

12th Annual Report
2013-14



Bangalore Electricity Supply Company Ltd.



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Directors' Report

Dear Members,

Board of Directors of Bangalore Electricity Supply Company Limited (BESCOM) have pleasure in presenting the Twelfth Annual Report for the year 2013-14 and the Audited Accounts of the Company for the year ended March 31st, 2014.

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 twelfth years in the Distribution of Electricity. The Company having its headquarters at Bangalore City has its jurisdiction comprising the districts of Bengaluru Urban, Bengaluru Rural, Kolar, Ramanagara, Chikkaballapura, Tumkur, Davanagere and Chitradurga.

During the year 2013-14, the Company took various initiatives for rendering better services in line with 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 & below and increased customer care activities using Information Technology by reducing human intervention etc. All these have been ably supported by the employees and the result is reflected in present improved position of the Company.

The progress of the Company on different counts is enumerated hereunder.

I. STRATEGY AND VISION OF THE COMPANY

The vision of BESCOM is to become number one in customer satisfaction in South Asia in Power Distribution. In order to achieve this vision, the Company has drawn up a strategy with focus on customer satisfaction, regulatory compliance and meeting stakeholder expectations etc.

II. MISSION

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

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

III. PERSPECTIVE

BESCOM covers a contiguous area of 41,092 Sq. Kms with a population of 207 lakhs and serves more than 89.24 lakhs customers. The total asset is worth Rs.12615.40 crores as on 31st March 2014.

1	Area	41,092 Sq.Kms
2	District	8
3	Population	20.7 Million
4	Consumers	8.92 Million
5	No. of DTCs	193948
6	HT Line length	83142.18 Ckt. Kms
7	LT line length	158500.46 Ckt..Kms
8	Employee Strength	
	Sanctioned	17592
	Working	12047
Total Assets		Rs.12615.40 Crores

a) Consumer Population

Consumer population served by BESCOM is steadily increasing and recorded an increase of 6.81% in FY-14 over previous year. The number of consumers existing as on 31-03-14 stands at 89,24,652.

Category wise consumers are furnished below.

Sl. No.	Category	As on 31-03-2013	As on 31-03-2014	% of Increase
1	Bhagya Jyothi	7,14,936	7,32,030	2.39
2	Domestic Lighting and AEH	57,20,295	60,72,901	6.16
3	Commercial Lighting	7,73,879	8,24,739	6.57
4	LT Power	1,59,310	1,69,289	6.26
5	HT Power	9,515	10,449	9.82
6	Irrigation Pump sets	6,53,765	6,96,446	6.07
7	Street Light & Others	99,540	1,06,814	7.31
8	Temporary Power	1,75,907	2,66,311	51.39
9	Defunct IP Installations	48,673	48,673	0
TOTAL		83,55,820	89,24,652	6.81

b) Tariff wise number of consumers and its proportion to the total as on 31-03-14.

Tariff	LT1	LT2	LT3	LT4	LT5	LT6	LT7	Defunct
Number of consumers	732030	6072901	824739	693446	169289	106814	266311	48673
% to Total	8.20	68.05	9.24	7.77	1.90	1.20	2.98	0.55

Tariff	HT1	HT2A	HT2B	HT2C	HT3	HT4	HT5	Total
Number of consumers	160	4999	4642	278	23	193	154	89,24,652
% to Total	0.11							100.00%

IV. FINANCIAL PERFORMANCE

The financial performance of the Company during the Financial Year 2013-14 is highlighted as below:

Sl. No.	Particulars	For the year ended 31 March, 2014 Rs.	For the year ended 31 March, 2013 Rs.
1	Revenue from Operations	11617 35 34 966	10783 62 38 280
2	Other Income	228 66 51 298	315 83 25 200
	TOTAL REVENUE	11846 01 86 263	11099 45 63 480
3	Expenses		
	Purchase of Power	10702 75 22 860	10780 55 73 077
	Other operating Expenses	51 65 67 266	44 27 14 679
	Employee Benefits Expenses	753 27 77 251	739 12 03 608
	Other Expenses	319 34 64 028	348 69 12 897
	Finance Costs	323 45 43 618	208 62 66 546
	TOTAL EXPENSES	12150 48 75 023	12121 26 69 807
4	Profits before Depreciation, Prior period items, exceptional items, extraordinary items, Income Tax (1+2-3)	-304 46 88 760	-1021 81 06 327
5	Depreciation	126 18 25 520	118 77 38 624
6	Profit / (Loss) before Prior period items, exceptional and extraordinary items and Income Tax (4-5)	-430 65 14 280	-1140 58 44 951
7	Exceptional items	43 49 92 916	-116 16 99 618
8	Profit / (Loss) before Prior period items, extraordinary items and Tax (6-7)	-474 15 07 196	-1024 41 45 333
9	Prior period Expenses (+) / Income (-)	30 67 38 538	10 83 54 325
10	Extraordinary & Prior period items	524 53 00 000	580 81 06 084
11	Profit / (Loss) before Tax (8 -9 -10)	81 05 31 342	-432 76 84 924
12	Income Tax Expenses:		
	(a) Current tax expenses	4 95 00 000	-
	(b) Less: MAT credit		
	(c) Deferred tax		
	(d) Tax expenses relating to prior years		
13	Profit / (Loss) from continuing operations(11-12)	76 10 31 342	-432 76 84 924
14	Profit / (Loss) from discontinuing operations		
15	Profit / (Loss) for the year (13+14)	76 10 31 342	-432 76 84 924
16	Earnings per equity share of Rs. 10 each.		
	(1) Basic	1.39	-7.91
	(2) Diluted	-	-

General note (Note No.30) form an integral part of these financial statements

V. SUB STATIONS

BESCOM is receiving energy through the following Transmission Network & Electrical Sub Stations.

Voltage Class of Stations	No. of Sub stations
400 Kv	3
220 Kv	39
110 Kv	25
66 Kv	355
Total	422

VI. POWER PURCHASE

1. BESCOM is purchasing power from power generators as per Government of Karnataka Order No. EN 131 PSR 2003 dated 10.5.2005 w.e.f., 10.6.2005. The purchase of power from various sources such as Hydel, Thermal, Diesel, Biomass, Co-generation, Wind etc., is allocated by the Government of Karnataka vide its order dated 22.03.2013.

The power is procured from:

- (a) Central Generating Stations like NTPC, NLC, NTECL, Kaiga and MAPS.
- (b) State owned generating stations of KPCL- Hydel, Thermal, DG Plant, Solar and Wind.
- (c) Independent power producer - Udupi Power company Ltd.
- (d) Independent power producers Non-conventional energy sources like Wind, Biomass, Co-generation and Mini-hydel.

The firm capacity available from various sources is as below.

Sources	Capacity in MW.
Hydel	1044.53
Thermal	3291.79
Atomic	145.62
Non-Conventional Projects	1366.79
Total	5848.73

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)	KPCL Hydel:	31.91%	51.00
(b)	KPCL Thermal:		
	RTPS 1 to 7	50.44%	289.50
	RTPS VIII	50.44%	209.52
	BTPS Unit I	50.44%	375.45
	BTPS Unit II	50.44%	399.49
(c)	KPC Diesel Plant	100%	1491.47

Sl. No.	Source	Share of allocation	Av. Power Purchase Cost in paise/Kwh.
2.	Central Generating Stations:		
(a)	NTPC	50.44%	301.29
(b)	NLC	50.44%	298.65
(c)	Kaiga	50.44%	303.86
(d)	MAPS	50.44%	205.51
3.	Major IPPs Udupi Power Company Ltd.	60.95%	428.14
4.	Minor IPPs (NCE Projects)		
	Biomass	100%	543.09
	Mini Hydel	100%	311.76
	Wind	100%	324.16
	UI	50.44%	-
	Medium Term	70.64% / 49.64%	464.87
	Short Term	70.62% / 49.64%	550.00
	Sec 11	49.64%	550.00

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 and for PGCIL as approved by CERC.

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 MUs	Power Purchase cost (Rs. in Crores)	Average Power Purchase cost (Rs /unit)	
			At Gen. point	At IF point
27928.24	26786.26	10702.75	3.83	3.99

(b) Comparison of Source-wise power purchase cost during 2013-14 and 2012-13

Sl. No.	Source	2013-14		2012-13	
		ENERGY PURCHASED IN MUs	AMOUNT IN CRORES	CONSUMPTION IN MUs	AMOUNT IN CRORES
1	Hydel Power	4535.86	359.64	3383.76	345.66
2	Thermal Power	15089.14	5670.58	12924.07	4373.85
3	Lignite Power	1370.15	413.31	1412.41	387.89
4	Atomic Energy	1039.33	288.09	783.67	223.85
5	Major IPPs	-	13.3	43.03	83.58
6	Non-conventional Energy	69.04	37.24	505.85	265.23
7	Wind Mill Energy	2441.56	867.43	2436.05	850.03
8	Diesel Generating	19.57	39.77	201.3	282.03
9	Unscheduled Inter Change Charges	-119.56	-21.24	-75.46	-30.32
10	Short Term Purchase	4012.93	1947.63	7243.55	3055.94
11	Tr. Charges(KPTCL/GCIL)	-	1295.99	-	1163.25
12	POSOCO Charges	-	1.63	-	1.86

13	SLDC O&M Expenses	-	11.36	-	9.33
14	Cost of Banked Energy	-	4.03	-	6.22
15	Miscellaneous	-	-	-	-
16	PCKL Rev. Expenses	-	4.09	-	1.95
17	Energy Balancing	-547.68	-213.45	-1044.8	-377.18
	Inter ESCOM	17.9	9.22	20.96	7.82
18	Tangendco	-	0.23	-	-
19	Prior period expenses	-	125.40	-	136.26
20	Excess provision during prior period	-	-151.50	-	-
TOTAL		27928.24	10702.75	27834.4	10787.3

(c) Statement showing the details of power purchased, power purchase cost (P.P.Cost) and cost per unit from various sources and transmission charges and other charges for the year 2013-14.

SL. NO.	NAME OF THE COMPANY	CONSUMPTION IN MUs	AMOUNT BILLED (Rs. In crores)	P.P. COST (Rs. / Kwh)
1	Central projects			
	NTPC	3607.6	1086.96	3.01
	NLC	1370.15	413.31	2.99
	MAPS	65.98	13.56	2.05
	KAIGA	862.08	261.95	3.38
	VALLUR	139.9	62.2	4.44
	KUDANKULAM	111.27	12.58	1.13
	NTPC BUNDLED POWER(Coal)	118.47	40.2	3.39
	CGS Total	6275.45	1890.76	3.01
	UI CHARGES	-119.56	-21.24	
	TBHE	10.64	0.88	
2	Medium term Purchases			
	M/s. NETS	286.57	120.7	4.21
	M/s. JSW	1810.18	887.06	4.9
	M/s. IEX & PEX	2.2	1.32	6
	M/s. BMM Ispat	38.65	15.85	4.1
	M/s. ESSAR POWER	21.95	9.95	4.53
	M/s. IDEAL ENERGY	20.67	8.74	4.23
	M/s. GUVNL	778.79	331.93	4.26
	Medium term Total	2959.01	1375.55	4.65
3	Short term Purchases			
	Global Energy	79.91	53.78	5.5
	Harekrishna Metallics	12.45	7.77	5.5
	BMM Ispat	293.36	138.75	5.5
	JSW	189.87	101.01	5.5
	Reliance	126.14	68.27	5.5
	Dhruvadesh Metasteels	19.21	11.04	5.5
	Tata	76.14	44.33	5.5
	NSL Sugars	94.6	52.33	5.5
	PTCIL	103.25	62.02	5.5
	Vijayanagar Sugars	34.28	18.55	5.5
	Satish Sugars	24.7	14.24	5.5
	Short term Total	1053.91	572.09	5.5
	SEC-11 Energy	11.56	6.49	5.5

SL. NO.	NAME OF THE COMPANY	CONSUMPTION IN MUs	AMOUNT BILLED (Rs. In crores)	P.P. COST (Rs./Kwh)
4	State Projects			
	KPCL- HYDEL	4032.59	203.69	0.51
	KPCL-DG	19.58	39.77	15.55
	KPCL-THERMAL	7288.96	2781.77	3.79
	KPCL-WIND	12.69	4.08	3.22
	KPCL-SOLAR	4.54	2.6	5.72
5	Private Producers			
	Tata Power	0	13.3	
	UPCL	3883.62	1662.73	4.28
6	NCE Projects			
	Co-Generation	0	0.96	
	Bio-Mass	52.92	27.17	5.13
	Mini-Hydel	492.63	155.07	3.15
	Wind	2414.84	850.98	3.52
	Jindal Solar	14.03	12.37	8.82
	NTPC Bundled power(solar)	50.6	36.72	
	SUB-TOTAL(I)	28458.01	9615.74	3.37
7	Transmission Charges			
	PGCIL Tr. Charges	-	242.37	
	KPTCL Tr. Charges	-	1053.61	
	SUB-TOTAL(II)	-	1295.99	
8	INTER ESCOM EXCHANGE POWER			
	GESCOM	1.5	0.58	
	MESCOM	-2.08		
	HESCOM	22.14	8.64	
	CESC	-3.66		
9	ENERGY BALANCING CHARGES			
	MESCOM	-58.73	-21.26	
	CESC	-173.78	-63.21	
	HESCOM	-315.18	-128.97	
	OTHER CHARGES			
	Cost of Banked Energy		4.03	
	SLDC O&M EXP		11.36	
	POSO CO charges		1.63	
	Tangendco		0.23	
	PCKL Rev. Expenses		4.09	
	SUB-TOTAL(III)	-529.77	-182.88	
	Prior period Expenses		125.40	
	Excess provision during prior period		-151.50	
	GRAND TOTAL	27928.24	10702.75	3.83

- (d) BESCOM has purchased power from various short term and medium term contractors to mitigate power shortage situation. The medium term contractors are M/s. NETS, M/s. JSW, M/s. IEX, M/s. GUVNL, M/s. Essar Power, M/s. Ideal Energy and M/s. BMM Ispat. The short term contractors are M/s. JSW, M/s. PTCIL, M/s. TATA, M/s. Dhruvadesh Metasteels, M/s. Harikrishna Metallics, M/s. Reliance, M/s. BMM Ispat, M/s. Vijayanagar Sugars and M/s. Satish Sugars. Section 11 of Electricity Act 2003 was invoked by GOK from 27.03.2014 for maximizing generation from co-generation and biomass plants having no PPAs with ESCOMs. The quantum of energy purchased and amount paid for Medium/short term contracts is furnished as below:

**Statement showing the details of energy purchased and amount paid
for Short Term / Medium Term contracts in 2013-14**

	ENERGY (in MUs)	Rate (Rs./Unit)	AMOUNT (Rs./crore)
MEDIUM TERM			
M/s NETS	286.57	4.21	120.70
M/s JSW	1810.18	4.9	887.06
M/s. IEX	2.2	6.00	1.32
M/s BMM Ispat	38.65	4.1	15.85
M/s Essar Power	21.95	4.53	9.95
M/s Ideal Energy	20.67	4.23	8.74
M/s GUVNL	778.79	4.26	331.93
Total	2959.01	4.65	1375.55
SHORT TERM			
Global Energy	79.91		53.78
Harekrishna Metallics	12.45		7.77
BMM Ispat	293.36		138.75
JSW	189.87		101.01
Reliance	126.14		68.27
Dhruvadesh Meta Steels	19.21		11.04
Tata	76.14		44.33
NSL Sugars	94.60		52.33
PTCIL 103.25		62.02	
Vijayanagar Sugars	34.28		18.55
Satish Sugars	24.70		14.24
Short term Total	1053.91		572.09
SEC-11	11.56	5.63	6.49
TOTAL	4024.48	4.86	1954.13

- (e) The following Power Purchase Agreement have been signed by BESCOM which is approved by KERC during 2013-14.

Jindal Solar - 10.00 MW

5. Peak Load:

The details of peak load of BESCOM and energy input for year 2013-14 is furnished below:

Month	Maximum	Minimum	Wheeled Energy in MUs	Input Energy of BESCOM in MUs
	BESCOM (in MW)	BESCOM (in MW)		
Apr-13	4034	2330	29.05	2362.95
May-13	3895	1767	37.88	2274.95
Jun-13	3777	1806	41.54	2032.56
Jul-13	3732	1895	58.37	2082.84
Aug-13	3829	1786	63.24	2114.10
Sep-13	3808	1950	68.69	1894.79
Oct-13	3934	1827	68.84	2112.91
Nov-13	4001	1704	67.63	2131.25
Dec-13	4221	2104	62.30	2326.62
Jan-14	4297	2293	65.11	2495.37
Feb-14	4321	2300	56.95	2361.89
Mar-14	4275	2291	66.59	2596.00
TOTAL			686.79	26786.26

6. Energy at IF points:

The total energy drawn at IF points 26786.26 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 available for sale(MU)	% increase over previous year	Distribution Loss(%)	AT & C Loss (%)
1	FY 2006	15321	4.55	11613.69	5.15	24.20	34.25
2	FY 2007	18522	20.89	14126.45	21.64	23.73	26.55
3	FY 2008	18665	0.77	14933.57	5.71	19.99	26.15
4	FY 2009	19566	4.83	16310.48	9.22	16.64	17.42
5	FY 2010	20329	3.9	17251.6	5.77	15.14	17.54
6	FY 2011	21909	7.77	18736.12	8.6	14.48	18.54
7	FY 2012	24584	10.88	21029.95	12.24	14.46	19.50
8	FY 2013	26568	8.07	22796.00	8.40	14.20	19.22
9	FY 2014	26786	0.94	23065.37	1.18	13.89	16.97

VII. METERED CONSUMPTION :

Year	Energy Input (MU)	Consumption by Metered Category (MU)	% 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
FY-12	24584	15675.92	9.90
FY-13	26568	17069.13	8.89
FY-14	26786	17827.25	4.44

VIII. SALE OF ENERGY:

During FY-14, 23065 MUs were sold to various categories of consumers, out of which 17827.25 MUs (Including Inter Escoms) were under metered category and the balance of 5238.12 MUs was accounted under un-metered category. The distribution loss for the year is assessed at 13.89% and AT & C loss is assessed at 16.97%.

a) Metered Energy Sales:

Sl. No.	Category	In Mus
1	Bhagya Jyothi	123.85
2	Domestic Lighting. incl. AEH	5246.00
3	Commercial Lighting	1536.91
4	IP set (Metered)	8.48
5	L.T. Power	1109.44
6	H.T.	8793.29
7	Water Works / Public Lighting	861.52
8	Temporary installations	147.76
TOTAL		17827.25

b) Un-Metered Energy Sales :

Sl. No.	Category	In Mus
1	Irrigation Pump Sets	5238.10
2	BJ/KJ	0.02
TOTAL		5238.12

c) Category wise energy sold 2013-14 :

Tariff	LT1a	LT2	LT3	LT4	LT5	LT6	LT7	HT	TOTAL
Category	BJ	Domestic Lighting & Heating	Commercial	IP Set	Industries	Water Works & Street Light	Temporary	All	
Energy Sold in MUs	123.87	5246.00	1536.91	5246.58	1109.44	861.52	147.76	8793.29	23065.37

d) Break up of HT sales:

HT1	HT2A	HT2B	HT2C	HT3	HT4	HT5	TOTAL
Water Supply	Industrial	Commercial	Hospital	Lift Irrigation	Residential Apartments	Temporary	
612.92	5069.16	2855.68	89.68	9.22	109.74	46.89	8793.29

IX. REVENUE DEMAND 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 08 : Rs.5807 Cr.
- Demand FY 09 : Rs.6190 Cr.
- Demand FY 10 : Rs.6792 Cr.
- Demand FY 11 : Rs.8246 Cr.
- Demand FY 12 : Rs.9348 Cr.
- Demand FY 13 : Rs.10724Cr.
- Demand FY 14 : Rs.11560 Cr.

b) Revenue Collection :

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

- Collection FY08 : Rs.5360 Cr.
- Collection FY09 : Rs.6132 Cr.
- Collection FY10 : Rs.6600 Cr.
- Collection FY11 : Rs.7855 Cr.
- Collection FY12 : Rs.8794 Cr.
- Collection FY13 : Rs.10096 Cr.
- Collection FY14 : Rs.11147 Cr.

