

GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED



Annual Accounts

FY 2016-17

(CIN NO. - U04010KA2002SGC030436)

Regd Office :

Station Road,

Gulbarga – 585102

E-Mail: mdgesco@gmail.com

Website: www.gescom.in



GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

(Part - I)

(CIN NO. - U04010KA2002SGC030436)

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

Balance Sheet as at 31 March, 2017

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	776 76 61 040	305 13 61 040
(b) Reserves and surplus	3	(160 14 85 364)	18 95 17 916
		616 61 75 676	324 08 78 956
2 Share Application Money Pending Allotment	3A	193 95 00 003	471 63 00 003
3 Non-current liabilities			
(a) Long-term borrowings	4	751 60 73 202	698 18 31 558
(b) Deferred tax liabilities (net)	5	--	--
(c) Other long-term liabilities	6	408 28 12 216	423 22 55 857
(d) Long-term provisions	7	74 30 99 196	65 63 94 502
		1234 19 84 615	1187 04 81 917
4 Current liabilities			
(a) Short-term borrowings	8	161 52 86 249	83 59 35 981
(b) Trade payables	9	4556 76 89 278	4357 02 66 759
(c) Other current liabilities	10	447 04 41 521	425 60 88 655
(d) Short-term provisions	11	20 86 59 297	22 19 81 156
		5186 20 76 345	4888 42 72 551
TOTAL		7230 97 36 637	6871 19 33 427
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	2507 43 23 157	2102 33 58 957
(ii) Intangible assets	13	--	--
(iii) Capital work-in-progress	14	128 86 98 647	265 75 98 094
(iv) Intangible assets under development	15	7 18 92 402	6 01 98 655
(b) Non-current investments	16	2 51 00 000	1 00 00 000
(c) Deferred tax assets (net)	5	8 99 56 870	8 99 56 870
(d) Long-term loans and advances	17	96 26 00 585	169 88 51 642
		2751 25 71 661	2553 00 64 218
2 Current assets			
(a) Current investments		--	--
(b) Inventories	18	182 16 64 828	149 09 76 937
(c) Trade receivables	19	2531 25 55 526	2172 71 51 978
(d) Cash and cash equivalents	20	237 24 88 114	208 04 58 565
(e) Short-term loans and advances	21	513 56 39 398	451 19 35 355
(f) Other current assets	22	1015 48 17 110	1337 13 46 374
		4479 71 64 976	4318 18 69 209
TOTAL		7230 97 36 637	6871 19 33 427

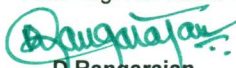
Note No 1 to 50 form an integral part of these financial statements

As per our Report of Even Date

For M/s GRC & Associates

Chartered Accountants

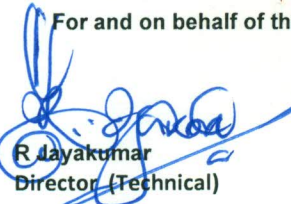
Firm Reg. No. 002437S


D Rangarajan
Partner


S R Teradal
Chief Financial Officer

Membership No: 023452

For and on behalf of the Board of Directors


R Jayakumar
Director (Technical)


Dr. R Ragapriya, IAS
Managing Director

Place : Bangalore

Date : 15.12.2017



**GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED**

(Part - II)

(CIN NO. - U04010KA2002SGC030436)

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

Statement of Profit & Loss for the year ending 31st March 2017

Sl.No.	Particulars	Note No.	For the year ended 31 March, 2017 ₹	For the year ended 31 March, 2016 ₹
I	Revenue from operations	24	4128 08 66 400	4078 16 21 658
II	Other Income	25	88 01 67 828	39 31 05 383
III	TOTAL REVENUE		4216 10 34 228	4117 47 27 041
IV	Expenses			
	Purchase of Power	26	3462 48 54 784	3306 61 98 902
	Employee Benefits Expense	27	335 17 33 150	312 40 44 317
	Finance costs	28	103 47 82 429	90 78 79 617
	Depreciation	12&29	122 28 17 357	102 21 83 112
	Other expenses	30	447 72 55 278	403 41 22 705
	TOTAL EXPENSES		4471 14 42 997	4215 44 28 654
V	Profit / (Loss) before Prior period items, exceptional and extraordinary items and Income Tax		(255 04 08 769)	(97 97 01 614)
VI	Exceptional items	31	---	---
VII	Profit / (Loss) before Prior period items, extraordinary items and Tax		(255 04 08 769)	(97 97 01 614)
	Prior period Expenses (+) / Income (-)	32	57 79 80 247	33 28 25 251
VIII	Extraordinary Items	33		
IX	Profit / (Loss) before Tax		(312 83 89 016)	(131 25 26 864)
X	Income Tax Expense:			
	(a) Current tax expense		20 000	---
	(b) Less: MAT credit entitlement		---	---
	(c) Deferred tax		---	---
	(d) Tax expenses relating to prior years		---	---
XI	Profit / (Loss) from continuing operations		(312 84 09 016)	(131 25 26 864)
XII	Profit / (Loss) from discontinuing operations		---	---
	Profit / (Loss) for the year		(312 84 09 016)	(131 25 26 864)
XIII	Earnings per equity share of Rs. 10 each.	34		
	(1) Basic		(4.03)	(4.30)
	(2) Diluted		(4.03)	(4.30)

Note No 1 to 50 form an integral part of these financial statements

As per our Report of Even Date

For M/s GRC & Associates

Chartered Accountants

Firm Reg. No. 002437S

D Rangarajan

Partner

Membership No: 023452

S R Teradal

Chief Financial Officer

For and on behalf of the Board of Directors

R Jayakumar

Director (Technical)

Dr. R Ragapriya, IAS

Managing Director

Place : Bangalore
Date : 15.12.2017



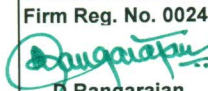
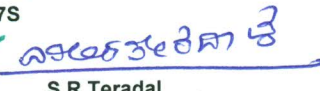
GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED
(CIN NO. - U04010KA2002SGC030436)
Registered office at Station Road, Gulbarga, Karnataka - 585 102
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2017

(Amount in Rs.)

