

CHAPTER I

1. Overview of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The PSUs are established to carry out activities of commercial nature, keeping in view the welfare of people. In Karnataka, the PSUs occupy an important place in the State's economy. The PSUs registered a turnover of ₹ 41,493.51 crore for 2010-11 as per their latest finalised accounts as of September 2011. This turnover was equal to 10.89 *per cent* of State Gross Domestic Product (GDP) for 2010-11. Major activities of the PSUs in Karnataka are concentrated in infrastructure sector. The working PSUs earned a profit of ₹ 1,192.92 crore in aggregate for 2010-11 as per their latest finalised accounts. They had employed 1.82 lakh employees as of 31 March 2011. The PSUs do not include eight Departmental Undertakings (DUs), which carry out commercial operations but are a part of Government departments. Audit findings of these DUs are incorporated in the Civil Audit Report for the State.

1.2 As on 31 March 2011, there were 89 PSUs as per the details given below. Of these, two Companies¹ were listed on the stock exchange(s).

Type of PSUs	Working PSUs	Non-working PSUs ²	Total
Government Companies ³	69	14	83
Statutory Corporations	6	-	6
Total	75	14	89

During the year 2010-11, one new PSU (Karnataka EMTA Collieries Limited) was established, one PSU's (Bangalore Metro Rail Corporation Limited) audit jurisdiction was changed and one non-working PSU (Karnataka Small Industries Marketing Corporation Limited) was amalgamated with Karnataka State Small Industries Development Corporation Limited.

Audit mandate

1.3 Audit of Government Companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government Company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government Company includes a subsidiary of a Government Company. Further, a Company in which 51 *per cent* of the paid up capital is held in any combination by Government(s), Government Companies and Corporations controlled by Government(s) is treated as if it

¹ The Mysore Paper Mills Limited and Mysore Paints and Varnish Limited.

² Non-working PSUs are those which have ceased to carry on their operations.

³ Includes 619-B companies.

were a Government Company (deemed Government Company) as per Section 619-B of the Companies Act 1956.

1.4 The accounts of the State Government Companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per the provisions of Section 619 of the Companies Act, 1956.

1.5 Audit of Statutory Corporations is governed by their respective legislations. Out of six Statutory Corporations, the CAG is the sole auditor for Karnataka State Road Transport Corporation, Bangalore Metropolitan Transport Corporation, North Western Karnataka Road Transport Corporation and North Eastern Karnataka Road Transport Corporation. In respect of Karnataka State Warehousing Corporation and Karnataka State Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit by the CAG.

Investment in PSUs

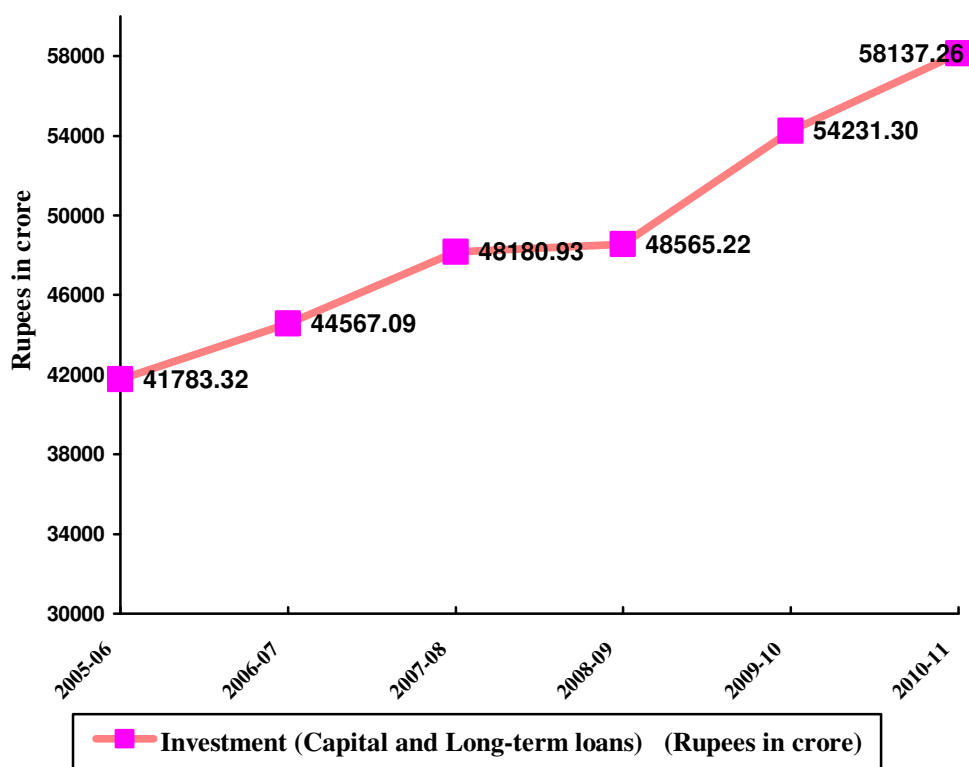
1.6 As on 31 March 2011, the investment (capital and long-term loans) in 89 PSUs (including 619-B companies) was ₹ 58,137.26 crore as per details given below:

