net realizable value of each item cannot be arrived due to largeness in the volume and diversity of items receipted and issued in the store house. The Company is having a robust system of accounting of difference between Purchase and Standard rate in the books of accounts. Hence, implementation of INDAS 2 may not be possible due to volume of work involved in day to day receipt and issue which is very high and also involves individual items of different nature like Insulators, Pot Heads, bolts, Nuts, structural, etc., anyhow Company is contemplating for implementation of ERP solutions and deployment is in pilot status.</p> <p>Once the ERP is deployed in full covering sub modules of Inventory /Project and Financial activity, implementation of AS 2 will be envisaged among one of the method provisioned in AS2 i.e., Weighted average method along with recasting of Net realisable value of inventory arrived at each year end.</p>
	<p>b) Indian Accounting Standard 7 – 'Statement of cash flows': The "net Loss before tax" figure reported in the statement of cash flow is incorrect, as it includes the effect of Net Movement in Regulatory deferral account balances. There is no appropriate reconciliation provided and hence the presentation and disclosure is not appropriate.</p>	<p>Regulatory deferral account movement accounting is unique in nature and does not attract such type of accounting for the presentation of financials meant for manufacturing or service industries as per INDAS-7.</p> <p>In the event of non-consideration of Net Movement of Regulatory movement on Cash flow statement of the company stands distorted, only on consideration, the cash flow of the company stands reconciled. Appropriate reconciliation methodology without net movement of regulatory asset will be studied with guidance of Statutory auditors and required action will be adhered in FY23-24.</p>

Sl.No.	Observations of the Statutory Auditors	Management's Reply
c.	<p>Indian Accounting Standard 16 – 'Property, Plant and Equipment':requires the cost of dismantling to be estimated and included in arriving at the cost of the item for capitalisation. Company has not included the estimated cost of dismantling for capitalisation.</p>	<p>Estimating the notional cost for dismantling of PPE for inclusion of the said value against a Work to be sanctioned and executed is not possible because of the nature of the sector. Activity is voluminous and dynamic.</p> <p>Also, absence of system legacy data for arriving at such cost component which is distinctively involved for dismantling of PPE is made readily available under different instances has hindered the recognition while estimating the plan of works.</p>
d.	<p>Indian Accounting Standard 19 – 'Employee Benefits': The Company has not carried out actuarial valuation for any employee benefits for financial year 2022-23 except NDCPS Employees which is contrary to Indian Accounting Standard-19 – 'Employee Benefits'.</p> <p>The impact/quantification of above deviation on the financial statement of account is not ascertainable.</p>	<p>As prudence practice, expenses outflow towards ELS is provisioned based on three years' average.</p> <p>Correspondence with KPTCL and P&G Trust for availment of professional Actuarial services for provisioning of ELS in the books of the company is contemplated.</p> <p>The Company, accounts the Terminal benefit as per Actuarial Valuation communicated by KPTCL and Escoms P&G trust notifications which gets recognition of KERC with regard to employee benefit.</p>
e.	<p>Indian Accounting Standard 20 - Accounting for Government Grants and Disclosure of Government Assistance: Government grant should be recognised in Statement of Profit & Loss over the period in which entity recognises expense for which grant is intended to compensate.</p> <p>Depreciation for assets for which grant is received is recognised on SLM basis [CERC Rates] and deferred Income write-back is on the written down value of the Government grant [@5.28%]. i.e. the method of write back on Government grant is not in accordance with depreciation charged on asset for which Grant is received. The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.</p>	<p>Depreciation expenses charged against BESCOM funded assets are carried on SLM as per CERC guidelines.</p> <p>Classification of the assets made out of grants majorly belongs to Plant and machinery, Lines and conductors and applicable slab for such classification is 5.28% as per CERC guidelines.</p> <p>This apart, 95% of companies Asset base are falling under 5.28% slab, as such the write back of depreciation for the assets made out of grant asset including government grant is also maintained at 5.28% only because majorly it is funded for power infrastructure development related equipment's only.</p>
f.	<p>Indian Accounting Standard 23 - Borrowing Cost: An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs after the Qualifying Asset is ready to use. This is not complied with, in reference to Interest incurred for the period till it is ready to use. The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.</p>	<p>Certain borrowings earmarked against specialised project, the loan gets transferred only upon completion of certification process by empanelled agency of GOI. The set procedure stipulated by central lending agency for such evolution gets only after commissioning and Loan gets released much later and in the meantime, company pays the interest expense for such quantum out of its own resources which amounts to capital borrowings.</p> <p>In certain cases, a project gets completed status, only when all the sub packages integrated to envisaged project, as such the interest against borrowing cost stands segregated beyond a particular financial year and demands for capitalisation.</p>

Sl.No.	Observations of the Statutory Auditors	Management's Reply
		Hence, the valuation of interest outflow for such timing difference is not ascertainable, thus as a prudence, the company capitalises the interest expenses against borrowing cost until the project is commissioned and put into use status is attained.
g.	<p>Indian Accounting Standard 36 - 'Impairment of Assets': An entity shall assess at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset and account for the impairment loss/ gain, which is not carried out.</p> <p>The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.</p>	As the nature of the sector by itself, is so devised, the redundancy will not remain in the structure to warrant for assessment of impairment asset value at the end of each reporting period. The activity is so versatile and demands for replacement of failed equipment's concurrently to maintain the continuity in the supply. As a interim measure , the values of such failed equipment's gets withdrawn/ reclassified from asset base to Released inventory grouping.
h.	<p>Indian Accounting Standard 2: - 'Inventories': The company has received 65,58,581 MWH as Renewable Energy certificates for the year 2019-20 and 2020-21. Out of this 21,60,085 MWH have been sold during the year 2022-23 for Rs.215.61 crores and accounted as revenue. The remaining 43,98,496 MWH are held by the company as stock. Since RECs meet the definition of Inventories under Ind AS 2. These have however not been accounted as an asset. The impact on account of the same considering a rate of Rs 1000 per REC (Equal to one MW) is Rs 439.85 Crores.</p>	As there exists much variation between base price (Rs 1000/ per REC) and bidding price, hence crystallization of rate for the balance 4398496 MWH held as stock is not ascertainable, in such condition it is not accounted on accrual basis.
i.	<p>Indian Accounting Standard 109 - 'Financial Instruments': An entity shall de-recognize a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition.</p> <ul style="list-style-type: none"> - The company in its financial statements has recognized Rs. 1024. crores as tariff subsidy receivable from Government of Karnataka since long time. As the receivability of the same is uncertain, this calls for an appropriate provision. Consequently, the profits are overstated to that extent. - The company in its financial statements has recognized Rs. 260.09 crores as Power charges for IP sector receivable from customers since 01/08/2008. As the receivability of the same is uncertain, this calls for an appropriate provision. Consequently, the profits are overstated to that extent. 	<p>Company is consistently pursuing with GOK for release/Adjustments of such receivables pending to be reimbursed from GOK.</p> <p>Appropriate action will be adhered in accordance with the GOK directives in the matter.</p>

Sl.No.	Observations of the Statutory Auditors	Management's Reply
	j. Indian Accounting Standard 116 – 'Leases': The company has not followed the requirements of Ind AS 116 in recognizing the right of use asset (ROU asset) and lease liability for assets taken on lease. The impact/ quantification of such deviation from the Indian Accounting Standard is not ascertainable.	The value of Leases for certain cases are initially transferred and accounted from the date of corporatisation of the company (Distribution business bifurcated) and amortisation is done proportionately over the agreed tenure of agreement period as per prudence.
	k. As per Indian Accounting Standard 105 - Non-Current Assets Held for Sale: With respect to scrapped assets, the company has not estimated the fair value less cost to sell in accordance with the requirements of Standard. The impact/quantification of such deviation from the Indian Accounting Standard is not ascertainable.	As a prudence practice, scrap value is continued in the books at Written Down Value/Schedule of Rate(SR) until scrap disposal happens adhering the regulations. On disposal, the difference of the value stands treated as "income" or "expenses" as the case may be. Value for such quantum is materially insignificant compared to asset base of the company
2.	Balance Confirmation/ Reconciliation of related party: The Company has not obtained any confirmation from the related party companies. It is not reconciled the balances either receivable or payable to/ from KPTCL, KPCL, other ESCOMs and PCKL as on 31-03-2023.	Transactions pertaining to ESCOMS, KPTCL and PCKL are taken to the books by the Company as a prudent practice based on notifications, orders and letters from notified authorities for the said purposes. Obtaining of confirmation for all the transactions involves certain things that are clearly outside the control of the Company. However, the Company is making consistent effort to obtain the confirmation. In relation to others i.e., sundry creditors, advances, deposits from/to suppliers /contractors / government authorities / consumers /employees, loans and other receivables from various parties , transactions are taken to books based on orders, awards, notification for which correctness is authenticated, checked and counter checked by all the competent authorities. Also it may not be physically possible to obtain the confirmation for such transactions as it involves largeness in volume.
3	<p>Presentation of Financial Statement: The Financial Statements reported as not in conformity with the amendments to Schedule III of Companies Act 2013 with regard to the following:</p> <ul style="list-style-type: none"> The Company has borrowings from banks or financial institutions on the basis of security of current assets, however it has not disclosed whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts, summary of reconciliation and reasons of material discrepancies, if any. The company has not provided the details of all the immovable property whose title deeds are not held in the name of the company due to non-availability of details with the Company. 	<p>Company provides Receivable and stock statement to Financial institutions which is in agreement with the monthly returns maintained by the company with respect of Debtor accounting. As the accounts are drawn annually and reconciled. As per Statue, closure of books of Accounts for each quarter is not mandatory hence summary of difference is not warranted.</p> <p>As the company is carved out and entrusted with distribution activity effective 2002-2003, the properties that are procured in the name of parent organisation KPTCL will be segregated and provided .</p>

Sl.No.	Observations of the Statutory Auditors	Management's Reply
4)	<p>Going concern</p> <p>The Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a total comprehensive loss of Rs. 1767.49 crores during the current year (Previous Year - Rs.2,919.54 crores) and the Company's current liabilities exceeded its current assets as at the balance sheet date, due to which the Company may be unable to discharge its liabilities in the normal course of business. This condition indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern in the absence of infusion of additional share capital or comfort letter issued by the Government of Karnataka.</p> <p>However, the management contends that the Company is engaged in the distribution of basic utility, wholly owned by the Government of Karnataka (GOK) and has adequate support from GOK from time to time by way of subsidies and equity participation. Hence the management confirms that the Company shall be a going concern.</p>	<p>As the management contends that the Company is engaged in the distribution of basic utility, wholly owned by the Government of Karnataka (GOK) and has adequate support from GOK from time to time by way of subsidies and equity participation. Hence the management confirms that the Company shall be a going concern.</p> <p>To overcome this grim situation, company will write to GOK for infusion of Equity to higher extent possible for having its net worth improved.</p>
5)	<p>Share application money</p> <p>Share application money received to the extent of Rs.608.68 crores from the Government of Karnataka for equity investment during FY 2019-20 to FY 2022-23 has not been regularized by way of allotment of shares with in the stipulated period and hence it is to be considered deemed deposit as per rule 2(1) (c) (vii) of the Companies (Acceptance of Deposits) Rules, 2014. The punishment for contravention as per Section 76A of the Act is as follows:</p> <ul style="list-style-type: none"> In addition to the payment of the amount of deposit the same is punishable with fine which shall not be less than one crore rupees or twice the amount of deposit accepted by the company, whichever is lower, but which may extend to ten crore rupees; and <p>Every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years and with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees.</p>	<p>Action is already initiated for conversion of Share deposit to Share capital and the process will be completed in FY23-24 for the quantum of equity infused as at the end of FY22-23.</p>

Sl.No.	Observations of the Statutory Auditors	Management's Reply
6)	<p>Loans and advances as per Note 2.6 of the financial statement</p> <p>We draw attention to Note No.2.6 Loan, in the Notes to the financial statements. This includes amount spent by the company over and above Rs.50,000 / Rs. 75,000 (ceiling fixed by Government of Karnataka) for providing Infrastructure under Ganga Kalyana, drinking water supply scheme, etc amounting to Rs. 1,022.51 Crores (Refer Note 2.6) is shown as receivables from respective GOK controlled corporation pending decision of Government of Karnataka on reimbursement of this expenditure beyond the ceiling and reconciliation with respective corporations. The recoverability of the said assets being carried in the books has not been justified to us by the management. Consequently, we were unable to determine whether any adjustments were necessary to these amounts on account of impairment required to be recorded in the statement of profit and loss.</p>	<p>Correspondence will be taken up with concerned GOK controlled Social Welfare corporation for effective reimbursement to device a policy for treatment of such capital outflow.</p>
7)	<p>Inter branch accounts:</p> <ul style="list-style-type: none"> As per General Note No.9 regarding Inter Unit Accounts are subject to reconciliation/adjustments to the extent of Rs 41.03 Crores (Credit) as on 31 March 2023. Pending completion of reconciliation by the management. We were unable to determine whether any impact is required to be recorded in the statement of profit and loss. A balance of Rs 5.96 Crores liability towards NDCPS contribution is carried in HO since FY2014 (earlier to formation of exclusive BESCOM Pension section) which needs reconciling of transactions among the Accounting units and H.O of BESCOM. Pending completion of reconciliation by the management, we were unable to determine whether any impact is required to be recorded in the statement of profit and loss. 	<p>Action will be initiated for completion of Inter Unit Accounts on timely basis and impact on P&L statement is minimised.</p> <p>Reconciliation will be initiated and required action will be done in FY23-24</p>
8)	<p>General Note No. 8.3 regarding Interest claimed Rs. 2,278.95 Crores by KPCL. Company has requested Government to waive off the interest of KPCL and has not provided for same. In the absence of any approval for waiver, the provision for the said expense should have been recorded in the books and therefore incorrect.</p>	<p>As the final out come is pending, Rs. 2,278.95 Crores of interest liability towards KPCL is considered under Contingent liability. Companies action is bound by orders of GOK which is pending.</p>

Sl.No.	Observations of the Statutory Auditors	Management's Reply
9)	General Note No.8.11 regarding non provision of interest and penal interest amounting to Rs.88.46 crores on RAPDRP Part B loan as the same is expected to be converted into grant. In the absence of any approval for conversion, the provision for the said expense should have been recorded in the books and is therefore incorrect.	Correspondence with REC is being done for the consideration of Grant. Third party evaluation is pending. Based on the MOP communication suitable action will be initiated.

Replies offered on the observation/ comments of the Statutory Auditors on the Internal Financial Controls of the Company for FY 2022-23 are as follows:

Sl.No.	Observations of the Statutory Auditors	Management's Reply
a)	The company does not have an appropriate internal control system with regard to Capitalisation of fixed assets, charging of depreciation, updation of fixed asset registers, etc. We have come across situations where there is delayed capitalization resulting in Excess/ Short depreciation provision in the books.	<p>Capitalisation is not happening periodically due to voluminous task involved in creating fixed assets. Majority of assets are resultant of assemblage done and classified against Transformer and lines; other classifications such as Building, Vehicles and Office equipment contributing little and the capitalisation process involves rugged administrative process manually i.e., categorisation depends on Technical certificate/ Completion Report/ final bill based on measurement book etc.</p> <p>Significant fixed asset accounting also was undertaken at the time of corporatisation (bifurcation of DISCOMs from parent entity KPTCL) with book adjustment as per GOK notification.</p> <p>IFC will be strengthened on ERP implementation since, reconciliation and verification for prospective categorisation of assets will have concurrently a check and review mechanism in place which will assist to have those aspects accounted parallel to the books.</p>
b)	Physical verification of Plant & Machinery and Lines & Cables and reconciliation of same with books of account are not done at regular intervals.	The major asset base consists of dissimilar types of transformers (different capacities) conductors, cables & Structural addition to the existing infrastructure. There is tracking of additions made in the year. Due to vast area coverage and routine work, it needs consideration across length and breadth involving vast Sq.Kms. Hence, physical verification is not happening.
c)	The company does not have an appropriate internal control system with regard to maintenance of accounts as internal audit has noticed revenue leakage and excess payments and payment without proper approval during the transaction audit of divisions and corporate office.	The existing Internal audit by itself is for the internal control. The existing setup is to find out the irregularities and the same are brought to the notice of the Competent authority. This activity is being carried out by the internal audit. At head office, division's internal audit reports are being reviewed by the functional Directors and appropriate action is being initiated for excess payment and irregular expenditure. Strengthened measures will be contemplated for review and a check mechanism with proper Audit trail will be put in place in ERP.

Sl.No.	Observations of the Statutory Auditors	Management's Reply
d)	The Company does not have suitable computerised system in respect of financial accounting, Payroll, Inventory, Cap-ex etc., impacting reliability, grouping and adequate disclosure of financial transactions.	Company is deploying ERP in phases covering HRMS, Inventory, Financial and Accounts module covering Account Receivable, Accounts Payable, Fixed Asset, General Ledger, Cash Management, Loans Management, Procurement, Projects, Power Purchase, etc under GOI IPDS scheme. Once it is deployed the said aspect will be covered end to end.
e)	There was no evaluation of internal financial controls and risk management systems by Audit Committee of the Company as required by section 177 (4) (vii) of Companies Act 2013.	Audit committee is reviewing on each aspect brought before its purview and suitable directions are issued for the compliance and accountability aspects of the company. Company will contemplate for risk management as per Sec- 177 (4) (vii) of Companies Act 2013.
f)	The Company does not have the procedure of getting balance confirmation from parties in respect of Related Parties, Sundry Debtors, Sundry Creditors, Advances, Recoverable etc.,	Debtors, Creditors and advances, deposits from/to suppliers/ contractors/ Government authorities/ consumers / employees, loans and other receivables from various parties; transactions are taken to books based on orders, awards, notification for which correctness is authenticated, checked and counter checked by all the competent authorities. Also it may not be physically possible to obtain the confirmation for such transactions as it involves largeness in its volume.

Accounting Policies for BESCOM (Ind AS based)

1. Company overview

Bangalore Electricity Supply Company Limited ('BESCOM' or 'the company') is a company registered under the Companies Act, 1956 incorporated on 30th April, 2002 and commenced its operations from 1st June, 2002. BESCOM is responsible for power distribution in eight districts of Karnataka (namely Bangalore Urban, Bangalore Rural, Ramanagara, Chickballapura, Kolar, Tumkur, Chitradurga and Davanagere).

The KERC vide letter dated 30th Sep 2008 has intimated that as per first provision of section 14 of the Electricity Act 2003, BESCOM has become a Deemed Licensee valid for a period of 25 years from 10th June 2004.

The Government of Karnataka published vide their order No. DE 14 PSR 2002 dated 31-05-2002, the 2nd Transfer Scheme called Karnataka Electricity Reform (transfer of undertakings of KPTCL and its personnel to electricity distribution and retail supply Companies Rules, 2002) giving effect to the approval of distribution undertakings, assets and liabilities and provisional opening Balance Sheet of KPTCL and BESCOM based on the Annual Accounts of KPTCL as on 31-03-2001. As per the provisions of 2nd Transfer Scheme, after the stipulated period of one year i.e., by 31-05-2003, the same became final. Opening Balance Sheet earlier approved and published vide G.O. and Government notification dated 31-05-2002 read above were provisional and thereafter Government had approved and issued final opening Balance Sheet of BESCOM as at 01-06-2002 vide their order No. DE 48 PSR 2003 dated 31-05-2003/No.DE 48 PSR 2003, dated 07-10-2004. This has been notified and published as final. The changes effected after the audit by KPTCL in the "transfer scheme" have been incorporated in the accounts of the Company as per Annexure – 2 to Government Order NO.DE48 PSR 2003 dated 07-10-2004. BESCOM being successor entity to the erstwhile KEB/KPTCL formed on 01.06.2002 vide G.O. no. DE48 PSR 2003/Dtd 31.05.2003/No.DE48 PSR 2003 dtd 07.10.2004, prudently following the Policies / Practices specified in the Manuals / Volumes / Regulations of KEB/KPTCL in relation to the financial controls and Administrative controls till rescinded or amended.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting under historical cost convention except as otherwise provided in the policy and in accordance with Indian Accounting Standard (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof as well as with the additional requirements applicable to financial statements as set forth in Companies Act 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

All items having a material bearing on the financial statements are recognized on accrual basis except the following, which are accounted on receipt basis:

- Grants and subsidies from Government in respect of capital assets
- Insurance claims.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. Estimates and underlying assumption are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively.

