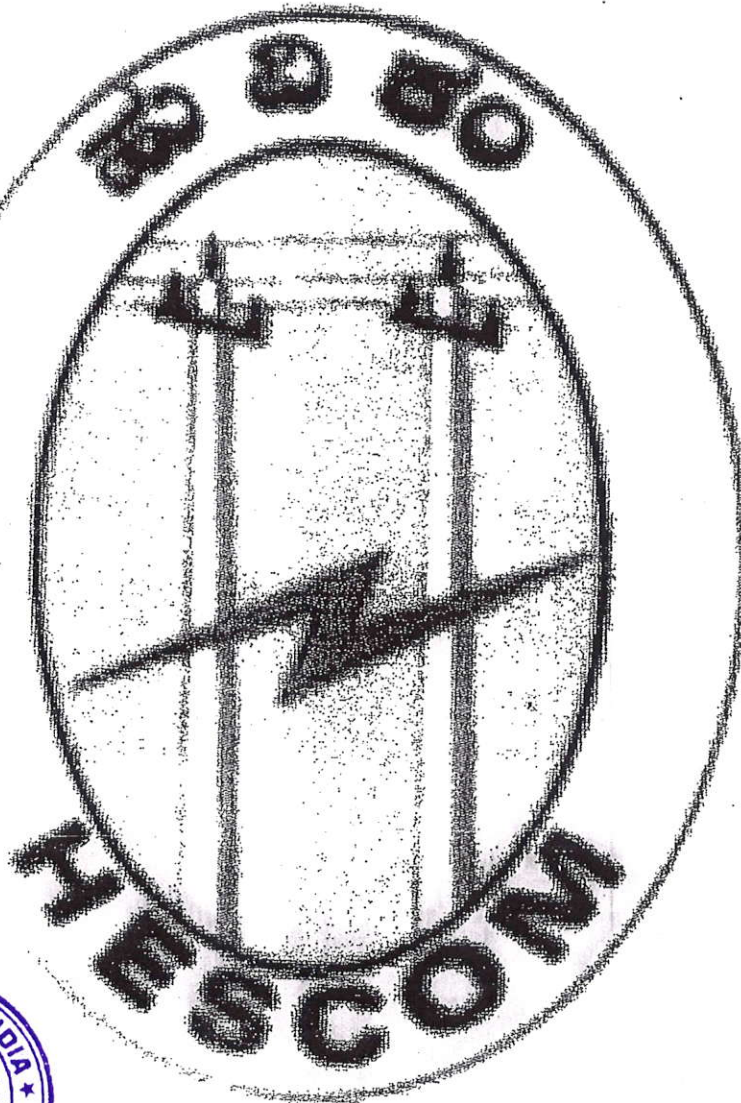


HUBLI ELECTRICITY SUPPLY COMPANY LIMITED



Annual Accounts
FY 2022-23

INDEPENDENT AUDITORS' REPORT

To
The Members of HUBLI ELECTRICITY SUPPLY COMPANY LIMITED, HUBBALLI

Report on the Audit of the Standalone Financial Statements

Pursuant to the observation made by the Comptroller and Auditor General of India, under Section 143(7) of the Companies Act, the accounts approved by the Board of Directors on 10.08.2023 have been revised. Accordingly, this report supersedes our earlier report dated 10.08.2023. The report is revised to incorporate the observations made by the Comptroller and Auditor General of India on Financial Statements and books of accounts of the Company. With the revision in the accounts of the Company as stated in Note No.:32-11 of the revised Financial Statements, the loss of the Company is increased by Rs.504.04 crore and Share holders Fund (Net worth) is reduced by similar amount.

Qualified Opinion

We have audited the accompanying financial statements of HUBLI ELECTRICITY SUPPLY COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss 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 our opinion, except for the effect on the financial statements of the matter stated 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 ('the Act') in the manner so required (except certain non-disclosures under Schedule III viz., (1) Trade payable ageing schedule with the break-up of dues to MSME and others, disputed MSME dues and disputed dues to others, (2) Trade receivables ageing schedule with required break-up under undisputed trade receivables considered good, undisputed trade receivables considered doubtful, disputed trade receivables considered good, disputed trade receivables considered doubtful, (3) Capital Work In progress (a) with the ageing schedule (b) works whose completion is overdue or has exceeded fixed cost compared to its original plan) 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, 2023, and its loss, and its cash flows for the year ended on that date.

