GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

Annual Accounts

FY 2021-22

(CIN NO. - U04010KA2002SGC030436)

Regd Office :

Station Road,

Gulbarga – 585102

E-Mail: mdgesco@gmail.com

Website: www.gescom.karnataka.gov.in

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

BALANCE SHEET AS ON MARCH 31,2022

₹ in Lakhs

	Particulars	Note No.	As at March 31,2022	As at March 31,2021
I.	**ASSETS**			
A	**Non-current assets**			
	(a) Property, plant and equipment	3(i)	4,53,399.84	4,44,806.36
	(b) Right of Use Asset	3(ii)	196.05	203.75
	(c) Other intangible assets	3(iii)	455.29	527.09
	(d) Capital work-in-progress	4	31,576.06	39,869.30
	(e) Intangible Assets under Development	5	-	-
	(f) Financial assets			
	(i) Investments	6(i)	1.00	1.00
	(ii) Loans	6(ii)	-	-
	(iii) Other financial assets	6(iii)	2,294.34	2,249.88
	(g) Deferred tax assets	7	-	-
	(h) Other non-current assets	8	-	-
	Total Non-current assets		**4,87,922.58**	**4,87,657.38**
B	**Current assets**			
	(a) Inventories	9	17,347.32	16,634.55
	(b) Financial assets			
	(i) Unbilled Revenue	10	37,599.15	29,489.00
	(ii) Trade receivables	11	1,75,540.04	1,59,777.90
	(iii) Cash and cash equivalents	12(i)	3,578.76	3,802.32
	(iv) Bank balances other than (iii) above	12(ii)	8,015.86	6,710.94
	(v) Other financial assets	13	2,07,133.98	2,51,560.11
	(c) Current Tax Assets (net)	14	457.23	444.95
	(d) Other Current Assets	15	382.07	304.06
	Total Current assets		**4,50,054.41**	**4,68,723.83**
	Total Assets before Regulatory Deferral Account		**9,37,976.99**	**9,56,381.21**
C	**Regulatory Deferral Account debit balances**	16	8,921.50	26,643.14
	TOTAL ASSETS		**9,46,898.49**	**9,83,024.35**
II	**EQUITY AND LIABILITIES**			
A	**EQUITY**			
	Shareholders' funds			
	(a) Share capital	17	1,64,016.34	1,50,979.61
	(b) Other equity	18	(2,34,154.78)	(2,22,142.41)
	Total Equity attributable to equity share holders of the Company		**(70,138.44)**	**(71,162.80)**
B	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19	3,07,263.60	3,20,663.28
	(ii) Other financial liabilities	20	64,117.05	61,240.52
	(b) Provisions	21	12,417.05	13,072.70
	(c) Deferred revenue	22	1,30,257.11	1,35,753.08
	(d) Deferred tax liabilities (net)	7	8,493.61	15,444.99
	(e) Other non current liabilities	23	12,964.49	11,216.55
	Total Non current liabilities		**5,35,512.91**	**5,57,391.12**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	24	18,390.60	23,839.44
	(ii) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterpris	25	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises		4,14,064.09	4,28,134.34
	(iii) other financial liablities	26	34,327.51	35,450.27
	(b) Provisions	27	1,301.20	1,284.57
	(c) Other current liabilities	28	13,440.62	8,087.41
	(d) Current Tax Liabilities (Net)	29	-	-
	Total Current liabilities		**4,81,524.02**	**4,96,796.03**
	TOTAL EQUITY AND LIABILITIES		**9,46,898.49**	**9,83,024.35**

Significant accounting policies and notes attached form an integral part of the financial statements

As per our Report of Even Date
For P G BHAGWAT LLP
Chartered Accountants
Firm Reg. No. 101118W/W100682

For and on behalf of the Board of Directors
Gulbarga Electricity Supply Company Limited

S B Pagad
Partner
Memebership No: 206124
Place: Dharwad
Date:
UDIN:

Pandve Rahul Tukaram, IAS
Managing Director
DIN: 08822950
Place: Kalaburagi
Date:

Girish Dilip Badole, IAS
Director (Independent)
DIN: 09637838
Place: Kalaburagi
Date:

B. Abdul Wajid
Chief Financial Officer

Place: Kalaburagi
Date:

Kiran Police Patil
Company Secretary
Memebership No: ACS33563
Place: Kalaburagi
Date:

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	**Note No.**		**For the year ended March 31,2022 ₹ in Lakhs**		**For the year ended March 31,2021 ₹ in Lakhs**
I	Revenue from operations	31		5,85,101.51		5,07,382.55
II	Other income	32		23,647.21		20,779.67
III	**Total Income (I + II)**			**6,08,748.72**		**5,28,162.22**
IV	**Expenses:**					
	Purchase of power	33		4,31,293.28		4,28,800.82
	Employee benefits expense	34		71,710.61		67,870.05
	Finance costs	35		41,829.28		43,954.61
	Depreciation and amortization expense	36		26,572.91		24,493.30
	Other expenses	37		25,545.96		25,245.49
	Total expenses			**5,96,952.04**		**5,90,364.27**
V	**Profit/(loss) before Rate Regulated Activities, Exceptional items and tax (III-IV)**			**11,796.68**		**(62,202.05)**
VI	**Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement**	**39**		**(17,721.65)**		**(50,406.12)**
VII	**Profit/(loss) Before Exceptional Items and Tax (V+VI)**			**(5,924.97)**		**(1,12,608.17)**
VIII	**Exceptional Items**			**-**		**-**
IX	**Profit/(loss) before tax (VII+VIII)**			**(5,924.97)**		**(1,12,608.17)**
X	**Tax expense:**					
	Current tax			-		-
	Deferred tax credit			(7,036.63)		(939.46)
				(7,036.63)		**(939.46)**
XI	**Profit/(loss) for the year from continuing opertaions (IX- X)**			**1,111.66**		**(1,11,668.71)**
XII	Profit/(loss) from discontinuing operations			-		-
XIII	Tax expense of discontinuing operations			-		-
XIV	**Profit/(loss) for the year (after tax) (XI+XII-XIII)**			**1,111.66**		**(1,11,668.71)**
XV	**Other comprehensive income**					
	(i) Items that will not be reclassified to profit or loss					
	a) Re-measurement gains/(losses) on defined benefit plans		18.30		(136.20)	
	b) Deferred tax impact on gains/(losses) on defined benefit plans		(5.71)		42.50	
	c) Revaluation surplus on land		-		6,962.67	
	d) Deferred tax impact on revaluation reserve		(79.54)		(1,778.91)	
				(66.95)		**5,090.06**
	(ii) Items that may be reclassified to profit or loss					
	a) Mark to Market of Investments		-		-	
	b) Taxes on above		-		-	
				-		-
XVI	**Total other comprehensive income (XV(i) + XV(ii))**			**(66.95)**		**5,090.06**
XVII	**Total Comprehensive Income for the year (XIV+XVI)**			**1,044.71**		**(1,06,578.65)**
XVIII	**Earning per equity share**					
	Earning per equity share before exceptional items					
	Basic (in ₹)	38b		0.11		(4.06)
	Diluted (in ₹)	38b		0.11		(3.78)
	Earning per equity share after exceptional items					
	Basic (in ₹)	38b		0.11		(4.06)
	Diluted (in ₹)	38b		0.11		(3.78)
	Basic earnings per share including net movement in regulatory deferral account balances (in ₹)	38b		0.01		(7.40)
	Diluted earnings per share including net movement in regulatory deferral account balances (in ₹)	38b		0.01		(6.88)
	Paid up value per share			10.00		10.00

Significant accounting policies and notes attached form an integral part of the financial statements

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Partner
Memebership No: 206124
Place: Dharwad
Date:
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Managing Director
DIN: 08822950
Place: Kalaburagi
Date:

Girish Dilip Badole, IAS
Director (Independent)
DIN: 09637838
Place: Kalaburagi
Date:

B. Abdul Wajid
Chief Financial Officer
Place: Kalaburagi
Date:

Kiran Police Patil
Company Secretary
Memebership No: ACS33563
Place: Kalaburagi
Date:

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	March 31, 2022 Rs. In Lakhs	March 31, 2021 Rs. In Lakhs
A	**Cash Flow from Operating Activities**		
	Net Profit Before Taxation	**(5,924.96)**	**(1,12,608.18)**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and impairment of property, plant and equipment	26,572.91	24,493.30
	Government grant released to statement of profit and loss	(1,597.00)	(1,267.00)
	Consumer contributed asset- released to statement of profit and loss	(4,139.00)	(3,790.00)
	Provision no longer required written back	(13,362.27)	(6,711.81)
	Rental Income	(221.39)	(230.60)
	Interest Income	(116.63)	(246.56)
	Finance costs	41,829.27	43,954.61
	Bad and doubtful debts written off/provided for	5,924.56	7,831.73
	Reserve for Material Cost variance	(2,800.45)	(218.14)
		46,165.04	**(48,792.65)**
	Income taxes paid (net of refunds)	(12.28)	(357.41)
		46,152.76	**(49,150.06)**
	Working capital adjustments:	-	
	(Increase) / decrease in inventories	(712.78)	49.96
	(Increase) / decrease in unbilled revenue	(8,110.16)	(2,118.37)
	(Increase) / decrease in trade receivables	(8,324.43)	(26,154.67)
	(Increase) / decrease in other financial asset - Non Current	(44.46)	14.92
	(Increase) / decrease in other financial asset - Current	44,422.75	(30,572.55)
	(Increase) / decrease in other current asset	(78.00)	(61.84)
	(Increase) / decrease in regulatory deferral account- assets	17,721.65	50,406.12
	Increase/(decrease) in provisions of leave encashment; family benefit fund	(620.71)	3,490.53
	Increase / (decrease) in trade payables	(14,070.26)	(44,781.80)
	Increase / (decrease) in other current liabilities	5,353.21	2,114.56
	Increase / (decrease) in other non current liablities	1,747.94	1,670.63
	Increase / (decrease) in other financial liabilites	5,249.55	389.65
	Net cash flows from/(used in) operating activities	**88,687.06**	**(94,702.92)**
		-	
B	**Cash flows from investing activities:**	-	
	Purchase of property, plant and equipment (including Right of Use Asset)	(33,966.10)	(27,942.67)
	Rental Income	221.39	230.60
	Interest Income	120.00	404.69
	Redemption/ maturity of margin money or security against the borrowings, guarantees, other commitments	(1,304.92) -	(2,367.55)
	Net cash flows used in investing activities	**(34,929.63)**	**(29,674.93)**
		-	
C	**Cash flow from financing activities:**	-	
	Proceeds from share application money collected	2,780.10	11,223.53
	Proceeds/ (Repayment) of borrowings	(45,383.36)	1,44,849.33
	Repayment of short term borrowings (net)	(5,448.84)	(861.56)
	Interest paid	(8,805.41)	(39,550.94)
	Proceeds from Deposits from consumers	2,876.52	3,573.01
	Net cash flows from financing activities	**(53,980.99)**	**1,19,233.37**
	Net increase / (decrease) in cash and cash equivalents	**(223.56)**	**(5,144.48)**
	Cash and cash equivalents at the beginning of the year	3,802.32	8,946.80
	Cash and cash equivalents as at year end	**3,578.76**	**3,802.32**

	Particulars	March 31, 2022 Rs. In Lakhs	March 31, 2021 Rs. In Lakhs
	Cash and cash equivalents		
a)	Balances with banks		
	- in current accounts	3,061.05	2,893.97
b)	Cash on hand	235.75	383.37
c)	Cheques in hand	245.99	522.79
d)	Cheques and Funds in Transit	34.66	0.11
e)	Stamps on Hand	1.31	2.08
	Cash and cash equivalents at year end	**3,578.76**	**3,802.32**

Change in Liability arising from Financing Activities

Particulars	1st April, 2021	Cash flows of (Repayment) / Proceeds of Loan	Non cash changes	31st March, 2022
Non current borrowings - including current maturities (refer note 19)	3,20,663.28	(45,383.36)	31,983.68	3,07,263.60
Current Borrowings (refer note 24)	23,839.44	(5,448.84)	-	18,390.60

Note: The Cash flow statement is prepared under the indirect method in accordance with IND AS 7: Statement of Cash Flows
Significant accounting policies and notes attached form an integral part of the financial statements

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Statement of changes in equity for the year ended March 31, 2022

A. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid (refer note 16)	**Number**	Rs. In Lakhs
At 31 March 2020	**1,11,49,56,104.00**	**1,11,495.61**
Issued during the year	39,48,40,000.00	39,484.00
At 31 March 2021	**1,50,97,96,104.00**	**1,50,979.61**
Issued during the year	13,03,67,300.00	13,036.73
At 31 March 2022	**1,64,01,63,404.00**	**1,64,016.34**

B. Other Equity

Attributable to the equity holders of the Company

Rs. In Lakhs

Particulars	**Share Application Money Pending Allotment**	**Reserves and Surplus**			**Items of OCI**		**Total other equity (A+B)**
		Reserve for Material Cost variance	**Retained Earnings**	**Total (A)**	**Revaluation Reserve of PPE**	**Total (B)**	
Total comprehensive income as at March 31 2020	**39,502.75**	**4,495.22**	**(1,99,502.66)**	**(1,55,504.69)**	**68,419.55**	**68,419.55**	**(87,085.14)**
Add/(Less): Loss for the year	-	-	(1,11,668.72)	(1,11,668.72)	-	-	(1,11,668.71)
Add/(Less): Revaluation of Land (net of deferred tax)	-	-	-	-	5,183.76	5,183.76	5,183.76
Add: Addditions during the year	-	(218.14)	-	(218.14)	-	-	(218.14)
Add: Share application money received	11,223.53	-	-	11,223.53	-	-	11,223.53
Add/(Less): Allotment of shares	(39,484.00)	-	-	(39,484.00)	-	-	(39,484.00)
Add: Other comprehensive income (net of deferred tax)	-	-	(93.70)	(93.70)	-	-	(93.70)
Total comprehensive income as at March 31 2021	**11,242.28**	**4,277.08**	**(3,11,265.08)**	**(2,95,745.72)**	**73,603.31**	**73,603.31**	**(2,22,142.41)**
Add/(Less): Loss for the year	-	-	1,111.66	1,111.66	-	-	1,111.66
Add/(Less): Revaluation of Land (net of deferred tax)	-	-	-	-	(79.54)	(79.54)	(79.54)
Add: Share application money received	2,780.10	(2,800.45)	-	(20.35)	-	-	(20.35)
Add/(Less): Allotment of shares	(13,036.73)	-	-	(13,036.73)	-	-	(13,036.73)
Add: Other comprehensive income (net of deferred tax)	-	-	12.59	12.59	-	-	12.59
Total comprehensive income as at March 31 2022	**985.65**	**1,476.63**	**(3,10,140.83)**	**(3,07,678.55)**	**73,523.77**	**73,523.77**	**(2,34,154.78)**

Summary of significant accounting policies Note 2
The accompanying notes are an integral part of the financial statements.