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

As a consumer friendly measure, BESCO has initiated a number of actions intended to increase consumers comfort while dealing with BESCO. As a part of this a number of payment channels/mechanisms are provided to them, viz:-

1) Bangalore Metropolitan area Zone:

- a. Electronic Clearance Scheme(Direct debit from the bank a/c – initiated by RBI)
- b. Bill Junction(ECS mandate & online)
- c. Easy Bills (Counters)
- d. Bangalore One (Centers)
- e. City Union Bank (Counters)
- f. IDBI Bank (Bescom website)
- g. 3 five 8 technologies (Third party vendor online)
- h. Pay u mobiles (mobile application online)
- i. Bill Desk (online & electronic bill presentment)
- j. Any time/Any where payment- Kiosks
- k. BESCO Cash Counters
- l. Cheque Drop Boxes

2) RAPDRP Towns :

- a. Online payments (Bescom Web site)
- b. Any time/Any where payment- Kiosks
- c. BESCO Cash Counters
- d. Cheque Drop Boxes

3) Non RAPDRP Areas :

- a. Online payment (Bescom Web site)
- b. BESCO Cash Counters
- c. Cheque Drop Boxes
- d. Micro Feeder Franchise
- e. Davanagere One
- f. Tumkur One

X. DEMAND SIDE MANAGEMENT (DSM) MEASURES

The following DSM measures were adopted in the year 2013-2014 BESCO to save energy:

a. **Installation of Solar Rooftop at BESCO Corporate office building: Budget proposal for the year 2013-14 is Rs.50 lakhs.**

Detailed Work Award has been issued for design, Manufacture, supply, installation, testing, commissioning including warranty operation and maintenance for a period of two years for providing and installation of **50 KWp** Solar RTPV grid connected power plant in the premises of Corporate Office, Block-II, BESCO, Bengaluru (as a pilot project) to promote grid connected Solar rooftop PV project in BESCO at a cost of **Rs.49,84,875/-** vide LOI No. BESCO BC-51/3409/2012-13/CYS-42 dated: 26.02.2014.

The work of installation is under progress

b. Detailed Work Award No. 02/2013-14 dated 04-03-2014 to Design, Operation, Maintenance and Implementation of a Programme to create awareness amongst public regarding energy savings through Dual Display Infotainment System (DDIS) in Railway reservation / ticketing counters through LED TV screens spread in all the major Passenger Reservation Systems (PRS) and Unreserved Ticketing Systems (UTS) Railway stations in BESCO area for a period of 1 (one) year at a cost of **Rs.47,04,480/-** (Rupees Forty seven lakhs four thousand four hundred and eighty only)

c. **Agriculture Demand Side Management, WENEXA-USAID**

- BESCO has planned an initiative called replacing less efficient irrigation pump sets by high energy efficient pump sets on HVDS feeders at Doddaballapur Sub-Division as a pilot project.
- A total number of 277 inefficient Pump sets at metered locations in Doddaballapura Sub-Division were replaced by High Energy Efficient Pump Sets.
- BESCO has saved 50,61,338 units (5.06 MU - 34%) from this project between April 2011 to June 2014 at Doddaballapura.
- KERC has issued directions to Scale up this project.

Hence, a contract agreement was signed on 07.08.2013 between BESCO and M/s. Energy Efficiency Service Ltd., a joint venture company of public sector units (PSU's) of Ministry of Power, New Delhi for Agriculture Demand Side Management i.e., for preparation of 6 Nos. of DPRs to replace **one lakh nos.** of less efficient IP sets by highly efficient pump sets without any financial commitment to BESCO as follows:

- On 14.02.2014, M/s. EESL has submitted a DPR for Pavagada taluk for replacing 10,673 nos. of IP sets along with terms & conditions for its implementation. M/s. EESL, claimed to achieve an energy savings of 31.49% in this project.
- M/s. EESL has been requested to prepare a baseline for one complete year by recording the consumption data of DTC meter for review and consideration with EESL and ESCOMs.

d. **Implementation of Mandatory use of Solar Water Heaters:**

As a demand side measure, BESCO has been encouraging installation of Solar water heaters.

- No. of Solar Water Heating Systems installed in BESCO are as follows:

FOR THE YEAR 2013-14	: 72,945
Energy savings for solar water heaters installed during 2013-14:	
*Annual Energy savings for 72,945 nos. of Solar Water Heater	106.50 MU

* By considering average 2KW for 2 hrs per day per Solar Water Heater.

- e. The status of timer switches provided to street lights in BESCO area is as follows:

Sl. No.	Zone	No. of Street light Ckt. existing during 13-14	No. of timer switches fixed during 13-14	No. of timer switches in working condition during 13-14	No. of timer switches not in working condition as on July-14	Balance no. of timer switches to be fixed
1	BMAZ	19128	14343	11916	2427	7212
2	BRAZ	17951	0	404	301	17547
3	CTAZ	14198	137	76	61	14122
Grand Total		51277	14480	12396	2789	38881

f. Energy Awareness Program:

(i) Communication Modes Utilized:

- Advertisements in News papers, Magazines, Souvenir etc.
- Through stalls.
- On Hoardings, Bus shelters.
- Jingles in Doordarshan, AIR, Big FM etc.
- Posters, Pamphlets, Brochures, Car Stickers etc.
- Through Customer Interaction Meetings by Section Officers / Sub Division officers with Grama Panchayath and Zilla Parishat offices.
- Through Interaction meetings at Taluk development / District development meetings.

(ii) Involvement of Hoardings and Advertising Agencies:

- To Switch OFF illumination on hoardings not given to the clients.
- By using energy efficient lighting & dimming hoarding lighting after 10.00 pm / Switching OFF illumination after 10.00 pm.
- Reduce 1/3rd of the illumination.
- To use LEDs for illumination.
- Displayed advertisements in 24 locations of Bengaluru for 45 days.

g. Earth Hour:

Earth Hour was observed by all the employees of BESCO in offices and their residences. Public were also requested to participate. Earth Hour was observed on 29th March 2014 from 8.30 PM to 9.30 PM by switching off all the unnecessary and extra lights. The energy savings from Earth Hour is about 45MW Peak.

h. Time of the Day Tariff

TOD tariff is made mandatory to all HT installations of 500KVA and above under HT2(a) and HT2(b) tariff w.e.f. 01-09-2012. This is optional in respect of consumers under LT5 Industrial category (where trivector meter is fixed).

i. Implementation of HVDS

In order to reduce distribution losses, BESCO has selected Tumkur Rural Sub-division-2 for implementation of HVDS as a pilot. 8 Nos. of Feeders has been selected from Heggere 66/11KV MUs and estimated cost of Rs. 4723 lakhs. C.B. Pura Rural sub-division 6 Nos. of Feeders has been selected and estimated cost of Rs. 3480 lakhs.

Sl. No.	Name of the Sub-dvn selected for pilot implementation	No. of feeders selected	Present Status of Project	Estimate cost (Rs. Lakhs)	Probable date of commencement of work	Expected date of completion	Expenditure Booked (Rs. in lakhs)	Remarks
1	Tumkur RSD-2	8	one of the feeder i.e., F1-Vokkodi feeder from Heggere 66/11KV MUSS work Completed & Commissioned	723	Other three feeders work are under progress	31.8.13	1955	DWA issued on 08-05-13
2.	CB Pura RSD	6	One feeder i.e., Muddenahalli feeder work under progress	3480	WUP	8.5.15	1223.5	DWA issued on 08-05-13

XI. IMPORTANT PROJECTS

(A) BANGALORE DISTRIBUTION UPGRADATION (DAS) PROJECTS

BESCO has embarked upon a project to automate the Distribution network for monitoring, control and operation of the 11 KV network in the Bengaluru City by providing suitable control and communication equipment which of course, first of its kind in the entire country. The project has been taken up during FY 2008-09 and scheduled to be completed within September 2015.

PROJECT DETAILS:

- The cost of the Project is estimated to be Rs. 563 Crores.
- The Japan International Cooperation Agency (JICA) is extending financial assistance to an extent of Rs. 417 Crores. (10,643 Million JPY at the time of sanction) for this project.
- BESCO has to meet the balance amount of about Rs.147 Crores.
- M/S KEMA, USA and M/s. CPRI, Bangalore are the Project Management Consultants.

The main objective of the project is to provide assured quality and reliability of power supply by automating the 11 KV distribution network.

MAIN OBJECTIVES :

- To automate the Distribution network for monitoring, supervisory control and operation of the 11 KV network in the Bengaluru City.
- To ensure reliable power supply to consumers.
- To minimize loss of time for fault location and restoration due to manual operation.

- To ensure reliable power supply and to effectively arrest the consumer hours lost because of power supply outages, thereby increasing the energy sales.
- Real time control over the costly energy sold.
- The scope of works in the project involves replacement of overhead lines by Aerial Bunched cables, replacement of existing RMU's by DAS Compatible RMUs, providing new RMU's, Remote Terminal Units (RTU) with communication facility at all RMU locations.
- Establishing Master Control Centre at Corporate level with necessary communication, hardware and software.

BENEFITS OF DAS:

- Real time control over the costly energy sold.
- Improved efficiency results in lower costs.
- Better reliability in power supply, planned control actions.

The DAS Project implementation is based on the following separate, but interrelated 7 construction packages.

Sl. No.	Package No	Package Description	Progress as on 13.08.14									
1	Pkg-I	Distribution Automation System (DAS) Master Stations, Communication System and Control Centre Facilities	Construction of Control Centre at HSR Layout is under progress. Decision to grant License(DL) for UHF and Microwave(MW) Frequency received from WPC(Wireless Planning and Co-ordination Wing). Import license received for UHF. Import License for MW is awaited. Preparatory works for construction of Communication tower is under progress.									
2	Pkg-II	Remote Terminal Units for Existing and New Ring Main Units	Total Ordered Quantity : 1590 Installed Quantity : 964									
3	Pkg-III	Line Reclosers (LRC) and Load Break Switches (LBS)	<table border="1"> <thead> <tr> <th></th> <th>LRC</th> <th>LBS</th> </tr> </thead> <tbody> <tr> <td>Total Ordered Qty.</td> <td>795</td> <td>745</td> </tr> <tr> <td>Total Erected Qty.</td> <td>760</td> <td>712</td> </tr> </tbody> </table>		LRC	LBS	Total Ordered Qty.	795	745	Total Erected Qty.	760	712
	LRC	LBS										
Total Ordered Qty.	795	745										
Total Erected Qty.	760	712										
4	Pkg-IV	New Ring Main Units	Total Ordered Quantity : 790 Total Erected : 790									
5	Pkg-V	Replacement of Existing Ring Main Units	Total Ordered Quantity : 800 Total Erected : 375									
6	Pkg-VI	Construction of Overhead Lines	Overhead Lines (Coyote) : 694.6KM Overhead Lines (ABC) : 254.6KM									
7	Pkg- VII	Construction of Underground Cables.	UG Cable : 229KM									

(B) 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	Added during the year 2013-14 OH (KMs)	Added during the year 2013-14 UG (KMs)	Total added during the year 2013-14 (in KMs)	As on 31-03-14		Total (in Ckt. KMs)
				OH (KMs)	UG (KMs)	
HT line	2416.10	1538.52	2954.62	79166.27	3975.91	83142.18
LT line	3101.13	326.90	3428.03	156615.15	1885.31	158500.46

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

Particulars	25KVA	50/63 KVA	63 / 100KVA	160 to 250 KVA	300 to 1000 KVA	Compact Sub -Stations			Total
						500 KVA	750 KVA	990 KVA	
Added during FY-13-14	8802	3414	3069	1437	187	3	22	62	16966
Existing in the system as at the end of 31-03-2014	76785	49041	45157	18874	3815	22	88	166	193948

(c) Details of category wise No. of distribution transformer failed during 2013-14

10/15/25 KVA	50/63/75 KVA	100/160 KVA	200/250 KVA	300/400/ 500 KVA	Total	% Failure
4068	6562	5276	123	17	16046	8.27

(d) GoK sponsored programme:

- i) Ganga Kalyana electrified : 4511 Installations
- ii) Energization of General IP sets : 1720 Nos.
- iii) Regularization of Unauthorised IP sets : 43137 Nos.
- iv) Drinking water supply energized : 4648 Nos.

(C) Restructured Accelerated Power Development and Reforms Programme (R-APDRP) IN KARNATAKA

The Govt. of India has proposed to continue R-APDRP during the XI Plan with revised terms and conditions as a Central Sector Scheme.

The focus of the programme shall be on:

1. Actual, demonstrable performance in terms of sustained loss reduction.
2. Establishment of reliable and automated systems for sustained collection of accurate base line data.
3. Adoption of Information Technology in the areas of energy accounting will be essential before taking up the regular distribution strengthening projects.

Programme Coverage:

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

Proposed Scheme:

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

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

Part-B shall include distribution strengthening projects.

Project Time Line:

Part –A projects required to be completed within a period of 5 years from the date of sanction. The project completion date is September 2014.

Milestones achieved under R-APDRP PART –A

- **IT Consultant:** M/s. Reliance Infrastructure Limited.
- **IT Implementation Agency:** M/s. Infosys Technologies Limited.
- **Co-Hosting of Data Centre:** M/s. Sify Technologies.
- **Co- Hosting of Disaster Recovery Centre:** M/s. Bharti Airtel Ltd.
- **Customer Call Centre:** At each ESCOMs.

Key Highlights in BESCOM 25 towns as on March 2014

- MBC & NC Go-live: 25 towns
- Full stack go-live with Energy Audit: 16 towns
- Office infra set: 25 towns
- Primary NSP Link set up: 25 towns
- Secondary NSP Link set up: 24 towns

Financial progress under R-APDRP PART–A as at the end of March 2014 (Amount in Crores)

ESCOM	No. of Towns	LOAN SANCTIONED (Convertible to Grant)	TOTAL PROJECT COST	PFC DISBURSEMENT DETAILS	TOTAL EXPENDITURE INCURRED		
					FROM PFC FUNDS	FROM OWN FUNDS	TOTAL
BESCOM	25	2282.70	261.37	146.65	103.97	24.62*	128.59

*Rs. 24.62 crores spent for metering out of BESCOM funds.

IT Initiatives in BESCOM

1. Paperless Office (PLO) in BESCOM

BESCOM was following the traditional system of paper based file system including filing cabinets, folders etc., all of which require continuous maintenance, equipment, considerable space, and are resource-intensive. Paper data stored in multiple locations was often difficult to track and update.

BESCOM Corporate office comprises of more than 12 different departments dealing with different areas of operations in the utility. The use of traditional filing system at all of the sections was having major impact on the consumption of papers.

The use of manual file/document management in corporate office, causing delay in movement of files across different sections/departments and also it was difficult to track the files.

This paper based filing system is eliminated by using online application called PAPER LESS OFFICE with defined automated workflow as per the BESCO organization structure.

The online paper less application (file tracking) has got its own advantages:

Advantages

Locating:

Identify the precise location of a document instantly, saving valuable time spent locating, re-doing, or re-writing documents, and ultimately improving ability to deliver service.

Securing:

If sensitive or important documents leaves a designated area with an unauthorized individual, or is gone for longer than a pre-determined period of time, an alert can be sent via e-mail, text message, or an alarm can be triggered to have that file retrieved.

Monitoring:

Systems automatically track how long each document is "checked out" and by whom, allowing better classification of files for archiving or storage purposes or track down missing information from a file.

Achievements :

The usage of paper phenomenally gets reduced and physical movement of files has been stopped. All the internal office communications is being done electronically.

2. Management Information System (MIS)

BESCO took an initiative towards developing a web-based MIS (Management information system) for collection of data across BESCO, generation of reports and creation of dashboards related to subjects of various sections and departments.

The MIS software development has been successfully completed and the application is deployed for use of Offices from April 2014.

The MIS reports are made available for Consumers and Public also. The BESCO MIS can be accessed through the below link: <http://mis.besco.org/mis/pages/index/jsf>

Also as per the GoK directions, a common Ganga Kalyana application has also been developed by BESCO, wherein the application is used by Energy Department, KPTCL, all ESCOM's and SC/ST/BCM/Minority Corporations.

The Common Ganga Kalyana Application can be accessed through below link: <http://www.gangakalyana.com>

3. Video Conferencing through KSWAN

BESCO conducts regular meetings at corporate office for various purposes this includes communication, sharing and collaborating official matters between other offices down the line of BESCO organization hierarchy.

Very often it is required to conduct meetings between officers from other O&M circles like Davanagere, Kolar, Tumkur etc.

In spite of the busy schedules, officer's in-person need to travel to attend the meetings which are conducted at corporate office. This travelling consumes lot of time and also an hindrance to official works at local offices. In order to avoid such scenarios now a days video conference sessions will be carried out through Karnataka State Wide Area Network.

Benefits

VC sessions help by making participants are more likely to stay alert and focused on what is being discussed. As a result, projects are completed faster, productivity increases, and participants feel more in synch with each other and the message want to convey.

4. Migration from Private to Government Network for providing Internet services

BESCOM has utilizing the services of KSWAN (Karnataka State Wide Area Network) even for data services for providing internet by migrating to Government provisioned highly secured communication channel, an initiative of e-governance. This has reduced the expenditure costs incurred for internet.

PART- B

Part-B includes regular distribution strengthening projects for reduction of AT & C losses less than15%.

BESCOM is prepared DPRs for 24 towns amounting to Rs. 290.28 crores (sanctioned by M/s. PFC, New Delhi). Tenders were invited in 7 packages (District wise) on Total Turnkey basis as per the directions of Steering committee, MOP and the total amount put to tender is Rs. 243.15 crores.

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

(D) 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	19	23
b	No. of Villages covered	4419	4578
c	Cost in Rs. Crores	355.85	385.71
d	Number of Feeders	261	289

In Phase-I during FY 2011-12 out of 271 feeders 267 feeders are completed and 154 feeders are commissioned, during FY 2012-13 in phase-1 83 feeders are commissioned, during FY 2013-14 4 feeders are completed and 34 feeders are commissioned and in Phase-II out of 285 feeders, during FY 2012-13, 15 feeders have been completed and 1 feeder commissioned, during FY 2013-14, 111 feeders have been completed and 76 feeders commissioned.

Statement Showing the Amount released for creation of Infrastructure for regularization of unauthorized IP Sets (GO.No. EN 09 PSR 2011 dated 11.03.2011).

Sl. No.	Govt. Order No. Date	Account Head	Amount Released	Remarks
1	EN 09 PSR 2011 09.09.2011	4801-01-190-0-09-211 (Plan)	35.00 Crores	2011-12
2	EAN 67 PSR 2012 06.09.2012	4801-01-190-0-09-211 (Plan)	20.00 Crores	2012-13
3	EAN 67 PSR 2012 18.10.2012	4801-01-190-0-09-211 (Plan)	4.00 Crores	2012-13
Total			59.00 Crores	

**(E) Various Consumer Initiatives were taken during this financial year. The details are:
Integrated 24 X 7 Helpline and Public Grievance Redressal System**

To facilitate consumers, BESCO has established a well-integrated 24 X 7 Customer Help Line through the latest technology & software developments along with in-built automatic call transfer system. Consumers can call on the Customer Help Line Number 1912 which has 30 concurrent lines with Multi Channel Complaint Registration Facility (Phone, SMS, Online, E-mail & Facebook). There are about 150 Customer Support Executives, 12 Team Leaders and 4 Team Managers and in charge shift Assistant/Junior Engineers are functioning in the BESCO Helpline.

All the consumer complaints are being registered in the Web enabled PGRS (Public Grievance Redressal System) application. Whenever any consumer registers complaint, they will be provided with the Docket Number, using which they can track their complaint status through Help Line or BESCO Website. For the speedy redressal of complaints, BESCO has established Circle Control Rooms in all the 8 Circles. In Circle Control Rooms, the executives make follow up of complaints pertaining to their Circle till resolution.

In order to facilitate consumers to register their complaints through SMS, BESCO has developed and deployed a SMS Complaint Management System. Consumer can send SMS to 9243150000 to register their complaints. Once the SMS is received, consumer gets back the acknowledgment message along with docket number. The application forwards complaint message to the concerned Sub-Divisional AEE, EE for necessary action. After resolving the complaints the concerned field staff will inform the Circle Control Room to close the complaint docket. The executives at Circle Control Rooms confirm with the complainant and then only they will close the docket.

The well Customized PGRS application generates various MIS reports indicating the number of complaints, nature of complaints received, complaints attended, complaint pending and reasons for not attending the complaints. The PGRS application also includes Escalation Matrix, Technical Dash Board & SMS Gateway Facility. The overall complaint redressal time taken in the month of September-14 is 35 mins.

Report Card - Assessment of BESCO Services

To systematically assess the quality, responsiveness and outcomes of the basic services provided by sub-division and section office to the public and to generate a better understanding of the problems and

constraints being faced by the BESCOM officials in their role as service provider to the community, BESCOM conducted an Assessment study of its services in its jurisdictional areas.

This study has enabled BESCOM to analyze the critical problems with electricity services in terms of accessibility, reliability, transparency and responsiveness. The recommendations of this study have been taken up for setting an agenda for a process of reviews, planning and monitoring for improved efficiency in service delivery.

Workshops to Educate Rural Electricity Consumers

To educate Rural Electricity Consumers and to create awareness on BESCOM initiatives and important measures that are taken up by BESCOM, we have conducted workshops in different areas of BESCOM in particular Rural Areas.

It was found that, in all the workshops the response from the consumers was exceptionally good and they were very happy by knowing about all the initiatives taken by BESCOM for the betterment of its consumers.

Safety Awareness Programs

In order to create awareness on Electrical Safety and Energy Savings, BESCOM has conducted various activities to reach out consumers through Radio partners, TV channels, Theatres, by branding BMTc buses and VRL courier vans, Cartoon Competitions cum Exhibition on safety and savings etc. In all the Circles of BESCOM Safety awareness programs were conducted by involving school/ college students and NGOs. From these activities we could able to communicate Safety and Savings information to our Consumers.

During this financial year we have taken up various Safety and Saving awareness programs to reach out Consumers.