Basis of Qualified Opinion:

1. Note No.18(i) Pursuant to the Government Order No. Energy/123/PSR/2022, Bangalore dated 11.03.2022 the subsidy arrears from 2002-03 to 2015-16 amounting to Rs.2,196.03 crore is not written off (Previous Year Rs.2,196.03 crore).
2. Note No.15-1-1 Subsidy receivables from GoK pertaining to Hukkeri Rural Electrical Co-operative Society (HRECS) amounting to Rs.27.02 crore (Previous year Rs.27.02 crore) is outstanding since 2009-10. The recoverability of this amount is not assessed/ not dealt with.
3. Note No.21-1-13/3 Service Tax demand of Rs.11.09 Crore was paid by the Company on 08.09.2017 towards Supervision Charges collected from the consumers for the period from 01.04.2011 to 30.06.2017 in respect of electrical connections. The outstanding recoverable amount is Rs.6.20 Crore, for which no provision is made (previous year Rs.6.31 Crore).
4. Note No.12-C-1 (Note No.3) The Company has not withdrawn/ dealt with the works pertaining to the fraud in the Athani Division of the value of Rs.114.64 crore (Financial loss of Rs.34.03

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Property Plant & Equipment & capital work-in-progress in the financial statements is not quantifiable.

3. The operations relating to billing and collection from consumers are computerized. In respect of other processes, transactions/records are maintained partly manual and through MS-excel Macros. There is a need for maintaining entire financial accounting in foolproof system through appropriate accounting software, which assures accuracy, completeness, of accounting records with audit trail.
4. Note No.21-1-14 Inter unit accounts under "Other Current Assets" with a net balance as on 31.03.2023 of Rs.30.28 crore (previous year Rs.10.41 crore) comprise of large amount of old entries also. The differences / outstanding AT's are not reconciled. A system shall be in place to reconcile the un-responded / un-adjusted entries with special emphasis to ensure that all entries are responded / adjusted / reconciled in the same year. The transaction audit scope may also be enhanced to review Inter Unit entries.
5. Note No.21-1-11 Receivables from the GoK against grants accounted on accrual basis pertaining to flood affected capital works of 2019 are outstanding with balance of Rs.137.92 crore (Previous year Rs.137.92 crore) Recoverability of this amount is not assessed and dealt with.
6. The system of transactions undertaken is primarily through Divisions and Circle Offices. It is observed that the Company does not undertake the Division Audits separately. The scope of work and time limitation towards statutory audit will also include the coverage of Division Audits. It is recommended that the Company undertake a separate Division audit 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.
7. Note No.10-7-5 Advance to Southern Power Procurement Co-ordination Committee (SPPCC) towards Un-scheduled Interchange charges / Admin charges is long outstanding with credit balance of Rs.27.88 crore (Previous year Rs.27.88 crore). The balances are not reconciled.
8. Note No.24 Sl.5A & 5B- The Company held 47,64,271 Renewable Energy Certificates (REC's) and 2,564 Energy Saving Certificates (ESCert's) as on 31.03.2023. The approximate value of these certificates aggregate Rs. 260.12 crores based on latest traded value during August 2023. Pending realization, on account of price volatility and uncertainties involved in trading, the company had not accounted these certificates in the books of accounts as on 31.03.2023.

Responsibilities of Management and those charged with Governance for the Standalone 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 include maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

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- 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 relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.
2. 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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) No audit of Company's Branch/Division has been conducted under sub section (8) of section 143 by a person other than Company's auditor. Hence, reporting under sub section (8) is not applicable.
 - d) 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.
 - e) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above 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.
 - f) The matters described in the Basis for Qualified Opinion section above, in our opinion, may not have an adverse effect on the functioning of the Company.
 - g) In terms of Notification no. G.S.R. 463 (E) dated 05-06-2015 issued by Ministry of Corporate Affairs, the Provisions of Section 164(2) of the Act, 2013 in respect of disqualification of directors are not applicable to the Company.



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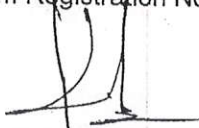
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caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. Rule 3 (1) of the Companies (Accounts) Rules, 2014 is applicable for the Company with effect from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.
 - vi. The Company has not declared or paid any dividend during the year ended 31st March 2023.
 - k) Since the provisions of Section 197 of the Act does not apply to the Company, reporting requirements under Section 197(16) of the Act is not applicable.
3. On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in terms of Section 143(5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India in "Annexure C".