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Company Secretary
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Date:

NOTES TO FINANCIAL STATEMENTS

Note - 1 : Corporate information

Gulbarga Electricity Supply Company Ltd ('GESCOM' or 'the company') is a premier power distribution Company in the state of Karnataka and wholly owned undertaking of Government of Karnataka. The Company is engaged in distribution of Power in Seven Revenue districts of Karnataka, namely Bidar, Gulbarga, Yadgir, Raichur, Bellary, Vijayanagar and Koppal The Company is registered under the provisions of the Companies Act, 1956. The Company is a distribution licensee under Section 14 of the Electricity Act, 2003. It is domiciled and incorporated in India having its registered office at Station Road, Gulbarga, Karnataka - 585 102.

Earlier, the power sector in the state of Karnataka was serviced by Karnataka Electricity Board. In the year 1999, the State Government initiated the reforms process of the power sector to meet the needs of the burgeoning economy. As a first step, in 1999, the Karnataka Electricity Board was bifurcated into two companies, viz. Karnataka Power Transmission Corporation Limited (KPTCL) and Vishweswaraiah Vidyut Nigama Limited (VVNL). The Karnataka Electricity Regulatory Commission (KERC) was also setup in 1999. In the subsequent stage of reforms, the transmission and distribution activities carried out by KPTCL were unbundled and four power distribution companies were formed in June, 2002. GESCOM is one of the companies thus formed, with its headquarters at Gulbarga.

Note - 2 : Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under historical cost convention and on accrual basis of accounting except as otherwise provided in the policy and in accordance with the provisions of the Electricity Supply Annual Accounts Rules 1985 (ESAAR) as well as those to comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter ("the Rules") and the provisions of the Electricity Act, 2003 to the extent applicable.

All items having a material bearing on the financial statements are recognized on accrual basis except the following:
- Grants and subsidies from Government in respect of capital assets, which are accounted on actual receipt basis; and
- Interest on delayed payment to power producers, which are accounted for as and when intimated by them.
- Penalties & Damages recoveries from contractors and vendors are recognised as Income as and when recovered.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at revalued amount:
- Land and rights classified as property, plant and equipment

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.

The Company has applied the following standards and amendments for the first time for their reporting period commencing 1st April 2018:
- Ind AS 115, Revenue from Contracts with Customers
- Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B, Foreign Currency Translations and Advance consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 12, Income Taxes

On assessment, the Company determines that there are no impacts on the financial statements for above standards and amendments.

The financial statements are presented in Lacs and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Use of Estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment, employee benefit obligations, provision for income tax, Regulatory Deferral Account balance and measurement of deferred tax.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

> Expected to be realised or intended to be sold or consumed in normal operating cycle.
> Expected to be realised within twelve months after the reporting period, or
> Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

> It is expected to be settled in normal operating cycle.
> It is due to be settled within twelve months after the reporting period, or
> There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Property Plant & Equipment ("PPE")

The company has elected to continue with the carrying value for all of its property, plant and equipment except land and rights as recognised in the previous GAAP financial statements as at the date of transition to Ind AS; measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with the relevant Ind AS, since there is no change in functional currency.

Property, Plant and Equipment except land and rights are stated at cost, net of accumulated depreciation and impairment loss, if any. Such cost comprises purchase price, non-refundable taxes and duties, borrowing costs on qualifying assets and any cost directly attributable to bring the asset into location and condition necessary for it to be capable of operating in the manner intended by the management. It does not include any estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Land and rights are measured at fair value recognised at the date of revaluation. Valuation of the land was made as on transition date of 1 April 2016 and company has performed valuation as on 31 March 2021 with sufficient frequency at every five years to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve

The company depreciates property, plant & equipment using straight line method and depreciation is charged at the rate approved in KERC Tariff Order 2009 dated 25th November 2009. The company does not charge depreciation as per the rates prescribed under the Schedule II of the companies Act, 2013. Depreciation on additions of assets is provided on pro-rata basis from the month immediately following the one in which the assets become available for use. In case there is a revision in the rates prescribed and notified by the KERC, the company applies the revised rates prospectively from the date of change notified by the KERC. The residual value of all the assets is taken at 10% as per KERC guidelines as against 5% as per Companies act 2013.
In case of Computer software & IT equipment, the Company follows rate of depreciation as notified in CERC since no relevant rates are present in KERC guidelines

The useful lives used are as below:

Assets	Useful life
Buildings	15 years to 50 years
Other Civil Works	50 years
Roads	50 years
Plant & Machinery	5 years to 25 years
Computer Software's	5 years to 7 years
Lines & Cable networks	15 years to 50 years
Motor Vehicle	5 years
Furniture & Fixtures	15 years
Office Equipment's	15 years
Solar Roof top	25 years

The Company believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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.

Assets not in use and released assets are accounted at Written Down Value on the month of release and treated as inventory.

Scrapped assets are accounted at the residual value i.e., at 10% of the original cost of the asset and treated as Inventory

The transformers released during the year are removed from assets account only after they are returned to stores.

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.

Advance paid towards the acquisition of property, plant & equipment outstanding at each Balance sheet date is classified as capital advance under Other Non-current Assets. Subsequent costs on renovation and modernization of fixed assets resulting in increased life and/ or efficiency of an existing asset is added to the cost of related assets or recognized as a separate asset as appropriate when it is probable that future economic benefits will flow to the company.

2.5 Capital work in progress

Materials issued to Capital Work in Progress are valued at standard rate (as per rates prescribed under Common Schedule of Rates. 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. Contracts are capitalized on receipt of final completion report or technical commissioning reports.

2.6 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives i.e. period of agreement or license term. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible Assets under development represent amount paid towards development of software intended for future use and will be capitalized on receipt of completion/commissioning. These are valued at cost.

2.7 Grants and subsidies

Revenue Grants

Revenue grants/Tariff subsidies from the government and other agencies are recognized as income only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received.

Capital Grants & Contributions towards Capital Expenditures

Grants/subsidies received from the government or other authorities towards capital expenditure as well as consumers' contribution to capital works are treated initially under deferred income and taken to income based on the depreciation that is charged to the class of asset for which such Grants/subsidies are received.

2.8 Impairment of Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

2.9 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Revenue recognition

The revenue is recognised based on basis of following five step process:

> Identify the contracts with the customer: The contract may be oral or written.

> Identify the performance obligation: Performance obligation is nothing but promise made by the Company to its customer for delivery of goods or services.

> Determine the transaction price

> Allocate the transaction price to the performance obligation

> Recognise the revenue when or as the Company satisfied the performance obligation: Revenue is recognised either at point in time or over a time

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of power

Sale of power is accounted on accrual basis at the tariff rates approved by the Karnataka Electricity Regulatory Commission (KERC). Revenue dues from consumers whose ledger accounts are yet to be opened are accounted on an estimated basis. The company accounts revenue net of electricity taxes in its statement of profit and loss.
Revenue for the year is adjusted by estimating un-billed revenue demand appropriately

Provision for unbilled revenue 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 April. In respect of HT installations, the bills issued with regard to consumption during the month of March are taken into account.

Tariff/rural Subsidy from government

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 up to 40 units per installations per month and IP Set Category up to and inclusive of 10 HP.

Interest on delay in execution of work

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.

Interest income:

Interest income is accrued on time proportionate basis and in respect of overdue bills on crystallisation.
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Penalties and damages

Penalties & Damages recoveries from contractors and vendors are recognised as Income as and when recovered.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.11 Regulatory Asset/Liability

Regulatory asset is recognized when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator, Karnataka Electricity Regulatory Commission (KERC) under the applicable regulatory framework and the amount can be measured reliably.

The probable quantum of deferred asset/liability for the current FY which is expected to flow to the entity as a result of the actual or expected actions passed by the KERC while assessing Annual Performance Review of the concerned Financial year filed along with Annual Revenue Requirement of different years is recognized as Regulatory Asset/Liability on accrual basis, but limiting the quantum of Regulatory Asset recognition to such extent that, the profit for the year does not exceed the Return on Equity determined by KERC in tariff proposal filed in the previous year

2.12 Impairment of Trade Receivables

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company has used a practically expedient method as permitted under Ind AS 109. This expected credit loss allowance is computed based on a general provision for doubtful debts of 4% of the outstanding trade receivables as at the end of the reporting period. In the case of HT installations, case-to-case review will be made and if the doubtful amount exceeds the provision at 4%, the amount of such excess will be additionally provided.

In respect of IP Set Installations dues :

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.

2.13 Employee Benefits:

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Long term employee benefits comprising of earned leave scheme and family benefit fund are recognized based on the present value of defined benefit obligation and computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period and same is recognised in Profit and Loss statement and other comprehensive income in case of family benefit fund.

Post employment benefits:

Defined contribution plans

Employee benefit under defined contribution plans comprising of pension fund and gratuity fund for employees enrolled on or after 01.04.2006 are recognized based on the amount of obligation of the Company to contribute to the plan (Which is 10% of the Basic Pay + Dearness pay + Dearness Allowance with matching contribution of employees up to 31.03.2019. However, w.e.f 01.04.2019 the employer contribution rate has been enhanced to 14%). The Same is paid to KPTCL/ESCOMs New Defined Contribution Pension Scheme Trust and expensed during the year through Profit & Loss Statement.

In respect of employees who have joined GESCOM before 1.4.2006, provision for contribution to KPTCL/ESCOMs Pension & Gratuity Trust is made on the formula evolved by the Trust based on the actuarial valuation undertaken by KPTCL/ESCOMs' Pension & Gratuity Trust. Any revision in contribution rates due to actuarial valuation by the Trust is accounted in the year of intimation by the Trust to the company. (Current Contribution Rates)

a. Pension : 65.37% of (Basic Pay + Dearness pay + Dearness Allowance)
b. Gratuity : 7.53% of (Basic Pay + Dearness pay)

As the company contribution is collected and administered by the trust and contribution paid on a pay as you go basis, the same has been treated as a Defined Contribution Plan in accordance with Ind AS 19.

The company has not made any provision on actuarial valuation for above defined contribution plan.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company.
A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Company does not recognise a contingent liability but only makes disclosures for the same in the financial statements when the company has:

> a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
> present obligation arising from past events, when no reliable estimate is possible; or
> a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent liabilities are reviewed at each Balance Sheet date.

Contingent assets are disclosed in the financial statements by way of notes to accounts when inflow of economic benefits is probable

2.16 Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

> When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
> In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, effects neither the accounting profit nor taxable profit or loss.
> In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternative Tax (MAT) is recognised to the extent payable as current tax and simultaneously credit is taken in the Statement of Profit & Loss to the extent it can be measured and is likely to give future benefits in the form of set off against future income tax liability.

Company has not recognised any of the deferred tax asset for brought forward losses; MAT credit; expenses which are allowed on actual payment basis etc.

2.17 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
> Debt instruments at amortised cost
> Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
> Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans, trade receivables, cash and cash equivalents, other bank balances and other financial assets. For more information on receivables, refer note 6, 10, 11, 12 and 13.

Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L

The investment in equity instrument has been carried at cost in financial and has not been fair valued as at reporting date.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, loans, trade receivables, bank balance and other financial assets.
ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;
iii) Loan commitments which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on
- Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instrument is described below:
- ECL on financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss; loans and borrowings; payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.18 Leases
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Inventories

Inventories are valued at Standard Rate (as per rates prescribed under " Common Schedule of Rates" . The Schedule of Rates/Common Schedule of rates is determined on the basis of previous purchase price and prevailing market rates).

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.

These are valued at lower of cost and net realizable value. Cost includes all costs of purchases, non-refundable taxes and duties and all other costs incurred for bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

2.20 Material cost variance account

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.

The variation in purchase price over the Standard Rate is credited/ debited to the "Material Cost Variance account".

The balance in the "Material Cost Variance Account" at the year end will be treated as follows:

> Credit balance is credited to a reserve called 'Reserve Material Cost Variance'.

> 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.

2.21 Segment reporting

The Company is engaged in the activity of distribution of electricity.

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment. The Company operates majorly in single geographical segment, i.e. India and having immaterial export transactions. Accordingly, the chief operating decision maker uses this set of financial for decision making.

