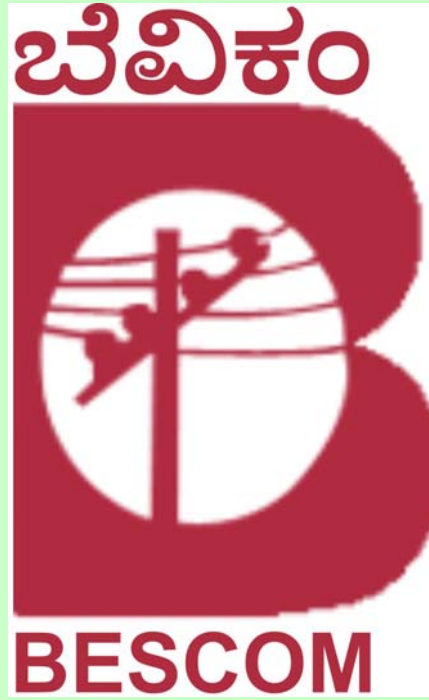


9th Annual Report
2010 - 2011



**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 Ninth Annual Report for the year 2010-11 and the Audited Accounts of the Company for the year ended March 31, 2011.

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

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

During the year 2010-11, the Company took various initiatives for rendering better services in line with the Government objectives and policies. The Company had set its agenda for quality service in distribution of electricity to its consumers by strengthening the network system and improved efficiency measures in the field of Information Technology.

BESCOM continued its pursuit of higher goals in the direction of increased metered Sales, increased revenue collection, meaningful energy audit at 11 KV and below, increased customer care activities using Information Technology by reducing human intervention etc. All these have been ably supported by the employees and the result is reflected in present improved position of the Company.

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 198 lakhs and serves more than 76.30 lakhs customers. The total asset is worth Rs.5277.61 Crores as on 31st March 2011.

Area	41,092 Sq.Kms
District	8
Population	19.8 Million
Consumers	7.63 Million
No of DTCs	151458
HT Line length	72211 Ckt.Kms
LT line length	148368 Ckt.Kms
Employee Strength	
Sanctioned	19108
Working	12658
Total Assets	Rs. 5277.61 Crores

a) Consumer Population

Consumer population served by BESCOM is steadily increasing and recorded an increase of 3.53% in FY-11 over previous year. The number of consumers existing as on 31-03-11 stands at 75,78,464.

Category wise consumers are furnished below .

Sl.No	Category	As on 31-03-2010	As on 31-03-2011	% of Increase
1	Bhagya Jyothi	6,87,512	7,00,912	1.95
2	Domestic Lighting and AEH	49,98,250	52,18,900	4.41
3	Commercial Lighting	6,60,593	6,96,410	5.42
4	LT Power	1,39,276	14,62,93	5.04
5	HT Power	7,269	7,979	9.77
6	Irrigation Pump sets	6,50,049	6,03,005	-7.24
7	Street Light & Others	82,158	87,818	6.89
8	Temporary Power	94,754	1,17,147	23.63
	TOTAL	73,19,861	75,78,464	3.53

b) Category wise number of consumers and its proportion to the total as on 31-03-10

Category	LT1	LT2	LT3	LT4	LT5	LT6	LT7
Number of Customers	687512	4998250	660593	650049	139276	82158	94754
% to Total	9.39	68.28	9.02	8.88	1.90	1.12	1.29

Category	HT1	HT2A	HT2B	HT3	HT4	Total
Number of Customers	106	3645	3334	20	164	73,19,861
% to Total	0.10					100.00%

c) Category wise number of consumers and its proportion to the total as on 31-03-11

Category	LT1	LT2	LT3	LT4	LT5	LT6	LT7
Number of Customers	700912	5218900	696410	603005	146293	87818	117147
% to Total	9.25	68.86	9.19	7.96	1.93	1.16	1.55

Category	HT1	HT2A	HT2B	HT3	HT4	Total
Number of Customers	120	3932	3731	20	176	75,78,464
% to Total	0.11					100.00%

IV. FINANCIALS :

The financial performance of the Company during the Financial Year 2010-11 is highlighted as below:

Sl. No.	Particulars	For FY 2010-11 Amount (in Crores)	For FY 2009-10 Amount (in Crores)
I	INCOME		
1	Revenue from sale of power	8,245.68	6,791.58
2	Other Income	178.58	156.62
	TOTAL	8424.26	6,948.20
II	EXPENDITURE		
1	Purchase of Power	7757.50	6,032.03
2	Repairs and Maintenance	30.69	32.10
3	Employee Costs	542.00	430.91
4	Administrative and Other Expenses	60.94	65.15
5	Other Charges (Debits)	85.98	154.95
	TOTAL	8477.11	6,715.15
III	Profit before Depreciation and Interest	(52.86)	233.05
	Depreciation (Net)	145.55	121.98
IV	Profit before Interest and Taxes	(198.41)	111.06
	Interest and other Charges	199.45	180.91
V	Profit before prior period charges or credits	(397.86)	(69.84)
	Prior period charges (+) or credits (-)	(-)400.06	(-)81.84
VI	Profit before Taxation	2.20	11.99
	Provision for Taxation	2.00	0.41
VII	Profit after Taxation	0.20	11.59

V. SUB STATIONS :

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



Volatge Class of Stations	No of Substations
400 Kv	3
220 Kv	35
110 Kv	22
66 Kv	337
Total	397

VI. POWER PURCHASE:-

1. BESCO is purchasing power from power generators as per Government of Karnataka Order No. EN131PSR 2003 dated 10.5.2005 w.e.f 10.6.2005. The purchase of power from various sources such as Hydel, Thermal, Diesel, Biomass, Cogeneration, Wind etc., is allocated by the Government of Karnataka vide its order dated 24.3.2010.

The power is procured from:

- (a) Central generating stations like NPTC, NLC, Kaiga and MAPs
- (b) State owned generating stations of KPCL Hydel, Thermal, DG Plant, Solar and Wind.
- (c) Independent power producers like Tata, Rayalaseema and Udupi Power.
- (d) Independent power producers from Non-conventional energy sources like Wind, Biomass, Co-generation and Minihydel.

The firm capacity available from various sources for 2010-11 is as below.

Sources	Capacity in MW.
Hydel	1632.53
Thermal	2306.85
Atomic	143.49
Non-Conventional Projects	<u>1293.00</u>
Total	<u>5375.87</u>

2. The share of allocation for various power projects as per Government of Karnataka Notifications and average power purchase cost per Kwh are as follows.

Sl. No.	Source	Share of allocation	Av. Power Purchase Cost in paise/Kwh.
1 (a)	<u>KPCL Hydel:</u>		
i	Sharavathy	37%	89.17
ii	Other Stations	49.62%	
(b)	<u>KPCL Thermal:</u>		
	RTPS 1 to 7 excluding 4	49.62%	266.91
	RTPS 4	80.5%	
(c)	KPC Diesel Plant	100%	924.30
2.	<u>Central Generating Stations:</u>		
	NTPC	49.62%	229.01
	NLC	49.62%	265.77
	NPCIL	49.62%	299.68
3.	<u>Major IPPS</u>		
	Tata Power	81.5768%	946.66
	Rayalaseema Alkalies	81.5768%	1046.08
	Udupi Power	49.62%	260.63
4.	<u>Minor IPPS (NCE Projects)</u>		
	Co-Generation	100%	477.01
	Biomass	100%	476.74
	Mini Hydel	100%	307.64
	Wind	100%	346.87
5	UI	49.62%	176.00
6	Bilateral	49.62%	498.93

3. Transmission Charges:-

BESCOM is making payment of transmission charges to KPTCL and PGCIL. The transmission charges being paid to KPTCL is on MW basis as approved by KERC. The transmission charges being paid to PGCIL is as per CERC approved rates.

4. Energy Charges:-

- (a) The total energy purchased at generation point, energy drawn at IF point and cost thereon, are as follows.

Total Energy purchased in MUs	Total energy drawn at IF points in MU	Power Purchase cost in Rs. Crore	Average Power Purchase cost in Rs./unit	
			At Gen. point	At I.P. IF.
23396.59	21909.37	7757.50	3.32	3.54

(b) Comparison of Source-wise power purchase cost during 2010-11 and 2009-10.

SL. No.	SOURCE	2010-11		2009-10	
		ENERGY PURCHASED IN MUS	AMOUNT IN CRORES	ENERGY PURCHASED IN MUS	AMOUNT IN CRORES
1	Hydel Power	4170.65	630.14	5474.02	515.74
2	Thermal Power	9894.19	2779.49	9988.20	2786.18
3	Lignite Power	1401.78	410.45	1261.74	279.88
4	Atomic Energy	577.84	188.02	441.74	145.53
5	Major IPPS	335.47	325.81	433.12	369.54
6	Biomass, Co-generation, Mini Hydel	423.10	209.71	337.91	180.66
7	Wind Mill Energy	1979.53	733.23	1854.48	703.14
8	Diesel Generating	495.47	458.55	465.75	418.79
9	Unscheduled Inter Change Charges	342.18	70.67	292.92	77.95
10	Bi-lateral Purchases	3776.38	1951.43	778.93	554.60
	TOTAL	23396.59	7757.50	21328.81	6032.03

(c) Statement Showing the details of power purchased, power purchase cost and cost per unit from various sources, transmission charges and other charges for the year 2010-11.

SL. NO	NAME OF THE COMPANY	CONS IN MUs	AMOUNT BILLED (Rs./crores)	P.P Cost (Rs./Kwh)
1	Central projects			
	CGS	5178.57	1271.07	2.45
	UI CHARGES	328.67	57.82	1.76

SL. NO	NAME OF THE COMPANY	CONS IN MUs	AMOUNT BILLED (Rs./crores)	P.P Cost (Rs./Kwh)
2.	State Projects			
	KPCL-HYDEL	3453.81	308.00	0.89
	KPCL-DG	475.97	439.95	9.24
	KPCL-THERMAL	5447.77	1454.04	2.67
	KPCL-WIND	12.82	3.83	2.99
	KPCL-SOLAR	3.38	2.03	6.01
3.	Private Producers			
	Rayalaseema	82.26	86.05	10.46
	Tata Power	239.96	227.16	9.47
	UPCL	798.55	208.13	2.61
4.	NCE Projects			
	Co-Generation	202.33	96.95	4.79
	Bio-Mass	44.83	21.86	4.88
	Mini-Hydel	529.28	162.83	3.08
	Wind	1865.62	643.62	3.45
	SUB-TOTAL(I)	22473.52	6879.69	3.06
	Short term purchases			
	M/S LEUL	8.93	4.22	4.73
	M/s JSW	1989.71	1056.45	5.31
	M/s IEX & PEX	101.17	40.42	4.00
	M/s. NTPC-VVNL	359.67	158.54	4.41
	M/s. PTCIL	1168.05	550.24	4.71
	Co-generation	132.45	62.74	4.74
	Bio-Mass	26.78	12.28	4.59
	Captive plant	22.94	11.46	5.00
6	Transmission Charges			
	PGCIL Tr. Charges		146.30	
	KPTCL Tr. Charges		602.10	
	SUB-TOTAL(II)		748.40	

SL. NO	NAME OF THE COMPANY	CONS IN MUs	AMOUNT BILLED (Rs./crores)	P.P Cost (Rs./Kwh)
7	Other Charges			
	INTER ESCOM-GESCOM		0.90	
	INTER ESCOM-MESCOM	923.07	107.70	
	INTER ESCOM-HESCOM		9.00	
	Energy Balancing-CESC		3.95	
	Cost of Banked Energy		0.91	
	PCKL EXP		0.69	
	SLDC O&M EXP		6.26	
	SUB-TOTAL(III)		129.41	
	GRAND TOTAL	23396.59	7757.50	3.32

- (d) There was severe shortage of power during peak months of this year i.e., from September-2010 to March 2011. BESCOM has drawn power from various short term customers such as M/s JSW, M/s PTCIL, Indian Energy Exchange, Power Exchange and NTPC, VVNL. Sec 11 of Electricity Act 2003 was invoked by GOK during the months from April 2010 to June 2010 for maximizing the generation from co-generation and biomass plants. The quantum of energy purchased and amount paid for short term contracts is brought as below:

Statement showing the details of energy purchased and amount paid for short term contracts in 2010-11			
	ENERGY (in Mu)	Rate Rs./uint)	AMOUNT (Rs./crore)
JSW	1989.71	5.31	1056.45
PTCIL	1168.15	4.71	550.07
LANCO	8.93	4.73	4.22
NTPC VVNL	359.67	4.41	158.54
CO GEN	155.39	4.78	74.20
BIO MASS	26.78	4.59	12.28
IEX & PEX	101.17	4.00	40.43
TOTAL	3809.80	4.98	1896.19

(e) The following number of Power Purchase Agreements have been signed by BESCOM which were approved by KERC during 2010-11.

- | | | |
|----|-------------------|-----------|
| 1. | Wind Mills-14 | 148.95 MW |
| 2. | Solar-2 | 73.00 MW |
| 3. | Waste to energy-1 | 8.00 MW |

5. Peak Load:-

The details of peak load of the State and BESCOM and energy input for year 2010-11 are furnished below:

Month	Maximum		Minimum		Input Energy of BESCOM in MU
	State (in MW)	BESCOM (in MW)	State (in MW)	BESCOM (in MW)	
Apr-10	6627	3214	5625	2569	1796.94
May-10	6339	3209	5064	2018	1746.78
Jun-10	5950	2992	4723	2413	1657.15
Jul-10	5933	3044	4517	2202	1638.91
Aug-10	6157	3187	4800	2310	1645.98
Sep-10	6024	3047	4865	2390	1676.78
Oct-10	6259	3167	5254	2420	1760.46
Nov-10	6605	3232	4796	2373	1587.87
Dec-10	7634	3655	6419	2936	1939.09
Jan-11	7815	3700	6529	2935	2166.42
Feb-11	7618	3651	6978	3166	2008.66
Mar-11	7743	3639	6816	3140	2284.33
Total					21909.37

6. Energy at IF points:-

The total energy drawn at IF points is 21909 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.

