



GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

(CIN NO. - U04010KA2002SGC030436)

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

c) Reconciliation of Other equity between Ind AS and previous GAAP

(Rs.)

Nature of adjustments	As at March 31,2017	As at April 1,2016
Other Equity as reported under Previous GAAP	(1,60,14,85,364)	18,95,17,916
Effect of Transition to Ind AS:		
Revaluation gain on Land	9,14,37,13,580	9,14,37,13,580
Deferred tax liabilities (net)	(2,07,26,93,122)	(2,07,26,93,122)
Reclassification of Share Application money pending allotment	1,93,95,00,003	4,71,63,00,003
Prior period - correctly recognised (to year which it belongs)	(12,01,42,381)	(57,79,80,247)
Total Ind AS Adjustments	8,89,03,78,080	11,20,93,40,214
Other equity under Ind AS	7,28,88,92,716	11,39,88,58,130

d) There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Notes:

- A** Under previous GAAP, there was no requirement to present investment property as a distinct line item and the same was included under property, plant and equipment as at March 31,2016 and non current investments as at March 31,2017 and measured at cost.
- B** Under previous GAAP, non current Investments were recognized at cost. Where applicable, provision was made to recognize a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments (other than investments in subsidiaries, associate and joint ventures) are to be recognized at fair value through other comprehensive income.
- C** Under previous GAAP, rental deposits were recognised at amount paid to lessors. Under Ind AS, lease deposits are carried at amortised cost over the period of deposits.
- D** Under previous GAAP, allowance for trade receivables and dues from consumers were recognized based on the incurred loss method. Under Ind AS, loss allowance are based on probable loss assessment as estimated by the management.
- E** Under previous GAAP, actuarial gains and losses on measurement of employees defined benefit plans were recognized in the statement of profit and loss. Under Ind AS, the same are recognized under other comprehensive income. Suitable reclassifications have been done.
- F** Under previous GAAP, deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period. Under Ind AS, Deferred tax is recognised for temporary differences between tax and book bases of the relevant assets and liabilities.





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NOTES TO FINANCIAL STATEMENTS

3. Property plant and equipment:
Tangible assets

	Land & Rights	Buildings	Other Civil Works	Roads	Plant & Machinery	Lines Cable Networks	Motor vehicles	Furniture and fittings	Office Equipments	Total
Balance as at 01 April 2016	6,62,13,430	48,76,70,935	4,38,33,615	2,30,71,267	5,26,67,10,703	24,48,33,61,813	5,37,69,780	4,81,37,601	6,01,49,083	30,53,29,18,227
Revaluation gains/(losses)	9,14,37,13,580									9,14,37,13,580
Balance as at 01 April 2016 (Ind AS)	9,20,99,27,010	48,76,70,935	4,38,33,615	2,30,71,267	5,26,67,10,703	24,48,33,61,813	5,37,69,780	4,81,37,601	6,01,49,083	39,67,66,31,807
Additions	2,09,94,146	11,96,95,027	84,07,417	87,18,534	1,39,18,50,098	4,44,93,80,739	47,82,636	66,24,686	17,81,258	6,01,22,34,541
Disposals	-	-	-	-	56,03,78,036	13,36,16,668	-	16,88,533	3,45,365	69,60,28,522
Balance as at 31 March 2017	9,23,09,21,156	60,73,65,962	5,22,41,032	3,17,89,801	6,09,81,82,765	28,79,91,25,884	5,85,52,416	5,30,73,734	6,15,84,976	44,99,28,37,726
Additions	1,69,47,844	9,10,64,805	60,38,417	30,48,796	1,18,14,03,046	2,85,56,39,554	-	62,60,548	81,42,231	4,16,85,45,241
Disposals	-	-	-	-	74,49,79,700	37,60,59,426	-	2,13,833	15,35,496	1,12,27,88,456
Balance as at 31 March 2018	9,24,78,69,000	69,84,30,767	5,82,79,449	3,48,38,597	6,53,46,06,110	31,27,87,06,012	5,85,52,416	5,91,20,449	6,81,91,711	48,03,85,94,511
Accumulated depreciation										
Balance as at 01 April 2016	-	-	1,64,71,160	44,98,675	1,31,82,02,177	7,99,94,27,668	3,47,30,574	2,29,31,019	1,61,22,120	9,50,95,59,269
Reclassification to investment property	-	-	-	-	-	-	-	-	-	-
Balance as at 01 April 2016 (Ind AS)	-	-	1,64,71,160	44,98,675	1,31,82,02,177	7,99,94,27,668	3,47,30,574	2,29,31,019	1,61,22,120	9,50,95,59,269
Depreciation charge for the year	-	9,71,75,876	1,64,71,160	44,98,675	1,31,82,02,177	7,99,94,27,668	3,47,30,574	2,29,31,019	1,61,22,120	9,50,95,59,269
Other Adjustments	-	1,69,22,866	23,79,783	8,08,110	27,89,73,942	1,18,78,37,374	19,97,807	23,43,655	32,53,810	1,49,46,17,357
Disposals	-	2,82,511	(1,33,552)	(63,718)	(63,30,081)	(13,86,93,557)	(20,391)	(3,60,723)	51,056	(14,52,68,155)
Balance as at 31 March 2017	-	11,43,81,233	1,87,17,691	52,43,067	1,51,38,24,734	69,84,722	3,67,07,990	2,49,12,504	1,94,26,986	10,77,48,00,988
Depreciation charge for the year	-	2,16,90,501	22,46,531	10,80,308	33,2,491,040	1,40,42,71,323	23,93,905	27,10,884	34,30,609	1,77,03,15,102
Other Adjustments	-	(6,01,697)	6,01,697	-	(2,94,80,395)	(1,95,72,375)	-	(525)	(772)	(4,90,54,067)
Disposals	-	-	-	-	10,34,80,969	2,08,53,144	-	-	(772)	12,43,34,113
Balance as at 31 March 2018	-	13,54,70,057	2,15,65,919	63,23,375	1,71,33,54,410	10,40,54,32,568	3,91,01,895	2,76,22,863	2,28,56,823	12,37,17,27,910
Net block										
Balance as at 01 April 2016	9,20,99,27,010	39,04,95,059	2,73,62,455	1,85,72,592	3,94,85,08,526	16,48,39,34,145	1,90,39,206	2,52,06,582	4,40,26,963	30,16,70,72,538
Balance as at 31 March 2017	9,23,09,21,156	49,29,84,709	3,35,23,341	2,65,46,734	4,58,43,58,031	19,75,75,39,121	2,18,44,426	2,81,61,230	4,21,57,990	34,21,80,36,738
Balance as at 31 March 2018	9,24,78,69,000	56,29,60,710	3,67,13,530	2,85,15,222	4,82,12,51,700	20,87,32,73,444	1,94,50,521	3,14,97,586	4,53,34,888	35,66,68,66,600