2.22 Earning per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to consider :

> The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

> The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.23 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.24 Fair value measurement

The Company measures financial instruments such as investment at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or

> In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (note 50)

Quantitative disclosures of fair value measurement hierarchy (note 44)

Financial instruments (including those carried at amortised cost) (note 6,10,11,12,13,18,19,23,24,25)

2.25 Power purchase

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

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

2.26 Recent Accounting Pronouncements:

Standards issued but not effective

Exposure draft on amendments to following standards have been issued by the Institute of Chartered Accountants of India:

1. Ind AS 40, "Investment Property"
2. Ind AS 1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
3. Ind AS 103, "Business Combinations"
4. Ind AS 109, "Financial Instruments" and Ind AS 107, "Financial Instruments: Disclosure"

However, such exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April 2020 as at the date of approval of these financial statements.

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

3(i). Property plant and equipment:

Tangible assets

Rs. In Lakhs

Gross block	Land & Rights	Buildings	Hydraulic Works	Other Civil Works	Plant & Machinery	Lines Cable Networks	Motor vehicles	Furniture and fittings	Office Equipments	Total
Balance as at 31 March 2020	**89,445.17**	**9,896.72**	**666.33**	**451.38**	**79,881.37**	**3,86,127.33**	**671.75**	**694.90**	**745.02**	**5,68,579.97**
Additions	4.58	1,575.54	47.51	61.21	12,875.38	46,295.82	64.58	100.99	19.11	61,044.72
Revaluation surplus (refer note c below)	6,962.67	-	-	-	-	-	-	-	-	6,962.67
Disposals	-	-	-	-	9,308.29	459.67	-	-	-	9,767.96
Balance as at 31 March 2021	**96,412.42**	**11,472.26**	**713.84**	**512.59**	**83,448.46**	**4,31,963.48**	**736.33**	**795.89**	**764.13**	**6,26,819.40**
Additions	16.75	1,674.54	57.64	138.18	12,725.40	29,334.98	-	99.19	7.71	44,054.39
Disposals	-	-	-	-	11,273.16	181.31	6.30	0.58	-	11,461.35
Balance as at 31 March 2022	**96,429.17**	**13,146.80**	**771.48**	**650.77**	**84,900.70**	**4,61,117.15**	**730.03**	**894.50**	**771.84**	**6,59,412.44**
Accumulated depreciation										
Balance as at 31 March 2020	**-**	**1,872.75**	**278.16**	**87.48**	**20,537.01**	**1,36,015.37**	**438.68**	**335.12**	**306.63**	**1,59,871.20**
Depreciation charge for the year	-	356.02	34.30	16.41	3,786.44	20,084.20	37.02	36.02	41.36	24,391.77
Disposals	-	-	-	-	1,938.48	311.45	-	-	-	2,249.93
Balance as at 31 March 2021	**-**	**2,228.77**	**312.46**	**103.89**	**22,384.97**	**1,55,788.12**	**475.70**	**371.14**	**347.99**	**1,82,013.04**
Depreciation charge for the year	-	403.60	35.47	18.68	4,196.35	21,680.80	36.36	40.87	40.05	26,452.18
Disposals	-	-	-	-	2,342.38	104.57	5.67	-	-	2,452.62
Balance as at 31 March 2022	**-**	**2,632.37**	**347.93**	**122.57**	**24,238.94**	**1,77,364.35**	**506.39**	**412.01**	**388.04**	**2,06,012.60**
Net block										
Balance as at 31 March 2020	89,445.17	8,023.97	388.17	363.90	59,344.36	2,50,111.96	233.07	359.78	438.39	4,08,708.77
Balance as at 31 March 2021	**96,412.42**	**9,243.49**	**401.38**	**408.70**	**61,063.49**	**2,76,175.36**	**260.63**	**424.75**	**416.14**	**4,44,806.36**
Balance as at 31 March 2022	**96,429.17**	**10,514.43**	**423.55**	**528.20**	**60,661.76**	**2,83,752.80**	**223.64**	**482.49**	**383.80**	**4,53,399.84**

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3(ii) Right of Use assets Rs. In Lakhs

Gross block	Land	Total
Balance as at 31 March 2020	**219.17**	**219.17**
Additions	-	-
Withdrawals	-	-
Balance as at 31 March 2021	**219.17**	**219.17**
Additions	-	-
Withdrawals	-	-
Balance as at 31 March 2022	**219.17**	**219.17**
Accumulated amortisation		
Balance as at 31 March 2020	**7.72**	**7.72**
Depreciation charge for the year	7.70	7.70
Reclassifications	-	-
Withdrawals	-	-
Balance as at 31 March 2021	**15.42**	**15.42**
Depreciation charge for the year	7.70	7.70
Reclassifications	-	-
Withdrawals	-	-
Balance as at 31 March 2022	**23.12**	**23.12**
Net block		
Balance as at 31 March 2020	**211.45**	**211.45**
Balance as at 31 March 2021	**203.75**	**203.75**
Balance as at 31 March 2022	**196.05**	**196.05**

3(iii) Intangible assets Rs. In Lakhs

Gross block	Softwares	Total
Balance as at 31 March 2020	**622.19**	**622.19**
Additions	213.94	213.94
Withdrawals	-	-
Balance as at 31 March 2021	**836.13**	**836.13**
Additions	35.85	35.85
Withdrawals	-	-
Balance as at 31 March 2022	**871.98**	**871.98**
Accumulated amortisation		
Balance as at 31 March 2020	**226.56**	**226.56**
Depreciation charge for the year	82.48	82.48
Withdrawals	-	-
Balance as at 31 March 2021	**309.04**	**309.04**
Depreciation charge for the year	107.65	107.65
Withdrawals	-	-
Balance as at 31 March 2022	**416.69**	**416.69**
Net block		
Balance as at 31 March 2020	**395.63**	**395.63**
Balance as at 31 March 2021	**527.09**	**527.09**
Balance as at 31 March 2022	**455.29**	**455.29**

a) Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2022 with respect to PPE was Nil (31 March 2021: Rs. 469.32 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.00% to 12%, which is the effective interest rate of specific borrowing. The borrowing cost capitalised for assets under construction (CWIP) for the year ended March 31, 2022 was Nil (31 March 2021: Nil). Below table explains the same.

Rs. In Lakhs

Particulars	31-Mar-22	31-Mar-21
Capitalisation of Interest:		
Opening Balance	**5,537.18**	**5,067.86**
Add: For the year		
Included in PPE	-	469.32
Included in CWIP	-	-
Closing Balance	**5,537.18**	**5,537.18**

b) Plant and equipment contributed by customers/grants

The Company recognises as PPE any contribution made by its consumers to be utilised in the process of providing services and that meets the definition of an asset. The initial gross amount is estmated at fair value by reference to the market price of these assets on the date in which control is obtained. Deferred income liability is created for such contribution received from customers. Deferred income is released to statement of profit and loss account under other income in proportionate to the depreciation on PPE for the year.

Assets created out of capital grants are included in PPE and a curresponding deferred income liability is created for such capital grants received. Deferred income is released to statement of profit and loss account under other income in proportionate to the depreciation on PPE for the year. (refer note 21 for grants and consumer contributed assets)

Refer table below for the amounts included in above PPE by way of capitalisation of assets by way of consumer contribution/grants/deposit contribution works:

Rs. In Lakhs

Particulars	31-Mar-22	31-Mar-21
Opening Balance	**1,22,969.43**	**1,14,922.25**
Add: For the year	15,429.35	8,047.18
Closing Balance	**1,38,398.78**	**1,22,969.43**

Assets created out of Consumer Contribution/Grants / Deposit Contribution Works vests with Company. Accumulated Depreciation attributable for these assets is not ascertainable and hence the release of deferred income to statement of profit and loss account is made on basis of proportionate of depreciation of overall PPE.

c) Revaluation of land

The revalued land and buildings consist of lands owned by company in India. The management determined that these constitute one class of asset under Ind AS 16, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition the specific property. As at the date of revaluation April 01, 2016, the properties' fair values are based on valuations performed by M/s Vaibhav Associates an accredited independent valuer who has relevant valuation experience for similar properties in India for the last five years. Further as on March 31, 2021, the valuation is performed by M/s Vaibhav Associates and curresponding net increase in the revaluation has been accounted for as revaluation reserve of PPE in other equity. The revaluation surplus has been routed through other comprehensive income net of taxes. 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's to the towns/cities and availability of similar kind of properties as duly assessed in the active markets.

Fair value hierarchy disclosures for revalued land have been provided in Note 45.

Significant unobservable valuation input:	**Range**
Significant increases/ (decreases) in estimated price per square metre in isolation would result in a significantly higher/ (lower) fair value.	

Information of revaluation model:

	Rs. In Lakhs
Balance as at 31 March 2020	**89,445.17**
Level 3 re-measurement recognised in asset revaluation reserves (31 March 2021) (Note 50)	**6,962.67**
Purchases#	4.58
Deletion	-
Balance as at 31 March 2021	**96,412.42**
Purchases#	16.75
Deletion	-
Balance as at 31 March 2022	**96,429.17**

Purchases includes

If land and rights were measured using the cost model. The carrying amounts would be as follows:

Net book value	**31-Mar-22**	**31-Mar-21**
Cost	749.10	744.52
Addition	16.75	4.58
Net carrying amount	**765.85**	**749.10**

d) The title deeds of some of the properties transferred to the Company from KPTCL are being obtained/ built up.

e) 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.

f) 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.

g) Carrying amount of property plant equipment pledged as security for borrowings is Rs. 16,500.00 Lakhs

h) The title deeds in respect of some of the land & building and vehicles transferred from M/s KPTCL to the Company consequent to unbundling of distribution operation are not held in the name of the Company.

Details of the immovable property whose Title deeds are not held by the Company

Description of The Asset	Gross Carrying Value (Rs. In Lakhs)	Held in the Name of
1. Substation Premises, Janawada, Bidar	171.67	KIADB
2. Substation Premises, Kherda, Aurad	46.30	Private Land Owner
3. 33KV Station Land at Nittur(B), Bhalki	24.85	Minor Irrigation Department
4. 33/11KV Sub-Station & Office premises Hudgi	1,098.50	Private Land Owner

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
4 Capital Work In Progress:		
a) Capital work in progress - PPE	16,016.56	20,181.81
b) Capital Advances	15,559.50	19,687.49
	31,576.06	**39,869.30**

Refer note 3(a) for interest cost capitalised.
Capital work in progress as at year end comprises expenditure for the plant and machinery in the course of construction.

a. Ageing for CWIP

Particulars	As at March 31, 2022	As at March 31, 2021
1. Projects in Progress		
Less than 1 year	8,767.43	10,239.88
1 - 2 years	5,120.47	6,934.86
2 - 3 years	1,699.76	2,375.21
More than 3 years	428.90	499.94
2. Projects temporarily suspended		
Less than 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	131.92
	16,016.56	20,181.81

b. Completion Schedule for Projects Overdue or Exceeded Cost Estimate

Particulars	As at March 31, 2022	As at March 31, 2021
1. Scada Work		
To be Completed in		
Less than 1 year		
1 - 2 years		
2 - 3 years		
More than 3 years	-	131.92

Particulars	As at March 31, 2022	As at March 31, 2021
5 Intangible Assets under development:		
a) Computer Software	-	-
	-	**-**

6 Financial Assets

i) **Non current investments:**

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a) Investments in equity Instruments:		
1) Unquoted equity shares (fully paid) (other than traded)		
Invested in M/s Power Company of Karnataka Limited (100 Shares - Rs. 1000/Share)	1.00	1.00
Total	**1.00**	**1.00**

Investment in equity instrument shown above is not fair valued as on reporting dates. Accordingly the investment values are carried at cost.

ii) **Non Current Loans***

Particulars	As at March 31, 2022	As at March 31, 2021
	-	-
	-	-

* Security Depsoits were previously Grouped under Non-Current Loans (Note 6(ii)) is now grouped under Other financial assets (Note 6(iii))

iii) **Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Security deposits (unsecured, considered good)*	2,294.34	2,249.88
Total	**2,294.34**	**2,249.88**

Breakup of security details

Particulars	As at March 31, 2022	As at March 31, 2021
- Other financial assets considered good- Secured	-	-
- Other financial assets considered good- Unsecured	2,294.34	2,249.88
- Other financial assets which have significant increase in credit risk	-	-
- Other financial assets - credit impaired	-	-
Total	**2,294.34**	**2,249.88**
Total Non Current Financial assets	**2,295.34**	**2,250.88**

* Security Depsoits were previously Grouped under Non-Current Loans (Note 6(ii)) is now grouped under Other financial assets (Note 6(iii))

Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
7 Deferred tax Liability (Net):		
a) Deferred tax liability:		
i) On account of depreciation on fixed assets (other than land)	50,431.16	49,020.68
ii) On account of revaluation of land	22,097.59	22,018.06
Total	**72,528.75**	**71,038.74**
b) Deferred tax asset:		
i) On account of depreciation on fixed assets (other than land)	-	-
ii) FBF	265.35	258.22
iii) Leave balance	3,769.55	3,100.66
iv) Bonus/Commission to employees	17.47	2.80
v) Government grant	18,733.57	16,653.64
vi) Consumer contributed asset	18,298.01	17,694.01
vii) Other government grant	3,268.24	-
viii) Provision for doubtful debts	19,682.95	17,884.42
Total	**64,035.14**	**55,593.75**
Net Deferred tax liability/(asset)	**8,493.61**	**15,444.99**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	(5,924.96)	(1,12,608.18)
Accounting profit before income tax	**(5,924.96)**	**(1,12,608.18)**
Deferred tax credit to statement of profit and loss at 31.20%	**(1,848.59)**	**(35,133.75)**
Adjustments in respect of current income tax of previous years		
Disallowances under section 37	1,124.17	18.97
Deferred tax asset not recognised on following items on virtual certainity basis:		
Unabsorbed Depreciation	(37,151.87)	(9,587.53)
Business Loss	(47,137.67)	(28,545.95)
Impact of previous year adjustments	-	-
Deferred tax income recognised in statement of profit and loss	(7,036.63)	(939.46)
Others	88,353.41	3,920.22
Total	**(1,848.59)**	**(35,133.75)**
Difference	-	-

8 Other non current assets:*		
(unsecured and considered good)		
Total	-	-

* Current Tax Assets were grouped under Other Non Current Assets(Note 8) previously is now grouped as separate line note in Balance sheet under Current Assets.