Sl. No.	Year	Energy MU at IF points	% increase over previous year	Energy sales (in MU)	% increase over previous 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

Sl. No.	Year	Energy MU at IF points	% increase over previous year	Energy sales (in MU)	% increase over previous year	Distribution Loss(%)
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
6.	FY 2011	21909	7.77	18736.12	8.60	14.48

VII. 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
FY-11	21909	14263.20	10.23

VIII. SALE OF ENERGY:

During FY-11, 18736.12 MUs were sold to various categories of consumers, out of which 14263.20 MUs (Including Inter Escoms) were under metered category and the balance of 4472.92 MUs was accounted under un metered category. The distribution loss for the year is assessed at 14.48 %.

a). Metered Energy Sales:

Sl. No.	Category	In Mus
1	Bhagya Jyothi	109.82
2	Domestic Lighting. incl. AEH	4210.25
3	Commercial Lighting	1191.50
4	IP set (Metered)	9.93
5	L.T. Power	987.14
6	H.T.	6885.71
7	Water Works / Public Lighting	763.76
8	Temporary installations	94.08
9	Inter ESCOM sales	11.01
	TOTAL	14263.20

b).Un-Metered Energy Sales:

Sl. No.	Category	In MUs
1.	Irrigation Pump Sets	4471.49
2.	BJ/KJ	1.43
	TOTAL	4472.92

c) Category wise energy sold 2010-11

Tariff	LT1a	LT2	LT3	LT4	LT5	LT6	LT7	HT		TOTAL
Category	BJ	Domestic Lighting & Heating	Comml	IP Set	Indus-tries	Water Works & Street Light	Temp		Inter ESCOM	
Energy Sold in Mus	111.25	4210.25	1191.50	4481.42	987.14	763.76	94.08	6885.71	11.01	18736.12

d) Break up of HT sales:

HT1	HT2A	HT2B	HT3	HT4	TOTAL
Water Supply	Industrial	Commercial	Lift Irrigation	Residential Apartments	
482.27	3908.57	2387.10	1.80	105.97	6885.71

IX. REVNUe REMAND AND COLLECTION:**a)Revenue Demand**

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

- Demand FY 07: Rs 4951 Cr.
- Demand FY08 : Rs.5807 Cr
- Demand FY 09: Rs 6190 Cr
- Demand FY 10 : Rs 6792 Cr
- Demand FY 11 : Rs 8246 Cr

b) Revenue Collection

The revenue collections have also increased over the years as follows:

- 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 FY 11 : Rs.7855 Cr

(c) Revenue from the consumers is being collected through the following systems.

Sl. No.	Name of the Bank	Sl. No.	Name of the Bank
1	BESCOM Cash Counters	7	Electronic Clearing System
2	Any Time / Any where Payment - KIOSKS	8	Payment through SBI ATMs
3	Cheque Drop Boxes	9	Bill Junction and Bill Desk
4	Bangalore One	10	Easy Bill
5	Tumkur One	11	Micro Feeder Franchise
6	Davanagere One	12	Online payment through Debit/Credit cards.

X. DEMAND SIDE MANAGEMENT (DSM) MEASURES

The following DSM measures have been initiated in Bescom during the year 2010-11.

a) Time of the Day Tariff

The Karnataka Electricity Regulatory Commission(KERC) in its order dated 07-12-2010 has initiated for Time of the Day Tariff for HT consumers, having contract demand of 1MW and above as optional. Bescom has requested in its latest tariff filing to make the same compulsory for this category of consumers.

b) Observation of Earth Hour:

BESCOM is propagating to observe Earth Hour since 2010. The Earth Hour is observed on the last Saturday of March between 8.30pm to 9.30pm. The Energy savings from Earth hour is about 60MW Peak.

c) Energy Efficient Ballast:

The copper Ballast in fluorescent tubes are being replaced by energy efficient Ballast of 28 Watts in all BESCOM Buildings by awarding the said work to M/s. KEONICS.

All the Buildings of BESCO are to be provided by energy efficient Ballast by 30th November 2011.

XI . STRENGTHENING OF THE NETWORK SYSTEM

(a) The strengthening of the distribution Network is a continuous process. During the year, HT and LT lines as follows were added to the system.

Particulars	OH (KMs)	UG (KMs)	Total added during Year 2010-11 (in KMs)	As on 31-03-11		Total (in KMs)
				OH (KMs)	UG (KMs)	
HT line	2744.89	140.62	2885.51	69138.52	3072.76	72211.28
LT line	1395.47	48.21	1443.68	147421.66	945.90	148367.56

(b) The number of Distribution Transformers added during the year and the cumulative number available in the system:

Particulars	25 KVA	50/63 KVA	63 to 100 KVA	160 to 250 KVA	300 to 1000 KVA	Compact Sub - Stations			Total
						500 KVA	750 KVA	990 KVA	
Added during FY-10-11	4416	1847	1474	582	197	2	5	21	8544
Existing in the system as at the end of 31-03-2011	52878	41166	38081	15782	3330	25	75	121	151458

(c) **GOK sponsored programme:**

- i) Drinking water supply electrified : 2005 Installations.
- ii) Ganga Kalyana electrified : 2486 Installations.

XII. (a) Restructured Accelerated Power Development and Reforms Programme (R-APDRP) IN KARNATAKA

The Govt. of India sponsored programme of R-APDRP is under implementation. Part – A is expected to be completed by Feb-2012. Regarding Part-B of the programme, the details are as follows:

UTILITY	No. of eligible Towns (Part-B)	DPR Approved Cost (Rs in Crores)	Loan sanctioned from M/s PFC/GOI (Rs in Crores)	Loan released from M/s PFC/GOI (Rs. In Crores)
BESCOM	24	290.28	72.57	43.542

(b) 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

During the year works in respect of 122 feeders have completed and 54 feeders are commissioned.

XIII. (a) BOARD OF DIRECTORS AND MEETINGS.

Following are the Directors of BESCOM as on the date of AGM:

1	Shamim Banu M, I.A.S	Chairperson
2	P.Manivannan, I.A.S	Managing Director
3	P.Ravikumar , I.A.S	Director
4	M. Naveen Kumar,IA&AS	Director
5	M.Maheshwar Rao, I.A.S	Director
6	P.K.Garg, I.P.S	Director
7	P.Bore Gowda,K.A.S	Director
8	H.R.Nagendra	Director
9	Ramakrishna.K	Director(Technical)
10	L.Ravi	Director
11	S.Shivamallu	Director
12	M.Nagaraju	Director

During 2010-11, the Board met on the following dates.

Sl.No.	Meeting No.	Held on
1	42 nd	28.06.2010
2	43 rd	28.08.2010
3	44 th	28.09.2010
4	45 th	18.12.2010
5	46 th	12.01.2011
6	47 th	11.03.2011

(b) BOARD SUB-COMMITTEES.

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

1. Central Purchases Sub Committee

Central Purchases Committee formed to consider and approve procurement of materials and award of works, beyond the powers of the field officers consists of the following members.

1. Managing Director, BESCOM	: Chairman
2. Director (Technical), BESCOM	: Member
3. Sri.M.Naveen Kumar, Director	: Member
4. Sri.P.Bore Gowda, Director	: Member
5. H.R.Nagendra, Director	: Member
Authorised Signatory BESCOM	: Convener

During 2010-11, the CPC met on the following dates.

Sl.No.	Meeting No.	Held on
1	51 st	08.04.2010
2	52 nd	21.06.2010
3	53 rd	17.07.2010
4	54 th	07.08.2010
5	55 th	15.09.2010
6	56 th	11.10.2010
7	57 th	19.11.2010
8	58 th	21.02.2011

(2) BORROWING SUB-COMMITTEE:

The Borrowings Sub-Committee has been delegated with 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 Dept. of Public Enterprises, GoK.

The sub-committee met on the following dates.

Sl.No.	Held on
1	07-05-2010
2	22-06-2010
3	08-07-2010
4	15-09-2010

(3) AUDIT COMMITTEE:

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

1	Sri. P.Ravi Kumar, I.A.S.,	Chairman
2	Sri. H.R.Nagendra	Member
3	Sri.S.Shivamallu	Member
	Authorised Signatory BESCOM	Convener

The Audit Committee has adequate powers and authority to play effective role as mandated by Companies Act,1956 besides to look in to the Internal Control System, Financial and Risk Management policies.

The Audit Committee met on 11-08-2010.

XIV. STATUTORY AUDITORS

M/s R. Subramanian & Company were appointed by C&AG of India, New Delhi as Statutory Auditors of BESCOM for the year 2010-11.

XV. 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 2010-11.

XVI. 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.

XVII. 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.

XVIII. GENERAL

The Board would like to place on record its appreciation for all the assistance and guidance extended by the Government of India, Government of Karnataka, Karnataka Power Transmission Corporation Limited, CERC, KERC, Ministry of Company Affairs, Registrar of Companies, Karnataka and Consumers of BESCOM for their Co-operation and support to BESCOM in its 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 and Associations.

For & on behalf of the Board of Directors

Sd/-
CHAIRPERSON

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

I. Registration Details			
Registration No	CIN-U04010KA2002PLC030438	State Code	08
Balance Sheet date	31:03:2011		
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	Nil	Right Issue	Nil
Bonds Issue	Nil	Private placement	Nil
III. Position of Mobilization & Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	52,776,075,724	Total Assets	52,776,075,724
Sources of Funds			
Paid up Capital	2,059,500,000	Reserves & Surplus	10,453,507,181
Share Deposit	2,984,651,353		
Service lines & Security deposits	19,632,151,945		
Secured Loans	7,475,993,800	Unsecured loans	10,170,271,445
Application of Funds			
Net Fixed Assets	28,426,930,850	Profit and Loss Account	3,506,843,327
Investments	100,000		
Net Current Assests	16,964,716,509	Capital Works in Progress	3,877,485,038
Accumulated losses			
IV. Performance of Company (Amount in Rs. Thousands)			
Turnover	84,242,613,840	Total Expenditure	84,240,577,826
Profit/Loss Before Tax	22,093,832	Profit/Loss after Tax	2,036,014
Earnings per Share in Rs.		Dividend	
V. Generic Name of Three Principal Products / Services of Company (as per monetary terms)			
Item code No.(ITC Code) :	NIL		
Product description :	Electricity distribution		

Sd/-
Chief General Manager (F & C)

Sd/-
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 2011.

The preparation of financial statements of **Bangalore Electricity Supply Company Limited, Bangalore**, for the year ended **31 March 2011** in accordance with the financial reporting framework 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 **21 September 2011**.

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 statements of **“Bangalore Electricity Supply Company Limited, Bangalore”** for the year ended **31 March 2011**. 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 Note No. 28 of the Notes forming part of Accounts (Schedule – 24), I have no further comments to offer upon or supplement of the Statutory Auditors’ report under section 619(4) of the Companies Act, 1956.

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

Sd/-

(D. J. BHADRA)
PR.ACCOUNTANT GENERAL
(CIVIL & COMMERCIAL AUDIT)
KARNATAKA, BANGALORE.

BANGALORE
DATED 24 September 2011.

AUDITORS' REPORT

**To the Members of
BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
K.R. CIRCLE, BANGALORE**

FOR THE YEAR ENDED 31.03.2011

- 1) We have audited the attached Balance Sheet of M/s. BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED, as at 31st March 2011 and also the Profit and Loss and the Cash Flow statement for the year ended on that date and submitted our report dated 12.08.2011. 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 31st March 2011 and also the revised 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**
- a. *Refer to para 11 of part –B notes, regarding confirmations yet to be obtained from other Escoms in respect of Energy Balancing charges accounted in the current year relating to the period 2006-07 to 2010-11.*
 - b. *The Company during the previous year continued to recover Electricity Charges upto November 2009 at the rates as per the earlier tariff order dated 27th 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 7th April and 16th 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 previous year viz., Tariff Order 2009 dated 25.11.2009 which was applicable from 01.12.2009 till 6.12.2010. Applicable from 07.12.2010, KERC has issued a fresh tariff order dt 07.12.2010. Accordingly the company has recovered electricity charges during the year 2010-11 as per the afore mentioned orders.*
 - c. *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.*
 - d. *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.*

- e. *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.*
- f. *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.*
- g. *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.*
- h. *Refer to Note No.5.3 of Part B-Notes on accounts regarding non receipt of confirmation of balances for 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 and KPCL. 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.*
- i. *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.

j. 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.

k. 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.

l. The Company has continued to charge depreciation on all Assets at the rates notified by CERC / KERC. During the year 2009-10, 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 depreciation for the previous year as well as 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.

II). 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 BESCO 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.

- III) *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.*
- IV) *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.*
- V) *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.*
- VI) *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.*
- VII) *Refer to para 15.1 of (Part B) - Notes regarding non-availability of reconciliation of Inter Unit accounts (IUA) between various divisions / units within the Company.*

VIII) Refer to Para 10 of Part-B – Notes regarding accounting of Transmission Charges payable to KPTCL for Financial Year 2006-07.

IX) 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.