Type of PSUs	Government Companies			Statutory Corporations			Grand total
	Capital	Long term loans	Total	Capital	Long term loans	Total	
Working PSUs	31,005.56	21,981.00	52,986.56	1,605.97	2,954.67	4,560.64	57,547.20
Non-working PSUs	161.35	428.71	590.06	-	-	-	590.06
Total	31,166.91	22,409.71	53,576.62	1,605.97	2,954.67	4,560.64	58,137.26

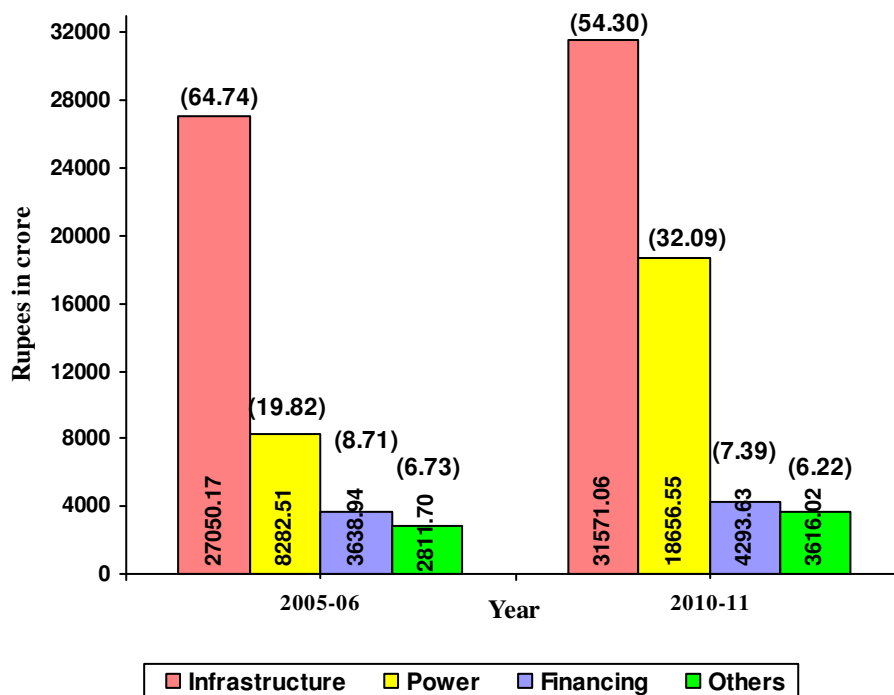
A summarised position of Government investment in PSUs is detailed in **Annexure 1**.