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	Particulars	As at March 31, 2022	As at March 31, 2021
		Rs. In Lakhs	Rs. In Lakhs
9	**Inventories:**		
	Stocks, spares and loose tools		
a)	Materials lying at Stores	10,907.16	9,754.93
b)	Materials with Contractors	62.00	61.38
c)	Materials with Employees	796.46	584.59
d)	Obsolete/ Scrapped Assets	215.41	224.25
e)	WDV of Faulty/Dismantled Assets	5,366.29	6,009.40
		17,347.32	**16,634.55**
10	**Unbilled Revenue:**		
	Unbilled Revenue*	37,599.15	29,489.00
		37,599.15	**29,489.00**

The break up of the unbilled revenue is given below:

	As at March 31, 2022	As at March 31, 2021
Opening Balance	**29,489.00**	**27,370.62**
Add: Provision for unbilled revenue during the year	37,599.15	29,489.00
Less: Provision for unbilled revenue reversed during the year	29,489.00	27,370.62
Closing Balance	**37,599.15**	**29,489.00**

*Unbilled Revenue has increased to an extent of Rs.33.43 Crs during FY21-22 due to consideration of 50% of the demand raised in the month of April instead of March in respect of LT Installations as it is regarded to be more rational for ascertainment of Provision towards Unbilled Revenue.

		As at March 31, 2022	As at March 31, 2021
11	**Trade receivables:**		
a)	Trade receivables	2,38,626.42	2,17,099.75
b)	Receivables from related parties	-	-
		2,38,626.42	**2,17,099.75**
	Total	**2,38,626.42**	**2,17,099.75**
	Break-up for security details:		
	- Trade recievables considered good- Secured	74,301.73	70,268.01
	- Trade recievables considered good- Unsecured (including doubtful)	1,64,324.69	1,46,831.74
	- Trade recievables which have significant increase in credit risk		-
	- Trade recievables- credit impaired		-
	Total	**2,38,626.42**	**2,17,099.75**
	Loss allowance ($)	63,086.38	57,321.85
	Total Trade receivables	**1,75,540.04**	**1,59,777.90**

($) 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. 630.86 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 outs Rs. 27.88 Crs and 10% provision is created on IP set Dues outstanding for more than 2 years which works out to Rs.465.64 Crores. On the Balance Debtors, 4% provision is made.

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. In Lakhs	Rs. In Lakhs

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows:

Outstanding for following periods from due date of payment	Undisputed trade receivables			Disputed trade receivable
	Considered good	significant increase in credit risk	credit impaired	
Not due	-	-	-	-
Less than 6 months	75,940.02	-	-	-
6 months -1 Year	25,329.50	-	-	-
1-2 Years	46,126.70	-	-	-
2-3 Years	12,214.46	-	-	-
More than 3 years	64,755.74	-	-	14,260.00
Total	2,24,366.42	-	-	14,260.00
Total	**2,38,626.42**			
Less: Allowance	63,086.38			
Total Trade Receivables as on 31.03.2022	**1,75,540.04**			

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows:

Outstanding for following periods from due date of payment	Undisputed trade receivables			Disputed trade receivable
	Considered good	significant increase in credit risk	credit impaired	
Not due	-	-	-	-
Less than 6 months	71,876.56	-	-	-
6 months -1 Year	23,063.00	-	-	-
1-2 Years	46,166.41	-	-	-
2-3 Years	-	-	-	-
More than 3 years	64,927.41	-	-	11,066.37
Total	2,06,033.38	-	-	11,066.37
Total	**2,17,099.75**			
Less: Allowance	57,321.85			
Total Trade Receivables as on 31.03.2021	**1,59,777.90**			

Particulars	As at March 31, 2022	As at March 31, 2021
12 Cash and Bank Balances		
12 (i) Cash and Cash Equivalents *		
Balance with Banks		
Current accounts	3,061.05	2,893.97
Deposits with original maturity of less than three months		-
Cash on hand	235.75	383.38
Cheques in hand	245.99	522.78
Cheques and Funds in Transit	34.66	0.11
Stamps on Hand	1.31	2.08
Total cash and cash equivalents	**3,578.76**	**3,802.32**
12 (ii) Other bank balances		
Deposits with remaining maturity for less than 12 months (other commitments#)	1,774.87	3,443.08
Balances with banks to the extent held as margin money** or security against the borrowings, guarantees)	6,240.99	3,267.86
Total other bank balances	**8,015.86**	**6,710.94**
Total cash and bank balances	**11,594.62**	**10,513.26**

** Margin money are given as against LC's obtained from Banks in favour of Power Generators as per the terms of PPA.
# other commitments includes the fixed deposits kept by the Company for the grants unutilised being released by government on dated 10 Dec 2015.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks		
Current accounts	3,061.05	2,893.97
Deposits with original maturity of less than three months	-	-
Cash on hand	235.75	383.38
Cheques and Funds in Transit	34.66	0.11
Stamps on Hand	1.31	2.08
	3,332.77	**3,279.54**

	Particulars	As at March 31, 2022	As at March 31, 2021
		Rs. In Lakhs	Rs. In Lakhs
13	**Other Financial Assets:**		
a)	Receivable from entities under common control (KPTCL/ESCOMS/PCKL)	1,55,656.34	1,26,245.41
b)	Receivable from Power Generators	2,259.69	2,636.54
c)	Receivable from Pension/Gratuity Trust	1,111.84	917.44
d)	Receivable from beneficiaries of Solar Lantern	-	166.75
e)	Income accrued and not due	120.26	123.63
f)	Rural Electrification Subsidy	3,050.88	3,050.88
g)	Tariff Subsidy*	43,840.46	1,17,610.38
h)	RDPR Dues	-	-
i)	Receivable from GoK - MSME Demand/Fixed Charges waived off During Covid -19	1,094.51	809.08
	Total	**2,07,133.98**	**2,51,560.11**
	Break-up for security details:		
	- other financial assets considered good- Secured	-	-
	- other financial assets considered good- Unsecured (including doubtful)	2,07,133.98	2,51,560.11
	- other financial assets which have significant increase in credit risk	-	-
	- other financial assets credit impaired	-	-
	Total	**2,07,133.98**	**2,51,560.11**
	Loss allowance	-	-
	Total other financial asset	**2,07,133.98**	**2,51,560.11**
	Total current financial assets	**4,31,867.79**	**4,51,340.27**

Break up of financial assets carried at amortised cost

Particualrs	As at March 31, 2022	As at March 31, 2021
Loans (note 6(ii))	-	-
Unbilled revenue (note 10)	37,599.15	29,489.00
Trade receivables (note 11)	1,75,540.04	1,59,777.90
Cash and Cash equivalents (note 12)	3,578.76	3,802.32
Other bank balances (note 12)	8,015.86	6,710.94
Other financial assets (note 13)	2,07,133.98	2,51,560.11
Total financial assets carried at amortised cost	**4,31,867.79**	**4,51,340.27**

* GoK in their order G.O No. **Energy/123/PSR/2022/Bangalore dated 11.03.2022** as instructed All ESCOM's to Writeoff Subsidy arrears as on 31.03.2022 available in the books of accounts. GESCOM Vide letter No. **CFO/CA/DCA(A/c's)/2022-23/12498 dated 07.06.2022** has Corresponded to GoK regarding adverse impact on the financial position of the company and requested to issue directions to not to Write-off the Subsidy. Further action will be initiated once the directions/instructions are communicated by GOK.

		As at March 31, 2022	As at March 31, 2021
14	**Current Tax Assets (net)**		
a)	Tax deducted at source (net of provision for income tax)	457.23	444.95
	Total	**457.23**	**444.95**

* Current Tax Assets were grouped under Other Non Current Assets(Note 8) previously is now grouped as separate line note in Balance sheet under Current Assets.

		As at March 31, 2022	As at March 31, 2021
15	**Other Current Assets:**		
a)	Prepaid Expenses	4.63	6.46
b)	Advance to employees	366.69	286.85
c)	Claims for loss/Damage to Capital Assets	10.75	10.75
	Total	**382.07**	**304.06**
16	**Regulatory Deferral Accounts:**		
	Regulatory Deferral Account - debit balances and related deferred tax		
	Regulatory Assets	8,921.50	26,643.14
	Regulatory Deferral Account	**8,921.50**	**26,643.14**

Rate Regulated Activities:

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

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

(ii) Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities as on March 31, 2022, and March 31, 2021 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Regulatory Assets (net)	26,643.15	77,049.27
Regulatory Income/(Expenses) during the year:		
(i) Power Purchase Cost	-	17,843.00
(ii) Reversal of earlier years income recognised	(17,721.65)	(68,249.12)
Closing Regulatory Assets (net)	**8,921.50**	**26,643.15**

(iii) Company offers the movement in regulatory deferral accounts to income tax as and when the same is accounted in books of accounts. Accordingly; Company has not recognised any deferred tax on regulatory deferral accounts as the accounting does not differ in the books of accounts and tax.

NOTES TO FINANCIAL STATEMENTS

	Particulars	As at March 31, 2022		As at March 31, 2021	
		Number	Rs. In Lakhs	Number	Rs. In Lakhs
17	**Share capital:**				
	Authorized:				
	Equity shares of ₹ 10/- each	2,00,00,00,000.00	2,00,000.00	2,00,00,00,000.00	2,00,000.00
		2,00,00,00,000.00	**2,00,000.00**	**2,00,00,00,000.00**	**2,00,000.00**
	Issued, subscribed and fully paid up:				
	Equity shares of ₹ 10/- each				
	At the beginning of the year	1,50,97,96,104.00	1,50,979.61	1,11,49,56,104.00	1,11,495.61
	Issued during the year				
	- by way of issue of fully paid up equity shares	13,03,67,300.00	13,036.73	39,48,40,000.00	39,484.00
	At the close of the year	**1,64,01,63,404.00**	**1,64,016.34**	**1,50,97,96,104.00**	**1,50,979.61**
	Total carried to Balance Sheet		**1,64,016.34**		**1,50,979.61**

Terms/rights attached to equity shares

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.

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

Particulars		As at March 31, 2022		As at March 31, 2021	
		Number	Percentage	Number	Percentage
(i)	Government of Karnataka	1,64,01,63,404.00	99.99%	1,50,97,96,104.00	99.99%

b Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars		Year ended	
		31 March 2022	31 March 2021
i)	Equity shares allotted as fully paid bonus shares by capitalization of securities premium or capital redemption reserve	Nil	Nil

c Disclosure of Shareholding of Promoters

	Shares held by promoters at the end of the year	31 March 22		
S.No.	Promoter name	No. of shares	% of total shares	% Change during the year
1	Governor of Karnataka, GoK	1,64,01,63,404	99.99%	No % Change

	Shares held by promoters at the end of the year	31-Mar-21		
S.No.	Promoter name	No. of shares	% of total shares	% Change during the year
1	Governor of Karnataka, GoK	1,50,97,96,104	99.99%	No % Change

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

18 Other Equity

a)	**Share Application Money Pending Allotment**	**Rs In Lakhs**
	At 31 March 2020	**39,502.75**
	Add: Share application money received	11,223.53
	Add/(less): Adjustment	-
	Less: Allotment of shares	(39,484.00)
	At 31 March 2021	**11,242.28**
	Add: Share application money received	2,780.10
	Add/(less): Adjustment	-
	Less: Allotment of shares	(13,036.73)
	At 31 March 2022	**985.65**

b)	**Reserve for Material Cost variance**	**Rs In Lakhs**
	At 31 March 2020	**4,495.22**
	Add: Addition during the year	(218.14)
	Less: Reversal of Depreciation/ withdrawal during the year	-
	At 31 March 2021	**4,277.08**
	Add: Addition during the year	(2,800.45)
	Less: Reversal of Depreciation/ withdrawal during the year	
	At 31 March 2022	**1,476.63**

		Rs In Lakhs
c)	**Retained Earnings**	**Rs In Lakhs**
	At 31 March 2020	**(1,99,502.66)**
	Less: Loss for the year	(1,11,668.72)
	Less: Other comprehensive income for the year	(93.70)
	At 31 March 2021	**(3,11,265.08)**
	Less: Loss for the year	1,111.66
	Less: Other comprehensive income for the year	12.59
	At 31 March 2022	**(3,10,140.83)**

d)	**Revaluation reserve on PPE**	**Rs In Lakhs**
	At 31 March 2020	**68,419.55**
	Add: Revaluation surplus of PPE	5,183.76
	Less: Reversal of revaluation reserve	-
	Less: Other comprehensive income for the year	-
	At 31 March 2021	**73,603.31**
	Add: Revaluation surplus of PPE	-
	Less: Reversal of revaluation reserve	(79.54)
	Less: Other comprehensive income for the year	
	At 31 March 2022	**73,523.77**
Total other equity		**(2,34,154.78)**