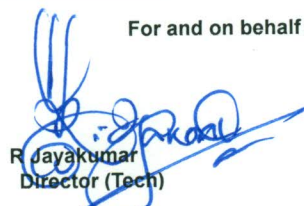

Particulars	As at March 31, 2017	As at March 31, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	(3,12,83,89,016)	(1,31,25,26,864)
Adjustments for :		
Depreciation	1,49,45,17,357	1,32,35,83,112
Depreciation (Prior period/ adjustment)	(14,52,68,154)	12,67,40,638
Interest Income	(4,00,91,000)	(4,49,76,257)
Interest & Finance Charges	3,47,37,71,247	3,53,06,51,645
Provision for employee benefits	7,33,82,835	14,07,41,842
Loss on obsolescence of fixed assets	1,52,86,984	(1,20,56,166)
Operating profit before Working Capital Changes	<u>4,87,15,99,268</u>	<u>5,06,46,84,815</u>
	1,74,32,10,253	3,75,21,57,951
Adjustments for (increase) / decrease in operating assets:		
Inventories	(33,06,87,891)	(30,29,89,974)
Trade Receivables	(3,58,54,03,548)	(5,60,92,32,645)
Loans and advances	11,39,96,178	(94,34,87,215)
Other Current Assets	3,21,65,29,264	(1,52,65,94,464)
	<u>(58,55,65,997)</u>	<u>(8,38,23,04,299)</u>
Adjustments for increase / (decrease) in operating liabilities:		
Other liabilities	6,48,89,225	52,46,25,273
Trade Payables	1,99,74,22,520	11,02,47,57,563
Cash generated from Operations	<u>2,06,23,11,745</u>	<u>11,54,93,82,836</u>
	3,21,99,56,001	6,91,92,36,488
Direct Taxes Paid	14,49,164	6,32,54,479
Net Cash Flow from Operating Activities	<u>14,49,164</u>	<u>6,32,54,479</u>
	3,21,85,06,837	6,85,59,82,009
B Cash flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(4,96,38,79,929)	(5,92,59,93,821)
Sale of Fixed Asset / Purchase of Investments	59,67,34,151	54,54,29,675
Investments in Shares	(2,50,00,000)	
Interest Received	4,00,91,000	4,49,76,257
Net Cash used in investing activities	<u>(4,35,20,54,778)</u>	<u>(5,33,55,87,888)</u>
C Cash flow from financing activities		
Proceeds from issuance of Share Capital (Including Share application money pending allotment)	1,93,95,00,000	99,60,75,442
Contributions and grants towards cost of Capital assets	1,64,62,56,825	90,59,71,997
Borrowings	1,31,35,91,912	1,02,57,33,317
Interest Paid	(3,47,37,71,247)	(3,53,06,51,645)
Net Cash flow from financing activities	<u>1,42,55,77,491</u>	<u>(60,28,70,889)</u>
Net increase/decrease in cash and cash equivalents	29,20,29,549	91,75,23,231
Cash and cash equivalents at the beginning	2,08,04,58,565	1,16,29,35,334
Cash and cash equivalents at the end of the year	<u>2,37,24,88,114</u>	<u>2,08,04,58,565</u>

NOTES : The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement'.

As per our Report of Even Date
For M/s GRC & Associates
Chartered Accountants
Firm Reg. No. 002437S

 
D Rangarajan S R Teradal
Partner Chief Financial Officer
Membership No: 023452

For and on behalf of the Board of Directors

 
R Jayakumar Dr. R Ragapriya, IAS
Director (Tech) Managing Director

Place : Bengaluru
Date : 15.12.2012





GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED
(CIN NO. - U04010KA2002SGC030436)
Registered office at Station Road, Gulbarga, Karnataka - 585 102
Note - 1 : SIGNIFICANT ACCOUNTING POLICIES

I.	NATURE OF OPERATIONS
	Gulbarga Electricity Supply Company Limited (GESCOM) is a Limited Company which is fully owned by Government of Karnataka. GESCOM is engaged in the business of retail distribution of power in the area of Northern Karnataka comprising Six Districts namely Bidar, Gulbarga, Yadgir, Raichur, Bellary and Koppal.
II.	SIGNIFICANT ACCOUNTING POLICIES
1	METHOD OF ACCOUNTING
1.1	The financial statements have been prepared under historical cost convention and on accrual basis of accounting in accordance with the provisions of the Electricity Supply Annual Accounts Rules 1985 (ESAAR) framed under the repealed Electricity (Supply) Act, 1948 as well as those of the Companies Accounting Standards Rules, 2006 and the Companies Act, 2013 to the extent not inconsistent with the repealed Electricity (Supply) Act, 1948.
1.2	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, as the case may be.
1.3	Use of Estimates The preparation of financial statements in conformity with the provisions of ESAAR / generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
2	FIXED ASSETS
2.1	Land and buildings are valued at actual cost of acquisition/ construction, less accumulated depreciation and impairment losses.
2.2	Assets and liabilities transferred from M/s. Karnataka Power Transmission Corporation Ltd, (KPTCL) consequent to unbundling of transmission and distribution activities, have been stated at the amount indicated by KPTCL in transfer document.
2.3	Fixed assets acquired/constructed (other than land and buildings) are valued at standard rate (as per rates prescribed under " Common Schedule of Rates 2014-15"), less accumulated depreciation and impairment losses. The Schedule of Rates/ Common Schedule of Rates is determined on the basis of previous purchase price and prevailing market rates).
2.4	The Company has the practice of capitalizing the Assets after the receipt of Final Bill from the Contractor and are accepted/approved/certified by the competent authority. The borrowing costs attributable to the acquisition/construction of qualifying assets are capitalized as part of cost of such assets up to the date when such assets are ready for its intended use.
2.5	Employee cost of Officers / Officials involved in Construction & Maintenance Activity has been capitalized in the ratio of 70:30 between Capital and Revenue based on the time and effort put in by such officers/officials on a conservative basis.
2.6	Assets retired from active use and re-issued to works after necessary repairs/servicing are categorized at the weighted average of the written down value existing in the books of account at that time
3	DEPRECIATION
3.1	Depreciation on all assets (except lease hold land and Assets created out of Consumer Contribution and Grants) is provided on straight line method at the rates as prescribed by CERC from time to time.
3.2	Depreciation on all assets is provided up to 90% of the Original Cost.
3.3	Depreciation on leasehold land is provided for the years on amortization rates arrived at on the basis of the lease period.
3.4	Plant and machinery costing Rs.500/- or less individually is depreciated at 100% in the year in which they are installed and put to use, in accordance with para 2.37 of Annexure-III of ESAAR, 1985.
3.5	Depreciation is provided from the month of commissioning of the assets.
i)	While assessing pro-rata depreciation in case of commissioning of new assets the full month shall be considered irrespective of the date of commissioning.
ii)	In respect of decommissioning of assets the pro-rata depreciation shall be considered up to the end of previous full month irrespective of date of de-commissioning of assets.
4	CAPITAL WORK IN PROGRESS
4.1	Materials issued to Capital Work in Progress are valued at standard rate (as per rates prescribed under " Common Schedule of Rates 2014-15". The Schedule of Rates/Common Schedule of Rates is determined on the basis of previous purchase price and prevailing market rates.) In respect of labour and direct overheads, the same is accounted at actual.





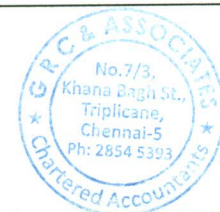
GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

(CIN NO. - U04010KA2002SGC030436)