Simplification of forms and procedures involved in BESCOM services

BESCOM is continuously working towards adoption of open governance platform to enlighten the consumers on activities in BESCOM and standard procedures for various works and re-engineering the existing procedures to enable consumers, less interaction while resolving issues with BESCOM.

A study on Simplification and Modification of various Forms which are issued under various regulations was taken up by BESCOM. In this regard, we have conducted workshops and meetings by involving field officers of BESCOM, Officers from KERC, Consumer representatives and former KERC members to analyze the procedures being followed and the modifications that are required for the various services. We have simplified all Service Forms viz., New Connection, Name Transfer etc. Also prepared new formats for Replacement of burnt out meters, Issue of Service Certificate, Additional load, Surrender of Installation and many other additional Forms to facilitate consumers. The entire application forms are uploaded in the BESCOM Website to facilitate Consumers.

Consumer Handbook

BESCOM took the paradigm shift towards consumer orientation, when it changed its vision statement to 'Become Number One Company in Customer satisfaction in South Asia in distribution sector'. To facilitate consumers, BESCOM has brought out Consumer Handbook on various issues.

Customer Interaction Meeting

As per the directions of KERC, BESCOM has started conducting Customer Interaction Meetings in all the sub divisions every month regularly from November 2011.

To facilitate all the sub divisional officers and consumers, a schedule has been prepared for conducting CIM in each sub division on a particular date and time for the whole year. The schedule was communicated

to all the sub divisions to ensure that the CIM meetings will be held on that day. The clippings of the CIM video will be uploaded in YouTube by the concerned AEEs. Various circulars and letters have been issued from time to time explaining the procedure and the steps to be taken for creating awareness locally and to make CIM more effective.

To create awareness among the consumers about CIM, pamphlets explaining the procedure, schedule containing date, time and venue have been distributed in all the sub divisions. We have taken all the necessary steps to make CIM success. In the year 2013-2014, 1200 Consumer Interaction Meetings (CIM) have been held in all the sub divisions of BESCOM area.

Training programs for the BESCOM officials on KERC guidelines

BESCOM is conducting continuous training programs to its officials to educate them regarding KERC guidelines, duty of licensee, procedures to be adopted in day today work to facilitate our consumers. The purpose of this training program is to help our officials to gain the qualifications, knowledge and skills in a particular subject and also to develop the ability to resolve the complications being faced in day today works.

Re-designing of BESCOM Website

Website is an excellent medium to reach out our consumers, to interact with them, to explain them how BESCOM works for consumers, the initiatives taken up by BESCOM etc. In view of this, BESCOM re-designed its website to make it consumer friendly and to provide maximum information to the consumers through the website.

XII. CORPORATE GOVERNANCE

The Board of BESCOM believes and supports Corporate Governance practices of a high standard, ensuring observance of these principles in all its dealings. All the Directors take active part in the proceedings of Board and Sub-Committee meetings which add value in the decision making process. The non functional directors receive sitting fees for Board/ Sub-committee meetings attended by them.

a. Board of Directors:

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

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

1	P. Ravi Kumar, I.A.S.,	Chairman
2	Pankaj Kumar Pandey, I.A.S.,	Managing Director
3	G.Kumar Naik, I.A.S.,	Director
4	Gaurav Gupta, I.A.S.,	Director
5	Arvind Shrivastava, I.A.S.,	Director
6	B.L.Guruprasad, I.R.S.,	Director (Finance)
7	H.Nagesh	Director (Technical)
8	K.T.Mahanthappa	Director
9	M.Nagaraju	Director

During 2013-14 five Board meetings took place as detailed below:

Sl.No.	Meeting No.	Held on
1	59 th	27.06.2013
2	60 th	05.09.2013
3	61 st	16.11.2013
4	62 nd	16.01.2014
5	63 rd	04.03.2014

b. Board Sub Committees

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

1. Central Purchases Committee

Central Purchases Committee was formed to consider all cases of purchases whether for Projects or award of Station/Line works or any other works and all matters relating to such purchases as per prevailing delegation of financial powers.

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

1	Managing Director, BESCO	Chairman
2	Director (Technical), BESCO	Member
3	Director (Finance), BESCO	Member
4	Authorised Signatory, BESCO	Convener

During 2013-14, CPC met on the following dates:

Sl.No.	Meeting No.	Held on
1	68th	07.05.2013
2	69th	22.08.2013
3	70th	10.10.2013
4	71st	17.12.2013
5	72nd	07.01.2014
6	73rd	11.02.2014

2. Borrowing Sub Committee

The Borrowings Sub-Committee has been delegated certain specific powers to borrow Long term Loans from Banks/financial institutions on behalf of the Board from time to times subject to ceiling approved by the Share holder at the General Meeting.

Composite of Borrowings Sub-Committee as on date of AGM is as below:

1	Managing Director, BESCO	Chairman
2	Director (Finance)	Member
3	Authorised Signatory, BESCO	Convener

During the year under report, the Borrowing Sub-Committee held its meetings as below:

Sl.No.	For availing Finance from	Amount	Held on
1	M/s. Bank of Maharashtra	Rs.275.00 Crores	17.05.2013
2	M/s. Power Finance Corporation Ltd	Rs.217.71Crores	27.11.2013
3	M/s. Rural Electrification Corporation Ltd.	Rs.500.00Crores	01.01.2014
4	M/s. Canara Bank	Rs.370.00 Crores	20.01.2014
5	M/s. Rural Electrification Corporation Ltd.	Rs.284.94 Crores	18.03.2014
6	M/s. Rural Electrification Corporation Ltd.	Rs.276.94 Crores	
		Rs.174.23 Crores	28.03.2014

3. Audit Committee

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

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

1	Managing Director, KPTCL (By Name)	Chairman
2	Director (Technical), BESCOM	Member
3	Sri K.T. Mahanthappa*	Member
4	Authorised Signatory, BESCOM	Convener

Note: Membership at Sl. No.3 is conterminous with his Directorship on the Board of BESCOM.

Audit Committee considers and recommends the financial results to the Board. Statutory Auditors & Cost Auditors are invited to attend the meeting. The committee also invites the Chief General Manager (F&C) and General Manager (I/A) to be present at the meeting.

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

1. Discussions with the Auditors periodically about Internal Control System and the scope of audit including observations of the Auditors.
2. Review of the Annual Financial statements before submission to the Board.
3. Ensure compliance of internal control systems.
4. Investigation into any of the matters as may be referred to by the Board.
5. Financial and Risk Management Policies and Fraud and Fraudulent Risks.
6. Review of annual capital, revenue and store budgets before being placed before the Board for approval.
7. Review of programmes of finalization of annual accounts for timely completion of audit and approvals.
8. Review of adequacy of internal controls to review reports on inventory, completion reports of capital works, standards and specifications wherever applicable.
9. Review of Internal Audit paras.

10. Review of AG Audit paras.
11. Review of disciplinary cases.
12. Review of Vigilance activities, MRT, TAQC Wings and write offs.
13. Review of power purchase cost.
14. Review of borrowings.
15. Discussions with Statutory Auditors and cost Auditors regarding their reports.
16. Any other matters as may be referred to by the Board.

During 2013-14 the Audit Committee met thrice as below:

Sl. No.	Meeting No.	Held on
1	21st	22.06.2013
2	22nd	29.07.2013
3	23rd	23.11.2013

XIII. GENERAL :

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 Corporate Affairs, Registrar of Companies, Karnataka and Consumers of BESCOM for their Co-operation and support to BESCOM in its endeavor to serve the public. Board would also like to place on record its appreciation for the dedicated and committed service rendered by the employees of the company and co-operation extended by the Union and Associations.

For & on behalf of the Board of Directors

Sd/-
CHAIRMAN

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, BANGALURU, FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of “**Bangalore Electricity Supply Company Limited, Bangaluru**” for the year ended **31 March 2014** 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 **22 December 2014**.

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, Bangaluru**” for the year ended **31 March 2014**. 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 statement by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No. 30.25 of the Notes forming part of accounts, I have no further comments to offer upon or supplement to the Statutory Auditor’s report under section 619(4) of the Companies Act, 1956.

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

Sd/-
L A C SINGH
PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT)
KARNATAKA, BANGALORE.

BANGALORE
DATED: 22 December 2014.

Independent Auditor's Report

To the Members of BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

Pursuant to the observations made by Comptroller and Auditor General of India under section 619(4) of the Companies Act, the accounts approved by the Board of Directors on 20-11-2014 have been revised, this report supersedes our earlier report dated 22-11-2014. The report is revised to incorporate the observations made by the Comptroller and Auditor General of India on the financial statements and books of account of the company. The impact of the revision in the accounts of the company is stated in note number 30.25

Report on the Financial Statements;

We have audited the accompanying financial statements of **BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- 1. Remittances and transfers from/to head office:** The Company is showing a balance of Rs. 125.74 lakhs (P.Y. Rs. 44.63 lakhs) under other current assets as remittances-in-transit. The impact of above stated balance on the financial statement is an overstatement of other current assets and its contra effect is not readily ascertainable.
- 2. Accrual system:** As per section 209(3) of the Companies Act, 1956, proper books of account shall not be deemed to be kept if such books are not kept on accrual basis and according to the double

entry system of accounting. As stated in Significant accounting policy no.2, the company recognizes the transactions pertaining to grants and subsidies from the Government in respect of capital assets on receipt basis, which is contrary to the accrual system of accounting as essential under section 209 of the Companies Act, 1956.

3. **Deviations from Accounting Standards:**

- a. **Accounting Standard 2 in relation to Valuation of Inventory:** The Company is required to value its inventories at lower of cost or net realizable value. However, the company values its inventories at standard rates. The company does not consider the net realizable value of its inventories. The impact of such deviation from the accounting standard is not ascertainable.
- b. **Accounting standard 6 in relation to Depreciation accounting:** The Company has charged depreciation as per KERC/CERC rules, i.e., for full month in which assets were put to use. As per accounting standard 6, the statute governing an enterprise may provide the basis for computation of the depreciation, though Companies Act, 1956 provides that, the depreciation shall be calculated on a prorata basis from the date of such addition. The impact of the above deviation from the accounting standard is not readily ascertainable.
- c. **Accounting Standard 15 in relation to Employee Benefits:** The Company has provided provision for retirement benefits as per actuarial valuation made on 31.03.2012 and leave encashment on accrual basis is contrary to Accounting Standard – 15 - Employee Benefits, which requires the actuarial valuation to be made every year. The impact of the above deviation from the accounting standard is not readily ascertainable. (AS-15. Notes Para 30.6)
- d. **Accounting Standard – 22 in relation to Accounting for Taxes on Income:** The Company has not provided for deferred tax asset/liability. The company has not provided for deferred tax asset/liability on account of timing differences which would reverse after the expiry of tax holiday period. The impact of such non-provisioning of the timing differences mentioned above on the financial statement of the company is not ascertainable.

4. **Short recognition of interest:** The Company made a fixed deposit of Rs.155 Crores in SBI, interest on maturity is Rs.18.24 Crores, but actual interest credited during 2013-14 is Rs.18.21Crores the difference interest short received is Rs.2.79 lakhs which leads to understatement of profit for the year.

5. **Categorization of Assets:** The Company has to categorize the works completed into assets immediately after getting the completion certificate and provide applicable depreciation thereon. But there is huge delay in getting the completion certificate, there by such portion of assets are continued in Capital work in progress till the receipt of completion certificate. This leads to increase in the amount shown as Capital work in progress. Steps should be taken to collect the completion certificate early. The impact of the above deviation is not readily ascertainable.

6. **Balance Confirmation:**

- a. The Company has not obtained confirmation and reconciled the balances as on 31.03.2014 from/to KPTCL, KPCL, and PCKL, sundry debtors, sundry creditors, advances, deposits from/to suppliers / contractors / government authorities/consumers/ employees, loans and other receivables from various parties.
- b. The company has prepared reconciliation statements and obtained bank balance confirmation certificates as on 31st March 2014, except the bank balance of some of the divisions. The reconciled amount is Rs.45.86 lakhs (net). The impact of the above on financial statement is not readily ascertainable.

7. **An Abstract of monetary effect of the above mentioned qualifications (to the extent quantifiable) on the financial statements of the company is as follows:**

(Amount in lakhs)

Category	Overstated/(understated)
A. Net income	(2.79)
B. Current Asset	79.88
C. Reserve and Surplus Losses as at 31/03/2014	2.79

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph**, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the **profit** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes to the financial statements and our opinion is not qualified in respect of following matters.

- a. The Company has made a change of accounting policy in respect of True up Tariff Subsidy. The same was recognized on receipt basis previously. For the financial year 2013-14; it is recognized on accrual basis to comply with the Accounting Standard 12. The impact of change in accounting policy is an increase in the profit of the company by Rs. 524.53 crores.
- b. Note no. 30.8 regarding Inter Unit Accounts are subject to reconciliation/adjustments to the extent of Rs. 87.29 crores (Credit) [Previous year Rs. 13.96 crores (Debit)].
- c. Note no. 30.2.1 regarding certain loans availed by KPTCL transferred to BESCOM and reflected as loans in the books of the company.
- d. Note no. 30.3.5 regarding non-provisioning of expenses relating to transfer of titles of certain assets transferred by KPTCL.
- e. Note no. 30.3.7 regarding ad-hoc provision of 20 percent on the written-down value of dismantled assets.
- f. Note no. 30.5.2 regarding accounting of excess or shortages found on physical verification of inventories pending final investigation.
- g. Note no. 30.7.1 regarding accounting of contingent liabilities / assets are not ascertained on contracts remaining to be executed.
- h. Note no. 30.7.4 regarding Power purchase tariff rates of BTPS 2nd unit and RTPS -8th unit of KPCL is pending for approval by the KERC.
- i. Note no. 30.7.6 regarding interest claimed by KPCL on belated payments up to financial year 2013-14 is under dispute.
- j. Note no. 30.7.8 regarding interest claims in respect of UPCL is not provided due to dispute pending before ATE.

- k. Note no. 30.7.12 regarding transmission charges paid to KPTCL for the financial year 2006-07 under dispute is pending before The Hon'ble Supreme Court. Hence excess sum paid Rs.125 Crores shown as receivables from KPTCL.
- l. Note no. 30.7.9 the claim of KPCL for capacity charges, energy charges, disincentives, Income Tax etc., to the tune of Rs.187.71 crores being an excess claim is not admitted.
- m. Note no. 30.16 regarding non-disclosure of payables to SMEs, if any.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. ***Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;***
 - e. Government of India vide a general circular no.2/2002 dated 22.03.2002 has exempted the directors of Government companies from the provisions of disqualification. Hence the provisions for disqualifications of directors of the companies under section 274(1) (g) of the companies Act 1956 are not applicable.
 - f. Since the Central Government has neither issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **V. K Niranjana & Co.**
Chartered Accountants
Firm's Registration No. 02468S

Sd/-
(CA Niranjana.V.K)
Partner
Membership No.021432

Bengaluru
22/12/2014

Annexure to the Auditors Report

The Annexure referred to in our report to the members of **BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED** ("the Company") for the year ended 31st March 2014, we report that;

i) **In respect of Fixed Assets:**

- a) The company has maintained records, **but particulars like quantity and situation of all the fixed assets are not maintained. The Company is yet to obtain title deeds/relevant documents of certain lands/buildings reflected in the note 10 in relation to fixed assets. Attention is invited to 'Para C' of "Emphasis of Matter" in our audit report.**
- b) **As explained to us, the company has physically verified items falling under category of Office Equipment's, T&P materials (Almairhas, Chairs, and Tables etc.), Computer and Peripherals, Vehicles, Buildings and Civil works at regular intervals. Based on the information and explanations given to us by the company, they have not noticed any material discrepancies on such verification as compared with the limited records available.**
However, the company has not conducted a physical verification in respect of plant & machinery and lines & cables during the year. Hence we are unable to comment on the adequacy or otherwise and the regularity of physical verification of such assets.
- c) The company has not disposed off substantial part of fixed assets during the year and hence commenting on the going concern assumption in this regard does not arise.

ii) **In respect of its inventories:**

- a) As explained to us, inventories lying in the stores of the company have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory situated at company's premises. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records. **However, the minor discrepancies of inventories are accounted for in the books of accounts (Excess stock of Rs. 2.15 crore and a shortfall of Rs. 1.99 crore – net being excess Rs. 0.16 crore).**
- iii) As informed to us, there are no transactions coming within the purview of Section 297 or 299 and required to be entered in the register maintained under section 301 of the Companies Act, 1956. Hence commenting on Paragraph 3(a) to 3(g) of Companies (Auditors Report) Order 2003 (as amended) does not arise.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and rendering of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v) The company has no transactions covered under section 301 of the Companies Act, 1956. Hence commenting on the entry in the register maintained under section 301 and its prices being reasonable having regard to prevailing market prices at the relevant time does not arise.
- vi) **According to information and explanations given to us, the company has not accepted any deposits under the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder.**

- vii) The company has its in-house internal audit department and it submits its reports on need basis. ***In our opinion, as stated in our earlier report, the existing internal audit system is not at all commensurate with the size of the company and the nature of its business with regard to the location, understaffed department, qualification and grade of personnel heading the department and his deputies, to the reporting authority, inadequacy of coverage and periodicity and regularity of submitting of internal audit reports to the higher authorities, lack of impartiality, lack of independence, etc.***

The scope should cover areas like inter unit reconciliation, bank reconciliation, WIP capitalization, statutory compliance, format of the internal audit report etc. and its functions need to be strengthened.

- viii) Based on the information and explanations provided to us, maintenance of cost records has been prescribed by the Central Government for the company. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained.

- ix) In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess, and other statutory dues have been regularly deposited with the appropriate authorities. ***However, there are some short deductions and delays in remitting the tax deducted at source and service tax to the concerned authorities.***

Further, since the Central Government till date has not prescribed the amount of Cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- b) According to the information and explanations given to us, the company has an undisputed outstanding demand of electricity tax to the extent of Rs.9.63 crore (the quantum is disputed) at the year-end which is due for a period more than six months (i.e., since June 2010).
- c) According to the information and explanations given to us, the company has not deposited the following statutory dues on account of disputes:

Name of the Statute	Nature of the dues	Amount of tax involved (Rs. in crore)	Period to which the amount relates	Forum of dispute
Income tax Act, 1961	Income tax	12.56	Assessment Year 2004-05	CIT Appeals(I) Bangalore
Income tax Act, 1961	Income tax	61.07	AY 2005-06	High Court of Karnataka
Karnataka Electricity (Taxation on Consumption) Act, 1959	Electricity tax	9.63	FY 2008-09	Chief Electrical Inspector to Government (CEIG), Bangalore
Income tax Act, 1961	Income tax	(7.52 c/f loss)	AY 2009-10	CIT, Appeals(I), Bangalore
Income tax Act, 1961	Income Tax	17.52	AY 2010-11	CIT, Appeals (I), Bangalore

- x) ***The company's accumulated loss at the end of the financial year (without giving effect to the qualifications as stated in our report) does not exceed 50 percent of its net worth. The company has not incurred cash losses in the financial year under audit. However the company has incurred cash losses in the immediately preceding financial year.***
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) According to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore the provisions of Paragraph 4 (xiii) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv) The company is not dealing or trading in shares, securities or other investments. Hence commenting on Paragraph 4(xiv) of the Companies (Auditor's Report) Order 2003 (as amended) does not arise.
- xv) According to information and explanations given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions.
- xvi) According to information and explanations given to us, during the financial year covered by our audit, the term loans availed by the company have been applied for the purposes for which such loans are availed.
- xvii) According to the information and explanations given to us and overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) During the year, 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. Hence commenting on the issue price prejudicial to the interest of the company does not arise.
- xix) During the year, the Company has not issued any Debentures. Hence commenting on the creation of security does not arise.
- xx) The Company has not raised any money by way of public issue during the year. Hence verification of the end use of the same does not arise.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no major fraud on or by the company has been noticed during the year. However, there are cases of fraud noticed in the earlier years and are in the process of investigation/inquiry.

Bengaluru
22/12/2014

For **V.K Niranjana & Co**
Chartered Accountants
Firm's Registration No. 02468S

Sd/-
(C A Niranjana V K)
Partner
Membership No.021432

Addendum to Director's Report for the year ended 31st March 2014

Replies offered on the observation/ comments of the Statutory Auditors on the accounts of the company for the year 2013-14 are as follows.

