

20<sup>th</sup>

# Annual Report 2021 – 22

## DIRECTORS' REPORT



**Mangalore Electricity Supply Company Limited**

**BOARD OF DIRECTORS as on 31.03.2022**

Sl. No.	Shriyuths/Smt.,	Designation
1	Dr. N. Manjula IAS.,	Chairperson
2	Prashant Kumar Mishra. IAS.,	Managing Director
3	D. Padmavati	Director (Technical)
4	Dr. P.C. Jaffer IAS.,	Director
5	G. Sheela	Director
6	Gopal	Director
7	T.R. Ramakrishnaiah	Director
8	Shivaprakash T.M.	Director
9	Shivarudrappa S.	Non Official Director
10	S.S. Nanjundaswami	Non Official Director
11	Giriraja G.K	Non Official Director
12	N. Dinesh	Non Official Director
13	Kishore B.R.	Non Official Director
14	Praveen Hegade	Non Official Director
15	Balachandra Bhat	Non Official Director
16	M. Dinesh Pai	Non Official Director

**Corporate Office:** "MESCOM Bhavana", Kavoor Cross Road, Bejai, Mangaluru-575004

**Website:** [www.mescom.karnataka.gov.in](http://www.mescom.karnataka.gov.in)

**Corporate Identity No (CIN):** U40109 KA 2002 SGC 030425

**Bankers:**

1. Canara Bank
2. State Bank of India
3. Bank Of Baroda
4. Union Bank Of India
5. Punjab & Sindh Bank
6. Bank Of India
7. Indian Bank

**Chief Financial Officer** : Sri. B Jagadeesha

**Company Secretary** : Sri. Prabhat M. Joshi, MBA, CMA, CS.,

**Statutory Auditor** : M/s. Nithin J Shetty & Co, Mangalore

**Cost Auditor** : M/s R. R. M. Associates, Mysuru

**Secretarial Auditor** : M/s SMPV and Associates LLP, Bangalore

## DIRECTORS' REPORT FOR FY 2021-22

1. The Board of Directors herewith present the 20<sup>th</sup> Annual Report on the business and operations of the Company along with the audited accounts for the year ended 31<sup>st</sup> March, 2022 duly expressing its sincere thanks to the esteemed consumers and duly recognizing with gratitude, the guidance and efforts of Chairperson and Directors who have served the Company. Mangalore Electricity Supply Company Limited (MESCOM), being wholly owned Government of Karnataka undertaking, is engaged in distribution of electricity in four districts of Karnataka i.e., Dakshina Kannada, Udupi, Shivamogga and Chikkamagaluru.
2. Company having a working strength of 5,180 employees is serving 25,64,242 consumers of various category has achieved turnover of about ₹ 4077.74 Crores during the year 2021-22.
3. **The status of the Company as on 31-03-2022 at a glance:**

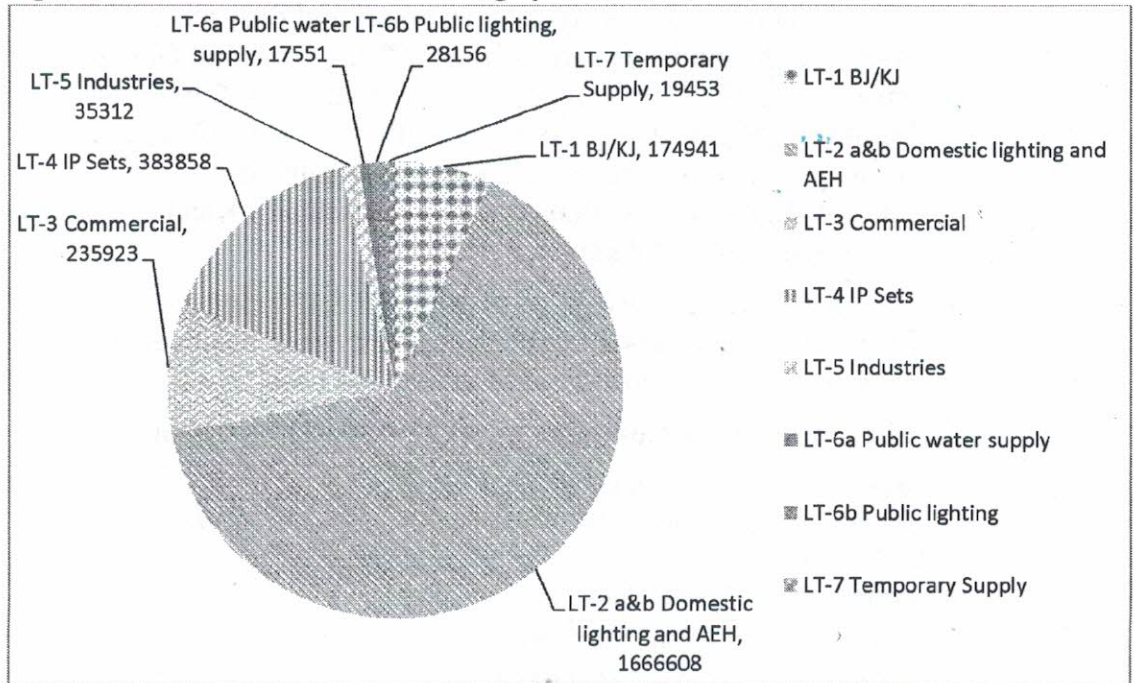
Area of Supply and Distribution (Sq. Km.)	24,049
Number of sub stations 400 KV, 220 KV, 110 KV, 66 KV (of KPTCL)	99
Number of 33 KV sub stations	48
Number of Distribution Transformers	95,590
Length of LT Lines (in Radial KMs)	89,739.76
Length of 11 KV Lines (in Radial KMs)	47,203.72
Length of 33 KV Lines (in Radial KMs)	1016.55
Number of feeders	1274
Number of Power Transformers /Total Capacity	91/545 MVA
HT/LT Ratio	1:1:9

4. **Consumer Base:**

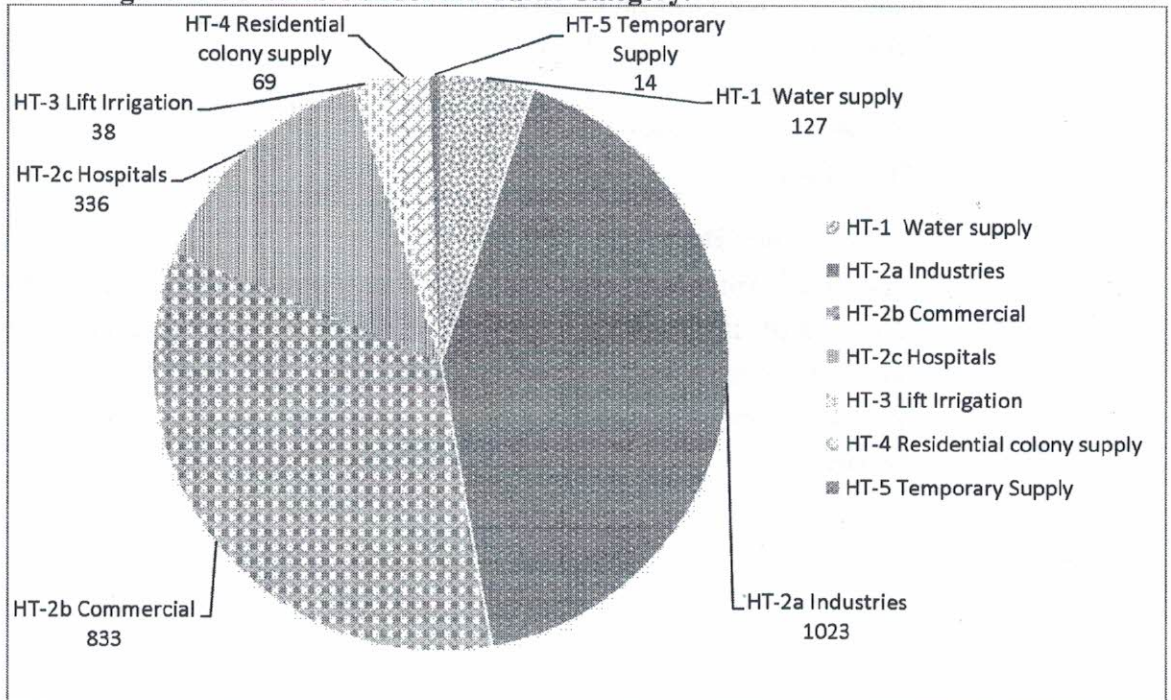
As on 1<sup>st</sup> April 2021 the Company had a consumer base of 25,04,859 No's. With the addition of 59,383 No's of new consumers during the year, the consumers at the end of the year 31<sup>st</sup> March 2022 stood at 25,64,242 No's comprising of the categories as shown in the charts below;



**Figure 1: Consumers under LT Tariff Category:**



**Figure 2: Consumers under HT Tariff Category:**





5. Review of Balance Sheet and Statement of Profit and Loss for the year ending March 31.03.2022 with the previous Year ending 31.03.2021 is as detailed below:

### I. Analysis of Balance Sheet

Particulars	(₹. In lakh.)			
	As at 31.03.2022	As at 31.03.2021	Increase(+)/ Decrease(-)	% variation
<b>ASSETS</b>				
<b>I Non-Current Assets</b>				
(a) Property, plant and Equipment	306177.14	280778.26	25398.88	9.05
(b) Capital Work in progress	23917.29	22949.56	967.73	4.22
(c) Intangible Assets	178.80	496.10	-317.30	-63.96
(d) Right of use assets	90.12	-	90.12	100.00
(e) <b>Financial Assets</b>				
i Investments	1.00	1.00	-	-
ii Other financial assets	12958.81	12957.67	1.14	0.01
(f) Non-current tax assets	1706.28	4122.93	-2416.65	-58.61
(g) Other non-current assets	807.04	807.04	-	-
<b>Total Non-current Assets</b>	<b>345836.48</b>	<b>322112.56</b>	<b>23723.92</b>	<b>7.37</b>
<b>II Current Assets</b>				
(a) Inventories	5005.54	3156.55	1848.99	58.58
(b) <b>Financial Assets</b>				
i. Trade receivables	84597.52	74176.60	10420.92	14.05
ii. Cash and cash equivalents	4820.78	4390.41	430.37	9.80
iii. Bank Balances other than (ii) above	906.46	148.20	758.26	511.65
iv Other Financial Assets	121478.45	144247.09	-22768.64	-15.78
(c) Current Tax Assets	1938.27	2098.49	-160.22	-7.64
(d) Other current Assets	3593.07	686.31	2906.76	423.53
<b>Sub-total</b>	<b>222340.09</b>	<b>228903.65</b>	<b>-6563.56</b>	<b>-2.87</b>
III Assets held for sale	427.16	441.44	-14.28	-3.23
IV Regulatory Deferral Account	57906.95	92698.53	-34791.58	-37.41
<b>Total Assets</b>	<b>626510.68</b>	<b>644156.18</b>	<b>-17645.5</b>	<b>-2.74</b>
<b>LIABILITIES</b>				
<b>I Equity</b>				
(a) Equity Share Capital	66242.35	61944.16	4298.19	6.94
(b) Other Equity	26045.03	26175.83	-130.80	-0.50
<b>Total Equity</b>	<b>92287.38</b>	<b>88119.99</b>	<b>4167.39</b>	<b>4.73</b>

<b>II Non-current Liabilities</b>				
(a) Financial liabilities				
i. Borrowings	109921.61	101053.81	8867.80	8.78
ii. Lease Liabilities	89.35	-	89.35	100.00
iii. Trade Payables	10192.50	60114.46	-49921.96	-83.04
iv. Other Financial Liabilities	119708.45	115982.31	3726.14	3.21
(b) Provisions	7752.62	8127.32	-374.70	-4.61
(c) Deferred income	69599.21	62606.66	6992.55	11.17
(d) Other Non-current liabilities	38.79	38.79	-	-
<b>Total Non-current liabilities</b>	<b>317302.53</b>	<b>347923.35</b>	<b>-30620.82</b>	<b>-8.80</b>
<b>III Current Liabilities</b>				
(a) Financial Liabilities				
i.. Borrowings	64641.32	59734.98	4906.34	8.21
ii.. Lease Liabilities	-	-	-	-
iii. Trade Payables	32445.69	24945.94	7499.75	30.06
iv. Other Financial Liabilities	90263.02	97329.79	-7066.77	-7.26
(b) Provisions	1977.85	2256.46	-278.61	-12.35
(c) Deferred income	4526.16	3904.95	621.21	15.91
(d) Other current liabilities	23066.73	19940.72	3126.02	15.68
<b>Total Current Liabilities</b>	<b>216920.77</b>	<b>208112.84</b>	<b>8807.93</b>	<b>4.23</b>
<b>Total Liabilities</b>	<b>534223.30</b>	<b>556036.19</b>	<b>-21812.89</b>	<b>-3.92</b>
<b>Total equity and Liabilities</b>	<b>626510.68</b>	<b>644156.18</b>	<b>-17645.5</b>	<b>-2.74</b>

## ASSETS

### 1. Non-Current Assets

- ❖ **Property plant and equipment:** This is increased by ₹ 25398.88 lakh due to categorization of Capital Works completed during the Year.
- ❖ **Capital Work in progress:** It is increased by ₹ 967.73 lakh due to additional work taken up under various schemes and improvement works.
- ❖ **Intangible assets:** This is decreased by ₹ 317.30 lakh due to amortization of softwares.
- ❖ **Right of use assets:** ₹ 90.12 lakh has been booked during FY 2021-22 on account of capitalization of lease amount for Buildings held under lease, to comply with Ind AS-116 .

- ❖ **Non-current financial assets:** It is marginally increased by ₹ 1.14 lakh.
- ❖ **Non-current tax Assets:** It is decreased by ₹ 2416.65 lakh due to payment of Advance Tax for FY 2021-22 amounting to ₹ 1704.28 Lakhs and reversal of MAT credit entitlement to the extent of 4120.93 lakhs consequent to adoption of section 115BAA of Income Tax Act for filing returns with effect from AY 2022-23.

## 2. Current Assets:

- ❖ **Inventories:** It is increased by ₹ 1848.99 lakh due to purchase of new materials to carry out various new capital works.
- ❖ **Trade receivables:** It is increased by ₹ 10420.92 lakh mainly due to increase in sale of energy compared to previous year and non-realization of revenue from Local Bodies, MPM etc.
- ❖ **Cash and cash equivalents:** It is increased by ₹ 430.37 lakh due to increase in the balance held under non operative bank accounts.
- ❖ **Other Bank Balances:** It is increased by ₹ 758.26 lakh because of deposits kept with bank for obtaining Bank Guarantees.
- ❖ **Other financial assets:** It is decreased by ₹ 22768.64 lakh (net). Receivable from other ESCOMs is increased by ₹ 41304.35 lakhs due to increase in energy balancing dues. Subsidy receivable from GoK is reduced by ₹ 59438.24 lakh due to release of past arrears of Subsidy amounting to ₹ 50000.00 lakh. Receivable from Panchayaths for energisation of Water supply installations also decreased by ₹ 558.15 lakhs. Income tax refundable from IT department for AY 2006-07 amounting to ₹ 4297.70 lakhs which was accounted as receivable in FY 2020-21 has been refunded during the year 2021-22 thereby reducing the Sundry Debtors balance. There is net increase of ₹ 221.10 lakh in other items.
- ❖ **Current tax assets:** It is decreased by ₹ 160.22 lakh due to reversal of MAT credit entitlement consequent to adoption of section 115BAA of Income Tax Act for filing returns with effect from AY 2022-23.