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

Note - 1 : SIGNIFICANT ACCOUNTING POLICIES

5	INVENTORY
5.1	Inventories are valued at Standard Rate (as per rates prescribed under " Common Schedule of Rates 2014-15" .The Schedule of Rates/Common Schedule of rates is determined on the basis of previous purchase price and prevailing market rates)
5.2	Materials procured for capital and revenue works will be accounted in stocks only after verification, inspection and clearance of the same by the competent authorities of the Company.
6	RETIREMENT BENEFITS
6.1	In respect of pension and gratuity, Contribution to KPTCL/ ESCOMs Pension & Gratuity Trust is made based on the actuarial valuation and in accordance with the following formula evolved by the Trust:- a. Pension : 33.02% of (Basic Pay + Dearness pay + Dearness Allowance) b. Gratuity : 6.06% of (Basic Pay + Dearness pay) The Company provides for Pension and Gratuity, a defined benefit retirement plan covering eligible employees. The Plan provides for a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the terms of employment. Liabilities with regard to pension and gratuity are determined by actuarial valuation, based upon which, the company contributes all ascertained liabilities to the KPTCL/ESCOMS Pension and Gratuity Fund Trust.
6.2	The liability towards Leave Encashment and Family Benefit Fund has been provided based on actuarial valuation under the projected Unit Credit Method
7	REVENUE RECOGNITION
7.1	Revenue from sale of energy is accounted on accrual basis.
7.2	Provision for unbilled revenue in respect of LT installations billed on bimonthly basis is recognized as the average of February and March bills of the year. In respect of LT installations billed on monthly basis, provision for unbilled revenue is recognized to the extent of 50% of the demand raised in the month of March. In respect of HT installations, the bills issued with regard to consumption during the month of March are taken into account.
7.3	The Tariff/Rural Electrification Subsidy released by Government of Karnataka is recognized as part of Revenue in accordance of the Government of Karnataka order No EN 48 PSR 2006 Bangalore Dated 13th June 2007. The Tariff subsidy is claimed from the Government as per the Commission Determined Tariff (As per the prevailing tariff order) on the consumption of BJ/KJ upto 18 units per installations per month and IP Set Category upto and inclusive of 10 HP
7.4	In respect of amount recovered from Contractors/Suppliers towards delay in execution of works/supplies, the amount is recognized as income upon rejection of the delay condonation request of the contractor/supplier, by the competent authority. Until such time the same is accounted under current liabilities. In the absence of any such request, the amount so recovered would be treated as penalty and credited to miscellaneous revenue.
7.5	Interest income is accrued on time proportionate bases and in respect of overdue bills on crystallisation.
7.6	Additional Expenditure incurred in respect of Power purchase Cost over and above the Approved Power Purchase Cost in the Tariff Orders of relevant financial years is accounted as Income for the year and treated as receivables from Consumers as Regulatory Asset in future years
8	PROVISION FOR BAD & DOUBTFUL DEBTS
8.1	Provision for bad and doubtful debts is made at 4% (as per para 4.2 of Annexure V of ESAAR, 1985) on the balance of sundry debtors for sale of power outstanding as at the end of the year in the case of LT consumers.
8.2	In case of HT consumers, 100% provision is made on case to case basis, wherever necessary and in remaining cases, a provision @ 4% is made on the balance of sundry debtors outstanding as at the end of the year.
8.3	a. Dues outstanding for 2 years and above – 100% Subject to a maximum of 10% in a financial year of the Total outstanding IP Set Installation dues b. Dues outstanding between 1 year and 2 years – 20% Subject to a maximum of 7.5% in a financial year of the Total outstanding IP Set Installation dues. c. Dues outstanding less than 1 years – NIL.
9	ASSETS CREATED OUT OF NON OWNED FUNDS
9.1	Assets created out of Capital Grants/Contribution from consumers/Deposit Contribution works are included in the Fixed Assets with corresponding liability in the Capital Reserves and the Depreciation on such assets is progressively sett-off against these reserves.
9.2	Other grants are credited to the Profit & Loss account.
10	RELEASED AND SCRAPPED ASSETS:
10.1	Assets not in use and released assets are accounted at Written Down Value on the month of release and treated as inventory.





GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

(CIN NO. - U04010KA2002SGC030436)

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

Note - 1 : SIGNIFICANT ACCOUNTING POLICIES

10.2	Scrapped assets are accounted at the residual value i.e., at 10% of the original cost of the asset and treated as inventory
10.3	The transformers released during the year are removed from assets account only after they are returned to stores.

11 BORROWING COST:

	Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized till the date of such assets being put to use, as part of the cost of that asset.
11.1	When the funds are borrowed specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred on such borrowing, will be set-off against any interest income earned on the temporary investment of such borrowed funds till such asset is installed and being put to use.
11.2	Other borrowing costs are recognized as an expense in the period in which they are incurred.

12 TAXATION

12.1	Current Taxes are measured at the amount expected to be paid using the applicable tax rates and tax laws.
12.2	Deferred Tax asset or liability is recognized for timing differences between the profits as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantially enacted at the Balance sheet date. Deferred Tax assets resulting from tax losses carried forward are recognized only to the extent that there is a virtual certainty that sufficient taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each Balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

13 MATERIAL COST VARIANCE ACCOUNT

13.1	The Company is following the Standard Rates for accounting of material receipts and issues in accordance with the guidelines contained in the Electricity Supply Annual Accounts Rules, 1985.
13.2	The variation in purchase price over the Standard Rate is credited/ debited to the "Material Cost Variance account".
13.3	The balance in the "Material Cost Variance Account" at the year end will be treated as follows: a. Credit balance is credited to a reserve called 'Reserve Material Cost Variance'. b. Debit Balance is debited to the "Reserve for Material Cost Variance". If as a result of such debit, net balance in this reserve account is a debit balance, the amount of debit balance shall be charged to revenue account for the year.

14 SEGMENT REPORTING:

14.1	The Company is engaged in the activity of distribution of electricity.
14.2	Considering the Geographical Area of Operations, Economic and political conditions affecting the operations of the company there is no identifiable reporting segment. Hence no Segment wise report is furnished.

15 INVESTMENTS

15.1	Long Term Investments are valued at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.
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16 IMPAIRMENT

16.1	The Carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
16.2	After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
16.3	A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

17 EARNING PER SHARE

17.1	Basic and Dilutive Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period (including dilutive).
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18 PROVISIONS





GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED
(CIN NO. - U04010KA2002SGC030436)
Registered office at Station Road, Gulbarga, Karnataka - 585 102
Note - 1 : SIGNIFICANT ACCOUNTING POLICIES

18.1	A provision is recognized when GESCOM has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
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19	CASH AND CASH EQUIVALENTS
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19.1	Cash and Cash Equivalents in the Balance Sheet comprise cash at bank and in hand and short term investments with an original maturity period of less than three months.
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20	POWER PURCHASE
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20.1	Power purchase in respect of State Grid, Central Grid and other Major Independent Power Producers is accounted based on the sharing formula intimated by State Load Dispatch Centre
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20.2	Interest on Power purchase in respect of State Grid, Central Grid and other Major Independent Power Producers is accounted based on the sharing formula intimated by State Load Dispatch Centre
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GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

(CIN NO. - U04010KA2002SGC030436)

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

NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Share Capital

Sl. No	Particulars	As at 31 March, 2017		As at 31 March, 2016	
		Number of shares	₹	Number of shares	₹
A	Authorised Share Capital				
	Equity Shares of Rs. 10/- each	80 00 00 000	800 00 00 000	80 00 00 000	800 00 00 000
B	Issued, subscribed and fully paid up				
	Equity shares of Rs. 10/- each	77 67 66 104	776 76 61 040	30 51 36 104	305 13 61 040
	Reconciliation				
	At the Beginning of the Reporting Period	30 51 36 104	305 13 61 040	30 51 36 104	305 13 61 040
	Add: Issued during the reporting period	47 16 30 000	471 63 00 000	--	--
	Less: Bought back during the reporting period	--	--	--	--
	At the close of the reporting period	77 67 66 104	776 76 61 040	30 51 36 104	305 13 61 040

Note 2A -Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Sl. No	Particulars	As at 31 March, 2017		As at 31 March, 2016	
		Number of shares	₹	Number of shares	₹
1	Government of Karnataka	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 3 - Reserves & Surplus

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
A	Capital Reserve				
1	<u>Contributions and grants towards cost of Capital assets</u>				
	Opening Balance	349 43 70 657		304 52 81 859	
	Add: Additions during the year	111 26 31 814		65 10 88 798	
		460 70 02 471		369 63 70 657	
	Less: Reversal of depreciation	19 16 00 000		20 20 00 000	
	Closing Balance		441 54 02 471		349 43 70 657
2	<u>Grants towards cost of Capital Assets/regularisation of unauthorised IP set installations received from Government</u>				
	Opening Balance	172 74 29 014		175 74 04 455	
	Add: Additions during the year	53 36 25 012		6 94 24 558	
		226 10 54 025		182 68 29 014	
	Less: Withdrawal during the year				
	Less: Reversal of depreciation	8 01 00 000		9 94 00 000	
	Closing Balance		218 09 54 025		172 74 29 014
3	<u>Reserve for Material Cost Variance</u>				
	Opening Balance	48 86 90 437		30 32 31 796	
	Add: Additions during the year	48 86 90 437		18 54 58 641	
		3 71 51 089		48 86 90 437	
	Less: Debit Balance of MCV Account for the year adjusted				
	Closing Balance		45 15 39 348		48 86 90 437
	Total Capital Reserves		704 78 95 844		571 04 90 108
B	Surplus/(Deficit) in Statement of Profit and Loss				
	Opening Balance	(552 09 72 192)		(420 84 45 328)	
	Add/(Less): Net Profit / (Net Loss) for the year	(312 84 09 016)		(131 25 26 864)	
	Closing Balance		(864 93 81 208)		(552 09 72 192)
	Total		(160 14 85 364)		18 95 17 916