**For Abarna & Ananthan
Chartered Accountants**
Firm Registration No: 000003S



Clement Gratian Pinto
Partner
Membership No: 023238
UDIN: 23023238BGYKIZ6249
Place: Bengaluru
Date: 25/09/2023




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security in respect of which the provisions of the sections 185 and 186 of the Act are applicable. Hence, reporting under clause 3(iv) of the Order is not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of accounts made and maintained by the 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 based on the Cost Accountant Report of previous year that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete for the current year.

(vii) In respect of Statutory dues:

(a) 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, Goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities except Sales Tax old balance of Rs. 1.09 lakhs and Rs 1.48 lakhs towards Goods and Service Tax

(b) According to the information and explanations given to us there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31st March 2023 for a period of more than six months from the date they became payable except the following: -

Name of the Statute	Nature of dues	Amount in Crores	Period to which the amount relates	Due date	Date of Payment
Goods and Service Tax	Penalty and Interest *(Interest not quantified)	1.84	Various periods	Various dates	Not Paid
Income Tax Act, 1961	Tax Deducted at Source	0.91	Various periods	Various dates	Not Paid

(c) According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess which have not been deposited with the appropriate authorities on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



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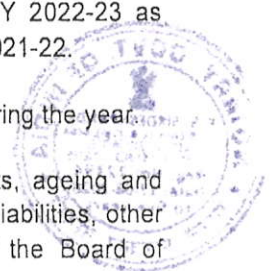
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- (xiv) The Company has in-house internal audit setup and as informed to us all the transactions are subjected to internal audit process, which include Transaction Audit (voucher), Cash Audit, Store Audit, Revenue Audit etc. However, in our opinion and based on our checks, the coverage of present internal audit system is inadequate and is not commensurate with the size of the Company. Based on our test check we observed that the management is initiating the appropriate actions on the observations noted in the internal auditors report. However, we are not in a position to comment that all the control deficiencies having financial impact are remediated.
- (xv) 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 them. Hence, reporting under clause 3(xv) of the Order is not applicable.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities, hence, reporting under clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has made a cash loss of Rs.488.00 crore during the FY 2022-23 as against cash loss of Rs.988.37 crore during the immediate preceding FY 2021-22.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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**Qualified Opinion - 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 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements:

The Company's Management and those charged with governance is responsible for establishing and maintaining internal financial controls 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.

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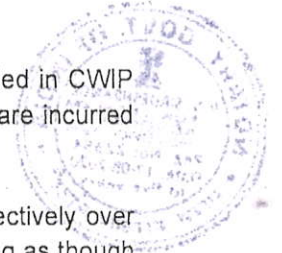
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4. Note No.9-6 The Company does not have the procedure of obtaining confirmation of balances from parties in respect of Trade payable, Trade Receivable, Advances and Receivables. In view of this, we are not in a position to verify the accuracy or otherwise of the balance of Trade Payable, Trade Receivable, Advances and Receivables. Differences in balances of KPCL is entrusted to Ramraj and Co. for reconciliation from 2005-06.
5. The company does not have the practice of obtaining confirmation of balances in the letter head of the bank in all cases towards the accounts maintained with the banks.
6. The Company does not have the procedure of adequate disclosures in respect of Trade payables, Trade Receivables and Capital Work in progress as required by Schedule III to the Companies Act, 2013.
7. The Company does not have Integrated computerized application system in financial accounting, payroll, expenses /Income, Assets/Liabilities, inventory, Capex and consolidation process of all divisions. There is a high risk of having inherent financial control weakness and disclosure of financial transactions thereon.
8. Accounting Standard 10 "Property, Plant & Equipment" having an effect on depreciation charged and carrying amount of fixed assets in the financial statements due to:
 - Note No.12c Substantial delays in capitalization of assets put to use included in capital work in progress have been observed. As per the policy of the Company, the inventory under CWIP will be capitalized on receipt of completion certificate. The gross value of CWIP as on 31.03.2023 is Rs.344.65 crore (previous year Rs.239.88 crore). Some works were continued in CWIP pending completion certificate though the assets are put to use or impaired. The Company has identified completed works to be categorized amounting to Rs.64.16 crore as on 31.03.2023.(Rs.78.34 crore as on 31.03.2022)
 - An amount of Rs.17.86 crore under various account code included in CWIP remains to be related to opening balances and no expenditures are incurred during the current financial year 2022-23.
 - Depreciation on assets transferred from CWIP is charged prospectively over the residual life of the asset as per Depreciation policy considering as though such entries are new assets. Due to inadequacy of information, we are not in a position to quantify the depreciation not provided for all these years and its impact on P&L account of the Company.
 - The Company is capitalizing the reconditioned assets at the carrying cost of the original asset (at which such assets were transferred to current assets) when retired from active use initially. The depreciation is being charged as if it is new asset put to use. There is a possibility of continuing the useful life of the asset beyond the original useful life.