4. GRANTS AND SUBSIDIES

Grants/subsidies received from the government or other authorities towards capital expenditure as well as consumer's contribution to capital works are treated initially under deferred income and taken to fixed asset based on commissioning of the asset (put into use) and depreciation is charged in accordance to the class of asset it belongs.

The proportion equivalent to % of depreciation charged for plant & Machinery /Line & cables are reckoned as basis for arriving at depreciation write back against such quantum received over the year including current FY under Grants/subsidy/Consumer contribution and the same is charged back as income and shown distinctively in depreciation schedule (Note) in the statement of profit & loss

Revenue grants/Tariff subsidies from the government and other agencies are recognized as income only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received and accounted on accrual basis.

All Government loan which are received at concessional rate or without rate of interest, shall be classified as financial liability and company shall apply the requirement of IndAS 109 "financial instrument" and shall recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant considering MCLR rate.

5. INVENTORIES

Stores, spares and loose tools are valued at scheduled standard rates (standard rates are determined on the basis of previous purchases and prevailing market rates).The difference between realizable value (Purchase cost) and Scheduled standard rates is charged to P&L account under Material cost variance account (both Debit and credit).

FIXED ASSETS AND CAPITAL WORK IN PROGRESS

6. PROPERTY PLANT AND EQUIPMENTS

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment loss, if any, Such costs comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for intended use but does not include any estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Cost includes cost of land, material, labour and other appropriate overheads.

The company depreciates property, plant & equipment using the straight line method and depreciation is charged at the rate prescribed & notified by Central Electricity Regulatory Commission (CERC). The company does not charge depreciation as per the rates prescribed under the Schedule II of the companies Act,2013.

In case there is a revision in the rates prescribed and notified by the CERC, the company applies the revised rates prospectively from the date of change notified by the CERC.

The residual value of all the assets is 10 % as per CERC guidelines, against 5% as per Companies act 2013.

Any addition to the asset base or deletion to the asset base, depreciation is charged in proportion to month of addition or deletion

Released assets intended for reuse is continued to be depreciated in accordance with depreciation percentage of its classification i.e., Line, cables, Networks, Plant & Machinery & Vehicles etc., to which it pertaining to.

Advance paid towards the acquisition of property, plant & equipment outstanding at each Balance sheet date is classified as capital advance under other non-current assets.

Expenditure on renovation and modernization of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.

7. INTANGIBLE ASSETS

Intangible assets including Software rights and lease hold lands/ building are recorded at the consideration paid/incurred for acquisition of such assets and are carried at cost less accumulated amortization and impairment in proportion to period of agreement or licensee term and in the absence of licensee (Software) the cost is amortised in 4 years period.

8. Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at carrying amount (Written down value). Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

9. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit & loss as a component of depreciation and amortization expense.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had previously been recognized.

10. CAPITAL WORK IN PROGRESS

Materials issued to capital works-in-progress are accounted at cost of purchase or scheduled standard rates (standard rates are determined on the basis of previous purchases and prevailing market rates)

Administrative and general overhead expenses accounted under designated Project Sections which are attributable to construction of fixed assets till they are ready for their intended use are identified and allocated on a systematic basis to the cost of the related assets.

Contracts are capitalized on receipt of final completion report or technical commissioning reports.

11. BORROWING COST

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

Borrowing cost are capitalized by effective interest rate after Adjustment of transaction costs, premiums/ discounts, to be made while capitalizing borrowing costs.

12. TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency at exchange rate in effect at the end of each reporting period.

The gains or losses resulting from such transactions or settlement are recognized in Statement of Profit & Loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevailing at the date of transaction.

13. REVENUE RECOGNITION

REVENUE FROM OPERATIONS

1. Sale of power is accounted on accrual basis at the tariff rates approved by the Karnataka Electricity Regulatory Commission (KERC). Revenue dues from consumers whose ledger accounts are yet to be opened are accounted on an estimated basis. The company accounts/discloses revenues net off electricity taxes in its statement of profit and loss.
2. Revenue for the year is adjusted by estimating un-billed revenue demand for sale of power to HT and IP category on actual basis and 75 % on LT category for the current year.
3. Sale of power under Irrigation Pump sets below 10 HP are on estimation. Estimation is based on the quantum recorded under exclusive Agri Feeders provided for the purpose and extrapolated across all the Irrigation pump sets of below 10 HP.

Per HP consumption on each Agri feeder is arrived on deducting 10% energy loss on the input of that feeder and dividing it by total connected load. Revenue corresponding to estimated sales is recognised as per Commission Determined Tariff.

4. Regulatory asset is recognized when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator (KERC) under the applicable regulatory framework and the amount can be measured reliably.

The probable quantum of deferred Asset/liability for the current FY which is expected to flow to the entity as a result of the actual or expected actions passed by the Hon'ble KERC while assessing Annual performance Review of the concerned Financial year filed along with Annual Revenue requirement of different years is recognized as Regulatory asset/Liability on accrual basis but limiting the quantum of Regulatory Asset recognition to the extent of Return on Equity conservatively which in all probability KERC will admit in true up order (Annual performance review).

14. OTHER INCOME

1. Income from services rendered is accounted based on the agreements/arrangements with the concerned parties
2. Rebate earned on Power Purchases prompt payments are accounted as and when the related dues are settled.
3. Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

14 (A) PROVISION FOR BAD AND DOUBTFUL DEBTS

The provision for bad & doubtful debts is maintained at 4% on the balance of sundry debtors (exclusive of receivables from BJ/KJ installations and IP sets) for sale of power of LT category outstanding as at the year-end and on HT consumers specifically identified on a case-to-case basis.

The provision for bad and doubtful debts in respect of arrears of IP sets and BJ/KJ installations is maintained in the following pattern:

- Dues outstanding for 2 years and above-75%
- Dues outstanding between 1 year and 2 years-50%
- Dues outstanding less than 1 year-Nil

14 (B)

The Write off provision for bad & doubtful debts is maintained at 3% on Receivables including

- 1) Supplier/Employee related accounts
- 2) Inter Escom activity relating to material transfer, Personnel transfer and other transactions Excluding energy balancing and PP related
- 3) Store Inventory on account of obsolete nature
- 4) It does not include Receivables from GoK/GOI/Statutory bodies

14(C)

Write-back provision is maintained at 2 % on payables belonging to Supplier / Vendors and Inter-escom excluding Energy balancing and any Power purchase related activity related to Inter-escom / IPPs/Gencos/Transcos etc., It does not include Payables to from GoK/GOI/Statutory bodies.

15. EMPLOYEE BENEFITS

Pension & Gratuity are provided based on the rates prescribed by 'KPTCL & ESCOMs Pension & Gratuity Trusts'.

Leave encashment is provided on the basis of estimates made by the company and not on the basis of actuarial valuation.

All expenses excluding re-measurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the statement of profit and loss as incurred.

Re-measurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

16. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. However where the effect of time value of money is material, provision are determined and maintained by discounting the expected future cash flow, wherever applicable. Where discounting is used the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and adjusted to reflect current estimate of the management.

17. TAXES ON INCOME

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit & loss except to the extent that it relates to items recognized in other equity through other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of the reporting period and includes adjustment on account of tax in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

18. STATEMENT OF CASH FLOWS

Cash flow are reported using indirect method, whereby profit/(loss) before tax is adjusted for the effect of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing cash flows from operating, investing and financing activities of the company are segregated.

19. FINANCIAL INSTRUMENTS

Financial Instrument

Non Derivative Financial Instruments are classified as:-

Financial asset measured at

- Amortized Cost
- Fair Value through profit & loss
- Fair Value through other comprehensive income

Financial liability measured at

- Amortized Cost
- Fair Value through profit & loss

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are initially recognized at fair value plus directly attributable transaction costs except for those financial instruments measured at fair value through profit & loss. Financial assets and liabilities carried at fair value through profit & loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

A. Financial assets/ Financial liabilities carried at amortized cost

A financial asset or financial liabilities are subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C. Financial assets/Financial liabilities at fair value through profit & loss

A financial asset or financial liabilities which are not classified in any of the above categories are subsequently fair valued through profit & loss.

De-recognition

Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

20. LEASES

A Contract is recognized as lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset and a lease liability is recognized.

At the commencement date, right-of-use asset is measured at cost.

The cost of the right-of-use asset shall comprise:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the lessee; and
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease liability is recognized at present value of the lease payments that are not paid at the date.

The right-of-use asset is measured by applying cost model and depreciation is charged in accordance with Ind AS 16, Property, Plant and Equipment.

The right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses if any.

21. PURCHASE OF POWER

The Power Purchase cost is recognized based on the Government of Karnataka Order No. EN 131 PSR 2003 Dated 10th May 2005 and subsequent orders issued from time to time for accounting the cost of power based on the billings made by Power Generators Pool allocated to BESCOM by the Government of Karnataka. The Company recognizes the quantum of power exported at the generating plant as per allocation given by Government of Karnataka as per order dated 24.03.2010.

The Transmission cost on power purchase is recognized on the basis of total generating capacity allocated to BESCOM as per Government of Karnataka order dated 24.03.2010.

The Company has recognized the following as interface points for transmission of power:

- a) For EHT consumers, consumption recorded at EHT consumer installations (66KV and above).
- b) Readings recorded at 11 KV banks (interface points) existing in various sub-stations.

As per policy decision of the Government and in terms of Power Purchase Agreement, KERC and CERC tariff order, the related power purchase cost figures including interest for belated payments, publication charges and income tax paid are shown on the basis of billing on "Delivered Energy" basis.

The supply of energy to the Company includes EHT supply at more than 66 KV voltages at the interconnection points for transfer of power for billing by the Company. The Company does not recognize any transmission loss on EHT power in its books on purchase from KPTCL.

The Company accounts the power purchase from 10-6-2005 directly from Power Generators Pool Account as per the energy allocation/assignment by the Government of Karnataka as per the Government order No. EN 131 PSR 2003 dated 10-05-2005 and subsequent orders issued from time to time. The rates followed for the allocated/assigned power purchases are based on the commercial rates/predetermined rates as approved by PPA/CERC/KERC/Government of Karnataka.

The Transmission losses arising on account of Power Purchase from Generation Point till interface point of Transmission are accounted by the Company as per the information provided by PCKL / SLDC, KPTCL based on the proportionate energy consumed. This is as per the said Government order.

22. DIVIDEND

Dividend paid/payable are recognized in the year in which the related dividends are approved by the shareholders or Board of Directors as appropriate.

23. EARNINGS PER SHARE

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

24. Prior Period Income / Expenses.

The prior period Income / Expenditure are accounted in the current period only if the total amount of prior period incomes / expenditure does not exceed 1% of turnover of the company for the year and earlier period accounts will not be restated for same.

Bangalore Electricity Supply Company Limited

Corporate Office, 4th Floor, K.R. Circle, Bangalore-560001
(CIN- U04010KA2002SGC030438)

Balance Sheet As at 31st March 2023

Amount Rs. in Crs.

Sl. No.	Particulars	No.	As at 31 st March 2023 (Ind AS)	As at 31 st March 2022
I	ASSETS			
1	Non-current assets			
(a)	Property, plant and equipment	2.3	19,052.16	16,536.42
(b)	Capital work-in-progress	2.4	614.71	1,031.28
(c)	Lease	2.3	1.93	1.93
(d)	Other Intangible assets	2.3A	6.09	13.29
(c)	Intangible assets under Development	2.4A	89.39	87.84
(e)	Financial Assets			
(i)	Investment	2.5	0.01	0.01
(ii)	Loans	2.6	1,035.31	1,181.09
(f)	Other non-current assets	2.8	294.48	377.31
	Total (1)		21,094.07	19,229.17
2	Current assets			
(a)	Inventory	2.9	337.39	220.56
(b)	Financial Assets			
(i)	Trade receivables	2.10	10,089.35	8,858.45
(ii)	Cash and Cash equivalents	2.11	94.78	187.77
(iii)	Other balances with Bank	2.11 A	184.50	158.39
(iv)	Others Receivables	2.12	2,145.98	1,950.59
(c)	Other Current Assets	2.13	22.77	31.66
	Total (2)		12,874.78	11,407.42
3	Asset held for sale	2.14	61.79	84.97
	Total (3)		61.79	84.97
4	Total assets (1+2+3)		34,030.64	30,721.56
5	Regulatory Deferral Assets	2.15	2584.64	3,273.33
	Total Assets and regulatory account balance (4+5)		36,615.28	33,994.89
II	EQUITY AND LIABILITIES			
1)	Equity			
(a)	Equity Share capital	2.16	1,343.54	1,343.54
(b)	Other Equity		(3,871.27)	(2,230.25)
	Total (1)		(2,527.73)	(886.71)
2)	Non-current liabilities			
(a)	Financial Liabilities			
(i)	Long Term Borrowings	2.17	9,599.35	7,863.01
(ii)	Trade Payables(a+b)	2.23 A	4,248.72	0.00
	a)Total Outstanding Dues to MSME		0.00	0.00
	b)Total Outstanding Dues to other than MSME		4,248.72	0.00
(iii)	Other financial liabilities	2.18	5,515.67	5,120.94
(b)	Long Term Provisions	2.19	99.60	94.51
(c)	Deferred Income	2.20	4,764.31	4,277.30
(d)	Deferred Tax Liability (Net)	2.7	430.93	337.27
(e)	Other Non-Current liabilities	2.21	397.92	366.92
	Total (2)		25,056.50	18,059.95
3)	Current liabilities			
(a)	Financial Liabilities			
(i)	Short Term Borrowings	2.22	5,782.76	5,761.28
(ii)	Trade Payables(a+b)	2.23	7,093.31	9,963.21
	a)Total Outstanding Dues to MSME		278.22	10.42
	b)Total Outstanding Dues to other than MSME		6,815.09	9,952.79
(iii)	Other financial liabilities	2.24	726.29	610.64
(b)	Short Term Provisions	2.25	15.26	16.15
(c.)	Deferred Income	2.20	281.22	251.49
(d)	Current Tax Liabilities	2.26	(59.51)	(58.77)
(e)	Other Current Liabilities	2.27	247.19	277.65
	Total (3)		14,086.52	16,821.65
4.	Total liabilities (2+3)		39,143.01	34,881.60
5.	Total Equity and liabilities (1+4)		36,615.28	33,994.89

For **Raghavendra Rao & Associates**

Chartered Accountants
FRN 003324S

Sd/-
(CA G Sathyanarayana)
Partner
(M.No. 205603)

For and on behalf of the Board of Directors

Sd/- **(Suma G.P)** Company Secretary
Sd/- **(Darshan J.)** CFO & Director (Finance)
Sd/- **(Mahantesh Bilagi)** Managing Director
Sd/- **(Rekha H.R)** Chief General Manager (A&RT)

Bangalore Electricity Supply Company Limited

 Corporate Office, 4th Floor, K.R. Circle, Bangalore-560001
 (CIN- U04010KA2002SGC030438)

Statement of Profit and Loss for the period ended 31st March 2023

Amount Rs. in Crs.

Sl. No.	Particulars	Note No.	Year Ended on 31st March 2023 (Ind AS)	Year Ended on 31st March 2022 (Ind AS)
I	Income			
	Revenue from operations	2.28	26,235.49	21,605.91
	Other Income	2.29	230.83	147.50
	Total Income		26,466.32	21,753.41
II	Expenses			
	Purchase of Power	2.30	22,334.90	17,617.30
	Other Operating expenses	2.31	261.88	216.55
	Employee benefits expense	2.32	2,012.11	1,583.05
	Finance costs	2.33	1,228.96	1,058.51
	Depreciation and amortisation expense	2.34	1,053.95	910.38
	Other Expenses	2.35	559.67	661.64
	Total Expenses		27,451.46	22,047.44
III	Profit/loss before exceptional items		(985.14)	(294.03)
	Exceptional Items	2.36	-	-
IV	Profit/loss before tax		(985.14)	(294.03)
V	Tax expenses			
	Current Tax			
	Deferred Tax liability.		93.66	(16.29)
VI	Profit for the period before movement in Regulatory deferral account balance		(1,078.80)	(277.74)
	Net Movement in Regulatory deferral account balances related to profit or loss	2.37	(688.69)	(2,641.80)
	Profit for the period and movement in Regulatory deferral account balance		(1,767.49)	(2,919.54)
	Other comprehensive income:			
	Items that will not be reclassified subsequently to profit or loss :			
	Remeasurement of the net defined benefit liability			
VII	Total Other comprehensive income / (loss) for the period, net of tax			
VIII	Total Comprehensive income for the period		(1,767.49)	(2,919.54)
IX	Earnings per share excluding net movement of Regulatory (In Rupees)			
	Basic/Diluted		(8.03)	(2.07)
X	Earnings per share (In Rupees)			
	Basic/ Diluted		(13.16)	(21.73)

For **Raghavendra Rao & Associates**Chartered Accountants
FRN 003324SSd/-
(CA G Sathyanarayana)
Partner
(M.No. 205603)

For and on behalf of the Board of Directors

 Sd/-
(Suma G.P)
Company Secretary
 Sd/-
(Darshan J.)
CFO & Director (Finance)
 Sd/-
(Mahantesh Bilagi)
Managing Director
 Sd/-
(Rekha H.R)
Chief General Manager (A&RT)

Statement of Cash Flows for the period ended 31st March 2023 Amount Rs. in Crs.

Particulars	Year Ended on 31st March 2023 (Ind AS)	Year Ended on 31st March 2022 (Ind AS)
Cash Flow from Operating Activities		
Net Loss before Tax	(1,673.83)	(2935.83)
Adjustments for:		
Prior period expenses		
Depreciation	1,335.17	1161.87
Finance cost	1,126.52	1066.40
Extraordinary items	0.00	0.00
Change in Provision for Trade Receivables	128.59	40.59
Change in Provision for Employee advances		
Change in Provision for Dismantled Assets		
Reversal of Depreciation on Grants Asset (Deferred income)	(281.22)	(251.49)
Other Income		
Income Tax	(93.66)	16.29
Operating Profit before working capital changes	541.57	(902.17)
Adjustments for		
Changes in Inventories	(116.84)	32.57
Changes in Trade Receivables	(1,359.50)	396.52
Changes in Short term Loans and Advances	0.00	0.00
Changes in Loans and other non current assets	228.61	(326.80)
Changes in Other balances with Bank	(26.11)	(39.01)
Changes in Other Current Assets and Other receivables	525.37	2455.94
Changes in Current Liabilities	(31.20)	(67.53)
Changes in Non Current Liabilities	124.65	15.84
Trade Payable (Current & Non current liabilities)	1,378.82	1394.75
Other current liabilities	(229.11)	244.82
Changes in Short term Provisions	(0.89)	(1.21)
Changes in Long term Provisions	5.09	16.86
Changes in Other Long-Term Liabilities	394.73	214.47
Operating Profit after working capital changes	1,435.20	3435.03
Extraordinary items	0.00	0.00
Net Cash inflow from Operating Activities [A]	1,435.20	3435.03
Cash Flow from Investment Activities		
Changes in Fixed Assets (Net)	(3,562.49)	(3214.26)
Changes in Capital Work in Progress	415.02	20.23
Investments		
Net Cash Outflow from Investment Activities [B]	(3,147.46)	(3194.02)
Cash Flow from Financing Activities		
Changes in Capital/Share Deposit Account	126.47	53.18
Changes in Secured Loans	0.00	0.00
Changes in Unsecured Loans	0.00	0.00
Changes in Long-Term Borrowings	1,736.34	519.98
Changes in Short-Term Borrowings	21.48	(236.97)
Change in Current maturities of long term debts/Current liabilities	344.75	135.15
Finance cost	(1,126.52)	(1066.40)
"Contributions from Consumers Asset "	516.75	402.16
Net Cash available from Financing Activities [C]	1,619.27	(192.91)
Net Change in Cash and Cash equivalents - Surplus Cash [(A) + (B) + (C)]	(92.99)	48.10
Add: Opening Cash and Cash equivalents	187.77	139.67
Closing Cash and Cash equivalent :	94.78	187.77

For Raghavendra Rao & Associates

Chartered Accountants
FRN 003324S

Sd/-
(CA G Sathyanarayana)
Partner
(M.No. 205603)

For and on behalf of the Board of Directors

Sd/- (Suma G.P) Company Secretary	Sd/- (Darshan J.) CFO & Director (Finance)	Sd/- (Mahantesh Bilagi) Managing Director
	Sd/- (Rekha H.R) Chief General Manager (A&RT)	

Bangalore Electricity Supply Company Limited

Corporate Office, 4th Floor, K.R. Circle, Bangalore-560001
(CIN:U04010KA2002SGC030438)

Statement of Changes in Equity for the year ended on 31st March 2023

A. Equity Share Capital

Amount Rs. in Crs.