1.7 As on 31 March 2011, of the total investment in PSUs, 98.99 per cent was in working PSUs and the remaining 1.01 per cent in non-working PSUs. The total investment consisted of 56.37 per cent towards capital and 43.63 per cent in long-term loans. The investment has grown by 39.14 per cent from ₹ 41,783.32 crore in 2005-06 to ₹ 58,137.26 crore in 2010-11 as shown in the

graph below:



1.8 The investment in important sectors and percentage thereof at the end of 31 March 2006 and 31 March 2011 are indicated below in the bar chart. Out of total investments, the investment in power sector has seen its percentage share rising to 32.09 per cent in 2010-11 from 19.82 per cent in 2005-06.



(Figures in brackets show the percentage of total investment)

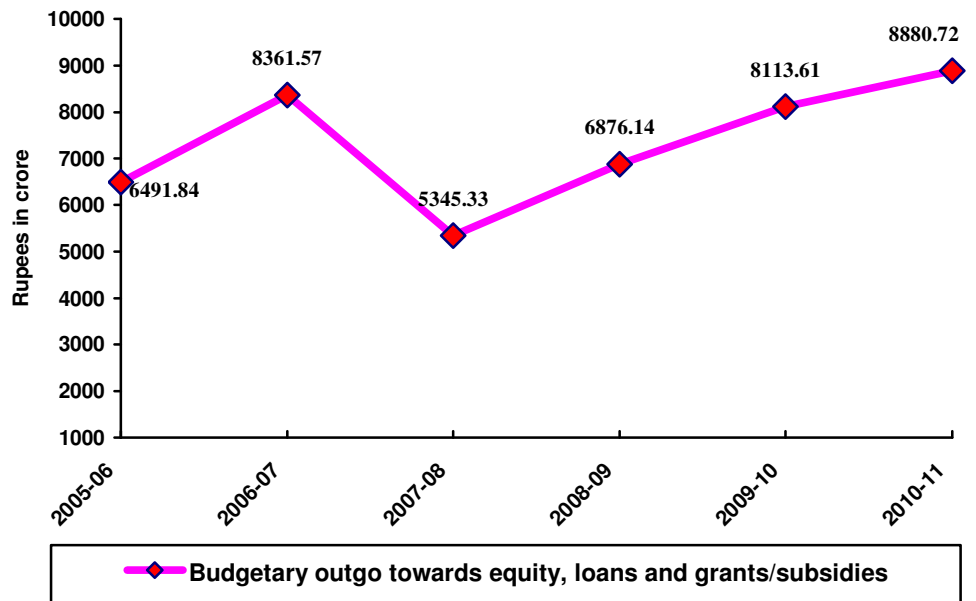
Budgetary outgo, grants/subsidies, guarantees and loans

1.9 The details regarding budgetary outgo towards equity, loans, grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of PSUs are given in **Annexure 3**. The summarised details are given below for three years ended 2010-11.

Amount: ₹ in crore

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity capital outgo from budget	20	3,400.36	24	4,026.78	25	5,126.76
2	Loans given from budget	6	500.55	6	348.69	5	58.00
3	Grants/Subsidy received	23	2,975.23	27	3,738.14	32	3,695.96
4	Total outgo (Sl.No.1+Sl.No.2+Sl.No.3) ⁴	35	6,876.14	42	8,113.61	45	8,880.72
5	Loans converted into equity	1	1.00	5	499.91	2	9.07
6	Loans written off	-	-	-	-	-	-
7	Interest/penal interest written off	1	0.15	-	-	-	-
8	Total waiver (Sl.No.6+Sl.No.7)	1	0.15	-	-	-	-
9	Guarantees issued	10	393.11	4	262.00	12	517.30
10	Guarantee commitment	19	4,202.18	18	3,615.88	27	3,802.38

1.10 The details regarding budgetary outgo towards equity, loans and grants/subsidies for the past six years are given in the graph below:



The budgetary support in respect of equity, loans and grants/subsidies decreased

⁴ Indicates actual number of PSUs.

in 2007-08 in comparison to 2006-07. The budgetary support increased during 2008-09, 2009-10 and 2010-11 as compared to 2007-08.

