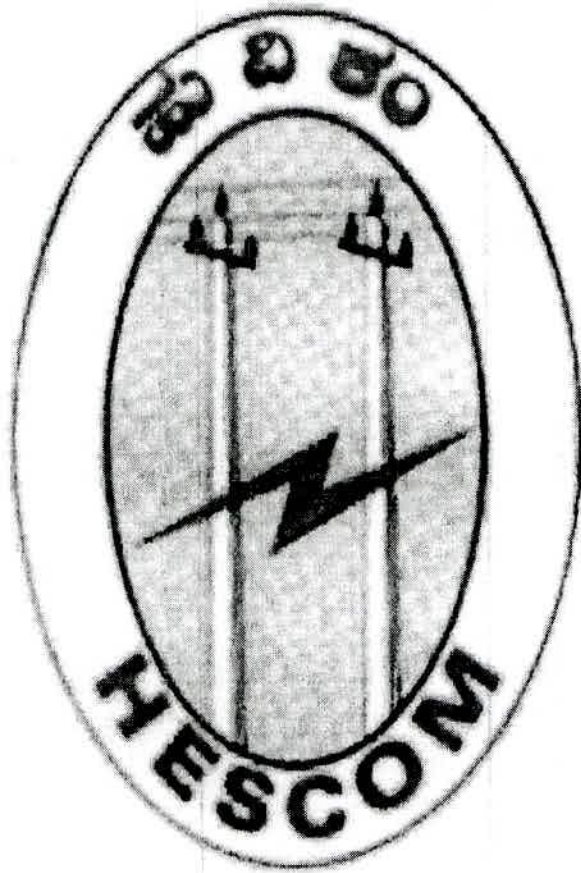


HUBLI ELECTRICITY SUPPLY COMPANY LIMITED



Annual Accounts
FY 2019-20

Hubli Electricity Supply Company Limited
Annual Accounts for the Financial Year 2019-20
HESCOM - Hubli Electricity Supply Company Limited



REVISED INDEPENDENT AUDITORS' REPORT

To

The Members of HUBLI ELECTRICITY SUPPLY COMPANY LIMITED.
Hubli

Report on the Audit of 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 March 31, 2020, and the Statement of Profit and Loss and statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "financial statements"). In consideration of the revised financial statements which were adopted by the Board of Directors on 22.12.2020, we are issuing this revised report, which supersedes our earlier report dated 13.11.2020.

The Board approved revision to the financial statements in the light of the observations made by the Comptroller and Auditor General of India, which resulted in decrease in loss by Rs.113.38 crore as disclosed by the Company vide Note No. 31-11.

In our opinion, except for the effect on the financial statements of the matter described in the basis of qualified opinion paragraph, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 March 31, 2020, its losses and cash flows for the year ended on that date.

Basis of Qualified Opinion:

Loans & Borrowings:

1. The company has to convert Rs 64.79 crores out of the loans borrowed from Power Finance Corporation towards RAPDRP scheme as per the Government order. The company continues to show this as long term borrowings and interest accrued are accounted to capitalisation of assets. Hence the long term borrowings are overstated to the tune of Rs. 64.79 crores, capital grants are under stated to the tune of Rs. 64.79 crore.

Executive Engineer (EI)
RA Section
Corporate Office, Hescor



Page 1 of 26

assets are also overstated to this extent, since the same needs to be reduced from the cost of fixed assets leading to deviation in AS-12.

2. It is observed as per the communication of Power Finance Corporation the Company has to pay Rs.31.77 Crores towards RAPDRP/IPDS to BESCO. The same is not provided for in the books of accounts, hence payable is understated to the extent of Rs 31.77 crores.

Security deposit from consumers

3. The company's ledger balance relating to security deposit from customers is amounting to Rs 819.72 crores whereas the subsidiary ledgers party wise maintained in the software namely (R-APDRP &N soft) is showing a balance of only Rs 707.50 crores. The company has to undertake effective reconciliations of these balances. The interest on these security deposits are calculated as per the balances found in the software used by the company.

Long term provisions and short term provisions:

4. The company makes delayed payments to pension and gratuity trusts towards which provision for interest on delayed payments are not made in books of accounts.

Trade Payable:

5. The Amount payable as on 31st March 2020 as per the balance confirmation received from KPTCL is Rs.467.63 crores but as per HESCO books payable to KPTCL as at 31st March 2020 is only Rs.251.63 crores. There is difference of Rs.216 crores which needs to be reconciled and necessary entries to be recorded in the books of accounts. The payable is understated to the tune of Rs Rs.216 crores
6. In respect of interest on delayed payment of power purchase, company is accounting the interest as and when the interest demand is received from the vendors though the power purchase agreement specifies interest should be paid for delayed payment after the credit period. The company should identify the delays and make provision for the interest on delayed payments as per the power purchase agreements.
7. Amount payable as on 31st March 2020 as per the balance confirmation received from Kudmakulam is Rs.245.35 crores but as per HESCO books payable to Kudamakulam as at 31st March 2020 is Rs.161.70 crores. The liability is understated to the tune of Rs 83.64 crores.

Executive Engineer (EI)
RA Section

Corporate Office, Hescor

Naval Road, Hubballi - 580-025



8. As per the balance confirmation received from KPCL total payable from HESCOM is Rs. 2310.21 Crores. But as per books of the company the payable is only Rs.1674.06 Crores. Steps should be taken for reconciliation and record necessary entries in the books of accounts. The liability is understated by Rs. 636.15 crores.
9. The company during the year has not accounted for reversal of interest payable to KPCL on an amount of Rs 127.44 crores which is reversed during the year with revised rates from KPCL.

Other Current liabilities:

10. Sales Tax deducted at source is not paid to the government in few divisions. Company to make interest and penalty provision in the books of accounts. The Details of the statutory dues payable are as below:

SI No	Division	Accounting Code	Amount
1	Ghataprabha Division	46.927	75,89,737
2	Chikkodi Division	46.927	15,51,104
3	Athani Division	46.927	80,26,031
4	Indi Division	46.927	10,35,770
	Total		18,202,642

11. The company holds balances payable to other Escoms which are subject to reconciliation.

Fixed Assets and Capital work in Progress:

12. The company is charging depreciation from the month of capitalisation. Any related grant received during the year for the assets capitalised are reduced from the gross block during the year. The reversal of depreciation on the grant amount is effected in the following year, hence depreciation on the assets capitalised during the year is claimed in excess. The amount is not quantifiable since the capitalisation and depreciation is undertaken in the divisions, whereas the grants received are apportioned to fixed assets by the Head office.
13. It is observed that CWIP is reduced by contribution from customer only. Whereas if CWIP includes project cost against which grants are received, these grants are reduced from fixed assets without asset being capitalised. The company to segregate the grants related to those


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



assets which are in capital Works in progress and not reduce the fixed assets. The present practise results in fixed assets being under stated and depreciation is under claimed.

14. It is observed that Interest on RAPDRP not capitalised during the year.
15. It is observed that Company has not identified and capitalised interest on PFC loan. The interest cost is overstated and asset cost is under stated in accordance with AS-16.
16. As per Note No 2.6.1 of the Notes forming part of the financial statements, the fixed assets are shown at their historical costs with corresponding accumulated depreciation and Note 2.6.6 states that the valuation of Capital Work-in-progress in case of company-generated assets is valued at standard rate, which is not in accordance with Accounting Standard 10, [which recommends the valuation of Asset at cost]. Hence in our opinion the accounting for valuation of Capital Work-in-progress and fixed assets by the Company in consonance with note no 2.6.6 and contradictory to Accounting Standard 10.
17. The company has not assessed the existence of impairment, if any, of its assets, including assets withdrawn from active use and assets scrapped as at the Balance Sheet date and consequently we are unable to comment on the existence of impairment loss.

Investment:

18. The company has made an Investment of Rs 14 crores in Priyadarshini Jural Project. This project is not yielding any returns and the company is paying fixed charges without drawing necessary power from the project. The company has to make efforts to withdraw the investments as it is resulting in fixed expenses without any benefits.

Other non-current assets:

19. It is observed that an amount of Rs.541.83 crores is short received from government of Karnataka and amount is pending from FY 2002-03. The GOK has already submitted for write off of this amount vide its meeting dated 03.02.2016. The Company has not made provision to write off this amount and hence the receivable from GOK is overstated to the tune of Rs Rs.541.83 crores. (Account Code: 28.620)
20. It is observed that an amount of Rs.27.03 crores is shown as subsidy receivable from Govt of Karnataka in respect of Hukkeri Co-Operative society pertaining to FY 2005-06 to 2009-10 As this amount is not confirmed by Govt of Karnataka, ultimate recovery of the same is


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



doubtful and needs suitable provision. The effect of this would result in overstatement of profit by Rs 27.03 crores (Account Code: 28.621)

Regulatory Asset- KERC:

21. It is observed that the company has reversed an amount of Rs 837.03 crores related to tariff variance arising from revenues of 2019-20. This amount belonged to the deficit of purchase costs and approved purchase costs related to Financial Year 2017-18. The company has not considered the factor of matching principle in terms of revenue whether achieved as per the projections and actuals. The company in its current financial year 2019-20 has not achieved its sales in terms of units due to unavoidable circumstances of floods and covid situations.
22. The company while reversing its regulatory asset should consider the cumulative effect of the quantity and value proposed and achieved. Hence the total reversal of Rs 837.03 crores on the basis that the financial year ended is not matching to the actual performance achieved vis a vis the estimated charges determined by the KERC for FY 20.
23. It is further observed that the company while creating the regulatory asset has only considered the differential power purchase cost instead of all other costs that affect the fixing of the tariff costs by KERC. Considering the past three years approved and actual costs incurred the total regulatory assets arrive at Rs 4369.67 crores whereas the regulatory asset provided for in the books is at Rs 2123.49 crores. An amount of Rs 517.45 crores has been recovered out of the increase in tariff rates for the cumulative years of 18-19 and 19-20 financial years, which should be the amount to be reversed during the current financial year.

Inventories:

24. As per the accounting policy (note 2.3 of the Notes forming part of the financial statements), the Company is following Standard rate, determined by the Company, from time to time 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 and net realizable value. For want of details, 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.


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



Trade Receivable:

25. Trade Receivables against supply of power [Note 18 (i)], includes Rs.1076.32 crores towards revenue and interest for the period prior to 1-8-2008 from IP Set consumers [up to 10 HP] relating to the period prior to announcement of Free Power Supply by Government of Karnataka. 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. We are informed by the Company that; efforts are in process for recovery from customers. As such, the recoverability of the amount is doubtful and needs appropriate provisioning. Thus there is overstatement of profit and receivables to the tune of Rs 1,076.32 crores.
26. As per the proposal by the Government of Karnataka it has proposed write off of Rs 699.51 crores against the receivable of Rs 1164.76 crores related IP sets arrears as on 31.07.2008. The company has not made any provisions in its books of accounts awaiting confirmed orders from the Government of Karnataka
27. Further as per the proposal by the Government of Karnataka an amount of Rs 449.96 crores is proposed for write off by GOK out of the subsidy dues and additional subsidy dues for the periods related to 2012-13, 2015-16, 2016-17, 2017-18, 2019-20. The company has not made any provision in its books of accounts since confirmed orders are not yet obtained.
28. The total subsidy receivable as per the GOK is Rs 2323.86 crores as against the amount shown as receivables in books of accounts of Rs 4024 crores (including non-current assets). The company has to write off an amount of Rs 1700.14 crores in the books of accounts for fy 2019-20. Hence the receivables and profits are over stated to the extent of Rs 1700.14 crores.

Other Current Assets

29. We have Observed difference between approved, claimed and received subsidy amount. (Accounting code 28.625 & 28.627) and observed difference between as per government statement and as per books of accounts.

(Rs. In Crores)

Financial Year	Approved by KERC	Claimed by the company	Received
2012-13	2,092.30	1,953.73	1,905.79
2013-14	2,047.41	2,184.59	2,047.41
2014-15	2,323.86	2,559.47	2,323.86
2015-16	2,828.02	3,078.49	2,558.71
2016-17	3,178.94	3,332.83	2,861.06



Executive Engineer (EI)

RA Section

Corporate Office, Hescom

Navanagar, Hubballi - 580 025

2017-18	3,844.57	3,827.48	3,698.64
2018-19	3,724.81	4,368.11	3,076.73
2019-20	4,446.28	4,130.72	4,204.20
Total	24,486	25,435	22,676.40

It is thus observed that the company is carrying unapproved receivables from Government of Karnataka to the tune of Rs 949 crores and no provision is made in the books for write off. As per the information provided, the company is still following up with Energy department for recovering of the dues.