	Balance as at 31st March 2023	Balance as at 31st March 2022
	1,343.54	1,343.54

B. Other Equity

Amount Rs. in Crs.

	Reserve & Surplus	Share Application Money pending allotment	Total
	Retained Earnings		
Opening balance at the beginning of the reporting period	(2,712.46)	482.21	(2,230.25)
Total Comprehensive Income for the year	(1,767.49)	0.00	(1,767.49)
Share Application Money Received		126.47	126.47
Equity Share Capital Issued		0.00	0.00
Dividends		0.00	0.00
Receivable from government		0.00	0.00
Transfer to General Reserve		0.00	0.00
Balance as on 31st March 2023	(4,479.94)	608.68	(3,871.27)

For Raghavendra Rao & Associates

Chartered Accountants
FRN 003324S

Sd/-
(CA G Sathyanarayana)
Partner
(M.No. 205603)

For and on behalf of the Board of Directors

Sd/- Sd/- Sd/-
(Suma G.P) **(Darshan J.)** **(Mahantesh Bilagi)**
Company Secretary CFO & Director (Finance) Managing Director

Sd/-
(Rekha H.R)
Chief General Manager (A&RT)

Bangalore Electricity Supply Company Limited
Corporate Office, 4th Floor, K.R. Circle, Bangalore-560001
(CIN:U04010KA2002SGC030438)

Note 2.3 : Property, Plant & Equipment

Notes to financial statements for the year ended March 31, 2023

Amount Rs. in Crs.

Particulars	Property, Plant and Equipment													Released Assets intended for use	Lease
	Asset Group	Land & Rights	Buildings	Civil Works (Pipeline, Sewage, Drainage, Water supply)	Other Civil Works	Plant & Machinery	Lines Cable Networks	Vehicles	Furniture & Fixtures	Office Equipments	Total	Plant & Machinery lines & cables, vehicles etc.	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	A/c Code	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	10.9		16.2		10.1	
Gross Carrying Value	Opening Balance As at 1-4-2022	18.21	402.65	7.92	8.88	4,524.10	17,980.91	44.89	25.21	26.00	23,038.78	85.98	23,124.76	5.96	
	Additions	-	56.53	0.66	0.81	726.33	3,299.71	6.32	2.12	2.39	4,094.88	-	4,094.88	-	
	Deductions	-	0.22	-	-	306.68	127.87	0.10	0.18	0.35	435.40	1.33	436.73	0.28	
	Closing Balance As at 31-3-2023	18.21	458.97	8.58	9.69	4,943.76	21,152.75	51.11	27.16	28.04	26,698.26	84.65	26,782.91	5.68	
	A/c Code	12.1	12.2	12.3	12.4	12.5	12.6	12.7	12.8	12.9				12.100	
Depreciation	Opening Balance As at 1-4-2022	-	71.06	3.40	1.15	1,302.11	5,165.67	23.98	10.99	9.99	6,588.35	-	6,588.35	4.02	
	Additions	-	14.72	0.36	0.31	253.39	1,039.22	2.70	1.34	1.55	1,313.60	8.62	1,322.22	0.00	
	Deductions	-	0.07	-	0.00	84.49	94.90	0.09	0.14	0.12	179.81	-	179.81	0.28	
	Closing Balance As at 31-3-2023	-	85.72	4.82	8.23	3,472.76	15,042.76	24.52	14.96	16.62	18,976.13	8.62	19,052.16	3.75	
Net Block	At March 31, 2023	18.21	373.25	4.82	7.73	3,222.00	12,815.25	20.91	14.22	16.00	16,450.44	85.98	16,536.42	1.93	
	At March 31, 2022	18.21	331.59	4.52	7.73	3,222.00	12,815.25	20.91	14.22	16.00	16,450.44	85.98	16,536.42	1.93	

NOTE : 1) Buildings includes shared assets as per KPTCL's intimation 2) Addition includes released assets after reconditioning
3) Deduction includes transfer of assets for reconditioning. 4) Addition/deletions of assets and depreciation thereon include :
a) Items pending reconciliation relating to inter unit transfers.

Note 2.3 A : Other Intangible Assets

Amount Rs. in Crs.

Particulars	Asset Group	Other Intangible Assets
		Software & Software Rights
1	2	3
Gross Carrying Value	A/c Code	18.1
	Opening Balance As at 1-4-2022	243.36
	Additions	5.75
	Deductions	0.02
	Closing Balance As at 31-3-2023	249.10
		Amortisation -software & software rights
Amortisation	A/c Code	12.101
	Opening Balance As at 1-4-2022	230.08
	Additions	12.95
	Deductions	0.02
	Closing Balance As at 31-3-2023	243.01
Net Block	At March 31, 2023	6.09
	At March 31, 2022	13.29

Note 2.4 : Capital Work in Progress

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
1. Capital Works In Progress	614.25	1029.70
2. Contracts in Progress	0.46	1.58
Total	614.71	1031.28

Note 2.4A : -Intangible assets under Development

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Intangible assets under Development	89.39	87.84
Total	89.39	87.84

Amount in CWIP for the following periods as at the end of March 2023
Amount in Crs.

FY 2022-23	CWIP	less'n 1 year	1-2 years	2-3 years	More than 3 years	Total
	Projects temporarily suspended					

Amount in Intangible assets under development for the following periods as at the end of March 2023
Amount in Crs.

FY 2022-23	Intangible assets under development	less'n 1 year	1-2 years	2-3 years	More than 3 years	Total
	Projects temporarily suspended					

Amount in CWIP for the following periods as at the end of March 2022
Amount in Crs.

FY 2021-22	CWIP	less'n 1 year	1-2 years	2-3 years	More than 3 years	Total
	Projects temporarily suspended					

Amount in Intangible asset under development for the following periods as at the end of March 2022
Amount in Crs.

FY 2021-22	Intangible assets under development	less'n 1 year	1-2 years	2-3 years	More than 3 years	Total
	Projects temporarily suspended					

Note 2.5 : Investment

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Non-Trade Investments-Investment in equity share- (Company is having a share of 100 No of 1000 Rupees face value as investment made to PCKL)	0.01	0.01
Total	0.01	0.01
Aggregate amount of unquoted investments.	0.01	0.01

Note 2.6 : Loan

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Unsecured, Considered Good		
a) Loans and Advances - Others	1035.31	1181.09
Total	1035.31	1181.09

Note 2.7 Deferred Tax Assets (Net)

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Deferred Tax Liability	430.93	337.27
Total	430.93	337.27

Note 2.8 Other Non Current Assets

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
a) Advances to Suppliers	24.77	24.29
b) Capital Advance	211.87	281.18
c) Amount paid to IT under protest	10.32	10.32
d) Deposit with Jurala Hydro Electric Project	0.00	14.00
e) Security Deposits with Railways and Others	47.52	47.52
Total	294.48	377.31

Note 2.9 Inventories

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Stores, spares and loose tools (Stocks are valued at standard cost)		
a) Material Stock Account	304.75	191.49
Add/Less : Excess /(Shortage)	1.80	3.16
b) Material imprest Account	24.47	18.63
c) Other Material Account	6.38	7.28
Total	337.39	220.56

Note 2.10 Trade Receivables

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Secured, considered good.	4,961.06	4618.05
Unsecured, considered good	2,849.18	2149.35
Unbilled Considered good	2,102.89	1952.87
Doubtful	1,384.49	1255.90
Gross Total	11,297.61	9976.18
Less : Provision for doubtful debt	1,384.49	1255.90
Net Total	9,913.12	8720.28
Other receivables considered good	176.23	138.17
Total	10,089.35	8858.45

Note 2.10 Trade Receivables Aging Schedule

Amount Rs. in Crs.

Outstanding for following periods from the due date of payment as at the end of Mar-23						
Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2595.71	906.75	1591.19	1134.77	2800.43	9028.85
Unbilled Dues	2358.10					2358.10
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful			12.14	11.82	62.93	86.89
Grand Total	4953.81	906.75	1603.33	1146.59	2863.36	11473.84

Amount Rs. in Crs.

Outstanding for following periods from the due date of payment as at the end of Mar-22						
Particulars	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,327.21	609.54	924.02	903.34	2,339.24	8,103.35
Unbilled Dues	1,952.87					1,952.87
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good					58.13	58.13
(iv) Disputed Trade Receivables considered doubtful						
Grand Total	5,280.08	609.54	924.02	903.34	2,397.37	10,114.35

Note 2.11 Cash and Cash Equivalents

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Cash and Cash Equivalents		
i) Balance with banks		
On current Account	35.41	96.70
ii) Cash on Hand	17.11	59.51
iii) Stamp on hand	0.02	0.02
Other Bank Balance		
Term Deposit	42.24	31.54
Deposits with maturity period of less than three months		
Total(i)+(ii)+(iii)	94.78	187.77

Note 2.11A Other balances with Bank

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Deposits with maturity period of more than three months	184.50	158.39
Total	184.50	158.39

Note 2.12 Other Receivables

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Amounts recoverable from employees		
Amount Recoverable from Current Employees	2.35	2.24
Amounts recoverable from ex-employees	3.34	3.34
Cash found short due theft etc., Pending Investigation.	1.09	0.79
Amount recoverable from employees - unused materials not returned/excess materials drawn	11.88	13.27
Transformers / Meters etc. issued for repairs the Corporation personnel.	0.90	1.24
Cash Receivables from Associates - KPTCL / ESCOMS	319.11	379.75
Interest accrued but not due on deposits (including Bank Deposits)	25.95	22.82
Remittance Head Office In Transit Account	0.10	0.43
Transfers from Head Office In Transit Account	0.00	(2.10)
Other Receivables	177.46	150.85
Inter ESCOMs Energy balancing & Energy charges at IF point	1621.68	1415.78
Debits under reconciliation with Bank	0.54	0.22
Sub total	2164.40	1988.62
Less:- Provision for Doubtful of recovery	18.41	38.03
TOTAL	2145.98	1950.59

Note 2.13 Other Current Assets

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Short term loan and Advance (Unsecured considered good)		
Loans and advances staff - Advance of pay.	0.00	0.00
Loans and advances staff - Travel advance.	0.14	0.01
Loans and advances staff - Medical advance.	3.88	4.32
Advances staff against expenses.	3.29	0.85
Loans and advances staff - Festival advance	8.82	9.56
Sub total	16.13	14.74
Receivables from Pension / Gratuity Trust.	6.51	16.80
Prepaid expenses.	0.14	0.13
TOTAL	22.77	31.66

Note 2.14 Assets Held for sale (scraped assets)

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
a) Value of scraped assets.	61.79	84.97
TOTAL	61.79	84.97

Note 2.15 Regulatory Deferral Assets

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
a) Regulatory Deferral account debit balance	2584.64	3273.33
TOTAL	2584.64	3273.33

Note 2.16 Equity Share Capital

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Authorized Share Capital		
Equity Shares 200,00,00,000 (Previous Year - 200,00,00,000) equity shares of Rs 10 each	2,000	2,000
Issued, Subscribed and fully paid-up shares		
13,43,53,5100 (As on previous year equity shares of Rs.10/- each fully paid up)	1,343.54	1,343.54
Total	1,343.54	1,343.54

Further Notes:

1. Terms/ rights attached to equity shares: There is no specific terms and rights attached to equity shares
2. Details of shareholders holding more than 5% shares in the Company

Amount in Rs.

Particulars	As at 31st March 2023		As at 31st March 2022	
	No.of shares	%of holding	No.of shares	% of holding
Equity shares of Rs.10/- each fully paid Hon'ble Governor, State of Karnataka (GoK) Principal Secretary Energy Department	1,34,35,35,100	99.99%	1,34,35,35,100	99.99%
	-	-	-	-

3. Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period.

Amount in Rs.

Particulars	As at 31st March 2023		As at 31st March 2022	
	No.of shares	Amount	No.of shares	Amount
Shares outstanding at the beginning of the year	1,34,35,35,100	13,43,53,51,000.00	1,34,35,35,100	13,43,53,51,000.00
Shares Alloted during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,34,35,35,100	13,43,53,51,000.00	1,34,35,35,100	13,43,53,51,000.00

Note 2.17 Long Term Borrowings

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
SECURED LOANS		
Term Loans From		
-Banks (Refer Note 2.17A below)	6013.67	4741.98
-Others (Refer Note 2.17A below)	3037.82	2970.09
Sub-Total	9051.48	7712.07
UNSECURED LOANS		
Term Loans From		
- Banks (Refer Note 2.17B below)		
- Others (Refer Note 2.17B below)	547.86	150.94
Sub-Total	547.86	150.94
Total	9599.35	7863.01

2.17 A : Term Loans from Banks

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
State Bank of India (Term Loan - Capex)	1334.75	1886.75
1. Repayment within 13 years (including moratorium period of three years) payable in 40 quarterly instalment of Rs. 2.50 Crore each. Interest to be paid as and when due. Present ROI is 8.45% p.a. . First instalment paid on 30.06.2018. Hypothecation of fixed assets of the company valued at Rs.110 Crs		
2. Repayment within 10 years (including moratorium period of two years) repayable in 32 quarterly instalment of Rs.6.25 Crore. First quarterly instalment paid on 30.06.2017. Interest to be paid as & when due. Present ROI is 8.45% p.a. Exclusive charge on fixed asset of Bescom @ 135% of T.L		
3. Repayment within 10 years (including moratorium period of two years) repayable in 32 quarterly instalment of Rs.14.0625 Crore each. Interest to be paid as & when due. First instalment paid on 31.03.2018. Present ROI is @ 8.45%. p.a. Exclusive charge on fixed asset of Bescom @ 135% of T.L		
4. Repayment within 10 years (including moratorium period of 26 months) payable in 31 quarterly installments of Rs.4.92 Crs each & last installment of Rs.4.98 crs. Interest to be paid as & when due. Present ROI is 8.95% p.a First installment paid on November 2021. Exclusive charge on the project specific assets created out of above loan.		
5. Repayment within 15 years in 47 Quarterly installments of Rs.32.84 Cr each with last installment of Rs.32.52 Cr after a moratorium period of 38 months from the date of first disbursement. First installment due on May 2024. Present ROI is 8.95% p.a. Exclusive charge of project specific assets with total value of Rs.2102.28 Crs created out of term loan.		

2.17 A : Term Loans from Banks

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
State Bank of India (Term Loan Working Capital)	843.67	0.00
6. The special long term transition loan for COVID-19 under liquidity injection package is utilized for clearance of power purchase dues of BESCOM towards CPSU Gencos, TRANSCOs, IPPs and RE Generators as on 31.03.2020 with an unconditional and irrevocable state Government Guarantee before disbursement. Repayment with in 10 years in 28 quarterly installments of Rs.31.25 Cr after a moratorium period of 38 month from the date of disbursement. First installment due on Jan 2024. Present ROI is 8.45% p.a. Charge on the current Assets of the company with an unconditional and irrevocable Guarantee of Government of Karnataka for the exposure of the loan till the closure of the loan.		
Bank of India (Term loan Capex)	84.06	80.75
Repayment within 11 years including one year moratorium in 120 monthly installment of Rs. 0.90 Cr from the date of first disbursement. First installment paid on March 2022. Present ROI is 9.35% p.a.		
Canara Bank (Term Loan - Capex)	631.99	1836.82
1. Repayment within 13 years (including moratorium period of three years) payable in 40 quarterly instalment of Rs. 10 Crore each. First instalment paid on 23.09.2013. Interest to be paid as & when due. ROI is @ 8.00% p.a. Hypothecation of fixed assets of the company valued at Rs.457.62 Crs		
2. Repayment within 13 years (including moratorium period of three years) payable in 40 quarterly instalment of Rs. 9.25 Crore each. Interest to be paid as & when due. ROI is @ 8.00% with annual reset. First Instalment paid on 24.01.2017. Hypothecation of fixed assets of the company project Assets at Rs.417.09 Crs		
3. Repayment within 10 years (including moratorium period of two years) payable in 31 quarterly instalment of Rs. 4.56 Crore each and last installment of Rs.2.28 Crores. Interest to be paid as & when due. ROI is @ 8.00% p.a. First installment paid on Oct 2020. Hypothecation of assets created out of the proposed Term Loan of Rs.159.60 Crs.		
4. Repayment within 10 years (no moratorium period) payable in 120 monthly instalment of Rs. 2.50 Crore each. Interest to be paid as & when due. ROI i.e 8.65% p.a. First installment paid on Nov 2018. Hypothecation of assets created out of the Project of Rs.350.00 crores.		
5. Repayment within 13 years (including moratorium period of three years) payable in 119 monthly instalment of Rs.2.22 Crore each & last installment of Rs.2.59 crores. Interest to be paid as & when due. ROI is @9.25% p.a. First installment paid on April 2022. Hypothecation of assets created out of the Project 299.75 Crores.		
6. Repayment within 10 years (without moratorium period) payable in 119 equal monthly instalment of Rs.1.15 Crore each and last installment of Rs.1.12 Crores. Interest to be paid as & when due. Present ROI is 9.35% p. a. First Instalment paid on Sept 2020. Hypothecation of project assets created out of proposed term loan.		