**X) Refer to para 8.6 of Part –B Notes regarding additional liability to be provided relating to power purchases made from NTPC stations for the financial years 09-10 and 10-11 after approval of tariff under CERC tariff regulations 2009-14.
We are unable to express our opinion with regard to the impact of the above on the financial statements.**

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**
- vi) **AS-16-Borrowing Costs**

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 disqualification of directors of the Government 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 2011.
 - (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)

Place: Bangalore
Date : 21-09-2011

Sd/-
N.KRISHNAMURTHY
Partner
MEMBERSHIP. NO.19939



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 given 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 para4. (c) of our 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

Corporation Limited (KPCL),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 under tariff as approved by KERC 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. 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 31st March 2011for 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 31.03.2011and 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:

Previous Year

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 dues	2195.00	2004-05(AY)	CIT (Appeals) /ITAT
Income Tax Act, 1961	TDS Dues	35.00	From 2005-06to 2007-08	CIT (Appeals)

Current Year

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 Dues	24.15	2003-04(AY)	CIT (Appeals)
Electricity Tax	Electricity Tax	963.00	2008-09(AY)	CEIG

4(x) Taking into account the losses sustained by the Company in the current year, the company has accumulated losses as at the end of the current year. The company has incurred cash losses in the current year. However, the Company has not 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 (xix) 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)

Place: Bangalore
Date : 21-09-2011

Sd/-
N.KRISHNAMURTHY
Partner
MEMBERSHIP. NO.19939



**Addendum to Directors' Report
for the year ended 31st March 2011**

Replies offered on the observations/comments of the Statutory Auditors
on the accounts of the Company for the year 2010-11 are as follows.

Sl. No.	SA.No.	Observations of Statutory Auditors	Management's Reply
1	4 I (a)	Refer to para 11 of part-B notes, regarding confirmations yet to be obtained from other Escoms in respect of Energy Balancing charges accounted in the current year relating to the period 2006-07 to 2010-11,	The confirmation for energy balancing figures for the years 2005-06, 2006-07 and 2007-08 had been obtained from other ESCOMs except GESCOM. For 2008-09 to 2010-11, the confirmations are yet to be obtained and the same will be obtained at the earliest.
2	4 I (b)	The Company during the previous year continued to recover Electricity Charges upto November 2009 at the rates as per the earlier tariff order dated 27 th 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 th April and 16 th 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 previous year	Hon'ble Appellate Tribunal for Electricity disposed the Appeal vide order dated 09th October, 2009, partly allowing the appeal petition filed by BESCOM. Hon'ble KERC incorporated the directions of the Appellate Tribunal in the Tariff Order issued on 25.11.2009. Hence, Appeal filed by BESCOM before the tribunal has been concluded. Further, another Tariff Order was issued on 07.12.2010 and BESCOM is recovering Electricity charges as per this tariff order.

		viz, Tariff Order 2009 dated 25.11.2009 which was applicable from 01.12.2009 to 06.12.2010. Applicable from 07.12.2010, KERC has issued a fresh tariff order dated 07.12.2010. Accordingly the company has recovered electricity charges during the year 2010-11 as per the afore mention orders.	
3	4 I (c)	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.	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. The matter is being pursued.
4	4 I (d)	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	4 I (e)	<p>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.</p>	<p>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.</p>
6	4 I (f)	<p>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.</p>	<p>The action taken is in accordance with the provisions contained in Electricity (Supply) Annual Accounts Rules, 1985. However, KPTCL for itself and on behalf of all Escoms has addressed this issue to Institute of Chartered Accountants to exempt from this Accounting Standard. The matter is being pursued with the institute.</p>
7	4 I (g)	<p>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</p>	<p>Material Cost variance is given credit or debit at the time of passing of bills and not for the materials and stock held in the stores.</p>

		accounting the cost variances in respect of unpaid materials and stocks held. Accordingly the valuation is not in accordance with the prescribed Accounting Standard.	
8	4 I (h)	Refer to Note No. 5. 3 of Part B- Notes on accounts regarding non receipt of confirmation of balances for 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 and KPCL. 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.	The reconciliation of dues with KPTCL and KPCL for FY 2010-11 is now being carried out, After completion, the balances will be intimated.
9	4 I (i)	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	These details are available at Sub divisional/ Divisional level as these transactions are taking place in those offices.

		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.	
10	4 I (j)	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	4 I (k)	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 76 suits pending against BESCO in the High Court. Providing contingent liability will be considered in the year 2011-12.
12	4 I (l)	The Company has continued to charge depreciation on all Assets at the rates notified by CERC / KERC. During the year 2009-10, 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	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. Rate of depreciation prescribed vide Schedule XIV of the Companies Act 1956 is more than the rate fixed by KERC. A

		<p>has provided the depreciation for the previous year as well as 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.</p>	<p>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.</p>
13	4 (II)	<p>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</p>	<p>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 .</p>

		been transferred / documented in the name of the Company while the liabilities are reflected in the books of accounts.	
14	4 (III)	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 BESCO 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 2011-12 to nullify the Bad debts provision made at the time of Opening balance as on 01.06.2002.
15	4 (IV)	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.

16	4 (V)	<p>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.</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. The matter is being pursued.</p>
17	4 (VI)	<p>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.</p>	<p>Till date, no such liability has arisen and as per the Company's records there are no such liabilities.</p>

18	4 (VII)	Refer to para 15.1 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 is in progress and the same will be completed during FY 2011-12.
19	4 (VIII)	Refer to Para 10 of Part-B – Notes regarding accounting of Transmission Charges payable to KPTCL for Financial Year 2006-07.	Subsequent to ATE orders, KPTCL collected 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 Hon’ble Court.
20	4 (IX)	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 duly speeding up the investigation, fixing up of the responsibility and recovery proceedings in the cases of fraud committed on the Company.
21	4 (X)	Refer to para 8.6 of Part –B Notes regarding additional liability to be provided relating to power purchases made from NTPC stations for the financial years 09-10 and 10-11 after approval of tariff under CERC tariff regulations 2009-14.	The final tariff for NTPC stations for the years 2009-10 and 2010-11 under CERC Tariff Regulations 2009-14 are yet to be approved by CERC.

Sd/-
Managing Director,
BESCOM

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

Amount in Rupees

SL. NO	PARTICULARS	SCH. NO	Current Year 2010-11		Previous Year 2009-10	
I	SOURCES OF FUNDS :-					
1	<u>Share holders' Funds</u>					
	Share Capital	1	205 95 00 000		205 95 00 000	
	Share Deposit	1A	298 46 51 353		210 01 51 353	
	Reserves and Surplus	2	1045 35 07 181		985 88 70 792	
				1549 76 58 534		1401 85 22 145
2	<u>Loans Funds</u>					
	Secured Loans	3	747 59 93 800		330 47 10 522	
	Unsecured Loans	4	1017 02 71 445		647 14 93 547	
				1764 62 65 245		977 62 04 069
3	<u>Other Funds</u>					
	Service Line and Security Deposits	5		1963 21 51 945		1832 50 72 401
	TOTAL - I			5277 60 75 724		4211 97 98 615
II	APPLICATION OF FUNDS :-					
1	<u>Fixed Assets</u>					
	(a) Gross Block	6	4122 08 78 599		3908 23 82 730	
	(b) Less: Depreciation		1279 39 47 749		1087 43 78 938	
	(c) Net Block			2842 69 30 850		2820 80 03 792
	(d) Capital Work in Progress	7		387 74 85 038		163 47 68 476
				3230 44 15 888		2984 27 72 268
2	Investments	10A		1 00 000		1 00 000
3	<u>Current Assets, Loans and Advances</u>					
	(a) Inventories, Stores & Spares	8	87 96 44 551		105 01 00 429	
	(b) Sundry Debtors	9	2694 57 52 028		1791 97 59 834	
	(c) Cash and Bank Balances	10	136 44 38 760		108 04 01 094	
	(d) Loans, Advances and Deposits	11	257 33 16 793		171 60 12 131	
	(e) Other Current Assets	12	377 17 74 686		401 04 84 945	
	Total - 3		3553 49 26 818		2577 67 58 433	
	Less:					
	Current Liabilities & Provisions	13	1857 02 10 309		1700 87 11 426	
	Net Current Assets			1696 47 16 509		876 80 47 007
	Profit and Loss Account			350 68 43 327		350 88 79 341
	Significant Accounting Policies and Notes on Accounts	24				
	TOTAL - II			5277 60 75 724		4211 97 98 615

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

Sd/-

(C. Sreenivasan)

Chief General Manager (F & C)

Sd/-

(K.Ramakrishna)

Director (Technical)

Sd/-

(P.Manivannan)

Managing Director

Place : Bangalore

Date : 21-09-2011

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

Chartered Accountants

Sd/-

N. KRISHNAMURTHY

PARTNER



Bangalore Electricity Supply Company Limited

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

Amount in Rupees

SL. NO.	PARTICULARS	SCH. NO.	Current Year 2010-11		Previous Year 2009-10	
I	INCOME					
1	Revenue from sale of power	14	8245 67 66 343		6791 58 50 134	
2	Other Income	15	178 58 47 497		156 61 86 153	
	TOTAL			8424 26 13 840		6948 20 36 287
II	EXPENDITURE					
1	Purchase of power	16	7757 49 82 876		6032 02 61 243	
2	Repairs and Maintenance	17	30 68 65 379		32 10 94 954	
3	Employee Costs	18	542 00 82 281		430 90 99 883	
4	Administrative and Other Expenses	19	60 94 40 989		65 15 31 517	
5	Other Charges (Debits)	20	85 98 08 975		154 95 28 597	
	TOTAL			8477 11 80 500		6715 15 16 194
III	Profit/(loss) before Depreciation and Interest			-52 85 66 660		233 05 20 092
	Depreciation (Net)	21	145 55 06 601		121 98 74 741	
IV	Profit / (Loss) before Interest and Taxes			-198 40 73 261		111 06 45 351
	Interest and other Charges	22	199 44 66 311		180 91 25 055	
V	Profit / (Loss) before prior period charges or credits			-397 85 39 572		-69 84 79 703
	Prior period credits(+) / charges(-)	23	400 06 33 404		81 84 53 889	
VI	Profit before Reserve & Taxation			2 20 93 832		11 99 74 186
	Reserve for Contingencies					
VI	Profit/(Loss) before Taxation			2 20 93 832		11 99 74 186
	Provision for Income Tax		37 44 905		40 76 700	
	Provision for Income tax (Relating to Previous year)		1 63 12 913			
VII	Net Profit / (loss) after Taxation			20 36 014		11 58 97 486
VIII	Add: Balance of Surplus brought over from previous year		-350 88 79 341		-362 47 76 827	
	Balance carried to Balance Sheet			-350 68 43 327		-350 88 79 341
IX	Appropriations					
	Balance carried to Balance Sheet			-350 68 43 327		-350 88 79 341
X	Earning per share :					
XI	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/-
(K.Ramakrishna)
Director (Technical)

Sd/-
(P.Manivannan)
Managing Director

Place : Bangalore
Date : 21-09-2011

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

Sd/-
N. KRISHNAMURTHY
PARTNER

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE: 01 SHARE CAPITAL

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Authorised Capital 25,00,00,000 Equity shares of Rs. 10/- each		250 00 00 000	250 00 00 000
2	Issued, Subscribed and Paid up			
a	Issued Capital 20,59,50,000 Equity shares of Rs.10/- each		205 95 00 000	205 95 00 000
b	Subscribed Capital 20,59,50,000 Equity shares of Rs.10/- each		205 95 00 000	205 95 00 000
c	Paid Up Capital 20,59,50,000 Equity shares of Rs.10/- each	52.301	205 95 00 000	205 95 00 000
	Total		205 95 00 000	205 95 00 000

SCHEDULE: 1A SHARE DEPOSIT

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Share Deposit (as per GoK Letter No.DE48 PSR 2003/424 dated 15:06:2004)	52.302	1 51 353	1 51 353
2	Conversion of Interest free loan released to BESCOM in 2008-09 as Share Deposit towards Equity Investment as per GO No.EN 67 PSR 2009 Bangalore dated 01:03:2010	52.302	118 00 00 000	118 00 00 000
3	Towards Equity investment by GoK in BESCOM as per GO No.EN 95 PSR 2008, Bangalore, dated 01:09:2009	52.302	32 00 00 000	32 00 00 000
4	Towards Equity investment by GoK in BESCOM as per GO No.EN 67 PSR 2009, Bangalore, dated 31:03:10	52.302	60 00 00 000	60 00 00 000
5	Towards Equity investment by GoK in BESCOM as per GO No. EN 13 PSR 2010 Bangalore, dated 22.12.2010 and dated 30.03.2011	52.302	88 45 00 000	-
	Total		298 46 51 353	210 01 51 353

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE: 02 RESERVES AND SURPLUS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Contributions, grants and subsidies towards cost of Capital assets	55.100	810 87 02 075	738 55 93 273
2	Subsidies received from REC towards RGGVY scheme	55.210	127 66 94 212	127 66 94 212
3	Grants towards cost of Capital Assets received from GOI/GOK	55.3,55.303+55.309	78 21 80 227	82 25 03 307
4	GOK grant towards regularisation of unauthorised IP set installations	55.308	28 59 30 667	37 40 80 000
Total			1045 35 07 181	985 88 70 792

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011
SCHEDULE: 03 SECURED LOANS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Loans from Rural Electrification Corporation Limited, New Delhi.	53.300+53.312	-	2 19 91 712
2	Loans from Rural Electrification Corporation Limited, New Delhi. -APDRP Counter part funding (Rs.113.49+6.91) (Secured by Hypothecation 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	120 38 96 050	139 88 60 590
3	Term Loans from Commercial Banks			
a)	State Bank of India loan 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 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. 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)	53.500	41 94 27 828	72 80 58 295

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
b)	Oriental Bank of Commerce:	53.500	6 19 86 505	14 54 04 172
	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 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)			
c)	Corporation Bank	53.500	14 52 84 853	22 86 84 853
	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 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			