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(CIN NO. - U04010KA2002SGC030436)

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

NOTES TO THE FINANCIAL STATEMENTS

Note 3A - Share Application Money Pending Allotment

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Share deposit				
	Opening Balance	471 63 00 003		372 02 24 561	
	Add: Additions during the year	193 95 00 000		99 60 75 442	
		665 58 00 003		471 63 00 003	
	Less: Fresh issue of equity shares	471 63 00 000		---	
	Less: Excess transferred to income			---	
	Closing Balance	193 95 00 003	193 95 00 003		471 63 00 003
	Total		193 95 00 003		471 63 00 003

Note 4 - Long-Term Borrowings

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
A	SECURED LOANS				
	Term Loans From				
	-Banks (Refer Note below)	137 35 66 868		---	
	-Others (Refer Note below)	737 36 78 337		755 53 58 042	
	Sub-Total	874 72 45 205		755 53 58 042	
	Less: Current Maturities	129 74 69 560	744 97 75 645	65 23 87 944	690 29 70 098
B	UNSECURED LOANS				
	Term Loans From				
	-Banks (Refer Note below)	---		---	
	-Others (Refer Note below)	7 88 61 460		9 27 30 363	
	Sub-Total	7 88 61 460		9 27 30 363	
	Less: Current Maturities	1 25 63 903	6 62 97 557	1 38 68 903	7 88 61 460
	Total		751 60 73 202		698 18 31 558

Additional Information for Note 4 - Details for Secured Loans :

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
A	Term Loans from Banks				
1	State Bank of Hyderabad				
	(Secured by hypothecation of current assets distribution Material)				
	Less: Current Maturities			---	
	Sub-Total				





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B	Term Loans from Others		
1	Loans from Rural Electrification Corporation Limited, New Delhi. -APDRP Counter part funding (Secured by Hypothecation of all existing unencumbered moveable properties including machinery, equipments, machinery spares, tools, implements, and accessories installed / created / erected and all future moveable including machinery, equipments, machinery spares, tools, implements, and accessories installed / created / erected in future and its stock of materials equipments bought or to be bought out of the loan amount. 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%)	2 26 75 637	5 34 14 077
2	PFC - RAPDRP 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 extendedby 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%.)	36 05 31 446	40 16 80 330
3	Loan from Rural Electrification Corporation 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%. b REC-NJY (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%.	586 57 45 448	586 70 74 259
4	Loans from Power Finance Corporation (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 65 22 913	1 95 27 079
6	Loans from Power Finance Corporation (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%)	26 31 23 008	31 24 25 108
7	Loan from Rural Electrification Corporation - PSI (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%)	61 91 72 012	60 28 01 312
8	Loans from Power Finance Corporation (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%)	22 59 07 873	29 84 35 877
9	Loans from Commercial Banks a) Syndicate Bank (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)	137 35 66 868	
	Sub-Total	874 72 45 205	755 53 58 042
C	Less : Current Maturities :	129 74 69 560	65 23 87 944
	Total	744 97 75 645	690 29 70 098





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NOTES TO THE FINANCIAL STATEMENTS

Additional Information for Note 4 - Details for Un-Secured Loans

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Loans from Government - PMGY (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 61 81 916		4 16 32 562	
2	Loans from Government - APDRP (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%.)	4 26 79 544		4 97 92 801	
3	Loan from GoK - Power Sector Automation (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)			13 05 000	
5	Sub-Total		7 88 61 460		9 27 30 363
6	Less : Current Maturities		1 25 63 903		1 38 68 903
			6 62 97 557		7 88 61 460

Additional Information for Note 4 - long-term borrowings guaranteed by some of the directors or others:

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
1			--		--
2			--		--
	Total		--		--

Additional Information for Note 4 - Defaults by the Company in repayment of Long-Term Borrowings and interest:

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
1	Term loans from banks		--		--
	a) Principal		--		--
	b) Interest		--		--
2	Term loans from Other Parties		--		--
	a) Principal		--		--
	b) Interest		--		--
3	Other loans and advances		--		--
	a) Principal		--		--
	b) Interest		--		--
	Total		--		--

Note 5 - Deferred Tax Liability

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
i)	Deferred tax liability:				
	a) On account of depreciation on fixed assets		190 62 76 319		169 74 34 863
	b) On account of timing differences in recognition of expenditure		--		--
	c) Total		190 62 76 319		169 74 34 863
ii)	Deferred tax asset:				
	a) On account of timing differences in recognition of expenditure		122 02 19 515		116 54 76 164
	b) On account disallowance under section 40 (ia)				
	c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961 (Deferred Tax Asset on account of unabsorbed losses & Depreciation is restricted to the extent of Unabsorbed Deferred Tax Liability)		77 60 13 674		62 19 15 569
	d) Total		199 62 33 189		178 73 91 733
iii)	Net Deferred tax liability/(asset)		(8 99 56 870)		(8 99 56 870)

Note 6 - Other Long-Term Liabilities

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Others				
	(a) Deposit Contribution Work		(44 63 64 495)		(5 42 97 616)
	(b) Security Deposit from consumers		452 91 76 711		428 65 53 473
	Total		408 28 12 216		423 22 55 857





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NOTES TO THE FINANCIAL STATEMENTS

Note 7 - Long Term Provisions

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Provision for Employee Benefits				
	- Provision for Leave encashment	47 02 61 831		38 97 01 899	
	- Provision for Family Benefit Fund	5 03 06 251	52 05 68 082	4 41 61 489	43 38 63 388
2	Other Payables to GoK		3 35 28 956		3 35 28 956
3	BRP II Adjustment given By GOK i.r.o SMIORE		12 93 06 507		12 93 06 507
4	Provisions made by GoK towards Consumers		5 96 95 651		5 96 95 651
	Total		74 30 99 196		65 63 94 502

Note 8 - Short-Term Borrowings

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
A	From Banks				
1	Secured		94 86 19 585		83 59 35 981
2	Unsecured		--		--
B	From Other Parties				
1	Secured		66 66 66 664		--
2	Unsecured		--		--
	Total		161 52 86 249		83 59 35 981
	Cash Credit from Banks				
1	State Bank of Hyderabad (Secured by Charge on Receivables from Consumers)	94 86 19 585		83 59 35 981	
	Loan from Rural Electrification Corporation - STL (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)	66 66 66 664			
	Total		161 52 86 249		83 59 35 981

Note 9 - Trade Payables

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
A	Trade Payable				
1.	MSME (\$)		---		---
2.	Others		4556 76 89 278		4357 02 66 759
	Total		4556 76 89 278		4357 02 66 759

Additional Information:			
1	Trade Payables for Purchase of Power	3251 25 34 403	3369 65 54 630
2	Other Liability for Outstanding Expenses	511 73 87 101	65 46 66 681
3	Payable to Associates - KPTCL/PCKL/other ESCOMs	793 77 67 774	921 90 45 447
	Total	4556 76 89 278	4357 02 66 759

(\$)

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 2017.