2.17 A : Term Loans from Banks

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Canara Bank (Term Loan Working Capital)	1012.50	0.00
<p>The special long term transition loan for COVID-19 under liquidity injection package is utilized for clearance of power purchase dues of BESCOM towards CPSU Gencos , TRANSCOs, IPPs and RE Generators as on 31.03.2020 with an unconditional and irrevocable state Government Guarantee before disbursement. Repayment within 10 years (including moratorium period of 3 years) in 28 equal quarterly installment of Rs.37.50 Cr. First instalment due on Feb 2024. Interest to be paid as & when due. Present ROI is 8.15% p.a.</p> <p>Security charge on current Assets of the Company along with Guarantee by Karnataka Government of the exposure till tenure of the loan.</p>		
Bank of Maharashtra (Capex)	207.49	241.45
<p>1. The tenure of loan will be 11 years (including 1 year moratorium period). The term of repayment in 40 quarterly installment of Rs.4.975 crs each. Interest to be paid as and when due. Present ROI is 8.15% p.a. First installment paid on September 2020</p> <p>2. The tenure of loan will be 11 years (including 1 year moratorium period). The term of repayment in 40 quarterly installment of Rs.3.50 crs each. Interest to be paid as and when due. Present ROI is 8.15% p.a. First installment paid on September 2020."</p> <p>Securities : Exclusive 1st charge on all fixed assets to be purchased out of the loan</p>		
Bank of Maharashtra (Term Loan Working Capital)	1074.83	0.00
<p>1. To meet the current liabilities towards power purchase obligation. The tenure of loan will be 2 years . The term of repayment in 24 monthly installment of Rs.12.50 crs each. Interest to be paid as and when due. Present ROI is 7.70% p.a. First installment paid on October 2022.</p> <p>Security : Floating charge on the book debts to be registered to the extent of 110% of the limit.</p> <p>2. To clear the outstanding power purchase dues of Gencos, Transcos, IPPS and RE Generators as per LPS Rules 2022 and security provided in the form of Government Guarantee. The tenure of loan will be 14 years (including 4 year moratorium period). The term of repayment in 120 monthly installment of Rs.8.334 crs each. Interest to be paid as and when due. Present ROI is 8.70% p.a. First installment due on January 2027.</p> <p>Security: Nil (Clean loan)</p>		

2.17 A : Term Loans from Banks

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Bank of Baroda (Term loan-Capex)	105.87	126.01
<p>1. The term of repayment in 36 quarter, 35 quaterly instalment of Rs.3.36Crs per quarter and Rs.3.30Crs in 36th quarter after intial moratourium period of 24 months first instalment paid on July 2020. Present ROI is @ 8.30%.p.a.Hypothecation of project assets.</p> <p>2. The tenure of loan is 13 years including 3 year moratorium period. The term of repayment in 40 equal quarterly installment of Rs. 2.2865 Crores. First instalment paid on Nov 2021. Interest to be serviced as & when due. Present ROI is @ 7.50% p.a. First charge on the assets to be created out of the project cost of Rs.101.63 Crore with margin of 10%.</p>		
Indian Bank (Term loan Capex)	467.78	319.56
<p>Repayment within 15 years in 144 equal monthly installments commencing after an initial period of 3 years. Interest to be serviced monthly. First installment of Rs. 4.64 Crs due on April 2024. Present ROI is 9.55% p.a.</p> <p>Hypothecation of project assets of Rs.742.34 Crs</p>		
Karnataka Urban Infrastructure Development and Finance Corporation Limited (KUIDFC)	250.73	250.63
<p>The term of repayment in 10 years including moratorium period of 2 years in 32 equal quarterly installment of Rs. 12.50 Crs each. First installment due on June 2022. Interest to be paid as and when due. Rate of Interest @ 6.50% p.a</p> <p>Security - Hypothecate of project assets of Rs.830.45 Crs</p>		
Sub-Total	6013.67	4741.98
2.17 A : Term Loans from others		
RAPDRP PFC (B)	58.73	58.73
<p>PFC-RAPDRP (Part-B) The tenure of loan will be 20 years including moratorium period of 5 years. The interest and interest tax on the said loan shall be borne by the Utility and shall begin to accrue from the date of release of loan by Ministry of Power to PFC.If the distribution utilities achive the target of 15% AT&C loss on a sustained basis for a period of 5 years in the project area and the projected is completed with in time schedule fixed by the stering comitee loan will be convertable into grant. Secured by way of hypothecation on the newly finance assets under the project as securities for loan.</p>		
RAPDRP PFC (B) (Counter part Funding)	77.89	89.87
<p>The loan shall be repaid in 60(SIXTY) equal quarterly instalments .The first instalment of Rs.2.60 crore was paid on 15.10.2015 and current installment amounts to Rs.2.99 crs. ROI @ 10.85% p.a.</p>		

2.17 A : Term Loans from Others

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
REC (TL) NJY Phase 2	85.93	114.57
Repayment with in 13 years (including moratorium period of 3 years) principal instalment is repayable in annual instalments. First instalment of Rs.25.61 crores was paid on 15.03.2018.The rate of interest @ 11.00% p.a. Secured by way of hypothecation of all assets created under the loan.		
REC (TL) DTC Metering	46.17	61.56
Repayment with in 13years (including moratorium period of 3 years) principal instalment is payable in annual instalments and on 15 th of the month in which the first disbursement was made. First installment of Rs.15.39 crores was paid on 15.03.2018The rate of interest @ 10.75% p.a. Secured by way of hypothecation of all assets created under the loan.		
REC (TL) HVDS Phase 1	91.29	114.11
Repayment with in 13years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments.First instalment of Rs.7.87 crores paid on April 2018. The rate of interest @ 11.00 % p.a. Secured by way of hypothecation of all assets created under the loan.		
REC (TL)UAIP	101.12	126.39
Repayment with in 13years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments. First instalment of Rs.23.80 crores paid on Sept 2018. The rate of interest @ 10.75 % p.a. Secured by way of hypothecation of all assets created under the loan.		
REC (TL) General Capex	893.97	497.74
1. Repayment with in 13years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments First instalment of Rs.29.76 crores paid on Nov 2018.The rate of interest @ 11 % p.a. Secured by way of hypotecation of all assets created under the loan.		
2. Repayment with in 10 years (no moratorium).Principle instalment is payable in equal 120 monthly instalments. The rate of interest @ 9.50% p.a. First installment paid on September 2021. Secured by way of hypothecation of all assets created under the loan.		
3. Repayment with in 10 Years (no moratorium). Principal instalment is payable in equal 120 monthly instalments . The rate of interest @ 9.75% p.a First installment of Rs. 1.45 Crs due on April-2023. Secured by way of hypothecation of all assets created under the loan.		
4. Repayment with in 10 Years (no moratorium). Principal instalment is payable in equal 120 monthly instalments . The rate of interest @ 9.75% p.a First installment of Rs. 2.89 Crs due on April-2023. Secured by way of hypothecation of all assets created under the loan.		

2.17 A : Term Loans from Others

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
REC (TL) Static meter	52.91	63.49
Repayment with in 13years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments. First instalment paid in December 2019. The rate of interest @ 10.49 % p.a. Secured by way of hypothecation of all assets created under the loan.		
REC RGGVY 12th Plan	3.77	4.12
Repayment with in 20 years (including moratorium period of 5 years) principal instalment is payable in equal annual instalments First instalment paid on October 2021. The rate of interest @ 10.75% p.a. Secured by way of hypothecation of all assets created under the loan.		
REC-(TL) NJY Phase 3	456.84	532.76
Repayment with in 13 years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments. First instalment paid on December 2020. The rate of interest @ 10.75 % p.a. Secured by way of hypothecation of all assets created under the loan.		
REC-(TL) HVDS Phase 2	100.93	117.75
Repayment with in 13 years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments and on 15 th of the month in which the first disbursement was made. First instalment paid on December 2020. The rate of interest @ 8.31 % p.a. Secured by way of hypothecation of all assets created under the loan.		
REC-(TL) IPDS Project	117.48	123.66
Repayment with in 13 years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments. The rate of interest @ 10.35% p.a First installment paid on March 2023. Secured by way of hypothecation of all assets created under the loan.		
REC-(TL) UNIP Project	666.74	750.08
Repayment with in 13 years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments. The rate of interest @ 8.31 % p.a. First installment paid on Jan 2023. Secured by way of hypothecation of all assets created under the loan.		
REC-(TL) DDUGJY Project	56.90	63.54
Repayment with in 13 years (including moratorium period of 3 years) principal instalment is payable in equal annual instalments. The rate of interest @ 9.63 % p.a. First installment paid on Dec 2022. Secured by way of hypothecation of all assets created under the loan.		

2.17 A : Term Loans from Others

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
REC- Smart City	171.23	179.80
Repayment within 10 years (no moratorium) Principal instalment is payable in equal 120 monthly installments. The rate of interest @ 9.50% p.a. First installment paid on Oct 2021. Secured by way of hypothecation of all assets created under the loan.		
REC- IT Phase II & ERP	55.92	71.90
REC IPDS / IT-Phase II and ERP works		
Repayment within 7 years including 2 Years moratorium. Principal instalment is payable in equal 60 monthly installments. The rate of interest @ 9.50% p.a. First installment paid on Dec 2022. Secured by way of hypothecation of all assets created under the loan.		
Sub-Total	3037.82	2970.09
Total	9051.48	7712.07

2.17 B : UNSECURED LOANS
Term Loans From

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Loan from Government		
Sovereign loan from Asian Development Bank (ADB).	546.92	150.00
ADB Sovereign Loan : Loan for implementation of Bengaluru Smart Energy Efficient Power Distribution Project. To repay the loan of One hundred Million Dollar to the State Government to enable the State Government to repay the same to ADB through GOI. The loan to be recovered in 18 years in installments after moratorium period of initial nine years. Government Guarantee provided for \$100 M USD.		
Interest free loan from Govt(Long term Working Capital loan)	0.94	0.94
Government of Karnataka has released interest free loan to BESCOM towards payment to power suppliers for supply of power to State Grid during 2008-09. Repayment :No terms & Condition given		
Sub-Total	547.86	150.94

Note 2.23A Trade Payables

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Sundry Creditors for Purchase of Power	4248.72	0.00
Total	4248.72	0.00

Note 2.23A Trade & Other Payables FY 2022-23 (Non- Current)

Amount Rs. in Crs.

Trade Payables ageing schedule					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
i) MSME					
ii) Others	4248.72				4248.72
iii) Disputed dues-MSME					
iv) Disputed dues -others					
Total FY 2022-23	4248.72	0.00	0.00	0.00	4248.72

Note 2.23A Trade & Other Payables FY 2021-22 (Non- Current)

Amount Rs. in Crs.

Trade Payables ageing schedule					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
i) MSME					
ii) Others					
iii) Disputed dues-MSME					
iv) Disputed dues -others					
Total FY 2021-22	0.00	0.00	0.00	0.00	0.00

Note 2.18 Other Financial Liabilities

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Security Deposit from consumers		
Other Deposits from Consumers	290.81	254.13
Security Deposit from consumers:	4961.06	4618.05
Advance Power charges	233.03	220.04
Deposit for new service connections.	30.77	28.72
Total	5515.67	5120.94

Note 2.19 Long Term Provisions

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Provision for Employee Benefits		
Provision for Leave Encashment	56.80	53.09
Provision for Family Benefit Fund (FBF)	42.80	41.43
Total	99.60	94.51

Note 2.20 Deferred Income

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Contributions and grants towards cost of Capital assets		
Opening Balance as at the end of March, 2022	3911.82	3523.43
Add: Additions during the year	800.17	594.95
	4712.00	4118.38
Less: Reversal of depreciation	248.80	206.56
Closing Balance	4463.20	3911.82
Subsidies received from REC towards RGGVY scheme		
Opening Balance as at the end of March, 2022	80.18	84.65
Add: Additions during the year	0.00	0.00
	80.18	84.65
Less: Reversal of depreciation	4.23	4.47
Closing Balance	75.95	80.18
Grants towards cost of Capital Assets/regularisation of unauthorised IP set installations received from Government		
Opening Balance as at the end of March, 2022	93.67	98.89
Less: Deductions during the year	2.20	0.00
	91.47	98.89
Less: Reversal of depreciation	4.33	5.22
Closing Balance	87.14	93.67

Note 2.20 Deferred Income

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Subsidies / Grants released by GOI through REC for executing RGGVY scheme (12th Plan)		
Opening Balance as at the end of March, 2022	40.46	38.10
Add: Additions during the year	0.00	5.02
	40.46	43.11
Less: Reversal of depreciation	2.39	2.65
Closing Balance	38.07	40.46
Grants received towards IPDS Project.		
Opening Balance as at the end of March, 2022	236.40	235.59
Add: Additions during the year	0.00	15.59
	236.40	251.18
Less: Reversal of depreciation	13.96	14.78
Closing Balance	222.44	236.40
Grants received towards IPDS Project Phase-II		
Opening Balance as at the end of March, 2022	38.94	15.43
Add: Additions during the year	0.00	23.51
	38.94	38.94
Less: Reversal of depreciation	0.00	0.00
Closing Balance	38.94	38.94
Grants received towards DDUGJY.		
Opening Balance as at the end of March, 2022	127.31	121.01
Add: Additions during the year	0.00	14.59
	127.31	135.59
Less: Reversal of depreciation	7.52	8.29
Closing Balance	119.79	127.31
Grants received towards RAPDRP part –A Project.		
Opening Balance as at the end of March, 2022	0.00	9.52
Add: Additions during the year	0.00	0.00
	0.00	9.52
Less: Reversal of depreciation	0.00	9.52
Closing Balance	0.00	0.00
Total Deferred Income	5045.53	4528.78
Deferred Income-Current.	281.22	251.49
Deferred Income-Non-Current	4764.31	4277.30
Total Deferred Income	5045.53	4528.78

Note 2.21 Other Non Current Liabilities

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Deposit Contribution Work		
i) Deposit Contribution Work (Local bodies, Various development Corporations)	307.03	275.26
ii) Deposit Works (Consumers)	90.88	91.66
Total	397.92	366.92

Note 2.22 Short Term Borrowings

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Secured		
Bank of Baroda	1499.97	1532.81
1. Working capital demand loan/Short term loan in the form of line of credit facility and to be paid in one single bullet instalment at the end of 3 or 6 months and interest to be serviced monthly. Present ROI is 8.15% p.a.		
2. Overdraft converted to Working capital demand loan for 3 months. Rollover at the end of every 3 months. Interest to be serviced monthly. Present ROI is 8.40% p.a. Securities: Floating charge on Book debts of the Company with 10% Margin		
Union Bank of India (erstwhile Corporation Bank).	191.82	236.41
To meet the temporary mismatch in cash flow operational requirements. Interest to be serviced monthly. Tenure of the loan is 6 months. Loan drawn in multiple tranches. The present ROI applicable for tranches is 7.7%/ 8.00%/ 8.20% & 8.45%p.a Securities: Charge on Company's receivables to the extent of 110% of the limit sanctioned.		
Bank of Maharashtra	0.00	181.22
1. For meeting the current liabilities mainly towards power purchase. Tenor of the loan is 12 months. Repayable by way of 12 monthly installments of Rs. 12.50 Crs each. Interest is to be paid as & when applied. Present ROI is 7.25% p.a. First installment of Rs. 12.50 Cr paid on November 2022.		
2. For meeting the current liabilities mainly towards power purchase. Tenor of the loan is 24 months. Repayable by way of 24 monthly installments of Rs. 6.25 Crs each. Interest is to be paid as & when applied. Present ROI is 7.30% p.a. First installment of Rs. 6.25 Cr paid on July 2022. Securities: Floating charge on the book debts to the extent of 110% of the limit.		
Bank of India-STL	293.13	314.74
Line of credit by way of Short term loan for working capital requirement to bridge mismatch in cash flow. Interest to be		

Note 2.22 Short Term Loans

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
serviced monthly. To be repaid within a maximum period of 6 months. loan drawn in multiple tranches. Present ROI is 8.30% /7.8%/8.15%/8.40% & 8.50% p.a. Security : Clean		
State Bank of India(STL)	400.00	631.25
Overdraft converted to Working capital demand loan for 3 months. Rollover/repayable at the end of every 3 months. Interest to be serviced monthly and present ROI is 8.75% p.a. Securities:Floating charge on Book debts of the company with 10% Margin		
Loan from State Canara Bank- STL.	810.00	854.98
Overdraft converted to Working capital demand loan for 3 months . Rollover/repayable at the end of every 3 months. Interest to be serviced monthly. Present ROI is 8.25% p.a. Securities : Floating charge on Current Assets of the Company		
Loan from Indian Bank- STL.	0.00	137.50
1. For meeting the current liabilities towards power purchase obligation. Principal repayment in 12 equal monthly installments of Rs. 12.5 Crs each. Interest is to be paid as & when charged Present ROI is 5.50% p.a. First installment of Rs. 12.50 Cr paid on March- 2022.		
Unsecured		
Loan from REC (STL)	362.22	0.00
REC RBPF 120 Crs & REC 300 Crs		
1. Revolving Bill payment facility for payment of power purchase dues. 6 months loan tenor. Repayable in 6 EMIs. Loan drawn in tranches. The existing ROI applicable for tranches is 8.25%/8.75% p.a.		
2. Short term loan for meeting the power purchase liabilities.Period of loan is 6 months. Repayable in 6 EMIs.The present ROI applicable is 9% / 8.75% p.a. Securities: First Pari passu charge on existing assets with 110% coverage along with Default Escrow cover.		
Sub-Total (I)	3557.13	3888.92
Overdrafts		
Bank of Baroda - OD limit Rs 300 crore	285.42	291.71
Canara Bank - OD limit Rs 540 crore	513.54	520.25
Bank of India - OD limit Rs 200 crore	194.88	194.05
State Bank of India - OD limit Rs 100 crore	83.65	62.97
Sub-Total (ii)	1077.50	1068.98
Current maturities of long term debts	1148.13	803.38
Total	5782.76	5761.28

Note 2.23 Trade & Other Payables

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Sundry Creditors for Purchase of Power	5576.64	8828.67
Creditors/Liabilities for supplies / works	986.90	896.41
Outstanding Liability- for Expenses	489.77	206.44
Payable to other ESCOMs	57.49	55.70
Provision for doubtful Payable.	(17.49)	(24.02)
Total	7093.31	9963.21

Note 2.23A Trade & Other Payables FY 2022-23 (Current)

Amount Rs. in Crs.

Trade Payables ageing schedule					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
i) MSME	278.22				278.22
ii) Others	6167.93	62.45	23.62	561.08	6815.09
iii) Disputed dues-MSME					
iv) Disputed dues -others					
Total FY 2022-23	6446.15	62.45	23.62	561.08	7093.31

Note 2.23A Trade & Other Payables FY 2021-22 (Current)

Amount Rs. in Crs.

Trade Payables ageing schedule					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
i) MSME	10.42				10.42
ii) Others	9183.41	220.22	507.07	42.09	9952.79
iii) Disputed dues-MSME					
iv) Disputed dues -others					
Total FY 2021-22	9193.83	220.22	507.07	42.09	9963.21

Note 2.24 Other Financial Liabilities

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Interest due on loans from commercial banks	7.99	0.00
Interest accrued but not due on loans	22.44	25.12
Deposits from Suppliers, Contractors Etc.		
Security Deposits in cash from Suppliers / Contractors	30.62	35.45
Security deposit other than in cash from suppliers / contractors	0.16	0.16
Advance consumption charges LT & HT	113.62	86.28
Other Payables		
Stale Cheques	0.90	0.59
Retention Money - Bill amount retained	456.26	364.08
Draught relief fund	0.92	1.90
Miscellaneous Deposits/Other liabilities	93.14	96.84
Contribution received by BESCOM against compensation to the victims of Electrical accidents	0.07	0.07
(a) Interest amount earned from unutilised portion of RGGVY 12th plan funds - payable to REC	0.01	0.01
(b) Interest amount earned from unutilised portion of IPDS funds -payable to PFC	0.14	0.14
(c) Interest Earned From unutilised portion of DDUGJY fund - Payable to REC	0.00	0.00
Total	726.29	610.64

Note 2.25 Short Term Provisions

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Provision for Employee Benefits		
Unpaid Salaries.	0.00	0.00
Unpaid Bonus.	0.00	0.00
Salary payable.	4.71	5.32
Bonus payable.	0.12	0.28
Ex-gratia payable.	10.42	10.55
Total	15.26	16.15

Note 2.26 Current Tax Liabilities

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Provision for Income-Tax.	152.09	152.09
Advance Tax (Various Years)	205.19	205.19
TDS Receivables	6.41	5.67
Total	211.60	210.86
Net Current Tax Liability	(59.51)	(58.77)

Note 2.27 Other Current Liabilities

Amount Rs. in Crs.