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
	<p>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 @ 9% per annum.</p> <p>(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)</p>			
d)	<p>Bank of India</p> <p>In 28 Quarters, 27 quarterly installments of Rs.7.15 Crore per quarter commencing from 3 years from the date of first disbursement . 28th Instalment will be of Rs.6.95 Crores. Interest to be serviced monthly. ROI 3% below BPLR.</p>	53.500	200 00 00 000	-
e)	<p>Canara Bank</p> <p>Repayment within 13 years (including moratorium period of three years) payable in 40 quarterly instalment of Rs. 10 Crore each. Interest to be paid as & when due.</p>	53.500	199 99 93 016	-
4 (a)	<p>PFC – RAPDRP</p> <p>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. The loan together with all interest (including penal interest) costs expenses and other omnies whatsoever stipulated in the Memorandum of Agreement shall be secured by a Guarantee from State Govt.loan along with interest thereon shall be converted into grant once the establishment of the required system is achieved and verified by an independent agency appointed by Ministry of power (MOP)</p>	53.347	78 40 80 900	78 17 10 900

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
4 (b)	RAPDRP PFC (B)	53.347	43 54 20 000	-
	The tenure of loan will be 20 years including moratorium period of 5 years. The interest and interest tax on the said loan shall be borne by the Utility and shall begin to accrue from the date of release of loan by Ministry of Power to PFC. If the Distribution Utilities achieve the target of 15 % AT & C loss on a sustained basis for a period of 5 years in the project area and the project is completed within time schedule fixed by the steering committee, loan will be convertible into grant.			
	PFC DRUM	53.337	12 03 59 962	-
	The loan shall be repaid by the distribution Company in 40 equal quarterly instalments. The first instalment will become due on 15 th day of April 2008 Interest on the said loan at the rate of interest prevailing on the date of each disbursement. The loan is secured by way of hypothecation in favour of the Corporation of all assets created under the loan. The Distribution Company shall enhance/open an escrow account for the entire pendency of the loan to the satisfaction of the corporation.			
5	JICA (Japan International Co-Operative Agency)	53.340	30 55 44 686	-
	TOTAL		747 59 93 800	330 47 10 522

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE: 04 UNSECURED LOANS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
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	1 21 27 710	1 32 30 230
2	Loans from Government - APDRP (The repayments to be made in 20 annual equal instalments together with interest at the rate 12% 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	50 05 03 518	54 22 12 145
3	GOK Interest free Loan Government of Karnataka has released interest free loan to BESCO towards payment to power suppliers for supply of power to State Grid during 2008-09	53.3317	94 09 719	94 09 720
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	99 99 94 965	99 99 94 965
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		200 00 00 000
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	2 78 91 946	4 05 16 868
7	Corporation Bank	53.500	125 00 00 000	-
8	Vijaya Bank (STL) STL for a period of 180 days to be repaid on the 181 st day of first drawal i.e.,14.03.11 and also monthly interest to be serviced regularly at 9.5% p.a. (floating) i.e.base rate.	53.500	150 00 00 000	-

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
9	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	16 54 01 460	16 54 01 460
10	Loan from GoK for Power Sector Automation	53.3417	1 02 90 000	1 47 00 000
11	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	2 70 50 000	3 24 60 000
12	Overdraft from Bank of Baroda OD Facility provided by BOB : Rs 100.00 Crs		51 99 33 902	98 67 01 352
13	Overdraft from Vijaya Bank OD Facility provided by VB : Rs 300.00 Crs		267 30 40 097	101 33 46 291
14	Overdraft from Canara Bank OD Facility provided by CB : Rs 200.00 Crs		206 66 05 934	63 87 98 745
15	Overdraft from Syndicate Bank OD Facility provided by SB : Rs 100.00 Crs		29 60 54 189	1 47 21 771
16	Overdraft from Bank of India OD Facility provided by BOI: Rs 100.00 Crs		11 19 68 005	-
	Total		1017 02 71 445	647 14 93 547

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE: 05 SERVICE LINE AND SECURITY DEPOSITS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	i) Deposit Contribution Work	47.301 to 47.303, 47.305,47.307 to 47.317, 47.321,	70 33 08 105	28 30 12 676
	ii) Deposit Works	47.306	2 37 40 857	2 20 57 620
2	Other Deposits from Consumers	47.6	70 79 81 310	69 86 36 475
3	Security Deposit from consumers:	48.1+48.2+48.3	1819 71 21 673	1732 13 65 630
Total			1963 21 51 945	1832 50 72 401

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

Schedule - 6 Fixed Assets

Amount in Rupees

Particulars	Fixed Assets				Depreciation				Net Block	
	Opening Balance As at 1-4-2010	Additions/Adjustment	Deductions/Adjustment	Closing Balance As at 31-3-2011	Opening Balance As at 1-4-2010	Additions/Adjustment	Deductions/Adjustment	Closing Balance As at 31-3-2011	As at 31-3-2011	As at 31-3-2010
Land & Rights	9 15 16 375	4 08 455	44 370	9 18 80 460					9 18 80 460	9 15 16 375
Buildings	39 64 94 185	3 68 57 039	1 20 43 607	42 13 07 617	9 19 10 497	3 92 34 366	60 60 374	12 50 84 489	29 62 23 129	30 45 83 688
Civil Works (Pipeline, Sewage, Drainage, Water supply)	2 64 08 399	10 93 182		2 75 01 581	58 70 464	17 49 583	1 60 521	74 59 526	2 00 42 055	2 05 37 936
Other Civil Works	48 31 147	2 98 313		51 29 460	12 10 966	2 16 019	10 242	14 16 743	37 12 717	36 20 181
Plant & Machinery	847 37 90 773	114 84 24 544	74 24 56 322	887 97 58 995	195 13 15 975	59 80 12 168	28 36 11 936	226 57 16 207	661 40 42 788	652 24 74 798
Lines Cable Networks	2982 56 38 200	197 67 14 560	27 51 24 677	3152 72 28 083	868 18 94 591	204 16 88 230	50 89 78 471	1021 46 04 350	2131 26 23 733	2114 37 43 608
Vehicles	1 5 18 02 455	40 77 379	38 98 505	1 5 19 81 329	8 73 32 571	97 20 688	46 94 096	9 23 59 163	5 96 22 166	6 44 69 885
Furniture & Fixtures	7 00 91 899	48 37 596	21 30 780	7 27 98 715	3 61 84 257	2 88 26 093	26 51 768	6 23 58 583	1 04 40 132	3 39 07 642
Office Equipments	4 18 09 297	17 45 303	2 62 241	4 32 92 359	1 86 59 617	67 91 964	5 02 893	2 49 48 688	1 83 43 671	2 31 49 680
Current Year Total	3908 23 82 730	317 44 56 371	103 59 60 502	4122 08 78 599	1087 43 78 938	272 62 39 111	80 66 70 301	1279 39 47 749	2842 69 30 851	2820 80 03 793
Previous Year Total	3505 34 46 792	591 90 60 062	189 01 24 124	3908 23 82 730	945 48 85 483	194 18 79 089	52 23 85 634	1087 43 78 938	2820 80 03 793	2559 85 61 309

NOTE:

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

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE: 07 CAPITAL WORKS IN PROGRESS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Capital Work in Progress	14	362 99 35 273	163 47 68 476
2	Contracts in Progress	15.128	-	-
3	Provision for works.	15.500	24 75 49 765	-
Total			387 74 85 038	163 47 68 476

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE : 8 INVENTORIES, STORES AND SPARES

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
1	Assets not in use (valued at WDV)					
	a) Value of scraped assets		3 87 22 499		5 31 88 878	
	Less : 20% Provision estimated/possible erosion in value	16.1	75 04 360		1 06 37 776	
				3 12 18 139		4 25 51 102
	b) Value of Faulty and Dismantled assets for reuse		29 46 09 409		24 98 95 018	
	Less: 20% Provision estimated/possible erosion in value		4 87 54 496		4 99 79 004	
		16.2		24 58 54 913		19 99 16 014
	Total-1			27 70 73 052		24 24 67 116
2	Materials Stock					
	(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	58 70 74 988		78 85 00 829	
	b) Mateterial imprest Account	22.641	7 43 201		24 69 438	
	c) Material pending inspection	22.660				
	c) Other Material Account	22.700	1 47 53 310		1 66 63 046	
	Total-2			60 25 71 499		80 76 33 313
	TOTAL 1 + 2			87 96 44 551		105 01 00 429

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE: 9 SUNDRY DEBTORS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
1	(a) Sundry Debtors - Supply of Power					
	1. Sundry Debtors for sale of Power – LT	23.1	2401 37 32 512		2236 37 15 921	
	2. Unbilled Revenue - LT	23.4	269 76 14 231		206 82 03 774	
	3. Sundry Debtors for sale of Power - HT	23.2	22 58 87 327		18 50 06 989	
	Amounts Receivable from GoK towards Free Power Supply to IP sets upto 10HP	28.627	342 14 35 904		206 64 99 658	
	4. Unbilled Revenue - HT	23.4	374 73 43 094		319 94 02 642	
	5. Dues from Permanently disconnected installations	23.5	102 24 38 498		92 77 83 351	
	6. Inter ESCOMs Energy balancing & Energy charges at IF point	23.6	377 65 63 912		21 07 04 507	
	Total (a)			3890 50 15 478		3102 13 16 842
	(b) Sundry Debtors - miscellaneous receipts from consumers	23.7	28 635	28 635	28 635	28 635
	Sub total - (1)			3890 50 44 113		3102 13 45 477
2	Less :					
	a) Revenue Suspense Account & Anywhere payment	47.607, 37.501,502, 503,504	2 67 89 247		12 16 80 542	
	b) Provision for withdrawal of Revenue demand	23.8	7 54 63 991		44 42 67 383	
	c) Provision for Doubtful Dues from consumers	23.9	1402 17 08 978		1343 76 23 071	
	Sub total - 2			1412 39 62 216		1400 35 70 996
3	Net Receivables against Supply of Power (1 - 2)			2478 10 81 897		1701 77 74 481
4	Sundry Receivables from					
A	KPTCL	28.826,831,836,841	32 92 64 945		32 92 64 945	
	Less : Payable to KPTCL					
a	On accounts of funds received	46.106				
b	On accounts of funds received and adjusted to receivable from KPTCL	28.881			-	
c	On account of Materials, Released Assets, Personnel and others (Cash transactions)	42.276,277, 278, 52.308	9 47 99 325		9 41 90 321	
	Net receivable from KPTCL		23 44 65 620		23 50 74 624	
5	MESCOM	28.828,833, 838, 28.927	1 59 54 756		1 59 55 307	
6	GESCOM	28.830,835, 840,928	2 55 79 993		2 55 79 993	
7	HESCOM	28.829,834, 839,929	4 02 22 070		4 02 22 070	
8	Others	28.1	176 64 34 644		49 22 31 971	
	Sub total - 4			208 26 57 083		80 90 63 965
	Total - C+D					
9	Sundry Debtors for Electricity Tax	23.3	8 20 13 048	8 20 13 048		9 29 21 389
	Total 3+4+5+6+7			2694 57 52 028		1791 97 59 834
Note :A) Secured - Nil -						
B) Un Secured :						
1) Receivables on sale of power are unsecured but considered good except to an extent of provision made for bad & doubtful debts of Rs./- (i.e. total of Sl.No.2(b)+2©)			1409 71 72 969			

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE 10 : CASH AND BANK BALANCES

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
1	Cash, Cheques/DDs on Hand	24.110+24.210	17 28 06 791	17 28 06 791	12 87 25 115	12 87 25 115
2	Balances with Banks:					
	(a) - Operative Accounts with scheduled banks	24.400	41 26 844		9 16 17 423	
	(b) - Non-Operative Accounts with scheduled banks	24.300	21 34 42 618		21 17 55 049	
	Sub Total			21 75 69 462		30 33 72 472
3	Fixed Deposits with Banks	20.2	97 04 49 870		63 98 83 518	
	Sub Total			97 04 49 870		63 98 83 518
4	Stamps on Hand	24.120,24.130, 24.140		1 82 662	1 58 860	1 58 860
5	Remittance to Head Office - Transit Account	24.5	- 12 31 570		5 99 477	
6	Transfers from Head Office In Transit Account	24.6	46 61 545		76 61 652	
	Sub Total			34 29 975		82 61 129
TOTAL				136 44 38 760		108 04 01 094

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE 10A : INVESTMENTS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Investment in shares of PCKL	20.250	1 00 000	1 00 000
TOTAL			1 00 000	1 00 000

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE 11 : LOANS, ADVANCES and DEPOSITS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
1	LOANS AND ADVANCES (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	34 67 69 805		8 26 48 659	
	b) Advances to Contractors	26.6	70 05 04 499		71 91 83 318	
	c) Loans and Advances to Staff - Interest free	27.2	5 77 37 218		4 86 35 179	
	d) Loans and Advances - Others	27.8 47.308,309,310	119 82 56 809		62 92 90 601	
	Sub total (a+b+c+d)			230 32 68 331	147 97 57 757	147 97 57 757
2	DEPOSITS					
	a) Security Deposits with Railways and Others	28.9	24 85 28 286		22 24 86 432	
	(b) Security Deposit from Suppliers & Contractors other than cash (per contra)		2 15 20 176		1 37 67 942	
	Sub total (a+b)			27 00 48 462		23 62 54 374
	Total			257 33 16 793		171 60 12 131

