



**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**

( CIN NO. - U04010KA2002SGC030436 )

Registered office at Station Road, Gulbarga, Karnataka - 585 102

**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹
<b>7 Deferred tax Assets (Net):</b>			
<b>a) Deferred tax liability:</b>			
i) On account of depreciation on fixed assets ( other than land)	-	1,90,62,76,319	1,69,74,34,863
ii) On account of revaluation of land	2,07,26,93,122	2,07,26,93,122	2,07,26,93,122
iii) On account of fair valuation of investments	-	-	-
Total	<b>2,07,26,93,122</b>	<b>3,97,89,69,441</b>	<b>3,77,01,27,985</b>
<b>b) Deferred tax asset:</b>			
i) On account of depreciation on fixed assets (other than land)	8,99,56,870	1,22,02,19,515	1,16,54,76,164
ii) On account of timing differences in recognition of expenditure	-	77,60,13,674	62,19,15,569
Total	<b>8,99,56,870</b>	<b>1,99,62,33,189</b>	<b>1,78,73,91,733</b>
<b>Net Deferred tax (liability)/asset</b>	<b>(1,98,27,36,252)</b>	<b>(1,98,27,36,252)</b>	<b>(1,98,27,36,252)</b>
<b>8 Other non current assets:</b>			
<b>(unsecured and considered good)</b>			
a) Advance payment of tax (net)	-	44,63,71,248	44,49,22,084
b) Capital advances	1,71,30,28,215	79,26,73,686	1,49,72,48,422
c) Security deposits	17,11,45,803	16,93,88,270	17,62,44,352
d) Security deposits- Others	-	-	-
	<b>1,88,41,74,018</b>	<b>1,40,84,33,204</b>	<b>2,11,84,14,858</b>
Less: Allowance for other non current assets	<b>1,88,41,74,018</b>	<b>1,40,84,33,204</b>	<b>2,11,84,14,858</b>





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
(CIN NO. - U04010KA20025GCO30436)  
Registered office at Station Road, Gulbarga, Karnataka - 585 102  
**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹

**9 Inventories:**

**Stocks, spares and loose tools**

a) Materials lying at Stores	1,34,19,99,214	1,42,20,00,372	1,15,20,17,001
b) Materials with Contractors	1,86,08,819	1,53,64,794	1,60,30,300
c) Materials with Employees	1,80,11,269	73,05,828	1,10,50,140
d) Obsolete/ Scrapped Assets	1,46,82,016	92,29,691	63,36,907
e) WDV of Faulty/Dismantled Assets	43,40,05,341	36,77,64,143	30,55,42,589
	<b>1,82,73,06,659</b>	<b>1,82,16,64,828</b>	<b>1,49,09,76,937</b>

**10 Unbilled Revenue:**

Unbilled Revenue



2,37,26,90,170	2,01,24,23,981	1,85,99,05,241
<b>2,37,26,90,170</b>	<b>2,01,24,23,981</b>	<b>1,85,99,05,241</b>



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Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹

11 Trade receivables:

a) Trade receivables exceeding six months

b) others

Less: Allowance for doubtful receivables

4,25,11,38,126	13,45,46,47,928	13,36,54,60,635
7,05,21,29,845	5,42,59,25,432	4,68,39,64,698
<b>11,30,32,67,971</b>	<b>18,88,05,73,360</b>	<b>18,04,94,25,333</b>
3,54,83,57,480	2,87,95,77,672	2,09,61,73,354
<b>7,75,49,10,491</b>	<b>16,00,09,95,688</b>	<b>15,95,32,51,979</b>

Additional information:

- 1) Breakup of above:
- a) Secured, considered good
- b) Unsecured, considered good
- c) Doubtful
- Total
- Less: Allowance for doubtful receivables (\$)



5,52,25,76,657	4,91,74,79,167	4,52,08,68,091
2,23,23,33,834	11,08,35,16,521	11,43,23,83,888
3,54,83,57,480	2,87,95,77,672	2,09,61,73,354
<b>11,30,32,67,971</b>	<b>18,88,05,73,360</b>	<b>18,04,94,25,333</b>
3,54,83,57,480	2,87,95,77,672	2,09,61,73,354
<b>7,75,49,10,491</b>	<b>16,00,09,95,688</b>	<b>15,95,32,51,979</b>

(\$)

An amount of Rs. 99.37 Crores is transferred by Gok in the Opening Balance of the Company, as provision towards Bad & doubtful consumer receivables. In accordance with the clause (b) of the Government of Karnataka order No DE 48 PSR 2003 dated 31.05.2003, the same is not to be adjusted against any consumer categories at the Sub Divisions of the ESCOMs. The provision towards Doubtful dues from Consumers amounting to Rs. 354.84 crores is inclusive of the aforesaid provision. Besides the above, 100% provision is made on case to case basis under HT installations category which works out Rs. 44.32 Crs and 10% provision is created on IP set Dues outstanding for more than 2 years which works out to Rs.197.19 Crores. On the Balance Debtors, 4% provision is made.



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**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹
<b>12 Cash and Cash Equivalents:</b>			
<b>Cash and cash equivalents:</b>			
a) Balances with banks			
- in current accounts	57,95,41,236	64,06,08,490	88,75,55,443
- in other accounts (to the extent held as margin money or security against the borrowings, guarantees, other commitments)	40,80,58,125	1,65,36,91,937	1,04,25,27,857
b) Cash on hand	5,20,77,781	7,73,47,677	14,98,41,230
c) Cheques and Funds in Transit	11,138	4,23,000	1,53,000
d) Stamps on Hand	4,47,072	4,17,011	3,81,035
<b>Total</b>	<b>1,04,01,35,352</b>	<b>2,37,24,88,115</b>	<b>2,08,04,58,565</b>

\* Cash & Bank Balance includes a. Unrecouped Vouchers : Rs.1,24,362/- & b. Suspense : Rs. 14.56 lakhs (some of the suspense vouchers are not charged off within 3 months from the Balance Sheet date.)

\*\* Lien Deposit serving as security against LC for Central Government Stations (Power Generators)

There is a difference in cash balance as per cash certificate as compared to the Balance as per Trial Balance under A/c Code 24.110 in respect of Raichur Division and the same is on account of mis-appropriation in Deodurga Sub Division and to pending reconciliation.