Particulars	As at 31st March 2023 (Ind AS)	As at 31st March 2022 (IndAS)
Levies / fees payable to GoK	(8.84)	1.17
Interest on consumer security deposits	215.00	233.84
Inter Unit Accounts (Net)	41.03	42.64
Total	247.19	277.65

Note 2.28 Revenue from operations

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Sale of Power LT category	15,685.77	13,660.93
Sale of Power HT category	9234.29	7,806.03
Total (A)	24,920.06	21,466.95
Other Operating Income		
Reconnection Fee (D & R)	0.37	0.24
Public Lighting Maintenance Charges	0.25	0.17
Service Connection (Supervision Charges)	114.33	68.33
Other Receipts from consumers	53.39	22.66
Delayed payment charges from consumers	490.94	440.79
Registration fee towards SRTPV connection (Solar rooftop PV system)	1.14	0.59
Facilitation fee towards SRTPV connection (Solar rooftop PV system)	0.00	0.00
Fuel Adjustment Charges	719.97	(354.67)
Recoveries for theft of power	(15.60)	10.72
Meter Rent Collected from Prepaid Consumer	18.63	14.91
Total (B)	1,383.42	203.76
Total (A)+(B)	26,303.48	21,670.71
Less : Provision for withdrawal of Revenue Demand	46.12	17.84
Less : Withdrawal of revenue demand as credit adjustment	16.94	27.84
Less : Credit Adjustment through Balance Transfer system	4.93	19.11
Grand Total	26,235.49	21,605.91

Note 2.29 Other Income

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (Ind AS)
Interest Income :	11.34	10.59
Other non-operating income		
Profit/(Loss) on sale of stores	1.89	0.01
Losses/gain on sale of Property, Plant & Equipments	11.49	12.10
Rent.	2.81	3.10
Incentives received.	35.07	44.10
Excess provision made in prior period which is no longer required	27.44	0.00
Value of materials found excess during physical verification	0.06	0.13
Miscellaneous	52.25	8.59
Interest received from Income Tax department on Income tax refund	0.00	0.54
Interest subsidy received under National Electricity Fund Scheme	80.03	61.20
Rebate at 0.5% for collection of Electricity Duty	8.36	7.14
Rental income from cable operators : One time charges	0.09	0.00
Total	230.83	147.50

Note 2.30 Purchase of Power

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Power Purchase Cost	23,972.35	19,630.31
Less:- Energy balancing between ESCOMs		
Revenue from sale of power - HESCOM -Energy balancing at IF point and above 33KV.	312.65	696.04
Revenue from sale of power - GESCOM - Energy balancing at IF point and above 33KV.	192.81	102.07
Revenue from sale of power - MESCOM - Energy balancing at IF point and above 33KV.	86.87	14.26
Revenue from sale of power - CESC - Energy balancing at IF point and above 33KV.	0.00	42.76
Revenue from Inter-ESCOM exchange of energy charges 11KV & LT - MESCOM -	1.73	0.00
Revenue from Inter-ESCOM exchange of energy charges 11KV & LT - CESC	1.04	5.20
Total	595.10	860.32
Less:Revenue from sale of power through Indian Energy Exchange (IEX)	826.74	1,152.69
Less:Income received on REC Sale proceeds	215.61	0.00
Grand Total	22,334.90	17,617.30

Note 2.31 Other Operating Expenses

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Repairs and maintenance - plant and machinery	114.09	106.83
Buildings.	4.99	4.12
Civil works (Pipeline, Seweage, drainage and water supply)	4.67	3.52
Repairs and maintenance - buildings	9.66	7.64
Lines, Cable Net Work Etc.	128.30	92.84
Vehicles.	0.60	0.86
Furniture and Fixtures	0.01	0.02
Office Equipments.	4.20	3.83
R & M charged to Capital Works (Credit account)	0.00	0.00
Repairs and maintenance - others	133.10	97.55
Computer Rentals/maintenance charges		
Vehicle running expenses	5.02	4.54
Total	261.88	216.55

Note 2.32 Employee benefits expenses

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
A) Salaries and Wages		
Salaries	917.88	771.87
Over Time	13.59	12.94
Dearness Allowance	291.12	167.21
Other Allowances	188.87	150.60
Payment to helpers/employees of Mazdur gang.	0.96	1.13
Sub Total	1,412.42	1,103.76
B) Bonus	10.54	10.73
C) Terminal Benefits	474.47	324.34
D) Other Employee benefits		
Medical Expenses reimbursement	18.62	19.05
Leave travel assistance.	0.00	0.00
Earned Leave Encashment - For employees covered under Contributory Pension Scheme	51.91	62.34
Earned leave encashment.	21.87	41.97
E.L.Encashment - Retirement / Deceased Employees	20.86	20.67
Sub Total	113.26	144.04
E) Staff Welfare expenses	5.76	3.56
Total	2,016.46	1,586.43
Less:-Employees cost charged to capital works (Credit Account)	(4.35)	(3.38)
Total	2,012.11	1,583.05

Note 2.33 Finance Cost

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Interest on Loans	1,101.47	1,046.49
Guarantee Commission to GoK	25.05	19.91
Interest capitalised on capital borrowings	(86.09)	(184.46)
Interest to Consumers	188.53	176.58
Total	1,228.96	1,058.51

Note 2.34 Depreciation and Amortization Expense

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Depreciation on Buildings.	14.73	13.14
Depreciation on Civil works (pipeline, sewerage, drainage, water supply etc.,)	0.36	0.36
Depreciation on Other Civil Works	0.31	0.30
Depreciation on Plant and Machinery.	253.39	206.52
Depreciation on lines, cable, network etc.	1,039.22	899.57
Depreciation on Vehicles.	2.70	2.71
Depreciation on furniture, fixtures.	1.34	1.26
Depreciation on Office equipments.	1.55	1.42
Depreciation on intangible assets.	12.95	33.27
Depreciation charged on released material intended to re use	8.62	3.33
Total	1,335.17	1,161.87
Less: Depreciation Withdrawn from contributions / subsidies as per Ind AS 20	281.22	251.49
Depreciation for the year	1,053.95	910.38

Note 2.35 Other Expenses

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Rent expense	26.96	26.84
Postage stamps & Telephone charges	7.89	8.38
Remuneration to contract agencies	285.76	261.61
Professional, legal and consultancy	4.60	33.20
Conveyance & Travel expenses	59.65	56.69
Fees & Subscriptions.	6.32	5.79
Printing & Stationery.	5.15	4.97
Advertisement Expenses.	6.63	3.31
Computer stationary and floppies.	1.19	0.98
Contributions.	5.54	0.45
Electricity Charges.	5.91	4.12
Miscellaneous including provisions		
Rates & Taxes	3.47	3.17
Water Charges	1.33	0.64
DSM Expenses	0.35	0.00
Miscellaneous expenses.	42.73	56.84
Details of Payments to Auditors (including legal & Professional charges)		
a) Audit Fees		
- Statutory Audit Fees	0.12	0.12
Less:- Other Expenses charged to capital works (Credit Account)	0.00	(1.87)
Sub total -1	463.60	465.26
Small & Low value items Written off.	0.55	0.21
Asset decommissioning cost.	0.74	1.29
Sub total -2	1.28	1.50
Bank charges	23.06	31.93
Interest on Security Deposits from staff	0.00	0.00
Sub total -3	23.06	31.93
Provision against receivables	(13.60)	(11.05)
Miscellaneous losses and Write offs including provisions	(14.10)	(0.01)
Provision for Loss on obsolescence of stores, etc in stock	(0.24)	0.00
Material Cost Variance	(74.63)	29.79
Sub total -4	(102.57)	18.73
Interest on belated payment for power Purchase	45.71	103.63
Provision for Bad & doubtful debts	128.59	40.59
Sub total -5	174.30	144.22
Total (Sub total 1+2+3+4+5)	559.67	661.64

Note 2.36 Exceptional Item

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Bad Debts Written off - Dues from consumers.	0.00	0.00
Total	0.00	0.00

Note 2.37 Net Movement in Regulatory deferral account balances related to profit or loss

Amount Rs. in Crs.

Particulars	For the year ended on 31st March 2023 (Ind AS)	For the year ended on 31st March 2022 (IndAS)
Regulatory deferral account	(688.69)	(2641.80)
Total	(688.69)	(2641.80)

General Notes to Financial Statement

1 Share Capital

1.1 Government of Karnataka has disbursed **Rs.1343.54** crores since the incorporation of the company towards Share Capital: (Refer - Statement of Change in Equity "A")

Year	Amount (in crore)	Reference
2002-03	205.95	Equity transferred through Opening Balance sheet vide G.O. DE 14 PSR 2002 dated 31.05.2002
2004-05	0.01	GO DE48 PSR 2003/424 dated 15/06/2004
2009-10	32.00	GO EN95 PSR 2008 Dated 01/09/2009
2009-10	118.00	GO EN67 PSR 2009 Dated 01/03/2010
2009-10	60.00	GO EN 67 PSR 2009 Dated 31/03/2010
2010-11	25.00	GO EN 13 PSR 2010 Dated 22/12/2010
2010-11	63.46	GO EN 13 PSR 2010 Dated 30/03/2011
2011-12	22.50	GO EN 20 PSR 2011 Dated 21/09/2011 (P3 Part I)
2011-12	20.00	GO EN 20 PSR 2011 Dated 21/09/2011 (P3 Part II)
2012-13	37.50	GO EN 30 PSR 2012 Dated 16/07/2012
	20.00	GO EN 22 PSR 2012 Dated 29/01/2013
2013-14	40.00	GO EN 17 PSR 2012 Dated 30/03/2013
2014-15	21.58	GO EN 10 PSR 2013 Dated 06/09/2013
	14.00	GO EN PSR 2013 Dated 23/09/2013
	10.00	GO EN 56 PSR 2014 Dated 27.12.2014
	8.00	GO EN 56 PSR 2014 Dated 07.03.2015
2015-16	94.82	Released under various G.O. FY2015-16
2016-17	218.68	Released under various G.O. FY2016-17
2017-18	191.84	Released under various G.O. FY2017-18
2018-19	140.20	Released under various G.O. FY2018-19
Total	1,343.54	

2 Share application money:

2.1 Government of Karnataka has disbursed certain amount towards equity investment and accounted as Share application money which will be converted to Share Capital on completion of the procedure. The details of Share application money received till FY 2022-23 is as under: (Refer - Statement of Change in Equity "B" - Share Application Money pending allotment).

Year	Amount (in crores)	Reference
2019-20	273.44	Released under various G.O. FY2019-20
2020-21	155.59	Released under various G.O. FY2020-21
2021-22	53.18	Released under various G.O. FY2021-22
2022-23	126.47	Released under various G.O. FY2022-23
Total	608.68	

2.2 Share application money to the extent of **Rs. 608.68 Crs** was released during FY 2019-20 to FY 2022-23. This will be regularised at the time of share issue procedure.

3 Loans:

- 3.1 Government of Karnataka released Interest free loan of Rs.118.94 Crores in Financial Year 2008-2009 towards High Cost Energy purchase to BESCOM of which Government of Karnataka converted Rs.118.00 Crores as Equity in the Financial Year 2009-2010 balance of Rs.0.94 crores had been kept as loan from Government of Karnataka.
- 3.2 All the charges are registered with ROC and there are no instances of delayed creation beyond Statutory period

4 Property, Plant & Equipment: (Refer Note.no. 2.3):

- 4.1 The fixed assets are accounted vide Government of Karnataka Notification mentioned in the company overview at cost of assets in Gross Block and accumulated depreciation on such assets till the date of transfer.
- 4.2 The company has considered the period of fixed assets utilized by KPTCL for computing the remaining useful life of the fixed assets transferred from KPTCL.
- 4.3 The company has not reassessed the revised useful life of the assets. Based on the notification of the CERC (Notification no. L-7/145/160/2008-CERC dt.19.01.2009) stipulating the revised depreciation rates, the company charges depreciation at the rates notified by the CERC prospectively.
- 4.4 The company is still in the process of obtaining details of the identification, location, situation, description and the extent of transfer of titles in its favour in respect of movable, immovable and leased assets transferred from Govt./KPTCL.
- 4.5 The assets that have been recorded as assigned specifically by KPTCL by transfer order, certain land and buildings are notified but title deeds relating to land (including Lease Hold) are not available/ transferred in favour of the company. Further, the related costs that the company may incur with regard to such transfer of titles are not ascertainable and not provided for by the company.
- 4.6 During the year an amount of Rs.281,22,38,571.33/- representing the amount of depreciation computed on the cost of assets funded through government grants and from Consumer's contribution is arrived by taking 5.28 % on the closing balance as at the end of the financial year and adjusted from grants shown under Deferred Income Note.no.2.20
- 4.7 Depreciation is provided on straight line method on the gross carrying amount.
- 4.8 Fixed Assets are hypothecated to various financial institutions as mentioned in Note.no. 2.17.
- 4.9 Depreciation rate as per CERC notification are as below:

As per CERC (Notification No. L-7/145/160/2008-CERC dated 19/01/2009)	
Particulars	Percentage (%)
Land	NIL
Buildings	
a) Hydro Electric/ Stream Electric/Diesel /Dams/Cooling towers.	5.28
b) Offices & Show Rooms	3.34
Civil Works (Pipeline, Sewerage, Drainage, Water supply)	3.34
Other Civil Works	5.28
Plant & Machinery	
a) Transformers	5.28
b) Communication Equipment	6.33
c) Computers	15
Lines Cable Networks	5.28
Vehicles	9.5
Furniture & Fixtures	6.33
Office Equipment	6.33

4.10 Land held under lease (Refer Note No. 2.3) :

Accounting units	Amount in Rs.
West Circle, Bangalore	4,04,911.00
Indiranagar Division, Bangalore	3,26,530.00
Vidhanasoudha Division, Bangalore	71,960.00
Ramanagara Division, Ramanagara	14,38,557.00
Malleswaram Division, Bangalore	171,40,030.00
Shivajinagar Division, Bangalore	2,50,663.00
Koramangala Division, Bangalore	9,22,106.00
Total	2,05,54,757.00

5 Sundry Debtors: (Refer Note No. 2.10) :

5.1 The break-up of the provision for bad and doubtful debts as against the total receivables as on 31-03-2023 is as under:

(Rs. in Crores)

Sl.No.	Particulars	2022-23	2021-22
1	Provision against permanently disconnected installations	197.85	117.25
2	On account of 4% provisioning as per Accounting Policy – LT category and others.	213.08	165.09
3	Provision on account of identified HT -consumers. -Long disconnected installations	-	
4	On account of arrears of IP set installations.	973.56	973.56
Total		1384.49	1,255.90

5.2 As per significant Accounting Policy Company requires for maintaining provision of 3 % of Receivables outstanding and 2 % of Payables outstanding at the end of respective year (write off / write back) but Company has created provision for identified cases on actual basis additionally

6 Inventories, Stores and Spares (Refer Note No. 2.9):

6.1 Schedule of rate are basis for accounting receipts and issues of materials in the stores. Net differences between the purchase rates and standard rates of materials debited or credited to material cost variance account taken to Statement of Profit and Loss as at the end of the year this was Credit Rs.74.63 crores (Previous year debit Rs. 29.79 crores). This amount comprises both the nature of expenses, as such the expenses towards Capital or Revenue is not ascertainable.

6.2 On physical verification of inventories, the balance under store excess is Rs. 1.76 crs (P.Y Rs.1.34 crs) and shortage of Rs.3.56 Crs (P.Y Rs. 4.49 Crs) are accounted and depicted distinctively. In Current year shortage is reduced by Rs.0.93 Crs and the current year excess is increased by Rs. 0.42 Crs.

6.3 The amount spent beyond Rs 50000/ Rs 75000 as applicable (as per GOK norms) for providing infrastructure to beneficiary is treated as receivables under various GOK controlled corporations like Dr. B.R.Ambedkar Development Corp, Karnataka Maharshi Valmiki Development Corp, Dr. Devaraj Urs backward class Development Corp, Karnataka Minority Development Corp and Karnataka Vishwakarma Community Development Corp, pending decision from GoK and reconciliation of accounts with respective Corporations for service connection (ASD/MSD/Meter cost etc).

7 Indian Accounting Standard (IND AS)-19 'Employee Benefits':

7.1 Deputation from KPTCL: All the employees of the company are on deputation from KPTCL except appointments made by the BESCOM. For the purpose of terminal benefits, all the employees are members of KPTCL and ESCOM's Pension & Gratuity Trusts.

7.2 A) Defined Benefit Plan: - Gratuity: All employees of BESCOM are covered under KPTCL & ESCOMs' Pension and Gratuity Trust rules, by investing the gratuity funds with identified fund manager and contributions, in respect of such scheme are recognized as part of employee cost. The liability as at the Balance Sheet date is provided for, based on the actuarial valuation carried out by an independent actuary as per Order No. KPTCL & ESCOMs P&G TRUSTS/KCO123/P7/2022-23/CYS-08 dated 2nd Sep-2022. The rate of contribution is 65.37% of basic and D.A. in the case of pension and 7.53% of basic in the case of Gratuity with effect from 01/04/2021 and onwards.

B) Further, employees who were appointed on or after 01.04.2006 are covered under New Defined Contributory Pension Scheme (NDCPS). Under this scheme, 10 percent of basic pay, dearness pay and dearness allowance shall be deducted from the pay which is remitted to the Trust along with matching contribution by the employer which was increased to 14 percent w.e.f. 01.04.2019.

The GoK vide order dt. 23.06.2018 extended the benefit of gratuity and family pension to the employees covered under NDCPS. The maximum amount of gratuity was fixed at Rs. 20.00 lakh. As on 31.03.2023, the Company had 11,769 employees covered under the above scheme. In the absence of rate of contribution or actuarial valuation by KPTCL & ESCOM's Pension and Gratuity trust for NDCPS employees no provision has been made and this will be provided on communication from Trust.

C) A balance of Rs 5.96 Crores liability towards NDCPS contribution is carried in HO since FY2014 (earlier to formation of exclusive BESCOM Pension section) which needs reconciling of transactions among the Accounting units and H.O of BESCOM.

7.3 Other Long Term Employee Benefits:

Leave Encashment: Provision for Leave Encashment has been made on the basis of average expenditure of last 3 yrs and it amounts to Rs.56.79 crores for FY2022-23 (Previous year Rs. 53.09 crores) (Refer. Note.no.2.32)

7.4 Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increase:** Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk-** If the plan is funded, then assets- liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & Disability-** Deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals-** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.
- Financial & Demographic Assumptions-** The financial & demographic assumption on annual basis used for valuation has been made up to 2021-22 based on Certified Actuarin report. Actuarial valuation report for the year 2022-23 is not available, thereby the present value of defined benefit obligation as at the date is not available.

- g) Provision for NDCPS employee is done based on Actuarial valuation rate communicated by trust including FY 2022-23 also, for other employee benefits like:
1. Provision for Earned leave encashment for all the employees is accounted on the basis of average expenditure of 3 years.
 2. Provision for Pension and Gratuity contribution to non NDCPS employees are accounted on the basis of Actuarial report for FY 2021-22.
- h) The amounts provided in respect of Pension, Gratuity and leave encashment have not been fully funded during the year.

8 Contingent Liability/Asset:

- 8.1 Estimated amount of contracts remaining to be executed on capital works for FY 2022-23 is Rs.2089.29 crs
- 8.2 Income tax demand disputed in appeals amounting to Rs. 41.29 crs is shown as under: (Previous year Rs. 41.29 crs).

