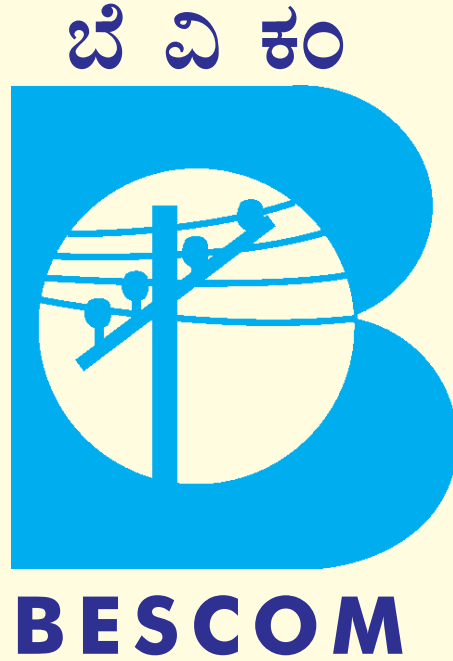


**8<sup>th</sup> Annual Report**  
**2009 - 2010**



**Bangalore Electricity Supply  
Company Limited**

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# Directors' Report

Dear Members,

The Board of Directors of Bangalore Electricity Supply Company Limited (BESCOM) have pleasure in presenting the Eighth Annual Report for the year 2009-10 and the Audited Accounts of the Company for the year ended March 31, 2010.

Bangalore Electricity Supply Company Limited was incorporated on 30<sup>th</sup> April 2002 under the Companies Act, 1956 and commenced its operations with effect from 1<sup>st</sup> June 2002.

The Company has successfully completed Eighth year in the distribution of electricity. The Company having its headquarters at Bangalore city and has its jurisdiction comprising the districts of Bangalore Urban, Bangalore Rural, Kolar, Ramanagara, Chikkaballapura, Tumkur, Davanagere and Chitradurga.

During the year 2009-10, the Company took various initiatives for rendering better services in line with the Government objectives and policies. The Company had set its agenda on Revenue Improvement measures to bring efficiency in the power sector, especially in the field of Distribution of Electricity and providing better service to the customer.

BESCOM continued its pursuit of higher goals in the direction of increased Metered Sales, increased Collection, meaningful Energy Audit at 11 KV and below, increased Customer Care activities using Information Technology, adopting Modern Technical Modes 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.

BESCOM aspires to be number one among the distribution companies in the country in the coming years. The progress of the Company on different counts is enumerated hereunder.

## I. STRATEGY AND VISION OF THE COMPANY

The vision of BESCOM is to be the best Electricity Distribution Company in India. In order to achieve this vision, the Company has drawn up a strategy with focus on customer satisfaction, Regulatory compliance, meeting stakeholder expectations etc.

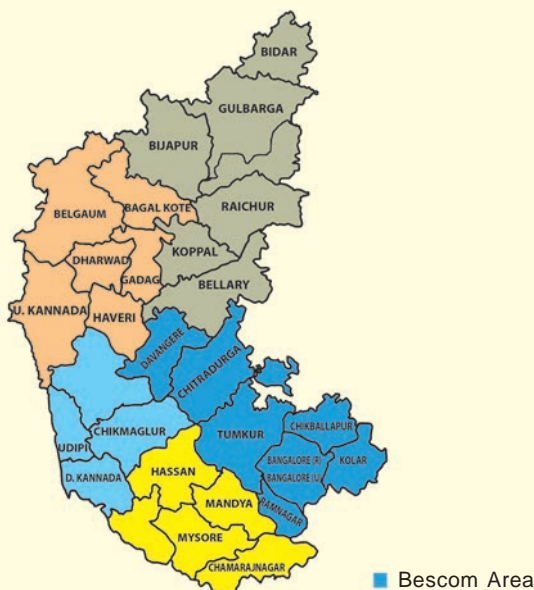
## II. MISSION

The Mission of BESCOM is to ensure complete customer satisfaction by providing its customers reliable and quality power supply at competitive rates.

### III. PERSPECTIVE :

BESCOM covers a contiguous area of 41,092 Sq.Kms with a population of 168 lakhs and serves more than 73.20 lakhs customers. The total asset is worth Rs.4211.98 Crores as on 31<sup>st</sup> March 2010.

### BESCOM



Area	41,092 Sq.Kms
District	8
Population	16.8 Million
Consumers	7.32 Million
No of DTCs	138618
HT Line length	68692 Ckt.Kms
LT Line length	143544 Ckt.Kms
Employee Strength	
Sanctioned	16841
Working	10529
Total Assets	Rs. 4211.98 Crores

#### a) Consumer Population

Consumer population served by BESCOM is steadily increasing and recorded an increase of 4.49% in FY-10 over previous year. The number of consumers existing as on 31-03-10 stands at 73,19,861. Category wise consumers are furnished below.

SI.No	Category	As on 31-03-2009	As on 31-03-2010	% of Increase
1	Bhagya Jyothi	6,75,553	<b>6,87,512</b>	1.77
2	Domestic Lighting and AEH	47,80,229	<b>49,98,250</b>	4.56
3	Commercial Lighting	6,23,207	<b>6,60,593</b>	6.00
4	LT Power	1,35,609	<b>1,39,276</b>	2.70
5	HT Power	6,654	<b>7,269</b>	9.30
6	Irrigation Pump sets	6,34,169	<b>6,50,049</b>	2.50
7	Street Light & Others	75,399	<b>82,158</b>	8.96
8	Temporary Power	74,277	<b>94,754</b>	27.57
	<b>TOTAL</b>	70,05,097	<b>73,19,861</b>	4.49

## b) Category wise number of consumers as on 31-03-09

Category	LT1	LT2	LT3	LT4	LT5	LT6	LT7	HT1	HT2A	HT2B	HT3	HT4	Total
Number of Consumers	6755537	4780229	623207	634169	135609	75399	74277	104	3415	2964	19	152	7005097
%of Total	9.64%	68.24%	8.90%	9.05%	1.94%	1.08%	1.06%	0.09%					100%

## c) Category wise number of consumers as on 31-03-10

Category	LT1	LT2	LT3	LT4	LT5	LT6	LT7	HT1	HT2A	HT2B	HT3	HT4	Total
Number of Consumers	687512	4998250	660593	650049	139276	82158	94754	106	3645	3334	20	164	7319861
%of Total	9.39%	68.28%	9.02%	8.88%	1.90%	1.12%	1.29%	0.10%					100.00%

## IV. FINANCIAL :

The financial performance of the Company during the Financial Year 2009-10 is highlighted as below :

Sl.No	Particulars	For FY 2008-09 Amount (in Crores)	For FY 2009-10 Amount (in Crores)
<b>I</b>	<b>INCOME</b>		
1	Revenue from sale of power	6,190.32	<b>6,791.58</b>
2	Other Income	146.39	<b>156.62</b>
	<b>TOTAL</b>	<b>6,336.71</b>	<b>6,948.20</b>
<b>II</b>	<b>EXPENDITURE</b>		
1	Purchase of Power	6,087.05	<b>6,032.03</b>
2	Repairs and Maintenance	37.07	<b>32.10</b>
3	Employee Costs	339.91	<b>430.91</b>
4	Administrative and Other Expenses	60.90	<b>65.15</b>
5	Other Charges (Debits)	281.40	<b>154.95</b>
	<b>TOTAL</b>	<b>6,806.33</b>	<b>6,715.15</b>
<b>III</b>	<b>Profit before Depreciation and Interest</b>	(469.62)	<b>233.05</b>
	Depreciation (Net)	64.25	<b>121.98</b>
<b>IV</b>	<b>Profit before Interest and Taxes</b>	(533.87)	<b>111.06</b>
	Interest and other Charges	123.17	<b>180.91</b>
<b>V</b>	<b>Profit before prior period charges or credits</b>	(657.04)	<b>(698.48)</b>
	Prior period charges (+) or credits (-)	69.67	<b>81.84</b>
<b>VI</b>	<b>Profit before Reserve &amp; Taxation</b>	(587.36)	<b>11.99</b>
<b>VII</b>	<b>Profit before Taxation</b>	(587.36)	<b>11.99</b>
	Provision for Taxation	0.88	<b>0.41</b>
<b>VIII</b>	<b>Profit after Taxation</b>	(588.24)	<b>11.59</b>

## V. Sub Stations :

Bescom is getting energy through the following Transmission Network & Electrical Substations.

Volatge Class of Stations	No of Substations
400 Kv	3
220 Kv	33
110 Kv	22
66 Kv	323
Total	<b>381</b>

## VI. Power Purchase:-

1. BESCOM is purchasing power from various power generators w.e.f 10.6.2005 as per GOK order dated 10.6.2005. The power is being procured from Central generating stations like NTPC, NLC, MAPS and Kaiga, the State owned generating stations like KPCL's hydel, thermal, and diesel plant, the independent power producers, and from non conventional energy sources upto the agreed ceiling norm of (17%) of total energy purchased. The deficit in energy availability is met through short term purchases. The procurement of power from various sources is recognized by GOK notification issued on 6.7.2005, 31.8.2005, 7.10.2005, 28.12.2005, 22.4.2006, 15.8.2008 etc.

The capacity allocated to BESCOM from various sources is as follows :

Sources	Capacity in MW
Hydel	1401.82
Thermal	1660.03
Diesel and Major IPPs	376.47
Atomic	72.41
NCE Projects	1204.09
<b>Total</b>	<b>4714.82</b>

2. The share of allocation to BESCOM from various power projects as per allocation made by GOK for the year 2009-10 is as follows.

I KPCL		
(a) Hydel		
(i) Sharavathi		35.67%
(ii) Others		45.9492%
(b) Thermal		
(i) RTPS 1 & 2		45.95%
(ii) RTPS 3		68.46%

(iii) RTPS 4	92.12%
(iv) RTPS 5 & 6	49.01%
(v) RTPS 7	45.9492%
(c) DG Plant	100%
<b>II Central Generating Stations</b>	45.9492%
<b>III Major IPPs</b> (Tata and Rayalseema)	81.5768%
<b>IV NCE Projects</b>	
(a) Co-generation	} Based on Geographical area.
(b) Biomass	
(c) Mini hydel	
(d) Wind	
<b>V Bilateral Contracts</b>	45.9492%

The Govt of Karnataka vide its letter No EN 70 EMC 2009 dated 10.11.2009 had revised the percentage of allocation to 50.5% in respect of KPCL and all the central generating stations w.e.f. **1.11.2009**. Accordingly the revised percentage of allocation is considered from 1.11.2009 to 31.3.2010.

3. BESCO is admitting the energy for payment as per rates and tariff agreed in either PPAs or GOK orders. The tariff of conventional project is two part tariff comprising the fixed cost and variable cost.

The fixed cost is cost of investments which includes interest on repayment of loan, depreciation, Return on Equity, interest on working capital, O&M expenses, MAT (Minimum alternate Tax) etc.

The variable cost is cost of fuel which includes factors like station heat rate, calorific value of fuel and price of fuel (both primary and secondary fuel) etc.

The tariff of NCE projects is as per agreed PPAs or GOK orders or as per MNES tariff.

4. Transmission charges:

BESCO is making payment of transmission charges to PGCIL and KPTCL. The transmission charges of PGCIL are approved by CERC. The monthly average bill is Rs 11.14 crore. The transmission charges of KPTCL are approved by KERC at 19.42p per kWh upto Nov 09. From Dec09 and onwards, it is on load basis (Rs/MW) as approved in the KERC Transmission tariff order 2009 issued on 11.12.2009. As per this order BESCO is making payment of Transmission charges to the extent of Rs 48.13 crore to KPTCL.

5. There was severe shortage of power during the months April 09 and May 09. The shortage of power had been procured by maximizing the generation of power by Co- generation and biomass plant and purchasing from other non-PPA holders like JSW, GMR, IEX, and NTPC VVNL etc., as per GOK orders issued by exercising the powers under Sec11 of Electricity Act 2003. Again during the

month of Feb 10 and March 10, there was acute shortage of power. This shortage of power is made good by procuring power from NTPC-VVNL, JSW Reliance power and IEX as per PCKL's directions.

6. (a) The energy purchased at generating point, energy drawn at IF point and cost there on for 2009-10 are as follows.

Total Energy purchased in MUs	Total Energy drawn at IF points in MUs	PP cost in Rs. Crore	AV P.P cost in Rs/ unit	
			At Gen point	At IF point
21328.81	20328.63	6032.03	2.83	2.97

- b. The comparison of source wise energy purchased and cost paid during this year (2009-10) and previous year (2008-09) is brought under "Annexure-1".

### ANNEXURE-1

#### Statement showing the details of Source-wise Power Purchase Cost during 2009-10 & 2008-09

SL. No.	SOURCE	2009-10		2008-09	
		CONSUMPTION IN MUS	AMOUNT IN CRORES	CONSUMPTION IN MUS	AMOUNT IN CRORES
1	Hydel Power	5474.02	515.74	5761.08	498.98
2	Thermal Power	9988.20	2786.18	9048.89	2499.08
3	Lignite Power	1261.74	279.88	1108.91	251.68
4	Atomic Energy	441.74	145.53	343.68	109.54
5	Conventional Energy	433.12	369.54	574.79	525.07
6	Non-conventional Energy	337.91	180.66	305.55	171.32
7	Wind Mill Energy	1854.48	703.14	1442.08	545.79
8	Diesel Generating	465.75	418.79	435.84	387.71
9	Unscheduled Inter Change Charges	292.92	77.95	695.23	538.26
10	Bi-lateral Purchases	778.93	554.60	723.84	559.63
	<b>TOTAL</b>	<b>21328.81</b>	<b>6032.03</b>	<b>20439.89</b>	<b>6087.05</b>

- c. The details of Source wise energy purchased and also transmission charges billed during 2009-10 is brought under "Annexure-2".



**ANNEXURE-2**

**STATEMENT SHOWING THE DETAILS OF POWER PURCHASED, POWER PURCHASE COST AND COST PER UNIT FROM VARIOUS SOURCES DURING THE YEAR 2009-10**

SL. NO.	NAME OF THE COMPANY	CONSUMPTION IN MUs	AMOUNT BILLED (Rs. / Crores)	P.P. COST (Rs. / kwh)
1	<b>Central projects</b>			
	CGS	5001.92	1026.12	2.05
	UI CHARGES	292.92	71.00	2.42
2	<b>Short term purchases</b>			
	M/S LEUL Open access	148.74	138.76	9.33
	M/s JSW	298.30	166.00	5.56
	M/s GMR	51.60	28.38	5.50
	M/s IEX	6.89	3.16	4.58
	M/s.NTPC-VVNL	34.06	16.43	4.82
	M/s.PTCIL	222.00	144.60	6.51
	M/S Reliance Energy	17.33	7.81	4.50
	Co-generation	64.40	41.86	6.50
	Bio-Mass	13.49	6.75	5.00
3	<b>State Projects</b>			
	KPCL-VVNL HYDEL	365.00	32.30	0.88
	KPCL-DG	465.75	381.44	8.19
	KPCL-HYDEL	4647.32	297.24	0.64
	KPCL-THERMAL	6708.60	1901.91	2.84
	KPCL-WIND	12.90	4.05	3.14
	KPCL-SOLAR	1.60	0.96	6.00
4	<b>Private Producers</b>			
	Rayalaseema	117.26	101.07	8.62
	Tata Power	315.86	235.51	7.46
5	<b>NCE Projects</b>			
	Co-Generation	196.46	86.26	4.39
	Bio-Mass	61.96	28.72	4.63
	Mini-Hydel	442.86	137.30	3.10
	Wind	1841.58	636.37	3.46
	<b>SUB-TOTAL(I)</b>	<b>21328.81</b>	<b>5493.98</b>	<b>2.58</b>
6	<b>Transmission Charges</b>			
	PGCIL Tr.Charges		133.69	
	KPTCL Tr. Charges		385.53	
	<b>SUB-TOTAL(II)</b>		<b>519.22</b>	
7	<b>Other Charges</b>			
	INTER ESCOM-GESCOM		0.60	
	INTER ESCOM-MESCOM		0.00	
	INTER ESCOM-HESCOM		8.16	
	Energy Balancing-MESCOM		0.00	
	Cost of Banked Energy		6.19	
	PCKL REV.EXP		1.51	
	SLDC O&M EXP		2.37	
	<b>SUB-TOTAL(III)</b>		<b>18.83</b>	
	<b>GRAND TOTAL</b>	<b>21328.81</b>	<b>6032.03</b>	

d. The details of power purchased on short term contracts during 2009-10 is brought under "Annexure-3".

### ANNEXURE-3

#### Statement showing the details of energy purchased and amount paid for short term contracts

	ENERGY (in Mu)	Rate (Rs/unit)	AMOUNT (Rs/crore)
GMR	51.60	5.50	28.38
JSW	298.30	5.56	165.99
PTCIL	222.00	6.51	144.60
LANCO	148.74	9.33	138.76
NTPC VVNL	34.06	4.82	16.42
CO GEN	64.40	6.50	41.86
BIO MASS	13.49	5.00	6.75
IEX	6.89	4.58	3.16
Reliance	17.33	4.50	7.81
<b>TOTAL</b>	<b>856.82</b>		<b>553.72</b>

7. The following number of power purchase Agreements have been signed by BESCOM which have been approved by KERC during 2009-10.

**Wind Mills – 31**

**Capacity -178.75MW**

#### 8. Intra State ABT regime

- ABT regime has to be extended to all the ESCOMs for Inter ESCOMs demand. This is called 'Intrastate ABT' and is being implemented.
- ABT in simple terms is the forecasting/scheduling of the load/energy requirement of ESCOMs out of the allocations from state generating stations (Merit order wise Power Purchase Plan) in advance and controlling the drawl to match the schedule.
- ABT compliant meters at 11KV interface points are fixed by KPTCL in 220/110/66KV stations to monitor the loads.
- The Unscheduled interchanges in intra-state ABT are based on excess/under drawl against the schedule given by BESCOM for each 15 minutes time slot in a day. There are 96 such time slot in a day.
- Intrastate drawl can be controlled by ESCOMs by way of load shedding only.
- ABT compliant meters of EHT consumer points have to be provided by BESCOM i.e., in 42 such cases.

- Intrastate ABT regime is being introduced stage by stage. An exclusive communication between SLDC and BESCOM were established on 18.02.2006 and monitoring units (P.C) was also setup to monitor the real time drawl by BESCOM at various 220 KV stations and to monitor over drawl/under drawl by BESCOM. With effect from 01.01.2006, generation availability of BESCOM in 96 slots of the next day (Form 'B') is down loaded every day from KPTCL Website and the day ahead schedule of BESCOM requirement (Form 'C') is being furnished to LDC., Bangalore for 96 times slot in a day. The actual draws against the schedules are being compared and modifications (if any) are being made in the future schedules to reduce intrastate UI charges to the possible extent.
  - In order to implement the intrastate ABT mechanism in BESCOM jurisdiction, real time actual data acquisition of all the substations/feeders are very vital. Data acquisition through "Intergrated Extended SCADA" System is developed by KPTCL through M/s ABB. In the second phase for each distribution companies a full-fledged **Distribution Control Centre (DCC)** is being established. Establishment of DCC at BESCOM is in final stages and will be made operational during 2010-11 so that the load management and acquiring of required data from all stations/feeders will aid the implementation of the intrastate ABT in BESCOM.
9. The details of peak load of state and BESCOM and energy input for year 2009-10 is furnished in Annexure – '4'.

#### Annexure – 4

#### Statement Showing Peak Load of State and Bescom and Energy Input for the FY 2009-10.

Month	Maximum		Minimum		WHEELED ENERGY (IN MU)	CONSUMPTION AT 11 KV IF POINT (IN MU) (including EHT)
	State (in MW)	BESCOM (in MW)	State (in MW)	BESCOM (in MW)		
Apr-09	6352	3180	5329	2456	13.30	1825.96
May-09	5855	2951	4035	2142	12.59	1670.40
Jun-09	5325	2667	3934	2034	10.07	1520.47
Jul-09	5724	2806	4176	2040	10.28	1646.95
Aug-09	5970	2782	4575	2066	10.01	1681.39
Sep-09	6017	2981	4490	2083	15.70	1481.85
Oct-09	5824	2977	4113	2276	14.94	1632.42
Nov-09	5719	2842	4613	2169	13.32	1560.96
Dec-09	5922	2845	5314	2342	15.08	1727.29
Jan-10	6200	3037	5190	2250	19.12	1789.08
Feb-10	6724	3221	5956	2850	14.51	1734.35
Mar-10	6897	3324	6153	2962	21.02	2057.51
<b>TOTAL</b>					<b>169.94</b>	<b>20328.63</b>

## 10. Energy Input:

The total energy drawn at IF Point excluding wheeled energy is 20328.63 MU. The energy drawn at IF Point during previous years, percentage of increase in each year, energy sales, percentage of increase in each year and distribution loss are as follows.

SI No	Year	Energy input in Mu	% increase over pervious year	Energy available for sale (Mu)	% increase over pervious year	Distribution Loss (%)
1	FY 2006	15321	4.55	11613.69	5.15	24.20
2	FY 2007	18522	20.89	14126.45	21.64	23.73
3	FY 2008	18665	0.77	14933.57	5.71	19.99
4	FY 2009	19566	4.83	16310.48	9.22	16.64
5	FY 2010	20329	3.90	17251.60	5.77	15.14

## VII. ERC Filing and Tariff Revision :

BESCOM had filed before KERC its application for Annual Performance Review for FY08 and FY09 and revised tariff petition for FY10 under MYT Principles on 30<sup>th</sup> June 2009. In the tariff application, BESCOM had proposed a tariff increase of 51 paise per unit in respect of all the categories of consumers.

KERC after discussing BESCOM's tariff proposal through public hearing have revised the tariff at an average increase of 41 paise per unit with effect from 01/12/09. The tariff order 2009 have been issued by KERC on 25/11/09. BESCOM has implemented the tariff order.