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NOTES TO THE FINANCIAL STATEMENTS

Note 10 - Other Current Liabilities

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Current maturities of long term debts				
	---- Unsecured	1 25 63 903		1 38 68 903	
	---- Secured	129 74 69 560	131 00 33 463	65 23 87 944	66 62 56 847
2	Interest accrued but not due on loans		28 20 71 398		25 93 87 820
3	Security Deposits in cash from Suppliers / Contractors		9 49 09 672		8 32 33 840
4	Payables/Liabilities for supplies / works		156 66 07 145		193 95 92 219
5	Statutory Liabilities		17 67 25 232		28 88 03 065
6	Interest Accrued and payable to Consumers		59 32 93 161		54 49 01 109
7	Inter Unit Accounts		11 88 95 427		13 80 20 225
8	Liability towards Consumers		2 80 94 322		2 69 28 728
9	Other Payables				
a	Excess credit under reconciliation with Bank	5 87 80 931		4 47 88 932	
b	Miscellaneous Deposits/Other liabilities	24 10 30 770	29 98 11 701	26 41 75 871	30 89 64 803
	TOTAL		447 04 41 521		425 60 88 655

Note 11 - Short-Term Provisions

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Provision for Employee Benefits		12 09 99 116		15 18 15 040
2	Provision for Earned Leave Encashment		8 35 09 557		6 59 67 857
3	Provision for Family Benefit Fund		41 50 624		41 98 259
	TOTAL		20 86 59 297		22 19 81 156





Note 12 - Tangible Assets

Asset Group	As at 01/04/2016		As at 31/03/2017		As at 01/04/2016		As at 31/03/2017		As at 01/04/2016		As at 31/03/2017	
	Land & Rights	Buildings	Other Civil Works	Roads	Plant & Machinery	Lines Cable Networks	Vehicles	Furniture & Fixtures	Office Equipments	Total	Previous Year	Net Block
	6 62 13 430	48 76 70 935	4 38 33 615	2 30 71 267	526 67 10 703	2448 33 61 813	5 37 69 780	4 81 37 601	6 01 49 083	3053 29 18 227	2610 55 39 971	
	2 09 94 146	11 96 95 027	84 07 417	87 18 534	139 18 50 098	444 93 80 739	47 82 636	66 24 686	17 81 258	601 22 34 541	509 02 65 974	
	8 72 07 576	60 73 65 962	5 22 41 032	3 17 89 801	609 81 82 764	2879 91 25 884	3 47 30 574	5 30 73 734	6 15 84 976	3584 91 24 146	3053 29 18 227	
		9 71 75 876	1 64 71 160	44 98 675	131 82 02 177	799 94 27 668	3 47 30 574	2 29 31 019	1 61 22 120	950 95 59 270	818 87 49 728	
		1 69 22 866	23 79 783	8 08 110	27 89 73 942	118 78 37 374	19 97 807	23 43 665	32 53 810	149 45 17 357	132 35 83 112	
		2 82 511	(1 33 252)	(63 718)	(63 30 081)	(13 86 93 557)	(20 391)	(3 60 723)	3 25 810	-14 52 68 154	12 67 40 638	
					7 70 21 304	69 84 722	3 67 07 990	2 49 12 504	1 94 26 986	8 40 07 483	12 95 14 209	
		11 43 81 253	1 87 17 691	52 43 066	151 38 24 735	904 15 86 763	1975 75 39 121	2 81 61 230	1 94 26 986	1077 48 00 988	950 95 59 270	
		49 29 84 710	3 35 23 340	2 65 46 735	458 43 58 029	1975 75 39 121	2 18 44 426	2 81 61 230	1 94 26 986	2507 43 23 157	2102 33 58 957	
		39 04 95 059	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		6 62 13 430	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145	1 90 39 206	2 52 06 582	4 40 26 963	2102 33 58 957	1791 67 90 243	
		8 72 07 576	2 73 62 454	1 85 72 592	394 85 08 525	1648 39 34 145						



GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

Note 14 - Capital Works in Progress

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
	(i) Plant & Machinery		128 86 98 647		265 75 98 094
	TOTAL		128 86 98 647		265 75 98 094

Note 15 - Intangible assets under development:

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
	(i) Computer Software		7 18 92 402		6 01 98 655
	TOTAL		7 18 92 402		6 01 98 655

Note 16 - Non-Current Investments

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Trade Investments Investment in equity instruments				
2	Non-Trade Investments (Unquoted) Investment in equity instruments * Company is having a share of 1000 No of 100 Rupees face value as investment made to PCKL		2 51 00 000		1 00 000
	TOTAL		2 51 00 000		1 00 000

Note 17 - Long-Term Loans & Advances

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Capital Advances		79 26 73 686		149 72 48 422
2	Share Application Money Pending Allotment to M/s PCKL*				2 50 00 000
3	Security Deposits		16 93 88 270		17 62 44 352
4	Advances to Suppliers & Contractors		1 83 629		3 867
5	Hyderabad Karnataka Development Programme		3 55 000		3 55 000
	TOTAL		96 26 00 585		169 88 51 642

* Company has made an investment of Rs. 2,50,00,000/- towards subscription of shares in Power Company of Karnataka Limited during FY 08 where the Shares are pending Allotment to the company. The shares of the Company are unlisted as on date and hence adjustment with respect to the current valuation of the investment is not accounted.





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NOTES TO THE FINANCIAL STATEMENTS

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
	Additional Information				
	Breakup of above				
	Secured, considered good		79 30 28 686		152 26 03 422
	Unsecured, considered good		16 95 71 899		17 62 48 219
	Doubtful		---		---
	TOTAL		96 26 00 585		169 88 51 642

Note 18- Inventories.

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Stores, spares and loose tools (Stocks are valued at standard cost)				
	a) Material lying at Stores	134 07 48 967		107 81 30 642	
	b) Material with Employees	73 05 828		1 10 50 140	
	c) Material with Contractor/Other Materials	9 66 16 199	144 46 70 994	8 99 16 660	117 90 97 441
2	Obsolete / scrapped assets.		92 29 691		63 36 907
3	Written down value (WDV) of Faulty / Dismantled Assets.		36 77 64 143		30 55 42 589
	TOTAL		182 16 64 828		149 09 76 937

Note 19 - Trade Receivables

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
	Trade Receivables				
	(i) Trade receivables exceeding six months	1345 46 47 928		1336 54 60 635	
	(ii) others	568 49 21 382		478 89 72 809	
	Sub Total	1913 95 69 310		1815 44 33 444	
	Add : Regulatory Assets Recoverable from Consumers	931 15 59 837		577 39 00 000	
	Sub Total	2845 11 29 147		2392 83 33 444	
	Less :				
	(i) Provision for withdrawal of Revenue	16 72 43 622		2 17 11 228	
	(ii) Revenue Collection Pending Classification	27 26 442		8 30 59 574	
	(iii) Revenue Suspense	8 90 25 885	2819 21 33 197	2 37 310	2382 33 25 331
	Less :				
	(ii) Provision for Doubtful dues from Consumers (\$)		287 95 77 672		209 61 73 354
	TOTAL		2531 25 55 526		2172 71 51 978

Additional Information:

i) Breakup of above:			
a) Secured, considered good		491 74 79 167	452 08 68 091
b) Unsecured, considered good		2039 50 76 359	1720 62 83 887
c) Doubtful		287 95 77 672	209 61 73 354
d) Total		2819 21 33 197	2382 33 25 331
Less : Provisions		287 95 77 672	209 61 73 354
Total		2531 25 55 526	2172 71 51 978

(\$) 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. 287.95 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. 26.81 crs and 10% provision is created on IP set Dues outstanding for more than 2 years which works out to Rs.126.34 Crores. On the Balance Debtors, 4% provision is made.