Income Tax demand disputed cases of BESCOM

Income Tax demand disputed cases of BESCOM														Amt in Crs	
Sl No	Financial Year	Assessment Year	Issue	Petitioner/ Assessee	Name of the Petitioner advocate	Respondents	Name of the Respondents advocate	Status	Name of the court where the appeal is pending	Tax on disputed amount	Tax Remitted	Balance Tax yet to be remitted	Brief cases details	Remarks	
1	2002-03	2003-04	Provision for bad & doubtful Debts to Computation of Income u/s 115JB	The Bangalore Electricity Supply Company Limited	Senthi Jagadeesan	The Commissioner of Income Tax Bangalore	Raj Bahadur Yadav	Pending	The Hon'ble Supreme Court	0.43	0.43	0	Dairy No 33008/2014 filed on 09.10.2014 CA No. 008229/2015 registered on 05.10.2015 S.L.P @ CC No 017862/2014 Registered on 03.11.2014 SLP @ No 031797/2014 Registered on 21.11.2014	Assessee appeal before Hon'ble supreme court(SLP Civil CC No 17862/2014 and dairy No 31797/2014)	
2	2004-05	2005-06	Deduction claimed U/S 80IA	The Deputy Commissioner of Income Tax	Raj Bahadur Yadav	The Bangalore Electricity Supply Company Limited	Senthi Jagadeesan	Pending	The Hon'ble Supreme Court	61.07	61.07	0	Dairy No 16390/2021 filed on 20.07.2021 SLP@ No 011583/2021 registered on 28.07.2021	Assessee appeal before Hon'ble supreme court(SLP Civil CC No 11583/2021)	
3	2007-08	2008-09	Provision for bad & doubtful Debts to Computation of Income u/s 115JB	The Bangalore Electricity Supply Company Limited	Abhishek Murthy	The Deputy Commissioner of Income Tax	Manjunath Karkihailli	Dismissed	The Hon'ble Income Tax Appellate Tribunal	39.01	39.01	0	ITA No 260/Bang/2018	Assessee appeal before Hon'ble ITAT Bangalore in ITA No 260/B/2018 Last Hearing Date- 08.08.2023 & Hearing adjourned as SINE-DIE	
4	2011-12	2012-13	Provision estimated/ possible erosion in value of faulty and dismantled asset	The Bangalore Electricity Supply Company Limited	Lawam	The Deputy Commissioner of Income Tax	ARAVIND K V	Pending	The Hon'ble High Court	0.75	0.75	0	FR No 722/2019 CASE NO-ITA 21/2020	Assessee appeal before Hon'ble High Court of Karnataka in ITA No 21/2019. Next Hearing Date 03.07.2023	
5	2012-13	2013-14	Loss of materials by pilferage and CSR	The Bangalore Electricity Supply Company Limited	Abhishek Murthy	The Deputy Commissioner of Income Tax		Disposed	The Hon'ble Income Tax Appellate Tribunal	0.20	0	0	ITA No 252/B/2019	Order passed by Hon'ble ITAT Bangalore in ITA No 252/B/2019 Appeal filed by assessee stands partly allowed	

Amt in Crs

Sl No	Financial Year	Assessment Year	Issue	Petitioner/ Assessee	Name of the Petitioner advocate	Respondents	Name of the Respondents advocate	Status	Name of the court where the appeal is pending	Tax on disputed amount	Tax Remitted	Balance Tax yet to be remitted	brief cases details	Remarks
6	2013-14	2014-15	Assessment order u/s143(3) of IT Act,1961 dated 30.11.2016 1) Expenses towards CSR disallowed of Rs.33,74,163/- 2) Provision for bad & doubtful debt of Rs.39,34,91,638/- 3) Provision for estimated/possible erosion of Rs.92,04,649/-	The Bangalore Electricity Supply Company Limited	Abhishek Murthy	The Deputy Commissioner of Income Tax		Disposed	The Hon'ble Income Tax Appellate Tribunal	8.17	0	0	ITA No 253/B/2019	Order passed by Hon'ble ITAT Bangalore in ITA No 253/B/2019 Appeal filed by assessee stands allowed
7	2016-17	2017-18	Appeal against the additions made in the assessment order	The Bangalore Electricity Supply Company Limited	Anna malai	The Deputy Commissioner of Income Tax		Pending	Assessee's appeal before CIT(Appeal)	51.61	10.32	41.29		Partly allowed and filed appeal before Hon'ble ITAT against order issued by CIT(A) On 26.05.2023
8	2017-18	2018-19	Disallowance of excess depreciation, addition on short claim of revenue, disallowance of expenses u/s 37, disallowance of provisions	The Bangalore Electricity Supply Company Limited	Anna malai	The Deputy Commissioner of Income Tax		Pending	Assessee's appeal before CIT(Appeal)	0	0	0		WP 19350/2021 Stayed by Hon'ble High Court of Karnataka
									TOTAL	160.81	111.15	41.29		

- 8.3 KPCL has claimed Rs.2278.95 crs. towards interest. Ministry of Power, GOI has introduced Electricity Late Payment Surcharge Rule 2022 w.e.f. 03.06.2022. As per These Rules, the dues along with LPS as on 3.6.2022 has to be frozen and to be paid in equal monthly instalments and GENCOs to not to claim LPS on frozen amount. As per GOK directions, BESCOM has frozen an amount of Rs 4234.5 Crore provisionally which includes Principal of Rs 2934.5 Crore and interest of Rs 1300 Crore as on 3.6.2022 and being paid in 48 equal monthly instalment.
- 8.4 Letter of Credits given in favour of power generators during FY-2023 is Rs 1229.53 crores to avail eligible rebate as per PPA/Regulations (previous year Rs 1259.35 Crore).
- 8.5 BESCOM was having a short term contract for procurement of 75 Mw - 110 Mw power at Rs 4.85 per unit through 220 Kv Chikkodi - Kholapur line initially for the period July-2014 to December-2014 with M/s Global Energy Pvt Limited. Later the quantity had enhanced/reduced through Supplemental Power Purchase Agreements (SPPA) for the period up to August-2016. As per the contract, the payments were made for scheduled energy certified by SLDC. The difference between scheduled energy and actual energy is to be settled through "Final Balancing Settlement Mechanism (FBSM) of Maharashtra" as per PCKL's letter dated 19.11.2014. The applicability of (FBSM) to M/s Global Energy Pvt Limited is under dispute in the Appeals filed by PCKL before Appellate Tribunal for Electricity and Petition filed by BESCOM before KERC. As such, the amount for over drawl of 47 Mu and under drawl of 141 Mu is not quantified and provision is not made in Books of Accounts of BESCOM.
- 8.6 Interest is not charged against inter ESCOM receivable outstanding balance of Rs.1070.88 Crores (previous FY Rs.1433.63 Crore).
- 8.7 Government of Karnataka had invoked Section-11 of Electricity Act-2003 during the period September 2015 (from 16th) to May 2016 vide order dated 16.09.2015 at a provisional rate of

Rs. 5.08 per unit which is subject to final determination of tariff by KERC. Accordingly, BESCOM had paid its share of amount duly availing eligible rebate. Hon'ble KERC vide order dated 18.08.2016 had determined a tariff of Rs. 4.67 per unit and directed ESCOMs to raise demand notice for amount paid in excess of Rs. 4.67 per unit. As such, BESCOM had raised demand notice for Rs.68 Crore. Against Hon'ble KERC order M/s BMM Ispat Limited and M/s Star Metallics Pvt Limited had filed Writ Petition before Hon'ble High Court of Karnataka and Hon'ble High Court of Karnataka had quashed the KERC order dated 18.08.2016 and reverted the case back to KERC for fresh consideration. KERC and BESCOM have filed Writ Appeals before Division Bench of Hon'ble High Court of Karnataka and Writ Appeals are admitted. The order of Hon'ble High Court is stayed, the final orders in Writ Appeals are awaited.

- 8.8 BESCOM has noticed and informed KPCL about excess claims in invoices raised by KPCL and requested to withdraw the said excess claims and furnished supporting documents showing excess claims by KPCL. But KPCL has not considered the BESCOM's request and continue to charge excess claims. As such, BESCOM has not considered the excess claims of KPCL and the excess claim raised by KPCL for the period 2005-06 to 2019-20 is Rs. 3770.01 Crore, which includes the disallowance of penalty paid by KPCL to Coal India Limited as per Hon'ble Supreme Court order and difference in debt and equity ratio as per AG Audit observation to KPCL in case of BTPS Unit-1. Reconciliation of dues between BESCOM and KPCL has been entrusted to Ramraj & Company, Chartered Accountants by KPCL. Part 1 Report is furnished. Reconciliation is yet to be completed.
- 8.9 The claim considering actual gross station heat rate by KPCL amounting to Rs.143.19 crs of liability is not created. There is a discrepancy in regulation and the same is brought to the notice of Hon'ble Commission. The orders of Hon'ble Commission is awaited and on receipt of decision from KERC action will be initiated. in the matter.
- 8.10 Vigilance cases are pending in respect of customer's installations in various forums and the amount is not ascertainable at this stage.
- 8.11 Interest liability including penal interest on borrowing on RAPDRP Part B to the extent of Rs.88.46 Crs is not provided for the reasons that is convertible to Grant and extension is awarded and this apart, BESCOM has corresponded with PFC Limited vide letter CGM(Projects)/DGM-3-BC-14/2019-20/189-91 dated 19/02/2021 for consideration of conversion of loan account to Grant account including waiver of accrued interest. RAPDRP Part A loan has been converted to grant as per MOP Minutes of the meeting dated 18.06.18 with regards to interest against RAPDRP Part A loan, decision is not received from GOI. Hence interest is not recognised.
- 8.12 (A) Revenue income and expenditure against power purchase in Surya Raitha Scheme is recognised though the execution of tripartite agreement is yet to be finalised.
- (B) Rs 67.66 Crores shown under Grants are utilised for implementation of Solar Roof Top on Government buildings in BESCOM area in FY 2019-20 (Note 2.20 Deferred Income), on crystallisation of nature of works stands regrouped to Deposit Contribution work (Local bodies) Note 2.21 - Other Non-current Liabilities since the funds received are utilised across Government office building not owned by the company.
- 8.13 The tariff difference in Rate/Kwh between BESCOM and SECI had been pending before Hon'ble Supreme Court vide Civil Appeal No 9502/2019. Hon'ble Supreme Court had granted stay on APTEL order. The amount of Rs. 5,82,98,507 due to above rate difference is not provided.
- 8.14 At the time of formation of Escoms, GoK vide its order notified BESCOM Store building as shared asset (among Escoms and KPTCL) and value formed as a part of opening balance sheet under Fixed Assets in the BESCOM books. Subsequently during FY2017-18 claim amounting to Rs.7.77 crs was made from KPTCL towards rental for Store Building. Since the Asset value existing in the books, further to certain assets notified under "shared asset", value of such assets belonging to KPTCL/Escoms is in the books of BESCOM since formation of BESCOM therefore the amount of Rs.7.77 crs is not provided.

8.15 The Details of Zone-wise Consumer appeal cases pending as at 31-3-2023 are as follows:

Name of the Office	Current year		Previous year	
	No. of Appeal cases pending as on 31-03-2023	Amount involved (Rs. in Lakhs)	No. of Appeal cases pending as on 31-03-2022	Amount involved (Rs. in Lakhs)
BMAZ North	73	540.89	107	719.05
BMAZ South	29	698.18	50	1040.72
BRAZ	20	1423.74	21	1425.17
CZ	5	4.92	18	51.29
Corp. office	7	82.94	66	2576.60
Total	134	2750.67	262	5812.83

- 8.16 Receivable to the extent of Rs.13.32 crs due from BBMP towards infrastructure development is notionally taken to Assets and proportionate depreciation is charged. The said amount is remaining under debit account in the Divisional books and as a Credit amount in the Head Office books to have a track of BBMP receivable.
- 8.17 Service Tax Department has raised a demand of Rs. 22.93 Crs on BESCOM towards service tax on supervision charges pertaining to earlier period and the same has been remitted by BESCOM and accounted it as recoverable from Customers. Out of which Rs. 9.31 Crs has been collected as on 31-03-2023. Company is in the process of recovering the balance amounts from customers and hence no provision made.
- 8.18 BESCOM has paid Rs.19.21 Crs towards GST on supporting services and accounted the same as recoverable from customers out of which Rs. 8.61 crs is collected as on 31-03-2023. Company is in the process of recovering the balance amounts from customers.
- 8.19 Impairment quantum of Asset under RLMS charged to revenue of earlier years against the portion of failed equipment's built under Rural Load Management System and Niranthara Jyothi Yojana for which depreciation provision made is being continued in the books for want of reconciliation among Divisions.
- 8.20 The Company was levying electricity tax based on the normal value and not on the actual lower value of energy charges levied on the consumer who have availed Time of day metering. Based on the instruction of Chief electrical inspectorate of Government, the refund of Tax collected on gross basis need to be revised to net basis. The refund/adjustments against electricity tax collected for the whole quantum instead of net energy is kept due for want further direction from CEIG.
- 8.21 BESCOM is having RECs worth of 43,98,496Mwh pertains to the year 2019-20 and 2020-21. For the year 2021-22, as per CERC (Terms and Conditions for Registration and issuance of Renewable Energy Certificate and Renewable Energy Generation) (Third Amendment) Regulations 2014, KERC (Procurement of Energy from Renewable Energy from Renewable Sources) Regulations 2018 and APTEL order dated 20.08.2020 in Appeal No. 99 of 2020, KERC has to issue certificate in "Format 1.4" based on Audited Accounts specifying the excess solar and non-solar RE energy procured beyond RPO – targets set by KERC. BESCOM's tariff order for 2023 is issued by KERC on 12.05.2023 wherein 69,982 Mwh of non-solar and 18,03,220 Mwh of solar energy is approved as excess energy procured by BESCOM for FY 2021-22 beyond RPO targets. BESCOM vide letter No. 4080-84 dated 20.05.2023 had requested KERC to issue certificate in "Format 1.4" so as to file the same before NLDC for registration and issuance of RECs for 18,73,202Mwh.

KERC vide letter No. 2015 dated 01.06.2023 has issued certificate in “Format – 1.4” certifying 18,73,202 Mwh of excess RE energy procured by BESCOM. BESCOM vide letter No. 601 dated 05.06.2023 had requested NLDC to Register and issue REC for 18,73,202Mwh.

CERC vide order dated 17th June 2018 in Petition No. 05/SM/2022 had ordered Floor price (minimum price) as Rs “Zero” (0) and Forbearance price (maximum price) as Rs 1000 per REC as ceiling price to trade for both solar and non-solar RECs. Huge number of RECs from Karnataka, Andhra Pradesh, Gujarat, Rajasthan, etc are available in Energy market and market clearing price of RECs are reducing drastically. As the energy market for REC is fluctuating frequently the price and amount for RECs of BESCOM can't be assessed accurately. The quantum of RECs for FY 2022-23 is 6271698 Mwh (7,76,439 REC of non-solar, 54,95,259 REC of solar).

8.22. The deployment of GOK order vide GO No Energy/123/ PSR/2022 dated 11.03.2022, directing the company to write off the subsidy arrears from 2002-03 to 2015-16 amounting to Rs. 1938.04 crore is kept pending as per decision of the Board, which has directed the company not to write off but to correspond with GOK and Company vide letter dtd 02.06.22 to ACS has requested to adjust the above amount against KPCL liability/treating the same as equity and to reconcile subsidy as per BESCOM and GoK order. Pending communication from the Government, BESCOM has not taken action to write off the subsidy arrears in compliance with the above Government Order.

9 Inter Unit Accounts (IUA) (Refer Note.no – 2.27):

Inter unit accounts are subject to reconciliation/adjustments to the extent of Rs.41.03 crs (Credit), (Previous year Rs.42.64 crs (Credit)). The exact impact distinctively on the Statement of Profit and Loss and Balance Sheet is not readily ascertainable.

10 Rebate:(Refer Note.no – 2.29):

Rebate for having collected electricity tax from consumers amounting to Rs.8.36 crores (previous year Rs. 7.14 crore) at 0.5% with effect from 01.01.2010 as per G.O No. EN06PSR 2009 dated 22.02.2010 has been accounted in Other Non-operating Income, which is to be received from Government of Karnataka.

11 Managerial Remuneration (Refer Note.no.2.32):

Managerial remuneration is included in employee costs and other expenses and the details are as follows:

Amount in Rs.

Expenses	For the year 2022-23			For the year 2021-22		
	Managing Director	Director (Technical)	Director (Finance)	Managing Director	Director (Technical)	Director (Finance)
Salaries and allowances	2906751	2998051	2149140	1930108	3281914	2805172
Ex-Gratia	7000	7000	7000	7000	7000	7000
Others (House Orderly Allowances)	-	-	-	-	-	-
Medical & Other Allowances	412447	750		-	312020	102000
TOTAL	3326198	3005801	2156140	1937108	3600934	2914172

12. Related Party Transactions:

Disclosure on Related party transaction is limited to transactions occurred among ESCOMs, KPTCL & KPCL as they are also owned by GoK and having significant bearing on BESCOM. Company cannot ascertain or assess the quantum of transactions for any other GoK owned establishment. Consequent to disinvestment PCKL accounts are not consolidated with BESCOM and the transactions are disclosed in Related Party Transactions.

- Related party transaction pertaining to KPTCL, KPCL and ESCOMS is disclosed as under: Payments to Key Management Personnel:

Amount in Rs.

Sl. No.	Particulars	2022-23	2021-22
1	Salaries & Allowances	8053942	8017194
2	Other Benefits	434197	435020
	Total	8488139	8452214

12.1. Balances with related Parties (Refer Note. No. 2.10 & 2.23)

Sl. No.	Name of the Related Party	Nature of Payment	FY 2022-23	FY 2021-22
1	KPTCL	Transmission charges & others	89.63	89.65
2	HESCOM	Energy balancing & Others	1239.33	1111.45
3	GESCOM	Energy balancing & Others	423.83	323.72
4	MESCOM	Energy balancing & Others	130.20	156.00
5	CESCO	Energy balancing & Others	54.47	99.29
6	KPCL	Power purchase & Others	443.10	443.10
7	PCKL	Others	0.01	0.01

13. Deferred Tax:

The Company has recognised deferred tax liability of Rs.93.66 Crs as at 31.03.2023.

14. A) The revenue from retail consumers is recognized based on KERC Tariff orders in force.
- B) The variation in opening balance and closing balance to the extent of Rs.2.73 crs. due to migration/de migration/bifurcation of consumer records is recognised in the books under Sundry debtor's account.
- C) An amount of Rs. 80.16 crs. is carried under Account code 23.898 (Pending for reconciliation of Sundry Debtors) and classified under trade receivable for the cases falling under vigilance/ BBC/Audit claims etc., not captured in the system but continued manually and for pending reconciliation. (Refer Note 2.10)

15. True-up Tariff Subsidy/Regulatory Asset (Refer Note 15):

- A sum of Rs.2584.64 crs (Previous year Rs. 389.22 crs.) is accounted as "Regulatory Assets" being the deferred expenses expected to flow to the company subsequently on determination of tariff by Hon'ble KERC during Annual Performance Review and Annual revenue requirement are recognized as Revenue on accrual basis in the current year (Refer table below)

Regulatory asset as on FY 2022-23		
1	Opening Balance of Regulatory asset	3273.33
2	Less: Reversal of Regulatory Asset accounted in FY 2020-21	2185.30
3	Less: Reversal of Regulatory Asset treated as recovered in T.O. 2022 which was pending for reversal.	698.84
4	Less: Reversal of Regulatory Asset accounted in FY 2021-22	389.22
5	Add: Gap carried forward as per tariff order 2023.	464.42
6	Add: Regulatory Asset available for FY 2022-23 as per below calculation.	2120.25
7	Net Regulatory asset accounted including reversal for FY 2022-23.	2584.64
8	Regulatory asset carried in Balance sheet as at the end of FY 2022-23.	2584.64

Regulatory working for FY 2022-23								
Sl. No.	Actual Input @ Gen point (In Mus)	Approved rate (In Rs.)	Amount in Crs.	Actual Rate (In Rs)	Amount in Crs.	Regulatory Asset	ROE @15.5%	Net Regulatory Asset Available
1	2	3	4	5	6 = 5 x 2	7 = 6 - 4	8	9=7+8
1	34271.30	5.9675	20451	6.5254	22363.39	1912.00	208.25	2120.25

- 16.** The company has not obtained confirmation of balances as on 31.03.2023 from other ESCOMS, KPTCL, KPCL, PCKL, sundry debtors, sundry creditors, deposits from suppliers/contractors/government authorities, etc, advances to contractors/suppliers, deposits and advances from consumers, loans and advances to employees (past and current employees), and other receivables / payable from / to various parties and balances are subject to reconciliation/adjustments, if any. Further the Company is not in a position to settle the KPTCL and Inter-Escoms Receivables/Payables for want of completion of reconciliation process among co- companies and also nod from government in such matter.
- 17.** A) Restatement of account - In compliance to accounting policy referred to in item 24 of accounting policies for BESCOM, the profit/loss are not restated for prior period income/ expenses since net impact of same is less than 1% of turnover of the entity. If restated, the current year loss would be less to the extent of Rs.21.32 crs being the expenditure absorbed in current year loss pertaining to earlier years.
- B) The figures have been rounded off to nearest crores and the decimal mismatch is due to rounding off figures to nearest crores between Balance sheet and corresponding notes. Similarly, between Profit and loss account statement and corresponding notes and also among subtotal and grand total within the notes were aroused which is negligible.