SI. No.	SA No.	Observations of the Statutory Auditors	Management's Reply
1	1	<u>Remittances and transfers from/to head office:</u> The Company is showing balances of Rs.125.74 lakhs (P.Y. Rs.44.63 lakhs) under other current assets as remittances-in-transit. The impact of above stated balance on the financial statement is an overstatement of other current assets and its contra effect is not readily ascertainable.	Factual - In the course of regular transaction, certain remittances made during closure period of Accounts (Last week of March) will be transferred to main account by concerned Bank in the first week of April, thereby those items are kept under transit
2	2	<u>Accrual system:</u> As per section 209(3) of the Companies Act, 1956, proper books of account shall not be deemed to be kept if such books are not kept on accrual basis and according to the double entry system of accounting. As stated in Significant accounting policy no.2, the company recognizes the transactions pertaining to grants and subsidies from the Government in respect of capital assets on receipt basis, which is contrary to the accrual system of accounting as essential under section 209 of the Companies Act, 1956.	Factual
3		Deviations from Accounting Standards:	
4	3a	<u>Accounting Standard 2 in relation to Valuation of Inventory:</u> The Company is required to value its inventories at lower of cost or net realizable value. However, the company values its inventories at standard rates. The company does not consider the net realizable value of its inventories. The impact of such deviation from the accounting standard is not ascertainable.	As per prudent practice, the Company values its inventory as per Standard rate arrived by taking present market rate and Standard rates are revised periodically on regular basis. The required accounting treatment for the difference in purchase value and Standard value is dealt in the Books (Material Cost Variance) as per stipulated procedure. Net realizable value of each item cannot be arrived due to largeness of volume of items received and issued in the store house. The Company is having a robust system of accounting of difference of Purchase and Standard rate in the books of accounts. Hence, implementation of AS 2 may not be possible due to volume of work involved in day to day receipt and issue which is very high and also involves

Sl. No.	SA No.	Observations of the Statutory Auditors	Management's Reply
			individual items of the nature of bolt, nut to Transformers, any how Company will contemplate procedure for implementation of AS 2 in FY15.
5	3b	<u>Accounting standard 6 in relation to Depreciation accounting:</u> The Company has charged depreciation as per KERC/CERC rules, i.e., for full month in which assets were put to use. As per accounting standard 6, the statute governing an enterprise may provide the basis for computation of the depreciation though companies Act, 1956 provides that, the depreciation shall be calculated on a prorata basis from the date of such addition. The impact of the above deviation from the accounting standard is not readily ascertainable.	The Company is following the method of Depreciation on monthly prorata basis instead of date of asset put into use and governed by CERC guidelines for Depreciation provision since inception and KERC has approved the same while approving the tariff orders regularly and Company will take up the issue with CERC for further guidelines in this matter. Apart from this, the largeness of transaction relating to Assetisation is voluminous and in the absence of automated system for calculation of depreciation on prorata basis corresponding to Asset commissioned will be a daunting task.
6	3c	<u>Accounting Standard 15 in relation to Employee Benefits:</u> The Company has provided provision for retirement benefits as per actuarial valuation made on 31.03.2012 and leave encashment on accrual basis is contrary to Accounting Standard – 15 - Employee Benefits, which requires the actuarial valuation to be made every year. The impact of the above deviation from the accounting standard is not readily ascertainable. (AS-15. Notes Para 30.6)	The Company has written to KPTCL & Escoms P&G trust for arrival of Actuarial Valuation with regard to employee benefit. The trust has appointed professional agency for the purpose and the Company will provide the employee benefits as per its communication from the next financial year.
7	3d	<u>Accounting Standard – 22 in relation to Accounting for Taxes on Income:</u> The Company has not provided for deferred tax asset/liability. The company has neither provided for deferred tax asset/liability on account of timing differences which would reverse after the expiry of tax holiday period. The impact of such non-provisioning of the timing differences mentioned above on the financial statement of the company is not ascertainable.	The Company has not recognized any deferred tax asset/liability as its income is exempt from tax under Section 80IA of the Income Tax Act, 1961. The Company has not provided for deferred tax asset/liability on account of timing differences that would reverse after the tax holiday period. However, the Company will provide for deferred tax subsequent to its tax holiday period. Also, the quantum of such non-provisioning for deferred tax is not readily ascertainable and hence not provided in our books of accounts.

Sl.No.	SA No.	Observations of the Statutory Auditors	Management's Reply
8	4	<i>Short recognition of interest: The Company made a fixed deposit of Rs.155 Cr. in SBI, interest on maturity is Rs.18.24 Cr. but actual interest credited during 2013-14 is Rs.18.21Cr. the difference interest short received is Rs.2.79 lakhs which leads to understatement of profit for the year.</i>	The issue will be taken up with SBI for assessing the reasons behind interest short remitted to the extent of Rs. 2.79 Lakhs and necessary action will be initiated in FY15.
9	5	<i>Categorization of Assets: The Company has to categorize the works completed into assets immediately after getting the completion certificate and provide applicable depreciation thereon. But there is huge delay in getting the completion certificate, there by such portion of assets are continued in Capital work in progress till the receipt of completion certificate. This leads to increase in the amount shown as Capital work in progress. Steps should be taken to collect the completion certificate early. The impact of the above deviation is not readily ascertainable.</i>	Action will be initiated to avoid such delay in getting Completion Certificate and necessary instructions will be issued to adhere for categorization of completed works immediately on completion/ commissioning of the asset & put into use by obtaining Technical Certificate/ Commissioning Report.
10	6	Balance Confirmation:	
	6a	<i>The Company has not obtained confirmation and reconciled the balances as on 31.03.2014 from/to KPTCL, KPCL, and PCKL, sundry debtors, sundry creditors, advances, deposits from/to suppliers / contractors / government authorities/ consumers/ employees, loans and other receivables from various parties.</i>	Transactions pertaining to ESCOMS, KPTCL, PCKL are taken to the books by the Company as a prudent practice based on notifications, orders and letters from notified authorities for the said purposes. Obtaining of confirmation for all the transactions involves certain things that are clearly outside the control of the Company. However, the Company is making consistent effort to obtain the confirmation. As far as confirmation of Sundry Debtors is concerned, acceptance of bills preferred and served as per tariff order in force is construed as confirmation. In relation to others i.e., sundry creditors, advances, deposits from/to suppliers / contractors / government authorities / consumers /employees, loans and other receivables from various parties, transactions are taken to books based on orders, awards, notification for which correctness is authenticated, checked and counter checked by all the competent authorities. Also it may not be physically possible to obtain the confirmation for such transactions as it involves largeness in its volume.

SI No	SA No.	Observations of the Statutory Auditors	Management's Reply
	6b	<i>The company has prepared reconciled statements and obtains bank balance confirmation certificates as on 31st March 2014, except the bank balances of some of the divisions. The names of such divisions are mentioned in the notes to accounts. The reconciled amount is Rs.45.86 lakhs (net). The impact of the above on financial statement is not readily ascertainable.</i>	Bank Balances in some of the Division is excess due to the credit afforded by Bank directly to companies account against the amount received through RTGS/NEFT or Direct credit by Banks. The credit under this account will be regularized obtaining the party wise details and nature of payment it pertains subsequently.
11	7	<u>An Abstract of monetary effect of the above mentioned qualifications (to the extent quantifiable) on the financial statements of the company is as follows:</u>	It is the combined effect on observations of statutory auditors for which specific replies provided as above.

(Amount in lakhs)

Category	Overstated / understated
A. Net loss	-2.79
B. Current Asset	79.88
C. Reserve and Surplus Losses as at 31/03/2014	2.79

Sd/-
Managing Director
BESCOM

Significant Accounting Policies

1. Company overview

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

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

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

2. Basis of preparation

The financial statements are prepared on accrual basis of accounting (except in cases as stated below) under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the revised Schedule VI of Companies Act, 1956 including accounting standards notified there under and also in accordance with the provisions of Electricity (Supply) Act, 1948/ Electricity Act, 2003 where ever they are applicable to the company.

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

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

3. Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue & expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

Accounting estimates could change from period to period. The management reviews its estimates and assumptions periodically and appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates.

4. Grants and Subsidies

- 4.1 Grants/subsidies received from the government or other authorities towards capital expenditure as well as consumers' contribution to capital works are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the grants.
- 4.2 Revenue grants/Tariff subsidies from the government and other agencies are recognized as income only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received and accounted on accrual basis.

5. Fixed assets and capital work-in-progress

A. Tangible Assets

- 5.1 Fixed assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. All costs, including finance charges, foreign currency fluctuations till commencement of commercial production/intended use attributable to fixed assets are capitalized.
- 5.2 Expenditure on renovation and modernization of fixed assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.
- 5.3 Released assets are accounted on withdrawal/capitalization at written-down value (WDV).

B. Intangible assets

- 5.4 Intangible assets are recorded at the consideration paid/incurred for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

5.5 Impairment of Fixed Assets:

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use.

5.6. Capital work-in-progress

- (a) Materials issued to capital works-in-progress are accounted at cost of purchase or scheduled standard rates (standard rates are determined on the basis of previous purchases and prevailing market rates).
- (b) Administrative and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of the related assets.
- (c) Contracts at divisions are capitalized only on receipt of final completion/technical/commissioning reports.
- (d) The diminution in the value of dismantled assets (re-usable and released assets) is ascertained on review and provided for.

6. Foreign currency transactions and translations

- 6.1 Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
- 6.2 At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- 6.3 Exchange differences arising from translation of foreign currency loans relating to fixed assets/capital work-in-progress to the extent regarded as an adjustment to interest cost are treated as borrowing cost.

7. Borrowing costs

Borrowing costs relating to acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs not eligible for capitalization are charged to revenue.

8. Depreciation

8.1 KERC first amended the tariff regulation in respect of depreciation as per notification No. 13/01/2006 dated 31/05/2006.

8.2 Depreciation is charged on straight line method at the rates prescribed and notified by the Central Electricity Regulatory Commission (CERC). The company does not charge depreciation as per the rates prescribed under Schedule XIV of the Companies Act, 1956. The rates notified by the CERC are generally similar to that prescribed in the Companies Act, 1956.

8.3 Table below Show the rate of Depreciation.

As per Schedule XIV of Companies Act, 1956	% of Depreciation	As per CERC (Notification No. L-7/145/160/2008-CERC Dated 19/01/2009)	% of Depreciation
Land & Rights	Nil		Nil
Buildings		Buildings	
a) Buildings other than Factory Buildings	1.63	a) Hydro Electric/ Stream Electric/ Diesel /Dams/Cooling towers.	5.28
b) Factory Buildings	3.34	b) Offices & Show Rooms	3.34
Civil Works (Pipeline, Sewerage, Drainage, Water supply)	3.34	Civil Works (Pipeline, Sewage, Drainage, Water supply)	3.34
Other Civil Works	5.28	Other Civil Works	5.28
Plant & Machinery	5.28	Plant & Machinery	5.28
a) Continuous process plant, other than those for which no special rate are prescribed		a) Transformers of 100 KVA above & Below	
b) Computers (Grouped under Furnishers and Fittings)	6.33	b) Communication Equipment\	6.33
		c) Computers	15.00
Lines Cable Networks	Not notified	Lines Cable Networks	5.28
Vehicles	9.50	Vehicles	9.50
Furniture & Fixtures	6.33	Furniture & Fixtures	6.33
Office Equipments	6.33	Office Equipments	6.33

8.4 In case there is a revision in the rates prescribed and notified by the CERC, the company applies the revised rates prospectively from the date of change notified by the CERC without considering the revised useful life of the assets concerned.

8.5 Depreciation on leasehold land is amortized over the period of lease.

8.6 The residual value of all the assets is 10%.

- 8.7 Assets costing Rs. 500/- or below individually (as against Rs. 5,000/- as per the Companies Act, 1956) are fully depreciated in the year of acquisition.
- 8.8 Released assets are depreciated upto the date of dismantling.
- 8.9 Any addition to the asset base or deletion to the asset base, depreciation is charged in proportion to month of addition or deletion.
- 8.10 Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with the unamortized depreciable amount is charged prospectively over the remaining useful life of the asset.

9. Inventories

- 9.1 Stores, spares and loose tools are valued at scheduled standard rates (standard rates are determined on the basis of previous purchases and prevailing market rates).

10. Investments

- 10.1 Current investments are valued at lower of cost and fair market value determined on an individual investment basis.
- 10.2 Long-term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

11. Retirement benefits

- 11.1 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/KCO123/P7/2011-12/CYS07 dated 27th May-13 which is based on Actuarial Valuation as on 31-03-2012. The rate of contribution is 30.00% of basic and D.A. in the case of pension and 6.01% of basic in the case of Gratuity with effect from 01/04/2011.
- 11.2 Leave encashment is provided on the basis of estimates/accrual made by the company and not on the basis of actuarial valuation.

12. Provision for bad and doubtful debts

- 12.1 The provision for bad & doubtful debts is maintained at 4% on the balance of sundry debtors (exclusive of receivables from BJ/KJ installations and IP sets) for sale of power of LT category outstanding as at the year-end and on HT consumers specifically identified on a case-to-case basis.
- 12.2 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 |

13. Taxes on income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961.

Minimum alternate tax (MAT) is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow into the company.

14. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current estimate of the management.

15. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

16. Revenue recognition

Revenue from Operations:

- 16.1 Sale of power is accounted on accrual basis at the tariff rates approved by the Karnataka Electricity Regulatory Commission (KERC). Revenue dues from consumers whose ledger accounts are yet to be opened are accounted on an estimated basis. The company accounts/discloses revenues net off electricity taxes in its statement of profit and loss.
- 16.2 Revenue for the year is adjusted by estimating un-billed revenue demand for sale of power to HT category on actual basis and a specified % on LT category for the current year.

Other Incomes :

- 16.3 Income from services rendered is accounted based on the agreements/arrangements with the concerned parties.
- 16.4 Cash discounts on Power Purchases prompt payments, Interest portion of loan repayments and Electricity tax remittances are accounted as and when the related dues are settled.
- 16.5 Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.
- 16.6 Revenue grants and subsidies are accounted as stated in para 4.2 above.

17. Leases

Operating lease rentals are recognized as an expense in the statement of profit and loss on accrual basis over the lease term.

18. Purchase of power

- 18.1 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.

- 18.2 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.
- 18.3 The Company has recognized the following as interface points for transmission of power:
 - 18.3.1 For EHT consumers, consumption recorded at EHT consumer installations (66KV and above).
 - 18.3.2 Readings recorded at 11 KV banks (interface points) existing in various sub-stations.
- 18.4 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.
- 18.5 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.
- 18.6 The Company accounts the power purchase from 10-6-2005 directly from Power Generators Pool Account as per the energy allocation/assignment by the Government of Karnataka as per the Government order No. EN 131 PSR 2003 dated 10-05-2005. and subsequent orders issued from time to time. The rates followed for the allocated/assigned power purchases are based on the commercial rates/predetermined rates as approved by PPA/ CERC/ KERC/ Government of Karnataka.
- 18.7 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 provided by PCKL / SLDC, KPTCL based on the proportionate energy consumed. This is as per the said Government order.

19. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Balance Sheet as at 31 March, 2014

(Amount in Rs.)

Sl. No.	Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	546 91 51 000	546 91 51 000
	(b) Reserves and surplus	2		
	(A) Capital Reserve		1426 28 07 003	1275 58 87 839
	(B) Others		133 08 00 000	97 50 00 000
	(C) Profit/(Loss)		-589 20 87 978	-665 31 19 320
	Sub Total (b)		970 15 19 025	707 77 68 519
		A	1517 06 70 025	1254 69 19 519
2	Non-current liabilities			
	(a) Long-term borrowings	3	2370 69 56 445	1093 65 28 689
	(b) Deferred tax liabilities (net)			
	(c) Other long-term liabilities	4	2569 77 06 513	2347 98 14 860
	(d) Long-term provisions	5	42 70 63 232	72 37 91 677
		B	4983 17 26 190	3514 01 35 226
3	Current liabilities			
	(a) Short-term borrowings	6	2018 83 99 087	2231 22 53 785
	(b) Trade payables	7	3499 42 10 013	2910 07 66 094
	(c) Other current liabilities	8	586 82 60 881	480 83 75 308
	(d) Short-term provisions	9	10 07 02 483	5 71 60 896
		C	6115 15 72 464	5627 85 56 083
	TOTAL	(A+B+C)	12615 39 68 679	10396 56 10 828
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	10	3832 41 16 703	3223 41 30 822
	(ii) Intangible assets	10	2 75 57 336	2 12 01 074
	(iii) Capital work-in-progress	11	1286 24 09 702	1004 41 00 884
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments	12	10 01 00 000	10 01 00 000
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	13	677 79 71 013	426 62 30 778
	(e) Other non-current assets			
		A	5809 21 54 754	4666 57 63 558
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	14	155 75 27 678	90 27 63 608
	(c) Trade receivables	15	5892 88 33 034	4753 78 09 571
	(d) Cash and cash equivalents	16	143 49 11 332	281 84 48 607
	(e) Short-term loans and advances	17	31 24 29 290	29 41 20 370
	(f) Other current assets	18	582 81 12 591	574 67 05 114
		B	6806 18 13 925	5729 98 47 270
	TOTAL	(A+B)	12615 39 68 679	10396 56 10 828

General note (Note No.30) form an integral part of these financial statements

This is the Balance sheet referred to in our report dated

For V.K.Niranjana & Co.
Chartered Accountants
FRN: 2468S

For and on behalf of the Board of Directors

Sd/-

Sd/-

(H. Nagesh)

(B.L.Guruprasad)

Director (Technical)

Managing Director (Incharge)
& Director (Finance)

Sd/-

(CA Niranjana. V.K)

Partner

Place : Bangalore

Date : 22-12-2014

Place : Bangalore

Date : 22-12-2014

M.No: 21432



Statement of Profit and Loss

(Amount in Rs.)

Sl. No.	Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
1	Revenue from Operations	19	11617 35 34 966	10783 62 38 280
2	Other Income	20	228 66 51 298	315 83 25 200
	TOTAL REVENUE		11846 01 86 263	11099 45 63 480
3	Expenses			
	Purchase of Power	21	10702 75 22 860	10780 55 73 077
	Other operating expenses	22	51 65 67 266	44 27 14 679
	Employee Benefits expenses	23	753 27 77 251	739 12 03 608
	Other expenses	24	319 34 64 028	348 69 12 897
	Finance Costs	25	323 45 43 618	208 62 65 546
	TOTAL EXPENSES		12150 48 75 023	12121 26 69 807
4	Profits before Depreciation, Prior period items, exceptional items, extraordinary items, Income Tax (1+2-3)		-304 46 88 760	-1021 81 06 327
5	Depreciation	10&26	126 18 25 520	118 77 38 624
6	Profit / (Loss) before Prior period items, exceptional and extraordinary items and Income Tax (4-5)		-430 65 14 280	-1140 58 44 951
7	Exceptional items {Expenses(+)/Income(-)}	27	43 49 92 916	-116 16 99 618
8	Profit / (Loss) before Prior period items, extraordinary items and Tax (6-7)		-474 15 07 196	-1024 41 45 333
9	Prior period Items - {Expenses (+) / Income (-)}	28	30 67 38 538	10 83 54 325
10	Extraordinary & Prior period items {Expenses (+) / Income (-)}	29	524 53 00 000	580 81 06 084
11	Profit / (Loss) before Tax (8-9-10)		81 05 31 342	-432 76 84 924
12	Income Tax Expense:			
	(a) Current tax expenses		4 95 00 000	
	(b) <u>Less:</u> MAT credit			
	(c) Deferred tax			
	(d) Tax expenses relating to prior years			
13	Profit/(Loss) from continuing operations (11-12)		76 10 31 342	-432 76 84 924
14	Profit / (Loss) from discontinuing operations			
15	Profit / (Loss) for the year (13+14)		76 10 31 342	-432 76 84 924
16	Earnings per equity share of Rs. 10 each.			
	(1) Basic		1.39	(7.91)
	(2) Diluted		-	-
General note (Note No.30) form an integral part of these financial statements				

This is the Profit & Loss account referred to in our report dated

For and on behalf of the Board of Directors
Sd/-
(H. Nagesh)
Director (Technical)

Sd/-
(B.L.Guruprasad)
Managing Director (Incharge)
& Director (Finance)

Place : Bengaluru
Date : 22-12-2014

For V.K.Niranjan & Co.
Chartered Accountants
FRN: 2468S

Sd/-
(CA Niranjan. V.K)
Partner
Place : Bengaluru
Date : 22-12-2014
M.No: 21432

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in Rs.)