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NOTES TO THE FINANCIAL STATEMENTS

Note 20 - Cash & Cash Equivalents

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Cash on hand *		7 73 47 677		14 98 41 230
2	Balances with Banks:				
	(i) in current accounts	64 06 08 490		44 99 74 443	
	(ii) Transfer from units - Intransit Account	---		43 75 81 000	
	(iii) Cheques & Funds - Intransit Account	4 23 000	64 10 31 490	1 53 000	88 77 08 443
3	Balances with Banks:				
	(i) as Fixed Deposits with maturity less than 3 months	153 24 65 737		93 24 66 806	
	(ii) as Fixed Deposits with maturity of 3 months or more but less than 12 months	---		---	
	(iii) Lien Deposits to the extent held as Margin Money / Security against borrowings, guarantees & other commitments**	12 12 26 200	165 36 91 937	11 00 61 051	104 25 27 857
4	Stamps on Hand		4 17 011		3 81 035
	TOTAL		237 24 88 114		208 04 58 565

* Cash & Bank Balance includes a. Unrecouped Vouchers : Rs.1,56,351/- & b. Suspense : Rs. 53.60 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.

Note 21 - Short Term Loans & Advances

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
	Unsecured Considered Good				
1	Advance to Suppliers		28 33 734		55 75 238
2	Advance Tax (Net of Provision for Tax)		44 63 71 248		44 49 22 084
3	Amounts recoverable from current employees*				
	a) Loans and Advances	2 14 18 510		2 14 39 584	
	b) Others	(19 74 275)	1 94 44 235	(33 69 419)	1 80 70 165
4	Receivable from Power Generators		13 46 21 254		16 54 18 941
5	Receivables from Associates - KPTCL/ ESCOMS / PCKL		453 23 68 927		387 79 48 927
	TOTAL		513 56 39 398		451 19 35 355

* Includes amounts recovered from employees towards disputed claims / pending final orders which are exhibited as credit balances in individual cases and have been netted in the overall closing balance

Additional Information:

i) Breakup of above:			
a) Secured, Considered Good		40 60 07 170	40 60 07 170
b) Unsecured, Considered Good		472 96 32 228	410 59 28 185
c) Doubtful			
d) Total		513 56 39 398	451 19 35 355
Less: Provisions			
Total		513 56 39 398	451 19 35 355

Additional Information for Note 21 - Short Term Loans & Advances due by Directors of the Company

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1			--		--
2			--		--
	TOTAL		--		--

Additional Information for Note 21 - Short Term Loans & Advances due by firm or private company in which any director is a partner or a director

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1			--		--
2			--		--
	TOTAL		--		--





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NOTES TO THE FINANCIAL STATEMENTS

Note 22 - Other Current Assets

SL. NO	PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
		₹	₹	₹	₹
1	Provision for Unbilled Revenue		201 24 23 981		185 99 05 241
2	Receivable from Government of Karnataka				
	a) Rural Electrification Subsidy	30 50 87 720		30 50 87 720	
	b) Tariff Subsidy	773 20 15 902	803 71 03 622	1110 47 92 529	1140 98 80 249
3	Receivables from Pension / Gratuity Trust		5 31 71 882		5 81 91 420
4	Claims for Loss / Damage to Capital Assets		10 84 209		17 52 381
5	Prepaid expenses		12 96 141		12 26 967
6	Income Accrued and not due		2 52 06 155		2 13 53 669
7	Receivable from Beneficiaries of Solar Lantern		2 45 31 120		1 90 36 448
	TOTAL		1015 48 17 110		1337 13 46 374

Note 23 - Contingent Liabilities for which no provision has been made by the Company.

Sl No	Particulars	Pending at/With	As at 31st March, 2017	As at 31st March, 2016
1	Issue of C-Forms	Karnataka Appealated Tribunal	Rs. 82.55 Lakhs	Rs. 82.55 Lakhs
2	Intimation regarding default in TDS statement based on	DIT (TDS)	Rs. 358.14 Lakhs	Rs. 392.24 Lakhs
3	TDS on Transmission charges & others	CIT / High Court / Supreme Court	Rs. 10377.58 Lakhs	Rs. 10377.58 Lakhs
4	Incorrect/excess/arrears billing pending	Appealte Authorities	Rs. 1534.23 Lakhs	Rs. 462.22 Lakhs
5	Interest on Power Purchase Parties	Claims against the Company not acknowledged as debts	---	---
6	Security to energy supplied by the Power Generators in the form of LC.	Various Banks	Rs. 9033 Lakh	Rs. 21169 Lakhs
7	For loss of life on account of electrification	Consumer Courts	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
9	Power Purchase Agreement traffifs & dues	Appealte Authority	142 cases pending before various authorities, Courts where the Amount is not Ascertainable.	85 cases pending before various authorities, Courts where the Amount is Not Ascertainable





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NOTES TO THE FINANCIAL STATEMENTS

Note 24 - Revenue from Operations

SL. No.	Particulars	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
1	Revenue from Operations				
a	Sale of Power L T category (*) (**)	2774 25 09 626		2546 54 13 562	
b	Sale of Power HT category	873 43 54 926	3647 68 64 551	826 88 45 398	3373 42 58 961
2	Other - Operating revenues				
(I)	Service Connection	10 95 56 492		7 18 28 667	
(II)	Delayed payment charges from consumers.	116 51 97 566		120 54 90 074	
(iii)	Other Receipts from consumers	1 28 26 077	128 75 80 135	11 02 042	127 84 20 783
	Net Income on Account of Regulatory Assets for the				
3	Year / Adjustments of Regulatory Assets Account / True Up Subsidy		353 76 59 837		577 39 00 000
4	Less : Withdrawal of Revenue Demand		2 12 38 124		49 58 086
	TOTAL		4128 08 66 400		4078 16 21 658

Additional Information

(*) The Company provides subsidized electricity to its employees, who were appointed on or before 08.05.1997. The difference amount in billing the units at the subsidized rates to the employees and the applicable tariff is recognized as sales and the liability on this account is debited to electricity charges account.

Under the Subsidized power supply category, 7.08 MU of energy was supplied to its employees/Office against which, the Company has charged about Rs 91.37 lakhs to the P & L A/c. An amount of Rs. 75.32 lakhs is receivable from its employees on the balance sheet date.

(**) **Subsidy Claimed from GoK under P P Model:**

a) Rural Electrification / Tariff Subsidy is accounted as per Purchaser-Provider Model introduced by the Government of Karnataka during the Financial Year 2003-04 vide GO No. DE 35 PSR 2003 dated 25/4/2003 and subsequent guidelines issued from time to time. During the year 2006-07, the GoK vide letter No. EN 48 PSR 2006 has clarified that "Only the amount of subsidy as intimated by State Government needs to be taken into account by ESCOMs while preparing their Accounts and Balance Sheet". Effective from December 2009 and onwards, the Tariff Subsidy is claimed from Government of Karnataka as per the Commission Determined Tariff applicable to the LT 1 and LT 4 a category (as per applicable Tariff Order of KERC) and the same is included in the Revenue from Sale of Power

b) The revenue demand in the case of metered BJ/KJ installations is claimed in accordance with GO No IN 145 PSR 2004 Bangalore dated 15.03.2005/ Current Tariff Order and included in the Tariff Subsidy receivable from the Government of Karnataka.

c) Consequent to the Change in the Accounting Policy on Revenue Recognition during previous year, the differential cost of actual power purchases over and above the Power Purchase Cost Approved by the Hon'ble Commission in the Tariff Order for 2015-16 to an extent of Rs. 577.39 Crores & Rs. 353.76 Crores is recognised as Income from Operations during FY 16 & FY17 respectively.