- ❖ **Other Current assets:** It is increased by ₹ 2906.76 lakh (net) mainly due to increase in advances paid to PCKL to the extent of ₹ 2904.21 lakhs for short term power purchase. Further, there is net increase of ₹ 2.55 lakh in other items.
- ❖ **Assets held for sale:** It is marginally decreased by ₹ 14.28 lakh.
- ❖ **Regulatory Deferral Account Debit Balance:** It is decreased by ₹ 34791.58 lakh.

Regulatory Asset created for FY 2019-20 amounting to ₹.10315.00 lakh is treated as recovered during FY 2021-22 and reversed in the accounts. Further, Regulatory Asset created during FY 20017-18 amounting to Rs. 35807.20 Lakhs was also treated as recovered during the FY 2021-22.

During the year 2020-21 Company had provisionally accounted Regulatory Asset to the extent of ₹.46576.33 lakhs against which Hon'ble KERC has allowed true up gap of ₹ 34196.00 lakh in the APR. Hence Regulatory Asset balance for the year 2020-21 is reduced by ₹ 12380.33 in the current year 2021-22.

Further, fresh Regulatory Asset to the extent of ₹ 23710.95 lakh is accounted in the accounts for FY 2021-22 by computing the provisional gap expected to be considered by KERC for inclusion in the tariff revision of future years.

## EQUITY & LIABILITIES:

### 1. Equity

- ❖ **Equity Share Capital:** Equity Share Capital is increased by ₹ 4298.19 lakh due to capital investment by GoK.
  - ❖ **Other Equity:** It is decreased by ₹ 130.80 lakh (net)
- Amounts added to other equity are as follows:**

	<u>Amount (₹ in lakh)</u>
1. Share Deposits given by State Govt.	876.76

2. Less: Share deposit converted into Equity	-4298.19
3. Profit for the year	3270.27
4. Change in Capital reserve	20.36
<b>Net increase</b>	<b>-130.80</b>

## 2. Non-Current Liabilities:

- ❖ **Borrowings:** This is increased by ₹ 8867.80 lakh (net). During the Year MESCOM has borrowed ₹ 29000.00 Lakh of fresh loans and repaid ₹ 18752.67 lakh. Further current maturities of long term loans repayable during FY 2022-23 amounting to ₹ 21279.53 Lakh have been transferred to current liabilities. Current maturities of long term loans are increased by ₹ 1379.53 lakh compared to previous year.
- ❖ **Lease liabilities:** ₹ 89.35 lakh has been booked during FY 2021-22 towards lease liabilities in respect of Buildings held under lease, to comply with Ind AS-116.
- ❖ **Trade Payables:** This is decreased by ₹ 49921.96 lakh (net) due to payment of power purchase dues of M/s Karnataka Power Corporation Limited out of past arrears of subsidy released by GoK during current year.
- ❖ **Other Financial liabilities:** This is increased by ₹ 3726.14 lakh (net). Initial/Additional Security deposits have been collected from consumers to the extent of ₹ 3705.17 lakh. Further, there is net increase of ₹ 20.97 lakh in other items.
- ❖ **Provisions:** This is decreased by ₹ 374.70 lakh due to reduction in long term liability on account of Earned leave encashment and FBF as per actuarial valuation reports carried out as on 31.03.2022.
- ❖ **Deferred Income:** This is increased by ₹ 6992.55 lakh net. During the year MESCOM has received consumers' contributions of ₹ 9041.01 lakh. Govt. has released grants of ₹ 1223.00 lakhs for IPDS works and grants of ₹ 1421.00 lakhs for setting up of Gas Insulated Sub-stations (GIS) and also ₹ 176.10 Lakhs towards other scheme works.



Further, during the year an amount of ₹ 4247.35 lakh representing the amount of depreciation computed on the cost of assets funded through consumers' contribution/ Govt. grants is adjusted to revenue.

There is increase of ₹ 621.21 lakhs in Current deferred income.

### 3. Current Liabilities

- ❖ **Borrowings:** This is increased by ₹ 4906.34 lakh mainly due to availing of additional Bank overdraft facility during the current year.
- ❖ **Trade Payables:** This is increased by ₹ 7499.75 lakh mainly due to increase in the dues payable to M/s NTPC-RSTPS by ₹ 7186.86 lakh. Dues of other generators is increased by ₹ 312.89 lakhs.
- ❖ **Other Financial Liabilities:** This is decreased by ₹ 7066.77 lakh (Net). Payable to other ESCOMs decreased by ₹ 14308.85 lakh mainly due to accounting of energy balancing results for FY 2021-22. Employee related liabilities increased by Rs. 536.90 lakhs. Provision for outstanding liability is increased by ₹ 788.23 lakh due to creating provision for pending bills. Interest payables on consumers' security deposits is decreased by ₹. 109.70 lakhs. Credit Balance in Consumers' Accounts is increased by ₹. 4270.85 lakhs. Other liabilities are increased by ₹ 1755.80 lakh.
- ❖ **Provisions:** This is decreased by ₹ 278.61 lakh due to decrease in short term liability on account of Earned leave encashment and FBF accounted in accordance with actuarial valuation reports.
- ❖ **Deferred Income:** Current liability under deferred income is increased by ₹ 621.21 lakh.
- ❖ **Other Current Liabilities:** This is increased by ₹ 3126.01 lakh (Net). Transmission charges payable to KPTCL is increased by ₹. 652.60 lakhs. Consumers' deposits towards works are increased by ₹ 1256.49 lakhs, Taxes and duties payable to Govt. and other Statutory Bodies increased by ₹ 947.02 lakhs. Charges payable to SLDC



towards UI charges is increased by Rs. 224.10 lakhs. There is net increase of ₹ 45.80 lakh in other items.

**II. Analysis of Statement of Profit and Loss** (₹ In lakh)

Sl. No.	Particulars	31.03.22	31.03.21	Increase(+)/ Decrease(-)	Variance in (%)
I	Revenue from operations	389577.85	360673.92	28903.93	8.01
II	Other Income	18196.33	18653.83	-457.5	-2.45
III	<b>Total Revenue (I+II)</b>	<b>407774.18</b>	<b>379327.75</b>	<b>28446.43</b>	<b>7.50</b>
IV	<b>Expenses</b>				
	Purchase of power	257983.06	310880.45	-52897.39	-17.02
	Employee Benefits Expense	52275.97	46761.12	5514.85	11.79
	Finance Costs	13185.59	13165.84	19.75	0.15
	Depreciations and amortization expenses	20988.13	19304.97	1683.16	8.72
	Other Expenses	20871.00	21558.37	-687.37	-3.19
	<b>Total Expenses (IV)</b>	<b>365303.75</b>	<b>411670.75</b>	<b>-46367.00</b>	<b>-11.26</b>
V	<b>Profit before exceptional items &amp; tax (III-IV)</b>	<b>42470.43</b>	<b>-32343.00</b>	<b>74813.43</b>	
VI	<b>Exceptional Items income/ (expenses) (net)</b>	<b>-4408.58</b>	<b>795.98</b>	<b>-5204.56</b>	
VII	<b>Profit/ (Loss) before tax (V+VI)</b>	<b>38061.85</b>	<b>-31547.02</b>	<b>69608.87</b>	
VIII	<b>Tax Expense</b>	-	-	-	
IX	<b>MAT credit entitlement</b>	-	-	-	
X	<b>Net movement in Regulatory Deferral account Balance related to Profit or Loss</b>	<b>-34791.58</b>	<b>26250.33</b>	<b>-61041.91</b>	
XI	<b>Profit after Tax</b>	<b>3270.27</b>	<b>-5296.69</b>	<b>8566.96</b>	

❖ **Total Revenue from Operations** has increased by 8.01% (₹ 28903.93 Lakh) net, over the previous year mainly because of increase in sale of energy to the extent of 110.56 Mus and increase in tariff rates.

❖ **Other Income is decreased by 2.45% (₹ 457.50 lakh)** over the previous year. During previous year Company has received interest income from Income Tax department to the extent of ₹. 1989.23 lakhs, received Subsidy from GoK towards loss of assets due to flood amounting to ₹ 1062.39 Lakhs and also excess provisions and other old balances under sundry creditors to the extent of Rs.

1171.15 Lakhs were written back. In the absence of these three items in the current year, the other income has recorded decrease of ₹ 457.50 lakh though there is increase in collection of belated payment charges from consumers (₹ 1438.68 lakh), gain on sale of scrap (₹ 1303.96 lakh) in the current year.

- ❖ **Since the arrears in respect of IP set Consumers having connected load upto 10 HP is frozen with effect from 01.08.2008, the Company has stopped charging interest on said arrears from the year 2011-12 which has an impact of ₹ 6.51 Crs in FY-22.**
- ❖ **Power purchase cost is decreased by 17.02% (₹ 52897.39 lakh)** over the previous year. This is mainly because of decrease in average power purchase cost which is ₹. 4.34 per unit for the current year against previous year cost of ₹ 5.30 per unit. The average power purchase cost is decreased due to allocation of more hydel energy and less thermal energy to the Company during FY 2021-22. As per the energy balancing results for the year 2021-22, ₹ 43850.20 lakh is receivable from other ESCOMs.
- ❖ **Employee cost is increased by 11.79% (₹ 5514.85 lakh)** over the previous year. The increase is mainly due to reinstatement of facility of surrendering of Earned Leave encashment for employees and release of Dearness Allowance in the current year which was suspended in the previous year in order to curtail the revenue expenses due to covid -19 pandemic. Further Company has provided for the amount payable to the NDCPS trust towards the contribution for family pension and Gratuity in respect of employees covered under NDCPS scheme, to the extent of ₹ 3250.02 lakhs.
- ❖ **Finance Charges is marginally increased by 0.15% (₹ 19.75 lakh)** over the previous year due to increase in the quantum of loans availed from Commercial Banks. **This year also Company has not accounted the interest liability for belated payment of power purchase dues of KPCL.**



- ❖ **Depreciation and amortization expenses have increased by 8.72% (₹ 1683.16 lakh)** over the previous year due to increase in assets.
- ❖ **Other expenses are decreased by 3.19% (₹ 687.37 lakhs)** over the previous year due to decrease in the repairs and maintenance expenses and also due to decrease in the expenses towards remuneration paid for Contract agencies for the various services obtained.
- ❖ Consequent to adoption of section 115BAA of Income Tax Act for filing returns with effect from AY 2022-23, no provision for payment of tax for the year 2021-22 is created.
- ❖ **Regulatory Asset:**  
Regulatory Asset created for FY 2019-20 amounting to ₹.10315.00 lakh is treated as recovered during FY 2021-22 and reversed in the accounts. Further, Regulatory Asset created during FY 2017-18 amounting to ₹. 35807.20 Lakhs was also treated as recovered during the FY 2021-22.  
  
During the year 2020-21 Company had provisionally accounted Regulatory Asset to the extent of ₹ 46576.33 lakhs against which Hon'ble KERC has allowed true up gap of ₹ 34196.00 lakh in the APR. Hence Regulatory Asset balance for the year 2020-21 is reduced by ₹ 12380.33 in the current year 2021-22.  
  
Further, fresh Regulatory Asset to the extent of ₹ 23710.95 lakh is accounted in the accounts for FY 2021-22 by computing the provisional gap expected to be considered by KERC for inclusion in the tariff revision of future years.
- ❖ **Profit after Tax** has increased by ₹ 8566.96 lakh over the previous year.

## 6. Dividend

The Board has not proposed any dividend for the financial year ended 31<sup>st</sup> March, 2022.

## 7. Source of Funds & Borrowings



- a) The source of funds of the Company stands at Rs. 922.87 Cr at the end of the Financial Year comprising of Equity Share Capital A/c of Rs. 662.42 Cr and Reserves and Surplus of Rs. 260.45 Cr.
- b) The long term borrowing of the Company amounts to Rs. 1099.22 Cr and the security deposits from consumers amounts to Rs. 749.66Cr.

## 8. Power Purchase details

MESCOM is purchasing power from generators as per GoK order No. EN 131 PSR 2003 dated 10.05.2005 w.e.f 10.06.2005. The power is procured from the following sources during FY 2021-22.

9. (a) 1. Central Generating Stations like NTPC, NTPC VVNL, NLC, NPCIL, NTECL, NTPL & NTPC (Bundled Solar Power).
2. State owned generating stations of (a). KPCL – Hydrel, Thermal  
(b). Raichur Power Corporation Ltd., - Thermal.
3. Major Independent Power Producer - Udupi Power Company Ltd.,
4. Independent power producers from non conventional sources like Wind, Solar & Mini hydrel.
5. Telangana State Power Generation Corporation Ltd.,(Priyadarshini Jurala)
6. Damodar Valley Corporation Ltd.,
7. Medium Term (Co-gen).