30. Service Tax claim settled by HESCOM to be recovered from Consumer/Contractor is pending under accounting code 28.852 amounting to Rs.8,41,28,399. The same is pending since 2018. Company to make the provisions for write off since the recovery rate is very low and the follow up on receivables is not in place effectively.
31. The inter unit accounts of the company shows huge balances outstanding individually in different accounts which will have an impact on the balances of many other account heads either in the profit and loss account or the statement of affairs. Long pending entries in below accounting codes to be identified and reconciled to pass necessary effects in the books of accounts.

Non-reconciliation of inter unit accounts amounting to Rs.25.42 crores (net Debit) shown under "Other Current Assets". The effect of adjustments in the financial statements on account of non-reconciliation of inter unit account is presently not ascertainable / quantifiable. This may result in understatement or over statement of inventories, cash, bank balances, fixed assets and other liabilities, which is not ascertainable due to long pending unreconciled items in the Inter unit accounts.

32. The company undertakes several CSR works through contracts. These works cost executed under Ganga Kalyana scheme will be reimbursed by Government departments like Karnataka Backward Classes Development Corporation, Karnataka Minorities Development Corporation, Karnataka State SC / ST Development Corporation, Dr. B.R. Ambedkar Development Corporation. It is observed that the claims outstanding as per the Project Management department is at Rs 29.60 crores as against the receivables shown in the books of accounts at Rs 135.72 crores. The receivables are over stated to the extent of Rs 106.12 crores and either the Fixed Assets/ Capital Work in progress or the expenses is understated.

Statutory Compliance



Executive Engineer (EI)

RA Section

Corporate Office, Hescorn

Navanagar, Hubballi - 580 025



33. Company to make provision for GST liability along with interest and penalty amounting to Rs.5.83 crores towards Interest and penalty as per the calculation made in response to summons issued by GST department for the FY 2017-18, 2018-19 and 2019-20. Further the company has made representations for waiver of interest and penalty.
34. It is observed that the company is not availing GST credit. As per the provision of the GST act under section 17 (2) of read rule with 42 GST credit can be taken in proportion to exempted and taxable sales. The company should calculate the eligible input credit from the financial year 19-20 since the eligible input credits are lost for the FY 2017-18 and 2018-19. The impact of removal of input credits from the fixed assets should also result in lower depreciation.

Income:

35. It is observed that subsidy approved from the KERC for financial year 2019-20 in respect of Bhagya Jyothi, Kuteera Jyothi and IP sets up to 10 HP is more than the demand raised in the books of accounts during the year. The Details are as below:

(Rs.in Crores)

Sl No	Particulars	As per subsidy approved	As per books of accounts	Difference
1	Bhagyajyothi/Kuteera Jyothi	150.24	136.51	13.73
2	IP Sets	4,296.04	3,958.42	337.62
	Total	4,446.28	4,094.93	341.35

The company has treated the excess approved amount of Rs 341.35 crores against the receivables of previous year and has not effected the current year income.

36. We observed difference between sales as per software and sales as per books of accounts. The company has to undertake proper reconciliations to match the demands as per books of accounts and the software which generates the bills. Manual intervention in the software is also observed due to certain features like FAC, LT 7 and few of HT installations that are not completely billed through the softwares. The resultant factor of understatement or overstatement of sales is not determinable since the same is not identifiable.


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



37. Provision for differential power purchase billing to Hukkeri Rural Electrification Cooperative Society (HRECS) is not made for the FY 2018-19 and 2019-20. The invoices are raised at rates lesser than the applicable tariffs. The differential amounts are claimed as and when the KERC tariff is decided particularly for HRECS. Hence the company is under recognising the sale value of the electricity supplied to HRECS.

Miscellaneous:

38. Internal check and internal control system existing in the company needs to be thoroughly verified and to be strengthened, in respect of various audit points covered in this report. And Internal Audit department needs to be improved.
39. It is observed that company is incurring huge prior period expense which will result in disallowances in income tax. The company has to exercise proper controls in identifying expenses and provisions to be made year on year.
40. Certain balances as on 31st March 2020 under trade receivables/Payables, advances paid/received, Deposits paid/received, Trade deposits, Loans and Advances, Deposits, Bank Balances held in Divisions, Sub divisions, Zones, Circles, Government loans including accrued interest thereon are subject to confirmation. These includes certain old balances needing review and reconciliation. Though provision exists against certain trade receivables and advances, adequacy of the same is not ascertained. Hence further provisions/adjustments if any, required against these balances have not been ascertained and made. Consequential impact on the accounts is unascertainable.


Deferred Tax Assets/ Liabilities:

41. The company has not recognised deferred tax assets and liabilities towards the tax effect of timing differences between taxable income and accounting income including accumulated losses and deferred regulatory assets, which is not in consonance with the accounting standards -22. The impact of the above on the financial statements is not quantifiable.

Earnings per Share

42. It is observed that Company while calculating Earnings per share has considered Regulatory asset fluctuation which is deviation of Accounting Standard 20-Earnings per Share.

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matter of Emphasis:

1. Delays (spanning even more than one accounting period) in capitalisation of assets (put to use out of items included in capital work in progress) have been observed. This result in understatement of fixed assets and of corresponding depreciation charged. The manner of calculation of depreciation from the date of capitalizing the assets in the books instead of the date on which the assets are actually put to use resulting in misstatement of depreciation charged and the carrying amount of fixed assets. During our test check of the statement of on-going works, we observed incomplete details about the estimated amount as per work order, work orders references, date of last material drawn, the status of the works as at the year-end etc. We feel, there is a necessity to carry out periodical review of on-going works. Due to this, the cumulative effect of the above deviations on depreciation charged and carrying amount of fixed assets & capital work in progress in the financial statements is presently not quantifiable.
2. At present, only operations relating to billing and collection from consumers (other than High Tension consumers) have been computerized. In respect of other processes, transactions/records are maintained partly manual and partly through MS-excel work sheets. As MS-excel is not an accounting software, there is a need for maintaining financial accounts in a proper accounting software, under proper supervision and with adequate security measures. It is also observed that the company has not implemented its ERP software though the contract for development is placed several years ago.

3. Branch Audits:

The system of transactions undertaken is majorly through divisions and zonal offices. It is observed that the company does not undertake the Branch Audits separately and the scope of work and time limitation towards statutory audit will also include the coverage of Branch Audits.

Executive Engineer (EI)

RA Section

Corporate Office, Hescor

Navanagar, Hubballi - 580 025



It is recommended that the company has to undertake a separate exercise of Branch audits towards audit of financial statements year on year through experienced Audit firms in all divisions as a separate exercise in order to obtain more accuracy and fairness on the books of accounts of the company.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are not responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescor
 Navanagar, Hubballi - 580 025



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the **Companies (Auditor's Report) Order, 2016** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) 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;


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There is no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

for Rao and Emar
Chartered Accountants
Firm Registration NO: 003084S



B J Praveen
Partner
Membership No: 215713
Date: 29/12/2020
Place: Hubli
UDIN: 20215713AAAAOZ2976



Executive Engineer (EI)
RA Section
Corporate Office, Hescor
Navanagar, Hubballi - 580 025

Annexure "A" to the Independent Auditor's Report


(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members HUBLI ELECTRICITY SUPPLY COMPANY LIMITED of even date)

1. The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The company has not undertaken the physical verification of Fixed Assets during the year, however the company has the system of physically verifying only T&P items but the discrepancies couldn't be identified in absence of quantity and geographical situation of fixed assets.

On the basis of our examination of the records of the Company, title deeds of certain immovable properties in the name of the erstwhile company which the company has succeeded are yet to be transferred in the name of the company. The Company has to build-up the fixed asset register along with the details of date of acquisition, cost incurred, measurements etc. for each immovable property. The original title deeds of the property were not made available for verification.

2. We are informed that the physical verification of inventories has been carried out once in a year at divisional level by the management and the discrepancies noticed on such verification were not material. However, no consolidated report of discrepancies in stock was available at company level for our review.
3. As informed to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. However, the details about related party disclosures in specific contracts and service providers, were not maintained. In our opinion and according to the information and explanations given to us, the Company has not given loans, made investments or given guarantees which are covered by the provisions of section 185 and 186 of the Act.
4. In our opinion and according to the information and explanations given to us, the company has not given loans, made investments, or given guarantees which are covered by the provisions of section 185 and 186 of the act.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company
6. We have broadly reviewed the books of accounts made and maintained by the


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025



company pursuant to the rules made by the Central Government for the maintenance of Cost records under section 148(1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records for the year need to be updated. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

7. In respect of Statutory dues

i. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities except in the following case as mentioned below

- a. The company had not paid GST on the supervising charges, Liquidated damages received from July 2017 to March 2020, which amounted to Rs 12.83 crores. The said amount has been made as provision for the year ended 31-03-2020. However, the company has not calculated the penalty, Interest and late filing fees on delayed payment for which a provision was required. Due to lack of information, we are not in a position to quantify the same.
- ii. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- iii. According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

8. We observe that, the Company has many litigations / claims filed against it, at various forums. As reported by the Management, there are 145 legal cases related to revenue. Total value of the claim is Rs 9.50 crores. This requires to be shown as contingent liability as per AS 29 - 'Provisions, Contingent Liabilities and Contingent Assets (revised 2016)', issued by ICAI, New Delhi. Due to the complex legal issues involved, different forums and the large number of cases, it is not possible to quantify the financial impact of the same.

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9. In our opinion and according to the information and explanations given to us, the company has an outstanding dues to KREDL to an extent of Rs 210 crores. The company is paying additional penal interest of 2 percent regularly on the overdue amount.
10. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). As informed to us, the term loans were applied for the purposes for which those are raised.
11. According to the explanations given to us, fraud [Cash misappropriation] on the company by its officers / employees has been noticed / reported during the year. The details of the same are as under.

Cash misappropriation for the year 2019-20	Rs 17,47,551/-
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As informed by the Management, following frauds [mis-appropriation, losses or defalcations] were committed by the Officers/ Staff/ employees of the company division/ sub division wise:

S/no	Name of the Division	Amount
1	O & M Division	7,61,639
2	Ron Division	21,633
3	Kundagol Sub-Division	2,23,196
4	Navalagund Sub-Division	32,149
5	Gokak Sub-Division	6,42,234
6	Belgaum Division	66,700
	Total	17,47,551

Necessary systemic actions and corrective steps to be undertaken to see that, such frauds do not recur.

12. Being Government company Section 197 of Companies Act, 2013 does not apply to the Company.
13. In our opinion and according to the information and explanations given to us, the


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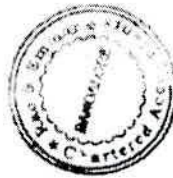


Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

14. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable but details of such transactions have not been disclosed in the financial statements as required by the applicable accounting standards.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
17. As informed to us, the Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

for Rao and Emmar
Chartered Accountants
Firm Registration NO: 003084S

BJ Praveen
Partner
Membership No: 215713
Date: 22/12/2020
Place: Hubli
UDIN: 20215713AAA0Z2976


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Annexure B - to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HUBLI ELECTRICITY SUPPLY COMPANY LIMITED ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.


Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting:


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A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion:

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31st 2020.

1. The company does not have operational functionalities in place to determine the budgeted collections, sales and completion of projects.
2. The company has in-house internal audit setup and as informed to us all the transactions are subjected to internal audit process. However, in our opinion and based on our checks, the coverage of present internal audit system is inadequate and is not commensurate with the size of the company.
3. The Company does not have an appropriate internal control system with regard to maintenance of accounts as internal audit has noticed revenue leakage and excess payments and payments without proper approval during the transaction audit of divisions and corporate office.