Sl.No.	Particulars	Current Year 2013-14	Previous Year 2012-13
A	Cash Flow from Operating Activities		
	<i>Net Profit before Tax</i>	81 05 31 342	-432 76 84 924
	Adjustments for:		
	Depreciation	126 18 25 520	118 77 38 624
	Finance cost	323 45 43 618	208 62 65 546
	Extraordinary items- Trueup Subsidy	524 53 00 000	580 81 06 084
	Change in Provision for Debtors	26 11 05 558	-122 99 57 168
	Change in Provision for Employee advances		86 76 944
	Change in Provision for Dismantled Assets	92 04 649	-95 61 56 329
	Reversal of Depreciation on Grants Asset (Other Income)	-122 65 09 587	17 52 47 529
	Prior period charges(+) or credits(-)	30 67 38 538	
	Income Tax	-4 95 00 000	
	Operating Profit before working capital changes	985 32 39 638	275 22 36 306
	Adjustments for		
	Changes in Inventories	-65 47 64 070	-14 54 64 694
	Changes in Sundry Debtors	-1165 21 29 021	-850 49 98 686
	Changes in Short term Loans and Advances	-1 83 08 920	-10 22 21 012
	Changes in Long term Loans and Advances	-251 17 40 235	-143 10 34 357
	Changes in Other Current Assets	-8 14 07 477	153 33 56 866
	Changes in Current Liabilities		
	Trade Payable	589 34 43 919	757 12 16 456
	Other current liabilities	65 64 67 633	47 82 64 580
	Changes in Short term Provisions	4 35 41 588	-2 04 87 924
	Changes in Long term Provisions	-29 67 28 445	-29 15 81 833
	Changes in Other Long-Term Liabilities	221 78 91 653	237 67 28 595
	Operating Profit after working capital changes	344 95 06 263	421 60 14 297
	Prior period charges(+) or credits(-)	-30 67 38 538	-17 52 47 529
	Extraordinary items- Trueup Subsidy	-524 53 00 000	-580 81 06 084
	Net Cash inflow from Operating Activities	-210 25 32 275	-176 73 39 316
B	Cash Flow from Investment Activities		
	Changes in Fixed Assets (Net)	-735 81 67 663	-438 05 02 236
	Changes in Capital Work in Progress Investments	-282 75 13 468	-283 04 74 412
	Net Cash Outflow from Investment Activities	-1018 56 81 131	-721 09 76 648
C	Cash Flow from Financing Activities		
	Changes in Capital/Share Deposit Account	35 58 00 000	97 50 00 000
	Changes in Secured Loans		
	Changes in Unsecured Loans		
	Changes in Long-Term Borrowings	1277 04 27 756	108 57 46 563
	Changes in Short-Term Borrowings	-212 38 54 698	932 85 59 110
	Change in Current maturities of long term debts/ Current liabilities	40 34 17 940	50 39 16 300
	Finance cost	-323 45 43 618	-208 62 65 546
	Contributions from Consumers/Reversal of Depreciation on Grants Asset (Other Income)	273 34 28 751	102 34 57 383
	Other Income		
	Net Cash available from Financing Activities	1090 46 76 132	1083 04 13 811
D	Net Change in Cash and Cash equivalents - Surplus Cash [(A) + (B) + (C)]	-138 35 37 274	185 20 97 846
	Add: Opening Cash and Cash equivalents	281 84 48 606	96 63 50 760
		143 49 11 332	281 84 48 606
E	Closing Cash and Cash equivalent :	143 49 11 332	281 84 48 606

For and on behalf of the Board of Directors

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

Sd/-
(B.L.Guruprasad)
Managing Director (Incharge)
& Director (Finance)

For **V.K. Niranjan & Co.**
Chartered Accountants
FRN: 2468S

Sd/-
(CA Niranjan. V.K)
Partner
M.No: 21432

Place : Bengaluru
Date : 22-12-2014

Place : Bengaluru
Date : 22-12-2014



NOTES TO THE FINANCIAL STATEMENTS

Note 1A : Share Capital

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	As at 31 March, 2014		As at 31 March, 2013	
			Number of shares	Rs.	Number of shares	Rs.
A	Authorised Share Capital Equity Shares of Rs.10/- each		100 00 00 000	1000 00 00 000	100 00 00 000	1000 00 00 000
B	Issued Capital Equity Shares of Rs.10/- each		54 69 15 100	546 91 51 000	54 69 15 100	546 91 51 000
C	Subscribed Capital Equity Shares of Rs.10/- each		54 69 15 100	546 91 51 000	54 69 15 100	546 91 51 000
D	Paid Up Capital* Equity Shares of Rs.10/- each	52.301	54 69 15 100	546 91 51 000	54 69 15 100	546 91 51 000
TOTAL			54 69 15 100	546 91 51 000	54 69 15 100	546 91 51 000

Note 1B : Reconciliation

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	As at 31 March, 2014		As at 31 March, 2013	
			Number of shares	Rs.	Number of shares	Rs.
A	Equity Shares of Rs. 10 each					
	Opening Balance		54 69 15 100	546 91 51 000	20 59 50 000	205 95 00 000
	Add: Fresh Issue				34 09 65 100	340 96 51 000
Closing Balance			54 69 15 100	546 91 51 000	54 69 15 100	546 91 51 000

Note 1C : Percentage of Holding

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	As at 31 March, 2014		As at 31 March, 2013	
			Number of shares	%	Number of shares	%
1	Hon'ble Governor, State of Karantaka		54 68 65 100	99.99	546,865,100	99.99
2	Principal Secretary Energy Department, GoK		-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Reserves & Surplus

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
A	Capital Reserve					
1	Contributions and grants towards cost of Capital assets	55.1				
	Opening Balance		1028 30 06 054		918 80 61 524	
	Add: Additions during the year		273 34 28 753		185 34 57 383	
			1301 64 34 807		1104 15 18 907	
	Less: Reversal of depreciation		102 88 66 112		75 85 12 853	
	Closing Balance		1198 75 68 695	1198 75 68 695	1028 30 06 054	1028 30 06 054
2	Subsidies received from REC towards RGGVY scheme	55.210				
	Opening Balance		110 24 70 618		116 05 45 150	
	Add: Additions during the year		110 24 70 618		116 05 45 150	
	Less: Reversal of depreciation		5 80 74 532		5 80 74 532	
	Closing Balance		104 43 96 086	104 43 96 086	110 24 70 618	110 24 70 618
3	Grants towards cost of Capital Assets/ regularisation of unauthorised IP set installations received from Government	55.3				
	Opening Balance		137 04 11 167		233 99 80 111	
	Add: Additions during the year				24 00 00 000	
	Less: Reversal of GoK Order				-107 00 00 000	
			137 04 11 167		150 99 80 111	
	Less: Reversal of depreciation		13 95 68 944		13 95 68 944	
	Closing Balance		123 08 42 222	123 08 42 222	137 04 11 167	137 04 11 167
	Total Capital Reserves			1426 28 07 003		1275 58 87 839
B	Others					
1	Share deposit					
	Opening Balance		97 50 00 000			
	Add: Additions during the year		35 58 00 000		97 50 00 000	
			133 08 00 000		97 50 00 000	
	Less: Fresh issue of equity shares					
	Less: Excess transferred to income					
	Closing Balance		133 08 00 000	133 08 00 000	97 50 00 000	97 50 00 000
C	Surplus/(Deficit) in Statement of Profit and Loss					
	Opening Balance		-665 31 19 320		-232 54 34 396	
	Add/(Less): Net Profit / (Net Loss) for the year		76 10 31 342		-432 76 84 924	
	Closing Balance			-589 20 87 978		-665 31 19 320
	TOTAL			970 15 19 025		707 77 68 519

NOTES TO THE FINANCIAL STATEMENTS

Note 3 - Long-Term Borrowings

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
A	SECURED LOANS					
	Term Loans From					
	-Banks (Refer Note 3A below)		1205 27 54 777		666 39 93 016	
	-Others (Refer Note 3A below)		652 92 50 290		373 93 69 124	
	Sub-Total			1858 20 05 067		1040 33 62 140
B	UNSECURED LOANS					
	Term Loans From					
	-Banks (Refer Note 3B below)					
	-Others (Refer Note 3B below)		512 49 51 378		53 31 66 549	
	Sub-Total			512 49 51 378		53 31 66 549
	TOTAL			2370 69 56 445		1093 65 28 689

Note 3 A : Secured Loans

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
A	Term Loans from Banks					
1	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 . (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 PLR-3.35%) Repayment Due begun in Sept-2006	53,500	-		-	
2	Bank of India					
	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 at base rate +0.15% P.A.Presently 10.40% P.A. Secured by way of hypothecation of assets financed by the Bank (218.11 Crs.) First instalment will be due on 30.06.2013	53,500	142 80 00 000		171 40 00 000	

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
3	Canara Bank 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. ROI for Rs.200 crs. base rate +0.5%pa (floating without spread reset) & ROI for Rs.200 crs. base rate + 0.1%pa (floating without spread reset). Hypothecation of fixed assets of the company valued at Rs.457.62 crs. First instalment due on 23.09.2013.& For Rs.370 crs. Repayment in 40 quarterly installment of Rs.9.25 crs. each Interest to be paid as when due. ROI for Rs.370 crs. base rate +1% presently 11.10% first installment due on 24.01.2017. Hypothecation of Fixed Assets of the Company valued at Rs.417.09 crs.	53.500	699 99 54 777		369 99 93 016	
4	Bank of Maharashtra The term of repayment in 28 quarter, 27 quarterly installment of Rs.4.47 crs. per quarter and Rs.4.31 crs. in 28th quarter after initial moratorium period. ROI at B.R.+0.10% & for Rs.275.00 crs. repayment of Rs.9.28 crs. per quarter & for 28th quarter Rs.9.86 crs. after initial moratorium period ROI at B.R.+0.10%. Hypothecation of Fixed Assets of the Company valued Rs.139 Crores.	53.500	362 48 00 000		125 00 00 000	
SUB TOTAL			1205 27 54 777		666 39 93 016	
B	Term Loans from Others					
1	Loans from Rural Electrification Corporation Limited, New Delhi. -APDRP Counter part funding (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, equipments, 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 8.5% & 11.70% interest rates).	53.3327	41 73 98 490		61 40 22 880	
2	PFC - RAPDRP (Part A) 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. 'Secured by way of hypothecation on the newly financed assets under the project as securities for loan. First instalment due on 19.07.2012.	53.347	146 64 80 900		78 40 80 900	

3	RAPDRP PFC (B) The tenure of loan will be 20 years including moratorium period of 5 years. The interest and interest tax on the said loan shall be borne by the Utility and shall begin to accrue from the date of release of loan by Ministry of Power. 'Secured by way of hypothecation on the newly financed assets under the project as securities for loan. First instalment falls due in the month of July-2015.	53.347	197 45 22 979		43 54 20 000	
4	PFC DRUM PROJECT The Loan shall be repaid by the Distribution Company in 40 equal quarterly instalments. The first instalment will become due on 15th day of April 2008 Interest on the said loan at the rate of interest prevailing on the date of each disbursement. 'Secured by way of hypothecation of all assets created under the loan. Repayment due :The first instalment will become due on 15th day of April 2008.	53.337	6 15 98 619		8 21 31 492	
5	JICA (Japan International Co-Operative Agency) The bank agrees to lend the company an amount not exceeding YEN 10643000000 as Principal for DAS under relavance laws & Regulation of Japan.The Company repay principal amount in accordance with amortization schedule setforth in the agreement.The Company shall pay the interest semiannually at the rate of three-fourth of one percent (0.75%) p.a.	53.340	260 92 49 302		182 37 13 852	
SUB-TOTAL			652 92 50 290			373 93 69 124
TOTAL			1858 20 05 067			1040 33 62 140

Note 3B : Un-Secured Loans

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Loan from Government 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 loan Repayment commenced from 2002-03 & 2005-06 for Rs.45,33,130 & Rs. 87,50,000 respectively.	53,3077	77 17 630		88 20 150	

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
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). Repayment as begun 2003-04.	53.3317	33 36 69 010		37 53 77 637	
3	GOK Interest free Loan Government of Karnataka has released interest free loan to BESCOM towards payment to power suppliers for supply of power to State Grid during 2008-09. Repayment : No terms & Condition given.	53.3317	94 09 719		94 09 719	
4	Loan from Government (through REC) - RGGVY. (The Total repayment period will be 15 years inclusive of 5 years moratorium period together with interest @ 5% - 12.25% with quarterly interest) Repayment begun from 15/03/2012.	53.3357	10 63 18 898		12 28 59 043	
5	REC (TL) NJY Phase 2	53.335	166 33 19 810		-	
6	REC (TL) DTC Metering	53.335	118 18 96 020		-	
7	Loan from GoK for Power Sector Automation Loan for a period of ten years at the rate of 9% p.a. No specific Terms & Conditions Given. However as per GO No. FD 01BLA 2002 dated 10.07.2003 Loan for a period of ten years & first instalment begun in the month of March-2009 at the rate of 9% p.a.	53.3417	44 10 000		58 80 000	
8	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. Repayment begun in 2007-08.	53.3367	54 10 000		1 08 20 000	
9	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	181 28 00 291			
				512 49 51 378		53 31 66 549
TOTAL				512 49 51 378		53 31 66 549

NOTES TO THE FINANCIAL STATEMENTS

Note 4 - Other Long-Term Liabilities

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Others					
A	Service Line and Security Deposits					
1	i) Deposit Contribution Work	47.301 to 47.303, 47.305, 47.307 to 47.317, 47.321,	111 76 25 012		119 59 89 753	
	ii) Deposit Works	47.306	4 21 47 659	115 97 72 671	3 39 17 339	122 99 07 092
	(a) Deposit Contribution Work	47				
2	Other Deposits from Consumers	47.6	78 85 96 143		75 19 49 673	
3	Security Deposit from consumers:	48.1+ 48.2+48.3	2374 93 37 699		2149 79 58 095	
	(b) Security Deposit from consumers			2453 79 33 842		2224 99 07 768
	TOTAL			2569 77 06 513		2347 98 14 860

Note 5 - Long Term Provisions

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Provision for Employee Benefits					
	Provision for Gratuity, Pension, Leave encashment, PF & Family Benefit Fund	44.122, 130,140 to 142	42 70 63 232		72 37 91 677	
	TOTAL			42 70 63 232		72 37 91 677

NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Short-Term Borrowings

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14	Previous Year 2012-13
A	Unsecured			
1	Short term loan			
1.1	South Indian Bank (Bullet payment of Rs. 100 Crores within one year with the option to repay instalment also, Monthly interest to be serviced regularly at BR+.15% presently 10.65% P.A) Repayment due on 07.05.2012.	53.5007	200 00 00 000	200 00 00 000
1.2	Vijaya Bank 'STL for a period of 270 days. To be repayed on 27 th day of first drawal and interest to be serviced as and when debited at 10.45% p.a(floating) i.e., base rate of the bank. Securities: Floating charge on Book debts of the Company with 10% Margin for 150 Crs. Repayment due starts on 13/06/2012. STL for a period of 6 Months & tenure for repayment is to be closed of six month from the date of first disbursement that is repaid on 04/08/2012, Interest to be serviced as and when debited at 10.70% p.a (floating) i.e., base rate of the bank. Securities: Floating charge on Book debts of the Company with 10% Margin for 200 crs.	53.500	149 99 38 176	350 00 00 000
1.3	Corporation Bank Line of Credit to meet mismatch in cashflow for working capital (security Nil) interest to be specified at the each availment present rate is 11.50% p.a .+base rate +1%.	53.500	125 00 00 000	200 00 00 000
1.4	State Bank of Mysore STL for a period of 1 year and to be closed by the end of 1 year from the date of drawal and interest to be serviced as and when debited at 10.60% p.a. (Floating) i.e., base rate +0.10%. Securities : Floating charge on debts of the Company with 10% Margin.	53.500	100 00 00 000	250 00 00 000
1.5	Bank of Maharashtra STL for a period of 1 year to be repaid 12 monthly installment interest to be serviced as and when debited at 10.25% p.a. i.e., base rate (floating). Securities : Floating charge on Book debts of the Company with 10% Margin.	53.500		75 00 00 000
1.6	Loan from REC (STL) The repayment to be made in 12 monthly equal installment together with interest at the rate 12.75% in the outstanding balance.	53.3357	49 99 99 999	300 00 00 000
1.7	Syndicate Bank	53.5007	250 00 00 000	
2	Overdrafts			
2.1	Bank of Baroda - OD limit Rs. 150 crore	24.420	140 53 55 812	99 42 13 142
2.2	Vijaya Bank - OD limit Rs. 300 crore	24.409	196 02 66 718	291 84 18 735
2.3	Canara Bank - OD limit Rs. 500 crore	24.414	503 01 19 192	213 81 19 788
2.4	Syndicate Bank - OD limit Rs. 100 crore	24.415	101 18 02 797	150 97 80 202
2.5	Bank of India - OD limit Rs. 100 crore	24.428	99 67 26 687	100 17 21 918
2.6	State Bank of Mysore - OD limit Rs. 100 crore	24.411	103 41 89 707	-
	TOTAL		2018 83 99 087	2231 22 53 785

NOTES TO THE FINANCIAL STATEMENTS

Note 7 : Trade Payables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
A	Payable for Purchases					
1	Sundry Creditors for Purchase of Power	41 Series		2910 96 84 352		2343 88 16 937
2	Inter ESCOM, Cost of Banked Energy, SLDC Charges & PCKL Revenue Expenditure					
3	Creditors/Liabilities for supplies / works	42.1 to 42.5, 42.6		458 61 32 763		475 95 29 631
B	Payable for other services					
1	Levies / fees payable to GoK	46.300 +46.301 +46.441		46 64 43 477		22 17 10 261
2	Outstanding Liability - for Expenses	46.103, 410,470, 46.929		80 58 72 369		65 17 32 388
3	Payable to other ESCOMs	42.231 +42.232 +42.272 +42.243 +42.273		2 60 77 052		2 89 76 877
	TOTAL			3499 42 10 013		2910 07 66 094

NOTES TO THE FINANCIAL STATEMENTS

Note 8 : Other Current Liabilities

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Current maturities of long term debts		134 45 88 556	134 45 88 556	94 11 70 616	94 11 70 616
2	Interest accrued but not due on loans	46.710		6 84 44 678		3 76 43 113
3	Deposits from Suppliers, Contractors Etc.					
	Security Deposits in cash from Suppliers / Contractors	46.101	37 04 04 165		35 63 61 544	
	Security deposit other than in cash from suppliers / contractors	46.102	97 15 592	38 01 19 757	1 23 71 546	36 87 33 090
4	Advance consumption charges LT & HT	23.181 & 23.293	66 97 24 497	66 97 24 497	134 11 65 239	134 11 65 239
5	Revenue Suspense Account & Anywhere payment	47.607, 37.501, 502,503, 504	135 99 61 118	135 99 61 118	25 78 55 847	25 78 55 847
6	Other Payables					
	Stale Cheques	46.910	1 02 14 182		64 14 230	
	Retention Money - Bill amount retained	46.104	66 71 31 882		48 60 32 870	
	Other ESCOM - CESC	46.282	100 88 00 000		100 88 00 000	
	Excess credit under reconciliation with Bank	46.972, 976,977	- 45 86 282		- 16 93 781	
	Draught relief fund	46.978	89 94 913		67 49 293	
	Miscellaneous Deposits/Other liabilities	46.966, 46.9	35 41 40 380	204 46 95 075	35 47 54 791	186 10 57 403
	Amount withheld from employees against recoverables	28	-		-	
	Contribution received by BESCOM against compensation to the victims of Electrical accidents .	47.323	7 27 200	7 27 200	7 50 000	7 50 000
7	Advance Retention Money (Delay condon)	28.105				
TOTAL				586 82 60 881		480 83 75 308

Note 9 : Short-Term Provisions

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Provision for Employee Benefits			5 12 02 483		5 71 60 896
	Unpaid Salaries	44.210	1 45 392		3 56 157	
	Unpaid Bonus	44.220	56 426		69 951	
	Salary payable	44.310	1 47 75 256		1 79 52 054	
	Bonus payable	44.320	23 69 841		31 30 543	
	Ex-gratia payable	44.330	3 38 55 568		3 56 52 191	
2	Provision for Income-Tax & Fringe Benefit Tax	46.800	4 95 00 000	4 95 00 000		-
TOTAL				10 07 02 483		5 71 60 896

NOTES TO THE FINANCIAL STATEMENTS

Note 10 - Tangible / Intangible Assets

(Amount in Rs.)

Particulars		Fixed Assets			
Asset Group	A/c Code	Opening Balance as at 1-4-2013	Additions	Deductions	Closing Balance as at 31-3-2014
TANGIBLE ASSETS					
Land & Rights	10.1	72294425	2773690		7 50 68 115
Buildings	10.2	50 48 92 048	9 90 46 295		60 39 38 343
Civil Works (Pipeline, Sewage, Drainage, Water supply)	10.3	2 93 47 184	12 09 303		3 05 56 487
Other Civil Works	10.4	51 29 460			51 29 460
Plant & Machinery	10.5	988 66 43 402	277 42 97 084	97 71 14 370	1168 38 26 116
Lines Cable Networks	10.6	3711 48 78 016	651 17 46 379	35 18 68 624	4327 47 55 771
Vehicles	10.7	18 23 96 041	48 65 082	2 46 220	18 70 14 903
Furniture & Fixtures	10.8	9 45 47 929	1 03 52 194	5 61 198	10 43 38 925
Office Equipments	10.9	7 13 54 177	1 70 98 283	2 96 537	8 81 55 923
Current Year Total		4796 14 82 682	942 13 88 310	133 00 86 949	5605 27 84 043
Previous Year Total		4328 94 58 185	680 13 31 090	212 93 06 594	4796 14 82 682

(Amount in Rs.)