Additional information:

- As allowed under Ind AS-101, the Company has revalued the entire class of land as at April 1, 2016 which is the effective date of the revaluation by approved independent valuers and accordingly crediting revaluation reserve by Rs. 914.37 crores. The method adopted and significant assumptions applied in estimating fair values/revalues of the said lands are based on the local market surveys and from market enquiries. The independent valuers have arrived at the fair values/revalues of those lands considering the rates fixed by the respective State Government, the municipal limits where the respective lands are situated, considering the proximity/connectivity to the towns/cities and availability of similar kind of properties as duly assessed in the active markets.
- If the Company has valued its Freehold & leasehold Land using Cost model the carrying amount would have been Rs. 6.62 crores as at April 01, 2016.
- The title deeds of some of the properties transferred to the Company from KPTCL are being obtained/ built up.
- Assets created out of Consumer Contribution/Grants / Deposit Contribution Works vests with Company. Accumulated Depreciation attributable for these assets is not ascertainable & Loss account.
- 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.
- Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.





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7) Included in above PPE by way of Capitalisation of Interest & Capitalisation of assets by way of consumer contribution/grants/deposit contribution works:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Capitalisation of Interest:			
Opening Balance	32,79,59,781	32,79,59,781	32,79,59,781
Add: For the Year			
Closing Balance	32,79,59,781	32,79,59,781	32,79,59,781
Capitalisation of assets by way of consumer contribution/grants/deposit contribution works:			
Opening Balance	6,89,44,41,698	5,24,81,84,873	4,62,12,17,282
Add: For the Year	51,91,90,042	1,64,67,56,825	62,69,67,591
Closing Balance	7,41,36,31,740	6,89,44,41,698	5,24,81,84,873





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Particulars	As at March 31,	As at March 31,	As at April 01,
	2018	2017	2016
4 Capital Work In Progress:			
a) Plant & Machinery	84,79,98,245	1,28,86,98,647	2,68,64,76,676
	<u>84,79,98,245</u>	<u>1,28,86,98,647</u>	<u>2,68,64,76,676</u>
5 Intangible Assets under development:			
a) Computer Software	7,40,17,653	7,18,92,402	3,13,20,073
	<u>7,40,17,653</u>	<u>7,18,92,402</u>	<u>3,13,20,073</u>





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6 Non current investments:

Details of Investments	Name of the Company	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
		No of shares	Face value	No of shares	Face value	No of shares	Face value
a) Investments in equity Instruments:							
1) Others: (Other than Trade, Unquoted)							
Fully paid up							
Investment in equity Instruments		2,51,000	100	2,51,000	100	2,51,000	100
			2,51,00,000		2,51,00,000		2,51,00,000
Total			2,51,00,000		2,51,00,000		2,51,00,000
Less:							
Provision for diminution in value of investments							
Total			2,51,00,000		2,51,00,000		2,51,00,000