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4. The high risk involved in use of excel sheets for generating trial balances, absence of proper accounting software to generate general ledgers, subsidiary ledgers and trial balances.
5. Absence of control processes like physical verification of fixed assets and documents thereof, setting off of balances in similar account codes with other divisions and periodic review of bank reconciliations in case of non-operative accounts.
6. The company does not have suitable computerised system in respect of Financial Accounting, Payroll, Inventory, Capex etc. Impacting reliability, grouping, and adequate disclosure of financial transactions.
7. There was no evaluation of Internal financial controls and risk management systems by audit committee of the company as required by section 177(4) of Companies act 2013. The company does not have risk management policy.
8. The company does not have the procedure of obtaining confirmation of balances from parties in respect of Debtors, Creditors, Advances and Receivables. In view of this, we are not in a position to verify the correctness or otherwise of the balance of Debtors, Creditors, Advances and Receivables
9. The company does not have the procedure of adequate disclosures in respect of Loans and Investments as required by Schedule III to the Companies Act,2013.
10. The company does not have the procedure of updating of the accounts manual adopted / followed and laying down comprehensive procedures for accounting.
11. The company does not have the procedure of adequate design / design and implementation of controls and procedures to ensure adherence to mandatory accounting standards / generally accepted accounting principles having a material impact on the financial statements as below:
 - Accounting Standard 2 on valuation of Inventories due to application / adoption of standard rates in valuing inventory.
 - Accounting Standard 10 "Property, Plant & Equipment" having an effect on depreciation charged and carrying amount of fixed assets in the financial statements due to:
 - Substantial delays (spanning even more than one accounting period) in capitalisation and non-capitalisation of assets put to use included in capital work in progress have been observed. For instance, a sum of Rs 14.977 crores was given to Ms ABB Ltd, for supply and erection of load dispatch and communication items, about 8 years back. As informed to us, the service provider has installed part of the equipment and they are operational. The balance work has not been undertaken and it seems the balance project is abandoned. In such a situation, it


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would not be correct to carry the amount under Capital work in Progress for any number of years. Depreciation is also not being provided since the date of put to use of the asset. Due to inadequacy of information, we are not in a position to quantify the depreciation not provided for all these years and its effect on the profit/loss of the company.

- Depreciation on any adjustments to the historical cost of the fixed assets is not charged prospectively over the residual life of the asset and is charged prospectively considering as though such adjustments are new assets.
- Capitalisation of reconditioned assets at the carrying cost of the original asset (at which such assets were transferred to current asset) when retired from active use initially.
- Application of standard rates in respect of materials capitalized in project assets.
- Non-compliance of Accounting Standard 15 on Retirement Benefits, as the 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 31.03.2020. Further, the disclosure as required by the accounting standard is also not made.
- Non-compliance of Accounting Standard 22 on Accounting for Taxes on Income due to non-recognition of deferred tax liabilities on the tax effect of timing differences and accumulated losses.
- Non-compliance of Accounting Standard 28 on Impairment of Asset due to non-assessment at the Balance Sheet date of the existence of any impairment of its assets

12. Inadequate design of internal control over a significant account or process due to the following:

- Accounting for accessories / components items forming part of the released transformers, i.e., oil and coil items (based on schedule of rates) under other current assets and correspondingly crediting the miscellaneous receipts account at the time of withdrawal from the fixed assets instead of the carrying amount of the released asset.
- Non-recognition and measurement of regulatory assets.

13. It is observed that the company doesn't have the internal control system of verifying the bills received from ESCOMS, PCKL, KPCL and KPTCL for its correctness and completeness. The invoices or orders received are accounted as expenses or income without having internal judgement or internal audit on those invoices or orders.


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A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively except for the points stated above in paragraph Basis for qualified opinion as of March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

for Rao and Emmar
Chartered Accountants
Firm Registration NO: 003084S

BJ Praveen
Partner

Membership No: 215713

Date: 22/12/2020

Place: Hubli

UDIN: 20215713AAAAOZ2976





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RA Section
Corporate Office, Hescom
Navanagar, Hubballi - 580 025

(33) 20215713AAAAOZ2976
Executive Engineer (EI)
RA Section
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ANNEXURE C

Hubli Electricity Supply Company Limited

Report on Directions issued by Comptroller & Auditor General of India under section 143(5) of Companies Act 2013

Sl. No.	Directions	Response
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company doesn't have a system in place to process all accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off to debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There is no restructuring of an existing loan or cases of waiver/write off to debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan. During the year the company has not repaid a loan amount of Rs. 210 crores to KREDL which is overdue for a year.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Yes. Funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions. It is observed that the company doesn't maintain separate Bank accounts for the funds received from Central/State government. Also the company does not maintain project wise track in the books of accounts. The utilization certificates submitted to the Government authorities don't reconcile with the books of accounts maintained.

Additional Company Specific Directions:

Sl. No.	Directions	Response
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Sl. No.	Directions	Response
a	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.	<p>The system of billing and collection of revenue is considered to be reasonably efficient. Delay of a few days in the updation of collections in the areas covered under Restructured Accelerated Power Development & Reforms Programme (RAPDRP) is noticed. As informed to us, tamper proof meters have been installed for all consumers and Automated Meter Reading systems have been installed for all DTC / HT installations. But, Automated Meter Reading have not been installed in respect of LT categories. The accuracy of the billing is ensured thorough periodic test check undertaken by Section Officers/Sub-Divisional Officers</p> <p>It is observed that the internal audit is covering the revenue process but as yet only until 2017-18 billings are verified.</p>
b	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	<p>Periodic reconciliations of receivables / payable balances have not been documented and hence we are unable to comment on the same.</p> <p>We observe huge differences between the balances as per Books of accounts and as per the statements wherever received from the generation, distribution and transmission companies</p>
c	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	As per the KERC order an amount of Rs 111.17 crores should have been the FAC revenue for 2019-20 but company has collected 118.42 crores during the year.
d	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?	During the year the company has claimed Rs. 4130.72 crores against tariffs roll back on IP sets and B]/K] Schemes against which Rs 1700.14 crores are grants not acknowledged as payable by GOK or an order is issued for write-off of the same.


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Sl. No.	Directions	Response
e	<p>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</p>	<p>At present, only operations relating to billing and collection from consumers have been computerized. In respect of other accounting transactions, records are maintained partly manual and partly through MS-excel work sheets for processing. As MS-excel is not an accounting software, there is a need for maintaining financial accounts in a proper accounting software. It is also unsafe from security point of view to use MS-excel worksheets as accounting software. As informed to us, the company is in the process of implementing ERP system, however the progress on the same is very slow.</p> <p>The security policy on data / software /hardware has not been formally documented.</p>

for Rao and Emmar
Chartered Accountants
Firm Registration No: 003084S

B J Praveen
Partner
Membership No: 215713
Date: 22/12/2020
Place: Hubli
UDIN: 20215713AAAAOZ2976.





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RA Section

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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
PB ROAD, NAVANAGAR, HUBBALLI - 580 025.
Balance Sheet as at 31 March, 2020

30

SL No	Particulars	Noto No.	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	3	15,54,23,78,000	15,54,23,78,000
	(b) Reserves and Surplus	4	(25,86,84,68,397)	(19,23,56,90,319)
	(c) Money received against Share Warrants			
			(10,32,60,90,397)	(3,69,33,12,319)
2	Share Deposit pending allotment		2,05,62,00,080	80
3	Non-Current Liabilities			
	(a) Long-Term Borrowings	5	46,66,79,72,819	32,63,16,17,297
	(b) Other Long-Term Liabilities	6	8,71,38,67,553	7,99,01,64,825
	(c) Long-Term Provisions	7	1,28,98,55,135	1,09,89,34,576
4	Current Liabilities		56,67,16,95,507	41,72,07,16,698
	(a) Short-Term Borrowings	8	2,98,54,84,021	4,43,33,61,005
	(b) Trade Payables	9	70,66,91,38,074	70,27,43,35,026
	(c) Other Current Liabilities	10	25,07,16,80,040	28,50,38,70,391
	(d) Short-Term Provisions	11	29,05,95,524	27,21,09,368
			99,01,68,97,659	1,03,48,36,75,790
	TOTAL		1,47,41,87,02,849	1,41,51,10,80,249
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets			
	(a) Tangible Asset	12A	38,53,70,70,371	31,03,05,63,883
	(b) Capital Work-in-Progress	12B	6,79,56,47,552	5,31,61,87,429
	(c) Intangible Assets	12C	17,35,19,614	10,50,62,893
			45,50,62,37,537	36,45,18,14,205
	(d) Non-Current Investments	13	14,01,00,000	16,51,00,000
	(e) Long-Term Loans and Advances	14	2,37,06,95,623	3,94,93,27,393
	(f) Other Non-Current Assets	15	19,61,19,95,287	27,80,64,80,045
			67,62,90,28,447	68,37,27,21,643
2	Current Assets			
	(a) Current Investments	16		
	(b) Inventories	17	1,51,63,61,468	1,62,30,26,134
	(c) Trade Receivables	18	17,23,32,39,140	15,34,91,59,303
	(d) Cash and Bank Balances	19	41,83,53,856	1,31,85,56,000
	(e) Short-Term Loans and Advances	20	4,36,55,811	3,24,31,668
	(f) Other Current Assets	21	60,57,80,64,127	54,81,51,85,501
			79,78,96,74,402	73,13,83,58,606
	TOTAL		1,47,41,87,02,849	1,41,51,10,80,249

See accompanying notes forming part of the Financial Statements.
As per our Audit Report of even date.

For Rao & Emmar
Chartered Accountants
FRN. 0030849



For and on behalf of the Board of Directors

B. J. Praveen
Partner
M No.: 215713
Place : HUBBALLI
Date : 22/12/2020

(S.R.Terdal)
Director (Finance)

(M. Muniraju)
Managing Director

Executive Engineer (EI)
RA Section
Corporate Office, Hescm
Navanagar, Hubballi - 580 025



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

Statement of Profit and Loss for the year ended 31st March, 2020

31

Sl No	Particulars	Note No.	For the year ended 31st Mar,2020	For the year ended 31st Mar,2019
			Rs.	Rs.
	Revenue			
1	Revenue from Operations	22	77,92,25,17,551	77,65,40,02,517
2	Other Income	23	68,49,72,009	95,04,35,579
3	Total revenue (1+2)		78,60,74,89,560	78,60,44,38,096
4	Expenditure			
	(a) Purchase of Power	24	55,84,88,80,886	66,65,48,78,952
	(b) Employee Benefits Expense	25	8,66,75,24,042	7,81,79,55,723
	(c) Finance Costs	26	5,46,33,12,378	5,38,64,91,670
	(d) Depreciation and Amortisation Expense	27i	2,23,40,76,562	1,94,58,67,276
	(e) Administrative and Other Expenses	27ii	2,98,99,11,933	2,11,05,84,349
	Total Expenditure		75,20,37,05,801	83,91,57,77,970
5	Profit/Loss before exceptional and extraordinary items and tax (3 - 4)		3,40,37,83,759	(5,31,13,39,874)
6	Exceptional Items	28a	(1,02,90,00,000)	(1,02,90,00,000)
	Prior Period Income	28	1,63,97,29,827	1,20,29,30,785
	Prior Period Expenses	28	(1,01,08,30,468)	(82,73,53,795)
7	Profit/Loss before extraordinary items and tax (5 + 6)		3,00,36,83,118	(5,96,47,62,884)
8	Less: Regulatory Income / Expenses	28b	(8,37,03,11,639)	12,86,46,78,952
9	Extraordinary items	28b	(1,45,55,00,493)	-
10	Profit before tax (7 + 8 + 9)		(6,82,21,29,014)	6,89,99,16,068
11	Tax expense:		-	-
12	Profit for the year (10 + 11)		(6,82,21,29,014)	6,89,99,16,068
13	Earnings Per Share (of Rs. 10/- each):			
	(a) Basic & Diluted	30	(4.39)	4.44

See accompanying notes forming part of the Financial Statements.
As per our Audit Report of even date.