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**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,		As at April 01,	
	2018	2017	2016	
	₹	₹	₹	₹
<b>13 Other Financial Assets:</b>				
a) Advance to Suppliers	14,33,68,879	33,72,363	59,34,105	
b) Advance to Employees	3,46,61,861	1,94,44,235	1,80,70,165	
c) Receivable from Associates ( KPTCL/ESCOMS/PCKL)	5,33,88,63,635	4,53,23,68,927	3,87,79,48,927	
d) Receivable from Power Generators	25,61,51,104	13,46,21,254	16,54,18,941	
	<b>5,77,30,45,479</b>	<b>4,68,98,06,779</b>	<b>4,06,73,72,138</b>	
Less: Allowance for other financial assets				
	<b>5,77,30,45,479</b>	<b>4,68,98,06,779</b>	<b>4,06,73,72,138</b>	
<b>Additional information:</b>				
1) Breakup of above:				
a) Secured, considered good	40,60,07,170	40,60,07,170	40,60,07,170	
b) Unsecured, considered good	5,36,70,38,309	4,28,37,99,609	3,66,13,64,968	
c) Doubtful	-	-	-	
<b>Total</b>	<b>5,77,30,45,479</b>	<b>4,68,98,06,779</b>	<b>4,06,73,72,138</b>	
Less:				
Allowance for doubtful advances for advance paid to suppliers and other receivables				
<b>Total</b>	<b>5,77,30,45,479</b>	<b>4,68,98,06,779</b>	<b>4,06,73,72,138</b>	





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**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 01, 2016 ₹
<b>14 Other Current Assets:</b>			
a) <b>Receivable from Government of Karnataka:</b>			
Rural Electrification Subsidy	30,50,87,720	30,50,87,720	30,50,87,720
Tariff Subsidy	6,31,31,02,034	7,73,20,15,902	11,10,47,92,529
RDPR Dues	2,07,45,62,711	-	-
b) Receivable from Pension/Gratuity Trust	9,74,41,075	5,31,71,882	5,81,91,420
c) Receivable from beneficiaries of Solar Lantern	1,94,06,483	2,45,31,120	1,90,36,448
d) Prepaid Expenses	12,48,166	12,96,141	12,26,967
e) Income accrued and not due	2,30,95,417	2,52,06,154	2,13,53,669
f) Claims for loss/Damage to Capital Assets	10,84,209	10,84,209	17,52,381
Less: Allowance for doubtful advances for advance paid to suppliers and oth	<b>8,83,50,27,815</b>	<b>8,14,23,93,128</b>	<b>11,51,14,41,134</b>
	<b>8,83,50,27,815</b>	<b>8,14,23,93,128</b>	<b>11,51,14,41,134</b>

**15 Regulatory Deferral Accounts:**  
**Regulatory Deferral Account - Liability:**  
 Regulatory Liabilities  
**Regulatory Deferral Account - Asset:**  
 Regulatory Assets  
**Regulatory Deferral Account - Asset/(Liability)**



8,10,11,29,873	9,31,15,59,837	5,77,39,00,000
<b>8,10,11,29,873</b>	<b>9,31,15,59,837</b>	<b>5,77,39,00,000</b>



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**NOTES TO FINANCIAL STATEMENTS**

**Particulars**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Rate Regulated Activities:</b>	₹	₹	₹

(i) As per the Ind AS-114 'Regulatory Deferral Accounts' the business of electricity distribution is a Rate Regulated activity wherein the regulators determine Tariff to be charged from consumers based on prevailing regulations in place.

(ii) The Multi Year Tariff (MYT) Regulations issued by Karnataka Electricity Regulatory Commission ("KERC") is applicable to the Company's distribution business. According, to these regulations, the regulators shall determine tariff in a manner in which the Company's recover its fixed and variable costs including assured rate on return approved equity base, from its consumers. The Company can determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in respective MYT Regulations. Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities as on March 31, 2018, and March 31, 2017 is as follows:

Particulars	As at March 31,2018	As at March 31,2017
	Opening Regulatory Assets (net) <b>Regulatory Income/(Expenses) during the year:</b> (i) Power Purchase Cost (ii) Reversal of earlier years income recognised <b>Closing Regulatory Assets (net)</b>	 (Rs.) 9,31,15,59,837 4,56,34,70,036 (5,77,39,00,000) <b>8,10,11,29,873</b>





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**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	₹	Number	₹	Number	₹
<b>16 Share capital:</b>						
Authorized: (*)						
Equity shares of ₹ 10/- each	1,20,00,00,000	12,00,00,00,000	80,00,00,000	8,00,00,00,000	80,00,00,000	8,00,00,00,000
Issued, subscribed and fully paid up:	<u>1,20,00,00,000</u>	<u>12,00,00,00,000</u>	<u>80,00,00,000</u>	<u>8,00,00,00,000</u>	<u>80,00,00,000</u>	<u>8,00,00,00,000</u>
Equity shares of ₹ 10/- each						
At the beginning of the year	77,67,66,104	7,76,76,61,040	30,51,36,104	3,05,13,61,040	30,51,36,104	3,05,13,61,040
Issued during the year						
- by way of issue of fully paid up equity shares	33,81,90,000	3,38,19,00,000	47,16,30,000	4,71,63,00,000	-	-
At the close of the year	<u>1,11,49,56,104</u>	<u>11,14,95,61,040</u>	<u>77,67,66,104</u>	<u>7,76,76,61,040</u>	<u>30,51,36,104</u>	<u>3,05,13,61,040</u>
<b>Total carried to Balance Sheet</b>		<u>11,14,95,61,040</u>		<u>7,76,76,61,040</u>		<u>3,05,13,61,040</u>

a Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	Percentage	Number	Percentage	Number	Percentage
(i) Government of Karnataka	1,11,49,56,095	99.99%	77,67,66,095	99.99%	30,51,36,095	99.99%

The Company has only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder







Note : 17  
Other Equity

GUBANGA ELECTRICITY SUPPLY COMPANY LIMITED  
(CIN NO. - U04010KAZ20025GCC030436)  
Registered office at Station Road, Gulburza, Karnataka - 585 102  
Statement of Changes in Equity