- (b) The GoK issues order allocating share to each ESCOM for payment purpose and also power allocation. The share of payment allocation to MESCOM for FY 2021-22 as per order No: EN 120 PSR 2021, Bangalore dated 25.03.2021 is as below:

1.	KPC Hydrel, TB Dam & Jurala	8.1553% to 19.5067%
2.	KPC Thermal, RPCL & CGS	8.1553% to 9.000%
3.	Major IPPs	5.3530%
4.	Medium term (Co-gen)	8.270%
5.	IPPs of NCE sources with whom MESCOM has entered into PPA	100%

- (c) The source wise power purchase and cost incurred by MESCOM during FY 2021-22 is as below:

Source	Energy (MU)	Amount (Crs)	Average Cost (Rs/unit)

KPCL (Thermal)	977.66	523.54	5.36
KPCL (Hydel)	2134.22	155.32	0.73
Raichur Power Corporation Ltd.,	381.70	222.07	5.82
Total KPCL	3493.58	900.93	2.58
CGS	2041.49	946.52	4.64
Priyadarshini Jurala	13.64	4.82	3.54
Damodar Valley Corporation	247.20	110.56	4.47
Major IPPs	83.42	105.15	12.60
Medium term power purchase (Co-gen)	107.88	52.07	4.83

NCE Projects			
Mini Hydel	437.86	161.36	3.69
Wind Mill	251.34	89.88	3.58
Solar	727.42	347.56	4.78
Total NCE	1416.62	598.80	4.23
UI Charges	-17.66	-0.83	0.47
Surplus Energy Sold Through IEX (Pckl)	-502.75	-208.63	4.15
KPTCL Transmission Charges		320.58	
PGCIL Transmission Charges		184.23	
Other Expenses	3.77	4.13	
Total	6887.19	3018.33	4.38
Energy Balancing FY 2022	-946.18	-438.50	4.63
Net Energy/Cost	5941.01	2579.83	4.34

(D) The comparison of source wise power purchase cost during FY 2020-21 & 2021-22

Source	2020-21			2021-22		
	Energy (MU)	Cost (Cr\$)	Average Cost (Rs/Unit)	Energy (MU)	Cost (Cr\$)	Average Cost (Rs/unit)
KPCL	1653.41	489.99	2.96	3111.88	678.86	2.18
Raichur Power Corporation Ltd	262.87	192.33	7.32	381.70	222.07	5.82
CGS	1762.85	806.35	4.57	2041.49	946.52	4.64
Priyadarshini Jurala	15.90	3.12	1.96	13.64	4.82	3.54
Damodar Valley Corporation	267.97	111.65	4.17	247.20	110.56	4.47
Major IPPs	280.34	228.03	8.13	83.42	105.15	12.60
Medium term Power Purchase (Co-gen)	152.44	75.80	4.97	107.88	52.07	4.83
NCE	1379.43	548.85	3.98	1416.62	598.80	4.23

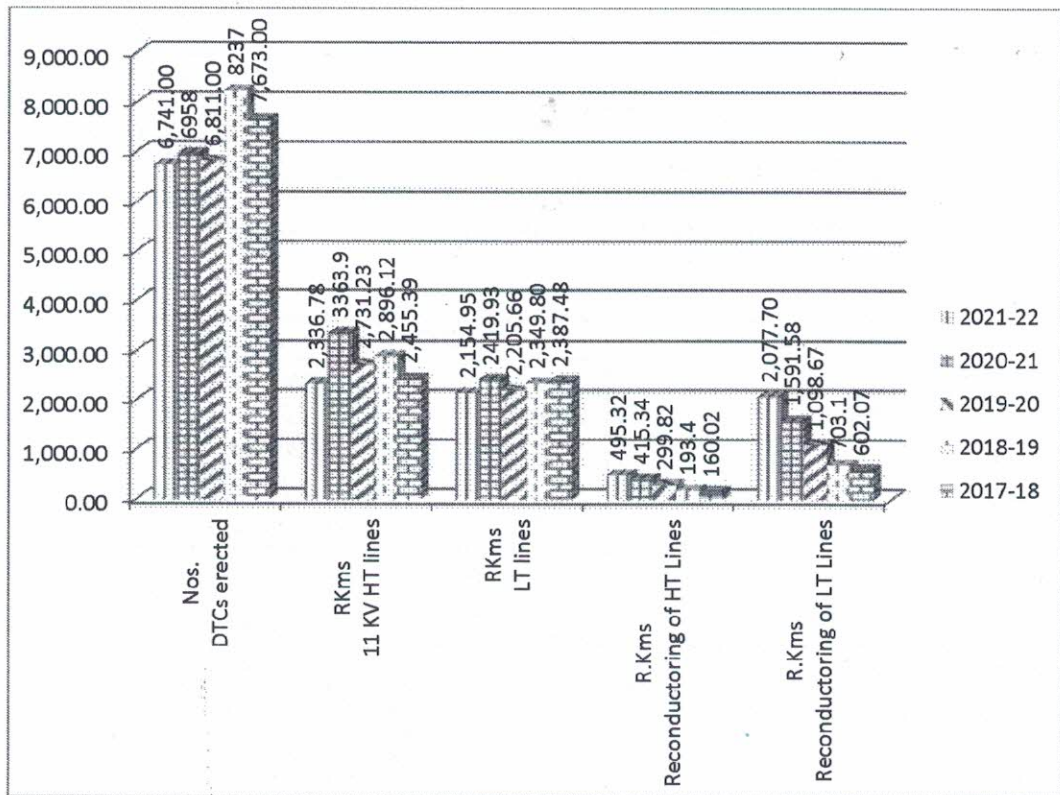




Surplus Energy Sold Through IEX (PCKL)	-131.25	-43.73	3.33	-502.75	-208.63	4.15
KPTCL Transmission Charges	0.00	293.01	0.00	0.00	320.58	0.00
PGCIL Transmission Charges	0.00	245.65	0.00	0.00	184.23	0.00
UI Charges & Other Expenses	-20.88	27.72	-13.27	-13.89	3.30	-2.38
Total	5623.08	2978.77	5.30	6887.19	3018.33	4.38
Energy Balancing adjustment	240.46	130.03	5.41	-946.18	-438.50	4.63
Net Energy & Amount	5863.54	3108.80	5.30	5941.01	2579.83	4.34

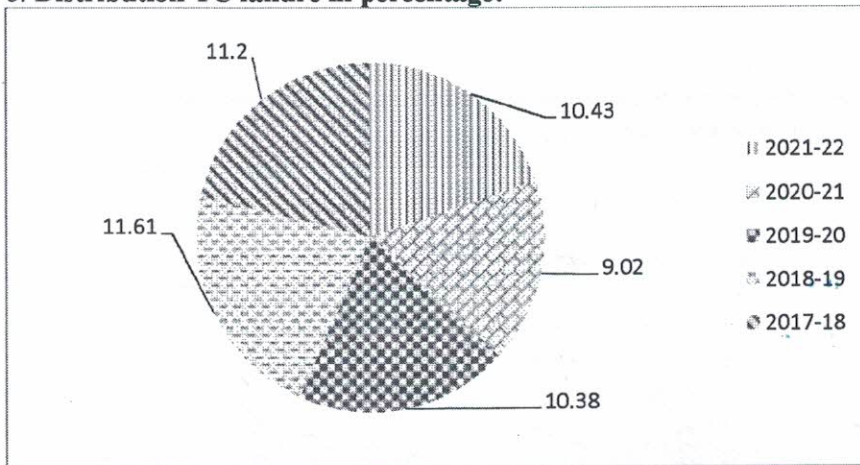
**10. An overview of the performance of MESCOM with regard to Distribution Transformers, HT/LT lines, Electrification is as under:**

**a. Lines & TCs added:**

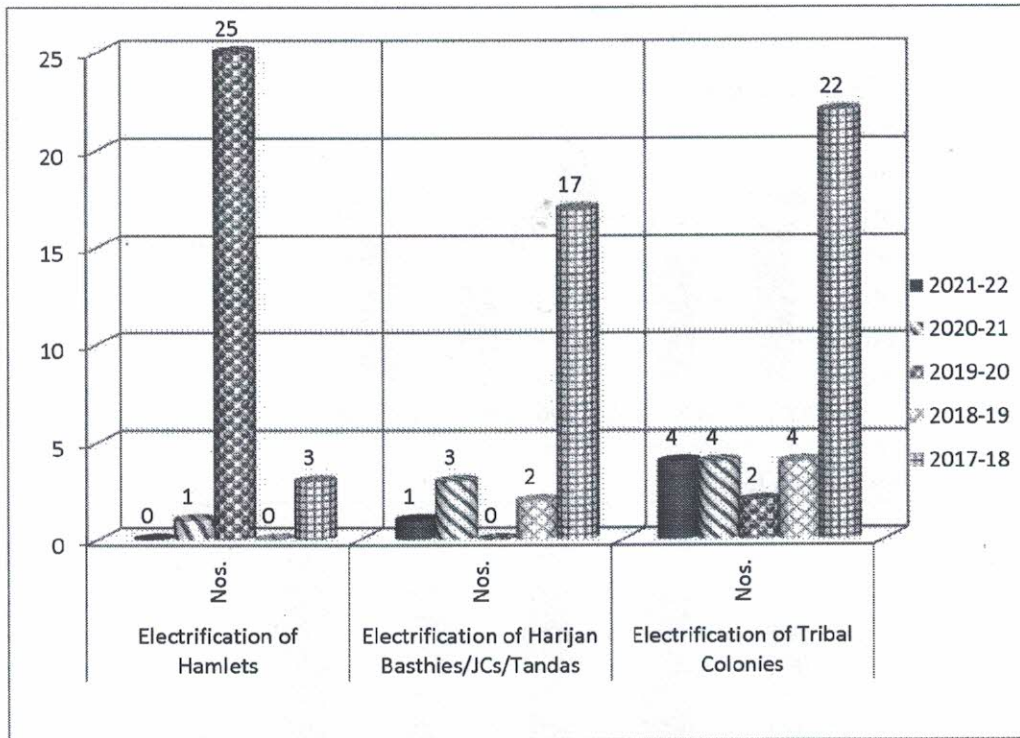




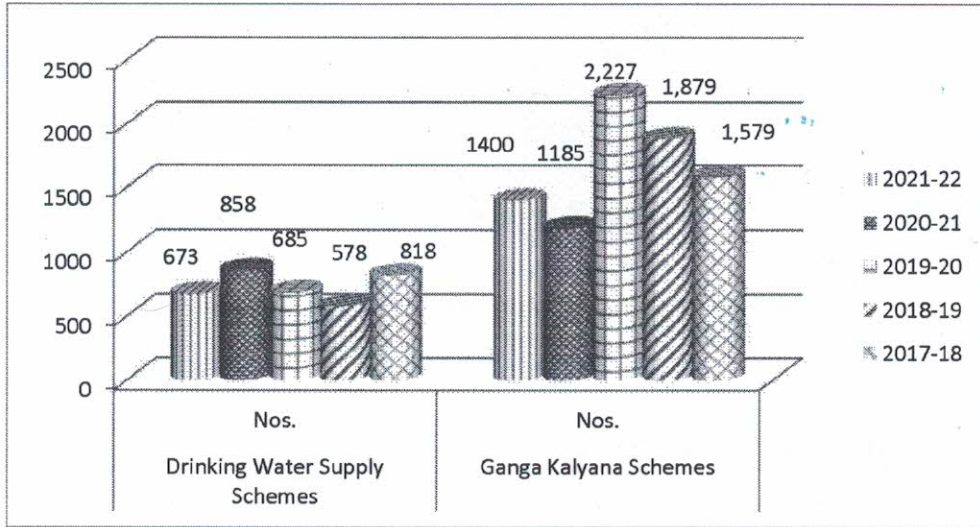
**b. Distribution TC failure in percentage:**



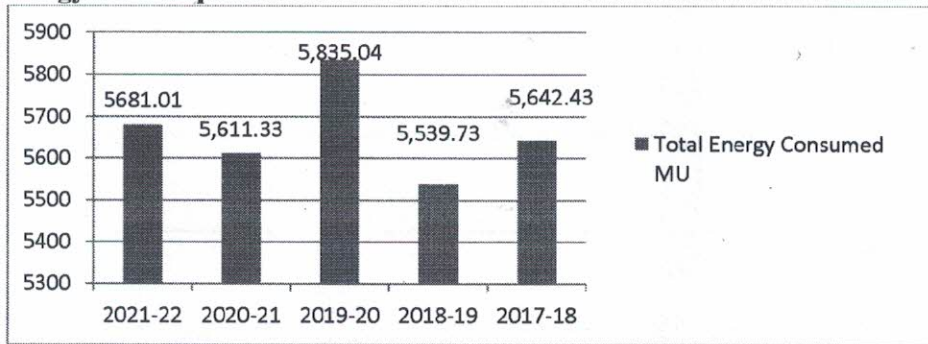
**c. Rural Electrification Works:**



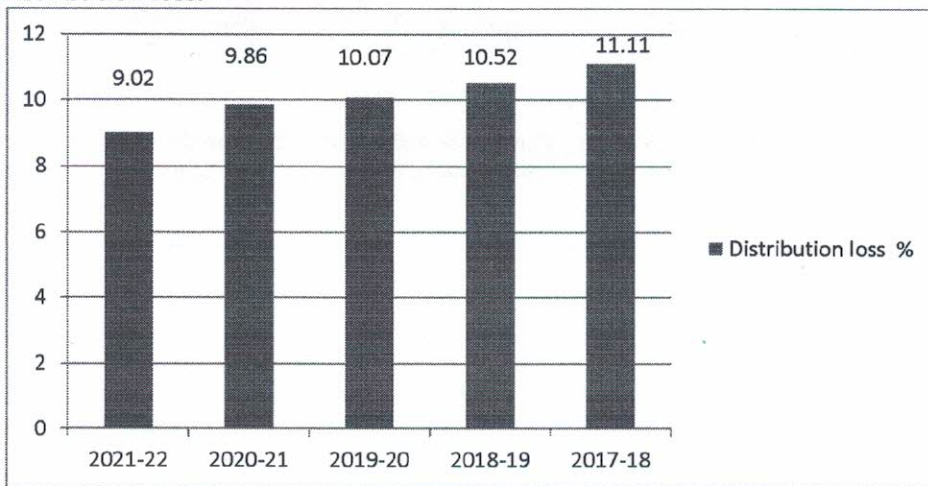
**d. Servicing of drinking water supply:**



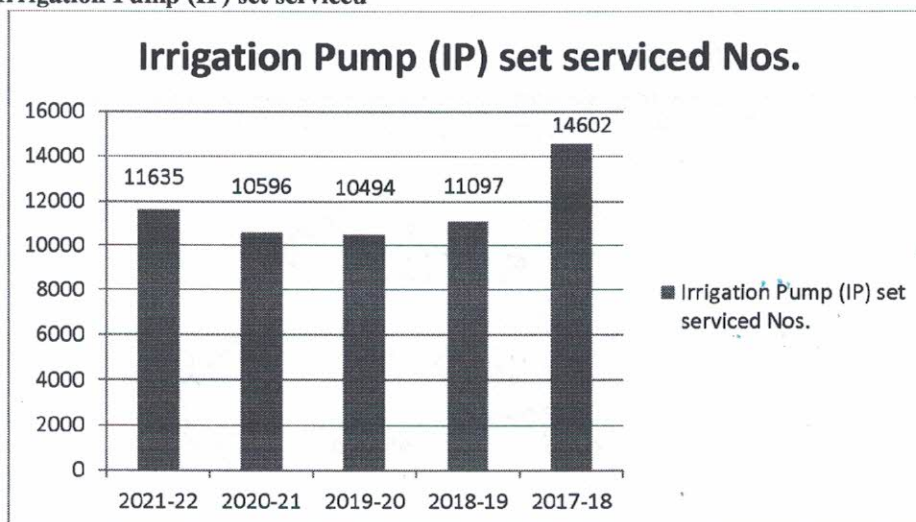
**e. Energy Consumption**



**f. Distribution loss:**



## g. Irrigation Pump (IP) set serviced

**11. Milestones achieved during 2021-22:**

Several initiatives have been taken up to strengthen and stabilise the distribution system as well as the fiscal status of the Company. A bird's eye view of some of the major achievements and the innovative initiatives are as follows:

**(A) Addition of new Distribution Transformers to the System (to resolve low voltage problem):**

In order to improve the quality and reliability of power supply, 908 numbers of distribution transformers were added to the system in the identified low voltage pockets.