For Rao & Emmar
Chartered Accountants
FRN. 003084S


B. J. Praveen
Partner
M.No.: 215713
Place : HUBBALLI
Date : 22/12/2020



ವಾಣಿಜ್ಯ ಕಛೇರಿ
(S.R. Terdal)
Director (Finance)

For and on behalf of the Board of Directors


(M. Muniraju)
Managing Director


Executive Engineer (EI)
RA Section
Corporate Office, Hescm
Navanagar, Hubballi - 580 025



SI No	Particulars	For the year ended 31st Mar, 2020		For the year ended 31st Mar, 2019	
		Rs	Rs	Rs	Rs
1	Cash flow from operating activities				
1-1	Net Profit / (Loss) before extraordinary items and tax	(6,82,21,29,014)		6,89,99,16,068	
1-2	Depreciation and amortisation	2,23,40,76,582		1,94,58,87,276	
1-3	Provision for Bad and Doubtful Debts	2,25,13,388		75,13,072	
1-4	Loss on sale of assets	7,50,978		73,19,108	
1-5	Profit on sale of assets	(18,325)		(48,251)	
1-6	Finance costs	5,46,33,12,378		5,39,14,56,560	
1-7	Provision for Leave Encashment & FBF	15,24,52,655		15,24,52,655	
1-8	Bonus/Exgratia Payable	6,99,65,718		7,13,62,889	
1-9	Provision for Retirement Benefits	1,91,16,55,777		69,84,87,235	
1-10	Material Cost Variance Credit	(40,21,69,762)			
1-10	Interest income	1,22,33,677		1,15,98,395	
	Operating profit / (loss) before working capital changes		2,54,28,44,010		15,38,59,25,108
2-1	Inventories	10,66,64,688		(22,63,64,163)	
2-2	Trade receivables	(1,90,65,93,205)		(1,28,69,61,565)	
2-3	Short-term loans and advances	(1,12,24,143)		44,67,402	
2-4	Long-term loans and advances	1,57,86,31,770		(27,40,55,943)	
2-5	Other current assets	(5,78,06,37,574)		(9,64,55,04,208)	
2-6	Other non-current assets	8,19,44,84,758		(13,58,26,73,780)	
2-7	Trade payables	39,48,03,048		4,55,78,68,903	
2-8	Other current liabilities	(5,58,62,84,499)		1,84,90,26,708	
2-9	Other long-term liabilities	72,37,02,728		40,05,53,096	
2-10	Short-term provisions	4,46,57,938		(3,54,26,027)	
2-11	Long-term provisions	83,42,31,685		(11,37,07,876)	
	Total		(1,38,75,42,828)		(18,35,27,77,472)
	Cash generated from operations		1,25,51,01,182		(2,96,88,52,364)
	Net cash flow from / (used in) operating		1,25,51,01,182		(2,96,88,52,364)
3-1	Capital expenditure on fixed assets, including	(15,82,17,51,352)		(7,01,26,86,370)	
3-2	Decrease in Capital WIP	1,47,94,60,123		(64,16,01,977)	
3-3	Proceeds from sale of fixed assets	24,55,637		70,94,353	
3-4	Current investments not considered as Cash and cash equivalents	2,50,00,000			
	Net cash flow from / (used in) investing activities		(14,31,48,35,593)		(7,64,71,93,995)
	Net cash flow from / (used in) investing activities		(14,31,48,35,593)		(7,64,71,93,995)
4-1	Proceeds from shares Deposits	2,54,77,20,698		1,42,82,00,000	
4-2	Proceeds from long-term borrowings	24,31,64,55,731		22,64,74,11,831	
4-3	Repayment of long-term borrowings	(10,67,48,06,236)		(7,80,21,51,336)	
4-4	Deposits and contributions from consumers			2,21,70,74,105	
4-5	Preliminary Expense	23,36,981		(5,41,963)	
4-6	Net increase / (decrease) in working capital / Short Term Borrowings	(3,54,78,78,984)		(1,73,87,80,115)	
4-7	Finance cost	(5,46,33,12,378)		(5,39,14,56,560)	
	Net cash flow from / (used in) financing activities		7,28,05,17,812		11,35,97,56,961
	Net cash flow from / (used in) financing activities (C-D)		7,28,05,17,812		11,35,97,56,961
	Net increase / (decrease) in Cash and cash equivalents		(5,77,92,16,599)		74,57,09,603
5	Cash and cash equivalents at the beginning of the year		1,31,85,56,000		57,28,46,397
	Cash and cash equivalents at the end of the year		(4,46,06,60,599)		1,31,85,56,000
	Cash and cash equivalents as per Balance Sheet (Refer Note 17)		41,83,53,856		1,31,85,56,000
	Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17		41,83,53,856		1,31,85,56,000
	Cash and cash equivalents at the end of the year *		41,83,53,856		1,31,85,56,000
6	Cash on hand		2,17,88,051		14,81,62,193
7	In current accounts		12,23,18,880		84,35,04,901
8	In deposit accounts with original maturity of less than 3 months		27,42,46,925		22,68,88,906
			41,83,53,856		1,31,85,56,000

See accompanying notes forming part of the Financial Statements.
As per our Audit Report of even date.

For Rao & Emmar
Chartered Accountants
FRN. 003084S

B. J. Praveen
Partner
M No.: 215713
Place: HUBLI
Date: 22/12/2020



ಎರಡನೇ ವರ್ಗದ
(S.R.Terdal)
Director (Finance)

For and on behalf of the Board of Directors

(M. Muniraju)
Managing Director

Executive Engineer (EI)
RA Section
Corporate Office, Hescm
Navanagar, Hubballi - 580 025



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

33

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. The registered office of the company is located at PB Road, Navanagar, Hubli - 580 025. 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. 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 liability is provided to the extent of cases where Company expects that there will be claim from suppliers. Since the Net worth of the Company is negative for the last three financial years, IND AS is not applicable to the Company for the FY 2019-20</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 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.</p>
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>

Executive Engineer (EI)

RA Section

Corporate Office, Hescom

Navanagar, Hubballi - 580 025



Notes	Particulars
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> <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-10.</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>
2.7	<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 Rs. 500/- or below individually are fully depreciated in the year of acquisition (as against Rs. 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> <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>2.7.8 Amortization on Software is recognised on Straight Line basis over their estimated useful lives i.e., period of agreement or license term and in the absence of license the cost is amortised in 3years period.</p>


Executive Engineer (E)
 RA Section
 Corporate Office, Hescor
 Navanagar, Hubballi - 580 025



Notes	Particulars
2.8	<p>Receivables Against Supply of Power. Receivables against supply of power activity relates Sale of Power various categories of Consumer. 35T</p>
2.9	<p>Revenue recognition Sale of goods 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 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>The 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. Additional expenditure incurred in respect of Power Purchase Cost over and above the Approved Power Purchase Cost in the Tariff Orders of relevant financial years is accounted as Income of the year and treated as as receivables from consumers as Regulatory Asset in future years.</p>
2.10	<p>Other Income Bank Deposit Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Income /Fees/Collections Against Staff Welfare Activities is accounted on receipts basis.</p>
2.11	<p>Government grants, subsidies and export incentives 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. Depreciation on the portion of grant is reduced from the cost of asset is not charged to Profit & Loss A/c. 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>



Executive Engineer (EI)
RA Section
Corporate Office, Hescorn
Navanagar, Hubballi - 580 025



Notes	Particulars
2.12	<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 acquisition charges such as brokerage, fees and duties.</p> <p>Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.</p>
2.13	<p>Employee benefits</p> <p>a. Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits for current employees are estimated and measured on an undiscounted basis.</p> <p>b. Defined contribution plans</p> <p>The employees/officers who have joined/joining on or after 1.4.2006 are covered under New Defined Contributory Pension Scheme (NDCPS). As per this scheme, the employees/officers have to contribute 10% of the Basic Pay & Dearness Allowance with a matching contribution from the Company. The said contribution is being remitted with the KPTCL/ESCOMs P&G Trust for the time being pending appointment of Central Record Keeping Agency & Pension Fund Managers. The contribution and returns thereon shall be deposited in a non-withdrawable Pension Tier-I Account.</p> <p>The normal exit is at the age of superannuation for Tier-I of the Pension system. At exit, the employee shall be mandatorily required to invest 40% of pension wealth to purchase the annuity. In case of employees, the annuity shall provide for pension for the life time of the employee and his dependent parents & his spouse at the time of retirement. The individual shall receive a lump sum of the remaining pension wealth which he would be free to utilize in any manner. In the case of employees who leave the scheme before attaining the age of superannuation, the mandatory annuitisation shall be 80% of the pension wealth.</p> <p>c. Defined benefit plans</p> <p>In respect of Pension and Gratuity, contribution to KPTCL/ ESCOM's , Pension & Gratuity Trust is made based on the Actuarial Valuation.</p> <p>The pension and gratuity payment is taken care of by the Trust to eligible employees as and when they retire, as per Government notification No: DE 14 PSR 2002/31.05.2002.</p> <p>(i) Short-term employee benefits</p> <p>The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :</p> <p>(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and</p> <p>(b) in case of non-accumulating compensated absences, when the absences occur.</p>



Executive Engineer (EI)
RA Section
 Corporate Office, Hescorn
 Navanagar, Hubballi - 580 025

Notes	Particulars
	<p>(ii) Long-term employee benefits</p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.</p>
2.14	<p>Segment reporting</p> <p>The Company operates only in Distribution of Power supply and does not have any other segment of business. So the Segmental reporting regulations are not applicable to the company.</p>
2.15	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.</p>
2.16	<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 legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.</p>



Executive Engineer (EI)
RA Section
Corporate Office, Hescorn
Navanagar, Hubballi - 580 025

Notes	Particulars
2.17	<p>Research and development expenses Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.</p>
2.18	<p>Provisions and contingencies A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.</p>
2.19	<p>PROVISIONS FOR BAD & DOUBTFUL DEBTS Provision for bad and doubtful debts is made on the actual amount of arrears considered as bad & doubtful on case-to-case basis.</p>
2.20	<p>Share issues expenses Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, 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>




Executive Engineer (EI)
RA Section
Corporate Office, Hescor
Navanagar, Hubballi - 580 0

2013-14
 RA Section
 Hubballi



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

Note 3 Share capital

39

Sl No	Particulars	A/C Code	As at 31st Mar, 2020		As at 31st Mar, 2019	
			Number of shares	Amount in Rs	Number of shares	Amount in Rs
3-1	Authorised Equity shares of ` 10 each with voting rights		2,00,00,00,000	20,00,00,00,000	2,00,00,00,000	20,00,00,00,000
3-2	Issued Equity shares of ` 10 each with voting rights	52.301	1,55,42,37,800	15,54,23,78,000	1,55,42,37,800	15,54,23,78,000
3-3	Subscribed and fully paid up Equity shares of ` 10 each with voting rights		1,55,42,37,800	15,54,23,78,000	1,55,42,37,800	15,54,23,78,000
Total			1,55,42,37,800	15,54,23,78,000	1,55,42,37,800	15,54,23,78,000

Notes:

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

Sl No	Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Closing Balance
	Equity shares with voting rights Year ended 31 March, 2020					
3-1-1	- Number of shares	1,55,42,37,800	-	-	-	1,55,42,37,800
3-1-2	- Amount (Rs)	15,54,23,78,000	-	-	-	15,54,23,78,000
	Year ended 31 March, 2020					
3-1-3	- Number of shares	1,55,42,37,800	-	-	-	1,55,42,37,800
3-1-5	- Amount (Rs)	15,54,23,78,000	-	-	-	15,54,23,78,000

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

Sl No	Class of shares / Name of shareholder	A/C Code	As at 31st Mar, 2020		As at 31st Mar, 2019	
			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		1,55,42,37,800	99.99%	1,55,42,37,800	99.99%

(iii) 1) Board of Directors of HESCOM at its 87th meeting held on 07.03.2019 accorded its approval to allot 34,31,70,000 Nos. of shares of Rs.10/- each amounting to Rs.3,43,17,00,000/- (Rupees three hundred forty-three crores and seventeen lakh only) being the equity given by Govt. of Karnataka towards capital projects of HESCOM in favor of his Excellency, Governor, State of Karnataka duly approving stamp duty, for issue of shares, amounting to Rs.17,15,850/- (Rupees seventeen lakh fifteen thousand eight hundred fifty only).

2) Until the appointed Company Secretary reports for duty and e-form INC-22A, DIR-12 is filed, the Central Government. (MCA Portal) does not accept the PAS-3 e-form. Formalities to complete the process of Allotment of Shares of Rs.343.17 Crores is pending with ROC.