Particulars	Other Equity						Other Comprehensive Income		Total (B)	Total Other equity
	Share Application Money Pending Allotment	Capital Reserve	Grants towards cost of Capital Assets	Reserve for Material Cost variance	Retained Earnings	Total (A)	Items that will be reclassified to profit or loss	Actuarial gains/ (losses) of employee benefits		
<b>As at 1 April 2016</b>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Add/(Less): Ind AS adjustments	4,71,63,00,003	3,49,43,70,657	1,72,74,29,014	48,86,90,437	(5,52,09,72,192)	4,90,58,17,919	9,14,37,13,580	-	9,14,37,13,580	
Less: Tax Adjustment on Ind AS Items	-	-	-	-	(57,79,80,247)	(57,79,80,247)	(2,07,26,93,122)	-	(2,07,26,93,122)	
<b>As at 1st April 2016 (after opening Ind AS adjustments)</b>	4,71,63,00,003	3,49,43,70,657	1,72,74,29,014	48,86,90,437	(6,09,89,52,439)	4,32,78,37,672	7,07,10,20,458	-	7,07,10,20,458	
Add/(Less): Profit / (Loss) for the year	-	-	-	-	(3,12,84,09,016)	(3,12,84,09,016)	-	-	(3,12,84,09,016)	
Add: Additions during the year received	1,93,95,00,000	1,11,26,31,814	53,36,25,012	-	1,64,62,56,826	1,64,62,56,826	-	-	1,64,62,56,826	
Add/(Less): Allotment of shares Less: Reversal of Depreciation/ withdrawal during the year	(4,71,63,00,000)	-	-	-	1,93,95,00,000	1,93,95,00,000	-	-	1,93,95,00,000	
Add/(Less): Ind AS adjustments	-	(19,16,00,000)	(8,01,00,000)	(3,71,51,089)	-	(4,71,63,00,000)	-	-	(4,71,63,00,000)	
Less: Tax Adjustment on Ind AS Items	-	-	-	-	45,78,37,865	(30,88,51,089)	-	-	(30,88,51,089)	
<b>Total comprehensive income as at March 31 2017</b>	1,93,95,00,003	4,41,54,02,471	2,18,09,54,026	45,15,39,348	(8,76,95,23,590)	21,78,72,258	7,07,10,20,458	-	7,07,10,20,458	
Add/(Less): Loss for the year	-	-	-	-	(4,72,62,57,431)	(4,72,62,57,431)	-	-	(4,72,62,57,431)	
Add/(Less): On account of new issue Add: Additions during the year	-	56,60,76,302	71,69,39,400	-	1,28,30,15,702	1,28,30,15,702	-	-	1,28,30,15,702	
Add: Share application money received	1,91,50,00,000	-	-	-	1,91,50,00,000	1,91,50,00,000	-	-	1,91,50,00,000	
Add/(Less): Allotment of shares Less: Reversal of Depreciation/ withdrawal during the year	(3,38,19,00,000)	-	-	-	(3,38,19,00,000)	(3,38,19,00,000)	-	-	(3,38,19,00,000)	
Add/(Less): Ind AS adjustments	-	(22,51,00,000)	(13,22,00,000)	(42,01,880)	-	(36,15,01,880)	-	-	(36,15,01,880)	
Less: Tax Adjustment on Ind AS Items	-	-	-	-	-	-	-	-	-	
<b>Total comprehensive income as at March 31 2018</b>	47,26,00,003	4,75,63,78,773	2,76,56,93,426	44,73,37,468	(13,49,57,81,021)	(5,05,37,71,352)	7,07,10,20,458	-	7,07,10,20,458	





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**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
<b>Non- Current Liabilities</b>			
<b>18 Borrowings:</b>			
<b>I) Secured loans:</b>			
a. Loan from Others	8,02,79,44,833	8,74,72,45,205	7,55,53,58,042
Less: Current maturities on loan from others	1,74,51,31,435	1,29,74,69,560	65,23,87,944
	<b>6,28,28,13,398</b>	<b>7,44,97,75,645</b>	<b>6,90,29,70,098</b>
<b>II) Unsecured loans:</b>			
a) Loan from Others	6,62,97,557	7,88,61,460	9,27,30,363
Less: Current maturities on loan from others	1,25,63,903	1,25,63,903	1,38,68,903
	<b>5,37,33,654</b>	<b>6,62,97,557</b>	<b>7,88,61,460</b>
<b>Total Borrowings</b>	<b>6,33,65,47,052</b>	<b>7,51,60,73,202</b>	<b>6,98,18,31,558</b>





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**NOTES TO FINANCIAL STATEMENTS**

**Particulars**

As at March 31, 2018      As at March 31, 2017      As at April 01, 2016

**Additional Information:**

**Secured Loans:**

A	Term Loans from Others			
1	<p><b>Loans from Rural Electrification Corporation Limited, New Delhi. -APDRP Counter part funding</b></p> <p>(Secured by Hypothecation of all existing unencumbered moveable properties including machinery, equipments, machinery spares, tools, implements, and accessories installed / created / erected and all future moveable including machinery, equipments, machinery spares, tools, implements, and accessories installed / created / erected in future and its stock of materials equipments bought or to be bought out of the loan amount. The Tenure of the loan is 13 years with 3 years moratorium, repayable in 10 equal annual installments. Repayment starting from 2009. Interest rate is 8.00% )</p>	1,87,61,297	2,26,75,637	5,34,14,077
2	<p><b>PFC - RAPDRP</b></p> <p>Part A -The tenure of loan originally was 10 years from the date of disbursement including moratorium period of 3 years for both Principal and interest. Interest to be paid as notified by Ministry of Finance from time to time. 'Secured by way of hypothecation on the newly financed assets under the project as securities for loan. The Tenure of the loan is modified as 10 years with 5 years moratorium repayable in equal annual installments. (i.e.Moratorium period extended by two years). Interest rate is 11.50%. Part B- The Tenure of the loan is 20 years with 5 years moratorium. Repayable in equal annual installments starting from 2016. Interest rate is 11.50%.)</p>	27,87,45,229	36,05,31,446	40,16,80,330





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**NOTES TO FINANCIAL STATEMENTS**