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
Non- Current Liabilities		
19 Borrowings:		
I) Secured loans:		
a. Loan from banks	1,69,973.29	1,69,999.26
b. Loan from Others	1,05,627.25	91,392.44
Less: Current maturities on loan from others	10,723.60	15,224.40
	2,64,876.94	**2,46,167.30**
II) Unsecured loans:		
a. Loan from banks	-	-
b. Loan from Others	42,512.30	74,621.62
Less: Current maturities on loan from others	125.64	125.64
	42,386.66	**74,495.98**
Total Borrowings	**3,07,263.60**	**3,20,663.28**

Additional information:

Secured Loans:

Sl no	Particulars	31-03-2022	31-03-2021
A	<u>**Term Loans from Others**</u>		
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, equipmetns, 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%)	**-** Loan Closed	**39.14**
2	**PFC - RAPDRP** Part A -The tenure of loan originally was 10 years from the date of disbursement including morotorium period of 3 years for both Principal and interest. Interest to be paid as notified by Ministery of Finance from time to time. 'Secured by way of hypotecation on the newly financed assests under the project as securities for loan. The Tenure of the loan is modified as 10 years with 5 years moratorium repayable in equal annual installments. (i.e.Moratorium period extended by two years). Interest rate is 11.50%. Part B- The Tenure of the loan is 20 years with 5 years moratorium. Repayable in equal annual installments starting from 2016. Interest rate is 11.50%.)	**2,868.34**	**4,313.15**
3	**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%)	15.02	45.06
4	**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 annnual installments starting from 2010. Rate of Interest is varying from 8.25% to 10.90%)	6,184.94	7,013.00

NOTES TO FINANCIAL STATEMENTS

	Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
5	**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%)	2,963.15	3,240.87
6	**Loan from Rural Electrification Corporation**	62,762.47	67,157.89
a	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%.		
b	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%.		
c	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%.		
d	REC-DDUGJY - Rs. 198.73 Crores - The Tenure of the loan is 13 years with 3 years moratorium. Repayable in 10 equal annual installments. Repayment starting from 2023. Interest rate is 9.75% to10.50 % p.a.)		
e	REC-IPDS - Rs. 73.37 Crores - The Tenure of the loan is 13 years with 3 years moratorium. Repayable in 10 equal annual installments. Repayment starting from 2023. Interest rate is 10.50 % p.a.)		
f	REC-Saubhagya - Rs. 47.55 Crores - The Tenure of the loan is 13 years with 3 years moratorium. Repayable in 10 equal annual installments. Repayment starting from 2023. Interest rate is 11.00 % p.a.)		
7	**Medium Term Loans from Rural Electrification Corporation** The payment of interest and repayment of principal would be secured by way of charge on materials/assets together with ESCROW cover as acceptable to REC for the loan. The Loan would be for a period of 36 months, repayable in 36 monthly instalments of principal along with the interest from the date of first disbursement without any moratorium period, the applicable Rate of interest is 11.25% (on monthly rest)	833.33	9,583.33
8	**Loans from Commercial Banks**	-	
	a) Bank Of India (Secured by State Govt, Guarantee. The tenure of the loan is ten years with three years moratorium. Repayable in 84 monthly installments commencing from 37th month from the date of first disbursement. Rate of Interest at one year MCLR prevalling on the date of first disbursement presently 7.35% p.a.)	99,974.45	99,999.65
	b) Punjab National Bank (Secured by State Govt, Guarantee. The tenure of the loan is ten years with three years moratorium. Repayable in 7 annual equal installments commencing from end of 4th year from the date of disbursement. Rate of Interest at one year MCLR+0.20% pa prevailing presently 7.55% p.a.)	49,998.84	49,999.61
	c) State Bank of India (Secured by State Govt, Guarantee. The tenure of the loan is ten years with three years moratorium. Repayable in 84 monthly installments commencing from 37th month from the date of first disbursement. Rate of Interest at 0.70% above 6 month MCLR {Present MCLRis 6.95% p.a. for year} applicable rate of Interest is 7.65% p.a.)	20,000.00	20,000.00

	Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
	d) State Bank of India (Secured by first charge on receivables. The tenure of the loan is 8 years including moratorium period of 1 years and 6 months. Repayable in 78 monthly installments commencing from 19th month from the date of first disbursement. Rate of Interest at 1.50% p.a. above MCLR {Present MCLRis 7.00% p.a. for year} applicable rate of Interest is 8.50% p.a.)	30,000.00	
	Sub-Total	**2,75,600.54**	**2,61,391.70**
	Less : Current Maturities :	10,723.60	15,224.40
	Total	**2,64,876.94**	**2,46,167.30**

Unsecured Loans:

Sl no	Particulars	31-03-2022	31-03-2021
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%.p.a.)	89.29	143.79
2	**Loans from Government - APDRP** (The Loan is transferred during unbundling & the loan repayment period is upto FY-23. The rate of Interest is 10.85%.p.a.)	71.13	142.27
3	**Liability component of compound financial instrument** **Interest free Loan from Govt of Karnataka** (The tenure of the loan is 7 years with 2 years of moratorium and principal shall be repaid over 5 years after 2 years moratorium)	42,351.88	74,335.56
	Sub-Total	**42,512.30**	**74,621.62**
	Less : Current Maturities :	125.64	125.64
	Total	**42,386.66**	**74,495.98**

a The carrying amounts of property, plant and equipment pledged as security for borrowings are disclosed in note 3.

b The Company does not have any continuing defaults in repayment of loans and interest during the year and as at the reporting date.

Particulars		As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
Non - Current Liabilities			
20	**Other non current financial Liabilities:**		
a)	Security Deposit from Consumers	62,823.98	59,947.46
b)	Provision made by GOK towards consumers	-	-
c)	BRP II Adjustment given by GOK i.r.o SMIORE	1,293.07	1,293.06
d)	Other Payables to GoK	-	-
		64,117.05	**61,240.52**

Company pays interest at bank rate at the beginning of the year on security deposit from consumers. (Rate of interest 31 March 2022- 4.25%; 31 March 2021- 4.65%

21	**Provisions: (non Current)**		
a)	Provision for Family Benefit Fund	803.39	779.67
b)	Provision for Leave Encashment	11,613.66	12,293.03
		12,417.05	**13,072.70**

The liability for compensated absences cover the Company's liability for earned leaves.
Also refer note 40 for detailed disclosure of family benefit fund and leave encashment.

22	**Deffered revenue**		
(i)	**Consumer Contribution towards cost of Capital Asset**		
	Opening balance	**56,711.57**	**55,115.29**
	Received during the year	6,209.17	5,386.28
	Released to the statement of profit and loss	(4,139.00)	(3,790.00)
	Closing balance	**58,781.74**	**56,711.57**
(ii)	**Government grants towards cost of capital assets**		
	Opening balance	**53,377.07**	**51,983.16**
	Received during the year	9,220.18	2,660.91
	Released to the statement of profit and loss	(1,597.00)	(1,267.00)
	Closing balance	**61,000.25**	**53,377.07**
(iii)	**Other Government grants #**		
	Opening balance	**25,664.44**	**-**
	Received during the year	(14,659.03)	31,075.05
	Released to the statement of profit and loss	(530.29)	(5,410.61)
	Closing balance	**10,475.12**	**25,664.44**
Total Deferred income		**1,30,257.11**	**1,35,753.08**
Current liability			
Non Current liability		**1,30,257.11**	**1,35,753.08**

#**Other Government Grants** of Rs. 10475.12 Lakhs is the deferred revenue portion of the Rs. 100000 Lakhs Interest free loan released by Govt of Karnataka in FY21 . In FY22 as per GoK order, In the total Loan of Rs. 100000 Lakhs, Rs. 47173.00 Lakhs were adjusted towards Tariff subsidy remaining with balance of Rs. 52827.00 Lakhs as Loan Part.
In FY21, Loan amortisation was calculated on Rs. 100000 Lakhs arriving at a balance of Rs. 25664.44 Lakhs as on 31.03.2021. After the loan adjustment to Tariff subsidy, Loan amortisation is recalculated at Balance Loan amount of Rs. 52827.00 Lakhs. arriving at balance of Rs. 10475.12 Lakhs as on 31.03.2022 and the same will be amortised over the Loan term.

23 Other non - current liabilities:

(a)	Deposit Contribution Work	11,449.11	9,701.17
(b)	Other payables*	1,515.38	1,515.38
		12,964.49	**11,216.55**

*Other payables pertains to the unreconciled amount of following heads on date of unbundling of ESCOMs. The Company is in process of reconciling the same and to make necessary adjustments after approval of the board of directors and government.

Rs. In Lakhs

Acc Code	Descrption	Amount
14.35	CWIP - Bhagyajyoti Scheme - 11 KV	35.62
14.351	CWIP - Bhagyajyoti Meter Fixing Scheme - 11 KV	256.85
14.36	CWIP - Kuteera Jyoti Schemes - 11 KV	365.90
14.361	CWIP - Kuteera Jyoti Meter Fixing Schemes - 11 KV	37.14
46.206	Payble to GOK-BRP-II arrearas recovered for consumers. State Govt. Installations.	60.48
46.207	BRP Adjustment recovered from IP Consumers payable to GOK	18.57
46.981	Electricity dues of Gram Panchayats released by Department of Energy, Government of Karnataka to ESCOMs through KPTCL and accounted as payable to ESCOMs in KPTCL Accounts.	596.96
28.816	Amount recoverable from Government wards Bhagya Jyothi works	227.24
37.303	IUA - BJ/KJ balances clearance - BRP	0.25
37.304	IUA - Permanently disconnected Installations - Balance Clearance - BRP	9.56
37.308	IUA - BRP Clearence amount returned - Permanently Diss. Instns	122.32
37.823	BRP - II Write off	17.72
24.11	Cash on Hand	(20.50)
24.303	Non Operative - SBI	(73.12)
28.815	Receivables from MESCOM towards advances paid to suppliers prior to 1.6.2002 in respect of Purchase Orders placed by the then Office of CEE, MW (South)	(110.73)
37.311	IUA - IP set principal collection(interest waiver scheme 2001)	(10.12)
	Previous balance in net-worth adjustment account (Debit balance)	(18.75)
Total		**1,515.38**

Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
Current Liabilities		
24 Borrowings:		
I) Secured loans:		
a) Loans repayable on demand		
- from banks	7,541.37	8,489.41
- from others		-
b) Current Maturities of Long term debts*	10,849.23	15,350.03
Total	**18,390.60**	**23,839.44**

* Current Maturities of Long term debts previously grouped under other financial liabilities is now grouped under Borrowings (Currrent)

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

Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
a) **Loan from Banks:** (Secured by Charge on Receivables from Consumers)	7,541.37	8,489.41
b) Current Maturities of Long term debts	10,849.23	15,350.03
Total	**18,390.60**	**23,839.44**

The carrying amounts of property, plant and equipment pledged as security for borrowings are disclosed in note 3.

Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
Current Liabilities		
25 Trade payables:		
a) Total outstanding dues of micro and small enterprises		-
b) Total outstanding dues other than micro and small enterprises	2,90,322.44	3,21,671.28
c) To related parties	1,23,741.65	1,06,463.06
Total Trade payable	**4,14,064.09**	**4,28,134.34**

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 60 to 90 day terms
For explanations on the Company’s credit risk management processes, refer note 46

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Outstanding for following periods from due date of payment	Undisputed dues		Disputed Dues	
	Others	MSME	Others	MSME
Not Due	-	-	-	-
Less than 1 Year	58,147.50	-	-	-
1-2 Years	92,680.27	-	-	-
2-3 Years	44,542.95	-	-	-
More than 3 years	1,49,444.59	-	-	-
Total	**3,44,815.31**	-	-	-
Total	**3,44,815.31**			
Accrued expenses	69,248.78			
Total Trade payables as at March 31, 2022	**4,14,064.09**			

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Outstanding for following periods from due date of payment	Undisputed dues		Disputed Dues	
	Others	MSME	Others	MSME
Not Due	-	-	-	-
Less than 1 Year	92,680.26	-	-	-
1-2 Years	41,301.38	-	-	-
2-3 Years	80,311.42	-	-	-
More than 3 years	1,54,124.94	-	-	-
Total	**3,68,418.00**	-	-	-
Total	**3,68,418.00**			
Accrued expenses	59,716.34			
Total Trade payables as at March 31, 2021	**4,28,134.34**			

Additional Information:

1	Trade Payables for Purchase of Power	2,21,073.66	2,61,954.94
2	Other Liability for Outstanding Expenses	69,248.78	59,716.34
3	Payable to Associates - KPTCL/PCKL/other ESCOMs	1,23,741.65	1,06,463.06
		4,14,064.09	**4,28,134.34**

Details of dues to Micro and small as defined under MSMED Act, 2006

(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	Nil	Nil
Interest due on above	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006.		
The amounts of the payment made to the supplier beyond the	Nil	Nil
appointed day during each accounting year.	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

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 45 days as at 31st March 2021.

Particulars	As at March 31, 2022 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs
26 Other current financial liabilities*		
a) Payable to Trust (Pension & NDCPS)	14,340.31	6,756.92
b) Miscellaneous Deposits/other liabilites (incl liability towards Employees)	1,718.89	2,580.45
c) Security deposit in cash from Suppliers/ Contractors	453.97	622.09
d) Excess credit under reconciliation with Bank	238.18	1,963.51
e) Interest accrued and payable to consumers	2,209.28	2,439.53
f) Interest accrued but not due on loans	1,867.42	1,766.49
g) Liability towards consumers	1,252.48	831.32
h) Sundry payables for capital goods#	12,246.98	18,489.96
	34,327.51	**35,450.27**

* Current Maturities of Long term debts previously grouped under other financial liabilities is now grouped under Borrowings (Currrent)
#It is not possible to bifurcate this amount into Creditors for Capital goods and Others as the ultimate use of goods/services is not ascertainable.

