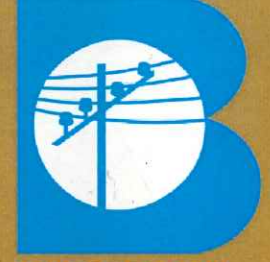


13^{ನೇ} ವಾರ್ಷಿಕ ವರದಿ
2014-15 ANNUAL REPORT

ಬೆವಿಕಂ



BESCOM



ನಿರ್ಮಿಸಲು ಉದ್ದೇಶಿತ "ಬೆಳಕು ಭವನ" ಕಟ್ಟಡ ಕಂಪನಿ ಕಾರ್ಯಾಲಯ

ಬೆಂಗಳೂರು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿ ನಿಯಮಿತ
Bangalore Electricity Supply Company Ltd.

Always observe safety measures

Do

- ✓ Always use ISI certified appliances, wires and cables.
 - ✓ Get your gadgets repaired by authorised electricians only.
 - ✓ Check your Electric gadgets regularly for safety.
 - ✓ Ensure that your installation is provided with suitable grounding/earthing.
 - ✓ Always ensure that the plug socket is out of reach of children.
 - ✓ Use 3 pin plug sockets and ensure that the third point is earthed.
-

Do not

- ✗ Do not tie banners or publicity material to electricity poles.
- ✗ Do not use guy wires tied to a pole for drying clothes.
- ✗ Do not operate electrical switches/equipments with wet hands.
- ✗ Do not cut trees/branches near the overhead electric lines.
- ✗ Do not climb electric poles.
- ✗ Do not energize fences.
- ✗ Do not touch snapped electrical wires / uninsulated wires.
- ✗ Do not construct buildings close to electrical wires.
- ✗ Do not try to remove/chop trees fallen on electrical lines.
- ✗ Do not get unauthorized electricity connection from the electrical lines.

Customer care / Helpline: **1912**

SMS: 9243150000

For online assistance: www.bescompgrs.com

Visit us: www.bescom.org

13th Annual Report
2014-15



Bangalore Electricity Supply Company Ltd.



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BOARD OF DIRECTORS AND COMPANY SECRETARY
 (As on the date of AGM)

Sl. No.	Names	Position
1.	Sri.P.Ravi Kumar, IAS.,	Chairman
2.	Sri.Pankaj Kumar Pandey, IAS.,	Managing Director
3.	Sri. Jawaid Akhtar, IAS.,	Director
4.	Sri. Gaurav Gupta, IAS.,	Director
5.	Sri. H.Nagesh, B.E, FIE.,	Director (Tech)
6.	Sri. B.L.Guru Prasad, IRS.,	CFO & Director (F)
7.	Smt. Dipti Aditya Kanade, IAS.,	Director
8.	Sri. T.H.M.Kumar, IAS.,	Director
9.	Sri. K.T.Mahanthappa, B.E.,	Director
10.	Sri. M.Nagaraja, B.E.,	Director
11.	Sri. A.N.Jayaraj, B.E.,	Director
12.	Sri. K.T. Hiriyanna, FCS.,	Company Secretary

STATUTORY AUDITORS

M/s.Niranjan & Co.,
 Chartered Accountant, Bengaluru

Cost Auditors

M/s. Rao, Murthy & Associates
 Cost Accountants, Bengaluru

Secretarial Auditors

M/s. P.K.Pande & Associates
 Practicing Company Secretaries
 Bengaluru

Registered Office :

Corporate Office, K.R.Circle, Bengaluru – 560 001, Karnataka

Bangalore Electricity Supply Company Limited

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

Registered Office : Corporate Office, K.R.Circle, Bengaluru – 560 001
Telephone No. : 080-22266011 / 22266033, Fax No. 080-22354925
Website : www.bescom.org, E-mail : cs@bescom.co.in

Ref No.BESCOM/BC-04/CS/

Date :26.09.2015

Encl: (1) Blank Shorter consent Notice. (2) Blank Proxy form

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Members of Bangalore Electricity Supply Company Limited **will be held on Wednesday, the 30th September 2015 @ 1:00PM** at Corporate Office, K.R.Circle, Bengaluru– 560 001 (at a shorter notice) to transact the following business :-

ORDINARY BUSINESS:

Item No.1 – Adoption of financial statements (including CFS)

To receive, consider and adopt the financial statement of the Company for the year ended 31st March 2015 including the audited Balance Sheet as at 31st March 2015, the statement of Profit & Loss for the year ended on that date and reports of the Board of Directors (the Board) and Auditors report together with the comments received from the Comptroller & Auditor General of India under Section 146 (6) of the Companies Act, 2013.

Item No.2 – To declare a dividend on equity shares / any other decision if thought fit as per section 123 of Companies Act 2013.

Item No.3 – To consider appointment of Auditors and to fix their remuneration and in this regard to consider, if thought fit, to pass with or without modification(s), the following resolution:-

“RESOLVED THAT, pursuant to the provisions of section 139 (5) of the Companies Act, 2013 and pursuant to the recommendations of Comptroller and Auditor General of India, M/s. V.K.Niranjan & Co., Chartered Accountants, Kurubara Sangha Building, Kanakadasa Circle, Gandhi Nagar, Bengaluru – 560 009 be and is hereby appointed as the Statutory Auditors of the Company, to hold the office from the conclusion of Annual General Meeting (AGM) till the conclusion of next AGM at the remuneration as recommended by the Board

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

**Sd/-
(K.T.HIRIYANNA)
Company Secretary**

Bangalore Electricity Supply Company Limited

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

Registered Office : Corporate Office, K.R.Circle, Bengaluru – 560 001
Telephone No. : 080-22266011 / 22266033, Fax No. 080-22354925
Website : www.bescom.org, E-mail : cs@bescom.co.in

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The Company being a Government Company, the Comptroller & Auditors General of India will appoint the Auditors of the Company for the year 2015-16 under section 139 (5) of the Companies Act, 2013.
3. The Company being a Govt. Company, the aspect of declaration of dividend will be in accordance with the recommendation of the Board, decisions of shareholders as deem fit and in accordance with the provisions of Companies Act, 2013.

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

**Sd/-
(K.T. HIRIYANNA)
Company Secretary**

Place : Bengaluru
Date : 26.09.2015

Bangalore Electricity Supply Company Limited

(Wholly owned Government of Karnataka Undertaking)

(CIN- U04010KA2002SGC030438)

FORM OF PROXY

I/We being a member/members
of the above mentioned Company hereby appoint as my/our proxy to
vote for me/us on my/our behalf at the 13th Annual General Meeting to be held on 30/09/2015
the and at any adjournment thereof.

Signed thisday of September, 2015

Signature
[Shareholder]

Note:

- (1) This instrument of proxy shall be deposited at the Regd. Office of the Company not less than 48(Forty Eight) hours before the time of holding the aforeside meeting.
- (2) A Proxy need not be a member of the Company.

Directors' Report

Dear Members,

Board of Directors of Bangalore Electricity Supply Company Limited (BESCOM) have pleasure in presenting the Thirteenth Annual Report for the year 2014-15 and the Audited Accounts of the Company for the year ended March 31st 2015.

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 thirteen years in the "Distribution of Electricity." The Company having its headquarters at Bangalore city has its jurisdiction comprising eight districts viz., Bangalore Urban, Bangalore Rural, Kolar, Ramanagara, Chikkaballapura, Tumkur, Davanagere and Chitradurga.

During the year 2014-15, 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 distribution network 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 realization, meaningful "Energy Audit" at 11 KV & below and increased customer care activities using Information Technology by reducing human intervention etc. All these have been ably supported by the employees and the result is reflected in present improved position of the Company.

The progress of the Company on different parameters is enumerated 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:

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

III. PERSPECTIVE:

BESCOM covers a geographical area of 41,092 Sq. Kms with a population of 207 lakhs and serves more than 94.44 lakhs customers. The total asset is worth Rs.14645.71 Crores as on 31st March 2015.

1	Area	41,092 Sq.Kms
2	District	8
3	Population	20.7 Million
4	Consumers	9.44 Million
5	No. of DTCs	211287
6	HT Line length	86256.47 Ckt. Kms
7	LT line length	161186.08 Ckt..Kms
8	Employee Strength	
9	Sanctioned	21455
10	Working	12358
Total Assets		Rs. 14645.71 Crores

(a) Consumer Population:

Consumer population served by BESCO is steadily increasing and recorded an increase of 5.83% in FY-15 over previous year. The number of consumers existing as on 31-03-15 stands at 94,44,518.

Category wise consumers are furnished below:

Sl. No.	Category	As on 31-03-2014	As on 31-03-2015	% of Increase
1	Bhagya Jyothi	7,32,030	7,69,153	5.07
2	Domestic Lighting and AEH	60,72,901	63,89,122	5.21
3	Commercial Lighting	8,24,739	8,64,600	4.83
4	LT Power	1,69,289	1,75,326	3.57
5	HT Power	10,449	11,416	6.41
6	Irrigation Pump sets	6,96,446	7,70,469	11.11
7	Street Light & Others	1,06,814	1,15,489	8.12
8	Temporary Power	2,66,311	3,48,943	34.14
9	Defunct IP Installations	48,673	0	-100.00
TOTAL		89,24,652	94,44,518	5.83

(b) Tariff wise number of consumers and its proportion to the total as on 31-03-15.

Tariff	LT1	LT2	LT3	LT4	LT5	LT6	LT7	Defunct
Number of consumers	769153	6389122	864600	770469	175326	115489	348943	0
% to Total	8.14	67.65	9.15	8.16	1.86	1.22	3.69	-

Tariff	HT1	HT2A	HT2B	HT2C	HT3	HT4	HT5	Total
Number of consumers	186	5414	4893	380	29	217	297	99,44,518
% to Total	0.12							100.00%

IV. FINANCIAL PERFORMANCE:

The financial performance of the Company during the Financial Year 2014-15 is highlighted as below:

Sl. No.	Particulars	For the year ended 31 March, 2015 Rs.	For the year ended 31 March, 2014 Rs.
1	Revenue from operations	13479 60 46 742	11617 35 34 966
2	Other Income	205 24 39 266	182 78 56 287
	TOTAL REVENUE	13684 84 86 008	11800 13 91 253
3	Expenses		
	Purchase of Power	11685 02 83 737	10656 87 27 849
	Other operating expenses	54 94 02 861	51 65 67 266
	Employee Benefits Expenses	802 35 29 384	753 27 77 251
	Other expenses	397 07 21 062	319 34 64 028
	Finance costs	397 66 20 444	323 45 43 618
	TOTAL EXPENSES	13227 05 57 489	12104 60 80 012
4	Profits before Depreciation , Prior period items, exceptional items, extraordinary items, Income Tax (1+2-3)	347 79 28 519	(304 46 88 760)
5	Depreciation	199 78 51 796	126 18 25 520
6	Profit / (Loss) before Prior period items, exceptional and extraordinary items and Income Tax (4-5)	148 00 76 723	(430 65 14 280)
7	Exceptional items	22 85 07 802	43 49 92 916
8	Profit / (Loss) before Prior period items, extraordinary items and Tax (6-7)	125 15 68 921	(474 15 07 196)
9	Prior period Expenses (+) / Income (-)	14 03 67 373	30 67 38 538
10	Extraordinary & Prior period items	-	524 53 00 000
11	Profit / (Loss) before Tax (8-9)	139 19 36 294	81 05 31 342
12	Income Tax Expenses:		
	(a) Current tax expenses	25 75 00 000	4 95 00 000
	(b) Less: MAT credit		
	(c) Deferred tax		
	(d) Tax expenses relating to prior years		
13	Profit / (Loss) from continuing operations (10-11)	113 44 36 294	76 10 31 342
14	Profit / (Loss) from discontinuing operations		
15	Profit / (Loss) for the year (12+13)	113 44 36 294	76 10 31 342
16	Earnings per equity share of Rs. 10 each.		
	(1) Basic	2.07	1.39
	(2) Diluted	-	-

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

12	Other Expenses				
i.	POSOCO Charges	-	1.49	-	1.63
ii.	SLDC O&M Expenses	-	17.16	-	11.36
iii.	Cost of Banked Energy	-		-	4.03
iv.	PCKL Rev. Expenses	-	2.81	-	4.09
13	Energy Balancing	-790.08	-297.94	-547.68	-213.45
14	Inter ESCOM	14.79	5.81	17.90	9.22
15	Tangendco	-	0.18	-	0.23
16	Legal Expenses		0.28		
17	Prior period expenses	-	330.01	-	125.40
18	Prior period Income		-276.02		-151.50
TOTAL		29423.03	11689.56	27928.24	10702.75

(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 2014-15.

SL. NO.	NAME OF THE COMPANY	CONSUMPTION IN MUs	AMOUNT BILLED (Rs. In crores)	P.P. COST (Rs./Kwh)
1	Central projects			
	NTPC	4262.87	1263.79	2.96
	NLC	1425.85	465.97	3.27
	MAPS	82.22	17.08	2.08
	KAIGA	848.81	261.63	3.08
	VALLUR	218.41	83.26	3.81
	KUDANKULAM	453.34	113.52	2.50
	NTPC BUNDLED POWER(Coal)	249.48	85.94	3.44
	CGS Total	7540.98	2291.19	3.04
	UI CHARGES	165.55	38.18	2.31
	TBHE	8.41	0.88	1.05
	Jurala	55.94	25.42	4.54
	Total	229.90	64.48	
2	Medium term Purchases			
	M/s. NETS			
	M/s. JSW	1611.44	837.95	5.20
	M/s. IEX & PEX			
	M/s. BMM Ispat			
	M/s. ESSAR POWER	11.76	5.45	4.63
	M/s. IDEAL ENERGY	5.51	2.48	4.50
	M/s. GUVNL	13.45	3.69	4.26
	Medium term Total	1642.16	849.57	5.17
3	Short term Purchases			
	Global Energy	814.19	404.68	5.5
	Harekrishna Metallics	8.95	4.91	5.5
	BMM Ispat	247.58	135.95	5.5
	JSW	113.45	61.99	5.5
	Reliance	26.24	14.43	5.5
	Dhruvadesh Metasteels	18.68	10.22	5.5
	Tata	141.98	77.20	5.5
	Nirani Sugars	33.54	18.21	5.5
	PTCIL	120.49	64.44	5.5
	Athani Sugars	28.72	15.80	5.5
	Satish Sugars	35.58	19.53	5.5
	GMR	69.29	37.90	5.5
	Short term Total	1658.69	865.26	5.5
	SEC-11 Energy	207	110.67	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	3682.21	211	0.57
	KPCL-DG		-0.53	
	KPCL-THERMAL	7773.99	3031.92	3.9
	KPCL-WIND	9.11	3.06	3.36
	KPCL-SOLAR	4.38	2.62	5.98
5	Private Producers			
	UPCL	4550.28	2117.90	4.28
6	NCE Projects			
	Bio-Mass	70.93	36.28	5.11
	Mini-Hydel	478.60	156.59	3.27
	Wind	2250.74	803.56	3.57
	Solar	33.83	26.16	7.73
	NTPC BUNDLED POWER(Solar)	65.52	68.94	10.52
	SUB-TOTAL(I)	30198.32	10638.31	3.52
	7	Transmission Charges		
	PGCIL Tr. Charges	-	234.56	
	KPTCL Tr. Charges	-	1032.54	
	SUB-TOTAL(II)	0	1267.10	
8	INTER ESCOM EXCHANGE POWER			
	GESCOM	1.54	0.61	
	MESCOM	-3.58	-1.41	
	HESCOM	21.24	8.35	
	CESC	-4.41	-1.73	
9	ENERGY BALANCING CHARGES			
	GESCOM	-29.66	-89.56	
	MESCOM	-59.40	-5.94	
	CESC	-288.69	-110.73	
	HESCOM	-412.33	-91.71	
	OTHER CHARGES			
	Cost of Banked Energy		17.16	
	SLDC O&M Expenses		1.49	
	POSOCO charges		0.18	
	Tangendco		2.81	
	PCKL Rev. Expenses		0.27	
	Legal Expenses		0.27	
	SUB-TOTAL(III)	-775.29	-270.21	
	Prior period Expenses		330.01	
Prior period Income		-276.02		
GRAND TOTAL		29423.03	11689.56	3.97

(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. JSW, M/s. GUVNL, M/s. Essar Power and M/s. Ideal Energy. The short term contractors are M/s JSW, M/s. PTCIL, M/s. TATA, M/s. Dhruvadesh Metasteels, M/s Harikrishna Metallica, M/s. Reliance, M/s. BMM Ispat, M/s. Athani Sugars, M/s. Satish Sugars and M/s. Nirani Sugars. 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 2014-15.

	ENERGY (in MUs)	Rate (Rs./Unit)	AMOUNT (Rs./crore)
MEDIUM TERM			
M/s JSW	1611.44	5.20	837.95
M/s Essar Power	11.76	4.63	5.45
M/s Ideal Energy	5.51	4.5	2.48
M/s GUVNL	13.45	4.26	3.69
Total	1642.16	5.17	849.57
SHORT TERM			
Global Energy	814.19	5.5	404.68
Harekrishna Metallics	8.95	5.5	4.91
BMM Ispat	247.58	5.5	135.95
JSW	113.45	5.5	61.99
Reliance	26.24	5.5	14.43
DhruvadeshMetasteels	18.68	5.5	10.22
Tata	141.98	5.5	77.20
NSL Sugars	33.54	5.5	18.21
PTCIL	120.49	5.5	64.44
Athani Sugars	28.72	5.5	15.80
Satish Sugars	35.58	5.5	19.53
GMR	69.29	5.5	37.90
Short term Total	1658.69	5.5	865.26
SEC-11	207.00	5.5	110.67
TOTAL	3507.85	5.20	1825.50

(e) The following Power Purchase Agreement have been signed by BESCOM which is approved by KERC during 2014-15.

Sl.No.	Source	No.	Capacity in Mw
1	Wind	1	17.85
2	Solar PV Plants	11	263

(5) Peak Load:-

The details of peak load of BESCOM and energy input for year 2014-15 is furnished below:

Month	Maximum	Minimum	Wheeled Energy in kwh MUs	Input Energy of BESCOM in MUs
	BESCOM (in MW)	BESCOM (in MW)		
Apr-14	4344	2751	50.46	2611.70
May-14	4148	2069	54.28	2455.18
Jun-14	4081	1696	69.81	2287.54
Jul-14	4093	1733	91.58	2334.14
Aug-14	4175	19373	97.86	2224.58
Sep-14	4177	1961	100.82	2220.88
Oct-14	3763	1830	106.23	2027.54
Nov-14	3957	2012	103.25	2145.27
Dec-14	4318	2446	108.43	2389.01
Jan-15	4592	2202	119.41	2485.72
Feb-15	4608	2607	115.61	2381.40
Mar-15	4639	2799	130.45	2693.51
Total			1148.18	28256.47

(6) Energy at IF points:-

The total energy drawn at IF points 28256.47 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
10	FY 2015	28256	5.49	24436.08	5.94	13.52	16.76

VII. METERED CONSUMPTION :

Year	Energy Input (MU)	Consumption by Metered Category	% Increase over previous year
FY-06	15321	8307.06	15.58
FY-07	18522	9717.36	16.98
FY-08	18665	11283.82	16.12
FY-09	19566	12205.78	8.07
FY-10	20329	12940.32	6.02
FY-11	21909	14263.20	10.23
FY-12	24584	15675.92	9.90
FY-13	26568	17069.13	8.89
FY-14	26786	17827.25	4.44
FY-15	28256	18676.96	4.77

VIII. SALE OF ENERGY:

During FY-15, 24436.08 MUs were sold to various categories of consumers, out of which 18676.96 MUs (Including Inter Escoms) were under metered category and the balance of 5759.12 MUs was accounted under unmetered category. The distribution loss for the year is assessed at 13.52% and AT & C loss is assessed at 16.76%.

(a) Metered Energy Sales:-

Sl. No.	Category	In Mus
1	Bhagya Jyothi	135.85
2	Domestic Lighting. incl. AEH	5718.72
3	Commercial Lighting	1663.33
4	IP set (Metered)	179.67
5	L.T. Power	1134.22
6	H.T.	8830.72
7	Water Works / Public Lighting	820.00
8	Temporary installations	194.45
TOTAL		18676.96

b) Un-Metered Energy Sales :

Sl. No.	Category	In Mus
1.	Irrigation Pump Sets	5759.12
TOTAL		5759.12

(c) Category wise energy sold 2014-15:-

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	135.85	5718.72	1663.33	5938.79	1134.22	820.00	194.45	8830.72	24436.08

d) Break up of HT sales:

HT1	HT2A	HT2B	HT2C	HT3	HT4	HT5	TOTAL
Water Supply	Industrial	Commercial	Hospital	Lift Irrigation	Residential Apartments	Temporary	
664.24	4750.15	2795.89	189.32	18.29	127.25	285.58	8830.72

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:

Sl. No.	Financial Year / Revenue Demand
01	Demand FY 08: Rs. 5807 Cr
02	Demand FY 09: Rs. 6190 Cr.
03	Demand FY 10: Rs. 6792 Cr.
04	Demand FY 11: Rs. 8246 Cr.
05	Demand FY 12: Rs. 9348 Cr.
06	Demand FY 13: Rs.10724 Cr.
07	Demand FY 14: Rs.11560 Cr.
08	Demand FY 15: Rs.13385 Cr

(b) Revenue Collection:

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

Sl. No.	Financial Year / Revenue Collection
01	Collection FY 08: Rs. 5360 Cr.
02	Collection FY 09: Rs. 6132 Cr
03	Collection FY 10: Rs. 6600 Cr.
04	Collection FY 11: Rs. 7855 Cr.
05	Collection FY 12: Rs. 8794 Cr.
06	Collection FY 13: Rs.10096 Cr.
07	Collection FY 14: Rs.11147 Cr.
08	Collection FY 15: Rs.12884 Cr.

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

As a consumer friendly measure, BESCOM has initiated a number of actions intended to increase consumers comfort while dealing with BESCOM. 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) Pay u mobiles (mobile application online)
- (h) Mobile Governance
- (i) Bill Desk (online & electronic bill presentment)
- (j) BESCOM Cash Counters
- (k) Post Office
- (l) IMI Payments
- (m) Cheque Drop Boxes

(2) RAPDRP Towns:

- (a) Online payments (Bescom Web site)
- (b) BESCOM Cash Counters
- (c) Cheque Drop Boxes

(3) Non RAPDRP Areas:

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

X. DEMAND SIDE MANAGEMENT (DSM) MEASURES:

The following DSM measures were taken in the year 2014-2015 BESCOM to save energy:

(a) Implementation of Solar Rooftop system:-

The Government of Karnataka has announced the solar policy 2014-21 for grid connected solar rooftop system under net-metering basis on 22.05.2014 and set up an SRTPV Target of 100 MWs per year from the year 2014-15 to 2017-2018. BESCOM online application for grid connectivity, KERC approved guidelines, timelines and standard format of application, power purchase agreement and other formats for SRTPV plants are made available in the BESCOM website.

- On 07.11.2014 Hon'ble Minister for Energy, GoK, **Sri. D.K Shivakumar** has launched grid connected Solar Rooftop programme (On Net metering basis) in BESCOM which was extended to entire Karnataka State.
- Under this facility, the consumers can setup solar PV plants at unutilized places on rooftops of buildings of individual households, industries, offices, institutions, residential complexes, etc.
- The grid connected rooftop solar photovoltaic power generation plants from 1KWp to 1MWp capacity per project/system to generate electricity/power would be eligible under the Programme.
- The programme is being implemented in Urban and Rural Areas as well.
- The programme encourages installation of rooftop solar photovoltaic power generation plant for self-consumption as well as supply/sale of electricity to the grid.

(b) Technical Workshop on Solar rooftop system:-

- One day workshop at Bangalore on 09.10.2014 was arranged for a discussion on Solar Rooftop PV Programme wherein many technical issues were deliberated.
- Chairman and Members of KERC, Addl. Chief Secretary to Govt, Energy Department, MDs' of KREDL, MESCOM, CESC, GESCOM, HESCOM, CEI, and Engineers deputed from ESCOMs, along with Experts from GERMI, USAID Agency were participated in the discussions.

(c) Training programme to officers of ESCOMs:-

- Two days' Training programme on "Implementation of Solar RTPV system" was conducted in three batches. Engineers from all ESCOMs were participated in the training programme. Experts from Solar field such as KERC, USAID, CPRI, KPCL National Training Centre had delivered lecturers on various topics of Solar RTPV system.
- Book materials and CDs were got printed and distributed to the trainees. About 195 Engineers/ Officers were attended the training programme.

From 07.11.2014 to 31.03.2015, 20 nos. of Solar Rooftop installations are serviced with a total capacity of 364.15 KWp.

(d) Installation of 50 KWp Solar RTPV grid connected power plant in the premises of Corporate Office, BESCOM, Bangalore (as a Pilot scheme to promote large scale grid connected rooftop solar photovoltaic projects in Bangalore):-

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, BESCOM, Bangalore (as a pilot project) to promote grid connected Solar rooftop PV project in BESCOM vide No: BESCOM/BC-51/3409/2012-13/CYS-09 dtd: 30.06.2014. Total cost of the project is Rs. 49,84,875/-.The installation is serviced on 07.11.2014 on trial basis and commissioned on 31.03.2015. The total generation as on 06.04.2015 is 30316 units.

XI. DSM through various schemes:

(a) Surya Raitha Scheme:

BESCOM has initiated to arrange power supply to 250 no's of IP sets of Harobele 11KV feeder of Kanakapura sub-division on pilot basis. DPR has been prepared. Tender is called for **“Design, Supply, Testing, Installation, Commissioning, Repair and Maintenance for a period of 10 years of 250 nos. grid tied Solar PV based Irrigation pump sets under “Surya Raitha Scheme” on 11KV Harobele F2 Feeder, Kanakapura Taluk, Ramanagara district, Karnataka state on Net Metering basis as a pilot scheme”**. Approximate cost of the project is Rs.23 Crores. The project promotes replacing existing inefficient IP sets with efficient pump sets and energizing these IP sets with solar power and feed in excess energy to the grid on net-metering concept. The excess energy fed into the grid will be paid back to the farmers as per tariff fixed by KERC resulting in additional income to the farmers apart from the income earned through crops.

The scheme will be financed by a combination of farmer investment, GoK investment, MNRE subsidy and BESCOM investment through soft loans that will be repaid by the farmer through his net metering tariff revenues in initial years. The net metering revenues will be deposited into an escrow account and will be diverted first to the loan account and, if in surplus, to the farmer's account.

(b) Providing advertisements on energy savings through Digital Display Infotainment System (DDIS) at railway reservation counters:-

BESCOM has initiated to advertise DSM measures through DDIS system coming under jurisdiction of BESCOM at Railway reservation/ticketing counters through LED TV screen spread in all the major passenger reservation systems (PRS) and un-reserved ticketing systems (UTS) Railway stations for a period of one year. Work award has been issued to M/s. Vyoma Technologies. Advertisement is progressing successfully at all 120 nos. of railway reservation centers in BESCOM area from 18.06.2014. Total cost the project is Rs.47,04,480/-

(c) Distribution Energy Efficiency Project (DEEP) by providing Dynamic Reactive Compensation (DRC) for power factor improvement scheme on 11 KV feeders:-

BESCOM has proposed to implement Distribution Energy Efficiency Project (DEEP) by providing Dynamic Reactive Compensation (DRC) for power factor improvement scheme on selected 11 KV feeders on pilot basis. DEEP system consists of Multifunction Measurement and Control unit (MFM), GSM/GPRS modem, capacitors, capacitor-duty contractors, isolation transformers and associated. The DEEP systems address the following functional need:

- DTR metering towards energy audit and accounting.
- Dynamic Reactive Compensation to improve power factor to > 0.95 lag & < 1.0 for all normal operating conditions of DT towards line loss reduction.