1.11 As per Section 5(1) of the Karnataka Ceiling on Government Guarantees Act, 1999, (as amended by Act 15 of 2002), with effect from April 2001 the Government would charge a minimum of one *per cent* as guarantee commission which shall not be waived under any circumstances. During the year 2010-11 the PSUs paid guarantee commission of ₹ 104.35 crore leaving a balance of ₹ 237.68 crore to be paid to the Government. The PSUs which had major arrears were Krishna Bhagya Jala Nigam Limited (₹ 101.50 crore), Cauvery Neeravari Nigama Limited (₹ 42.11 crore) and Rajiv Gandhi Rural Housing Corporation Limited (₹ 30.75 crore).

Reconciliation with Finance Accounts

1.12 The figures in respect of equity, loans and guarantees outstanding as per the records of PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2011 is stated below:

₹ in crore

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	34,072.75	31,285.42	2,787.33
Loans	2,426.57	7,770.84	5,344.27
Guarantees	3,642.43	3,802.38	159.95

1.13 Audit observed that the differences occurred in respect of 73 PSUs. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Performance of PSUs

1.14 The financial results of PSUs, financial position and working results of working Statutory Corporations are detailed in **Annexures 2, 5 and 6** respectively. The ratios of PSU turnover to State GDP show the significant extent of PSU activities in the State economy. The table below provides the details of working PSUs' turnover *vis-a-vis* State GDP for the period 2006-07 to 2010-11.

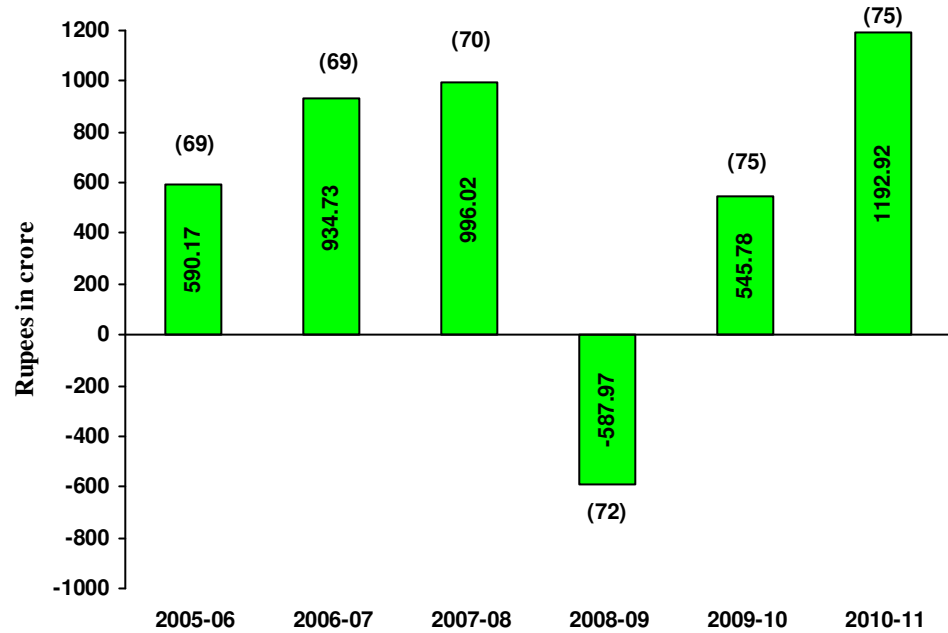
₹ in crore

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover ⁵	25,284.68	28,218.05	32,627.68	36,369.48	41,493.51
State GDP	2,27,831	2,70,843	3,03,058	3,35,747	3,80,872 ⁶
Percentage of turnover to State GDP	11.10	10.42	10.77	10.83	10.89

⁵ Turnover as per the latest finalised accounts.

⁶ SGDP figures are as per Medium Term Fiscal Plan and figures of the State Government for 2010-11 are Advance Estimates.