**Particulars**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
<b>3 Loan from Rural Electrification Corporation</b>			
a REC-Rural Load Management System - Rs. 36.84 Crores - The Tenure of the loan is 13 years with 3 years moratorium. repayable in 10 equal annual installments. Starting from 2011. Interest rate is 10.90%.	5,28,84,24,040	5,86,57,45,448	5,86,70,74,259
b REC-NVY (Phase-I) Rs.108.19 Crores - The Tenure of the loan is 13 years with 3 years moratorium. Repayable in 10 equal annual installments. Repayment starting from 2016. Interest rate is 11.00%.			
c REC-Reconductoring - Rs. 139.87 Crores - The Tenure of the loan is 13 years with 3 years moratorium. Repayable in 10 equal annual installments. Repayment starting from 2010. Interest rate varying from 9.75% to 10.90%.			
d REC-DTC Metering - Rs. 128.04 Crores - The Tenure of the loan is 13 years with 3 years moratorium. Repayable in 10 equal annual installments. Repayment starting from 2014. Interest rate is 12.50%.			
e REC-RGGVY - Rs. 12.72 Crores - The tenure of the Loan is 15 years with 5 years moratorium. Repayable in 10 equal annual installment. Interest rate is varying from 10% to 12.5%.			
<b>4 Loans from Power Finance Corporation</b>			
(Secured by hypothecation of Assets created under the project - Nirantara Jyoti. The Tenure of the loan is 12 years repayable in 48 equal quarterly installments starting from 2010. Interest rate 11.75)	1,42,69,788	1,65,22,913	1,95,27,079





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**NOTES TO FINANCIAL STATEMENTS**

**Particulars**

	As at March 31,		
	2018	2017	2016
<b>5 Loans from Power Finance Corporation</b> (Secured by hypothecation of Assets created under the project - DTC Metering. The Tenure of the loan is 5 years repayable in 20 equal quarterly installments starting from 2009. Interest rate is 10.90%)	20,30,76,319	26,31,23,008	31,24,25,108
<b>6 Loan from Rural Electrification Corporation - PSI</b> (Secured by hypothecation of Assets installed in Sub Stations constructed under the project. The Tenure of the loan is 13 years with 3 years moratorium. Repayable in 10 equal annual installments starting from 2010. Rate of Interest is varying from 8.25% to 10.90%)	53,62,25,991	61,91,72,012	60,28,01,312
<b>7 Loans from Power Finance Corporation</b> (Secured by hypothecation of Movable Assets comprising 2 x 5 MVA, 33/11 KV Sub Stations and associated lines. The Tenure of the loan is 12 years repayable in 48 equal quarterly installments starting from 2004 & 2007. Interest rate varying from 8.00% to 11%)	16,25,39,333	22,59,07,873	29,84,35,877
<b>8 Loans from Commercial Banks</b> <b>a) Syndicate Bank</b> (Secured by 1st pari passu charge by way of hypothecation of receivables of company along with other working capital lenders.. The Tenure of the loan is three years repayable in 36 equal quarterly installments starting from Jan 2017 with an Interest rate of one year MCLR +0.50% pa i.e 10.95% pa)	1,52,59,02,836	1,37,35,66,868	-
<b>Sub-Total</b>	<b>8,02,79,44,833</b>	<b>8,74,72,45,205</b>	<b>7,55,53,58,042</b>
<b>Less : Current Maturities :</b>	<b>1,74,51,31,435</b>	<b>1,29,74,69,560</b>	<b>65,23,87,944</b>
<b>Total</b>	<b>6,28,28,13,398</b>	<b>7,44,97,75,645</b>	<b>6,90,29,70,098</b>





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**

( CIN NO. - U04010KA2002SGC030436 )

Registered office at Station Road, Gulbarga, Karnataka - 585 102

**NOTES TO FINANCIAL STATEMENTS**

**Particulars**

As at March 31, 2018      As at March 31, 2017      As at April 01, 2016

**Unsecured Loans:**

Sl no	Particulars	31-Mar-18	31-Mar-17	31-Mar-16
<b>1</b>	<b>Loans from Government - PMGY</b> (The tenure of the loan is 20 years with 5 years moratorium, principal being repayable in equal Annual Installments, repayment starting from 1st Sep 2010 and ending during Sep 2024. The rate of Interest is 12%.)	3,07,31,270	3,61,81,916	4,16,32,562
<b>2</b>	<b>Loans from Government - APPDRP</b> (The tenure of the loan is 13 years with 3 years moratorium, principal being repayable in 10 equal Annual Installments, repayment starting from 2009 and ending during 2018. The rate of Interest is 8%.)	3,55,66,287	4,26,79,544	4,97,92,801
<b>3</b>	<b>Loan from Gok - Power Sector Automation</b> (The tenure of the loan is 10 years starting from 3rd Dec 2007 and rate of interest is 9% repayable in 10 equal annual Installments starting from 3rd Dec 2007 and ends on Dec 2017)	-	-	-
	<b>Sub-Total</b>	<b>6,62,97,557</b>	<b>7,88,61,460</b>	<b>13,05,000</b>
	<b>Less : Current Maturities :</b>	<b>1,25,63,903</b>	<b>1,25,63,903</b>	<b>1,38,68,903</b>
	<b>Total</b>	<b>5,37,33,654</b>	<b>6,62,97,557</b>	<b>7,88,61,460</b>





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
( CIN NO. - U04010KA2002SGC030436 )  
Registered office at Station Road, Gulbarga, Karnataka - 585 102  
**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹
<b>Non - Current Liabilities</b>			
<b>19 Other Financial Liabilities:</b>			
a) Deposit Contribution Work	(75,86,251)	(44,63,64,495)	(5,42,97,616)
b) Security Deposit from Consumers	4,92,56,62,798	4,52,91,76,711	4,28,65,53,473
	<b>4,91,80,76,547</b>	<b>4,08,28,12,216</b>	<b>4,23,22,55,857</b>
<b>20 Provisions:</b>			
a) Provision for Family Benefit Fund	5,37,58,508	5,03,06,251	4,41,61,489
b) Provision for Leave Encashment	44,51,65,655	47,02,61,831	38,97,01,899
c) Provision made by GOK towards consumers	5,96,95,651	5,96,95,651	5,96,95,651
d) BRP II Adjustment given by GOK i.r.o SMIORE	12,93,06,507	12,93,06,507	12,93,06,507
e) Other Payables to Gok	3,35,28,956	3,35,28,956	3,35,28,956
	<b>72,14,55,277</b>	<b>74,30,99,196</b>	<b>65,63,94,502</b>