**(B) Metering Programme:**

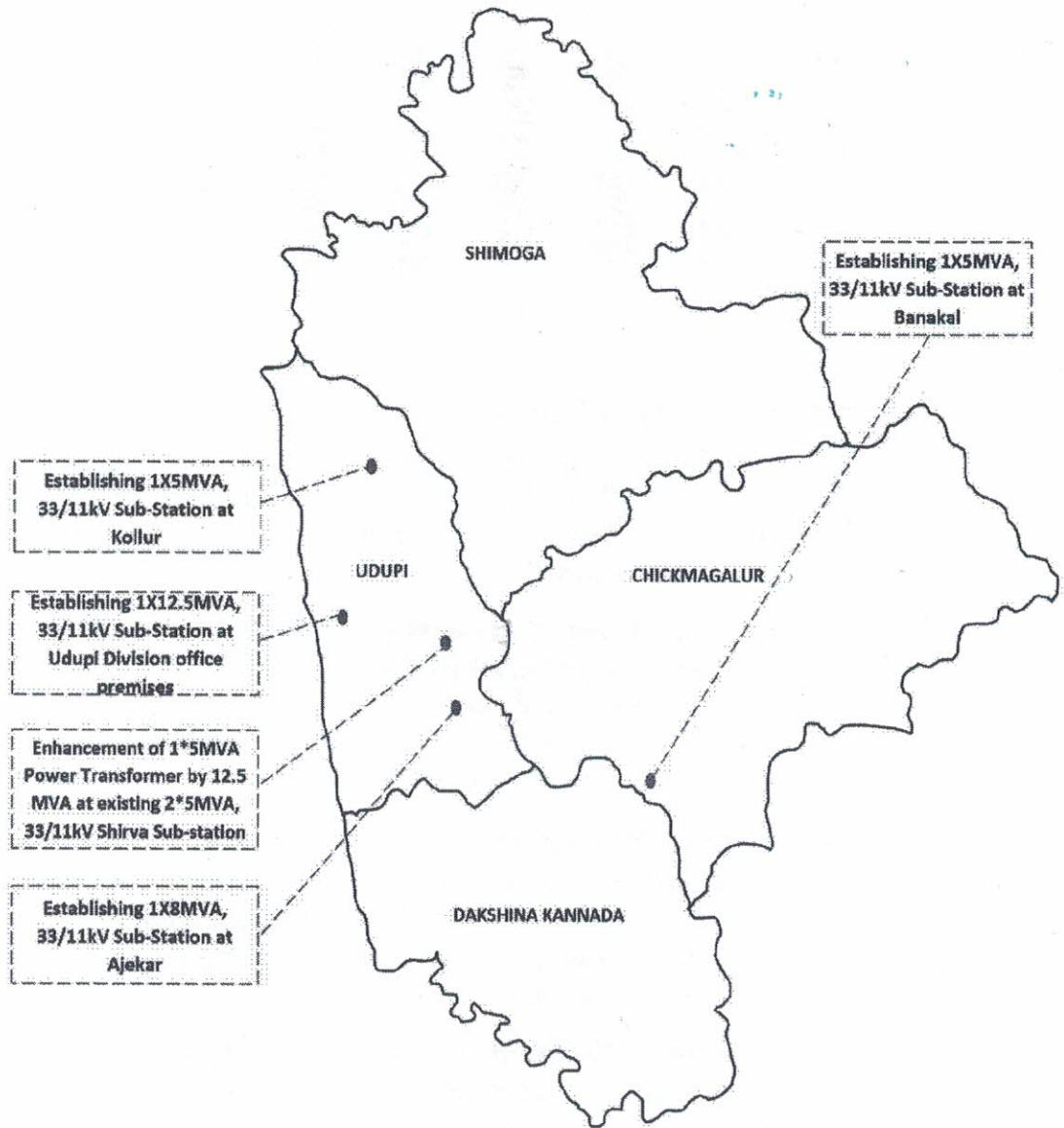
The Company is marching towards 100% metering of the installations. With a perennial and dedicated commitment, through universal metering programme, the Company has achieved 95.63% metering as at the end of FY-22.

**(C) Metering of Distribution Transformer Centers:**

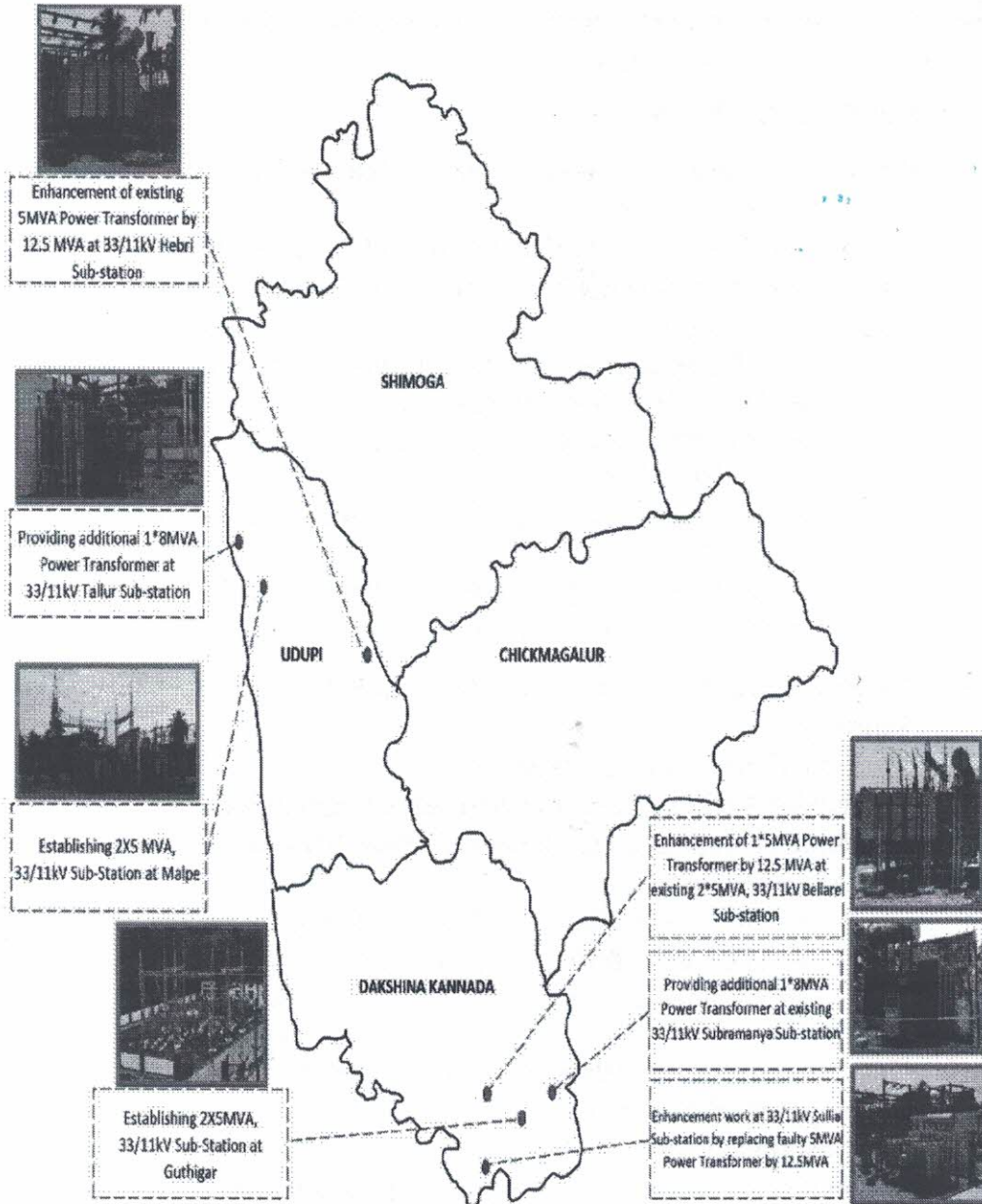
MESCOM is contemplated to introduce metering to all Distribution Transformer centers with RRAMR facility to carry out energy audit in a more effective manner. 47,192 numbers of DTCs have been metered out of 95,590 numbers of DTCs as at the end of FY-22.



**On Going 33/11 KV Station works in MESCOM:**



### 33/11 kV Sub- Station works completed during the FY 2021-22 in MESCOM:



## 12. Central Government Schemes:

### (i) Completed Schemes:

#### ❖ **Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY):**

- Sanctioned cost: Rs.395.67 Crs
- Nodal Agency: Rural Electrification Corporation (REC)
- Scheme implementation period : Year 2017 to 2020
- **Achievements:**
  - BPL households electrification- 32,572 Nos.
  - New 11KV feeders- 124 Nos.
  - HT line -4,236.07 kms, DTCs -3,475 Nos., LT line- 1,910.89 kms
  - HT reconductoring- 86.47 Kms , LT reconductoring- 17.96 kms
  - Shifting and replacement of meters- 4,22,367 Nos.
  - DTC metering- 118 Nos.

#### ❖ **Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Yojana):**

- Sanctioned cost: Rs.15.68 Crs
- Nodal Agency: Rural Electrification Corporation (REC)
- Scheme implementation period : Year 2018 to 2019
- **Achievements:**
  - Household electrification- 5,670 Nos.
  - HT line -6.80 kms, DTCs -3 Nos.
  - LT line- 241.88 kms.

#### ❖ **Gas Insulated Substation works under Integrated Power Development Scheme (IPDS):**

- Sanctioned cost: Rs. 39.48 Crores
- Nodal Agency: Power Finance Corporation Ltd.(PFC)
- Scheme implementation period : Year 2019 to 2021
- Scheme coverage: 04 Nos. of IPDS Statutory Towns in Mangaluru and Udupi Circles of MESCOM
- **Achievements:**
  - 04 Nos. of 33/11KV GI Substation (each substation of 2x8MVA capacity).
  - 33 KV line: 20.41Kms.
  - 11 KV line: 43.46 Kms.



## 33/11kV GAS INSULATED SUB - STATION WORKS COMPLETED DURING THE FY 2021-22



**Solar Rooftop scheme:** This scheme is in force since 2015. Under Solar Rooftop scheme all categories of consumers are provided with an opportunity for establishing solar plant on the rooftop of House/Educational Institutions/ Hospitals within the limit of sanctioned /approved load and can generate and pump energy to MESCOM grid and the pumped energy will be purchased by MESCOM under Net metering/Gross metering basis. Residential/Educational Institute can opt for Net metering/Gross metering, whereas, Commercial/Industrial category of consumer has to opt for Net Metering. The amount payable for the excess energy/energy injected as per the tariff determined by Hon'ble KERC from time to time.

Since from the inception of this scheme till March 2022, total 1856 No.s of SRTPV for 52896.90 KWp capacity SRTPV plants are installed and commissioned.

The prevailing Tariff approved by KERC for Scheme is extracted as below;

- 1) For Grid Connected Solar Rooftop Photovoltaic projects of 1Kw to 2000KW (excluding 1Kw to 10KW) at Rs.3.19 per unit and
- 2) For Grid Connected Solar Rooftop Photovoltaic projects of 1Kw to 10KW for domestic consumers at Rs.4.02 per unit (without capital subsidy) and at Rs. 2.67 per unit (with capital subsidy).

13<sup>th</sup> Finance Commission sanctioned subsidy of Rs. 145.86 crores to ESCOMs and out of which Ra. 11.51 crore has been allocated to MESCOM vide its notification No. EN 13 PSR 2014, Bangalore dated 10.12.2015. MESCOM proposed to install SRTPV on the roof of its own building to utilize the said subsidy amount. It was proposed to install on 80 No.s of MESCOM owned building for 1223KWp capacity. As on March 2022 56 No.s for 817 KWp capacity SRTPV plants are installed and commissioned.

#### **(ii) Upcoming Scheme:**

##### **❖ Revamped Distribution Sector Scheme (RDSS):**

Govt has launched new scheme called Reform Based and Results Linked-Revamped Distribution Sector Scheme (RDSS) involving Smart Metering and Distribution Infrastructure works.

##### **➤ Metering works:**

Under this part, DPR for providing smart meters on prepaid mode for all consumer installations, Distribution Transformers (DTCs), Feeders and Boundary meters have been proposed at a total cost of Rs.1539.23 Crs.

##### **➤ Distribution Infrastructure works:**

This part includes works related to Loss Reduction and Modernization & System Augmentation.

- **Loss Reduction:** DPR proposed for Loss Reduction works includes Feeder Segregation, Reconductoring works (LT&HT) and Feeder Bifurcation etc., at a total cost of Rs. 975.08 Crs.

- **Modernization & System Augmentation:** DPR is proposed for Modernization & System Augmentation works which includes providing additional DTCs, HVDS, formation of new Substations, augmentation and renovation of 33/11kv substations, new 33kv lines, cabling related works, IT/OT, ERP(SAP), GIS software and survey, Unified Billing, network links for SDWAN and IT hardware at a total cost of Rs. 498.88 Crs.



The proposal under RDSS amounting to Rs. 3013.19 Crs has been approved by SLDRS on 23.12.2021, and the State Cabinet approval is awaited.

### **13. Information Technology Section in MESCOM:**

Initiatives have been taken up in Information Technology (IT) section for the business process in MESCOM along with routine supervision activities of issues pertaining to Online Payment, Billing and ERP System, Network and IT Hardware Maintenance, etc.

#### **❖ IPDS- Phase II IT Implementation and Closure:**

IT implementation in 18 towns of MESCOM under IPDS Phase-II IT project with new IPDS application has been declared Go-Live on 30.12.2021 with M/s Power Finance Corporation (PFC) mandated functionalities. The same application will be further extended to 11 RAPDRP towns of MESCOM.

The various activities carried out under the projects are;

1. GIS based Asset Mapping survey, digitization and integration of consumer indexing data across 18 IPDS towns of MESCOM.
2. Fixing of Modems to Distribution Transformer (DTC), HT Installations, Feeder and Boundary Meters of 18 IPDS towns.
3. Providing IT Infrastructure to 18 IPDS towns of MESCOM.

#### **❖ Enterprise Resource Planning (ERP):**

MESCOM has completed implementation of customized ERP with following modules.

1. Enterprise Inventory.
2. Enterprise Finance.
3. Enterprise Resources.
4. Enterprise Assets.

The various Technical, Accounts and Finance related activities are carried out through this application.

#### **❖ Cyber Security Activities:**

1. MESCOM has adopted IT/OT/IoT and Cyber Security Policy.
2. To prevent Cyber-attacks, identification of Critical Information Infrastructure (CII) and Cyber Crises Management Plan (CCMP) has been adopted and to receive latest updates on Malware/botnet etc. MESCOM has on boarded to Cyber Swachhta Kendra (CSK) as per MoP Guidelines.



3. Cyber Audit of IT/OT/IoT systems has been carried out as per MoP and CERT Guidelines in coordination with CERT-In empaneled auditors.

❖ **Integration of MESCOM applications with e-Governance:**

1. The information about, LT/HT/33kV Lines and Installations, Electrical accidents and Consumption details are being uploaded in Karnataka Open Data Initiative (KODI) website.
2. RAPDRP services are integrated with Mahithi Kanaja.

❖ **E-Office:**

1. E-Office is implemented in Corporate Office/Zones/Mangaluru O&M Circle office and all the files and receipts are operated through E-office only.

❖ **Jansnehi Vidyut Sevegalu:**

The following Jansnehi Vidyut Sevegalu is made online for RAPDRP & Non-RAPDRP areas of MESCOM (within 24 Hours).

1. New Connection
2. Name Change
3. Tariff Change
4. Load Enhancement
5. Load Reduction

**14. Replacement of Electromechanical meters by Static meters:**

As per CEA Guidelines all the interface meters, consumer meters and energy accounting and audit meters shall be of Static type, with an objective to increase metered consumption, thereby reducing commercial losses especially in LT2, LT3, LT5 installations.

Further, in MESCOM all new installations are being serviced by providing Static meters and all MNR meters are being replaced by Static meters only.