- Programmable threshold limit alerts to eliminate DT burnouts due to overloading.
- Load balancing opportunity towards enhanced performance.

A pilot project consisting of 1x25 KVA, 1x63 KVA and 1x100 KVA is implemented through EESL (M/s. OAS, Chennai) on F-6 feeder of Thenganayakanahalli of 66/11 KV V.R.Doddi substation of Sathnur (O&M) sub-division in Kanakapura division.

(d) Vidhyuth Jagruthi Yojane:-

- “Vidhyuth Jagruthi Yojane” an awareness program introduced for school / college students to bring in awareness who in-turn communicate this in their families. Work award issued to M/s TERI for the work of “Design and implementation of conducting energy efficiency measures and demand side management awareness activities in selected 100 schools/colleges in Bangalore Urban/Rural District and to sensitize approximate fifty thousand students and to bring down energy consumption on contract period of two academic years”.
- The agency has to collect last one year electricity consumption data of selected schools and from fifty thousand students (preferably). The agency has to achieve 5.2 MU of energy saving for two academic years.

(e) Agriculture Demand Side Management, WENEXA-USAID:-

- BESCOM has replaced inefficient irrigation pump sets by high energy efficient pump sets on HVDS feeders at Doddaballapur Sub-Division as a pilot project through ESCO model.
- This pilot is the first of its kind in India to undertake Agriculture Demand Side Management under ESCO model.
- A total number of 277 inefficient Pump sets at metered locations in Doddaballapura Sub-Division were replaced by High Energy Efficient Pump Sets.
- BESCOM has saved 63,01,593 units (6.3 MU - 35%) from this project between April 2011 to March-2015 at Doddaballapura
- KERC has issued directions to Scale up this project.

A contract agreement was signed on 07.08.2013 between BESCOM 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 DPR to replace **one lakh nos.** of less efficient IP sets by highly efficient pump sets without any financial commitment to BESCOM 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 and 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.

(f) Implementation of Mandatory use of Solar Water Heaters:

As a Demand Side Management programme, BESCOM is encouraging installation of Solar Water Heaters. No. of Solar Water Heating Systems installed during 2014-15 in BESCOM is 72,749.

Energy savings	
*Annual Energy savings for 72,749 nos. of SWH	96.02 MU
Per day Energy savings for 72,749 nos. of SWH	0.29 MU

* By considering average 2kW for 2 hours per day per SWH for 330 days.

(g) Providing timer switches to the street lights and Smart Energy saver units:

- BESCOM has requested BBMP and other local municipalities to install timer switches to street lights resulting in energy savings and reduces evening peak hour load on grid. Also requested to provide Smart **Energy Saver Units** so as to reduce energy cost of monthly electric bill and energy savings in peak hours and to get good impression from public.

The status of timer switches provided to street lights in BESCOM area is as follows:

Sl. No.	Zone	No. of Street light Ckt. existing as on Mar-15	No. of timer switches fixed as on Mar-15	No. of timer switches in working condition as on Mar-15	No. of timer switches not in working condition as on Mar-15	Balance no. of timer switches to be fixed
1	BMAZ	19510	14553	12110	2445	7400
2	BRAZ	18944	70	411	301	18533
3	CTAZ	14198	137	76	61	14122
Grand Total		52652	14760	12597	2807	40055

(h) Earth Hour: Earth Hour was observed on 28.03.2015 by switching of power supply for one hour between 8.30 pm to 9.30 pm. In the SCADA system, it is observed that there was drop in load of around 43 MW during Earth Hour which works out to be 43,000 units of energy saved.

(i) National Energy Conservation Day: National Energy Conservation day was celebrated on 12th to 14th December 2014 through Radio Jingles vide order No: BESCOM/BC-9/652/2014-15/6991-93, dtd: 09.12.2014.

(j) Energy Awareness Program:-

Communication Modes Utilized through:

- Advertisements in News papers, Magazines, Souvenir etc.
- Through stalls.
- On Hoardings
- 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 tmeetings.

(k) 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).

XII. IMPORTANT PROJECTS UNDERTAKEN

(A) BANGALORE DISTRIBUTION UPGRADATION (DAS) PROJECT:

BESCOM has taken up a prestigious project to automate the distribution network for monitoring, control and operation of the 11 KV network in the Bangalore 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 December 2016.

(a) 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.417crores. (10,643 Million JPY) .
- BESCOM 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.

(b) Main Objectives:-

- To automate the Distribution network for monitoring, supervisory control and operation of the 11 KV network in the Bangalore 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 & 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 Center at Corporate level with necessary communication, hardware and software.

(c) 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:

(d) Physical Progress:-

Sl. No.	Package No.	Package Description	Progress
1	Pkg-I	Distribution Automation System (DAS) Master Stations, Communication System and Control Centre Facilities	<p>1. Configuration and Development System demonstration and Communication System (UDMBS & DMBS) factory acceptance test (FAT) completed. C&DS equipment's installed in BESCOM Integrated Control Centre-1. DAS system design completed and system FAT is planned in Oct-2015.</p> <p>2. Construction of BESCOM Integrated Control Centre-1 at HSR Layout is completed. BESCOM Control Centre -2 tender evaluation is in process.</p> <p>3. WPC (Wireless Planning and Co-ordination Wing) has issued Decision to grant License (DL) for UHF and Microwave Frequency allocation.</p> <p>4. Substation model building of GIS data is in progress</p> <p>5. Construction of Communication tower at HSR Layout, Tannery Road & Byatraynapura tower are completed.</p>
2	Pkg-II	Remote Terminal Units for RMUs (IIA, IIB & IIC) RTUs – 1590 Nos .	Installed–1380, Field Performance Test on RTUs conducted in 1264 locations.
3	Pkg-III	Sectionalisers & Reclosers (IIIA & IIIB) LRC-795 Nos. LBS-745 Nos.	Erected – LRC- 794 , LBS- 743 Site Acceptance Test conducted; LRC- 130 , LBS- 112
4	Pkg-IV	New Ring Main Units (IVA, IVB & IVC) RMUs – 790 Nos.	Erection completed Commissioned – 787
5	Pkg-V	New Ring Main Units in place of retrofiting (VA & VB) RMUs -800 Nos.	Erected – 644 Commissioned – 638
6	Pkg-VI	Constn. Of Overhead Distribution Lines Coyote conductor-695 KM ABC – 500 KM	Laying – Coyote-694.6 Kms, ABC-254.6 Kms Commissioned – Coyote-694.6 Kms, ABC-249 Kms
7	Pkg-I	Constn. Of Underground Distribution Lines – 230.5 KMs	Laid – 229.629 Kms, Commissioned – 229.444 Kms

(e) Financial Details of DAS project:

Total Expenditure of DAS		
Amount in Crores.		
Total Project Cost	Total Expenditure for the FY 2014-15	Total Expenditure up to 31.3.2015 from the inception of the project
563.70	50.31	345.32

(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 year 2014-15 OH (KMs)	Added during year 2014-15 UG (KMs)	Total added during year 2014-15 (in KMs)	As on 31-03-2015		Total (in KMs)
				OH (KMs)	UG (KMs)	
HT line	2366.05	748.23	3114.29	81311.37	4945.10	86256.47
LT line	2303.88	381.74	2685.62	159045.74	2140.34	161186.08

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

Particulars	25 KVA	50/63 KVA	63 to 100KVA	160 to 250 KVA	300 to 1000 KVA	Compact Sub -Stations			Total
						500 KVA	750 KVA	990 KVA	
Added during FY-14-15	10286	2895	2316	1506	326	0	3	7	17339
Existing in the system as at the end of 31-03-2015	87071	51936	47473	20380	4141	22	91	173	211287

(c) Details of category wise distribution transformer failed during 2014-15

10/15/25 KVA	50/63/75/ KVA	100/160 KVA	200/250 KVA	300/400/500 KVA	Total	% Failure
4516	6622	5392	140	18	16688	7.90

(d) GoK sponsored programmes:-

1) Ganga Kalyana electrified Installations	:	2560 Nos.
2) Energization of General IP sets	:	1562 Nos.
3) Regularization of Unauthorized IP sets	:	39501 Nos.
4) Drinking water supply energized	:	3296 Nos.

(C) RESTRUCTURED ACCELERATED POWER DEVELOPMENT AND REFORMS PROGRAMME (R-APDRP):

During 2014-15, lot of IT initiatives were taken up. The details of all the IT initiatives taken up in 2014-15 is detailed below:

XIII. MOBILE GOVERNANCE IMPLEMENTATION IN BESCO:

Government of Karnataka has launched "Mobile Governance Project" (M-One) to deliver all possible government services to citizen over Mobile phone.

All Government Departments were informed to make use of this platform as single window platform for implementing Mobile Governance initiatives.

This Mobile Governance project envisages of enabling all Government and citizen centric VAS services through various channels such as SMS, IVR, USSD, Mobile web and Smart client application. These Mobile channels are used to deliver various categories of services such as Informational services, Payment services, Data capture services etc.

In this regard, as per the Government directions BESCO decided to utilize the Mobile Governance platform to implement some of the services related to BESCO which would be useful for Consumers.

The following are the Services being used by BESCO from M-One:

- (1) Bill Payments can be made in four different modes by Consumers to BESCO:
- (2) Mobile web
- (3) IVRS
- (4) SMS
- (5) USSD
- (6) SMS PUSH service:

Billing related information, interruption details will be pushed to consumers using this service.

XIV. I.T. RELATED INITIATIVES:

(a) MIS and Ganga Kalyana web-based application:-

BESCO has successfully completed the development work of MIS and Ganga Kalyana common web-based application (Ganga Kalyana is Common web-based application which is being used by all ESCOM's and SC/ST/BC/Minority Corporations).

The data is being entered in the application by all the concerned end users and the reports are being generated which can be viewed at any hierarchy level.

This application has reduced the time taken to collect the reports from different offices and also has reduced the consolidation errors.

The Maintenance work of the said two applications for ensuring uptime running of the application is also being monitored.

(b) Appointment of IT Consultancy agency:-

BESCOM is getting increasingly enabled in IT environment and as a cause, it is envisaging technology which caters IT enabled services/e-governance initiatives to the customers in each IT initiatives it implements.

In order to augment the IT expertise available at BESCOM in-house team and to expedite the processes towards achieving objectives of BESCOM, IT consultancy services are availed from M/s. KPMG, which is mainly assigned the job of writing major IT tender RFPs. Following RFPs are written by M/s. KPMG and tenders are floated by BESCOM.

Sl. No.	Details of Activities under progress/completed by Consultants
1	RFP for IT consultants of R-APDRP Part A
2	RFP for Alternate connectivity for R-APDRP Part A
3	RFP for AMC for Wireless devices
4	RFP for License procurement for OS, MS office
5	RFP for RAM(Hardware) procurement
6	RFP for AMC for website -- bescom.org
7	RFP for PGRS integration and 2.0
8	TOR for Distribution Transformer Tracking System
9	RFP for Solar Consultant
10	TORs for Load Monitoring and Alert Application

(c) Licensed Software in BESCOM :-

As a standard policy enforcement initiative, it was decided by the Management of BESCOM to use licensed software in all the computers in BESCOM to avoid hacking of critical utility data.

In the first stage, 300 nos. computers are identified at corporate office for installation of genuine licensed software and the same is in progress. Similarly all the hardware infrastructure will be covered in the successive stages. Under RAPDRP part-A, all the system being used are under licensed software from 2010.

XV. R-APDRP PART-A in BESCOM

(a) Focus of the Programme:-

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

It is proposed to cover urban areas - towns and cities with population of more than 30,000 as per the 2001 Census will be covered. Projects under the scheme are taken up in two Parts.

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

(b) Board highlights in BESCOM 25 towns on the date of AGM:

- 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
- GIS : Under RAPDRP Part-A implementation, GIS based Consumer Indexing and Network Asset Mapping have been taken up in all the project areas up to a cutoff date which is different for different Sub divisions. In asset mapping, the HT line and LT line with assets is mapped geographically duly giving 11 digits Asset-ID for HT Poles, LT poles, Transformers, RMUs & Feeder-Pillar boxes. In Consumer Indexing, details of Consumer with meter information etc., are linked to the respective Source Asset-ID (i.e., Pole-ID and in case of self-executed DT it is DT Asset-Id in GIS.
- Due to time gap between Survey date, MBC live and GIS live operations of RAPDRP application, there are network assets which are added in between "GIS Survey" <-> "GIS Live operation", mostly because of RAPDRP Part-B works in 24 non BANGALORE towns and of DAS works in BANGALORE town which are carried out after Part-A survey. The data of these assets are not available in GIS and are therefore termed as INCREMENTAL NETWORK ASSETS.

In order to achieve accurate Energy Audit results, it is very essential to incorporate these incremental assets into GIS database in RAPDRP application and tag the incremental Feeder-wise HT consumers and DT-wise LT consumers to their associated assets in GIS. BESCOM has awarded the Contract to Karnataka State Remote Sensing Application Centre (KRSAC) for Supply of network map prints and Bangalore town land base map updating for BESCOM under RAPDRP part A.

(c) Projects Status:

Sl. No.	Name of the town	MBC Go Live	Percentage of work completed	Energy Audit Live	Percentage of work completed	Date of Implementation of EA
1	Anekal	1	100%	1	100%	100%
2	Doddaballapura	1	100%	1	100%	100%
3	Hosakote	1	100%	-	-	-
4	CBPura	1	100%	-	-	-
5	Chintamani	1	100%	-	-	-
6	Gowribidanur	1	100%	1	100%	100%
7	Shidlaghatta	1	100%	1	100%	100%
8	Channapatna	1	100%	1	100%	100%
9	Kanakapura	1	100%	1	100%	100%
10	Ramanagar	1	100%	1	100%	100%
11	Kolar	1	100%	1	100%	100%
12	Bangarpet	1	100%	1	100%	100%
13	Mulbagil	1	100%	1	100%	100%
14	Robertson-Pet	1	100%	-	-	-
15	Chitradurga	1	100%	-	-	-
16	Challakere	1	100%	1	100%	100%
17	Hiriyur	1	100%	1	100%	100%
18	Davanagere	1	100%	-	-	-
19	Harapannahally	1	100%	1	100%	100%
20	Harihara	1	100%	-	-	-
21	Kunigal	1	100%	1	100%	100%
22	Tumkur	1	100%	-	-	-
23	Sira	1	100%	1	100%	100%
24	Tiptur	1	100%	1	100%	100%
25	Bangalore	1	100%	-	-	-
		25	100%	16	64%	64%

(d) Financial progress under R-APDRP PART-A:

Escom	No. of Towns	Total Project Cost	Loan Sanctioned (Convertible To Grant)	PFC Disbursement Details	Total Expenditure Incurred		
					From PFC Funds	From Own Funds	Total
BESCOM	25	272.80	252.00	146.65	104.16	*31.47	135.63

* Rs. 31.47crores spent for metering out of BESCOM funds.

(e) Implementation of BESCO's own official EMAIL domain - bescom.co.in

During 2014-15 BESCO s owned its own mail domain. As per the state and central Govt. orders, Govt. departments are barred from using other private domain for exchanging the information over net like (Gmail, yahoo, rediff, msn etc,) to safeguard the security of the e - information. BESCO was using many domains like Gmail to send and receive information over net for official purpose till Oct – 2014. From October 2014, BESCO implemented **bescom.co.in** domain for emails under RAPDRP part A project.

The summary of the official email IDs which has created for BESCO officers are as follows:

User Category	Total users	Active Users
GM/SE and above (1 GB)	41	41
DGM/EE/DCA and below(400 MB)	658	656
AE/AO and below(300 MB)	539	346
Total	1238	1043

Till date, 1043 officers are using official email IDs to exchange the information and daily business transactions. This is one of the major achievements of BESCO towards IT initiative and 84.24% of officers are using this domain in the organization.

XVI. R-APDRPPART- B in BESCO:

Part-B includes regular distribution strengthening projects for reduction of AT & C losses less than 15%.

BESCO 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/Gol (Rs. In Crore)	Loan Released From M/s.PFC/Gol (Rs. In Crore)	Expenditure Incurred Up To Aug-2015 (Rs. In Crore)
BESCO	24	290.28	72.57	43.542	220.91

Out of 24 towns in BESCO, 22 towns are completed and the two towns namely, Chitradurga and Hiriyur the works are short closed and retendered and the balance work is under process.

XVII. NIRANTHARA JYOTHI SCHEME:

Bifurcation of Agricultural loads from existing 11 kv feeders:-

BESCO has taken up Niranthara Jyothi scheme for segregating agricultural loads from the existing 11 KV 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	4691	4607
c	Cost in Rs. crores	349.66	589.98
d	Number of Feeders	271	281

Phase-I : In phase I during FY 11-12 out of 271 feeders 267 feeders are completed and 154 feeders are commissioned, during FY 12-13, 83 feeders are commissioned, during FY 13-14 4 feeders are completed and 34 feeders are commissioned.

Phase-II : Out of 281 feeders, during FY 12-13 15 feeders have been completed and 1 feeder commissioned, during FY 13-14 111 feeders have been completed and 76 feeders commissioned, during FY 14-15 135 feeders have been completed and 179 feeders commissioned.

XVIII. HIGH VOLTAGE DISTRIBUTION SYSTEM (HVDS):

- HVDS is a technology where the Electricity is Distributed to the consumers at Higher Voltage Level (11kV) instead of Low Voltage level (400V/240V).
- Normally in the present distribution network, the 11kV HT line goes to the DTC (Distribution Transformer Centre) and from there lengthy LT Lines (400V/240V) are drawn to give supply to different installations.
- In HVDS System the HT lines are run up to the installation premises and there it is stepped down through a transformer before giving supply through service main.

The Karnataka Electricity Regulatory Commission has issued various directives with a view to reduce high levels of technical and commercial losses in the distribution system. Implementing High Voltage Distribution System by replacing the existing LT distribution is one of the important directives issued by the Commission.

Board has approved the implementation of HVDS scheme in 5 sub divisions of BESCOM vide Board Resolution No. BESCOM/AS/58th BM/2012-13/1710-24 dt: 16.03.2013 and 60th board meeting held on 5/10/2013.

Sl.No.	Name of the sub division	No. of Feeders
1	DODDABALLA PURA	31
2	TUMKUR RSD-1	17
3	TUMKUR RSD-2	8
4	CHIKKABALLAPURA	6
5	KENGERI	6
Total		68

Physical & Financial Progress:

Sl. No.	Name of the Sub Division	No. of feeders Proposed for HVDS originally	Project Cost of LOI in Cr.	No. of feeders revised in order to take up one taluk as pilot project.	Re-designated feeders from D.B pura & Kengeri	Revised Project Cost as per RC in Cr.	No. of Feeders Work Completed	No. of Feeders Work Commissioned	No. of feeders work under progress	Expenditure incurred in crores
1	Tumkur RSD 1	17	146.25	25	8		7	4	18	140.96
2	Tumkur RSD 2	8		23	15	246.01	8	8	15	
3	Kyathsandra	0	0	5	5		-	-	5	-
4	Chikkaballapura	6	34.8	6	-	74.62	6	6	-	51.7
5	Doddaballapura	31	193.0	9	-22	81.37	9	9	-	80
6	Kengeri	6	34.8	0	-6	0	-	-	-	-
	Total	68	408.85	68	0	402	30	27	38	272.66

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	

XIX. CONSUMER INITIATIVES TAKEN DURING FINANCIAL YEAR 2014-15:

(1) Integrated 24 X 7 Helpline and Public Grievance Redressal System:-

(a) To facilitate consumers, BESCOM 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 & Face book). 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 BESCOM Helpline.

(b) All the consumer complaints are being registered in the Web enabled IPGRS (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 9 Circles. In Circle Control Rooms, the executives makes follow up of complaints pertaining to their Circle till resolution.

- (c) 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 58888 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.
- (d) 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 March-15 is 25mins.

(2) Electrical Safety and Energy Savings Awareness Program:-

- a) In order to create awareness on Electrical Safety and Energy Savings, BESCO has conducted various activities to reach out consumers through through TV channels, Radio partners, Theatres and Multiplexes.
- b) In order to create awareness among the public on Electrical Safety to avoid electrical accidents and also to create awareness on Energy savings, BESCO has decided to empanel technically qualified and professionally managed NGOs/ Non-Profit Organizations in this financial year.
- c) Conducting Programs for school children through "Vidhyuth Jagruthi Yojane".

(3) Revision of KERC (Electricity Supply) Code, Conditions of Supply of Electricity of Distribution Licensees (CoS) and allied Regulations:-

As per the directions of Hon'ble Commission a Committee has been constituted for the revision of KERC (Electricity Supply) Code, Conditions of Supply of Electricity of Distribution Licensees (CoS) and allied Regulations. The Commission directed the Committee to examine the need for Simplification of the existing Supply Regulations/ Codes and recommend for a simplified set of Regulations for adoption.

In this regard, meetings are being held and the Committee has made necessary modifications in Conditions of Supply of Electricity of Distribution Licensees (CoS).

(4) Simplification of forms and procedures involved in BESCO services:-

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

In this regard, BESCO has simplified various Forms which are issued under various regulations of KERC. 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.

The followings are the various Service forms and notices simplified to facilitate Consumers:

- * Format- 1 : New Connection
- * Format- 2 : Reclassification of Consumers
- * Format- 3 : Service Certificate
- * Format- 4 : Requisition for Meter Testing
- * Format- 5 : Replacement of Burnt out Meters
- * Format- 6 : Notice for Supplemental Claims
- * Format- 7 : Final Order on Supplemental Claims
- * Format- 8 : Adjustment of Erroneous Bills
- * Format- 9 : Notice for Termination of Agreement
- * Format-10 : Application for Reduction in Load
- * Format-11 : Application for Surrender of RR Number
- * Format-12 : Requisition for Shifting of Installation
- * Format-13 : Transfer of Installation
- * Format-14 : Disconnection Notice
- * Format-15 : Appeal Before the Appellate Authority
- * Format-16 : Demand Notice for ASD
- * Format-17 : ECS Limited Mandate Form

(5) 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 2014-2015, 1356 Consumer Interaction Meetings (CIM) have been held in all the sub divisions of BESCOM.

XX. TRAINING PROGRAMS FOR THE BESCOM PERSONNEL AS PER KERC GUIDELINES:-

BESCOM is conducting continuous training programs to its personnel 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 employees to gain the qualifications, knowledge and skills in a particular subject and also to develop the ability to resolve the difficulties being faced in day today works.

XXI. QUALITY AND SAFETY:

BESCOM is committed to safety of Public and its personnel. In this direction BESCOM has undertaken improvements to the Distribution Transformer Centers. The GOS operating handle provided for operation of Distribution Transformer situated in narrow footpaths is found impeding free movement of pedestrians. Hence, BESCOM has modified the design of 11 KV GOS operation. The project cost is Rs. 12.00 crores for 60,000 no's. of units. This work was successfully implemented in E8 and C8 subdivision on trial basis for 1000 no's. After successful operation, the scheme is extended to BESCOM area. So far 10,000 no's of 11 KV GOS operating mechanism have been modified. This project is targeted to be completed before Aril 2016.

In order to provide continuous power supply to agricultural feeders under NJY BESCOM has installed state of art numerical relays to limit the loads during single phase power supply period. So far 450 no's of agricultural feeders have been provided with numerical relay protection. The balance 517 nos. under Phase 1 and Phase 2 is targeted to be completed before October 2015.

BESCOM is committed to safety of workmen working in the organization. BESCOM has provided maintenance staff with safety hand gloves, safety belts, safety helmets with indicators, reflective jackets, etc., to enable the maintenance staff to perform their duties with confidence.

XXII. INTERNAL AUDIT:

Internal Audit wing in BESCOM is functioning independently under the direct control of Managing Director, BESCOM. Internal Audit wing at Corporate office is headed by the General Manager (I/A). He is assisted by one Deputy General Manager (I/A) and 6 Assistant General Manager (I/A). Issuing clarification/circulars on all the audit related matters, verification of various level procurement of materials/services, pre-audit of power purchase bills, concurrent audit of Project section and audit of establishment & services section are being conducted. Also persuasion is being made for disposal of AG Paras with concerned accounting units for early clearance. Besides this, the special audit is conducted in respect of cases referred by the Corporate, Zones and Circles regarding cash defalcation. Audit of financial/store irregularities and procedural lapses etc., are also carried out by the Internal Audit wing.

The audit at Divisional/Circle/Zonal level comprises of purchases related to audit, establishment, store, revenue, cash & expenditure audit. All the activities are being carried out as per the norms laid down in the audit manual and circulars issued by the company from time to time. The scope of Internal Audit covers the following:

- (1) **Revenue Accounts Audit:** Revenue demanded in respect of all installations is checked in respect of accuracy by billing, classification of tariff and with respect to other parameters to ensure realization of legitimate revenue due to the company. Due to shortage of staff, every year the action plan is being completed duly using the services of retired employees and graduate assistants. During the 2014-15 "audit short claim" of Rs. 19.55 crores has been pointed out and Rs. 22.42 crores has been recovered (including the arrears amount of previous years).
- (2) **Cash Accounts Audit:** To ensure proper accounting of cash received from consumers and remittance to Corporate Office, bank reconciliation statement and cash accounts are being checked for their correctness and irregularities or prevent cash defalcation/misappropriation. During the course of the audit if any irregularities/misappropriations are noticed the same is brought to the knowledge of the management.

- (3) **Expenditure Audit:** Expenditure audit is being conducted every month to ensure all the payments made at Corporate Office, circles and divisions. During the FY 2014-15, the excess payment of Rs. 0.09 crores has been pointed out and recovered and amount to an extent of Rs. 12.52 crores has been rectified at corporate office. At the divisions and circles excess payment of Rs. 1.81 crores has been pointed out and 0.98 crores has been recovered. Similarly Rs. 2.04 crores of 'irregular payments' has been pointed out and Rs. 1.60 crores has been regularized.
- (4) **Store Audit:** Store Audit is conducted on quarterly basis. Store audit reports are being issued to the store officers of the concerned divisions for the discrepancies noticed i.e., excess materials drawn, differences in accounting of store transactions, differences in store and pricing ledger etc. It is also instructed to ensure and to report regarding proper implementation of the store final orders issued by the concerned circles every year.
- (5) **A.G./COPU Paras:** During the FY 2014-15 no paras has been received in respect of COPU.
- (6) **Special Audit:** During the FY 201-15, totally 6 cases have been received and audit of the same is under progress. Reports for the completed case have been submitted to the management for taking further necessary action as per rules.

XXIII. CORPORATE GOVERNANCE:

The Board of BESCO believes and supports Corporate Governance practices of a high standard, ensuing observance of these principles in all its dealings. All the Directors have taken active part in the proceedings of Board and Sub-Committee meetings which added value in the decision making process. The non-functional directors receive sitting fees for Board/Sub-Committee meetings attended by them. Company has complied with various statutory requirements prescribed under the Companies Act 1956 and 2013, labour Laws and other Corporate Laws wherever applicable for the FY 2014-15.