Particulars	A/c Code	Depreciation						Net Block	
		Opening Balance As at 1-4-2013	Additions	Deductions	Short depreciation provided	Excess depreciation withdrawn	Closing Balance As at 31-3-2014	As at 31-3-2014	As at 31-3-2013
TANGIBLE ASSETS									
Land & Rights	12.1		9 24 471		462374		13 86 845	7 36 81 270	72294425
Buildings	12.2	12 99 18 535	1 96 87 212		55 035	82 733	14 95 78 049	45 43 60 294	37 49 73 514
Civil Works (Pipeline, Sewage, Drainage, Water supply)	12.3	1 02 63 057	15 52 558		84 285	1 00 426	1 17 99 473	1 87 57 014	1 90 84 127
Other Civil Works	12.4	17 43 545	1 70 320		23	879	19 13 008	32 16 452	33 85 915
Plant & Machinery	12.5	266 44 17 256	59 70 61 179	23 53 23 200	1 59 89 414	2 83 50 220	301 37 94 429	867 00 31 687	722 22 26 143
Lines Cable Networks	12.6	1274 59 86 594	185 01 41 660	27 10 18 070	6 26 91 010	2 76 19 308	1436 01 81 886	2891 45 73 885	2436 88 91 423
Vehicles	12.7	10 34 59 635	1 03 08 124	15 47 794	2 76 789	6 99 671	11 17 97 083	7 52 17 820	7 89 36 407
Furniture & Fixtures	12.8	4 66 87 604	47 73 637	11 76 667	1 05 981	1 59 254	5 02 31 301	5 41 07 624	4 78 60 325
Office Equipments	12.9	2 48 75 634	36 71 576	5 16 347	55 250	1 00 848	2 79 85 265	6 01 70 658	4 64 78 543
Current Year Total		1572 73 51 860	248 82 90 737	50 95 82 078	7 97 20 161	5 71 13 339	1772 86 67 340	3832 41 16 703	3223 41 30 822
Previous Year Total		1424 74 00 289	214 38 50 583	74 30 10 941	13 35 94 278	5 44 82 348	1572 73 51 861	3223 41 30 822	2904 20 57 897

(Amount in Rs.)

Particulars	Depreciation				
	A/c Code	Opening Balance As at 1-4-2013	Additions	Deductions	Closing Balance As at 31-3-2014
INTANGIBLE ASSETS					
Land & Rights	10.1	2 05 54 757			2 05 54 757
Software & Software Rights	18.1	7 35 057	64 00 632		71 35 689
Current Year Total		2 12 89 814	64 00 632		2 76 90 446
Previous Year Total		2 05 54 757	7 35 057		2 12 89 814

Particulars	Depreciation						Net Block	
	A/c Code	Opening Balance As at 1-4-2013	Additions	Deductions	Short depreciation provided	Excess depreciation withdrawn	Closing Balance As at 31-3-2014	As at 31-3-2013
INTANGIBLE ASSETS								
Land & Rights	12.1	88 740	44 370				1 33 110	2 04 21 647
Software & Software Rights	18.1							71 35 689
Current Year Total		88 740	44 370				1 33 110	2 75 57 336
Previous Year Total		44 370	44 370				88 740	2 12 01 074

NOTE:

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

NOTES TO THE FINANCIAL STATEMENTS

Note 11 : Capital Work - in - Progress

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Capital Work in Progress	14	1186 97 75 511		905 33 78 696	
2	Contracts in Progress	15.128	1 74 71 790		1 19 47 973	
	Capital Work in Progress	14 series		1188 72 47 301		906 53 26 669
3	Provision for works	15.500		51 12 19 217		57 63 71 828
4	Dismantled assets for reuse (valued at WDV)					
	a) Value of scraped assets		8 16 01 624		7 46 88 721	
	<u>Less</u> : 20% Provision estimated/possible erosion in value	16.1	1 63 20 325		1 49 37 744	
				6 52 81 299		5 97 50 977
	b) Value of Faulty and Dismantled assets for reuse		49 21 46 806		42 83 14 262	
	<u>Less</u> : 20% Provision estimated/possible erosion in value	16.2	9 34 84 920		8 56 62 852	
				39 86 61 886		34 26 51 410
	Sub-Total			46 39 43 185		40 24 02 387
	TOTAL			1286 24 09 702		1004 41 00 884

Note 12 : Non-Current Investments

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Trade Investments					
	Investment in equity instruments		-		-	
2	Non-Trade Investments					
	Investment in equity instruments	20.25	10 01 00 000		10 01 00 000	
	Company is having a share of 100100 No. of 1000 Rupees face value as investment made to PCKL					
	TOTAL		10 01 00 000		10 01 00 000	

NOTES TO THE FINANCIAL STATEMENTS

Note 13 : Long-Term Loans & Advances

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
A	CAPITAL ADVANCES					
1	Advances to Suppliers	25.1 to 25.5, 27.106	25 52 21 124		42 27 33 786	
2	Advances to Contractors	26.6	372 33 73 958		182 04 25 550	
3	Loans and Advances - Others	27.8 47.308, 309,310, 311	228 88 11 142		173 90 85 985	
				626 74 06 224		398 22 45 321
B	DEPOSITS					
	a) Security Deposits with Railways and Others	28.9	37 05 64 789		28 12 50 140	
	b) Security Deposit from Suppliers & Contractors other than cash	28.930			27 35 317	
	c) Deposit with Jurala Hydro Electric Project	20.251	14 00 00 000			
				51 05 64 789		28 39 85 457
	TOTAL			677 79 71 013		426 62 30 778

NOTES TO THE FINANCIAL STATEMENTS

Note 14 : Inventories, Stores & Spares

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Stores, spares and loose tools (Stocks are valued at standard cost)					
	a) Material Stock Account	22.610	153 05 48 617		88 21 02 266	
	Less :Excess /Shortage	22.810- 22.820	- 23 05 394	152 82 43 223	- 23 13 764	87 97 88 502
	b) Material imprest Account	22.641		82 73 436		45 24 478
	c) Other Material Account	22.700		2 10 11 019		1 84 50 628
	TOTAL 1 + 2			155 75 27 678		90 27 63 608

NOTES TO THE FINANCIAL STATEMENTS

Note 15 : Trade Receivables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Sundry Debtors - Supply of Power					
	a) Sundry Debtors for sale of Power – LT	23.1	3588 01 81 638		3152 02 66 275	
	b) Sundry Debtors for sale of Power - HT	23.2	94 91 31 241	3682 93 12 879	72 89 26 743	3224 91 93 018
		28.625	524 53 00 000			
	c) Amounts Receivable from GoK towards Free Power Supply to IP sets upto 10HP	28.627	434 51 13 289		601 32 32 956	
	d) Tariff subsidy Receivable from GOK towards BJ/KJ installation	28.626	105 56 07 896	1064 60 21 185	7 89 91 947	609 22 24 903
	1. Unbilled Revenue - LT	23.4	364 94 98 818		351 33 72 761	
	2. Unbilled Revenue - HT	23.4	499 59 28 042		469 35 54 870	
	3. Dues from Permanently disconnected installations	23.5	118 82 97 305		161 91 56 793	
	4. Sundry Debtors - miscellaneous receipts from consumers	23.7	27 365		28 635	
	5. Provision for withdrawal of Revenue demand	23.8	-5 29 54 241	978 07 97 289	-10 69 66 434	971 91 46 625
	Total 1			5725 61 31 353		4806 05 64 546
2	Inter ESCOMs Energy balancing & Energy charges at IF point	23.6	1225 00 91 744	1225 00 91 744	1025 77 99 261	1025 77 99 261
	Grand Total - (1+2)			6950 62 23 097		5831 83 63 807
3	Less :					
	Provision for Doubtful Dues from consumers	23.9	1233 05 61 491		1201 54 43 740	
	Total - 3			1233 05 61 491		1201 54 43 740
4	Net Receivables against Supply of Power (2 -3)			5717 56 61 606		4630 29 20 067
5	Sundry Receivables from					
A	KPTCL	28.826, 831,836, 841	35 05 72 565		32 25 86 887	
	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 09 08 372		10 89 41 122	

NOTES TO THE FINANCIAL STATEMENTS

Note 15 : Trade Receivables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
	Net receivable from KPTCL		25 96 64 193		21 36 45 765	
B	MESCOM	28.828, 833,838, 28.927	1 59 54 756		1 59 54 756	
C	GESCOM	28.830, 835,840, 928	2 55 79 993		2 55 79 993	
D	HESCOM	28.829, 834,839, 929	4 92 18 767		4 16 06 575	
	KPTCL & Other ESCOMS	28.8		35 04 17 710		29 67 87 089
	Other Receivables-suppliers/Contractors	28.8	55 21 607		- 52 55 893	
	Government and other local bodies receivables	28.1	88 28 88 589		81 81 77 394	
	Sub Total		88 84 10 196	88 84 10 196		81 29 21 501
	Total - 5			123 88 27 905		110 97 08 590
6	Sundry Debtors for Electricity Tax	23.3		51 43 43 523		12 51 80 914
	Total 4+5+6			5892 88 33 034		4753 78 09 571

NOTES TO THE FINANCIAL STATEMENTS

Note 16 : Cash & Cash Equivalents

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Cash on hand	24.110 +24.210	26 53 59 189	26 53 59 189	27 52 17 151	27 52 17 151
2	Cheques, drafts on hand					
3	Balances with Banks:					
	(i) In current accounts					
	(a) Operative Accounts with scheduled banks	24.400	7 08 82 538		13 80 84 499	
	(b) Non-Operative Accounts with scheduled banks	24.300	33 96 21 022	41 05 03 560	39 97 03 504	53 77 88 003
	(ii) In deposit accounts *	20.2	75 88 93 142	75 88 93 142	200 52 45 000	200 52 45 000
4	Stamps on Hand	24.120, 24.130, 24.140		1 55 441		1 98 453
	TOTAL			143 49 11 332		281 84 48 607

* Deposit is margin money serving as security against LC for Central Government Stations (Power Generators)

Note 17 : Short Term Loans & Advances

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Advance to Suppliers					
2	Deposits					
3	Advance Tax (Net of Provision for Tax)					
a	Tax deducted at source - (Income Tax)	28.850		2 74 87 860		92 75 756
b	Income Tax including Advance Tax	28.821		7 76 15 299		7 76 15 299
c	Income tax of earlier years					
d	Income tax refund to be received	28.821		73 38 842		73 38 842
4	Advances Recoverable in cash or in kind or for value to be received					
5	Others					
a	Amounts recoverable from current employees	28.4	9 94 42 858		12 42 20 231	
b	Amounts recoverable from ex-employees	28.402	2 50 91 515		2 51 41 647	
c	Less : Provision for Doubtful of recovery from ex-employees	28.899	6 18 56 673	6 26 77 700	6 11 43 690	8 82 18 188
6	Loans and Advances to Staff - Interest free	27.2		13 73 09 589		11 16 72 285
	TOTAL			31 24 29 290		29 41 20 370

NOTES TO THE FINANCIAL STATEMENTS

Note 18 : Other Current Assets

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
A	Other Current Assets					
1	Remittance to Head Office -Transit Account	24.5	15 87 737		42 65 807	
2	Transfers from Head Office In Transit Account	24.6	1 09 86 851	1 25 74 588	1 97 199	44 63 006
3	Amount paid to IT under protest	28.821		73 79 33 607		73 79 33 607
4	Other Receivables	28.72, 28.74		90 43 827		1 63 56 767
5	Receivables from Pension / Gratuity Trust	28.9		5 27 92 397		3 93 27 876
6	Cash Receivables from Associates - KPTCL / ESCOMS	28.9		531 93 07 967		466 19 94 354
7	Receivable from GOK refund of meter equipment security deposit	28.71				
8	Interest accrued but not due on deposits (including Bank Deposits)	28.2 & 3		4 72 50 707		14 61 11 861
9	Prepaid expenses	28.820		11 92 338		8 22 862
	Preliminary expenses to the extent not written off					
1	Inter Unit Accounts- Materials	31	-7 00 41 233		23 52 81 595	
2	IUA - CWIP, Fixed Assets, depreciation provision / obsolete and released assets	32	8 68 18 614		7 10 84 883	
3	Inter Unit Accounts - (1993) Personnel	36	4 49 96 345		1 56 02 691	
4	IUA - Other transactions / adjustments	37	-41 38 32 930		-18 23 00 759	
5	IUA-Remittances to HO	33	26 370		26 371	
	IUA-Transfer from HO	34	49 994			
10	Inter Unit Accounts			-35 19 82 840		13 96 94 781
	Total (A + B)			582 81 12 591		574 67 05 114

NOTES TO THE FINANCIAL STATEMENTS

Note 19 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	LT 1(a) I BJ/KJ Up To 18 Units Metered installations	61.101	310,538,974		350,128,787	
2	LT 1(a) I BJ/KJ Up To 18 Units Un Metered installations	61.102	76,975		5,334,046	
3	LT 1 II BJ/KJ Above 18 Units having more than one outlet	61.103	301,333,816		253,973,479	
4	LT 2A I Lighting/combined lighting, heating & motive power installations BBMP (Urban) - LT 2(a)I	61.111	21,540,555,828		19,318,270,973	
5	LT 2A II Lighting/combined lighting, heating & motive power installations (Urban Local Bodies other than LT 2(a) - LT2 (a)ii	61.112	1,785,015,794		1,430,568,713	
7	LT 2A FL Lighting/combined lighting, heating & motive power installations (Free Lighting)	61.114	64,528,300		65,818,532	
8	LT 2B I 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	215,010,172		194,525,352	
9	LT 2B II Lighting/combined lighting, heating & motive power installations of Pvt. Professional including aided educational institutions under VPs -LT2(b)ii	61.116	32,812,938		29,984,457	
11	LT 3 I Commercial Lighting, heating & motive power installations of ULBs including City Corporations	61.131	11,306,598,459		10,486,384,601	
12	LT 3 II Commercial Lighting, heating & motive power installations VPs - LT3 (ii)	61.132	848,065,440		737,829,440	
13	LT 3 FL Commercial Lighting, heating & motive power installations - Office Lighting	61.133	23,760,565		22,138,990	
15	LT 4A IPsets upto and inclusive of 10HP-Unmetered installations till such time, meters are fixed-Rural feeders-LT4(a)i-Free power-Unmetered	61.141	7,817,245,948		7,564,993,255	
17	IPsets upto and inclusive of 10HP-Urban feeders metered-LT4(a)ii-Free power-metered	61.143	856,340		-	
18	IPsets upto and inclusive of 10HP-Urban feeders Unmetered-LT4(a)ii-Free power-Unmetered	61.146	-		-	
19	LT 4B I.P.Sets above 10HP - LT4 (b)	61.144	12,672,199		11,475,468	

NOTES TO THE FINANCIAL STATEMENTS

Note 19 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
20	LT 4C	IP sets Pvt. Hortl, Nurseries, Coffee & Tea Plantations irrespective of sanctioned load - LT4(c)	61.145	10,981,150		8,906,312
21		Revenue from sale of power - IP sets - hor. Nur. Coffee & Tea above 10HP- LT 4 C(ii)	61.147	285,326		63,622
22	LT 5A	Heating & motive power (including lighting) of BBMP area upto & below 5HP - LT5(a)i	61.151	547,969,630		475,583,073
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	1,562,311,447		1,527,888,425
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	1,792,287,359		1,781,754,226
25		Heating & motive power (including lighting)-BBMP area for 67HP & above (including demand based tariff) - LT 5(a)iv	61.154	489,692,523		491,043,569
26	LT 5B	Heating & motive power (including lighting) of other than BBMP area upto and below 5HP - LT 5(b)i	61.155	316,807,760		356,508,661
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	932,267,738		895,139,763
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	874,647,008		810,785,280
29		Heating & motive power (including lighting) other than BBMP area for 67HP and above (including demand based tariff)- LT 5(b)iv	61.158	150,682,171		123,162,773
30	LT 6B I	Water supply installations of VPs/TP's and TMC/CMCs - LT 6	61.171	3,177,203,418		2,780,261,627
31	LT 6B II	Public Lighting installations of VPs / TP's and TMC/CMCs - LT 6	61.172	2,710,962,997		2,284,394,646
32	LT 7	Temporary Power Supply - LT installations - LT7	61.181	1,766,550,138		1,479,493,054
I		Sale of Power L T category		5859 17 20 413		5348 64 11 124

NOTES TO THE FINANCIAL STATEMENTS

Note 19 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
33	HT 1 Drainage/Sewerage BWSSB & Local bodies/KUWS & SB -Water supply installations -HT 1	61.250	269 43 47 684		222 89 15 321	
34	HT 2A I Industries in BBMP area - HT 2(a)i	61.260	1470 38 42 886		1457 74 97 032	
35	HT 2A II Industries in areas other than BBMP area - HT 2(a)ii	61.261 61.263 61.264 61.265	1519 79 09 396 25 17 79 882 42 07 22 427		1374 14 51 482	
36	HT 2B I HT Commercial applicable to BBMP area - HT2(b)i	61.270 61.271	2111 55 52 296 30 78 17 384		2092 49 17 091	
37	HT 2B II HT Commercial applicable to areas other than BBMP area - HT2(b)ii	61.273	151 77 68 163		143 59 48 145	
38	HT 3A I Lift Irrigation Schemes-Govt. Dept & Govt owned Corporations-HT3(a)i	61.280	4 07 03 067		1 86 41 144	
39	HT 3A II Lift irrigation Schemes - Pvt LI Schemes and LI societies HT3a(ii)	61.281	-10 51 37 960		11 47 961	
40	HT 3B Lift irrigation Govt Horticulture, Coffee, Tea, coconut, Arecanut, Etc Agricultural farms HT 3 b	61.282 61.289	8 14 113 3 55 232		4 48 053	
41	HT 4A Residential apartments and colonies of BBMP Area HT 4 (a)	61.290	60 71 23 092		61 41 21 480	
42	HT 4B Residential apartments and colonies Urban Local Bodies other than HT 4 (a) - HT 4 (b)	61.291	9 82 933		63 61 866	
43	HT 4C Residential apartments and colonies of VPs - HT 4 (c)	61.292	4 30 08 168			
44	HT 5 Temporary Power Supply - HT installations - HT5	61.293	21 96 00 361		20 24 98 256	
II	Sale of Power HT category			5701 71 89 124		5375 19 47 831
	Total LT+HT			11560 89 09 537		10723 83 58 955
III	Other - Operating revenues	61.901	45 399			
		61.902	6 19 135			
	Public Lighting Maintenance Charges	61.903	5 788			
1	Service Connection	61.904	39 87 82 078		34 49 50 069	
		61.905	7 14 315			
2	Other Receipts from consumers	61.906	23 59 08 704		29 70 66 959	
		61.907	21 452			
3	Recoveries for theft of power	61.710				
4	Calibration	62.917a				
				63 60 96 871		64 20 17 028
5	Provision for withdrawal of Revenue Demand	83.8		(-)7 14 71 442	4 41 37 703	
	TOTAL			11617 35 34 966		10783 62 38 280

NOTES TO THE FINANCIAL STATEMENTS

Note 20 : Other Income

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
	Interest on Bank Fixed Deposits	62.222, 260, 270, 240	12 75 23 146		17 83 42 524	
	Interest - Others	62.260	39 15 097		3 50 67 351	
1	Interest Income :			13 14 38 243		21 34 09 875
2	Other non operating income					
	Profit on sale of stores	62.330 - 79.573	- 74 24 369		1 18 44 828	
	Rent	62.901	2 48 67 999		2 17 90 144	
	Incentives received	62.907 +62.361 +62.911 +62.922 +92+923 +62.361 +62.918	128 87 69 722		145 47 64 313	
	Excess provision made in prior period which is no longer required	62.325				
	Value of materials found excess during physical verification	62.905	27 02 004		64 95 078	
	Rate fluctuation - power purchase	65.900	45 87 95 011		83 96 69 613	
	Miscellaneous	62.917	26 23 32 482		48 28 92 086	
	Rebate at 0.5% for collection of Electricity Duty	62.916	2 66 92 160		2 35 99 660	
	Subsidy received from G.O.K	61.122	9 84 78 046		10 38 59 603	
				215 52 13 055		294 49 15 325
	TOTAL			228 66 51 298		315 83 25 200

NOTES TO THE FINANCIAL STATEMENTS

Note 21 : Purchase of Power

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
I	Power Purchase Cost	70		10942 30 48 271		11132 12 55 243
1	Revenue from sale of power - HESCOM - Energy balancing at IF point and above 33KV	61.310	128 96 65 313		192 33 00 000	
2	Revenue from sale of power - GESCOM - Energy balancing at IF point and above 33KV	61.311 61.312	21 25 93 923		180 70 00 000	
3	Revenue from sale of power - CESC -Energy balancing at IF point and above 33KV	61.313	63 20 95 381		4 15 00 000	
4	Revenue from Inter Escom exchange of energy charges 11KV - LT - HESCOM	61.314				
5	Revenue from Inter Escom exchange of energy charges 11KV - LT - GESCOM	61.315				
6	Revenue from Inter Escom exchange of energy charges 11KV - LT - MESCOM	61.316			2 04 53 623	
7	Revenue from Inter-ESCOM exchange of energy charges 11KV & LT - CESC	61.317			1 52 85 432	
	Less : Energy balancing between ESCOMs	61.3		213 43 54 617		380 75 39 055
	Total			10728 86 93 654		10751 37 16 188
	Add : Short provision for power purchased in previous years	83.100		125 39 15 029		35 87 50 093
	Less : Excess provision for Power purchased in previous years	65.800		151 50 85 823		6 68 93 204
	Grand Total			10702 75 22 860		10780 55 73 077