**15. Proposed Targets for Capital Investment Plan 2022-23:**

Sl. No.	Schemes	Target
1.	Electrification of Hamlets/ HB/ JC/ Tandas/ Tribal Colonies	3 Nos.
2.	Energization of IP sets	12,500 Nos.
3.	Service Connection	50,000 Nos.
4.	Addition of new 33 KV sub-stations and allied lines	2 Nos.
5.	Augmentation of 33 KV Stations.	2 Nos.

6.	New HT Line	2,500 Kms.
7.	New LT line	2,500 Kms.
8.	Distribution Transformers	6,000 Nos.

### 16. Civil Engineering Works:

During 2021-22 the following office buildings and other infrastructure works have been taken up in MESCOM.

[Rs. In Crs]

Sl. No	Particulars	Completed works		Spill over works
		Expenditure during 2021-22	Nos., of work completed	Expenditure required during 2022-23
1	Construction of office Building/Stores/ Guest houses and other building and extension works.	20.06	33	36.00
2	Other infrastructure works such as compound, road, water supply, fencing & drainage etc.,	7.91	132	4.00
	<b>Total</b>	<b>27.97</b>	<b>165</b>	<b>40.00</b>

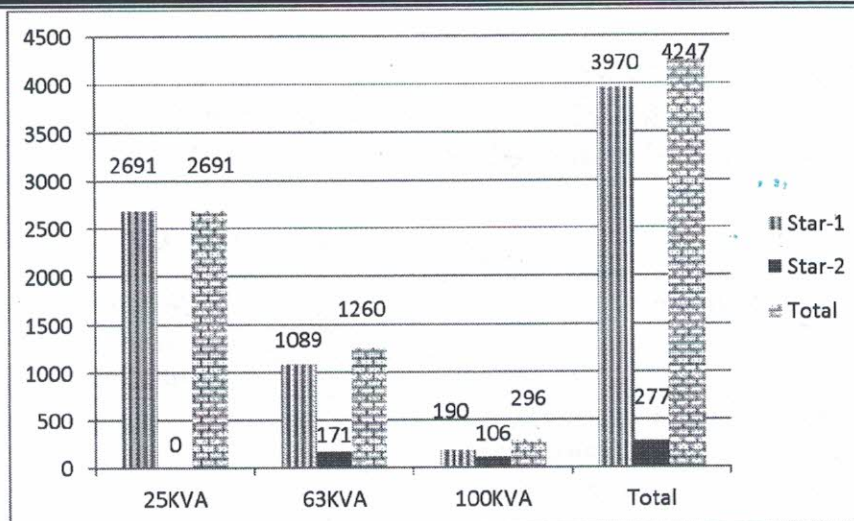
For the financial year 2022-23, a budget of Rs. 4000.00 lakhs is allocated towards spill-over and fresh Civil Engineering works in MESCOM.

### 17. New initiatives in Procurement of Materials:

#### Energy Efficient star labeled Distribution Transformers:-

- A. In accordance with Govt of Karnataka Order No: EN 119 VSC 2017, Bengaluru dated 07.06.2017 towards mandating the installation of (4 Star) Star-1 and (5 Star) Star-2 Rated Distribution Transformers in Rural and Urban areas respectively from 01.07.2017, number of such Distribution Transformers procured during FY-2021-22 is shown in the figure below:-





B. Following Polymeric Type Materials for 11kV distribution system are being procured instead of Porcelain type materials in order to minimize the failure rates.

- 10,000 Nos of Polymeric type Lightning Arrestors are supplied during 2021-22.
- 1,20,000 Nos of 11KV 5KN Polymeric Type Pin Insulators are supplied during 2021-22.
- 70,000Nos of 45KN Polymeric type Disc Insulators are supplied during 2021-22.

### 18. Public Grievances cell

- a. Public Grievances Cell established in the corporate office is working under the direct control of Managing Director is headed by Manager (PG Cell). During the year 2021-22, the Public Grievances Cell received 347 written complaints out of which 53% i.e., 183 complaints were resolved satisfactorily. The remaining 241 complaints were redressed in the current financial year. Further 184 minor complaints relating to fuse-off call, low voltage, etc, were received through Telephonic Calls.
- b. A comparative data of complaints pertaining to last 3 years are as follows ;

No. of Complaints	2019-20	2020-21	2021-22	Remarks
Written Complaints	363	386	347	Decrease of 39 complaints as compared to 2020-21
Minor Telephonic Complaints	271	242	184	Decrease of 58 complaints as compared to 2020-21



### 19. Personnel, Industrial Relations and Human Resource Development:

#### A) The Company functions through the following organizational structure : (as on 31.03.2022)

Corporate Office	O&M Zone	O&M Circles	O&M Divisions	O&M Sub-Divisions	Accounting Section	Non-Accounting Section
1	2	4	14	62	10	232

#### B) Personnel Details:

The category wise details of the employees as on 31.03.2022 is as under :

Cadres	Mangalore Circle			Udupi Circle			Shimoga Circle			Chikmagaluru Circle			Total		
	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V
A-Grade (Regular Employees)	145	108	37	37	30	7	54	47	7	36	25	11	272	210	62
A-Grade (Deputation Employees)	2	1	1	0	0	0	0	0	0	0	0	0	2	1	1
Total	147	109	38	37	30	7	54	47	7	36	25	11	274	211	63
B-Grade (Regular Employees)	155	103	52	55	36	19	100	73	27	62	46	16	372	258	114
B-Grade (Deputation Employees)	2	1	1	1	1	0	1	1	0	1	1	0	5	4	1
Total	157	104	53	56	37	19	101	74	27	63	47	16	377	262	115
C-Grade (Regular Employees)	931	621	310	539	333	206	810	657	153	555	410	145	2835	2021	814
C-Grade (Deputation Employees)	4	2	2	4	4	0	4	4	0	4	4	0	16	14	2
Total	935	623	312	543	337	206	814	661	153	559	414	145	2851	2035	816
D-Grade (Regular Employees)	1906	897	1009	1134	493	641	1611	841	770	1105	441	664	5756	2672	3084
Company Grand Total	3145	1733	1412	1770	897	873	2580	1623	957	1763	927	836	9258	5180	4078

S- Sanctioned Posts

W- Working Posts

V-Vacant Posts

### C. Training and Development Programs during the year 2021-22

- a) Keeping in view of the organization growth and by considering necessity to provide training through internal and external agencies in the fast growing technological environment training is imparted, with special importance to work culture to the officers and employees at each level of organizational hierarchy.
- b) During the year 2021-22, the company has organized several Internal Training Programmes and deputed the regular working staff of the company to various external training Programmes.
- c) As on 31.03.2022, in MESCOM 5180 numbers of employees are working against the sanctioned posts strength of 9258. Out of this 761 numbers of officers/employees (i.e. 14.69%) have undergone training programme through internal/external training centers during FY-2021-22.

### D. The Details of trainings imparted are as follows:

#### a. Internal Training Programmes :

Sl. No.	Subject	No. of Participants	Total Cost (in Rs.)
1	MTTP Training	78	942932
2	REC Training Program for C&D group Employees	381	1171898
3	Refresher Training Program conducted for C & D Employees of MESCOM	32	30,200
4	Electrical Safety	61	0
5	Techno Commercial Improvement of DISCOMs (online)	60	0
6	Sustainability of Power Utility (online)	32	0
<b>Total</b>		<b>644</b>	<b>2145030</b>

Total No. of Internal Training Programmes	6
No. of Persons Participated	644
Total Cost including Program fees	Rs. 2145030
Cost per Head (Average)	Rs. 3,330/-

**b. External Training Programmes on various subjects :**

<b>Details of External Training Programme (2021-22)</b>			
<b>Sl. No.</b>	<b>Subject</b>	<b>Participants</b>	<b>Amount (in Rs.)</b>
1	Prevention of sexual harassment of women in the workplace	21	0
2	Contract Management and Arbitration	2	0
3	Financial Reporting & Taxations	2	0
4	Contract Management and Arbitration	4	0
5	Revamped Distribution Sector Scheme (RDSS) for all States/DISCOMs	2	0
6	Public Procurement Procedure & Contract Management	4	0
7	Right to Information Act 2005 - Advanced	1	9322
8	Recent Developments in Financials Reporting & Taxation	2	0
9	Finance for Non Finance Officers	6	0
10	Availing Input Tax Credit	4	7000
11	Basic Level Training and Certification Program on Cyber Security	4	184080
12	Procurement Management through Government e-market place (GEM)	2	0
13	Preventive Vigilance for Public Sector Undertaking	2	0
14	Exploring the miracle of Power of mind, incorporating Positive Attitude and converting weakness to strength	2	0
15	Tolerance of Change and Uncertainty	2	0
16	Contract Management	2	0
17	Corporate Sustainability	2	0
18	Building Strong Middle Senior Management	2	0
19	Resilience during Uncertainty and risk	2	0
20	Data Analytics for Governance	2	0
21	Maintenance of Statutory Records, New developments as per companies Act	2	0
22	Big Data-Uses and analysis	2	0
23	Introduction of AMI and role of AMI in reducing AT&C Losses under RDSS Scheme	38	0
24	GeM Procurement Process  Pending Payment Updation   Training and Capacity Building	5	0
<b>Total</b>		<b>117</b>	<b>200402</b>

Total No. of External Training Programmes	24
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No. of Persons Participated	117
Total Cost including Programme fees	Rs. 200402/-
Cost per Head (Average)	Rs. 1,712/-

### E. Industrial Relations:

The Company has maintained cordial relations with the employees and their Union. Employee's grievances if any, are redressed at respective offices by conducting periodical meetings with the local office bearers of the Union.

### F. Employee's Welfare Schemes:

As a step towards strengthening the relationship between the Employees and Management, several welfare schemes have been initiated by the company.

- To maintain cordial relation and welfare of employees Rs. 50 Lakhs has been given to KPTCL Employees Association (R.659) Bengaluru for construction of Guest House at Udupi
- Company Quarters facilities wherever available are provided to the Company employees.

### G. Training Activities of HRD Centre, MESCOM for the year 2021-22:

#### a) MTTP -2/3 Training Programme 2021-22 :

During the year 2021-22, MESCOM HRD Centre has organized Mandatory Technical Training Programme for MESCOM/KPTCL employees.

Sl. No.	Subject	Date of Training	No. of Days	Overseer	MR	Operators	Ask	LM	SAG-1 & SAG- II	Total No of Employees
1	MTTP-2	08.11.2021 to 29.12.2021	40	16	22	3	1			42
2	MTTP-3	21.03.2022 to 13.05.2022	40					35	1	36
Total			80	16	22	3	1	35	1	78

**b) National Training Programme conducted for C&D group Employees of MESCOM during the year – 2021-22 by HRD Centre, MESCOM, Mangalore sponsored by RECIPMT, Hyderabad for 381 Nos. of maintenance staff in 14 batches including one day field training.**

Sl. No.	Particulars	Date of Training	No. of Days	JE	PM	JPM	Sr. Asst	Asst	Jr. Asst	Total No of Employees
1	REC/ C&D Mangalore	03.01.2022 to 06.01.2022	4			28				28
2	REC/ C&D Udupi	10.01.2022 to 13.01.2022	4			26				26
3	REC/ C&D Mangalore	11.01.2022 to 14.01.2022	4			28				28
4	REC/ C&D Mangalore	18.01.2022 to 21.01.2022	4			26				26
5	REC/ C&D Udupi	18.01.2022 to 21.01.2022	4		6	19				25
6	REC/ C&D Mangalore	24.01.2022 to 28.01.2022	4			26				26
7	REC/ C&D Udupi	24.01.2022 to 28.01.2022	4			29				29
8	REC/ C&D Mangalore	01.02.2022 to 04.02.2022	4			30				30
9	REC/ C&D Udupi	01.02.2022 to 04.02.2022	4			26				26
10	REC/ C&D Mangalore	08.02.2022 to 11.02.2022	4			30				30
11	REC/ C&D Mangalore	02.03.2022 to 04.03.2022	3				1	19	6	26
12	REC/ C&D Mangalore	07.03.2022 to 09.03.2022	3				1	13	12	26
13	REC/ C&D Mangalore	10.03.2022 to 11.03.2022	2	26						26
14	REC/ C&D Mangalore	14.03.2022 to 16.03.2022	3				2	9	18	29
Total					26	268	4	41	36	381

**a) Refresher Training Programme conducted for C & D Employees of MESCOM during the year –2021-22**

Sl. No.	Date of Training	No. of Days	Overseer	MR	Operators	Mech Grade 1/2	LM	Jr. Asst	Total No of Employees
1	15.12.2021 to 17.12.2021	3	5	1	2	15	8	1	32

**b) Training on ‘Electrical Safety’ conducted for AB&C group Employees of MESCOM during the year – 2021-22 by HRD Centre, MESCOM, Mangalore sponsored by RECIPMT, Hyderabad.**

Sl. No.	Subject	Date of Training	No. of Days	AEE	AE	JE	Total No of Employees
1	Electrical Safety	20.09.2021 to 22.09.2021	3	7	18	6	31
2		23.09.2021 to 25.09.2021	3	3	15	12	30
Total			6	10	33	18	61

**c) Training on ‘Techno Commercial Improvement of DISCOMs’ (Online Mode) conducted for A,B&C group Employees of MESCOM during the year–2021-22 by HRD Centre, MESCOM, Mangalore sponsored by RECIPMT, Hyderabad.**

Sl. No.	Subject	Date of Training	No. of Days	AEE	AE	JE	Total
1	Techno Commercial Improvement of DISCOMS	16.09.2021 to 17.09.2021	2	8	15	7	30
2		20.09.2021 to 21.09.2021	2	9	9	12	30
Total			4	17	24	19	60



- d) Training on 'Sustainability of Power Utility' (Online Webinar) conducted for AB&C group Employees of MESCOM during the year -2021-22 by HRD Centre, MESCOM, Mangalore sponsored by RECIPMT, Hyderabad.**

Sl. No.	Subject	Date of Training	No. of Days	AEE	AE	Total
1	Sustainability of Power Utility	08.10.2021	1	16	16	32
Total			1	16	16	32

## **20. Pension Payment, Medical reimbursement & Recruitment Activities:**

1. As per KPTCL Employment Notification vide Employment Notification No. KPTCL/B16/86473/2018-19/ dated 25.02.2019, applications were invited for 667 No's of Junior Power Man Posts and Counselling process is completed and appointment orders to be issued.
2. In case of group C&D employees working in MESCOM as well as KPTCL (Under MESCOM Jurisdiction) the employees on retirement/death, their pension and other terminal benefits are being processed in the Corporate Office.

During the Financial Year the Pension claims settled are as below:

No. of Pension docket received	No. of Pension docket Processed
140	128

3. Medical reimbursement scheme is followed in the company as per which bills more than Rs.2000/- are processed and approval is being conveyed from the Corporate Office. During the financial year 1659 number of medical bills received for reimbursement and 989 medical bills has been processed, amounting to Rs.314.65 Lakhs.
4. Further in order to have financial security to the families of employees in case of accidental death of an employee, group insurance policy has been initiated to all the employees for the year 2022-23 a total sum of Rs.40 Lakhs for each employee.