Executive Engineer (EI)
RA Section
Corporate Office, Hescm
Navanagar, Hubballi - 580 025

(iv) Details of Authorised Share Capital

Sl.No	Year	Authorised Share Capital	Reference
1	2002-03	1,00,00,000	Company was incorporated with a share capital of Rs. 1 Cr as part of transfer scheme approved by GOK vide: GO No: DE 8 PSR 2002 DT: 31.05.2002 & DE 48 PSR 2003 DT: 31.05.2003
2	2003-04	1,00,00,000	
3	2004-05	2,50,00,00,000	2nd AGM held on 24th Dec 2004 at 1:00 PM at Registered Office of the Company Hubli increased by Rs.249 Crores.
4	2005-06	2,50,00,00,000	
5	2006-07	2,50,00,00,000	
6	2007-08	2,50,00,00,000	
7	2008-09	2,50,00,00,000	
8	2009-10	2,50,00,00,000	
9	2010-11	2,50,00,00,000	
10	2011-12	10,00,00,00,000	9th AGM held on 28th Sep 2011 at 1:00 PM at Registered Office of the Company Hubli increased by Rs.750 Crores.
11	2012-13	10,00,00,00,000	
12	2013-14	10,00,00,00,000	
13	2014-15	10,00,00,00,000	
14	2015-16	10,00,00,00,000	
15	2016-17	20,00,00,00,000	Extraordinary General Meeting of the Share holders of the company held on 2nd Feb 2017 at 12:00 noon at Corporate office HESCOM., Hubli increased by Rs.1,000 Crores.
16	2017-18	20,00,00,00,000	
17	2018-19	20,00,00,00,000	
18	2019-20	20,00,00,00,000	

Scheme wise Share Capital Contribution by GoK:

Sl.No.	Scheme	Rs. in Crores
1	NJY	188.81
2	Equity contribution GoK	1,039.26
3	SDP	125.61
4	Flood Effected	25.43
5	UNIP	44.00
6	SCP/TSP	111.47
7	Implementation of Distribution and Automation system in Municipal Corporation area of Karnataka State	4.50
8	Development of Software	15.00
9	Proposed Adjustment to Net Worth	0.16
Total		1,554.24

Share Application Money pending allotment represents amount received from GoK towards Share Capital:

Sl.No.	Scheme	Rs. in Crores
1	NJY	-
2	Equity contribution GoK	156.00
3	SDP	37.29
4	Flood Effected	-
5	UNIP	-
6	SCP/TSP	12.33
7	Implementation of Distribution and Automation system in Municipal Corporation area of Karnataka State	-
8	Development of Software	-
Total		205.62


Executive Engineer (EI)
 RA Section
 Corporate Office, Hescom
 Navanagar, Hubballi - 580 025





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

Note 4 Reserves and surplus

41

Sl No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs.	Rs.
4-1	Reserve for Material Cost Variance	56.610	43,74,09,558	43,74,09,558
	Opening balance			
	Add: Transferred during the year		(40,21,69,762)	-
	Closing balance		43,74,09,558	
4-2	Proposed Adjustments to Networth Reserve	52.307,308	3,52,39,796	43,74,09,558
	Opening balance		(11,54,30,724)	(11,54,30,724)
	Add: Additions / transfers during the year		59,15,20,698	-
	Closing balance		(11,54,30,724)	
4-3	Surplus / (Deficit) in Statement of Profit and Loss	58.200	47,60,89,974	(11,54,30,724)
	Opening balance		(19,55,76,69,153)	(26,45,75,85,221)
	Add: Profit / (Loss) for the year		(6,82,21,29,014)	6,89,99,16,068
	Closing balance		(19,55,76,69,153)	
Total			(25,86,84,68,397)	(19,23,56,90,319)

Note:

1) 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.47.61 Crores has been accounted under Proposed Adjustment to Net Worth, the proposal for (Rs. 11.54) Crores is already been sent to GoK for approval and Rs. 59.15 Crores is accounted during 2019-20 as such the approval of the same is pending as on the date of closure of the financial statements.

2) Reserve for Material Cost Variance represents the difference between Standard Rate and Purchase rate of Materials. During the year 2019-20, it has been identified that the amount of previous year and being adjusted against reserve.



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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
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Note 5 Long-term borrowings

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
5-1	Term loans (Refer Note (i) & (ii) below)			
	From banks			
	Secured	53.3, 53.9	1,27,61,29,368	1,18,53,52,453
	Unsecured	53.3, 53.9		
	From other parties		1,27,61,29,368	1,18,53,52,453
	Secured	53.3, 53.9	26,37,88,36,893	16,42,95,58,286
	Unsecured	53.3, 53.9	19,01,30,06,558	15,01,67,06,558
	Total		46,66,79,72,819	32,63,16,17,297

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

SI No	Particulars	Nature of Security	Terms of repayment	As at 31st Mar, 2020		As at 31st Mar, 2019	
				Secured	Unsecured	Secured	Unsecured
				Rs	Rs	Rs	Rs
	Term loans from banks: -						
	Secured						
5-1-1	Loan from Syndicate Bank(53.977)			-	-	-	-
5-1-2	Loan from State Bank of India Hubli(53.978)			34,04,36,612	-	-	-
5-1-3	Loan from Canara Bank, Hubli(53.981)			93,56,92,756	-	1,18,53,52,453	-
5-1-4	Total - Term loans from banks			1,27,61,29,368	-	1,18,53,52,453	-
	Term loans from other parties:						
5-1-5	Loan from Power Finance Corporation LTD - R-APDRP Scheme(53.961)			51,75,67,724	-	53,62,10,395	-
5-1-6	Loans drawn from REC in respect of ongoing SPA Scheme works by KPTCL for HESCOM(53.314)			20,14,93,42,245	-	14,88,00,10,519	-
5-1-7	Loans Released from GoK through KPTCL towards PMGY works(53.307)				1,30,08,558		1,67,06,558
5-1-8	APDRP - GOK Loan Payable to KPTCL(53.350)			15,53,21,366	-	20,97,21,366	-
5-1-9	APDRP - REC Loan Payable to KPTCL(53.351)				-	(20,45,05,842)	-
5-1-10	Loan from Power Finance Corporation Ltd., - KPTCL(53.960)			3,88,35,40,902	-	1,00,81,21,848	-
5-1-11	Loans drawn from GOK towards payment of power purchase cost and transmission charges(53.984)				19,00,00,00,000		15,00,00,00,000
5-1-12	Loans drawn from M/s Rural Electrification Corporation Ltd. towards DDUGJY Scheme(53.985)			1,32,84,12,143	-		
5-1-13	Loan drawn from M/s Power Finance Corporation Ltd. towards IPDS Scheme(53.987)			34,46,52,513	-		
	Total			26,37,88,36,893	19,01,30,06,558	16,42,95,58,286	15,01,67,06,558



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

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
	Term loans of Rs 200 Crores from Canara bank is guaranteed by GOK to the extent of Rs 150 Crores		93,56,92,756	1,18,53,52,453
	Total		93,56,92,756.00	1,18,53,52,453.00

43

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

SI No	Particulars	As at 31st Mar, 2020		As at 31st Mar, 2019	
		Period of default	Rs	Period of default	Rs
5-1	Loans repayable on demand from PFC				
	Principal			85 Days	2,06,16,61,795
	Interest			85 Days	19,20,00,529
	Principal				
	Interest				
5-2	Loans repayable on demand from REC				
	Principal			63 Days	91,98,05,084
	Interest			66 Days	62,26,52,410
	Principal				
	Interest				

Note- The above delays are only in respect of installments outstanding as at the year end.
(v) For the current maturities of long-term borrowings, refer Note 10-1 "Other current liabilities"



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Hubballi - 580 025

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STATEMENT SHOWING CHARGE CREATION AND LOAN BALANCES AS ON 31.03.2020

Sl. NO.	Name of the Bank/Financial Institution	A/C Code	Charge Creation ID & Date	Tenure of Loan	No. of Installments	Repayment terms	Rate of Interest as on 31.03.2020	Opening Balance as on 01.04.2019	Loans Drawn During 2019-20	TOTAL LOANS	Repayment of Loan During 2019-20	Loan Balance as on 31.03.2020
Term Loan Secured												
A												
Loans from Commercial Banks												
1	Canara Bank-Capex (Secured by Hypothecation of against Created Asset)	53.9817/78.567	10153315/31.03.2009	3+12	48	Qty repayment & Last installment due on 31.03.2024	11.5	35,41,58,546.00		35,41,58,546.00	8,28,58,799.00	27,12,99,747.00
2	Canara Bank-Capex (Secured by Hypothecation of against Created Asset)	53.9817/78.567	10248180/20.09.2010	9+12	48		11.5	1,08,11,93,907.00		1,08,11,93,907.00	16,68,00,898.00	91,43,93,009.00
3	Syndicate Bank -PP (Secured by Receivables against HESCOM Revenue)	53.9777/78.563	10578552/29.06.2015	3	35	BULLETT			90,00,00,000.00	90,00,00,000.00		90,00,00,000.00
4	Syndicate Bank/STATE BANK OF INDIA Over Draft (Secured by Receivables against HESCOM Revenue)	50.140/50.110/78.568	-			Overdraft Account	11.3	1,53,33,61,005.35	2,40,99,21,850.82	4,34,32,82,856.17	3,45,77,98,835.14	88,54,84,021.03
5	State Bank of India -PP (Secured by Receivables against HESCOM Revenue)	53.978/78.564	-	3	36	Monthly	10.5		90,00,00,000.00	90,00,00,000.00	25,79,63,388.00	64,20,36,612.00
6	State Bank of India -PP (Secured by Receivables against HESCOM Revenue)	53.978/78.564	-	3	1	BULLETT	10.5		1,00,00,00,000.00	1,00,00,00,000.00	1,00,000.00	99,99,00,000.00
7	State Bank of India -PP (Secured by Receivables against HESCOM Revenue)	53.978/78.564	-	3	1	BULLETT	10.5		15,00,00,000.00	15,00,00,000.00	15,00,000.00	14,85,00,000.00
								3,36,87,13,458.35	5,35,99,21,850.82	8,72,86,35,309.17	3,96,70,21,920.14	4,76,16,13,389.03
B												
LOANS FROM OTHER FINANCIAL INSTITUTIONS												
1	PFC BLC Long Term Loan PFC 100 Cr A/c No:32624001	53.960/78.584	100055332/22.05.2016	1+15	60	Qty repayment	11.25	93,27,58,622.00		93,27,58,622.00	8,47,70,115.00	84,79,88,507.00
2	PFC BLC Long Term Loan PFC 200 Cr A/c No:32624002	53.960/78.584	100086914/07.03.2017	1+15	60	Qty repayment	11	1,63,36,72,201.00		1,63,36,72,201.00	14,07,84,148.00	1,49,28,88,053.00
3	PFC Flexi 200 Cr A/c No:32674009	53.960/78.584	H06756860/08.08.2018	1	1	Monthly	11	2,00,00,00,000.00		2,00,00,00,000.00	2,00,00,00,000.00	-
4	PFC Flexi 190 Cr A/c No:32624010	53.960/78.584	H06753545/08.08.2018	1	1	BULLETT		1,90,00,00,000.00		1,90,00,00,000.00	1,90,00,00,000.00	-
5	PFC Medium Term Loan PFC 416 Cr A/c No:	53.960/78.584		36	36	Monthly	11.75		4,15,80,58,610.00	4,15,80,58,610.00	1,03,95,14,652.00	3,11,85,43,958.00
6	PFC IPDS	53.960/78.584				Qty repayment	10		35,09,80,000.00	35,09,80,000.00	63,27,487.00	34,46,52,513.00
7	PFC(R-APDRP Part A)	53.961/78.585	10280700/07.03.2017		64	Monthly	11.5	41,88,91,866.00		41,88,91,866.00		41,88,91,866.00
8	PFC(R-APDRP Part B)	53.961/78.585	10280697/29.03.2011		64	Monthly	11.5	11,73,18,529.00		11,73,18,529.00	1,61,29,891.00	10,13,88,638.00
9	REC STATIONS-Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	11.9	24,07,74,192.94		24,07,74,192.94	13,51,23,930.00	10,56,50,262.94
10	REC-RGGVY Scheme Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	9.5	9,18,45,280.00		9,18,45,280.00	4,52,09,770.00	4,66,35,510.00


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 RA Section
 Corporate Office, Hescm
 Navanagar, Hubballi - 580 025