Additional Information - Energy Purchase & Sales Details

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	in Million Units	
1	Energy Input at Interface Point		7691.05		7936.21
2	Energy Sales				
	Metered Category Sales	3127.49		3205.78	
	Unmetered Category Sales (IP & BJ/KJ)	3230.86	6358.35	3302.02	6507.80
3	Distribution losses (Tech & Comm) (a-b)		1332.70		1428.41
4	Percentage of distribution losses (%)		17.33		18.00

Note 25 - Other Income

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
1	Interest Income :		4 00 91 000		4 49 76 257
2	Other non operating income				
	Profit on Sale of scrap	42 19 806		86 451	
	Rental from Staff/Others	3 34 74 094		2 20 30 320	
	Rebate on Power Purchase	24 18 24 833		17 00 10 629	
	Rebate for Remittance of Electricity Duty.	56 70 500		51 87 500	
	Miscellaneous Recoveries / Provisions no longer required and hence reversed	54 91 18 863		14 80 53 619	
	Other Miscellaneous Income	57 68 731	84 00 76 828	27 60 607	34 81 29 126
	TOTAL		88 01 67 828		39 31 05 383





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NOTES TO THE FINANCIAL STATEMENTS

Note 26 - Purchase of Power

SL. NO	PARTICULARS	Current Year 2016-17 ₹	Previous Year 2015-16 ₹
	Power Purchase Cost	3462 48 54 784	3306 61 98 902
	Grand Total	3462 48 54 784	3306 61 98 902

Additional Information :

1 State Transmission Utilities are barred from power trading activities with effect from 10.06.2005, in accordance with the provisions of Section 39(1) of the Electricity Act, 2003. Consequently the State Government has decided that the ESCOMs would directly purchase power from the Generating Companies and that the Power Purchase Agreements already entered into by the KPTEL would be assigned to the ESCOMs with effect from 10.06.2005. The Government had constituted a State Power Procurement Coordination Centre (SPPCC) under the chairmanship of Principal Secretary, Energy Department, inter-alia, consisting of MDs of KPCL, KPTEL & ESCOMs etc. In respect of power supplied by KPCL, Central Generating Stations and Conventional IPPs, the same would be allocated between ESCOMs on the basis of share of each ESCOM in total energy consumption during the year. Accordingly, the Government has issued another GO No. EN 131 PSR 2003 dated 06.07.2005 indicating the share of GESCOC and revised subsequently by GOKKERC from time to time.

These PPAs would be assigned to all the ESCOMs and each ESCOM are signatory to the PPA. An exercise is carried out at the year end to allocate the energy on the basis of the actual input and any difference as per the monthly share allocated and actual energy input is accounted during the financial year itself.

In order to facilitate trading and co-ordinate in carrying out tariff based competitive bidding process on behalf ESCOMs for establishment of various power projects and also to undertake related activities the Government of Karnataka has accorded approval vide GO No EN 138 PPC 2006, Bangalore dated 07.04.2007 for constitution of SPV viz., Power Company of Karnataka Limited (PCKL).

In order to facilitate trading and co-ordinate in carrying out tariff based competitive bidding process on behalf ESCOMs for establishment of various power projects and also to undertake related activities the Government of Karnataka has accorded approval vide GO No EN 138 PPC 2006, Bangalore dated 07.04.2007 for constitution of SPV viz., Power Company of Karnataka Limited (PCKL).

Further, the Government of Karnataka in its order No EN 158 PPC 2000 dated 01.09.2007 has accorded approval for merger of SPPCC with PCKL. Consequently, the operations hitherto carried out by the SPPCC are being taken over by the newly constituted PCKL. The Company accounts all power purchase costs based on the intimations received from PCKL.

Depending upon the review of power requirement of ESCOMs and the total availability the above ratio of allocation is modified from time to time by the Government and the same is binding upon GESCOC.

The Energy Balancing for the financial year ending has been communicated by the SLDC and PCKL. Details is as under :

	The Energy Balancing for the financial year ending has been communicated by the SLDC and PCKL. Details is as under :	Excess Energy drawn by GESCOC (-ve indicates receivable from other ESCOMs) (in MU)	Amount Payable to Other ESCOMs (Accounted as power purchase cost during FY17) (Rs. Cr)
	2016-17	78.193	46.39

Note 27 - Employee Benefits

SL. NO	PARTICULARS	Current Year 2016-17 ₹	Previous Year 2015-16 ₹
(a)	Salaries and Wages	237 22 09 391	214 71 63 624
(b)	Bonus / Exgratia *	5 76 41 506	5 51 09 485
(c)	Earned Leave Encashment	24 13 27 902	26 20 29 618
(d)	Contribution to Provident & Other funds	58 17 77 894	60 37 93 463
(e)	Staff Welfare	9 40 94 389 72	5 28 18 079
(f)	Remuneration to whole time directors	46 82 068	31 30 049
	TOTAL	335 17 33 150	312 40 44 317

* The C & AG vide draft para vide GARC/PDP-22/AR-2009-10/2010-11/B-39 dated 06/05/2010 has pointed out that the payment of Exgratia to its employees during 2006-07, 2007-08 & 2008-09 amount to Rs. 3.78 crores, without the approval of the Government of Karnataka is irregular. The personnel related matters such as Revision of Pay Scale, Bonus, regulation of DA and pension etc are being regulated in GESCOCs based on the orders issued by KPTEL, as ESCOM wise employee segregation is not made. The provision made during FY -10 to FY 17 is in anticipation of the approval of the Government of Karnataka.

The above includes, claims towards terminal benefits and death claims pertaining to the previous but claims/confirmations /details have been received during the year and hence incorporated in the current year.

Note 28 - Finance Costs

SL. NO	PARTICULARS	Current Year 2016-17 ₹	Previous Year 2015-16 ₹
1	Interest on Loans	103 47 82 429	90 78 79 617
2	Less - Interest Capitalised	---	---
	Total	103 47 82 429	90 78 79 617

Additional Information :

Payment of Interest, guarantee commission and principal amount paid to financial institutions in respect of some of the loans accounts, during the year 2016-17 has been made by KPTEL on behalf of the Company. The above amounts have been recorded in the books of account as per the intimations of KPTEL.





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NOTES TO THE FINANCIAL STATEMENTS

Note 29 - Depreciation

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
1	Depreciation on Buildings	1 93 02 648		1 45 84 013	
2	Depreciation on other Civil Works	8 08 110		6 51 277	
3	Depreciation on Plant and Machinery	27 89 73 942		23 95 09 990	
4	Depreciation on lines, cable, network etc.,	118 78 37 374		106 27 19 447	
5	Depreciation on Vehicles	19 97 807		19 39 555	
6	Depreciation on furniture, fixtures	23 43 665		20 04 445	
7	Depreciation on Office equipments	32 53 810		21 74 386	
	Total (1 to 7)		149 45 17 357		132 35 83 112
8	Less : Reversal of Depreciation on Assets Created out of Consumer Contribution & Grants		27 17 00 000		30 14 00 000
	Depreciation for the year		122 28 17 357		102 21 83 112