## 21. Electrical Accidents during the year- 2021-22 (Upto Mar-2022)

The details of electrical accidents are presented below;

Sl. No	Name of the Circle/Division	Departmental		Non-Departmental		Animal	GRAND TOTAL
		Fatal	Non-Fatal	Fatal	Non-Fatal		
<b>MANGALORE CIRCLE:</b>							
1	Mangalore -1	0	0	1	1	0	2
2	Mangalore -2	0	1	2	0	3	6
3	Bantwal	1	1	5	3	3	13
4	Puttur	0	2	4	1	5	12
<b>Circle Total</b>		<b>1</b>	<b>4</b>	<b>12</b>	<b>5</b>	<b>11</b>	<b>33</b>
<b>UDUPI CIRCLE:</b>							
1	Udupi	0	0	3	0	5	8
2	Kundapura	0	2	2	3	1	8
<b>Circle Total</b>		<b>0</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>16</b>
<b>SHIMOGA CIRCLE:</b>							
1	Shimoga	1	1	6	1	12	21
2	Bhadravathi	0	0	4	2	3	9
3	Sagar	1	3	2	1	23	30
4	Shikaripura	0	3	5	3	4	15
<b>Circle Total</b>		<b>2</b>	<b>7</b>	<b>17</b>	<b>7</b>	<b>42</b>	<b>75</b>
<b>CHIKMAGALUR CIRCLE:</b>							
1	Kadur	0	1	20	2	25	48
2	Chikmagalur	0	0	8	6	12	26
3	Koppa	0	0	2	0	5	7
<b>Circle Total</b>		<b>0</b>	<b>1</b>	<b>30</b>	<b>8</b>	<b>42</b>	<b>81</b>
<b>Grand Total</b>		<b>3</b>	<b>14</b>	<b>64</b>	<b>23</b>	<b>101</b>	<b>205</b>

## 22. Public Relation and Communication activities in MESCOM

MESCOM has a separate wing for Communication activities which is looking after Public Relations and Corporate protocol duties. Accounts Officer (Public Relation and Communication) is discharging the duties of this section. Maintaining the relationship with the public and media as well as representing the Company in the society are the main functions of this wing. Arrangement for publication of



Company's news and public Notifications like Tender & such other notifications, arranging programmes etc., are the routine activities of the section. Further, the news regarding the Power Sector and highlights of company activities will be brought to the knowledge of the management on daily basis.

**Highlights of Public Relations and Communication activities in MESCOM during 2022-23:**

**a) Jana Samparka Sabhas:**

It has been made mandatory that, the concerned Superintending Engineers (Ele) of O&M Circles shall conduct consumer meets i.e., Jana Samparka Sabhas, a direct interaction programme with the general public and consumers at sub-divisional headquarters on fixed intervals. The programme schedules of these Jana Samparka Sabhas will be published in the leading newspapers by way of notification and also in the form of news. Under these programmes, the problems and grievances of the consumers relating to electricity distribution is dealt with and are resolved in the presence of concerned SEE's/EEE's.

**b) Attending VP, TP & ZP Meetings:**

The concerned O&M Section Officers are regularly attending the meetings of concerned Village Panchayats and the concerned O&M Sub-divisional Officers are attending the meetings of concerned Taluk Panchayat. Further, the concerned O&M Divisional Officers are attending concerned Zilla Panchayat meetings. In these meetings, Company's concerned Officers will discuss on various ongoing O&M works and Capital works and also redress the customers' complaints and problems if any.

**c) Consumer Education Programmes:**

Under the Consumer Education Programmes the information and guidance on electricity usage and safety, as well as rules and regulations with regard to electricity are being given to the consumers, during the various programmes and meetings with consumers. Information on power saving, safety and payment modes are made available to the consumers through the paper notification and printed handouts.

**Consumer Friendly Measure:**

- "24 Hours Consumer Service Centers" have been opened in major city and town places.
- Consumer Grievance Redressal Forum (CGRF) is formed at each District headquarters under the chairmanship of



respective O&M Circle's Superintending Engineers (Ele). The details of CGRF address and along with contact numbers of the Forum and about its members are being widely published in the leading News Papers in regular intervals.

- Computerization of all revenue sections and implementation of information technology in day to day activity.
- Electronic clearing system/NACH has been introduced for payment of Electricity bills.
- ATP machine have been installed in sub-divisional and Prime locations, which are very helpful to consumers.
- Provision has been made to collect the consumer electricity bills through Post Offices.
- Electricity bills are also collected at 'Mangaluru One' and 'Shivamogga One' Centers, a multi service providing center recognized by the Government.
- To encourage digital payment and as a consumers friendly measures Electricity bills are also collected through Online, Nanna MESCOM Mobile App, Google Pay App, Karnataka Mobile One, Paytm, Internet Banking, UPI, Credit Card, Debit Card, Mobile Wallet and BBPS and POS platforms.
- Information tutorial with regard to method of payment through online platform were released in social media.
- Brochures on electricity safety, electricity saving and different kinds of payment modes were printed and distributed through all the subdivisions in company jurisdiction.
- 24x7 CCC (Centralized Customer Care Centre) is functioning in Mangalore. Consumers can approach from any part of MESCOM jurisdiction through toll free No.1912 for his electricity related complaints and help.
- Arrangements were made available to consumers to register their complaints by using "Nanna MESCOM" mobile App, MESCOM Whatsapp No.9483041912, Website – <https://mescom.karnataka.gov.in>, face book: @mescom\_official, e-mail: [mescomhelpline@gmail.com](mailto:mescomhelpline@gmail.com), Urjamitra mobile App.
- Two short films with reference to MESCOM Helpline 1912 and know your MESCOM were released in the social media. This has helped the customers to know more about MESCOM.

### **Internal Communication activities:**

- National Festivals like Independence Day, Gandhi Jayanthi, Kannada Rajyothsava, Republic Day, Ambedkar Jayanthi were celebrated duly following Covid-19 protocols.
- Felicitation programme to the retired employees of the company are being arranged by honoring them with a Silver Memento. During the financial year 68 retired employees were felicitated along with their family members.
- World Women's day organized on 08.03.2022 in all the Circle headquarters of the Company. On this occasion eminent personalities in different fields were invited and talks were arranged. Cultural programs by womens staged.
- Under the direction of Government ,”Laksha Kanta Geeta Gayana” program was organized in all offices of the Company along with the lectures on language, culture of the state as a part of Kannada Rajyotsava. All the employees have participated in the program.
- The festivals like Ganesh Chaturthi, Chirstmus, Ayudha Pooja and New Year celebration were arranged at Corporate Office to enhance the Sovereignty and good relationship among the employees.
- Sadbhavana Day, Constitution Day, Martyr's Day was celebrated in a meaningful way.

### **23. INTERNAL AUDIT IN MESCOM**

The Internal Audit Wing of MESCOM is headed by Financial Advisor (Internal Audit), functioning independently and reporting directly to the Managing Director of the Company. The Revenue Audit, Voucher Audit, Cash Audit, Store Audit, Audit of Power Purchase Bills, Power purchase Agreements and day to day pre and post audit are the regular functions of Internal Audit. Also on need basis special inspections are independently carried out by the Internal Audit Officers and Staff of the Company. The Tender documents, Technical/price bids, LOIs, Work Awards and Purchase Orders placed at Divisional, Circle, Zonal level and Corporate office level are being verified by the Internal Audit in the respective offices. The existing staff strength as on 31-03-2022 in audit wing of the MESCOM is as follows.



Name of the Division	FA			Accounts Officer			Asst. Account Officer			Senior Assistant			Assistant			Junior Assistant			Total		
	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V	S	W	V
Corporate Office	1	0	1	1	1	0	1	1	0	0	0	0	1	0	1	1	0	1	5	2	3
M'lore-1	-	-	-	1	1	0	1	0	1	2	1	1	1	0	1	0	0	0	5	2	3
M'lore-2	-	-	-	1	1	0	1	0	1	2	1	1	1	0	1	0	0	0	5	2	3
Bantwal	-	-	-	1	1	0	1	0	1	2	1	1	1	0	1	0	0	0	5	2	3
Puttur	-	-	-	1	0	1	1	0	1	2	1	1	1	1	0	0	0	0	5	2	3
Udupi	-	-	-	1	1	0	1	1	0	2	2	0	0	0	0	0	0	0	4	4	0
Kundapura	-	-	-	1	1	0	1	0	1	1	1	0	0	0	0	0	0	0	3	2	1
Shimoga	-	-	-	1	1	0	1	1	0	3	3	0	1	1	0	0	0	0	6	6	0
Sagar	-	-	-	1	1	0	1	1	0	2	2	0	0	0	0	0	0	0	4	4	0
Bhadravathi	-	-	-	1	1	0	1	1	0	1	1	0	0	0	0	0	0	0	3	3	0
Shikaripura	-	-	-	1	1	0	1	0	1	2	2	0	0	0	0	0	0	0	4	3	1
Chikamagalur	-	-	-	1	1	0	2	0	2	3	3	0	0	0	0	0	0	0	6	4	2
Kadur	-	-	-	1	0	1	1	1	0	1	1	0	0	0	0	0	0	0	3	2	1
Koppa	-	-	-	1	1	0	1	0	1	2	0	2	1	1	0	0	0	0	5	2	3
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>14</b>	<b>12</b>	<b>2</b>	<b>15</b>	<b>6</b>	<b>9</b>	<b>25</b>	<b>19</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>63</b>	<b>40</b>	<b>23</b>

The Revenue Ledgers maintained in the Sub-Divisions and Accounting Section are audited as per Action Plan by concerned Divisional Assistant Accounts Officer (IA) and Senior Assistants (IA). Further, the services of 9 B.Com Graduates who have knowledge in auditing have been obtained on contract basis in Mangalore-1, Mangalore-2, Puttur, Bantwal, Bhadravathi, Shikaripura, Chikmagaluru, Kadur and Koppa Divisions. Their services are utilized to audit the Revenue Ledgers of LT-2 & LT-3 Tariff category.

Audit functions are being continuously carried out as per approved action plan. The overall performance of Internal Audit is being reported to the Managing Director on the basis of information obtained from the Accounts Officers of Internal Audit every month. The meetings of the Accounts Officers of Internal Audit are being held at every quarter in which the progress is reviewed and action plan of audit is monitored periodically so as to have effective control in audit programme and also to have efficiency in auditing.

#### 24. Vigilance Activities in MESCOM

1. As per the Electricity Act 2003, Vigilance Police Stations are working in MESCOM, headed by Superintending Engineer (Ele) Commercial, who is assisted by Executive Engineer of Vigilance in



technical matters. Deputy Superintendent of Police is assisting in police matters.

2. Assistant Executive Engineers (Ele.) / Police Sub Inspectors are working in each District and are assisted by / Head Constables / Police Constables.
3. Under section 126 and 135 of Electricity Act 2003, non- cognizable and cognizable cases are booked in MESCOM vigilance police stations.
4. Cases booked under section 135 are admitted only in special courts.
5. Statement showing the progress of vigilance activities for the year 2021-22 is furnished below.

Sl.No.	Name of the Police station	No. of installations checked	No. of cases booked		Total Cases	Total units pilfered in MU	Demand			Total amount (in Rs.)	Recovery			
			Violation cases	Cog. Cases			Violation cases Amount in Rs.	Cognizable cases Amount in Rs.	Compounding amount in Rs.		Violation cases Amount in Rs.	Cognizable cases Amount in Rs.	Compounding amount in Rs.	Total Recovery in Rs.
1	Mangaluru	5781	177	45	222	51147	84,80,479	8,37,228	2,53,765	95,71,472	63,48,694	8,47,338	2,54,765	74,50,797
2	Shivamogga	2978	312	58	370	24562	84,96,626	3,22,714	3,49,250	91,68,590	66,28,310	3,21,272	3,30,250	72,79,832
3	Chikkamagaluru	7317	322	48	370	639947	72,61,690	2,83,123	2,26,000	77,70,813	2,61,84,745	2,84,218	2,20,240	2,66,89,203
4	Udupi	6877	229	5	234	6790	33,27,311	4,41,935	56,500	38,25,746	27,53,199	3,03,776	44,500	31,01,475
	<b>TOTAL</b>	22953	1040	156	1196	722446	2,75,66,106	18,85,000	8,85,515	3,03,36,621	4,19,14,948	17,56,604	8,49,755	4,45,21,307

## 25. Implementation of Right to Information Act 2005 in MESCOM

1. As per section (5) of RTI Act 2005, MESCOM has notified PIO's, APIO's and First Appellate Authority for every offices of MESCOM to provide information to persons requesting the information under this act. The notified officer details published in MESCOM official website: [www.mescom.karnataka.gov.in](http://www.mescom.karnataka.gov.in) under the caption 'RTI'.
2. As per section 4(1)(a), the information relating to records/files maintained at Corporate Offices and as per Section 4(1)(b)(i) to (xvii)

information is published in MESCOM official website: [www.mescom.karnataka.gov.in](http://www.mescom.karnataka.gov.in) under the caption 'RTI' respectively and are being updated every year. Provision is made to upload the records/files of other offices of MESCOM in the website under the caption 'RTI'.

3. During the financial year 2021-22, 1642 No's RTI applications were received and disposed off. 40 No.s first appeals received and disposed off. The fees collected towards providing information under RTI Act is ₹ 34,101/-.

**26. Particulars as per Companies (Appointment of Managerial Personnel) Rules, 2014 and as amended:**

None of the employees of the Company was in receipt of remuneration amounting to ₹ 1,02,00,000/- and above per annum or at the rate of ₹ 8,50,000/- and above per month during the financial year under review.

**27. Appointment of Cost Auditors:**

The Ministry of Corporate Affairs, GoI vide No.52/62/CAB-2008 dated 4<sup>th</sup> Feb 2008 has directed the Audit of cost accounts maintained by the Company in respect of the financial year ending 31.03.2008 and for every financial year thereafter continuously to be conducted by a qualified Cost Auditor.

The Companies Act 2013, under section 148 (2) also provides that, every company specified in item (A) of rule 3 shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees fifty crore or more and the aggregate turnover of the individual product or products or services for which cost records are required to be maintained under rule 3 is rupees twenty five crore or more.

MESCOM, having turnover of more than fifty crore and being a company engaged in distribution and supply of electricity regulated by the relevant regulatory body or authority under the Electricity Act, 2003 (36 of 2003), as specified under item A of rule 3, should also get its cost records audited by the qualified cost auditor.

Accordingly, M/s R.R.M Associates, Mysore have been appointed as the Cost Auditors to conduct the cost audit records of the company for the year ending on 31.03.2021.

Further, pursuant to section 148(6), company shall within thirty days from the date of receipt of a copy of the cost audit report prepared in pursuance of a direction under sub-section (2), furnish the Central Government with such report along with full information and



explanation on every reservation or qualification contained therein.

Further, the detail of Cost Audit Report of the company for the year ending on 31.03.2021 is filed with GoI on 06.12.2021.

## 28. Secretarial Audit

In Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the M/s SMPV and Associates LLP, Bangalore was appointed as Secretarial Auditor for conducting Secretarial Audit for FY 2021-22 as per the No. 88/11 authorization of the Board vide Board Resolution. The Report of the Secretarial Audit has been enclosed as **Annexure-5** and the replies of the management are enclosed here with vide **Annexure-6**.

