
**13th Annual Report
2014-2015**



**Hubli Electricity Supply
Company Limited**





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ಪರಿವಿಡಿ

1. ನಿರ್ದೇಶಕರ ವರದಿ
2. ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ವರದಿ
3. ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ವರದಿಗೆ ಅನುಬಂಧ ಮತ್ತು ಉತ್ತರಗಳು
4. ನಿಯಂತ್ರಕರು ಮತ್ತು ಮಹಾಲೇಖಪಾಲರು, ಭಾರತ ಸರ್ಕಾರ ಇವರ ಹೇಳಿಕೆಗಳು
5. ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ
6. ಲಾಭ ಮತ್ತು ನಷ್ಟದ ಲೆಕ್ಕಗಳು
7. ಹಣ ಚಲಾವಣೆ ಪಟ್ಟಿ
8. ಆರ್ಥಿಕ ನಿರೂಪಣಾ ಪಟ್ಟಿಗಳಿಗೆ ಸಂಬಂಧಪಟ್ಟ ಟಿಪ್ಪಣಿಗಳು
9. ವಿದ್ಯುತ್ ಮಾರಾಟದ ಸರಾಸರಿ ಮರುಗಳಿಕೆ ದರ
10. ಸರ್ಕಾರದಿಂದ ಸ್ವೀಕೃತಿಸಿದ ಸಹಾಯಧನ ವಿವರ



Board of Directors

List of Directors (as on the date of AGM)

Sl. No.	Name of the Directors Sriyuths	Particulars
1	P. Ravikumar, I.A.S.	Chairman
2	Khushboo Goel Chowdhary, I.A.S.	Managing Director
3	P. Rajendra Cholan, I.A.S.	Director
4	Dipti Aditya Kanade, I.A.S.	Director
5	P.K. Garg, I.P.S.	Director
6	Ashok Angadi	Director (Technical)
7	K. Siddaraju	Director
8	K. Govindaraju	Director
9	M. Nagaraju	Director

Statutory Auditors

M/s. A John Moris & Company
Chartered Accountants
Bangalore.

Cost Auditors

M/s S.K.Tikare & Co.,
Cost Accountants,
Dharwad.



DIRECTORS' REPORT

Dear Members,

The Board of Directors of HESCOM feels glad to present the Thirteenth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2015.

Hubli Electricity Supply Company Limited was incorporated on 30th April 2002 under the Companies Act, 1956 and commenced its operations with effect from 1st June 2002.

During the year 2014-15, the Company embarked on various actions for delivering better services in line with its objectives and policies.

Following are some of the highlights:

1. PERSPECTIVE

As on 31.03.2015



■ Area	54513 sq.km
■ Districts	7
■ Population	1.48 Crs
■ Consumers	40.9 Lakhs
■ No. of 33 S/S	169
■ No. of DTCs	135271
■ HT line length	63096.28 ckt kms
■ LT line length	112284.60 ckt kms
■ Employee Strength	
● Sanctioned	15859 nos.
● Working	7528 nos.
● Vacant	8331 nos.
■ Total Assets	₹ 6431.24 Crs

2. FINANCIAL PERFORMANCE:

The financial performance of the Company during the Financial Year 2014-15 as compared to previous financial year 2013-14 is highlighted as below:

Particulars		For the year ended	For the year ended
		31 March, 2015	31 March, 2014
		(₹ crs)	(₹ crs)
	Revenue		
1	Revenue from operations	4851.58	4410.63
2	Other income	(8.08)	27.95
3	Total revenue (1+2)	4853.50	4438.58
	4 Expenditure		
	(a) Purchase of Power	3785.59	4028.78
	(b) Finance costs	348.43	331.16
	(c) Employee benefits expense	455.46	444.53
	(d) Depreciation and amortization expense	99.05	92.69
	(e) Administrative and Other expenses	124.72	117.67
5	Total Expenditure	4813.24	5014.83
6	Gross Profit / (Loss)	30.26	(576.25)
7	Tax Provisions	0.00	0.00
8	Net Profit/(Loss)	30.26	(576.25)

3. FINANCIAL HIGHLIGHTS :

During the year the revenue from operations has increased by 9.123% from ₹ 4438.58 Crs to ₹ 4843.50 Crs.

The Company has purchased 11513.19 M.U.s (at Generating Point) of power during the year. The Power purchase cost has decreased by 6.036% as compared to the previous year. During the year the Company has purchased High Cost Energy of 494.65 M.U.s. at a cost of ₹ 264.20 Crores as per the GOK's decision.



4. STRATEGIES AND VISION OF THE COMPANY:

The Company has the following strategies:

1. Enhancement of revenue generation.
2. Strengthening and refurbishing Distribution Network to reduce losses and cost of operation.
3. Enhancing Employee Productivity.
4. Providing best services to its consumers.
5. Energy Audit at 33 KV / 11 KV DTC level to bring down avoidable losses.
6. Enhancement of vigilance activities to reduce power theft and pilferage.

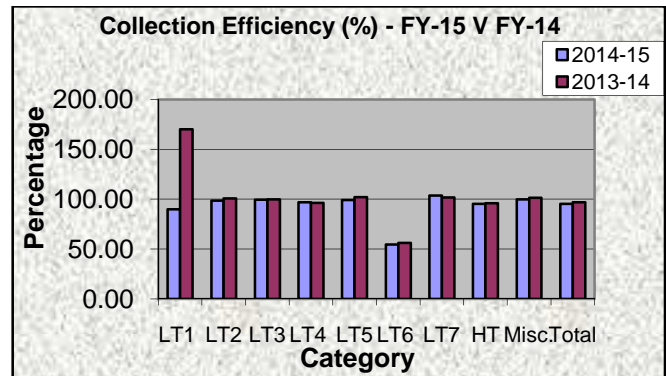
I. The Company has set the following as its vision and is committed to work in that direction:

1. 100% Rural Electrification
2. Reduce T&D Losses gradually to below 15%
3. 100% Metering at all levels right from feeder end to consumer installations
4. Elimination of Low Voltage Pockets by reorganizing the existing Feeders consequent to establishment of new Sub-stations by HESCOM and KPTCL.
5. Reduction in interruption
6. Power Supply on Demand
7. Eliminate commercial losses by increased vigilance activities
8. Application of Information Technology in more and more activities
9. Increasing business efficiency by reducing AT & C Losses.

5. COLLECTION EFFICIENCY:

During the year, collection efficiency of the Company has remained more or less the same as compared to previous fiscal. The Category wise collection efficiency can be seen from the following table and graph:

Category	Collection Efficiency (in %)	
	2014-15	2013-14
LT1	89.75	170.01
LT2	98.69	100.76
LT3	99.42	99.99
LT4	96.83	96.35
LT5	99.16	102.03
LT6	54.64	56.11
LT7	103.81	101.71
HT	95.43	96.06
Misc.	99.96	101.43
Total	95.21	96.92



6. METERED AND UN-METERED ENERGY:

The Category-wise Metered and Un-metered Energy sales during FY-15 & FY-14 are as noted below:

Category	Category wise Energy Sales in.MU							
	2014-15				2013-14			
	Metered	Un-metered	Total	% of Energy Sales	Metered	Un-metered	Total	% of Energy Sales
1	2	3	4	5	6	7	8	9
LT1 BJ/KJ	131.01	33.03	164.04	1.78	117.72	39.60	157.32	1.82
LT2	1256.92		1256.92	13.65	1166.46		1166.46	13.46
LT3	371.11		371.11	4.03	339.76		339.76	3.92
LT4 IP	177.45	5107.26	5284.71	57.39	172.04	4805.43	4977.47	57.45
LT5	315.81		315.81	3.43	300.88		300.88	3.47
LT6 W/S & P/L	336.41		336.41	3.65	309.61		309.61	3.57
LT7	22.61		22.61	0.25	20.60		20.60	0.24
HT	1456.71		1456.71	15.82	1391.93		1391.93	16.07
Total	4068.02	5140.29	9208.31	100	3819.02	4845.02	8664.04	100

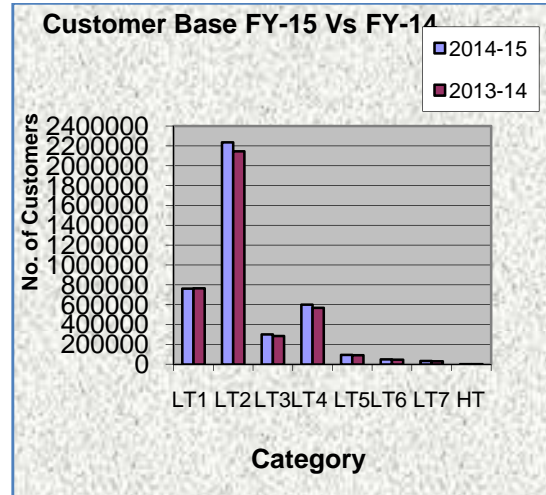


7. CUSTOMER PROFILE:

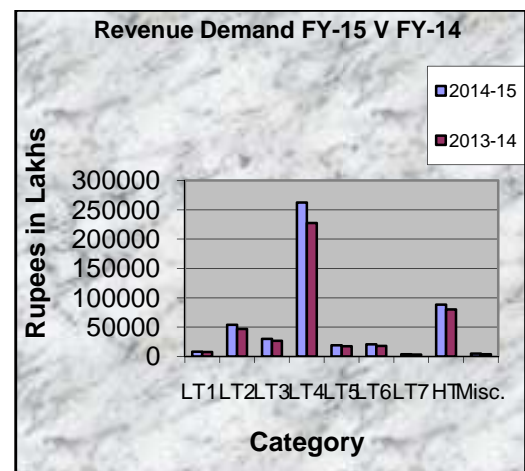
The Company had a customer base of 39.38 lakhs at the beginning of the year. With the addition of 1.52 lakhs new consumers during the year, the customer base has increased to 40.90 lakhs as at the end of 31.03.2015.

PROFILE - Customers profile with respect to Consumption, Demand and Collection is highlighted in the following graphs:

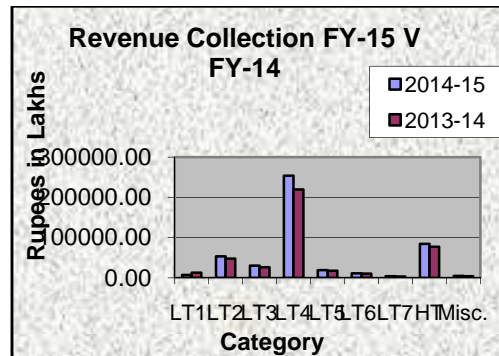
Category	Customer Base			
	2014-15		2013-14	
	Installations in Nos.	%	Installations in Nos.	%
LT1 BJ/KJ	761634	18.62	766265	19.46
LT2	2236945	54.69	2144411	54.45
LT3	303117	7.41	287286	7.29
LT4 IP	602984	14.74	569962	14.47
LT5	96255	2.35	91175	2.31
LT6 W/S & P/L	51019	1.25	47260	1.20
LT7	35739	0.87	30040	0.76
HT	2358	0.06	2171	0.06
Total	4090051	100.00	3938570	100.00



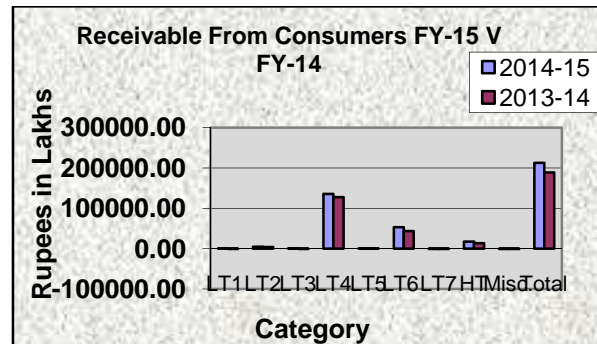
Category	Revenue Demand as per DCB			
	2014-15		2013-14	
	Rs. in Lakhs	%	Rs. in Lakhs	%
LT1 BJ/KJ	8036.08	1.63	7504.28	1.74
LT2	54115.62	11.00	47142.76	10.93
LT3	30075.37	6.11	26515.25	6.15
LT4 IP	262402.36	53.35	227612.30	52.78
LT5	19124.56	3.89	17244.66	4.00
LT6 W/S & P/L	20888.36	4.25	18020.50	4.18
LT7	3749.17	0.76	3403.00	0.79
HT	88528.46	18.00	79951.37	18.54
Misc.	4926.66	1.00	3817.21	0.89
Total	491846.64	100.00	431211.36	100.00



Category	Revenue Collection as per DCB			
	2014-15		2013-14	
	₹ in Lakhs	%	₹ in Lakhs	%
LT1 BJ/KJ	7212.24	1.54	12757.68	3.05
LT2	53405.38	11.40	47499.53	11.37
LT3	29899.51	6.39	26512.48	6.34
LT4 IP	254078.03	54.26	219312.51	52.48
LT5	18964.46	4.05	17595.12	4.21
LT6 W/S & P/L	11413.49	2.44	10111.26	2.42
LT7	3892.18	0.83	3461.23	0.83
HT	84485.59	18.04	76804.81	18.38
Misc.	4924.69	1.05	3871.92	0.93
Total	468275.55	100.00	417926.55	100.00



Category	Receivable from Consumers as per DCB (CB)			
	2014-15		2013-14	
	₹ in Lakhs	%	₹ in Lakhs	%
LT1 BJ/KJ	1175.76	0.55	351.92	0.19
LT2	4573.85	2.15	3863.61	2.04
LT3	428.42	0.20	252.55	0.13
LT4 IP	135822.11	63.82	127497.78	67.37
LT5	1002.75	0.47	842.71	0.45
LT6 W/S & P/L	53283.88	25.04	43809.01	23.15
LT7	-947.28	-0.45	-804.26	-0.42
HT	17512.53	8.23	13469.65	7.12
Misc.	-19.26	-0.01	-21.28	-0.01
Total	212832.76	100	189261.68	100



8. Power Purchase in HESCOM:

DETAILS OF POWER PURCHASE BY HESCOM FROM APRIL - 2014 TO MARCH - 2015 FROM ALL SOURCES

SL No	Name of the Company	Energy In MUs	Cost of Power Purchase in Cr	Cost Power Purchase ₹ /Unit
1	CGS	2567.30	908.36	3.54
2	KPCL-HYDEL	3474.25	193.09	0.56
3	KPCL-SOLAR	2.95	1.77	6.00
4	KPCL-THERMAL	2794.26	1123.44	4.02
5	MINI HYDEL	47.40	12.89	2.72
6	WIND MILL	743.56	259.53	3.49
7	CO-GENERATION	95.17	35.30	3.71
8	Solar – Others	36.65	8.56	2.33
9	Medium Term	272.92	143.95	5.27
10	Short Term & Section 11	221.73	120.25	5.42
11	Major IPP (UPCL)	1057.40	496.12	4.69
TOTAL		11313.59	3303.26	2.92
12	Inter-ESCOM Energy Exchange	480.00	137.57	2.87
TOTAL		11793.59	3440.83	2.92
Others				
13	KPTCL Tr. Charges		445.54	
14	SLDC O&M Expenses		9.94	
15	PCKL/ POSOCO Charges		1.31	
16	Open Access Charges		0.03	
17	LC Charges		0.59	
TOTAL		11793.59	3898.24	3.31
Less:	HRECS (Hukkeri Society)	280.40	108.69	3.88
Less:	Rebate from power Generators		0.95	
GRAND TOTAL		11513.19	3788.60	3.29

Allocation of Energy for FY-15 is as noted below:

SL No	Source	HESCOM Share vide GoK Order Dtd: 09.05.2014 w.e.f 01.05.2014
1	KPCL-HYDEL (Sharavati & Others)	29.082%
2	KPCL-HYDEL (Bhadra & Others)	20.940%
3	KPCL-THERMAL	18.13%
4	CGS	18.13%
5	Jurala Hydro	18.13%
6	Major IPP	16.985%
7	Medium/Short Term/Section-11	7.410%
8	NCE	100%

The supply of energy to the Company includes EHT supply at more than 33 KV voltages at the interconnection points for transfer of power for billing by the Company.

From 10.06.2005 Company accounts the power purchase directly from Power Generators Pool Account as per the energy allocation / assigned by the Government of Karnataka as per the Government order issued from time to time. The rates followed for the allocated/assigned power purchase is based on the commercial rates/predetermined rates as approved by the PPA/ KERC/ Government of Karnataka.

The point of connectivity charges, Transmission charges, expenditure towards SLDC, KPTCL, PCKL are accounted separately as per Tariff Order and instructions from time to time. The details of such charges for Central Generating Stations are governed by Regional Energy Account and SRLPC (POSOCO).

The Company accounts the import /export of energy among ESCOMs as Net Energy either as a sale/purchase.

9. METER READING / BILLING EFFICIENCY

The Company aims at 100% achievement in Metering of all its consumers. It could achieve 86.40% overall efficiency in Metering and 99.72% in Billing



during the year. LT-2, LT-3, LT-5, LT-6, LT-7 and HT categories recorded almost 100% metering. The Company is committed to achieve 100% metering in LT-1 & LT-4 categories also. This can be possible only after installing Meters to all the IP sets and BJ/KJ installations.

10. STATIONS AS ON 31.03.2015:

HESCOM is receiving the energy through the following Transmission Network & Electrical Sub stations:

Voltage class of Stations	No. Of Stations as on 31.03.14	No. Of Stations as on 31.03.15
400 KV	*1	*1
220 KV	22	22
110 KV	169	171
66 KV	1	1
33 KV	169	169
Total	362	364

* One number 400 KV sub Station maintained by PGCIL.

11. ENERGY INFLOW / OUT FLOW (Sales):

During the year, the company had an inflow of 11059.28 MUs and outflow of 9208.40 MU.

12. DISTRIBUTION LOSSES:

During the year, the Distribution Loss of the Company stood at 16.74% as against 18.05% in the preceding year. The details are as below:

Sl. No.	Particulars	Energy in M.U	
		2014-15	2013-14
	Energy Sales:		
a	Total energy available for sale	11059.46	10571.10
b	Total metered sales	4068.02	3817.71
c	Total un-metered sales	5140.37	4846.33
d	Total sales	9208.39	8664.04
e	Distribution losses	1851.07	1907.78
f	Percentage of Distribution losses	16.74%	18.05%

13. REDUCTION OF DISTRIBUTION LOSSES:

HESCOM has taken up various Extensions and Improvement Works in order to reduce Distribution Losses. Under the action plan for reduction of losses in HESCOM area, the details of initiatives are as follows:



-
-
- Action has been taken to replace MNR meters at the earliest. All efforts are being made to ensure that DC or MNR installations are within 1%. Out of 61764 MNR meters found during 2014-15, 47758 MNR meters have been replaced during the year.
 - Replacement of 10 year old Electro-mechanical Meters by High Precision Static Meters in the jurisdiction of HESCOM is being taken up and processed.
 - Efforts are being made for installation of HT Metering Cubicle for boundary meters in Gadag division on pilot basis for more efficient Energy Audit.
 - Raids are being conducted by vigilance squads to detect and curb theft of electricity.
 - Regular rating of HT and LT installations are being monitored and the Metering System is kept in good condition.

All the 495 Interface Points between KPTCL & HESCOM are metered and the energy received at all these points are measured and recorded.

The major system improvement works like DTC metering to all the DTCs of HESCOM jurisdiction area, Replacement of old electromechanical meters by static meters, Implementation of ABC cables in theft prone areas, Providing additional transformers wherever there is over load situation etc, are covered in R-APDRP part A and B in 73 towns in phased manner which in turn results in reduction of Distribution Losses.

14. ENERGY AUDIT:

Division wise Energy Audit of HESCOM is being conducted every month to calculate Distribution Loss. Energy Audit of all the 22 Divisions is being monitored every month in HESCOM. Energy Audit of 73 major cities / towns is also being conducted every month. Energy Audit of 11KV feeder level is also monitored. There are about 2563 feeders in HESCOM Distribution System. As per directions of Hon'ble KERC, web based composite thread through DTC Metering has been taken up to monitor Energy Audit at DTC levels in non R-APDRP towns also.

15. REDUCTION Of Aggregated Technical and Commercial losses (AT&C):

The following measures undertaken by the company are being monitored to reduce the AT & C Losses:



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-
- a. To remove rural loads on town / City Feeders so that Towns/ Cities are fed from separate Urban Feeders, with Input Energy Meters kept always in good working conditions.
 - b. Arranging to provide metering equipment to DTCs in the towns & analyzing HT and LT Losses after the synchronization of individual DTC and its connected LT installations, in Non R-APDRP towns.
 - c. Load balancing on the DTCs.
 - d. Replacement of MNR meters by good Static Meters.
 - e. Achieving 100% reading and billing of LT installations.
 - f. Minimizing the Door Lock & unread installations (i.e., By taking readings on subsequent dates).
 - g. Proper metering of Street Light and water supply (LT-6) installations for monitoring the consumption. It is proposed to provide timer switches to control "OFF and ON" of Street lights in urban areas of HESCOM.
 - h. Metering & monthly billing of IP Set installations coming on town feeders.
 - i. To continue all out-efforts in increasing the metered consumption & issuing of 100 % bills.
 - j. To increase the revenue collection by rigorous disconnection drives & continuous monitoring thereby increasing the collection efficiency & over all business efficiency (to reduce AT & C Losses).
 - k. To sort out & dismantle long disconnected installations to avoid possible theft of Energy by unauthorized reconnection and for judicious use of released idle meters etc., in the system.
 - l. To pool up vigilance & MT batches to create mass raids to detect theft of Energy & to arrest possible theft.
 - m. To bring up customer awareness by chalking out programmes for proper education about electricity.
 - n. Study of category wise consumption pattern of LT3 and LT5 installations and thereby taking measures like rating, sealing of terminal covers with numbered poly carbonate seals etc.
 - o. It is proposed to replace 10 year old Electro-mechanical meters by high precision Static Meters.
 - p. Efforts are being made to meter all the un-metered installations in BJ/KJ categories and DTCs feeding predominant IP set installations.
 - q. Regular rating of HT and LT installations are being monitored and the Metering System is kept in good condition.



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- r. All the 495 Interface Points between KPTCL & HESCOM are metered and the energy received at all these points are measured and recorded.

16. DISTRIBUTION TRANSFORMER FAILURE:

The failure rate of Distribution Transformers during 2014-15 stood at 17.77% in Rural and 6.95% in Urban Areas. Totally, 22179 Distribution Transformers have failed and about 22036 Transformers are replaced during the year. Failed Transformers are being repaired and put back to use. The no. of Transformers repaired during the year is 21492 as against 19323 during the previous year. The Company is committed to reduce the failure rate of Transformers by way of various Extension and Improvement works and by removing of load on the over loaded Transformers by adding new Transformer Centres.

17. CAPITAL EXPENDITURE

During the year the Company has incurred Rs.419.03 crores towards capital expenditure as against Rs. 342.92 crores in the previous year. The details of expenditure under Major heads are as noted below:

	₹/Cr
Service Connection	05.09
Ganga Kalyan	0.00
Extension and Improvement	19.99
Replacement of Failed Distribution Transformers	115.28
Replacement of Conductors	3.03
Providing Infrastructure to UAIP.	27.36
Energisation of IP Sets (General)	91.96
Metering	14.96
Rural Electrification works (RGGVY, NJY, RLMS, Hamlets etc)	87.12
RAPDRP	0.00
ALDC/SCADA	16.34
Stations	1.02
Civil Works	20.72
Flood Affected Works	5.32
Others	10.84
Total	419.03



18. HT / LT LINES

The Company has drawn 2477.69 kms of HT lines and 2169.05 kms of LT lines during the year. Total HT and LT Lines as at 31-3-2015 stood at 63096.28 kms and 112284.60 kms, respectively.

19. DTC METERING:

About 740 DTCs have been metered during the current year. Out of total existing 135271 DTCs, 41554 DTCs have been metered as at the end of 31.3.2015 and the remaining 93717 DTCs are to be metered in a phased manner.

20. STATION PROGRESS FOR FY 2014-15:

Sl.No	Particulars	Nos
1	No of 33Kv stations under progress including spill over works and works awarded during FY 2014-15 (Augmentation works)	4
2	Award Cost in Crores	7.75
3	No. of stations augmented during the FY 2014-15 (including augmentation works)	1

Additional 5 MVA Power Transformer Augmented during 2014-15						
Sl. No.	Name	District	Taluk Name	Capacity	Date of Commissioning	Award Cost (₹ In Crs.)
1	Holealur	Gadag	Ron	1X5MVA	09.10.2014	0.12

21. R-APDRP:

Introduction:

- ▶ R-APDRP is a flagship Distribution Sector Strengthening Programme of Government of India
- ▶ Aims at reducing the overall Aggregate Technical and Commercial (AT&C) losses.
- ▶ The Project comprises of Towns having population > 30,000 as per 2001 Census.
- ▶ RAPDRP PART-A covers 29 towns in HESCOM.



Objectives:-

- ▶ Reduce AT&C Losses to less than 15% over 5 years from date of project approval.

Annual reduction:

- ▶ By 3% if the existing AT & C Losses >30%
- ▶ By 1.5 % if the existing AT & C Losses <30%

Projects taken up in Two Parts

PART - A	PART - B
Establishment of Base line data <ul style="list-style-type: none">▶ Consumer Indexing▶ GIS mapping▶ DTC & Feeder Metering▶ SCADA ▶ IT Applications <ul style="list-style-type: none">▶ Metering, Billing & Collection▶ Energy Accounting and Auditing▶ MIS▶ Consumer Grievance Redressal▶ Consumer service centres	Distribution Strengthening projects <ul style="list-style-type: none">▶ Renovation & Modernization of 11KV Network▶ Re-conducting of lines 11KVlines & below▶ Feeder separation▶ Load Balancing▶ Replacement of Meters▶ Capacitor Banks and Mobile Service Centres etc.

PART-A mainly comprises of :-

- Establishment of Data Center and Disaster Recovery Center
- Provide solution for all the MODULES as enumerated below:

1. Meter Data Acquisition	11. Asset Management
2. Energy Audit	12. Asset Maintenance
3. New Connection	13. GIS based customer Indexing and asset mapping
4. Disconnection & Dismantling	14. GIS based integrated network analysis module
5. Development of Commercial Database of Consumers	15. Management Information System(MIS)
6. Metering	16. System Security Requirement
7. Billing	17. Identity and Access Management system
8. Collections	
9. Centralized Customer Care Services	
10. Web Self Service	



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- DGPS based GIS survey in the identified towns under R-APDRP
 - AMR Implementation
 - Establishment of LAN, MPLS VPN and other Networking in the identified towns
 - One Customer Call center per ESCOM with a Toll free Number.

Revised DPRs for Part-A of 29 project areas Costing Rs.54.66 Crores sanctioned by PFC. Sanctioned cost initially will be released by PFC, New Delhi as Loan. After successful implementation of the Part-A, PFC will convert Loan including interest into Grant.

Players of R-APDRP Part-A

IT Consultant: M/s. Reliance Infrastructure Ltd., Mumbai

- Contract Date: 17th July 2009
- Duration: Maximum 4 years or till successful completion of the project
- Brief Scope: Assist utility in appointing ITIA and hand holding of utility for implementation from concept to commissioning.

New IT Consultant: M/s. Ernst & Young LLP - IT consultant for Program Management of R-APDRP (Part- A) project in HESCOM for two years.

IT Implementing Agency: M/s. Infosys Technologies Ltd., Bengaluru.

- Contract Date: 29th Dec 2009
- Duration: 36 months from contract date

Network Bandwidth Service Provider (NBSP)

Primary: M/s. Reliance Communications Ltd, Mumbai

- Contract date: 21st June 2011
- Duration : 5 years

Secondary: M/s. Hughes Communications Ltd., New Delhi

- Contract date: 21st June 2011
- Duration : 5 years

Towns selected for RAPDRP Part-A

Sl. No.	District	Towns covered
1	Dharwad	Hubli-Dharwad
2	Gadag	Gadag, Laxmeshwar & Nargunda
3	Haveri	Haveri, Ranebennur & Savanur
4	Uttara Kannada	Karwar, Sirsi, Dandeli, Bhatkal & Kumta
5	Belgaum	Belgaum, Bailhongal, Soundatti, Ramdurga, Gokak, Athani, Nippani & Chikodi
6	Bagalkot	Bagalkot, Jamakhandi, Mudhol, Mahalingpur, Guledgudda, Ilkal & Rabakavi-Banahatti
7	Bijapur	Bijapur & Indi

29 towns of HESCOM has Go-Live with Full stack without Energy Audit.

Part-A progress

1. Metering, Billing & Collection module Go-live status

Total number of project areas 29
Total number Subdivision (SDO) 36
MBC gone live in project areas 29
MBC gone live in 36 SDOs

2. GIS based Network Survey:

Survey completed, submitted to SDO for verification, verification done and sign off provided by 29 towns. Updating incremental data of Network Assets into GIS application under RAPDRP project awarded to M/s North South GIS and collection of Grid Maps and Attribute Sheets are collected for verification from 20 Subdivisions which is under process.

3. GIS based Consumer Indexing:

Survey completed, submitted to SDO, verification done and sign off provided by 29 towns.

4. Meter & Modem installation to the DTC, HT, Feeder and boundary meters for Automatic meter Reading through GPRS

- M/s. L&T has been selected as Meter Installation Agency. Meters are installed in 29 project areas. Targeted work 100% completed. (11874 No.s).



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- M/s. Infosys has installed 10280 numbers of Modems along with Reliance GPRS enabled SIMs in 26 project areas.
 - Fixing of Modems at Gadag, Bagalkot and Ranebennur is pending even after balance modem has been approved since Feb-2013.
 - ITIA has fixed total number of 1128 Modems to HT & Boundary Meters and Communications of Modems, SIMs are under validation process.
 - For Modem procurement for incremental, BESCO has issued LOI to M/s. Analogics Tech India Limited.
 - New modem vendor M/s. Analogics Tech India Limited has fixed 1085 numbers of modems to DTCs in six towns of HESCO. Balance 23 towns are under progress. The above 10280 numbers of Modems

5. **Network Bandwidth**

Primary NBSP commissioned in 29 towns. Secondary NBSP commissioned in 29 towns. Cost of this is already included in the ITIA cost.

6. **Meter installation/replacement progress:**

All DTCs coming under RAPDRP project areas around 11874 old legacy DTC meters were replaced by DLMS meters and at present 14943 DTCs are existing out of which 14262 were DLMS Meters and balance will be fixed by July-2015 end. Around 1103 HT Meters are replaced against 1103 HT Meters due to non-AMR compatibility. All 25 Boundary Meters are installed in order to bifurcate non-RAPDRP area from RAPDRP area. Installations of Modems to HT & Boundary Meters are completed on 16.06.2015.

7. **Customer Care Center (CCC)**

CCC started from 04.02.2012 with 08 Call Center executives round the clock in sliding window shifts i.e. batches starting from 6 AM, 10.30 AM, 1 PM & 9 PM. At present 15 numbers of executives are available during peak period. Toll free number to register complaints is **1800 425 1033 or 1912**.

8. **Functional Module Training:**

Section Office, Subdivision, Division, Circle & Zonal level Functional Module Training for MBC completed and Track Lead Training partially completed. Full Stack to all level is pending. New layout, New MC/MSB case Bulk meter replacement in WAMs training conducted to super users.

22. Nirantara Jyoti Yojana (NJY):

Nirantara Jyothi Yojane a prestigious project of Govt of Karnataka and is being implemented in HESCOM to bifurcate feeders into Agricultural loads and non-Agricultural loads to provide 24Hrs quality power supply to rural Non-Agricultural loads and to provide quality power supply to IP set consumers during a specified period based on the availability of power.

As per the Govt Order No.EN166; EMC 2010; BENGALURU Dt. 20-10-2010, it was directed to implement NJY in two phases in BESCOM, CESC, GESCOM and HESCOM. Further regarding the financial assistance it was decided to take up the project with 40% GoK equity and 60% loan from Financial Institutions.

BESCOM was made Nodal Agency and authorized to invite tenders for all the major materials such as poles, conductor and insulators on behalf of other ESCOMs. Further it was also decided to procure Distribution Transformers and 11KV Switchgears required for the project from M/s KAVIKA and M/s MEI respectively.

In HESCOM totally there are 48 Talukas, out of which 11 Taluks in Uttara-Kannada Districts which are already being fed with 24 Hrs power supply and hence they are excluded from NJY. Pilot Project has been implemented in three Talukas namely Bailhongal in Belgaum District, Shiggaon & Savanur Taluks in Haveri District. In the remaining 34 Taluks, it was proposed to implement NJY works in 2 -phases as hereunder:

Phase-I; covering 20 Talukas and No of feeders proposed were 246 Nos

Phase-II; covering 14 Talukas and No of feeders proposed were 210 Nos

Tender for execution of NJY works under phase-I were invited Item-wise and Tenders for phase-II were invited on Lump- Sum Basis. Major materials such as Poles, Conductor, Transformers, Switch Gears and Insulators have been procured and supplied by HESCOM for NJY works under phase-I, whereas for phase-II only Transformers, Conductor and Switch Gears are supplied by HESCOM. The Estimated Cost was arrived considering the rates as per SR-2009-10. DWAs for phase-I were issued with completion period of 9 Months and for phase-II 6 Months from the date of DWA. Due to field problems such as ROW issues, approval for railway crossing, Forest clearances, opposition from formers for erection of poles in their field and labor problems etc there was delay in completion of the works within the stipulated time.



M/s. CPRI Bangalore are appointed as Third Party Independent Evaluating Agency and have been awarded with the work of inspection of 50% of Feeders with detailed inventory and evaluation of NJY works with consequential benefits achieved after implementation. M/s. CPRI have opined that NJY is more helpful in arranging quality power for 24Hrs to Rural Areas and development of Rural Areas with socio economic changes. There is reduction in peak load on the System. M/s. CPRI have been requested to submit Division wise report which are awaited

The progress achieved by the end of Aug-2015 is as hereunder

Phase-I; Total No of feeders - 246 Nos.

No of feeders completed -214 Nos.

No of feeders commissioned -194 Nos.

Phase-II; Total No of feeders -210 Nos.

No of feeders completed-181 Nos.

No of feeders commissioned-163 Nos.

In-spite of above difficulties overall 93% of the works have been completed and efforts are being made to complete the project by July-2015.

The main intention of implementation of NJY is bifurcation of Agricultural and Non Agricultural loads to facilitate 24Hrs quality power supply to Non IP loads and to provide quality power supply to IP loads for assured specified period. This has been achieved so far in the areas where the NJY has been already implemented. So far NJY has been extended to 2417 Nos of villages and works for execution of NJY feeders for balance 1137 No's of villages is under progress. By implementing NJY works No of interruptions have been reduced to considerable level. At present all the NJY feeders are being fed with 24Hrs power supply. Due to implementation of NJY, metered sale of energy has increased, technical loss has been reduced and failure rate of Transformers has been reduced. There is increase in metered energy and due to bifurcation of IP loads and Non IP loads the energy consumption of IP loads can be assessed from the energy recorded in Station end. There is improvement in tail end voltage level for both Non-IP and IP set consumers. NJY has resulted in reduced No of interruptions. Till date Rs. 286.53Cr expenditure has been booked for NJY works and overall 93% target has been achieved so far. Further efforts are also being made to complete all the NJY works and to

achieve 100% bifurcation of IP sets for arranging 24 hours power supply villages and assured hours quality power supply to IP consumers.

NJY Phase-III

Initially a decision was taken to take up NJY works under phase-I & II covering 34 Talukas excluding the areas covered under RLMS. Later on it was felt necessary to take up NJY works in the areas covered under RLMS also. Hence DPRs were prepared to take up NJY works under Phase-III involving estimated cost of Rs 113.06 Crores and accordingly M/s REC have sanctioned loan to the tune of Rs 101.76 Crores.. The details of works proposed are as hereunder:

No of feeders proposed	:	66 Nos
No of villages to be covered	:	417 Nos
Length of 11KV Line proposed	:	2044 Kms
No of Transformers to be erected	:	830 Nos
Estimated cost in Rs Crores	:	113.06.

Further common PQRs to be stipulated for the subject tenders have already been finalized and approved by GoK. Action is being taken to float tenders.

23. ENERGISATION OF DRINKING WATER SUPPLY SCHEME:

The Company has serviced 2314 drinking water installations during April-2014 to March- 2015 under Drinking Water Supply Scheme both in rural and urban areas.

24. ENERGISATION OF IP SETS

The Company has serviced 33042 IP Sets during 2014-15.

25. ENERGISATION OF GANGA KALYAN INSTALLATIONS:

The Company has serviced 2509 Ganga Kalyan installations during 2014-15.

26. ELECTRIFICATION OF HOUSES UNDER RGGVY SCHEME:

Government of India has introduced a scheme for creation of Rural Electricity Infrastructure and Household Electrification Known as Rajeev Gandhi Grameen Vidyutikarana Yojan (RGGVY) through Rural Electrification Corporation Ltd. Under this Scheme infrastructure facilities are being provided for electrification of houses



belonging to the people Below Poverty Line. The Beneficiaries under this scheme are to be identified by concerned Panchayats.

In HESCOM jurisdiction 5 districts were covered under X Plan Viz, Dharwad, Gadag, Haveri, Baglkot & Bijapur and 2 districts Viz, Uttar Kannada & Belgaum were covered under XI Plan Scheme.

The execution of X and XI Plan Schemes are completed and the achievements of BPL HHs electrification is as below:

1	Award Cost for Seven Districts (Rs./Crs).	263.61
2	No. of BPL Households awarded.	253739
3	No. of BPL Households completed	224061
4	Expenditure incurred up to March-2014 (₹ / Crs).	250.45

The project financing is made through REC, which includes 90% Capital Subsidy and 10% Loan.

27. REGULATORY AFFAIRS:

Hubli Electricity Supply Company Ltd., is a Distribution Licensee under the provisions of the Electricity Act 2003, and has on 08.12.2014 filed the following applications for consideration and orders:

- a) Approval of the Annual Performance Review for the financial year FYI 4 and Revision of ARR for-FY16.
- b) Approval of the revised distribution and Retail Supply Tariff for the financial year 2015-16 (FY -16)

In exercise of the powers conferred under Sections 62, 64 and other provisions of the Electricity Act, 2003, read with KERC (Terms and conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations 2006, and other enabling Regulations, the Commission has considered the applications and the views and objections submitted by the consumers and other stakeholders. The Commission's decisions are given in the order Dtd : 02.03.2015, as noted below.

Approved ARR for FYI 4 as per APR

Sl. No	Particulars	FY14		
		As Appd 06.05.2013	As Filed 08.12.2014	As per APR
	Revenue at existing tariff in Rs Crs			
1	Revenue from tariff and Misc Charges	2283.85	2173.65	2013.31
2	Tariff Subsidy for IP & BJ/KJ	2047.41	2236.98	2236.97
3	Total Existing Revenue	4331.26	4410.63	4250.28
	Expenditure in Rs Crs			
4	Power Purchase Cost	3290.38	3526.74	3590.98
5	Transmission charges of KPTCL	442.89	499.28	435.05
6	SLDC Charges	3.92	2.75	2.75
7	Power Purchase Cost including cost of transmission	3737.19	4028.77	4028.78
8	Employee Cost		444.53	
9	Repairs & Maintenance		43.00	
10	Admin & General Expenses		62.32	
11	Total O&M Expenses	500.43	549.85	542.67
12	Depreciation	103.17	92.69	92.69
	Interest & Finance charges			
13	Interest on Loans	160.92	116.96	U6.96
14	Interest on Working capital	89.39	17.93	53.80
15	Interest on belated payment on PP Cost	0		
16	Interest on consumer deposits	35.48	45.32	38.21
17	Other Interest & Finance charges	1.51	2.34	2.34
18	Less interest capitalised	0	0	0
19	Total Interest & Finance charges	287.30	182.55	211.31
20	Other Debits	0	12.35	3.94
21	Net Prior Period Debit/Credit	0	0	2.35



Sl. No	Particulars	FY14		
		As Appd 06.05.2013	As Filed 08.12.2014	As per APR
22	RoE	18.63	0	23.90
23	Provision for taxation	0	0	0
24	Funds towards Consumer Relations/Consumer Education	0.50	0.00	0.27
25	Other Income	64.00	27.95	30.30
26	ARR	4583.22	4838.26	4875.60
27	Surplus for FY 12 <i>carried forward</i>	251.97		
28	Adjustment of AAD as per Order dated 17.10.2013			24.68
29	Less - Excess RoE allowed in FY12 & FY13 - ATE 46/2014			3.64
30	Net ARR	4331.25	4838.26	4847.28
31	Deficit for FY14		-427.63	-597.00

Proposed Revised ARR for FY-I 6

SL.No.	Particulars	As Filed
	Revenue at existing tariff in	Rs Crs
1	Revenue from tariff and Misc Charges	2546.87
2	Tariff Subsidy	2562.85
3	Total Existing Revenue	5109.72
	Expenditure in	₹ Crs
4	Power Purchase Cost	3709.15
5	<i>Transmission</i> charges of KPTCL	484.97
6	SLDC Charges	3.91
7	Power Purchase Cost including cost of transmission	4198.03
6	Employee Cost	521.97
9	Repairs & Maintenance	50.49
10	Admin & General Expenses	73.17

SL.No.	Particulars	As Filed
11	Total O & M Expenses	645.63
12	Depreciation	116.17
	Interest & Finance charges	
13	Interest on Loans	196.65
14	Interest on Working capital	95.42
15	Interest on consumer deposits	54.00
16	Total Interest & Finance charges	346.07
17	Other Debits	14.70
18	Funds towards Consumer Relations/Consumer Education	10.50
19	Other Income	25.95
20	ARR	5305.15
21	Surplus/Deficit for FY14-carried forward	-427.63

Revised Approved consolidated ARR for FY -16

Sl. No	Particulars	FY-16
	Revenue at existing tariff in	₹ Crs
1	Revenue from tariff end Misc Charges	2612.41
2	Tariff Subsidy	2444.70
3	Total Existing Revenue	₹ 5057.11
	Expenditure in	₹ Crs
4	Power Purchase Cost	3045.41
5	Transmission charges of KPTCL	537.85
6	SIDC Charges	5.78
7	Power Purchase Cost including cost of transmission	3589.03
	Employee Cost	
	Repairs & Maintenance	
	Admin & General Expenses	
8	Total O&M Expenses	635.76
9	Depreciation	107.34
	Merest & Finance charges	



Sl. No	Particulars	FY-16
10	Interest on Loans	169.43
11	Interest on Working capital	109.28
12	Interest on belated payment on PP Cost	
13	Interest on consumer deposits	4 9.54
14	Other Interest & finance charges	
15	Less interest capitalised	
16	Total Interest & Finance charges	328.45
17	Other Debits	0
18	Net Prior Period Debit/Credit	0
19	RoE	0.00
20	Provision for taxation	0

Revenue Gap for FY-16

Particulars	FY - 16
Net ARR including carry forward gap of FYU (in Rs. Crores]	5319.38
Approved sales {in MU)	9468.95
Average cost of supply for FY 16 (in Rs./unit)	5.62
Revenue at existing tariff {in Rs. Crores)	5057.11
Gap in revenue for FY 16 (in Rs. Crores)	262.27
Regulatory asset to be recovered in FY 17 (in Rs. Crores)	197.69
Balance revenue gap to be collected by revision of tariff for FY 16 (in Rs. Crores)	166.45
Average cost of supply for FYI 6 [in Rs./unit) (Without Regulatory Asset)	5.52

Summary of Tariff Order Dtd : 02.03.2015 :

- ❖ The Commission has approved an ARR of ₹ 5319.38 Crores for FYI 6 as against HESCOM's proposed ARR of ₹ 5865.82 Crores which includes the deficit for FY14 of ₹ 427.63 Crores and 50% of the Regulatory Asset with interest of ₹ 133.04 Crores with a total gap in revenue of ₹ 756.10 Crores.



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- ❖ The revenue gap as worked out by the Commission is ₹ 262.27 Crores inclusive of the deficit of ₹ 597.00 Crores for FY14 and Regulatory Asset of ₹ 107.29 Crores.
 - ❖ The Commission has allowed additional revenue of ₹ 166.45 Crores on Tariff Revision as against the additional revenue of ₹ 756.10 Crores proposed by HESCOM for FYI 6.
 - ❖ HESCOM has proposed an increase of 80 paise per unit for all categories of consumers. The Commission has approved an average increase of 18 paise per unit in the tariff for all consumer.
 - ❖ The Commission has not increased the tariff for Educational Institutions under LT{2} (b) category and installations covered under Temporary Power Supply under LT 7 and HT (5) categories.
 - ❖ The Commission has not increased the tariff for the first two slabs of domestic consumers, using upto 100 units.
 - ❖ Time of the day tariff which was made mandatory in the previous Tariff Order for installations under HT2 (a), HT2(b) and HT2(c) with contract demand of 500KVA and above is continued in this Order.
 - ❖ The consumers using power supply for exclusive ironing and tailoring hitherto classified under LT3 are now reclassified under LT5 Category.
 - ❖ The water purification units maintained by Government and Local Bodies for supplying pure drinking water to residential areas are included under LT6(a) - water supply category.
 - ❖ The surveillance cameras at traffic locations installed by Government are included in the LT6 (b) -Street light category.
 - ❖ The existing restrictions on maximum demand usage during any month of the declared off season has been relaxed for availing seasonal industries benefit. However, the existing restriction of consumption is reduced from 50% to 25%.
 - ❖ The existing tariff schedule LT7 has been bifurcated to LT7 (a) applicable to temporary power supply for all purpose and LT7 (b) applicable to Advertising hoardings availing power supply on permanent basis.
 - ❖ The existing tariff schedule LT5 has been bifurcated to LT5 (a) applicable fo Municipal Corporation areas and LT5 (b) applicable to other than areas covered under LT5(a).
 - ❖ Green tariff of additional 50 paise per unit over and above the normal tariff which was introduced in the previous tariff order for HT industries and HT commercial consumers at their option, to promote purchase of renewable energy from ESCOMs is continued in this Order.



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- ❖ As in the previous Order, the Commission has continued to provide a separate fund for facilitating better Consumer Relations /Consumer Education Programs.
 - ❖ The cap on short-term power is continued at ₹ 4.50 per unit to meet shortfall in supply.

The tariff determined in this order shall come into effect for the electricity consumed from the first meter reading date falling on or after 1st April 2015.

28. INSTITUTIONAL STRENGTHENING:

Industrial Training Centre is established in the year 2002 at Vidhutnagar, Hubli. During the financial year 2014-15, training has been imparted to 707 no. of various cadres of HESCOM officers/employees and training details are as given below:

1. As per Karnataka Govt. Apprenticeship Act-1961, one year Apprenticeship training provided to 47 nos. ITI candidates.
2. Pre-promotional training provided to 46 nos. Meter Readers / Operators / Overseers / Asst. Store Keepers.
3. Pre-Promotional Training provided to 45 nos S.S.L.C Passed line staff.
4. Re-fresh training provided to 52Nos. of JMRs
5. National Training Programs under RGGVY 12th plan provided to 517nos. of C&D employees.

29. LATEST IT-INITIATIVES IN HESCOM:

- a) **HESCOM Website:** The HESCOM Website is maintained by IT Section of HESCOM and www.hescom.co.in is running successfully. Website is updated instantly. HESCOM Website provides all the basic information regarding company profile and activities.
- b) **ERP (Enterprise Resource planning):** ERP Package includes Finance and Accounts, Store Inventory, Material Management, Project Monitoring and Legal activity monitoring, tender monitoring, transformer failure and replacement monitoring. Under this project all the modules are accessible through mobile. The customization of software is under process.



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- c) **PLO (Paperless Office):** PLO is implemented w. e. f 08.01.2012 to reduce usage of paper and fast tracking of letter, files without wasting time. PLO is successfully implemented in corporate office, HESCOM. Major benefits of PLO are Cost, Space Management, Data retrieval, access anywhere and security.
- d) **Bio Metric Devices:** Web based Bio Metric devices have been installed at 26 locations in 1st phase and at 97 locations in 2nd phase. This device captures the in-time, out-time of employees by taking finger scan. The attendance is available online. Hence the attendance extract can be taken anywhere, anytime. This helps in efficiently monitoring the attendance of all the officers from the corporate office itself. Various reports can be taken from Biometric attendance software.
- e) **Customer Call Center:** Customer Call Center (CCC) was established under RAPDRP Part-A projects at Corporate Office, HESCOM, Hubli. CCC is operational in HESCOM for proper monitoring of customer care activity such as registration of consumer complaints and speedy redressal of consumer grievances. The helpline executives are working round the clock. The helpline Number is **1800-425-1033**.
- f) **E-procurement:** Government of Karnataka(GOK) through its implementing agency center for E-Governance has implemented single, unified, end to end , e-procurement platform in Karnataka. The E-procurement system has been implemented in HESCOM on 19.07.2010 to procure works, goods and services through the e-procurement platform.
- g) **ATP (Anytime payment) counters:** ATP Counters are working in HESCOM for 52 nos of locations enabling consumers to pay their bills 24X7 days.
- h) **ECS (Electronic Clearing System):** ECS is being implemented on pilot basis in Hubli Division. Under ECS, the consumer can make their bill payments through their bank account by giving a mandate to do so.
- i) **Billing Activities:** All the sub divisions of Non-RAPDRP areas are included in web-based TRM Software for generating the bills on the spot and issuing computerized receipts. The web based TRM software is used for maintaining, operating customer accounts and their respective bills, and to generate the reports.
- j) **GIS and Thermography:**



The scope of work includes:

1. Create office hierarchy of HESCOM in the software.
2. Create network hierarchy including stations, HT feeders and distribution transformer centers in HESCOM as per the data provided by respective O&M executive engineers.
3. Carry out GIS survey of all distribution transformers and offices and plot them on web based maps.
4. Carry out Thermal Imaging survey of all the outdoor equipments at the terminals/Joints of each DTC's ie., Distribution Transformer, HG Units / DOLO, Lightning Arrestors, LTP Kits / LT Fuse, GOS, LT Distribution Box, Metering Box etc., using the Thermal Imaging cameras with specification as mentioned in the tender or with superior version / better specification Thermal Imaging cameras.
5. Measure the peak load current in each phase of the LT side of the transformer using tong tester or similar instrument. Wherever meters are available the current measurement data provided by the DTC metering agency or HESCOM has to be displayed in the software.
6. The thermal images and the digital photograph captured of each DTC shall be uploaded after analysis to the web based centralized software system. The data should be available to be viewed by the concerned AEE's, EE's, SEE's, CEE's & Corporate office users for rectification of Hot spots.
7. For better co-ordination of the shutdown maintenance by prioritizing the work of attending to the hot spots detected in the survey in an effective manner, provision shall be made in software to record the action taken for rectification of Hot Spot by the concerned section officer.
8. The concerned O&M AEE has to rectify the problems noticed and update the action taken in the software. Within a week's time. The jurisdictional SEE's& EE's shall monitor the action taken report.
9. The respective circle SEE's shall furnish the compliance report once in a month along with the analysis of the saving in energy & reduction in failure of Transformers in comparison with the base data.
10. All assets shall be tracked from the time of purchase through commissioning till retirement of the asset. Provision is made to carry out all activities such as placing of rate contracts, purchase order, estimate preparation, placing of work orders, work awards, issuing and receiving of materials at store, measuring of works in progress and submission of completion report, which are essential for tracking field assets.

30. HUMAN RESOURCE INITIATIVES:

The employee training and development is being organized so that greater thrust is given to build competency for meeting the new emerging business challenges. 176 nos HESCOM officials of various cadres are trained in different reputed training institutions on deputation basis during the financial year 2013-14 some of the training institutions are listed below:

1. Administrative training Institute, Mysore
2. Centre for Entrepreneurship Development of Karnataka (CEDOK), Dharwad.
3. ESCI Campus, Hyderabad.
4. Central Institute for Rural Electrification of Rural Electrification Corporation Ltd., (REC), Shivarampaly, Hyderabad
5. CPRI, Bangalore
6. Department of Public Enterprises, GOK, Bangalore.
7. National Productivity Council, New Delhi.
8. Engineering staff college of India, Hyderabad.

31. CUSTOMER CARE:

The Company is committed to the best care of its Customers. Towards this end 24x7 Centralized Customer Care Centre has been established at Corporate Office of HESCOM for proper monitoring of Customer Care activity such as registration of consumer complaints and speedy redressal of consumer grievances.

Men (Skilled) with vehicle provided for rendering 24x7 services in all Taluka Headquarters coming under the Jurisdiction of HESCOM.

Central Complaint sections are working successfully in Hubli and Belgaum Divisions.

The Company is offering the following consumer friendly measures for their benefits:

SI. No	Consumer Friendly Measures initiated
1.	TOD-Tariff
2.	Soujanya Counters in all Sub-Divisions
3.	Consumers bi-monthly inter action meetings are being conducted in all Sub Divisions.
4.	Providing Cheque drop boxes in all Sub-Divisions/Accounting sections.



32. CONSUMER FRIENDLY GRIEVANCE REDRESSAL MECHANISM:

Protection of consumer's interest is the main motive of the Company. Following are the steps initiated by the Company for accomplishment of this goal:

- Interaction meetings to redress grievances of the consumers are held regularly with Consumers and Consumers' associations like Chamber of Commerce and Industries and Farmer's Welfare Associations, etc., at various levels.
- Special efforts are also being made to bring in attitudinal change in field staff attending to the costumer complaints. The Staff is advised to show courtesy, politeness and responsiveness while dealing with consumers.
- System has been put in place for attending to consumer complaints quickly. This is possible with an centralized 24x7 Customer Care Centre at the Corporate Office of HESCOM which monitors the Customer Care activity across entire HESCOM. Such as registration of consumer complaints and speedy redressal of consumer grievances. Customers can even approach Managing Director directly over phone (Mobile/Land Phone) with their complaints or in person.
- Mobile Phones have been provided to AEEs, EEEs, SEEs and CEEs. Hence, customers can directly contact any of the field officers to get complaints attended immediately.
- 2858 CUG (Close User Group) Sims have been issued to all cadres of Employees/Officers starting from Asst. Line man.
- In each Assembly Constituency level and at Section Office level, a Vidyut Salaha Samithis are being constituted on the basis of approved list received from GOK for redressal of consumer grievances.
- In Sirsi Circle for each Sub Division Ten Mansoon Gangman with vehicle throughout the year and Eight Mansoon Gangman without vehicle for four months other than Sirsi Circle is provided for better delivery of services.
- District CGRF (Consumer Grievence Redressal Forum) is constituted for each Revenue District under HESCOM jurisdiction with an Officer of the rank of Superitending Engineer (Ele) is made as Chairman and an Officer of the rank of Executive Engineer (Ele) has been made as a member of the Forum. A Consumer representation is made duly appointing a member from the Consumer side.



33. MICRO FEEDER FRANCHISEES (GRAM VIDYUT PRATINIDHIS):

Totally 1172 Micro Feeder Franchisees are working in HESCOM to improve the Rural Revenue Collection by carrying out various activities such as :-

Meter reading, bill distribution and Revenue Collection.

Depositing the collection with utility.

Registering complaints and forwarding to utility.

Facilitating utility in attending the grievance of low tension consumers [LT-1, LT-2, LT-3, LT-4, and LT-5 up to 40 HP].

Giving feedback about field realities to the utility on regular basis.

Total No. of Gram Panchayats	1441
No. of MFF working	1172
Total Base Line Target for the F.Y 2014-15	₹ 390.04 Crs.
Total Revenue Collection	₹ 353.02 Crs.
Collection Efficiency (Collection v/s Baseline*100)	90.51%

34. Women Harassment redressal Committees

In HESCOM Corporate office and Circle Level "Women Harassment redressal Committees" were formed.

Committee Members	-	Committee [Only Women]
Cadre of Assistant Executive Engineer(Ele)/ Accounts officer and above	-	President
Cadre of "C" and "D" Group Employee	-	Member
Cadre of Assistant Engineer(Ele)/ Assistant Accounts officer	-	Convener



During the Financial year 2014-15, three numbers of complaints were received by the various committees and these matters were resolved. At present there are no cases are pending in HESCOM.

35. CORPORATE GOVERNANCE:

The Board of HESCOM believes and supports Corporate Governance practices of a high standard, ensuring observance of these principles in all its dealings.

As on the date of AGM, the Board of Directors comprised 9 members. All the Directors take active part in the proceedings of Board and Sub- Committee meetings which add value to the decision making process. The non-functional directors receive sitting fees for Board/Sub-committee meetings attended by them.

Board Meetings:

The meetings of the Board of Directors are scheduled in advance, for which notice is given to each Director in writing. The agenda and other relevant notes are circulated to the Directors in advance.

Following are the Directors on the Board of HESCOM as on the date of AGM:

Sl. No.	Name of the Directors Sriyuths/Smt.	Designation
1	P. Ravikumar, IAS	Chairman & Independent Director
2	Khushboo Goel Chowdhary, IAS	Managing Director
3	P. Rajendra Cholan, IAS	Independent Director
4	Dipti Aditya Kanade, IAS	Independent Director
5	T.H. M. Kumar, IAS	Independent Director
6	S.P. Sakkari	Director (Technical)
7	K.Siddaraju	Director
8	K. Govindaraju	Director
9	M.Nagaraja	Director
	Authorised Signatory, HESCOM	Convener



During 2014-15, 3 Board meetings took place as detailed below:

SI.No.	Meeting No.	Held on
1	62 nd Meeting	19.06.2014
2	63 rd Meeting	19.08.2014
3	64 th Meeting	10.12.2014

Key Managerial Personnel:

In accordance with Section 203(2) of Companies Act 2013 the Financial Advisor was appointed as Chief Financial Officer (CFO) (Key Managerial Personnel) on the terms and conditions indicated as below:

Remuneration: As per existing service conditions relating to pay, allowances and other benefits applicable from time to time.

Board Sub-Committees:

The Sub-Committees of the Board were constituted to give more focused attention on important issues.

1. Central Purchases Committee:

Central Purchases Committee was formed to consider all cases of purchases whether for Projects or award of Station/Line works or any other works and all matters relating to such purchases as per prevailing delegation of financial powers.

The composition of the Central Purchases Committee as on date of AGM is as below:

1	Managing Director, HESCOM	Chairman
2	Sri. P Rajendra Cholan, IAS, Director, HESCOM	Member
3	Director (Technical), HESCOM	Member
4	Sri K.Siddaraju*	Member
	Authorised Signatory, HESCOM	Convener

Note: Memberships of SI No. 2 and 4 are coterminous with their Directorship on the Board of HESCOM.



During 2014-15, 8 CPC meetings took place and the details of which are as below:

Sl.No.	Meeting No.	Held on
1	50	24.05.2014
2	51	31.07.2014
3	52	30.09.2014
4	53	07.11.2014
5	54	10.12.2014
6	55	16.01.2015
7	56	07.02.2015
8	57	23.03.2015

2. Borrowings Sub Committee:

The Borrowings Sub-Committee has been delegated certain specific powers to Borrow Long term Loans from Banks/Financial Institutions on behalf of the Board from time to times subject to ceiling approved by the Shareholder at the General Meeting.

The sub-committee consists of the following members as on the date of AGM:

1	Managing Director	Chairperson
2	Sri. P Rajendra Cholan, IAS, Director, HESCOM	Member
3	Director (Technical) (By name)	Member
	Authorised Signatory, HESCOM	Convener

Note: Membership of SI No. 2 is coterminous with his Directorship on the Board of HESCOM.

During 2014-15, Borrowings Sub-Committee held its only meeting on 31.07.2014.

3. Audit Committee

Audit Committee was reconstituted in accordance with the provisions of Companies Act, 2013 as below:

1	Sri. P. Rajendra Cholan, IAS, Director, HESCOM	Chairman
2	Director (Technical), HESCOM	Member
3	*Sri. K. Siddaraju, Director, HESCOM	Member
	Authorised Signatory, HESCOM	Convener

Note: * Membership is coterminous with his Directorship on the Board of HESCOM.

During 2014-15, the Audit Committee met twice as below:

SI No.	Meeting No.	Held on
1	23	31.07.2014
2	24	07.11.2014

The Audit Committee has adequate powers and Terms of Reference to play an effective role as mentioned in Companies Act which includes:

- (i) Recommendation for remuneration of Auditors of the Company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

Auditors and whole-time Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the Auditor's report but shall not have the right to vote.

Pursuant to provisions of Section 134(3) of the Act, the following information is provided:

(a) ANNUAL RETURN:

The extract of Annual Return pursuant to the provisions of Section 92 is furnished as Annexure 1 to this Report.



(b) Directors' Responsibility Statement;

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 the Directors state that:

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the Annual Accounts on a going concern basis; and
- (e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(c) Explanations or Comments by the Board on every Qualification, Reservation Or Adverse Remark Or Disclaimer Made

- (i) By the auditor in his report enclosed as Annexure-2
- (ii) By the company secretary in practice in his secretarial audit report - enclosed as Annexure-3

(d) Particulars of Loans, Guarantees or Investments under section 186 –
Nil

(e) Particulars of Contracts or Arrangements with Related Parties referred to in sub- section (1) of section 188 in the prescribed form;

Nil

(f) The state of the Company's Affairs
As indicated above



(g) The amounts, if any, which it proposes to carry to any Reserves

Nil

(h) The amount, if any, which it recommends should be paid by way of dividend

Nil

(i) Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Nil

(j) The Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo;

Nil

(k) STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY.

Nil

(l) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

CSR Committee:

Corporate Social Responsibility (CSR) was formed on 1st April 2014 under the provisions of Section 135 of the Companies Act, 2013.

1.	Sri. P. Ravikumar	Chairman
2.	Smt. Khushboo Goel Chowdhary	Member
3.	Smt. Dipti Aditya Kanade	Member
	Authorised Signatory, HESCOM	Convener



During 2014-15, the CSR Committee met once as below:

SI No.	Meeting No.	Held on
1	1 st Meeting	25.03.2015

The CSR Committee has adequate powers and Terms of Reference to play an effective role as mentioned in Companies Act, 2013 which includes:

Terms of Reference:

- a) To formulate and recommend a CSR policy to the Board;
- b) To recommend amount of expenditure to be incurred on CSR activities;
- c) To monitor the CSR policy of the company from time to time; and
- d) To institute a transparent Monitoring Mechanism for implementation of the CSR projects/programs or activities undertaken by the Company.

A) CSR Policy:

The Copy of the CSR Policy adopted by HESCOM is enclosed as Annexure – 4 and 5.

B) Contribution towards CSR during 2014-15:

Not applicable for FY 2014-15 as there is Average Loss during the immediately preceding three years.

36. AUDITORS:

1. The C & AG of India, New Delhi has appointed M/s A John Moris & Co., Bengaluru as Statutory Auditors of HESCOM for the year 2014-15.
2. M/s. S K Tikare & Co., Dharwad are the Cost Auditors of HESCOM for the year 2014-15.
3. M/s. S.Viswanathan & K N Nagesha Rao, Malleswaram, Bengaluru are the Secretarial Auditors of HESCOM for the year 2014-15.

37. ACKNOWLEDGEMENTS:

The Board would like to place on record its gratitude to the Company's esteemed consumers for the support and confidence displayed by them and anticipate the same relationship in the years to come.



The Board also gratefully acknowledges the support and guidance extended by Ministry of Power, Govt. of India, Energy Department, GoK, Karnataka Power Transmission Corporation Limited, PCKL, other ESCOMs, KERC & CERC in Company's operations and developmental plans.

The Board also expresses its gratitude to Comptroller and Auditor General of India, Statutory Auditors, Cost Auditors, Secretarial Auditor, State Bank of India, Canara Bank, Syndicate Bank, State Bank of Mysore, Vijaya Bank, Bank of India, Corporation Bank, REC Ltd., PFC Ltd., Ministry of Corporate Affairs, Registrar of Companies for their co-operation and active support to HESCOM in our endeavor to serve the public. The Board would also like to place on record its appreciation for the dedicated and committed service rendered by the employees of the company and co-operation extended by the Union / Associations.

For & on behalf of the Board of Directors,

CHAIRMAN



Form No. MGT-9
EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U31401KA2002SGC030437
ii.	Registration Date	1 st June 2002.
iii.	Name of the Company	HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
iv.	Category/Sub-Category of the Company	Government Company
v.	Address of the Registered office and contact details	NAVANAGAR, PB ROAD HUBLI HUBLI Karnataka INDIA 580025
vi.	Whether listed company	Not listed Company
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Distribution of Electricity		100%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	No. of shares held	Applicable Section
1.					
2.					
3.					
4.					
5.					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at Physical	Total	
A. Promoter							
1) Indian							
a) Individual/ HUF							
b) Central Govt							
c) State Govt(s)				100%			100%
d) Bodies Corp							
e) Banks / FI							
f) Any Other							
Sub-total(A)(1):-							
2) Foreign							
g) NRIs-Individuals							
h) Other-Individuals							
i) Bodies Corp.							



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
j) Banks / FI									
k) Any Other....									
Sub-total (A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at Physical	Total	
c) Others (Specify)							
Sub-total (B)(2)							
Total Public Shareholding (B)=(B)(1)+ (B)(2)							
C. Shares held by Custodian for GDRs & ADRs							
Grand Total (A+B+C)							

ii. Shareholding of Promoters

SL. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Hon'ble Governor, State of Karnataka	707477800			707477800			
2.	Sri.P.Ravi Kumar	49,994			49,994			
3.	Smt.KhushbooGoel Chowdhary	1			1			
4.	Sri. P.RajendraCholan	1			1			
5.	Smt. Dipti Aditya Kanade	1			1			
6.	Sri.S.P.Sakkari	1			1			
7.	Sri.K. Siddaraju	1			1			
8.	Sri.M.Nagaraju	1			1			
	Total	707,527,800			707,527,800			



iii. Change in Promoters' Shareholding (please specify, if there is no change

Sr. no	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			
	At the End of the year			

V. INDEBTEDNESS

In debt of the Company including interest outstanding/accrued but not due for payment

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1003.47	339.80		1343.27
ii) Interest due but not paid	116.46	40.78		157.24
iii) Interest accrued but not	4.91			4.91
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
- Addition	73.40	1281.82		1355.22
- Reduction	150.77	564.64		715.41
Net Change				

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	926.10	1056.98		1983.08
ii) Interest due but not paid	10.06	1.02		11.08
iii) Interest accrued but not due	111.55	77.60		189.15
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Smt. Khushboo Goel Chowdhary. Managing Director	₹ 10,48,194/-
2.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Sri. Late. Ashok Angadi Director (Technical)	₹ 15,60,669/-
3.	Stock Option		
4.	Sweat Equity		
5.	Commission		



Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	- as%ofprofit - others,specify...		
6.	Others, please specify		
7.	Total(A)		
	Ceiling as per the Act		

B. Remuneration too the rdirectors:

Sl. No.	Particulars of Remuneration	NameofMD/WTD/ Manager	Total Amount
	Independent Directors -Fee for attending board committee meetings -Commission -Others, please specify		
	Total(1)		
	OtherNon-Executive Directors -Fee for attending board committee meetings -Commission -Others, please specify	NIL	
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Over all Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Grosssalary (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961			Sri.SureshTerdal (Financial Adviser) ₹ 16,20,091/-	

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
	(b) Value of perquisites/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as% of profit -others, specify...				
5.	Others, please specify				
6.	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty			NIL		
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers In Default					
Penalty			NIL		
Punishment					
Compounding					



**ADDENDUM TO DIRECTORS REPORT FOR THE YEAR ENDED
31ST MARCH -2015
FOLLOWING REMARKS ARE OFFERED ON THE OBSERVATIONS/
COMMENTS OF THE STATUTORY AUDITORS ON THE
ACCOUNTS FOR 2014-15**

Observations of Statutory Auditors

Management's Reply

a) Valuation of Inventories: Attention is called to Note No 2.3 of the Notes forming part of the financial statements, wherein the Company has stated that it has followed the Standard rate, determined by the Company, based on the previous purchase price and prevailing market rates in valuing inventories, which is not in accordance with Accounting Standard 2. The Accounting Standard prescribes that the inventories should be valued at the lower of the cost or net realizable value. We are unable to quantify the difference in the lower of the cost price or net realizable value and the standard rate adopted by the Company and its effect on the financial performance and position of the Company.

The Generation and consumption of Electricity have to be simultaneous and instantaneous. Therefore, there would be no inventory of finished and work in progress. The inventories generally comprise materials, stores and supplies. Inventories are valued at standard rate, which is determined from time to time based on previous purchase rate and prevailing market rates. The standard rate represents approximately the actual cost. Hence, there would be no greater financial implication due to noncompliance of AS-2.

b) Fixed Assets Accounting: Attention is called to Note No 2.6 of the Notes forming part of the financial statements and the Balance Sheet, wherein the policy states that the fixed assets are shown at their historical costs with corresponding accumulated depreciation. Also Note 2.6.6 is called

All the provisions enunciated in AS-10 are being followed by the Company except valuation of Capital work in progress, which is accounted at standard cost. Since the standard rate represents approximately the actual cost there would be meager financial implications as far as value of CWIP and



Observations of Statutory Auditors

to attention for the valuation of Capital Work-in-progress. The Company-generated assets are accounted through Capital Work-in-progress, which is valued at standard rate, which is not in accordance with Accounting Standard 10. Hence in our opinion the accounting for valuation of Capital Work-in-progress and fixed assets by the Company is not in accordance with AS 10. We are unable to quantify the difference in the value of fixed assets due to this and its effect on the financial statements.

Further in Note No. 2.6.5 of the Notes forming part of the financial statements and the Balance Sheet, it is stated that released assets are valued at W.D.V , scrapped assets are valued at scrap rate, which is not in accordance with Accounting Standard -10.

c)The Company has been providing depreciation on its depreciable assets at the rates prescribed by the KERC/CERC, as more specifically stated at Note 2.7 of the Notes forming part of the financial statements and the Significant Accounting Policies. These rates are in variation with the rates prescribed under the Companies Act and also as per AS-6. We are unable to quantify the financial effect, on this account on the financial statement of the Company for the year under audit.

Management's Reply

fixed assets are concerned. The provision of ESAAR 1985 is being followed for valuation of CWIP/ Fixed/Released/Scrapped Assets.

1. The Companies Act, 2013 prescribes that where Companies are governed by special Acts; the provisions of Companies Act shall apply except in so far as said provisions are inconsistent with the provisions of Special Act.

2. Electricity Act, 2003 is a Special Act promulgated for the electricity sector.

3. With the promulgation of Electricity Act, 2003, Electricity (Supply) Act of 1948 was repealed while the ESAAR has been saved by virtue of Sec. 185 of the new Act of 2003.



Observations of Statutory Auditors

Management's Reply

As such, the provisions of ESAAR are applicable.

4. HESCOM is required to follow the provisions of Electricity (Supply) Annual Accounts Rules, 1985 (ESAAR) issued under Sec.69 (1) of the Electricity (Supply) Act, 1948.

5. Hence, the action of the Company is in order as per the Companies Act, 2013.

d) In few of the cases loan sanction letters in respect of loans obtained by the Company through KPTCL, which stand classified as 'Unsecured Loans' in the Balance Sheet. All these loans were originally availed by the KPTCL, Bangalore and subsequently transferred to HESCOM. But interest and loan repayment obligations are borne by KPTCL and corresponding journal entries are passed by the Company in receivable / payables. An amount of Rs. 11.85 Crores has been accounted during the year towards interest.

The interest and loan repayment obligations are met by HESCOM as per the repayment schedule as intimated by KPTCL.

e) The company has not complied with AS 15 – Accounting Standard on employee benefits, as contributions to Pension and Gratuity Trust is made based on the contribution rate intimated by the Trust, and not based on actuarial valuation as on 31.03.2015. The exact amount has not been quantified by the company and therefore we are not able to comment on the effect on net loss on account of

The Pension and Gratuity Trust is arranging for Actuarial Valuation on behalf of all ESCOMs by collecting data from all ESCOMs. The present contribution rate applied for the calculation of Contribution to Trust is based on Actuarial Valuation Report dated 26.05.2013 for the period 01.04.2011 to 31.03.2012 with rate of Pension Contribution at 30% and Gratuity Contribution at 6.01%.



Observations of Statutory Auditors

Management's Reply

this factor.

As per Trust Order No CYS 31 Dated 11.11.2014, for the period up to 31.03.2013 the same rate of Contribution is adopted as per Actuarial Valuation Report Dated 29.09.2014.

However,if there is any change in the rate of Contribution as per Actuarial Valuation Report for the further period up to 31.03.2015 the same will be accounted in the Next Financial Year as adopted by the Trust.

f) The Company is having accumulated losses of Rs. 1189.33 Crores against share capital of Rs 707 Crores and share deposit pending allotment of Rs. 204 Crores

Factual

(g)The transactions between accounting units within the Company are accounted as Inter Unit Accounts (IUA). The Inter Unit Accounts shows net balance of Rs.21.22 Crores (Debit) as on 31/03/2015, which is yet to be reconciled and are subject to review / reconciliation /confirmation and consequential adjustments thereof, if any.

Factual

(h) Attention is invited to Note 18 relating to Trade Receivables against supply of power and Sub Note (i) therein. This represents Trade receivables Rs.1080.50 Crores (Revenue Rs. 616.24 Crores and Total Simple Interest Rs. 464.26 Crores calculated and cumulated on annual

The Government of Karnataka had announced to supply free power to IP Set consumers up to10 HP w.e.f 01.08.2008 vide Government Order No: EN 55 PSR 2008 Bangalore Dated: 04.09.2008. Accordingly free power supply is being provided by HESCOM to its IP Set consumers having up to 10 HP Connection



Observations of Statutory Auditors

basis for the period 1-8-2008 up to 31-3-2012) from IP Sets up to 10 HP relating to the period prior to announcement of Free Power Supply by GOK. We are unable to comment on the recoverability of principal and interest as Government of Karnataka has stated on 25th January,2012 that it would not reimburse the IP Set dues prior to 31.07.2008.

i) Attention is invited to Note 2.21 of the Notes forming part of the financial statements, wherein the Company has stated that the balances in respect of Sundry Debtors, Sundry Creditors and Loans and Advances to suppliers and others are subject to confirmation since the Company is having large customer base. In the absence of these confirmations, we are unable to comment on the accuracy of the amounts payable/ receivable from these Institutions/ Parties.

Management's Reply

from 01.08.2008 as per the terms and conditions stipulated in the Government Order.

However, this matter was already brought to the notice of Government of Karnataka with a request to release Subsidy to this extent to HESCOM.

Belated payment charge @ 1 % per month on the actual number of days of delay is to be levied on dues not paid in time, as per the Regulation 29.05 of the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka issued by the Karnataka electricity Regulatory Commission. Disconnection of these installations cannot be enforced for recovery of arrears as these installations are supplied with free power as per GOK Order dated 04.09.2008.

Factual



Observations of Statutory Auditors

Management's Reply

j) We are informed that Section 149 of Companies Act, 2013 equivalent to Section 274(1) (g) of Companies Act 1956 does not apply to Company.

Factual

For and on behalf of the Board Directors

**Sd/-
CHAIRPERSON**





S. Viswanathan
K N Nagesha Rao

Susheel Chandra Apartments, Flat B
17th 'A' Cross, 10th 'A' Main
Malleswaram, Bangalore-560055
emailcs_viswanathan@yahoo.com
Tel: 41674875; Mobile: 98450 50333

Company Secretaries

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2015

**[Pursuant To Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration of Managerial Personnel)
Rules, 2014]**

To,

The Members,

HUBLI ELECTRICITY SUPPLY COMPANY LIMITED

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HUBLI ELECTRICITY SUPPLY COMPANY LIMITED (U31401KA2002SGC030437)** having its Registered Office at Navanagar, Pb Road, Hubli-580025, Karnataka (**hereinafter called the Company**). The Company is a "Government Company" with major share capital held by Government of Karnataka. The Company is mainly engaged in supply/transmission of electricity in and around Hubli and Dharwad. As per notification NOG.S.R. ,463(E) dated 5th June 2015 by Ministry of Corporate Affairs, Government Companies are exempted from complying with some of the provisions of the Companies Act, 2013.

Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the financial year





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Company Secretaries

ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the Rules made thereunder; The Company has constituted Corporate Social Responsibility (CSR) committee of Directors and also framed policy on Corporate Social Responsibility.
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c) Electricity Act,
- d) Contracts Labour Act
- e) Indirect taxes like VAT, Service Taxes etc.
- f) The Karnataka Transparency In Public Procurements Act, 1999
- g) The Karnataka Tax On Professions, Trades, Callings And Employment Act, 1976
- h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- i) Employees Provident Fund and Miscellaneous Provisions Act, 1952 - Exempted
- j) Employees State Insurance Act- Exempted
- k) Maternity Benefits Act, 1961
- l) Minimum Wages Act, 1948
- m) Payment of Bonus Act, 1965





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- n) Payment of Gratuity Act, 1972
- o) Payment of Wages Act, 1936

I/we further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- a. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company has taken note of Secretarial Standards no 1 & 2 (Compliance of which is mandatory from June 2015) issued by the Institute of Company Secretaries of India on conduct of meetings of Board and Share holders.
- b. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I/we further report that during the audit period:

- (i) The Company has not made Public/Right/Preferential issue of shares / debentures/sweat equity, etc





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Company Secretaries

- (ii) The Company was not required to Redeem any preference shares or Debentures and has not bought back its securities (Buy back of shares).
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013- NIL
- (iv) Merger / amalgamation / reconstruction, etc. – NIL
- (v) Foreign technical collaborations – NIL

In general, it was observed that the Company, being a Government Company and subject to CAG Audit, is maintaining all the required records properly and have established systems and procedures for complying with various applicable laws.

Place: Bangalore	K. N NageshaRao	S. Viswanathan
Date: 18.09.2015	Practising Company Secretary	Practising Company Secretary
	FCS No: 3000	ACS No : 5284
	CP No : 12861	CP.No. : 5284



CORPORATE SOCIAL RESPONSIBILITY POLICY

Table of Contents:

1. Background
2. Objective
3. Terms of Reference to CSR Committee
4. CSR Activities/Projects:
5. CSR Amount
6. Spending of CSR Amount
7. Governance
8. Dissemination of information



1. BACKGROUND:

Corporate Social Responsibility is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Corporation believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

Hubli Electricity Supply Company Limited as a State Distribution Utility is vested with the functions of distribution of power in the State of Karnataka through its Stations & distribution Lines. HESCOM in its endeavor to serve general public has set its mission to ensure reliable quality power at competitive prices through:

1. Encouraging best practices in distribution;
2. Ensuring high order maintenance of all its technical facilities; and
3. Emphasizing the best standards in customer service.

2. OBJECTIVE:

This Policy lays down guidelines to make CSR a key business process. The Policy aims at enhancing welfare measures of the society based on social and environmental consequences of the Corporation's activities in India. This Policy specifies the projects and programmes that can be undertaken in terms of the Schedule VII to the Companies Act, 2013. Policy brings out the plans and projects proposed to be undertaken during the implementation years, specifies the modalities of execution in the areas/ sectors chosen and the implementation schedule. The scope of the Policy has been kept as wide as possible, so as to allow the Corporation to respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013. However, no contribution will be made for any activities undertaken outside India.

3. TERMS OF REFERENCE TO CSR COMMITTEE:

Board of Directors of HESCOM have constituted a Corporate Social Responsibility (CSR) Committee of Directors with the following Terms of Reference:

- a) To formulate and recommend a CSR policy to the Board;



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- b) To recommend amount of expenditure to be incurred on CSR activities;
 - c) To monitor the CSR policy of the company from time to time; and
 - d) To institute a transparent Monitoring Mechanism for implementation of the CSR projects/programs or activities undertaken by the Company.

CSR Committee will play the following role in fulfilling the Corporation's CSR objectives:

- Formulation and review of CSR Policy indicating the activities to be undertaken by the Corporation towards CSR initiatives;
- Recommendation of the amount of expenditure to be incurred on the CSR activities; and
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the Corporation or the end use of the amount spent by it towards CSR activities.
- Monitor and implement this Policy from time to time
- Annually report to the Board, the status of the CSR activities and contributions made by the Corporation
- Any other requirements mandated under the Act and Rules issued thereto.

4. CSR ACTIVITIES / PROJECTS:

Schedule VII to the Companies Act, 2013 lists down the activities which may be included by companies in their corporate social responsibility policies. The said activities relate to:

- (i) Eradicating extreme hunger and poverty;
- (ii) Promotion of education;
- (iii) Promoting gender equality and empowering women;
- (iv) Reducing child mortality and improving maternal health;
- (v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) Ensuring environmental sustainability;



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- (vii) Employment enhancing vocational skills;
 - (viii) Social business projects;
 - (ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
 - (x) Such other matters as may be prescribed.

The Company mainly plans to support and assist various CSR activities in the following areas :

1. Education

This would include partnerships with organisations working in the field of primary and secondary education, formal and non-formal, literacy programmes, scholarships etc. The main focus of supporting these programmes is to ensure basic literacy, offer vocational training, and manage teaching societies and study centres.

2. Community Development

This would cover the areas of women empowerment, rehabilitation of destitute women and children, improving slum habitat, the provision of necessary amenities for economically disadvantaged persons, causes of the elderly.

3. Child Welfare

This would cover partnerships with organisations that work in the areas of rehabilitation of street children, orphans and destitute children trying to integrate them into mainstream society.

4. Differently abled

This would include partnerships with organisations working towards rehabilitation of physically and mentally challenged children/adults. Besides organisations that work towards providing vocational training and guidance to challenged individuals with an effort to make them economically independent and contributing members of society.



5. Health care and Sanitation

This would include partnerships with organisations supporting sanitation and health-care initiatives, awareness programmes and provision of basic / specialised medical facilities for the underprivileged sections of society.

6. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

7. Others

This would cover partnerships with organisations and any other development activity undertaken with the main objective of betterment of society.

5. CSR AMOUNT:

The Corporation shall ensure that it spends, in every financial year, at least 2% of its average net profits made during the 3 immediately preceding financial years, in pursuance of its corporate social responsibility and subject to Section 135 of the Companies Act, 2013 and the Rules made thereunder.

For the purpose of this Policy, the first CSR spending financial year would be 2014-15 and the net profit shall mean average of the annual net profits of the financial years 2011-12, 2012-13 and 2013-14.

Net profits mentioned herein above means, net profit before tax as per the books of accounts of the Corporation and shall not include profits arising from branches outside India.

6. SPENDING OF CSR AMOUNT:

The CSR Committee will decide on the following with regard to spending of CSR amount:

- Percentage of total amount to be used for funding various development organizations and grass-root level organisations; and
- Tranches of disbursement.
- Any surplus arising from CSR projects or programs or activities will not form part of the business profits of the Corporation



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- Any income arising from the contribution received and surplus arising out of the CSR activities will be used for CSR only.
 - The Committee shall recommend to contribute funds for building the CSR capacities of personnel for the Corporation, through which it may undertake its CSR activities.

7. GOVERNANCE:

1. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
2. The CSR Committee shall review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
3. Once every six months the CSR Committee will provide a status update on the progress of implementation of the approved CSR Programmes carried out during the six month period. It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of the same.
4. At the end of every financial year, the CSR Committee will submit its report to the Board.

8. DISSEMINATION OF INFORMATION

The CSR Committee shall report to the Board of the Corporation, at least on an annual basis, the status of the CSR projects/ activities undertaken by the Corporation along with the report on the impact created by such projects/ activities.

The Corporation shall also upload this Policy on its website www.kptcl.com/ePrasarana. Further, a detailed status report on the CSR activities carried out by the Corporation would be disclosed every year as part of the Directors' Report in the Annual Report. The said information would also be uploaded on the website of the Corporation.

The CSR Committee will also make a Responsibility Statement in the Annual Report stating that the CSR Policy implementation and monitoring thereof is, in letter and spirit, in compliance with its CSR objectives.



ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken enclosed as Annexure-4. Reference to the web-link to the CSR policy and projects or programs: www.hescom.org.
2. The Composition of the CSR Committee is as below:

Sl. No.	Name Sriyuths/Smt	Particulars
1.	P. Ravikumar	Chairman
2.	KhushbooGoelChowdhary	Member
3.	DiptiAdityaKanade	Member
	Authorised Signatory, HESCOM	Convener

3. Average net profit of the company for last three financial years (FY 2011-12 to 2013-14):

Financial Year	Net Profit before Tax (₹ in Lakhs)
2011-12	39.75
2012-13	40.69
2013-14	-576.24 (Loss)

4. Prescribed CSR Expenditure: NIL
5. Details of CSR spent during the financial year: NIL
 - (a) Total amount to be spent for the financial year: NIL
 - (b) Amount unspent, if any; NIL
 - (c) Manner in which the amount spent during the financial year :NIL

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report : Not applicable since Average Net Profit of the company for the last three years is Rs.-576.24 Lakhs (Loss).

7. A responsibility statement of the CSR Committee:
The Members state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HUBLI ELECTRICITY SUPPLY COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of HUBLI ELECTRICITY SUPPLY COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. The Balance Sheet and Statement of Profit and Loss approved by the Board of Directors on 29th July, 2015 and reported by us on 30th July, 2015 have been revised in the light of the observations arising from the audit by the Comptroller and Auditor General of India. This report supersedes our report dated 30th July, 2015

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. Valuation of Inventories:** *Attention is called to Note No 2.3 of the Notes forming part of the financial statements, wherein the Company has stated that it has followed the Standard rate, determined by the Company, based on the previous purchase price and prevailing market rates in valuing inventories, which is not in accordance with Accounting Standard 2. The accounting standard prescribes that the inventories should be valued at the lower of the cost or net realizable value. We are unable to quantify the difference in the lower of the cost price or net realizable value and*



the standard rate adopted by the Company and its effect on the financial performance and position of the Company.

b. Fixed Assets Accounting: *Attention is called to Note No 2.6 of the Notes forming part of the financial statements and the Balance Sheet, wherein the policy states that the fixed assets are shown at their historical costs with corresponding accumulated depreciation. Also Note 2.6.6 is called to attention for the valuation of Capital Work-in-progress. The Company-generated assets are accounted through Capital Work-in-progress, which is valued at standard rate, which is not in accordance with Accounting Standard 10. Hence in our opinion the accounting for valuation of Capital Work-in-progress and fixed assets by the Company is not in accordance with AS 10. We are unable to quantify the difference in the value of fixed assets due to this and its effect on the financial statements.*

Further in Note No. 2.6.5 of the Notes forming part of the financial statements and the Balance Sheet, it is stated that released assets are valued at W.D.V , scrapped assets are valued at scrap rate, which is not in accordance with Accounting Standard -10.

c. *The Company has been providing depreciation on its depreciable assets at the rates prescribed by the KERC/CERC, as more specifically stated at Note 2.7 of the Notes forming part of the financial statements and the Significant Accounting Policies. These rates are in variation with the rates prescribed under the Companies Act and also as per AS-6. We are unable to quantify the financial effect, on this account on the financial statement of the Company for the year under audit.*

d. *In few of the cases loan sanction letters in respect of loans obtained by the Company through KPTCL, which stand classified as 'Unsecured Loans' in the Balance Sheet. All these loans were originally availed by the KPTCL, Bangalore and subsequently transferred to HESCOM. But interest and loan repayment obligations are borne by KPTCL and corresponding journal entries are passed by the Company in receivable / payables. An amount of Rs. 11.85 Crores has been accounted during the year towards interest.*



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- e. *The company has not complied with AS 15 – Accounting Standard on employee benefits, as contributions to Pension and Gratuity Trust is made based on the contribution rate intimated by the Trust, and not based on actuarial valuation as on 31.03.2015. The exact amount has not been quantified by the company and therefore we are not able to comment on the effect on net loss on account of this factor.*
- f. *The company is having accumulated losses of Rs. 1189.33Crores against share capital of Rs 707 Crores and share deposit pending allotment of Rs. 204 Crores*
- g. *The transactions between accounting units within the Company are accounted as Inter Unit Accounts (IUA). The Inter Unit Accounts shows net balance of Rs. 21.22 Crores (Debit) as on 31/03/2015, which is yet to be reconciled and are subject to review / reconciliation / confirmation and consequential adjustments thereof, if any*
- h. *Attention is invited to Note 18 relating to Trade Receivables against supply of power and Sub Note (i) therein. This represents Trade receivables Rs.1080.50Crores (Revenue Rs. 616.24Crores and Total Simple Interest Rs.464.26Crores calculated and cumulated on annual basis for the period 1-8-2008 up to 31-3-2012) from IP Sets up to 10 HP relating to the period prior to announcement of Free Power Supply by GOK. We are unable to comment on the recoverability of principal and interest as Government of Karnataka has stated on 25th January,2012 that it would not reimburse the IP Set dues prior to 31.07.2008.*
- i. *Attention is invited to Note 2.21 of the Notes forming part of the financial statements, wherein the Company has stated that the balances in respect of Sundry Debtors, Sundry Creditors and Loans and Advances to suppliers and others are subject to confirmation since the Company is having large customer base. In the absence of these confirmations, we are unable to comment on the accuracy of the amounts payable / receivable from these Institutions / Parties*
- j. *We are informed that Section 149 of Companies Act, 2013 equivalent to Section 274(1)(g) of Companies Act, 1956 does not apply to company.*



The above observations do not modify our opinion about the true and fair view of the financial statements audited by us.

Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The going concern matter described in sub-paragraph (f) under the Emphasis of Matters paragraph above, in our opinion, will not have an adverse effect on the functioning of the Company, considering the government shareholding and the public interest domain of the company of distribution of power
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are adequate for the size of the company and the nature of its business
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors)



Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position
- (ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, (i) Report on the directions issued by C & AG of India under Section 145 (5) of Companies Act 2013 is enclosed as Annexure

For A. John Moris & Co
Chartered Accountants

A.G.KRISHNAN
Chartered Accountant
Membership No 021183
Firm Regn No. 007220S



Annexures to Auditor Report of Hubli Electricity Supply Company Limited

Referred to paragraph (i) of Report on Other Legal and Regulatory Requirements of our report of even date

i. In respect of its fixed assets:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information. Title Deeds of the properties transferred by KPTCL are reported to have been obtained.
- b) According to information given to us, assets have not been physically verified by the management during the year and there is no regular program of verification. Hence, we are unable to comment on the physical existence of all the fixed assets shown in Financial Statements.

ii. In respect of its inventories:

- a) The inventories have been physically verified during the year by the management. In our opinion, the system of verification followed by the management needs to be strengthened with respect to frequency and coverage
- b) Subject to (a) above ,in our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification. As informed to us physical verification of the Inventories have been carried out at the Divisional level where the inventories are located. The respective Divisions have maintained proper records of inventories. The discrepancies noticed on such physical verification have been properly dealt with in the books of accounts. The procedures followed at the Divisional levels for such physical verification are, in our opinion, reasonable in relation to the size of the Company and the nature of its business



iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

a) The company has not granted any loan to companies , firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

b) Since there are no loans , there are no overdues also

iv. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system. However, Internal control needs to be strengthened in the case of submission of statements to KERC and other government agencies for tariff revision and subsidy .

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.



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- b) According to records of company, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute.
- c) According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time
- viii. The Company has accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit but the company has incurred a cash loss in the immediately preceding financial year.
- ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions, banks and debenture holders on a few occasions but the same has been expeditiously corrected.
- x. The Company has not given guarantees for loans taken by others from banks and financial institutions
- xi. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- xii. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.



Directions under Section 143 (3) of the Companies Act, 2013

- 1 If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process. This clause does not apply
- 2 Please report whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons there for and the amount involved There are no cases of waiver / write off of debts during the year
- 3 Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities Yes.
- 4 A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given Number of cases pending 28 amounting to a total claim of ₹ 5.99 Crores. One arbitration case decided favouring the other party now filein appeal before the High Court. Therefore , comparing the size of the company and nature of its business, this is not material.
- Report on the efficacy of the system of billing and collection of revenue in the Company. Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing was ensured Indirect confirmation by lower percentage of transmission loss. Comparison of individual meter billing on monthly basis.

	Total	Meter not recording	%
LT1 BJ/KJ	766265	54518	7.11
LT 2	2144411	16413	0.77
LT 3	287286	255	0.09
LT 4	569962	7801	1.37
LT 5	91175	129	0.14
LT 6	47260	2030	4.30
LT 7	30040	0.00	0.00
HT	2171	--	--

6 Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined

We are informed that billing in these cases happens on estimated consumption basis. This can be made a specific internal audit checkpoint.

Reconciliation is under progress. But the differences are relating to old periods also and without a serious effort by all the companies on a collective basis, the differences will continue. The overall receivable showing in the books as due from other ESCOMs / KPTCL is to the tune of ₹ 454Crores

Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?

The Company is filing before KERC every quarter for Fuel Adjustment Cost and during the financial year 2014-15 there has been approval for a claim of 1 Paise per unit during the quarter (July 2014 to September 2014)only

8 How much tariff roll back subsidies have been allowed and booked in the accounts during the year?. Whether the same is being reimbursed regularly by the State Government?

₹ 26.16 Crores has been adjusted. Other than this, the company claims IP set billing .etc from the Government of Karnataka and the company has not realized the full amount. To this extent, there is a gap in billing and collection through the Government of Karnataka on the waiver schemes announced by it.

9 If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in electronic format, which of the area such as accounting, sales personnel information , pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data,/ software/ hardware?

The only full-fledged computerization noticed is the posting of the division and unit trial balances into an excel template and automatic balance sheet and profit and loss account preparation.

Lack of computerized books of accounts and absence of uniform system is a problem auditors face

The trial run on a sample division is on but has not reached any progress so far and needs concerted efforts.



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF HUBLI ELECTRICITY SUPPLY COMPANY
LIMITED, HUBBALLI FOR THE YEAR ENDED 31 MARCH 2015**

The preparation of financial statements of **Hubli Electricity Supply Company Limited, Hubballi** for the year ended **31 March 2015** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **15.09.2015**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Hubli Electricity Supply Company Limited, Hubballi** for the year ended **31 March 2015**. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the **Note No. 2.23** of the financial statements, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143(6)(b) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**



**(BIJIT KUMAR MUKHERJEE)
ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT)
KARNATAKA, BANGALORE**

**Bangalore
Date: 18.09.2015**

BALANCE SHEET AS AT 31 MARCH, 2015

SL No	Particulars	Note No.	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	7,07,52,78,000	7,07,52,78,000
	(b) Reserves and surplus	4	(11,56,35,49,633)	(12,04,74,48,895)
	(c) Money received against share warrants	29.1		
			(4,48,82,71,633)	(4,97,21,70,895)
2	Share Deposit pending allotment		2,04,40,00,080	1,55,25,00,080
3	Non-current liabilities			
	(a) Long-term borrowings	5	14,56,23,01,215	8,82,51,75,105
	(b) Deferred tax liabilities (net)	30.9		
	(c) Other long-term liabilities	6	5,53,20,59,314	5,15,55,60,960
	(d) Long-term provisions	7	61,71,40,422	51,63,57,234
			20,71,15,00,951	14,49,70,93,299
4	Current liabilities			
	(a) Short-term borrowings	8	1,57,50,19,977	70,34,14,379
	(b) Trade payables	9	22,62,68,99,591	21,83,62,79,987
	(c) Other current liabilities	10	21,83,65,65,574	21,35,00,36,181
	(d) Short-term provisions	11	67,00,784	65,79,708
			46,04,51,85,926	43,89,63,10,255
	TOTAL		64,31,24,15,324	54,97,37,32,739



BALANCE SHEET AS AT 31 MARCH, 2015

SL No	Particulars	Note No.	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12	13,40,85,61,227	13,12,92,23,724
	(ii) Intangible assets			
	(iii) Capital work-in-progress	12	2,84,31,19,834	1,65,37,87,102
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale	29.9	-	-
			16,25,16,81,061	14,78,30,10,826
	(b) Non-current investments	13	15,96,39,864	16,51,00,000
	(c) Deferred tax assets (net)	30.9	-	-
	(c) Long-term loans and advances	14	2,71,82,42,403	2,23,83,67,709
	(d) Other non-current assets	15	4,48,95,74,196	4,95,35,66,497
			23,61,91,37,524	22,14,00,45,032
2	Current assets			
	(a) Current investments	16	-	-
	(b) Inventories	17	1,04,87,09,205	97,82,04,008
	(c) Trade receivables under Financing Activity	18	18,28,88,75,204	16,61,72,72,088
	(d) Cash and cash equivalents	19	87,30,10,559	73,71,43,845
	(e) Short-term loans and advances	20	12,92,34,57,286	7,61,12,14,470
	(f) Other current assets	21	7,55,92,25,546	6,88,98,53,296
			40,69,32,77,800	32,83,36,87,707
	TOTAL		64,31,24,15,324	54,97,37,32,739

See accompanying notes forming part of the financial statements In terms of our report attached.

For A. John Moris & Co.

Chartered Accountants
FRN. 007220S

For and on behalf of the Board of Directors

Sd/-
(A.G. Krishnan)
Partner
M.No. 021183

Sd/-
(Khushboo Goel Chowdhary, IAS)
Managing Director

Sd/-
(S.P. Sakkari)
Director (Technical)

Sd/-
(S.R.Terdal)
Financial Adviser

Place: Hubli

Date: , 2015



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31st MARCH, 2015**

SI No	Particulars	Note No.	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
	Revenue			
1	Revenue from operations	22	48,51,58,13,983	44,10,62,73,154
2	Other income	23	(8,07,55,488)	27,95,00,398
3	Total revenue (1+2)		48,43,50,58,495	44,38,57,73,552
4	Expenditure			
	(a) Purchase of Power	24	37,85,58,52,868	40,28,77,83,307
	(b) Finance costs	26	3,48,42,71,642	3,31,16,07,475
	(c) Employee benefits expense	25	4,55,45,86,051	4,44,53,31,294
	(d) Depreciation and amortisation expense	27(1)	99,05,34,821	92,68,64,707
	(e) Administrative and Other expenses	27	1,24,71,76,751	1,17,67,29,143
	Total Expenditure		48,13,24,22,133	50,14,83,15,926
5	Profit before exceptional and extraordinary items and tax (3 - 4)		30,26,36,362	(5,76,25,42,374)
6	Exceptional items	28a	-	-
7	Profit before extraordinary items and tax (5 ± 6)		30,26,36,362	(5,76,25,42,374)
8	Extraordinary items	28b	-	-
9	Profit before tax (7 ± 8)		30,26,36,362	(5,76,25,42,374)
10	Tax expense:			
	(a) Current tax expense for current year		-	-
	(b) (Less): MAT credit		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		-	-
	(e) Deferred tax	30.c	-	-
			-	-
11	Profit from continuing operations (9 +10)		30,26,36,362	(5,76,25,42,374)



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31st MARCH, 2015**

SI No	Particulars	Note No.	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
12	Profit / (Loss) from discontinuing operations (before tax)		-	-
13	Tax expense of discontinuing operations		-	-
14	Profit / (Loss) from discontinuing operations (12-13)		-	-
15	Profit / (Loss) for the year (11 ± 14)		30,26,36,362	(5,76,25,42,374)
16.i	Earnings per share (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations	30.a	0	(8)
	(ii) Total operations		0	(8)
	(b) Diluted			
	(i) Continuing operations	30.b	0	(8)
	(ii) Total operations		0	(8)
16.ii	Earnings per share (excluding extraordinary items) (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations	30.a	0	(8)
	(ii) Total operations		0	(8)
	(b) Diluted			
	(i) Continuing operations	30.b	0	(8)
	(ii) Total operations		0	(8)

In terms of our report attached.

For A. John Moris & Co.

Chartered Accountants

FRN. 007220S

Sd/-

(A.G. Krishnan)

Partner

M.No. 021183

Place: Hubli

Date:, 2015

For and on behalf of the Board of Directors

Sd/-

(Khushboo Goel Chowdhary, IAS)

Managing Director

Sd/-

(S.P. Sakkari)

Director (Technical)

Sd/-

(S.R.Terdal)

Financial Adviser



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
1-1	Cash flow from operating activities				
1-1-1	Net Profit / (Loss) before extraordinary items and tax	30,26,36,362		(5,76,25,42,374)	
	Adjustments for:				
1-1-2	Depreciation and amortisation	99,05,34,821		92,68,64,707	
1-1-3	Amortisation of Preliminary Expenses				
1-1-4	Provision for Bad and Doubtful Debts				
1-1-5	Provisions/Write off for receivables under Financing Activity				
1-1-6	Provision for reduction in the carrying amount of Investments				
1-1-7	Provision for impairment of fixed assets and intangibles				
1-1-8	Amortisation of share issue expenses and discount on shares				
1-1-9	Loss on sale of assets				
1-1-10	Profit on sale of assets				
1-1-11	Expense on employee stock option scheme				
1-1-12	Finance costs	3,48,42,71,642		3,31,16,07,475	
1-1-13	Provision for Leave Encashment & FBF	17,38,14,535		5,59,32,268	
1-1-14	Bonus/Exgratia Payable	2,73,60,637		2,79,59,726	
1-1-15	Provision for Retirement Benefits	73,54,46,208		1,00,74,55,865	



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
1-1-16	Deferred Tax Written off				
1-1-17	Material Cost Variance Credit	18,12,62,900		20,25,82,367	
1-1-18	Interest income				
1-1-19	Interest Expenditure				
1-1-20	Dividend income				
1-1-21	Net (gain) / loss on sale of investments				
1-1-22	Rental income from investment properties				
1-1-23	Rental income from operating leases				
1-1-24	Share of profit from partnership firms				
1-1-25	Share of profit from AOPs				
1-1-26	Share of profit from LLPs				
1-1-27	Liabilities / provisions no longer required written back				
1-1-28	Adjustments to the carrying amount of investments				
1-1-29	Provision for losses of subsidiary companies				
1-1-30	Provision for doubtful trade and other receivables, loans and advances				
1-1-31	Provision for estimated loss on derivatives				
1-1-32	Provision for warranty				
1-1-33	Provision for estimated losses on onerous contracts				



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
1-1-34	Provision for contingencies				
1-1-35	Other non-cash charges (specify)				
1-1-36	Net unrealised exchange (gain) / loss				
1-1-37	Operating profit / (loss) before working capital changes		5,89,53,27,105		(23,01,39,966)
1-2-1	Changes in working capital:				
1-2-2	Adjustments for (increase) / decrease in operating assets:				
1-2-3	Inventories	(7,05,05,197)		(70,116,467)	
1-2-4	Trade receivables	(1,67,16,03,116)		(1,13,33,25,641)	
1-2-5	Short-term loans and advances	(5,31,22,42,816)		(3,41,22,22,163)	
1-2-6	Long-term loans and advances	(47,98,74,694)		18,82,43,622	
1-2-7	Other current assets	(67,13,66,484)		(56,58,69,897)	
1-2-8	Other non-current assets	46,39,92,301		4,38,67,978	
1-2-9	Adjustments for increase / (decrease) in operating liabilities:				
1-2-10	Trade payables	79,06,19,604		6,23,62,93,892	
1-2-11	Other current liabilities	(45,00,91,987)		2,94,08,02,446	
1-2-12	Other long-term liabilities	37,64,98,354		25,82,10,232	
1-2-13	Short-term provisions	1,21,076		1,82,499	
1-2-14	Long-term provisions	10,07,83,188		3,67,54,440	
			(6,92,36,69,771)		4,52,28,20,941
1-2-15	Cash flow from extraordinary items		-		-



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
1-2-16	Cash generated from operations		(1,02,83,42,666)		4,29,26,80,976
1-2-17	Net income tax (paid) / refunds		-		-
1-2-18	Net cash flow from / (used in) operating activities (A)		(1,02,83,42,666)		4,29,26,80,976
2-1	B. Cash flow from investing activities				
2-1-1	Capital expenditure on fixed assets, including capital advances	(45,91,50,17,90.00)		(3,41,47,08,431)	
2-1-2	Decrease in Capital WIP	1,18,93,32,732		42,03,30,064	
2-1-3	Proceeds from sale of fixed assets				
2-1-4	Inter-corporate deposits (net)				
2-1-5	Bank balances not considered as Cash and cash equivalents				
2-1-6	- Placed				
2-1-7	- Matured				
2-1-8	Current investments not considered as Cash and cash equivalents	54,60,136		(14,00,00,000)	
2-1-9	- Purchased				
2-1-10	- Proceeds from sale				
2-1-11	Purchase of long-term investments				
2-1-12	- Subsidiaries				
2-1-13	- Associates				
2-1-14	- Joint ventures				
2-1-15	- Business units				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
2-1-16	- Others				
2-1-17	Proceeds from sale of long-term investments				
2-1-18	- Subsidiaries				
2-1-19	- Associates				
2-1-20	- Joint ventures				
2-1-21	- Business units				
2-1-22	- Others				
2-1-23	Loans given				
2-1-24	- Subsidiaries				
2-1-25	- Associates				
2-1-26	- Joint ventures				
2-1-27	- Others				
2-1-28	Loans realised				
2-1-29	- Subsidiaries				
2-1-30	- Associates				
2-1-31	- Joint ventures				
2-1-32	- Others				
2-1-33	Interest received				
2-1-34	- Subsidiaries				
2-1-35	- Associates				
2-1-36	- Joint ventures				
2-1-37	- Bank				
2-1-38	Interest Expenditure				
2-1-39	Dividend received				
2-1-40	- Subsidiaries				
2-1-41	- Associates				
2-1-42	- Joint ventures				
2-1-43	- Others				
2-1-44	Rental income from investment properties				
2-1-45	Rental income from operating leases				



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
2-1-46	Amounts received from partnership firms				
2-1-47	Amounts received from AOPs				
2-1-48	Amounts received from LLPs				
			(3,39,67,08,922)		(3,134,378,367)
2-1-49	Cash flow from extraordinary items		-		-
			(3,39,67,08,922)		(3,13,43,78,367)
2-1-50	Net income tax (paid) / refunds		-		-
	Net cash flow from / (used in) investing activities (B)		(3,39,67,08,922)		(3,13,43,78,367)
3-1	C. Cash flow from financing activities				
3-1-1	Proceeds from shares Deposits	49,15,00,000		31,25,00,000	
3-1-2	Proceeds from issue of preference shares				
3-1-3	Redemption / buy back of preference / equity shares				
3-1-4	Proceeds from issue of share warrants				
3-1-5	Grants received towards Capital Expenditure	-		-	
3-1-6	Share application money received / (refunded)				
3-1-7	Proceeds from long-term borrowings	12,67,59,00,000		6,62,82,00,000	
3-1-8	Repayment of long-term borrowings	(6,93,87,73,890)		(5,33,97,98,404)	



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
3-1-9	Deposits and contributions from consumers	94,29,64,002		1,077,750,212	
3-1-10	Preliminary Expense	19,94,234		-	
3-1-11	Net increase / (decrease) in working capital borrowings				
3-1-12	Proceeds from other short-term borrowings	87,16,05,598		(703,824,676)	
3-1-13	Repayment of other short-term borrowings				
3-1-14	Finance cost	(3,48,42,71,642)		(3,31,16,07,475)	
3-1-15	Dividends paid and Dividend Tax Paid				
3-1-16	Tax on dividend				
			4,56,09,18,302		(1,33,67,80,343)
3-1-17	Cash flow from extraordinary items		-		-
	Net cash flow from / (used in) financing activities (C)		4,56,09,18,302		(1,33,67,80,343)
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		13,58,66,714		(17,84,77,734)
3-1-18	Cash and cash equivalents at the beginning of the year		73,71,43,845		91,56,21,579
3-1-19	Effect of exchange differences on restatement of foreign currency		-		-
	Cash and cash equivalents at the end of the year		87,30,10,559		73,71,43,845



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
3-1-20	Reconciliation of Cash and cash equivalents with the Balance Sheet:				
3-1-21	Cash and cash equivalents as per Balance Sheet (Refer Note 17)		87,30,10,559		73,71,43,845
3-1-22	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i>		-		-
	Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) included in Note 17		87,30,10,559		73,71,43,845
3-1-23	Add: Current investments considered as part of Cash and cash equivalents		-		-
3-1-24	Cash and cash equivalents at the end of the year *		87,30,10,559		73,71,43,845
3-1-25	* Comprises:				
3-1-25-1	(a) Cash on hand		16,25,70,047		13,54,53,692
3-1-25-2	(b) Cheques, drafts on hand		-		-
3-1-25-3	(c) Balances with banks				
	(i) In current accounts		50,34,25,335		7,74,36,742
	(ii) In EEFC accounts		-		-
	(iii) In deposit accounts with original maturity of less than 3 months		20,70,15,177		52,42,53,411

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

SI No	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		₹	₹	₹	₹
	(iv) In earmarked accounts (give details) (Refer Note (ii) below)		-		-
3-1-25-4	(d) Others (specify nature)		-		-
3-1-25-5	(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)		-		-
			87,30,10,559		73,71,43,845

See accompanying notes forming part of the financial statements in terms of our report attached.

For A. John Moris & Co.

Chartered Accountants

For and on behalf of the Board of Directors

FRN. 007220S

Sd/-
(A.G. Krishnan)
Partner

Sd/-
(Khushboo Goel Chowdhary, IAS)
Managing Director

Sd/-
(S.P. Sakkari)
Director (Technical)

Sd/-
(S.R.Terdal)
Financial Adviser

M.No. 021183

Place: Hubli

Date:, 2015



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes 1 & 2

Notes	Particulars
1	<p>Corporate information</p> <p>M/s. Hubli Electricity Supply Company Limited is registered with the Bangalore Registrar of Companies as a Public Limited Company on 30th April, 2002 vide Registration no. U31401KA2002SGC030437 and commenced its operation with effect from 1st June, 2002.</p> <p>The registered office of the company is located at PB Road, Navanagar, Hubli - 580 025.</p> <p>The Company is engaged in the business of Distribution of Electricity in the Seven Districts of Karnataka duly purchasing power from various Power Generators Pool Account as per the energy allocation / assigned by the Government of Karnataka as per the Government order issued from time to time. The rates followed for the allocated/assigned power purchase is based on the commercial rates/predetermined rates as approved by the PPA/ KERC/ Government of Karnataka.</p> <p>The Principal activities of the Company is to engage in distribution of Power .</p>
2.1	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financials statements to comply with the Companies Act, 2013 in all material respects and Accounting Standards specified under Section 133 of the Act read with Rule 7 of the the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis, except in respect of interest on belated payments to private power suppliers, where interest would be recognized on payment basis. However, the same is quantified and disclosed as contingent liability.</p>
2.2	<p>Use of estimates</p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that</p>



Notes	Particulars
	affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.
2.3	<p>Inventories</p> <p>Inventories are valued at Standard Rate, which is determined by the Company from time to time based on previous purchase price and prevailing market rates (published as O&M Schedule of Rates).</p>
2.4	<p>Cash and cash equivalents (for purposes of Cash Flow Statement)</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
2.5	<p>Cash flow statement</p> <p>Cash flows are prepared in accordance with the indirect method prescribed in Accounting Standard-3.</p>
2.6	<p>Fixed Assets</p>
	<p>2.6.1. Fixed assets are shown at their historical costs with corresponding accumulated depreciation. Fixed assets acquired /constructed are valued at actual cost of acquisition / construction. Materials issued to works from stores and becoming the assets are valued at standard rates. Interest and finance charges up to the stage of commissioning of fixed assets are being capitalized.</p> <p>2.6.2 Assets transferred by Karnataka Power Transmission Corporation Ltd., (KPTCL) have been stated at the cost of transfer indicated by KPTCL in the transfer document.</p> <p>2.6.3 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.</p>



Notes	Particulars
	<p>2.6.4 Consumer contribution, grants and subsidies received towards cost of capital assets are treated as reduction in the cost of Gross Fixed Assets in the Balance Sheet as per AS-12.</p> <p>2.6.5 Released assets are valued at W.D.V., Scrapped assets are valued at scrap rate indicated in the Schedule of rates.</p>
	<p>2.6.6 CAPITAL WORK-IN-PROGRESS</p> <p>Materials issued to Capital Work-in-progress are valued at Standard Rate, which is determined by the Company from time to time based on previous purchase price and prevailing market rates (published as O&M Schedule of Rates) except in respect of capital works under taken on total turnkey and partial turnkey basis where materials are accounted on purchase price.</p>
<p>2.7</p>	<p>Depreciation and amortisation</p> <p>2.7.1 Depreciation on all assets (except lease hold land) is provided on straight line method as per the guidelines prescribed in notification No. B/12/01 dated 29.03.2006 issued by KERC, which is the adaptation of notification No.L-7/25(5)/2003-KVN dated 26.03.2004 issued by CERC & the CERC Tariff Regulations 2009, Annexure III.</p> <p>2.7.2 Depreciation on released assets and re-issued to works and categorized as assets is charged at rates as per the rates as prescribed in notification No. B/12/01 dated 29.03.2006 issued by KERC, which is the adaptation of notification No.L-7/25(5)/2003-KVN dated 26.03.2004 issued by CERC & the CERC Tariff Regulations 2009, Annexure III.</p> <p>2.7.3 Depreciation on leasehold land is provided for the years on amortization rates arrived at on the basis of lease period.</p> <p>2.7.4 Depreciation on fixed assets is provided up to 90% of the original cost of the asset.</p> <p>2.7.5 Assets costing ₹ 500/- or below individually are fully depreciated in the year of acquisition (as against ₹ 5000/- as per the Companies Act, 2013).</p> <p>2.7.6 Depreciation is not provided on the assets created through capital grants.</p> <p>2.7.7 Depreciation is provided from the month of commissioning of the assets</p>

Notes	Particulars
	<p>i) Depreciation on newly commissioned assets is charged for the whole month irrespective of the date of commissioning in that month.</p> <p>ii) Depreciation on released/de-commissioned assets is provided up to the end of the previous month immediately preceding the month of decommissioning of the asset.</p>
<p>2.8</p>	<p>Receivables Against Supply of Power.</p> <p>Receivables against supply of power activity relates Sale of Power various categories of LT, HT Consumer.</p>
<p>2.9</p>	<p>Revenue recognition</p> <p>Sale of goods</p> <p>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.</p> <p>Income from services</p> <p>Revenue from sale of energy is accounted on accrual basis. Revenue is reduced by unbilled revenue of previous year included in this year's revenue. Revenue is increased by the unbilled revenue of the current year and revenue due from consumers whose ledger accounts are yet to be opened. Rebate to consumers and Incentive for prompt payment are shown as deduction from Revenue.</p> <p>he revenue from sale of energy of HESCOM is as per the tariff fixed by Karnataka Electricity Regulatory Commission (KERC) from time to time.</p> <p>Revenue from sale of energy of HESCOM is as per Tariff Fixed by Karnataka Electricity Regulatory Commission (KERC) from time to time.</p>
<p>2.10</p>	<p>Other income</p> <p>Bank Deposit Interest income is accounted on accrual basis.</p> <p>Dividend income is accounted for when the right to receive it is established.</p> <p>Income /Fees/Collections Against Staff Welfare Activites is accounted on receipts basis.</p>



Notes	Particulars
<p>2.11</p>	<p>Government grants, subsidies and export incentives</p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p> <p>Government grants may become receivable by an enterprise as compensation for expenses or losses incurred in a previous accounting period. Such a grant is recognised in the income statement of the period in which it becomes receivable, as an extraordinary item if appropriate (see Accounting Standard (AS) 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies).</p> <p>Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.</p> <p>Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.</p>
<p>2.12</p>	<p>Investments</p> <p>Investments are classified into current investments and Non-Current investments. Current investments are carried at lower of cost.</p> <p>Non-Current investments on Quoted Equity shares are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Cost of investments include acquisition charges such as brokerage, fees and duties.</p>
	<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</p>

Notes	Particulars
	<p>acquisition charges such as brokerage, fees and duties. 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>
<p>2.13</p>	<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. The pension and gratuity payment is taken care of by the Trust to eligible</p>



Notes	Particulars
	<p>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</p>

Notes	Particulars
	<p>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>
<p>2.16</p>	<p>Taxes on income</p> <p>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.</p> <p>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.</p> <p>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.</p>
	<p>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.</p> <p>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</p>



Notes	Particulars
	<p>legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> <p>Accordingly, the Company has arrived Deferred Tax Asset of ₹ 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</p> <p>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</p> <p>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</p> <p>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</p> <p>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>
2.21	<p>The balances in respect of Sundry Debtors, Sundry Creditors and Loans</p>

Notes	Particulars
	and Advances to suppliers and others are subject to confirmation since the Company is having large customer base.
2.22	All the employees of the Company are on deputation from KPTCL.
2.23	The Company's Accounts approved by the Board on 29.07.2015 and reported upon by the Statutory Auditors on 30.07.2015 have been revised in the light of the observations made by the Comptroller and Auditor General of India during their supplementary audit under the Companies Act, 2013. The said revision has resulted in decrease of Total Income of the Company by ₹ 11.56 Crs while the Total Expenditure has increased by ₹ 5.29 Crs, resulting in decrease of Net Profit by ₹ 16.84 Crs. The overall Equity and Liabilities have decreased by ₹ 2.50 Crs with a similar decrease in the Total Assets by ₹ 2.50 Crs.



NOTE 3 SHARE CAPITAL

SI No	Particulars	A/C Code	As at 31 March, 2015		As at 31 March, 2014	
			Number of shares	Amount in Rs	Number of shares	Amount in Rs
3-1	Authorised Equity shares of ` 10 each with voting rights		1,00,00,00,000	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
3-2	Issued Equity shares of ` 10 each with voting rights	52.301	70,75,27,800	70,75,27,800	70,75,27,800	70,75,27,800
3-3	Subscribed and fully paid up Equity shares of ` 10 each with voting rights		70,75,27,800	70,75,27,800	70,75,27,800	70,75,27,800
	Total		70,75,27,800	70,75,27,800	70,75,27,800	70,75,27,800

Refer Notes (3-1) & (3-2) below

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, 2015					
3 -1-1	- Number of shares	70,75,27,800	-	-	-	70,75,27,800
3 -1-2	- Amount (Rs)	70,75,27,800	-	-	-	70,75,27,800
	Year ended 31 March, 2014					
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, 2015		As at 31 March, 2014	
			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		70,74,77,800	99.99%	70,74,77,800	99.99%



NOTE 4 RESERVES AND SURPLUS

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
			₹	₹
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		26,39,44,689	6,13,62,322
	Add: Transferred from surplus in Statement of Profit and Loss	56.610	18,12,62,900	20,25,82,367
	Closing balance		44,52,07,589	26,39,44,689
4 -3	Proposed Adjustments to Networth Reserve			
	Opening balance		(11,54,30,724)	(11,54,30,724)
	Add: Additions / transfers during the year	52.307,52.308	-	0
	Closing balance		(11,54,30,724)	(11,54,30,724)
4 -4	Surplus / (Deficit) in Statement of Profit and Loss			
	Opening balance		(12,19,59,62,860)	(6,43,34,20,486)
	Add: Profit / (Loss) for the year		30,26,36,362	(5,76,25,42,374)
	Dividends proposed to be distributed to equity shareholders (₹ 10 per share)			
	Tax on dividend			
	Transferred to:			
	General reserve			
	Statutory Reserves			
	Closing balance		(11,89,33,26,498)	(12,19,59,62,860)
Total			(11,56,35,49,633)	(12,04,74,48,895)

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 crs 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, 2015 ₹	As at 31 March, 2014 ₹
4A -1	Capital reserve - Deferred Grants			
	Opening balance		9,07,22,79,879	7,99,45,29,667
4A -2	Less: Utilised / transferred during the year	55.1, 55.3	1,62,73,04,157	1,07,77,50,212
	Closing balance		10,69,95,84,036	9,07,22,79,879

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, 2015	As at 31 March, 2014
4A -1-1	Consumers contribution towards cost of capital	55.1	7,37,51,18,213	5,76,00,80,812
4A -1-2	Grants towards Cost of Capital assets	55.3	3,32,44,65,823	3,31,21,99,067
	Total		10,69,95,84,036	9,07,22,79,879



NOTE 5 LONG-TERM BORROWINGS

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
5 -1	Term loans (Refer Note (i) & (ii) below)			
	From banks			
	Secured	53.3, 53.9	4,06,16,54,524	3,47,18,42,050
	Unsecured	53.3, 53.9	-	-
			4,06,16,54,524	3,47,18,42,050
	From other parties			
	Secured	53.3, 53.9	9,06,76,21,439	3,92,22,04,563
	Unsecured	53.3, 53.9	1,43,30,25,252	1,43,11,28,492
			10,50,06,46,691	5,35,33,33,055
5 -2	Deposits from Consumers			
	Secured		-	-
	Unsecured		-	-
	Total		14,56,23,01,215	8,82,51,75,105

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

SI No	Particulars	Nature of Security	Terms of re-payment	As at 31 March, 2015		As at 31 March, 2014	
				Secured	Unsecured	Secured	Unsecured
				Rs	Rs	Rs	Rs
	<u>Term loans from banks: - Secured</u>						
5 -1-1	Loan from Syndicate Bank			88,57,14,284	-	-	-
5 -1-2	Loan drawn from State Bank of India Hubli by HESCOM			-	-	25,05,129	-
5 -1-3	Loan from Canara Bank, Hubli by HESCOM			3,17,59,40,240	-	3,47,43,47,179	-
5 -1-4	Loan from Corporation Bank			-	-	-	-
5 -1-5	Total - Term loans from banks			4,06,16,54,524	-	3,47,18,42,050	-
	<u>Term loans from other parties:</u>						
5 -1-6	Loan from Power Finance Corporation LTD - R-APDRP Scheme.			30,18,01,918	-	-	-

SI No	Particulars	Nature of Security	Terms of re-payment	As at 31 March, 2015		As at 31 March, 2014	
				Secured	Unsecured	Secured	Unsecured
				Rs	Rs	Rs	Rs
5 -1-7	Loans drawn from REC in respect of ongoing SPA Scheme works by KPTCL for HESCOM.			8,76,58,19,521	-	3,92,22,04,563	-
5 -1-8	Loans Released from GoK through KPTCL towards PMGY works				2,78,25,558		3,15,06,558
5 -1-9	APDRP - GOK Loan Payable to KPTCL				38,07,31,366		43,51,21,518
5 -1-10	APDRP - REC Loan Payable to KPTCL				15,54,65,108		29,42,93,758
5 -1-11	Loan from Power Finance Corporation Ltd., - KPTCL				86,63,93,220		6,61,041,658
5 -1-12	Loan from GOK towards Energisation of IP sets under Ganga Kalyana Scheme.				-		52,50,000
5 -1-13	Loan from GOK towards Central Additional Assistance to Power Sector Automation				26,10,000		39,15,000
	Total			9,06,76,21,439	1,43,30,25,252	3,92,22,04,563	1,43,11,28,492

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

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
	Term loans from banks			
	Term loans from other parties		-	-
			-	-
	Total		-	-



(iii) The Company has not defaulted in repayment of loans and interest

SI No	Particulars			As at 31 March, 2015		As at 31 March, 2014	
				Period of default	₹	Period of default	₹
	Term loans from banks						
	Principal			-	-	-	-
	Interest			-	-	-	-
	Term loans from other parties						
	Principal			-	-	-	-
	Interest			-	-	-	-
	Other loans and advances						
	Principal			-	-	-	-
	Interest			-	-	-	-

(iv) For the current maturities of long-term borrowings, refer items (a) in Note 10 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.



NOTE 6 OTHER LONG-TERM LIABILITIES

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
			Rs	Rs
6 -1	Trade Payables			-
6 -1-1	Others:			
6 -1-1-1	Electrification / Service Connection	47.3	(35,82,87,601)	13,88,01,917
6 -1-1-2	Other Deposits from Consumers	47.6	47,25,86,447	33,31,42,134
6 -1-1-3	Security Deposit from consumers:	48.1 + 48.2 + 48.3	5,31,29,28,524	4,57,87,84,465
			5,42,72,27,370	5,05,07,28,516
6 -1-1-4	Security Deposit from Employees	46.920	1,74,063	174,563
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	40,19,647	40,19,647
	Total		5,53,20,59,314	5,15,55,60,960

NOTE 7 LONG-TERM PROVISIONS

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
			Rs	Rs
7 -1	Provision for employee benefits:			
7 -1-1	Provision for compensated absences	46.430	55,00,63,579	45,73,61,756
7 -1-2	Provision for other defined benefit plans (net)	44.150	86,26,889	76,59,531
7 -1-3	Provision for other employee benefits	44.142	5,84,49,954	5,13,35,947
7 -2	Provision - Others:			-
	Total		61,71,40,422	51,63,57,234



NOTE 8 SHORT-TERM BORROWINGS

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
			₹	₹
8 -1	Loans repayable on demand			
	From banks			
	Secured		1,57,50,19,977	70,34,14,379
	Unsecured		-	-
			1,57,50,19,977	70,34,14,379
	From other parties			
	Secured		-	-
	Unsecured			
Total			1,57,50,19,977	70,34,14,379

Notes:

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

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
			₹	₹
8 -1-1	Loans repayable on demand			
	from banks:			
	Cash Credit from Banks (SBI Hubli)	50.1	1,57,50,19,977	70,34,14,379
			-	-
	Total - from banks		1,57,50,19,977	70,34,14,379

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

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
			₹	₹
8 -1-2	Loans repayable on demand from banks		0	0
	Loans repayable on demand from other parties		0	0

(iii) The Company has not defaulted in repayment of loans and interest

SI No	Particulars	As at 31 March, 2015		As at 31 March, 2014	
		Period of default	₹	Period of default	₹
8 -1-3	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		
	Interest	46 Days	90,07,377		
	Loans repayable on demand from other parties				
	Principal	-	-	-	-
	Interest	-	-	-	-



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1	Trade payables:			
9-1-1	Acceptances			
9-1-2	Sundry Credirs for purchase of power - KPC	41.108	9,37,12,39,142	8,53,21,76,373
9-1-3	Sundry Credirs for purchase of power-VVNL	41.109	14,71,08,652	10,01,53,015
9-1-4	Sundry Credirs for purchase of power - NTPC-RSTP	41.110	91,01,63,871	87,88,41,019
9-1-5	Sundry Credirs for purchase of power -MAPS	41.111	1,81,13,130	1,67,88,228
9-1-6	Sundry Credirs for purchase of power - NLC	41.112	54,00,28,062	69,13,66,331
9-1-7	Sundry Credirs for purchase of power - PGCIL(Transmission Charges)	41.113	22,15,30,234	17,12,52,665
9-1-8	Sundry Credirs for purchase of power - KAIGA	41.114	46,10,51,008	38,72,21,622
9-1-9	Sundry Credirs for purchase of power - PGCIL	41.117	4,88,98,379	9,85,23,485
9-1-10	Sundry Credirs for purchase of power -M/s NTPC Eastern Region	41.119	4,43,795	2,77,274
9-1-11	Sundry Credirs for purchase of power MURUDESHWAR	41.123	1,13,58,377	82,59,317
9-1-12	Sundry Creditors for Purchase of Power from JTPCL	41.125	32,25,00,950	83,67,84,986
9-1-13	Sundry creditors for purchase of power-Renuka Sagar	41.126	-	23,91,422
9-1-14	Sundry Creditors for Purchase of Power-Prabhulingeshwar Sugars	41.130	-	45,656
9-1-15	Sundry Credirs for purchase of TATA power Trading Co	41.131	5,40,41,212	5,87,98,383
9-1-16	Sundry creditors for purchase of power-Tannir Bhavi Company ltd.,	41.133	13,06,530	13,06,530
9-1-17	Sundry Creditors for Purchase of Power - from RSSKN.	41.139	1,23,01,887	1,58,22,433

NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-18	Sundry Creditor for power purchase from Tungabhadra Steel product ltd	41.148	38,323	1,14,34,431
9-1-19	Sundry creditors for purchase of power - GEM Sugars Ltd.	41.160	-	2,34,328
9-1-20	Sundry creditors for purchase of power KPTCL	41.161	29,84,74,229	3,24,63,115
9-1-21	Sundry creditors - O & M Division Expenditure - SLDC	41.165	10,07,16,790	63,92,016
9-1-22	Sundry creditors for purchase of power - Venkateshwara Power Project.	41.167	5,02,36,617	5,22,34,409
9-1-23	Sundry Creditors for Purchase of Power M/s MRP Wind Farms	41.170	4,30,616	5,12,961
9-1-24	Sundry Creditors for Purchase of Power M/s Bhagyanagar India Ltd.	41.171	9,22,928	9,27,871
9-1-25	Sundry Creditors for Purchase of Power M/s Suresh Kumar (HUF)	41.172	3,30,211	3,92,220
9-1-26	Sundry Creditors for Purchase of Power M/s Happy Valley Developers.	41.173	2,19,374	5,16,224
9-1-27	Sundry Creditors for Purchase of Power M/s VRL Logistics limited	41.174	69,18,293	1,74,56,186
9-1-28	Sundry Creditors for Purchase of Power M/s Revati Raju	41.175	-	13,49,649
9-1-29	Sundry Creditors for Purchase of Power M/s Nuziveedu Seeds	41.176	20,41,044	23,73,825
9-1-30	Sundry Creditors for Purchase of Power M/s VSL Mining Componay (P) Ltd.	41.177	10,89,237	9,30,872
9-1-31	Sundry Creditors for Purchase of Power M/s VSL Mining Projects(P) Ltd	41.178	3,82,074	3,63,938
9-1-32	Sundry Creditors for Purchase of Power M/s V S Lad & Sons	41.179	12,87,971	30,74,978
9-1-33	Sundry Creditors for purchase of Power M/s Shakhambhari Enterprises Banglore	41.180	5,24,036	5,87,417



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-34	Sundry Creditors for Purchase of power M/s BSK Trading Inc	41.181	4,91,148	5,93,521
9-1-35	Sundry Creditors for Purchase of Power M/s. Jindal Steels	41.182	4,36,743	5,28,265
9-1-36	Sundry Creditors for Purchase of Power M/s.Vikram Traders	41.184	21,79,741	21,08,915
9-1-37	Sundry Creditors for Purchase of Power M/s.Rahul Dravid	41.185	8,52,549	-
9-1-38	Sundry Creditors for Purchase of Power M/s. Protectron Electromech Pvt. Ltd.	41.186	8,64,285	-
9-1-39	Sundry Creditors for Purchase of Power M/s.Kaleesuwari Refinery Private Ltd	41.187	3,77,560	-
9-1-40	Sundry Creditors for Purchase of Power M/s. M.K.Agrotech Pvt Ltd	41.188	2,70,508	-
9-1-41	Sundry Creditors for Purchase of Power M/s. Siddaganga Oil extraction Ltd	41.190	2,11,795	-
9-1-42	Provision for Liability for Purchase of Power	41.200	7,85,10,94,940	7,63,91,28,989
9-1-43	Sundry Creditors for Purchase of Power M/s. Saptagiri Distilleries (P) Ltd.,	41.205	5,48,161	16,75,067
9-1-44	Sundry Creditors for Purchase of Power M/s.Pragathi Aroma Oil Distillers Pvt. Ltd.,	41.206	11,35,374	15,81,982
9-1-45	Sundry Creditors for Purchase of Power M/s.Sanjay D. Ghodawat	41.207	71,83,904	85,23,072
9-1-46	Sundry Creditors for Purchase of Power M/s. MMTC Limited	41.208	1,04,74,963	1,21,00,622
9-1-47	Sundry Creditors for Purchase of Power M/s.Lovely Fragrance	41.209	3,38,555	4,97,859
9-1-48	Sundry Creditors for Purchase of Power M/s. Boruka Power Corporation Ltd.,	41.211	2,98,31,369	70,99,875
9-1-49	Sundry Creditors for Purchase of Power M/s. Bharat Petroleum Corporation Ltd.,	41.212	25,78,129	31,17,625



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-50	Sundry Creditors for Purchase of Power M/s.Indian Designs.	41.213	6,08,691	1,132,911
9-1-51	Sundry Creditors for Purchase of Power M/s.B.D.Patil & Co.,	41.214	3,60,065	5,081
9-1-52	Sundry Creditors for Purchase of Power M/s. Hindustan Zinc Ltd.,	41.215	1,87,02,361	18,061,908
9-1-53	Sundry Creditors for Purchase of Power M/s.Generation Eolica India Pvt. Ltd.,	41.216	1,79,34,226	17,722,875
9-1-54	Sundry Creditors for Purchase of Power Shri. Suresh C Angadi	41.218	52,841	-
9-1-55	Sundry Creditors for Purchase of Power Smt. Mangala S Angadi.	41.219	52,248	-
9-1-56	Sundry Creditors for Purchase of Power M/s. Swani Corporation Ltd.,	41.220	42,088	-
9-1-57	Sundry Creditors for Purchase of Power M/s. Fastners & Allied Products (P) Ltd.,	41.221	43,198	-
9-1-58	Sundry Creditors for Purchase of Power M/s. C.R.Rajesh Nair.	41.223	1,13,137	-
9-1-59	Sundry Creditors for Purchase of Power M/s.Bharat Earth Mover	41.225	20,79,008	24,32,601
9-1-60	Sundry Creditors for Purchase of Power M/s. S.C.Shettar & Sons	41.226	1,59,588	4,72,629
9-1-61	Sundry Creditors for Purchase of Power M/s. Sai Krishna Minerals Pvt Ltd.	41.228	18,12,315	49,16,371
9-1-62	Sundry Creditors for Purchase of Power M/s. ILC Industries Ltd.	41.229	15,23,508	19,25,252
9-1-63	Sundry Creditors for Purchase of Power M/s. B.S.C Textils	41.230	72,187	37,185
9-1-64	Sundry Creditors for Purchase of Power M/s.Sridevi Trading Company.	41.231	30,590	18,108
9-1-65	Sundry Creditors for Purchase of Power M/s. B.S.Channabasappa & Sons	41.232	197,578	1,05,319



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-66	Sundry Creditors for Purchase of Power M/s.BC & Sons	41.233	17,542	19,906
9-1-67	Sundry Creditors for Purchase of Power M/s.Shri Channeshwar Rice Industries.	41.234	28,226	13,084
9-1-68	Sundry Creditors for Purchase of Power M/s.Channeshwar Drier	41.235	18,727	20,710
9-1-69	Sundry Creditors for Purchase of Power M/s. Associated Stones	41.236	88,291	61,510
9-1-70	Sundry Creditors for Purchase of Power M/s.Ranjeet Bullion.	41.237	24,002	15,245
9-1-71	Sundry Creditors for Purchase of Power M/s.Bedmutha Wire Comp.	41.238	-	25,253
9-1-72	Sundry Creditors for Purchase of Power M/s.S.K.Shridhar	41.239	29,286	12,994
9-1-73	Sundry Creditors for Purchase of Power M/s. SK.Shashidhar.	41.240	28,137	15,477
9-1-74	Sundry Creditors for Purchase of Power M/s.DLF Ltd.	41.241	36,39,006	53,45,145
9-1-75	Sundry Creditors for Purchase of Power M/s.Swarna Properties	41.242	5,67,446	-
9-1-76	Sundry Creditors for Purchase of Power M/s.Swarna Constuction	41.243	1,96,553	530,641
9-1-77	Sundry Creditors for Purchase of Power M/s.Dakash Minerals & Marine Pvt Ltd.	41.244	65,601	29,196
9-1-78	Sundry Creditors for Purchase of Power M/s. Hiranyakeshi Sahakari Sakkare Karkhane Niyamit	41.247	-	20,24,646
9-1-79	Sundry Creditors for Purchase of Power M/s. Nirani Sugars Limited	41.248	3,13,79,403	44,39,352
9-1-80	Sundry Creditors for Purchase of Power M/s. Indian Cane Power Limited.	41.249	-	2,18,576



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-81	Sundry Creditors for Purchase of Power M/s. Bilagi Sugars Limited.	41.250	3,05,50,537	56,25,588
9-1-82	Sundry Creditors for Purchase of Power M/s. Satish Sugars Limited.	41.251	1,15,39,957	2,15,04,884
9-1-83	Sundry Creditors for Purchase of Power M/s. Global Energy Pvt. Ltd.	41.252	6,20,01,011	6,63,47,929
9-1-84	Sundry Creditors for Purchase of Power M/s. GMR Industries Limited.	41.253	(3,28,55,248)	(1,47,70,310)
9-1-85	Sundry Creditors for Purchase of Power M/s. Bhanwardeep Copper Strips Pvt. Ltd.	41.254	23,286	9,034
9-1-86	Sundry Creditors for Purchase of Power M/s. Kedia Enterprises.	41.255	57,925	25,029
9-1-87	Sundry Creditors for Purchase of Power M/s. JBM Industries.	41.256	21,150	22,420
9-1-88	Sundry Creditors for Purchase of Power M/s. Nagashanthi Enterprises.	41.257	26,536	17,177
9-1-89	Sundry Creditors for Purchase of Power M/s. Rachana Constructions.	41.258	18,547	14,170
9-1-90	Sundry Creditors for Purchase of Power M/s. Skytech Engineering.	41.259	24,784	12,071
9-1-91	Sundry Creditors for Purchase of Power M/s. Basavaraj N.Patil	41.260	23,138	16,863
9-1-92	Sundry Creditors for Purchase of Power M/s. Prasanna K. Giriyaapur.	41.261	30,393	-
9-1-93	Sundry Creditors for Purchase of Power M/s. G. N. Chandu (HUF)	41.262	25,518	-
9-1-94	Sundry Creditors for Purchase of Power M/s. Shri. Krishna Minirals.	41.265	64,669	-
9-1-95	Sundry Creditors for Purchase of Power M/s. Ercon Composites.	41.266	64,798	-



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-96	Sundry Creditors for Purchase of Power M/s.ESMO Industries	41.267	31,358	17,918
9-1-97	Sundry Creditors for Purchase of Power M/s.AMA Traders	41.268	36,004	21,210
9-1-98	Sundry Creditors for Purchase of Power M/s.K.E. Kantesh	41.269	36,054	14,411
9-1-99	Sundry Creditors for Purchase of Power M/s.G.S.Gayathri	41.270	36,856	11,918
9-1-100	Sundry Creditors for Purchase of Power M/s.G.M. Prasanna Kumar	41.271	45,745	20,362
9-1-101	Sundry Creditors for Purchase of Power M/s.G.M.Lingaraju	41.272	32,442	16,096
9-1-102	Sundry Creditors for Purchase of Power M/s.AAA & Sons Enterprises Pvt.Ltd.	41.273	64,165	54,242
9-1-103	Sundry Creditors for Purchase of Power M/s. Mac Charls India Ltd.	41.274	9,80,643	9,99,541
9-1-104	Sundry Creditors for Purchase of Power M/s. Lanco Electric Utility Ltd.	41.275	6,80,35,542	6,80,35,542
9-1-105	Sundry Creditors for Purchase of Power M/s.Super wind projects	41.277	40,93,246	45,34,844
9-1-106	Purchase of power from M/s. Sepco Industries Pvt. Ltd.	41.278	16,56,715	-
9-1-107	Sundry Creditors for Purchase of Power M/s Swamy Samarth Engineers	41.279	-	16,854
9-1-108	Sundry Creditors for Purchase of Power M/s NTPC Vidyut vyapar Nigam Ltd.	41.281	9,06,23,577	9,06,23,577
9-1-109	Sundry Creditors for Purchase of Power M/s Indian Energy Exchange	41.282	65,650	65,650
9-1-110	Sundry Creditors for Purchase of Power M/s Vijayanagar Sugars Pvt. Ltd.	41.283	-	2,10,07,603



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-111	Sundry Creditors for Purchase of Power M/s Chandama Farms & Horticulture Research Centre Pvt.Ltd.	41.287	30,531	-
9-1-112	Sundry Creditors for Purchase of Power M/s V.V.Subbareddy	41.288	27,203	-
9-1-113	Sundry Creditors for Purchase of Power M/s Ravi Nursing Home	41.289	33,662	-
9-1-114	Sundry Creditors for Purchase of Power M/s Orient Steel & Industries Ltd.	41.290	4,19,102	4,78,455
9-1-115	Sundry Creditors for Purchase of Power M/s Orient Abrasives Ltd.	41.291	5,10,958	5,59,942
9-1-116	Sundry Creditors for Purchase of Power M/s V.Doddappa	41.292	4,10,959	4,75,413
9-1-117	Sundry Creditors for Purchase of Power M/s Three M.Paper Mfg. Co.Pvt.Ltd.	41.293	3,45,689	4,11,309
9-1-118	Sundry Creditors for Purchase of Power M/s Visha Vinayak Minerals	41.294	4,30,651	4,83,201
9-1-119	Sundry Creditors for Purchase of Power M/s Harekrishna Sugars	41.297	1,262,412	9,161,294
9-1-120	Sundry Creditors for Purchase of Power M/s.Energy Development Co Limited.	41.301	1,27,617	23,856
9-1-121	Sundry Creditors for Purchase of Power M/s.U P C L	41.302	89,70,22,802	1,23,29,92,584
9-1-122	Sundry Credirs for purchase of powerM/s.Jaspar Energy Pvt Ltd.	41.303	2,04,561	2,04,561
9-1-123	Sundry Credirs for purchase of powerM/s.Gokak Sugars Ltd.	41.304	4,82,05,058	4,32,85,361
9-1-124	S/Cr for Purchase of Power M/s. Swasthik Constructions Services	41.306	4,57,584	-
9-1-125	S/Cr for Purchase of Power M/s. MBM Engineering Infotech Ltd	41.307	14,62,046	-
9-1-126	Sundry Creditors for Purchase of Power M/s Bannari Amman Sugars.	41.309	-	9,73,038



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-127	Sundry Creditors for Purchase of Power M/s. BMM Ispat Ltd.,	41.310	8,79,62,455	12,60,09,005
9-1-128	Sundry Creditors for Purchase of Power M/s Core Green Sugars Ltd.,	41.311	-	168,256
9-1-129	Sundry Creditors for Purchase of Power M/s Dhruvdesh Metasteel Ltd.,	41.312	39,29,952	1,21,11,773
9-1-130	Sundry Creditors for Purchase of Power M/s NSL Sugars.	41.316	-	6,52,02,638
9-1-131	Sundry Creditors for Purchase of Power M/s Jaykaycem Ltd., Muddapur.	41.317	-	45,854
9-1-132	Sundry Creditors for Purchase of Power - M/s Tadas Wind Energy Ltd.,	41.323	5,30,53,730	9,66,53,510
9-1-133	Sundry Creditors for Purchase of Power - M/s. Vish Wind Infrastructure LLP.	41.324	4,81,247	9,75,813
9-1-134	Sundry Creditors for Purchase of Power - M/s Gail (India) Ltd.,	41.325	1,00,85,545	1,10,51,597
9-1-135	Sundry Creditors for Purchase of Power - M/s. Rajasthan Gum Pvt. Ltd.,	41.326	31,21,948	33,54,299
9-1-136	Sundry Creditors for Purchase of Power – Parrys Sugars Ltd., (RMD)	41.330	5,98,14,031	4,17,80,356
9-1-137	Sundry Creditors for Purchase of Power – Swastick Construction Services (ENERCON)	41.331	5,73,327	41,49,532
9-1-138	Sundry Creditors for Purchase of Power – M/s. NTPC Tamilnadu energy Company Ltd.,	41.334	11,09,68,888	12,15,20,291
9-1-139	Sundry Creditors for Purchase of Power – M/s. Hiten Fasteners Private Limited,.	41.336	3,56,474	3,81,159
9-1-140	Sundry Creditors for Purchase of Power – The Krishna Sahakari Sakkare karkhane niyomit	41.337	3,09,46,481	3,38,75,324



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-141	Sundry Creditors for Purchase of Power – Mrs. Nikhath Noor	41.338	11,03,226	12,06,987
9-1-142	Sundry Creditors for Purchase of Power – M/s. Greenergy Wind Corporation Pvt Ltd., Bangalore	41.339	2,35,126	-
9-1-143	Sundry Creditors for Purchase of Power – M/s. Gokak Power & Energy Limited, Bangalore	41.340	3,732	-
9-1-144	Sundry Creditors for Purchase of Power – M/s. Essar Power M.P., Limited, Mumbai	41.341	2,52,981	52,801
9-1-145	Sundry Creditors for Purchase of Power – M/s. IEPL Ideal Energy Projects Ltd., Nagpur	41.342	3,80,241	-
9-1-146	Sundry Creditors for Purchase of Power – M/s. Reliance Energy Trading Limited, New Delhi	41.343	-	9,18,75,600
9-1-147	Sundry Creditors for Purchase of Power –M/s. Balaji Molasses & Sugars Pvt Ltd.,	41.344	1,75,698	30,63,077
9-1-148	Sundry Creditors for Purchase of Power –M/s. Koganti power Ltd	41.347	-	3,60,756
9-1-149	Sundry Creditors for Purchase of Power –M/s. Shiraguppi sugar works Ltd	41.348	-	6,57,377
9-1-150	Sundry Creditors for Purchase of Power –M/s. D S S S S Ltd	41.349	-	3,41,044
9-1-151	Sundry Creditors for Purchase of Power –M/s. ILC Ipon & Steel	41.350	-	3,18,355
9-1-152	Sundry Creditors for Purchase of Power –M/s. Chettinad Cement Corporation	41.355	24,91,095	-
9-1-153	Sundry Creditors for Purchase of Power – M/s. Athani Sugars	41.356	1,29,26,834	-
9-1-154	Sundry Creditors for Purchase of Power –M/s. Maris Power Supply	41.357	27,84,710	-
9-1-155	Sundry Creditors for Purchase of Power – M/s. Kudan Kulam	41.358	32,12,83,084	-



NOTE 9 TRADE PAYABLES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
9-1-156	Sundry Creditors for Purchase of Power – M/s. Essel bagalkot Solar Power	41.359	1,92,88,801	-
9-1-157	Sundry Creditors for Purchase of Power – M/s. Essel Gulburga Solar Energy	41.360	1,87,69,725	-
9-1-158	Sundry Creditors for Purchase of Power – M/s. Jurala Hydro Elcl Project	41.362	8,14,45,399	-
9-1-159	Sundry Creditors for Purchase of Power – M/s. Pune Power Development	41.363	684	-
9-1-160	Sundry Creditors for Purchase of Power – M/s. Anu Casewes	41.365	4,61,616	-
9-1-161	Sundry Creditors for Purchase of Power – M/s. G M R Energy Trading Ltd	41.366	4,21,24,336	-
9-1-162	Power purchase from M/s. K P R Sugars	41.367	11,39,847	-
	Total		22,62,68,99,591	21,83,62,79,987

ATE has passed the final orders (15.05.2015) on the appeal filed by HESCOM in relation to determination of tariff for UPCL. HESCOM have filed an appeal on the orders of tribunal. CERC passed the final order (10.07.2015) based on the directions of ATE.

NOTE 10 OTHER CURRENT LIABILITIES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
10 -1	Current maturities of long-term debt (Refer Note (ii) below)		3,68,97,19,012	3,90,51,43,432
10 -2	Current maturities of finance lease obligations (Refer Note 30.8.c)			
10 -3	Interest accrued but not due on borrowings	46.710 , 46.720 , 46.730	15,17,818	3,61,57,006
10 -4	Interest accrued but not due on Consumers on Security Deposits	48.340,, 48.350	53,56,00,426	46,06,78,440
10 -5	Other payables			
10 -5-1	Liability for Supplies/Works	42.101, 42.201, 42.301, 42.401, 42.501 & 42.701	1,57,78,25,215	1,13,98,05,904
10 -5-2	Security Deposit from Suppliers/contractors	46.101, 46.102, 46.104, 46.107, 46.108, 46.109	1,42,45,46,848	90,58,49,956
10 -5-3	Liability for Inter Company Transactions	42.214 to 42.282	13,57,29,34,014	13,11,98,14,738
10 -6	Staff Related Liabilities and Provisions			
10 -6-1	Pension provision in respect of employees existing as on 31/03/2000	44.120	-	-
10 -6-2	Provision for payment to Pension trust	44.122	23,49,39,721	87,22,61,248
10 -6-3	Unpaid Salaries	44.210	4,81,498	4,92,283
10 -6-4	Unpaid Bonus	44.220	57,603	70,111
10 -6-5	Salary payable	44.310	89,07,866	26,83,497



NOTE 10 OTHER CURRENT LIABILITIES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
10 -6-6	Salary payable to contract Revenue Asst. (Physically Challenged Candidates)	44.312	2,72,597	(6,640)
10 -6-7	Bonus payable	44.320	7,48,755	26,32,866
10 -6-8	Ex-gratia payable	44.330	2,66,11,882	2,53,26,860
10 -7	Statutory remittances:			
10 -7	Electricity tax and other levies payable to Government.	46.300	4,55,43,754	4,71,88,845
10 -7-8	Compounding Fee payable to Govt.	46.301	1,04,94,084	1,69,41,236
10 -7-9	Taxes such as Sales Tax, Income Tax etc., deducted at source and payable to Government.	46.923+46.924 +46.925+46.926+46.927+46.928+46.951	7,04,48,629	4,66,92,522
10 -7-10	Pension Contribution recovered from employees	46.952	79,07,032	60,78,501
10 -7-11	Amount recovered from Employees & payable to Employees welfare Trusr towards Employees contribution	46.956	89,69,045	94,84,552
10 -7-12	Employees PF and Departmental share of PF payable account	46.957, 46.958	1,49,794	(5,85,517)
10 -7-13	CM draught Relief Fund	46.978	94,55,216	0
10 -7-14	Others			
10 -7-15	- Expenses Payable	46.41 To 46.47	51,05,98,315	64,97,79,342
10 -7-16	- Excess credit afforded by Bank Pending reconciliation	46.971, 46.972, 46.974,46.975	1,80,45,889	1,37,70,173
10 -7-17	- Miscellaneous Deposits	46.966	58,05,214	58,98,110
10 -7-18	- Advance received for sale of stores scrap etc.,	46.922	71,39,456	40,82,389
10 -7-19	- Un-issued Cheques & Cheques in Transit	46.910, 46.911	24,82,208	26,38,755

NOTE 10 OTHER CURRENT LIABILITIES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
10 -7-20	Amounts Receivable from GOI through RECL & LEC/Taluk Board towards KJ Works	28.941, 28.942	(7,21,500)	(7,21,500)
10 -7-21	(iii) Provision for other employee benefits	44.140, 44.141, 44.142, 44.143	8,49,95,615	7,78,79,072
	Total		21,83,65,65,574	21,35,00,36,181

Sundry creditors for Purchase of Power-KPTCL includes Rs. 49.72 Crores (as intimated by in 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 ₹ 102,427/- per M.W. of installed capacity from 01.12.2009 to 31.12.2010 and ₹ 95646/- per M.W. of installed capacity from 01.01.2011 to 31.03.2011 and ₹ 95356/- per MW of installed capacity from 01.04.2011 to 31.03.2012., ₹ 112224/- per M.W. of installed capacity from 01.04.2012 to 31.03.2013, ₹ 95442/- per M.W. of installed capacity from 01.04.2013 to 31.03.2014 and ₹ 98324/- per M.W. of installed capacity from 01.04.2014 to 31.03.2015.

Misappropriation case in respect of RGGVY work in Indi Division - Investigation is under process as on the date and as per latest assessment, ₹ 4.18 Crs is not provided in the accounts.

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

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
10 -8	Term loans From banks Secured			
10 -8-1	Loan from Syndicate Bank	53.977	8,57,14,287	-
10 -8-2	Loan drawn from State Bank of India Hubli by HESCOM	53.978	-	15,88,94,595
10 -8-3	Loan from Canara Bank, Hubli by HESCOM	53.981	29,24,19,939	20,84,00,000



SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
10 -8-4	Loan from Corporation Bank	53.982	-	7,45,66,000
10 -8-5	Unsecured		-	-
			37,81,34,226	44,18,60,595
10 -9	From other parties Secured			
10 -9-2	Loan from Power Finance Corporation LTD - R-APDRP Scheme.	53.961	13,49,865	48,95,56,500
10 -9-3	Loans drawn from REC in respect of ongoing SPA Scheme works by KPTCL for HESCOM.	53.314	1,03,49,98,168	2,65,81,65,737
10 -9-4	Unsecured			
10 -9-5	Loans Released from GoK through KPTCL towards PMGY works	53.307	36,81,000	36,81,000
10 -9-6	APDRP - GOK Loan Payable to KPTCL	53.350	5,43,90,000	5,43,90,000
10 -9-7	APDRP - REC Loan Payable to KPTCL	53.351	13,98,51,850	25,09,34,600
10 -9-8	Loan from Power Finance Corporation Ltd., - KPTCL	53.960	2,07,07,58,903	-
10 -9-9	Loan from GOK towards Energisation of IP sets under Ganga Kalyana Scheme.	53.980	52,50,000	52,50,000
10 -9-10	Loan from GOK towards Central Additional Assistance to Power Sector Automation	53.983	13,05,000	13,05,000
			3,31,15,84,786	3,46,32,82,837
	Total		3,68,97,19,012	3,90,51,43,432

NOTE 11 SHORT-TERM PROVISIONS

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
11 -1	Provision for employee benefits			-
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 proposed equity dividend			
11 -2-4	Provision for tax on proposed dividends			
11 -2-5	Provision - Investments			
11 -2-6	Provision for other employee benefits	44.142	66,33,321	65,12,245
	Total		67,00,784	65,79,708



Note 12 Fixed assets

Sl No	Tangible assets	A/C Code	Gross block				Accumulated depreciation and impairment						Net block	
			Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Rate	Balance as at 1 April, 2014	Depreciation / amortisation / expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2015	Rate	Balance as at 31 March, 2015	Balance as at 31 March, 2014
			Rs	Rs	Rs	Rs	%	Rs	Rs	Rs	Rs	Rs	Rs	Rs
12-1	Land Freehold	10.1	10,27,27,316	1,72,577	-	10,28,99,893	12.1	-	-	-	10,28,99,893	10,27,27,316		
12-2	Buildings Own use Grant	10.2	68,76,02,931	4,02,99,992	1,99,761	73,77,03,162	12.2	3.34	2,39,48,278	2,27,101	19,60,37,709	52,52,86,399		
12-3	Hydraulic Works Owned	10.3	2,70,15,869	15,27,935	0.00	2,85,43,694	12.3	5.28	14,58,916	-	1,03,57,964	18,1,16,811		
12-4	Other Civil Works Owned	10.4	2,29,40,775	25,79,576	0.00	2,55,20,351	12.4	3.34	7,77,713	-	63,06,736	1,74,11,752		
12-3	Plant and Equipment Owned	10.5	6,36,84,01,088	1,61,16,68,020	1,25,75,95,486	6,72,24,73,622	12.5	5.28	36,79,50,146	21,96,03,331	2,03,00,61,433	4,48,66,66,470		
	Line Network Cable Owned	10.6	24,40,95,41,573	1,70,95,38,638	23,25,21,768	25,86,05,68,442	12.6	5.28	63,03,41,778	15,56,26,282	7,88,01,27,212	17,00,41,29,857		
	Vehicles Owned	10.7	5,66,08,277	5,26,175	6,04,717	5,65,29,735	12.7	9.50	15,36,297	5,71,177	4,61,35,448	1,14,37,949		
12-4	Furniture and Fixtures Owned	10.8	3,45,29,205	20,84,939	5,50,645	3,60,63,398	12.8	6.33	2,14,08,105	2,59,442	2,24,16,355	1,31,21,100		
12-6	Office equipment Owned	10.9	2,93,01,109	58,90,351	31,20,399	3,20,71,060	12.9	6.33	67,15,160	67,291	71,15,382	2,25,85,949		
	Total		31,74,86,68,133	3,36,82,88,002	1,49,45,92,778	33,62,23,63,357			1,02,77,48,344	37,63,54,625	10,19,85,58,249	22,20,15,03,603		
	Less: Contributions, grants and subsidies towards cost of Capital assets		(9,07,22,79,879)			(10,01,52,43,881)						13,12,92,23,724		
	Previous year		28,59,35,29,722	2,33,36,14,308	1,43,64,17,112	29,49,07,26,918			93,64,33,181	39,47,95,198	8,93,64,06,912	20,19,87,60,794		

B. Depreciation And Amortisation Relating To Continuing Operations:

SI No	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		31-Mar-15	31-Mar-14
12 -7	Depreciation and amortisation for the year on tangible assets as per Note 12 A	1,027,748,344	936,433,181
	Less: Utilised from revaluation reserve	-	
	Depreciation and amortisation relating to continuing operations	1,027,748,344	936,433,181

The Capital Grants received from Government and consumer contribution towards cost of capital assets aggregating to Rs.1001.52 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 to relevant fixed assets. Hence, the same is treated as related to the Lines, Cables & 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 @5.28% which works out to Rs.52.88 Crs duly passing a journal entry at Head Office.

12 C. CAPITAL WORKS IN PROGRESS

SI No	Particulars	A/C Code	For the year ended	For the year ended
			31-Mar-15	31-Mar-14
12 -8	Capital Work in Progress		Rs	Rs
		14.110 To 14.150	291,681,602	82,151,727
		14.151 To 14.401	3,099,663,080	1,575,842,455
		14.450 to 14.810	-186,414,580	-129,271,474
	CWIP Categorized	14.900 to 14.925	-	-
	Sub Total		3,204,930,102	1,528,722,708
12 -9	Completed works (to be categorised).	15.5	322,529,887	125,064,394
	Consumers contribution towards cost of capital	55.1	-684,340,155	
			2,843,119,834	1,653,787,102

Note: During FY-2014-15 Rs. 94.30 Crs. Assets has been created out of Consumer Contributions made to the extent of Rs. 162.73 Crs. and difference amounting to Rs.68.43 Crs. is depicted under capital works in progress. Further total asset created out of grants and consumer contribution up to 31.03.2015 to the tune of Rs. 1001.52 Crs. is reduced from total assets as per AS 12(Note 12)



Notes forming part of the financial statements

NOTE 13 NON-CURRENT INVESTMENTS

SI No	Particulars	As at 31 March, 2015			As at 31 March, 2014		
		Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
13 -1	Investments (At cost):						
	Other investments						
13 -1-1	Investment in equity instruments (give details separately for fully / partly paid up instruments)						
	(i) of controlled special purpose entities - M/s. Power Company of Karnataka Ltd (PCKL)& M/s. Priyadarshini Jurala Hydro Electric Project	-	15,96,39,864	15,96,39,864	-	16,51,00,000	16,51,00,000
	Total - Other investments (B)	-	15,96,39,864	15,96,39,864	-	16,51,00,000	16,51,00,000
13 -2	Less: Provision for diminution in value of investments			-			-
	Total			15,96,39,864			16,51,00,000
13 -2-1	Aggregate amount of quoted investments			-			-
13 -2-2	Aggregate market value of listed and quoted investments			-			-
13 -2-3	Aggregate value of listed but not quoted investments			-			-
	Aggregate amount of unquoted investments			15,96,39,864			16,51,00,000



NOTE 14 LONG-TERM LOANS AND ADVANCES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
14 -1	Capital advances			
14 -1-1	Secured, considered good		-	-
14 -1-2	Unsecured, considered good	25.1 to 25.5,26.6	2,63,33,12,252	2,14,32,47,770
14 -1-3	Doubtful		-	-
	Total		2,63,33,12,252	2,14,32,47,770
14 -1-4	Less: Provision for doubtful advances		-	-
			2,63,33,12,252	2,14,32,47,770
14 -2	Loans and advances to employees			
14 -2-1	Secured, considered good		-	-
14 -2-2	Unsecured, considered good		-	-
14 -2-3	Doubtful		-	-
14 -2-4	Less: Provision for doubtful loans and advances		-	-
14 -3	TDS - Unsecured, considered good		-	-
14 -4	FBT Refund Receivable - Unsecured, considered good		-	-
14 -5	MAT credit entitlement # - Unsecured, considered good			
14 -6	Deposit with government authorities			
14 -6-1	-Secured, considered good			
14 -6-2	- Unsecured, considered good	28.935, 28.930	7,99,14,535	7,52,07,831
14 -7	Balances with government authorities			
	Unsecured, considered good			
14 -8	Other loans and advances - Working Capital to PCKL			
14 -8-1	Secured, considered good		-	-
14 -8-2	Unsecured, considered good	27.8	50,15,616	1,99,12,108
14 -8-3	Doubtful		-	-
			50,15,616	1,99,12,108
14 -9	Less: Provision for other doubtful loans and advances		-	-
			50,15,616	1,99,12,108
	Total		2,71,82,42,403	2,23,83,67,709



Note: Long-term loans and advances include amounts due from:

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
14 -10	Directors		-	-
14 -11	Other officers of the Company		-	-
14 -12	Firms in which any director is a partner		-	-
14 -13	Private companies in which any director is a director or member		-	-
			-	-

Note: 1) The Company has filed an appeal before the Joint Commissioner of Commercial Tax (Appeal), Hubli against the sale tax demand raised of Rs.9.90 crs for the period from 2005-6 to 2009-10 by the Asst. Commissioner of Commercial Taxes, Hubli by depositing ₹ 315.23 lakh towards preferring Appeal which is included in item (14.6) above. The said Appeal was dismissed on 26.04.2012 and the Company has further filed a Stay Petition before the KAT B'lore and the stay is granted on 28.08.2012. The verification of the documents is pending before the Asst. Commissioner of Commercial Taxes, Hubli .

- 2) The Company has filed an appeal before the Commissioner of Income Tax (Appeal), Hubli against the Assessment Order passed by the Deputy Commissioner of Income Tax, Hubli for AY-2010-11 for the disallowance of certain expenditure of ₹ 258.97 Crs which includes the non deduction of TDS on Transmission charges of ₹ 196.07 Crs the decision is pending before the Honble High of Karnataka and prior period expenses wrongly claimed twice of ₹ 47.28 Crs
- 3) The Company has filed an appeal before the Commissioner of Income Tax (Appeal), Hubli against the Assessment Order passed by the Assistant Commissioner of Income Tax, Hubli for AY-2011-12 wherein they have disallowed expenditure towards Transmission charges & SLDC charges to the tune of Rs.260.91 Crs and TDS deducted of ₹ 0.65 Crs has not been paid to Govt Account before the due date. The appeal is disposed on 27.05.2015, which results TDS is not applicable on the payments made to KPTCL as Transmission Charges and SLDC charges the appeal is partly allowed by disallowing the TDS under section 40(a)(ia) on ₹ 0.65 Crs.
- 4) The Company has filed an appeal before the Commissioner of Income Tax (Appeal), Hubli against the Assessment Order passed by the Joint Commissioner of Income Tax, Hubli for AY-2012-13 wherein they have disallowed expenditure towards Transmission charges & other charges to the tune of ₹ 298.22 Crs, Non deduction of TDS of ₹ 1.43 Crs , Depreciation of unused assets of ₹ 2.92 Crs and other of ₹ .47 Crs



NOTE 15 OTHER NON-CURRENT ASSETS

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
15 -1	Long-term trade receivables (Refer Note below)			
15 -1-1	Secured, considered good		-	-
15 -1-2	Unsecured, considered good			
15 -1-3	Subsidy receivable from GOK	28.614, 615, 617, 618, 621, 620	4,45,20,22,170	4,90,97,86,840
15 -1-4	Doubtful		-	-
15 -1-5	Less: Provision for doubtful trade receivables		-	-
15 -2	Term Deposit secured against Borrowings		-	-
15 -3	Inter Company Transactions	28.8	3,75,52,026	4,37,79,657
	Total		4,48,95,74,196	4,95,35,66,497

Note: (i) Subsidy receivable from GoK includes an amount of ₹ 341.99 Crs towards RE Loss for the period 2002-03 to 2004-05. The Company has been pursuing for recovery of the same. As the amount represents receivable from the Government of Karnataka no provision for the same has been made.

(ii) The GOK vide order No. EN 34 PSR 2008 dated 19.08.2010 has ordered to refund the amount paid by the farmers during the period from 01.04.2001 to 31.03.2003 to them and the same is implemented by HESCOM and an amount of Rs.53.66 Crs is shown as receivable from GOK.

Note: Long-term trade receivables include debts due from:

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
15 -4	Directors		-	-
15 -5	Other officers of the Company		-	-
15 -6	Firms in which any director is a partner		-	-
15 -7	Private companies in which any director is a director or member		-	-
			-	-



NOTE 17 INVENTORIES

(At Standard Rate)

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
17 -1	Stores and spares	22.610, 641, 660, 700, 810, 820, 16.1, 16.2	1,04,86,91,104	97,40,83,395
17 -2	Goods-in-transit	22.450	18,101	41,20,613
	Total		1,04,87,09,205	97,82,04,008

Details of Inventories are as below

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
17 -2-1	Materials Transferred within the Division	22.45	18,101	41,20,613
17 -1-1	Materials Stock Account	22.61	85,70,86,805	82,80,01,491
17 -1-2	Materials at Site Account (MASA)	22.64	-	-
17 -1-3	Material imprest Account	22.64	4,91,247	4,91,247
17 -1-4	Materials pending Inspection	22.66	1,84,92,415	68,73,099
17 -1-5	Other Materials Account Materials stock Excess / Shortage Pending Investigation.	22.70	(11,15,41,005)	(7,40,87,377)
17 -1-6	Stock Excess pending Investigation.	22.81	(1,32,48,851)	(54,30,734)
17 -1-7	Stock Shortage pending investigation.	22.82	1,72,54,423	95,21,117
			76,85,53,135	76,94,89,456
17 -1-8	Assets not in use Written down value (WDV) of obsolete / scrapped assets.	16.10	11,58,18,311	8,84,05,986
17 -1-9	Written down value (WDV) of Faulty / Dismantled Assets.	16.20	16,43,37,759	12,03,08,566
			28,01,56,070	20,87,14,552
	TOTAL		1,04,87,09,205	97,82,04,008

NOTE 18 TRADE RECEIVABLES AGAINST SUPPLY OF POWER



SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
18 -1	Outstanding for a period less than six months from the date they were due for payment			
18 -1-1	Secured, considered good	23.1, 23.2, 23.7	18,95,48,01,630	17,33,90,59,177
18 -1-2	Unsecured, considered good		-	-
18 -1-3	Doubtful		-	-
			18,95,48,01,630	17,33,90,59,177
18 -1-4	Less: Provision for doubtful trade receivables		-	-
			18,95,48,01,630	17,33,90,59,177
18 -2	Outstanding for a period exceeding six months from the date they were due for payment			
18 -2-1	Secured, considered good	23.5	26,44,67,122	25,63,29,412
18 -2-2	Unsecured, considered good			
18 -2-3	Doubtful		-	-
			26,44,67,122	25,63,29,412
18 -2-4	Less: Provision for withdrawal of Revenue demand	23.8	(7,89,95,272)	(3,20,21,218)
18 -2-5	Less: Provision for doubtful trade receivables	23.9	(85,13,98,276)	(94,60,95,283)
			(66,59,26,426)	(72,17,87,089)
	Total		18,28,88,75,204	16,61,72,72,088



Details of Sundry Debtors are as below

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
	RECEIVABLES AGAINST SUPPLY OF POWER. Secured Considered Good			
18 -1-1-1	Sundry Debtors for sale of Power – LT	23.1	10,65,44,58,480	9,81,88,48,320
18 -1-1-2	Sundry Debtors for sale of Power - HT	23.2	1,50,14,95,587	1,181,238,143
18 -1-1-3	Sundry Debtors for Electricity Tax	23.3	39,22,26,302	29,24,12,286
18 -1-1-4	Provision for Unbilled Revenue	23.4	1,82,94,43,938	1,69,28,51,182
18 -1-1-5	Provision for Unbilled Revenue	23.4	83,26,83,632	69,32,44,160
	Total UBR	23.4	2,66,21,27,570	2,38,60,95,342
18 -1-1-6	Dues from Permanently disconnected consumers	23.5	26,44,67,122	25,63,29,412
		23.5		
18 -1-1-6	Dues from Permanently disconnected consumers	23.5	26,44,67,122	25,63,29,412
18 -1-1-7	Sundry Debtors for Inter- State sale of power	23.6	-	-
18 -1-1-8	Sundry debtors - miscellaneous dues from consumers (Interest on Revenue Arrears)	23.7	6,40,66,21,261	6,04,65,60,428
	Sub Total		21,88,13,96,322	19,98,14,83,931
			-	-
18 -1-1-9	Provision for withdrawal of Revenue demand	23.8	(7,89,95,272)	(3,20,21,218)
18 -1-1-10	Provision for Doubtful Dues from consumers (Credit Account)	23.9	(85,13,98,276)	(94,60,95,283)
		23.9		
18 -1-1-11	Provision for Doubtful Dues from consumers (Credit Account)	23.9	(93,03,93,548)	(97,81,16,501)
	Total (Net Receivables against Supply of Power)		20,95,10,02,774	19,00,33,67,430

Note : The details of Unbilled Revenue Provision amounting to ₹ 266,21,27,570 /-shown under Sundry debtors is exhibited under Note 21 - Other Current Asstes.

Note: Trade receivables include debts due from:

SI No	Particulars	A/C Code	As at 31 March, 2015	As at 31 March, 2014
			₹	₹
18 -3	Directors		-	-
18 -4	Other officers of the Company		-	-
18 -5	Firms in which any director is a partner		-	-
18 -6	Private companies in which any director is a director or member		-	-
			-	-

Note: (i) Upto 31.03.2015 Trade receivables includes debts of ₹ 1010.76 Crs dues (Principal + Accumalated interest) pertains to prior to announcement of Free Power Supply to IP Sets up to 10 HP. The Company has withdrawn the interest from FY-2012-13 on considerable basis.

Sundry Debtors for sale of power includes ₹ 738.17 lakhs pertaining to disputes raised by consumers and which are pending before various authorities and courts, as detailed below:

SI No	Name of Appellate Authority	Number of Cases	Amount (in lakhs)
1	Corporate Office, GESCOM.	4	33.81
2	Chief Engineer (Ele), GESCOM.	2	4.84
3	Superintending Engineer (Ele), O&M Circles, GESCOM.	172	70.98
4	Corporate Office, HESCOM.		
5	Courts	28	599.18
6	Chief Electrical Inspectorate, B'lore.		
7	Karnataka Electricity Regulatory Commission.	5	29.36
	Total	211	738.17



NOTE 19 CASH AND CASH EQUIVALENTS

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
19 -1	Cash on hand	24.11,24.12	16,25,70,047	13,54,53,692
19 -2	Cheques, drafts on hand		-	-
19 -3	Balances with banks			
		24.3, 24.401, 402,403, 404, 405, 409, 423, 424, 426		
19 -3-1	In current accounts		50,34,25,335	7,74,36,742
19 -3-2	In EEFC accounts			
19 -3-3	In deposit accounts (Refer Note (i) below)			
19 -3-3-1	- Less than 3 Months	28.935	13,47,98,887	50,43,75,410
19 -3-3-2	- Other Balances		-	-
19 -3-4	In earmarked accounts			
19 -3-4-1	- Unpaid dividend accounts			
19 -3-4-2	- Unpaid matured deposits			
19 -3-4-3	- Unpaid matured debentures			
19 -3-4-4	- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)			
19 -3-4-5	- Other earmarked accounts (specify) (Refer Note (ii) below)			
19 -4	Others: Transit Accounts	24.5,24.6	7,22,16,290	1,98,78,001
	Total		87,30,10,559	73,71,43,845
	Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is		87,30,10,559	73,71,43,845

Notes: (i) Balances with banks include Fixed deposits amounting as depicted against SL No 19-3-3-1 as at 31st March 2015.



NOTE 20 SHORT-TERM LOANS AND ADVANCES

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
20 -1	Loans and advances to employees			
20 -1-1	Secured, considered good		-	-
20 -1-2	Unsecured, considered good	27.2	1,72,60,136	2,54,49,623
20 -1-3	Doubtful		-	-
			1,72,60,136	2,54,49,623
20 -1-4	Less: Provision for doubtful loans and advances		-	-
			1,72,60,136	2,54,49,623
20 -2	Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)			
20 -3	Advance Tax Paid	27.4	7,66,69,187	13,53,25,804
20 -4	Balances with government authorities			
20 -4-1	Unsecured, considered good			
20 -4-1-1	Subsidy receivable from GOK	28.625, 626,627	12,82,95,27,963	7,45,04,39,043
20 -4-1-2	VAT credit receivable			
20 -4-1-3	Service Tax credit receivable			
	Total		12,92,34,57,286	7,61,12,14,470

@ Details of loans and advances to related parties should be given in accordance with the disclosure requirements contained in AS 18 *Related Party Disclosures*.

Note: Short-term loans and advances include amounts due from:

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
1	Directors *			
2	Other officers of the Company *			
3	Firms in which any director is a partner (give details per firm)			
4	Private companies in which any director is a director or member (give details per company)			

? *Or any of them either severally or jointly with any other person to be stated separately.



NOTE 21 OTHER CURRENT ASSETS

SI No	Particulars	A/C Code	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
21 -1	Unbilled revenue	23.4	2,66,21,27,570	2,38,60,95,342
21 -2	Unamortised expenses			
21 -2-1	Ancillary borrowing costs		-	-
21 -2-2	Preliminary expenses on survey/feasibility studies of project not yet sanctioned	17.301	2,17,462	22,11,696
21 -2-3	Share issue expenses			
21 -2-4	Discount on shares (where applicable)			
21 -3	Accruals		-	-
21 -3-1	Interest accrued on deposits	28.2	13,96,654	57,28,969
21 -3-2	Interest accrued on investments		-	-
21 -3-3	Interest accrued on Trade receivables under Financing Activities			
21 -4	Others			
21 -4-1	Amount Recoverable from Employees & others	28.1, 28.4	3,75,58,905	4,59,23,147
21 -4-2	Claims for Loss/Damage to Assets/Material	28.72, 28.74	73,26,337	89,72,789
21 -4-3	Other Receivable	28.8	4,93,18,88,635	4,46,15,68,051
21 -4-4	Amounts Receivable from GOI through RECL & LEC/Taluk Board towards KJ Works	28.941, 28.942		
21 -4-5	Advance paid to SPPCC towards UI Charges/Administrative charges	28.945, 28.946	(29,52,51,542)	(26,69,36,129)
21 -4-6	Inter Unit Accounts	31, 32, 33, 34, 35, 36, 37	21,39,61,525	24,62,89,431
	Total		7,55,92,25,546	6,88,98,53,296

NOTE 22 REVENUE FROM OPERATIONS

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
22 -1	Sale of products comprises @:			
22 -1-1	Revenue from Sale of Power - LT	61.1 & 61.3	38,81,26,72,486	35,36,41,34,210
22 -1-2	Revenue from Sale of Power - HT	61.2	8,83,12,92,510	7,92,71,03,041
			47,64,39,64,996	43,29,12,37,251
22 -2	Other Operating Revenue	61.9	96,24,37,243	84,68,69,263
			48,60,64,02,239	44,13,81,06,514
	Less:			
22 -3	Rebates and Incentives	78.822, 78.823, 78.826	(2,45,85,523)	(2,07,93,712)
22 -4	Provision for withdrawal of Revenue Demand	83.830, 83.831, 83.834	(6,60,02,733)	(1,10,39,648)
	Total		48,51,58,13,983	44,10,62,73,154
	Sale of products comprises @:			
	Revenue from Sale of Power - LT			
22 -1-1-1	Bhagya jyothi Scheme.	61.101	25,75,56,385	21,94,94,389
22 -1-1-2	Lighting, Combined Lighting, Heating & Motive Power - HDMC.	61.102	38,18,080,790	3,37,38,80,880
22 -1-1-3	Areas under Urban Local Bodies other than those under LT 2a category.	61.103	-	-
22 -1-1-4	Lighting, Combined Lighting, Heating & Motive Power - Areas under Village Panchayats.	61.104	1,49,63,26,721	1,25,35,68,449



NOTE 22 REVENUE FROM OPERATIONS

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
22 -1-1-5	Non-Commercial Lights and Fans Non-Domestic and Non-commercial lighting installations.	61.105		
22 -1-1-6	Domestic combined lighting, heating and motive power Private, Professional and unaided educational institutions.	61.110 + 61.111		
22 -1-1-7	Private Professional & other Educational Institutions - Areas under U L B's including City Corporations	61.113	7,10,66,013	6,05,37,050
22 -1-1-8	Areas under Village Panchayats.	61.114	2,14,40,476	2,00,40,546
22 -1-1-9	Commercial Lighting, Heating & MP. Areas under U L B's including City Corporations.	61.116	2,20,12,98,186	1,97,63,23,762
22 -1-1-10	Areas under Village Panchayats.	61.117	81,43,90,534	68,68,95,520
22 -1-1-11	Commercial and Non-Industrial Lights and Fans.	61.115		
22 -1-1-12	Irrigation Pump Sets (10 HP & below)/ Water Lifting.	61.119 + 61.120		
22 -1-1-13	Irrigation Pump sets (above 10 HP)/Water Lifting.	61.121	4,14,44,929	3,96,59,144
22 -1-1-14	IP Sets upto & inclusive of 10 HP - General - Till such time meters are fixed.	61.122	25,37,15,74,880	22,12,56,57,701
22 -1-1-15	IP Sets upto & inclusive of 10 HP - General - Where meters are fixed.	61.123	-	-
22 -1-1-16	IP Sets upto & inclusive of 10 HP - Urban Feeders..	61.124	-	-
22 -1-1-17	Water supply-Village Panchayats and Town Panchayats.	61.125	-	-

NOTE 22 REVENUE FROM OPERATIONS

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
22 -1-1-18	Water supply - Others.	61.127	-	-
22 -1-1-19	Private Horticultural Nurseries, Coffee, Tea, Coconut and Areca nut Plantations.	61.127 + 61.128	45,33,281	20,95,724
22 -1-1-20	Industrial, Non-Industrial, Heating and Motive Power including Lighting	61.129 To 61.137	1,91,28,35,539	1,72,02,23,639
22 -1-1-21	Public Lighting/ Village and Town Panchayats	61.140	-	-
22 -1-1-22	Public Lighting - Others.	61.141	-	-
22 -1-1-23	Public Lighting - Unmetered	61.143	-	-
22 -1-1-24	Street light/ public lighting installations	61.143	91,19,73,808	80,48,98,248
22 -1-1-25	Water Supply and Sewerage pumping installations,	61.144	71,99,17,227	62,02,34,824
22 -1-1-26	Temporary Power Supply - Non-commercial lights and fans and other small appliances.	61.145	36,97,85,579	33,59,42,288
22 -1-1-27	Revenue from sale of power- BRP-II -Arrears recovered from BJ/KJ	61.151	-	-
22 -1-1-28	Revenue from sale of power- BRP-II -Arrears recovered from Permanently Disc. Instns.	61.152	-	-
22 -1-1-29	Revenue from sale of power accounted through BJ/KJ Subsidy (up to 18 units).	61.300	53,88,48,138	52,11,82,046
22 -1-1-30	Revenue from sale of power accounted through IP Sets Tarif Subsidy.	61.301	26,16,00,000	1,60,35,00,000
	Revenue from Sale of power - LT		38,81,26,72,486	35,36,41,34,210
	Revenue from Sale of Power - HT		-	-
22 -1-2-1	Public Water Supply & Sewerage Pumping	61.250	91,38,55,956	81,32,06,716



NOTE 22 REVENUE FROM OPERATIONS

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
22 -1-2-2	Industrial, Non-industrial and Commercial purposes & Railway Traction	61.255 & 61.275	6,04,56,55,128	5,47,11,14,994
22 -1-2-3	Commercial.	61.256	92,14,48,125	83,04,18,669
22 -1-2-4	Irrigation and Agricultural Farms. Lift Irrigation Societies, Lift Irrigation Schemes and Govt., Horticultural Farms	61.260	-	-
22 -1-2-5	Private Horticultural Nurseries, Coffee and Tea Plantations	61.261	-	-
22 -1-2-6	Lift Irrigation Scheme under Govt Departments / Govt. owned Corporations.	61.262	29,40,61,793	28,80,37,652
22 -1-2-7	Revenue from sale of power - LIS schemes and LI societies.	61.263	2,12,10,723	1,01,20,433
22 -1-2-8	Irrigation & Agricultural Farms, Govt & Horticultural Farms, Coffee, Tea & Coconut Plantations.	61.264	7,96,240	-
22 -1-2-9	LI Schemes and Lift Irrigation Societies other than those covered under HT2(a)(ii).	61.265	77,99,748	2,83,87,680
22 -1-2-10	Residential apartments and colonies availing power supply independently.	61.271	-	-
22 -1-2-11	Residential Apartments and Colonies - HDMC.	61.272	8,77,39,912	9,15,39,269
22 -1-2-12	Residential Apartments and Colonies -Areas under U L B's other than those under HT-4a Category.	61.273	-	-
22 -1-2-13	Residential Apartments and Colonies - Areas under Village Panchayats.	61.274	21,59,47,707	16,75,10,306

NOTE 22 REVENUE FROM OPERATIONS

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
22 -1-2-14	KPC installations	61.285	-	-
22 -1-2-15		61.257	15,49,08,568	10,48,02,417
22 -1-2-16		61.258	16,78,68,610	12,19,64,905
	Revenue from Sale of Power – HT		8,83,12,92,510	7,92,71,03,041
	Other operating revenues comprise:			
22 -2-1	Reconnection Fee (D & R)	61.902	2,20,59,676	4,62,49,905
22 -2-2	Service Connection (Supervision charges)	61.904	17,45,51,742	18,21,26,104
22 -2-3	Delayed payment charges from consumers.	61.905	73,71,39,167	59,07,65,101
22 -2-4	Other Receipts from consumers	61.906	2,86,86,658	2,77,28,153
			96,24,37,243	84,68,69,263
	Rebates and Incentives:			
22 -3-1	Solar Rebate allowed to consumers	78.822	(2,07,63,987)	(1,74,76,135)
22 -3-2	Incentives for prompt payment	78.823	(19,40,936)	(5,70,561)
22 -3-3	Time of day (TOD) Tariff Incentive	78.826	(18,80,600)	(27,47,016)
			(2,45,85,523)	(2,07,93,712)

The Company has received total Subsidy of ₹ 2075.45 Crs from GOK during the year which includes Rs 2021.57 Crs towards Subsidy for free power supply to IP Sets and ₹ 53.88 Crs towards BJ/KJ Subsidy.



NOTE 23 OTHER INCOME

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
23 -1	Interest on Bank Fixed Deposits	62.222	1,37,72,272	34,326,009
23 -2	Profit on sale of stores	62.330	24,29,834	187,702
23 -3	Sale of scrap	62.340	45,17,628	6,937,749
23 -4	Other Miscellaneous receipts from Trading	62.360	82,128	135,762
23 -5	Reactive energy charges demanded on IPPs	62.361	-	3,063,600
23 -6	Meter Readings and Calibration of meter - charges of Wind Mill Project.	62.363	50,15,471	4,279,611
23 -7	Processing Fees	62.625	1,68,33,000	-
23 -8	Rental from Staff Quarters	62.901	1,16,61,513	11,593,314
23 -9	Rental from others	62.902	2,79,564	63,863
23 -10	Excess found on physical verification of Materials Stock.	62.905	76,750	2,536
23 -11	Excess found on physical verification of Fixed Assets.	62.906	1,23,764	-
		62.907	76,573	
		62.912	-	
23 -12	Rebate for collection of Electricity Duty.	62.916	50,24,803	-
23 -13	Other Recoveries	62.917	20,59,55,491	24,24,19,601
23 -14	Prior period items (net) (Refer Note (iii) below)	Note-23(11)	(34,66,04,279)	(2,35,09,349)
	Total		8,07,55,488	27,95,00,398

(ii) Details of Prior period items (net)

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
23 -15	Prior period income:			
23 -15-1	Receipts from Consumers Relating to prior periods	65.200	-	-
23 -15-2	Excess provision for Depreciation in prior periods	65.600	2,82,49,703	4,90,40,972
23 -15-3	Excess provision for Interest and Finance Charges in prior periods	65.700	-	59,01,067
23 -15-4	Other Excess provision in prior periods	65.800	8,57,23,465	11,38,21,003
23 -15-5	Other Income relating to prior periods	65.900	1,18,54,360	2,01,033
23 -15-6	Prior Period Tariff/RE Subsidy	65.910	-	-
			12,58,27,528	16,89,64,075
23 -16	Prior period expenses:			
23 -16-1	Short provision for power purchased in previous years	83.100	(49,854)	-
23 -16-2	Operating Expenses of previous years.	83.300	(6,36,210)	(28,24,803)
23 -16-3	Employee costs relating to previous years	83.500	(19,63,021)	(3,66,623)
23 -16-4	Depreciation under provided in previous years.	83.600	(2,08,06,104)	(13,30,041)
23 -16-5	Interest and other Finance charges relating to previous years	83.700	(28,911)	(1,29,252)
23 -16-6	Short Provision for Income tax - previous years	83.810	-	-
23 -16-7	Administrative Expenses - previous years.	83.820	(5,36,462)	(7,19,512)
23 -16-8	Materials related expenses - previous years.	83.840	-	-
23 -16-9	Other Expenses relating to prior periods	83.850	(44,84,11,245)	(18,71,03,193)
			(47,24,31,807)	(19,24,73,424)
	Net Prior Period Income		-34,66,04,279	-2,35,09,349



NOTE 24 PURCHASE OF POWER

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
24 -1	Purchase of Power from Generators	70.000	31,99,34,53,223	34,06,20,27,158
24 -2	SPPCC Administrative Expenses.	70.162	-	-
24 -3	U I Charges to SPPCC.	70.163	-	-
24 -4	O & M Expenses to SLDC.	70.165	28,10,99,335	2,75,26,361
24 -5	Power purchased cost inrespect of Inter ESCOM Energy exchange	70.801	1,37,57,49,174	2,05,77,29,131
			33,65,03,01,732	36,14,72,82,650
24 -6	Cost of Power Purchase of Hukkeri Rural Electricity Co-operative Societies.	70.800	(1,08,68,75,895)	(81,78,68,499)
24 -7	Rebate from Power Generators.	62.919	(94,80,129)	(3,44,80,668)
			32,55,39,45,708	35,29,49,33,483
24 -8	Power Transmission Charges	70.113, 70.161	5,30,19,07,160	4,99,28,49,824
	Total		37,85,58,52,868	40,28,77,83,307

As per the Government of Karnataka Order No. EN 45 PSR 2006 Dtd. 22.04.2006 and EN 70 EMC 2009, dated 10.11.2009, the allocation of power from conventional energy sources are at 20.3598% from 1.4.2009 to 31.10.2009 & 18% from 1.11.2009 to 31.03.2010. GOK vide its Order No. EN126 EMC2010 dtd 24.03.2010 has allocated conventional energy of 18.18% to HESCOM from 01.04.2010 to 31.03.2011. GOK vide its Order No. EN 126 EMC 2011 dtd. 12.10.2011 has allocated thermal energy of 18.18% and Hydel energy of 17.52% to HESCOM from 01.04.2011 to 31.03.2012. Non-conventional project are allocated based on geographical area of HESCOM. GoK vide it's Order No EN-11, PSR 2013 Bengaluru dated 22.03.2013 has allocated Thermal energy of 18.13% & Hydel energy is 17.60% to HESCOM, later GoK vide it's Order No EN-11, PSR-2013 Bengaluru, dated 01.10.2013 revised the Hydel allocation from 17.60% to 20.94% to HESCOM from 01.04.2013 to 31.03.2014, GoK vide it's Order No EN-47, PSR-2014 Bengaluru, dated 09.05.2014 has revised the Hydel allocation from 20.94% to 29.082% to HESCOM from 01.05.2014 to 31.03.2015.

The supply of energy to the Company includes EHT supply at more than 33 KV voltages at the interconnection points for transfer of power for billing by the Company.

The Company accounts the power purchase from 10.06.2005 directly from Power Generators Pool Account as per the energy allocation / assigned by the Government of Karnataka as per the Government order issued from time to time. The rates followed for



the allocated/assigned power purchase is based on the commercial rates/predetermined rates as approved by the PPA/ KERC/Government of Karnataka. During the year the Company has purchased High Cost Energy of 494.65 M.U. at a cost of ₹ 264.20 Crores as per the GOK's decision.

The Transmission losses on account of Power Purchase from Generation Point till interface point of Transmission are accounted by the Company as per the power purchase bills based on the proportionate allocated energy and adjusted after energy balancing among ESCOMs.

The Company accounts the import /export of energy among ESCOMs as net energy either as a sale/purchase.

As per Audit observations pointed by the AG regarding excess payment of Income Tax/MAT to KPCL, Rs.57.99 Crs towards excess payment Income Tax has been accounted due to confirmation is yet to be received from KPCL. KPCL has informed that the actual tax liability would be firmed up only after the finalization of the assessment and disposal of the appeals by various appellate authorities/Court of Law.

The details of sale of energy and distribution losses during the current year are as follows

SI.No.	Particulars	Energy in M.U	
		2014-15	2013-14
	Energy Sales:		
a	Total energy available for sale	11059.46	10571.82
b	Total metered sales	4068.02	3817.71
c	Total un-metered sales	5140.37	4846.33
d	Total sales	9208.39	8664.04
e	Distribution losses	1851.07	1907.78
f	Percentage of Distribution losses	16.74	18.05



NOTE 25 EMPLOYEE BENEFITS EXPENSE

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
25 -1	Salaries	75.1	2,31,03,91,660	2,32,25,73,714
25 -2	Over Time	75.2	4,32,63,047	4,30,35,676
25 -3	Dearness Allowance	75.3	57,16,41,316	34,42,85,521
25 -4	Other Allowances	75.4	31,75,56,435	29,01,52,912
25 -5	Bonus	75.5	2,58,51,199	2,81,12,880
25 -6	Medical Expenses reimbursement	75.611	3,25,65,474	2,71,95,757
25 -7	Leave Travel Assistance	75.612	-	-
25 -8	Earned Leave Enchashments - Regular Employees - Employees covered under Contributory Pension Scheme	75.616	3,95,43,276	3,00,89,838
25 -9	Earned leave encashment	75.617	13,35,85,894	11,95,99,939
25 -10	Earned leave encashment - Retired / Deceased Employees	75.618	19,33,36,178	11,75,54,687
25 -11	Payment under workmens compensation Act	75.629	6,77,760	27,33,848
25 -12	Payment to helpers/employees of Monsoon gang	75.630	31,87,498	31,44,865
25 -13	Staff Welfare expenses	75.7	5,07,88,133	3,47,98,590
25 -14	Terminal Benefits	75.8	83,21,98,181	1,08,20,53,067
	Total		4,55,45,86,051	4,44,53,31,294

NOTE 26 FINANCE COSTS

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
26 -1	Intrest on Loan from REC	78.540	96,34,53,723	62,49,34,436
26 -2	Intrest on Loan from Banks	78.542 to 78.549	46,64,000	46,64,000
26 -3	Intrest on Loan from Commercial Banks for SPA Scheme	78.560	-	-
26 -4	Payment of Interest on loan drawn by HESCOM from Syndicate Bank, Hubli	78.563	1,54,73,112	8,48,059
26 -5	Payment of Interest on loan drawn by HESCOM from SBI, Hubli	78.564	1,02,19,325	4,89,74,436
26 -6	Interest on loan from Canara Bank	78.567	37,30,85,714	34,52,08,619
26 -7	Interest on shortterm loan/ Interest on working capital C.C	78.568	18,42,77,534	17,93,36,833
26 -8	Payment of interest on PFC loan drawn by KPTCL on behalf of HESCOM	78.584	28,99,81,335	3,09,94,395
26 -9	Interest on loan from Power Finance Corporation Ltd. In respect of R.APDRP Scheme	78.585	2,59,72,172	
26 -10	Interest on APDRP - GOK Loan	78.591	6,48,00,000	5,88,90,000
26 -11	Interest on APDRP - REC	78.592	5,36,88,036	2,62,88,257
26 -12	Payment of interest on Loan drawn from Govt towards Ganga Kalyan Scheme.	78.594	17,33,000	17,33,000



NOTE 26 FINANCE COSTS

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
26 -13	Interest on loan from Corporation Bank.	78.595	37,26,303	2,64,42,166
26 -14	Interest on loan from GOK towards Central Additional Assistance to Power Sector Automation.	78.596	5,87,000	5,87,000
26 -15	Interest on Security Deposits to Consumers	78.6	44,64,17,863	45,31,60,079
26 -16	Other Interest and Finance Charges	78.820 To 78.886	2,47,11,677	2,34,43,019
26 -17	Interest on belated paymnets to IPPs	80.108 To 80.215	1,02,14,80,848	1,48,61,03,176
26 -18			3,48,42,71,642	3,31,16,07,475
26 -19	Less : Interest and finance charges capitalised			
26 -20	Capitalisation of interest on funds used during construction	78.900	-	-
	Total		3,48,42,71,642	3,31,16,07,475

As per GO. No. EN 16/VSC/2011 dated 10.11.2011 the Guarantee Commission of ₹ 2.11 Crores to GoK and Interest portion of ₹ 23.82 Crs. in respect of loan amount drawn under R-APDRP Part "A" and "B" are not included in the above note due to pending final decision regarding conversion of loan amount into Grant and extension of project period up to September 2015 by GOI.

NOTE 27 (I) DEPRECIATION AND AMORTISATION EXPENSE

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
27 i -1	Depreciation on Buildings	77.120	2,34,57,959	2,24,84,043
27 i -2	Depreciation on Hydraulic Works	77.130	14,57,258	13,06,289
27 i -3	Depreciation on Civil Works	77.140	7,77,714	7,64,153
27 i -4	Depreciation on Plant and Machinery	77.150 + 77.151	34,12,42,493	30,96,95,101
27 i-5	Depreciation on lines, cable, network etc.,	77.160 + 77.161	62,05,50,030	58,94,77,315
27 i -6	Depreciation on Vehicles	77.170 + 77.171	10,82,973	9,13,159
27 i -7	Depreciation on furniture, fixtures	77.180	12,77,684	12,41,455
27 i -8	Depreciation on Office equipments	77.190 + 77.191	4,44,501	4,29,364
			99,02,90,612	92,63,10,879
27 i -9	Small & Low value items Written off	77.610	2,44,209	5,53,828
			99,05,34,821	92,68,64,707



NOTE 27 (II) ADMINISTRATIVE AND OTHER EXPENSES

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
27 -1	Repairs & Maintenance to:			
27 -1-1	Plant and Machinery	74.1	39,89,76,148	37,50,74,419
27 -1-2	Buildings	74.2	2,99,94,807	1,24,27,690
27 -1-3	Civil Works	74.3	1,12,77,979	28,86,317
27 -1-4	Lines, Cable Net Work Etc.	74.5	4,54,54,914	3,46,25,926
27 -1-5	Vehicles	74.6	24,83,876	45,50,241
27 -1-6	Furniture and Fixtures	74.7	95,177	24,484
27 -1-7	Office Equipments.	74.8	3,55,274	4,38,368
	Total Repairs & Maintenance Exp.		48,86,38,175	43,00,27,445
27 -2	Administrative Expenditures:			
27 -2-1	Rent, Rates & Taxes	76.101 + 76.102	1,46,31,312	1,34,58,051
27 -2-2	Expenses incurred towards security arrangements	76.103	-	-
27 -2-3	Insurance	76.104 + 76.105 + 76.106	26,763	51,574
27 -2-4	Pagers cellular phones E-mail, Telephone, Trunk call, Telegrams and Telex Charges	76.111 + 76.112	1,25,74,077	1,31,54,654
27 -2-5	Postage	76.113	20,68,925	16,82,166

NOTE 27 (II) ADMINISTRATIVE AND OTHER EXPENSES



SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
27 -2-6	Mobile phone	76.114	99,57,284	99,94,874
27 -2-7	Revenue Receipts Stamps	76.115	-	-
27 -2-8	Legal Charges	76.121	67,86,884	33,10,802
27 -2-9	Payment to Auditors:Audit Fees	76.122	8,22,332	13,89,599
27 -2-10	Consultancy charges	76.123	22,05,682	20,19,257
27 -2-11	Other Professional Charges	76.125 + 76.126 + 76.127 + 76.128 + 76.129	26,23,62,698	18,26,40,529
27 -2-12	Conveyance & Travel expenses	76.130 To 76.139	21,89,59,280	20,26,65,422
27 -2-13	Remuneration Paid to Contract Agencies engaged in Computerisation activities.	76.14	8,44,08,201	8,01,32,762
27 -2-14	Credit Rating Fee	76.141	-	11,23,600
27 -2-15	Fees & Subscriptions	76.151	46,278	45,214
27 -2-16	Books, periodicals and dairies	76.152	37,751	34,709
27 -2-17	Printing & Stationery	76.153	1,27,38,783	1,40,83,153
27 -2-18	Factory License Fees	76.154	-	-
27 -2-19	Advertisement Expenses	76.155	64,90,346	16,22,014
27 -2-20	Computer stationary and floppies	76.156	16,30,627	11,11,416

NOTE 27 (II) ADMINISTRATIVE AND OTHER EXPENSES



SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
27 -2-21	Contributions	76.157	4,06,77,819	3,10,04,346
27 -2-22	Electricity Charges	76.158	2,45,19,465	2,15,93,507
27 -2-23	Statutory Paymants	76.159	-	-
27 -2-24	Water Charges	76.160	9,73,233	8,01,126
27 -2-25	Entertainment	76.162	79,150	32,838
27 -2-26	Secret Service grant	76.164	-	1,20,000
27 -2-27	Karnataka State Building & Other Constuction Workers Welfare Board CESS	76.166	-	-
27 -2-28	Shared Administrative expenditure of the O/O the IGP(V&E) for KPTCL & ESCOMS	76.172	-	-
27 -2-29	Miscellaneous expenses	76.190 + 76.191	1,21,54,691	54,97,039
27 -2-30	Demand Side Management (DSM) Expenses	76.193	2,30,92,024	27,22,084
27 -2-31	Freight & other material related expenses	76.201 To+ 76.282	2,91,07,093	3,29,45,207
	Total Administrative Expenses:		76,63,50,698	62,32,35,943
27 -3	Other Expenses (Debits)			
27 -3-1	Asset Decommissioning Costs	77.5	1,437,203	16,75,682

NOTE 27 (II) ADMINISTRATIVE AND OTHER EXPENSES

SI No	Particulars	A/C Code	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
27 -3-2	Losses relating to Fixed Assets	77.7	9,73,895	2,34,046
27 -3-3	Gain on Sale of Assets	62.400	(12,25,043)	(14,16,173)
27 -3-4	Material Cost Variance	79.110	-	-
27 -3-5	Bad & Doubtful Debts Written off / provided for	79.4	-9,29,03,218	8,40,51,418
27 -3-6	Miscellaneous losses and Write offs	79.5	8,39,05,041	3,89,20,782
	Total of Other Expenses/Debits		-78,12,122	12,34,65,755
	Grand Total		1,24,71,76,751	1,17,67,29,143
27 -4	(i) Payments to the auditors comprises (net of service tax input credit, where applicable):			
27 -4-1	Statutory audit		2,35,956	2,35,956
27 -4-2	For taxation matters		1,12,360	1,12,360
27 -4-3	For other services		87,416	83,416
27 -4-4	Reimbursement of expenses		3,15,000	7,92,880
27 -4-5	Audit of Revenue Ledgers		71,600	1,64,987
	Total		8,22,332	13,89,599

Notes forming part of the financial statements

NOTE 28.A EXCEPTIONAL ITEMS @



SI No	Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
28a -1	(Give details)	Nil	Nil
	Total		

@ Exceptional items are items of income and expenses which are of such size, nature or incidence that their disclosure (giving details) is relevant to explain the performance of the Company.

NOTE 28.B EXTRAORDINARY ITEMS

SI No	Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
28b -1	(Give details) Government grants that have become refundable	Nil	Nil
	Total		

Extraordinary items are income and expenses that arise from events or transactions that are clearly distinct from ordinary activities of the Company and are not expected to recur frequently or regularly.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



NOTE 29 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

SI No	Particulars	As at 31 March, 2015 ₹In Crores	As at 31 March, 2014 ₹ In Crores
29 -1	Contingent liabilities and commitments (to the extent not provided for)		
29 -1-1	Contingent liabilities		
29 -1-1-1	Claims against the Company not acknowledged as debt (give details)		
	Additional fixed cost paid by the KPTCL for supply of power by Thannir Bhavi Power Corporation Limited (TBPCL)		
	The Claim of Interest on belated payments by Independent Private Power Producers (IPPs) which is not yet accepted by the Company as its liability.		
29 -1-1-1-1	Interest on belated payments pertaining to erstwhile VVNL, as there was no PPA with VVNL.	127.25	127.25
	KPTCL intimated (July 2009) to HESCOM to raise the loan liability to the extent of Rs.20.45 crore being the HESCOM portion of APDRP-REC loan releases of Rs.39.28 crore. The Company has disputed the same as the periodicity of the liability is not tenable with the G.O.		
	Interest on delayed payment of Electricity Tax to Government.		
29 -1-1-1-2	The Claim of Interest on belated payments by Independent Private Power Producers (IPPs) which is not yet accepted by the Company as its liability.	35.64	41.97

NOTE 29 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS



SI No	Particulars	As at 31 March, 2015 ₹ In Crores	As at 31 March, 2014 ₹ In Crores
29 -1-1-1-3	Interest on belated payments pertaining to erstwhile VVNL, as there was no PPA with VVNL.	2.25	2.25
29 -1-1-1-4	KPTCL intimated (July 2009) to HESCOM to raise the loan liability to the extent of Rs.20.45 crore being the HESCOM portion of APDRP-REC loan releases of Rs.39.28 crore. The Company has disputed the same as the periodicity of the liability is not tenable with the G.O.	20.45	20.45
29 -1-1-1-5	Interest on delayed payment of Electricity Tax to Government.	21.00	21.00
29 -1-1-1-7	Being the surcharge claim of M/s NLC Ltd., for the period prior to 2008-09 and thereafter up to 31.03.2013 which is not accepted by the Company for want of confirmation from PCKL.	-	22.64
29 -1-1-2	Guarantees @ (give details)		
29 -1-2-3	Other money for which the Company is contingently liable (give details)		

SI No	Particulars	As at 31 March, 2015 ₹ In Crores	As at 31 March, 2014 ₹ In Crores
29 -2	Commitments #		
29 -2-1	Estimated amount of contracts remaining to be executed on capital account and not provided for	98.03	76.45
29 -2-1-1	Tangible assets		
29 -2-1-2	Intangible assets		
29 -2-3	Uncalled liability on shares and other investments partly paid		
29 -2-3	Other commitments (specify nature)		

NOTE 30 DISCLOSURES UNDER ACCOUNTING STANDARD – 20

SI No	Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
	Earnings per share		
	Basic		
30 -1	Continuing operations		
	Net profit / (loss) for the year from continuing operations	30,26,36,362	(5,76,25,42,374)
	Less: Preference dividend and tax thereon		
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	30,26,36,362	(5,76,25,42,374)
	Weighted average number of equity shares	70,75,27,800	70,75,27,800
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	0.43	(8.14)
	Diluted		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
30 -2	Continuing operations		
	Net profit / (loss) for the year from continuing operations	30,26,36,362	(5,76,25,42,374)
	Less: Preference dividend and tax thereon	0	0
	Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	30,26,36,362	(5,76,25,42,374)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)	0	0
	Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	30,26,36,362	(5,76,25,42,374)
	Weighted average number of equity shares for Basic EPS	70,75,27,800	70,75,27,800
	Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	0	0
	Weighted average number of equity shares - for diluted EPS	70,75,27,800	70,75,27,800
	Par value per share	10	10
	Earnings per share, from continuing operations - Diluted	0.43	(8.14)

NOTE 30.1 DISCLOSURES UNDER ACCOUNTING STANDARD – 15



SI No	Particulars
	Employee benefit plans
30 i -1	Defined contribution plans
30 i -1-1	The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 29,31,842/- (Year ended 31 March, 2014 ₹ 28,86,332/-) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
30 i -1-2	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. The Company recognised ₹ 8,08,74,554/- (Year ended 31 March, 2014 ₹ 6,55,56,359/-) for Provident Fund contributions in the Statement of Profit and Loss.
30 i -1-3	1. The Company pays Pension Contribution to KPTCL/ ESCOM's. Pension & Gratuity Trust @ 30% of Basic Pay, D.P. & DA and Gratuity contribution @ 6.01% of Basic Pay and D.P. on monthly basis w.e.f 01.04.2013. As on 31-03-2015, The Company recognised ₹ 68,89,32,603/- (Year ended 31 March, 2014 ₹ 1,00,74,55,864/-) for Pension & Gratuity contributions in the Statement of Profit and Loss.

NOTE 30.2 DISCLOSURES UNDER ACCOUNTING STANDARD - 18

Managerial remuneration paid during the financial year 2014-15 & 2013-14 to the directors are as follows: -

SI No	Particulars	2014-15	2013-14
		(In ₹)	(In ₹)
30 ii -1	MANAGING DIRECTOR & DIRECTORS: (Whole Time Directors)		
30 ii -1-1	Salary and allowance	21,19,573	20,18,621
30 ii -1-2	Ex-gratia	6,588	4,823
30 ii -1-3	Medical Expenses	10,008	20,608
30 ii -1-4	Traveling Expenses	4,72,694	9,12,882
	OTHER DIRECTORS:		
30 ii -1-5	Sitting fees	4,000	12,500
30 ii -1-6	Traveling Expenses	2,05,917	1,34,590
30 ii -1-7			
30 ii -1-8	Pension Contribution/Leave Salary Contribution	1,39,914	-

Note 30.3 Disclosures under Accounting Standards (contd.)

SI No	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
30 iii -1	Details of government grants		
30 iii -1-1	Government grants received by the Company during the year towards - Subsidies (recognised under _____) - Duty drawback (recognised under Other operating revenues) - Other incentives under Tariff Subsidy (recognised under AS-12)	2075.45	2047.40
30 iii -1-2	The Company has received certain equipments and facilities free of cost from _____ towards carrying on research and development. These assets are required to be returned on completion of the specified activity.		

NOTE 30.4 DISCLOSURES UNDER ACCOUNTING STANDARDS (CONTD.)



SI No	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
30 iv -1	Details of borrowing costs capitalised		
	Borrowing costs capitalised during the year		
	- as fixed assets / intangible assets / capital work-in-progress	0	0
	- as inventory		-
		-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



NOTE 31 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

SI No	Particulars
31 -1	Earnings in foreign currency - ₹ Nil (As at 31st March, 2015 - ₹ Nil)
31 -2	Expenditure in foreign currency - ₹ Nil ((As at 31st March, 2015 - ₹ Nil)
31 -3	<p>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</p> <p>There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.</p>



**STATEMENT SHOWING THE DETAILS OF REPAYMENT (PRINCIPAL)
FOR FY-2015-16**

(In ₹)

Sl. No.	Name of the Financial Institutions	Repayment (Principal) (2015-16)	Repayment (Principal) (2014-15)
I	Secured Loan		
	1, REC		
	a) HESCOM (Stations + RGGVY + Transformers + Meters+ ACSR Coyote Conductor + RLMS + UAIP+Feeders)	1,03,49,98,168	2,65,81,65,737
	REC Total	1,03,49,98,168	2,65,81,65,737
	2, PFC		
	a) HESCOM (Stations)	13,49,865	53,99,460
	b) PFC(R-APDRP)		8,91,30,000
	c) PFC(STL)	2,07,07,58,903	39,50,27,040
	PFC Total	2,07,21,08,768	48,95,56,500
	3, Commercial Bank (HESCOM)		
	a) SBI, Hubli		15,88,94,595
	b) Syndicate Bank, Hubli.	8,57,14,287	
	c) Corporation Bank, Hubli.		7,45,66,000
	d) Canara Bank, Hubli.	292,419,939	20,84,00,000
e) Short Term Loan Canara Bank		-	
f) Short Term Loan SBI			
Banks Total	37,81,34,226	44,18,60,595	
I Secured Loan Total	3,48,52,41,162	3,58,95,82,832	
II	Un Secured Loan		
	1, REC		
	a) KPTCL (General)		10,23,200
	b) KPTCL (APDRP counter part funding)	13,98,51,850	24,99,11,400
	c) KPTCL (Station)		
	2, GoK		
	a) PMGY Scheme	36,81,000	36,81,000
	b) APDRP Scheme	5,43,90,000	5,43,90,000
	c) Ganga Kalyan	52,50,000	52,50,000
	d) Power Sector Automation	13,05,000	13,05,000
II Un Secured Loan Total	204,477,850	31,55,60,600	
Grand Total I+II	3,689,719,012	3,90,51,43,432	

Note: Financial institution wise details of repayment of principal amount already paid from April-2015 to June-2015 is accounted on actual basis & remaining period projected figures are included.



**Details of Subsidy released from GOK in 2014-15 against the demand for
2014-15**

**towards power supply to IP set of upto 10HP electrical installations and to BJ/KJ consumers upto
18 units per Kwh per month**

Sl No.	Particulars	No. of Installations			Consumption in MU			Demand Excluding interest	Subsidy released for 2014-15
		Metered	Un-Metered	Total	Metered	Un-Metered	Total		
1	Power supply to IP sets of upto 10 HP	238827	363112	601939	159.67	5107.03	5266.70	2533.09	2021.57
2	Power supply to BJ/KJ upto 18 units per month per installation	559701	59028	618729	58.91	33.01	91.92	54.51	53.88
3	Total	798528	422140	1220668	218.58	5140.04	5358.62	2587.60	2075.45