1.15 Profit earned or loss incurred by State working PSUs during 2005-06 to 2010-11 is given below in the bar chart.



Overall profit earned (loss incurred) during the year by working PSUs

(Figures in brackets show the number of working PSUs in respective years)

As per their latest finalised accounts, out of 75 working PSUs, 46 PSUs earned profit of ₹ 1,632.42 crore and 22 PSUs incurred loss of ₹ 439.50 crore. Two working PSUs (Karnataka Thanda Development Corporation Limited and Karnataka EMTA Collieries Limited) incorporated in February 2009 and March 2011 respectively had not finalised their first accounts. Three companies⁷ did not prepare profit and loss account and had only pre-operative expenditure. One Company (Rajiv Gandhi Rural Housing Corporation Limited) prepared income and expenditure account and capitalized the excess of expenditure over income. Another Company (Karnataka Vocational Training and Skill Development Corporation Limited) did not prepare Profit and Loss Account and expenses were set off against the grant received. The major contributors to profit were Karnataka Power Corporation Limited (₹ 686.19 crore), Mysore Minerals Limited (₹ 422.87 crore) and The Hutti Gold Mines Company Limited (₹ 124.71 crore). The heavy losses were incurred by The Mysore Paper Mills Limited (₹ 84.78 crore), The Mysore Sugar Company Limited (₹ 70.21 crore) and Hubli Electricity Supply Company Limited (₹ 64.71 crore).

1.16 The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of the latest three years' Audit Reports of the CAG shows that the PSUs incurred losses to the tune of ₹ 1,320.47 crore and had

⁷ Karnataka Neeravari Nigam Limited, Cauvery Neeravari Nigama Limited and Raichur Power Corporation Limited.

made infructuous investment of ₹ 333.27 crore, which were controllable with better management. Year-wise details from Audit Reports are stated below:

₹ in crore				
Particulars	2008-09	2009-10	2010-11	Total
Net Profit / Loss(-)	(-759.50)	366.58	987.03	594.11
Controllable losses as per the CAG's Audit Report	75.53	84.37	1,160.57	1,320.47
Infructuous investment	87.28	173.37	72.62	333.27

1.17 The above losses pointed out in Audit Reports of the CAG are based on test check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses can be minimised (or eliminated or the profits can be enhanced substantially). The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for greater professionalism and accountability in the functioning of PSUs.

1.18 Some other key parameters pertaining to the PSUs are given below:

₹ in crore						
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Return on capital employed (<i>per cent</i>)	3.26	4.60	4.58	1.88	3.47	4.40
Debt	22,736.05	23,234.20	24,078.32	24,087.55	24,704.05	25,364.38
Turnover ⁸	20,883.70	25,284.68	28,218.05	32,627.68	36,369.48	41,493.51
Debt-Turnover ratio	1.09:1	0.92:1	0.85:1	0.74:1	0.68:1	0.61:1
Interest payments	1,625.19	1,593.24	1,607.58	1,556.95	1,901.19	2,269.00
Accumulated profits/ losses (-)	1,209.00	935.94	1,248.48	(-)39.93	(-)197.93	1,007.36

(Above figures pertain to all PSUs except for turnover, which is for working PSUs).

1.19 There was an increase in turnover while there was a relatively lesser increase in debts. The increase in return on capital employed was due to the increase in profits of Karnataka Power Corporation Limited and Mysore Minerals Limited.

1.20 The State Government had issued (May 2003) guidelines according to which Government nominees on the Boards of Public Enterprises or Joint Ventures, where the State Government had equity holding, should insist on the declaration of minimum dividend of 20 *per cent* on share holding. As per their latest finalised accounts, 46 PSUs⁹ earned an aggregate profit of ₹ 1,632.42 crore but only 15 PSUs declared dividend which amounted to ₹ 55.24 crore.

⁸ Turnover of working PSUs as per the latest finalised accounts as of 30 September 2011.

⁹ Including non-working Government companies.

Arrears in finalisation of accounts

1.21 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of the Statutory Corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2011.

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1	Number of working PSUs	69	70	72	75	75
2	Number of accounts finalised during the year	79	69	74	73	69
3	Number of accounts in arrears	19	20	18	20	25 ¹⁰
4	Average arrears <i>per</i> PSU (3/1)	0.28	0.29	0.25	0.27	0.33
5	Number of working PSUs with arrears in accounts	15	17	16	20	24
6	Extent of arrears	1 to 3 years	1 to 2 years	1 to 2 years	1 year	1 to 2 years

1.22 The performance of finalisation of accounts within the year by the working PSUs has improved over the last five years. The arrears pertain only for the years 2009-10 and 2010-11, pending finalization as at September 2011.

1.23 In respect of arrears in finalisation of accounts by non-working PSUs¹¹, out of 14 non-working PSUs, liquidation process is underway in seven PSUs¹². The arrears of these accounts ranged from four to eight years. The remaining seven PSUs had finalised their accounts for 2010-11 by September 2011.

1.24 The State Government had invested ₹ 3,235.24 crore (equity: ₹ 2,106.66 crore, loans: ₹ 39.57 crore, grants: ₹ 165.02 crore and subsidy: ₹ 923.99 crore) in 24 PSUs during the years for which accounts had not been finalised as on 30 September 2011 as detailed in **Annexure 4**.

¹⁰ As the first accounts of Karnataka Thanda Development Corporation Limited is pending finalization only one accounts is shown as arrears.

¹¹ Excludes one non-working PSU (Karnataka Small Industries Marketing Corporation Limited), which has been amalgamated with Karnataka State Small Industries Development Corporation Limited during the year.

¹² The Mysore Acetate and Chemicals Company Limited, NGEF Limited, Karnataka Telecom Limited, The Mysore Cosmetics Limited, The Karnatak State Veeners Limited, Chamundi Machine Tools Limited and Karnataka State Textiles Limited.

Winding up of non-working PSUs

1.25 There were 14 non-working PSUs (all Companies) as on 31 March 2011. Of these, seven PSUs have commenced liquidation process. The numbers of non-working companies at the end of each year of the past five years are given below:

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
No. of non-working companies	17	16	16	15	14

During 2010-11, two non-working PSUs¹³ incurred an expenditure of ₹ 0.49 crore towards establishment costs. This expenditure was met through rent, interest and other sources by these PSUs.

1.26 The stages of closure in respect of non-working PSUs are given below:

Sl. No.	Particulars	Companies	Statutory Corporations	Total
1	Total No. of non-working PSUs	14	-	14
2	Of (1) above, the No. under			
(a)	Liquidation by Court (liquidator appointed)	7	-	7
(b)	Voluntary winding up (liquidator appointed)	-	-	-
(c)	Closure, <i>i.e.</i> , closing orders/instructions issued but liquidation process not yet started.	7	-	7

1.27 The companies which have taken the route of winding up by Court order are under liquidation process for the last three to eight years. The process of voluntary winding up under the Companies Act is much faster and needs to be adopted / pursued vigorously. The Government may take a decision regarding winding up of the seven non-working PSUs where no decision about their continuation or otherwise has been taken after they became non-working.

Accounts comments and Internal Audit

1.28 Fifty seven working companies forwarded their 60 audited accounts to the Principal Accountant General (PAG) during the year 2010-11 as at September 2011. Of these, 43 accounts of 40 companies were selected for supplementary audit. The audit reports of Statutory Auditors appointed by the CAG and the supplementary audits of the CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and the CAG are

¹³ Karnataka Agro Industries Corporation Limited (₹ 0.22 crore), The Mysore Lamps Works Limited (₹ 0.27 crore).

given below:

Amount : ₹ in crore

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Decrease in profit	11	152.24	14	138.10	8	267.07
2	Increase in profit	7	40.43	4	11.83	4	9.88
3	Decrease in loss	2	3.72	2	5.93	1	0.03
4	Increase in loss	9	46.88	10	121.81	8	46.76

1.29 During the year 2010-11, the Statutory Auditors had given unqualified reports on twelve accounts, qualified reports on 45 accounts, adverse reports (which means that accounts did not reflect a true and fair position) for three accounts. The compliance of companies with the Accounting Standards remained poor as there were 93 instances of non-compliance in 29 Companies during the year.