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2022	As at March 31, 2021
a) Borrowings (non-current) (note 19)	3,07,263.60	3,20,663.28
b) Borrowings (current) (note 24)	18,390.60	23,839.44
c) Current maturity of long term loans(note 24)	-	-
d) Trade payables (note 25)	4,14,064.09	4,28,134.34
e) Other financial liabilities (non current) (note 20)	64,117.05	61,240.52
f) Other financial liabilities (current) (note 26)	34,327.51	35,450.27
Total	**8,38,162.85**	**8,69,327.85**

27 Provisions: (current)		
a) Provision for Earned Leave Encashment	1,254.12	1,236.62
b) Provision for Family Benefit Fund	47.08	47.95
	1,301.20	**1,284.57**
28 Other current liabilities:		
a) Interunit accounts	133.15	103.43
b) Statutory Liabilities	12,880.16	7,733.10
c) Other payables	427.31	250.88
	13,440.62	**8,087.41**
29 Current Tax Liabilities (Net):		
a) Provision for tax (net of advance tax)	-	-
	-	-

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

Sl No	Particulars	Pending at/With	31-Mar-22	31-Mar-21
1	Intimation regarding default in TDS statement based on the Tax Payers data reflected in the Computer System of the Department for Short Deduction/Short Payments/Late Deduction/Late Payments/Late filings and interest thereon	DIT (TDS)	Rs. 325.88 Lakhs	Rs. 299.57 Lakhs
2	Incorrect/excess/arrears billing pending	Appealte Authorities	Rs. 2436.98 Lakhs	Rs. 1322.59 Lakhs
3	For loss of life on account of electrification	Consumer Courts	130 Cases pending before various courts, Amount is not Ascertainable	108 Cases pending before various courts, Amount is not Ascertainable
4	Power Purchase Agreement trafiffs & dues	Appealte Autority	115 Cases pending before various authorities, Out of which claim amount of Rs. 3178.14 Lakhs pertains to 11 cases and rest 104 cases where amount is not ascertainable	90 Cases pending before various authorities, Out of which claim amount of Rs. 10624.73 Lakhs pertains to 23 cases and rest 67 cases where amount is not ascertainable

Particulars		For the year ended March 31, 2022 ₹ in Lakhs	For the year ended March 31, 2021 ₹ in Lakhs
31	**Revenue from operations:**		
	Operating revenue		
a)	- Sale of Power - LT Category	4,29,110.38	3,77,998.75
b)	- Sale of Power - HT Category	1,36,591.96	1,12,345.73
c)	- Sale of Power - Through IEX*	-	-
	Other operating revenue		
a)	-Supervision Charges	1,431.40	994.30
b)	- Interest on belated payments from consumers	17,619.36	15,287.87
c)	- Other Receipts	348.41	755.90
		5,85,101.51	**5,07,382.55**

* Sale of Power through IEX was previously grouped under Revenue from Operations. In Linewith KERC Tariff Order 2022, the same has been reduced from Cost of Power Purchase.

32	**Other income:**		
a)	Rental Income	221.39	230.60
b)	Interest Income	116.63	246.56
c)	Profit on sale of scrap	388.75	29.65
d)	Provision no longer required written back	13,362.27	6,711.81
e)	Rebate on Power Purchase	1,604.87	2,738.85
f)	Rebate on remittance of eletricity duty	103.54	102.98
g)	Other Miscellaneous Income	1,583.47	251.61
h)	Government grants for capital assets	1,597.00	1,267.00
i)	Consumer contributed assets	4,139.00	3,790.00
j)	Govt Grant - Interest Free Loan	530.29	5,410.61
		23,647.21	**20,779.67**
33	**Cost of Power Purchased:**		
a)	Purchase of Power	4,86,096.40	4,39,299.11
	Less: Sale Through IEX*	54,803.12	10,498.29
		4,31,293.28	**4,28,800.82**

* Sale of Power through IEX was previously grouped under Revenue from Operations. In Linewith KERC Tariff Order 2022, the same has been reduced from Cost of Power Purchase.

34	**Employee benefit expenses:**		
a)	Salaries & Wages - Regular Employees	45,865.38	42,798.82
b)	Salaries & Wages - Deputation Employees	381.44	409.19
c)	Contribution to provident and other funds*	20,220.14	19,013.44
d)	Bonus/Exgratia	559.10	509.18
e)	Earned leave encashment	3,873.52	4,410.64
f)	Staff welfare expenses	811.03	728.78
		71,710.61	**67,870.05**

* Includes Rs. 41 Crores of Expenditure is booked under Contribution after the finalisation of Contribution rates as defined by NDCPS Family pension and Gratuity Trust. The total amount booked is from 01.04.2006 till 31.03.2022 (Out of Which Rs. 6.43 Crores pertains to this financial year and remaining amount pertains to previous years).

35	**Finance costs:**		
a)	Interest on loans*	24,594.14	16,163.52
b)	Interest on liability component of loan from Shareholders	530.29	5,410.61
c)	Interest on Power charges	14,388.78	20,295.71
d)	Interest to Consumers on security deposits	2,316.07	2,554.09
e)	Less : Interest Capitalised	-	469.32
		41,829.28	**43,954.61**

*Guarantee Commission payable to Government was previously grouped under Bank Charges (Note 37. Other Expenses) is now grouped under Interest on loans (Note 35. Finance Cost)

	Particulars	For the year ended March 31, 2022 ₹ in Lakhs	For the year ended March 31, 2021 ₹ in Lakhs
36	**Depreciation and amortization:**		
a)	Depreciation on Building	407.67	355.72
b)	Depreciation on furnitures, fixtures	40.87	36.02
c)	Depreciation on lines, cable & network etc	21,795.39	20,112.51
d)	Depreciation on office equipments	40.05	41.36
e)	Depreciation on Other civil works	18.32	16.26
f)	Depreciation on Plant & Machinery	4,191.11	3,852.41
g)	Depreciation on vehicles	36.36	37.02
h)	Depreciation on Hydraulic Works	35.44	34.30
i)	Amoritisation on Right of Use Asset	7.70	7.70
		26,572.91	**24,493.30**
37	**Other expenses:**		
a)	Advertisement Expenses	74.41	73.30
b)	Asset Decomissioning Costs	3.56	5.14
c)	Payment to auditors	-	-
	- as auditor	9.34	9.34
	- for taxation and other matters	2.36	2.36
	- Reimbursement of expenses	0.25	0.60
d)	Repairs & Maintanance - Building	308.72	935.59
e)	Repairs & Maintanance - Plant & Machinery	5,170.21	4,243.01
f)	Repairs & Maintanance - Others	14.96	5.63
g)	Repairs & Maintanance - Vehicles	25.02	40.55
h)	Rent	117.78	146.83
i)	Bad and doubtful debts written off/provided for	5,924.56	7,831.73
j)	Bank charges*	379.10	120.39
k)	Compensation for death, injuries and damages	396.51	405.38
l)	Computer stationery and floppies	23.27	16.35
m)	Contributions	80.59	2.66
n)	Conveyance & travel Expenses	490.66	455.56
o)	Vehicle Hiring Expenses	1,614.81	1,381.31
p)	Electricity charges	524.24	430.65
q)	Expenditure towards consumer awareness/education	0.24	0.76
r)	Freight and other material related expenses	141.38	122.13
s)	Incentive/Remuneration paid to Gram Vidyuth prathinidhi	1,396.91	1,328.14
t)	Legal Charges	116.76	87.63
u)	Station Maintenance by Contract agencies	2,590.89	2,316.11
v)	Manpower Contract Agencies	2,759.02	2,613.06
w)	Other Consultancy Charges	346.75	373.23
x)	Rates & Taxes	736.71	704.42
y)	Postage and telephone charges	339.19	395.49
z)	Printing & Stationery	440.91	270.22
aa)	Miscellaneous & other expenses	1,489.13	874.92
ab)	Miscellaneous losses	27.72	53.00
		25,545.96	**25,245.49**

*Guarantee Commission payable to Government was previously grouped under Bank Charges (Note 37. Other Expenses) is now grouped under Interest on loans (Note 35. Finance Cost)

38a	**CSR expenditure**		
	Gross amount required to be spent during the year		
	Amount spent during the year in cash	-	-
	(The average profits of preceeding 3 years is negative hence CSR Expenditure for the current year is Nil)		

	Particulars	For the year ended March 31, 2022 ₹ in Lakhs	For the year ended March 31, 2021 ₹ in Lakhs
38b	**Earnings per share: (Basic and diluted)**		
	Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
I	**Basic and diluted Earnings per share before exceptional items**		
(a)	Basic Earnings per share		
	Profit/(loss) for the year after tax expense before exceptional items	18,833.31	(61,262.60)
	Weighted average number of equity shares	1,64,016.34	15,097.96
	Paid up value per share (in ₹)	10.00	10.00
	Basic Earnings per share (in ₹)	**0.11**	**(4.06)**
(b)	Diluted Earnings per share		
	Profit/(loss) for the year after tax expense before exceptional items	18,833.31	(61,262.60)
	Weighted average number of equity shares	1,64,114.91	16,220.31
	Paid up value per share (in ₹)	10.00	10.00
	Diluted Earnings per share (in ₹)	**0.11**	**(3.78)**
II	**Basic and diluted Earnings per share after exceptional items**		
(a)	Basic Earnings per share		
	Profit/(loss) for the year after tax expense after exceptional items	**18,833.31**	**(61,262.60)**
	Weighted average number of equity shares	1,64,016.34	15,097.96
	Paid up value per share (in ₹)	10.00	10.00
	Basic Earnings per share (in ₹)	**0.11**	**(4.06)**
(b)	Diluted Earnings per share		
	Profit/(loss) for the year after tax expense after exceptional items	18,833.31	(61,262.60)
	Weighted average number of equity shares	1,64,114.91	16,220.31
	Paid up value per share (in ₹)	10.00	10.00
	Diluted Earnings per share (in ₹)	**0.11**	**(3.78)**
III	**Basic and diluted earnings per share including net movement in regulatory deferral account balances**		
(a)	Basic Earnings per share		
	Profit/(loss) for the year after tax expense including net movement in regulatory deferral account balances	1,111.66	(1,11,668.72)
	Weighted average number of equity shares	1,64,016.34	15,097.96
	Paid up value per share (in ₹)	10.00	10.00
	Basic Earnings per share (in ₹)	**0.01**	**(7.40)**
(b)	Diluted Earnings per share		
	Profit/(loss) for the year after tax expense including net movement in regulatory deferral account balances	1,111.66	(1,11,668.72)
	Weighted average number of equity shares	1,64,114.91	16,220.31
	Paid up value per share (in ₹)	10.00	10.00
	Diluted Earnings per share (in ₹)	**0.01**	**(6.88)**

Note Weighted average number of equity shares for diluted earnings per share for the year ended March 31, 2022 is calculated based on subsequent allotment made by the Company against share application money pending for allotment which is an adjusting event after the reporting period.

39	**Net Movement in Regulatory Deferral account Balance related to Profit or Loss**		
	Regulatory Asset to be created for current year	-	17,843.00
	Reversal of regulatory asset created during previous year	(17,721.65)	(68,249.12)
	Net movement in regulatory deferral account	**(17,721.65)**	**(50,406.12)**

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Note 40 Disclosure pursuant to Employee benefits

(a) Defined Contribution Plan:
Amount of Rs. 20,146.90 Lakhs (March 31, 2021: Rs. 19,050.58 Lakhs) contribution towards Pension, Gratuity & NDCPS is recognised as expenses and included in Note No. 34 "Employee benefit expense"

(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.