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011

SCHEDULE 12 : OTHER CURRENT ASSETS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
A	Other Current Assets					
1	Amounts Recoverable from Employees	28.4	13 87 88 298		11 11 36 632	
2	Tariff subsidy Receivable from GOK towards IP set installation	28.625	-		-	
3	Tariff subsidy Receivable from GOK towards BJ/KJ installation	28.626	6 52 59 859		-	
4	Fringe Benefit Tax paid	28.819	-		35 31 847	
5	Income Tax including Advance Tax	28.821	99 94 06 514		89 86 94 219	
6	Tax deducted at source - (income Tax)	28.850	35 68 189		28 39 686	
7	Other Claims Receivables	28.72, 28.74	1 86 22 962		1 60 57 497	
8	Receivables from Pension / Gratuity Trust	28.9	8 19 11 673		17 15 94 351	
9	Cash Receivables from Associates - KPTCL / ESCOMS	28.9	230 95 47 666		270 26 78 481	
10	Receivable from GOK refund of meter equipment security deposit	28.71	1 61 966		1 41 342	
11	Prepaid expenses	28.820	38 617		9 78 678	
12	Interest Accrued but not due on deposits	28.2	1 33 82 597		2 77 45 315	
	Sub-total A			363 06 88 341		393 53 98 048
B	Inter Unit Accounts :					
1	IUA – CWIP, Fixed Assets, depreciation provision / obsolete and released assets	32	14 10 86 345		7 50 86 897	
2	IUA-Remittances to HO	33	-		-	
C	Sub-total B			14 10 86 345		7 50 86 897
Total (A + B)				377 17 74 686		401 04 84 945

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 1 TO 13 FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2011
SCHEDULE 13: CURRENT LIABILITIES & PROVISIONS

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
	Sundry Creditors for Purchase of Power	41 Series				
	a) Hydel Power		30 86 05 417		49 65 43 606	
	b) Thermal Power		459 74 93 948		885 93 86 866	
	c) Lignite Power		27 92 38 729			
	d) Atomic Energy		24 96 47 094		18 12 71 815	
	e) Conventional Energy		58 80 29 206		66 77 35 331	
	f) Non Conventional Energy		15 38 58 456		22 87 05 185	
	g) Wind Mill Energy		54 22 75 591		86 87 57 649	
	h) Bi-lateral Purchases		449 87 46 010		38 90 07 593	
	i) U I Transmission & administrative charges and provision for PP Liability, etc		23,94,76,464		3 57 11 516	
	j) Diesel Generating power		88 84 94 756		62 04 44 093	
	Solar					
	Inter ESCOM, Cost of Banked Energy, SLDC Charges & PCKL Revenue Expenditure		77,89,22,284	1312 47 87 955		1234 75 63 654
2	Creditors/Liabilities for supplies / works	42.1 to 42.5, 42.6	172 17 52 253	172 17 52 253	123 61 88 383	123 61 88 383
3	Staff Related Liabilities					
	Unpaid Salaries	44.210	13 10 905		16 31 273	
	Unpaid Bonus	44.220	50 667		61 934	
	Salary payable	44.310	41 82 182		3 84 84 241	
	Bonus payable	44.320	34 55 486		91 58 474	
	Ex-gratia payable	44.330	3 74 59 642		3 87 09 418	
				4 64 58 882		8 80 45 340
4	Payable to other ESCOM - CESC	42.200	101 06 75 729	101 06 75 729	100 89 00 025	100 89 00 025
5	Other Liabilities					
	Other Receivables-suppliers/Contractors	28.8	-1 62 60 217		6 83 35 573	
	IUA -Personal transaction	36 Series	5 35 62 072		4 68 23 449	
	Security Deposits in cash from Suppliers / Contractors	46.101	39 87 96 986		37 23 20 809	
	Security deposit other than in cash from suppliers / contractors	46.102	2 98 00 185		3 49 13 824	
	Retention Money - Bill amount retained	46.104,105, 206	1 55 21 388		3 15 20 968	
	Stale Cheques	46.910	95 78 399		89 29 632	
	Miscellaneous Deposits/Other liabilities	46.966, 46.9	17 40 42 745		3 26 51 699	
	Excess credit under reconciliation	46.971 to 46.978	87 58 679		93 03 934	
	Levies / fees payable to GoK	46.300+46.301+46.441	51 75 23 630		65 60 45 254	
	Inter Unit Accounts - Other transactions / adjustments	37	38 19 523		18 38 51 846	
	IUA -Funds Transfer	34		119 51 43 390		144 46 96 988
6	Outstanding Liability					
	- for Expenses	46.103,410,470, 46.929	95 91 55 566		27 57 50 482	
	- interest accrued but not due on loans	46.71	1 26 75 566	97 18 31 132	92 16 690	28 49 67 172
7	Provisions for other liabilities					
	Provision for Gratuity,Pension,Leave encashment, PF & Family Benefit Fund	44.122,130,140 to 142	38 66 08 007		50 54 54 722	
	Provision for Income-Tax & Fringe Benefit Tax	46.800	11 29 52 961		9 28 95 143	
				49 95 60 968		59 83 49 865
	Total			1857 02 10 309		1700 87 11 426

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

SCHEDULE: 14 REVENUE FROM SALE OF POWER

Amount in Rupees

SL. No.	Particulars	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
1	BJ/KJ Up To 18 Units Metered installations	61.101	27 95 83 712		23 87 89 022	
2	BJ/KJ Up To 18 Units Un Metered installations	61.102	59 55 462		3 91 10 859	
3	BJ/KJ Above 18 Units having more than one outlet	61.103	19 14 39 542		16 39 22 654	
4	Lighting/combined lighting, heating & motive power installations BBMP (Urban) - LT 2(a)I	61.111	1292 82 44 850		1119 56 46 594	
5	Lighting/combined lighting, heating & motive power installations (Urban Local Bodis other than LT 2(a)i - LT2 (a)ii	61.112	140 55 94 188		142 65 55 339	
6	Lighting/combined lighting, heating & motive power installations (Village Panchayats) - LT 2(a)iii	61.113	69 31 04 542		95 29 60 295	
7	Lighting/combined lighting, heating & motive power installations (Free Lighting)	61.114	6 43 89 368		5 82 00 580	
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	16 18 10 352		14 09 98 140	
9	Lighting/combined lighting, heating & motive power installations of Pvt.Professional including aided educational institutions under VPs - LT2(b)ii	61.116	2 10 48 796		1 63 87 967	
10	Subsidy received from GoK	61.122	86 63 46 470		81 02 58 642	
11	Commercial Lighting, heating & motive power installations of ULBs including City Corporations	61.131	720 25 22 338		650 93 92 760	
12	Commercial Lighting, heating & motive power installations VPs - LT3 (ii)	61.132	75 82 83 852		50 33 55 249	
13	Commercial Lighting, heating & motive power installations - Office Lighting	61.133	2 17 77 734		2 21 06 266	
14	Revenue from sale of power-commercial-applicable to Areas coming under Village Panchayats-LT3(iii)	61.135	30 97 36 900		11 84 11 132	
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	711 64 94 966		315 20 37 303	
16	IPSets upto and inclusive of 10HP- where meters are fixed-Rural feeders-LT4(a)i-Free power-Metered	61.142	3 02 04 625		1 94 18 043	
17	IPSets upto and inclusive of 10HP- Urban feeders metered-LT4(a)ii-Free power-metered	61.143	8 01 67 017		4 76 28 926	

SL. No.	Particulars	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
18	IPSets upto and inclusive of 10HP-Urban feeders Unmetered-LT4(a)ii-Free power-Unmetered	61.146	30 06 15 433		24 52 43 310	
19	I.P.Sets above 10HP-LT4(b)	61.144	93 35 612		71 62 420	
20	IP setsPvt. HortI, Nurseries, Coffee & Tea Plantations irrespective of sanctioned load - LT4(c)	61.145	51 36 239		56 20 145	
21	Revenue from sale of power - IP sets - hor. Nur. Coffee & Tea above 10HP- LT 4 C(ii)	61.147	72 940		14 929	
22	Heating & motive power (including lighting) of BBMP area upto & below 5HP - LT5(a)i	61.151	38 30 86 861		44 29 96 070	
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	125 37 96 850		94 87 85 154	
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	135 59 95 555		121 66 71 017	
25	Heating & motive power (including lighting)-BBMP area for 67HP & above (including demand based tariff) - LT 5(a)iv	61.154	50 00 30 508		51 12 31 518	
26	Heating & motive power (including lighting) of other than BBMP area upto and below 5HP - LT 5(b)i	61.155	14 86 86 579		17 83 02 216	
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	56 56 73 518		47 38 10 585	
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	59 97 14 633		55 70 66 639	
29	Heating & motive power (including lighting) other than BBMP area for 67HP and above (including demand based tariff) - LT 5(b)iv	61.158	13 08 70 815		14 62 28 660	
30	Water supply installations of VPs/TP's and TMC/CMCs - LT 6	61.171	236 66 47 977		191 14 89 644	
31	Public Lighting installations of VPs / TP's and TMC/CMCs - LT 6	61.172	169 73 63 150		140 76 16 692	
32	Temporary Power Supply - LT installations - LT7	61.181	103 56 63 429		82 29 32 733	
	TOTAL (L T)			4248 93 94 813		3429 03 51 503
33	Drainage/Sewerage BWSSB & Local bodies/KUWS & SB -Water supply installations -HT 1	61.250	191 28 72 708		178 78 96 452	
34	Industires in BBMP area - HT 2(a)i	61.260	1165 54 60 315		992 11 88 528	
35	Industires in areas other than BBMP area - HT 2(a)ii	61.261	921 02 42 784		748 05 68 923	
36	HT Commercial applicable to BBMP area - HT2(b)i	61.270	1507 50 81 628		1265 10 86 429	

SL. No.	Particulars	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
37	HT Commercial applicable to areas other than BBMP area - HT2(b)ii	61.273	114 83 32 513		98 46 14 196	
38	Lift Irrigation Schemes-Govt Dept & Govt ownd Corporations - HT3(a)i	61.280	61 37 615		71 46 828	
39	Lift irrigation Schemes - Pvt LI Schemes and LI societies HT 3 a (ii)	61.281	2 56 154			
40	Lift irrigation Govt Horticulture, Coffee, Tea, coconut, Arecant,Etc Agricultural farms HT 3 b	61.282	7 67 042		8 08 292	
41	Residential apartments and colonies of BBMP Area HT 4 (a)	61.290	41 98 71 347		33 33 20 747	
42	Residential apartments and colonies Urban Local Bodies other than HT 4 (a) - HT 4 (b)	61.291	6 17 52 465		3 13 09 657	
43	Residential apartments and colonies of VPs - HT 4 (c)	61.292			41 49 594	
	TOTAL (H T)			3949 07 74 571		3320 20 89 646
44	Revenue from Inter Escom exchange of energy charges 11KV - LT - HESCOM	61.314	2 19 28 898			
45	Revenue from Inter Escom exchange of energy charges 11KV - LT - GESCOM	61.315	1 59 94 345			
46	Revenue from Inter Escom exchange of energy charges 11KV - LT - MESCOM	61.316	2 13 72 158		1 14 60 948	
47	Revenue from Inter-ESCOM exchange of energy cahrges 11KV & LT - CESC	61.317	3 74 80 901		1 56 38 222	
48	Recoveries for theft of power	61.710	2 52 308			
				9 70 28 610		2 70 99 170
	Miscellaneous recoveries from Consumers.					
49	Reconnection Fee (D & R)	61.902				
50	Public Lighting Maintenance Charges	61.903	4 500		150	
51	Service Connection	61.904	21 06 28 998		23 37 10 702	
52	Delayed payment charges from consumers.	61.905				
53	Other Receipts from consumers	61.906	23 46 65 334		26 88 17 690	
				44 52 98 832		50 25 28 542
				8252 24 96 826		6802 20 68 861
	Less : Withdrawal of Revenue Demand	83.8	6 57 30 483	6 57 30 483	10 62 18 727	10 62 18 727
	Total			8245 67 66 343		6791 58 50 134

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2011

SCHEDULE: 15 OTHER INCOME

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
1	Interest Income :					
	Interest on Bank Fixed Deposits	62.222,260,270	9 35 73 656		2 39 16 340	
	Interest - Others	62.260	11 23 850		11 23 850	
	Sub total - 1			9 46 97 506		2 50 40 190
2	Other Income					
	Profit on sale of stores	62.330	1 06 16 365		1 90 98 766	
	Sale of scrap	62.340	67 44 897		1 05 02 101	
	Other Miscellaneous receipts	62.360	4 58 889		76 91 934	
	Other Income	62.325			31 784	
	Excess provision made in prior period which is no longer required	62.325	56 44 64 525		77 04 95 244	
	Rental from Staff Quarters	62.901	1 12 82 269		1 09 28 051	
	Rental from others	62.902	17 575		45 538	
	Value of materials & fixed assets found excess during physical verification	62.905	7 05 442		13 63 011	
	Rebate at 0.5% for collection of Electricity Duty.	62.916	1 76 88 488		3 68 05 740	
	Miscellaneous Recoveries.	62.917	17 62 37 854		24 49 58 536	
	Incentives received	62.907+62.361+62.911+62.922+92+923+62.361+62.918	90 29 33 687		43 08 30 880	
	Sundry credit balance written back	62.912	-		83 94 377	
	Sub total - 2			169 11 49 991		154 11 45 963
	Total			178 58 47 497		156 61 86 153

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2011

SCHEDULE: 16 PURCHASE OF POWER

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
A	Power Purchase Cost			
1	Hydel Power	70	440 36 16 727	515 74 37 770
2	Thermal Power	70	2737 34 93 474	2786 18 36 854
3	Lignite Power	70	226 27 78 001	279 88 45 145
4	Atomic Energy	70	166 34 72 650	145 53 10 413
5	Conventional Energy	70	313 21 19 529	369 54 29 103
6	Non Conventional Energy	70	184 64 40 516	180 65 91 638
7	Wind Mill Energy	70	658 91 03 811	703 13 93 437
8	Diesel generating & Solar Energy	70	441 97 48 822	418 79 48 416
9	Unscheduled Inter Change charges	70	57 82 11 777	77 94 86 373
10	Bi-lateral Purchases	70	1764 44 69 868	554 59 82 094
11	Transmission Charges	70	748 39 93 498	-
12	Inter ESCOM, Cost of Banked Energy, SLDC Charges & PCKL Revenue Expenditure	70	17 75 34 203	-
TOTAL			7757 49 82 876	6032 02 61 243