## VIII. 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	8.07
FY-10	20329	12940.32	6.02

## IX. SALE OF ENERGY:

During FY-10, 17251.67 MUs were sold to various categories of consumers, out of which 12940.32 MUs (Including Inter Escoms ) were under metered category and the balance of 4311.35 MUs was accounted under un metered category. The distribution loss for the year is assessed at 15.14 %. This is arrived at by taking into consideration the metered sales from the same months DCB.

a) **Metered Energy Sales:**

Sl. No.	Category	In Mus
1	Bhagya Jyothi	100.56
2	Domestic Lighting. incl. AEH	3835.10
3	Commercial Lighting	1055.94
4	IP set (Metered)	7.59
5	L.T. Power	912.54
6	H.T.	6264.61
7	Water Works / Public Lighting	661.37
8	Temporary installations	92.74
9	Inter ESCOM sales	9.87
<b>TOTAL</b>		<b>12940.32</b>

b) **Un-Metered Energy Sales:**

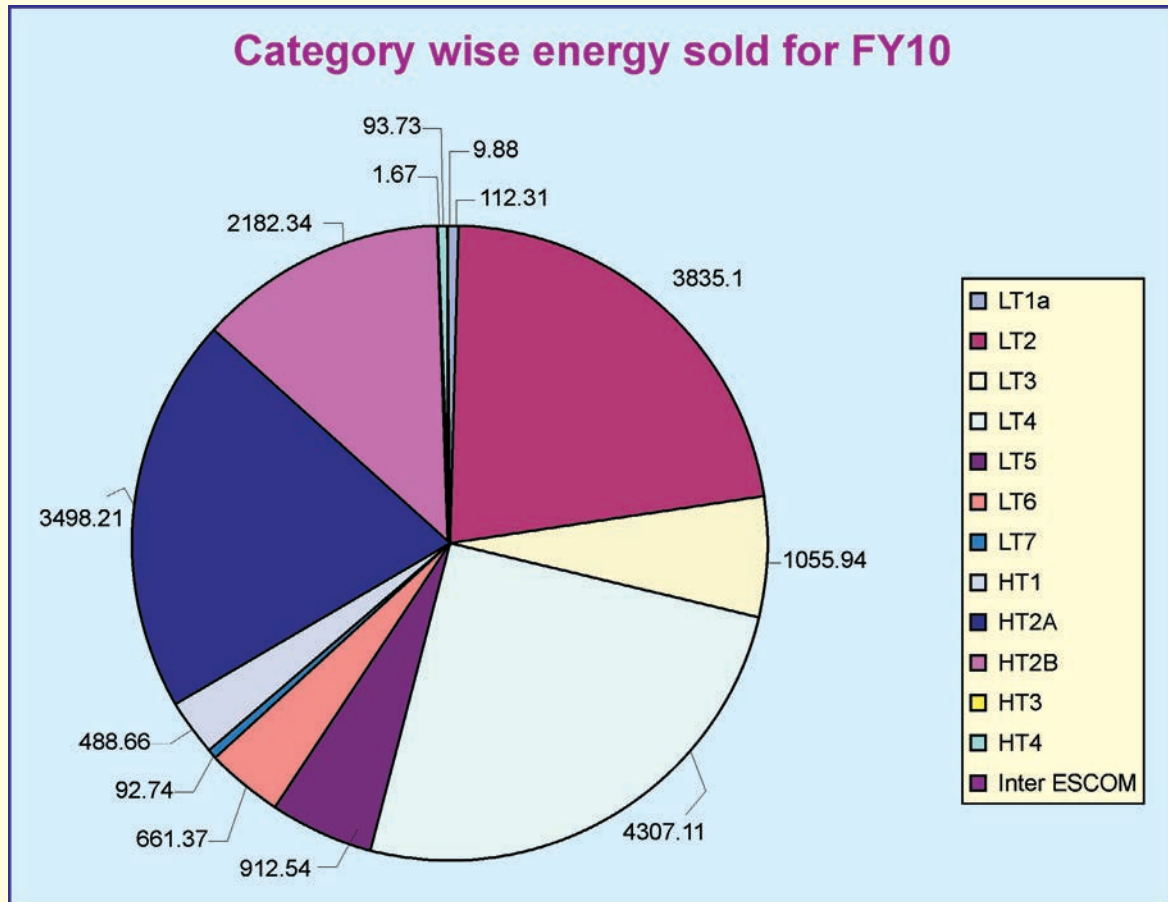
Sl. No.	Category	In Mus
1.	Irrigation Pump Sets	4299.53
2.	BJ/KJ	11.75
<b>TOTAL</b>		<b>4311.28</b>

c) **Category wise energy sold 2009-10**

Tariff	LT1a	LT2	LT3	LT4	LT5	LT6	LT7	HT		TOTAL
Category	BJ	Domestic Lighting & Heating	Comml	IP Set		Water Works & Street Light	Temp		Inter ESCOM	
Energy Sold in Mus	112.31	3835.10	1055.94	4307.11	912.54	661.37	92.74	6264.61	9.88	17251.60

d) **HT Break up:**

HT1	HT2A	HT2B	HT3	HT4	TOTAL
Water Supply	Industrial	Commercial	Lift Irrigation	Residential Apartments	
488.66	3498.21	2182.34	1.67	93.73	6264.61



e) Revenue from the consumers are being collected through the following systems.

Sl. No.	Name of the Bank	Sl. No.	Name of the Bank
1	BESCOM Cash Counters	6	Payment through SBI ATMs
2	Any Time/Any where Payment - KIOSKS	7	Bill Junction and Bill Desk
3	Cheque Drop Boxes	8	Easy Bill
4	Bangalore One	9	Micro Feeder Franchise
5	Electronic Clearing System	10	Online payment through Debit/ Credit cards.

## X. EFFICIENCY IMPROVEMENT & CUSTOMER SERVICE

### Commercial Efficiency:

As a consequence to objective approaches, the revenue demand and collections have shown an increasing trend. The increased trend has continued in FY-10 also. The comparative figures are furnished in the following sections:

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## Revenue Demand

The revenue demand or billings have increased over the years as follows:

- Demand FY 06: Rs 4282 Cr
- Demand FY 07: Rs 4951 Cr
- Demand FY08 : Rs.5807 Cr
- Demand FY 09: Rs 6190 Cr
- Demand FY 10 : Rs 6792 Cr

## Revenue Collection

The revenue collections have increased over the years as follows:

- Collection FY 06 : Rs 3712 Cr
- Collection FY 07 : Rs 4768 Cr
- Collection FY 08 : Rs.5360 Cr
- Collection FY 09 : Rs.6132 Cr
- Collection FY 10 : Rs.6600 Cr

## Collection Efficiency :

The table below shows the Collection Efficiency :

Collection Efficiency	Without BJ / IP	Overall
FY 06	94.63%	88.16%
FY 07	102.23%	97.11%
FY 08	98.75%	92.39%
FY 09	99.89%	99.06%
FY 10	98.51%	98.56%

## XI. Demand Side Management (DSM) Measures

The KERC has directed BESCOM to explore the possibility of introducing the following DSM and Energy Efficient Measures. The action has been initiated to adopt the directives by BESCOM as follows:

### a. Making "Time of Day Tariff" compulsory for industrial consumers, which is optional now:-

The present available optional TOD Tariff for industrial consumers has not been utilized in big way. In order to make it popular, it is essential and necessary to basically bring in awareness about TOD facility among the industrial consumers. Action has been initiated to call the representatives of industrial associations for discussion and interactions in a workshop. After obtaining the opinion of representatives of industrial establishments, further action will be taken to explore the possibility of bringing in TOD Tariff as compulsory instead of optional.

**b. Energy Efficient Street Lighting Systems and installing “Electronic Time Switches” for street light installations for switching “ON” and “OFF”:-**

On receipt of the directive from KERC, discussions have taken place with the Commissioner, BBMP for use of LEDs for street lights and installation of Electronic Time Switches for street lights in BBMP area. A letter has been addressed to the Commissioner, BBMP by the Managing Director, BESCOM in this regard.

BBMP has installed Electronic time switches for automatic switching ON and OFF for street lights in some areas in Bangalore city. Though they were installed in important areas they were not functioning properly and after the directive from the KERC and which was taken up with the BBMP, it has promptly responded in rectifying the automatic switches where they were installed and also BBMP has taken initiative to install automatic switches for the street lights in all the areas in a phased manner. It is being continuously discussed with BBMP for which the Chief Engineer (Ele), BMAZ has been nominated as the Coordinating Officer for this purpose.

Regarding use of LEDs for the street lights in BBMP area it is to be stated that KREDL in association with BBMP have installed LED Street lighting system as a pilot at Richmond Circle fly-over and also in JP park and Hanumanthanagar Park. BBMP will be pursued to go in for LED based street lighting system in a big way as considerable amount of Energy could be saved by using LED lamps in place of other conventional lamps like sodium vapour lamps, mercury vapour lamps, etc.

Further, the Chief Engineers (Ele) of BRAZ (Bangalore Rural Area Zone) and CTAZ (Chitradurga Area Zone) have been instructed to take up these Demand Side Management measures with the local bodies in their respective jurisdiction for similar action.

**c. Adoption of HVDS for agricultural loads:-**

BESCOM has undertaken HVDS on four 11kV feeders in Doddaballapura sub-division under DRUM in association with USAID. The work is completed and results are encouraging. BESCOM has also undertaken Agriculture Demand Side Management on these four feeders under WENEXA-USAID and the same is being implemented. It is a ESCO scheme for which a ESCO has been appointed through tendering process for replacement of about 604 existing irrigation pumpsets by Energy Efficiency star rated irrigation pumpsets. This has been entrusted to M/s ENZEN Global Solutions. The process of establishing data baseline including calibration of meters has been entrusted to M/s ERDA, Baroda by USAID with our consent. The calibration work has been completed and meter readings for establishing baseline has commenced.

This ESCO Agriculture Demand Side Management model was designed by us in association with USAID-PA Consulting. BESCOM is able to successfully establish a system of appointing ESCO and has been awarded with “**National Power Award-2009**” under category “**ENERGY EFFICIENCY, CONSERVATION AND DEMAND SIDE MANAGEMENT**” for Agriculture Demand Side Management initiative. **This pilot is the first of its kind in India to undertake Agriculture Demand Side Management under ESCO model.**

BESCOM is deputing a team of officers to Andhra Pradesh for studying the HVDS for agriculture load system and after the study a decision will be taken on this.

**d. Use Solar Water Heaters:-**

Keeping in view the necessity of the energy conservation and energy saving, BESCOM is monitoring the implementation of Government Order in making mandatory use of Solar Water Heating systems by the consumers. BESCOM has made mandatory to install Solar Water Heating systems for new connections





without which service is not being given to such new connections. Circulars and instructions have been issued to the field officers to educate and bring in awareness about the advantage of installing Solar Water Heating systems. The general public are being enlighten on this in various fora especially in Janasamparaka Sabhas, Customer meets etc., We have also instructed the Meter Readers and the Linemen visiting the customer premises to explain about the advantages of Solar Water Heating systems in the form of saving energy and consequential reduction in the electricity bills.

Bescom has issued strict directions to the field officers to adhere to the notifications issued regarding mandatory use of Solar Water Heating systems by the customers as per the guidelines of Government of Karnataka.

**e. To adopt Bachat Lamp Yojana launched by Bureau of Energy Efficiency(BEE), Ministry of Power, Government of India:-**

Based on the success of an innovative BESCOM Efficient Lighting Program (BELP) pilot project sponsored by USAID under the Energy Conservation and Commercial (ECO-II) in Bangalore city, BESCOM had initiated a process for another Energy Efficient lighting programme for its residential customers in Bangalore Rural District. In view of Ministry of Power, Government of India, launching an efficient lighting program in the form of “**Bachat Lamp Yojana**”, this process was deferred and BESCOM took a decision to implement Bachat Lamp Yojana of Ministry of Power, Government of India in all the rural districts. The process of inviting tenders for Bachat Lamp Yojana was delayed by us as there was thinking by BEE to bring in new regulations stipulating power factor of CFLs as more than 0.85. Now, the regulations have come with effect from 1<sup>st</sup> October 2009 stipulating the power factor of CFLs as more than 0.85.

Hence, BESCOM had issued a notification on 22.01.2010 inviting tenders for implementation of Bachat Lamp Yojana launched by Bureau of Energy Efficiency, Ministry of Power, Government of India in all the 7 rural districts of BESCOM. The last date for receipt of tenders was 19.02.2010 and the programme is under progress to implement Bachat Lamp Yojana. The Bachat Lamp Yojana is a scheme wherein maximum of 4 CFLs per customer will be sold at Rs. 15/- per CFL in place of incandescent bulbs by the agencies being selected through this tendering process. This scheme will be under Clean Development Mechanism (CDM) basis wherein the agency will get the benefits of Certified Emission Reductions (CERs) duly following the procedure stipulated for CDM projects under the supervision of BEE.

**f. Other DSM initiative undertaken by BESCOM:-**

**(i). Smart Grid:**

Smart grid is a possible answer to many problems being faced by the power sector in India. High AT&C losses, demand supply gap, reliability & quality of power supply, integration of distributed generation (captive) with distribution system, providing grid availability to green power generation (solar roof top) and demand side management are major areas which can be addressed by making the grid smart. It has been successfully used for these purposes in few advanced countries. In India, it has an additional advantage of online monitoring of losses and quicker action.

BESCOM now proposes to carry out a pilot project on smart grid in Electronic city, Bangalore covering about 17,000 customers. This area was selected after considering and evaluating various site selection criteria. The consumer mix culture and availability of all leading IT and Communication Technology providers required for implementation of Smart grid also justify site selection.

A proposal has been sent to Ministry of Power, Government of India, seeking financial assistance for this pilot project. A one day workshop was organized on 5<sup>th</sup> January 2010 to take the inputs of various stakeholders on implementation of the proposed pilot project in Electronic City. Key stakeholders such as Ministry of Power, Government of India, Government of Karnataka, private sector vendors and service providers including some regulatory experts were invited and represented. Several multinational speakers delivered lectures on various constituents of smart grid.

Taking a clue from the inputs received during the workshop the proposal for the pilot project is being redone and will be forwarded to Ministry of Power, Government of India for their in principle agreement.

USAID, India has agreed to partner this pilot scheme. Pilot project on Smart Grid is being considered for implementation under Public Private Partnership model. On receipt of consent from Ministry of Power further action would be taken to implement the pilot on smart grid in Electronic city, Bangalore including the appointment of consultants to oversee the success of the project.

### **(ii) Involvement of BBMP:**

The BBMP has been requested to reduce Energy consumption in Street Lights and Hoardings, Parks etc. The Commissioner BBMP has been requested to join hands with BESCO to mitigate the Energy deficit by adopting several measures as below.

- (i) To switch ON the street lights just at the dusk i.e. 6.30 pm and switch OFF just before the sunrise i.e. by 5.30 am.
- (ii) To switch OFF lights (except for security lighting) in parks and gardens immediately after exit of public in the evenings i.e. by 8.00 pm.
- (iii) To take action for reduction of 50% of power in respect of hoardings, boards and advertising illuminations.
- (iv) Make provision for dimmers, for street lights and put them on 3 phases in such a manner that alternative street lights are ON with a facility to switch off the lights whenever required.
- (v) To switch off 1/3<sup>rd</sup> of the street lights on high masts after 10.00pm.

### **(iii) Involvement of Hoardings Advertising Agencies:**

The representatives of various hoarding advertising agencies have been requested to switch off the illumination on the hoardings which have not been given to the clients and displayed only the contact numbers. They have also been requested to immediately reduce 1/3<sup>rd</sup> of the illumination of hoardings in Bangalore city.

## **XII. Capital Expenditure**

(a). The Distribution Network has been strengthened by way of addition of new 11 KV lines both link lines and new feeders, new DTCs and conductor replacements.

1. HT line added :2670.38 KMs
2. LT line added : 1516.34KMs

	OH	UG	Added during the Year 2009-10	Existing as on 31-03-10		Total(in KMs)
				OH	UG	
HT line added	2543.02	127.36	2670.38	65784.97	2907.00	68691.97
LT line added	1487.95	2839.00	1516.34	142646.92	896.63	143543.55

**3. The number of Distribution Transformers added 8793**

Capacity	10/15/25KVA	50/63KVA	100KVA	160/200/250KVA	300/400/500KVA	Compact Sub -Stations			Total
						500KVA	750KVA	990KVA	
During FY-10	4689	1647	1549	664	187	6	33	18	8793
Cumulative	46178	38591	35440	15281	2933	23	71	101	138618

4. No. of HB/JC/Thandas/AC Electrified : 0
5. IP sets energized : 5060
- BJ/KJ electrified : 23506
- Drinking water supply electrified : 2302
- Ganga kalyana electrified : 3502
6. The budget allocation for capital works was Rs. : 580.86 crores  
(Plan - Rs.100.00 Crores and Non-Plan - Rs.480.86 Crores)

**(b). Restructured Accelerated Power Development and Reforms Programme (R-APDRP)- KARNATAKA**

The Govt. of India has proposed to continue R-APDRP during the XI Plan with revised terms and conditions as a Central Sector Scheme. The focus of the programme shall be on actual, demonstrable performance in terms of sustained loss reduction. Establishment of reliable and automated systems for sustained collection of accurate base line data, and the adoption of Information Technology in the areas of energy accounting will be essential before taking up the regular distribution strengthening projects.

**Programme Coverage:**

It is proposed to cover urban areas - towns and cities with population of more than 30,000 as per the 2001 Census.

Salient features of R-APDRP:

- Bring about commercial viability
- Reduce outages & interruptions
- Increase consumer satisfaction

### Proposed Scheme:

Projects under the scheme shall be taken up in Two Parts.

Part-A shall include the projects for establishment of baseline data and IT applications for energy accounting/auditing & IT based consumer service centres.

Part-B shall include distribution strengthening projects.

### 'PART A'

It covers IT initiatives to convert ESCOMs into a modern dynamic entity which uses IT for detection of thefts through auditing, reduction of operational losses by properly monitoring the assets. Customer relationship management through computerization and improvement in billing efficiency.

The Ministry of Power had sanctioned projects amounting to Rs.469.60 crores covering 100 towns of Karnataka. The PFC has sanctioned Rs.391.70 Crores as loan and ESCOMs own cost is Rs. 77.91 Crores.

### Projects Sanctioned details:

(Rs.in Crores)

KARNATAKA	NO.OF TOWNS	LOAN SANCTIONED (Convertible to Grant )	ESCOMS OWN COST	TOTAL PROJECT COST
TOTAL	100	391.70	77.90	469.60

- GoI will provide 100% Loan for part A of the R-APDRP schemes. The entire amount shall be converted into grant after establishment of the required Base-Line data system within a stipulated time frame and duly verified by TPIEA.
- M/S Reliance Infrastructure Limited (RIL) were appointed as Common IT Consultant (ITC) for all ESCOMs on 29-06-2009 at a cost of Rs 2.5 Crores.
- M/s Infosys Technologies Ltd (L1 bidder) have been appointed as the IT IA and the details are as follows:-

KARNATAKA	ALLOCATION OF QUOTED AMOUNT (Rs in Crores)	PFC LOAN (Rs in Crores)	INFOSYS QUOTED PRICE AGAINST PFC LOAN (Rs in Crores)	ESCOMS COST (Rs in Crores)
TOTAL	386.68	334.55	313.03	73.65

- The high level Implementation plan for the entire project is finalized.
- The Data centre design is finalized and the RFP is floated.
- The project roll out in the pilot town identified at each ESCOM is scheduled for completion by Dec 2010.
- The entire project is scheduled for completion by June 2011.

## 'PART B'

Projects under Part-B are the regular distribution strengthening projects which include:

- Renovation & Modernisation of 11KV s/s, DTRs/DTCs
- Re-conductoring of lines 11KV & below
- Feeder separation
- Load Balancing
- Replacement of Meters etc

### Projects Sanctioned details:

(Rs.in Crores)

KARNATAKA	NO.OF TOWNS	Total Sanctioned Cost
TOTAL	88	949.32

- GoI will provide up to 25% Loan for Part B of the R-APDRP schemes which shall include regular distribution strengthening projects. The balance 75% shall be sourced from Financial Institutions.
- Up to 50% loan for Part-B projects shall be converted into grant in five equal trenches on achieving 15% AT&C loss in the project area on a sustainable basis for a period of five years and the project is completed within the time schedule fixed by the steering committee which shall, in no case exceed five years from the date of project approval.
- If the utility fails to achieve or sustain the 15% AT&C loss target in a particular year, that year's trench of conversion of loan to grant will be reduced in proportion to the shortfall in achieving 15% AT&C loss target from the starting AT&C loss target from the starting baseline assessed figures.
- The project areas identified will achieve a sustainable less than 15% AT & C loss after completion of the project.

### (c) Niranthara Jyothi scheme -

#### Bifurcation of Agricultural loads from existing 11kV feeders:-

BESCOM has taken up Niranthara Jyothi scheme for segregating agricultural loads from the existing 11kV feeders, a scheme to provide 24X7 uninterrupted power supply to non-agricultural loads in rural areas in 2 phases as follows:

Sl. No.	Details	I Phase	II Phase
a.	No. of Taluks covered	20	20
b.	No. of Villages covered	4750	4204
c.	Cost in Rs. Crores	382	353
d.	Number of Feeders	292	248
e.	Completion Dates	<b>December 2010</b>	<b>2011 - 12</b>

### Talukas covered under Phase I:

Hosadurga	Chennagiri	Jagalur	Harapanahalli
Honnali	Harihara	Anekal	Bagepalli
Sidlaghatta	Devanahalli	Tiptur	Tumkur
Gubbi	Kunigal	Hoskote	Hiriyur
Kanakapura	Madhugiri	Sira	Magadi

### Talukas covered under Phase II:

Channapatna	D.B. Pura	Davanagere	Turuvekere
C.N.Halli	Chitradurga	Ramanagara	Kolar
Koratagere	Chintamani	Srinivasapura	Holalkere
Gudibande	Gowribidanur	C.B. Pura	Bangarpete
Mulbagalu	Challakere	Molakalmur	Nelamangala

On completion of Niranthara Jyothi scheme in BESCOM area, it would be possible to provide 24 hours reliable power supply to all the non-agricultural consumers like Domestic, Commercial, Industrial, Drinking Water Supply and Street lighting in rural areas through separate 11kV feeders.