Rs. In Lakhs

		31-Mar-22		31-Mar-21	
1	**Changes in Defined benefit obligation**	**Family Benefit Fund (Unfunded)**	**Leave Encashment (Unfunded)**	**Family Benefit Fund (Unfunded)**	**Leave Encashment (Unfunded)**
		(Rs)	(Rs)	(Rs)	(Rs)
	Defined benefit obligation at the beginning of the year	827.62	13,529.65	694.63	10,035.91 -
	Current Service Cost	77.44 -	3,719.75 -	68.73 -	3,723.24 -
	Interest Cost	54.65 -	877.97 -	46.45 -	654.83 -
	Actuarial losses/ (gains)	(18.30) -	(691.80) -	136.20 -	73.50 -
	Benefits paid	(90.93)	(4,567.80)	(118.39)	(957.83)
	Defined benefit obligation at the end of the year	**850.48**	**12,867.77**	**827.62**	**13,529.65**
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	850.48	12,867.77	827.62	13,529.65
	Amount recognized in Balance sheet under Current liabilities and provision	**850.48**	**12,867.77**	**827.62**	**13,529.65**
4	**Expenses recognized in Statement of Profit & loss under Note 26**				
	Current Service Cost	77.44	3,719.75	68.73	3,723.24
	Interest on Defined Benefit Obligation	54.65	877.97	46.45	654.83
	Amount recognised in other comprehensive income	(18.30)	-	136.20	-
	Net Actuarial losses/ (gains) recongnized in the year	-	(691.80)	-	73.50
	Benefits paid	(90.93)	(4,567.80)	(118.39)	(957.83)
	Total employer expense recognized in Statement of profit and loss	**22.86**	**(661.88)**	**132.99**	**3,493.74**
5	**Actuarial assumptions:**				
	Discount rate	7.25%	7.25%	6.80%	6.80%
	Expected rate of return on assets	0.00%	0.00%	0.00%	0.00%
	Rate of escalation in salary (per annum)	0.00%	7.00%	0.00%	7.00%
	Retirement Age	60 Years	60 Years	60 Years	60 Years

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

Note 41 - Related Parties Disclosure:
Disclosure on Related party transaction is limited to transactions occurred among ESCOMs, KPTCL, PCKL, MPM & KPCL as they are also owned by GoK and having significant bearing on GESCOM. Company cannot ascertain or assess the quantum of transactions for any other GoK owned establishement

I Names of the related party and related party relationship:
a) Related party where control exists
Government of karnataka

b) **Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period**

i) Key management personnel (KMP)
Smt. N Manjula (IAS)
Sri. Pandve Rahul Tukaram (IAS)
Sri. Dr. Dileesh Sasi (IAS)
Sri Somshekar B R
Sri Nitish K (IAS)
Sri. G V Venkatachalam
Sri. Mahesh Karjagi (KAS)
Smt. G Sheela
Sri. Devindrappa Ullagaddi
Sri. Babarao Shankarrao Biradar
Sri. Veeranna Sidramappa Mangne
Sri. T R Ramakrishnaiah
Sri. Shivaprakash T M
Sri B Abdul Wajid
Sri. Kiran Policepatil

ii) Enterprises having significant bearing on GESCOM through common ownership of government of karnataka
Karnataka Power Transmission Corporation Limited (KPTCL)
Bangalore Electricity Supply Company Limited (BESCOM)
Hubli Electricity Supply Company Limited (HESCOM)
Mangalore Electricity Supply Company Limited (MESCOM)
Chamundeshwari Electricity Supply Corporation (CESC)
Power Company of Karnataka Limited (PCKL)
Karnataka Power Corporation Limited (KPCL)

II The transactions with related parties during the period/year and their outstanding balances are as follows:

a) Managerial remuneration & Sitting Fees **Amounts in lakhs**

Sl. No.	Key Manegerial Personnel	Designation	2021-22	2020-21
1	Dr. R Ragapriya (IAS)	Managing Director	Nil	3.76
2	Sri.Pandve Rahul Tukaram (IAS)	Managing Director	13.68	8.99
3	Sri.Anilkumar S.Babaleshwar	Director (Tech)	Nil	0.01
4	Sri Somshekar B R	Director (Tech)	4.77	Nil
5	Sri. R Jayakumar	Director (Tech)	9.37	27.83
6	Sri.Abdul wajeed	Chief Financial Officer	32.87	28.58
7	Sri. Kiran Policepatil	Company Secretary	16.19	14.14
1	Directors Sitting Fees		2.21	1.09

b) Related Party Transactions pertaining to KPTCL, PCKL, KPCL and other ESCOMs is disclosed as under

Amounts in lakhs

Sl. No.	Nature of transactions	Party Name	2021-22 Rs.	2020-21 Rs.
1	Transmission of Energy	KPTCL	(49,389.01)	(47,531.51)
2	Towards Energy Balancing	BESCOM	(5,487.10)	(9,293.90)
3	Towards Energy Balancing	HESCOM	19,308.97	2,519.88
4	Towards Energy Balancing	MESCOM	(4,812.30)	341.40
5	Towards Energy Balancing	CESCOM	4,606.10	5,757.00
6	Purchase of Power	PCKL	(121.31)	(3,396.63)
7	Purchase of Power	KPCL	(84,514.97)	(55,657.19)

Note: (+) indicates Income and (-) indicates Expenditure

c) Related Party outstanding balances pertaining to KPTCL, PCKL, KPCL and other ESCOMs is disclosed as under

Amounts in lakhs

Sl. No.	Nature of transactions	Party Name	As at March 31 2022	As at March 31 2021
1	Transmission of Energy	KPTCL	(10,896.91)	(587.93)
2	Receivable/Payable towards Energy Balancing	BESCOM	(24,257.05)	(18,769.95)
3	Receivable/Payable towards Energy Balancing	HESCOM	19,684.06	375.08
4	Receivable/Payable towards Energy Balancing	MESCOM	20,917.55	25,729.85
5	Receivable/Payable towards Energy Balancing	CESCOM	16,206.81	11,600.71
6	Purchase of Power	PCKL	(3.36)	114.07
7	Purchase of Power	KPCL	(87,867.88)	(1,40,105.55)

Note: (+) indicates income and (-) indicates expenditure

Note 42 True-up Subsidy/ Regulatory Asset (Refer Note 15)

Determination of the Retail Supply Tariff chargeable by the Company to its consumers is governed by KERC (Terms and conditions for determination of Tariff for Distribution and Retail Sale of Electricity) Regulations 2006, and the ammendments made thereon from time to time, whereby KERC is required to determine the Tariff in a manner that the Company recovers its Power purchase cost as well as other prudently incurred expenses and earns return of 19.70% (post MAT) on KERC determined Equity.

In the process of determining the tariff, KERC will approve the ARR for the year considering the tariff applications submitted by the ESCOMs, which will be again trued up by the Commission during Annual Performance Review considering actuals, on finalisation of accounts for the year. The Surplus/Deficit in revenue if any will be adjusted in future tariff. GESCOM is accounting such surplus/Deficit in the accounts of respective year itself as "Regulatory Asset" being the defferred expenses expected to flow to the Company subsequently on determination of tariff by Hon'ble KERC during Annual Performance Review.

Accordingly, Company had accounted Regulatory Assets of Rs. 35376.59 Lakhs, Rs. 45634.70 Lakhs , Rs. 68249.12 Lakhs, Rs. 8800.14 Lakhs and Rs. 17843.00 Lakhs for FY17, FY 18, FY19, FY20 and FY21 respectively. For the year 2016-17 Hon'ble KERC has determined the Revenue Gap of FY 17 as 46506.00 Lakhs in the APR and carried forward the same for allowing in the year 2018-19. Further, Regulatory Asset created during FY17, FY18 and FY19 amounting to Rs. 35376.59 Lakhs, Rs. 45634.70 Lakhs, Rs. 68249.12 Lakhs and Rs. 17721.65 Lakhs respectively are treated as recovered during FY19, FY20, FY21 and FY22 reversed in the accounts.

Further no fresh regulatory Asset created in the accounts for FY 2021-22 by computing the provisional gap expected to be considered by KERC for inclusion in the tariff revision of future years. (Refer Table below)"

Amt in Lakhs

Particulars	Approved in tariff 2021	Actual for FY 2021-22	Expected to be approved by KERC in True-up	Considered for Regulatory Income/Assets during FY 22
Revenue				
Revenue including Subsidy	5,72,117.00	5,85,101.51	5,85,101.51	
Regulatory Asset recovered/reversed	-	(17,721.65)		
Additional Regulatory Asset if any	-	-	-	
Total Revenue	**5,72,117.00**	**5,67,379.86**	**5,85,101.51**	
Expenses				
Power Purhase cost	4,39,896.00	4,31,293.28	4,31,293.28	(8,602.72)
O&M Cost	88,707.00	97,256.58	97,256.58	
Depreciation	20,811.00	26,572.91	26,572.91	
Interest & Finance Charges	26,597.00	41,829.27	26,597.00	
ROE	-	-		
Others				
Total Expenses	**5,76,011.00**	**5,96,952.04**	**5,81,719.77**	**(8,602.72)**
Less: other income	(10,724.00)	23,647.22	23,647.22	
Net ARR	5,86,735.00	5,73,304.82	5,58,072.55	
GAP for FY 2021-22	14,618.00	5,924.96	(27,028.96)	

Reconciliation of regulatory asset

a	Opening Regulatory Asset as on 01.04.2021	26,643.15
b	Add: Regulatory Asset created for FY 2021-22	-
c	Add: Additional Regulatory Asset accounted for FY if any as per true-up order	-
d	Less: Reversal of Regulatory assets created during FY 20	(17,721.65)
e	**Closing regulatory asset as on March 31, 2022**	**8,921.50**

Note 43 Operating Segment (Ind AS 108)

Electricity distribution is the principal business activity of the Company. There are no other activities which form a reportable segment as per the Indian Accounting Standard – 108. The operations of the Company are mainly carried out within six Revenue districts of Karnataka, viz. namely Bidar, Gulbarga, Yadgir, Raichur, Bellary and Koppal Therefore geographical segments are not applicable.

Note 44 Fair values measurement

The below table summarises particulars of Financial Instruments carried at amortised cost.

Rs. In Lakhs

Particulars	31-Mar-22	31-Mar-21
Financial Assets at amortized cost:		
Loans (note 6(ii))	-	2,249.88
Unbilled revenue (note 10)	37,599.16	29,489.00
Trade receivables (note 11)	1,75,540.04	1,59,777.90
Cash and Cash equivalents (note 12)	3,578.76	3,802.32
Other bank balances (note 12)	8,015.86	6,710.94
Other financial assets (note 13)	2,07,133.98	2,51,560.11
Total Financial Assets	**4,31,867.80**	**4,53,590.15**
Financial Liabilities at amortized cost:		
Borrowings (non-current) (note 18)	3,07,263.60	3,20,663.28
Borrowings (current) (note 23)	18,390.60	23,839.44
Current maturity of long term loans(note 25)	-	-
Trade payables (note 24)	4,14,064.08	4,28,134.34
Other financial liabilities (non current) (note 19)	64,117.05	61,240.52
Other financial liabilities (current) (note 25)	34,327.51	35,450.27
Total Financial Liabilities	**8,38,162.84**	**8,69,327.85**

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values except as stated below:

a Security deposit in cash from Suppliers/ Contractors and retention money (refer note 25)

The adjustment with respect to EIR has not been made for Security deposit in cash from Suppliers/ Contractors and retention money shown under note 25 "other current financial liabilities as expected realization date is not available. And hence the same cannot be stated to be at fair value. The fair value determination of the same is not made due to non availability of expected realisation date.

b Security deposit (refer note 6(ii) "Loans")

Security deposit (refer note 6(ii) "Loans") includes amount of Rs. 1400 lakhs contributed by company towards Priyadarshini Jurala Hydel Project; . Company is not in a position to ascertain whether the investment is with respect to equity or debt etc due to non availability of sufficient information. Accordingly, such security deposit is not adjusted with EIR or has been fair valued and the same is carried at cost which is not in complaince with Ind AS-109: Financial Instruments and Ind AS-113: Fair value Measurement.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investment in equity shares:

Investment in equity instrument of PCKL (refer note 6(i)) is not fair valued as on reporting dates. Hence to the extent of the same; the investment values are carried at cost which is in non complaince with Ind AS-109: Financial Instruments and Ind AS-113: Fair value Measurement. The fair value determination of the same is not made due to non availability of sufficient information.

Since the fair value determination of above stated financial instruments was not made by the company; accordingly; disclosure with respect to comparison by class of the carrying amounts and fair value of the Company’s financial instruments, other than those with carrying amounts that are reasonable approximations of fair values was not possible.

Note 45 Fair value hierarchy

Since the fair value determination in case of financial instrument was not made by the company; due to the reason stated in the note no 44; accordingly; the disclosure with respect to fair value measurement hierarchy of the Company’s assets and liabilities was not possible.

Note 46 Financial risk management objectives and policies:

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

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

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

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

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

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

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits. The Company is mainly exposed to interest rate risk since it has availed borrowings at fixed and floating interest rates.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.

		Amt In Lakhs
Year ended	**Increase/ decrease in basis points**	**Effect on profit before tax**
31 March 2022	50	1,165.38
	(50)	(1,165.38)
31 March 2021	50	756.22
	(50)	(756.22)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the foreign currency risk is Nil; due to the fact that; the companies does not have any export market or does not have any foreign currency borrowings. Accordingly, no sensitivity analysis have been performed by the management.

Power purchase cost risk

The Company is affected by the price volatility of power purchase. Its operating activities require the ongoing distribution of electricity and therefore require a continuous purchase of power.

The Company's exposure to the risk of change in prices of power purchase are mitigated by the fact that the price increases/decreases from the vendors are passed on to the customers based on following;

In the process of determining the tariff, KERC will approve the ARR for the year considering the tariff applications submitted by the ESCOMs, which will be again trued up by the Commission during Annual Performance Review considering actuals, on finalisation of accounts for the year. The Surplus/Deficit in revenue if any will be adjusted in future tariff. GESCOM is accounting such surplus/Deficit in the accounts of respective year itself as "Regulatory Asset" being the defferred expenses expected to flow to the Company subsequently on determination of tariff by Hon'ble KERC during Annual Performance Review.

Hence the fluctuation of prices of power purchase do not materially affect the statement of profit and loss. Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivable

Trade receivable majorly comprises sundry debtors for sale of power from various class of consumers and Receivable from other ESCOMs. Risk element involving sundry debtors is adequately covered by security deposit held against such consumers by way of collection of 2 months minimum deposit (as per mandatory stipulation of regulatory governance). Other major contributor of receivable is from inter ESCOM energy balancing, all being sovereign government flagship organizations risk element of turning those to bad debts is not foreseen. Further, provision for expected credit loss is made as a percentage of doubtful debts to the extent indicated clause 12 of Note 2 (Significant Accounting Policies)

Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying amounts as illustrated in note 12.

Liquidity risk

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

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

Note 47 Capital and other commitment

The relevant information with respect to capital and other commitments as at reporting date is not ascertainable and hence the disclosure was not possible.