Sl. NO.	Name of the Bank/Financial Institution	A/C Code	Charge Creation ID & Date	Tenure of Loan	No. of Installments	Repayment terms	Rate of Interest as on 31.03.2020	Opening Balance as on 01.04.2019	Loans Drawn During 2019-20	TOTAL LOANS	Repayment of Loan Durng 2019-20	Loan Balance as on 31.03.2020
11	AICSR -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	100027946/25.04.2016	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	31,92,53,505.71		31,92,53,505.71	14,74,84,638.66	17,17,68,867.05
12	DTC Metering -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	0.1225	71,47,28,067.18	5,48,38,724.78	76,95,66,791.97	7,28,90,331.00	69,66,76,460.97
13	Additional DTC -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	42,56,85,310.70		42,56,85,310.70	4,25,66,531.00	38,31,16,779.70
14	IP Set -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	12	27,35,41,280.00		27,35,41,280.00	13,67,70,640.00	13,67,70,640.00
15	RLMS -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	12	18,90,44,559.28		18,90,44,559.28	9,45,22,277.14	9,45,22,282.14
16	REC NY I -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	10327359/13.12.2013	3+10	10 ANNUAL INSTALLMENTS	YEARLY	11	92,09,30,993.84		92,09,30,993.84	13,15,61,573.00	78,93,69,420.84
17	REC NY II -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	10444537/29.07.2013	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.5	89,95,71,131.83		89,95,71,131.83	13,47,10,220.00	76,48,60,911.83
18	REC NY III -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	10514059/17.07.2014	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	86,64,16,607.85	54,15,65,441.73	1,20,79,82,049.58		1,20,79,82,049.58
19	Reconductorng -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	11	1,28,82,42,358.17		1,28,82,42,368.17	20,38,68,059.00	1,08,43,74,309.17
20	BI/KU -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	11	12,10,10,156.50		12,10,10,156.50	1,34,45,573.00	10,75,64,583.50
21	UNIP -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	100028003/25.04.2016	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12	4,79,46,83,850.09	1,57,78,18,856.81	6,37,25,02,706.90	10,68,24,155.00	6,26,56,78,551.90
22	UG CABLE -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	10525916/26.09.2014	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	1,18,96,27,499.70	46,47,40,299.90	1,65,43,67,799.60	14,86,56,942.00	1,50,57,10,857.60
23	UG CABLE BELGAVI -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	10525916/26.09.2014	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	1,82,60,49,008.41	1,61,13,15,610.61	3,43,73,68,619.02	28,17,47,744.31	3,15,56,20,874.71
24	REC THERMOGRAPHY-Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	100049220/18.08.2016	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	9,49,52,418.30		9,49,52,418.30		9,49,52,418.30
25	REC NUMERICAL RELAYS IP SETS-Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	4,23,29,343.83	5,15,73,952.39	9,39,03,296.22		9,39,03,296.22
26	REC STATIC METER -Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540	10551711/31.01.2015	3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	71,58,81,776.35	46,53,31,352.42	1,18,12,13,128.78		1,18,12,13,128.78


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 Navanagar, Hubballi - 580 025



Sl. NO.	Name of the Bank/Financial Institution	A/C Code	Charge Creation ID & Date	Tenure of Loan	No. of Installments	Repayment terms	Rate of Interest as on 31.03.2020	Opening Balance as on 01.04.2019	Loans Drawn During 2019-20	TOTAL LOANS	Repayment of Loan During 2019-20	Loan Balance as on 31.03.2020
27	REC GANGA KALYANA IP SETS 2016-17 Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	59,69,06,364.59		59,69,06,364.59		59,69,06,364.59
28	REC GANGA KALYANA IP SETS 2017-18 Capex (Secured by Hypothecation of against Created Asset)	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	12.25	70,74,41,845.09		70,74,41,845.09		70,74,41,845.09
29	REC 33/11KV Sub Station and Constructions Athani, Raibag, Bagalkot, Dharwad Rural	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	10.75	8,62,37,523.52	7,42,10,101.98	16,04,47,625.50		16,04,47,625.50
30	REC DOUGHY	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	10.5		1,32,84,12,142.52	1,32,84,12,142.52		1,32,84,12,142.52
31	REC PMREA	53.314/78.540		3+10	10 ANNUAL INSTALLMENTS	YEARLY	10.9		67,78,06,823.15	67,78,06,823.15		67,78,06,823.15
32	REC - MTL 100 Crores 46111906-Capex (Secured by Hypothecation of Asset)	53.314/78.540	100091884/28.03.2017	3	36	Monthly	12	41,66,66,671.00		41,66,66,671.00	41,66,66,671.00	
33	REC - MTL 150 Crores 46114280-Capex (Secured by Hypothecation of Asset)			3	36	Monthly	11.5	1,24,99,99,998.00		1,24,99,99,998.00	1,24,99,99,998.00	
34	REC - MTL 100 Crores 46112246-Capex (Secured by Hypothecation of Asset)	53.314/78.540	100086733/04.03.2017	3	36	Monthly	12	41,66,66,670.00		41,66,66,670.00	41,66,66,670.00	
35	REC MTL 100 Cr A/C No: 46113218 - Capex (Secured by Hypothecation of Asset)	53.314/78.540	100129146/25.09.2017	3	36	Monthly	9.85	58,33,33,340.00		58,33,33,340.00	41,66,66,662.00	16,66,66,678.00
36	REC MTL 100 Cr A/C No: 46113329 - Capex (Secured by Hypothecation of Asset)	53.314/78.540	100134890/23.10.2017	3	36	Monthly	9.85	61,11,11,108.00		61,11,11,108.00	41,66,66,568.00	19,44,44,440.00
37	REC -Medium Term Loan 100 Cr Scheme Code 4613447-Capex (Secured by Hypothecation of Asset)	53.314/78.540	100148851/28.12.2017	3	36	Monthly	9.85	66,66,66,667.00		66,66,66,667.00	41,66,66,672.00	24,99,99,995.00


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 RA Section
 Corporate Office, Hesco
 Navanagar, Hubballi - 580 025



Sl. NO.	Name of the Bank/Financial Institution	A/C Code	Charge Creation ID & Date	Tenure of Loan	No. of Installments	Repayment terms	Rate of Interest as on 31.03.2020	Opening Balance as on 01.04.2019	Loans Drawn During 2019-20	TOTAL LOANS	Repayment of Loan During 2019-20	Loan Balance as on 31.03.2020
38	REC MTL Rs.75 Cr A/C No: 4613722-Capex (Secured by Hypothecation of Asset)	53.314/78.540		3	36	Monthly	9.85	56,25,00,003.00		56,25,00,003.00	31,25,00,001.00	25,00,00,002.00
39	REC STL Rs.100 Cr A/C No: 4613755-Capex (Secured by Hypothecation of Asset)	53.314/78.540		1	1	BULLET	9.85	1,00,00,00,000.00		1,00,00,00,000.00	1,00,00,00,000.00	
40	REC STL Rs.150 Cr. 428151280Capex (Secured by Hypothecation of Asset)	53.314/78.540		1	12	Monthly	12		1,50,00,00,000.00	1,50,00,00,000.00	1,25,00,00,000.00	25,00,00,000.00
41	REC MTL Rs.150 Cr A/C No: 46115472/30 09 2019 Capex (Secured by Hypothecation of Asset)	53.314/78.540		3	36	Monthly	13		1,50,00,00,000.00	1,50,00,00,000.00	25,00,00,002.00	1,24,99,99,998.00
42	REC STL Rs.150 Cr. 42815048 Capex (Secured by Hypothecation of Asset)	53.314/78.540		1	12	Monthly	11.75		1,50,00,00,000.00	1,50,00,00,000.00		1,50,00,00,000.00
43	REC MTL Rs.150 Cr A/C No:46115847 Capex (Secured by Hypothecation of Asset)	53.314/78.540		3	36	Monthly	12.5		1,50,00,00,000.00	1,50,00,00,000.00		1,50,00,00,000.00
44	EPTCL (APORP counter part funding)	53.351/78.592		10	10	YEARLY	9.5	20,45,05,842.00	20,45,05,842.00			
45	GOK APORP SCHEME	53.350/78.591		20	20	YEARLY	11.5	26,41,21,366.00		26,41,21,366.00	5,44,00,000.00	20,97,21,366.00
46	GOK LOAN FOR POWER PURCHASE Rs1500 cr	53.9847/78.5977		20	15	YEARLY		15,00,00,00,000.00		15,00,00,00,000.00		15,00,00,00,000.00
47	GOK LOAN FOR POWER PURCHASE Rs400 cr	53.9847/78.5977		20	5	YEARLY			4,00,00,00,000.00	4,00,00,00,000.00		4,00,00,00,000.00
48	KREDEL 20.02.2019 STL	53.9057/78.5987		6	1	BULLET	8.55	2,50,00,00,000.00		2,50,00,00,000.00	40,00,00,000.00	2,10,00,00,000.00
49	PMGY Scheme	53.307/78.546		20	20	YEARLY	12	2,04,06,558.00		2,04,06,558.00	37,00,000.00	1,67,06,558.00
								46,49,47,60,840.90	21,36,11,61,758.29	67,85,59,22,599.19	13,48,68,44,021.11	54,36,90,78,578.08
								49,86,34,74,299.25	26,72,10,83,609.11	76,58,45,57,908.36	17,45,38,65,941.25	59,13,06,91,967.11

Executive Engineer (EI)
RA Section
Corporate Office, Hescor
Navanagar, Hubballi - 580 025





M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
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Note 6 Other long-term liabilities

48

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
6 -1-1	Others:		-	-
6 -1-1-1	Other Deposits from Consumers	47.6 + 46.966	51,25,63,053	48,63,00,682
6 -1-1-2	Security Deposit from consumers:	48.1	8,19,72,64,958	7,49,97,18,000
			8,70,98,28,011	7,98,60,18,682
6 -1-1-1	Security Deposit from Employees	46.920	19,895	1,26,496
6 -1-1-2	Payable to GOK - BRP II from Consumers	46.204 to 46.208	40,19,647	40,19,647
	Total		8,71,38,67,553	7,99,01,64,825

Note: The balance of Consumers security deposits held as per Accounts and Consumer Ledger accounts are subject to reconciliation.



Executive Engineer (EI)
RA Section
Corporate Office, HESCOM
Navanagar, Hubballi - 580 025

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Note 6 Other long-term liabilities

49

Sl No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
6 -1-1	Others:			
6 -1-1-1	Other Deposits from Consumers	47.6 + 46.966	51,25,63,053	48,63,00,682
6 -1-1-2	Security Deposit from consumers:	48.1	8,19,72,64,958	7,49,97,18,000
			8,70,98,28,011	7,98,60,18,682
6 -1-1-1	Security Deposit from Employees	46.920	19,895	1,26,496
6 -1-1-2	Payable to GOK - BRP II from Consumers	46.204 to 46.208	40,19,647	40,19,647
	Total		8,71,38,67,553	7,99,01,64,825

Note: The balance of Consumers security deposits held as per Accounts and Consumer Ledger accounts are subject to reconciliation.




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

50

Note 7 Long-term provisions

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs.	Rs
7-1	Provision for employee benefits:			
7-1-1	Provision for compensated absences	46.430	1,20,98,96,834	1,02,42,97,313
7-1-2	Provision for employee benefits (FBF)	44.142	7,99,58,301	7,46,37,263
	Total		1,28,98,55,135	1,09,89,34,576

Note: The provision for Liability in respect of Earned Leave Encashment(Compensated Absences) and Family Benefit Fund is created on the basis of Acturial valuation as per AS 15(revised 2005) as prescribed in the Companies(Accounting Standards) Rules, 2006.




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RA Section
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Note 8 Short-term borrowings

51

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
8 -1	Loans repayable on demand from Banks Secured(CC)	50.1	88,54,84,021	1,93,33,61,005
	Unsecured - Others	53.985	2,10,00,00,000	2,50,00,00,000
	Total		2,98,54,84,021	4,43,33,61,005

Note: The GOK vide order no EN/73/NCE/2019/Dated:15.02.2019 accorded extension of Short Term Loan to HESCOM. The loan amount of Rs.250 Crores..was released to HESCOM on 20.02.2019 after signing prescribed agreement. However, an amount of Rs.40 Crores is already repaid and remaining balance of Rs.210 Crores is outstanding as on 31.03.2020 for which penal interest of 2% is being serviced along with regular interest of 8.55%.



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PB ROAD, NAVANAGAR, HUBLI - 580 025.

52

Note 9 Trade payables

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
9-1	Sundry Creditors for Purchase of Power - Others	41.1 to 41.5	36,06,57,01,469	34,17,91,84,892
9-1-1	Provision for Liability for Purchase of Power	41.200	7,17,39,48,979	10,62,69,94,330
9-1-2	Provision for Liability for Interest on belated Payment of Purchase of Power	41.200	12,89,63,84,704	10,93,50,52,882
9-2	Sundry Creditors for Purchase of Power - (ESCOMS)	42.230, 42.256, 42.258, 42.282	14,53,31,02,922	14,53,31,02,922
Total			70,66,91,38,074	70,27,43,35,026

Note: 1) Letter of Credit Issued.

As per the conditions of power purchase agreements entered with various power generators company has provided LC's to Generators as a payment security and availing rebate as per the rebate clause status of LC's provided as on 31.03.2020 is furnished as below.