1.30 Some of the important comments in respect of accounts of companies are stated below:

Dr. Babu Jagjivan Ram Leather Industries Corporation Limited (2009-10)

- The Company, in violation of the Government orders had utilized Government grant for uses other than those for which it was granted.
- Out of the various grants received by the Company from Government of Karnataka for various development activities including purchase of capital assets, the accumulated grants pending utilization was ₹ 4.11 crore as at March 2010. The non-utilization of these grants for the purpose for which it was granted is likely to warrant cancellation by the Government of Karnataka.

Karnataka Forest Development Corporation Limited (2010-11)

- The Company had not provided for the differential amount of ₹ 23.65 crore payable to the Government of Karnataka towards annual lease rentals up to the financial years 2008-09 for the areas taken on lease with reference to the actual rent paid against the rate fixed by the Government.

Mysore Minerals Limited (2010-11)

- The Company had not accounted the interest of ₹ 10.90 crore receivable from VMPL for delayed payment of premium for the years from 2000-01 to 2007-08.
- During the year the Company paid ₹ 35 crore towards Forest Development Tax (FDT) as an advance, which was recoverable from the buyers. In this regard, the Company had neither quantified the FDT recoverable from the buyers nor provision made for unrecoverable amount in the books of accounts resulting in overstatement of profit to that extent.

Karnataka Power Corporation Limited (2010-11)

- The Company had not recovered penalty for short supply / cost recovery of ₹ 49.91 crore from Karnataka Eastern Minerals Trading Agency Coal Mines Limited.

Karnataka Rural Infrastructure Development Limited (2009-10)

- The balances shown under Sundry Debtors pertaining to the years 2003-04 to 2009-10 were not confirmed by the parties. Further, Sundry Debtors of accounting years 2003-04 to 2006-07 amounting to ₹ 21.73 crore were barred by limitation of time, and the Company did not make any provision for doubtful debts for the same. Hence the profit was overstated to this extent.

Bangalore Electricity Supply Company Limited (2010-11)

- As approved by the Government of Karnataka, the Company was vested with fixed assets such as land and buildings in terms of the transfer scheme as on June 2002. Titles in respect of such assets have not yet been transferred in favour of the Company.

1.31 Similarly, six working Statutory Corporations forwarded nine accounts to the PAG during the year 2010-11. Of these nine accounts, five accounts pertained to Statutory Corporations where the CAG was the sole auditor on which audit was completed. The remaining four accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and the sole audit of the CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of Statutory Auditors and the CAG are given below:

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Decrease in profit	2	153.11	3	206.63	6	38.61
2	Increase in profit	1	0.82	-	-	-	-
3	Decrease in loss	-	-	-	-	-	-
4	Increase in loss	3	102.54	-	-	3	53.05

Amount : ₹ in crore

1.32 During the year, all the nine accounts received qualified reports.

1.33 Some of the important comments in respect of the Statutory Corporations are stated below:

Bangalore Metropolitan Transport Corporation (2010-11)

- As per notes forming part of accounts the amounts includes ₹ 1.46 crore towards differential gratuity payable to 292 employees who retired/died during the period from November 1995 to March 1998. As per direction (March 2010) of the Hon'ble High court and subsequent decision of the KSRTC Board to pay the differential gratuity to all eligible ex-employees even though they have not approached the court, (August 2010) to settle these claims. The Corporation had to provide clear liability instead of making a contingent liability.

1.34 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control /internal audit

systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/internal control system in respect of 7 Companies for the year 2009-10 and 16 Companies for the year 2010-11 are given in **Annexure 7**.

Recoveries at the instance of audit

1.35 During the course of propriety audit in 2010-11, recoveries of ₹ 1.09 crore were pointed out to the Management of PSUs, of which ₹ 5.26 lakh was recovered by the PSUs. Recoveries of ₹ 24 lakh pointed out in the earlier years were effected during the year 2010-11.

Status of placement of Separate Audit Reports

1.36 The Separate Audit Reports (SARs) in respect of all Statutory Corporations issued by the CAG up to 2009-10 were placed in the Legislature by the Government.

Disinvestment, privatisation and restructuring of PSUs

1.37 The State Government had approved and adopted (February 2001) a comprehensive policy on public sector reforms and privatisation of public sector undertakings in the State. Accordingly, the Government identified 31 PSUs for closure, privatisation and restructuring. Five companies¹⁴ were dissolved /amalgamated (September 2011). The position of action taken by the Government in respect of the remaining 26 companies identified for closure/privatisation/restructuring is as follows:

Particulars	No. of companies	Government order issued	Government order not yet issued
Non-working Government Companies decided for closure	14	14 ³	-
Working Government Companies decided for closure	3	1 [€]	2 [@]
Working Government Companies decided for privatisation	8	6 [♥]	2 [*]
Restructuring of Working Government Companies	1	1 ^Ω	-

¹⁴ Karnataka Tungsten Moly Limited, Karnataka Agro Proteins Limited, Vishveswaraya Vidyuth Nigam Limited, Karnataka Film Industries Development Corporation Limited and Karnataka Small Industries Marketing Corporation Limited.

³ All the non-working companies as per Annexure 1.

[€] Karnataka State Construction Corporation Limited.

[@] The Karnataka Fisheries Development Corporation Limited, Karnataka State Electronics Development Corporation Limited.

[♥] Karnataka Silk Industries Corporation Limited, Karnataka Soaps and Detergents Limited, The Mysore Electrical Industries Limited, Karnataka Vidyuth Karkhane Limited, Mysore Minerals Limited, Sree Kanteerava Studios Limited.

^{*} The Mysore Sugar Company Limited, The Mysore Paper Mills Limited.

^Ω The Karnataka State Forest Industries Corporation Limited to be merged with Karnataka Forest Development Corporation Limited.

Reforms in power sector

1.38 The State has Electricity Regulatory Commission (KERC) formed (August 1999) under the Karnataka Electricity Reform Act, 1999 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licences.

1.39 Memorandum of Understanding (MoU) was signed in February 2000 between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. The progress achieved so far in respect of important milestones is stated below:

Milestone	Achievement as at March 2011
100 <i>per cent</i> electrification of all villages by 2012.	100 <i>per cent</i> electrification was achieved by 2009.
Commitment in the MoU to reduce the overall Transmission and Distribution (T&D) losses by 10 to 15 <i>per cent</i> with target reduction of five <i>per cent</i> every year from 2000-01.	T&D losses was 35.50 <i>per cent</i> during 2000-01. Out of five Electricity Supply Companies in the State, only Hubli Electricity Supply Company Limited had T&D losses of 20.55 <i>per cent</i> against the norm of 20 <i>per cent</i> fixed by KERC.
100 <i>per cent</i> metering of all distribution feeders by September 2001.	Completed by December 2002.
100 <i>per cent</i> metering of all consumers by 2004-05.	69.78 <i>per cent</i> of Irrigation pump set installations, 11.91 <i>per cent</i> of Kutir Jyothi/Bhagya Jyothi installations and 1.35 <i>per cent</i> of street light installations are pending metering as at end of March 2011.
Energy audit at 11 KV sub-station level by September 2001	Energy audit of 11 KV feeders on monthly basis has commenced from June 2003.
Securitisation of outstanding dues of Central PSUs to be reduced to ₹ 900 crore by 2004-05.	The dues were securitised by issue of bonds in August 2003.