## 29. Board and its Sub Committees:

### (A) Board of Directors :

Sl. No.	Shriyuths/Smt.,	Particulars
1	Dr. N. Manjula I.A.S.,	Chairperson from 20.08.2019
2	Prashant Kumar Mishra IAS.,	Managing Director from 03.09.2020
3	Padmavati D	Director (Tech) from 10.03.2020
4	Dr. P.C. Jaffer IAS.,	Director from 29.09.2020
5	Dr. R. C. Chetan, I.R.S.,	Director from 14.09.2017 to 19.11.2021
6	Gopal	Director from 07.06.2019
7	T.R. Ramakrishnaiah	Director from 14.08.2017 to 31.05.2022
8	Shivaprakash T.M.	Director from 18.07.2019 to 07.11.2022
9	G. Sheela	Director from 16.03.2021
10	Shivarudrappa S	Director from 08.10.2020
11	S.S. Nanjundaswami	
12	Giriraja G.K	
13	N. Dinesh	
14	Kishor B.R	Director from 25.11.2020
15	Praveen Hegade	
16	Balachandra Bhat	Director from 27.11.2020 to 07.06.2022
17	M. Dinesh Pai	Director from 23.03.2021

The Board places on record its sincere appreciation and gratitude for the services rendered by the outgoing Directors.

### (B) Board Sub Committees :

<b>(i) Purchase Committee :</b>	
1. Managing Director, MESCOM, Mangaluru	Chairman
2. Director(Finance), BESCO, Bengaluru	Member
3. Director(Tech), MESCOM, Mangaluru	Member
4. Company Secretary, MESCOM, Mangaluru	Convener
<b>(ii) Audit Committee :</b>	
1. Director, MESCOM (From FD GoK)	Chairman



2. Director (Finance), BESCO, Bengaluru	Member
3. Director (Tech), MESCOM, Mangaluru	Member
4. Company Secretary, MESCOM, Mangaluru	Convener
<b>(iii) Corporate Social Responsibility Committee :</b>	
1. Director, MESCOM (From FD GoK)	Chairman
2. Director (Finance), BESCO, Bengaluru	Member
3. Director (Tech), MESCOM, Mangaluru	Member
4. Company Secretary, MESCOM, Mangaluru	Convener
<b>(iv) Borrowing Committee :</b>	
1. Managing Director, MESCOM, Mangaluru	Chairman
2. Director (Finance), BESCO	Member
3. Director (Tech), MESCOM, Mangaluru	Member
4. Company Secretary, MESCOM, Mangaluru	Convener
<b>(v) Nomination and Remuneration Committee</b>	
1. Director, MESCOM (From FD GoK)	Chairman
2. Managing Director, MESCOM, Mangaluru	Member
3. Director (Finance), BESCO, Bengaluru	Member
4. Addl. Director (Finance), Energy Dept. Gok	Member
5. Company Secretary, MESCOM, Mangaluru	Convener
Director(Tech), CFO and GM(A&HR) are permanent Invitees to the Committee	

### (C) Meetings of the Board and Board's Sub-Committees

<b>Board meetings</b>		
i)	84 <sup>th</sup> Meeting 26.04.2021	5
	85 <sup>th</sup> Meeting 30.08.2021	
	86 <sup>th</sup> Meeting 04.11.2021	
	87 <sup>th</sup> Meeting 25.11.2021	
	88 <sup>th</sup> Meeting 19.03.2022	
<b>Purchase Committee meetings</b>		
ii)	82 <sup>nd</sup> Meeting 19.04.2021	3
	83 <sup>rd</sup> Meeting 24.08.2021	
	84 <sup>th</sup> Meeting 15.03.2022	
<b>Audit Committee meetings</b>		
iii)	29 <sup>th</sup> Meeting 27.08.2021	3
	30 <sup>th</sup> Meeting 29.10.2021	
	31 <sup>st</sup> Meeting 25.11.2021	
<b>Borrowing Committee meetings</b>		
iv)	7 <sup>th</sup> Meeting 18.03.2022	1
<b>Corporate Social Responsibility Committee meeting</b>		
v)	6 <sup>th</sup> Meeting 26.04.2021	2
	7 <sup>th</sup> Meeting 27.08.2021	

### D) Attendance of members in meetings of the Board and sub Committees

Sl. No	Name of the Director Shriyuths/Smts.	84 <sup>th</sup> BM	85 <sup>th</sup> BM	86 <sup>th</sup> BM	87 <sup>th</sup> BM	88 <sup>th</sup> BM	29 <sup>th</sup> AC	30 <sup>th</sup> AC	31 <sup>st</sup> AC	82 <sup>nd</sup> PC	83 <sup>rd</sup> PC	84 <sup>th</sup> PC	7 <sup>th</sup> BC	6 <sup>th</sup> CSR	7 <sup>th</sup> CSR
1	Dr. Manjula N	P	P	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Dr. RC Chetan	P	LA	P	NA	NA	LA	P	LA	P	P	NA	NA	P	LA
3	Prashant Kumar Mish	P	P	P	P	P	NA	NA	NA	P	P	P	P	NA	NA
4	D. Padmavathi	P	P	P	P	P	P	LA	P	P	P	P	P	P	P
5	Gopal	P	P	P	P	LA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	TR Ramakrishnaiah	P	P	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
7	Shivapraksh TM	P	P	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
8	Dr. P.C. Jaffer	P	P	P	P	P	P	P	P	NA	NA	NA	NA	P	P
9	G. Sheela	P	LA	LA	LA	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
10	Shivarudrappa S	P	LA	LA	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
11	S.S. Nanjundaswamy	P	P	LA	P	LA	NA	NA	NA	NA	NA	NA	NA	NA	NA
12	Giriraja G.K	P	P	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
13	N. Dinesh	P	P	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
14	Kishor B.R	LA	LA	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
15	Praveen Hegade	P	P	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA
16	Balachandra Bhat	P	LA	LA	LA	LA	NA	NA	NA	NA	NA	NA	NA	NA	NA
17	M. Dinesh Pai	P	P	P	P	P	NA	NA	NA	NA	NA	NA	NA	NA	NA

P : Present, A : Leave of Absent, NA : Not Applicable

BM: Board Meeting, PC: Purchase Committee Meeting, AC: Audit Committee Meeting, BC : Borrowing Committee Meeting, CSR: Corporate Social Responsibility.

### (E) General Meetings:

The 19<sup>th</sup> Annual General Body Meeting of the Company was held at the Registered office, Board Room, MESCOM Bhavana, Kavour Cross Road, Bejai, Mangalore on 25<sup>th</sup> November, 2021 for consideration and adoption of accounts of the year 2020-21.

### 30. Appointment and Remuneration Policy for Directors :

The directors are appointed by Govt. of Karnataka and the officials are given their scale of pay in the parent department / organization.

### 31. Internal Financial Controls:

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The Company has in place adequate internal financial controls with reference to financial statements. Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the Statutory



Auditors and Internal Auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

**32. Corporate Social Responsibility (CSR):**

During the Financial Year 2021-22, as a measure of promoting health care, an amount of Rs.40 lakhs is given to the office of District Magistrate on request for joining hand in providing health care facilities required for treatment of Covid-19 patients.

The details with respect to discharge of Corporate Social Responsibility are provided in **Annexure- 4** in the prescribed format pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014.

**33. Annual Return**

Extract of Annual Return pursuant to the provisions of section 92 is furnished in **Annexure-1** (Form MGT-9).

Annual Return filed before ROC in the Form of MGT-7 is made available in the company's website in the link <https://mescom.karnataka.gov.in/info-4/Reports/en>.

**34. Directors' Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors wish to state that to the best of their knowledge:

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. Annual Accounts have been prepared for the Financial Year ended March 31, 2022 on a going concern basis.

**35. Whistle Blower Policy:**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy under



which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The reportable matters may be disclosed to the Designated Authority i.e., the Managing Director. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Designated Authority / Audit Committee.

**36. Prevention of Sexual Harassment Committee:**

In order to prevent, prohibit and for redressal of cases relating to sexual harassment, the company has formed separate committee headed by the officer in the cadre of Superintending Engineer (Ele) and by including one NGO to the Committee. The Committee meets periodically and no complaints were received during the year. Three meetings were held on 16.06.2021, 18.11.2021 and 22. 02.2022 during the year.

**37. Internal Financial Control:**

In MESCOM, adequate internal financial control is adopted which is assured by the internal audit wing and other officials through regular management reviews and continuous monitoring by functional experts.

**38. Corporate Governance Practices:**

It is the Company's constant endeavour to adopt the best Corporate Governance practices that are being followed in the industry:

The Company also undergoes every year the secretarial compliance certification conducted by an independent company secretary in whole-time practice. The yearly secretarial audit report is placed before the Board is included in the Annual Report.

**39. Performance Evaluation criteria for Directors:**

As MESCOM is a fully owned Govt. of Karnataka undertaking, the performance evaluation criteria for Directors is not applicable.

**40. Related Party Transactions:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arms' length basis and do not have potential conflict with interest of the Company at large.

The brief details of the related party transactions pertaining to KPTCL, PCKL, KPCL, MPM and other ESCOMs is disclosed as under:

₹ in Lakhs

Sl. No	Party Name	Nature of Payment	Transactions		Nature of Outstanding Amount	Outstanding Balance as on	
			FY 2021-22	FY 2020-21		31.03.22	31.03.21
1	KPTCL	Transmission Charges & Others	32,057.86	29,301.14	Receivable	894.04	1,471.64
2	BESCOM	Energy Balancing and others	-1,425.90	-17,762.24	Payable	12,807.53	22,160.35
3	HESCOM	Energy Balancing and others	34,917.90	1,064.83	Receivable	39,983.46	4,300.70

4	GESCOM	Energy Balancing and others	4,812.30	-225.31	Payable	12,922.45	17,878.48
5	CESCO	Energy Balancing and others	5,545.80	3,919.42	Receivable	30,525.88	24,979.30
6	MPM	Sale of Power	1,785.07	1,764.12	Receivable	20,221.20	18,447.70
7	PCKL	Shared expenses	170.17	162.98	Receivable	3,276.29	372.08
8	KPCL	Power purchase and others	67,886.28	48,999.05	Payable	10,192.50	60,114.46

Disclosure on related party transaction is limited to transactions occurred among ESCOMs, KPTCL, PCKL, MPM & KPCL as they are also owned by GoK and having significant bearing on MESCOM. Company cannot ascertain or assess the quantum of transactions for any other GoK owned establishment.

The contracts / arrangements / transactions with related party which are required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure 2** to this report.

#### 41. Risk Management:

Given below are significant potential risks of the Company and measures in place to mitigate them:

##### a. Operational and Safety Risk:

Disruptions may be in the form of breakdown of power distribution lines, transformers. The Company consistently works towards monitoring the health of the power distribution lines and maintaining or improving operational efficiencies. The Company has structured inspections of its power distribution lines and other apparatus for identifying and controlling operational hazards, investigating root cause analysis and to eliminate any such occurrence by developing mitigation plans.

##### b. Financial Risk:

MESCOM, a GoK owned organization functions within the ambit of various statutory Acts and Regulations. As per Electricity Act 2003, Tariff filing for each year is carried by the Company for Annual Performance Review (APR) and Revision in Annual Revenue Requirement (ARR) with KERC (Regulator) and hence is subject to regulatory risk. Each of its activity attributable to Credit risk, Liquidity risk and Market risk and undergoes consistent monitoring by Regulator (KERC) annually.

There is a steady growth in number of consumers and demand for electricity from existing and new consumers. Hence, no demand risk is anticipated.



The company's senior management oversees the risk management policies and systems regularly.

**The company has exposure to the following risks from its use of financial instruments:**

**i. Credit Risk**

Credit risk is the risk of financial losses to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Company's trade receivables, employee loans and deposits with Banks and others.

Trade receivable majorly comprises sundry debtors for sale of power to various classes of consumers and receivable from other ESCOMs. Other major contributor of receivable is from Inter- ESCOM energy balancing, all being sovereign government flagship organizations, risk element of turning those to bad debts is not foreseen. Risk element involving sundry debtors is adequately covered by security deposit held against such consumers by way of collection of 2 months minimum deposit (as per mandatory stipulation of regulatory governance). Further, provision for expected credit loss is made as a percentage of doubtful debts to the extent of 4% of trade receivables.

The Company has diversified its bank deposits and placed the same only with reputed and creditworthy nationalized banks.

**ii. Liquidity Risk:**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. In addition to this, liquidity management also involves projecting cash flows at the beginning of each year considering the level of liquid assets necessary to meet

obligations by matching the maturity profiles of financial assets and liabilities.

Loans and Trade payable are adequately covered by securitization of Assets and Receivables. Major contributor of trade payable is for KPC against power purchase.

iii. **Market Risk:**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. The Company is mainly exposed to interest rate risk since it has availed borrowings at fixed and floating interest rates.

42. **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow:**

Pursuant to the provisions of Section 134(3) (m) of the Act, read with the Companies (Accounts) Rules 2014, the details of Conservation of energy, Technology Absorption, Foreign Exchange earnings and Outflow are attached as **Annexure-3** to this report.

43. **General :**

The Board would like to place on record its appreciation to:

- The Government of Karnataka, the Government of India, Central Electricity Authority, Comptroller & Auditor General of India, Central Electricity Regulatory Commission, Karnataka Electricity Regulatory Commission, Karnataka Power Transmission Corporation Ltd., Karnataka Power Corporation Ltd., & Power Company of Karnataka Ltd., for their assistance, guidance and co-operation.
- Financing agencies, such as Syndicate Bank, Canara Bank, State Bank of India, Vijaya Bank (Now Bank of Baroda), Punjab & Sindh Bank, Union Bank of India and Bank of India for their financial support.
- Print media for creating awareness among the masses carrying important information.
- The Statutory Auditors, Cost Auditors and Secretarial Auditors for their guidance and support.
- All the agencies for providing billing solution.
- The Employees, Employees' Union and other Associations of employees for their co-operation and united effort.
- The Suppliers, Contractors and Consultants for their dedicated efforts in carrying out activities.
- The Company has no holding company or subsidiary company; hence



the provisions of Section 197(14) of the Act relating to receipt of remuneration or commission by the Whole-time Director from holding company or subsidiary company of the Company are not applicable to the Company.

- No fraud has been reported by the Auditors to the Audit Committee or the Board of Directors of the Company.
- Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



Place: Mangaluru  
Date : 12.11.2022

D. Padmavathi  
Director (Tech)



Prashant Kumar Mishra., IAS  
Managing Director



## ANNEXURE-1

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2022**  
**Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS :**

1.	CIN	U40109 KA 2002 SGC 030425
2.	Registration Date	29/04/2002
3.	Name of the Company	MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED
5.	Address of the Registered office & contact details	MESCOM BHAVANA, KAVOOR CROSS ROAD, BEJAI MANGALORE-575004. Tel:0824-2885700
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	-

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SL. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Distribution of ELECTRICITY	35109/ Distribution of power to Domestic/Commercial & industrial usage	100%

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Subsidiary Company- NIL  
CIN: -NA-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2021]			No. of Shares held at the end of the year [As on 31.03.2022]			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>							
(1) Indian							
a) Individual/ HUF	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	61,94,41,631	61,94,41,631	100%	66,24,23,531	66,24,23,531	100%	6.94
d) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
<b>Total shareholding</b>	<b>61,94,41,631</b>	<b>61,94,41,631</b>	<b>100%</b>	<b>66,24,23,531</b>	<b>66,24,23,531</b>	<b>100%</b>	<b>6.94</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2021]			No. of Shares held at the end of the year [As on 31.03.2022]			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
<b>of Promoter (A)</b>							
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
<b>Sub-total (B)(1) :-</b>	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-
Foreign Bodies-DR	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-
<b>C. Shares held by</b>	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2021]			No. of Shares held at the end of the year [As on 31.03.2022]			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
Custodian for GDRs & ADRs							
<b>Grand Total (A+B+C)</b>	<b>61,94,41,631</b>	<b>61,94,41,631</b>	<b>100%</b>	<b>66,24,23,531</b>	<b>66,24,23,531</b>	<b>100%</b>	<b>6.94</b>

**B) Shareholding of Promoter-**

SI No	Shareholder's Name	Shareholding at the beginning of the financial year (01.04.2021)			Shareholding at the end of the financial year (31.03.2022)			% change in shareholding during the year
	Sriyuths /Smt	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	His Excellency Governor Of Karnataka	61,94,41,622	100	-	66,24,23,522	100	-	-
2	Dr. N. Manjula	1	-	-	1	-	-	-
3	Raghuprakash N	1	-	-	-	-	-	-
4	D. Padmavathi	-	-	-	1	-	-	-
5	Snehal R	2	-	-	-	-	-	-
6	Prashant Kumar Mishra	-	-	-	2	-	-	-
7	N. Thimmegowda	1	-	-	-	-	-	-
8	Dr. P.C. Jaffer	-	-	-	1	-	-	-
9	I.S.N. Prasad	1	-	-	1	-	-	-
10	Dr. R.C. Chetan	1	-	-	1	-	-	-
11	Sindhu B Rupesh	1	-	-	-	-	-	-
12	Dr. Rajendra K.V.	-	-	-	1	-	-	-
13	Javid Rubbani	1	-	-	-	-	-	-
14	Sudesh Martis	-	-	-	1	-	-	-

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>61,94,41,631</b>	90.19	<b>61,94,41,631</b>	93.51%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for	Share of ₹10 each allotted in favour of GoK vide-			



increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	a. 84th meeting of the Board dated 26.04.2021	3,49,62,800	5.27%
	b. 85st meeting of the Board dated 30.08.2021	80,19,100	1.21%
<b>At the end of the year</b>		<b>66,24,23,531</b>	<b>100</b>

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SL No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/sweat equity etc.):	-			
	<b>At the end of the year</b>	-			

**E) Shareholding of Directors and Key Managerial Personnel:**

SL No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	As at Item IV (B)			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc.):	-do-			
	<b>At the end of the year</b>	-do-			

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31.03.2022.**

(₹ In Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	GoK Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>					

<b>Change in Indebtedness during the financial year</b>					
* Addition					
* Reduction					
<b>Net Change</b>					
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>					

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SI. NO	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹)
		Managing Director	Director (Technical)	
1	Gross salary	Sri. Prashant Kumar Mishra From 01.04.2021 to 31.03.2022	Smt. D Padmavati From 01.04.2021 To 31.03.2022	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,84,758	26,28,702	<b>40,13,460</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,10,667	7,69,562	<b>4,10,667</b>
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify (Travelling allowance & Ex-gratia)	-	-	-
	<b>Total (A)</b>	<b>17,95,425</b>	<b>33,98,264</b>	<b>51,93,689</b>
	Ceiling as per the Act			

### B. Remuneration to other directors

SI. NO	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings (Is shown in table below)	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee	-	-	-	-	-



meetings						
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
<b>Total (2)</b>	-	-	-	-	-	-
<b>Total (B)=(1+2)</b>	-	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-	-

**B. Fee for attending board committee meetings during FY 2021-22**

Sl. No	Name of the Director Shri/Smt.	Number of meetings attended					Sitting Fee ₹
		Board Meetings	Purchase Committee Meetings	Audit Committee Meetings	Borrowing Committee Meetings	CSR Committee Meetings	
1.	Dr. Manjula N	5	-	-	-	-	10000
2.	Prashant Kumar Mishra	5	3	-	1	2	-
3.	D. Padmavathi	5	3	2	1	2	-
4.	Dr. P.C. Jaffer	5	-	3	-	2	20000
5.	Dr. RC Chetan	2	2	1	-	1	12000
6.	Gopal	4	-	-	-	-	8000
7.	G. Sheela	2	-	-	-	-	4000
8.	TR Ramakrishnaiah	5	-	-	-	-	10000
9.	Shivapraksh TM	5	-	-	-	-	10000
10.	Shivarudrappa S	3	-	-	-	-	9000
11.	Nanjundaswamy	3	-	-	-	-	9000
12.	Giriraja G.K	5	-	-	-	-	15000
13.	N. Dinesh	5	-	-	-	-	15000
14.	Kishor B.R	3	-	-	-	-	9000
15.	Praveen Hegade	5	-	-	-	-	15000
16.	Balachandra Bhat	1	-	-	-	-	3000
17.	M. Dinesh Pai	5	-	-	-	-	15000
	<b>Total</b>						<b>1,64,000</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		D. R. Srinivasa CFO	Gangadhar B.V CFO	Jagadeesha B	Prabhat M Joshi CS	
1	Gross salary	From April-2021 to Aug-2021	From Aug-21 to January - 2022	From Feb-2022 to March-2022	From 01.04.2021 to 31.03.2022	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,42,576	13,68,905	4,62,308	15,71,781	44,45,570
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				-	-
2	Stock Option				-	-
3	Sweat Equity				-	-
4	Commission				-	-

5	- as % of profit others, specify... (Travelling allowance & Ex-gratia)	2,589	7,799	2,312	-	-
	Others, please specify <b>Total</b>	<b>10,45,165</b>	<b>13,76,704</b>	<b>4,64,620</b>	<b>15,78,781</b>	<b>44,65,270</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## ANNEXURE-2


## FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis - Not Applicable.**
2. **Details of material contracts or arrangement or transactions at arm's length basis**
  - (a) **Name(s) of the related party and nature of relationship:**  
Karnataka Power Transmission Corporation Ltd (KPTCL), Bangalore Electricity Supply Company Ltd (BESCOM), Hubli Electricity Supply Company Ltd (HESCOM), Gulbarga Electricity Supply Company Ltd (GESCOM), Chamundeshwari Electricity Supply Corporation (CESC), Power Company of Karnataka Ltd (PCKL), Mysore Paper Mills (MPM), Karnataka Power Corporation Ltd (KPCL), were the related party of the Company under Ind AS 24 and Section 2(76) (viii) (c) read with Section 188 of the Companies Act, 2013.
  - (b) **Nature of contracts/arrangements/transactions:**  
Agreements for Purchase of Power, execution of electrical /civil construction works.
  - (c) **Duration of the contracts/arrangements/transactions:** Long Term.
  - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**  
Agreements with related party are generally for supply of power, providing transmission lines etc.  
The nature of transaction are like payment transmission charges, settlement of energy balancing dues, shared expenses etc which arise in regular course of business and the value of transaction is based on actual quantum of transactions.
  - (e) **Date(s) of approval by the Board, if any:**  
These contracts with related parties are generally approved by Board of Directors as a regular course of business as mandated by the GoK or by the competent authorities like KERC, KREDL etc.
  - (f) **Amount paid as advances, if any:** Nil

Place: Mangaluru  
Date : 12.11.2022

  
D. Padmavathi  
Director (Tech)

  
Prashant Kumar Mishra., IAS  
Managing Director



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW**

(Clause (m) of sub-section (3) of section 134 of the Companies Act 2013, read with Companies Accounts Rule 2014)

**Energy Conservation:**

1. In the light of directives of the Hon'ble Karnataka Electricity Regulatory Commission, awareness on energy conservation and usage of star rated equipment among the public is created by means of distribution of pamphlets to the consumers, display of banners in the offices of MESCOM. Further, in MESCOM web site "Consumer Hand Book" and in "Nanna MESCOM" App information have been displayed regarding energy saving through the use of Energy efficient equipment.
2. Consumers are being insisted for installation of star rated pumps for irrigation while issuing of power sanction letters and the same is ensured while servicing the installation. Further, consumers of other category are also insisted to install energy efficient equipment like LED bulbs, Star rated refrigerators, AC, geysers, solar water heaters for energy conservation.
3. The details of distribution of 9 watt LED bulbs, LED Tube Lights and BEE 5 star rated ceiling fans through M/s Energy Efficiency Services Ltd(EESL) under Hosa Belaku/ Ujala scheme. The cumulative progress as on 31.03.2022;

Sl. No.	Particulars	Status as on 31.03.2022
1	9W LED bulbs	44,65,811
2	20W LED tube lights	5,881
3	BEE 5 Star rated Ceiling Fans	35,358

4. MESCOM has been requesting to all Municipal & other local bodies to install LED streetlights for new installations and retrofitting of fluorescent lamps/sodium vapour lamps with that of LED lamps.
5. Action has been taken for usage of LED bulbs and star rated electrical fittings in MESCOM offices.
6. Solar Roof Top (SRTPV) is installed on the office buildings owned by MESCOM (like circle office, Division office, Subdivision/ section office, Store building, Station Control Rooms etc) and also on government buildings under IPDS scheme. Details are as below;

Particular	No. of installations as on 31.03.2022	Installed Capacity in KWp
IPDS- on Govt. building	56	1351

**2. Technology Absorption :**

MESCOM is committed towards technology driven innovation and lays strong emphasis on inculcating an innovation driven culture within the organization.

During the year under review, MESCOM continued to work on technology up-gradation and capability development in the critical areas of distribution of power. Especially on the consumer front, the efforts are being put to quality and user friendly service to the electricity consumers. These technology focus areas are important for a service oriented company. Some of the activities taken up in relation to this are detailed below:

❖ **IPDS- Phase II IT Implementation and Closure:**



IT implementation in 18 towns of MESCOM under IPDS Phase-II IT project with new IPDS application has been declared Go-Live on 30.12.2021 with M/s Power Finance Corporation (PFC) mandated functionalities. The same application will be further extended to 11 RAPDRP towns of MESCOM.

The various activities carried out under the projects are;

1. GIS based Asset Mapping survey, digitization and integration of consumer indexing data across 18 IPDS towns of MESCOM.
2. Fixing of Modems to Distribution Transformer (DTC), HT Installations, Feeder and Boundary Meters of 18 IPDS towns.
3. Providing IT Infrastructure to 18 IPDS towns of MESCOM.

❖ **Cyber Security Activities:**

1. MESCOM has adopted IT/OT/IoT and Cyber Security Policy.
2. To prevent Cyber-attacks, identification of Critical Information Infrastructure (CII) and Cyber Crises Management Plan (CCMP) has been adopted and to receive latest updates on Malware/botnet etc. MESCOM has on boarded to Cyber Swachhta Kendra (CSK) as per MoP Guidelines.
3. Cyber Audit of IT/OT/IoT systems has been carried out as per MoP and CERT Guidelines in coordination with CERT-In empaneled auditors.

❖ **Integration of MESCOM applications with e-Governance:**

1. The information's about, LT/HT/33kV Lines and Installations, Electrical accidents and Consumption details are being uploaded in Karnataka Open Data Initiative (KODI) website.
2. RAPDRP services are integrated with Mahithi Kanaja.

❖ **E-Office:**

E-Office is implemented in Corporate Office/Zones/Mangaluru O&M Circle office and all the files and receipts are operated through E-office only.

❖ **Jansnehi Vidyut Sevegalu:**

The Following Jansnehi Vidyut Sevegalu is made online for RAPDRP & Non-RAPDRP areas of MESCOM (within 24 Hours).

1. New Connection
2. Name Change
3. Tariff Change
4. Load Enhancement
5. Load Reduction

**3. Foreign Exchange Earning and Outflow:**

Company neither has made any Foreign Exchange Earnings during the year nor has incurred any outflow in relation to this.

## Corporate Social Responsibility

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]**

**1. Brief outline on CSR Policy of the Company:**

- To direct CSR programs of MESCOM towards one or more of the following- promotion of education, preservation and enhancement of environmental and natural capital, promotion of sports, contributing to development and relief funds of government, contributing to the welfare of schedule castes and the scheduled tribe and other backward classes and minorities, promoting gender equality and women empowerment, promoting healthcare in rural areas, promotion of cultural activities.
- To engage in activities such as skill development, vocational training so as to enhance employability of persons from different sections of society.
- Adopt approaches that contribute towards achieving balanced socio-economic development of the society.
- To carry out CSR programs to full fill commitments arising from requests by government

**2. Composition of CSR Committee :**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. P.C. Jaffer, I.A.S.,	Non- Executive Director	2	2
2.	Dr. R.C. Chetan I.R.S.,	Non- Executive Director		1
3.	D. Padmavati	Director (Technical)		2
• Dr. R.C Chetan I.R.S. ceases to be a member w.e.f. 19.11.2021				

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approve by the board are disclosed on the website of the company. : **NA**
- Provide executive summary along with web link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. : **NA**
- Average net profit of the company as per sub section (5) of section 135:- **₹ 15,73,16,793/-**
  - Two percent of average net profit of the company as per sub section (5) of section 135(5):- **₹ 31,46,336/-**
  - Surplus arising out of the CSR projects or programmes or Activities of the previous financial years:- **Nil**
  - Amount required to be set off for the financial year, if any: **-Nil-**
  - Total CSR obligation for the financial year (b+c-d):- **₹ 31,46,336/-**
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 40,00,000**
  - Amount spent in Administrative Overheads : **Nil**



- (c) Amount spent on Impact Assessment, if applicable : -Nil-  
 (d) Total amount spent for the Financial Year : 40,00,000  
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section(5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40,00,000	-0-	-0-	NA	-0-	NA

- (f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub section 5 of section 135:	31,46,336
(ii)	Total amount spent for the Financial Year	40,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	8,53,664
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-0-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	8,53,664

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account u/s 135 (6) (in ₹)	Balance Amount in Un spent in the financial Year(Rs)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund specified under schedule VII as per second proviso to subsection(5) of section135 if any		amount remaining to be spent in succeeding financial year (in ₹)	Deficiency if any
					Amount (in ₹)	Date of transfer		
1	2019-20	12,02,318	-	55,25,251	-	-	1,52,318	-
2	2020-21	-	-	87,72,233	-	-	-	-
3	2021-22	-	-	40,00,000	-	-	-	-
	<b>TOTAL</b>	<b>12,02,318</b>		<b>1,82,97,484</b>	-	-	<b>1,52,318</b>	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year (Y/N) : Yes  
 If yes enter the number of Capital Assets created / acquired: NA

Sl. No.	Short Particulars of the property or assets (Including complete address and location of the property)	Pin Code of the property or assets	Date of creation	Amount of CSR amount Spent	Details of entity/Authority /beneficiary of the registered owner		
					1	2	3
1	2	3	4	5	6		
					CSR Registration number	Name	Registered Address
	Dura Cylinders for treatment of Covid-19 patients	574154	19.05.2021	40 Lakhs	NA	Community Health Centre	Karnad, Mulki

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): -NA-

  
 Managing Director  
 MESCOM, Mangalore

Chairman  
 CSR Committee