Note 48 Segment information

Electricity distribution is the principal business activity of the Company. There are no other activities which form a reportable segment as per the Indian Accounting Standard – 108.

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment. The Company operates majorly in single geographical segment, i.e India and having immaterial export transactions. Accordingly, the chief operating decision maker uses this set of financial for decision making.

Note 49 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders and borrowings. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	31 March 2022	31 March 2021
	Rs In Lakhs	**Rs In Lakhs**
Borrowings (note 19 and 24)	3,25,654.20	3,44,502.72
Trade payables (note 25)	4,14,064.08	4,28,134.34
Other current and non current liabilities (note 23 and 28)	26,405.11	19,303.96
Other financial liabilities (note 20 and 26)	98,444.55	96,690.79
Less: cash and cash equivalent (note 12)	(3,578.76)	(3,802.32)
Net debt	**8,60,989.18**	**8,84,829.49**
Total Equity	(70,138.43)	(71,162.80)
	(70,138.43)	(71,162.80)
Capital and net debt	**7,90,850.75**	**8,13,666.69**
Gearing ratio	**109%**	**109%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Note 50: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment

The Company measures land and rights classified as property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. The Company engaged an independent valuation specialist to assess fair value as at March 31, 2021 after having initial fair value done on April 01, 2016 for revalued land. Land were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Defined benefit plans (family benefit fund and leave encashment)

The cost of the defined benefit plans the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans ,the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about defined benefit obligations are given in note 39.

Useful lives of property,plant and equipment

The Company believes that the estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Refer accounting policy note for useful lives of the PPE.

Regulatory deferral account

In the process of determining the tariff, KERC will approve the ARR for the year considering the tariff applications submitted by the ESCOMs, which will be again trued up by the Commission during Annual Performance Review considering actuals, on finalisation of accounts for the year. The Surplus/Deficit in revenue if any will be adjusted in future tariff. GESCOM is accounting such surplus/Deficit in the accounts of respective year itself as "Regulatory Asset" being the defferred expenses expected to flow to the Company subsequently on determination of tariff by Hon'ble KERC during Annual Performance Review.

Note 51: Leases

(a) Note on leases

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statements. The Company has applied Ind AS 17 with the date of initial application of 1st April, 2019. As a result, the Company has changed its accouting policy for lease contracts as detailed below:
The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019 amounting to Rs. 12.01 lakhs (net of tax).

Particulars	Amount
Lease Commitment as at 31st March, 2019	-
Add: Contracts reassessed as lease contracts	-
Add: Adjustments on account of termination/modification	-
Lease Liabilities as on 1st April, 2019	-

There is no lease liabilities on lease hold land, since the company has no obligation to pay any rents for lands obtained on lease basis for the tenure of the lease agreement. The Company has paid upfront lease premium on date of entering into lease agreements.

Right of use assets of Rs. 219.17 lakhs and lease liabilites of Rs. Nil have been recognised as on 1st April, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 as at 1st April 2019 is as follows :

Particulars	Amount
Decrease in Property, Plant and Equipment by	219.17
Increase in lease liability by	-
Increase in right of use by	219.17
Decrease in deferred tax liability by	-
Increase in finance cost by	-
Increase in depreciation by	-
Decrease in other equity by	12.01
Increase in interest income by	-

Company as lessee
The Company has entered into agreement in the nature of lease agreement with different lessors for the purpose to operate regional offices and to install the plant and machineries at various places. The disclosure in regard to Ind AS 116 is as below -

Particulars	31st March, 2022	31st March, 2021
Depreciation charge for 'Right-to-Use	7.70	7.70
Interest Expense on Lease Liability	-	-
Carrying amount of 'Right-to-Use	-	-
Total Cash outflow for leases	-	-
Expense relating to short term leases	117.78	146.83

There is no lease liabilties and accordingly no details of the maturities of lease liabilities is given.

Note 52: Explanation to Key Financial Ratios as per Schedule III

Sl. No.	Particulars	2021-22			2020-21			Variation
1	**Current Ratio**	Current Assets	Current Liabilities	Ratio	Current Assets	Current Liabilities	Ratio	**Variation**
		4,50,054.41	4,81,524.02	0.93	4,68,723.83	4,96,796.03	0.94	(0.94%)
2	**Debt-Equity Ratio**	Total Debt	Shareholder's Equity	Ratio	Total Debt	Shareholder's Equity	Ratio	Variation
		3,25,654.20	(70,138.44)	(4.64)	3,44,502.72	(71,162.80)	(4.84)	(4.09%)
3	**Debt Service Coverage Ratio**	Earnings available for debt service	Debt Service	Ratio	Earnings available for debt service	Debt Service	Ratio	Variation
		80,198.87	72,494.61	1.11	6,245.87	35,902.85	0.17	535.91%

Reason: Major Increase in the earnings.

Sl. No.	Particulars	2021-22			2020-21			Variation
4	**Return on Equity Ratio**	Net Profits after taxes	Average Shareholder's Equity	Ratio	Net Profits after taxes	Average Shareholder's Equity	Ratio	Variation
		1,111.66	(70,650.62)	(0.02)	(1,11,668.71)	(23,376.17)	4.78	(100.33%)

Reason: Net worth is negative and the company has incurred loss in both years.

Sl. No.	Particulars	2021-22			2020-21			Variation
5	**Inventory Turnover Ratio**	Sales	Average Inventory	Ratio	Sales	Average Inventory	Ratio	Variation
		-	-	-	-	-	-	-

Note: The Company is engaged in Distribution of Electricity. Hence, this ratio is not applicable.

6	**Trade Receivables Turnover Ratio**	Sales	Average Receivables	Ratio	Sales	Average Receivables	Ratio	Variation
		5,85,101.51	1,67,658.97	3.49	5,07,382.55	1,47,260.52	3.45	1.29%

7	**Trade Payables Turnover Ratio**	Purchases	Average Payables	Ratio	Purchases	Average Payables	Ratio	Variation
		4,31,293.28	4,21,099.22	1.02	4,28,800.82	4,50,525.24	0.95	7.61%

8	**Net Capital Turnover Ratio**	Sales	Average Working Capital	Ratio	Sales	Average Working Capital	Ratio	Variation
		5,85,101.51	(31,469.61)	(18.59)	5,07,382.55	(28,072.20)	(18.07)	2.87%

9	**Net Profit Ratio**	Net Profit	Sales	Ratio	Net Profit	Sales	Ratio	Variation
		1,111.66	5,85,101.51	0.0019	(1,11,668.71)	5,07,382.55	(0.22)	(100.86%)

Reason: Reduction in loss.

10	**Return on Capital Employed**	EBIT	Capital Employed	Ratio	EBIT	Capital Employed	Ratio	Variation
		53,625.95	(70,138.44)	(0.76)	(18,247.43)	(71,162.80)	0.26	(398.17%)

Reason: The company has negative Capital employed and reduction in Loss.

Note : Additional disclosures

a. Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties

There are no loans or advances in nature of loans granted to Promoters, directors, KMPs and the Related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

b. Relationship with Struck off Companies

Due to enormous data, the corresponding information could not be able to derive.

c. Registration of charges or satisfaction with Registrar of Companies

There is no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

d. Details of Benami Property held if any

There are no Benami Properties held by GESCOM.

e. Disclosure for Secured Borrowings

There are no returns or reports to be filled by the Company with banks or financial institutions for the borrowing made during the year.

Note 53 - Consequent to unbundling of transmission and distribution activities and formation of Electricity Distribution Companies, the Government of Karnataka has transferred certain assets and liabilities including 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 at book values.

Summary of assets and liablities transferred as per transfer document

Particulars	**Amount (In Rs Lakhs)**
Assets	
Fixed Assets	
Fixed Assets (net block)	27,400.00
Capital work in progress	1,800.00
Change in net block due to transfer of asset from ESCOMS to KPTCL	(400.00)
Total Fixed assets	**28,800.00**
Current Assets	
Inventories	2,600.00
Sundry Debtors	9,800.00
Cash Balances	200.00
Bank balances	700.00
Loans and advances	500.00
Other Assets	100.00
Total Current Assets	**13,900.00**
Total Assets	**42,700.00**
Equity	
Equity share capital	13,100.00
Total equity	**13,100.00**
Loans	9,800.00
Other liabilities	
Security deposit from consumer	13,100.00
Security line deposit from consumers	900.00
Other liablities	**14,000.00**
Current liabilities	
Liability for supplies/works	2,700.00
Unpaid salary and other liabilities	200.00
Security deposit from contractor in cash	100.00
Other liabilities and provisions	2,800.00
Total Current Liabilities	**5,800.00**
Total equity and liabilities	**42,700.00**

Note 54 Applicability of Gratuity Payment to Employees who have joined on or after 01.04.2006 have been issued by KPTCL on 25.11.2020. However, related financial requirements and contribution rates of ESCOMs are yet to be detemined by Trust. The financial treatment will be based on the orders of the Govt of Karnataka which are expected as on the date of issue of the order.

Note 55 The below mentioned points are subject to confirmation and reconcilaition, pending which Company is unable to ascertain the impact on the financial results of the Company.

a. The balances under Sundry Debtors, Sundry Creditors, Deposits, Secured Loans, Unsecured loans, other loan funds, Loans and Advances to suppliers, contractors , bank balances.

b. Balances under Inter Unit accounts.

c. Transactions with KPTCL/ SPPCC/ PCKL & ESCOMs, KPTCL/ESCOMs Pension & Gratuity Trust and KPCL .

d. There are a few negative balances against assets in the statement of capital expenditure, works in progress, stock and suspense heads.

e. The differences between ledger account balances and the balances in the respective subsidiary registers/ schedules maintained for the purpose in respect of loans from GoK, Sundry Debtors, Sundry Creditors, Advance to suppliers and other suspense balances transferred to Divisions as on 01.06.2002 is in progress.

Note 56 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 57 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.

Note 58 The Internal audit has been conducting a special audit since 2014-15 on various cash misappropriation issues at accounting units.

Financial Year	Reported cases	Involved Amount	Final Orders issued	Cases Pending	Pending Cases Amount
2014-15	3	Rs. 11.59 Lakhs	3	0	0
2015-16	4	Rs. 109.09 Lakhs	3	1	Rs. 0.48 Lakhs
2016-17	8	Rs. 286.80 Lakhs	6	2	Rs. 83.95 Lakhs
2017-18	4	Rs. 45.47 Lakhs	2	2	Rs. 11.03 Lakhs
2018-19	2	Rs. 23.51 Lakhs	1	1	Rs. 20.62 Lakhs
2019-20	4	Rs. 13.34 Lakhs	1	3	Rs. 13.30 Lakhs
2020-21	1	Rs. 407.49 Lakhs	1	0	0
2021-22	2	Rs. 9.17 Lakhs	0	2	Rs. 9.17 Lakhs

Note 59 Impact of revisions on Financial Statements consequent to Supplementary Audit by C&AG

The Financial Statements for the year ended 31/3/2022 were approved by the Board in the meeting dated 27/09/2022. These Accounts were certified by the by the Statutory Auditors vide their report dated 28/09/2022. These financial statements were revised in light of the observations made by the Comptroller & Auditor General of India during their supplementary Audit conducted under Sec 143(6) (b) of the Companies Act 2013. Impact of the revisions on the Financial Statements for FY22 is as under:

Revisions in Statement of Profit & Loss

Note Ref	Head	Prior to C&AG Audit (₹ In Lakhs)	After Supplementary Audit by C&AG (₹ In Lakhs)	Revision Impact (₹ In Lakhs)	Increase/ Decrease
32	Other income	23,407.14	23,647.22	240.08	Increase
36	Depreciation and amortization	26,533.40	26,572.91	39.51	Increase
37	Other expenses	25,446.33	25,545.97	99.64	Increase
	Profit before Rate Regulated Activities, Exceptional items and tax	**11,695.75**	**11,796.68**	100.93	**Profit Increased**
	Net Profit/(Loss)	**943.79**	**1,044.72**	100.93	**Profit Increased**

Revisions in Balance Sheet

Note Ref	Head	Prior to C&AG Audit (₹ In Lakhs)	After Supplementary Audit by C&AG (₹ In Lakhs)	Revision Impact (₹ In Lakhs)	Increase/ Decrease
	Assets				
3(i)	Property, plant and equipment	4,53,158.53	4,53,399.83	241.30	Increase
4	Capital work-in-progress	31,947.73	31,576.06	-371.67	Decrease
12(i)	(iii) Cash and cash equivalents	3,559.80	3,578.76	18.96	Increase
	Equities & Liabilities				
18	Other equity	-2,34,255.70	-2,34,154.77	100.93	Decrease
22	Deferred revenue	1,29,166.08	1,30,257.10	1,091.02	Increase
23	Other non current liabilities	12,955.71	12,964.49	8.78	Increase
26	(iii) other financial liablities	35,639.65	34,327.51	-1,312.14	Decrease

As per our Report of Even Date
For P G BHAGWAT LLP
Chartered Accountants
Firm Reg. No. 101118W/W100682

For and on behalf of the Board of Directors
Gulbarga Electricity Supply Company Limited

S B Pagad
Partner
Memebership No: 206124
Place: Dharwad
Date:
UDIN:

Pandve Rahul Tukaram, IAS
Managing Director
DIN: 08822950
Place: Kalaburagi
Date:

Girish Dilip Badole, IAS
Director (Independent)
DIN: 09637838
Place: Kalaburagi
Date:

B. Abdul Wajid
Chief Financial Officer

Place: Kalaburagi
Date:

Kiran Police Patil
Company Secretary
Memebership No: ACS33563
Place: Kalaburagi
Date: