

Notes	Particulars
	<p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p> <p>Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.</p>
2.13	<p>Employee benefits</p> <p>a. Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits for current employees are estimated and measured on an undiscounted basis.</p> <p>b. Defined contribution plans</p> <p>The employees/officers who have joined/joining on or after 1.4.2006 are covered under New Defined Contributory Pension Scheme (NDCPS). As per this scheme, the employees/officers have to contribute 10% of the Basic Pay & Dearness Allowance with a matching contribution from the Company. The said contribution is being remitted with the KPTCL/ESCOMs P&G Trust for the time being pending appointment of Central Record Keeping Agency & Pension Fund Managers. The contribution and returns thereon shall be deposited in a non-withdrawable Pension Tier-I Account.</p> <p>The normal exit is at the age of superannuation for Tier-I of the Pension system. At exit, the employee shall be mandatorily required to invest 40% of pension wealth to purchase the annuity. In case of employees, the annuity shall provide for pension for the life time of the employee and his dependent parents & his spouse at the time of retirement. The individual shall receive a lump sum of the remaining pension wealth which he would be free to utilize in any manner. In the case of employees who leave the scheme before attaining the age of superannuation, the mandatory annuitisation shall be 80% of the pension wealth.</p> <p>C. Defined benefit plans</p> <p>In respect of Pension and Gratuity, contribution to KPTCL/ ESCOM's , Pension & Gratuity Trust is made based on the Actuarial Valuation.</p> <p>The pension and gratuity payment is taken care of by the Trust to eligible employees as and when they retire, as per Government notification No: DE 14 PSR 2002/31.05.2002.</p> <p>(i) Short-term employee benefits</p> <p>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 such compensated absences is accounted as under :</p> <p>(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and</p> <p>(b) in case of non-accumulating compensated absences, when the absences occur.</p> <p>(ii) Long-term employee benefits</p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.</p>
2.14	<p>Segment reporting</p> <p>The Company operates only in Distribution of Power supply and does not have any other segment of business. So the Segmental reporting regulations are not applicable to the company.</p>
2.15	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.</p>

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Notes	Particulars
2.18	<p>Taxes on Income Current tax is the amount of tax payable on the taxable income for the year after taking into consideration the benefits/disallowances admissible under the provisions of the Income Tax Act, 1961. Minimum Alternate Tax paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Accordingly, the Company has arrived Deferred Tax Asset of Rs.82.12 Crs as on the date of Balance Sheet and the same has not been recognized in the accounts on reasons of prudent accounting practice.</p>
2.17	<p>Research and development expenses Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.</p>
2.18	<p>Provisions and contingencies A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.</p>
2.19	<p>PROVISIONS FOR BAD & DOUBTFUL DEBTS Provision for bad and doubtful debts is made on the actual amount of arrears considered as bad & doubtful on case-to-case basis</p>
2.20	<p>Share issues expenses Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is charged to Statement of Profit and loss during the year of issue of shares.</p>

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PB ROAD, NAVANAGAR, HUBLI - 580 025.

Note 3 Share capital

SI No	Particulars	A/C Code	As at 31 March, 2016		As at 31 March, 2015	
			Number of shares	Amount in Rs	Number of shares	Amount in Rs
3-1	Authorized Equity shares of * 10 each with voting rights		1,00,00,00,000	10,00,00,00,000	1,00,00,00,000	10,00,00,00,000
3-2	Issued Equity shares of * 10 each with voting rights	52.301	93,44,87,800	9,34,48,78,000	70,75,27,800	7,07,52,78,000
3-3	Subscribed and fully paid up Equity shares of * 10 each with voting rights		93,44,87,800	9,34,48,78,000	70,75,27,800	7,07,52,78,000
Total			93,44,87,800	9,34,48,78,000	70,75,27,800	7,07,52,78,000

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

SI No	Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Closing Balance
	Equity shares with voting rights Year ended 31 March, 2016					
3-1-1	- Number of shares	70,75,27,800	22,69,60,000	-	-	93,44,87,800
3-1-2	- Amount (Rs)	7,07,52,78,000	2,28,96,00,000	-	-	9,34,48,78,000
	Year ended 31 March, 2015					
3-1-4	- Number of shares	70,75,27,800	-	-	-	70,75,27,800
3-1-5	- Amount (Rs)	7,07,52,78,000	-	-	-	7,07,52,78,000

(ii) Details of shares held by each shareholder holding more than 5% shares:

SI No	Class of shares / Name of shareholder	A/C Code	As at 31 March, 2016		As at 31 March, 2015	
			Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
3-2-1	Equity shares with voting rights Governor of Karnataka		93,44,87,800	99.99%	70,74,77,800	99.99%

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Note 4 Reserves and surplus

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs.	Rs.
4-1	Securities premium account Opening balance Add: Premium on shares issued during the year Closing balance			
4-2	Reserve for Material Cost Variance Opening balance Add: Transferred from surplus in Statement of Profit and Loss Closing balance	58.610	44,52,07,589 (77,98,031)	26,39,44,689 18,12,62,900
4-3	Proposed Adjustments to Networth Reserve Opening balance Add: Additions / transfers during the year Closing balance	52.307,52.308	43,74,09,558 (11,54,30,724)	44,52,07,589 (11,54,30,724)
4-4	Surplus / (Deficit) in Statement of Profit and Loss Opening balance Add: Profit / (Loss) for the year Closing balance		(11,54,30,724) (11,89,33,26,498) (3,72,73,42,764) (15,62,06,69,262)	(11,54,30,724) (12,19,59,62,860) 30,26,36,362 (11,89,33,26,498)
Total			(15,29,86,90,428)	(11,56,35,49,633)

Note: The Company has accounted certain transactions pertaining to the period prior to unbundling of the KPTCL which have been accounted as 'Proposed Adjustment to Net Worth' pending approval of the GoK. A sum of Rs.11.54 Crores has been accounted under Proposed Adjustment to Net Worth, the proposal for which has been sent to GoK for approval and as such the approval of the same is pending as on the date of closure of the financial statements.

Note 4 A Contributions, grants and subsidies towards cost of Capital assets

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
4A-1	Capital reserve - Deferred Grants Opening balance		10,69,95,84,036	9,07,22,79,879
4A-2	Add: Received during the year Closing balance	55.1, 55.3	1,78,45,10,301 12,48,40,94,337	1,62,73,04,157 10,69,95,84,036

Details of Contributions, grants and subsidies towards cost of Capital assets

SI No	Particular	A/c Code	For the year ended	
			As at 31 March, 2016	As at 31 March, 2015
4A-1-1	Consumers contribution towards cost of capital	55.1	8,86,73,54,482	7,37,51,18,213
4A-1-2	Grants towards Cost of Capital assets	55.3	3,61,67,39,855	3,32,44,65,823
Total			12,48,40,94,337	10,69,95,84,036

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Note 5 Long-term borrowings

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs	Rs
5-1	Term loans (Refer Note (i) & (ii) below)			
	From banks			
	Secured	53.3, 53.9	4,10,53,57,231	4,06,16,54,524
	Unsecured	53.3, 53.9		
	From other parties		4,10,53,57,231	4,06,16,54,524
	Secured	53.3, 53.9	8,10,81,26,744	8,06,76,21,439
	Unsecured	53.3, 53.9	49,70,90,249	1,43,30,25,252
	Total		8,60,52,16,993	10,50,06,46,691
			12,71,05,74,224	14,56,23,81,215

(i) Details of terms of repayment for the long-term borrowings and security provided in respect of the secured other long-term borrowings:

SI No	Particulars	Nature of Security	Terms of repayment	As at 31 March, 2016		As at 31 March, 2015	
				Secured	Unsecured	Secured	Unsecured
				Rs	Rs	Rs	Rs
	Term loans from banks: -						
	Secured						
5-1-1	Loan from Syndicate Bank			1,48,57,14,275	-	88,57,14,284	-
5-1-2	Loan drawn from State Bank of India Hubli by HESCOM			67,00,00,000	-	-	-
5-1-3	Loan from Canara Bank, Hubli by HESCOM			1,84,96,42,956	-	3,17,58,40,240	-
5-1-4	Total - Term loans from banks.			4,10,53,57,231	-	4,06,16,54,524	-
	Term loans from other parties:						
5-1-5	Loan from Power Finance Corporation LTD - R-APDRP Scheme.			24,80,64,482	-	30,18,01,918	-
5-1-6	Loans drawn from REC in respect of ongoing SPA Scheme works by KPTCL for HESCOM.			7,86,00,62,262	-	6,76,58,19,521	-
5-1-7	Loans Released from Gok through KPTCL towards PMGY works				2,40,06,558		2,78,25,558
5-1-8	APDRP - GOK Loan Payable to KPTCL				32,63,21,366		38,07,31,366
5-1-9	APDRP - REC Loan Payable to KPTCL				0		15,54,65,108
5-1-10	Loan from Power Finance Corporation Ltd., - KPTCL				14,07,97,325		86,63,93,220
5-1-11	Loan from GOK towards Energisation of IP sets under Ganga Kalyana Scheme.				46,50,000		-
5-1-12	Loan from GOK towards Central Additional Assistance to Power Sector Automation from GOK				13,15,000		26,18,000
	Total			8,10,81,26,744	49,70,90,249	9,06,76,21,439	1,43,30,25,252

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(ii) Details of long-term borrowings guaranteed by some of the directors or others:

Sl No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
	Term loans of Rs 200 Crores from Canara bank is guaranteed by GOK to the extent of Rs 150 Crores (Excluding an amount of Rs 29,16,00,000 grouped under current maturities of Long Term debt)		1,94,96,42,956.00	3,17,89,40,240
	Total		1,94,96,42,956.00	3,17,89,40,240.00

(iii) The Company has defaulted in repayment of loans and interest as under

Sl No	Particulars	As at 31 March, 2016		As at 31 March, 2015	
		Period of default	Rs	Period of default	Rs
5-2	Loans repayable on demand from Canara bank				
	Principal			21 Days	4,16,60,074
	Interest	-	-	21 Days	1,57,96,109
	Principal	-	-	46 Days	4,20,00,000
5-3	Loans repayable on demand from PFC				
	Principal	34 Days	6,06,45,867.00	-	-
	Interest	34 Days	66,54,133.00	-	-
	Principal	65 Days	12,07,40,540.00	-	-
5-4	Loans repayable on demand from REC				
	Principal	126 Days	6,12,19,831.00	-	-
	Interest	126 Days	2,14,797.00	-	-
	Principal	18 Days	4,79,16,667.00	-	-

Note- The above delays are only respect of instalments outstanding as at the year end.

(iv) For the current maturities of long-term borrowings, refer Note 10-1 "Other current liabilities"

(v) Consequent to unbundling of transmission and distribution activities and formation of Electricity Distribution Companies, KPTCL has transferred certain loans to the Company, as a part of transfer of assets and liabilities. Loan transferred by the GOK institution wise have been accounted.

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Note 6 Other long-term liabilities

SI No	Particulars	A/C Code	As at 31 March,	As at 31 March,
			2016	2015
			Rs	Rs
6-1	Trade Payables			
6-1-1	Others:			
6-1-1-1	Electrification / Service Connection	47.3	(1,07,34,22,243)	(35,82,87,601)
6-1-1-2	Other Deposits from Consumers	47.6	45,22,06,950	43,61,00,308
6-1-1-3	Security Deposit from consumers:	48.1 + 48.2 + 48.3	5,76,40,23,009	5,31,29,28,524
			5,14,28,07,716	5,39,07,41,231
6-1-1-4	Security Deposit from Employees	46.920	1,71,963	1,74,063
6-1-1-5	Funds Received from KPTCL - Payable/Adjustible.	46.106	10,06,38,234	10,06,38,234
6-1-1-6	Payable to GOK - BRP II from Consumers	46.204 to 46.208	40,19,857	40,19,647
	Total		5,24,76,37,770	5,49,55,73,175

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Note 7 Long-term provisions

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs	Rs
7-1	Provision for employee benefits:			
7-1-1	Provision for compensated absences	46.430	60,70,32,689.00	55,00,63,579.00
7-1-2	Provision for employee benefits (FBF)	44.142	6,33,34,470.00	5,84,49,954.00
Total			67,03,67,159	60,85,13,533

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Note 8 Short-term borrowings

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs	Rs
8-1	Loans repayable on demand			
	From banks			
	Secured			
	Unsecured		3,21,13,71,414	1,57,50,19,977
	Total		3,21,13,71,414	1,57,50,19,977

Notes:

(i) Details of security for the secured short-term borrowings:

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs	Rs
8-1-1	Loans repayable on demand from banks:			
	Cash Credit from Banks	50.1	3,21,13,71,414	1,57,50,19,977
	Total - from banks		3,21,13,71,414	1,57,50,19,977
	Particulars			

(ii) Details of short-term borrowings guaranteed by some of the directors or others:

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs	Rs
8-1-2	Loans repayable on demand from banks		0	0
	Loans repayable on demand from other parties		0	0

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Note 9 Trade payables

SI No	Particulars	A/C Code	As at 31 March,	As at 31 March,
			2016	2015
			Rs	Rs
9-1				
9-1-1	Sundry Creditors for Purchase of Power-Others	41.1 to 41.5	24,91,58,22,226	22,82,68,99,591
9-1-2	Sundry Creditors for Purchase of Power-(ESCOMS)	42.230, 42.256, 42.258, 42.282	15,11,61,25,630	10,44,81,10,088
Total			40,03,19,47,856	33,07,50,09,679

Note: 1) The Company is purchasing power against Letter of Credit. The aggregate facility of LC as at 31.03.2016 is Rs 100 Crores

2) ATE has passed the final orders (15.05.2015) on the appeal filed by HESCOM in relation to determination of tariff for UPCL. Honble CERC issued Order on 10.07.2015 in the matter of revision of Tariff of UPCL (2*600MW+ 1200MW) for Unit 1& 2. UPCL have filed petition (No 07/GT/2016) for final determination Tariff for Unit 2. Now presently the case is before Honble CERC for finalisation of Tariff.

3) Sundry creditors for Purchase of Power-KPTCL includes Rs. 49.72 Crores (as intimated by MD KPTCL DO Letter No. MD/FA(A&R)/CF/AO*/SPA/F-1/2011-12/931 Dtd 06.09.2011 which is also reconciled) towards difference in transmission charges of 26.23 paise per unit billed by KPTCL during 2006-07 and transmission charges of 19.42 paise to be charged as per KERC order, which was contested by KPTCL before Appellate Tribunal for Electricity (ATE). The KPTCL has appealed before the Hon'ble Supreme Court against the orders of the ATE which is pending as on the date. Transmission charges have been accounted at 19.42 paise per unit up to 30.11.2009 and at Rs.102,427/- per M.W. of installed capacity from 01.12.2009 to 31.12.2010 and Rs.95646/- per M.W. of installed capacity from 01.01.2011 to 31.03.2011 and Rs.95356/- per MW of installed capacity from 01.04.2011 to 31.03.2012, Rs 112224/- per M.W. of installed capacity from 01.04.2012 to 31.03.2013, Rs 95442/- per M.W. of installed capacity from 01.04.2013 to 31.03.2014 and Rs 98324/- per M.W. of installed capacity from 01.04.2014 to 31.03.2015. Rs. 112079/-per M.W.of insalled capacity from 01.04.2015 to 31.03.2016.

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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
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Note 10 Other current liabilities

Sl No	Particulars	A/C Code	As at 31 March, 2016		As at 31 March, 2015	
			Rs	Rs	Rs	Rs
10-1	Current maturities of long-term debt (Refer Note (B) below)		7,38,95,73,349		3,68,97,19,012	
10-2	Interest accrued but not due on borrowings	48.710, 48.720, 46.730	7,19,81,388		15,17,818	
10-3	Interest accrued but not due on Consumers on Security Deposits	48.340, 48.350	47,59,07,350		53,56,00,426	
10-4	Other payables					
10-4-1	Liability for Supplies/Works	42.101, 42.201, 42.301, 42.401, 42.501 & 42.701	2,23,69,45,782		1,57,78,25,215	
10-4-2	Security Deposit from Suppliers/contractors	46.101, 46.102, 46.104, 46.107, 46.108, 46.109 & 46.103	1,31,01,46,325		1,42,45,46,848	
10-4-3	Liability for Inter Company Transactions					
10-6	Staff Related Liabilities and Provisions	42.214 to 42.282	4,28,45,54,030		3,12,48,23,926	
10-6-1	Provision for payment to Pension trust (Pension & Gratuity)					
10-6-2	Unpaid Salaries	44.122	5,04,86,132		23,49,39,721	
10-6-3	Unpaid Bonus	44.210	6,09,289		4,81,498	
10-6-4	Salary payable	44.220	43,557		57,603	
10-6-5	Salary payable to contract Revenue Asst. (Physically Challenged Candidates)	44.310	3,85,49,023		89,07,866	
10-6-6	Bonus payable	44.312	35,73,596		2,72,597	
10-6-7	Ex-gratia payable	44.320	89,26,824		7,48,755	
10-7	Statutory remittances:	44.330	8,01,81,306		2,66,11,882	
10-7-1	Electricity tax and other levies payable to Government.					
10-7-2	Compounding Fee payable to Govt.	46.300 46.301	6,03,77,438 1,47,30,132		4,55,43,754 1,04,94,084	
10-7-3	Taxes such as Sales Tax, Income Tax, Service Tax etc., deducted at source and payable to Government.	46.923+46.924+46.925 +46.926+46.927+46.928 8+46.951+46.929+46.9	9,24,14,837		7,04,48,629	
10-7-4	Pension Contribution recovered from employees	46.952	7,08,305		79,07,032	
10-7-5	Amount recovered from Employees & payable to Employees welfare Trust towards Employees contribution	46.956	89,69,045		89,69,045	
10-7-6	Employees PF and Departmental share of PF payable account					
10-7-7	Others	46.957, 46.958	5,37,867		1,49,794	
10-7-8	Expenses Payable					
10-7-9	Excess credit afforded by Bank Pending reconciliation	46.41 To 46.47 46.971, 46.972, 46.974,	32,49,58,283		34,79,62,518	
10-7-10	Miscellaneous Deposits	46.975	2,26,13,104		1,80,45,889	
10-7-11	Advance received for sale of stores scrap etc.,	46.966	58,69,186		58,05,214	
10-7-12	Un-issued Cheques & Cheques in Transit	46.922	2,79,55,343		71,39,456	
10-7-13	Recovery from employee towards FBF	48.910, 48.911, 44.140, 44.141, 44.142, 44.143	38,22,545 9,09,76,571		24,82,208 8,49,95,615	
10-7-14	Provision for defined benefit plans (NDCPS)	44.150	14,28,201		86,26,689	
10-7-15	Advance paid to SPPCC towards UI Charges/Administrative charges	28.945, 28.946	27,61,84,050		29,52,51,542	
Total			16,86,10,12,439		11,53,98,74,836	

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(iii) Current maturities of long-term debt (Refer Notes (i) and (ii) in Note 5 - Long-term borrowings for details of security and guarantee):

Sl No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs	Rs
10-8	Term loans From banks Secured			
10-8-1	Loan from Syndicate Bank	53.977	1,37,14,28,577	8,57,14,287
10-8-2	Loan drawn from State Bank of India Hubli by HESCOM	53.978	33,00,00,000	-
10-8-3	Loan from Canara Bank, Hubli by HESCOM	53.981	79,58,00,000	29,24,19,839
10-8-4	Loan from Corporation Bank	53.982	-	-
10-8-5	Unsecured			
			2,49,70,28,577	37,81,34,226
10-9	From other parties Secured			
10-9-1	Loan from Power Finance Corporation LTD - R-APDRP Scheme.	53.961	86,70,760	13,49,865
10-9-2	Loans drawn from REC in respect of ongoing SPA Scheme works by KPTCL for HESCOM.	53.314	1,79,73,53,208	1,03,49,98,163
10-9-3	Unsecured			
10-9-4	Loans Released from GoK through KPTCL towards PMGY works	53.307	38,00,000	36,81,000
10-9-5	APDRP - GOK Loan Payable to KPTCL	53.350	5,44,03,000	5,43,90,000
10-9-6	APDRP - REC Loan Payable to KPTCL	53.351	4,48,93,959	13,98,51,850
10-9-7	Loan from Power Finance Corporation Ltd., - KPTCL	53.960	2,96,21,29,845	2,07,07,58,903
10-9-8	Loan from GOK towards Energisation of IP sets under Gança Kalyana Scheme.	53.980	-	52,50,000
10-9-9	Loan from GOK towards Central Additional Assistance to Power Sector Automation	53.983	13,00,000	13,05,000
			4,87,25,44,772	3,31,18,84,786
	Total		7,36,95,73,349	3,68,97,19,012

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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
PB ROAD, NAVANAGAR, HUBLI - 580 025.

Note 11 Short-term provisions

SI No	Particulars	A/C Code	As at 31 March, 2016	As at 31 March, 2015
			Rs	Rs
11-1	Provision for employee benefits (Leave Encashment)	46.430	17,38,17,109.00	16,26,35,797.00
11-2	Provision - Others:			
11-2-1	Provision for tax			
11-2-2	Provision for loss on written off of cash found short	46.965	67,463	67,463
11-2-3	Provision for other employee benefits - FBF	44.142	71,17,489	66,33,321
	Total		18,10,02,041	16,93,36,581

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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
PB ROAD, NAVANAGAR, HUBLI - 590 025.

Notes forming part of the financial statements
 Statement Showing Depreciation as per the CERC and CERC Tariff Regulation 2008, Annex-III

Non-Fixed assets

Sl No	Tangible assets	AC Code	Gross block		Balance as at 31 March, 2016	Accumulated depreciation and impairment				Net block		
			Balance as at 1 April, 2015	Additions		Disposals	Balance as at 31 March, 2016	Eliminated on disposal of assets	Depreciation / amortisation expense for the year	Balance as at 31 March, 2016	Balance as at 31 March, 2016	
12-1	Land Freehold	10.1	10,28,99,893	-	10,28,99,893	-	-	-	-	-	10,28,99,893	10,28,99,893
12-2	Buildings	10.2	73,77,03,162	2,43,41,012	76,20,44,174	19,60,37,709	2,79,10,766	1,14,069	22,36,33,796	1,14,069	53,82,10,368	54,16,65,463
12-3	Hydraulic Works	10.3	2,85,43,664	22,84,669	3,08,28,333	1,03,87,864	18,71,508	837	1,19,29,536	837	1,88,98,727	1,91,86,730
12-4	Other CMA Works	10.4	2,66,20,361	20,44,165	2,71,79,122	65,06,730	8,54,989	7,022	71,54,313	7,022	2,00,24,800	1,92,13,615
12-5	Plant and Equipment	10.5	6,72,24,73,922	2,26,11,24,045	7,59,75,40,490	2,03,00,61,433	39,60,11,782	24,43,33,394	2,17,87,39,631	24,43,33,394	6,42,18,00,619	4,89,24,12,589
12-6	Line Cable Networks	10.6	35,88,05,86,442	4,85,78,88,469	30,09,08,66,105	12,6	7,85,01,27,212	66,46,21,650	8,28,75,87,618	27,71,61,444	21,80,32,90,467	16,00,04,31,230
12-7	Vehicles	10.7	5,65,29,735	-	5,65,29,735	12.7	4,61,35,448	10,31,891	4,71,67,139	-	93,04,320	1,03,94,307
12-7	Furniture and Fixtures	10.8	3,60,63,366	43,84,565	4,00,08,931	12.9	2,24,16,365	14,88,997	2,39,06,301	14,88,997	1,62,00,054	1,36,47,043
12-8	Office equipment	10.8	3,30,71,000	3,62,11,798	4,68,17,681	12.9	71,16,892	9,02,864	78,85,298	34,808	3,88,34,369	2,48,84,099
	Total		33,62,23,83,367	6,81,73,79,841	30,75,47,12,033		16,19,38,88,241	1,19,23,13,718	16,79,62,02,712	1,19,23,13,718	17,60,01,01,271	15,43,33,65,194
	Less: Contributions, grants and subsidies towards cost of Capital assets		(10,01,32,43,881)	-	(11,59,90,23,906)		-	-	-	-	-	-

B. Depreciation and amortisation relating to continuing operations:

Sl No	Particulars	For the year ended	
		31-March-15	31-March-16
12.9	Depreciation and amortisation for the year on tangible assets as per Note 12 A	1,10,63,92,758	1,02,77,46,344
	Less: Utilised from revaluation reserve	-	-
	Depreciation and amortisation relating to continuing operations	1,10,63,92,758	1,02,77,46,344

The Capital Grants received from Government and consumer contribution towards cost of capital assets aggregating to Rs. 1196.90 Crores is reduced from Gross Block and shown in Balance Sheet. The Consumer contributions and Government grants towards cost of capital assets cannot be identified in relevant fixed assets. Hence, the same is treated as related to the Line, Cable & Networks Assets group and deducted directly from the total Gross Fixed Assets. The corresponding depreciation on these assets provided at respective Accounting Units has been reduced from Depreciation for the year @ 9.25% while works are in progress. On duly passing a journal entry at Head Office.

12.C. CAPITAL WORKS IN PROGRESS

Sl No	Particulars	AC Code	For the year ended	
			31-March-15	31-March-16
12-10	Capital Work in Progress			
	14.110 To 14.150		39,06,38,936	29,10,81,602
	14.151 To 14.401		3,74,00,87,748	3,09,96,63,080
	14.450 to 14.810		-31,33,36,169	-18,64,14,380
	14.900 to 14.925		1,11,31,85,313	3,10,49,30,102
	Sub Total		20,49,03,780	32,53,33,897
	15.5		-51,30,67,169	-48,43,43,155
	Consumes contribution towards cost of capital		30,68,81,876	31,31,19,334

Note: During FY-2015-16 Rs. 126.92 Crs. Assets has been created out of Consumer Contributions made to the extent of Rs. 118.45 Crs. and difference amounting to Rs. 8.47 Crs. is provided under capital work in progress. Further total asset created out of grants and consumer contribution up to 31.03.2016 to the tune of Rs. 1196.90 Crs. is reduced from total assets as per AS 12.



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