- 18. Disclosure in respect of INDAS-17 "Leases"**
Operating lease payments are recognized as an expense in the Statement of Profit and Loss is Rs.2,05,54,757/- (Previous year: Rs.2,05,54,757/-)
- 19. Finance leases: "Nil"**
- 20. Disclosure in respect of INDAS-21 "The effects of change in Foreign Exchange rates".**
The effect of Foreign Exchange fluctuation during the year is Nil. Variation in FOREX fluctuation is not recognised.
- 21. Disclosure in respect of INDAS-23 "Borrowing Cost":**
Capitalization: The amount of borrowing costs capitalised during the period Rs.86.09 Crs (Previous year Rs. 184.46 Crs.)
- 22. Disclosure in respect of IND AS - 33: Earning per Share**

Amount in Rs.

Particulars	As at 31.03.2023	As at 31.03.2022
Profit after tax as per Statement of Profit and Loss (Used as Numerator)	(17,67,48,78,331.27)	(2919,54,49,466.26)
-Number of Equity Shares (Face value of ₹10/- each)	134,35,35,100	134,35,35,100
-Weighted Average number of equity shares for calculating	134,35,35,100	134,35,35,100
Basic Earnings Per Share (In Rupees)	(13.16)	(21.73)
Earnings per share excluding net movement of Regulatory Assets (In Rupees)	(8.03)	(2.07)
Diluted Earnings Per Share		

23. Disclosure in respect of IND AS - 38: Intangible Assets:

The company has disclosed the details of Intangible Assets to the extent possible under Note No. 2.3A distinctively. Amortisation is done as narrated in significant Accounting policy.

24. Operating segment (Ind AS 108):

- a) The company neither has more than one business segment nor more than one geographical segment. The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.
- b) Information about major customers: - No single customer contributed 10% or more to the company's revenue for both years ended on 31-03-2023 and year ended on 31-03-2022.

25. Accounting of Government Grants and Disclosure of Government Assistance (Ind AS 20):

Monetary Grant (Government grant/consumer contribution grant):

Depreciation and Amortization Expense includes Rs.281.22 crs (Previous Year Rs.251.49 crs) being the amount transferred from Grants-in-aid received.

26. Non-Monetary Grant (Land):

List of land with nominal value are given below. The reason for not measuring them at fair value was that the value of these land has been recorded as assigned specifically by KPTCL by transfer order and certain Lands are notified but title deeds relating to land (Including Lease Hold) are not available / transferred in favour of the company.

Name of the Accounting unit	Amount in Rs.
Harihara	7.00
Hiriyur	10.00
Koramangala	3.00
Hebbal	2.00
HSR Layout	6.00
Jalahalli	1.00
Jayanagar	3.00
Chikkaballapura	14.00
Total	46.00

27. Pursuant to the observations made by the Comptroller and Auditor General of India under relevant section of the Companies Act, 2013 the accounts approved by the Board of Directors in 22.08.2023. have revised. The accounts are revised to incorporate the observations made by the Comptroller and Auditor General of India on the Financial Statements and books of account of the Company.

Amount in Rs.

Sl.No.	Particulars	Debit	Credit
1	P & L Statement	797.46	0.00
2	Increase in Expenditure/ Decrease in Income	0.00	672.10
3	Decrease in Expenditure/ Increase in Income	797.46	672.10
	Total	0.00	125.36
4	Net Increase in Loss		
	Balance Sheet		
5	Increase in Liability	0.00	373.35
6	Decrease in Liability	95.30	0.00
7	Increase in Asset	869.07	0.00
8	Decrease in Asset	0.00	716.39
	Total	964.38	964.38

Regulatory asset impact

Sl.No.	Particulars	Rs. In Crs.
1	Regulatory deferral Account balance	2933.72
2	Decrease in regulatory Deferral Account balance	349.08
3	Revised Regulatory Deferral Account balance	2584.64

28. Fair Value Measurement:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use while pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

29. Security Deposits & Retention Money:

The fair value of security deposits & retention money is not estimated as expected realization date is not available

30. Financial Instruments by Category:

The carrying value and fair value of financial instruments by each category as at March 31, 2023 are as follows:

Amount in Crores

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investment-In PCKL	0.01			0.01	0.01
Loans	1035.31			1035.31	1035.31
Trade receivables	10089.35			10089.35	10089.35
Cash and Cash equivalents	94.78			94.78	94.78
Others Receivables	2145.98			2145.98	2145.98

Liabilities					
Long Term Loans	9599.35			9599.35	9599.35
Short Term loans	5782.76			5782.76	5782.76
Trade payables					
Current Liabilities	7093.31			7093.31	7093.31
Non-Current Liabilities	4248.72			4248.72	4248.72
Other financial liabilities	6241.96			6241.96	6241.96

The carrying value and fair value of financial instruments by each category as at March 31, 2022 were as follows:

Amount in Crores

Particulars	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investment-In PCKL	0.01			0.01	0.01
Loans	1181.09			1181.09	1181.09
Trade receivables	8858.45			8858.45	8858.45
Cash and Cash equivalents	187.72			187.72	187.72
Others Receivables	1950.59			1950.59	1950.59

Liabilities

Long Term Loans	7863.01			7863.01	7863.01
Short Term loans	5761.28			5761.28	5761.28
Trade payables	9963.21			9963.21	9963.21
Other financial liabilities	5120.94			5120.94	5120.94

Interest Income/(expenses) recognized on financial assets and liabilities:

Amount Rs. in Crs.

Particulars	As at March 31, 2023	As at March 31, 2022	Year ended March 31, 2021
Interest income on bank deposits	9.03	5.96	7.25
Interest income on other financial assets	2.31	4.61	1.76
Interest expenses on other financial assets	188.53	176.58	179.67
Financial assets at Fair Value through Profit or Loss (FVTPL)	-	-	-
Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)	-	-	-

31. Financial Risk Management:

BESCOM, a GoK owned organisation functions under the ambit of various statutory acts and regulations. As per Electricity Act 2003, tariff filing for each year is carried by the Company for Annual Performance Review (APR) and revision in Annual Revenue Requirement (ARR) with KERC.

Each of its activity attributable to Credit risk, Liquidity risk and Market risk undergoes consistent monitoring by a Regulator (KERC) annually.

Trade receivable majorly comprises sundry debtors for sale of power from various class of consumers and Receivable from other ESCOMs. Risk element involving sundry debtors is adequately covered by security deposit held against such consumers by way of collection of 2 MMD

(as per mandatory stipulation of regulatory governance). Other major contributor of receivable is from inter-ESCOs balancing, all being sovereign government flagship organisations risk element of turning those to NPA is not foreseen.

Loans and Trade payable is adequately covered by securitisation of Assets and Receivables. Major contributor of trade payable is for KPC against power purchase.

KERC, in the course of tariff filing petition was called and each of the item involving risk factors were reviewed.

The company has exposure to the following risks from its use of financial instrument: -

1. Credit Risk
2. Liquidity Risk
3. Market Risk

The board of directors have overall responsibility for the establishment & oversight of the company's risk management framework. The Board of directors have established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management system are reviewed periodically to reflect changes in market conditions and the company's activities. The audit committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

31.1 Credit Risk

Credit risk is the risk of financial losses to the company if a customer or counter party to a financial instrument fails to meet its contractual obligation and arises principally from the company's trade receivables, employee loans and other activities that are in the nature of leases.

Exposure to credit risk:

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as on March 31 2023, March 31, 2022 & March 31, 2021 were as follows: -

Amount in Crs.

As at March 31, 2023		
	Gross Carrying Value	Net Value after Impairment
Trade receivables	10089.35	10089.35
Others Receivables	2145.98	2145.98
As at March 31, 2022		
	Gross Carrying Value	Gross Carrying Value
Trade receivables	8858.45	8858.45
Others Receivables	1950.37	1950.37
As at March 31, 2021		
	Gross Carrying Value	Gross Carrying Value
Trade receivables	9295.55	9295.55
Others Receivables	1797.30	1797.30

Financial assets that are past due but not impaired

Long term loan, Trade Receivables, Cash and cash equivalents and other assets are neither past due nor impaired.

31.2 Liquidity Risk:

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at March 31, 2023

Amount in Crs.

	Carrying Amount (Ind AS)	Contractual Cash flows (I GAAP)	0-12 Months	1-3 Years	More than 3 year
Non derivative financial liabilities					
Long Term Loans	9599.35	9599.35			9599.35
Short Term loans	5782.76	5782.76	5782.76		
Trade payables					
Current Liabilities	7093.31	7093.31	6446.15	86.08	561.08
Non-Current Liabilities	4248.72	4248.72	4248.72		
Other financial liabilities	6241.96	6241.96			

As at March 31, 2022

Amount in Crs.

	Carrying Amount (Ind AS)	Contractual Cash flows (I GAAP)	0-12 Months	1-3 Years	More than 3 year
Non derivative financial liabilities					
Long Term Loans	7863.01	7863.01			7863.01
Short Term loans	5761.28	5761.28	5761.28		
Trade payables	9963.21	9963.21	9193.83	727.29	42.09
Other financial liabilities	5731.58	5731.58			

32. Market Risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Figures have been rounded off to nearest crores.

For A Raghavendra Rao and Associates

Chartered Accountants
Firm's Reg. No. 003324S

Sd/-

(CA G Sathyanarayana)

Partner

Membership No. 205603

For and on behalf of the Board of Directors

Sd/-

(Suma G.P)

Company Secretary

Sd/-

(Darshan J.)

CFO & Director (Finance)

Sd/-

(Mahantesh Bilagi)

Managing Director

Sd/-

(Rekha H.R)

Chief General Manager (A&RT)

CAPITAL EXPENDITURE BOOKED & CATEGORISED FOR FY 2022-23

(Amount in Rs.)

Account code	Description	Opening Balance as on 01.04.2022	Expenditure Booked during the year	Categorised as assets during the year	Closing Balance on 31.03.2023
		1	2	3	4=(1+2+3)
14.1107	CWIP - Transmission lines -(GP).	3739110.11	787805.25	1556726.00	2970189.36
14.1407	CWIP - Transmission Lines, Transformers etc. - Extension (GP)	515311.89	0.00	0.00	515311.89
14.1427	CWIP-Promoter vanished layouts - 11KV lines, Transformers, LT lines / S.C etc., (G.P)	256334.70	17832804.75	9916708.89	8172430.56
14.1437	CWIP 11kv and below distribution works under APDP works.	103470470.36	949074438.28	927900210.57	124644698.07
14.1447	CWIP-Providing additional DTC's enhancement of DTC's	97427399.60	431658649.60	474428611.18	54657438.02
14.1457	CWIP- Reconductoring of LT lines & strengthening of UG cable network	191023380.82	1776123810.85	1773455967.99	193691223.68
14.1467	CWIP-Providing of ABB cable	57894603.05	-16633638.98	41245553.49	15410.58
14.1477	CWIP -HT reconductoring works (Other than SDP)	409747687.85	2222704937.03	2570468663.52	61983961.36
14.1487	CWIP- Local planning (Safety/Hazardous) related works	32118747.18	1959792508.09	1952349611.04	39561644.23
14.1497	CWIP- Local planning -Capital nature of Extension & improvement works like providing intermediate poles, Spacers & other etc.,	316896105.12	338583626.69	541974069.43	113505662.38
14.1507	CWIP - Transmission Lines -Transformers etc. Improvements - (GP)	10931347.20	3811748.66	13180087.66	1563008.20
14.1517	CWIP - Transmission lines, Transformers etc., Improvements Non-Plan.	18714.00	46730.21	65442.00	2.21
14.1547	CWIP - Urban Distribution Improvement Scheme ADB	20687.00	0.00	20687.00	0.00
14.1557	CWIP - Additional Street Lights / Street Lights in cities / Towns / Villages	580680.84	0.00	51209.00	529471.84
14.1587	CWIP - metering of existing Street Light installation.	11802403.66	4789576.05	14214893.56	2377086.15
14.1597	CWIP-Metering of DTC's	24021613.51	7994318.55	28293923.32	3722008.74
14.1607	CWIP - Reduction of Losses in Lines	6383751.14	48374.00	0.00	6432125.14
14.1707	CWIP-Replacement of distribution Transformers by similar capacities	170288078.30	2105048410.28	2116978948.09	158357540.49
14.1727	Construction of feeder through 11 kv feeders from newly formed MUSS	29747333.51	344814066.61	349223955.12	25337445.00
14.1767 & 14.9767	CWIP RAPDRP works	0.00	-0.02	0.00	-0.02
14.1777	Replacement of existing electro mechanical meters/faulty meters by Electro static meters.	98621629.85	1617886487.02	988870275.65	727637841.22
14.1787 & 14.9787	CWIP- Expenditure incurred on PFC loan for RAPDRP (IT implementation) works - Part -A	0.25	-0.25	0.00	0.00
14.1797 & 14.9797	CWIP - Expenditure incurred on PFC Loan for RAPDRP (System Improvement) - Part-B	1084020.77	-0.18	0.00	1084020.59

CAPITAL EXPENDITURE BOOKED & CATEGORISED FOR FY 2022-23

(Amount in Rs.)

Account code	Description	Opening Balance as on 01.04.2022	Expenditure Booked during the year	Categorised as assets during the year	Closing Balance on 31.03.2023
		1	2	3	4=(1+2+3)
14.1807	CWIP - Emergency Restoration of Power Supply-Calamity.	9792148.52	118382.00	2929350.86	6981179.66
14.1817	CWIP -Cost incurred for procurement of any materials for creation of Consumer Awareness programmes on safety measures, energy conservation and demand side management - Capital	46727157.20	0.00	194009.86	46533147.34
14.1837 & 14.9837 & 14.8837	CWIP - High Voltage Distribution System (HVDS) works	209410219.68	15591941.94	89909046.58	135093115.04
14.1847	CWIP - Technology Innovative Centre.Note: If any project is conceived out of this TICs innovative ideas, the cost booked under this account code will be absolved against such project.	156807151.00	0.00	0.00	156807151.00
14.1867	CWIP- Erection of Distribution transformer centre using 11 mtrs spun poles with pre-fabricated structure under safety and improvement works.	0.00	992204401.00	853333344.00	138871057.00
14.1887	CWIP – Capital expenditure incurred to Smart City project	203281193.00	-33871354.00	129394463.00	40015376.00
14.1897	CWIP – Capital expenditure incurred to Model Village project	11593588.00	0.00	11593588.00	0.00
14.1907	CWIP – Capital expenditure incurred to Auto reclosure & sectionalizer project	30131530.50	12150729.00	42282259.44	0.06
14.1917	CWIP- System improvement works to Indiranagar Division	51334317.62	2962026.00	54296343.62	0.00
14.1927 & 14.9927 & 14.892	CWIP-expenditure incurred under laying of Optical Fiber cable along with UG cable for Robust communication system	5547566045.83	12572610791.33	15908823610.04	2211353227.12
14.1927 & 14.9927	CWIP-expenditure incurred under laying of Optical Fiber cable along with UG cable for Robust communication system - Interest on loan & Employee cost Capitalisation		816178263.00		816178263.00
14.1927 & 14.9927 & 14.892	CWIP-expenditure incurred under laying of Optical Fiber cable along with UG cable for Robust communication system - Total	5547566045.83	13388789054.33	15908823610.04	3027531490.12
14.1937 & 14.9267	CWIP-expenditure incurred under Integrated Power Development Scheme - IT Phase-II	484375615.00	10906884.00	133071790.00	362210709.00
14.1937 & 14.9267	CWIP-expenditure incurred under Integrated Power Development Scheme - IT Phase-II - Interest on loan capitalisation		67,941,490		67941490.00
14.1937 & 14.9267	CWIP-expenditure incurred under Integrated Power Development Scheme - IT Phase-II - Total	484375615.00	78848374.00	133071790.00	430152199.00
14.1947 & 14.9277	CWIP-expenditure incurred under Integrated Power Development Scheme - ERP	332263180.00	5560160.00	0.00	337823340.00
14.1957	CWIP- Expenditure incurred towards supply and installation of HRC Fuse Switch based LT Feeder Pillar Box	21438202.00	203647555.00	213000428.00	12085329.00

CAPITAL EXPENDITURE BOOKED & CATEGORISED FOR FY 2022-23

(Amount in Rs.)

Account code	Description	Opening Balance as on 01.04.2022	Expenditure Booked during the year	Categorised as assets during the year	Closing Balance on 31.03.2023
		1	2	3	4=(1+2+3)
14.2167 & 14.9167	CWIP- Niranthara jyothe yojane	10763575.76	0.00	9191232.00	1572343.76
14.2197 & 14.9197	CWIP - Smart Grid works	26509899.00	0.00	0.00	26509899.00
14.2207	CWIP - SPA Schemes	62338.45	-19526.00	42812.45	0.00
14.2217	CWIP expenditure incurred - One time Maintenance Works	47830930.20	0.00	0.00	47830930.20
14.2237	CWIP expenditure incurred under Deena Dayal Upadhyaya Grama Jyothe Yojana (DDYGYA)	500.00	-500.00	0.00	0.00
14.2247	CWIP-Electric Vehicle Project	887376.00	1315542.00	1015736.00	1187182.00
14.2407	CWIP - System Improvement (REC)	2567744.20	0.00	0.00	2567744.20
14.3007	CWIP - Village Electrification (G.P)	1159854.39	0.00	0.00	1159854.39
14.3207	CWIP - Power Supply IP sets (G.P.)	791154.34	0.00	0.00	791154.34
14.3227	CWIP - P/S new IP sets submerged IP sets of same consumer under UKP rehabilitation programme	347178.00	15664.00	0.00	362842.00
14.3257	CWIP - Power supply to New IP set under "Own your Transformers (OYT) Scheme - ADRP works	237797.67	0.00	0.00	237797.67
14.3267	CWIP - Power supply to IP set Regularisation of Unauthorised IP set installation under "Own your Transformers" (OYT) Scheme- APDRP works	1430010460.27	1759115307.06	3133296341.96	55829425.37
14.3267	CWIP - Power supply to IP set Regularisation of Unauthorised IP set installation under "Own your Transformers" (OYT) Scheme- APDRP works - Interest on loan & Employee cost Capitalisation		20317095.00		20317095.00
14.3267	CWIP - Power supply to IP set Regularisation of Unauthorised IP set installation under "Own your Transformers" (OYT) Scheme- APDRP works Total	1430010460.27	1779432402.06	3133296341.96	76146520.37
14.3327	CWIP - Providing 25KVA Transformer to IP set installation serviced under Tatkal scheme	24692048.87	582078854.00	488207868.17	118563034.70
14.3407	CWIP - Tribal Area Electrification (G.P.)	95860.16	0.00	95860.16	0.00
14.3417	CWIP-Energisation of IP set under Karnataka Tribal Dev.Corp.(Ganga kalyana) (TSP)	2180608.05	23628472.50	12656685.55	13152395.00
14.3517	CWIP -Metering of existing B.J Installations	747308.00	2309775.00	747308.00	2309775.00
14.3607	CWIP - Kuteera jyothe Schemes	1005632.00	0.00	656571.00	349061.00
14.3627	CWIP-Kuteer Jyothe (SCP)	0.00	440618.28	0.00	440618.28
14.3637	CWIP-Kuteer Jyothe (TSP)	0.00	119412.37	0.00	119412.37
14.4007	CWIP - Service Connections	232493084.63	1464037128.99	1412666829.60	283863384.02
14.5027	CWIP – Buildings	405727889.08	373133585.00	580544314.96	198317159.12
14.6077	CWIP – Vehicles	3120857.00	65269198.00	63190055.00	5200000.00
14.7087	CWIP - Furniture and Fixtures	424945.20	20690627.59	18026010.86	3089561.93

CAPITAL EXPENDITURE BOOKED & CATEGORISED FOR FY 2022-23

(Amount in Rs.)