SI.No	Name of the Bank	Comprehensive LC Limit (Rs. in Crores)	Amount of LC availed (Rs. in Crores)	Balance of LC limit available out of comprehensive LC as on 31-03-2020 (Rs. in Crores)
1	State Bank of India	150	147.31	2.69
2)	Transmission charges have been accounted at Rs. 1,33,644/- per MW of installed capacity of 4340 MW for FY 2019-20.			



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Navanagar, Hubballi - 580 025



Sl No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
10-1	Current maturities of long-term debt (Refer Note below)		9,47,72,35,128	12,79,84,95,998
10-2	Interest accrued but not due on borrowings	48 710	18,99,81,890	12,81,33,007
10-3	Interest accrued but not due on Consumers on Security Deposits	48.340,350	51,87,99,518	49,59,09,282
10-4	Other payables:			
10-4-1	Liability for Supplies/Works	42.101,201,301,401, 501 & 701	4,65,57,71,005	4,62,77,87,691
10-4-2	Security Deposit from Suppliers/contractors	46.101,102,103,104, 107,108 & 109	2,41,55,93,381	2,67,85,94,251
10-4-3	Liability for Inter Company Transactions	42.214 to 42 282	3,52,88,86,320	3,51,37,23,955
10-5	Staff Related Liabilities and Provisions			
10-5-1	Provision for payment to Pension trust(Pension & Gratuity)	44.122	1,81,12,38,692	95,35,14,282
10-5-2	Unpaid Salaries	44.210	19,301	1,86,102
10-5-3	Unpaid Bonus	44.220	1,40,322	1,20,328
10-5-4	Salary payable	44.310,311	3,49,31,941	3,19,54,660
10-5-5	Salary payable to contract Revenue Asst. (Physically Challenged Candidates)	44.312	5,59,476	17,58,931
10-5-6	Bonus payable	44.320	50,89,213	90,23,580
10-5-7	Ex-gratia payable	44.330	6,48,76,503	6,23,39,409
10-6	Statutory remittances:			
10-6-1	Electricity tax and other levies payable to Government.	46.300	42,79,16,881	43,90,73,223
10-6-2	Compounding Fee payable to Govt.	46.301	1,43,27,325	1,67,75,734
10-6-3	ESI	(46.991+46.992)	2,03,083	13,70,669
10-6-4	Taxes such as Sales Tax, Income Tax, Service Tax, etc., deducted at source and payable to Government. & Swachh Bharat Cess on taxable services w.e.f. 15th November, 2015. & Krishi Kalyan Cess on taxable services w.e.f 1st June, 2016.	(46.921,924,925,926,927, 930,931 & 942)	18,70,76,261	10,40,87,988
10-6-5	Goods and Service Tax (GST)	(46.932,933,934,984,985, 986,987,988,989,990,993, 994,995,996,997)	44,21,14,118	21,01,74,207
10-6-6	Amount recoverable from salaries of corporation employees & payable to other departments	46.928	75,03,499	53,58,700
10-6-7	Pension Contribution recovered from employees	46.952	2,34,44,511	28,69,223
10-6-8	Amount recovered from Employees & payable to Employees welfare Trust towards Employees contribution	46.956	85,63,052	85,63,052
10-6-9	Employees PF and Departmental share of PF payable account	46.957 & 46.958	5,36,454	4,24,643
10-7	Others			
10-7-1	Expenses Payable	46.400,410,411,430,440,4 41,450,460,470	79,39,33,591	1,68,21,46,169
10-7-2	Excess credit afforded by Bank Pending reconciliation	46.971,972,974,975,979 & 980	16,09,68,454	13,84,98,119
10-7-3	Advance received for sale of stores scrap etc.,	48.922	-4,26,652	30,54,001
10-7-4	Un-issued Cheques & Cheques in Transit	46.910 & 46.911	8,94,338	32,92,256
10-7-5	Recovery from employee towards FBF	44.140,141,142 & 143	-	10,52,24,171
10-7-6	Provision for defined benefit plans (NDCPS)	44.150	4,27,37,643	32,77,061
10-7-7	Advance paid to SPPCC towards UI Charges/Administrative charges	28.945 & 28.948	27,87,84,800	27,83,39,473
	Total		25,07,16,80,040	28,50,38,70,391

Note:

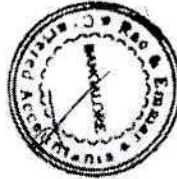
- 1) Electricity taxes: The Electricity tax collected from consumers and payable to GOK during FY-2019-20 is Rs. 228.25 Crores out of this GOK has Adjusted Rs. 246.62 Crores to tariff subsidy receivable from GOK during the year.
- 2) As per KERC, Interest on Security Deposit Regulation 2005, the provision towards interest on consumer security deposit/meter security deposits payable to LT & HT consumers during first quarter of succeeding year at the fixed rate of interest on par with bank rates notified by Reserve Bank of India prevailing on 1st of the financial year for which interest is due at 5.50% is created duly deducting applicable TDS amount. As per the Government Order No. Energy 172 PSR 2020, Bangalore dated 22.06.2020 Deferment of collection of Additional Security Deposit (ASD) from the consumers and payment of Interest on Security Deposit (IOD) to the consumers is deferred due to COVID-19 pandemic in the state of Karnataka and to mitigate the impact of imposition of COVID-19 lockdown till 30.09.2020.
- 3) No separate fund and Bank balance is kept for Family Benefit Fund.



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Note: Current maturities of long-term debt

Sl No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
10 -8	Term loans From banks Secured			
10 -8-1	Loan from Syndicate Bank	53.977	90,00,00,000	
10 -8-2	Loan from State Bank of India Hubli by HESCOM	53.978	1,45,00,00,000	
10 -8-3	Loan from Canara Bank, Hubli by HESCOM	53.981	25,00,00,000	25,00,00,000
10 -9	From other parties Secured		2,60,00,00,000	25,00,00,000
10 -9-1	Loan from Power Finance Corporation LTD - R-APDRP Scheme.	53.951	25,12,780	
10 -9-2	Loans drawn from REC in respect of ongoing SPA Scheme works by KPTCL for HESCOM.	53.314	5,24,07,42,732	7,03,20,87,023
10 -9-3	Unsecured			
10 -9-4	Loans Released from GoK through KPTCL towards PMGY works	53.307	37,00,000	37,00,000
10 -9-5	APDRP - GOK Loan Payable to KPTCL	53.350	5,44,00,000	5,44,00,000
10 -9-6	Loan from Power Finance Corporation Ltd., - KPTCL	53.960	1,57,58,79,616	5,45,83,08,975
	Total		6,87,72,35,128	12,54,84,95,998
			9,47,72,35,128	12,79,84,95,998




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

55

Note 11 Short-term provisions

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
11-1	Provision for employee benefits (Leave Encashment)	46.430	28,31,53,600	26,49,63,947
11-2	Provision - Others:			
11-2-1	Provision for loss on written off of cash found short	46.965	67,463	67,463
11-2-2	Provision for other employee benefits - FBF	44.142	73,74,461	70,77,958
	Total		29,05,95,524	27,21,09,368




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Note 12 A Tangible Assets

Sl No	Tangible assets	A/C Code	Gross Block				A/C Code	Rate %	Accumulated depreciation and impairment			Net block	
			Balance as at 1 April, 2019	Additions	Disposals	Balance as at 31 March, 2020			Balance as at 1 April, 2019	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2020	Balance as at 31 March, 2019
			Rs	Rs	Rs	Rs			Rs	Rs	Rs	Rs	Rs
12-1	Land Freehold	10.1	18,20,96,166	5,34,19,332	-	21,55,15,498	12.1	-	-	-	-	21,55,15,498	18,20,96,166
12-2	Buildings	10.2	1,33,82,71,448	18,87,86,286	1,39,77,052	1,52,30,60,683	12.2	3.34	32,11,91,077	4,72,86,790	4,06,385	39,80,71,473	1,15,49,89,210
12-3	Hydraulic Works	10.3	4,75,19,187	28,20,697	-	5,04,39,884	12.3	5.28	1,79,48,451	24,64,519	0	2,04,10,985	3,00,28,919
12-4	Other Civil Works	10.4	5,35,57,387	91,93,390	-	6,27,50,777	12.4	3.34	1,06,34,860	18,18,799	-	1,24,53,660	4,29,22,527
12-5	Plant and Equipment	10.5	11,55,79,92,120	3,42,39,12,754	2,55,85,28,332	12,42,33,76,541	12.5	5.28	2,86,70,80,947	89,53,08,362	53,30,62,934	3,02,93,26,375	9,39,40,50,166
12-6	Line Cable Networks	10.6	48,67,43,22,517	11,62,09,97,957	1,02,87,22,239	59,26,85,98,235	12.6	5.28	10,29,29,85,000	2,67,26,08,225	1,97,69,57,896	11,08,85,33,327	48,18,00,54,908
12-7	Vehicles	10.7	8,78,60,972	22,17,108	6,05,920	8,94,73,060	12.7	9.50	5,18,94,483	30,62,047	5,07,883	5,44,48,047	3,53,24,213
12-8	Furniture and Fixtures	10.8	7,38,11,398	38,43,105	2,44,384	7,74,10,118	12.8	6.33	5,80,54,046	7,64,02,152	1,12,429	13,33,43,789	5,59,33,851
12-9	Office equipment	10.9	5,07,55,900	6,31,55,154	1,85,066	13,43,536	12.9	6.33	1,14,39,564	11,54,702	2,00,113	1,23,85,153	3,99,73,818
12-10	Land Lease hold	#	15,28,602	-	-	-	12.1	6.33	-	-	-	-	13,43,536
	Total		82,04,78,15,697	18,37,83,15,763	3,68,18,14,877	73,76,43,17,403			13,63,13,26,408	3,49,00,03,395	2,41,12,58,435	14,71,89,73,669	59,04,53,45,634
	Less: Contributions, grants and subsidies towards cost of Capital assets		(17,38,60,28,402)	-	-	(20,50,82,73,463)							48,41,65,89,245
	Previous year		54,18,30,31,375	10,28,45,93,467	2,43,61,01,548	62,04,78,15,693			12,13,42,83,399	1,95,12,76,717	45,44,33,708	13,83,12,26,408	45,41,65,89,246

Depreciation and amortisation relating to continuing operations:

Sl No	Particulars	For the year ended	For the year ended
		31-Mar-20	31-Mar-19
12-4	Depreciation and amortisation for the year on tangible assets as per Note 12 A	3,49,90,03,595	1,95,13,76,717
	Less: Utilised from revaluation reserve	-	-
	Depreciation and amortisation relating to continuing operations	3,49,90,03,595	1,95,13,76,717

Inadvertently in the preceding years lease hold land was accounted as free-hold land and now same is rectified. The Capital Grants received from Government and consumer contribution towards cost of capital assets aggregating to Rs.2050.83 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.108.26 Crs duty passing a journal entry at Head Office.

12A1. Contributions, grants and subsidies towards cost of Capital assets

Sl No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
12-B-1	Capital Grants			
	Opening balance	55.1, 55.3	19,60,30,99,507	16,70,50,82,660
12-B-2	Add: Received during the year		3,27,27,73,825	3,59,80,06,647
	Closing balance		22,87,58,73,332	19,60,30,99,507

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

Sl No	Particular	A/c Code	For the year ended	
			As at 31st Mar, 2020	As at 31st Mar, 2019
12-B-1	Consumers contribution towards cost of capital	55.1	16,77,72,71,275	13,46,98,97,442
12-B-2	Grants towards Cost of Capital assets	55.3	7,04,86,02,057	6,13,32,02,065
	Total		22,82,58,73,332	19,60,30,99,507

Executive Engineer (EJ)
RA Section
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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
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12 B. CAPITAL WORKS IN PROGRESS

Sl No	Particulars	A/C Code	For the year ended	
			31-Mar-20	31-Mar-19
			Rs	Rs
12-C-1	Capital Work in Progress			
		14.110 To 14.150	75,48,72,840	75,57,26,668
		14.151 To 14.426	6,06,77,33,953	6,13,37,96,943
		14.430 to 14.910	5,84,80,090	7,22,45,207
	CWIP Categorized	14.906 & 14.907	-12,28,77,437	-41,51,14,590
	Sub Total		7,35,82,16,048	8,54,06,52,228
12-C-2	Completed works (to be categorised).	15.5	1,30,51,23,093	70,76,82,376
	Written down value of Faulty/Dismantled Assets	16.2	35,99,08,282	27,89,28,930
	Consumers contribution towards cost of capital	55.1	(2,31,75,92,865)	(2,21,70,74,105)
			6,79,56,47,552	5,31,61,87,429

Note: 1) During FY-2019-20 Rs.90.52 Crores Assets has been created out of Consumer Contributions of Rs. 322.28 Crores and difference amounting to Rs. 231.76 Crores is depicted under capital works in progress. Further total asset created out of Grants and Consumer contribution up to 31.03.2020 to the tune of Rs. 2050.83 Crores is reduced from total assets as per AS 12.
2) An amount of Rs.67.44 Crores in Account code 55.1 includes Grant of Flood related activities.