(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 BESCO as on the date of AGM:

1	P. Ravi Kumar, I.A.S.,	Chairman
2	Pankaj Kumar Pandey, I.A.S.,	Managing Director
3	Jawaid Akhtar, I.A.S.,	Director
4	Gaurav Gupta, I.A.S.,	Director
5	H. Nagesh	Director(Technical)
6	B.L. Guruprasad, I.R.S.,	Director(Finance)
7	Dipti Aditya Kanade, I.A.S.,	Director
8	T.H.M. Kumar, I.A.S.,	Director
9	K.T. Mahanthappa	Director
10	M. Nagaraju	Director
11	A.N. Jayaraj	Director
	Hiriyanna K.T.	Company Secretary

During 2014-15 and during 2015-16 (up to the date of AGM), eight Board meetings took place as detailed below:

Sl. No.	Meeting No.	Held on
1	64th	11.06.2014
2	65th	21.08.2014
3	66th	20.11.2014
4	67th	18.03.2015
5	68th	16.05.2015
6	69th	25.07.2015
7	69th (Adjourned)	04.08.2015
8	70th	15.09.2015

(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 work 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, BESCOM	Chairman
2	Director (Technical), BESCOM	Member
3	Director (Finance), BESCOM	Member
4	CEE, Tr. Zone, KPTCL, Bengaluru	Member
5	Company Secretary, BESCOM	Convener

During 2014-15 and during 2015-16 (up to the date of AGM), CPC met on the following dates:

Sl. No.	Meeting No.	Held on
1	74th	06.05.2014
2	75th	04.07.2014
3	76th	18.09.2014
4	77th	06.11.2014
5	78th	28.01.2015
6	79th	05.03.2015 & 07.03.2015
7	80th	16.04.2015
8	81st	22.04.2015
9	82nd	13.05.2015
10	83rd	06.07.2015
11	84th	15.07.2015
12	85th	04.08.2015
13	86th	04.09.2015

(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 Shareholder at the General Meeting.

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

1	Managing Director, BESCOM	Chairman
2	Director(Finance), BESCOM	Member
3	CEE, Tr. Zone, KPTCL, Bengaluru	Member
4	Company Secretary, BESCOM	Convener

During the year under report (FY 2014-15), the Borrowing Sub-Committee held its meetings as below:

Sl. No.	For availing Finance from	Amount in crores	Held on
1	M/s. Rural Electrification Corporation Ltd.	Rs. 250.2553	17.07.2014
2	M/s. Rural Electrification Corporation Ltd.	Rs. 353.3617	17.07.2014
3	M/s. State Bank of Mysore	Rs. 100	16.03.2015

(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	CEE, Tr. Zone, KPTCL, Bengaluru	Member
4	Company Secretary, BESCOM	Convener

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) Discussion 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 approval.

- 8) Review of adequacy of internal controls to review reports on inventory, completion reports of capital works, standard 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 2014-15 and during 2015-16 (up to the date of AGM), the Audit Committee met four times as below:

Sl. No.	Meeting No.	Held on
1	24th	18.08.2014
2	25th	12.11.2014
3	26th	22.12.2014
4	27th	05.06.2015

(4) CSR Committee:

As stipulated under section 135 of the Companies Act 2013 every Company having a net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or net profit of rupees five crores or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director. According to the said provisions under Companies Act 2013, BESCO is required to constitute the CSR Committee since the net worth of BESCO at the end of financial year 2014-15 is Rs.1387.21 crores and turnover is Rs.13684.85 crores. Board at its 69th meeting held on 25.07.2015 constituted the CSR Committee with the members comprising the following Directors:

- 1) Sri. P. Ravi Kumar, IAS., : Chairman
- 2) Sri. Pankaj Kumar Pandey, IAS., : Member
- 3) Sri. Nagesh.H, B.E., FIE., : Member
- 4) Sri. Guru Prasad. B.L, IRS., : Member
- 5) Sri. T.H.M.Kumar, IAS., : Member

The Board of every company referred to in section 135 sub-section(1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. However, since in the past years except during FY 2013-14 and during FY 2014-15, the Company (BESCO) has incurred loss to an extent of Rs.665.31 crores and accumulated loss still to be set off to an extent of Rs.475.76 crores as on 31.03.2015 [Profit during FY 2013-14 and 2014-15 is Rs.76.10 crores and Rs.113.44 crores respectively]. In view of this Board of Directors has

decided not to recommend for declaration of any dividend for the financial year 2014-15 and the profit component will be transferred to 'reserve'

(5) Statutory Auditors:

The C & AG of India has appointed M/s. V.K.Niranjan & Co., Kurubura sangha Building, 202 and 204 Kanakadasa Circle, Kalidasa marga, Gandhi Nagar, Bengaluru as Statutory Auditors for auditing the accounts of BESCOM for the Financial Year 2014-15 as per the provisions of Companies Act 2013. The said auditors have completed the audit and have submitted their report as per statutory requirement.

(6) Cost Auditors:

The Board of BESCOM has appointed M/s. Rao, Murthy & Associates, Cost Accountants, No.23/33, Surveyor's Street, Basavanagudi, Bengaluru-560 004 as Cost Auditors for auditing the cost accounts of BESCOM for the Financial Year 2014-15 as per the provisions of Companies Act 2013. The said auditors have completed the audit and have submitted their report as per statutory requirement.

(7) Secretarial Auditors:

The Board of BESCOM has appointed M/s. P.K.Pande & Associates, a firm of Company Secretaries, No.139, Shalimar Galaxy, 1st Main Road, Sheshadripuram, Bengaluru-560 020 as Secretarial Auditors for auditing the accounts of BESCOM for the Financial Year 2014-15 as per the provisions of Companies Act 2013. The said auditors have completed the audit and have submitted their report as per statutory requirement.

XXIV. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134 sub-section (3) of the Companies Act 2013 with regard to "Directors' Responsibility Statement", it is hereby confirmed that:

- (1) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (2) Accounting policies have been selected and applied consistently and judgments and estimates are made that are responsible and prudent so as to give a fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period;
- (3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and
- (4) Annual accounts have been prepared on a going concern basis.

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

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

To:

The Members,

Bangalore Electricity Supply Company Limited

Registered Office: K R Circle, Bangalore

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes' books, forms and returns filed and other records made available to me and maintained by the Company for the Financial Year ended 31st March, 2015 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there-under: During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards subject to the following observations:
 - (i) The updated Statutory Books as prescribed under the provisions of Companies Act, 1956 should be kept as permanent records. They are not updated;
 - (ii) The Statutory Books as prescribed under the provisions of Companies Act, 2013 have not been kept and maintained;
 - (iii) Violation of the provisions of Section 203 of the Companies Act, 2015. The Company has appointed the whole time Company Secretary on its rolls only from January, 2015. Till such time, the non-compliance is continuous one.

- (iv) The following mandatory Committees have not been constituted:
- (a) Establishment of Vigilance Mechanism – Section 177(1) of Companies Act, 2013;
 - (b) Nomination & Remuneration Committee – Section 178 of Companies Act, 2013. The need to form this Committee to a Government Company is only partially exempted.
2. This being a unlisted, public, Government Company, wholly owned by the Government of Karnataka, the following Acts will not apply to it:
- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
 - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
3. For the reasons stated to in point No.2, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') will not apply to this Company:
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
4. The Company has not done any foreign exchange related transactions during the period under review and, therefore, there is nothing to report under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
5. The Specific Act applicable to the Company is Karnataka Electricity Act and the Company has complied with the provisions of the Act.
6. During the course of audit it was informed to me that, among other Acts applicable to the Company, the information and documents relating to the following Acts have not been provided to me; nor the Company has shown any exemptions granted to it by the respective regulatory authorities and, therefore, I am unable to comment about the compliance of these Acts.
- (a) Workmen's Compensation Act, 1923
 - (b) The Payment of Wages Act, 1936
 - (c) Industrial Disputes Act, 1948
 - (d) Minimum Wages Act, 1947

- (e) Factories Act, 1948
- (f) Employee's State Insurance Act, 1948
- (g) Employee's Provident Funds & Miscellaneous Provisions Act, 1952
- (h) Payment of Bonus Act, 1965
- (i) Contract Labour (Regulation and Abolition) Act, 1970
- (j) Maternity Benefit Act, 1961
- (k) Employment Exchanges Act, 1959
- (l) Equal Remuneration Act, 1976
- (m) Property Tax

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India, which are only recommendatory in nature during the period under review.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of// Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Having gone through the proceedings of the Board and Committee meetings, I observe that all the decisions at these meetings were carried through unanimously and there were no dissenting views emanated from the members of the Board and Committee.

I further report that as per the explanations given to me and the representations made by the management, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to my observations made in points No.3 and 6 above.

Sd/-

P K Pande

Practicing Company Secretary
FCS – 5487; CP No.3984

Place : Bangalore
Date : 16th September, 2015

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BANGALORE ELECTICITY SUPPLY COMPANY LIMITED, BANGALORE, FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of financial statements of **Bangalore Electricity Supply Company Limited, Bangalore** for the year ended **31 March 2015** in accordance with the financial reporting framework prescribed under Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18.09.2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of **Bangalore Electricity supply Company Limited, Bangalore** for the year ended **31 March 2015**. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the **Note No. 30.25** financial statements, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143(6) (b) of the Act.

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

Sd/-

(BIJIT KUMAR MUKHERJEE)
ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT)
KARNATAKA, BANGALORE

Bangalore.

Date: 24 September 2015.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

Pursuant to the observations made by Comptroller and Auditor General of India under section 143(7) of the companies Act, the accounts approved by the Board of Directors on 15.09.2015 have been revised, this report supersedes our earlier report dated 03.08.2015. 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 31 March 2015, the Statement of Profit and Loss, the 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;

The Company's Board of Directors and management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 audit opinion on the financial statements.

Basis for Qualified Opinion

1. **Remittances and transfers from/to head office:** The Company is showing balances of Rs -28.74 lacs (P.Y. Rs 125.74 lac) under other current assets as remittances-in-transit. The impact of above stated balance on the financial statement is an understatement of other current assets and its contra effect is not readily ascertainable.
2. **Accrual system:** As per section 128(1) of the Companies Act, 2013, 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 128(1) of the Companies Act, 2013.
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. As per companies Act 2013, 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.
 - 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 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.
4. **Short recognition of interest:** Deposit made in fixed deposit account no: 64131380598 with state bank of Mysore of Rs.3,31,97,211 was renewed on 22.06.2014 with maturity date 03.09.2015. Interest amount to be recognized in the books from 22/06/2014 to 31/03/2015 is Rs.19,94,788 but actual amount is calculated from 27/01/2015 to 31/03/2015 and recognized is Rs. 4,51,118 i.e., 64 days instead of 283 days. Therefore short recognition of interest of Rs.15,43,670 leads to understatement of profit for the year.
5. **Depreciation on intangible assets:** Depreciation on software and software rights has not been charged on opening balance of assets of Rs.71, 35,689 and on additions made during the year of Rs.2, 11, 40,340, as a result there is overstatement of profit and asset. The quantum of over statement is not ascertainable.
6. Rate fluctuation in power purchase during the previous years of Rs.248, 35, 92,079/- is recognized as other income for the year instead of treating it as prior period income.

7. *Corporate social responsibility committee has not been constituted as per section 135(1) of companies' act 2013.*
8. **Capital Work in progress:** *We have observed in many divisions proper asset register not maintained for the works completed. For the works completed completion certificate has not been obtained, hence the work completed has not been capitalized. For e.g.in divisions like Hiriyur, Tumkur, Indira Nagar, Kengeri, KGF, Ramnagar, Madhugiri etc.*
9. **Balance Confirmation:**
 - a. *The Company has not obtained confirmation and reconciled the balances as on 31.03.2015 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.*
10. *An Abstract of monetary effect of the above mentioned qualifications (to the extent quantifiable) on the financial statements of the company are as follows:*

(Amount in lakhs of Rupees)

Category	Overstated/(understated)
A. Net loss	(15.43)
B. Current Asset	(44.17)
C. Reserve and Surplus Losses as at 31/03/2015	(15.43)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015;
- b) In the case of the Statement of Profit and Loss, 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 Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. Note no 30.2.1 regarding certain loans availed by KPTCL transferred to BESCO and reflected as loans in the books of the company.
- b. Note no. 30.3.5 regarding non provisioning for expenses relating to transfer of titles of certain assets transferred by KPTCL.
- c. Note no. 30.5.2 regarding accounting of excess or shortages found on physical verification of inventories pending final investigation.
- d. Note no. 30.7.1 regarding accounting of contingent liabilities / assets are not ascertained on contracts remaining to be executed.
- e. Note no. 30.8 Regarding Inter Unit Accounts are subject to reconciliation/adjustments to the extent of Rs.106.24 crore (Credit), Previous Year Rs. 35.19 crore (Credit).
- f. Note no. 30.16 regarding non disclosures of payables to SMEs if any.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Compliance to directions issued by C&AG of India u/s 143(5) of companies Act 2013 are given in the annexure II of the auditors' report.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Divisions not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the trial balances were received from the divisions not visited by us.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards. Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Except for the matter described in the basis for qualified opinion paragraph above.
 - e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to the other matters included in the Auditor's Report in accordance with rule II of Companies (Audit and Auditors) Rules, 2014 .
 - i) There were no pending litigations which would have an impact on the financial position of the company.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

FOR **V K NIRANJAN & CO**
Chartered Accountants
Firm's Reg. No. 002468S

Sd/-

CA NIRANJAN V K
PARTNER
M No. 021432

Place: BENGALURU
Dated: 18/09/2015

ANNEXURE I 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 2015, 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.**
- b. **As explained to us, the company has physically verified items falling under category of Office Equipments, T&P materials (Almairahs, 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 of the regularity of physical verification of such assets.

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 account (Excess stock of Rs.2.46 crore and a shortfall of Rs. 1.84 crore – net being excess Rs. 0.62 crore).**
- iii) The company has no transactions covered under section 189 of the Companies Act, 2013. Hence commenting on the entry in the register maintained under section 189 and its prices being reasonable having regard to prevailing market prices at the relevant time 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. **In our opinion, the existing internal control and internal audit system is ineffective and not commensurate with the size of the company and the nature of its business, due to lack of proper Internal Audit, Reports, presentation, periodicity, inadequacy of coverage by inventory. There is no internal control system relating to store maintenance, fixed assets accounting with proper classification details.**
- v) There is no continuing failure in correcting major weakness in the internal control system.
- vi) According to information and explanation given to us, the company has not accepted any deposits under the provisions of Section 73 to 76 of the Companies Act, 2013.
- vii) 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 148 (1) of the Companies Act 2013 and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained.

viii) 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 to the concerned authorities.**
- b. According to the information and explanations given to us, the company has not deposited the following statutory dues on account of disputes:

Name of the Statute	Nature of the dues	Amount of tax involved (Rs. in crore)	Period to which the amount relates	Forum of dispute
Income tax Act, 1961	Income tax	12.56	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

- a. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- ix) **The company's accumulated losses 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 and in the immediately preceding financial year.**
- x) Based on our audit 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.
- xi) According to information and explanation given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions.
- xii) The term loans availed by the company have been applied for the purposes for which such loans are availed.
- xiii) According to the information and explanations given to us and overall examination of the balance sheet of the company, we report that no fraud on or by the company has been noticed or reported during the year under audit.

FOR V K NIRANJAN & CO
Chartered Accountants
Firm's Reg. No. 002468S

Sd/-

CA NIRANJAN V K
PARTNER
M No. 021432

Place: BENGALURU
Dated: 18/09/2015

ANNEXURE II TO THE AUDITORS' REPORT

Directions under section 143(5) of Companies Act 2013

Sl.No.	Directions
1	<p>If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined including the mode and present stage of disinvestment process.</p> <p><i>There is no disinvestment during the year. Valuation of Assets is accounted on historical Cost on conventional basis. Hence, there is no scope for revaluation.</i></p>
2	<p>Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.</p> <p><i>There are no cases of Waiver / Write off debts / Loans/ Interest during FY2014-15</i></p>
3	<p>Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.</p> <p><i>There is a exclusive account code wherein inventory given to third parties is accounted and controlled by the BESCO.</i></p> <p><i>There are no assets received as gift from Govt. or other authorities.</i></p>
4	<p>A report on age –wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local) may be given.</p> <p><i>Information is not provided relating age-wise analysis of pending legal/arbitration cases including the reasons of pendency existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local).</i></p>

However Revenue appeals statistics are given below:

Sl.No.	Particulars	BMAZ	BRAZ	CZ	Total
1	CURRENT YEAR No. of Appeal cases pending as on 31-03-2015	348	83	31	462
2	Amount involved (Rs. in Lakhs)	2326.76	95.88	39.33	2461.97
3	PREVIOUS YEAR No. of Appeal cases pending as on 31-03-2014	354	109	30	493
4	Amount involved (Rs. in Lakhs)	2383.11	91.69	36.41	2511.21

Additional Company Specific Directions:

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

As per codal on distribution of energy issued by KERC, BESCO is having all the installations are metered except Irrigation Pump sets which is monitored at Feeder/DTC level metering. Meters are of Electromechanical & electrostatic nature.

Billing and Collection is tamper proof with identity Management is put into use wherein each and every activity concerning Demand and collection is password protected and system driven, thereby there is a mechanism of validation of Billing accuracy with respect to rate validation, sales validation and related issues.

- b. Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.

There is a periodical reconciliation on power purchase activity. Reconciliation of Inter ESCOM receivables and payables i.e., between BESCO and CESCO or BESCO & MESCOM in respect of material and other transfer is not done periodically since impact is minimal, confirmation is pending from other ESCOMS.

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

KERC has put in quarterly mechanism for arriving at FAC for each quarter based on sales mix and certified by Chartered Accountant as prescribed by KERC.

- d. How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government?

There is no roll back of any subsidy (Both revenue and Capital) for Current Year.

- e. If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/software/hardware?.

Presently, all the issues relating to Revenue is computerized up to the level of generation of MIS report. BESCO utilizes this core report for accounting & recognizing the revenue.

The other aspects as such payroll, Inventory, Capex, Assetisation, Cash Management etc., are not in the electronic format. Computerization of all these aspects is under process of initial stage.

There is a security policy for data/software/hardware protection by exclusive section under IDAM (identity management).

FOR V K NIRANJAN and Co.

Chartered Accountants

Firm's Reg. No. 002468S

Sd/-

CA NIRANJAN V K

PARTNER

M No. 021432

Place: BENGALURU

Dated: 18/09/2015

ADDENDUM TO DIRECTORS REPORT for the year 31st March 2015

Replies offered on the observation/ comments of the Statutory Auditors on the accounts of the company for the year 2014-15 are as follows

Sl. No.	Observations of the Statutory Auditors	Management's Reply
1	Remittances and transfers from/ to head office: The company is showing balances of Rs (-)28.74 lacs (P.Y. Rs 125.74 lac) under other current assets as remittances-in-transit. The impact of above stated balance on the financial statement is an understatement 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 Mar) will be transferred to main account by concerned Bank in the first week of Apr, thereby those items are kept under transit
2	Accrual system: As per section 128(1) of the Companies act, 2013, 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 128(1) of the Companies Act, 2013.	Factual- Grants and subsidies received from the Government in respect of capital assets is accounted on receipt basis only because company cannot quantify or assess the capital grant /Capital Subsidy for taking into books.
3 a	Deviations from Accounting Standards: 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.	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 receipted 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 individual items of the nature of Insulators, Pot Heads, bolts, Nuts, structural, etc., any how Company will contemplate procedure for implementation of AS 2 in FY2015-16.

Sl. No.	Observations of the Statutory Auditors	Management's Reply
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 .As per Companies Act 2013, 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.	<p>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.</p> <p>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.</p>
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.	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.
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 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.	<p>Factual-</p> <p>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.</p>
4.	Short recognition of interest: Deposit made in fixed deposit account no: 64131380598 with State Bank of Mysore of Rs.3,31,97,211 was renewed on 22.06.2014 with maturity date 03.09.2015. Interest amount to be recognized in the books from	Factual- The necessary correction and corresponding accounting treatment will be dealt in FY 2015-16

Sl. No.	Observations of the Statutory Auditors	Management's Reply
	22.06.2014 to 31.03.2015 is Rs. 19,94,788 but actual amount is calculated from 27.01.2015 to 31.03.2015 and recognized is Rs. 4,51,118 i.e. 64 days instead of 283 days. Therefore short recognition of interest of Rs. 15,43,670 leads to understatement of profit for the year.	
5.	Depreciation on intangible assets: Depreciation on software and software rights has not been charged on opening balance of assets of Rs. 71,35,689 and on additions made during the year of Rs. 2,11,40,340 as a result there is overstatement of profit and asset. The quantum of over statement is not ascertainable.	Factual- The necessary correction and corresponding accounting treatment will be dealt in FY 2015-16
6.	Rate fluctuation in power purchase during the previous years of Rs. 248,35,92,079 is recognized as other income for the year instead of treating it as prior period income.	As per prudence practice any rate fluctuations/ variations in power purchase is recognized and brought under "Note-24- Purchase of Power" only as a distinct item. As the power purchase expenditure is significant and amounts to more than 90% of companies total expenses, all the transactions relating to Power purchase is brought under "Note-24- Purchase of Power" Apart from this, the crystallization of rate variations/ fluctuation happens in the year of accounting only thereby not accounted under prior period but treated as other income
7.	Corporate Social responsibility committee has not been constituted as per section 135(1) of Companies Act 2013.	As stipulated under section 135(1) of the Companies Act 2013, Board at its 69th meeting held on 25.07.2015 constituted the CSR Committee.
8	Capital Work in progress: We have observed in many divisions proper asset register not maintained for the works completed. For the works completed completion certificate has not been obtained, hence the work completed has not been capitalized. For e.g. in divisions like Hiriyur, Tumkur, Indiranagar, Kengeri, KGF, Ramnagar, Madhugiri etc.	Action will be initiated to avoid such delay in getting Completion Certificate and necessary instructions will be issued to adhere for proper maintenance of Asset Register and categorization of completed works immediately on completion/ commissioning of the asset & put into use by obtaining Technical Certificate/ Commissioning Report
9	Balance Confirmation: The Company has not obtained confirmation and reconciled the	Transactions pertaining to ESCOMS, KPTCL, PCKL are taken to the books by the Company

Sl. No.	Observations of the Statutory Auditors	Management's Reply								
	balances as on 31.03.2015 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.	<p>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.</p> <p>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.</p> <p>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.</p>								
10	<p>An Abstract of monetary effect of the above mentioned qualifications (to the extent quantifiable) on the financial statements of the company are as follows:</p> <p style="text-align: center;">(Amount in lakhs of Rs)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Overstated/ Understated</th> </tr> </thead> <tbody> <tr> <td>A. Net loss</td> <td>(15.43)</td> </tr> <tr> <td>B. Current Asset</td> <td>(44.17)</td> </tr> <tr> <td>C. Reserve and Surplus Losses as at 31/03/2015</td> <td>(15.43)</td> </tr> </tbody> </table>	Category	Overstated/ Understated	A. Net loss	(15.43)	B. Current Asset	(44.17)	C. Reserve and Surplus Losses as at 31/03/2015	(15.43)	It is the combined effect on observations of statutory auditors for which specific replies provided as above.
Category	Overstated/ Understated									
A. Net loss	(15.43)									
B. Current Asset	(44.17)									
C. Reserve and Surplus Losses as at 31/03/2015	(15.43)									

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 Bangalore Urban, Bangalore Rural, Ramanagara, Chickaballapura, Kolar, Tumkur, Chitradurga and Davanagere).

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

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

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 III of Companies Act, 2013 including accounting standards notified thereunder 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 II of the Companies Act, 2013.

- 8.3 Table below Show the rate of Depreciation

As per Schedule II of Companies Act, 2013	% of Depreciation	As per CERC(Notification No. L-7/145/160/2008-CERC Dated 19/01/2009)	% of Depreciation
Land & Rights			
Buildings	Nil	Buildings	Nil
a) Buildings other than Factory Buildings	3.17	a) Hydro Electric/ Stream Electric/ Diesel /Dams/Cooling towers.	5.28
b) Factory Buildings	3.17	b) Offices & Show Rooms	3.34
Civil Works (Pipeline, Sewage, Drainage, Water supply)	3.17	Civil Works (Pipeline, Sewage, Drainage, Water supply)	3.34
Other Civil Works	3.17	Other Civil Works	5.28
Plant & Machinery		Plant & Machinery	
a) Used in Generation , Transmission and Distribution of power	2.71	a) Transformers of 100 KVA above & Below	5.28
b) Computers :		b) Communication Equipment\	6.33
i. Servers and networks	15.83	c) Computers	15.00
ii. End users devices like desktop, Laptop etc.,	31.67		
Lines Cable Networks	2.71	Lines Cable Networks	5.28
Vehicles	11.88	Vehicles	9.50
Furniture & Fixtures	9.50	Furniture & Fixtures	6.33
Office Equipments	19.00	Office Equipments	6.33

Residual value remains at 5% whereas CERC guidelines it is notified as 10%

- 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, 2013) 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 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 BESCO 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 BESCO 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, 2015

(Amount in Rs.)

Sl. No.	Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
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		1711 89 86 087	1426 28 07 003
	(B) Others		151 08 00 000	133 08 00 000
	(C) Profit/(Loss)		(475 76 51 684)	(589 20 87 978)
	Sub Total (b)		1387 21 34 403	970 15 19 025
		A	1934 12 85 403	1517 06 70 025
2	Non-current liabilities			
	(a) Long-term borrowings	3	2509 42 62 421	2370 69 56 445
	(b) Deferred tax liabilities (net)	4		
	(c) Other long-term liabilities	5	3016 35 53 239	2569 77 06 513
	(d) Long-term provisions	6	50 08 89 956	42 70 63 232
		B	5575 87 05 616	4983 17 26 190
3	Current liabilities			
	(a) Short-term borrowings	7	2819 98 89 187	2018 83 99 087
	(b) Trade payables	8	3942 32 11 614	3499 42 10 013
	(c) Other current liabilities	9	336 51 31 917	586 82 60 881
	(d) Short-term provisions	10	36 89 58 283	10 07 02 483
		C	7135 71 91 001	6115 15 72 464
		(A+B+C)	14645 71 82 020	12615 39 68 679
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	5057 49 89 102	3832 41 16 703
	(ii) Intangible assets	11	4 86 53 306	2 75 57 336
	(iii) Capital work-in-progress	12	1424 07 48 981	1286 24 09 702
	(iv) Intangible assets under development	13	-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments	14	10 01 00 000	10 01 00 000
	(c) Deferred tax assets (net)	4	-	-
	(d) Long-term loans and advances	15	624 45 03 225	677 79 71 013
	(e) Other non-current assets	16		
		A	7120 89 94 614	5809 21 54 754
2	Current assets			
	(a) Current investments	17	-	-
	(b) Inventories	18	201 42 44 852	155 75 27 678
	(c) Trade receivables	19	6672 06 53 842	5892 88 33 034
	(d) Cash and cash equivalents	20	170 15 68 735	143 49 11 332
	(e) Short-term loans and advances	21	39 65 41 739	31 24 29 290
	(f) Other current assets	22	441 51 78 238	582 81 12 591
		B	7524 81 87 406	6806 18 13 925
		(A+B)	14645 71 82 020	12615 39 68 679
	TOTAL	(A+B)	14645 71 82 020	12615 39 68 679

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

Sd/-

(CA Niranjana. V.K)

Partner

M.No: 21432

For and on behalf of the Board of Directors

Sd/-

(K.T.Hiriyanna)

Company Secretary

Sd/-

(B.L.Guruprasad)

CFO & Director (Finance)

Sd/-

(Pankaj Kumar Pandey)

Managing Director

Place : Bangalore

Date : 18-09-2015

Statement of Profit and Loss

(Amount in Rs.)

Sl. No.	Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
1	Revenue from operations	23	13479 60 46 742	11617 35 34 966
2	Other Income	23A	205 24 39 266	182 78 56 287
	TOTAL REVENUE		13684 84 86 008	11800 13 91 253
3	Expenses			
	Purchase of Power	24	11685 02 83 737	10656 87 27 849
	Other operating expenses	25	54 94 02 861	51 65 67 266
	Employee Benefits Expense	26	802 35 29 384	753 27 77 251
	Other expenses	27	397 07 21 062	319 34 64 028
	Finance costs	28	397 66 20 444	323 45 43 618
	TOTAL EXPENSES		13337 05 57 489	12104 60 80 012
4	Profits before Depreciation, Prior period items, exceptional items, extraordinary items, Income Tax (1+2-3)		347 79 28 519	(304 46 88 760)
5	Depreciation	29	199 78 51 796	126 18 25 520
6	Profit / (Loss) before Prior period items, exceptional and extraordinary items and Income Tax (4-5)		148 00 76 723	(430 65 14 280)
7	Exceptional items {Expenses(+)/Income(-)}	31	22 85 07 802	43 49 92 916
8	Profit / (Loss) before Prior period items, extraordinary items and Tax (6-7)		125 15 68 921	(474 15 07 196)
9	Prior period Items - {Expenses (+) / Income (-)}	32	14 03 67 373	30 67 38 538
10	Extraordinary & Prior period items {Expenses (+) / Income (-)}	33	-	524 53 00 000
11	Profit / (Loss) before Tax (8-9-10)		139 19 36 294	81 05 31 342
12	Income Tax Expense:			
	(a) Current tax expense		25 75 00 000	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)		113 44 36 294	76 10 31 342
14	Profit / (Loss) from discontinuing operations			
15	Profit / (Loss) for the year (13+14)		113 44 36 294	76 10 31 342
16	Earnings per equity share of Rs. 10 each.			
	(1) Basic		2.07	1.39
	(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 V.K.Niranjan & Co.

Chartered Accountants
FRN: 2468S

Sd/-
(CA Niranjan. V.K)

Partner
M.No: 21432

For and on behalf of the Board of Directors

Sd/-
(K.T.Hiriyanna)
Company Secretary

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

Sd/-
(Pankaj Kumar Pandey)
Managing Director

Place : Bangalore
Date : 18-09-2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs.)

Sl. No.	Particulars	Current Year 2014-15		Previous Year 2013-14	
A	Cash Flow from Operating Activities				
	Net Profit before Tax	139 19 36 294		81 05 31 342	
	Adjustments for:				
	Depreciation	199 78 51 796		126 18 25 520	
	Finance cost	397 66 20 444		323 45 43 618	
	Extraordinary items- Trueup Subsidy			524 53 00 000	
	Change in Provision for Debtors	7 74 81 224		26 11 05 558	
	Change in Provision for Employee advances				
	Change in Provision for Dismantled Assets	-		92 04 649	
	Reversal of Depreciation on Grants Asset (Other Income)	(110 50 38 514)		(122 65 09 587)	
	Prior period charges(+) or credits(-)	(5 92 61 598)		30 67 38 538	
	Income Tax	(25 75 00 000)		(4 95 00 000)	
	Operating Profit before working capital changes	602 20 89 646		985 32 39 638	
	Adjustments for				
	Changes in Inventories	(45 67 17 173)		(65 47 64 070)	
	Changes in Sundry Debtors	(786 93 02 033)		(1165 21 29 021)	
	Changes in Short term Loans and Advances	(8 41 12 449)		(1 83 08 920)	
	Changes in Long term Loans and Advances	53 34 67 788		(251 17 40 235)	
	Changes in Other Current Assets	141 29 34 353		(8 14 07 477)	
	Changes in Current Liabilities				
	Trade Payable	442 90 01 602		589 34 43 919	
	Other current liabilities	(250 31 28 964)		65 64 67 633	
	Changes in Short term Provisions	26 82 55 800		4 35 41 588	
	Changes in Long term Provisions	7 38 26 724		(29 67 28 445)	
	Changes in Other Long-Term Liabilities	446 58 46 726		221 78 91 653	
Operating Profit after working capital changes	629 21 62 020		344 95 06 263		
Prior period charges(+) or credits(-)	5 92 61 598		(30 67 38 538)		
Extraordinary items- Trueup Subsidy	-		(524 53 00 000)		
Net Cash inflow from Operating Activities		635 14 23 618		(210 25 32 275)	
B	Cash Flow from Investment Activities				
	Changes in Fixed Assets (Net)	(1426 98 20 164)		(735 81 67 663)	
	Changes in Capital Work in Progress Investments	(137 83 39 279)		(282 75 13 468)	
C	Net Cash Outflow from Investment Activities		(1564 81 59 443)		(1018 56 81 131)
	Cash Flow from Financing Activities				
	Changes in Capital/Share Deposit Account	18 00 00 000		35 58 00 000	
	Changes in Secured Loans				
	Changes in Unsecured Loans				
	Changes in Long-Term Borrowings	138 73 05 976		1277 04 27 756	
	Changes in Short-Term Borrowings	801 14 90 100		(212 38 54 698)	
	Change in Current maturities of long term debts/Current liabilities				
	Finance cost	(397 66 20 444)		40 34 17 940	
	Contributions from Consumers/Reversal of Depreciation on Grants Asset (Other Income)	396 12 17 596		(323 45 43 618)	
	Other Income			273 34 28 751	
	Net Cash available from Financing Activities		956 33 93 228		1090 46 76 132
D	Net Change in Cash and Cash equivalents - Surplus Cash [(A) + (B) + (C)]		26 66 57 403		(138 35 37 274)
	Add: Opening Cash and Cash equivalents		143 49 11 332		281 84 48 606
E	Closing Cash and Cash equivalent :		170 15 68 735		143 49 11 332
			170 15 68 735		143 49 11 332

NOTES TO THE FINANCIAL STATEMENTS

Note 1A : Share Capital

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	As at 31 March, 2015		As at 31 March, 2014	
			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, 2015		As at 31 March, 2014	
			Number of shares	Rs.	Number of shares	Rs.
A	Equity Shares of Rs 10 each Opening Balance Add: Fresh Issue		54 69 15 100	546 91 51 000	54 69 15 100	546 91 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, 2015		As at 31 March, 2014	
			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 2014-15		Previous Year 2013-14	
A	Capital Reserve					
1	Contributions and grants towards cost of Capital assets	55.1				
	Opening Balance		1198 75 68 695		1028 30 06 054	
	Add: Additions during the year		386 16 38 080		273 34 28 753	
			1584 92 06 775		1301 64 34 807	
	Less: Reversal of depreciation		96 11 11 039		102 88 66 112	
	Closing Balance		1488 80 95 736	1488 80 95 736	1198 75 68 695	1198 75 68 695
2	Subsidies received from REC towards RGGVY scheme	55.210				
	Opening Balance		104 43 96 086		110 24 70 618	
	Add: Additions during the year		104 43 96 086		110 24 70 618	
	Less: Reversal of depreciation		6 32 90 403		5 80 74 532	
	Closing Balance		98 11 05 683	98 11 05 683	104 43 96 086	104 43 96 086
3	Grants towards cost of Capital Assets/ regularisation of unauthorised IP set installations received from Government	55.3				
	Opening Balance		123 08 42 223		137 04 11 167	
	Add: Additions during the year		9 95 79 517		-	
	Less: Reversal of GoK Order					
			133 04 21 740		137 04 11 167	
	Less: Reversal of depreciation		8 06 37 072		13 95 68 944	
	Closing Balance		124 97 84 668	124 97 84 668	123 08 42 223	123 08 42 223
	Total Capital Reserves			1711 89 86 087		1426 28 07 004
B	Others					
1	Share deposit					
	Opening Balance		133 08 00 000		97 50 00 000	
	Add: Additions during the year		18 00 00 000		35 58 00 000	
			151 08 00 000		133 08 00 000	
	Less: Fresh issue of equity shares					
	Less: Excess transferred to income					
	Closing Balance		151 08 00 000	151 08 00 000	133 08 00 000	133 08 00 000
C	Surplus/(Deficit) in Statement of Profit and Loss					
	Opening Balance		(589 20 87 978)		(665 31 19 320)	
	Add/(Less): Net Profit / (Net Loss) for the year		113 44 36 294		76 10 31 342	
	Closing Balance			(475 76 51 684)		(589 20 87 978)
	Total			1387 21 34 403		970 15 19 026

NOTES TO THE FINANCIAL STATEMENTS

Note 3 : Long-Term Borrowings

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	SECURED LOANS					
	Term Loans From					
	-Banks (Refer Note 3A below)		1179 50 00 794		1205 27 54 777	
	-Others (Refer Note 3A below)		1289 85 57 663		937 44 66 120	
	Sub-Total			2469 35 58 457		2142 72 20 897
B	UNSECURED LOANS					
	Term Loans From					
	-Banks (Refer Note 3B below)				227 97 35 548	
	-Others (Refer Note 3B below)		40 07 03 964			
	Sub-Total			40 07 03 964		227 97 35 548
	Total			2509 42 62 421		2370 69 56 445

Note 3 A : Secured Loans

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	Term Loans from Banks					
1	Bank of India	53.500	114 18 46 017		142 80 00 000	
	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 10.35% 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					
2	Canara Bank	53.500	659 99 54 777		699 99 54 777	
	"For Rs.400 cr 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.9.25crs each Interest to be paid as when due . ROI for Rs.370crs base rate +1% presently 11.10% first installment due on 24.01.2017. Hypotecation of Fixed assets of the Company valued at Rs.417.09 crs.""					

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
3	Bank of Maharashtra For Rs.125 Cr The term of repayment in 28 quarter,27 quaterly installment of Rs.4.47 Crs per quarter and Rs.4.31 Crs in 28th quarter after initial moratourium period. ROI at B.R+0.10% & for Rs.275.00 crs repayment of Rs.9.28 crs per quarter &for 28th quarter Rs.9.86crs after initial moratoirum period ROI at B.R.+0.10%. Hypotecation of Fixed assets of the Company valued Rs.139 Crs.	53.500	305 32 00 000		362 48 00 000	
4	State Bank of Mysore Repayment within 13 years (including moratorium period of three years) payable in 33 quarterly instalment of Rs. 3.3 Crore each. at the end of 30 th instalment will be of Rs.3.43 Crs Interest to be paid as & when due. ROI for Rs 100crs base rate + 0.25% pa (floting without spread reset).	53.500	100 00 00 000		-	
SUB TOTAL				1179 50 00 794		1205 27 54 777

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, equipmetns, machinery spares, tools, implements, and accessories installed / created / erected in future and its stock of materials equipments bought or to be bought out of the loan amount at 8.5% & 11.70% interest rates.)	53.3327	22 07 74 100		41 73 98 490	
2	PFC - RAPDRP (Part A) ""The tenure of loan will be 10 years from the date of disbursement including morotorium 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 assests under the project as securities for loan. First instalment due on 19.07.2012"	53.347	146 64 80 900		146 64 80 900	

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
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 assests under the project as securities for loan.First instalment falls due in the month of July-2015	53.347	43 54 20 000		197 45 22 979	
3(a)	RAPDRP PFC (B) (Counter part Funding) The loan shall be repaid in 60(SIXTY) equal quaterly installments . The first installments become due on 15th day of october 2015 the subsequent installments will become due for payment on the 15th day of January ,15th day of April ,15th day of July ,15th day of October Every year	53.347	150 95 97 409		-	
4	PFC DRUM PROJECT "The Loan shall be repaid by the Disribution 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	4 10 65 742		6 15 98 619	
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 relavence laws & Regulation of Japan.The Company repay principial amount in accordance with amortization schedule setforth in the agreement.The Company shall pay the interest semiannuallyat the rate of three- fourth of one percent (0.75%)p.a	53.340	276 97 27 679		260 92 49 302	

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
6	REC (TL) NJY Phase 2					
	"Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % PA"Secured by way of hypothecation of all assets created under the loan."	53.335	230 10 64 644		166 33 19 810	
7	REC (TL) DTC Metering					
	"Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % PA"Secured by way of hypothecation of all assets created under the loan."	53.335	136 49 34 209		118 18 96 020	
8	REC (TL) HVDS					
	"Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % PA"Secured by way of hypothecation of all assets created under the loan."	53.335	93 41 14 549		-	
9	REC (TL)UAIP					
	"Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % PA"Secured by way of hypothecation of all assets created under the loan."	53.335	74 86 59 018		-	
10	REC (TL) Capex					
	"Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % PA"Secured by way of hypothecation of all assets created under the loan."	53.335	110 67 19 413		-	
Sub-Total				1289 85 57 663		937 44 66 120
Total				2469 35 58 457		2142 72 20 897

Note 3 B : Un Secured Loans

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Loans from Government - PMGY "(The repayments to be made in 20 annual equal instalments together with interest at the rate 12% on the outstanding balance commencing from 2002-2003 pertaining to Rs.45,33,130 and commencing from 2005-06 pertaining to Rs.87,50,000. However, 50% of loan "Repayment commenced from 2002-03 & 2005-06 for Rs 4533130 & Rs 8750000 respectively"	53.3077	66 15 110		77 17 630	
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	29 19 60 383		33 36 69 010	
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 5years moratorium period together with interest @ 5% - 12.25% with quarterly interest)"Repayment begun from 15/03/2012."	53.3357	8 97 78 752		10 63 18 898	
5	Loan from GoK for Power Sector Automation Loan for a period of ten years at the rate of 9% p.a.No specific Term & 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 mar-2009 at the rate of 9% p.a	53.3417	29 40 000		44 10 000	
6	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	
7	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	
Sub-Total			40 07 03 964		227 97 35 548	
			40 07 03 964		227 97 35 548	

NOTES TO THE FINANCIAL STATEMENTS

Note 5 : Other Long-Term Liabilities

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
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,	179 20 90 773		111 76 25 012	
	ii) Deposit Works	47.306	5 28 56 609	184 49 47 382	4 21 47 659	115 97 72 671
	(a) Deposit Contribution Work	47				
2	Other Deposits from Consumers	47.6	85 51 45 780		78 85 96 143	
3	Security Deposit from consumers:	48.1+48.2 +48.3	2746 34 60 077		2374 93 37 699	
	(b) Security Deposit from consumers			2831 86 05 857		2453 79 33 842
	Total			3016 35 53 239		2569 77 06 513

Note 6 : Long Term Provisions

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Provision for Employee Benefits					
	Provision for Gratuity, Pension, Leave encashment, PF & Family Benefit Fund	44.122, 130,140 to 142		50 08 89 956		42 70 63 232
	Total			50 08 89 956		42 70 63 232

NOTES TO THE FINANCIAL STATEMENTS

Note 7 : Short-Term Borrowings

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15	Previous Year 2013-14
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
1.2	"Vijaya Bank" STL for a period of 270days. To be repayed on 271st 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	500 00 00 000	149 99 38 176
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	350 00 00 000	125 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	100 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	133 32 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
1.7	Syndicate Bank	53.5007	131 25 00 000	250 00 00 000
2	Overdrafts			
2.1	Bank of Baroda - OD limit Rs. 150 crore	24.420	75 23 53 213	140 53 55 812
2.2	Vijaya Bank - OD limit Rs. 300 crore	24.409	299 38 13 098	196 02 66 718
2.3	Canara Bank - OD limit Rs. 700 crore	24.414	743 39 89 968	503 01 19 192
2.4	Syndicate Bank - OD limit Rs. 100 crore	24.415	99 79 10 282	101 18 02 797
2.5	Bank of India - OD limit Rs. 200 crore	24.428	194 75 78 745	99 67 26 687
2.6	State Bank of Mysore - OD limit Rs. 200 crore	24.411	192 85 43 881	103 41 89 707-
	TOTAL		2819 98 89 187	2018 83 99 087

NOTES TO THE FINANCIAL STATEMENTS

Note 8 : Trade Payables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Sundry Creditors for Purchase of Power	41 Series		3230 76 02 277		2910 96 84 352
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		594 95 51 677		458 61 32 763
B	Payable for other services					
1	Levies / fees payable to GoK	46.300 +46.301 +46.441		30 66 89 928		46 64 43 477
2	Outstanding Liability - for Expenses	46.103, 410,470, 46.929		82 58 67 694		80 58 72 369
3	Payable to other ESCOMs	42.231 +42.232 +42.272 +42.243 +42.273		3 35 00 038		2 60 77 052
Total				3942 32 11 614		3499 42 10 013

NOTES TO THE FINANCIAL STATEMENTS

Note 9 : Other Current Liabilities

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Current maturities of long term debts		159 30 43 642	159 30 43 642	134 45 88 556	134 45 88 556
2	Interest accrued but not due on loans	46.710		5 84 22 649		6 84 44 678
3	Deposits from Suppliers, Contractors Etc.					
	Security Deposits in cash from Suppliers / Contractors	46.101	29 65 42 981		37 04 04 165	
	Security deposit other than in cash from suppliers / contractors	46.102	92 25 519	30 57 68 500	97 15 592	38 01 19 757
4	Advance consumption charges LT & HT	23.181 & 23.293	35 19 12 140	35 19 12 140	66 97 24 497	66 97 24 497
5	Revenue Suspense Account & Anywhere payment	47.607, 37.501, 502,503, 504			135 99 61 118	135 99 61 118
6	Other Payables					
	Stale Cheques	46.910	89 74 671		1 02 14 182	
	Retention Money - Bill amount retained	46.104	62 30 03 271		66 71 31 882	
	Other ESCOM - CESC	42.282	19 15 320		100 88 00 000	
	Excess credit under reconciliation with Bank	46.972, 976,977	(4 66 96 841)		(45 86 282)	
	Draught relief fund.	46.978	89 87 712		89 94 913	
	Miscellaneous Deposits/Other liabilities	46.966, 46.9	45 90 73 653	105 52 57 786	35 41 40 380	204 46 95 075
	Amount withheld from employees against recoverables	28				
	Contribution received by BESCO against compensation to the victims of Electrical accidents .	47.323	7 27 200	7 27 200	7 27 200	7 27 200
	Inter Unit Accounts					
7	Advance Retention Money (Delay condon)	28.105				
TOTAL				336 51 31 917		586 82 60 881

Note 10 : Short-Term Provisions

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Provision for Employee Benefits			6 19 58 283		5 12 02 483
	Unpaid Salaries	44.210	1 18 894		1 45 392	
	Unpaid Bonus	44.220	61 965		56 426	
	Salary payable	44.310	2 86 37 917		1 47 75 256	
	Bonus payable	44.320	21 94 052		23 69 841	
	Ex-gratia payable	44.330	3 09 45 455		3 38 55 568	
2	Provision for Income-Tax & Fringe Benefit Tax	46.800	30 70 00 000	30 70 00 000	4 95 00 000	49,500,000
TOTAL				36 89 58 283		10 07 02 483

NOTES TO THE FINANCIAL STATEMENTS

Note 11 : Tangible / Intangible Assets

(Amount in Rs.)

Particulars		Fixed Assets			
Asset Group	A/c Code	Opening Balance as at 1-4-2014	Additions	Deductions	Closing Balance as at 31-3-2015
TANGIBLE ASSETS					
Land & Rights	10.1	7 50 68 115	3 10 614	-	7 53 78 729
Buildings	10.2	60 39 38 343	18 96 82 513	-	79 36 20 856
Civil Works (Pipeline, Sewage, Drainage, Water supply)	10.3	3 05 56 487	33 09 101	-	3 38 65 588
Other Civil Works	10.4	51 29 460	29 73 491	-	81 02 951
Plant & Machinery	10.5	1168 38 26 116	431 17 38 481	100 26 45 871	1499 29 18 726
Lines Cable Networks	10.6	4327 47 55 771	1189 67 04 836	75 41 26 874	5441 73 33 733
Vehicles	10.7	18 70 14 903	19 04 332	20 61 989	18 68 57 246
Furniture & Fixtures	10.8	10 43 38 925	1 23 80 600	3 46 373	11 63 73 152
Office Equipments	10.9	8 81 55 923	3 11 66 890	1 48 777	11 91 74 036
Current Year Total		5605 27 84 043	1645 01 70 858	175 93 29 884	7074 36 25 017
Previous Year Total		4796 14 82 682	942 13 88 310	133 00 86 949	5605 27 84 043

(Amount in Rs.)

Particulars	Depreciation							Net Block	
	A/c Code	Opening Balance As at 1-4-2014	Additions	Deductions	Short depreciation provided	Excess depreciation withdrawn	Closing Balance As at 31-3-2015	As at 31-3-2015	As at 31-3-2014
TANGIBLE ASSETS									
Land & Rights	12.1	13 86 845	9 24 472	-	-	-	23 11 317	7 30 67 412	7 36 81 270
Buildings	12.2	14 95 78 049	2 92 51 531	-	5 49 540	36 37 257	17 57 41 863	61 78 78 993	45 43 60 294
Civil Works (Pipeline, Sewage, Drainage, Water supply)	12.3	1 17 99 473	16 74 864	-	2 127	3 212	1 34 73 252	2 03 92 336	1 87 57 014
Other Civil Works	12.4	19 13 008	1 82 030	-	-	-	20 95 038	60 07 913	32 16 452
Plant & Machinery	12.5	301 37 94 429	72 49 19 798	19 25 58 639	3 13 33 056	71 58 246	357 03 30 398	1142 25 88 328	867 00 31 687
Lines Cable Networks	12.6	1436 01 81 886	230 49 44 200	54 40 71 649	8 04 08 927	71 32 780	1619 43 30 584	3822 30 03 149	2891 45 73 885
Vehicles	12.7	11 17 97 083	1 02 24 266	20 17 244	1 19 063	62 561	12 00 60 607	6 67 96 639	7 52 17 820
Furniture & Fixtures	12.8	5 02 31 301	49 05 921	3 09 895	3 10 487	6 639	5 51 31 175	6 12 41 977	5 41 07 624
Office Equipments	12.9	2 79 85 265	55 16 153	2 94 233	19 69 413	14 917	3 51 61 681	8 40 12 355	6 01 70 658
Current Year Total		1772 86 67 340	308 25 43 235	73 92 51 660	11 46 92 613	1 80 15 612	2016 86 35 915	5057 49 89 102	3832 41 16 703
Previous 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

(Amount in Rs.)

Particulars	Depreciation				
	A/c Code	Opening Balance As at 1-4-2014	Additions	Deductions	Closing Balance As at 31-3-2015
INTANGIBLE ASSETS					
Land & Rights	10.1	2 05 54 757	-	-	2 05 54 757
Software & Software Rights	18.1	71 35 689	2 11 40 340	-	2 82 76 029
Current Year Total		2 76 90 446	2 11 40 340	-	4 88 30 786
Previous Year Total		2 12 89 814	7 35 057	-	2 12 89 814

Particulars	Depreciation						Net Block		
	A/c Code	Opening Balance As at 1-4-2014	Additions	Deductions	Short depreciation provided	Excess depreciation withdrawn	Closing Balance As at 31-3-2015	As at 31-3-2015	As at 31-3-2014
INTANGIBLE ASSETS									
Land & Rights	12.1	1 33 110	44 370	-	-	-	1 77 480	2 03 77 277	2 04 21 647
Software & Software Rights	18.1							2 82 76 029	71 35 689
Current Year Total		1 33 110	44 370	-	-	-	1 77 480	4 86 53 306	2 75 57 336
Previous Year Total		88 740	44 370	-	-	-	1 33 110	2 75 57 336	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 12 : Capital Work-in-Progress

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Capital Work in Progress	14	1323 36 35 281		1186 97 75 511	
2	Contracts in Progress	15.128	4 96 38 241		1 74 71 790	
	Capital Work in Progress	14 series		1328 32 73 522		1188 72 47 301
3	Provision for works.	15.500		45 52 37 024		51 12 19 217
4	Dismantled assets for reuse (valued at WDV)					
a)	Value of scraped assets	16.1	15 35 44 590		8 16 01 624	
	Less : 20% Provision estimated/possible erosion in value		-		1 63 20 325	
				15 35 44 590		6 52 81 299
b)	Value of Faulty and Dismantled assets for reuse	16.2	36 91 57 145		49 21 46 806	
	Less : 20% Provision estimated/possible erosion in value		-		9 34 84 920	
	Less : Depreciation		2 04 63 300			
				34 86 93 845		39 86 61 886
	Sub-Total			50 22 38 435		46 39 43 185
	TOTAL			1424 07 48 981		1286 24 09 702

Note 14 : Non-Current Investments

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
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 15 : Long-Term Loans & Advances

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	CAPITAL ADVANCES					
1	Advances to Suppliers	25.1 to 25.5, 27.106	16 30 40 424		25 52 21 124	
2	Advances to Contractors	26.6	243 80 58 147		372 33 73 958	
3	Loans and Advances - Others	27.8 47.308, 309,310, 311	314 03 15 414		228 88 11 142	
				574 14 13 985		626 74 06 224
B	DEPOSITS					
a)	Security Deposits with Railways and Others	28.9	36 30 89 240		37 05 64 789	
b)	Security Deposit from Suppliers & Contractors other than cash.	28.930				
c)	Deposit with Jurala Hydro Electric Project	20.251	14 00 00 000		14 00 00 000	
				50 30 89 240		51 05 64 789
	Total			624 45 03 225		677 79 71 013

Note 18 : Inventories, Stores & Spares

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Stores, spares and loose tools (Stocks are valued at standard cost)					
a)	Material Stock Account	22.610	197 95 53 048		153 05 48 617	
	Less : Excess /Shortage	22.810- 22.820	(23 91 892)	197 71 61 156	(23 05 394)	152 82 43 223
b)	Mateterial imprest Account	22.641		1 10 96 579		82 73 436
c)	Other Material Account	22.700		2 59 87 117		2 10 11 019
	TOTAL 1 + 2			201 42 44 852		155 75 27 678

NOTES TO THE FINANCIAL STATEMENTS

Note 19 : Trade Receivables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Sundry Debtors - Supply of Power					
	a) Sundry Debtors for sale of Power – LT	23.1	3852 40 05 324		3588 01 81 638	
	b) Sundry Debtors for sale of Power - HT	23.2	32 18 55 573	3884 58 60 897	94 91 31 241	3682 93 12 879
		28.625	524 53 00 000		524 53 00 000	
	c) Amounts Receivable from GoK towards Free Power Supply to IP sets upto 10HP	28.627	648 15 44 153		434 51 13 289	
	d) Tariff subsidy Receivable from GOK towards BJ/KJ installation	28.626	54 63 13 743	1227 31 57 896	105 56 07 896	1064 60 21 185
	1. Unbilled Revenue - LT	23.4	487 85 78 194		364 94 98 818	
	2. Unbilled Revenue - HT	23.4	533 06 19 761		499 59 28 042	
	3. Dues from Permanently disconnected installations	23.5	119 20 73 439		118 82 97 305	
	4. Sundry Debtors - miscellaneous receipts from consumers	23.7	(54 557)		27 365	
	5. Provision for withdrawal of Revenue demand	23.8	(4 29 67 369)	1135 82 49 468	(5 29 54 241)	978 07 97 289
	6. Revenue Suspense Account & Anywhere payment	47.607, 47.609, 47.611, 47.612	(28 59 89 011)	(28 59 89 011)	-	-
	Total 1			- 6219 12 79 250	- 5725 61 31 353	
2	Inter ESCOMs Energy balancing & Energy charges at IF point	23.6	1279 84 56 498	1279 84 56 498	1225 00 91 744	1225 00 91 744
	Grand Total - (1+2)			7498 97 35 748		6950 62 23 097
3	Less :					
	Provision for Doubtful Dues from consumers	23.9	1241 80 29 587		1233 05 61 491	-
	Total - 3			1241 80 29 587		1233 05 61 491
4	Net Receivables against Supply of Power (2 -3)			6257 17 06 161		5717 56 61 606
5	Sundry Receivables from					
A	KPTCL	28.826, 831,836, 841	32 06 09 650		35 05 72 565	-
	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				

NOTES TO THE FINANCIAL STATEMENTS

Note 19 : Trade Receivables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
c	On account of Materials, Released Assets, Personnel and others (Cash transactions)	42.276, 277,278, 52.308		9 95 81 386		9 09 08 372
	Net receivable from KPTCL			22 10 28 264		25 96 64 193
B	MESCOM	28.828, 833,838, 28.927		1 59 54 756		1 59 54 756
C	GESCOM	28.830, 835,840, 928		6 67 92 684		2 55 79 993
D	HESCOM	28.829, 834,839, 929		3 71 88 878		4 92 18 767
	KPTCL & Other ESCOMS	28.8		34 09 64 582		35 04 17 709
	Other Receivables-suppliers/Contractors	28.8	(7 67 43 097)			55 21 607
	Government and other local bodies receivables	28.1	281 20 79 365			88 28 88 589
	Sub Total		273 53 36 268	273 53 36 268	88 84 10 196	88 84 10 196
	Total - 5			307 63 00 850		123 88 27 905
6	Sundry Debtors for Electricity Tax	23.3		107 26 46 831		51 43 43 523
	Total 4+5+6			6672 06 53 842		5892 88 33 034

NOTES TO THE FINANCIAL STATEMENTS

Note 20 : Cash & Cash Equivalents

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Cash on hand	24.110+ 24.210	19 20 75 370	19 20 75 370		26 53 59 189
2	Cheques, drafts on hand					
3	Balances with Banks:					
	(i) in current accounts					
	(a) Operative Accounts with scheduled banks	24.400	5 33 95 609			7 08 82 538
	(b) Non-Operative Accounts with scheduled banks	24.300	53 63 02 629	58 96 98 238		33 96 21 022
	(ii) in deposit accounts *	20.2	91 95 80 427	91 95 80 427		75 88 93 142
4	Stamps on Hand	24.120, 24.130, 24.140		2 14 700		1 55 441
TOTAL				170 15 68 735		143 49 11 332

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

Note 21 : Short Term Loans & Advances

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Advance to Suppliers					
2	Deposits					
3	Advance Tax (Net of Provision for Tax)					
a	Tax deducted at source - (income Tax)	28.850	2 75 49 421	2 75 49 421	-	2 74 87 860
b	Income Tax including Advance Tax	28.821	13 51 94 590	13 51 94 590	-	7 76 15 299
c	Income tax of earlier years					
d	Income tax refund to be received	28.821		-		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	14 13 05 917		9 94 42 858	
b	Amounts recoverable from ex-employees	28.402	3 05 79 686		2 50 91 515	
c	Less : Provision for Doubtful of recovery from ex-employees	28.899	6 18 56 673	11 00 28 930	6 18 56 673	6 26 77 700
6	Loans and Advances to Staff - Interest free	27.2		12 37 68 798		13 73 09 589
TOTAL				39 65 41 739		31 24 29 290

NOTES TO THE FINANCIAL STATEMENTS

Note 22 : Other Current Assets

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	Other Current Assets					
1	Remittance to Head Office -Transit Account	24.5	8 12 58 135		15 87 737	
2	Transfers from Head Office In Transit Account	24.6	-	8 12 58 135	1 09 86 851	1 25 74 588
3	Amount paid to IT under protest	28.821	73 79 33 607	73 79 33 607	-	73 79 33 607
4	Other Receivables	28.72, 28.74	1 02 12 735	1 02 12 735	-	90 43 827
5	Receivables from Pension / Gratuity Trust	28.9	8 73 21 354	8 73 21 354	-	5 27 92 397
6	Cash Receivables from Associates - KPTCL/ ESCOMS	28.9	452 64 39 995	452 64 39 995	-	531 93 07 967
7	Receivable from GOK refund of meterequipment security deposit	28.710				
8	Interest accrued but not due on deposits (including Bank Deposits)	28.2 & 3		12 05 95 148		4 72 50 707
9	Prepaid expenses	28.820		10 25 624		11 92 338
1	Inter Unit Accounts- Materials	31	(8 27 23 693)		(7 00 41 233)	
2	IUA - CWIP, Fixed Assets, depreciation provision / obsolete and released assets	32	2 46 35 202		8 68 18 614	
3	Inter Unit Accounts - (1993) Personnel	36	(15 14 64 589)		4 49 96 345	
4	IUA - Other transactions / adjustments	37	(94 01 28 340)		(41 38 32 930)	
5	IUA-Remittances to HO	33	23 065		26 370	
	IUA-Transfer from HO	34	49 994		49 994	
10	Inter Unit Accounts			(114 96 08 360)		(35 19 82 840)
Total (A + B)				441 51 78 238		582 81 12 591

NOTES TO THE FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars		A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	LT 1(a) I	BJ/KJ Up To 18 Units Metered installations	61.101	41 40 27 233		31 05 38 974	
2	LT 1(a) I	BJ/KJ Up To 18 Units Un Metered installations	61.102	1 611		76 975	
3	LT 1 II	BJ/KJ Above 18 Units having more than one outlet	61.103	23 16 50 788		30 13 33 816	
4	LT 2A I	Lighting/combined lighting, heating & motive power installations BBMP (Urban) - LT 2(a)I	61.111	2473 59 34 302		21 54 05 55 828	
5	LT 2A II	Lighting/combined lighting, heating & motive power installations (Urban Local Bodis other than LT 2(a)i - LT2 (a)ii	61.112	206 67 20 610		178 50 15 794	
6	LT 2A III	Lighting/combined lighting, heating & motive power installations (Village Panchayats) - LT 2(a)iii	61.113	11 02 964		-	
7	LT 2A FL	Lighting/combined lighting, heating & motive power installations (Free Lighting)	61.114	6 43 75 703		6 45 28 300	
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	25 32 64 497		21 50 10 172	
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	2 97 90 779		3 28 12 938	
10	LT 3 I	Commercial Lighting, heating & motive power installations of ULBs including City Corporations	61.131	1245 33 62 303		1130 65 98 459	
11	LT 3 II	Commercial Lighting, heating & motive power installations VPs- LT3 (ii)	61.132	121 04 23 229		84 80 65 440	
12	LT 3 FL	Commercial Lighting, heating & motive power installations - Office Lighting	61.133	1 66 30 090		2 37 60 565	
13	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	1358 79 09 389		781 72 45 948	
14		IPSets upto and inclusive of 10HP- where meters are fixed-Rural feeders-LT4(a)i-Free power-Metered	61.142	3 34 655		-	
15		IPSets upto and inclusive of 10HP- Urban feeders metered-LT4(a)ii-Free power-metered	61.143	69 368		8 56 340	

NOTES TO THE FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
16	IPSets upto and inclusive of 10HP- Urban feeders Unmetered-LT4(a)ii- Free power-Unmetered	61.146	25 180		-	
17	LT 4B I.P.Sets above 10HP-LT4(b)	61.144	6 00 00 346		1 26 72 199	
18	LT 4C IP sets Pvt. Hortl, Nurseries, Coffee & Tea Plantations irrespective of sanctioned load - LT4(c)	61.145	10 66 03 792		1 09 81 150	
19	Revenue from sale of power - IP sets - hor. Nur. Coffee & Tea above 10HP- LT 4 C(ii)	61.147	26 76 597		2 85 326	
20	LT 5A Heating & motive power (including lighting) of BBMP area upto & below 5HP - LT5(a)i	61.151	56 51 19 295		54 79 69 630	
21	Heating & motive power (including lighting) of Bangalore Metropolitan area for above 5HP & below 40HP (including demand based tariff) - LT 5(a)ii	61.152	173 58 30 620		156 23 11 447	
22	Heating & motive power (including lighting) of BBMP area for 40HP & above but below 67HP (including demand based tariff) - LT 5(a)iii	61.153	203 36 34 048		179 22 87 359	
23	Heating & motive power (including lighting)-BBMP area for 67HP & above (including demand based tariff) - LT 5(a)iv	61.154	53 64 79 333		48 96 92 523	
24	LT 5B Heating & motive power (including lighting) of other than BBMP area upto and below 5HP - LT 5(b)i	61.155	37 19 32 802		31 68 07 760	
25	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	92 67 85 396		93 22 67 738	
26	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	94 72 05 340		87 46 47 008	
27	Heating & motive power (including lighting) other than BBMP area for 67HP and above (including demand based tariff) - LT 5(b)iv	61.158	10 80 20 134		15 06 82 171	
28	LT 6B I Water supply installations of VPs/TP's and TMC/CMCs - LT 6	61.171	359 35 52 605		317 72 03 418	
29	LT 6B II Public Lighting installations of VPs /TP's and TMC/CMCs - LT 6	61.172	294 74 72 349		271 09 62 997	

NOTES TO THE FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
30	LT 7	Temporary Power Supply - LT installations - LT7	61.181	225 18 42 573		176 65 50 138
I		Sale of Power LT category			7125 27 77 931	5859 17 20 413
31	HT 1	Drainage/Sewerage BWSSB & Local bodies/KUWS & SB - Water supply installations -HT 1	61.250	287 48 94 771		269 43 47 684
32	HT 2A I	Industries in BBMP area - HT 2(a)i	61.260	1595 23 99 837		1470 38 42 886
33	HT 2A II	Industries in areas other than BBMP area - HT 2(a)ii	61.261	1717 77 04 142		1519 79 09 396
	HT 2C I	Revenue from sale of power - Govt. hospitals & Hospitals run by charitable institution, Educational institution	61.263	58 69 44 908		25 17 79 882
	HT 2C II	Revenue from sale of power - Govt. hospitals & Hospitals run by charitable institution, Educational institution other than those covered under HT2CI	61.264	78 16 76 726		42 07 22 427
34	HT 2B I	HT Commercial applicable to BBMP area - HT2(b)i	61.270	2186 85 90 304		2111 55 52 296
		Water Supply installations of VP's/TP's & TMC/CMC's - LT6	61.271	29 52 03 781		30 78 17 384
35	HT 2B II	HT Commercial applicable to areas other than BBMP area - HT2(b)ii	61.273	148 58 30 614		151 77 68 163
36	HT 3A I	Lift Irrigation Schemes-Govt Dept & Govt owned Corporations - HT3(a)i	61.280	3 82 58 365		4 07 03 067
37	HT 3A II	Lift irrigation Schemes - Pvt LI Schemes and LI societies HT 3 a (ii)	61.281	1 35 190		(10 51 37 960)
38	HT 3B	Lift irrigation Govt Horticulture, Coffee, Tea, coconut, Arecant, Etc Agricultural farms HT 3 b	61.282	27 31 111		8 14 113
39	HT 3B	Lift irrigation Govt Horticulture, Coffee, Tea, coconut, Arecant, Etc Agricultural farms HT 3 b	61.289	6 64 776		3 55 232
40	HT 4A	Residential apartments and colonies of BBMP Area HT 4 (a)	61.290	75 77 13 834		60 71 23 092
41	HT 4B	Residential apartments and colonies Urban Local Bodies other than HT 4 (a) - HT 4 (b)	61.291	2 50 69 685		9 82 933
42	HT 4C	Residential apartments and colonies of VPs - HT 4 (c)	61.292	60 78 112		4 30 08 168
43	HT 5	Temporary Power Supply - HT installations - HT5	61.293	74 79 10 398		21 96 00 361
II		Sale of Power HT category			6260 18 06 554	5701 71 89 124
		Total LT + HT			13385 45 84 485	11560 89 09 537

NOTES TO THE FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
III	Other - Operating revenues					
1	Fuse charges	61.901	66 152		45 399	
2	Reconnection Fee (D & R)	61.902	1 03 09 711		6 19 135	
3	Public Lighting Maintenance Charges	61.903	-		5 788	
4	Service Connection	61.904	47 14 66 126		39 87 82 078	
5	Delayed payment charges from consumers.	61.905			7 14 315	
6	Other Receipts from consumers	61.906	52 51 88 271		23 59 08 704	
7	Registration fee towards SRTPV connection (Solar rooftop PV system)	61.907	16 83 515		21 452	
8	Facilitation fee towards SRTPV connection (Solar rooftop PV system)	61.908	11 000		-	
9	Recoveries for theft of power	61.710	51 15 073		-	
				101 38 39 848		63 60 96 871
10	Provision for withdrawal of Revenue Demand	83.8	-	7 23 77 591		7 14 71 442
	TOTAL			13479 60 46 742		11617 35 34 966

NOTES TO THE FINANCIAL STATEMENTS

Note 23A : Other Income

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
	Interest on Bank Fixed Deposits	62.222, 260,270, 240	10 22 87 652		12 75 23 146	
	Interest - Others	62.260	48 85 722		39 15 097	
1	Interest Income :			10 71 73 374		13 14 38 243
2	Other non operating income					
	Profit on sale of stores	62.330 - 79.573	98 27 389		(74 24 369)	
	Rent	62.901	1 90 28 905		2 48 67 999	
	Incentives received	62.907 +62.361 +62.911 +62.922 +92+923 +62.361 +62.918	141 29 10 634		128 87 69 722	
	Excess provision made in prior period which is no longer required	62.325	14 48 791			
	Value of materials found excess during physical verification	62.905	41 03 253		27 02 004	
	Miscellaneous	62.917	46 82 79 238		26 23 32 482	
	Rebate at 0.5% for collection of Electricity Duty	62.916	2 96 67 682		2 66 92 160	
	Subsidy received from G.O.K	61.122			9 84 78 046	
				194 52 65 892		169 64 18 044
	TOTAL			205 24 39 266		182 78 56 287

NOTES TO THE FINANCIAL STATEMENTS

Note 24 : Purchase of Power

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Power Purchase Cost	70		11936 65 34 184		10942 30 48 271
1	Revenue from sale of power - HESCOM - Energy balancing at IF poit and above 33KV	61.310	91 71 00 000		128 96 65 313	
2	Revenue from sale of power - GESCOM - Energy balancing at IF poit and above 33KV	61.311	110 73 00 000			
		61.312	89 56 06 077		21 25 93 923	
3	Revenue from sale of power - CESC -Energy balancing at IF poit and above 33KV	61.313	5 94 00 000		63 20 95 381	
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	1 40 87 965			
7	Revenue from Inter-ESCOM exchange of energy cahrges 11KV & LT - CESC	61.317	1 73 30 416			
	Less : Energy balancing between ESCOMs	61.3		301 08 24 458		213 43 54 617
	Total			11635 57 09 726		10728 86 93 654
	Add : Short provision for power purchased in previous years	83.100		330 00 95 784		125 39 15 029
	Less : Excess provision for Power purchased in previous years	65.800		27 66 36 714		151 50 85 823
	Less : Rate fluctuation - power purchase	65.900		248 35 92 079		45 87 95 011
	Total			11689 55 76 717		10656 87 27 849
	Less : Excess provision for Others	65.900		4 52 92 980		-
	Grand Total			11685 02 83 737		10656 87 27 849

NOTES TO THE FINANCIAL STATEMENTS

Note 25 : Other Operating Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Repairs and maintenance - plant and machinery	74.1		36 99 71 106		36 90 25 668
	Buildings	74.2	3 68 97 266		1 75 27 645	
	Civil works (Pipeline, Seweage, drainage and water supply)	74.3	56 63 207		27 85 059	
2	Repairs and maintenance - buildings	74.2 & 3		4 25 60 473		2 03 12 704
3	Lines, Cable Net Work Etc.	74.5	12 24 93 805		11 73 97 007	
	Vehicles	74.6	1 09 51 257		67 07 700	
	Furniture and Fixtures	74.7	5 934		1 13 700	
4	Office Equipments.	74.8	35 34 211		30 10 487	
5	R & M charged to Capital Works (Credit account)	74.9	(1 13 925)		-	
6	Repairs and maintenance - others	74.3 to 74.8		13 68 71 282		12 72 28 894
7	Computer Rentals/maintenance charges	77.611				
				54 94 02 861		51 65 67 266

NOTES TO THE FINANCIAL STATEMENTS

Note 26 : Employee Benefits

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Salaries and Wages	75.1 to 75.4				
	Salaries	75.1	395 23 53 163		401 79 30 268	
	Over Time	75.2	10 78 49 056		10 41 03 488	
	Dearness Allowance	75.3	96 84 32 864		59 47 94 688	
	Other Allowances	75.4	94 41 79 228	597 28 14 311	94 09 42 019	565 77 70 463
2	Bonus	75.5	4 84 99 406	4 84 99 406	-	4 59 13 759
3	Terminal Benefits	75.8	134 31 75 427	134 31 75 427	-	130 51 79 799
4	Staff Welfare					
	Medical Expenses reimbursement	75.611	10 12 64 940		8 54 67 161	
	Leave travel assistance	75.612	7 698		32 538	
	Earned Leave Encashment - For employees covered under Contributory Pension Scheme.	75.616	9 83 61 982		7 41 10 479	
	Earned leave encashment	75.617	24 79 17 162		16 96 73 741	
	E.L.Encashment - Retirement / Deceased Employees	75.618	16 15 13 485		12 20 49 820	
	Staff Welfare expenses	75.700	8 41 00 342		8 22 30 761	
	Compensation for injuries, death and damages ? Staff	79.530			36 99 493	
				69 31 65 609		53 72 63 993
5	Workmen compensation					
	Payment under workmens compensation Act	75.629	28 49 960		11 38 180	
	Payment to helpers/employees of Monsoon gang	75.630	1 06 07 935	1 34 57 895	94 26 565	1 05 64 745
6	Employees cost charged to capital works (Credit Account)	75.900		(4 75 83 264)	(2 39 15 508)	(2 39 15 508)
TOTAL				802 35 29 384		753 27 77 251

NOTES TO THE FINANCIAL STATEMENTS

Note 27 : Other Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Rent	76.101	13 81 70 513		12 92 07 920	
2	Postage stamps & Telephone charges	76.111, 112,113, 115	7 21 80 779		6 52 93 559	
3	Remuneration to contract agencies	76.116+ 76.126+ 127+128+ 129+130+ 141+142+ 143	109 61 08 124		80 55 69 535	
4	Professional, legal and consultancy	76.122 +123+ 124+125	3 53 75 284		2 20 42 142	
5	Conveyance & Travel expenses	76.131, 135,137 to 139,	38 72 48 347		35 20 85 414	
6	Vehicle running expenses	76.136	3 10 24 634		2 97 50 318	
7	Fees & Subscriptions	76.151	3 92 32 954		3 63 60 618	
8	Printing & Stationery	76.152 76.153	6 19 56 384		2 65 18 093	
9	Advertisement Expenses	76.155, 76.260	2 76 87 173		2 46 53 768	
10	Computer stationary and floppies	76.156	55 12 913		59 36 125	
11	Contributions	76.157	30 44 998		2 610	
12	Electricity Charges	76.158	2 33 23 495		2 49 15 283	
13	Freight & other material related expenses	76.201 to 76.282	1 12 06 544		1 22 41 046	
14	Miscellaneous including provisions					
	Rates & Taxes	76.102	68 14 212		68 75 907	
	Insurance/fee	76.104, 105,106, 103	5 32 450		2 07 328	
	Security Charges	76.103				
	Water Charges	76.160	35 79 749		28 91 850	
	DSM Expenses	76.193	4 77 13 531		1 44 48 818	
	License Fees	76.154	2 379		69 78 778	
	Miscellaneous expenses	76.152, 162,164, 190,191, 192,79.2	4 49 74 857		3 91 33 735	

NOTES TO THE FINANCIAL STATEMENTS

Note 27 : Other Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
15	Details of Payments to Auditors (including legal & Professional charges)					
	a) Audit Fees					
	- Statutory Audit Fees			8 00 000		8 00 000
	- Tax Audit Fees			1 50 000		1 50 000
	b) For Re-imbusement of expenses			40 000		40 000
	c) For Service Tax			1 20 000		1 20 000
16	Expenses towards CSR- (Corporate Social Responsibilities)	76.194			33 74 163	
17	Other Expenses charged to capital works (Credit Account)	76.900	(6 36 70 962)		(6 11 88 951)	
			197 31 28 358	197 31 28 358	154 84 08 059	154 84 08 059
18	Small & Low value items Written off	77.610	26 72 538		15 94 277	
19	Asset decommissioning cost	77.5	(4 19 344)		90 22 922	
			22 53 194	22 53 194	1 06 17 199	1 06 17 199
20	Bank charges	78.820 to 78.890	10 19 08 018		9 76 66 932	
21	Interest to Consumers	78.600	210 37 60 717		179 79 08 634	
22	Stamp duty	78.861				
			220 56 68 735	220 56 68 735	189 55 75 566	189 55 75 566
23	Provision Against ex-employee recoverable	79.480			7 12 983	
24	Material cost variance	79.110	(15 09 35 173)		(32 61 75 188)	
25	Miscellaneous losses and Write offs including provisions	79.5	5 03 10 267		2 40 88 792	
26	Bad Debts written off	79.410 & 79.430	1 00 926		1 60 304	
27	Loss of materials by pilferage, etc.,	79.511				
28	Provision for Loss on obsolescence of stores, etc in stock	79.561	(10 98 05 245)		92 04 649	
			(21 03 29 225)	(21 03 29 225)	(29 20 08 460)	(29 20 08 460)
29	Interest on belated payment for power Purchase	80.102 to 80.149				3 08 71 664
	TOTAL			397 07 21 062		319 34 64 028

NOTES TO THE FINANCIAL STATEMENTS

Note 28 : Finance Costs

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Interest on Loans	78.1+ 78.540+ 78.546		465 41 40 664		353 89 05 400
2	Guarantee Commission to GoK	78.868				
3	Interest capitalised on capital borrowings	78.900		(67 75 20 220)		(30 43 61 782)
Total				397 66 20 444		323 45 43 618

Note 29 : Depreciation

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Depreciation on Buildings	77.110+ 77.120	3 02 20 374		2 06 56 053	
2	Depreciation on Civil works (pipeline, sewage, drainage, water supply etc.,)	77.130	13 90 191		12 67 886	
3	Depreciation on other Civil Works	77.140	4 66 701		4 54 992	
4	Depreciation on Plant and Machinery	77.150+151	74 35 71 345		59 70 61 179	
5	Depreciation on lines, cable, network etc.,	77.160+161	230 66 08 164		185 01 41 660	
6	Depreciation on Vehicles	77.170+171	1 02 24 267		1 03 08 124	
7	Depreciation on furniture, fixtures	77.180	49 05 921		47 73 637	
8	Depreciation on Office equipments	77.190+191	55 03 347		36 71 576	
Total (1 to 8)				310 28 90 310		248 83 35 107
9	Less: Depreciation Withdrawn from contributions / subsidies as per AS - 12	62.363	110 50 38 514		122 65 09 587	
Depreciation for the yearTotal(1 to 8)-9				199 78 51 796		126 18 25 520

Note 31 : Exceptional Items

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Losses/gain relating to Fixed Assets	77.7-62.4		14 10 39 706		4 15 01 278
2	Impairment of Assets	77.580				
3	Provision for Bad & doubtful debts	79.460		8 74 68 096		39 34 91 638
TOTAL				22 85 07 802		43 49 92 916

NOTES TO THE FINANCIAL STATEMENTS

Note 32 : Prior Period Expenses (+) / Income (-)

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	Credits relating to earlier years :					
	1. Excess provision for Depreciation in prior period	65.600	1 80 50 957		5 71 13 339	
	2. Excess/short provision for Interest & Finance charges	65.700	8 66 90 226		13 07 92 314	
	3. Other excess provision in prior period	65.800	19 96 28 971		21 36 24 735	
	Sub-Total			30 43 70 154		40 15 30 388
B	Debits relating to earlier years :					
	1. Employee costs relating to previous year	83.500	98 98 776		63 30 872	
	2. Depreciation under provided in previous period	83.600	11 46 93 199		7 97 20 161	
	3. Interest and other finance charges relating to previous years	83.700	2 652		27 14 344	
	4. Materials related expenses - previous years.	83.840	1 77 67 124			
	5. Other expenses relating to prior periods	83.850	2 04 80 137		58 17 365	
	6. Operating expenses of previous year	83.300	11 60 893		2 09 108	
	Sub-Total			16 40 02 781		9 47 91 850
C.	Net prior period represent - (Credits) / Expenses (A-B)			14 03 67 373		30 67 38 538

Note 33 : Extraordinary Items

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Additional Tariff subsidy (Trueup) from GOK as per KERC orders	61.122		-		524 53 00 000
TOTAL						524 53 00 000

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 DE48 PSR 2003/424 dated 15/06/2004
2009-10	32.00	GO EN95 PSR 2008 Dated 01/09/2009
2009-10	118.00	GO EN67 PSR 2009 Dated 01/03/2010
2009-10	60.00	GO EN 67 PSR 2009 Dated 31/03/2010
2010-11	25.00	GO EN 13 PSR 2010 Dated 22/12/2010
2010-11	63.45	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 14-15 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
2013-14	40.00	GO EN 17 PSR 2012 Dated 30/03/2013
	21.58	GO EN 10 PSR 2013 Dated 06/09/2013
	14.00	GO EN PSR 2013 Dated 23/09/2013
2014-15	10.00	GO EN 56 PSR 2014 Dated 27.12.2014
	8.00	GO EN 56 PSR 2014 Dated 07.03.2015
Total	151.08	

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 Arm's length arrangement between KPTCL and the company.
- 30.3.7 During the year an amount of Rs.110 50 38 514 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 31-03-2015 is as under:

Rs. in Crore

Sl. No.	Particulars	2014-15	Particulars	2013-14
1	Provision against permanently disconnected installations	161.91	Provision against permanently disconnected installations	161.91
2	(a) On account of 4% provisioning as per Accounting Policy – LT category and others.	106.33	On account of 4% provisioning as per Accounting Policy – LT category and others.	97.58
3	(b) 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 IP set installations.	973.56
TOTAL		1241.80		1233.05

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 + DP and D.A. and provision towards gratuity has been calculated at 6.01% of Basic + DP 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 2014-15

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.91.15Cr is shown as under: (Previous year ; Rs.91.15Cr)

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 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.

30.7.4 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 Feb -2013 to Mar -2014 & onwards. The orders for payment from Nov 2010 to June 2013 as per CERC final order is still pending. Hence, Rs.197.76 crore has been accounted for the period from Feb13 to Mar 14 duly withdrawing the earlier provisions of Rs. 344 crore.

- 30.7.6 Interest claimed by KPCL on belated payments up to FY 2014-15 is under dispute and hence not provided for Rs. 700.85 crore (Previous year Rs. 545.12 Crore)
- 30.7.7 Letter of Credits given in favor of power generators remains same at Rs.423.31 Crores (Previous year 423.31 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 BESCOM is allowing Moisture corrections upto the permissible ceiling limit as agreed in PPA & FSA (12% or 15% as per coal coalaries), over and above the permissible limit is neither admitted nor accounted in the books which is also having the concurrence of KPC.
- 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 31-3-2015 are as follows:

Sl. No.	Particulars	BMAZ	BRAZ	CZ	Total
1	CURRENT YEAR No. of Appeal cases pending as on 31-03-2015	348	83	31	462
2	Amount involved (Rs. in Lakhs)	2326.76	95.88	39.33	2461.97
3	PREVIOUS YEAR No. of Appeal cases pending as on 31-03-2014	354	109	30	493
4	Amount involved (Rs. in Lakhs)	2383.11	91.69	36.41	2511.21

- 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 Rs125 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. 114.96 crs (Credit), (Previous year 35.19 crore (Credit). 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 BESCOM 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. 2.96crore (previous year Rs. 2.66 crore) at 0.5% with effect from 01.01.2010 as per G.O No. EN06PSR 2009 dated 22.02.2010 has been accounted in Other Non-operating Income, which is to be received from Government of Karnataka.

30.12 Managerial Remuneration

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

Expenses	For the year 2014-15			For the year 2013-14		
	Managing Director Rs.	Director (Technical) Rs.	Director (Finance) Rs.	Managing Director Rs.	Director (Technical) Rs.	Director (Finance) Rs.
Salaries and allowances	1113372	1659783	1013112	468316 (2months)	1514263	910244
Ex-Gratia	1214	3500	3500	1214	3500	3500
Others (House Orderly Allowances)	261663	266730	265044	181437	245748	120141
Medical & Other Allowances	412538	237243	61577	122354	32376	248324
TOTAL	1788787	2167256	1343233	773321	1795887	1282209

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 **2014-15 (April-14 to March -15)** are as follows:

Distribution Loss

Sl. No.	Particulars	Energy in MU	
		Current Year	Previous Year
1	Total Energy at Interface Point ((From 1-04-2014 to 31-03-2015))	28261	26786
2	Total metered sales	18677	17827
3	Total un-metered sales *	5759	5238
4	Total Sales (2+3)	24436	23065
5	Distribution loss (1-4)	3825	3721
6	Percentage of Distribution Loss (5/1)	13.53	13.89

* 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

Sl. No.	Particulars	(Energy in MUs)	
		Current Year	Previous Year
1	Total Energy purchased at Generation Point (From 1-04-2014 to 31-03-2015)	29423	27928
2	Total Energy at Interface Point ((From 1-04-2014 to 31-03-2015))	28261	26786
3	Transmission Loss (1-2)	1162	1142
4	Percentage of Transmission Loss (2/1)	3.95	4.09

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 2015 dated 12-05-2014.

30.20 True-up Tariff Subsidy

A sum of Rs.524.53 Crs. accounted 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 12-05-14. (Previous year Rs.524.53 Crs.)

30.21 The company has not obtained confirmation of balances as on 31.03.2015 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 schedule III of the Companies Act, 2013.

30.24 Earnings per Share

Particulars	Current Year	Previous Year
Net Profit /Loss after tax (In Rupees)	113 44 36 294	76 10 31 342
Weighted average no. of equity shares	54 69 15 100	54 69 15 100
Basic Earnings per Share (In Rupees)	2.07	1.39
Diluted Earnings per Share (In Rupees)		

30.25 Pursuant to the observations made by Comptroller & Auditor General of India under relevant section of the Companies Act, 2013, the accounts approved by the Board of Directors on 25/07/2015 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	2051.01	
2	Decrease in expenditure/ Increase in Income		38.12
3	Total (1 to 2)	2051.01	38.12
Balance Sheet			
4	Net Decrease in profit (1-2)	2012.89	
5	Increase in liability		3454.35
6	Decrease in liability	257.84	
7	Increase in assets	9698.55	
8	Decrease in assets		8514.93
9	Total (4 to 8)	11969.28	11969.28

For and on behalf of the Board of Directors

As per our report even date

Sd/- **(K.T.Hiriyanna)** Company Secretary
 Sd/- **(B.L.Guruprasad)** CFO & Director (Finance)
 Sd/- **(Pankaj Kumar Pandey)** Managing Director

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

Place : Bangalore
Date : 18-09-2015

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

STATEMENT SHOWING THE CAPITAL EXPENDITURE INCURRED DURING THE YEAR FY 2014-15 (Amount in Rs.)

Account code	Description	Opening Balance on 01.04.2014	Expenditure incurred	Categorised	Closing Balance on 31.03.2015
14.110	CWIP - Transmission lines -(GP).	46518949.62	61658128.29	78394837.52	29782240.39
14.140	CWIP - Transmission Lines, Transformers etc. - Extension (GP)	5882203.90	3741611.00	8601513.74	1022301.16
14.142	CWIP-Promoter vanished layouts - 11KV lines, Transformers, LT lines / S.C etc., (G.P)	1738601.26	1579344.72	3134793.29	183152.69
14.143	cwip 11kv and below distribution works under APDP works.	18218290.87	161732569.58	156543270.58	23407589.87
14.144	CWIP-Providing additional DTC's enhancement of DTC's	583033645.19	541264428.82	622669678.20	501628395.81
14.145	CWIP- Reconductoring of LT lines & strengthening of UG cable network	56941197.69	117992607.74	57648835.00	117284970.43
14.146	CWIP-Providing of ABB cable	34755.65	32193497.06	26193759.60	6034493.11
14.147	CWIP -HT reconductoring works (Other than SDP)	0.00	10455783.47	5964037.00	4491746.47
14.148	CWIP- Local planning (Safety/Hazardous) related works	0.00	125082297.11	80000896.72	45081400.39
14.149	CWIP- Local planning -Capital nature of Extension & improvement works like providing intermediate poles, Spacers & other etc.,	0.00	187923573.44	76648007.17	111275566.27
14.150	CWIP - Transmission Lines -Transformers etc. Improvements - (GP)	809402876.92	1039790086.76	1498386560.41	392960209.27
	Interest Capitalisation	-	42153806.00	-	-
14.151	CWIP - Transmission lines, Transformers etc., Improvements Non-Plan.	175451209.07	274664474.85	276489730.62	173625953.30
14.154	CWIP - Urban Distribution Improvement Scheme ADB	20687.00	0.00	-	20687.00
14.155	CWIP - Additional Street Lights / Street Lights in cities / wns / Villages	2736863.48	899278.40	1976477.08	1659664.80
14.158	CWIP - metering of existing Sreetlight installation.	1766939.00	0.00	-	1766939.00
14.159	CWIP-Metering of DTC's	22842412.08	745602944.22	718100047.10	196122277.20
	Interest Capitalisation	-	145776968.00	-	-

STATEMENT SHOWING THE CAPITAL EXPENDITURE INCURRED DURING THE YEAR FY 2014-15

(Amount in Rs.)

Account code	Description	Opening Balance on 01.04.2014	Expenditure incurred	Categorised	Closing Balance on 31.03.2015
14.160	CWIP - Reduction of Losses in Lines	179709266.82	109026840.75	197162784.75	91573322.82
14.170	CWIP-Replacement of distribution Transformers by similar capacities	39731819.53	1015447545.35	950516947.72	104662417.16
14.171	CWIP Drum Project at Doddaballapura	4179577.00	14662.00	4194239.00	0.00
14.172	Construction of feeder through 11 kv feeders from newly formed MUSS	3370356.12	317091692.00	292193843.00	28268205.12
14.173	Developing/Improving the capacity of UG cables along with RMU's	4144190.19	4939150.00	7424143.00	1659197.19
14.176	CWIP RAPDRP works	17823467.01	8182265.03	1767035.00	24238697.04
14.177	Replacement of existing electro mechanical meters/faulty meters by Electro static meters.	89882703.18	1186003351.76	850273845.11	425612209.83
14.178	CWIP- Expenditure incurred on PFC loan for RAPDRP (IT implementation) works - Part -A	2370022473.28	(400155070.36)	505336.00	1969362066.92
14.179	CWIP - Expenditure incurred on PFC Loan for RAPDRP (System Improvement) - Part-B	2156553944.19	478311940.64	1523774.70	2782291833.13
	Interest Capitalisation	-	148949723.00	-	-
14.180	CWIP - Emergency Restoration of Power Supply- Calamity.	9426932.97	10538038.54	9233447.96	10731523.55
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	1890857.00	391860.00	-	2282717.00
14.183	CWIP - High Voltage Distribution System (HVDS) works	16864936.00	2489609152.00	814458834.00	1751438786.00
	Interest Capitalisation	-	59423532.00	-	-
14.200	CWIP -REC Plan Schemes.	123881.16	0.00	0.00	123881.16
14.210	CWIP-RGGVY Scheme	1858753560.17	1499344.00	0.00	1860252904.17
14.215	CWIP-RLMS works M/s. ABB	2449994926.79	(12735.00)	0.00	2449982191.79
14.216	CWIP- Niranthara jyothi yojane	4945206030.66	2210566517.35	0.00	7382325223.01
	Interest Capitalisation	-	226552675.00	-	-

STATEMENT SHOWING THE CAPITAL EXPENDITURE INCURRED DURING THE YEAR FY 2014-15 (Amount in Rs.)

Account code	Description	Opening Balance on 01.04.2014	Expenditure incurred	Categorised	Closing Balance on 31.03.2015
14.217	CWIP - Bangalore Distribution Up gradation Project(DAS) works	3408981944.87	505255260.66	1249722.15	3912987483.38
14.219	CWIP - Smart Grid works	19936407.00	0.00	0.00	19936407.00
14.220	CWIP - SPA Schemes	802911.07	0.00	0.00	802911.07
14.240	CWIP - System Improvement (REC)	2567744.20	0.00	0.00	2567744.20
14.300	CWIP - Village Electrification (G.P)	1533603.84	0.00	324107.70	1209496.14
14.320	CWIP - Power Supply IP sets (G.P.)	61262146.74	65981989.77	86541311.71	40702824.80
14.321	CWIP - Power supply IP sets under self financing scheme	697000.24	(306423.70)	244589.46	145987.08
14.322	CWIP - P/S new IP sets submerged IP sets of same consumer under UKP rehabilitation programme	35744.00	36190.00	47473.00	24461.00
14.323	CWIP - Power supply IP sets under Tathkal Scheme	0.00	2620013.00	0.00	2620013.00
14.325	CWIP - Power supply to New IP set under "Own your Transformers (OYT) Scheme - ADRP works	1208169.42	(50859.00)	236880.54	920429.88
14.326	CWIP - Power supply to IP set Regularisation of Unauthorised IP set installation under "Own your Transformers" (OYT) Scheme - APDRP works	202617496.18	1497250245.32	1369930951.44	375419708.06
	Interest Capitalisation	-	45482918.00	-	-
14.327	CWIP - Power supply to existing IP consumers for installing Transformers under "Own your Transformers" Scheme (OYT)	1952215.87	50849.00	448967.27	1554097.60
14.330	CWIP- Energisation of IP set under Dr.B.R.Ambedkar Dev.Corp	230217.00	(216442.00)	0.00	13775.00
14.332	CWIP - Providing 25KVA Transformer to IP set installation serviced under Tathkal scheme	0.00	102176006.00	67211078.00	34964928.00
14.340	CWIP - Tribal Area Electrification (G.P.)	2055559.64	3656667.85	5609674.00	102553.49
14.341	CWIP-Energisation of IP set under Karnataka Tribal Dev.Corp.(Ganga kalyana) (TSP)	196211384.11	(125096182.92)	5007767.42	66107433.77
14.351	CWIP -Metering of existing B.J Installations	20978377.81	613780.00	0.00	21592157.81

STATEMENT SHOWING THE CAPITAL EXPENDITURE INCURRED DURING THE YEAR FY 2014-15

(Amount in Rs.)

Account code	Description	Opening Balance on 01.04.2014	Expenditure incurred	Categorised	Closing Balance on 31.03.2015
14.360	CWIP - Kuteera jyothe Schemes	1361441.42	(23658.00)	0.00	1337783.42
14.361	CWIP - Metering of Existing K.J Installations	9676868.00	0.00	0.00	9676868.00
14.365	CWIP - Harijan basthi / Dalith Basthi/ Janta Colonies - Pradhan Manthri Gramodaya Yojana Works.	99913.00	0.00	-	99913.00
14.366	CWIP-Kuteera Jyothe schemes State Govern ment's RGRHCL, Ashraya, Ambedkar &EWS Schemes under GOI'S Kutir Jyothe scheme.	1408650.00	0.00	-	1408650.00
14.400	CWIP - Service Connections	500482642.14	853476626.21	878883645.48	475075622.87
14.502	CWIP - Buildings	88799930.00	293227640.00	150882362.00	231145208.00
14.607	CWIP - Vehicles	0.00	1904332.00	1904332.00	0.00
14.708	CWIP - Furniture and Fixtures	961697.47	4592229.53	5485761.71	68165.29
14.809	CWIP - Office equipment	5743754.20	36000312.54	37404014.62	4340052.12
14.810	CWIP - Tools and Tackles	24386860.57	24676216.88	31695281.63	17367795.82
14.811	CWIP -Mobile phones	39600.00	1791828.76	1831428.76	0.00
14.812	CWIP-Safety measures fund	31210004.57	144284610.16	131397680.94	44096933.79
14.814	CWIP-IT initiatives (Software Only)	18812280.00	143176225.00	21117382.00	140871123.00
14.910	Capital Expenditure Categorized - RGGVY works	(1854281178.17)	0.00		(1854281178.17)
14.915	Capital Expenditure Categorized - RLMS works	(2449994925.79)	0.00		(2449994925.79)
14.916	CWIP categorized of Niranthara jyothe yojane	(2902367242.76)	0.00	1923787096.17	(4826154338.93)
14.917	Capital expenditure categorized for Bangalore Distribution Up gradation Project (DAS) Works	(4318638.87)	0.00	794217.51	(5112856.38)
14.976	Capital expenditure categorized RAPDRA Works.	(54825146.13)	0.00	280658.46	(55105804.59)
14.978	Capital expenditure categorized for expenditure incurred on PFC Loan for RAPDRP (IT implementation)	(470335666.11)	130108061.58	207806145.03	(548033749.56)
14.979	Capital expenditure categorized for PFC Loan for RAPDRP (System Improvement)- Part -B	(853560911.50)	(144668866.12)	236546755.89	(1234776533.51)
14.983	Capital Expenditure categorized for High Voltage Distribution System (HVDS) works).	(16862896.51)	0.00	1674355724.49	(1691218621.00)
Sub - Total-1		11869775511.32	14944891454.04	13581031683.65	13233635281.71

Statement showing the details of Ganga Kalyana expenditure incurred for FY 2014-15
(Amount in Rs.)

Account code	Description	Opening Balance on 01.04.2014	Incurred	Credits/Grants received	Closing Balance on 31.03.2015
47.3087	Ganga Kalyana Scheme - Dr.Devaraj Urs Backward Development Corporation	413512513.19	108335783.23	13317000.60	508531295.82
47.6097	Ganga Kalyana Scheme - Karnataka Minority Development Corporation	133093969.03	41600649.35	4098430.00	170596188.38
47.3107	Ganga Kalyana Scheme - Dr.B.R.Ambedkar Development Corporation	830060861.82	319316066.6	149553860.75	999823067.70
Sub - Total-2		1376667344.04	469252499.21	166969291.35	1678950551.90
Grand Total		13246442855.36	15414143953.25	13748000975.00	14912585833.61

AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2014-2015

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	HO Adjustments & withdrawals	Collection including Adjustments	Closing Balance
			Units (in KWH)	% of Units							
1	2	3	4	5	6=(8/4)*100	7	8	9	10	10a	11
BJ/KJ (Upto 18 Units)	LT1	619570	48 62 28 61	0.20%	8.52	209607896.34	414028843.86	313300000.00	-417038012.63	(103738012.63)	727374752.83
BJ/KJ (Above 18 Units)		149583	87 22 65 25	0.36%		1095936629.98	231650787.61	590000000.00	283924763.55	873924763.55	453662654.04
Lighting and AEH	LT2	6389122	5718 72 45 35	23.40%	4.75	2288827310.49	27151188854.79	27370759846.00	888691767.35	28259451613.35	1180564551.93
Commercial Lighting	LT3	864600	1663 32 86 24	6.81%	8.22	571321779.22	13680415623.15	13715719395.00	418149812.24	14133869207.24	117868195.13
"IP Sets (10HP & BELOW) "FREE LIGHTING From 01-08-2008 (Subsidy Due for GOK"	LT 4A	768516	5938 78 53 10	24.30%	2.29	4345 11 32 90	13588338592.05	10876100000.00	575807728.64	11451907728.64	6481544153.00
IP Sets (10HP & BELOW) FROZED BALANCE Upto 31-07-2008						12610875203.80					
I.P.Sets (10HP & Above)	LT 4B	638				65748479.53	60000346.47	2856286.00	980793319.77	980793319.77	11630081884.03
"Pvt. Hortl, Nuris, Coffee & Tea Plant"	LT 4C	1315				18403802.77	109280389.63	12266266.00	(41953593.01)	(39097307.01)	164846133.01
LT Industries	LT 5	175326	1134 22 49 78	4.64%	6.37	724780195.26	7225006966.02	738723506.00	(1295802.50)	10970463.50	116713728.90
Water Supply	LT 6A	58116	431 05 65 12	1.76%	8.34	12269873020.33	3593552605.00	3124420591.00	462291863.06	7849515369.06	100271791.62
Street lights	LT 6 B	57373	388 94 44 48	1.59%	7.58	7080415217.18	2947472349.00	1250177918.00	534198191.65	1784376109.65	8243511456.53
Pending for reconciliation of Sundry debtors - Revenue & tax									(1271394581.38)	(1271394581.38)	1271394581.00
LT TOTAL	I	9084159	15410913791	63.07%	4.48	41280902824.49	69000935357.58	64642823808.00	87151153.06	64729974961.06	45551863220.03

AVERAGE REALISATION RATE FROM SALE OF POWER FOR FY 2014-2015

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	HO Adjustments & withdrawals	Collection including Adjustments	Closing Balance
			Units (in KWH)	% of Units							
1	2	3	4	5	6=(8/4)*100	7	8	9	10	10a	11
Water Supply & Sewerage Pumping	HT 1	186	664 23 92 06	2.72%	4.33	399453815.57	2874894771.35	2832265874.00	(64507307.84)	2767758566.16	506590020.76
HT Industries	HT 2A	5414	4750 15 29 28	19.44%	6.97	446066078.61	33130103979.30	32847298216.00	712573393.60	33559871609.60	16298448.31
HT Commercial	HT 2B	4893	2795 89 10 90	11.44%	8.35	149752896.06	23354420917.69	23566346289.00	162739978.09	23729086267.09	(224912453.34)
HT Hospitals	HT 2C	380	189 81 55 00	0.77%	7.23	36375115.45	1368621634.15	1356923255.00	15320553.61	1372243808.61	32752940.99
HT Lift Irgrtn Societies	HT 3A	20	17 68 13 03	0.07%	2.21	9768091.00	39058331.00	18209023.00	2250294.98	20459317.98	28667104.02
HT Lift Irgrt Schemes & Govt Hort.	HT 3B	9	60 62 84	0.00%	4.50	(76137.00)	2731111.00	2731608.00	(731045.00)	2000563.00	654411.00
HT Residential Apartment	HT 4	217	127 24 85 01	0.52%	8.52	(92208619.25)	1084065412.00	709942436.00	320409255.67	1029751691.67	(37894898.92)
HT TOTAL	II	11119	8545134812	34.97%	7.24	949131240.44	61853896156.49	61333116701.00	1148055123.11	62481171824.11	321855572.82
IP SET DEFUNT INSTALLATIONS						0.00				0.00	
LT + HT	III	9095278	23956048603	98%	5.46	42230034064.93	130854831514.07	125975940509.00	1235206276.17	127211146785.17	45873718792.85
Temporary Supply (LT + HT)		349240	480035991	1.96%	6.25	(669724497.01)	2999752970.96	2864520649.00	(182580034.90)	2681940614.10	(351912140.15)
GRAND TOTAL (LT + HT)		9444518	24436084594	100.00%	5.48	41560309568	133854584485	128840461158.00	1052626241.27	129893087399.27	45521806653
Miscellaneous Income & Withdrawals						(52926606.00)	941462257.00	1023341506.00	(91783929.00)	931557577.00	(43021926.00)
GRAND TOTAL		9444518	24436084594	100%		41507382961.92	134796046742.03	129863802664.00	960842312.27	130824644976.27	45478784726.70

Subsidy received from GOK in FY 2014-15 towards power supply to IP Sets upto 10 HP & to BJ/KJ upto 18 units

Sl. No.	Particulars	No. of Installation	Consumption (in Mus)	Demand (in Crs.)	Subsidy released for 2014-15 (Rs. In Crs.)
1	IP sets upto 10 HP	768516	5931.56	1358.83	1087.61
2	BJ/KJ upto 18 units	619570	48.62	41.40	31.33
	BJ/KJ upto 18 units waived off received				59.00
	Total	1388086	5980.18	1400.24	1177.94

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	30.7	573.09	34	478.28	3.22
5	2012-13	738.34	35.68	615.3	31	601.32	7.90
6	2013-14	781.81	31.06	948.62	18	434.51	20.96
7	2014-15	1358.83	41.40	1087.61	31.33	648.15	72.74



CONSOLIDATED FINANCIAL STATEMENTS

2014-15

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

Pursuant to the observations made by Comptroller and Auditor General of India under section 143(7) of the companies Act, the accounts approved by the Board of Directors on 15.09.2015 have been revised, this report supersedes our earlier report dated 03.08.2015. The report is revised to incorporate the observations made by the Comptroller and Auditor General of India on the financial statements and books of accounts 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 ("hereinafter referred to as "the Holding Company") and its associate PCKL comprising of the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements;

The Holding Company's Board of Directors and management is responsible for the preparation of these consolidated financial statements in term of the requirements of the companies Act 2013 (hereinafter referred as the Act) that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective board of directors of the companies included group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation consolidated financial statements by the directors of the Holding company as aforesaid.

Auditor's Responsibility;

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

holding Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of the expressing an opinion whether the holding company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by holding Company's board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the consolidated state of affairs of the group, its associates as 31. March 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other matters

- a. We did not audit the financial statements of PCKL, whose financial statement / financial information reflect total assets of Rs.199,88,50,321/- as at 31st March 2015, total revenue of Rs.2,47,27,419 and net cash flow amounting to Rs.35,07,28,283/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net profit of Rs. 52,40,518/- for the year ended 31st March 2015, as considered in the consolidated financial statements, in respect of PCKL associates, whose financial statement / financial information have not been audited by us. These financial statements / financial information have been audited by the other auditors whose reports have furnished to us by the management and our opinion on consolidated financial statement in so far as it relates to the amounts and discourses included in respect of these associates, and our report in term of sub section (3) and (11) of section 143 of the act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated financial statements, and our report on the legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and report of other auditors and financial statements / financial information certified by the management.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The associate company's auditor observed that, the associate company has not conducted "Audit Committee" meeting during the year, which violates the provisions of Section 177(4) of companies Act 2013.
3. The associate company's auditor observed that, the associate company has not appointed "Independent Director" meeting during the year, which violates the provisions of Section 149(4) of companies Act 2013.
4. The associate company's auditor observed that, the associate company has not issued **seven days prior notice** for "Board Meeting" which violates the provisions of Section 173(3) of companies Act 2013.

5. The associate company's auditor observed that, the associate company has not appointed "**Company Secretary**" during the year, which violates the provisions of Section 203 of companies Act 2013.
6. The associate company's auditor observed that, the associate company has not deducted "**TDS on interest**" remitted to ESCOM's as per the provisions of Section 194(A) of Income Tax Act, 1961.
7. As required by section 143(3) of the Act, we report to the extent applicable that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements
 - In our opinion proper books of account as required by law relating to preparation aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The reports on the accounts of the associate company incorporated in India, audited under section 143(8) of the Act by associate company auditors have been sent to us/ the other auditors, as applicable and have been properly dealt with in preparing this report.
 - The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements do comply with the Accounting Standards. Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of written representations received from the directors of the Holding Company as on 31 March, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its associate company incorporated in India. None of the other directors of its associate company incorporated in India is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the other matters to be included in the auditor's report in accordance with rule 11 of Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - There were no pending litigations which would impact the consolidated financial position of the group, its associates.
 - The group and its associates did not have any material foreseeable losses on long- term contracts including derivative contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding Company and its associate company Incorporated in India.

FOR V K NIRANJAN & CO

Chartered Accountants
Firm's Reg. No. 002468S

Sd/-

CA NIRANJAN V K

PARTNER

M No. 021432

Place : BENGALURU

Dated : 18/09/2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED ("the Company") and its associate company for the year ended 31st March 2015, we report that;

i) In respect of Fixed Assets of Holding company and its associate company:

- a. The holding 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.**

In case of associate company it has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

- b. **As explained to us, the company has physically verified items falling under category of Office Equipments, T&P materials (Almairahs, 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 of the regularity of physical verification of such assets.

In case of associate company all the fixed assets have been physically verified by the management in a phased periodical manner which is reasonable having regard to the size of the company and the nature of its assets.

ii) In respect of inventories of Holding company and its associate company:

- a. In respect of Holding company, 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, whereas in case of Associate Company it did not hold inventory during any day of the financial year.

- 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 holding company is maintaining proper records of inventory situated at company's premises. As explained to us, there were 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 account (Excess stock of Rs 2.46 crore and a shortfall of Rs 1.84 crore – net being excess Rs. 0.62 crore).**

- iii) The Holding company and its associate company have not granted any loans, secured or unsecured to company, firms or other parties covered under section 189 of the Company Act, 2013 by the respective company.

- iv) **In respect of Holding company, in our opinion the existing internal audit system is ineffective and not commensurate with the size of the company and the nature of its business, due to lack of proper Internal Audit Reports, presentation, periodicity, inadequacy of coverage of inventory.**

There is no internal control system relating to store maintenance, fixed assets accounting with proper classification details. Whereas the opinion of other auditors and according to the information and explanation given to them, there is an adequate internal control system commensurate with the size of the associate company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.

- v) According to the information and explanations given to us and the other auditors, the Holding Company and associate company incorporated in India have not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Company Act, 2013 does not arise.
- vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company and associate company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Company (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Company Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and associate company incorporated in India:
- (a) The respective companies have been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective company with the appropriate authorities.
- (b) As at 31st March, 2015, the following are the particulars of dues on account of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters that have not been deposited on account of any disputes by the Holding company In respect of statutory dues:

Name of the Statute	Nature of the dues	Amount of tax involved (in crore Rs)	Period to which the amount relates	Forum of dispute
Income tax Act, 1961	Income tax	12.56	AY 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	F Y 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

(c) The aforesaid companies were not required to transfer the amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Company Act, 1956 (1 of 1956) and Rules made thereunder within time.

- viii) The Holding company has accumulated losses at the end of the financial year and the Group and its associate company have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year
- ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the Holding Company and associate company incorporated in India have not defaulted in repayment of dues to financial institutions, banks and debenture holders during the year
- x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company and associate company incorporated in India for loans taken by others outside of the Group and its associate company from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group and its associate company.
- xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and, associate company incorporated in India during the year for the purposes for which they were obtained.
- xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and its associate company incorporated in India no significant fraud on the Holding Company and associate company incorporated in India has been noticed or reported during the year.

FOR **V K NIRANJAN & CO**
Chartered Accountants
Firm's Reg. No. 002468S

Sd/-

CA NIRANJAN V K
PARTNER
M No. 021432

Place : BENGALURU
Dated : 18/09/2015

CONSOLIDATED 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 Bangalore Urban, Bangalore Rural, Ramanagara, Chickaballapura, Kolar, Tumkur, Chitradurga and Davanagere).

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

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

2 Basis of preparation

The Consolidated financial statements of the BESCOM (Parent) and PCKL (Associate) are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the revised Schedule III of Companies Act, 2013 including accounting standards notified thereunder and also in accordance with the provisions of Electricity (Supply) Act, 1948/ Electricity Act, 2003 where ever they are applicable to the company.

3 Use of estimates

The preparation of Consolidated 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.

3.1 Consolidation procedure

CFS of the group comprising one associate have been prepared on the basis of

- Audited Accounts of BESCOM (Parent)
- Long investment in associates are accounted for under the Equity Method as per Accounting Standard (AS -23 – Accounting for Investment in Associates in Consolidated Financial Statement).

The Investors share of results of operation of the Associates is reflected separately in consolidated Profit & Loss Account.

4 Fixed assets and capital work-in-progress

A. TANGIBLE ASSETS

- 4.1 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.
- 4.2 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.
- 4.3 Released assets are accounted on withdrawal/capitalization at written-down value (WDV).

B. Intangible assets

- 4.4 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.
- 4.5 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. 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.

6. Revenue recognition

Revenue from Operations:

- 6.1 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.
- 6.2 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 :

- 6.3 Income from services rendered is accounted based on the agreements/arrangements with the concerned parties.
- 6.4 Cash discounts on Power Purchases prompt payments are accounted as and when the related dues are settled.
- 6.5 Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

6.6 Revenue grants and subsidies are accounted as stated in para 4.2 above.

7 BESCOM is having share of 100100 No. of Rs.1000/ face value amounting to Rs.10.01crs as investment made in PCKL which amounts to 49.92% of Share investment existing in PCKL and considered as Associate to BESCOM as per Companies Act 2013.

8 The Financial impact of Associate PCKL is as under:

SI.No.	Particulars	Details
i	a) Description of Associate	Power Company of Karnataka Limited, Bangalore
	b) Proportion of Ownership Interest	49.92%
	c) Proportion of Voting power	49.92%
	d) Date Acquisition date	17.01.2012
ii	a) Long term investments	10.01 crs
	b) Share of Profits or loss of such investments	
	Up to FY14	1.22 crs
	For FY15	0.52 crs
	Total	1.74 Crs
iii	Capital reserve arising on the acquisition	0.29 crs

9 Earnings per Share

Particulars	Current Year	Previous Year
Net Profit /Loss after tax (In Rupees)	113 96 76 812	76 10 31 342
Weighted average no. of equity shares	54 69 15 100	54 69 15 100
Basic Earnings per Share (In Rupees)	2.08	1.39
Diluted Earnings per Share (In Rupees)		

For and on behalf of the Board of Directors

As per our report even date

Sd/- (K.T.Hiriyanna) Company Secretary
 Sd/- (B.L.Guruprasad) CFO & Director (Finance)
 Sd/- (Pankaj Kumar Pandey) Managing Director

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

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

Place : Bangalore
 Date : 18-09-2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs.)

Sl. No.	Particulars	Current Year 2014-15		Previous Year 2013-14	
A	Cash Flow from Operating Activities				
	Net Profit before Tax	139 71 76 812		81 05 31 342	
	Adjustments for:				
	Depreciation	199 78 51 796		126 18 25 520	
	Finance cost	397 66 20 444		323 45 43 618	
	Extraordinary items- Trueup Subsidy			524 53 00 000	
	Change in Provision for Debtors	7 74 81 224		26 11 05 558	
	Change in Provision for Employee advances			92 04 649	
	Change in Provision for Dismantled Assets	-			
	Reversal of Depreciation on Grants Asset (Other Income)	(110 50 38 514)		(122 65 09 587)	
	Prior period charges(+) or credits(-)	(5 92 61 598)		30 67 38 538	
	Income Tax	(25 75 00 000)		(4 95 00 000)	
	Operating Profit before working capital changes	602 73 30 164		985 32 39 638	
	Adjustments for				
	Changes in Inventories	(45 67 17 173)		(65 47 64 070)	
	Changes in Sundry Debtors	(786 93 02 033)		(1165 21 29 021)	
	Changes in Short term Loans and Advances	(8 41 12 449)		(1 83 08 920)	
	Changes in Long term Loans and Advances	53 34 67 788		(251 17 40 235)	
	Changes in Other Current Assets	141 29 34 353		(8 14 07 477)	
	Changes in Current Liabilities				
Trade Payable	442 90 01 602		589 34 43 919		
Other current liabilities	(250 31 28 964)		65 64 67 633		
Changes in Short term Provisions	26 82 55 800		4 35 41 588		
Changes in Long term Provisions	7 38 26 724		(29 67 28 445)		
Changes in Other Long-Term Liabilities	446 58 46 726		221 78 91 653		
Operating Profit after working capital changes	629 74 02 538		344 95 06 263		
Prior period charges(+) or credits(-)	5 92 61 598		(30 67 38 538)		
Extraordinary items- Trueup Subsidy			(524 53 00 000)		
Net Cash inflow from Operating Activities		635 66 64 136		(210 25 32 275)	
B	Cash Flow from Investment Activities				
	Changes in Fixed Assets (Net)	(1426 98 20 164)		(735 81 67 663)	
	Changes in Capital Work in Progress Investments	(137 83 39 279) (1 74 64 496)		(282 75 13 468)	
Net Cash Outflow from Investment Activities		(1566 56 23 939)		(1018 56 81 131)	
C	Cash Flow from Financing Activities				
	Changes in Capital/Share Deposit Account	18 00 00 000		35 58 00 000	
	Changes in Secured Loans				
	Changes in Unsecured Loans				
	Changes in Longt-Term Borrowings	138 73 05 976		1277 04 27 756	
	Changes in Short-Term Borrowings	801 14 90 100		(212 38 54 698)	
	Change in Current maturities of long term debts/Current liabilities			40 34 17 940	
	Finance cost	(397 66 20 444)		(323 45 43 618)	
	Contributions from Consumers/Reversal of Depreciation on Grants Asset (Other Income)	396 12 17 596		273 34 28 751	
	Revenue Reserve	122 23 978		-	
Net Cash available from Financing Activities		957 56 17 206		1090 46 76 132	
D	Net Change in Cash and Cash equivalents - Surplus Cash [(A) + (B) + (C)]		26 66 57 403		(138 35 37 274)
	Add: Opening Cash and Cash equivalents		143 49 11 332		281 84 48 606
E	Closing Cash and Cash equivalent :		170 15 68 735		143 49 11 332
			170 15 68 735		143 49 11 332

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1A : Share Capital

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	As at 31 March, 2015		As at 31 March, 2014	
			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, 2015		As at 31 March, 2014	
			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	54 69 15 100	546 91 51 000
	Add: Fresh Issue					
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, 2015		As at 31 March, 2014	
			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 CONSOLIDATED FINANCIAL STATEMENTS

Note 2 : Reserves & Surplus

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	Capital Reserve					
1	Contributions and grants towards cost of Capital assets	55.1				
	Opening Balance		1198 75 68 695		1028 30 06 054	
	Add: Additions during the year		386 16 38 080		273 34 28 753	
			1584 92 06 775		1301 64 34 807	
	Less: Reversal of depreciation		96 11 11 039		102 88 66 112	
	Closing Balance		1488 80 95 736	1488 80 95 736	1198 75 68 695	1198 75 68 695
2	Subsidies received from REC towards RGGVY scheme	55.210				
	Opening Balance		104 43 96 086		110 24 70 618	
	Add: Additions during the year		104 43 96 086		110 24 70 618	
	Less: Reversal of depreciation		6 32 90 403		5 80 74 532	
	Closing Balance		98 11 05 683	98 11 05 683	104 43 96 086	104 43 96 086
3	Grants towards cost of Capital Assets/ regularisation of unauthorised IP set installations received from Government	55.3				
	Opening Balance		123 08 42 223		137 04 11 167	
	Add: Additions during the year		9 95 79 517			
	Less: Reversal of GoK Order					
			133 04 21 740		137 04 11 167	
	Less: Reversal of depreciation		8 06 37 072		13 95 68 944	
	Closing Balance		124 97 84 668	124 97 84 668	123 08 42 223	123 08 42 223
	Total Capital Reserves			1711 89 86 087		1426 28 07 004
B	Others					
1	Share deposit					
	Opening Balance		133 08 00 000		97 50 00 000	
	Add: Additions during the year		18 00 00 000		35 58 00 000	
			151 08 00 000		133 08 00 000	
	Less: Fresh issue of equity shares					
	Less: Excess transferred to income					
	Closing Balance		151 08 00 000	151 08 00 000	133 08 00 000	133 08 00 000
C	Surplus/(Deficit) in Statement of Profit and Loss					
	Opening Balance		(589 20 87 978)		(665 31 19 320)	
	Add/(Less): Net Profit / (Net Loss) for the year		113 96 76 812		76 10 31 342	
	Closing Balance			(475 24 11 166)		(589 20 87 978)
D	Revenue Reserve			1 22 23 978		
	Total			1388 95 98 899		970 15 19 026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 : Long-Term Borrowings

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	SECURED LOANS					
	Term Loans From					
	-Banks (Refer Note 3A below)		1179 50 00 794		1205 27 54 777	
	-Others (Refer Note 3A below)		1289 85 57 663		937 44 66 120	
	Sub-Total			2469 35 58 457		2142 72 20 897
B	UNSECURED LOANS					
	Term Loans From					
	-Banks (Refer Note 3B below)					
	-Others (Refer Note 3B below)		40 07 03 964		227 97 35 548	
	Sub-Total			40 07 03 964		227 97 35 548
	Total			2509 42 62 421		2370 69 56 445

Note 3 A : Secured Loans

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	Term Loans from Banks					
1	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 10.35% 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	114 18 46 017		142 80 00 000	
2	Canara Bank					
	"For Rs.400 cr 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.9.25crs each Interest to be paid as when due . ROI for Rs.370crs base rate +1% presently 11.10% first installment due on 24.01.2017. Hypotecation of Fixed assets of the Company valued at Rs.417.09 crs.""	53.500	659 99 54 777		699 99 54 777	

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
3	<p>Bank of Maharashtra</p> <p>For Rs.125 Cr The term of repayment in 28 quarter,27 quaterly installment of Rs.4.47 Crs per quarter and Rs.4.31 Crs in 28th quarter after initial moratourium period. ROI at B.R+0.10% & for Rs.275.00 crs repayment of Rs.9.28 crs per quarter &for 28th quarter Rs.9.86crs after initial moratoirum period ROI at B.R.+0.10%.</p> <p>Hypotecation of Fixed assets of the Company valued Rs.139 Crs.</p>	53.500	305 32 00 000		362 48 00 000	
4	<p>State Bank of Mysore</p> <p>Repayment within 13 years (including moratorium period of three years) payable in 33 quarterly instalment of Rs. 3.3 Crore each. at the end of 30 th instalment will be of Rs.3.43 Crs Interest to be paid as & when due. ROI for Rs 100crs base rate + 0.25% pa (floting without spread reset).</p>	53.500	100 00 00 000			
SUB TOTAL				1179 50 00 794		1205 27 54 777

B	Term Loans from Others					
1	<p>Loans from Rural Electrification Corporation Limited, New Delhi. -APDRP Counter part funding</p> <p>(Secured by Hypothecation of all existing unencumbered moveable properties including machinery, equipments, machinery spares, tools, implements, and accessories installed / created / erected and all future moveable including machinery, equipmetns, machinery spares, tools, implements, and accessories installed / created / erected in future and its stock of materials equipments bought or to be bought out of the loan amount at 8.5% & 11.70% interest rates.)</p>	53.3327	22 07 74 100		41 73 98 490	
2	<p>PFC - RAPDRP (Part A)</p> <p>"The tenure of loan will be 10 years from the date of disbursement including morotorium 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 assests under the project as securities for loan. First instalment due on 19.07.2012"</p>	53.347	146 64 80 900		146 64 80 900	

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
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 assests under the project as securities for loan.First instalment falls due in the month of July-2015	53.347	43 54 20 000		197 45 22 979	
3(a)	RAPDRP PFC (B) (Counter part Funding) The loan shall be repaid in 60(SIXTY) equal quaterly installments . The first installments become due on 15th day of october 2015 the subsequent installments will become due for payment on the 15th day of January ,15th day of April ,15th day of July ,15th day of October Every year	53.347	150 95 97 409			
4	PFC DRUM PROJECT "The Loan shall be repaid by the Disribution 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	4 10 65 742		6 15 98 619	
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 relavence laws & Regulation of Japan.The Company repay principal amount in accordance with amortization schedule setforth in the agreement.The Company shall pay the interest semiannuallyat the rate of three- fourth of one percent (0.75%)p.a	53.340	276 97 27 679		260 92 49 302	

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
6	REC (TL) NJY Phase 2 "Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % P A""Secured by way of hypothecation of all assets created under the loan."	53.335	230 10 64 644		166 33 19 810	
7	REC (TL) DTC Metering "Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % P A""Secured by way of hypothecation of all assets created under the loan."	53.335	136 49 34 209		118 18 96 020	
8	REC (TL) HVDS "Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % P A""Secured by way of hypothecation of all assets created under the loan."	53.335	93 41 14 549		-	
9	REC (TL)UAIP "Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % P A""Secured by way of hypothecation of all assets created under the loan."	53.335	74 86 59 018		-	
10	REC (TL) Capex "Repayment with in 13years (including moratorium period of 3 years) principle installment is payable in equal annual installments and on 15 th of the month in which the first disbursement was made.the rate of interest @ 11.5 % P A""Secured by way of hypothecation of all assets created under the loan."	53.335	110 67 19 413		-	
	Sub-Total			1289 85 57 663		937 44 66 120
	Total			2469 35 58 457		2142 72 20 897

Note 3 B : Un Secured Loans

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Loans from Government - PMGY "(The repayments to be made in 20 annual equal instalments together with interest at the rate 12% on the outstanding balance commencing from 2002-2003 pertaining to Rs.45,33,130 and commencing from 2005-06 pertaining to Rs.87,50,000. However, 50% of loan "Repayment commenced from 2002-03 & 2005-06 for Rs 4533130 & Rs 8750000 respectively"	53.3077	66 15 110		77 17 630	
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	29 19 60 383		33 36 69 010	
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 5years moratorium period together with interest @ 5% - 12.25% with quarterly interest)"Repayment begun from 15/03/2012."	53.3357	8 97 78 752		10 63 18 898	
5	Loan from GoK for Power Sector Automation Loan for a period of ten years at the rate of 9% p.a.No specific Term & 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 mar-2009 at the rate of 9% p.a	53.3417	29 40 000		44 10 000	
6	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	
7	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	
Sub-Total			40 07 03 964		227 97 35 548	
			40 07 03 964		227 97 35 548	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5 : Other Long-Term Liabilities

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
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,	179 20 90 773		111 76 25 012	
	ii) Deposit Works	47.306	5 28 56 609	184 49 47 383	4 21 47 659	115 97 72 671
	(a) Deposit Contribution Work	47				
2	Other Deposits from Consumers	47.6	85 51 45 780		78 85 96 143	
3	Security Deposit from consumers:	48.1+48.2 +48.3	2746 34 60 077		2374 93 37 699	
	(b) Security Deposit from consumers			2831 86 05 857		2453 79 33 842
	Total			3016 35 53 239		2569 77 06 513

Note 6 : Long Term Provisions

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Provision for Employee Benefits					
	Provision for Gratuity, Pension, Leave encashment, PF & Family Benefit Fund	44.122, 130,140 to 142		50 08 89 956		42 70 63 232
	Total			50 08 89 956		42 70 63 232

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7 : Short-Term Borrowings

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15	Previous Year 2013-14
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
1.2	"Vijaya Bank" STL for a period of 270days. To be repayed on 271st 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	500 00 00 000	149 99 38 176
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	350 00 00 000	125 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	100 00 00 000
1.5	Bank of Maharastra 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	133 32 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
1.7	Syndicate Bank	53.5007	131 25 00 000	250 00 00 000
2	Overdrafts			
2.1	Bank of Baroda - OD limit Rs. 150 crore	24.420	75 23 53 213	140 53 55 812
2.2	Vijaya Bank - OD limit Rs. 300 crore	24.409	299 38 13 098	196 02 66 718
2.3	Canara Bank - OD limit Rs. 700 crore	24.414	743 39 89 968	503 01 19 192
2.4	Syndicate Bank - OD limit Rs. 100 crore	24.415	99 79 10 282	101 18 02 797
2.5	Bank of India - OD limit Rs. 200 crore	24.428	194 75 78 745	99 67 26 687
2.6	State Bank of Mysore - OD limit Rs. 200 crore	24.411	192 85 43 881	103 41 89 707-
TOTAL			2819 98 89 187	2018 83 99 087

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8 : Trade Payables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Sundry Creditors for Purchase of Power	41 Series		3230 76 02 277		2910 96 84 352
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		594 95 51 677		458 61 32 763
B	Payable for other services					
1	Levies / fees payable to GoK	46.300 +46.301 +46.441		30 66 89 928		46 64 43 477
2	Outstanding Liability - for Expenses	46.103, 410,470, 46.929		82 58 67 694		80 58 72 369
3	Payable to other ESCOMs	42.231 +42.232 +42.272 +42.243 +42.273		3 35 00 038		2 60 77 052
Total				3942 32 11 614		3499 42 10 013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9 : Other Current Liabilities

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Current maturities of long term debts		159 30 43 642	159 30 43 642	134 45 88 556	134 45 88 556
2	Interest accrued but not due on loans	46.710		5 84 22 649		6 84 44 678
3	Deposits from Suppliers, Contractors Etc.					
	Security Deposits in cash from Suppliers / Contractors	46.101	29 65 42 981		37 04 04 165	
	Security deposit other than in cash from suppliers / contractors	46.102	92 25 519	30 57 68 500	97 15 592	38 01 19 757
4	Advance consumption charges LT & HT	23.181 & 23.293	35 19 12 140	35 19 12 140	66 97 24 497	66 97 24 497
5	Revenue Suspense Account & Anywhere payment	47.607, 37.501, 502,503, 504			135 99 61 118	135 99 61 118
6	Other Payables					
	Stale Cheques	46.910	89 74 671		1 02 14 182	
	Retention Money - Bill amount retained	46.104	62 30 03 271		66 71 31 882	
	Other ESCOM - CESC	42.282	19 15 320		100 88 00 000	
	Excess credit under reconciliation with Bank	46.972, 976,977	(4 66 96 841)		(45 86 282)	
	Draught relief fund.	46.978	89 87 712		89 94 913	
	Miscellaneous Deposits/Other liabilities	46.966, 46.9	45 90 73 653	105 52 57 786	35 41 40 380	204 46 95 075
	Amount withheld from employees against recoverables	28				
	Contribution received by BESCO against compensation to the victims of Electrical accidents .	47.323	7 27 200	7 27 200	7 27 200	7 27 200
	Inter Unit Accounts					
7	Advance Retention Money (Delay condon)	28.105				
TOTAL				336 51 31 917		586 82 60 881

Note 10 : Short-Term Provisions

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Provision for Employee Benefits			6 19 58 283		5 12 02 483
	Unpaid Salaries	44.210	1 18 894		1 45 392	
	Unpaid Bonus	44.220	61 965		56 426	
	Salary payable	44.310	2 86 37 917		1 47 75 256	
	Bonus payable	44.320	21 94 052		23 69 841	
	Ex-gratia payable	44.330	3 09 45 455		3 38 55 568	
2	Provision for Income-Tax & Fringe Benefit Tax	46.800	30 70 00 000	30 70 00 000	4 95 00 000	49,500,000
TOTAL				36 89 58 283		10 07 02 483

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11 : Tangible / Intangible Assets

(Amount in Rs.)

Particulars		Fixed Assets			
Asset Group	A/c Code	Opening Balance as at 1-4-2014	Additions	Deductions	Closing Balance as at 31-3-2015
TANGIBLE ASSETS					
Land & Rights	10.1	7 50 68 115	3 10 614		7 53 78 729
Buildings	10.2	60 39 38 343	18 96 82 513		79 36 20 856
Civil Works (Pipeline, Sewage, Drainage, Water supply)	10.3	3 05 56 487	33 09 101		3 38 65 588
Other Civil Works	10.4	51 29 460	29 73 491		81 02 951
Plant & Machinery	10.5	1168 38 26 116	431 17 38 481	100 26 45 871	1499 29 18 726
Lines Cable Networks	10.6	4327 47 55 771	1189 67 04 836	75 41 26 874	5441 73 33 733
Vehicles	10.7	18 70 14 903	19 04 332	20 61 989	18 68 57 246
Furniture & Fixtures	10.8	10 43 38 925	1 23 80 600	3 46 373	11 63 73 152
Office Equipments	10.9	8 81 55 923	3 11 66 890	1 48 777	11 91 74 036
Current Year Total		5605 27 84 043	1645 01 70 858	175 93 29 884	7074 36 25 017
Previous Year Total		4796 14 82 682	942 13 88 310	133 00 86 949	5605 27 84 043

(Amount in Rs.)

Particulars	Depreciation						Net Block		
	A/c Code	Opening Balance As at 1-4-2014	Additions	Deductions	Short depreciation provided	Excess depreciation withdrawn	Closing Balance As at 31-3-2015	As at 31-3-2015	As at 31-3-2014
TANGIBLE ASSETS									
Land & Rights	12.1	13 86 845	9 24 472				23 11 317	7 30 67 412	7 36 81 270
Buildings	12.2	14 95 78 049	2 92 51 531		5 49 540	36 37 257	17 57 41 863	61 78 78 993	45 43 60 294
Civil Works (Pipeline, Sewage, Drainage, Water supply)	12.3	1 17 99 473	16 74 864		2 127	3 212	1 34 73 252	2 03 92 336	1 87 57 014
Other Civil Works	12.4	19 13 008	1 82 030				20 95 038	60 07 913	32 16 452
Plant & Machinery	12.5	301 37 94 429	72 49 19 798	19 25 58 639	3 13 33 056	71 58 246	357 03 30 398	1142 25 88 328	867 00 31 687
Lines Cable Networks	12.6	1436 01 81 886	230 49 44 200	54 40 71 649	8 04 08 927	71 32 780	1619 43 30 584	3822 30 03 149	2891 45 73 885
Vehicles	12.7	11 17 97 083	1 02 24 266	20 17 244	1 19 063	62 561	12 00 60 607	6 67 96 639	7 52 17 820
Furniture & Fixtures	12.8	5 02 31 301	49 05 921	3 09 895	3 10 487	6 639	5 51 31 175	6 12 41 977	5 41 07 624
Office Equipments	12.9	2 79 85 265	55 16 153	2 94 233	19 69 413	14 917	3 51 61 681	8 40 12 355	6 01 70 658
Current Year Total		1772 86 67 340	308 25 43 235	73 92 51 660	11 46 92 613	1 80 15 612	2016 86 35 915	5057 49 89 102	3832 41 16 703
Previous 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

(Amount in Rs.)

Particulars	Depreciation				
	A/c Code	Opening Balance As at 1-4-2014	Additions	Deductions	Closing Balance As at 31-3-2015
INTANGIBLE ASSETS					
Land & Rights	10.1	2 05 54 757			2 05 54 757
Software & Software Rights	18.1	71 35 689	2 11 40 340		2 82 76 029
Current Year Total		2 76 90 446	2 11 40 340		4 88 30 786
Previous Year Total		2 12 89 814	7 35 057		2 12 89 814

Particulars	Depreciation					Net Block		
	A/c Code	Opening Balance As at 1-4-2014	Additions	Deductions	Short depreciation provided	Excess depreciation withdrawn	Closing Balance As at 31-3-2015	As at 31-3-2014
INTANGIBLE ASSETS								
Land & Rights	12.1	1 33 110	44 370				1 77 480	2 04 21 647
Software & Software Rights	18.1							71 35 689
Current Year Total		1 33 110	44 370				1 77 480	2 75 57 336
Previous Year Total		88 740	44 370				1 33 110	2 12 01 074

NOTE:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12 : Capital Work-in-Progress

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Capital Work in Progress	14	1323 36 35 281		1186 97 75 511	
2	Contracts in Progress	15.128	4 96 38 241		1 74 71 790	
	Capital Work in Progress	14 series		1328 32 73 522		1188 72 47 301
3	Provision for works.	15.500		45 52 37 024		51 12 19 217
4	Dismantled assets for reuse (valued at WDV)					
	a) Value of scrapped assets	16.1	15 35 44 590		8 16 01 624	
	Less : 20% Provision estimated/possible erosion in value		-	15 35 44 590	1 63 20 325	6 52 81 299
	b) Value of Faulty and Dismantled assets for reuse	16.2	36 91 57 145		49 21 46 806	
	Less : 20% Provision estimated/possible erosion in value		-		9 34 84 920	
	Less : Depreciation		2 04 63 300			
				34 86 93 845		39 86 61 886
	Sub-Total			50 22 38 435		46 39 43 185
	TOTAL			1424 07 48 981		1286 24 09 702

Note 14 : Non-Current Investments

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
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					
3	Post acquisition profit on investment made in PCKL			1 74 64 496		
	TOTAL			11 75 64 496		10 01 00 000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15 : Long-Term Loans & Advances

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	CAPITAL ADVANCES					
1	Advances to Suppliers	25.1 to 25.5, 27.106	16 30 40 424		25 52 21 124	
2	Advances to Contractors	26.6	243 80 58 147		372 33 73 958	
3	Loans and Advances - Others	27.8 47.308, 309,310, 311	314 03 15 414		228 88 11 142	
				574 14 13 985		626 74 06 224
B	DEPOSITS					
a)	Security Deposits with Railways and Others	28.9	36 30 89 240		37 05 64 789	
b)	Security Deposit from Suppliers & Contractors other than cash.	28.930				
c)	Deposit with Jurala Hydro Electric Project	20.251	14 00 00 000		14 00 00 000	
				50 30 89 240		51 05 64 789
	Total			624 45 03 225		677 79 71 013

Note 18 : Inventories, Stores & Spares

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Stores, spares and loose tools (Stocks are valued at standard cost)					
a)	Material Stock Account	22.610	197 95 53 048		153 05 48 617	
	Less : Excess /Shortage	22.810- 22.820	(23 91 892)	197 71 61 156	(23 05 394)	152 82 43 223
b)	Mateterial imprest Account	22.641		1 10 96 579		82 73 436
c)	Other Material Account	22.700		2 59 87 117		2 10 11 019
	TOTAL 1 + 2			201 42 44 852		155 75 27 678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19 : Trade Receivables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Sundry Debtors - Supply of Power					
	a) Sundry Debtors for sale of Power – LT	23.1	3852 40 05 324		3588 01 81 638	
	b) Sundry Debtors for sale of Power - HT	23.2	32 18 55 573	3884 58 60 897	94 91 31 241	3682 93 12 879
		28.625	524 53 00 000		524 53 00 000	
	c) Amounts Receivable from GoK towards Free Power Supply to IP sets upto 10HP	28.627	648 15 44 153		434 51 13 289	
	d) Tariff subsidy Receivable from GOK towards BJ/KJ installation	28.626	54 63 13 743	1227 31 57 896	105 56 07 896	1064 60 21 185
	1. Unbilled Revenue - LT	23.4	487 85 78 194		364 94 98 818	
	2. Unbilled Revenue - HT	23.4	533 06 19 761		499 59 28 042	
	3. Dues from Permanently disconnected installations	23.5	119 20 73 439		118 82 97 305	
	4. Sundry Debtors - miscellaneous receipts from consumers	23.7	(54 557)		27 365	
	5. Provision for withdrawal of Revenue demand	23.8	(4 29 67 369)	1135 82 49 468	(5 29 54 241)	978 07 97 289
	6. Revenue Suspense Account & Anywhere payment	47.607, 47.609, 47.611, 47.612	(28 59 89 011)	(28 59 89 011)		
	Total 1			6219 12 79 250		5725 61 31 353
2	Inter ESCOMs Energy balancing & Energy charges at IF point	23.6	1279 84 56 498	1279 84 56 498	1225 00 91 744	1225 00 91 744
	Grand Total - (1+2)			7498 97 35 748		6950 62 23 097
3	Less :					
	Provision for Doubtful Dues from consumers	23.9	1241 80 29 587		1233 05 61 491	
	Total - 3			1241 80 29 587		1233 05 61 491
4	Net Receivables against Supply of Power (2 -3)			6257 17 06 161		5717 56 61 606
5	Sundry Receivables from					
A	KPTCL	28.826, 831,836, 841	32 06 09 650		35 05 72 565	
	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				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19 : Trade Receivables

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
c	On account of Materials, Released Assets, Personnel and others (Cash transactions)	42.276, 277,278, 52.308	9 95 81 386		9 09 08 372	
	Net receivable from KPTCL		22 10 28 264		25 96 64 193	
B	MESCOM	28.828, 833,838, 28.927	1 59 54 756		1 59 54 756	
C	GESCOM	28.830, 835,840, 928	6 67 92 684		2 55 79 993	
D	HESCOM	28.829, 834,839, 929	3 71 88 878		4 92 18 767	
	KPTCL & Other ESCOMS	28.8		34 09 64 582		35 04 17 709
	Other Receivables-suppliers/Contractors	28.8	(7 67 43 097)		55 21 607	
	Government and other local bodies receivables	28.1	281 20 79 365		88 28 88 589	
	Sub Total		273 53 36 268	273 53 36 268	88 84 10 196	88 84 10 196
	Total - 5			307 63 00 850		123 88 27 905
6	Sundry Debtors for Electricity Tax	23.3		107 26 46 831		51 43 43 523
	Total 4+5+6			6672 06 53 842		5892 88 33 034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20 : Cash & Cash Equivalents

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Cash on hand	24.110+ 24.210	19 20 75 370	19 20 75 370		26 53 59 189
2	Cheques, drafts on hand					
3	Balances with Banks:					
	(i) in current accounts					
	(a) Operative Accounts with scheduled banks	24.400	5 33 95 609			7 08 82 538
	(b) Non-Operative Accounts with scheduled banks	24.300	53 63 02 629	58 96 98 238		33 96 21 022
	(ii) in deposit accounts *	20.2	91 95 80 427	91 95 80 427		75 88 93 142
4	Stamps on Hand	24.120, 24.130, 24.140		2 14 700		1 55 441
	TOTAL			170 15 68 735		143 49 11 332

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

Note 21 : Short Term Loans & Advances

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Advance to Suppliers					
2	Deposits					
3	Advance Tax (Net of Provision for Tax)					
a	Tax deducted at source - (income Tax)	28.850	2 75 49 421	2 75 49 421		2 74 87 860
b	Income Tax including Advance Tax	28.821	13 51 94 590	13 51 94 590		7 76 15 299
c	Income tax of earlier years					
d	Income tax refund to be received	28.821				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	14 13 05 917		9 94 42 858	
b	Amounts recoverable from ex-employees	28.402	3 05 79 686		2 50 91 515	
c	Less : Provision for Doubtful of recovery from ex-employees	28.899	6 18 56 673	11 00 28 930	6 18 56 673	6 26 77 700
6	Loans and Advances to Staff - Interest free	27.2		12 37 68 798		13 73 09 589
	TOTAL			39 65 41 739		31 24 29 290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22 : Other Current Assets

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	Other Current Assets					
1	Remittance to Head Office -Transit Account	24.5	8 12 58 135		15 87 737	
2	Transfers from Head Office In Transit Account	24.6		8 12 58 135	1 09 86 851	1 25 74 588
3	Amount paid to IT under protest	28.821	73 79 33 607	73 79 33 607		73 79 33 607
4	Other Receivables	28.72, 28.74	1 02 12 735	1 02 12 735		90 43 827
5	Receivables from Pension / Gratuity Trust	28.9	8 73 21 354	8 73 21 354		5 27 92 397
6	Cash Receivables from Associates - KPTCL / ESCOMS	28.9	452 64 39 995	452 64 39 995		531 93 07 967
7	Receivable from GOK refund of meterequipment security deposit	28.710				
8	Interest accrued but not due on deposits (including Bank Deposits)	28.2 & 3		12 05 95 148		4 72 50 707
9	Prepaid expenses	28.820		10 25 624		11 92 338
	Preliminary expenses to the extent not written off					
1	Inter Unit Accounts- Materials	31	(8 27 23 693)		(7 00 41 233)	
2	IUA - CWIP, Fixed Assets, depreciation provision / obsolete and released assets	32	2 46 35 202		8 68 18 614	
3	Inter Unit Accounts - (1993) Personnel	36	(15 14 64 589)		4 49 96 345	
4	IUA - Other transactions / adjustments	37	(94 01 28 340)		(41 38 32 930)	
5	IUA-Remittances to HO	33	23 065		26 370	
	IUA-Transfer from HO	34	49 994		49 994	
10	Inter UnitAccounts			(114 96 08 360)		(35 19 82 840)
Total (A + B)				441 51 78 238		582 81 12 591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars		A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	LT 1(a) I	BJ/KJ Up To 18 Units Metered installations	61.101	41 40 27 233		31 05 38 974	
2	LT 1(a) I	BJ/KJ Up To 18 Units Un Metered installations	61.102	1 611		76 975	
3	LT 1 II	BJ/KJ Above 18 Units having more than one outlet	61.103	23 16 50 788		30 13 33 816	
4	LT 2A I	Lighting/combined lighting, heating & motive power installations BBMP (Urban) - LT 2(a)I	61.111	2473 59 34 302		2154 05 55 828	
5	LT 2A II	Lighting/combined lighting, heating & motive power installations (Urban Local Bodis other than LT 2(a)i - LT 2 (a)ii	61.112	206 67 20 610		178 50 15 794	
6	LT 2A III	Lighting/combined lighting, heating & motive power installations (Village Panchayats) - LT 2(a)iii	61.113	11 02 964		-	
7	LT 2A FL	Lighting/combined lighting, heating & motive power installations (Free Lighting)	61.114	6 43 75 703		6 45 28 300	
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	25 32 64 497		21 50 10 172	
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	2 97 90 779		3 28 12 938	
10	LT 3 I	Commercial Lighting, heating & motive power installations of ULBs including City Corporations	61.131	1245 33 62 303		1130 65 98 459	
11	LT 3 II	Commercial Lighting, heating & motive power installations VPs- LT3 (ii)	61.132	121 04 23 229		84 80 65 440	
12	LT 3 FL	Commercial Lighting, heating & motive power installations - Office Lighting	61.133	1 66 30 090		2 37 60 565	
13	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	1358 79 09 389		781 72 45 948	
14		IPSets upto and inclusive of 10HP- where meters are fixed-Rural feeders-LT4(a)i-Free power-Metered	61.142	3 34 655		-	
15		IPSets upto and inclusive of 10HP- Urban feeders metered-LT4(a)ii-Free power-metered	61.143	69 368		8 56 340	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
16	IP Sets upto and inclusive of 10HP- Urban feeders Unmetered-LT4(a)ii- Free power-Unmetered	61.146	25 180			
17	LT 4B I.P.Sets above 10HP-LT4(b)	61.144	6 00 00 346		1 26 72 199	
18	LT 4C IP sets Pvt. Hortl, Nurseries, Coffee & Tea Plantations irrespective of sanctioned load - LT4(c)	61.145	10 66 03 792		1 09 81 150	
19	Revenue from sale of power - IP sets - hor. Nur. Coffee & Tea above 10HP- LT 4 C(ii)	61.147	26 76 597		2 85 326	
20	LT 5A Heating & motive power (including lighting) of BBMP area upto & below 5HP - LT5(a)i	61.151	56 51 19 295		54 79 69 630	
21	Heating & motive power (including lighting) of Bangalore Metropolitan area for above 5HP & below 40HP (including demand based tariff) - LT 5(a)ii	61.152	173 58 30 620		156 23 11 447	
22	Heating & motive power (including lighting) of BBMP area for 40HP & above but below 67HP (including demand based tariff) - LT 5(a)iii	61.153	203 36 34 048		179 22 87 359	
23	Heating & motive power (including lighting)-BBMP area for 67HP & above (including demand based tariff) - LT 5(a)iv	61.154	53 64 79 333		48 96 92 523	
24	LT 5B Heating & motive power (including lighting) of other than BBMP area upto and below 5HP - LT 5(b)i	61.155	37 19 32 802		31 68 07 760	
25	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	92 67 85 396		93 22 67 738	
26	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	94 72 05 340		87 46 47 008	
27	Heating & motive power (including lighting) other than BBMP area for 67HP and above (including demand based tariff) - LT 5(b)iv	61.158	10 80 20 134		15 06 82 171	
28	LT 6B I Water supply installations of VPs/TP's and TMC/CMCs - LT 6	61.171	359 35 52 605		317 72 03 418	
29	LT 6B II Public Lighting installations of VPs/TP's and TMC/CMCs - LT 6	61.172	294 74 72 349		271 09 62 997	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.		Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
30	LT 7	Temporary Power Supply - LT installations - LT7	61.181	225 18 42 573		176 65 50 138	
I		Sale of Power L T category			7125 27 77 931		5859 17 20 413
31	HT 1	Drainage/Sewerage BWSSB & Local bodies/KUWS & SB - Water supply installations -HT 1	61.250	287 48 94 771		269 43 47 684	
32	HT 2A I	Industires in BBMP area - HT 2(a)i	61.260	1595 23 99 837		1470 38 42 886	
33	HT 2A II	Industires in areas other than BBMP area - HT 2(a)ii	61.261	1717 77 04 142		1519 79 09 396	
	HT 2C I	Revenue from sale of power - Govt. hospitals & Hospitals run by charitable institution, Educational institution	61.263	58 69 44 908		25 17 79 882	
	HT 2C II	Revenue from sale of power - Govt. hospitals & Hospitals run by charitable institution, Educational institution other than those covered under HT2CI	61.264	78 16 76 726		42 07 22 427	
34	HT 2B I	HT Commercial applicable to BBMP area - HT2(b)i	61.270	2186 85 90 304		2111 55 52 296	
		Water Supply installations of VP's/TP's & TMC/CMC's - LT6	61.271	29 52 03 781		30 78 17 384	
35	HT 2B II	HT Commercial applicable to areas other than BBMP area - HT2(b)ii	61.273	148 58 30 614		151 77 68 163	
36	HT 3A I	Lift Irrigation Schemes-Govt Dept & Govt ownd Corporations - HT3(a)i	61.280	3 82 58 365		4 07 03 067	
37	HT 3A II	Lift irrigation Schemes - Pvt LI Schemes and LI societies HT 3 a (ii)	61.281	1 35 190		(10 51 37 960)	
38	HT 3B	Lift irrigation Govt Horticulture, Coffee, Tea, coconut, Arecant,Etc Agricultural farms HT 3 b	61.282	27 31 111		8 14 113	
39	HT 3B	Lift irrigation Govt Horticulture, Coffee, Tea, coconut, Arecant,Etc Agricultural farms HT 3 b	61.289	6 64 776		3 55 232	
40	HT 4A	Residential apartments and colonies of BBMP Area HT 4 (a)	61.290	75 77 13 834		60 71 23 092	
41	HT 4B	Residential apartments and colonies Urban Local Bodies other than HT 4 (a) - HT 4 (b)	61.291	2 50 69 685		9 82 933	
42	HT 4C	Residential apartments and colonies of VPs - HT 4 (c)	61.292	60 78 112		4 30 08 168	
43	HT 5	Temporary Power Supply - HT installations - HT5	61.293	74 79 10 398		21 96 00 361	
II		Sale of Power HT category			6260 18 06 554		5701 71 89 124
		Total LT+HT			13385 45 84 485		11560 89 09 537

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 : Revenue from Operations

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
III	Other - Operating revenues					
1	Fuse charges	61.901	66 152		45 399	
2	Reconnection Fee (D & R)	61.902	1 03 09 711		6 19 135	
3	Public Lighting Maintenance Charges	61.903	-		5 788	
4	Service Connection	61.904	47 14 66 126		39 87 82 078	
5	Delayed payment charges from consumers.	61.905			7 14 315	
6	Other Receipts from consumers	61.906	52 51 88 271		23 59 08 704	
7	Registration fee towards SRTPV connection (Solar rooftop PV system)	61.907	16 83 515		21 452	
8	Facilitation fee towards SRTPV connection (Solar rooftop PV system)	61.908	11 000			
9	Recoveries for theft of power	61.710	51 15 073			
				101 38 39 848		63 60 96 871
10	Provision for withdrawal of Revenue Demand	83.8		7 23 77 591		7 14 71 442
	TOTAL			13479 60 46 742		11617 35 34 966

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23A : Other Income

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
	Interest on Bank Fixed Deposits	62.222, 260,270, 240	10 22 87 652		12 75 23 146	
	Interest - Others	62.260	48 85 722		39 15 097	
1	Interest Income :			10 71 73 374		13 14 38 243
2	Other non operating income					
	Profit on sale of stores	62.330 - 79.573	98 27 389		(74 24 369)	
	Rent	62.901	1 90 28 905		2 48 67 999	
	Incentives received	62.907 +62.361 +62.911 +62.922 +92+923 +62.361 +62.918	141 29 10 634		128 87 69 722	
	Excess provision made in prior period which is no longer required	62.325	14 48 791			
	Value of materials found excess during physical verification	62.905	41 03 253		27 02 004	
	Miscellaneous	62.917	46 82 79 238		26 23 32 482	
	Rebate at 0.5% for collection of Electricity Duty	62.916	2 96 67 682		2 66 92 160	
	Subsidy received from G.O.K	61.122			9 84 78 046	
	Profit earned on investment in PCKL for Current year		52 40 518			
				195 05 06 410		169 64 18 044
	TOTAL			205 76 79 784		182 78 56 287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24 : Purchase of Power

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Power Purchase Cost	70		11936 65 34 184		10942 30 48 271
1	Revenue from sale of power - HESCOM - Energy balancing at IF poit and above 33KV	61.310	91 71 00 000		128 96 65 313	
2	Revenue from sale of power - GESCOM - Energy balancing at IF poit and above 33KV	61.311	110 73 00 000			
		61.312	89 56 06 077		21 25 93 923	
3	Revenue from sale of power - CESC -Energy balancing at IF poit and above 33KV	61.313	5 94 00 000		63 20 95 381	
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	1 40 87 965			
7	Revenue from Inter-ESCOM exchange of energy cahrges 11KV & LT - CESC	61.317	1 73 30 416			
	Less : Energy balancing between ESCOMs	61.3		301 08 24 458		213 43 54 617
	Total			11635 57 09 726		10728 86 93 654
	Add : Short provision for power purchased in previous years	83.100		330 00 95 784		125 39 15 029
	Less : Excess provision for Power purchased in previous years	65.800		27 66 36 714		151 50 85 823
	Less : Rate fluctuation - power purchase	65.900		248 35 92 079		45 87 95 011
	Total			11689 55 76 717		10656 87 27 849
	Less : Excess provision for Others	65.900		4 52 92 980		-
	Grand Total			11685 02 83 737		10656 87 27 849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25 : Other Operating Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Repairs and maintenance - plant and machinery	74.1		36 99 71 106		36 90 25 668
	Buildings	74.2	3 68 97 266		1 75 27 645	
	Civil works (Pipeline, Seweage, drainage and water supply)	74.3	56 63 207		27 85 059	
2	Repairs and maintenance - buildings	74.2 & 3		4 25 60 473		2 03 12 704
3	Lines, Cable Net Work Etc.	74.5	12 24 93 805		11 73 97 007	
	Vehicles	74.6	1 09 51 257		67 07 700	
	Furniture and Fixtures	74.7	5 934		1 13 700	
4	Office Equipments.	74.8	35 34 211		30 10 487	
5	R & M charged to Capital Works (Credit account)	74.9	(1 13 925)		-	
6	Repairs and maintenance - others	74.3 to 74.8		13 68 71 282		12 72 28 894
7	Computer Rentals/maintenance charges	77.611				
				54 94 02 861		51 65 67 266

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26 : Employee Benefits

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Salaries and Wages	75.1 to 75.4				
	Salaries	75.1	395 23 53 163		401 79 30 268	
	Over Time	75.2	10 78 49 056		10 41 03 488	
	Dearness Allowance	75.3	96 84 32 864		59 47 94 688	
	Other Allowances	75.4	94 41 79 228	597 28 14 311	94 09 42 019	565 77 70 463
2	Bonus	75.5	4 84 99 406	4 84 99 406		4 59 13 759
3	Terminal Benefits	75.8	134 31 75 427	134 31 75 427		130 51 79 799
4	Staff Welfare					
	Medical Expenses reimbursement	75.611	10 12 64 940		8 54 67 161	
	Leave travel assistance	75.612	7 698		32 538	
	Earned Leave Encashment - For employees covered under Contributory Pension Scheme.	75.616	9 83 61 982		7 41 10 479	
	Earned leave encashment	75.617	24 79 17 162		16 96 73 741	
	E.L.Encashment - Retirement / Deceased Employees	75.618	16 15 13 485		12 20 49 820	
	Staff Welfare expenses	75.700	8 41 00 342		8 22 30 761	
	Compensation for injuries, death and damages ? Staff	79.530		69 31 65 609	36 99 493	53 72 63 993
5	Workmen compensation					
	Payment under workmens compensation Act	75.629	28 49 960		11 38 180	
	Payment to helpers/employees of Monsoon gang	75.630	1 06 07 935	1 34 57 895	94 26 565	1 05 64 745
6	Employees cost charged to capital works (Credit Account)	75.900		(4 75 83 264)	(2 39 15 508)	(2 39 15 508)
TOTAL				802 35 29 384		753 27 77 251

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27 : Other Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Rent	76.101	13 81 70 513		12 92 07 920	
2	Postage stamps & Telephone charges	76.111, 112,113, 115	7 21 80 779		6 52 93 559	
3	Remuneration to contract agencies	76.116+ 76.126+ 127+128+ 129+130+ 141+142+ 143	109 61 08 124		80 55 69 535	
4	Professional, legal and consultancy	76.122 +123+ 124+125	3 53 75 284		2 20 42 142	
5	Conveyance & Travel expenses	76.131, 135,137 to 139,	38 72 48 347		35 20 85 414	
6	Vehicle running expenses	76.136	3 10 24 634		2 97 50 318	
7	Fees & Subscriptions	76.151	3 92 32 954		3 63 60 618	
8	Printing & Stationery	76.152 76.153	6 19 56 384		2 65 18 093	
9	Advertisement Expenses	76.155, 76.260	2 76 87 173		2 46 53 768	
10	Computer stationary and floppies	76.156	55 12 913		59 36 125	
11	Contributions	76.157	30 44 998		2 610	
12	Electricity Charges	76.158	2 33 23 495		2 49 15 283	
13	Freight & other material related expenses	76.201 to 76.282	1 12 06 544		1 22 41 046	
14	Miscellaneous including provisions					
	Rates & Taxes	76.102	68 14 212		68 75 907	
	Insurance/fee	76.104, 105,106, 103	5 32 450		2 07 328	
	Security Charges	76.103				
	Water Charges	76.160	35 79 749		28 91 850	
	DSM Expenses	76.193	4 77 13 531		1 44 48 818	
	License Fees	76.154	2 379		69 78 778	
	Miscellaneous expenses	76.152, 162,164, 190,191, 192,79.2	4 49 74 857		3 91 33 735	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27 : Other Expenses

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
15	Details of Payments to Auditors (including legal & Professional charges)					
	a) Audit Fees					
	- Statutory Audit Fees			8 00 000		8 00 000
	- Tax Audit Fees			1 50 000		1 50 000
	b) For Re-imbursement of expenses			40 000		40 000
	c) For Service Tax			1 20 000		1 20 000
16	Expenses towards CSR- (Corporate Social Responsibilities)	76.194			33 74 163	
17	Other Expenses charged to capital works (Credit Account)	76.900	(6 36 70 962)		(6 11 88 951)	
			197 31 28 358	197 31 28 358	154 84 08 059	154 84 08 059
18	Small & Low value items Written off	77.610	26 72 538		15 94 277	
19	Asset decommissioning cost	77.5	(4 19 344)		90 22 922	
			22 53 194	22 53 194	1 06 17 199	1 06 17 199
20	Bank charges	78.820 to 78.890	10 19 08 018		9 76 66 932	
21	Interest to Consumers	78.600	210 37 60 717		179 79 08 634	
22	Stamp duty	78.861				
			220 56 68 735	220 56 68 735	189 55 75 566	189 55 75 566
23	Provision Against ex-employee recoverable	79.480			7 12 983	
24	Material cost variance	79.110	(15 09 35 173)		(32 61 75 188)	
25	Miscellaneous losses and Write offs including provisions	79.5	5 03 10 267		2 40 88 792	
26	Bad Debts written off	79.410 & 79.430	1 00 926		1 60 304	
22	Loss of materials by pilferage, etc.,	79.511				
23	Provision for Loss on obsolescence of stores, etc in stock	79.561	(10 98 05 245)		92 04 649	
			(21 03 29 225)	(21 03 29 225)	(29 20 08 460)	(29 20 08 460)
24	Interest on belated payment for power Purchase	80.102 to 80.149	-		3 08 71 664	
TOTAL				397 07 21 062		319 34 64 028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28 : Finance Costs

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Interest on Loans	78.1+ 78.540+ 78.546		465 41 40 664		353 89 05 400
2	Guarantee Commission to GoK	78.868				
3	Interest capitalised on capital borrowings	78.900		(67 75 20 220)		(30 43 61 782)
Total				397 66 20 444		323 45 43 618

Note 29 : Depreciation

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Depreciation on Buildings		77.110+77.120	3 02 20 374		2 06 56 053
2	Depreciation on Civil works (pipeline, sewerage, drainage, water supply etc.,)		77.130	13 90 191		12 67 886
3	Depreciation on other Civil Works		77.140	4 66 701		4 54 992
4	Depreciation on Plant and Machinery		77.150+151	74 35 71 345		59 70 61 179
5	Depreciation on lines, cable, network etc.,		77.160+161	230 66 08 164		185 01 41 660
6	Depreciation on Vehicles		77.170+171	1 02 24 267		1 03 08 124
7	Depreciation on furniture, fixtures		77.180	49 05 921		47 73 637
8	Depreciation on Office equipments		77.190+191	55 03 347		36 71 576
Total (1 to 8)				310 28 90 310		248 83 35 107
9	Less: Depreciation Withdrawn from contributions / subsidies as per AS - 12		62.363	110 50 38 514		122 65 09 587
Depreciation for the year			Total(1 to 8)-9	199 78 51 796		126 18 25 520

Note 30 : Exceptional Items

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Losses/gain relating to Fixed Assets	77.7-62.4		14 10 39 706		4 15 01 278
2	Impairment of Assets	77.580				
3	Provision for Bad & doubtful debts	79.460		8 74 68 096		39 34 91 638
TOTAL				22 85 07 802		43 49 92 916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 31 : Prior Period Expenses (+) / Income (-) (Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
A	Credits relating to earlier years :					
	1. Excess provision for Depreciation in prior period	65.600	1 80 50 957		5 71 13 339	
	2. Excess/short provision for Interest & Finance charges	65.700	8 66 90 226		13 07 92 314	
	3. Other excess provision in prior period	65.800	19 96 28 971		21 36 24 735	
				30 43 70 154		40 15 30 388
B	Debits relating to earlier years :					
	1. Employee costs relating to previous year	83.500	98 98 776		63 30 872	
	2. Depreciation under provided in previous period	83.600	11 46 93 199		7 97 20 161	
	3. Interest and other finance charges relating to previous years	83.700	2 652		27 14 344	
	4. Materials related expenses - previous years.	83.840	1 77 67 124			
	5. Other expenses relating to prior periods	83.850	2 04 80 137		58 17 365	
	6. Operating expenses of previous year	83.300	11 60 893		2 09 108	
	Sub-Total			16 40 02 781		9 47 91 850
C.	Net prior period represent - (Credits) / Expenses (A-B)			14 03 67 373		30 67 38 538

Note 32 : Extraordinary Items

(Amount in Rs.)

Sl. No.	Particulars	A/c CODE	Current Year 2014-15		Previous Year 2013-14	
1	Additional Tariff subsidy (Trueup) from GOK as per KERC orders	61.122				524 53 00 000
	TOTAL					524 53 00 000

Bangalore Electricity Supply Company Ltd.



Tips to Save electricity

Domestic :

- Switch off lights, fans and other electrical gadgets when not required.
- Use LED's/compact fluorescent lamps/tube lights instead of incandescent lamps.
- Use solar water heaters and use star-rated electrical appliances.
- Avoid keeping the refrigerator door open unnecessarily.
- Use low wattage CFLs in corridors and other less important areas.
- Use drapes and curtains of light shades in the interiors.

Public places :

- Switch off lights (except security lights) in parks and gardens after public exit.
- Switch off alternate street lights in densely lighted areas.
- Use only one third of high mast lighting systems.
- Switch on street lights after 6.30 p.m. and switch off before 5.30 a.m.

Commercial :

- Use air conditioners only when necessary.
- Reduce the use of decorative lights.
- Avoid operating downward escalators.
- Reduce lighting in car park and passages.
- Reduce lights for hoardings, boards and other advertising illuminations.

Industries :

- Avoid unnecessary use of lights and other electrical equipment.
- Switch off machinery when not in use.
- Use solar power wherever possible.
- Use capacitor banks for reactive power compensation.

“ಸೂರ್ಯ ರೈತ” ಯೋಜನೆಯಡಿಯಲ್ಲಿ ಹಾರೋಬೆಲೆಯಲ್ಲಿ
ಅಳವಡಿಸಲಾಗುವ ಸೌರಶಕ್ತಿ ಪ್ಯಾನೆಲ್‌ಗಳು



Bangalore Electricity Supply Company Ltd.

(Wholly owned Government of Karnataka undertaking)

K.R.Circle, Bangalore-560 001.