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2011

SCHEDULE: 17 REPAIRS AND MAINTENANCE

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Plant and Machinery	74.1	19 20 37 464	19 66 24 120
2	Buildings	74.2	1 32 91 075	87 18 054
3	Civil works (Pipeline, Seweage, drainage and water supply)	74.3	32 31 428	24 58 984
4	Lines, Cable Net Work Etc.	74.5	8 95 37 979	10 29 86 616
5	Vehicles	74.600	59 49 752	64 75 028
6	Furniture and Fixtures	74.700	23 419	26 951
7	Office Equipments.	74.8	29 49 486	38 05 201
8	R & M charged to Capital Works (Credit account)	74.9	- 1 55 224	-
Total			30 68 65 379	32 10 94 954

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2011

SCHEDULE: 18 EMPLOYEE COSTS

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
1	Salaries and allowances					
	Salaries	75.1	243 66 41 206		193 59 81 801	
	Over Time	75.2	7 09 09 388		7 13 09 628	
	Dearness Allowance	75.3	118 61 16 418		82 29 90 094	
	Other Allowances	75.4	40 12 63 159		33 52 06 189	
	Bonus	75.5	4 88 36 487		5 01 82 293	
	Sub total - 1			414 37 66 658		321 56 70 005
2	Other Benefits					
	Medical Expenses reimbursement	75.611	5 36 52 175		4 47 98 442	
	Leave travel assistance	75.612	7 248		10 210	
	Earned Leave Encashment - For employees covered under Contributory Pension Scheme.	75.616	1 49 84 176			
	Earned leave encashment	75.617	22 34 79 675		24 98 23 325	
	E.L.Encashment - Retirement / Deceased Employees	75.618	5 32 00 523		62 01 294	
	Staff Welfare expenses	75.7	7 14 48 429		7 53 29 972	
	Payment towards Provident Fund	75.7				
	Terminal Benefits	75.8	84 88 02 901		67 62 26 240	
	Sub total - 2			126 55 75 127		105 23 89 483
3	Others					
	Payment under workmens compensation Act	75.629			7 79 080	
	Payment to helpers/employees of Monsoon gang	75.630	2 18 22 587		4 02 61 315	
	Sub total - 3			2 18 22 587		4 10 40 395
4	Employees cost charged to capital works(Credit Account)	75.900		-1 10 82 091		
	TOTAL			542 00 82 281		430 90 99 883

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

SCHEDULE: 19 ADMINISTRATIVE AND OTHER EXPENSES

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Rent	76.101	6 51 92 779	7 44 32 606
2	Rates & Taxes	76.102	35 46 973	44 72 889
3	Insurance/fee	76.104,105,106,103	64 078	65 331
4	Security Charges	76.103	16 71 665	11 99 822
5	Postage stamps & Telephone charges	76.111,112,113,115	2 72 15 200	2 66 46 676
6	Remuneration to contract agencies/professional & consultancy charges	76.122,123,124,125 to 76.130	24 03 16 413	24 62 12 080
7	Legal charges	76.121	27 41 959	52 87 923
8	Conveyance & Travel expenses	76.131,135,137 to 139,	13 45 50 561	13 07 44 908
9	Vehicle running expenses	76.136	2 20 09 575	2 35 17 053
10	Statutory Auditors' Remuneration			
	- as Statutory Audit fee		5 50 000	5 50 000
	- as Tax Audit fee		1 00 000	1 00 000
	- as Service tax		40 000	50 000
	- as Expenses		75 000	66 950
11	Fees & Subscriptions	76.151	2 41 71 594	1 91 10 531
12	Printing & Stationery	76.152 76.153	1 38 38 210	2 90 19 703
13	License Fees	76.154		
14	Advertisement Expenses	76.155, 76.260	1 66 14 207	1 18 05 612
15	Computer stationary and floppies	76.156	38 32 760	45 45 976
16	Contributions	76.157	52 02 566	2 35 00 000
17	Electricity Charges	76.158	2 31 85 103	2 22 49 519
18	Water Charges	76.160	23 28 989	14 23 220
19	Miscellaneous expenses	76.152,162,164,190,191,192,79.2	2 01 91 754	1 84 79 652
20	DSM Expenses	76.193	1 55 535	3 23 284
21	Freight & other material related expenses	76.201 to 76.282	18 46 068	77 27 782
	TOTAL		60 94 40 989	65 15 31 517

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2011

SCHEDULE: 20 OTHER CHARGES (DEBITS)

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Other Expenses:			
	Small & Low value items Written off	77.610	13 97 598	8 61 273
	Computer Rentals/maintenance charges	77.611	20 75 291	51 85 561
	Losses/gain relating to Fixed Assets	77.7-62.4	5 62 58 691	5 58 57 264
	Asset decommissioning cost	77.5	- 41 669	31 19 142
	Bad Debts written off	79.410 & 79.430	9 80 459	70 20 999
	Provision for Bad & doubtful debts	79.460	58 41 04 756	125 98 50 444
	Miscellaneous losses and Write offs	79.5	3 50 55 457	7 23 28 769
	Company's contribution to Chief Minister's Relief fund	79.884	-	98 21 368
	Material cost variance	79.110	17 99 78 392	13 54 83 777
	TOTAL		85 98 08 975	154 95 28 597

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2011

SCHEDULE: 21 DEPRECIATION

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Depreciation on Buildings	77.110+77.120	1 54 40 557	1 44 77 747
2	Depreciation on Civil works (pipeline, sewage, drainage, water supply etc.,)	77.130	15 28 239	12 23 659
3	Depreciation on other Civil Works	77.140	1 60 850	1 51 647
4	Depreciation on Plant and Machinery	77.150+151	49 11 08 606	39 91 47 057
5	Depreciation on lines, cable, network etc.,	77.160+161	162 66 36 481	127 57 08 070
6	Depreciation on Vehicles	77.170+171	79 14 466	76 37 251
7	Depreciation on furniture, fixtures	77.180	32 88 892	31 44 733
8	Depreciation on Office equipments	77.190+191	18 69 117	31 11 522
	Total (1 to 8)		214 79 47 208	170 46 01 686
	Less: Depreciation Withdrawn from contributions / subsidies as per AS – 12	62.363	69 24 40 607	48 47 26 945
	Depreciation for the year		145 55 06 601	121 98 74 741

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2011

SCHEDULE: 22 - INTEREST AND OTHER CHARGES

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11	Previous Year 2009-10
1	Interest on Loans	78.1+78.540+78.546	125 49 25 999	73 09 40 261
2	Guarantee Commission to GoK	78.868	3 69 061	10 62 764
3	Other Interest and Finance Charges	78.820 to 78.890	4 24 92 704	6 14 39 983
4	Interest to Consumers	78.600	102 52 37 543	101 53 86 869
5	Interest on belated payment for power Purchase	80.102 to 80.149	9 27 08 796	2 95 177
6	Interest capitalised on capital borrowings	78.900	-42 12 67 792	-
Total			199 44 66 311	180 91 25 055

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
SCHEDULES 14 TO 23 FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDING 31st MARCH 2011

SCHEDULE: 23 PRIOR PERIOD CREDITS / CHARGES

Amount in Rupees

SL. NO	PARTICULARS	ACCOUNT CODE	Current Year 2010-11		Previous Year 2009-10	
A	Income relating to previous years :					
	1. Excess provision for Depreciation in prior period	65.600	44 03 21 690		4 69 71 996	
	2. Excess/short provision for Interest & Finance charges	65.700-83.700	4 65 57 255		10 73 57 985	
	3. Other excess provision in prior period	65.800	165 83 03 703		40 92 92 533	
	4. Other income relating to prior period	65.900	374 83 99 110		42 26 68 992	
				589 35 81 758		98 62 91 506
B	Prior period expenses / losses :					
	1. Employee costs relating to previous year	83.500	88 75 237		3 40 42 866	
	2. Depreciation under provided in previous period	83.600	51 23 62 502		2 27 88 594	
	3. Administrative expenses of previous period	83.820	54 85 385		17 014	
	4. Other expenses relating to prior periods	83.850	6 59 76 499		11 09 89 143	
	5. Operating expenses of previous year	83.300	-		-	
	6. Short provision for power purchased in previous years	83.100	130 02 48 731		-	
				189 29 48 354		16 78 37 617
C.	Net prior period credits / (charges) (A-B)			400 06 33 404		81 84 53 889



Bangalore Electricity Supply Company Limited
(Wholly owned Government of Karnataka Enterprise)

SCHEDULE NO: 24

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE
ANNUAL ACCOUNTS as at 31st MARCH 2011.**

PART A: SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

(Paras 1 to 12)

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 receipt 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 first 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>)SA-1/1764 dated 03.03.2010 which is based on Actuarial Valuation as on 31-03-2009. The rate of contribution is 26.13% of basic and D.A. in the case of pension and 2.24% of basic in the case of Gratuity.
- 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 receivables from 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 |
- 7.3 The provision for bad and doubtful debts is maintained at 4% on the net balance of Street Light and Water Supply installations of Local Bodies & other institutions and other Debtors for supply of power.

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.69,24,40,607.00 representing the amount of depreciation computed on the cost of assets funded through contributions / from consumers adjusted.

9. TAXES ON INCOME

- 9.1 Current tax is determined as the amount of tax payable in respect of taxable income for the year and 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 10th May 2005 and subsequent orders issued from time to time for accounting the cost of power based on the billings made by Power

Generators Pool allocated to BESCOM by the Government of Karnataka. The Company recognizes the quantum of power exported at the generating plant as per allocation given by Government of Karnataka as per its latest order dated 24.03.2010.

- 10.2 The Transmission cost on power purchase is recognized on the basis of total generating capacity allocated to BESCOM as per Government of Karnataka order dated 24.03.2010.
- 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 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. and subsequent orders issued from time to time. The rates followed for the allocated/assigned power purchases are based on the commercial rates/predetermined rates as approved by PPA/CERC/KERC/Government of Karnataka.
- 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 PCKL/ SLDC, KPTCL 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 01.04.2010 to 31.03.2011. (Previous year for the period commencing from 01.04.2009 to 31.03.2010)
- 1.2 The KERC vide letter dated 30th sep 2008 has intimated that as per first provision of section 14 of the Electricity Act 2003, BESCOM has become a Deemed Licensee valid for a period of 25 years from 10th June 2004.
- 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 2nd 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 2nd Transfer Scheme, after the stipulated period of one year i.e., by

31-05-2003, the same became final. Opening Balance Sheet earlier approved and published vide G.O. and Government notification dated 31-05-2002 read above were provisional and thereafter Government had approved and issued final opening Balance Sheet of BESCOM as at 01-06-2002 vide their order No. DE 48 PSR 2003 dated 31-05-2003/No.DE 48 PSR 2003, dated 07-10-2004.This has been notified and published as Final. The changes effected after the audit by KPTCL in the “transfer scheme” have been incorporated in the accounts of the Company as per Annexure – 2 to Government Order NO.DE48 PSR 2003 dated 07-10-2004.

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 years 2009-10 and 2010-11 Government of Karnataka has disbursed Rs.298.45 crores towards equity investment in BESCOM which is held as share deposit as per details shown 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.
- c) 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.

- d) An amount of Rs.88.45 Crores has been released as equity investment by Government of Karnataka as per G.O. No.EN 13 PSR 2010, Bangalore dated 22.12.2010 and 30.03.2011.

3. Loans

- 3.1 Certain Secured/Unsecured Loans received in the earlier years have been 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.
- 3.3 Interest on loans borrowed and utilized for capital works has been capitalized and added to capital cost of respective assets.

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; and

- 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/ Creditors :

- 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.1055.11Crores for FY 2010-11 (Previous year Rs.1048.98 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 31.03.2011 regardless of the outstandings.
- 5.3 The balances with KPTCL(both receivable and payable) and dues to and from Contractors, dues payable to KPCL and other 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 31-03-2011 is as under :

Rs. in Crores

Sl. No.	Particulars	2010-11	2009-10
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. (b) Provision on account of identified HT consumers.	58.55 -	5.97 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.	1055.11	1048.98
Total		1402.17	1343.76

5.5. The impact due to change in policy (Refer para7.3 of Significant Accounting policy) has resulted in additional provision towards B&D debts amounting to Rs.51.70 crores for the current year.

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.
- 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 of inventories which is pending final investigation and adjustments are yet 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>) 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 + DP for FY 2010-11. based on actuarial valuation made as at 31.03.2009. However no actuarial valuation has been made for the year ended 31.03.2011.
- 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 31.03.2011.
- 7.4 The amounts provided in respect of Pension, Gratuity and leave encashment have not been fully funded during the year.
- 7.5 Rs 4.48 Crores paid as Ex-gratia in lieu of Bonus is subject to approval/ratification from GOK

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 2003-04 to AY 2008-09 is Rs.74.61crores (Previous year ; Rs.83.02Crores).
- (b) TDS demand on SLDC charges disputed in appeal for AY 05-06 to 07-08: Rs.0.41 Crores.(previous year : Rs.0.35 Crores).
- (c) MAT liability to the extent of Rs 2.89 Crores claimed by RayalseemaAlkalies is under dispute before KERC and hence not provided for.
- 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 tariff approval from KERC and the amount collected from the consumers is to 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 Accounts including current year.
- 8.4 The liability towards cost of power purchases form BTPS, Varahi 3 & 4 and RTP;S – 8th Unit of KPCL has been provided with accounts based on signed PPA which is pending for approval by KERC. Additional liability if any, will be accounted only after final approval from KERC.
- 8.5 The power purchase from Udupi Power Corporation Ltd (UPCL) has been paid and accounted as per provisional rates approved by Government of Karnataka and based on prevailing CERC regulations. Additional amount claimed by UPCL in their Bills amounting to Rs.23.09 Crores has not been accounted / provided for pending amendment of existing PPA and approval of tariff by CERC.
- 8.6 The Power purchase from NTPC stations for the financial years 09-10 and 10-11 have been accounted based on tariff approved under CERC Tariff Regulations 2004-2009. Additional liability that may arise after approval of tariff under CERC tariff Regulations 2009-2014 is not ascertainable at this stage and hence not provided for.

- 8.7 Vigilance cases are pending in respect of customers installations in various forums and the amount is not ascertainable at this stage.
- 8.8 Additional interest claim from bank not acknowledged as debts is 1.70Crores(Previous year Rs.1.66 Crores).
- 8.9 Interest claimed by KPCL on belated payments up to FY 2010-11 is under dispute and hence not provided for Rs. 122.93Crores (Previous year ;Rs.87.12 crores)
- 8.10 Other Contingent Liability not provided :
LC's given in favour of Power generators is : Rs.192.87Crores (Previous year Rs.99.62 Crores)

9. The Details of zone-wise appeal cases pending as at 31-3-2011 are as follows:

Sl. No.	Particulars	BMAZ	BRAZ	CZ	Total
CURRENT YEAR					
1	No. of Appeal cases pending as on 31-03-2011	221	128	45	394
2	Amount involved (Rs. in Lakhs)	301.42	298.29	35.88	635.59
PREVIOUS YEAR					
3	No. of Appeal cases pending as on 31-03-2010	226	125	40	391
4	Amount involved (Rs. in Lakhs)	302.81	202.67	25.46	530.94

- 10 Transmission Charges payable to KPTCL for FY 2006-07 has been recognized at 19.42 paisa KWH pending final decision of the Supreme Court in the appeal filed byKERC against the order of ATE New Delhi.
11. The energy balancing has been finalized by PCKL/KPTCL (The appointed agencies of GoK) for the period 2006-07 to 2010-11 and the amounts due from /due to other Escoms haven been accounted in the books in the current year 2010-11. Arising out

of the above Rs 530.67 Crs has accounted as prior period income and Rs77.27Crs as prior period expenses and Rs 263.68 Crs as current year expenses. However some confirmations are yet to be received for the dues payable /recoverable from other Escoms.

12. Free Lighting

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

13. 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.

14. RENT

14.1 Rent recovered from employees is accounted as income.

15. INTER UNIT ACCOUNTS (IUA)

15.1. The Inter Unit Accounts on account of Assets, Liabilities, CWIP, income, expenses and materials transfers within the Company's divisions / accounting units are pending reconciliation/adjustments.

16. Rebate for having collected electricity tax from consumers amounting to Rs.1.77crores (Previous year Rs.5.79Crores) at 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.

17. Managerial Remuneration

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

Expenses	For the year 2010-11		For the year 2009-10	
	Managing Director (Rs)	Director (Technical) (Rs)	Managing Director (Rs)	Director (Technical) (Rs)
Salaries and allowances	10,30,237	7,81,232	10,59,431	7,02,709
Ex-Gratia	3,500	3,500	3,500	3,500
Others (House Orderly Allowances)	1,00,346	2,97,354	42,000	20,726
Children's Education Allowances	20,250	-	-	-
TOTAL	11,54,333	10,82,086	11,04,931	7,26,935

Note : The Managerial remuneration (Salaries and other allowances and travelling expenses) paid to two Managing Directors during FY 2010-11 (04/10 to 10/10 and 11/10 to 03/11) has been clubbed and indicated in the above statement.

18. Expenditure in foreign currency:

Foreign exchange expenses	Current year	Previous year
		NIL

19. 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 **2010-11 (April-10 to March -11)** are as follows:

Energy in MU

SI No.	Particulars	Current year	Previous year
1	Total Energy purchased at Generation Point (From 1-04-2010 to 31-03-2011)	23396.59	21328.81
2	Less Transmission Loss	1487.22	1000.18
3	Total Energy at Interface Point	21909.37	20328.63
4	Total Energy at Interface Point for sale	21909.37	20328.63

Sl No.	Particulars	Current year	Previous year
5	Total metered sales	14263.30	12940.32
6	Total un-metered sales *	4472.92	4311.28
7	Total Sales (5+6)	18736.12	17251.60
8	Distribution loss (4-7)	3173.25	3077.03
9	Overall loss (2+8)	4660.47	4077.21
10	Percentage of Distribution Loss (8/3)	14.48	15.14
11	Percentage of Transmission Loss (2/1)	6.36	4.69
12	Percentage of Overall Loss (10+11)	20.84	19.83

* 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%.

20. 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.

21. Income Tax Provision

21.1 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.

21.2 WEALTH TAX

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

22. There are no transactions during the year with related parties as stipulated under Accounting Standard(AS)-18.Hence no disclosure is required.
23. 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.
24. 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.
25. 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.

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

	Current Year	Previous Year
a) Net profit/(Loss) after Tax	Rs 0.20 Crores	Rs.11.59 Crores
b) Weighted average number of equity shares	20,59,50,000	20,59,50,000
c) Nominal value of shares	Rs.10/-	Rs.10/-
d) Basic and diluted earnings per share	NIL	Rs.0.562

27. The revenue from retail consumers are recognized based on KERC Tariff order 2010 dated 7.12.2010 applicable w.e.f., 7.1.2010.KERC has followed the directions of ATE in issuing the Tariff order 2010.
- 27A. Additional Tariff Subsidy to be released by GOK for FY 2007-08 and 2008-09 as per KERC order dated 06/01/2011 is still to be received for the period from Jan-11 to

March 2011 to the extent of Rs 16.33 Crores and the same has not been accounted pending actual receipt as per the Accounting policy being followed by the Company.

28. The accounts approved by the Board on 12.08.2011 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 21.09.2011. Accordingly, the revision has resulted in:- (a) from net loss of Rs.21.31 crores to Profit of Rs. 0.20 crores. (b) Increase in total current assets by Rs.4.44 crores and (c) Increase in total current liabilities by Rs.19.83 crores. d) The total assets and total liabilities have decreased by Rs. 4.58 crores.
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

Place : Bangalore
Date : 21-09-2011

As per our report even date
For & on Behalf Of

R.Subramanian And Company
CHARTERED ACCOUNTANTS

Sd/-
N.Krishnamurthy
Partner
Membership No 19939

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

Amount in Rs

Sl. No.	Particulars	Current Year 2010-2011		Previous Year 2009-2010	
A	<u>Cash Flow from Operating Activities</u>				
	Net Profit before Tax	22,093,832		119,974,186	
	Adjustments for:				
	Depreciation	1,455,506,601		1,219,874,741	
	Interest & Other Charges	1,994,466,311		1,809,125,055	
	Interest Income on Investment	-		-	
	Contingency Reserve	-		-	
	Other Income	(1,785,847,497)		(1,566,186,153)	
	Prior period charges(+) or credits(-)	4,000,633,404		818,453,889	
	Income Tax	(20,057,818)		(4,076,700)	
	Operating Profit before working capital changes	5,666,794,833		2,397,165,018	
	Adjustments for				
	Changes in Inventories	170,455,878		429,798,855	
	Changes in Sundry Debtors	(9,025,992,194)		(3,115,844,678)	
	Changes in Loans and Advances	(857,304,662)		2,822,850	
	Changes in Other Current Assets	238,710,259		894,913,500	
	Changes in Current Liabilities	1,660,287,778		(642,790,199)	
	Changes in Provisions	(98,788,895)		151,300,822	
	Operating Profit after working capital changes	(2,245,837,003)		117,366,168	
	Prior period charges(+) or credits(-)	(4,000,633,404)		(818,453,889)	
	Extraordinary items-Contributions from Consumers	594,636,389		795,002,455	
	Net Cash inflow from Operating Activities		(5,651,834,018)		93,914,734
B	<u>Cash Flow from Investment Activities</u>				
	Changes in Fixed Assets (Net)	(1,674,433,660)		(3,829,317,224)	
	Changes in Capital Work in Progress Investments	(2,242,716,562)		(255,826,983)	
	Net Cash Outflow from Investment Activities		(3,917,150,222)		(4,085,144,207)
C	<u>Cash Flow from Financing Activities</u>				
	Changes in Capital/Share Deposit Account	884,500,000		2,100,000,000	
	Changes in Secured Loans	4,171,283,278		(90,128,902)	
	Changes in Unsecured Loans	3,698,777,898		1,813,288,057	
	Service Line and Security Deposit	1,307,079,544		923,715,952	
	Interest & Other Charges	(1,994,466,311)		(1809125055)	
	Other Income	1,785,847,497		1566186153	
	Net Cash available from Financing Activities		9,853,021,906		4,503,936,205
D	Net Change in Cash and Cash equivalents - Surplus Cash [(A) + (B) + (C)]		284,037,666		512,706,732
	Add: Opening Cash and Cash equivalents		1,080,401,094		595,439,677
			1,364,438,760		1,108,146,409
E	Closing Cash and Cash equivalent :		1,364,438,760		1,108,146,409

- 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/-
(K.Ramakrishna)
Director (Technical)

Sd/-
(P.Manivannan)
Managing Director

Place : Bangalore
Date : 21-09-2011

for **R SUBRAMANIAN AND COMPANY**
Chartered Accountants
Sd/-
N. KRISHNAMURTHY
PARTNER

STATEMENT SHOWING CAPITAL WORKS IN PROGRESS FOR THE YEAR 2010-11

ACCOUNT CODE	DESCRIPTION	O.B on 01.04-2010	INCURRED	CATEGORIZED	Transferred	CB 31.03.2011
14.1107	CWIP - Transmission Lines - (GP)	2,75,54,708.77	11,63,12,040.22	8,25,03,719.40	0.00	6,13,63,029.59
14.1407	CWIP - Transmission Lines, Transformers etc., Extension - (GP)	1,23,09,431.17	4,49,110.39	61,46,811.00	0.00	66,11,730.56
14.1427	CWIP - Promoter Vanished Layouts - 11KV Lines, Transformers, LT lines/S.C.etc., (GP)	40,13,751.59	26,92,422.72	51,58,367.71	0.00	15,47,806.60
14.1437	CWIP- 11KV & below distributions works under APDP works	0.00	5,39,906.80	0.00	0.00	5,39,906.80
14.1447	CWIP- Providing additional DTC's enhancement of DTC's	4,97,19,397.05	17,08,24,325.66	14,45,49,388.10	0.00	7,59,94,334.61
14.1457	CWIP-Reconductoring of LT lines & strengthening of UG cable network	3,46,75,724.01	3,52,32,607.47	5,77,17,619.71	0.00	1,21,90,711.77
14.1467	CWIP- Providing of ABB cable	49,574.00	-49,574.00	0.00	0.00	0.00
14.1507	CWIP - Trasmissons lines, Trasformers etc., Improvement (GP)	24,50,38,480.66	29,26,32,476.84	260900100.98	0.00	27,67,70,856.52
14.1517	CWIP - Trasmissons lines, Trasformers etc., Improvement - Non plan	2,12,34,655.37	4,96,56,043.73	2,86,46,811.96	0.00	4,22,43,887.14
14.1547	CWIP - Urban distributions improvement scheme ADB	20,687.00	0.00	0.00	0.00	20,687.00
14.1557	CWIP - Addl. Street lights / Street Lights in Cities / Towns / Villages	40,36,240.17	98,281.00	14,74,890.73	0.00	26,59,630.44
14.1567	CWIP-Improvement distribution system under APDRP works ETV meters	0.00	1,65,404.00	0.00	0.00	1,65,404.00
14.1577	CWIP-Improvement distribution system under APDRP works Ring main unit & U.G.Cable	21,510.06	7,48,611.94	8,400.00	0.00	7,61,722.00
14.1587	CWIP - Metering of Existing Street Lights installation	26,82,368.60	1,92,401.80	2,07,740.20	0.00	26,67,030.20
14.1597	CWIP- Metering of DTC's	0.00	6,00,513.00	5,70,823.00	0.00	29,690.00
14.1607	CWIP - Reduction of Losses in Lines	15,63,50,792.90	26,62,73,802.95	29,74,14,355.66	0.00	12,52,10,240.19
14.1637	CWIP - Reduction of Losses in Lines					
14.1667	CWIP - DSLM works	13,72,997.00	21,914.00	13,87,743.00	0.00	7,168.00
14.1707	CWIP - Replacement of Distribution Transformers by Similar Capacities	1,03,32,521.03	38,40,74,953.41	36,86,84,958.09	0.00	2,57,22,516.35
14.1717	CWIP - Drum Project at Doddaballapura	35,06,997.56	2,98,02,311.00	2,06,61,637.56	0.00	1,26,47,671.00
14.1727	Construction of feeder through 11 kv feeders from newly formed MUSS	15,22,34,556.61	22,43,68,513.41	25,39,60,173.30	0.00	12,26,42,896.72
14.1737	Developing/Improving the capacity of UG cables along with RMU's	5,34,96,246.39	650,76,251.71	8,36,09,980.92	0.00	3,49,62,517.18
14.1747	Compact Sub Station	1,08,37,328.00	-1,00,82,095.00	6,55,853.00	0.00	99,380.00
14.1757	All applicable Civil works pertains to restoration.	11,11,144.00	67,55,455.00	20,60,593.00	0.00	58,06,006.00

ACCOUNT CODE	DESCRIPTION	O.B on 01.04-2010	INCURRED	CATEGORIZED	Transferred	CB 31.03.2011
14.1767	CWIP - R APDRP	39,42,444.22	59,36,792.88	10,45,622.29	0.00	88,33,614.81
14.1777	CWIP- Replacement of existing electro mechanical meters/faulty meters by Electro static meters.	97,50,038.84	4,41,33,678.68	3,49,15,532.12	0.00	1,89,68,185.40
14.1787	CWIP- Expenditure incurred on PFC loan for RAPDRP (IT implementation) works - Part -A	26,79,24,124.76	83,28,13,792.00	0.00	0.00	11,007,37,916.76
14.1807	CWIP - Emergency Restoration of Power Supply- Calamity.	0.00	82,50,274.20	51,98,786.01	0.00	30,51,488.19
14.2007	CWIP - REC Plan Schemes	2,07,240.64	1,15,876.46	2,14,310.60	0.00	1,08,806.50
14.2107	CWIP - RGGVY Scheme	1,74,68,44,940.45	6,87,46,204.00	0.00	0.00	1,81,55,91,144.45
14.2157	CWIP - RLMS Works-M/s.ABB	2,43,44,51,656.79	30,72,855.00	0.00	0.00	2,43,75,24,511.79
14.2167	CWIP - Niranthara Jyothi Yojane	30,97,74,738.88	1,25,31,20,119.73	0.00	0.00	1,56,28,94,858.61
14.2177	CWIP - Bangalore Distribution Up gradation Project(DAS) works	2,69,20,725.00	9,21,99,833.00	0.00	0.00	11,91,20,558.00
14.2207	CWIP - SPA Schemes	42,58,266.69	72,823.73	31,86,708.00	0.00	11,44,382.42
14.2407	CWIP - System Improvement (REC)	25,67,744.20	0.00	0.00	0.00	25,67,744.20
14.3007	CWIP - Village Electrification (GP)	15,30,678.84	2,925.00	0.00	0.00	15,33,603.84
14.3027	CWIP - Electrification of Hamlets & Tandas (Non-plan)	2,166.00	0.00	2,166.00	0.00	0.00
14.3207	CWIP - Power Supply to IP sets (GP)	18,99,52,86.02	5,79,63,308.57	4,02,29,622.08	0.00	3,67,28,972.51
14.3217	CWIP - Power Supply to IP sets under self Financing scheme	8,29,122.59	9,70,991.42	2,62,049.45	0.00	15,38,064.56
14.3227	CWIP - P/S to new IP sets submerged IP sets of same consumers under UKP rehabilitaion programme	7,29,282.00	44,41,550.47	7,10,346.00	0.00	44,60,486.47
14.3257	CWIP - Power Supply to New IP sets under "Own your Transformer (OYT) Scheme" ADRP works.	81,05,106.88	10,38,131.66	54,60,888.59	0.00	36,82,349.95
14.3267	CWIP - Power Supply to IP set regularation of unauthorised IP set installation under " Own your Transformers (OYT)" Scheme APDRP works	75,82,720.53	43,81,642.17	93,37,771.93	0.00	26,26,590.77
14.3277	CWIP - P/S to Existing IP Consumers for installing Trasnformers under "One your Transformers Scheme (OYT) "	43,27,188.84	10,61,569.83	11,55,335.68	0.00	42,33,422.99
14.3287	CWIP-IP set under Dr.Devaraj Urs backward development corporation	14,05,207.80	35,99,072.35	25,210.00	0.00	49,79,070.15
14.3297	CWIP-Energisation of IPsets (Karnataka Minority development corporation	1,62,251.97	27,720.30	7,414.00	0.00	1,82,558.27
14.3307	CWIP- Energisation of IP set under Dr.b.R.Ambedkar Dev.Corp	44,56,990.62	77,520.25	2,74,685.00	0.00	42,59,825.87
14.3407	CWIP - Tribal Area Electrification (GP)	33,92,569.30	80,09,758.38	62,22,513.00	0.00	51,79,814.68
14.3417	CWIP-Energisation of IP set under Karnataka Tribal Dev.Corp.(Ganga kalyana) (TSP)	1,27,91,291.19	2,30,94,448.46	1,80,10,171.61	0.00	1,78,75,568.04

ACCOUNT CODE	DESCRIPTION	O.B on 01.04-2010	INCURRED	CATEGORIZED	Transferred	CB 31.03.2011
14.3507	CWIP - Bhagya Jyothi Scheme	66,66,221.01	1,26,14,855.44	0.00	1,92,52,835.45	28,241.00
14.3517	CWIP - Metering of Existing BJ installations	77,58,208.13	3,42,88,302.00	58,27,160.60	3,00,76,898.72	61,42,450.81
14.3607	CWIP - Kutir Jyothi Scheme	5,67,12,066.64	-8,89,253.93	0.00	5,44,13,556.71	14,09,256.00
14.3617	CWIP - Metering of Existing KJ Installations	1,31,62,593.00	45,44,796.00	40,35,874.00	0.00	1,36,71,515.00
14.3657	CWIP - Harijana Basthi /Dalith basthi/ Janatha colonies - Pradhana manthri Gramodaya Yojana works	1,19,331.40	1,87,789.00	1,19,331.40	0.00	1,87,789.00
14.3667	CWIP - KJ Scheme State Govt. RGRHCL Ashraya Ambedkar & EWS schemes under GOI's KJ schemes	31,50,349.52	-1,03,584.00	16,37,387.00	0.00	14,09,378.52
14.3707	CWIP - Border Area Development Programme					
14.4007	CWIP - Service Connections	14,28,99,174.25	33,32,38,229.33	35,09,71,315.07	0.00	12,51,66,088.51
14.4017	CWIP - Metering of IP sets of 10HP & below	7,10,766.39	1,64,691.74	1,76,414.00	0.00	6,99,044.13
14.4057	CWIP - Metering of IP sets of 10HP & below					
14.5027	CWIP - Buildings	69,45,285.81	2,95,67,060.19	2,64,88,650.00	0.00	1,00,23,696.00
14.6077	CWIP - Vehicals	0.00	31,87,018.20	31,87,018.20	0.00	0.00
14.7087	CWIP - Furniture & Fixtures	0.00	34,36,394.51	33,60,948.93	0.00	75,445.58
14.8097	CWIP - Office equipment	8,09,086.38	1,05,27,758.29	95,52,704.39	0.00	17,84,140.28
14.8107	CWIP- Tools & Tackles	17,42,632.00	1,34,39,732.05	1,11,44,363.05	0.00	40,38,001.00
14.8117	CWIP - Mobile Phones	0.00	16,84,043.75	15,58,510.25	0.00	1,25,533.50
14.8127	CWIP-Safety measures fund	66,650.00	93,366.00	1,60,016.00	0.00	0.00
14.9107	CWIP Categorised - RGGVY Scheme	-1,72,69,53,484.37	0.00	5,04,14,349.00	0.00	-1,77,73,67,833.37
14.9157	CWIP Categorised - RLMS Works	-2,43,44,76,340.79	24,685.00	30,72,855.00	0.00	-2,43,75,24,510.79
14.9167	CWIP Categorised- Niranthara Jyothi Yojane	-10,39,90,143.20	0.00	17,68,37,011.74	0.00	-28,08,27,154.94
14.9767	Capital expenditure categorized RAPDRA Works.	-21,04,815.37	0.00	54,89,353.56	0.00	-75,94,168.93
GRAND TOTAL		1,63,47,68,475.79	4,49,55,22,450.16	2,39,66,12,361.87	10,37,43,290.88	3,62,99,35,273.20

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2010-2011

DESCRIPTION	TARIFF	No of Consumers	UNITS SOLD		Average Realisation Rate Per Unit (In ₹)	Opening Balance	Revenue Demand	Revenue Collection	With draws	HO Adjustments	Closing Balance
			Units (in KWH)	% of Units							
			Amount in Rupees & Consumption in KWH								
BI/KJ	LT 1	700912	111 25 11 72	0.59%	4.29	38 41 74 125	47 69 78 716	38 42 98 392	1 16 74 464	3 48 54 848	44 19 99 601
Lighting and AEH	LT 2	5218900	4210 24 41 65	22.47%	3.63	124 90 26 839	1527 41 92 095	1535 79 79 524	1 16 74 464	24 52 711	115 11 12 235
Commercial Lighting (Auxiliary Cons)	LT 3	695999	1177 62 96 08	6.29%	6.96	13 50 22 081	824 64 04 057	828 97 11 080	9 86 627	- 50 24 735	9 57 53 167
IPsets (10HP & BELOW)	LT 4A I	411	13 87 17 07	0.07%			4 59 16 767	4 59 16 767			
FREE LIGHTING From 01-08-2008	LT 4A I	601727	4471 49 00 00	23.87%	1.68		752 67 18 365	705 27 82 278		47 39 36 087	
IPsets (10HP & BELOW)	LT 4A II	0		0.00%	0.00	6 86 329		6 86 329			
NON FREE LIGHTING	LT 4A II	0		0.00%	0.00						
IPsets (10HP & BELOW)	LT 4A III	0		0.00%	0.00	1360 15 32 555	7 63 676	62 47 72 939	70 285	- 26 13 687	1298 00 66 695
FREZZED BALANCE Upio 31-07-2008	LT 4A III	0		0.00%	0.00						
IP.Sets (10HP & Above)	LT 4B	456	6 76 19 42	0.04%	1.38	3 46 65 367	93 35 612	16 20 452	55	- 855	4 23 81 327
Pvt. Hortl.Nuris, Coffee & Tea Plant	LT 4C	822	3 17 05 93	0.02%	1.64	91 34 123	52 09 179	53 33 090		- 10 12 718	1 00 22 930
LT Industries	LT 5	146293	987 13 41 16	5.27%	5.00	14 76 49 312	493 78 55 319	494 49 11 009	82 08 025	2 74 07 740	10 49 77 858
Water Supply	LT 6	40073	406 94 15 51	2.17%	5.82	454 05 54 974	236 66 47 977	82 37 02 956	6 12 877	5 27 54 243	603 01 32 875
Street lights	LT 6 I	47745	356 82 19 75	1.90%	4.76	291 26 57 273	169 73 63 150	122 71 47 493	31 441	1 86 17 672	336 42 23 818
Temporary Supply	LT 6 II	117131	93 34 30 03	0.50%	11.01	-65 91 01 300	102 16 55 128	105 33 47 165	90 859	11 25 95 774	-80 34 79 970
Temporary Supply (Auxiliary Cons)	LT 7	16	73 77 34	0.00%		77 14 242	1 40 08 301	1 89 55 643			27 66 900
LT TOTAL		75 70 485	11839 39 75 66	63.19%	3.52	2236 37 15 922	4162 30 48 343	3983 11 65 117	2 16 74 633	71 39 67 080	2341 99 57 435
Water Supply & Sewerage Pumping	HT 1	120	482 26 88 66	2.57%	3.97	6 66 52 940	191 28 72 708	185 59 47 864	78 51 118	94 49 068	10 62 77 598
HT Industries	HT 2A	3925	3908 31 05 38	20.86%	5.34	7 31 88 311	2086 32 69 945	2051 80 75 437	2 63 59 501	34 34 22 582	4 86 00 737
HT Industries (Auxiliary Cons)	HT 2B	7	25 77 62	0.00%		18 92 926	24 33 154	34 40 012			8 86 068
HT Commercial	HT 3A	3731	2387 10 24 17	12.74%	6.80	3 37 29 997	1622 34 14 141	1601 42 75 726	12 84 902	18 24 30 248	5 91 53 262
HT Lift Irigin Societies	HT 3B	17	1 66 37 59	0.01%	3.84	59 63 456	63 93 769	60 46 514		8 60 623	54 50 088
HT Lift Irigin Schemes & Govt Hort.	HT 3C	3	13 77 95	0.00%	5.57	2 32 798	7 67 042	19 19 555		- 6 182	- 9 13 533
Residential Apartment	HT 4	176	105 97 10 19	0.57%	4.54	33 46 561	48 16 23 812	46 85 96 417	10 63 374	88 77 475	64 33 107
HT TOTAL		7 979	6885 71 21 56	36.75%	5.74	18 50 06 989	3949 07 74 571	3886 83 01 524	3 65 58 895	54 50 33 814	22 58 87 327
IPSET DEFUNT INSTALLATIONS		52 333						-59 37 75 077			59 37 75 077
LT + HT		76 30 797	18725 10 97 22	100%	4.33	2254 87 22 910	8111 38 22 914	7810 56 91 565	5 82 33 528	125 90 00 894	2423 96 19 839
Miscellaneous Income						28 635	44 55 51 140	44 55 51 140			28 635
Inter Escom Sales			11 01 14 50	0.06%	8.79	21 07 04 507	9 67 76 302			-346 90 83 103	377 65 63 912
Tariff Subsidy by GOK							86 63 46 470				
LESS : Withdrawal Of Revenue Demand						44 42 67 383	6 57 30 483			43 45 33 875	7 54 63 991
Total LT+HT+Others		76 30 797	18736 12 11 72	100%		2231 51 88 669	8245 67 66 343	7941 75 89 175	5 82 33 528	-264 46 16 084	2794 07 48 395
Receivable from GOK pending against IP Free Power Supply & BI/KJ reimbursement						206 64 00 000					348 66 95 763
GRAND TOTAL		76 30 797	18736 12 11 72		4.40	2438 15 88 669	8245 67 66 343	7941 75 89 175	5 82 33 528	-264 46 16 084	3142 74 44 158

BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

Subsidy received from GoK in 2010-11 against the demand for 2010-11 towards power supply to IP set upto 10 HP Electrical installations and to BJ / KJ consumers upto 18 units per Kwh per month

Rs In Crores

Sl. no.	Particulars	No of Installations		Consumption In Mus		Demand (Principal portion only)		Subsidy released for 2010-11	
		Metered	Un Metered	Metered	Total	Metered	Un Metered		Total
1	Power supply to IP sets of upto 10 HP	12314	589413	75.63	4471.49	10.96	694.31	705.28	569.78
2	Power supply to BJ / KJ upto 18 units per month per installation	495946	6402	51.63	53.06	27.98	0.61	28.59	22.06
3	Total	508260	595815	127.26	4524.55	38.94	694.92	733.86	591.84