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**

( CIN NO. - U04010KA2002SGC030436 )

Registered office at Station Road, Gulbarga, Karnataka - 585 102

**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹
<b>Current Liabilities</b>			
<b>21 Borrowings:</b>			
<b>1) Secured loans:</b>			
a) Loans repayable on demand			
- from banks			
- from others	74,39,69,617	94,86,19,585	83,59,35,981
<b>Total</b>	<b>74,39,69,617</b>	<b>1,61,52,86,249</b>	<b>83,59,35,981</b>

**1) Details of security for secured loans:**

- a) **Loan from Banks:**  
(Secured by Charge on Receivables from Consumers)
- b) **Loan from Others:**  
(Secured by hypothecation of Assets such as overhead lines comprising of towers, poles, fixtures, overhead conductors and devices, - lines on fabricated steel supports - 11 kv on treated wooden poles. The Tenure of the loan is 12 months repayable in 12 equal monthly installments starting from Dec 2016 Rate of Interest @ 12.25% pa )







**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
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Registered office at Station Road, Gulbarga, Karnataka - 585 102

**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹

**Current Liabilities**

**22 Trade payables:**

**a) Total outstanding dues of micro and small enterprises**

	-	-	-
	<u>41,34,51,73,942</u>	<u>45,68,78,31,658</u>	<u>44,14,82,47,007</u>
	<b>41,34,51,73,942</b>	<b>45,68,78,31,658</b>	<b>44,14,82,47,007</b>

**b) Total outstanding dues other than micro and small enterprises**

Additional Information:			
1	Trade Payables for Purchase of Power	36,20,82,11,855	
2	Other Liability for Outstanding Expenses	5,90,01,00,593	
3	Payable to Associates - KPTCL/PCKL/other ESCOMS	(76,31,38,501)	
		<b>41,34,51,73,948</b>	<b>45,56,76,89,278</b>
			<b>43,57,02,66,759</b>

(5) Micro, Small and Medium Enterprises Development Act, 2006: Under Micro, Small Medium Enterprises Development Act, 2006 read with notification no:8-7-2006-CDN dt17-05-2007, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in the view of the management, the impact of interest, if any, that may be payable in accordance with provisions of this Act is not expected to be material. Also no amounts are due to small scale industrial undertaking to whom the Company owes and which is outstanding for more than 30 days as at 31st March 2018.





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
( CIN NO. - U04010KA2002SSGC030436 )  
Registered office at Station Road, Gulbarga, Karnataka - 585 102

**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
	₹	₹	₹
<b>23 Provisions:</b>			
a) Provision for Earned Leave Encashment	8,70,81,868	8,35,09,557	6,59,67,857
b) Provision for Employee Benefits	32,30,68,958	12,09,99,116	15,18,15,040
c) Provision for Family Benefit Fund	46,83,709	41,50,624	41,98,259
	<b>41,48,34,535</b>	<b>20,86,59,297</b>	<b>22,19,81,156</b>

**24 Other current liabilities:**

a) Current Maturities of Long term debts	1,75,76,95,338	1,31,00,33,463	66,62,56,847
b) Excess credit under reconciliation with Bank	6,97,21,996	5,87,80,931	4,47,88,932
c) Interest accrued and payable to consumers	66,31,62,107	59,32,93,161	54,49,01,109
d) Interest accrued but not due on loans	23,37,43,616	28,20,71,398	25,93,87,820
e) Interunit accounts	(6,85,44,524)	11,88,95,427	13,80,20,225
f) Liability towards consumers	4,34,49,790	2,80,94,322	2,69,28,728
g) Miscellaneous Deposits/other liabilities	21,16,54,568	24,10,30,770	26,41,75,871
h) Payables/liabilities for supplies/works	1,58,82,76,869	1,56,66,07,145	1,93,95,92,219
i) Security deposit in cash from Suppliers/ Contractors	9,32,33,899	9,49,09,672	8,32,33,840
j) Statutory Liabilities	(5,63,50,699)	17,67,25,232	28,88,03,065
	<b>4,53,60,42,960</b>	<b>4,47,04,41,521</b>	<b>4,25,60,88,656</b>

**25 Current Tax Liabilities (Net):**

a) Provision for tax (net of advance tax)	3,67,56,027	-	-
	<b>3,67,56,027</b>	-	-





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
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NOTES TO FINANCIAL STATEMENTS

26 Contingent Liabilities for which no provision has been made by the Company.

Sl No	Particulars	Pending at/With	31-Mar-18	31-Mar-17	31-Mar-16
1	Issue of C-Forms	Karnataka Appellate Tribunal	Rs. 82.55 Lakhs	Rs. 82.55 Lakhs	Rs. 82.55 Lakhs
2	Intimation regarding default in TDS statement based on the Tax Payers data reflected in the Computer System of the Department for Short Deduction/Short Payments/Late Deduction/Late Payments/Late filings and Interest thereon	DIT (TDS)	Rs. 364.96 Lakhs	Rs. 358.14 Lakhs	Rs. 991.09 Lakhs
3	TDS on Transmission charges & others	CIT / High Court / Supreme Court	Rs. 10377.58 Lakhs	Rs. 10377.58 Lakhs	Rs. 10377.58 Lakhs
4	Incorrect/excess/arrears billing pending	Appellate Authorities	Rs. 1661.27 Lakhs	Rs. 1534.23 Lakhs	Rs. 2362.00 Lakhs
5	Interest on Power Purchase Parties	Claims against the Company not acknowledged as debts	---	---	Rs. 99.81 Lakhs
6	Security to energy supplied by the Power Generators in the form of LC	Various Banks	Rs. 1276 Lakh	Rs. 9033 Lakh	Rs. 14234 Lakh
7	For loss of life on account of electrification	Consumer Courts	Rs 697.08 Lakhs (39 Cases)	Not Ascertainable	Not Ascertainable
8	Claims towards interest on delayed payments/ price variation/ refund of liquidated damages/ payment towards material supply/ variation in quantity and estimates	Arbitration	Not Ascertainable	Not Ascertainable	Not Ascertainable
9	Power Purchase Agreement traffis & dues	Appealte Authority	110 cases pending before various authorities, Courts where the Amounts is not Ascertainable.	142 cases pending before various authorities, Courts where the Amount is not Ascertainable.	Not Ascertainable





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
( CIN NO. - U04010KA2002SGC030436 )  
Registered office at Station Road, Gulbarga, Karnataka - 585 102

**NOTES TO FINANCIAL STATEMENTS**

Particulars	2017-18	2016-17
<b>27 Revenue from operations:</b>		
a) Sale of Power	42,91,75,72,146	37,74,32,06,563
- HT & LT	<b>42,91,75,72,146</b>	<b>37,74,32,06,563</b>
<b>28 Other income:</b>		
a) Rental Income	1,57,08,203	3,34,74,094
b) Interest Income	2,96,99,058	4,00,91,000
c) Profit on sale of scrap	1,08,19,948	42,19,806
d) Provision no longer required written back	53,05,48,581	54,91,18,863
e) Rebate on Power Purchase	13,62,20,670	24,18,24,833
f) Rebate on remittance of electricity duty	63,30,500	56,70,500
g) Other Miscellaneous Income	1,50,50,279	57,68,731
	<b>74,43,77,239</b>	<b>88,01,67,827</b>
<b>29 Cost of Power Purchased:</b>		
a) Purchase of Power	35,77,15,95,773	34,62,48,54,784
	<b>35,77,15,95,773</b>	<b>34,62,48,54,784</b>





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
( CIN NO. - U04010KA2002SGC030436 )  
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**NOTES TO FINANCIAL STATEMENTS**

Particulars	2017-18	2016-17
<b>30 Employee benefit expenses:</b>		
a) Salaries & Wages	3,39,11,12,401	2,37,68,91,459
b) Contribution to provident and other funds	69,47,65,614	58,17,77,894
c) Bonus/Exgratia	5,34,95,131	5,76,41,506
d) Earned leave encashment	14,67,25,497	24,13,27,902
e) Staff welfare expenses	16,10,17,884	9,40,94,390
f) Reclassification of Actuarial gains/ losses	-	-
	<b>4,44,71,16,527</b>	<b>3,35,17,33,151</b>
<b>31 Finance costs:</b>		
a) Interest expense on loans from others*	1,03,91,97,933	1,03,47,82,429
b) Interest on Power charges	2,16,02,15,649	2,10,91,91,190
c) Interest to Consumers on security deposits	31,74,11,775	32,97,97,628
	<b>3,51,68,25,357</b>	<b>3,47,37,71,247</b>

\*Payment of Interest, guarantee commission and principal amount paid to financial institutions in respect of some of the loans accounts, during the year 2017-18 has been made by KPTCL on behalf of the Company. The above amounts have been recorded in the books of account as per the intimations of KPTCL.





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
( CIN NO. - U04010KA2002SGC030436 )

Registered office at Station Road, Gulbarga, Karnataka - 585 102

**NOTES TO FINANCIAL STATEMENTS**

**Particulars**

**2017-18**

**2016-17**

**32 Depreciation and amortization:**

a)

Depreciation on Building	2,39,37,032	1,93,02,648
Depreciation on furnitures, fixtures	27,10,884	23,43,665
Depreciation on lines, canle & network etc	1,40,42,71,323	1,18,78,37,374
Depreciation on office equipments	34,30,609	32,53,810
Depreciation on Other civil works	10,80,308	8,08,110
Depreciation on Plant & Machinery	33,24,91,040	27,89,73,942
Depreciation on vehicles	23,93,905	19,97,807
Reversal of Depreciation	-35,73,00,000	-27,17,00,000

**1,41,30,15,101**

**1,22,28,17,356**





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
( CIN NO. - U04010KA2002SGC030436 )  
Registered office at Station Road, Gulbarga, Karnataka - 585 102  
**NOTES TO FINANCIAL STATEMENTS**

Particulars	2017-18	2016-17
<b>33 Other expenses:</b>		
a) Advertisement Expenses	1,30,00,330	69,08,217
b) Asset Decommissioning Costs	11,09,290	1,52,86,984
c) Payment to auditors		
- as auditor	8,11,250	8,11,250
- for taxation and other matters	1,77,000	1,77,000
- for Certification and limited review	-	-
d) R&M - Building	4,73,80,309	3,85,71,754
e) R&M - Plant & Machinery	27,89,44,754	29,21,52,156
f) R&M- Others	2,76,026	2,07,039
g) R&M- Vehicles	29,86,799	27,66,158
h) Rent	62,47,898	1,01,87,210
i) Bad and doubtful debts written off/provided for	66,89,43,434	78,34,04,318
j) Bank charges	2,16,15,417	1,10,52,802
k) Compensation for death, injuries and damages	1,41,34,221	1,72,67,347
l) Computer stationery and floppies	18,62,903	24,85,167
m) Contributions	30,000	36,51,794
n) Conveyance, travel and vehicle expenses	14,82,88,140	14,89,82,420
o) Electricity charges	3,76,29,507	3,07,67,996
p) Expenditure towards consumer awareness/education	2,24,28,500	31,13,518
q) Freight and other material related expenses	(83,42,112)	1,75,74,450
r) Incentive/Remuneration paid to Gram Viduyth prathinidhi	14,73,47,656	11,55,16,690
s) Legal Charges	51,87,315	1,11,25,988
t) Maintenance charges	46,18,34,249	35,74,57,440
u) Rates & Taxes	6,33,76,397	1,48,31,902
v) Other Expenses	-	-
w) Postage and telephone charges	3,65,92,991	3,19,06,956
x) Printing & Stationery	2,74,61,171	2,29,52,457
y) Miscellaneous & other expenses	1,43,34,993	6,06,30,897
z) Miscellaneous losses	1,55,65,656	3,84,76,547
	<b>2,02,92,24,094</b>	<b>2,03,82,66,457</b>





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**  
( CIN NO. - U04010KA20025SGC030436 )  
Registered office at Station Road, Gulbarga, Karnataka - 585 102  
**NOTES TO FINANCIAL STATEMENTS**

**Particulars**

**2017-18**

**2016-17**

**34 Earnings per share:**  
(Basic and diluted)

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

(a) Before exceptional item

Profit for the year after tax expense

(4,72,62,57,431)

(2,67,05,71,149)

Weighted average number of equity shares

80,49,48,604

77,67,66,095

Paid up value per share

10.00

10.00

Earnings per share (basic & diluted) (\*)

(5.87)

(3.44)

(b) After exceptional item

Profit for the year after tax expense

(4,72,62,57,431)

(2,67,05,71,149)

Add: Preference dividend payable including dividend tax

(4,72,62,57,431)

(2,67,05,71,149)

Weighted average number of equity shares

80,49,48,604

77,67,66,095

Paid up value per share

10.00

10.00

Earnings per share (basic & diluted) (\*)

(5.87)

(3.44)

(\*) Effect of potential equity shares is antidilutive







**GULBURGA ELECTRICITY SUPPLY COMPANY LIMITED**

(CIN NO. - U04010KA2002SGCO0436)

Registered office at Station Road, Gulbarga, Karnataka - 585 102

NOTES TO THE FINANCIAL STATEMENTS

**Note 35 - (a)**

During the reporting period, the Company has made provisions towards Pension & Gratuity (Contributory Trust), Family Benefit Fund (unfunded) and Leave encashment (unfunded) and the details of the same are as under:

**Disclosures as per Accounting Standard 15 "Employee Benefits":**

**Defined Contribution Plan:**

Contribution to Defined Contribution, recognized as expense for the year are as under:

	2017-18	2016-17
	(Rs.)	(Rs.)
Employer's Contribution to Pension & Gratuity	69,47,65,614	58,17,77,894

**(b) Defined Benefit Plan:**

The employees' Family benefit fund (FBF) and leave encashment, which is unfunded. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

1 Changes in Defined benefit obligation	31-Mar-18		31-Mar-17		31-Mar-16	
	Family Benefit Fund (Unfunded) (Rs)	Leave Encashment (Unfunded) (Rs)	Family Benefit Fund (Unfunded) (Rs)	Leave Encashment (Unfunded) (Rs)	Family Benefit Fund (Unfunded) (Rs)	Leave Encashment (Unfunded) (Rs)
Defined benefit obligation at the beginning of the year	5,44,56,875	55,37,71,388	4,83,59,748	45,56,69,756	4,31,41,984	34,62,61,033
Current Service Cost	46,73,805	19,36,89,070	52,80,774	17,56,39,127	36,48,310	14,13,89,734
Interest Cost	36,92,900	3,60,97,171	34,92,677	3,19,12,780	35,63,604	3,62,72,740
Actuarial losses/ (gains)	16,82,936	(9,13,36,730)	97,94,665	3,28,69,832	36,23,038	7,38,19,280
Benefits paid	(60,64,299)	(15,99,73,376)	(1,24,70,989)	(14,23,20,107)	(56,17,188)	(14,20,73,031)
<b>Defined benefit obligation at the end of the year</b>	<b>5,84,42,217</b>	<b>53,22,47,523</b>	<b>5,44,56,875</b>	<b>55,37,71,388</b>	<b>4,83,59,748</b>	<b>45,56,69,756</b>
2 Changes in Fair Value of assets						
Opening Fair value of plan assets	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Actuarial losses/ (gains)	-	-	-	-	-	-
Contributions by employer	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Closing Fair Value of Plan Assets	-	-	-	-	-	-





**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**

(CIN NO. - U04010KA2002SGC030436)

Registered office at Station Road, Gulbarga, Karnataka - 585 102

NOTES TO THE FINANCIAL STATEMENTS

3 Liability recognized in the Balance sheet		2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of unfunded obligations		5,84,42,217	53,22,47,523	5,44,56,875	55,37,71,388	4,83,59,748	45,56,69,756
Amount recognized in Balance sheet under Current liabilities and provision		5,84,42,217	53,22,47,523	5,44,56,875	55,37,71,388	4,83,59,748	45,56,69,756
Expenses recognized in Statement of Profit & loss under Note 26							
4 Current Service Cost		46,73,805	19,36,89,070	52,80,774	17,56,39,127	36,48,310	14,13,89,734
Interest on Defined Benefit Obligation		36,92,900	3,60,97,171	34,92,677	3,19,12,780	35,63,604	3,62,72,740
Net Actuarial losses/ (Gains) recognized in the year		16,82,936	(9,13,36,730)	97,94,665	3,28,69,832	36,23,038	7,38,19,280
Benefits paid		(60,64,299)	(15,99,73,376)	(1,24,70,989)	(14,23,20,107)	(56,17,188)	(14,20,73,031)
Total employer expense recognized in Statement of Profit and loss		39,85,342	(2,15,23,865)	60,97,127	9,81,01,632	52,17,764	10,94,08,723
5 Actuarial assumptions:							
Discount rate		7.55%	7.55%	7.05%	7.05%	7.55%	7.55%
Expected rate of return on assets		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate of escalation in salary (per annum)		6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Retirement Age		60 Years	60 Years	60 Years	60 Years	60 Years	60 Years

Apart from the above actuarial assumptions, the Company has ascertained the actuarial assumptions to the effect that the estimates of future salary increases are considered in actuarial valuation and the assumptions of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Note 36 - Related Parties Disclosure:**

A	In view of the Paragraph 9 of AS 18, no disclosure is required as regards to related party relationships with other state Controlled enterprises and the transactions with such enterprises. No related party transactions are carried out with enterprises other than State Controlled Enterprises during the year
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**B Other Disclosures as required under AS 18 are as below:**

Sl. No.	Nature of transactions	2017-18 (Rs.)	2016-17 (Rs.)	2015-16 (Rs.)
1	Directors Remuneration	44,51,643	46,82,068	31,30,049
2	Directors Sitting fees	1,33,000	39,500	19,500





**GUBARGA ELECTRICITY SUPPLY COMPANY LIMITED**

(CIN NO. - U04010KA2002SGC030436)

Registered office at Station Road, Gulbarga, Karnataka - 585 102

NOTES TO THE FINANCIAL STATEMENTS

**Note 37 - Additional Information**

SIL NO	PARTICULARS	2017-18		2016-17		2015-16	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
a)	Value of Imports calculated on CIF basis:						
	(i) Raw Materials						
	(ii) Capital goods						
b)	Expenditure in foreign currency: (net of withholding tax)						
	1) Other matters						
c)	Details of non-resident shareholdings						
	i) Number of nonresident share holders						
	ii) Number of shares held by nonresident shareholders						
	iii) Amount remitted during the year in foreign currency on account of dividends						
d)	Earnings in foreign exchange:						

**Note 38**  
There were no derivative instruments outstanding as at the end of the reporting period. Foreign currency exposures which have not been hedged by any derivative instruments or otherwise as at end of the reporting period is as follows:

SIL NO	PARTICULARS	2017-18		2016-17		2015-16	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Assets (Receivables)						
	Liabilities (payables)						

**Note 39 - Financial risk management objectives and policies:**

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.