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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 an integrated system in place to process all accounting transactions through IT system. The accounting system is maintained in Excel macros and consolidated at HO level. In the absence of Integrated Accounting Software with built in controls, risk of integrity of accounting records is higher.
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. The Company has been regular in repaying Principal and Interest during the year 2022-23.
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 scheme wise separate Bank accounts for the funds received from Central/State Government. The Company does not maintain project wise track in the books of accounts. The utilization certificates submitted to the Government authorities therefore cannot be matched item wise in the books of accounts.



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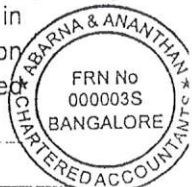
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Annexure-1

Sl. No	Items in Check list	Remarks
1	Whether all Banks Accounts /Fixed Deposits have been opened with banks/proper authorization and approvals as per the aforesaid delegation of powers?	Yes.
2	Whether there was a periodical system of preparation of Bank reconciliation statement and whether they were produced for verification to audit?	Yes, All the accounting units of the Company including DO's periodically prepare the BRS which are duly verified by Internal Auditor. The BRS were produced for verification to audit at H.O. and Division levels. The subdivision BRS are relied based upon the certification by the Internal Auditors.
3	Whether Bank reconciliation of the Main account and all subsidiary bank accounts were done?	Yes.
4	Was the authorization to operate the bank accounts were given to a single signatory?	No, In Divisions, the operations are done by Accounts officer and Assistant Accounts officer. In HO, the operations are done by DCA and AO.
5	Whether the interest for the entire duration of Fixed Deposits was accounted in the books of accounts?	Yes, except in one case excess interest accounting to Rs 24.95 lakhs is observed
6	Whether physical verification of cash has taken place periodically?	The recording and verification of cash on daily basis at Division levels by AAO's take place. The cash is physically verified by the internal audit team and any shortage is reported for recovery and action.
7	Whether the cash in hand as shown in the Balance Sheet tallies with the certificate of physical verification of cash?	Yes, except the imprest vouchers in hand are accounted as cash in hand. The company has a practice of maintaining imprest vouchers as cash in hand across all the Sub Divisions as a result expenditure pertaining to these vouchers will be booked in the subsequent month, till then it will be shown under cash balance. The cash in hand also include cheques in hand for collection. A suitable bifurcation into cash in hand and cheques in hand is made in the revised accounts.
8	Is there a register of Fixed Deposits showing amounts, maturity dates, rates of interest and dates for payment of interest?	The company maintains the Fixed Deposit register which is incomplete. However, in compliance to C&AG audit observation complete details are now entered in Fixed Deposit register



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

Balance Sheet as at 31st March 2023

Sl. No.	Particulars	Note No.	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
I	EQUITY AND LIABILITIES:			
1	Shareholders funds			
	(a) Share Capital	3	2,15,194.35	2,05,042.41
	(b) Reserves and Surplus	4	(4,88,847.70)	(4,05,241.37)
			(2,73,653.35)	(2,00,198.96)
2	Share Application money pending allotment	3A	-	691.94
3	Non-Current Liabilities			
	(a) Long-Term Borrowings	5	6,75,610.06	5,86,768.44
	(b) Other Long-Term Liabilities	6	1,20,135.27	1,07,868.44
	(c) Long-Term Provisions	7	19,831.44	16,013.68
			8,15,576.77	7,10,650.56
4	Current Liabilities			
	(a) Short-Term Borrowings	8	1,24,677.38	1,41,749.33
	(b) Trade Payables	9	7,14,719.65	5,74,368.14
	(c) Other Current Liabilities	10	1,11,620.95	87,999.82
	(d) Short-Term Provisions	11	3,691.85	3,254.55
			9,54,709.83	8,07,371.84
	TOTAL		14,96,633.26	13,18,515.38
II	ASSETS:			
1	Non-Current Assets:			
	(a) Property, Plant and Equipment and Intangible Assets:			
	(i) Property, Plant and Equipment	12A	7,51,272.74	7,25,777.38
	(ii) Intangible Assets	12B	570.19	818.47
	(iii) Capital Work-in-Progress	12C	34,465.55	23,987.50
			7,86,308.48	7,50,583.36
	(b) Non-Current Investments	13	1,041.00	1,401.00
	(c) Deferred Tax Assets (net)	13A	37,679.91	38,131.37
	(d) Long-Term Loans and Advances	14	6,988.38	21,443.41
	(e) Other Non-Current Assets	15	1,58,295.39	1,19,724.52
			9,90,313.15	9,31,283.65
2	Current Assets			
	(a) Current Investments	16	-	-
	(b) Inventories	17	19,638.30	16,310.21
	(c) Trade Receivables	18	2,37,052.82	2,05,683.78
	(d) Cash and Cash Equivalents	19	9,103.36	7,136.24
	(e) Short-Term Loans and Advances	20	957.45	1,085.64
	(f) Other Current Assets	21	2,39,568.16	1,57,015.86
			5,06,320.10	3,87,231.73
	TOTAL		14,96,633.26	13,18,515.38