Account code	Description	Opening Balance as on 01.04.2022	Expenditure Booked during the year	Categorised as assets during the year	Closing Balance on 31.03.2023
		1	2	3	4=(1+2+3)
14.8097	CWIP - Office equipment	44476665.84	186061974.21	112871211.05	117667429.00
14.8107	CWIP - Tools and Tackles	14589221.86	114639050.34	92852311.03	36375961.17
14.8117	CWIP -Mobile phones	-0.32	1804442.00	1744442.00	59999.68
14.8127	CWIP-Safety measures fund	3251709.79	1927533.12	4949172.40	230070.51
14.8147	CWIP-IT initiatives (Software Only)	101437934.00	102496735.96	51997881.00	151936788.96
	Total - A	11026722332.25	30245310063.45	35227776420.10	6044255975.60
	Interest on loan & Employee capitalisation - Total B		904436848.00		904436848.00
	Grand Total	11026722332.25	31149746911.45	35227776420.10	6948692823.60

CAPITAL EXPENDITURE BOOKED & AMOUNT RECEIVED FOR FY 2022-23

(Amount in Rs.)

Account code	Description	Opening Balance as on 01.04.2022	Expenditure Booked during the year	Amount Received during the year	Closing Balance on 31.03.2023
		1	2	3	4=(1+2+3)
28.8547	Amount receivable from BBMP for the services rendered by BESCOM to BBMP.	622794926.75	744686906.00	0.00	1367481832.75
47.3087	Ganga Kalyana Scheme - Deposits received Karnataka Backward Classes Development Corporation	1672472742.68	180931858.36	21213609.87	1832190991.17
47.3097	Ganga Kalyana Scheme - Deposits received from Karnataka Minorities Development Corporation	426234692.49	50729739.23	4223264.00	472741167.72
47.3107	Ganga Kalyana Scheme - Deposits received from Karnataka State SC / ST Development Corporation	3881852757.50	223026441.65	46375156.63	4058504042.52
47.3217	Piped Drinking Water supply scheme	129304877.09	8739519.00	20775268.00	117269128.09
47.3227	Mini Drinking water supply scheme	2049938207.10	48847388.78	16930730.00	2081854865.88
47.3247	Deposit works under Special Development Plan (SDP)	1619653276.44	98131342.53	30570660.91	1687213958.06
47.3417	Ganga Kalyana Scheme - Deposits received from Karnataka Tribal Dev.Corp.(TSP).	1431254873.75	214125206.37	2767768.00	1642612312.12
47.3427	Ganga Kalyana Scheme - Deposits received Karnataka Vishwakarma Community Development Corp	4088599.76	4324063.39	0.00	8412663.15
47.3577	Ganga Kalyana Scheme - Deposits received from Karnataka Uppara Development Corporation.	3506560.00	2447747.59	0.00	5954307.59
47.3587	Ganga Kalyana Scheme – Deposits received from Karnataka Adhi Jambhava Development Corporation.	2620108.00	1572326.00	0.00	4192434.00
47.3597	Ganga Kalyana Scheme – Deposits received from Nijasharana Ambigara Chowdaiah Development Corporation	622808.00	997044.00	250000.00	1369852.00
47.3607	Ganga Kalyana Scheme – Deposits received from Karnataka Bhovi Development Corporation.	-8065701.89	6397693.86	1860501.00	-3528509.03
	Total	11836278727.67	1584957276.76	144966958.41	13276269046.02

Amount in Rupees & Consumption in Units

AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2022-23

DESCRIPTION	No of Consumers	UNITS SOLD		Average Realisation Rate Per Unit (₹)	Opening Balance	Opening Balance Unbilled provision A/c 23.4	Net Revenue Demand per System (Including FAC & Interest)	FAC	Interest	Net Revenue Demand (Excluding FAC & Interest)	Net of Unbilled provision & reversal	Net Revenue Demand after Unbilled reversal & Unbilled	Gross Demand including FAC & Interest	Revenue Collection	HO Adjustments & withdrawals	Collection including Adjustments	Closing Balance A/c 23.1 & 23.2	Closing Balance - Unbilled provision A/c. 23.4	
		Units (in KWH)	% of Units																
1	2	3	4	5	6	7	8	9	10	11	12=(9-10-11)	13	14=(12-13)	15=(9-13)	16	17	18=(16+17)	19=(7+14-18)	20=(8+13)
BJ/KJ (Upto 40 Units)	796937	182753657	0.62%	9.31	986663330	103802068	1674621999	6350656	0	1609271343	25941397	1635212740	1700563396	1711124252	-256003077	1455121176	1206164154	129743465	
BJ/KJ (Above 40 Units)	46421	564568859	0.19%	7.00	856661905	29266824	395245436	0	66511647	328733789	-71997	328661792	395173439	110498804	254430951	364930755	885976586	29194827	
Lighting and AEH	9328050	7995307507	27.24%	8.51	188187917	4069068787	67499346061	2210987666	2296303057	65058728038	558166812	65616894850	68057512873	67895724700	-478423368	67417301332	1963232646	4627235599	
Commercial Lighting	1278547	2279151287	7.76%	11.75	331444756	1582075573	26457786245	630688469	76471019	25750626757	314887615	26065514372	26772673860	26684798715	-166149633	26518649082	270581918	1896963188	
IP Sets (10HP & BELOW) FREZZED BALANCE Upto 31-07-2008			0.00%		1238887382					0	0	0	0		53369328	53369328	12336528054	0	
IP Sets (10HP & Above)	489	1281491	0.00%	11.43	28414999	1060131	14711482	362944	3951234	10397305	-68676	10328629	14642806	7220499	-37040528	-29820030	72946511	991455	
T.P. Horti. Nuis. Coffee & Tea Plant	2092	6298029	0.02%	7.44	43731199	3082909	46142437	1465555	3342989	41333893	744960	42078853	46887397	39504658	-151683	39352975	50520661	3827869	
LT Industries	242326	1350982400	4.60%	9.78	135158030	776398966	13152457156	37545433	62681016	12714330707	61710430	12776041137	13214167586	13200610533	-35454831	13165155702	122459484	838109396	
Water Supply	92918	1449456103	4.94%	8.80	33079436811	793304535	12691644155	39850281	355134207	8741824666	59472715	8801297381	12751116870	2951157363	-268078004	2683079359	43088001606	852777250	
Street lights	83994	628251840	2.14%	9.20	4926138086	344157598	575995998	17226440	640258302	4933474656	29055828	4961530484	5779015226	4097107386	-245866001	3851241384	6825856099	372213426	
EV Charging Stations	330	2295349	0.01%	7.67	72940	349916	15958994	682089	97104	15179700	1646940	16828640	17605834	15666204	-317983	15248221	783613	1996856	
Temporary Supply(LT)	990247	255983914	0.87%	22.52	-700662289	343749401	5759249554	63184409	4665051	5691400094	4393161	5695793255	5763642715	5950252343	29856298	5980108641	-921721376	348142562	
Heardings	4850	1318493	0.00%	16.86	-9298137	1007652	21588157	365382	266619	20896166	646995	21603151	22235152	21662076	-112006	21550070	-9260050	1654647	
LT TOTAL	12867201	14209530929	48.40%	9.47	53947636928	8047324360	13347970973	392464624	4639189546	124916257103	1055526180	12597178283	13453237153	12288528534	-114995657	12153527997	65892069904	9102850540	
EV Charging Stations HT	14	9861717	0.03%	7.56	0	0	64108216	13878340	69804	50060072	10402153	60462225	74510369	65092921	-182138	64910783	-802567	10402153	
Water Supply & Sewerage Pumping	301	857485082	2.92%	6.65	422196307	444682746	5694458032	199489746	48214750	5446753536	9346850	5456100386	5703804882	5765937856	-27782763	5738155093	378498245	454029596	
HT Industries	8311	5035983246	17.15%	9.94	308161150	3956099428	50022513161	1199476336	81179459	48741857366	33640794	48775498160	50056153955	50224972785	-239631161	49985341623	345332689	3989740222	
HT Commercial	8785	2228088840	7.59%	13.98	74269855	289139894	30722057435	574843443	64390161	30082823831	436255882	30519079713	31158313317	30978066323	-218099291	30759967032	363602568	725395776	
HT Hospitals	1068	357409030	1.22%	10.37	71015755	2284883850	3664304572	89914347	15509780	3558880446	42013341	3600893787	3706317913	3679584858	-21196605	3658388254	76932074	2326897191	
HT Lift Irghn Societies	69	74774480	0.25%	4.74	528164500	30872215	362690921	15721653	53052290	293916978	-8302276	285614702	354388645	488157711	-2248083	485909628	394945793	22569939	
HT Lift Irgh Schemes & Govt Hort.	19	1141726	0.00%	7.11	335010	739681	7692200	303663	31485	7357052	425692	7782744	8117892	7741339	-8669	7732670	294540	1165373	
HT Residential Apartment	535	96328500	0.33%	8.62	21430592	63668450	825077189	2895980	5466499	792658800	5718031	798374831	830795220	81804709	-5986948	812060171	34447610	69386481	
Temporary Supply (HT)	2198	184693339	0.63%	14.85	-162893992	200030018	2735033049	55155185	768551	2878111313	8188640	287299953	2745221689	2804197060	-17554987	2786642073	-214503016	208218658	
HT TOTAL	21300	8845763960	30.13%	10.70	126267878	7270116282	94097934774	2178636603	268680778	91653417393	537689107	9219106500	94635623881	94841797872	-532690545	94309107327	1051505625	7807805389	
TOTAL 1 (LT+HT+Temporary)	12888501	23055294889	78.54%	9.94	55210315106	15317440642	22757645747	6100100927	4907870323	216569674487	1593215287	218162889784	229170861034	217527026406	-1682641082	215844385324	66943575529	16910655929	

AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2022-23

Amount in Rupees & Consumption in Units

DESCRIPTION	TRF	No of Consumers	UNITS SOLD		Average Realisation Rate Per Unit (in'*)	Opening Balance	Opening Balance Unbilled provision A/c 23.4	Net Revenue Demand per System (including FAC & Interest)	FAC	Interest	Net Revenue Demand (Excluding FAC & Interest)	Net of Unbilled provision & reversal	Net Revenue Demand after Unbilled reversal & Unbilled	Gross Demand including FAC & Interest	Revenue Collection	HO Adjustments & withdrawals	Collection including Adjustments	Closing Balance A/c 23.1 & 23.2	Closing Balance - Unbilled provision A/c. 23.4
			Units (in KWH)	% of Units															
1	2	3	4	5	6=(5/4)*100	7	8	9	10	11	12=(9-10*11)	13	14=(12+13)	15=(9+13)	16	17	18=(16+17)	19=(7+14-18)	20=(8+13)
IP Sets (10HP & Below) FREE LIGHTING From 01-08-2008 (Subsidy Due for GOK)	LT4A	1012530	6278297377	21.39%	5.08	9908188375	4211291161	29430138813	1099609176	0	28330530637	2455022535	30785553172	31885162348	29475503190	2083247159	31558750348	10327677207	4118214329
Power Purchase (Auxiliary cons.) & SRTPV			22866774	0.08%	9.36	21261288		214037958	0	1556742	212481216		212481216	214037958		199997005	199997005	35302241	
Pending for reconciliation of Sundry debtors				0.00%		828988721					0		0	0			27381315	801607406	0
Total	IV	13901031	29356459041	100%	8.90	65968753490	19528731803	25721823518	7199710103	4909427065	245112866349	4048237822	249160924171	261270061339	247002529596	600603081	247630513992	78108162382	21028870258
Less: Provision for withdrawal of Revenue Demand											461229985			461229985					
Less: Withdrawal of revenue demand as credit adjustment											169353898			169353898					
Less: Credit Adjustment through Balance Transfer system											49314933			49314933					
Add: Other Operating Income											1725069974		39667346	1764737320					
Grand Total	V	13901031	29356459041	100%	8.90	65968753490	19528731803	25721823518	7199710103	4909427065	246157857507	4048237822	249200591517	262354899844	247002529596	600603081	247630513992	78108162382	21028870258

Note: The revenue column-15 is inclusive of Write back amount which is considered under Current year

Analysis for Note No 2.10 - Trade Receivables

Amount Rs. in Crs.

	Particulars	FY 2022-23	FY 2021-22
1	Sundry debtors for sale of power from LT & HT Consumers (For break up refer ARR Sheet Total IV)	7810.82	6596.88
2	Sundry Debtors for electricity tax LT & HT (23.3)	231.02	203.72
3	Sundry debtors for Misc receipts 23.7	29.27	52.36
4	Provision for unbilled demand LT & HT (23.4)	2102.89	1952.87
5	Provision for bad & doubtful 23.900	-1384.49	-1255.90
6	Provision for withdrawal of revenue demand LT & HT 23.800 23.801	-29.22	-6.94
7	Dues from permanently disconnected LT & HT (23.5)	197.85	220.43
8	Other receivables	176.23	137.28
9	Tariff receivables from Gok	1023.61	1023.61
10	47 series Revenue suspense (47.6)	-182.24	-152.16
11	Total (1 to 10)	9975.73	8772.16
12	Note 2.10 Total - trade receivable	10089.35	8858.45
13	Differences (11)-(12)	113.62	86.28
14	Note 2.24 Advance consumption charges from Temporary Installation (included under item No. 1 above but depicted in Note No. 2.24)	-113.62	-86.28
	Net Total	10089.35	8858.45

Subsidy received from GOK in FY 2022-23 towards power supply to IP Sets upto 10 HP & BJKJ upto 40 units.

Sl. No.	Particulars	No. of Installations	Consumption (in MUs)	Demand (in Crs.)	Subsidy released for 2022-23 (Rs. In Crs.)
1	IP sets upto 10 HP	1012530	6278.30	3188.52	3146.49
2	BJ/KJ upto 40 units	796937	182.75	170.06	170.06
Total		1809467	6461.05	3358.57	3316.55

Progressive Details of IP Sets & BJKJ reimbursement by GOK Amount in Crores

Sl. No.	Year	Demand		Reimbursement		HO Adjustments		Balance	
		I.P	B.J	I.P	B.J	I.P	B.J	I.P (A/c 28.627)	B.J (A/c 28.626)
1	2008-09	169.21		94.62				74.59	
2	2009-10	346.44		214.39				206.64	
3	2010-11	705.28	28.58	569.78	22.06			342.14	6.52
4	2011-12	709.22	30.70	573.08	34.00			478.28	3.22
5	2012-13	738.34	35.68	615.30	31.00			601.32	7.90
6	2013-14	781.81	31.06	948.62	18.00			434.51	20.96
7	2014-15	1358.83	41.40	1087.61	31.33	57.58	-41.71	648.15	72.74
8	2015-16	1585.26	30.81	1466.95	57.46	32.30	46.09	734.16	0.00
9	2016-17	2049.60	34.83	1860.51	34.36	-0.92	0.47	924.17	0.00
10	2017-18	2145.98	96.50	1785.16	84.48	-5.31	12.02	1290.30	0.00
11	2018-19	2733.24	127.94	2144.83	124.57	221.03	3.37	1657.68	0.00
12	2019-20	2806.87	133.74	2392.16	144.04	1.15	-10.30	2071.24	0.00
13	2020-21	3001.94	138.75	2554.66	138.75	102.24	0.00	2416.28	0.00
14	2021-22	2669.19	151.23	4094.65	151.23	0.00	0.00	990.82	0.00
15	2022-23	3188.52	170.06	3146.49	170.06	0.00	0.00	1032.85	0.00

Category	YEAR	EC	FAC	TOTAL
IP	2018-19	2686.99	46.25	2733.24
		117.09	10.85	127.94
IP	2019-20	2674.28	132.59	2806.87
		129.19	4.55	133.74
IP	2020-21	2955.70	46.24	3001.94
		137.11	1.64	138.75
IP	2021-22	2737.71	-68.52	2669.19
		154.81	-3.58	151.23
IP	2022-23	3078.56	109.96	3188.52
		163.52	6.54	170.06

Analytical Ratios

Sl. No.	Ratio	Numerator/Denominator	FY 2022		FY 2023		Percentage of change	Reason for Variation exceeding 25% in Ratios
1	Current Ratio	Current Assets	11407.2	0.68	12874.78	0.91	34.78%	On introduction of Late Payment Surcharges rules, the liability pertaining to certain Generators are re-grouped from Current Liabilities to Non Current Liabilities based crystallisation period. Hence there is a better status achieved in Current Ratio
		Current Liabilities	16821.43		14086.52			
2	Debt - Equity Ratio	Long term loan + Short term loan	13624.29	10.14	15382.11	11.45	12.90%	Variation is less than 25%
		Equity Share capital	1343.54		1343.54			
3	Debt Service Coverage Ratio	Earnings available for debt service	752.46	0.33	116.32		-91.37%	The variation is majorly due to the increase in the Net loss.
		Debit service	2264.9		4057.27	0.03		
4	Return on Equity (ROE)	Net profit/loss after tax	-2919.54	-2.17	-1767.49	-1.32	-39.46%	The variation is majorly due to the increase in the Net loss.
		Equity Share capital	1343.54		1343.54			
5	Inventory Turnover Ratio	Cost of Goods sold or sales	NA	NA	NA	NA	NA	Predominant business is sale of power, Inventory is not directly attributable hence not arrived.
		Average Inventory						
6	Trade receivables turnover ratio	Revenue from Operations	21605.91	3.18	26235.49	3.71	16.63%	Variation is less than 25%
		Closing balance as per ARR	6796.94		7076.23			
7	Trade payables turnover ratio	Power purchase cost	17617.3	2.16	22334.90	3.10	43.80%	The substantial increase in the Power purchase cost resulting in raise in ratio level
		Trade payable	8169.69		7202.66			
8	Net capital turnover ratio	Revenue from Operations	21605.91	-3.99	26235.49	-21.65	442.56%	Due to decrease in current liabilities
		Current asset - Current liabilities	-5414.23		-1211.73			
9	Net profit ratio	Net profit/loss after tax	-2919.54	-0.14	-1767.49	-0.07	-50.14%	The variation is majorly due to the increase in the Net loss.
		Revenue from Operations	21605.91		26235.49			
10	Return on Capital employed	Profit/ Loss before interest & taxes	752.46	0.10	116.32	0.02	-84.95%	The variation is majorly due to the increase in the Net loss.
		Tangible net worth (i.e. Equity - Intangible Assets) + Total Long term debt + deferred tax liability	7300.28		7496.46			
11	Return on investment	Profit before taxes	-2935.83	NA	-1673.83	NA	NA	This ratio is not applicable as the total equity is in negative status
		Total Equity	-886.71		-2527.73			

Note: In the 3rd ratio- Debt -Service ratio, the Earnings considered for Debt service is at Operational level along with Tax since the amount shown under exceptional item and regulatory movement are non- cash items.