12 C. Intangible assets:

Sl No	Particulars	A/C Code	For the year ended	
			31-Mar-20	31-Mar-19
			Rs	Rs
12-13	Software acquired / Purchased for internal use	18.101 & 18.102	17,25,19,814	10,50,62,893
			17,25,19,814	10,50,62,893

Note - Land owned under full titles (A/c Code 10.101) includes the following lands which are under correspondence/dispute and case is before Court

Sl. No.	Name of the place	Survey/ Cts No.	Area	Remarks
Basavanna Bagewadi Division (Basavanna Bagewadi Sub Division)				
1	33 KV Sub Station at Malaghan	155/2A 155/2B	5 Acres	Land acquired through Bijapur Municipality. Upgraded to 110 KV Station. Matter pending in court.

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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
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Note 13 Non-current investments

58

Sl No	Particulars	As at 31st Mar, 2020			As at 31st Mar, 2019		
		Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
13 -1	Investments (At cost):						
	Non Trade investments						
13 -1-1	Investment in equity instruments (give details separately for fully / partly paid up instruments) Controlled special purpose entities						
	i) M/s. Power Company of Karnataka Ltd (PCKL) (PTC-20.271) (25098 Equity Shares of Rs. 1000 Each)	-	1,00,000	1,00,000	-	2,51,00,000	2,51,00,000
	ii) M/s. Priyadarshini Jurala Hydro Electric Project (PTC-20.272)	-	14,00,00,000	14,00,00,000	-	14,00,00,000	14,00,00,000
	Total	-	14,01,00,000	14,01,00,000	-	16,51,00,000	16,51,00,000
	Aggregate amount of unquoted Investments			14,01,00,000			16,51,00,000

Note: PCKL has reduced the Share Capital and refunded the same ESCOMs vide their Board Resolution No. 57/09 dtd: 25.09.2019 and letter No.: PCKL/AS/A70/709/09-10/281 dtd: 07.05.2020.

Two equity shares worth of Rs.1,000 each are held in the name Managing Director, PCKL against the nominee of HESCOM. However, these shares will be issued in the name of HESCOM by PCKL shortly as per oral discussion had with PCKL authorities.



Executive Engineer (EI)
RA Section
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Navanagar, Hubballi - 580 025

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M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
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59

Note 14 Long-term loans and advances

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
14 -1	Capital advances			
14 -1-1	Secured, considered good	25.501, 502 & 507	38,65,273	80,53,279
	Cash Advance	26.601, 602 & 603	51,57,42,982	67,20,23,007
	Material Advance	26.605	1,75,08,21,470	3,15,85,75,510
14 -2	Deposit with Government			
14 -2-1	Secured, considered good	28.930,933,935	10,02,65,898	11,06,75,597
	Total		2,37,06,95,623	3,94,93,27,393

Note:

1) Arbitration on suit filed against the Company by Contractor. Matter pending at Hon'ble City Civil Session Judge Bangalore (Amount Claimed by Contractor Rs.31.05 Crores less Amount Payable as per Company Rs.3.22 Crores.

2) The Company had filed an appeal before the Joint Commissioner of Commercial Tax (Appeal), Hubli against the sales tax demand raised of Rs.9.90 crs for the period from 2005-06 to 2009-10 by the Asst. Commissioner of Commercial Taxes, Hubli by depositing Rs.3.15 Crores towards preferring Appeal which is included in item (14-2-1) above. The said Appeal was finalised and ordered on 18.04.2019 in favour of HESCOM and ordered for refund the deposit amount as per applicable norms.



Executive Engineer (EI)
RA Section
Corporate Office, HescoM
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(3) Manager (Accounts)
RA Section
Corporate Office, HESCOM
Navanagar, Hubballi - 580 025



Note 15 Other non-current assets

Sl No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
15 -1	Long-term trade receivables			
15 -1-1	Subsidy receivable from GOK Unsecured, considered good	28.611,613,615,6 16,617,618,620 & 621	5,66,72,96,431	5,66,72,96,431
15-1-2	Amount receivable from Government against waiver of IP sets dues in respect of IP sets Consumers who have paid the IP sets Dues during the year 2001-02 and 2002-03.	28.614	53,65,56,915	53,65,56,915
15 -1-1	Amount receivable from Karnataka Power Loom Development Board – GOK towards Special Nekar Package Scheme.	28.619	51,34,81,560	34,31,57,995
15 -2	Inter Company Transactions	28.918,919, 920,921,922, 924,926 & 928	2,99,81,429	2,44,78,113
15 -3	Regulatory Asset-KERC	28.908	12,86,46,78,952	21,23,49,90,591
	Total		19,61,19,95,287	27,80,64,80,045

Note: Subsidy receivable from GoK includes:

(i) an amount of Rs.341.83 Crores account code 28.620 towards Rural Electrification 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 Crores is shown as receivable from GOK under account code 28.614.

Note 16 Current investments

Sl No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
16-1	-----		-	-
16-2	-----		-	-
16-3	-----		-	-
16-4	-----		-	-



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

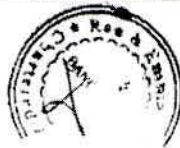
Note 17 Inventories

61

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
17 -1	Stores and spares	22.610, 641, 660, 700, 810, 820 & 16.1	1,51,61,40,254	1,62,28,21,946
17 -2	Goods-in-transit	22.450	2,21,214	2,04,188
Total			1,51,63,61,468	1,62,30,26,134

Details of Inventories are as below

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
17 -2-1	Materials Transferred within the Division	22.450	2,21,214	2,04,188
17 -1-1	Materials Stock Account	22.610	1,45,67,85,894	1,59,17,94,461
17 -1-2	Material imprest Account	22.641	1,23,13,846	14,54,101
17 -1-3	Materials pending Inspection	22.660, 680	15,86,125	41,12,198
17 -1-4	Obsolete Materials Account	22.710, 720, 730, 731, 760	(29,86,17,766)	(16,23,41,828)
	Materials stock Excess / Shortage Pending Investigation.			
17 -1-5	Stock Excess pending Investigation.	22.810	(19,71,126)	(39,21,255)
17 -1-6	Stock Shortage pending investigation.	22.820	91,46,551	27,26,972
	Assets not in use		1,17,94,64,738	1,43,40,28,837
17 -1-7	Written down value (WDV) of obsolete / scrapped assets.	16.102, 103, 104, 105, 106, 107, 109	33,68,96,730	18,89,97,297
Total			1,51,63,61,468	1,62,30,26,134



Executive Engineer (EI)

RA Section

Corporate Office, Hescom

Navanagar, Hubballi - 580 025

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

Note 18 Trade receivables Against Supply of Power

62

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
18 -1	Outstanding for a period less than six months from the date they were due for payment			
18 -1-1	Unsecured, considered good	23.1, 23.2, 23.3 & 23.7	18,68,05,13,400	15,98,63,23,606
18 -1-2	Less: Revenue Suspense, Revenue collection Pending Classification	47.607, 47.609	18,68,05,13,400 (9,35,78,004)	15,98,63,23,606 (2,12,10,815)
18 -2	Outstanding for a period exceeding six months from the date they were due for		18,58,69,35,396	15,96,51,12,791
18 -2-1	Unsecured, considered good	23.5	30,15,08,625	30,36,66,753
			30,15,08,625	30,36,66,753
			18,88,84,44,021	16,26,87,79,544
18 -2-2	Less: Provision for withdrawal of Revenue demand	23.8	(1,35,81,13,414)	(4,41,54,673)
18 -2-3	Less: Provision for doubtful trade receivables	23.9	(29,70,91,473)	(87,54,65,574)
			(1,65,52,04,887)	(91,96,20,247)
	Total		17,23,32,39,140	15,34,91,59,303

Details of Sundry Debtors are as below

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
	RECEIVABLES AGAINST SUPPLY OF POWER. Unsecured Considered Good			
18 -1-1-1	Sundry Debtors for sale of Power – LT	23.1	10,62,17,12,378	8,59,39,38,377
18 -1-1-2	Sundry Debtors for sale of Power - HT	23.2	1,65,78,38,879	99,92,09,045
18 -1-1-3	Sundry Debtors for Electricity Tax	23.3	80,33,14,019	63,38,76,842
18 -1-1-4	Dues from Permanently disconnected consumers	23.5	30,15,08,625	30,36,66,753
18 -1-1-5	Sundry debtors - miscellaneous dues from consumers (Interest on Revenue Arrears)	23.700	5,59,76,48,124	5,75,92,99,342
	Sub Total		18,98,20,22,025	16,28,99,90,359
	Less:			
18 -1-1-7	Provision for withdrawal of Revenue demand	23.800, 801, 802	(1,35,81,13,414)	(4,41,54,673)
18 -1-1-8	Provision for Doubtful Dues from consumers (Credit Account)	23.9	(29,70,91,473)	(87,54,65,574)
18 -1-5	Revenue Suspense, Revenue collection Pending Classification	47.607, 47.609	(9,35,78,004)	(2,12,10,815)
	Total (Net Receivables against Supply of Power)		17,23,32,39,134	15,34,91,59,297



Executive Engineer (EI)
RA Section
Corporate Office, Hescam
Navanagar, Hubballi - 580 025

Note: (i) Upto 31.03.2020 Trade receivables includes Rs.1076.32 Crores dues (Rs. 633.22 Crores Principal + Rs.443.09 Crores Accumulated interest up to 31.03.2012) pertains to prior to announcement of Free Power Supply to IP Sets up to 10 HP. The Interest Charged in the DCB amounting Rs.327.63 Crores has been withdrawn by the Company from 2012-13 onwards.

Sundry Debtors for sale of power includes Rs 950.21 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.	2	
2	Chief Engineer (Ele), GESCOM.	4	10.06
3	Superintending Engineer (Ele), O&M Circles, GESCOM.		76.26
4	Corporate Office, HESCOM.	105	46.24
5	Courts	29	788.29
6	Chief Electrical Inspectorate, B'lore.		
7	Karnataka Electricity Regulatory Commission	5	29.36
	Total	145	950.21

Note: The provision for withdrawal of interest portion for the year 2015-16, 2016-17 and 2017-18 to the tune of Rs. 125.10 Crores. In respect of accumulated dues from Rural Local Bodies (RLBs) upto 31.03.2015 is created and accounted.



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Corporate Office, HESCOM
Navanagar, Hubballi - 580 025

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

Note 19 Cash and Bank Balances

64

SI No	Particulars	A/C Code	As at 31st Mar, 2020	As at 31st Mar, 2019
			Rs	Rs
	A Current			
19 -1	i Cash and cash equivalents	24.110, 120, 130, 200, 210	2,17,88,051	14,81,62,193
19 -3	ii Balances with banks			
19 -3-1	In current accounts	24.3, 24.401, 402, 403, 404, 405, 409, 423, 424. 426. 428	12,23,18,880	94,35,04,901
19 -3-2	Bank deposits with more than twelve months maturity	28.935	16,00,67,503	15,33,89,050
19 -3-3	Bank deposits with less than twelve months maturity	28.935	7,72,12,422	7,29,31,866
19 -4	Others: Transit Accounts	24.5, 24.6	3,69,67,000	5,67,990
	Total		41,83,53,856	1,31,85,56,000
	Cash and cash equivalents as per AS 3		41,83,53,856	1,31,85,56,000

Note: Bank Fixed deposits are marked towards Letter of Credit Limits utilised for Purchase of Power.

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ನಿರ್ಮಾಣ, ವಿದ್ಯುತ್ ಸಂಪನ್ಮೂಲ
ಸಂಸ್ಥೆ - ಹೆಸಕಂ - 580 025



Executive Engineer (EI)
RA Section
Corporate Office, Hescom
Navanagar, Hubballi - 580 025