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**Note 40 - Fair Value Measurement (Ind AS 113):**

The Financial Instruments of the Company are Initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.  
 The below table summarises particulars of Financial Instruments used:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
<b>Financial Assets at amortized cost:</b>			
Investments	2,51,00,000	2,51,00,000	2,51,00,000
Unbilled Revenue	2,37,26,90,170	2,01,24,23,981	1,85,99,05,241
Trade receivables	7,75,49,10,491	16,00,09,95,688	15,95,32,51,979
Cash and cash equivalents	1,04,01,35,352	2,37,24,88,115	2,08,04,58,565
Other financial assets	5,77,30,45,479	4,68,98,06,779	4,06,73,72,138
<b>Total Financial Assets</b>	<b>16,96,58,81,492</b>	<b>25,10,08,14,563</b>	<b>23,98,60,87,923</b>
<b>Financial Liabilities at amortized cost:</b>			
Borrowings	7,08,05,16,669	9,13,13,59,451	7,81,77,67,539
Other Financial Liabilities	4,91,80,76,547	4,08,28,12,216	4,23,22,55,857
Trade Payables	41,34,51,73,942	45,68,78,31,658	44,14,82,47,007
<b>Total Financial Liabilities</b>	<b>53,34,37,67,158</b>	<b>58,90,20,03,325</b>	<b>56,19,82,70,403</b>

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).  
 The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.





# GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS


<b>Note 41 -</b>	Consequent to unbundling of transmission and distribution activities and formation of Electricity Distribution Companies, the Government of Karnataka has transferred certain loans taken by M/s KPTCL to the Company, as part of transfer of assets and liabilities and the same has been accounted in the books of account
<b>Note 42 -</b>	The below mentioned points are subject to confirmation and reconciliation, pending which Company is unable to ascertain the impact on the financial results of the Company. a. The balances under Sundry Debtors, Sundry Creditors, Deposits, Secured Loans, Unsecured loans, other loan funds, Loans and Advances to suppliers, contractors, bank balances. b. Balances under Inter Unit accounts. c. Transactions with KPTCL/ SPPCC/ PCKL & ESCOMs, KPTCL/ESCOMs Pension & Gratuity Trust and KPCL. d. There are a few negative balances against assets in the statement of capital expenditure, works in progress, stock and suspense heads. e. The differences between ledger account balances and the balances in the respective subsidiary registers/ schedules maintained for the purpose in respect of loans from GoK, Sundry Debtors, Sundry Creditors, Advance to suppliers and other suspense balances transferred to Divisions as on 01.06.2002 is in progress.
<b>Note 43 -</b>	In accordance with the provisions of Section 185(2)(d) of the Electricity Act, 2003, all rules made under sub-section (1) of Section 69 of the repealed Electricity (Supply) Act, 1948 shall continue to have effect until such rules are rescinded or modified. Accordingly, the financial statements have been prepared based on the rules laid down under the Electricity (Supply) Act, 1948, since modified rules have not yet been notified under the Electricity Act, 2003.
<b>Note 44 -</b>	Common expenditure incurred by Divisions/Circles/Zones and Administrative offices is not apportioned and debited to Capital Expenditure as the costing method and procedures are not yet evolved.
<b>Note 45 -</b>	The C&AG have commented on the adequacy of the provision / contribution to the KPTCL & ESCOMs Pension and Gratuity Trust. As the Liability of the Company is to the extent of the percentage contribution on the employee cost and hence a clarification has been sought regarding the information sought by the C&AG from the Pension & Gratuity Trust. The information is awaited and hence no provision in this regards could be incorporated in the financials for the year.
<b>Note 46 -</b>	In respect of assets shared with KPTCL, the ownership and title vests with KPTCL and as such, they are not reflected in the books of accounts of the Company. But the share of maintenance expenditure in respect of such assets is charged to Profit & Loss account.
<b>Note 47 -</b>	The Internal Audit has conducted a special audit on the reported cash misappropriation in Gulbarga Sub Division, Bellary urban, Hospet urban and Devadurga sub division. The investigation report submitted in Sep 2012 found that there had been a case of misappropriation of cash to an extent of Rs.198.65 lakh involving the defaults by Cashier and negligence of the Cash Officer, over a period 2010-11 to 2014-15. The misappropriations reported in the financial year 2013-14 amounting to Rs.36.94 lakhs is not regularised. The outcome of the investigation in respect of the Audit of the above has been referred to KPTCL for conducting enquiry and issue of charge sheet. The conducting of the enquiry and final orders there on is awaited and hence no recoveries/provision has been made on this count.
<b>Note 48 -</b>	The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
<b>Note 49 -</b>	There are no amounts required to be transferred to the Investor Education and Protection Fund by the Group as on the reporting date.
<b>Note 50 -</b>	All figures have been rounded off to the nearest rupee and previous reporting period's figures have been regrouped wherever required to be in conformity with the presentation for the current reporting period
<b>Note 51 -</b>	The Regulatory Asset pertaining to Tanir Bavi Power Project which is recoverable from Consumers and Payable to M/s KPTCL and GoK is not accounted as the matter is pending in the Supreme Court. Impact of the same will be brought on the books once the matter is decided.

As per our Report of Even Date

For M/s GRC & Associates

Chartered Accountants

Firm Reg. No. 002437S

  
**T.S. Chandrasekar**  
Partner  
Membership No: 022052

  
**B Abdul Wajid**  
Chief Financial Officer

  
**Anil Kumar Babaleshwar**  
Director (Technical)

For and on behalf of the Board of Directors

  
**Dr R Ragapriya, IAS**  
Managing Director

Place :

Date :

**26 OCT 2018**