Note 30 - Other Expenses

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
	Repairs and maintenance:				
	- Plant & Machinery	29 21 52 156		34 63 02 113	
	- Buildings	3 85 71 754		4 37 15 813	
	- Vehicles	27 66 158		22 54 778	
	- Others	2 07 039	33 36 97 107	1 28 826	39 24 01 530
	Rent		1 01 87 210		69 93 161
	Rates & Taxes		1 48 31 902		1 44 50 652
	Legal Charges		1 11 25 988		61 12 386
	Postage, Legal & Telephone Charges		3 19 06 956		3 01 42 383
	Consumer Ledger Maintenance Contract Charges & Station Maintenance Charges		35 74 57 440		32 77 62 321
	Incentive/Remuneration paid to Gram vidyuth pratinidhi (Micro Feeder Franchisee)		11 55 16 690		7 03 71 797
	Conveyance, Travel & Vehicle expenses		14 89 82 420		13 00 58 845
	Printing & Stationery		2 29 52 457		3 22 29 228
	Advertisement Expenses		69 08 217		50 42 228
	Computer stationary and floppies		24 85 167		13 86 350
	Contributions		36 51 794		1 56 56 338
	Electricity Charges		3 07 67 996		3 48 52 083
	Freight & other material related expenses		1 75 74 450		1 85 99 565
	Asset Decommissioning Costs		1 52 86 984		(1 20 56 166)
	Bad & Doubtful Debts Written off / provided for		78 34 04 318		26 91 36 022
	Miscellaneous losses		3 84 76 547		19 57 027
	Compensation for Death, injuries & damages		1 72 67 347		2 16 93 562
	Bank Charges		1 10 52 802		2 81 62 498
	Interest to Consumers on Security Deposits		32 97 97 628		36 66 15 291
	Interest on Power Purchase Charges		210 91 91 190		225 61 56 737
	Miscellaneous & Other Expenses		6 06 30 899		1 46 54 267
	Auditors Remuneration				
	-- Statutory Audit Fee	8 11 250		7 18 750	
	-- Tax Audit Fee	1 77 000	9 88 250	1 72 500	8 91 250
	Expenditure towards Consumer Awareness/Education		31 13 518		8 53 351
			447 72 55 278		403 41 22 705

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Note 31 - Exceptional Items

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
1					
	TOTAL				





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NOTES TO THE FINANCIAL STATEMENTS

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

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
A	Credits relating to earlier years :				
	1.Excess provision for Depreciation in prior period	12 64 34 669		---	
	2.Prior Period Adjustments to Subsidy Account			---	
	2.Other excess provision in prior period	5 52 44 958		9 46 82 452	
	Sub-Total		18 16 79 627		9 46 82 452
B	Debits relating to earlier years :				
	1. Employee costs relating to previous year	15 94 200		17 22 116	
	2. Depreciation under provided in previous period			13 88 09 019	
	2. Power Purchase expense of previous period	11 67 22 504		28 69 76 567	
	3. Other expenses relating to prior periods	64 13 43 169			
	Sub-Total		75 96 59 874		42 75 07 702
C.	Net prior period represent - (Credits) / Expenses (A-B)		57 79 80 247		33 28 25 251

* Prior period expenses/income to the extent identified and not comprehensive, on account of payment / crystallisation / receipt

Note 33 - Extraordinary Items

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
1					
	TOTAL				

Note 34 - Earnings per Share#

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
1	After extraordinary item:				
	Profit for the year after tax expense		(312 84 09 016)		(131 25 26 864)
	Less:				
	Preference dividend payable including dividend tax				
	Profit		(312 84 09 016)		(131 25 26 864)
	Weighted average number of equity shares		77 67 66 095		30 51 36 104
	Earning per share		(4.03)		(4.30)
2	Before extraordinary item:				
	Profit for the year after tax expense		(312 84 09 016)		(131 25 26 864)
	Less:				
	Preference dividend payable including dividend tax				
	Profit		(312 84 09 016)		(131 25 26 864)
	Weighted average number of equity shares		77 67 66 104		30 51 36 104
	Earning per share*		(4.03)		(4.30)

*Share Application Money Pending Allotment has not been considered for computation of earnings per share-dilute, since it is anti dilutive.

Recast





GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

(CIN NO. - U04010KA2002SGC030436)

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:

	Current Year 2016-17		Previous Year 2015-16	
	₹	₹	₹	₹
Employer's Contribution to Pension & Gratuity		58 17 77 894		60 37 93 463

(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	Family Benefit	Leave Encashment	Family Benefit Fund	Leave Encashment
	(Rs)	(Rs)	(Rs)	(Rs)
Defined benefit obligation at the beginning of the year				
Current Service Cost				
Interest Cost				
Actuarial losses/ (gains)				
Benefits paid				
Defined benefit obligation at the end of the year	52 47 18 706	8 35 09 557	4 83 59 748	45 56 69 756
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				
3 Liability recognized in the Balance sheet				
Present value of unfunded obligations				
Amount recognized in Balance sheet under Current liabilities and provision	52 47 18 706	8 35 09 557	4 83 59 748	45 56 69 756
4 Expenses recognized in Statement of Profit				
Current Service Cost				
Interest on Defined Benefit Obligation				
Net Actuarial losses/ (gains) recongnized in the year				
Total employer expense recognized in Statement				
5 Actuarial assumptions:				
Discount rate	7.95%	7.95%	7.95%	7.95%
Expected rate of return on assets	0.00%	0.00%	0.00%	0.00%
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%
Retirement Age	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.





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NOTES TO THE FINANCIAL STATEMENTS

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	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
1	Directors Remuneration		46,82,068		31,30,049
2	Directors Sitting fees		39500		19,500

Note 37 - Additional Information

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
a)	Value of Imports calculated on CIF basis:				
	(i) Raw Materials		--		--
	(ii) Capital goods		--		--
b)	Expenditure in foreign currency: (net of withholding tax)				
	i) 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:

SL. NO	PARTICULARS	Current Year 2016-17		Previous Year 2015-16	
		₹	₹	₹	₹
	Assets (Receivables)		---		---
	Liabilities (payables)		---		---

Note 39 - 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

Note 40 - 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.

- The balances under Sundry Debtors, Sundry Creditors, Deposits, Secured Loans, Unsecured loans, other loan funds, Loans and Advances to suppliers, contractors, bank balances.
- Balances under Inter Unit accounts.
- Transactions with KPTCL/ SPPCC/ PCKL & ESCOMs, KPTCL/ESCOMs Pension & Gratuity Trust and KPCL.
- There are a few negative balances against assets in the statement of capital expenditure, works in progress, stock and suspense heads.
- 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.

Note 41 - 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.

Note 42 - 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.

Note 43 - 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.

Note 44 - 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.





GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

Note 45 -	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.
Note 46 -	The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
Note 47 -	There are no amounts required to be transferred to the Investor Education and Protection Fund by the Group as on the reporting date.
Note 48 -	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
Note 49 -	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.
Note 50 -	<p>The Annual Accounts for FY 17 of the Company which were approved by the Board on 09/11/2017 have been revised in light of the observations made by the Comptroller and Auditor General of India. The said revision has resulted in :</p> <ul style="list-style-type: none">>> : Non-current investments have Increased by Rs. 2 50 00 000/->> : Long-term borrowings have Decreased by Rs. 1 79 84 130/->> : Trade payables have Increased by Rs. 11 71 90 713/->> : Trade receivables have Increased by Rs. 1 03 21 838/->> : Tangible assets have Increased by Rs. 26 47 88 813/->> : Capital work-in-progress have Decreased by Rs. 20 46 11 567/->> : Other current liabilities have Increased by Rs. 65 974/->> : Long-term loans and advances have Decreased by Rs. 10 65 67 266/->> : Cash and cash equivalents have Increased by Rs. 40 42 552/->> : Employee Benefits Expense have Increased by Rs. 65 974/->> : Finance costs have Decreased by Rs. 1 79 84 130/->> : Other expenses have Increased by Rs. 42 95 766/->> : Other Income have Increased by Rs. 40 42 552/->> : Purchase of Power have Increased by Rs. 11 28 94 947/->> : Revenue from operations have Increased by Rs. 1 03 21 838/->> : Depreciation have Increased by Rs. 2 13 90 020/- <p>The Net loss for the year which was Rs.302,21,10,829/- has increased by Rs. 10,62,98,187/- Crores to Rs. 312,84,09,016/-.</p>

As per our Report of Even Date

For M/s GRC & Associates

Chartered Accountants

Firm Reg. No. 002437S

D Rangarajan
Partner

S R Teradal
Chief Financial Officer

Membership No: 023452

For and on behalf of the Board of Directors


R Jayakumar
Director (Tech)


Dr R Ragapriya, IAS
Managing Director

Place : Bangalore

Date : 15.12.2017