Note 22 : Other Operating Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Repairs and maintenance - plant and machinery	74.1		36 90 25 668		29 48 94 251
	Buildings	74.2	1 75 27 645		1 48 71 226	
	Civil works (Pipeline, Seweage, drainage and water supply)	74.3	27 85 059		23 03 510	
2	Repairs and maintenance - Buildings	74.2 & 3		2 03 12 704		1 71 74 736
3	Lines, Cable Net Work etc.	74.5	11 73 97 007		12 05 32 852	
	Vehicles	74.6	67 07 700		57 88 719	
	Furniture and Fixtures	74.7	1 13 700		53 863	
4	Office Equipments.	74.8	30 10 487		41 02 397	
5	R & M charged to Capital Works (Credit account)	74.9			- 45 275	
6	Repairs and maintenance - others	74.4 to 74.8		12 72 28 894		13 04 32 556
7	Computer Rentals/maintenance charges	77.611				2 13 136
	TOTAL			51 65 67 266		44 27 14 679

NOTES TO THE FINANCIAL STATEMENTS

Note 23 : Employee Benefits

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Salaries and Wages	75.1 to 75.4				
	Salaries	75.1	401 79 30 268		399 02 76 798	
	Over Time	75.2	10 41 03 488		11 57 67 216	
	Dearness Allowance	75.3	59 47 94 688		25 89 97 680	
	Other Allowances	75.4	94 09 42 019	565 77 70 463	79 81 51 521	516 31 93 215
2	Bonus	75.5		4 59 13 759	4 63 51 857	4 63 51 857
3	Terminal Benefits	75.8		130 51 79 799	164 05 99 029	164 05 99 029
4	Staff Welfare					
	Medical Expenses reimbursement	75.611	8 54 67 161		7 11 60 226	
	Leave travel assistance	75.612	32 538		14 592	
	Earned Leave Encashment - For employees covered under Contributory Pension Scheme.	75.616	7 41 10 479		5 22 68 776	
	Earned leave encashment	75.617	16 96 73 741		21 94 38 911	
	E.L.Encashment - Retirement / Deceased Employees	75.618	12 20 49 820		11 48 90 180	
	Staff Welfare expenses	75.700	8 22 30 761		6 93 38 039	
	Compensation for injuries, death and damages – Staff	79.530	36 99 493	53 72 63 993	15 01 427	52 86 12 151
5	Workmen compensation					
	Payment under workmens compensation Act	75.629	11 38 180		56 50 994	
	Payment to helpers/employees of Monsoon gang	75.630	94 26 565	1 05 64 745	1 94 28 229	2 50 79 223
6	Employees cost charged to capital works (Credit Account)	75.900		-2 39 15 508		-1 26 31 867
TOTAL				753 27 77 251		739 12 03 608

NOTES TO THE FINANCIAL STATEMENTS

Note 24 : Other Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14	Previous Year 2012-13
1	Rent	76.101	12 92 07 920	10 27 13 428
2	Postage stamps & Telephone charges	76.111, 112,113, 115	6 52 93 559	4 24 01 384
3	Remuneration to contract agencies	76.116+ 76.126+ 127+128+ 129+130+ 141+142+ 143	80 55 69 535	50 71 04 143
4	Professional, legal and consultancy	76.122+ 123+124+ 125	2 20 42 142	2 27 60 422
5	Conveyance & Travel expenses	76.131, 135,137 to 139,	35 20 85 414	22 28 35 267
6	Vehicle running expenses	76.136	2 97 50 318	2 69 33 000
7	Fees & Subscriptions	76.151	3 63 60 618	3 49 88 472
8	Printing & Stationery	76.152 76.153	2 65 18 093	2 34 96 692
9	Advertisement Expenses	76.155, 76.260	2 46 53 768	2 03 13 352
10	Computer stationary and floppies	76.156	59 36 125	54 61 022
11	Contributions	76.157	2 610	2 08 68 705
12	Electricity Charges	76.158	2 49 15 283	2 70 05 717
13	Freight & other material related expenses	76.201 to 76.282	1 22 41 046	1 04 39 536
14	Miscellaneous including provisions			
	Rates & Taxes	76.102	68 75 907	64 86 567
	Insurance/fee	76.104, 105,106, 103	2 07 328	15 592
	Security Charges	76.103		
	Water Charges	76.160	28 91 850	25 18 490
	DSM Expenses	76.193	1 44 48 818	4 76 31 463
	License Fees	76.154	69 78 778	44 43 658
	Miscellaneous expenses	76.152, 162,164, 190,191, 192,79.2	3 91 33 735	3 30 52 249

NOTES TO THE FINANCIAL STATEMENTS

Note 24 : Other Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
15	Details of Payments to Auditors (including legal & Professional charges)					
	a) Audit Fees					
	- Statutory Audit Fees		8 00 000		5 50 000	
	- Tax Audit Fees		1 50 000		1 00 000	
	b) For Re-imbursement of expenses		40 000		40 000	
	c) For Service Tax		1 20 000		75 000	
16	Expenses towards CSR- (Corporate Social Responsibilities)	76.194	33 74 163		27 60 693	
17	Other Expenses charged to capital works (Credit Account)	76.900	-6 11 88 951		-3 67 00 072	
			154 84 08 059	154 84 08 059	112 82 94 780	112 82 94 780
18	Small & Low value items Written off	77.610	15 94 277		13 71 481	
19	Asset decommissioning cost	77.5	90 22 922		7 00 139	
			1 06 17 199	1 06 17 199	20 71 620	20 71 620
20	Bank charges	78.820 to 78.890	9 76 66 932		11 17 36 115	
21	Interest to Consumers	78.600	179 79 08 634		187 65 75 552	
22	Stamp duty	78.861			27 000	
			189 55 75 566	189 55 75 566	198 83 38 667	198 83 38 667
23	Provision Against ex-employee recoverable	79.480	7 12 983			
24	Material cost variance	79.110	-32 61 75 188		-24 45 71 493	
25	Miscellaneous losses and Write offs including provisions	79.5	2 40 88 792		59 63 55 711	
26	Bad Debts written off	79.410 & 79.430	1 60 304		8 65 784	
22	Loss of materials by pilferage, etc.,	79.511			33 21 116	
23	Provision for Loss on obsolescence of stores, etc., in stock	79.561	92 04 649		1 10 81 766	
			-29 20 08 460	-29 20 08 460	36 70 52 884	36 70 52 884
24	Interest on belated payment for power Purchase	80.102 to 80.149	3 08 71 664		11 54 946	
				3 08 71 664		11 54 946
	TOTAL			319 34 64 028		348 69 12 897

NOTES TO THE FINANCIAL STATEMENTS

Note 25 : Finance Costs

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Interest on Loans	78.1+ 78.540+ 78.546		353 89 05 400		256 69 99 430
2	Guarantee Commission to GoK	78.868				6 916
3	Interest capitalised on capital borrowings	78.900		-30 43 61 782		-48 07 40 800
TOTAL				323 45 43 618		208 62 65 546

Note 26 : Depreciation

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Depreciation on Buildings	77.110+ 77.120	2 06 56 053			1 59 01 859
2	Depreciation on Civil works (pipeline, sewerage, drainage, water supply etc.,)	77.130	12 67 886			15 38 456
3	Depreciation on other Civil Works	77.140	4 54 992			1 70 519
4	Depreciation on Plant and Machinery	77.150+ 151	59 70 61 179			50 42 95 765
5	Depreciation on lines, cable, network etc.	77.160+ 161	185 01 41 660			160 65 68 114
6	Depreciation on Vehicles	77.170+ 171	1 03 08 124			89 39 717
7	Depreciation on furniture, fixtures	77.180	47 73 637			38 03 016
8	Depreciation on Office equipments	77.190+ 191	36 71 576			26 77 507
	Total (1 to 8)		248 83 35 107			214 38 94 953
9	Less: Depreciation withdrawn from contributions / subsidies as per AS - 12	62.363	122 65 09 587			95 61 56 329
Depreciation for the year Total (1 to 8)-9			126 18 25 520			118 77 38 624

Note 27 : Exceptional Items

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Losses/gain relating to Fixed Assets	77.7-62.4		4 15 01 278		4 43 45 878
2	Impairment of Assets	77.58				
3	Provision for Bad & doubtful debts	79.460, 62.325		39 34 91 638		-120 60 45 496
TOTAL				43 49 92 916		-116 16 99 618

NOTES TO THE FINANCIAL STATEMENTS

Note 28 : Prior Period Expenses (+) / Income (-) (Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
A	Credits relating to earlier years :					
1.	Other income relating to prior period	65.900			-	
2.	Excess provision for Depreciation in prior period	65.600	5 71 13 339		5 44 82 349	
3.	Excess/short provision for Interest & Finance charges	65.700	13 07 92 314			
4.	Other excess provision in prior period	65.800	21 36 24 735		22 34 65 924	
				40 15 30 388		27 79 48 273
B	Debits relating to earlier years :					
1.	Employee costs relating to previous year	83.500	63 30 872		99 16 213	
2.	Depreciation under provided in previous period	83.600	7 97 20 161		13 35 94 279	
		83.700	27 14 344		1 12 41 716	
3.	Administrative expenses of previous period	83.820				
4.	Other expenses relating to prior periods	83.850	58 17 365		1 48 41 740	
5.	Operating expenses of previous year	83.300	2 09 108		-	
	Sub-Total			9 47 91 850		16 95 93 948
C.	Net prior period represent - (Credits) / Expenses (A-B)			30 67 38 538		10 83 54 325

Note 29 : Extraordinary Items

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2013-14		Previous Year 2012-13	
1	Additional Tariff subsidy (Trueup) from GOK as per KERC orders	61.122		524 53 00 000		580 81 06 084
	TOTAL			524 53 00 000		580 81 06 084

Note 30 : GENERAL NOTES

30.1 Share Capital

30.1.1 Government of Karnataka has disbursed Rs.340.96 crore during the period from 2009-10 to 2011-12 as detailed below which was held as Share Deposit till the time it was converted to Share capital in FY 2011-12:

Year	Amount (in crore)	Reference
2004-05	0.01	GO DE 48 PSR 2003/424 dated 15/06/2004
2009-10	32.00	GO EN 95 PSR 2008 Dated 01/09/2009
2009-10	118.00	GO EN 67 PSR 2009 Dated 01/03/2010
2009-10	60.00	GO EN 67 PSR 2009 Dated 31/03/2010
2010-11	25.00	GO EN 13 PSR 2010 Dated 22/12/2010
2010-11	63.45	GO EN 13 PSR 2010 Dated 30/03/2011
2011-12	22.50	GO EN 20 PSR 2011 Dated 21/09/2011 (P3 Part I)
2011-12	20.00	GO EN 20 PSR 2011 Dated 21/09/2011(P3 Part II)

30.1.2 Government of Karnataka has disbursed certain amounts towards equity investment which is kept under Share Deposit which will be converted to Share Capital on completion of procedure. The details of Share Deposit received as on FY 13-14 is as under:

(Amount in Crores)

2012-13	37.50	GO EN 30 PSR 2012 Dated 16/07/2012
(Under share deposit Account)	20.00	GO EN 22 PSR 2012 Dated 29/01/2013
	40.00	GO EN 17 PSR 2012 Dated 30/03/2013
2013-14	21.58	GO EN 10 PSR 2013 Dated 06/09/2013
	14.00	GO EN 58 PSR 2013 Dated 23/09/2013
Total	133.08	

30.2 Loans

30.2.1 Certain secured/unsecured loans received in the earlier years have been accounted based on the intimations received from the KPTCL. The loans are not availed in the name of the company, instead a certain portion of the loans availed by KPTCL from various institutions have been transferred to BESCOM and are reflected in the books of the company. The interests on such loans are also accounted based on intimation by KPTCL except certain loans directly borrowed by the Company.

30.3 Fixed Assets & Depreciation

30.3.1 The fixed assets are accounted vide Government of Karnataka Notification mentioned in the company overview at cost of assets in Gross Block and accumulated depreciation on such assets till the date of transfer and the depreciation has been provided accordingly every year.

30.3.2 The company does not consider the period of fixed assets utilized by KPTCL for computing the remaining useful life of the fixed assets transferred from KPTCL.

- 30.3.3 The company has not reassessed the revised useful life of the assets based on the notification of the CERC (Notification no. L-7/145/160/2008-CERC dt. 19.01.2009) stipulating the revised depreciation rates. The company charges depreciation based on the rates notified by the CERC prospectively.
- 30.3.4 The Company still 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.
- 30.3.5 The assets have been recorded as assigned specifically by KPTCL. In case of certain buildings title deeds relating to land (Including Lease Hold) are not available/ transferred in favour of the company. Further, the related costs that the company may incur with regard to such transfer of titles are not ascertainable and not provided for by the company.
- 30.3.6 Income/expenditure arising out of maintenance cost and payment of rent in respect of assets (land and buildings) of common use is as per Arms length arrangement between KPTCL and the company.
- 30.3.7 An ad-hoc provision at the rate of 20% on the value of Assets not-in-use is maintained and is charged to Statement of Profit and Loss.
- 30.3.8 During the year an amount of Rs. 122 65 09 587 representing the amount of depreciation computed on the cost of assets funded through contribution/ from Consumers is adjusted.

30.4 Sundry Debtors:

- 30.4.1 The break-up of the provision for bad and doubtful debts as against the total receivables as on 31-03-2014 is as under:

Rs. in Crore

Sl. No.	Particulars	2013-14	Particulars	2012-13
1	Provision against permanently disconnected installations	161.91	Opening Balance 01-06-2002. (As per Government of Karnataka order)	161.91
2	On account of 4% provisioning as per Accounting Policy – LT category and others.	97.58	On account of 4% provisioning as per Accounting Policy – LT category and others.	66.07
3	Provision on account of identified HT-consumers.- Long disconnected installations	-	(b) Provision on account of identified HT - consumers.-Long disconnected installations	-
4	On account of arrears of IP set installations.	973.56	On account of arrears of BJ/KJ and IP set installations.	973.56
TOTAL		1233.05		1201.54

Company has continued the same quantum for long disconnected installations considered doubtful of realization and Provision for Bad and doubtful debts is provided accordingly and as per prudent policy.

30.5 Inventories, Stores and Spares

- 30.5.1 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 Statement of Profit and Loss at the end of the year.

30.5.2 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.

30.6 Pension, Gratuity and Leave Encashment.

30.6.1 All the employees of the Company are on deputation from KPTCL.

30.6.1 As per 'KPTCL and ESCOM's Pension & Gratuity Trusts' Order No. KPTCL & ESCOMs P&G TRUSTS/KCO123/P7/2011-12/CYS07 dated 27th May-13, provision towards Pension has been calculated at 30.00% of Basic + D.P and D.A. and provision towards gratuity has been calculated at 6.01% of Basic + D.P for FY 2012-13 based on actuarial valuation made as at 31.03.2009. However, no actuarial valuation has been made for the year ended 31.03.2013.

30.6.2 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.

30.6.3 No actuarial valuation has been made in respect of any employee benefits for the financial year 2013-14.

30.6.4 The amounts provided in respect of Pension, Gratuity and leave encashment have not been fully funded during the year.

30.7 Contingent Liability/Asset

30.7.1 The company is unable to ascertain the estimated amount of contracts remaining to be executed on capital works due to the large volume of transactions of the company.

30.7.2 Income tax demand disputed in appeals is Rs.91.15 Crs. is shown as under: (Previous year : Rs. 91.15 Crs.).

Sl. No.	Pending Before	Period	Amount (In Crs.)
1	CIT, Appeals(I), Bangalore	AY 2004-05	12.56
2	Tribunal order issued in favour of IT Department. The company has filed a Writ Petition in the Honble High Court of Karnataka against the Tribunal Order	AY 2005-06	61.07
3	CIT, Appeals(I), Bangalore for Dis-allowance of expenses of Rs. 7.52 Crs.	AY 2009-10	—
4	CIT, Appeals(I), Bangalore	AY 2010-11	17.52
TOTAL			91.15

30.7.3 The KPTCL vide its Circular letter. No. FA (A&R)/C (AP&A)/DC (A&C)/AAO-I/CYS-104/dt.15.03.2007 has communicated to BESCOM to provide for an amount of Rs.330.21 crore towards the additional fixed cost paid by the KPTCL for supply of power by Thannir Bhavi Power Corporation Limited (TBPCL) as Regulatory Assets & Liabilities. 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 is yet to approve this matter. In view of the above facts, the company has treated this as contingent and thus not recognized the Regulatory Assets and Liabilities of Rs. 330.21 Crore in the books of accounts.

- 30.7.4 The tariff rates of power purchases from BTPS 2 and RTPS – 8th Unit of KPCL have been provided based on the Power Purchase Agreement (PPA) which is pending for approval by the KERC. Additional liability, if any, shall be accounted on final approval from the KERC.
- 30.7.5 The Tariff of UPCL has been determined by CERC & issued final Tariff order on 20.02.2014. However, this order has been again disputed before Appellate Tribunal for Electricity (ATE). ATE had issued interim order to admit the bills as per CERC final order from February 2013 to March -2014 & onwards. The orders for payment from November 2010 to June 2013 as per CERC final order is still pending. Hence, Rs.197.76 Crore has been accounted for the period from February 2013 to March 2014 duly withdrawing the earlier provisions of Rs. 344 crore.
- 30.7.6 Interest claimed by KPCL on belated payments up to FY 2013-14 is under dispute and hence not provided for Rs. 545.12 Crore (Previous year Rs.330 crore).
- 30.7.7 Letter of Credits given in favour of power generators is Rs. 423.31 Crores (Previous year 562.00 Crore).
- 30.7.8 Interest Claims in respect of UPCL is not provided as final orders from CERC is disputed before ATE.
- 30.7.9 KPCL Claim of Rs. 187.71 Crores is un-admitted on account of excess claim by KPCL regarding Capacity charges, Energy charges, Dis-Incentive, Income tax, etc., and matter is taken up with KPCL for reconciliation.
- 30.7.10 Vigilance cases are pending in respect of customers installations in various forums and the amount is not ascertainable at this stage.
- 30.7.11 The Details of zone-wise appeal cases pending as at 31-3-2014 are as follows:

A. Revenue Appeals

Sl. No.	Particulars	BMAZ	BRAZ	CZ	Total
1	CURRENT YEAR No. of Appeal cases pending as on 31-03-2014	354	109	30	493
2	Amount involved (Rs. in Lakhs)	2383.11	91.69	36.41	2511.21
3	PREVIOUS YEAR No. of Appeal cases pending as on 31-03-2013	244	107	36	387
4	Amount involved (Rs. in Lakhs)	458.12	90.97	40.21	589.30

- 30.7.12 Transmission Charges payable to KPTCL for FY 2006-07 has been recognized at 19.42 paise per KWH. KPTCL had initially claimed transmission charges at 26.23 paise per KWH and the company had also paid the transmission charges at 26.23 paise. However, KERC has challenged the rights of KPTCL to charge any sum exceeding 19.42 paise towards transmission charges and the matter is pending before the Hon'ble Supreme Court in an appeal filed by KERC against the order of ATE, New Delhi. Currently, the company has accounted such excess sum paid to KPTCL of Rs.125 crore as receivables from KPTCL under other current assets pending the decision of the Hon'ble Supreme Court in this regard.

30.8 Inter Unit Accounts (IUA)

Inter unit accounts are subject to reconciliation/adjustments to the extent of Rs. 35.19 crore (Credit) Previous year Rs. 13.96 crore (Debit). The exact impact distinctively on the Statement of Profit and Loss and Balance Sheet is not readily ascertainable.

30.9 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.

30.10 Electricity consumption of Company's offices

Self consumption in respect of company offices are accounted as Revenue at retail tariff rates and the same is treated as expense, except to the extent of unbilled revenue.

30.11 Rebate for having collected electricity tax from consumers amounting to Rs. 2.66 crore (previous year Rs. 2.36 crore) at 0.5% with effect from 01.01.2010 as per G.O No. EN 06 PSR 2009 dated 22.02.2010 has been accounted in Other Non operating Income, which is to be received from Government of Karnataka.

30.12 Managerial Remuneration

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

Expenses	For the year 2013-14			For the year 2012-13		
	Managing Director	Director (Technical)	Director (Finance)	Managing Director	Director (Technical)	Director (Finance)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Salaries and allowances	468316 (2 months)	1514263	910244	1241501	1334630	105246
Ex-Gratia	1214	3500	3500	3500	3500	-
Others (House Orderly Allowances)	181437	245748	120141	228002	154989	-
Medical & Other Allowances	122354	32376	248324			89032
TOTAL	773321	1795887	1282209	1473003	1493119	194278

30.13 Expenditure in foreign currency:

Foreign exchange expenses	Current year	Previous year
	NIL	NIL

30.14 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 **2013-14 (April-13 to March -14)** are as follows:

Distribution Loss

Energy in MU

Sl. No.	Particulars	Current Year	Previous Year
1	Total Energy at Interface Point (From 1-04-2013 to 31-03-2014)	26786	26568.77
2	Total metered sales	17827	17069.13
3	Total un-metered sales *	5238	5726.87
4	Total Sales (2+3)	23065	22796.00
5	Distribution loss (1-4)	3721	3772.77
6	Percentage of Distribution Loss (5/1)	13.89	14.20

* 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%.