A decision to undertake Niranthara Jyothi Scheme in all the areas of BESCOM was taken after getting encouraging results in the pilot project which was taken up in Malur taluk in November 2008 at a cost of Rs. 18 Crores. The analysis of the pilot is as follows:

Sl. No.	Details	Before	After
a.	Improvement in Voltage(Single Phase)	150 V	218 V
b.	Reduction in Distribution Transformer failure rate	1.37%	0.8%
c.	Reduction in Technical losses	20.70%	17.32%
d.	Increase in billed energy and Demand (by 10%)	91180 Units	100342 Units
e.	Reduction in interruptions (by 74%)	85 nos.	22 nos.
f.	Reduction in interruption period (by 97%)	213.7 hrs	6.45 hrs

BESCOM believes that on completion of Niranthara Jyothi Scheme the benefits that would derive will be a boon to the development of rural economy.

### (d) Bangalore Distribution Up-gradation Project:

BESCOM has embarked upon a project to automate the Distribution network for monitoring, control and operation of the 11 kV network in the Bangalore City. The implementation of Distribution Automation in the Bangalore City will enhance the reliability and quality of power supply.

The cost of the Project is estimated to Rs. 563 Crores. The JICA (Japan International Cooperation Agency) is extending financial assistance to an extent of Rs. 417 Crores for this project. The project is scheduled to be completed by FY 2012-13. The Project Management Consultancy has been awarded to M/S KEMA, USA and M/S CPRI.

### Objectives:

- Providing assured quality and reliability of power supply.
- To improve quality of service management and customers satisfaction.
- To avoid loss of time for fault location and restoration due to manual operation.
- To improve the reliability of power supply in Bangalore City thereby increase in energy sales and hence revenue.
- To integrate all IT related activities on to a common Distribution Management System.
- To improve Network Control management.
- Optimum power factor, reduction in losses.
- Enabling of online energy audit (AMR systems).

## XIII . Other issues

### (1) Human Resource Development

BESCOM recognizes that training is an organized activity for increasing the knowledge and skills of Employees for definite purpose. Trained personnel are the value asset of an organization and are responsible for its progress and stability.

BESCOM has its own training policy:

In line with the training policy, BESCOM has developed a methodology for identifying the strength and weakness of its employees and developed a training schedule for imparting training to various cadres of man power in various fields duly designing training schedules.

### (2) Safety measures

BESCOM is giving utmost importance to the safety of its employees and the public. Several steps have been initiated to ensure adoption of safety practices while working on distribution network.

Recognizing the importance of safety, BESCOM has developed a **Safety Vision** as follows:

**“Create safe working environment for the employees, create awareness among the public on electrical safety to avoid electrical accidents and there by save the lives and the property and make BESCOM an accident free organization”.**

## XIV.CORPORATE GOVERNANCE

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 meetings which add value in the decision making process. The non functional directors receive sitting fees for Board/ Sub-committee meetings attended by them.

**a. Board of Directors :**

The meetings of the Board of Directors are scheduled in advance for which notice is given to each Director in writing. The agenda and other relevant notes are circulated to the Directors in advance.

The following are the Directors of BESCO as on the date of AGM:

1	Shamim Bhanu I.A.S	Chairperson
2	G. Latha Krishna Rao, I.A.S	Director
3	Tushar Giri Nath , I.A.S	Managing Director
4	Dr. Rajkumar Katra I.A.S	Director
5	Alok Mohan I.P.S	Director
6	M.Shivamallu	Director
7	Pradip Rajnal	Director
8	M.Govindappa	Director
9	Nagesh .H	Director(Technical)
10	Parvathy Keshavachar	Director
11	L.Ravi	Director
12	M.Nagaraju	Director

a. During 2009-10 a total number of Eight Board meetings took place as follows:

Sl.No.	Meeting No.	Held on
1	34th	29.06.2009
2	35th	05.08.2009
3	36th	24.09.2009
4	37th	13.10.2009
5	38th	06.11.2009
6	39th	04.12.2009
7	40th	15.12.2009
8	41st	12.03.2010

**b. Board Sub Committees**

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

**1. Central Purchases Committee**

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



The composition of the Central Purchases Committee as on date of AGM are:

1. Managing Director, BESCOM
2. Director (Technical), BESCOM
3. Dr. Rajkumar Katra I.A.S, Commissioner for Industrial Development and Director of Industries and Commerce, Gok
4. Smt. Parvathy Keshavachar, Deputy Secretary to Government, Department of Energy, Gok

During 2009-10 a total number of Eleven CPC meetings took place the details of which are as follows.

Sl.No.	Meeting No.	Held on
1	40th	11.05.2009
2	41st	16.06.2009
3	42nd	25.06.2009
4	43rd	25.07.2009
5	44th	05.09.2009
6	45th	30.09.2009
7	46th	30.10.2009
8	47th	04.12.2009
9	48th	11.12.2009
10	49th	02.02.2010
11	50th	15.02.2010

## 2. Borrowing Sub Committee:

The Borrowings 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.

The sub-committee consists of the following members:

1. Managing Director, BESCOM
2. Director (Technical), BESCOM
3. Nominee from Department of Public Enterprises, GoK.

## 3. Audit Committee

An Audit Committee was formed on 21<sup>st</sup> April 2005 in accordance with the provisions of the Companies Act.

The composition of the Audit Committee as on date of AGM is as below:

1. Sri Govindappa Chairman
2. Smt.Parvathy Keshavachar Member
3. Sri. Pradip Rajnal Member

During 2009-10 a total number of Two Audit Committee meetings took place as follows:

Sl.No.	Meeting No.	Held on
1	13th	16.07.2009
2	14th	11.09.2009

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

1. Discussions with the Auditors periodically about Internal Control System and the scope of audit including observations of the Auditors.
2. Review of the Annual Financial statements before submission to the Board.
3. Ensure compliance of internal control systems.
4. Investigation into any of the matters as may be referred to by the Board.
5. Financial and Risk Management Policies and Fraud and Fraudulent Risks
6. Review of annual capital, revenue and store budgets before being placed before the Board for approval.
7. Review of programmes of finalization of annual accounts for timely completion of audit and approvals.
8. Review of adequacy of internal controls to review reports on inventory, completion reports of capital works, standards and specifications wherever applicable.
9. Review of Internal Audit paras
10. Review of AG Audit paras
11. Review of disciplinary cases
12. Review of Vigilance activities. MRT, TAQC Wings and write offs
13. Review of power purchase cost
14. Review of borrowings
15. Discussions with Statutory Auditors and cost Auditors regarding their reports
16. Any other matters as may be referred to by the Board.

The Audit Committee considers and recommends the Financial results to the Board. The Statutory Auditors are invited to attend the meeting. The committee also invites the Chief General Manager(F&C) and Controller(RTA) to be present at the meeting.

## **XV. STATUTORY AUDITORS**

M/s R. Subramanian & Company were appointed by C&AG of India, New Delhi as Statutory Auditors of BESCOM for the year 2009-10.

## **XVI.COST AUDITORS**

The Ministry of Corporate Affairs, Government of India have appointed M/s.GNV & Associates, Bangalore as Cost Auditors for auditing the Cost Accounting records of BESCOM for the Financial Year 2009-10.

## **XVII. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)**

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

## **XVIII. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 the Directors based on the information received from the Operating management, confirm that:

- a) In the preparation of the Annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) Accounting policies have been selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period.
- c) 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.

## **XIX. GENERAL**

The Board would like to place on record its appreciation for all the assistance and guidance extended by the Government of Karnataka, Govt. of India, Karnataka Power Transmission Corporation Limited, other ESCOMs, KERC, CERC, State Bank of India, Canara Bank, Corporation Bank, Syndicate Bank, State Bank of Mysore, Vijaya Bank, Bank of India, Power Finance Corporation Ltd., Rural Electrification Corporation Ltd., Ministry of Company Affairs, Registrar of Companies and its Consumers for their Co-operation and active support to BESCOM in our endeavor to serve the public. The 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 / Associations.

For & on behalf of the Board  
of Directors

**CHAIRMAN**

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

<b>I. Registration Details</b>			
Registration No	CIN-U04010KA2002PLC030438	State Code	08
Balance Sheet date	31:03:2010		
<b>II. Capital Raised during the year (Amount in Rupees)</b>			
Public Issue	Nil	Right Issue	Nil
Bonds Issue	Nil	Private placement	Nil
<b>III. Position of Mobilization &amp; Deployment of Funds (Amount in Rupees)</b>			
<b>Total Liabilities</b>	42,119,798,615	<b>Total Assets</b>	42,119,798,615
<b>Sources of Funds</b>			
Paid up Capital	2,059,500,000	Reserves & Surplus	9,858,870,792
Share Deposit	2,100,151,353		-
Service lines & Security deposits	18,325,072,401		
Secured Loans	3,304,710,522	Unsecured loans	6,471,493,547
<b>Application of Funds</b>			
Net Fixed Assets	28,208,003,792	Profit and Loss Account	3,508,879,341
Investments	100,000		
Net Current Assests	8,768,047,006	Capital Works in Progress	1,634,768,476
Accumulated losses			
<b>IV. Performance of Company (Amount in Rupees)</b>			
Turnover	69,482,036,287	Total Expenditure	69,362,062,101
Profit Before Tax	119,974,186	Profit after Tax	115,897,486
Earnings per Share in Rs. 0.56	Dividend		---
<b>V. Generic Name of Three Principal Products / Services of Company (as per monetary terms)</b>			
Item code No.(ITC Code)	NIL		
Product description	Electricity distribution		

Sd/-  
**(C. Sreenivasan)**  
Chief General Manager (F & C)

Sd/-  
**(Tushar Giri Nath)**  
Managing Director



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, BANGALORE, FOR THE YEAR ENDED 31 MARCH 2010.**

The preparation of financial statements of **BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, BANGALORE**, for the year ended 31 MARCH 2010 in accordance with the financial reporting frame work prescribed under Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered-Accountants of India. This is stated to have been done by them vide their Audit Report dated **22nd SEPTEMBER 2010**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit, under Section 619(3)(b) of the Companies Act, 1956 of the financial statement of “**BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, BANGALORE**” for the year ended **31 MARCH 2010**. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Significant Accounting Policies and Notes forming part of the Annual Accounts - 1 Part B - Notes on Accounts-Para No. 15.1 (Schedule-24), I have no further comments to offer upon or supplement to the Statutory Auditor’s Report under Section 619(4) of the Companies Act 1956.

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

Sd/-  
**(D.J. BHADRA)**  
Principal Accountant General  
(Civil & Commercial Audit)  
Karnataka, Bangalore

Bangalore  
Dated : 27th September 2010

## **Auditors' Report**

### **for the year ended 31.03.2010**

- 1) We have audited the attached Balance Sheet of M/s. BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, as at 31<sup>st</sup> March 2010 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date and submitted our report dated 13<sup>th</sup> August 2010. Subsequently the accounts have undergone revision in the light of observations of the Comptroller and Auditor General of India. We have audited the attached revised Balance Sheet of M/s. BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, as at 31<sup>st</sup> March 2010 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date and we report on the same. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.
- 2) We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material Mis-statements. An Audit includes examining, on a test basis, evidence supporting the amounts and the disclosures and significant estimates made by the management, as well as evaluating the overall presentation of the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.
- 3) In accordance with the provisions of section 227 (2) of the Companies Act, 1956, we report that as required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India under sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Attention is invited to the following:
  - I. The Company has not accounted for the Energy Balancing Charges as determined by PCKL (Power Corporation of Karnataka Ltd) and to be recovered from other Escoms as follows:
    - a) Rs. 250.29 Crores relating to the Financial Year 2006-07
    - b) Rs. 269.73 Crores relating to the Financial year 2007-08 and
    - c) The amounts yet to be determined pending final direction from the Energy Department, Government of Karnataka for the financial years 2008-09 and 2009-10.

- II) We are unable to express our opinion with regard to the impact of the following on the financial statements:
- a. The Company during the year continued to recover Electricity Charges upto November 2009 at the rates as per the earlier tariff order dated 27<sup>th</sup> September 2005 issued by KERC (Karnataka Electricity Regulatory Commission). The Company has not implemented the rates fixed as per the tariff orders released for 2006 dated 7<sup>th</sup> April and 16<sup>th</sup> April 2006 and tariff order for 2009-10 dated 11.01.2009 since the company has contested before Appellate Tribunal for Electricity. KERC has issued a fresh tariff order during the year viz, Tariff Order 2009 dated 25.11.2009 which is applicable from 01.12.2009. Accordingly the company has recovered electricity charges as per Tariff Order dated 25.11.2009 onwards.
  - b. As approved by Government of Karnataka, the Company is vested with Fixed Assets such as Land and Buildings and vehicles by virtue of the transfer scheme on 01.06.2002. Titles in respect of such assets have not yet been transferred in favour of the Company.
  - c. The Company's inventories at various locations including shared assets with KPTCL are old and their usefulness and serviceability are subject to identification, reclassification and inspection. It is not possible to assess the realizable value of individual items of such inventories and also to quantify the effect of obsolescence and the amount of provision required thereof, if any.
  - d. The inventories of Stores and Spares include the value of scrapped, faulty and dismantled assets for reuse, which have been valued by deducting adhoc provision of 20% from the stated value without ascertaining the realistic realizable value, physical usability or serviceability condition of the concerned inventories, notwithstanding that the valuation has to be carried out in accordance with the prescribed Accounting standards.
  - e. Materials are valued at Standard Cost or Purchase cost and the valuation of inventories is not carried out at the lower of cost or net realizable value. Accordingly the valuation of such materials is not in accordance with the prescribed Accounting Standard.
  - f. Materials purchases are accounted on the basis of predetermined standard rates and not as per supporting documents reflecting the actual cost. The material cost variance is accounted by the Company at the time of giving credit to suppliers on the basis of suppliers' Invoices / Bills. This has resulted in not accounting the cost variances in respect of unpaid materials and stocks held. Accordingly the valuation is not in accordance with the prescribed Accounting Standard.
  - g. Refer to Note No.5.3 of Part B-Notes on accounts regarding non receipt of confirmation of balances of debtors, creditors, contractors, loans and advances and balances held with other ESCOMs and reconciliation pending in respect of dues payable to or receivable from KPTCL Adjustments that may arise on receipt of confirmation / reconciliation and the likely impact of such adjustments, if any, on the financial statements are not ascertainable at this stage.

- h. The details and supportive documents relating to the opening and closing balances reflected in certain accounts, viz; Deposits received from Consumers, Deposit against Burnt Meters, Revenue suspense Accounts, Advances and Deposits are not available for scrutiny and to carry out requisite adjustments. Accordingly we are unable to comment on the realisability and the correctness of the classification of such accounts as reflected in the financial statements and the impact of adjustments if any that may subsequently arise.
- i. The Company continues to account Financials of MRT Division which has shared assets with KPTCL and its effect on the profit or loss of the Company as well as its assets and dues to and dues from KPTCL are not quantifiable at this stage.
- j) Contingent Liabilities arising out of the suits for claims filed at various courts by the customers etc., at various divisions and contested by the Company are reflected under Note No. 9 of Part B : Notes as submitted by the Management and not verified by us.
- k) The Company has continued to charge depreciation on all Assets at the rates notified by CERC / KERC. During the year, CERC has revised the rates of depreciation with effect from 01.04.2009 as per Notification No.L-7/145/160/2008-CERC dated 19.01.2009. The Company has provided the depreciation for the current year as per the revised rates notified by CERC, notwithstanding the need to ascertain the residual revised useful life of the assets and to provide depreciation with reference to the same as required by AS-6. The company has not worked out depreciation at the rates prescribed under Schedule XIV of the companies Act, 1956. Hence the difference between depreciation to be provided at the rates as per schedule XIV of Company's Act and the depreciation actually provided as per CERC / KERC notified rates is not ascertainable.
- III) By virtue of the Government Order No.DE 48 PSR 2003 dated 31.05.2003 a certain portion of the loans availed by KPTCL from various institutions have been transferred and are reflected in the books of BESCOM and the Company is accounting the Interest, Guarantee Commission to Government of Karnataka in respect of loans from REC, PFC and UCO Bank, based on the advise of KPTCL though the respective liabilities have not been transferred / documented in the name of the Company while the liabilities are reflected in the books of accounts.
- IV) The Company has carried forward the provision for Bad and Doubtful Debts to the extent of Rs.254.21 Crores on Sundry Debtors as part of the Transfer Scheme as on 01.06.2002. We are unable to comment on the realisability of amount of sundry debtors transferred and carried forward and also the adequacy of provision thereof.
- V) The Company has not provided for Deferred Tax Liability / Assets as per the AS-22 – ACCOUNTING FOR TAXES ON INCOME as the Company is advised that it is entitled to the benefit of relief u/s 80IA of the Income Tax Act for consecutive ten years commencing from assessment year 2005-06 and accordingly liable for Minimum Alternate Tax (MAT) under the provisions of Income Tax Act. However, the Company's claim under section 80IA of Income Tax is under dispute and the matter is under appeal.



- VI) There are various Lands and Buildings which have been brought to the books of the Company by virtue of Transfer Scheme on 01.06.2002 among other assets, majority of whose title deeds are under the process of transfer to the Company's name. No provision has been made with regard to liability towards cost of property and other related taxes / levies due together with interest / penalty remaining unpaid and the amount of which is unascertainable at this stage.
- VII) In the absence of any clear guidelines in the transfer scheme with regard to accountability and financial commitments towards contingent Liabilities arising out of the transactions prior to Transfer scheme dated 01.06.2002, the company has not made adequate disclosure of such contingent liabilities and accordingly the provision if any required, on review of the present status of such liability has not been made as the quantum is not ascertainable.
- VIII) Refer to para 14.1 of (Part B) – Notes regarding non-availability of reconciliation of Inter Unit accounts (IUA) between various divisions / units within the Company.
- IX) Refer to Para 10 of Part-B – Notes regarding accounting of Transmission Charges payable to KPTCL for Financial Year 2006-07.
- X) Refer to Para 4 (XXI) of the Annexure to the Auditors' Report regarding frauds committed on the company and investigation pending for recovery and making provision for the amounts involved in the accounts.
- 5) Subject to the foregoing observations under para 4 above, we report that
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of accounts as required by law have been kept by the Company in so far as it appears from our examination of the books of accounts.
- (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement referred to in this Report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 save and except the departure of accounting policies of the company in relation to
- i) **AS-2 Valuation of Inventories**
- ii) **AS-10 Accounting of Fixed Assets**
- iii) **AS-15 Employee Benefits**
- iv) **AS-22 Accounting for taxes on income**
- v) **AS-6 Accounting for Depreciation on Fixed Assets**
- as set out appropriately under the Notes and here above.

- (d) Government of India vide a General Circular No.2/2002 dated 22.03.2002 has exempted the Directors of Government Companies from the provisions of disqualification. Hence the provisions for disqualifications of directors of the Companies under section 274 (1)(g) of the Companies Act 1956 are not applicable.
- (e) In our opinion and to the best of our information and according to the Explanations given to us, the said Balance Sheet, the Profit and Loss Account and the Cash Flow Statement read together with the Schedules and Notes thereon and subject to our observations stated under para 4 above give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March 2010.
- (ii) in the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date.
- (iii) in case of the Cash Flow Statement, of the Cash flows during the year ended on that date.

**R.SUBRAMANIAN AND COMPANY**

Chartered Accountants  
(Regn. No.004137S)

Sd/-

**N.KRISHNAMURTHY**

Partner  
MEMBERSHIP NO.19939

Place: Bangalore

Date : 22.09.2010

## ANNEXURE TO THE AUDITORS' REPORT

- 4(i) (a) (i) to (xiv), the Company has maintained records for Fixed Assets but not updated in all its aspects and does not include quantitative details and situation of all Fixed Assets and other relevant particulars required to be recorded. As per the information and explanations give to us, some lands / assets that have been received as gifts without assigning any value whatsoever to the company do not find a place in the registers and accounts of the company. The company is yet to obtain title deeds / relevant documents of certain lands / buildings reflected in the Fixed Assets schedules. Attention is invited to our observations in para 4.11 (b) of Audit Report.
- (i) As per the information and explanations given to us all the Fixed Assets of the Company have not been physically verified by the Management and discrepancies if any in the quantities between the book records and physical verification may have a bearing on the Financials of the Company. The Management of the Company is in the process of identifying the assets that are of transmission in nature and also those of other ESCOMs and KPTCL as per transfer scheme, erroneously grouped under the Assets of the Company. The impact of adjustment if any that may arise in respect of quantity and value, on completion of the identification exercise, is not ascertainable at this stage.
- (ii) As per the information and explanations given to us, in our opinion no substantial part of Fixed Assets has been disposed off by the company so as to affect its going concern status.
- 4(ii) (a) As per information made available to us, the inventory of stores and materials have been physically verified by the management during the year. In our opinion, the frequency of physical verification of stocks, its scope and coverage have to be adequately strengthened having regard to the size of the company and nature of its business.
- (b) As per information made available to us, the procedures of physical verification of stocks followed by the Management need to be significantly strengthened keeping in view the size of the company and the nature of its business. The discrepancies in the quantities found on physical verification either shortages or excesses are carried out in the books separately pending completion of investigation. However, the discrepancies are not traced and resolved within reasonable time frame and accordingly no adjustments arising out of the same have been carried out. The impact is also not ascertainable at this stage.
- (c) On the basis of our examination of records of inventory and explanations given to us, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification of stocks to the extent carried out as compared to book records have been dealt with as set out in para (b) above.
- 4 (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4(iii) (b) According to the information and explanations given to us, the company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- 4 (iv) In our opinion, the internal control system needs to be strengthened to be commensurate with the size of the company, scope and the nature of its business, for purchase of Fixed Assets, Stores and Consumables and for the sale of energy. Weakness and inadequacy of internal control is noticed on continuing basis from past period in several areas, which amongst others include, unadjusted shortage / excess in stock of materials, carry forward of balances under cash embezzlement, cash shortages pending investigation, carrying balances in unreconciled IUA Accounts, absence of evidence for Bank balances inherited under transfer scheme, certain wrong classification of expenditure relating to revenue or capital, non renewal of insurance coverage on the assets of the Company significant inadequacy of internal audit function.
- 4 (v) (a) There are transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 in respect of Karnataka Power Transmission Corporation Limited (KPTCL) and other ESCOMS during the year.
- 4 (v) (b) The prices adopted are at Standard Rate or at Purchase Rate as the case may be in case of Material transfers and the purchase price for power purchases are at rates which are based on terms of "Power Purchase Agreements" and on "delivery point" basis.
- 4(vi) The Company has not accepted any deposits from the public. Hence the contents under para 4(vi) are not applicable.
- 4 (vii) The Company has an internal audit system of its own and presently it is carried out by the staff of the company. In our opinion, as stated in earlier reports, the Internal Audit system in the company is not adequate and needs to be strengthened adequately keeping in view the location and the size of the operations and nature of business.
- 4(viii) The provisions contained under section 209 (1) (d) of the companies Act, 1956 in regard to the maintenance of cost records have been made applicable to the Company from FY 2007-08. We have broadly reviewed the maintenance of cost records and are of the opinion that, prima-facie, the prescribed accounts and records have generally been maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- 4 (ix) (a) We have been informed that the provisions of the Provident Fund Act are applicable to the Company for the Contract Employees and we observe that the company is regular in remitting the PF and other Dues during the year. There are no undisputed and outstanding amounts payable in respect of Provident Fund, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess or any other applicable taxes, Duties or Levies applicable to the Company and its business, which have remained outstanding as at 31<sup>st</sup> March 2010 for a period of more than six months from the date they became payable.

In respect of Wealth Tax dues, the company is yet to arrive at the tax liability if any considering the various exemptions available to it, as at 31.03.2010 and hence no provisions has been made towards Wealth Tax Liability, if any payable by the company.

- 4 (ix) (b) According to information and explanations given to us, the Company does not have any disputed dues of Income Tax / Sales Tax / Service Tax / Customs Duty / Excise Duty / Cess, etc., outstanding for payment except the following:

Name of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2195.00	AY 2004-05	CIT (Appeals) /
Income Tax Act, 1961	TDS Dues	35.00	From 2005-06 Upto 2007-08	CIT (Appeals) / ITAT

- 4(x) Taking into account the profits earned by the Company in the current year, the company has accumulated losses as at the end of the current year. The company has not incurred cash losses in the current year. However, the Company has incurred cash losses in the immediately preceding previous year.
- 4 (xi) According to the information and explanations given to us, and based on our observations during the audit, the Company has not defaulted in repayment of dues to Financial Institutions or Banks from which the borrowings were made directly by the Company. We are unable to comment on the repayment of loans transferred from the KPTCL, since the details of defaults on such loans if any, were not made available to us.
- 4(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- 4(xiii) The provisions of any special statute applicable to Chit Funds / Nidhi / Mutual Benefit Funds / Societies are not applicable to the Company.
- 4 (xiv) In our opinion and according to the information and explanations given to us, the company is not a Dealer or Trader in shares, securities, debentures or other investments. Accordingly, the provisions of Clause 4 (xiv) of the order are not applicable to the company.
- 4 (xv) According to the information and explanations given to us and based on the representations made by the management, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- 4 (xvi) According to the information and explanations given to us and based on our observations during the audit, the company has applied the proceeds of terms loans taken during the year for the purpose for which the loans were obtained.
- 4 (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no short term funds have been used for Long term Investment.
- 4 (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

- 4 (xix) The Company has not issued any debentures during the year and hence provisions of Clause 19 of the order are not applicable to the Company.
- 4 (xx) The Company has not raised any money through a public issue during the year.
- 4 (xxi) There are cases of frauds committed on the Company during the past years as well as in the current year. The Management of the Company has in place a continuous process of collecting the details of fraud on or by the Company and the action for recovery proceedings are in place simultaneously. However, we observe that the process of investigation and fixing the responsibility and taking the requisite recovery / punitive action needs to be adequately speeded up, considering time consuming process involved. We are unable to comment on the nature and the quantum of the amount to be provided for in the accounts at this stage pending investigation by the Company and the judgement of the courts before which the cases are pending with regard to the recoverability of the amounts involved.

**R.SUBRAMANIAN AND COMPANY**

Chartered Accountants  
(Regn. No.004137S)

Sd/-

**N.KRISHNAMURTHY**

Partner

MEMBERSHIP NO.19939

Place: Bangalore

Date : 22.09.2010

## ADDENDUM TO DIRECTORS' REPORT for the year ended 31<sup>st</sup> March 2010

Replies offered on the observation/comments of the Statutory Auditors  
on the accounts of the Company for the year 2009-10 are as follows.

Sl. No	SA No.	Observations of Statutory Auditors	Management's Reply
1	4 I	<p>The Company has not accounted for the Energy Balancing Charges as determined by PCKL (Power Corporation of Karnataka Ltd) and to be recovered from other Escoms as follows:</p> <p>a) Rs.250.29 Crores relating to the Financial Year 2006-07</p> <p>b) Rs.269.73 Crores relating to the Financial year 2007-08 and</p> <p>c) The amounts yet to be determined pending final direction from the Energy Department, Government of Karnataka for the financial years 2008-09 and 2009-10.</p>	<p>Reconciliation of energy balancing figures between BESCOM and other Escoms is under progress and after completion of the same, necessary action will be taken.</p>
2	4II (a)	<p>The Company during the year continued to recover Electricity Charges upto November 2009 at the rates as per the earlier tariff order dated 27<sup>th</sup> September 2005 issued by KERC (Karnataka Electricity Regulatory Commission). The Company has not implemented the rates fixed as per the tariff orders released for 2006 dated 7<sup>th</sup> April and 16<sup>th</sup> April 2006 and tariff order for 2009-10 dated 11.01.2009 since the company has contested before Appellate Tribunal for Electricity. KERC has issued a fresh tariff order during the year viz, Tariff Order 2009 dated 25.11.2009 which is applicable from 01.12.2009. Accordingly the company has recorded electricity charges as per Tariff Order dated 25.11.2009 onwards.</p>	<p>Action will be taken as per the outcome of Tribunal.</p>
3	4II (b)	<p>As approved by Government of Karnataka, the Company is vested with Fixed Assets such as Land and Buildings and vehicles by virtue of the transfer scheme on 01.06.2002. Titles in respect of such assets have not yet been transferred in favour of the Company.</p>	<p>While notifying the Opening balance sheet on 01.06.2002, Gok has notified the Assets of BESCOM. In some of the cases of land and buildings, titles have been transferred in favour of the Company. In case of other Assets, documentation is required and it is under progress.</p>



Sl. No	SA No.	Observations of Statutory Auditors	Management's Reply
4	4II (c)	The Company's inventories at various locations including shared assets with KPTCL are old and their usefulness and serviceability are subject to identification, reclassification and inspection. It is not possible to assess the realizable value of individual items of such inventories and also to quantify the effect of obsolescence and the amount of provision required thereof, if any.	In BESCOM Inventory, the inventories of KPTCL have been mixed in certain stores. KPTCL has been requested to verify and remove those assets from our stores. If this is not done within a reasonable period of time, BESCOM will take action to auction as per rules as they are of no use to BESCOM.
5	4II (d)	The inventories of Stores and Spares include the value of scrapped, faulty and dismantled assets for reuse, which have been valued by deducting adhoc provision of 20% from the stated value without ascertaining the realistic realizable value, physical usability or serviceability condition of the concerned inventories, notwithstanding that the valuation has to be carried out in accordance with the prescribed Accounting standards.	In the case of scrapped and faulty materials, there are no set standards for accounting these items. In respect of dismantled assets for reuse, as they were already exposed to weathering and after dismantling, they get depreciated due to rust, obsolescence etc., and as such a provision of 20% is being made.
6	4II (e)	Materials are valued at Standard Cost or Purchase cost and the valuation of inventories is not carried out at the lower of cost or net realizable value. Accordingly, the valuation of such materials is not in accordance with the prescribed Accounting Standard.	KPTCL for itself and on behalf of all Escoms has addressed this issue to Institute of Chartered Accountants to exempt from this Accounting Standard.
7	4II (f)	Materials purchases are accounted on the basis of predetermined standard rates and not as per supporting documents reflecting the actual cost. The material cost variance is accounted by the Company at the time of giving credit to suppliers on the basis of suppliers' Invoices / Bills. This has resulted in not accounting the cost variances in respect of unpaid materials and stocks held. Accordingly the valuation is not in accordance with the prescribed Accounting Standard.	Material Cost variance is given credit or debit at the time passing of bills and not for the materials and stock held in the stores.
8	4II (g)	Refer to Note No.5.3 of Part B-Notes on accounts regarding non receipt of confirmation of balances of debtors, creditors, contractors, loans and advances and balances held with other ESCOMs and reconciliation pending in respect of dues payable to	The reconciliation and confirmation of balances with KPCL has been obtained. In case of receivables & payables, except KPTCL and HESCOM, all other ESCOMS have reconciled and confirmed.



SI. No.	SA No.	Observations of Statutory Auditors	Management's Reply
		or receivable from KPTCL. Adjustments that may arise on receipt of confirmation / reconciliation and the likely impact of such adjustments, if any, on the financial statements are not ascertainable at this stage	
9	4II (h)	The details and supportive documents relating to the opening and closing balances reflected in certain accounts, viz; Deposits received from Consumers, Deposit against Burnt Meters, Revenue suspense Accounts, Advances and Deposits are not available for scrutiny and to carry out requisite adjustments. Accordingly we are unable to comment on the realisability and the correctness of the classification of such accounts as reflected in the financial statements and the impact of adjustments if any that may subsequently arise.	These details are available at Sub divisional/ Divisional level as these transactions are taking place in those offices.
10	4II (i)	The Company continues to account Financials of MRT Division which has shared assets with KPTCL and its effect on the profit or loss of the Company as well as its assets and dues to and dues from KPTCL are not quantifiable at this stage.	Correspondence has been made with KPTCL regarding bifurcation of MRT division but decision is yet to be taken. However, the matter will once again be taken up with KPTCL.
11	4II (j)	Contingent Liabilities arising out of the suits for claims filed at various courts by the customers etc., at various divisions and contested by the Company are reflected under Note No. 9 of Part B : Notes as submitted by the Management and not verified by us.	There are about 188 suits pending against BESCOM in the High Court. Providing contingent liability will be considered in the year 2010-11.
12	4II (k)	The Company has continued to charge depreciation on all Assets at the rates notified by CERC / KERC. During the year, CERC has revised the rates of depreciation with effect from 01.04.2009 as per Notification No.L-7/145/160/2008-CERC dated 19.01.2009. The Company has provided the depreciation for the current year as per the revised rates notified by CERC, notwithstanding the need to ascertain the residual revised useful life of the assets and to provide depreciation with reference to the same as required by AS-6. The company has not worked out depreciation at the rates prescribed under Schedule XIV of the companies Act, 1956. Hence the difference between depreciation to be	KERC is the regulator for ESCOMs regarding implementation of its directives, approval of ERC and Revision of tariff. The Regulator has considered the depreciation while approving the ARR. As per Companies Act 1956, Schedule XIV, the rate of depreciation is more than the rate fixed by KERC. A higher rate of depreciation will not be allowed by KERC to pass on to the consumer. Hence, CERC's approved rate of depreciation is being followed.

SI. No.	SA No.	Observations of Statutory Auditors	Management's Reply
		provided at the rates as per schedule XIV of Company's Act and the depreciation actually provided as per CERC / KERC notified rates is not ascertainable.	
13	4 III	By virtue of the Government Order No.DE 48 PSR 2003 dated 31.05.2003 a certain portion of the loans availed by KPTCL from various institutions have been transferred and are reflected in the books of BESCOM and the Company is accounting the Interest, Guarantee Commission to Government of Karnataka in respect of loans from REC, PFC and UCO Bank, based on the advise of KPTCL though the respective liabilities have not been transferred / documented in the name of the Company while the liabilities are reflected in the books of accounts.	Loans availed by KPTCL have been shared with all Escoms and KPTCL at the time of formation of Escoms. Payments are being made on back to back arrangements. The loans allotted to BESCOM are being depicted in the books of accounts of BESCOM. Documents have not been transferred as these institutions have not agreed to have multipartite agreements with KPTCL and Escoms .
14	4 IV	The Company has carried forward the provision for Bad and Doubtful Debts to the extent of Rs.254.21 Crores on Sundry Debtors as part of the Transfer Scheme as on 01.06.2002. We are unable to comment on the realisability of amount of sundry debtors transferred and carried forward and also the adequacy of provision thereof.	The Opening balance of Bad and doubtful debts to an extent of Rs.254.21 crores is kept as it is in the books of accounts of BESCOM to adjust this amount against any deferred tax liabilities/Assets which may arise in future. But so far such liability has not arisen. Hence, this will be corrected during FY 2010-11 to nullify the Bad debts provision made at the time of Opening balance as on 01.06.2002.
15	4 V	The Company has not provided for Deferred Tax Liability / Assets as per the AS-22 – ACCOUNTING FOR TAXES ON INCOME as the Company is advised that it is entitled to the benefit of relief u/s 80IA of the Income Tax Act for consecutive ten years commencing from assessment year 2005-06 and accordingly liable for Minimum Alternate Tax (MAT) under the provisions of Income Tax Act. However, the Company's claim under section 80IA of Income Tax is under dispute and the matter is under appeal.	After the disposal of the Appeal, action will be taken as per Accounting Standard.

SI. No	SA No.	Observations of Statutory Auditors	Management's Reply
16	4 VI	There are various Lands and Buildings which have been brought to the books of the Company by virtue of Transfer Scheme on 01.06.2002 among other assets, majority of whose title deeds are under the process of transfer to the Company's name. No provision has been made with regard to liability towards cost of property and other related taxes / levies due together with interest / penalty remaining unpaid and the amount of which is unascertainable at this stage.	While notifying the Opening balance sheet on 01.06.2002, Gok has notified the Assets of BESCOM. In some of the cases of land and buildings, titles have been transferred in favour of the Company. In case of other Assets, documentation is required and it is under progress.
17	4 VII	In the absence of any clear guidelines in the transfer scheme with regard to accountability and financial commitments towards contingent Liabilities arising out of the transactions prior to Transfer scheme dated 01.06.2002, the company has not made adequate disclosure of such contingent liabilities and accordingly the provision if any required, on review of the present status of such liability has not been made as the quantum is not ascertainable.	Till date, no such liability has arisen and as per the Company's records there are no such liabilities.
18	4 VIII	Refer to para 14.1 of (Part B) - Notes regarding non-availability of reconciliation of Inter Unit accounts (IUA) between various divisions / units within the Company.	The reconciliation work of Inter Unit Accounts in respect of Assets/ Liabilities/CWIP and Material transfers within the Divisions/ Accounting units will be completed during FY 2010-11.
19	4 IX	Refer to Para 10 of Part-B – Notes regarding accounting of Transmission Charges payable to KPTCL for Financial Year 2006-07.	BESCOM has been paying 19.42 ps per Kwh towards transmission charges to KPTCL upto October 2009. As per ATE orders, BESCOM has paid transmission charges at the rate of 26.24 ps per Kwh for 2006-07. Since the issue is pending before the Supreme Court, a decision on the rates can be taken only after the verdict from the Honourable Court.
20	4 X	Refer to Para 4 (XXI) of the Annexure to the Auditors' Report regarding frauds committed on the company and investigation pending for recovery and making provision for the amounts involved in the accounts.	Punitive action will be taken for speeding up the investigation, fixing up of the responsibility and recovery proceedings in the cases of fraud committed on the Company.

**Sd/-**  
**Managing Director, BESCOM**

## BALANCE SHEET AS AT 31ST MARCH 2010

Sl. No	Particulars	Sch. No	Current Year 2009-10		Previous Year 2008-09	
<b>I</b>	<b>SOURCES OF FUNDS :-</b>					
<b>1</b>	<b>Share holders' Funds</b>					
	Share Capital	1	2,059,500,000		2,059,500,000	
	Share Deposit	1A	2,100,151,353		151,353	
	Reserves and Surplus	2	9,858,870,792		9,063,868,337	
				<b>14,018,522,145</b>		11,123,519,690
<b>2</b>	<b>Loans Funds</b>					
	Secured Loans	3	3,304,710,522		3,394,839,424	
	Unsecured Loans	4	6,471,493,547		4,658,205,490	
				<b>9,776,204,069</b>		8,053,044,914
<b>3</b>	<b>Other Funds</b>					
	Service Line and Security Deposits	5		<b>18,325,072,401</b>		17,401,356,449
	<b>TOTAL - I</b>			<b>42,119,798,615</b>		36,577,921,053
<b>II</b>	<b>APPLICATION OF FUNDS :-</b>					
<b>1</b>	<b>Fixed Assets</b>					
	(a) Gross Block	6	39,082,382,730		35,053,446,792	
	(b) Less: Depreciation		10,874,378,938		9,454,885,483	
	(c) Net Block			<b>28,208,003,792</b>		25,598,561,309
	(d) Capital Work in Progress	7		1,634,768,476		1,378,941,493
				<b>29,842,772,268</b>		26,977,502,802
<b>2</b>	<b>Investments</b>	10A		100,000		100,000
<b>3</b>	<b>Current Assets, Loans and Advances</b>					
	(a) Inventories, Stores & Spares	8	1,050,100,429		1,479,899,284	
	(b) Sundry Debtors	9	17,919,759,834		14,803,915,156	
	(c) Cash and Bank Balances	10	1,108,146,409		595,439,677	
	(d) Loans, Advances and Deposits	11	1,716,012,131		1,718,834,981	
	(e) Other Current Assets	12	3,982,739,630		4,877,653,129	
	Total - 3		<b>25,776,758,433</b>		23,475,742,227	
	<b>Less:</b>					
	Current Liabilities & Provisions	13	17,008,711,426		17,500,200,803	
	Net Current Assets			<b>8,768,047,007</b>		5,975,541,424
	Profit and Loss Account			<b>3,508,879,341</b>		3,624,776,827
	Significant Accounting Policies and Notes on Accounts	24				
	<b>TOTAL - II</b>			<b>42,119,798,615</b>		36,577,921,053

The schedules referred to above form an integral part of the Balance Sheet.

Sd/-  
**(C. Sreenivasan)**  
Chief General Manager (F&C)

Sd/-  
**(H. Nagesh)**  
Director (Technical)

Sd/-  
**(Tushar Giri Nath)**  
Managing Director

Vide our report of even date attached  
for **R. SUBRAMANIAN AND COMPANY**

Chartered accountants

Sd/-  
**N.KRISHNAMURTHY**  
PARTNER  
Membership No 19939

Place : Bangalore  
Date : 21-09-2010

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**Bangalore Electricity Supply Company Limited**

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

Sl. No	Particulars	Sch. No	Current Year 2009-10		Previous Year 2008-09	
<b>I</b>	<b>INCOME</b>					
1	Revenue from sale of power	14	<b>67,915,850,134</b>		61,903,219,502	
2	Other Income	15	<b>1,566,186,153</b>		1,463,943,628	
	<b>TOTAL</b>			<b>69,482,036,287</b>		<b>63,367,163,130</b>
<b>II</b>	<b>EXPENDITURE</b>					
1	Purchase of power	16	<b>60,320,261,243</b>		60,870,536,684	
2	Repairs and Maintenance	17	<b>321,094,954</b>		370,680,790	
3	Employee Costs	18	<b>4,309,099,883</b>		3,399,130,888	
4	Administrative and Other Expenses	19	<b>651,531,517</b>		608,954,390	
5	Other Charges (Debits)	20	<b>1,549,528,597</b>		2,814,012,635	
	<b>TOTAL</b>			<b>67,151,516,194</b>		<b>68,063,315,386</b>
<b>III</b>	<b>Profit/(loss) before Depreciation and Interest</b>			<b>2,330,520,092</b>		<b>(4,696,152,257)</b>
	Depreciation (Net)	21	<b>1,219,874,741</b>		642,509,305	
<b>IV</b>	<b>Profit / (Loss) before Interest and Taxes</b>			<b>1,110,645,351</b>		<b>(5,338,661,562)</b>
	Interest and other Charges	22	<b>1,809,125,055</b>		1,231,703,504	
<b>V</b>	<b>Profit / (Loss) before prior period charges or credits</b>			<b>(698,479,703)</b>		<b>(6,570,365,066)</b>
	Prior period credits(+) / charges(-)	23	<b>818,453,889</b>		696,731,850	
<b>VI</b>	<b>Profit before Reserve &amp; Taxation</b>			<b>119,974,186</b>		<b>(5,873,633,216)</b>
	Reserve for Contingencies		-		-	
<b>VI</b>	<b>Profit/(Loss) before Taxation</b>			<b>119,974,186</b>		<b>(5,873,633,216)</b>
	Provision for Income Tax		<b>4,076,700</b>		-	
	Provision for Fringe Benefit Tax				8,800,000	
<b>VII</b>	<b>Net Profit / (loss) after Taxation</b>			<b>115,897,486</b>		<b>(5,882,433,216)</b>
<b>VIII</b>	<b>Add: Balance of Surplus brought over from previous year</b>		<b>(3,624,776,827)</b>		<b>2,257,656,390</b>	
	<b>Balance carried to Balance Sheet</b>			<b>(3,508,879,341)</b>		<b>(3,624,776,827)</b>
<b>IX</b>	<b>Appropriations</b>					
	Balance carried to Balance Sheet			<b>(3,508,879,341)</b>		<b>(3,624,776,827)</b>
<b>X</b>	Earning per share : Rs.0.56					
<b>XI</b>	Significant Accounting Policies and Notes on Accounts	24				

The schedules referred to above form an integral part of the Profit & Loss Account

Sd/-  
**(C. Sreenivasan)**  
Chief General Manager (F&C)

Sd/-  
**(H. Nagesh)**  
Director (Technical)

Sd/-  
**(Tushar Giri Nath)**  
Managing Director

Vide our report of even date attached  
for **R. SUBRAMANIAN AND COMPANY**  
Chartered accountants  
Sd/-

**N.KRISHNAMURTHY**  
PARTNER  
Membership No 19939

Place : Bangalore  
Date : 21-09-2010

**SCHEDULE: 01 SHARE CAPITAL**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	<b>Authorised Capital</b> 25,00,00,000 Equity shares of Rs. 10/- each		<b>2,500,000,000</b>	2,500,000,000
2	<b>Issued, Subscribed and Paid up</b>			
a	Issued Capital 20,59,50,000 Equity shares of Rs.10/- each		<b>2,059,500,000</b>	2,059,500,000
b	Subscribed Capital 20,59,50,000 Equity shares of Rs.10/- each		<b>2,059,500,000</b>	2,059,500,000
c	Paid Up Capital 20,59,50,000 Equity shares of Rs.10/- each	52.301	<b>2,059,500,000</b>	2,059,500,000
	<b>Total</b>		<b>2,059,500,000</b>	<b>2,059,500,000</b>

**SCHEDULE: 1A SHARE CAPITAL**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Share Deposit (as per GoK Letter No.DE48 PSR 2003/424 dated 15:06:2004 )	52.302	<b>151,353</b>	151,353
2	Conversion of Interest free loan released to BESCO in 2008-09 as Share Deposit towards Equity Investment as per GO No.EN 67 PSR 2009 Bangalore dated 01:03:2010	52.302	<b>1,180,000,000</b>	
3	Towards Equity investment by GoK in BESCO as per GO No.EN 95 PSR 2008, Bangalore, dated 01:09:2009	52.302	<b>320,000,000</b>	
4	Towards Equity investment by GoK in BESCO as per GO No.EN 67 PSR 2009, Bangalore, dated 31:03:10	52.302	<b>600,000,000</b>	
	<b>Total</b>		<b>2,100,151,353</b>	151,353

**SCHEDULE: 02 RESERVES AND SURPLUS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Contributions, grants and subsidies towards cost of Capital assets	55.100	<b>7,385,593,273</b>	6,591,856,383
2	Subsidies received from REC towards RGGVY scheme	55.210	<b>1,276,694,212</b>	1,216,650,293
3	Grants towards cost of Capital Assets received from GOI/GOK	55.3,55.303 +55.309	<b>822,503,307</b>	881,281,661
4	GOK grant towards regularisation of unauthorised IP set installations	55.308	<b>374,080,000</b>	374,080,000
	<b>Total</b>		<b>9,858,870,792</b>	<b>9,063,868,337</b>



**SCHEDULE: 03 SECURED LOANS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	<b>Loans from Rural Electrification Corporation Limited, New Delhi.</b>	53.300 +53.312	<b>21,991,712</b>	91,245,553
2	<b>Loans from Rural Electrification Corporation Limited, New Delhi. -APDRP Counter part funding</b>  (Secured by Hypothication of all existing unencumbered moveable properties including machinery, equipments, machinery spares, tools, implements, and accessories installed / created / erected and all future moveable including machinery, equipmetns, machinery spares, tools, implements, and accessories installed / created / erected in future and its stock of materials equipments bought or to be bought out of the loan amount at 9.5% & 11.25% interest rates. )	53.3327	<b>1,398,860,590</b>	1,587,988,360
3	<b>Term Loans from Commercial Banks</b>			
a)	<b>UCO Bank loan</b>  (Exclusive first Charge by way of hypothication of plant, equipments & Machinery. The terms of repayment are 10 half yearly instalments with two years moratorium and repayable over 7 years from the date of first disbursal of the loan availment @ 9.10% interest. Interest servicing is to be carriedout on monthly basis)	53.5007	-	53,639,180
b)	<b>State Bank of India loan</b>  Secured by way of hypothication of all existing & unencumbered present & future goods, book debts and all other movable assets of the Borrower including documents of the title to the goods, outstanding money, receivables including receivables by way of cash assistance and / or cash incentive under the Cash Incentive Scheme or any other Scheme claims including claims by way of refund of customs/excise duties under the duty drawback credit scheme or any other scheme, bills invoices, documents , contracts , insurance policies, guarantees , engagements, securities, investments and rights and the present machinery listed in the schedule hereunto and all future machinery belonging to or in the possession or under the control of the borrower whrerever lying stored (including all such goods, other movable assets as may be in course of shipment transit or delivery) by way of first charge	53.500	<b>728,058,295</b>	1,121,058,295

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**SCHEDULE: 03 SECURED LOANS (... continued)**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
	(subject , however to any charge in favour of any third party which may have been notified by the borrower & accepted by the Bank as having priority over its own charge) as security. At various rate of interest.  (The terms of Repayment are 24 Quarterly equal instalments with one year moratorium repayable over 7 years from the date of first drawal of the loan availment. Interest servicing is to be carried out on monthly basis at the rate of 8.9%, 9% & 9.70% per annum)			
c)	<b>Oriental Bank of Commerce:</b>  Secured by way of hypothecation of all existing & unencumbered present & future goods , book debts and all other movable assets of the Borrower including documens of the title to the goods, outstanding moneys , receivables including receivables by way of cash assistance and / or cash incentive under the Cash Incentive Scheme or any other Scheme claims including claims by way of refund of customs/excise duties under the duty drawback credit scheme or any other scheme, bills invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and the present machinery listed in the schedule hereunto and all future machinery belonging to or in the possession or under the control of the borrower whrerever lying stored (including all such goods, other movable assets as may be in course of shipment transit or delivery) by way of first charge (subject , however to any charge in favour of any third party which may have been notified by the borrower & accepted by the Bank as having priority over its own charge) as security. Interest @ 7% per annum.  (The terms of Repayment are 24 Quarterly equal instalments with one year moratorium repayable over 7 years from the date of first drawal of the loan availment. Ineterest servicing is to be carried out on monthly basis)	53.500	<b>145,404,172</b>	228,823,183
d)	<b>Corporation Bank</b>  Secured by way of hypothecation of all existing & unencumbered present & future goods, book debts and all other movable assets of the Borrower including documents of the title to the goods, outstanding money, receivables	53.500	<b>228,684,853</b>	312,084,853

**SCHEDULE: 03 SECURED LOANS (... continued)**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
	including receivables by way of cash assistance and / or cash incentive under the Cash Incentive Scheme or any other Scheme claims including claims by way of refund of customs/excise duties under the duty drawback credit scheme or any other scheme, bills invoices, documents, contracts , insurance policies, guarantees, engagements, securities, investments and rights and the present machinery listed in the schedule hereunto and all future machinery belonging to or in the possession or under the control of the borrower wherever lying stored (including all such goods, other movable assets as may be in course of shipment transit or delivery) by way of first charge (subject , however to any charge in favour of any third party which may have been notified by the borrower & accepted by the Bank as having priority over its own charge) as security. Interest @ 9% per annum.  (The terms of Repayment are 24 Quarterly equal instalments with one year moratorium repayable over 7 years from the date of first drawal of the loan availment. Interest servicing is to be carried out on monthly basis)			
e)	Overdraft from Canara Bank  Canara Bank has sanctioned Rs.100 crores as overdraft for one year upto 26:02:2011 @ 10%p.a. vide their letter No.CR:NEW / BESCOM / 08-09/KMK dated 5:03:2009.OD is secured by extension of security offered to term loans by way of hypothecation of Fixed assets of the company valued at Rs. 457.62 crores.			
f)	Overdraft from Syndicate Bank  Syndicate Bank has sanctioned Rs.100 crores as overdraft for one year upto 28:02:2011 @ 10%p.a. vide their letter No.LT291/GNR/ADV/2009 dated 21:02:2009. The OD is secured by exclusive charge on the Companies receivables pertaining to allocated Zones/divisions.			
g)	PFC - RAPDRP  The tenure of loan will be 10 years from the date of disbursement including moratorium period of 3 years for both Principal and interest. Interest to be paid as notified by Ministry of Finance from time to time.	53.347	<b>781,710,900</b>	
	<b>TOTAL</b>		<b>3,304,710,522</b>	3,394,839,424

**SCHEDULE: 04 UNSECURED LOANS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Loans from Government - PMGY (The repayments to be made in 20 annual equal instalments together with interest at the rate 12% on the outstanding balance commencing from 2002-2003 pertaining to Rs.45,33,130 and commencing from 2005-06 pertaining to Rs.87,50,000. However, 50% of loans will enjoy 5 year initial grace period after which repayment of these loans will be effected in 15 annual equal instalments.)	53.3077	<b>13,230,230</b>	15,435,270
2	Loans from Government - APDRP (The repayments to be made in 20 annual equal instalments together with interest at the rate 11.50% on the outstanding balance commencing from 2003-2004. However, 50% of loans will enjoy 5 year initial grace period after which repayment of these loans will be effected in 15 annual equal instalments.)	53.3317	<b>542,212,145</b>	583,920,772
3	GOK Interest free Loan 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	53.3317	<b>9,409,720</b>	1,101,344,953
4	South Indian Bank - STL (Bullet payment of Rs.100 crores as per terms of sanction from time to time and monthly interest to be serviced regularly at BPLR-6.5% presently 9% per annum.)	53.5007	<b>999,994,965</b>	1,000,000,000
5	Bank of India (Bullet payment of Rs.200 crores within 90 days from 3:03:2010 and monthly interest to be serviced regularly @ 5.25% per annum.)	53.5007	<b>2,000,000,000</b>	
6	Term Loan from PFC (The loan amount is accounted as per the advise of KPTCL and it comprising of various loans with varied terms and conditions. Interest varies from 10.75% - 11%)	53.960	<b>40,516,868</b>	40,516,868

**SCHEDULE: 04 UNSECURED LOANS (... continued)**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
7	Loan from Government (through REC) - RGGVY (The Total repayment period will be 15 years inclusive of 5years moratorium period together with interest @ 5% - 10.4% with quarterly interest)	53.3357	<b>165,401,460</b>	165,401,460
8	Loan from GoK for Power Sector Automation	53.3417	<b>14,700,000</b>	14,700,000
9	Loan from GoK Ganga Kalyana. Loan to be repaid in 10 annual instalments commencing from FY 2007-08 carrying interest rate of 11% per annum.	53.3367	<b>32,460,000</b>	37,870,000
10	Interest accrued and due on APDRP loan from GOK	51.238, 51.139, 51.138	-	593,000
11	Overdraft from Bank of Baroda BOB has sanctioned Rs.100 crores as overdraft for one year upto 24/08/2010 @ 9%p.a., vide their Ltr.No.CM:BGL:ADV:56/336 dated 18/07/2009		<b>986,701,352</b>	-
12	Overdraft from Vijaya Bank Vijaya Bank has sanctioned Rs.100 crores as overdraft for one year upto 8/04/2010 @ 9%p.a., vide their Ltr.No.CD/MC(SAC.12):A:46/2008-09 dated 24:03:2009		<b>1,013,346,291</b>	-
13	Overdraft from Canara Bank Rs.100 crores as overdraft for one year upto 26:02:2010 @ 10%p.a. vide their letter No.CR:NEW / BESCO / 08-09/KMK dated 5:03:2009 and further renewed.		<b>638,798,745</b>	896,851,032
14	Overdraft from Syndicate Bank Rs.100 crores as overdraft for one year upto 28:02:2010 @ 10%p.a. vide their letter No.LT291/ GNR/ADV/2009 dated 21:02:2009 and further renewed.		<b>14,721,771</b>	801,572,136
	<b>Total</b>		<b>6,471,493,547</b>	4,658,205,490

**SCHEDULE: 05 SERVICE LINE AND SECURITY DEPOSITS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	i) Deposit Contribution Work	47.301 to 47.303, 47.305,47.307 to 47.317, 47.321,47.322	<b>283,012,676</b>	373,657,662
	ii) Deposit Works	47.306	<b>22,057,620</b>	20,405,122
2	Other Deposits from Consumers	47.6	<b>698,636,475</b>	657,236,135
3	Security Deposit from consumers:	48.1+48.2+48.3	<b>17,321,365,630</b>	16,350,057,530
	<b>Total</b>		<b>18,325,072,401</b>	17,401,356,449

**SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2010**

**SCHEDULE: 06 FIXED ASSETS**

Amount in Rupees

Particulars	Fixed Assets			Depreciation			Net Block			
	Opening Balance As at 1-4-2009	Additions/ Adjustment	Deductions/ Adjustment	Closing Balance As at 31-3-2010	Opening Balance As at 1-4-2009	Additions/ Adjustment	Deductions/ Adjustment	Closing Balance As at 31-3-2010	As at 31-3-2010	As at 1-4-2009
Land & Rights	91918086	1577133	1978844	91516375	0	0	0	0	91516375	91918086
Buildings	350365416	62076937	15948168	396494185	79114293	16800552	4004348	91910497	304583688	271251123
Civil Works (Pipeline, Sewage, Drainage, Water supply)	24270057	2138342	0	26408399	4695539	1225544	50619	5870464	20537936	19574518
Other Civil Works	4531746	299401	0	4831147	1060717	151647	1398	1210966	3620181	3471029
Plant & Machinery	7645280516	1796457468	967947211	8473790773	1698085096	444453752	191222873	1951315975	6522474798	5947195420
Lines Cable Networks	26685635737	4029203780	889201317	29825638200	7538031625	1459395310	315532344	8681894591	21143743608	19147604112
Vehicles	148181382	15991523	12370450	151802455	83915094	12518606	9101129	87332571	64469885	64266288
Furniture & Fixtures	64420339	7531534	1859974	70091899	33105176	3852922	773841	36184257	33907642	31315163
Office Equipments	38843513	3783944	818160	41809297	16877943	3480756	1699082	18659617	23149680	21965569
<b>Current Year Total</b>	<b>35053446792</b>	<b>5919060062</b>	<b>1890124124</b>	<b>39082382730</b>	<b>9454885483</b>	<b>1941879089</b>	<b>522385634</b>	<b>10874378938</b>	<b>28208003793</b>	<b>25598561308</b>
<b>Previous Year Total</b>	<b>27924600692</b>	<b>8186392068</b>	<b>1057545968</b>	<b>35053446792</b>	<b>8589729369</b>	<b>1199567256</b>	<b>334411142</b>	<b>9454885483</b>	<b>25598561309</b>	<b>19334871323</b>

**NOTE:**

- Buildings includes shared assets as per KPTCL's intimation
- Addition includes released assets after reconditioning
- Deduction includes transfer of assets for reconditioning and Shared assets to KPTCL
- Additions / deletions of assets and depreciation thereon include:
  - Items pending reconciliation relating to inter unit transfers and
  - Prior period adjustments.

**SCHEDULE: 07 CAPITAL WORKS IN PROGRESS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Capital Work in Progress	14	1,634,768,476	1,378,941,493
	<b>Total</b>		<b>1,634,768,476</b>	<b>1,378,941,493</b>

**SCHEDULE: 08 INVENTORIES, STORES AND SPARES**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
1	<b>Assets not in use (valued at WDV)</b>					
	a) Value of scraped assets		53,188,878		144,528,085	
	Less : 20%Provision estimated/ possible erosion in value	16.1	10,637,776	42,551,102	28,905,617	115,622,468
	b) Value of Faulty and Dismantled assets for reuse		249,895,018		228,530,805	
	Less: 20% Provision estimated/ possible erosion in value	16.2	49,979,004	199,916,014	45,706,161	182,824,644
	<b>Total-1</b>			<b>242,467,116</b>		<b>298,447,112</b>
2	<b>Materials Stock</b> (Stocks are valued as per the Accounting Policy followed by the company and certified by the Management)					
	a) Material Stock Account	31,22.610- 22.450, 22.810- 22.820	788,500,829		1,159,363,893	
	b) Mataterial imprest Account	22.641	2,469,438		3,691,193	
	c) Material pending inspection	22.660	-		-	
	d) Other Material Account	22.700	16,663,046		18,397,086	
	<b>Total-2</b>			<b>807,633,313</b>		<b>1,181,452,172</b>
	<b>TOTAL 1 + 2</b>			<b>1,050,100,429</b>		<b>1,479,899,284</b>



**SCHEDULE: 09 SUNDRY DEBTORS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
<b>1</b>	<b>(a) Sundry Debtors - Supply of Power</b>					
	1. Sundry Debtors for sale of Power – LT	23.1	<b>22,363,715,921</b>		21,157,967,130	
	2. Unbilled Revenue - LT	23.4	<b>2,068,203,774</b>		964,174,268	
	3. Sundry Debtors for sale of Power - HT	23.2	<b>185,006,989</b>		464,449,223	
	Amounts Receivable from GoK towards Free Power Supply to IP sets upto 10HP	28.627	<b>2,066,499,658</b>		745,903,137	
	4. Unbilled Revenue - HT	23.4	<b>3,199,402,642</b>		2,655,723,963	
	5. Dues from Permanently disconnected installations	23.5	<b>927,783,351</b>		565,612,000	
	6. Inter ESCOMs Energy balancing & Energy charges at IF point	23.6	<b>210,704,507</b>		203,446,391	
	<b>Total (a)</b>			<b>31,021,316,841</b>		26,757,276,112
	<b>(b) Sundry Debtors - miscellaneous receipts from consumers</b>	23.7	<b>28,635</b>	<b>28,635</b>		28,635
	<b>Sub total - (1)</b>			<b>31,021,345,476</b>		<b>26,757,304,747</b>
<b>2</b>	<b>Less :</b>					
	a) Revenue Suspense Account & Anywhere payment	47.607, 37.501, 502	<b>121,680,542</b>		23,214,806	
	b) Provision for withdrawal of Revenue demand	23.8	<b>444,267,383</b>		453,616,347	
	c) Provision for Doubtful Dues from consumers	23.9	<b>13,437,623,071</b>		12,177,772,627	
	<b>Sub total - 2</b>			<b>14,003,570,996</b>		12,654,603,780
<b>3</b>	<b>Net Receivables against Supply of Power (1 - 2)</b>			<b>17,017,774,480</b>		<b>14,102,700,967</b>
<b>4</b>	<b>Sundry Receivables from</b>					
A	KPTCL	28.826,	<b>329,264,945</b>		249,062,234	

**SCHEDULE: 09 SUNDRY DEBTORS (... continued)**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
	<b>Less : Payable to KPTCL</b>					
b	On accounts of funds received and adjusted to receivable from KPTCL	28.881	-		(62,289)	
c	On account of Materials, Released Assets, Personnel and others (Cash transactions)	42.276, 277, 278, 52.308	<b>94,190,321</b>		111,557,437	
	<b>Net receivable from KPTCL</b>		<b>235,074,624</b>		137,567,086	
5	MESCOM	28.828,7	<b>15,955,307</b>		57,746,650	
6	GESCOM	28.830,7	<b>25,579,993</b>		25,579,993	
7	HESCOM	28.829,	<b>40,222,070</b>		40,222,070	
8	Others	28.1	<b>492,231,971</b>		371,226,788	
	<b>Sub total - 4</b>			<b>809,063,965</b>		<b>632,342,587</b>
	<b>Total - C+D</b>					
9	Sundry Debtors for Electricity Tax	23.3	<b>92,921,389</b>	<b>92,921,389</b>		68,871,603
	<b>Total 3+4+5+6+7</b>			<b>17,919,759,834</b>		<b>14,803,915,156</b>
<p><b>Note :A) Secured - Nil -</b></p> <p><b>B) Un Secured :</b></p> <p>1) Receivables on sale of power are unsecured but considered good except to an extent of provision made for bad &amp; doubtful debts of Rs.1388,18,90,454/- . (i.e. total of SI.No.2(b)+2©)</p>						

**SCHEDULE: 10 CASH AND BANK BALANCES**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09
1	Cash, Cheques/DDs on Hand	24.110+ 24.210	<b>128725115</b>	<b>128,725,115</b>	162,637,464
2	Balances with Banks:				
	(a) - Operative Accounts with scheduled banks	24.400	<b>91,617,423</b>		38,008,177
	(b) - Non-Operative Accounts with scheduled banks	24.300	<b>211,755,049</b>		169,564,405
	<b>Sub Total</b>			<b>303,372,472</b>	207,572,582
3	Fixed Deposits with Banks	20.2	<b>639,883,518</b>		201,051,533
4	Interest Accrued but not due on deposits	28.2	<b>27,745,315</b>		5,067,005
	<b>Sub Total</b>			<b>667,628,833</b>	206,118,538
5	Stamps on Hand	24.120, 24.130, 24.140		<b>158,860</b>	647,313
6	Remittance to Head Office - Transit Account	24.5	<b>599,477</b>		4,930,802
7	Transfers from Head Office In Transit Account	24.6	<b>7,661,652</b>		13,532,979
	<b>Sub Total</b>			<b>8,261,129</b>	18,463,781
	<b>TOTAL</b>			<b>1,108,146,409</b>	<b>595,439,677</b>

**SCHEDULE: 10A INVESTMENTS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09
1	Investment in shares of PCKL	20.250		<b>1,00,000</b>	1,00,000
	<b>Total</b>			<b>1,00,000</b>	<b>1,00,000</b>

**SCHEDULE: 11 LOANS, ADVANCES and DEPOSITS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09
1	<b>LOANS AND ADVANCES</b> (Unsecured, considered good recoverable in cash or in kind for the value to be received )				
	a) Advances to Suppliers	25.1 to 25.5, 27.106	<b>82,648,659</b>		104,081,006
	b) Advances to Contractors	26.6	<b>719,183,318</b>		878,992,358
	c) Loans and Advances to Staff - Interest free	27.2	<b>48,635,179</b>		45,822,363
	d) Loans and Advances - Others	27.8 47.308, 309	<b>629,290,601</b>		523,874,841
	<b>Sub total (a+b+c+d)</b>			<b>1,479,757,757</b>	<b>1,552,770,568</b>
2	<b>DEPOSITS</b>				
	a) Security Deposits with Railways and Others	28.9	<b>222,486,432</b>		163,225,763
	b) Security Deposit from Suppliers & Contractors other than cash (per contra)		<b>13,767,942</b>		2,838,649
				<b>236,254,374</b>	
	<b>Total</b>			<b>1,716,012,131</b>	<b>1,718,834,981</b>

**SCHEDULE: 12 OTHER CURRENT ASSETS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09
<b>A</b>	<b>Other Current Assets</b>				
1	Amounts Recoverable from Employees	28.4	<b>111,136,632</b>		247,551,986
2	R.E Subsidy receivable from Government of Karnataka	28.6			-
3	Tariff subsidy Receivable from GOK towards IP set installation	28.625	<b>0</b>		1,005,595,065
4	Fringe Benefit Tax paid	28.819	<b>3,531,847</b>		3,531,847
5	Income Tax including Advance Tax	28.821	<b>898,694,219</b>		834,603,109
6	Tax deducted at source - (income Tax)	28.850	<b>2,839,686</b>		2,848,565
7	Other Claims Receivables	28.720, 28.740	<b>16,057,497</b>		17,458,044
8	Receivables from Pension / Gratuity Trust	28.9	<b>171,594,351</b>		591,880,831
9	Cash Receivables from Associates - KPTCL / ESCOMS	28.9	<b>2,702,678,481</b>		2,080,347,343
10	Receivable from GOK refund of meterequipment security deposit	28.710	<b>141,342</b>		29,350
11	Prepaid expenses	28.820	<b>978,678</b>		751,544
	<b>Sub-total A</b>			<b>3,907,652,733</b>	4,784,597,684
<b>B</b>	<b>Inter Unit Accounts :</b>				
1	IUA - CWIP, Fixed Assets, depreciation provision / obsolete and released assets	32	<b>75,086,897</b>		93,055,446
2	IUA-Remittances to HO	33	<b>0</b>		-
<b>C</b>	<b>Sub-total B</b>			<b>75,086,897</b>	93,055,446
	<b>Total (A + B)</b>			<b>3,982,739,630</b>	<b>4,877,653,129</b>

**SCHEDULE: 13 CURRENT LIABILITIES & PROVISIONS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
	<b>Sundry Creditors for Purchase of Power</b>					
	a) Hydel Power		496,543,606		707,704,075	
	b) Thermal Power		8,859,386,866		5,070,070,548	
	c) Lignite Power		-		1,605,610,094	
	d) Atomic Energy		181,271,815		186,761,054	
	e) Conventional Energy		667,735,331		438,160,994	
	f) Non Conventional Energy		228,705,185		458,536,664	
	g) Wind Mill Energy		868,757,649		1,046,728,338	
	h) Bi-lateral Purchases		389,007,593		519,009,078	
	i) U I Transmission & administrative charges and provision for PP Liability, etc		35,711,516		494,068,888	
	j) Diesel Generating power		620,444,093		804,984,459	11,331,634,192
				12,347,563,654		
<b>2</b>	<b>Creditors/Liabilities for supplies / works</b>	42.1 to 42.5, 42.6	1,236,188,383	1,236,188,383	1,385,974,443	1,385,974,443
<b>3</b>	<b>Staff Related Liabilities</b>					
	Unpaid Salaries	44.210	1,631,273		200,155	
	Unpaid Bonus	44.220	61,934		-	
	Salary payable	44.310	38,484,241		25,338,664	
	Bonus payable	44.320	9,158,474		6,699,437	
	Ex-gratia payable	44.330	38,709,418		40,418,112	
				88,045,340		72,656,368
<b>4</b>	<b>Payable to other ESCOM - CESC</b>	42.200	1,008,900,025	1,008,900,025	1,008,900,025	1,008,900,025
<b>5</b>	<b>Other Liabilities</b>					
	Other Receivables-suppliers/Contractors	28.8	68,335,573		2,348,059	
	IUA -Personal transaction	36 Series	46,823,449			
	Security Deposits in cash from Suppliers / Contractors	46.101	372,320,809		189,983,227	

**SCHEDULE: 13 CURRENT LIABILITIES & PROVISIONS**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
	Security deposit other than in cash from suppliers / contractors	46.102	34,913,824		23,505,649	
	Retention Money - Bill amount retained	46.104, 105, 206	31,520,968		33,705,364	
	Stale Cheques	46.910	8,929,632		7,459,699	
	Bills Payable Account	46.431	0		100,935,751	
	Miscellaneous Deposits/Other liabilities	46.966, 46.9	32,651,699		32,668,215	
	Excess credit under reconciliation	46.971 to 46.978	9,303,934		9,262,346	
	Levies / fees payable to GoK	46.300+ 46.301+ 46.441	656,045,254		1,678,540,791	
	Inter Unit Accounts - Other transactions / adjustments	37	183,851,846		361,649,590	
	IUA -Funds Transfer	34	0	1,444,696,988	-	2,440,058,691
<b>6</b>	<b>Outstanding Liability</b>					
	- for Expenses	46.103, 410,470, 46.929	275,750,482		800,162,017	
	- interest accrued but not due on loans	46.71	9,216,690	284,967,172	13,766,023	813,928,040
<b>7</b>	<b>Provisions for other liabilities</b>					
	Provision for Gratuity, Pension, Leave encashment, PF & Family Benefit Fund	44.122, 130,140 to 142	505,454,722		358,230,600	
	Provision for Income-Tax & Fringe Benefit Tax	46.800	92,895,143		88,818,443	
				598,349,865		447,049,043
	<b>Total</b>			17,008,711,426		17,500,200,803



## SCHEDULE: 14 REVENUE FROM SALE OF POWER

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
1	BJ/KJ Up To 18 Units Metered installations	61.101	<b>238,789,022</b>		160930111	
2	BJ/KJ Up To 18 Units Un Metered installations	61.102	<b>39,110,859</b>		110,509,135	
3	BJ/KJ Above 18 Units having more than one outlet	61.103	<b>163,922,654</b>		143,904,618	
4	Lighting/combined lighting, heating & motive power installations BBMP (Urban) - LT 2(a)I	61.111	<b>11,195,646,594</b>		10,245,195,512	
5	Lighting/combined lighting, heating & motive power installations (Urban Local Bodies other than LT 2(a)i - LT2 (a)ii	61.112	<b>1,426,555,339</b>		907,480,697	
6	Lighting/combined lighting, heating & motive power installations (Village Panchayats) - LT 2(a)iii	61.113	<b>952,960,295</b>		931,033,293	
7	Lighting/combined lighting, heating & motive power installations (Free Lighting)	61.114	<b>58,200,580</b>		65,232,745	
8	Lighting/combined lighting, heating & motive power installations of Pvt. Professional including aided educational institutions under Urban Local Bodies including City Corporations LT 2 (B)i	61.115	<b>140,998,140</b>		130,386,464	
9	Lighting/combined lighting, heating & motive power installations of Pvt. Professional including aided educational institutions under VPs -LT2(b)ii	61.116	<b>16,387,967</b>		11,189,163	
10	Tariff Subsidy received from GoK	61.122	<b>810,258,642</b>		2,210,177,994	
11	Commercial Lighting, heating & motive power installations of ULBs including City Corporations	61.131	<b>6,509,392,760</b>		6,081,442,841	

## SCHEDULE: 14 REVENUE FROM SALE OF POWER

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
12	Commercial Lighting, heating & motive power installations VPs - LT3 (ii)	61.132	503,355,249	83,046,370
13	Commercial Lighting, heating & motive power installations - Office Lighting	61.133	22,106,266	18,149,480
14	Revenue from sale of power- commercial-applicable to Areas coming under Village Panchayats- LT3(iii)	61.135	118,411,132	
15	IPSets upto and inclusive of 10HP- Unmetered installations till such time, meters are fixed-Rural feeders- LT4(a)i-Free power-Unmetered	61.141	3,152,037,303	2,692,989,984
16	IPSets upto and inclusive of 10HP- where meters are fixed-Rural feeders-LT4(a)i-Free power-Metered	61.142	19,418,043	10,331,338
17	IPSets upto and inclusive of 10HP- Urban feeders metered-LT4(a)ii- Free power-metered	61.143	47,628,926	44,491,826
18	IPSets upto and inclusive of 10HP- Urban feeders Unmetered-LT4(a)ii- Free power-Unmetered	61.146	245,243,310	66,356,424
19	I.P.Sets above 10HP-LT4(b)	61.144	7,162,420	7,123,236
20	IP sets Pvt. Hortl, Nurseries, Coffee & Tea Plantations irrespective of sanctioned load - LT4( c)	61.145	5,620,145	4,100,605
21	Revenue from sale of power - IP sets - hor. Nur. Coffee & Tea above 10HP- LT 4 C(ii)	61.147	14,929	
22	Heating & motive power (including lighting) of BBMP area upto & below 5HP - LT5(a)i	61.151	442,996,070	437,163,504
23	Heating & motive power (including lighting) of Bangalore Metropolitan area for above 5HP & below 40HP (including demand based tariff) - LT 5(a)ii	61.152	948,785,154	832,208,724

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**SCHEDULE: 14 REVENUE FROM SALE OF POWER**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
24	Heating & motive power (including lighting) of BBMP area for 40HP & above but below 67HP (including demand based tariff) - LT 5(a)iii	61.153	<b>1,216,671,017</b>		1,072,350,899	
25	Heating & motive power (including lighting)-BBMP area for 67HP & above (including demand based tariff) - LT 5(a)iv	61.154	<b>511,231,518</b>		520,461,014	
26	Heating & motive power (including lighting) of other than BBMP area upto and below 5HP - LT 5(b)i	61.155	<b>178,302,216</b>		193,770,479	
27	Heating & motive power (including lighting) of other than BBMP area for above 5HP & below 40HP (including demand based tariff) - LT 5(b)ii	61.156	<b>473,810,585</b>		458,520,585	
28	Heating & motive power (including lighting) of other than BBMP area for above 40HP & below 67HP (including demand based tariff) - LT 5(b)iii	61.157	<b>557,066,639</b>		559,328,488	
29	Heating & motive power (including lighting) other than BBMP area for 67HP and above (including demand based tariff) - LT 5(b)iv	61.158	<b>146,228,660</b>		166,426,146	
30	Water supply installations of VPs/TP's and TMC/CMCs - LT 6	61.171	<b>1,911,489,644</b>		1,523,081,213	
31	Public Lighting installations of VPs / TP's and TMC/CMCs - LT 6	61.172	<b>1,407,616,692</b>		1,116,765,410	
32	Temporary Power Supply - LT installations - LT7	61.181	<b>822,932,733</b>		917,098,916	
	<b>TOTAL (LT)</b>			<b>34,290,351,503</b>		<b>31,721,247,213</b>
33	Drainage/Sewerage BWSSB & Local bodies/KUWS & SB -Water supply installations -HT 1	61.250	<b>1,787,896,452</b>		1,671,397,975	
34	Industires in BBMP area - HT 2(a)i	61.260	<b>9,921,188,528</b>		9,763,481,643	
35	Industires in areas other than BBMP area - HT 2(a)ii	61.261	<b>7,480,568,923</b>		5,749,180,459	

**SCHEDULE: 14 REVENUE FROM SALE OF POWER**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
36	HT Commercial applicable to BBMP area - HT2(b)i	61.270	<b>12,651,086,429</b>		11,717,941,789	
37	HT Commercial applicable to areas other than BBMP area - HT2(b)ii	61.273	<b>984,614,196</b>		602,691,813	
38	Lift Irrigation Schemes-Govt Dept & Govt owned Corporations - HT3(a)i	61.280	<b>7,146,828</b>		4,242,208	
39	Lift irrigation Schemes - Pvt LI Schemes and LI societies HT 3 a (ii)	61.281	-		116,833	
40	Lift irrigation Govt Horticulture, Coffee, Tea, coconut, Arecant, Etc Agricultural farms HT 3 b	61.282	<b>808,292</b>		554,452	
41	Residential apartments and colonies of BBMP Area HT 4 (a)	61.290	<b>333,320,747</b>		319,618,311	
42	Residential apartments and colonies Urban Local Bodies other than HT 4 (a) - HT 4 (b)	61.291	<b>31,309,657</b>		1,691,070	
43	Residential apartments and colonies of VPs - HT 4 ( c )	61.292	<b>4,149,594</b>		5,228,599	
	<b>TOTAL ( HT )</b>			<b>33,202,089,646</b>		29,836,145,152
44	Revenue from sale of power - MESCOM -Energy balancing at IF point and above 33KV	61.312	-		14,281,466	
45	Revenue from Inter Escom exchange of energy charges 11KV - LT - MESCOM	61.316	<b>11,460,948</b>			
46	Revenue from Inter-ESCOM exchange of energy cahrges 11KV & LT - CESC	61.317	<b>15,638,222</b>		20,081,518	
47	Recoveries for theft of power	61.710		<b>27,099,170</b>		34,362,984
48	Miscellaneous recoveries from Consumers.					
a	Reconnection Fee (D & R)	61.902	-		472,671	
b	Public Lighting Maintenance Charges	61.903	<b>150</b>		-	
c	Service Connection	61.904	<b>233,710,702</b>		233,150,144	

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## SCHEDULE: 14 REVENUE FROM SALE OF POWER

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
d	Delayed payment charges from consumers.	61.905	-		20,700	
e	Other Receipts from consumers	61.906	<b>268,817,690</b>		261,537,096	
				<b>502,528,542</b>		495,180,612
				<b>68,022,068,861</b>		62,086,935,961
<b>49</b>	<b>Less : Withdrawal of Revenue Demand</b>	<b>83.8</b>	<b>106,218,727</b>	<b>106,218,727</b>	183,716,457	183,716,457
	<b>Total</b>			<b>67,915,850,134</b>		61,903,219,504

**SCHEDULE: 15 OTHER INCOME**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
<b>1</b>	<b>Interest Income :</b>					
	Interest on Bank Fixed Deposits	62.222, 260,270	<b>23,916,340</b>		143,553,639	
	Interest - Others	62.260	<b>1,123,850</b>			
	<b>Sub total - 1</b>			<b>25,040,190</b>		<b>143,553,639</b>
<b>2</b>	<b>Other Income</b>					
	Profit on sale of stores	62.330	<b>19,098,766</b>		27,359,732	
	Sale of scrap	62.340	<b>10,502,101</b>		2,250,371	
	Other Miscellaneous receipts	62.360	<b>7,691,934</b>		4,768,182	
	Other Income	62.325	<b>31,784</b>		-	
	Excess provision for Power purchase is withdrawn / written back	62.325	<b>770,495,244</b>			
	Material Cost Variance	62.630+ 62.904+ 79.110	-		363,943,182	
	Rental from Staff Quarters	62.901	<b>10,928,051</b>		7,647,833	
	Rental from others	62.902	<b>45,538</b>		162,913	
	Value of materials & fixed assets found excess during physical verification	62.905	<b>1,363,011</b>		1,577,574	
	Rebate at 1.5% for collection of Electricity Duty.	62.916	<b>36,805,740</b>		17,527,673	
	Miscellaneous Recoveries.	62.917	<b>244,958,536</b>		252,620,626	
	Incentives received	62.907+ 62.361+ 62.911+ 62.922+ 62.923+ 62.361+ 62.918	<b>430,830,880</b>		611,387,930	
	Sundry credit balance written back	62.912	<b>8,394,377</b>		31,143,973	
	<b>Sub total - 2</b>			<b>1,541,145,963</b>		<b>1,320,389,988</b>
	<b>Total</b>			<b>1,566,186,153</b>		<b>1,463,943,626</b>

**SCHEDULE: 16 PURCHASE OF POWER**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
A	<b>Power Purchase Cost</b>			
1	Hydel Power	70	<b>5,157,437,770</b>	4,989,840,705
2	Thermal Power	70	<b>27,861,836,854</b>	24,990,770,777
3	Lignite Power	70	<b>2,798,845,145</b>	2,516,781,461
4	Atomic Energy	70	<b>1,455,310,413</b>	1,095,360,734
5	Conventional Energy	70	<b>3,695,429,103</b>	5,250,721,660
6	Non Conventional Energy	70	<b>1,806,591,638</b>	1,713,188,314
7	Wind Mill Energy	70	<b>7,031,393,437</b>	5,457,855,982
8	Diesel generating & Solar Energy	70	<b>4,187,948,416</b>	3,877,124,724
9	Unscheduled Inter Change charges	70	<b>779,486,373</b>	5,382,564,527
10	Bi-lateral Purchases	70	<b>5,545,982,094</b>	5,596,327,800
	<b>Total</b>		<b>60,320,261,243</b>	60,870,536,684

**SCHEDULE: 17 REPAIRS AND MAINTENANCE**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Plant and Machinery	74.1	<b>196,624,120</b>	167,448,379
2	Buildings	74.2	<b>8,718,054</b>	12,175,223
3	Civil works (Pipeline, Seweage, drainage and water supply)	74.3	<b>2,458,984</b>	3,981,205
4	Lines, Cable Net Work Etc.	74.5	<b>102,986,616</b>	179,090,375
5	Vehicles	74.6	<b>6,475,028</b>	5,299,498
6	Furniture and Fixtures	74.7	<b>26,951</b>	33,252
7	Office Equipments.	74.8	<b>3,805,201</b>	2,652,859
	<b>Total</b>		<b>321,094,954</b>	<b>370,680,790</b>



## SCHEDULE: 18 EMPLOYEE COSTS

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09	
<b>1</b>	<b>Salaries and allowances</b>					
	Salaries	75.1	<b>1,935,981,801</b>		1,625,613,778	
	Over Time	75.2	<b>71,309,628</b>		73,547,778	
	Dearness Allowance	75.3	<b>822,990,094</b>		438,688,041	
	Other Allowances	75.4	<b>335,206,189</b>		235,350,638	
	Bonus	75.5	<b>50,182,293</b>		36,064,370	
	<b>Sub total - 1</b>			<b>3,215,670,005</b>		2,409,264,604
<b>2</b>	<b>Other Benefits</b>					
	Medical Expenses reimbursement	75.611	<b>44,798,442</b>		40,426,298	
	Leave travel assistance	75.612	<b>10,210</b>		11,657	
	Earned leave encashment	75.617	<b>249,823,325</b>		191,930,906	
	E.L.Encashment - Retirement / Deceased Employees	75.618	<b>6,201,294</b>		20,036,435	
	Staff Welfare expenses	75.7	<b>75,329,972</b>		58,145,158	
	Payment towards Provident Fund	75.7	-		2,786,490	
	Terminal Benefits	75.8	<b>676,226,240</b>		620,362,971	
	<b>Sub total - 2</b>			<b>1,052,389,483</b>		933,699,914
<b>3</b>	<b>Others</b>					
	Payment under workmens compensation Act	75.629	<b>779,080</b>		1,047,663	
	Payment to helpers/employees of Monsoon gang	75.630	<b>40,261,315</b>		55,118,707	
	<b>Sub total - 3</b>			<b>41,040,395</b>		56,166,370
	<b>TOTAL</b>			<b>4,309,099,883</b>		<b>3,399,130,888</b>

**SCHEDULE: 19 ADMINISTRATIVE AND OTHER EXPENSES**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Rent	76.101	74,432,606	56,801,605
2	Rates & Taxes	76.102	4,472,889	3,064,261
3	Insurance/fee	76.104,105,106,	65,331	-
4	Security Charges	76.103	1,199,822	3,376,178
5	Postage stamps & Telephone charges	76.111,112,113,115	26,646,676	28,490,329
6	Remuneration to contract agencies/ professional & consultancy charges	76.122,123,124, 125 to 76.130	246,212,080	235,358,537
7	Legal charges	76.121	5,287,923	1,393,310
8	Conveyance & Travel expenses	76.131,135, 137 to 139,	130,744,908	128,738,632
9	Vehicle running expenses	76.136	23,517,053	23,471,928
10	Statutory Auditors' Remuneration			
	- as Statutory Audit fee		550,000	450,000
	- as Tax Audit fee		100,000	100,000
	- as Expenses		50,000	20,000
	- as Service tax		66,950	49,440
11	Fees & Subscriptions	76.151	19,110,531	2,337,506
12	Printing & Stationery	76.152 76.153	29,019,703	43,732,552
13	Factory License Fees	76.154	-	4,004
14	Advertisement Expenses	76.155, 76.260	11,805,612	6,964,503
15	Computer stationary and floppies	76.156	4,545,976	8,847,009
16	Contributions	76.157	23,500,000	
17	Electricity Charges	76.158	22,249,519	18,475,415
18	Water Charges	76.160	1,423,220	1,346,108
19	Miscellaneous expenses	76.152,162, 164,190,191,192,79.2	18,479,652	18,484,649
20	DSM Expenses	76.193	323,284	324,103
21	Freight & other material related expenses	76.201 to 76.282	7,727,782	27,124,321
	<b>TOTAL</b>		<b>651,531,517</b>	<b>608,954,390</b>

**SCHEDULE: 20 OTHER CHARGES (DEBITS)**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	<b>Other Expenses:</b>			
	Small & Low value items Written off	77.610	861,273	669,937
	Computer Rentals/maintenance charges	77.611	5,185,561	3,169,493
	Losses/gain relating to Fixed Assets	77.7-62.4	55,857,264	19,452,293
	Asset decommissioning cost	77.5	3,119,142	231,717
	Bad Debts written off	79.410 & 79.430	7,020,999	99,291,318
	Provision for Bad & doubtful debts	79.460	1,259,850,444	2,618,496,874
	Miscellaneous losses and Write offs	79.5	72,328,769	72,701,004
	Company's contribution to Chief Ministers Relief Fund	79.884	9,821,368	
	Material cost variance	79.110	135,483,777	-
	<b>TOTAL</b>		<b>1,549,528,597</b>	2,814,012,636

**SCHEDULE: 21 DEPRECIATION**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Depreciation on Buildings	77.110+77.120	<b>14,477,747</b>	5,826,932
2	Depreciation on Civil works (pipeline, sewage, drainage, water supply etc.,)	77.130	<b>1,223,659</b>	408,229
3	Depreciation on other Civil Works	77.140	<b>151,647</b>	77,173
4	Depreciation on Plant and Machinery	77.150+151	<b>399,147,057</b>	233,401,984
5	Depreciation on lines, cable, network etc.,	77.160+161	<b>1,275,708,070</b>	821,419,900
6	Depreciation on Vehicles	77.170+171	<b>7,637,251</b>	8,695,753
7	Depreciation on furniture, fixtures	77.180	<b>3,144,733</b>	2,755,119
8	Depreciation on Office equipments	77.190+191	<b>3,111,522</b>	1,588,887
	<b>Total (1 to 8)</b>		<b>1,704,601,686</b>	1,074,173,976
	<b>Less:</b> Depreciation Withdrawn from contributions / subsidies as per AS - 12		<b>484,726,945</b>	431,664,671
	<b>Depreciation for the year</b>		<b>1,219,874,741</b>	642,509,305

**SCHEDULE: 22 INTEREST AND OTHER CHARGES**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10	Previous Year 2008-09
1	Interest on Loans	78.1+78.540+ 78.546	<b>730,940,261</b>	494,122,808
2	Guarantee Commission to GoK	78.868	<b>1,062,764</b>	1,761,232
3	Other Interest and Finance Charges	78.820 to 78.890	<b>61,439,983</b>	88,117,532
4	Interest to Consumers	78.600	<b>1,015,386,869</b>	518,409,928
5	Interest on belated payment for power Purchase	80.102 to 80.149	<b>295,177</b>	129,292,004
	<b>Total</b>		<b>1,809,125,055</b>	1,231,703,504

**SCHEDULE: 23 PRIOR PERIOD CREDITS / CHARGES**

Amount in Rupees

Sl. No	Particulars	Account Code	Current Year 2009-10		Previous Year 2008-09
<b>A</b>	<b>Income relating to previous years :</b>				
	1. Excess provision for Depreciation in prior period	65.600	<b>46,971,996</b>		81,024,030
	2. Excess/short provision for Interest & Finance charges	65.700	<b>107,357,985</b>		29,148,397
	3. Other excess provision in prior period	65.800	<b>409,292,533</b>		826,062,231
	4. Other income relating to prior period	65.900	<b>422,668,992</b>		10,448,517
				<b>986,291,506</b>	946,683,175
<b>B</b>	<b>Prior period expenses / losses :</b>				
	1. Employee costs relating to previous year	83.500	<b>34,042,866</b>		18,525,657
	2. Depreciation under provided in previous period	83.600	<b>22,788,594</b>		96,669,671
	3. Administrative expenses of previous period	83.820	<b>17,014</b>		1,749,413
	4. Other expenses relating to prior periods	83.850	<b>110,989,143</b>		35,245,008
	5. Operating expenses of previous year	83.300	-		32,037,982
	6. Short provision for power purchased in previous years	83.100	-		65,723,594
				<b>167,837,617</b>	249,951,325
<b>C.</b>	<b>Net prior period credits / (charges) (A-B)</b>			<b>818,453,889</b>	696,731,850

## SCHEDULE NO: 24

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ANNUAL ACCOUNTS as at 31<sup>st</sup> MARCH 2010.

## PART A: SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (Paras1to12)

### 1. METHOD OF ACCOUNTING

- 1.1. The Financial statements are prepared under Historical Cost convention in accordance with the provisions of the Companies Act, 1956 as are applicable and also in accordance with the provisions of Electricity (Supply) Act, 1948/ Electricity Act, 2003 where ever they are applicable to the company.
- 1.2. a) All items of Income and Expenditure having a material bearing on the Financial Statements are recognized on accrual basis except the following, which are accounted on cash basis:
  - i. Grants and subsidies from Government in respect of capital assets.
  - ii. Insurance claims as and when settled by insurance company.
- b) Revenue Recognition
  - i. Revenue from sale of energy is accounted on accrual basis.
  - ii. Revenue dues from consumers whose ledger accounts are yet to be opened is estimated and accounted.
  - iii. The sale of energy is as per the tariff fixed by Karnataka Electricity Regulatory Commission (KERC).
  - iv. Revenue for the year is also adjusted by estimating un-billed revenue of previous year and current year.

### 2. FIXED ASSETS

- 2.1. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Costs relating to the acquisition and installation of fixed assets are capitalized and include interest and finance charges payable on loans obtained for construction.
- 2.2. Released assets are accounted on Withdrawal / Capitalization at Written Down Value (WDV).
- 2.3. Impairment of Fixed assets

An impairment loss is recognized when the carrying amount of an asset exceeds greater of the net selling price or value as shown in the books of accounts.

### 3. DEPRECIATION

- 3.1 A) KERC has amended the tariff regulation in respect of depreciation as per Notification No. D/01/06 dated: 31.5.2006.

- B) The CERC has revised the rates of depreciation on fixed assets in use with effect from 01.04.2009. as per Notification No. L-7/145/160/2008-CERC dated 19.01.2009.
- C) The same have been adopted by BESCOM and all the units have reworked depreciation for 2009-10 as per the revised rates notified by CERC. These rates are different from the rates specified under the Companies Act.
- D) The Company is not charging depreciation as per rates prescribed under schedule XIV of the companies Act 1956. The difference in calculation of depreciation between CERC/KERC notified rates and companies Act Schedule XIV rates has not been ascertained.
- 3.2. Depreciation is calculated annually based on straight-line method over the useful life of the asset under historical cost.
- 3.3. Depreciation on leasehold land is provided at the years' amortization rate arrived at on the basis of lease period.
- 3.4. The residual value of all the assets is 10%.
- 3.5. Plant & Machinery costing Rs. 500/- or less individually are written off at 100% in the year in which they are installed and put to use.
- 3.6. Depreciation is charged in respect of addition to assets during the year, on **prorata basis** for the period in use.
- 3.7. In respect of released assets depreciation is charged up to the date of dismantling.

#### **4. CAPITAL WORK IN PROGRESS**

- 4.1. Materials issued to Capital Works in progress are valued at cost of purchase or at scheduled standard rates (Standard rate is determined on the basis of previous purchases and prevailing market rates).
- 4.2. Common expenditure incurred by divisions / circles / zones and administrative offices are not apportioned and debited to capital expenditure as the costing methods and procedures are not fully evolved yet.
- 4.3. The various contracts at divisions are capitalized only after the receipt of final completion/technical/commissioning reports.

#### **5. INVENTORY**

- 5.1. Inventories, stores and spares are valued at the cost of purchase or at scheduled standard rates (the standard rates are determined on the basis of previous purchase rates and prevailing market rates).
- 5.2. Scrapped and released assets identified for disposal are valued at WDV.

#### **6. RETIREMENT BENEFITS**

- 6.1. Pension & Gratuity are provided based on the revised rates prescribed by 'KPTCL & ESCOMs Pension & Gratuity Trusts' as per Order No.KPTCL & ESCOMs P&G TRUSTS/Ltr.No.CA(P&GT)SA-1/1764 dated 03.03.2010 which is based on Actuarial Valuation as on 31-03-2009. The rate of contribution is 25.06% of basic and D.A. in the case of pension and 2.29% of basic in the case of Gratuity. Actuarial valuation is made as on 31.03.2009.



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

## 7. PROVISION FOR BAD & DOUBTFUL DEBTS

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

7.2 The provision for Bad and Doubtful debts in respect of arrears of IP sets and BJ/KJ installations is maintained in the following pattern.

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

## 8. ACCOUNTING OF GRANTS

8.1 Grants received for capital expenditure are included in Capital reserves and are neither diminished nor cost of assets have been reduced to the extent of the grants received.

8.2 Contributions received from customers for capital expenditure are included in Capital reserves.

8.3 Other Revenue grants are credited to the Profit & Loss Account.

8.4 During the year an amount of Rs.48,47,26,945/- representing the amount of depreciation computed on the cost of assets funded through contributions / from consumers remains adjusted. Consequent on the revision in depreciation rates w.e.f 01.04.2009 notified by CERC during the year and implemented by BESCOM, the above figure will have to be suitably amended.

## 9. TAXES ON INCOME

9.1 Current tax is determined as the amount of tax payable in respect of taxable income for the year is computed in accordance with the provisions of the I.T. Act 1961.

## 10. POWER PURCHASE

10.1 The Power Purchase cost is recognized based on the Government of Karnataka Order No. EN 131 PSR 2003 Dated 10<sup>th</sup> May 2005 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 readings at interface point of each power generator allocated to it.

10.2 The Transmission cost on power purchase is recognized on the basis of readings at the interface points between KPTCL and the Company.

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

1. For EHT consumers, consumption recorded at EHT consumer installations (66KV and above).
2. Readings recorded at 33 KV and 11 KV banks (interface points) existing in various sub-stations.

- 10.4 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.
- 10.5 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.
- 10.6 The Company accounts the power purchase from 10-6-2005 directly from Power Generators Pool Account as per the energy allocation/assigned by the Government of Karnataka as per the Government order No. EN 131 PSR 2003 dated 10:05:2005. The rates followed for the allocated/assigned power purchases are based on the commercial rates/predetermined rates as approved by the PPA/ KERC/Government of Karnataka.
- 10.7 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 given by State Power Procurement Co-ordination Centre (SPPCC)/PCKL based on the proportionate energy consumed. This is as per the said Government order.
- 10.8 The Company accounts the import/export of energy among ESCOMs as net energy either as a sale/purchase.

## 11. Tariff Subsidy:

The tariff subsidy is based on the directives issued by Gok on year to year basis and the same is accounted on the basis of actual receipt.

## 12. Contingent Liabilities

All known liabilities are provided for in the accounts except liabilities of a contingent nature, which have been adequately disclosed in the accounts.

## 1. PART – B: NOTES ON ACCOUNTS (Paras 1 to 29)

- 1.1 Financial statements have been prepared for the year commencing from 01.04.2009 to 31.03.2010. (Previous year for the period commencing from 01.04.2008 to 31.03.2009)
- 1.2 The KERC vide letter dated 30<sup>th</sup> September 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 10<sup>th</sup> June 2004.
- 1.3 The company has a service area comprising of following districts:  
Bangalore Urban, Bangalore Rural, Ramanagara, Chickaballapura, Kolar, Tumkur, Chitradurga and Davanagere.
- 1.4 The Government of Karnataka published vide their order No. DE 14 PSR 2002 dated 31-05-2002, the 2<sup>nd</sup> Transfer Scheme called Karnataka Electricity Reform (transfer of undertakings of KPTCL and its personnel to Electricity distribution and retail supply Companies Rules 2002) was published 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 2<sup>nd</sup> 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

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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.

## 2. Share Capital

2.1 By virtue of transfer scheme of transfer of assets and liabilities as on 31-05 2002 between KPTCL and the Company, the net difference of assets and liabilities is arrived as the opening balance of share capital account as on 01-06-2002. Out of the same, during the year 2004-05, the company has issued 20,59,50,000 equity shares of Rs.10/- each and the same has been totally subscribed and are fully paid up.

### 2.2 Share Deposit:

During the year Gok has disbursed Rs.210 crores towards equity as detailed below.

- a) Equity investment of Rs.32 crores by GOK in BESCOM as per G.O.No.EN95 PSR 2008 dated 01.09.2009.
- b) The Government has converted the interest free loan of Rs.118 crores released to BESCOM in 2008-09 as Share deposit towards equity investment as per G.O No. EN 67 PSR 2009 dated 01.03.2010. Further, an amount of Rs.60 crores has been released to BESCOM as equity investment by GOK as per G.O.No. EN 67 PSR 2009 dt.31.03.2010.

## 3. Loans

- 3.1 Certain Secured/Unsecured Loans reviewing in the earlier years were accounted after KPTCL’s intimation to various lending institutions. .
- 3.2 The repayments towards principal and interest are being routed through KPTCL. The interests on such loans are also accounted based on intimation by KPTCL except certain loans directly borrowed by the Company.

## 4. Fixed Assets

- 4.1 The fixed assets are accounted vide Government of Karnataka Notification mentioned above as cost of assets in Gross Block and accumulated depreciation on such assets till the date of transfer and the depreciation has been provided accordingly.
- 4.2 The Company is 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.
- 4.3 The assets have been recorded as assigned specifically by KPTCL. In case of buildings title deeds relating to land are not available.
- 4.4 As per arm length agreements between KPTCL and the Company regardless of the ownership of the assets both KPTCL and the Company are using the assets. The income / expenditure which may arise has not been recognized in the accounts.

## 4.5 The Company accounts

- a) The released assets when issued for Capital works by categorizing after completion of such works at book value.
- b) The released assets which are not in usable condition and obsolete assets at written down value and they are included in inventories.

## 5. Sundry Debtors

- 5.1 In respect Bad & Doubtful Debts on IP sets, BJ/KJ installations dues, the Company has made a separate provision to the extent of Rs.1,048.98 Crores for FY 2009-10 (Previous year Rs.917.43 Crores).
- 5.2 The Company has identified arrears in respect of long permanently disconnected installations amounting to Rs.34.30 Crores and has made provision during the year 2004-05. The above provision is continued to be held under provision for bad and doubtful debts account as at 31.03.2010 regardless of the outstandings.
- 5.3 The balances with KPTCL and dues from Contractors, Sundry Creditors, and Advances to suppliers, fabricators holding materials and deposits with various parties are subject to confirmation/reconciliation. The process of reconciliation of receivables and payables in respect of ESCOM's is continuing and confirmation from other ESCOMs is yet to be received.
- 5.4 The Breakup of the provision for Bad and Doubtful Debts maintained as against the total Receivables as on 31-03-2010 is as under :

Rs. in Crores

Sl. No.	Particulars	2009-10	2008-09
1	Opening Balance 01-06-2002. (As per Government of Karnataka order)	254.21	254.21
2	(a) On account of 4% provisioning as per Accounting Policy – LT category and others.	5.97	11.84
	(b) Provision on account of identified HT consumers.	0.30	-
3	On account of Long Disconnected Installations	34.30	34.30
4	On account of arrears of BJ/KJ and IP set installations.	1048.98	917.43
	<b>Total</b>	<b>1343.76</b>	<b>1217.78</b>

## 6. Inventories Stores and Spares

- 6.1 Inventories, stores and spares are valued at the cost of purchase or at scheduled standard rates. In case of purchase of inventories, if standard rates are adopted, the differences between the purchase rates and standard rates of materials are debited or credited to material cost variance account, which is charged / credited to Revenue Account at the end of the year.

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- 6.2 A provision at the rate of 20% on the value of scrapped and dismantled assets is maintained and is charged to Profit and Loss Account.
- 6.3 The Company has accounted separately excesses / shortages found on physical verification inventories which are pending final investigation and adjustments to be carried out by the company.

## **7. Pension, Gratuity and Leave Encashment**

- 7.1 All the employees of the Company are on deputation from KPTCL.
- 7.2 As per 'KPTCL and ESCOM's Pension & Gratuity Trusts' Order No. CA(P&GT) SA1/18/2002-03/1687-1709 dated 15.02.2010, provision towards Pension has been calculated at 26.13% of Basic + DP and D.A. and provision towards gratuity has been calculated at 2.24% of Basic Pay+ DP for FY 2009-10. However no actuarial valuation has been made for the year ended 31.03.2010.
- 7.3 In case of leave encashment, the Company has estimated the earned leave encashment of eligible employees and the same has been provided in the books of accounts. However, no actuarial valuation has been made for the year 31.03.2010.
- 7.4 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 Account is not ascertained due to the large volume.
- 8.2 (a) Income tax demand disputed in appeals for AY 2004-05 and 2005-06 Rs.83.02 crores (Previous year ; Rs.61.07 Crores).
- (b) TDS demand on SLDC charges disputed in appeal for AY 05-06 to 07-08: Rs.0.35 Crores.
- (c) Amount claimed by NLC on account of IT Surcharge: Rs.9.28 Crores.
- 8.3 The KPTCL in their circular letter. No. FA (A&R)/C (AP&A)/DC (A&C)/AAO-I/CYS-104/Dtd.15.03.2007 have requested to account an amount of Rs. 330.21 Crores towards the Additional fixed cost paid by the KPTCL for supply of power by Thannir Bhavi Power Corporation Limited (TBPCL) as Regulatory Assets & Liabilities in the books of accounts. The amount is to be passed on to the consumers through the tariff approval from the KERC and the amount collected from the consumers be passed on to KPTCL. The Hon'ble KERC has not yet approved this. In view of this, the Company has treated this as contingent and thus not recognized the Regulatory Assets and liabilities of Rs. 330.21 Crores in the current year Accounts.
- 8.4 Additional liability if any, in respect of power purchases from KPCL for RTPS unit 1 – 7 and VVNL mini hydel and DG Yelahanka are not provided in books pending disposal of court cases filed by KPCL.
- 8.5 Vigilance cases are pending in respect of customers installations in various forums and the amount is not ascertainable at this stage.
- 8.6 Additional interest claim from bank not acknowledged as debts is Rs. 1.66 Crores
- 8.7 Interest claimed by KPCL on belated payments up to FY 2009-10 is under dispute and hence not provided for Rs. 87.12 Crores
- 8.8 Other Contingent Liability not provided :  
LC's out standing :Rs.99.62 crores

**9. The Details of zone-wise appeal cases pending as at 31-3-2010 are as follows:**

Sl. No.	Particulars	BMAZ	BRAZ	CZ	Total
1	<b>CURRENT YEAR</b> No. of Appeal cases pending as on 31-03-10	226	125	40	391
2	Amount involved (Rs. in Lakhs)	302.81	202.67	25.46	530.94
3	<b>PREVIOUS YEAR</b> No. of Appeal cases pending as on 31-03-09	161	194	30	385
4	Amount involved (Rs. in Lakhs)	215.73	164.83	20.72	401.28

**10.** Transmission Charges payable to KPTCL for FY 2006-07 has been recognized at 19.42 paisa per KWH pending final decision of the Supreme Court in the appeal filed by KERC against the order of ATE New Delhi.

**11. Free Lighting**

Difference between power purchase cost and subsidized rate on free lighting provided to the employees of KPTCL including employees on deputation to BESCOM in the service area of the Company is treated as expenditure in the books of the Company.

**12. Electricity consumption of Company's offices**

Electricity consumption in respect of Company offices are accounted both as Revenue at retail tariff rates and the same is treated as expenditure.

**13. RENT**

13.1 Rent recovered from employees is accounted as income.

**14. INTER UNIT ACCOUNTS (IUA)**

14.1. The Inter Unit Accounts on account of Assets/Liabilities/CWIP and material transfers within the Company's divisions / accounting units are pending reconciliation/adjustments.

**15.1.** The accounts approved by the Board on 13.08.2010 and reported by the Statutory Auditors were revised based on the observations made by the Comptroller and Auditor General of India U/S 619(4) of the Companies Act 1956 and the Board has approved the revised accounts on 21.09.2010. Accordingly, the revision has resulted in (a) Increase in Net Profit by Rs.8.07 crores (b) increase in total assets by Rs. 9.94 crores and (c) Increase in liabilities by Rs.1.87 crores.

**15.2.** Rebate for having collected electricity tax from consumers amounting to Rs.5.79 crores (Previous year Rs.1.75 Crores) at 1.5% upto 31.12.2009 and 0.5% with effect from 01.01.2010 as per G.O No. EN06PSR 2009 dated 22.02.2010 has been accounted as Miscellaneous Revenue, which is to be received from Government of Karnataka.

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## 16. Managerial Remuneration

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

Expenses	For the year 2009-10		For the year 2008-09	
	Managing Director (Rs)	Director (Technical) (Rs)	Managing Director (Rs)	Director (Technical) (Rs)
Salaries and allowances	10,59,431	7,02,709	8,75,895	6,50,618
Ex-Gratia	3,500	3,500	483	582
Others (House Orderly Allowances)	42,000	20,726	38,000	30,000
<b>TOTAL</b>	<b>11,04,931</b>	<b>7,26,935</b>	<b>9,14,378</b>	<b>6,81,200</b>

## 17. Expenditure in foreign currency:

Foreign exchange expenses	Current year	Previous year
	NIL	15320 US dollars (Foreign tour expenses)

## 18. Additional Information

Quantitative details of power purchase, distribution loss and sales (as compiled / certified by the Management):

Details of sale of energy and Distribution Loss for the year 2009-10 (April-09 to March -10) are as follows:

Energy in MU

Sl No.	Particulars	Current year	Previous year
1	Total Energy purchased at Generation Point (From 1-04-2009 to 31-03-2010)	<b>21328.81</b>	20439.88
2	Less Transmission Loss	<b>1000.18</b>	873.41
3	Total Energy at Interface Point	<b>20328.63</b>	19566.47
4	Total Energy at Interface Point for sale	<b>20328.63</b>	19566.47
5	Total metered sales	<b>12940.32</b>	12205.78
6	Total un-metered sales *	<b>4311.28</b>	4104.70
7	Total Sales (5+6)	<b>17251.60</b>	16310.48
8	Distribution loss (4-7)	<b>3077.03</b>	3255.99
9	Overall loss (2+8)	<b>4077.21</b>	4129.40
10	Percentage of Distribution Loss (8/3)	<b>15.14</b>	16.64
11	Percentage of Transmission Loss (2/1)	<b>4.69</b>	4.27
12	Percentage of Overall Loss (10+11)	<b>19.83</b>	20.91



- \* In respect of Un-metered category of installations, Energy consumed has been assessed as follows:
  - BJ / KJ installations: KERC has approved to assess the units consumed by BJ/KJ category of consumers at 18 units /month/ installation.
  - IP sets consumption assessment is based on sample readings recorded at Distribution Transformer Centers taking secondary line loss at 10%.

19. As the Company deals with numerous items of stores and spares for maintenance and capital works, the quantitative information with respect to opening stock, purchases, consumption and closing stock are not furnished.

## 20. Income Tax Provision

### 20.1 Current Tax

The Company has claimed Income Tax Benefit at 100% income derived from power distribution activities from the Assessment Year 2005-06 onwards under section 80IA of the Income Tax Act, 1961. As the Company has made profit during the year as reflected in the Profit & Loss Account, provision for income tax payable under S.115JB of the I.T Act has been made.

### 20.2 WEALTH TAX

All the assets of the Company are exempted under Section 2(e) (a) of the Wealth Tax Act 1957.

- 21. There are no transactions during the year with related parties as stipulated under Accounting Standard(AS)-18.Hence no disclosure is required.
- 22. Amount due to Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 are not ascertained due to lack of information about their identity. The company has not received any confirmation from registered suppliers as of date, in respect of whom disclosures are required to be made under the said Act.
- 23. Since the company deals with only one segment viz, purchase and distribution of electricity, there are no reportable segments as required under Accounting standard AS-17 and hence no disclosure is required in this regard.
- 24. Considering the principles relating to permanent timing differences due to tax benefits as per AS-22, the Company has not recognized the deferred tax liability / assets for the period under review.

## 25. Earnings per Share as per AS-20 issued by ICAI :

a)	Net profit/(Loss) after Tax	... ..	Rs. 11.59 Crores
b)	Weighted average number of equity shares	.....	Rs. 20,59,50,000
c)	Nominal value of shares..	.....	Rs.10/-
d)	Basic and diluted earnings per share		Rs. 0.562

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26. The revenue from retail consumers are recognized based on KERC Tariff order 2009 dated 25.11.2009 applicable w.e.f 1.12.2009. KERC has followed the directions of ATE in issuing the Tariff order 2009.
27. BESCO had levied in December 2007 a penalty of Rs. 2262.34 lakhs along with interest of Rs. 38.18 lakh as per the terms of PPA on KPCL due to non supply of power by DG Plant, Yelahanka for 15 days from 19:11:2007 to 03:12:2007. KPCL is yet to settle this issue.
28. As the case is not yet finalized by KERC and final orders are yet to be issued, the high cost amount paid to Co-gen & biomass plants during 2008-09, has not been accounted as regulatory Asset in the accounts of BESCO. On receipt of final orders from KERC the same will be accounted. Rs. 552.06 crore pointed out by Audit is inclusive of payments made to M/s GMR Energy Ltd, M/s JSW Energy Ltd, M/s PTC, M/s NTPC WVL, M/s IEX etc for power purchased on short term contracts. These payments are made as per terms & conditions of short-term purchases and the payments to these firms need not be accounted as Regulatory Asset. Only the payment to Co-gen, Biomass Plants is to be considered according to KERC order in respect OP 8/2009 of M/s MPPL V/s MESCOM.
29. a) Previous years figures have been regrouped /rearranged wherever necessary. Paise have been rounded off to the nearest rupee.
- b) Schedules 1 to 24 form an integral part of accounts.

Sd/-  
**Chief General Manager (F&C)**

Sd/-  
**Director (Technical)**

Sd/-  
**Managing Director**

As per our report of even date  
For & on behalf of **R.SUBRAMANIAN AND COMPANY**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**(N.KRISHNAMURTHY)**  
Partner  
Membership No 19939

Place : Bangalore  
Date : 21-09-2010

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Amount in Rupees

Sl. No	Particulars	Current Year 2009-10		Previous Year 2008-09	
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Net Profit before Tax	119,974,186		(5,873,633,217)	
	<b>Adjustments for:</b>				
	Depreciation	1,219,874,741		642,509,305	
	Interest & Other Charges	1,809,125,055		1,231,703,504	
	Interest Income on Investment	-		-	
	Contingency Reserve	-		-	
	Other Income	(1,566,186,153)		(1,463,943,628)	
	Prior period charges(+) or credits(-)	818,453,889		696,731,850	
	Income Tax	(4,076,700)		(8,800,000)	
	<b>Operating Profit before working capital changes</b>	<b>2,397,165,018</b>		<b>(4,775,432,186)</b>	
	<b>Adjustments for</b>				
	Changes in Inventories	429,798,855		(352,684,058)	
	Changes in Sundry Debtors	(3,115,844,678)		791,913,202	
	Changes in Loans and Advances	2,822,850		1,072,232,226	
	Changes in Other Current Assets	894,913,500		(2,133,902,739)	
	Changes in Current Liabilities	(642,790,199)		2,224,935,105	
	Changes in Provisions	151,300,822		107,631,482	
	<b>Operating Profit after working capital changes</b>	<b>117,366,168</b>		<b>(3,065,306,968)</b>	
	Prior period charges(+) or credits(-)	(818,453,889)		(696,731,850)	
	Extraordinary items-Contributions from Consumers	795,002,455		2,001,888,801	
	<b>Net Cash inflow from Operating Activities</b>		<b>93,914,734</b>		<b>(1,760,150,017)</b>
<b>B</b>	<b>Cash Flow from Investment Activities</b>				
	Changes in Fixed Assets (Net )	(3,829,317,224)		(6,906,199,292)	
	Changes in Capital Work in Progress	(255,826,983)		376,336,227	
	Investments	-		(100,000)	
	<b>Net Cash Outflow from Investment Activities</b>	<b>(4,085,144,207)</b>		<b>(6,529,963,065)</b>	

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Sl. No	Particulars	Current Year 2009-10		Previous Year 2008-09	
<b>C</b>	<b>Cash Flow from Financing Activities</b>				
	Changes in Capital/Share Deposit Account	2,100,000,000		(0)	
	Changes in Secured Loans	(90,128,902)		845,650,929	
	Changes in Unsecured Loans	1,813,288,057		2,040,174,722	
	Service Line and Security Deposit	923,715,952		1,699,985,881	
	Interest & Other Charges	(1,809,125,055)		(1,231,703,504)	
	Other Income	1,566,186,153		1,463,943,628	
	<b>Net Cash available from Financing Activities</b>		<b>4,503,936,205</b>		<b>4,818,051,657</b>
<b>D</b>	<b>Net Change in Cash and Cash equivalents</b>		<b>512,706,732</b>		<b>(3,472,061,425)</b>
	<b>Surplus Cash [(A) + (B) + (C)]</b>				
	Add: Opening Cash and Cash equivalents		595,439,677		4,067,501,102
			1,108,146,409		595,439,677
<b>E</b>	<b>Closing Cash and Cash equivalent :</b>		<b>1,108,146,409</b>		<b>595,439,677</b>

- Note: 1. The Cash & Cash equivalents represent Cash & Bank Balances and deposits with Banks.  
2. The Provision for Bad & Doubtful on Receivables is cash Neutral.  
3. The above Cash flow statement has been prepared under the Indirect Method set out in AS-3 issued by the Institute of Chartered Accountants of India.  
4. Figures in brackets indicate cash outflow.  
5. Previous years figures have been regrouped wherever necessary to conform to current period's classification.

Sd/-  
**(C. Sreenivasan)**  
Chief General Manager (F&C)

Sd/-  
**(H. Nagesh)**  
Director (Technical)

Sd/-  
**(Tushar Giri Nath)**  
Managing Director

As per our report of even date  
For & on Behalf of **R.Subramanian And Company**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**N.Krishnamurthy**  
Partner  
Membership No 19939

Place : Bangalore  
Date : 21-09-2010

**STATEMENT SHOWING CAPITAL WORKS IN PROGRESS FOR THE YEAR 2009- 10**

ACCOUNT CODE	DESCRIPTION	O.B on 1-4-2009	INCURRED	CATEGORIZED	CB 31.03.2010
14.1107	CWIP - Transmission Lines - (GP)	0.00	52367195.63	24812486.86	27554708.77
14.1407	CWIP - Transmission Lines, Transformers etc., Extension - (GP)	14606818.55	-347349.87	1950037.51	12309431.17
14.1427	CWIP - Promoter Vanished Layouts - 11KV Lines, Transformers, LT lines/S.C.etc., (GP)	3477065.33	8562903.02	8026216.76	4013751.59
14.1447	CWIP- Providing additional DTC's enhancement of DTC's	0.00	194395650.45	144676253.40	49719397.05
14.1457	CWIP-Reconductoring of LT lines & strengthening of UG cable network	0.00	62769805.04	28094081.03	34675724.01
14.1467	CWIP- Providing of ABB cable	0.00	49574.00	0.00	49574.00
14.1507	CWIP - Trasmmissions lines, Trasformers etc., Improvement (GP)	551932953.67	346675182.07	653569655.08	245038480.66
14.1517	CWIP - Trasmmissions lines, Trasformers etc., Improvement - Non plan	599357.00	31826680.89	11191382.52	21234655.37
14.1537	CWIP - Improvement Distribution system under APDRP works lines - Trasformers	1594394574.05	-1594394574.05	0.00	0.00
14.1547	CWIP - Urban distributions improvement scheme ADB	20687.00	0.00	0.00	20687.00
14.1557	CWIP - Addl. Street lights / Street Lights in Cities / Towns / Villages	4367673.09	4328981.47	4660414.39	4036240.17
14.1567	CWIP-Improvement distribution system under APDRP works ETV meters	367090355.19	-367090355.19	0.00	0.00
14.1577	CWIP-Improvement distribution system under APDRP works Ring main unit & U.G.Cable	1715366431.71	-1715344921.65	0.00	21510.06
14.1587	CWIP - Metering of Existing Street Lights installation	4381656.40	-28222.80	1671065.00	2682368.60
14.1597	CWIP- Metering of DTC's	0.00	377029.00	377029.00	0.00
14.1607	CWIP - Reduction of Losses in Lines	238601990.16	419105894.58	501357091.84	156350792.90
14.1667	CWIP - DSLM works	603444.00	769553.00	0.00	1372997.00
14.1707	CWIP - Replacement of Distribution Transformers by Similar Capacities	12793290.45	470740388.44	473201157.86	10332521.03
14.1717	CWIP - Drum Project at Doddaballapura	1669870.00	13888605.56	12051478.00	3506997.56
14.1727	Construction of feeder through 11 kv feeders from newly formed MUSS	0.00	222923126.88	70688570.27	152234556.61

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ACCOUNT CODE	DESCRIPTION	O.B on 1-4-2009	INCURRED	CATEGORIZED	CB 31.03.2010
14.1737	Developing/Improving the capacity of UG cables along with RMU's	2662332.62	271363881.92	220529968.15	53496246.39
14.1747	Compact Sub Station	0.00	154572603.00	143735275.00	10837328.00
14.1757	All applicable Civil works pertains to restoration.	332670.00	12943694.00	12165220.00	1111144.00
14.1767	CWIP - R APDRP	1944760.00	2346843.00	349158.78	3942444.22
14.1777	CWIP- Replacement of existing electro mechanical meters/faulty meters by Electro static meters.	0.00	25197857.84	15447819.00	9750038.84
14.1787	CWIP- Expenditure incurred on PFC loan for RAPDRP (IT implementation) works - Part -A	0.00	267924124.76	0.00	267924124.76
14.2007	CWIP - REC Plan Schemes	1138505.49	383965.15	1315230.00	207240.64
14.2107	CWIP - RGGVY Scheme	1307249147.74	439595792.71	0.00	1746844940.45
14.2157	CWIP - RLMS Works-M/s.ABB	1990993766.28	443457890.51	0.00	2434451656.79
14.2167	CWIP - Niranthara Jyothi Yojane	6269322.00	303505416.88	0.00	309774738.88
14.2177	CWIP - Bangalore Distribution Up gradation Project(DAS) works	0.00	26920725.00	0.00	26920725.00
14.2207	CWIP - SPA Schemes	4776539.85	-1499.76	516773.40	4258266.69
14.2407	CWIP - System Improvement (REC)	2567744.20	0.00	0.00	2567744.20
14.3007	CWIP - Village Electrification (GP)	1626384.93	8548.80	104254.89	1530678.84
14.3027	CWIP - Electrification of Hamlets & Tandas (Non-plan)	0.00	2166.00	0.00	2166.00
14.3207	CWIP - Power Supply to IP sets (GP)	21960814.77	37276993.02	40242521.77	18995286.02
14.3217	CWIP - Power Supply to IP sets under self Financing scheme	1801081.73	646535.64	1618494.78	829122.59
14.3227	CWIP - P/S to new IP sets submerged IP sets of same consumers under UKP rehabilitaion programme	1384611.30	8875617.26	9530946.56	729282.00
14.3257	CWIP - Power Supply to New IP sets under "Own your Transformer (OYT) Scheme" ADRP works.	12533701.53	5378486.96	9807081.61	8105106.88
14.3267	CWIP - Power Supply to IP set regularation of unauthorised IP set installation under " Own your Transformers (OYT)" Scheme APDRP works	8099025.27	13093434.89	13609739.63	7582720.53
14.3277	CWIP - P/S to Exisiting IP Consumers for installing Trasnfomers under "One your Transformers Scheme (OYT) "	9502473.48	-1161564.82	4013719.82	4327188.84

ACCOUNT CODE	DESCRIPTION	O.B on 1-4-2009	INCURRED	CATEGORIZED	CB 31.03.2010
14.3287	CWIP-IP set under Dr.Devaraj Urs backward development corporation	0.00	5640290.58	4235082.78	1405207.80
14.3297	CWIP-Energisation of IPsets (Karnataka Minority development corporation)	0.00	2425038.11	2262786.14	162251.97
14.3307	CWIP- Energisation of IP set under Dr.b.R.Ambedkar Dev.Corp	0.00	17334485.26	12877494.64	4456990.62
14.3407	CWIP - Tribal Area Electrification (GP)	5739550.80	9930821.50	12277803.00	3392569.30
14.3417	CWIP-Energisation of IP set under Karnataka Tribal Dev.Corp. (Ganga kalyana) (TSP)	0.00	28582556.02	15791264.83	12791291.19
14.3507	CWIP - Bhagya Jyothi Scheme	3819374.01	2846847.00	0.00	6666221.01
14.3517	CWIP - Metering of Existing BJ installations	-13025525.00	24163468.63	3379735.50	7758208.13
14.3607	CWIP - Kutir Jyothi Scheme	51980741.77	4731324.87	0.00	56712066.64
14.3617	CWIP - Metering of Existing KJ Installations	8908437.00	4254156.00	0.00	13162593.00
14.3657	CWIP - Harijana Basthi /Dalith basthi/ Janatha colonies - Pradhana manthri Gramodaya Yojana works	0.00	119331.40	0.00	119331.40
14.3667	CWIP - KJ Scheme State Govt. RGRHCL Ashraya Ambedkar & EWS schemes under GOI's KJ schemes	2984814.00	173573.52	8038.00	3150349.52
14.4007	CWIP - Service Connections	144175166.07	447989707.09	449265698.91	142899174.25
14.4017	CWIP - Metering of IP sets of 10HP & below	0.00	946604.39	235838.00	710766.39
14.5027	CWIP - Buildings	17402650.81	38865205.00	49322570.00	6945285.81
14.6077	CWIP - Vehicals	0.00	2644700.00	2644700.00	0.00
14.7087	CWIP - Furniture & Fixtures	48304.24	4092217.11	4140521.35	0.00
14.8097	CWIP - Office equipment	644267.67	25489857.14	25325038.43	809086.38
14.8107	CWIP- Tools & Tackles	1090661.12	16085610.69	15433639.81	1742632.00
14.8117	CWIP - Mobile Phones	50050.00	107251.24	157301.24	0.00
14.8127	CWIP-Safety measures fund	0.00	549624.64	482974.64	66650.00
14.9057	CWIP - Cat. APDRP works, lines, tranfrs.	-1589423664.70	1618028067.13	28604402.43	0.00
14.9067	CWIP - Cat. APDRP works, ETV meters	-367079006.18	368067574.18	988568.00	0.00
14.9077	CWIP - Cat. APDRP works, Ring main units UG Cable	-1713462001.58	1717258440.66	3796439.08	0.00

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ACCOUNT CODE	DESCRIPTION	O.B on 1-4-2009	INCURRED	CATEGORIZED	CB 31.03.2010
14.9107	CWIP Categorised - RGGVY Scheme	-1213596763.93	0.00	513356720.44	-1726953484.37
14.9157	CWIP Categorised - RLMS Works	-1846064611.11	-36153089.66	552258640.02	-2434476340.79
14.9167	CWIP Categorised- Niranthara Jyothi Yojane	0.00	-26768018.00	77222125.20	-103990143.20
14.9767	Capital expenditure categorized RAPDRA Works.	0.00	0.00	2104815.37	-2104815.37
	<b>GRAND TOTAL</b>	<b>1378941492.78</b>	<b>4441312303.73</b>	<b>4185485320.72</b>	<b>1634768475.79</b>



## AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2009-2010

Amount in Rupees

Sl No.	DESCRIPTION	TARIFF	No of Consumers	UNITS SOLD		Average Realisation Rate Per Unit (In Rs.)	Opening Balance (In Rs.)	Revenue Demand (In Rs.)	Revenue Collection (In Rs.)	With-drawals (In Rs.)	HO Adjustments (In Rs.)	Closing Balance (In Rs.)
				Units (in KWH)	% of Units							
1.	BU/KJ	LT 1	6 87 512	11 23 06 490	0.65%	30 51 83 891	44 18 22 535	33 86 42 496	5 76 233	2 36 13 571	38 41 74 125	
2.	Lighting and AEH	LT 2	49 98 250	383 51 01 112	22.23%	140 17 59 815	1379 07 48 914	1339 47 64 137	1 03 60 477	53 83 57 277	124 90 26 839	
3.	Commercial Lighting	LT 3	6 60 593	105 59 41 826	6.12%	19 30 15 242	715 32 65 407	695 40 16 714	19 55 736	25 52 86 118	13 50 22 081	
4.	IP Sets (10HP & BELOW) FREE LIGHTING From 01-08-2008	LT 4A I	6 48 809	429 95 30 000	24.92%	1366 40 63 160	346 43 27 582	349 53 20 227	4 31 514	3 04 20 117	1360 22 18 884	
5.	I.P.Sets (10HP & Above )	LT 4B	478	48 06 632	0.03%	3 04 46 454	71 62 420	33 86 691		- 4 43 184	3 46 65 367	
6.	Pvt. Horti, Nuris, Coffee & Tea Plant	LT 4C	762	27 79 489	0.02%	84 22 874	56 35 074	36 40 852	12 200	12 70 773	91 34 123	
7.	LT Industries	LT 5	1 39 276	91 25 41 361	5.29%	18 67 34 028	447 50 91 859	438 09 90 414	60 48 527	12 71 37 634	14 76 49 312	
8.	Water Supply	LT 6	36 760	35 58 46 177	2.06%	344 81 78 700	191 14 89 644	70 47 28 165	15 613	11 43 69 592	454 05 54 974	
9.	Street lights	LT 6 I	45 398	30 55 27 868	1.77%	246 68 21 799	140 76 16 692	88 47 82 572	1 47 81 989	6 22 16 657	291 26 57 273	
10.	Temporary Supply	LT 7	94 754	9 27 41 611	0.54%	-54 66 58 835	82 29 32 733	92 74 92 439	1 68 517		-65 13 87 058	
11.	Water Supply & Sewerage Pumping	HT 1	106	48 86 57 699	2.83%	4 23 96 962	178 78 96 452	174 88 02 625		1 48 37 849	6 66 52 940	
12.	HT Industries	HT 2A	3 645	349 82 08 769	20.28%	38 95 07 243	1740 17 57 451	1715 10 80 589	28 43 672	56 22 59 196	7 50 81 237	
13.	HT Commercial	HT 2B	3 334	218 23 43 939	12.65%	2 34 31 951	1363 57 00 625	1332 90 11 225	1 86 46 482	27 77 44 872	3 37 29 997	
14.	HT Lift Irigin Societies	HT 3A	17	13 96 756	0.01%	60 80 496	71 46 828	72 86 449		- 22 581	59 63 456	
15.	HT Lift Irigin Schemes & Govt Hort.	HT 3B	3	2 76 662	0.00%	4 46 579	8 08 292	12 14 891		- 1 92 818	2 32 798	
16.	Residential Apartment	HT 4	164	9 37 24 954	0.54%	25 85 992	36 87 79 998	35 92 98 991		87 20 438	33 46 561	
17.	Miscellaneous Income	HT TOTAL	7 269	626 46 08 779	36.31%	46 44 49 223	3320 20 89 646	3259 66 94 770	2 14 90 154	86 33 46 956	18 50 06 989	
18.	Inter Escrom Sales	LT + HT	73 19 861	1724 17 31 345	100%	2162 24 16 352	6688 21 82 506	6368 44 59 478	5 58 40 959	201 55 75 511	2254 87 22 910	
19.	Tariff Subsidy by GOK			98 71 437	0.06%	20 34 46 391	50 25 28 542	50 24 99 907		1 98 41 054	28 635	
20.	LESS :Withdrawal of Revenue Demand					100 55 95 065	2 70 99 170	181 58 53 707			21 07 04 507	
T	Total LT+HT+Others		73 19 861	1725 16 02 782	100%	45 36 16 347	10 62 18 727		11 55 67 691		44 42 67 383	
21.	Receivable from GOK pending against IP Free Power Supply reimbursement					2237 78 41 461	6791 58 50 134	8600 28 13 092	-5 97 26 732	203 54 16 565	2231 51 88 669	
GT	GRAND TOTAL		73 19 861	1725 16 02 782		74 59 03 137					206 64 00 000	
				1725 16 02 782		2312 37 44 598					2438 15 88 669	

Note : 1) HO Adjustments includes Unbilled Revenue, Permanently Disconnected related Entries, B&D debts etc.,

2) IP Set (Below 10 HP) figures are clubbed together since segregation was not made during previous year.