Transmission Zone

(Energy in MUs)

Sl. No.	Particulars	Current Year	Previous Year
1	Total Energy purchased at Generation Point (From 1-04-2013 to 31-03-2014)	27928	27834.39
2	Total Energy at Interface Point (From 1-04-2013 to 31-03-2014)	26786	26568.77
3	Transmission Loss (1-2)	1142	1265.62
4	Percentage of Transmission Loss (2/1)	4.09	4.55

30.15 Related Party Transactions

There are no transactions during the year with related parties (other than the transactions between state-controlled enterprises which is under the control of the Central Government and/or the any State Government(s)).

30.16 Small and Medium Enterprises

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. The company has not received any confirmation from registered suppliers as of date, in respect of which disclosures are required to be made under the said Act. Thus, the company has not provided for any interest pertaining to sums that may be payable to SMEs, if any.

30.17 Segment Reporting

The company neither has more than one business segment nor more than one geographical segment, hence segment reporting as required under AS – 17 is not applicable for the company.

30.18 Deferred Tax

The company has not recognized any deferred tax asset/liability as its income is exempt from tax under sec. 80IA of the Income Tax Act, 1961. The company neither provides timing differences that would reverse after the tax holiday period. However, the company shall provide for deferred tax subsequent to its tax holiday period. The quantum of such non-provisioning for deferred tax is not readily ascertainable.

30.19 The revenue from retail consumers are recognized based on KERC Tariff Order 2013 dated 30.04.2012. KERC has followed the directions of ATE in issuing the Tariff Order 2010.

30.20 True-up Tariff Subsidy

i) Rs. 1539.00 Crs. proposed to be met by GOK was accounted under true up subsidy pending commission orders, consequently commission has ordered GOK to compensate to the extent of Rs. 524.53 Crs. only, thereby Rs.1047.47 Crs. is withdrawn from true up subsidy account.

ii) A sum of Rs. 524.53 Crs. (Rs. 581.74 Crs. for the previous year) as income on account of true-up subsidy on accrual basis yet to be released from the Government of Karnataka towards additional true up tariff subsidy relating to the FY 13 as per the tariff order of the KERC dated 12.05.2014.

30.21 The company has not obtained confirmation of balances as on 31.03.2014 from other ESCOMS, KPTCL, KPCL, PCKL, sundry debtors, sundry creditors, deposits from suppliers/contractors/government authorities, etc., advances to contractors/suppliers, deposits and advances from consumers, loans and advances to employees (past and current employees), and other receivables from various parties and are subject to reconciliation/adjustments, if any.

30.22 Prior period income

Certain items grouped under prior period items in the previous year which did not involve an act of error or omission are regrouped under other appropriate heads.

30.23 Previous year figures have been regrouped / rearranged wherever necessary to meet the requirement of revised schedule VI of the Companies Act, 1956.

30.24 Earnings per Share

Particulars	Current Year	Previous Year
Net Profit /Loss after tax (In Rupees)	76 10 31 342	(-) 432 76 84 925
Weighted average no. of equity shares	546915100	546915100
Basic Earnings per Share (In Rupees)	1.39	-(7.91)
Diluted Earnings per Share (In Rupees)		

30.25 Pursuant to the observations made by Comptroller & Auditor General of India under section 619(4) of the Companies Act, 1956, the accounts approved by the Board of Directors on 20.11.2014 have been revised. The Accounts are revised to incorporate the observations made by the

Comptroller & Auditor General of India on the financial statements and books of account of the company. The impact of the revision in the accounts of the company is stated below.

Net impact of revision on the accounts

(Rs. in Lakhs)

Sl.No.	Particulars	Debit	Credit
	P & L Statement		
1	Increase in expenditure/Decrease in Income	2506.93	
2	Decrease in expenditure/Increase in Income		6766.54
3	Total (1 to 2)	2506.93	6766.54
	Balance Sheet		
4	Net increase in profit (2-1)		4259.61
5	Increase in liability		9115.71
6	Decrease in liability	2039.74	
7	Increase in assets	14424.59	
8	Decrease in assets		3089.01
9	Total (4 to 8)	16464.33	16464.33

For and on behalf of the Board / Company

As per our report even date

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

Sd/-
(B.L.Guruprasad)
Managing Director (Incharge)
& Director (Finance)

For V.K.Niranjan & Co.
Chartered Accountants
FRN: 2468S

Sd/-
(CA Niranjan. V.K)
Partner
M.No: 21432

Place : Bengaluru
Date : 22-12-2014

Place : Bengaluru
Date : 22-12-2014

STATEMENT SHOWING CAPITAL WORKS IN PROGRESS FOR THE YEAR 2013-14 (Amount in Rs.)

ACCOUNT CODE	DESCRIPTION	Opening Balance	Expenditure incurred	CATEGORIZED	Closing Balance
14.110	CWIP - Transmission lines -(GP).	27665692.10	50726514.37	31873256.85	46518949.62
14.140	CWIP - Transmission Lines, Transformers etc. - Extension (GP)	6633326.60	-184818.00	566304.70	5882203.90
14.142	CWIP-Promoter vanished layouts - 11KV lines, Transformers, LT lines / S.C etc., (G.P)	2094354.13	1244208.62	1599961.49	1738601.26
14.143	CWIP 11kv and below distribution works under APDP works.	13766436.17	137302317.00	132850462.30	18218290.87
14.144	CWIP-Providing additional DTC's enhancement of DTC's	457201599.67	800668531.37	674836485.85	583033645.19
14.145	CWIP- Reconductoring of LT lines & strengthening of UG cable network	45255251.54	45965329.75	34279383.60	56941197.69
14.146	CWIP-Providing of ABB cable	329125.15	33268732.35	33563102.15	34755.35
14.150	CWIP - Transmission Lines -Transformers etc. Improvements - (GP)	778906586.95	1237071309.15	1522410087.49	809402876.61
	Interest capitalisation		315835068.00		
14.151	CWIP - Transmission lines, Transformers etc., Improvements Non-Plan.	66822921.92	480268662.15	371640375.00	175451209.07
14.154	CWIP - Urban Distribution Improvement Scheme ADB	20687.00	0.00	0.00	20687.00
14.155	CWIP - Additional Street Lights / Street Lights in cities / towns / Villages	3748368.48	-996798.00	14707.00	2736863.48
14.158	CWIP - metering of existing Sreetlight installation.	1751211.00	15728.00	0.00	1766939.00
14.159	CWIP-Metering of DTC's	3099133.00	328454261.38	308710982.30	22842412.08
14.160	CWIP - Reduction of Losses in Lines	151353739.43	167711001.06	139355473.67	179709266.82
14.170	CWIP-Replacement of distribution Transformers by similar capacities	46303769.86	867276859.71	873848810.04	39731819.53
14.171	CWIP Drum Project at Doddaballapura	4171227.00	8350.00	0.00	4179577.00
14.172	Construction of feeder through 11 kv feeders from newly formed MUSS	110633105.32	144893747.00	252156496.20	3370356.12
14.173	Developing/Improving the capacity of UG cables along with RMU's	23399992.19	58175472.00	77431274.00	4144190.19
14.175	All applicable Civil works pertains to restoration.	15084641.00	-1692930.00	13391711.00	0.00

ACCOUNT CODE	DESCRIPTION	Opening Balance	Expenditure incurred	CATEGORIZED	Closing Balance
14.176	CWIP RAPDRP works	71288482.34	-53465015.33	0.00	17823467.01
14.177	Replacement of existing electro mechanical meters/faulty meters by Electro static meters.	69567029.15	214280778.20	193965104.17	89882703.18
14.178	CWIP- Expenditure incurred on PFC loan for RAPDRP (IT implementation) works - Part -A	1921912300.94	448110172.34	0.00	2370022473.28
14.179	CWIP - Expenditure incurred on PFC Loan for RAPDRP (System Improvement) - Part-B	1285917072.32	852862165.84	0.00	2156553944.16
	Interest capitalisation		17774706.00		
14.180	CWIP - Emergency Restoration of Power Supply- Calamity.	2959090.18	10456031.59	3988189.00	9426932.77
14.181	CWIP -Cost incurred for procurement of any materials for creation of Consumer Awareness programmes on safety measures, energy conservation and demand side management - Capital	0.00	1890857.00	0.00	1890857.00
14.183	CWIP - High Voltage Distribution System (HVDS) works	0.00	16864936.00	0.00	16864936.00
14.200	CWIP-REC Plan Schemes	130002.16	-6121.00	0.00	123881.16
14.210	CWIP-RGGVY Scheme	1854335348.17	4418212.00	0.00	1858753560.17
14.215	CWIP-RLMS works M/s. ABB	2449994926.79	0.00	0.00	2449994926.79
14.216	CWIP- Niranthara Jyothi Yojane	3597990072.53	1384962273.73	82411816.62	4945206030.64
	Interest capitalisation		44665501.00		
14.217	CWIP - Bangalore Distribution Up gradation Project(DAS) works	2391143950.45	1017837994.00	0.00	3408981944.45
14.219	CWIP - Smart Grid works	0.00	19936407.00	0.00	19936407.00
14.220	CWIP - SPA Schemes	867075.47	-42342.00	21822.40	802911.07
14.240	CWIP - System Improvement (REC)	2567744.20	0.00	0.00	2567744.20
14.300	CWIP - Village Electrification (G.P)	1591890.84	-58287.00	0.00	1533603.84
14.320	CWIP - Power Supply IP sets (G.P.)	45629660.83	65330373.54	49697887.63	61262146.74
14.321	CWIP - Power supply IP sets under self financing scheme	2620702.33	869301.91	2793004.00	697000.24
14.322	CWIP - P/S new IP sets submerged IP sets of same consumer under UKP rehabilitation programme	4312446.43	4524029.57	8800732.00	35744.00

ACCOUNT CODE	DESCRIPTION	Opening Balance	Expenditure incurred	CATEGORIZED	Closing Balance
14.325	CWIP - Power supply to New IP set under Own your Transformers (OYT) Scheme - ADRP works"	1167406.92	56372.50	15610.00	1208169.42
14.326	CWIP - Power supply to IP set Regularisation of Unauthorised IP set installation under Own your Transformers" (OYT) Scheme- APDRP works"	83479346.89	538450420.25	419312270.56	202617496.58
14.327	CWIP - Power supply to existing IP consumers for installing Transformers under Own your Transformers" Scheme (OYT)"	2092001.87	-45944.00	93842.00	1952215.87
14.328	CWIP-IP set under Dr.Devaraj Urs Backward Development Corporation	5058405.13	-4995768.15	62636.98	0.00
14.329	CWIP-Energisation of IPsets (Karnataka Minority Development Corporation	181214.27	-181214.27	0.00	0.00
14.330	CWIP- Energisation of IP set under Dr.B.R.Ambedkar Dev.Corp	4429908.87	-4199691.87	0.00	230217.00
14.340	CWIP - Tribal Area Electrification (G.P.)	3757499.87	19161091.77	20863032.00	2055559.64
14.341	CWIP-Energisation of IP set under Karnataka Tribal Dev.Corp.(Ganga kalyana) (TSP)	69893505.84	126317878.27	0.00	196211384.11
14.351	CWIP -Metering of existing B.J Installations	20978377.81	0.00	0.00	20978377.81
14.360	CWIP - Kuteera Jyothi Schemes	1361441.42	0.00	0.00	1361441.42
14.361	CWIP - Metering of Existing K.J Installations	9692116.00	-15248.00	0.00	9676868.00
14.365	CWIP - Harijan Basthi / Dalith Basthi/ Janata Colonies - Pradhan Manthri Gramodaya Yojana Works	99913.00	0.00	0.00	99913.00
14.366	CWIP-Kuteera Jyothi schemes State Govern ment's RGRHCL, Ashraya, Ambedkar & EWS Schemes under GOI'S Kutir Jyothi scheme	1408650.00	0.00	0.00	1408650.00
14.400	CWIP - Service Connections	352424903.69	791529259.01	643471520.48	500482642.22
14.502	CWIP - Buildings	73282599.00	113604647.00	98087316.00	88799930.00
14.607	CWIP - Vehicles	13254.52	3629940.48	3643195.00	0.00
14.708	CWIP - Furniture and Fixtures	812074.31	7618498.05	7468874.89	961697.47
14.809	CWIP - Office equipment	5899824.30	44274671.58	44430741.21	5743754.67
14.810	CWIP - Tools and Tackles	23791540.11	52402971.01	51807650.58	24386860.54
14.811	CWIP -Mobile phones	0.00	1748397.27	1708797.27	39600.00

ACCOUNT CODE	DESCRIPTION	Opening Balance	Expenditure incurred	CATEGORIZED	Closing Balance
14.812	CWIP-Safety measures fund	17213038.70	147587121.32	133590155.45	31210004.57
14.814	CWIP-IT initiatives (Software Only)	0.00	18812280.00	0.00	18812280.00
14.910	CWIP - Survey and Investigation expenses on projects.	-1809797072.09	0.00	44484106.08	-1854281178.17
14.915	Capital Expenditure Categorized - RLMS works	-2449994925.79	0.00	0.00	-2449994925.79
14.916	CWIP categorized of Niranthara Jyothi Yojane	-1998532015.00	0.00	903835227.76	-2902367242.76
14.917	Capital Expenditure categorized for Bangalore Distribution Up gradation Project (DAS) Works	-4393448.00	74809.13	0.00	-4318638.87
14.976	Capital expenditure categorized RAPDRP Works.	-51788344.89	0.00	3036801.24	-54825146.13
14.978	Capital Expenditure categorized for expenditure incurred on PFC Loan for RAPDRP (IT implementation)	-271280429.71	44286725.01	243341961.41	-470335666.11
14.979	Capital Expenditure categorized for PFC Loan for RAPDRP (System Improvement)- Part -B	-498941054.62	-44286725.01	310333131.87	-853560911.50
14.983	Capital Expenditure categorized for High Voltage Distribution System (HVDS) works)	0.00	0.00	16862896.51	-16862896.51
Total		9053378696.05	10573054011.65	7756657196.75	11869775510.96

Statement showing the details of Ganga Kalyana expenditure incurred for FY 2013-14
(Amount in Rs.)

ACCOUNT CODE	DESCRIPTION	O.B on 1-4-2013	INCURRED	CREDITS/ GRANTS RECEIVED	CB 31.03.2014
47.3087	Ganga Kalyana Scheme - Dr. Devaraj Urs Backward Development Corporation	285704945.78	136132158.41	8324591.00	413512513.19
47.3097	Ganga Kalyana Scheme - Karnataka Minority Development Corporation	91810128.45	44654235.58	3370395.00	133093969.03
47.3107	Ganga Kalyana Scheme - Dr.B.R.Ambedkar Development Corporation	768018946.60	344556742.31	282514827.09	830060861.82
Sub -Total-2		1145534020.83	525343136.30	294209813.09	1376667344.04
Grand Total		10198912716.88	11098397147.95	8050867009.84	13246442855.00

AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2013-2014

Amount in Rupees & Consumption in units (KWH)

DESCRIPTION	TARIFF	No. of Consumers	UNITS SOLD		Average Realisation Rate Per Unit (In ')	Opening Balance	Revenue Demand	Revenue Collection	Withdrawals	HO Adjustments	Closing Balance
			Units (in KWH)	% of Units							
B/J/KJ (Upto 18 Units)	LT 1	529699	51 05 94 74	0.22%	4.94	78991947.00	310615949.34	180000000.00	0.00	0.00	209607896.34
B/J/KJ (Above 18 Units)		202331	72 81 31 15	0%		732657891.00	301333815.71	756915142.85	57086.00	-818917152.12	1095936629.98
Lighting and AEH	LT 2	6072901	5245 99 62 20	23%	4.51	1494008920.00	23637923035.39	22694217547.85	3713936.00	145173161.05	2288827310.49
Commercial Lighting	LT 3	824739	1536 91 12 85	7%	7.92	215131690.00	12178424462.88	11777365939.02	3317301.00	41551133.64	571321779.22
Commercial Lighting (Auxiliary Cons)											0.00
IPSets (10HP & BELOW)											
FREE LIGHTING From 01-08-2008 (Subsidy Due for GOK)	LT 4A	691785	5238 09 51 15	22.71%	1.49	6013 23 29 56	7818102287.59	9486221954.00			4345113289.59
IPSets (10HP & BELOW) FREEZED BALANCE Upto 31-07-2008											
I.P.Sets (10HP & Above)	LT 4B	511	4 88 73 41	0.02%	2.59	60557599.00	12672199.00	6043868.84		1437449.63	65748479.53
Pvt. Hortl, Nursrs, Coffee & Tea Plant	LT 4C	1150	3 58 96 62	0.02%	3.14	17381635.00	11266476.00	9263628.30		980679.93	18403802.77
LT Industries	LT 5	169289	1109 44 08 78	4.81%	6.01	413811870.24	6666665634.48	6347503970.05	10151614.00	-1958274.59	724780195.26
Water Supply	LT 6I	52310	467 06 99 16	2.02%	6.80	9988328047.00	3177203417.52	855516433.65	4353634.00	35788376.54	12269873020.33
Street lights	LT 6 II	54504	394 45 32 17	1.71%	6.87	5633297762.82	2710962997.08	1200071701.45	1127629.00	62646212.27	7080415217.18
LT TOTAL	I	8599219	14124316223	61.24%	4.02	37615200162	56825170275	53394881268	23494626	-258908282	41280902824

AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2013-2014

Amount in Rupees & Consumption in units (KWH)

DESCRIPTION	TARIFF	No. of Consumers	UNITS SOLD		Average Realisation Rate Per Unit (In `)	Opening Balance	Revenue Demand	Revenue Collection	Withdrawals	HO Adjustments	Closing Balance
			Units (in KWH)	% of Units							
Water Supply & Sewerage Pumping	HT 1	160	612.91	51.41	2.66%	297974290.00	2694347683.58	2539643018.74	75.69	52468144.27	399453815.57
HT Industries	HT 2A	4999	5069.15	56.01	21.98%	286508365.00	29901752282.17	29827101013.71	34016668.00	-118923113.15	446066078.61
HT Industries (Auxiliary Cons)						5520304.00				5520304.00	0.00
HT Commercial	HT 2B	4642	2855.68	03.20	12.38%	110921790.00	22941137843.35	22887998805.68	3339318.00	10968613.61	149752896.06
HT Hospitals	HT 2C	278	89.68	12.15	0.39%		672502309.00	556189977.73	0.00	79937215.82	36375115.45
HT Lift Irrign Societies	HT 3A	20	9.11	37.79	0.04%	8892721.00	-64434893.00	19491531.00		-84801794.00	9768091.00
HT Lift Irrign Schemes & Govt Hort.	HT 3B	3	10.65	89	0.00%	0.00	1169345.00	863889.00		381593.00	-76137.00
HT Residential Apartment	HT 4	193	109.74	60.81	0.48%	19109273.00	651114193.34	755963874.51	0.00	6468211.08	-92208619.25
HT TOTAL	II	10295	8746398726		37.92%	728926743	56797588763	56587252110	38112981	-47980825	949131240
IP SET DEFUNCT INSTALLATIONS		48673				0.00		6333710.00		-6333710.00	0.00
LT + HT	III	8658187	22870714948.84		100%	38344126905.06	113622759038.43	109988467088.61	61607607.00	-313222817.05	42230034065
Temporary Supply (LT + HT)		266465	194656378.00			-1341165239.00	1986150498.87	1483484314.45	52037.00	-168826594.57	-669724497.01
GRAND TOTAL (LT+HT+Temporary)		8924652	23065371326.84			37002961666.06	115608909537.30	111471951403.06	61659644.00	-482049411.62	41560309567.91
Miscellaneous income	IV					28635.00	636096871.00	636097871.00			27635.00
LESS : Withdrawal of Demand						106966434.00	71471443.00			125483636.00	52954241.00
GRAND TOTAL	V	8924652	23065371326.84		100%	36896023867.06	116173534965.30	112108049274.06	61659644.00	-607533047.62	41507382961.91

Subsidy received from GOK in 2013-14 towards power supply to IP Sets upto 10 HP and to BJ / KJ upto 18 units per month

Sl. No.	Particulars	No. of Installations			Consumption (In MUs)			Demand (Principal Portion Only) (Rs. in Crs.)			Subsidy Released for 2013-14 (Rs in Crs.)
		Metered	Un Metered	Total	Metered	Un Metered	Total	Metered	Un Metered	Total	
1.	IP Sets Upto 10 HP	13808	677977	691785	180.45	5057.64	5238.09	25.88	755.93	781.81	948.62
2.	BJ / KJ upto 18 units per month per installation	529699	0	529699	51.06	0.00	51.06	31.06	0.00	31.06	18.00
	Total	543507	677977	1221484	231.51	5057.64	5289.15	56.94	755.93	812.87	966.62

Progressive Details of IP Sets & BJ / KJ Reimbursement by GOK :

Amount in Crores

Sl. No.	Year	Demand		Reimbursement		Balance	
		I.P	B.J	I.P	B.J	I.P	B.J
1	2008-09	169.21	-	94.62	-	74.59	-
2	2009-10	346.44	-	214.39	-	206.64	-
3	2010-11	705.28	28.58	569.78	22.06	342.14	6.52
4	2011-12	709.22	30.70	573.09	34.00	478.28	3.22
5	2012-13	738.34	35.68	615.30	31.00	601.32	7.90
6	2013-14	781.81	31.06	948.62	18.00	434.51	20.96