See Notes from '1' to '32' forming part of the Financial Statements.

For and on behalf of the Board of Directors

(Raghavendra Kotemane)
Company Secretary

(Patil Prakash)
Director (Finance)

(S. M. Sasalatti)
Director (Technical)

(Mohammad Roshan, IAS)
Managing Director

As per our Audit Report of even date.



For ABARNA & ANANTHAN
CHARTERED ACCOUNTANTS
Firm Reg. No.: 000003S

UDIN : 23023238 BGYKJZ 6249

Place :
Date : 25.03.2023

PARTNER : CLEMENT GRATIAN PINTO
MEMBERSHIP No.: 023238

CONTROLLER (A & R),
HESCOM, Hubballi.



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

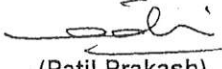
Statement of Profit and Loss for the year ended 31st March, 2023

Sl. No.	Particulars	Note No.	For the year ended	For the year ended
			31st Mar, 2023	31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
	Income:			
1	Revenue from Operations	22	11,00,023.01	9,01,100.20
2	Other Income	23	21,990.02	9,574.44
3	Total Income (1+2)		11,22,013.02	9,10,674.65
4	Expenditure:			
	(a) Purchase of Power	24	9,11,648.78	8,60,900.12
	(b) Employee Benefits Expense	25	1,19,652.97	98,497.53
	(c) Finance Costs	26	1,43,828.00	1,00,434.45
	(d) Depreciation and Amortisation Expense	27i	34,347.90	30,490.70
	(e) Administrative and Other Expenses	27ii	41,229.71	35,528.57
	Total Expenditure (a+b+c+d+e)		12,50,707.36	11,25,851.37
5	Loss before extraordinary items and tax (3 - 4)		(1,28,694.34)	(2,15,176.72)
6	Add: Prior Period Income	28	10,820.31	12,776.90
7	Less: Prior Period Expenses	28	5,474.39	6,676.03
8	Loss before extraordinary items and tax (5 + 6 - 7)		(1,23,348.41)	(2,09,075.85)
9	Regulatory Asset	28a	40,177.32	56,416.12
10	Loss before tax (8 + 9)		(83,171.10)	(1,52,659.73)
11	Less / Add : Deferred tax	28b	451.46	23,297.08
12	Loss for the year (10 - 11)		(83,622.56)	(1,29,362.65)
13	Earnings Per Share (of Rs. 10/- each):			
	Basic & Diluted	30	(3.89)	(6.31)

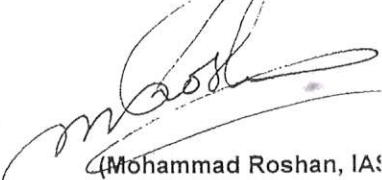
See Notes from '1' to '32' forming part of the Financial Statements.

For and on behalf of the Board of Directors


(Raghavendra Kotemane)
Company Secretary


(Patil Prakash)
Director (Finance)


(S. M. Sasalatti)
Director (Technical)


(Mohammad Roshan, IAS)
Managing Director

As per our Audit Report on even date

For ABARNA & ANANTHAN
CHARTERED ACCOUNTANTS
Firm Reg. No.: 0000033

UDIN: 23023238 BGYKIZ6249

PARTNER: CLEMENT GRATIAN PINTO
MEMBERSHIP No.: 023238


CONTROLLER (A & R),
HESCOM, Hubballi.

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Place:
Date: 25.09.2023



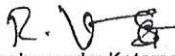



M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
PB ROAD, NAVANAGAR, HUBLI - 580 025.


Cash Flow Statement for the year ended 31st March 2023

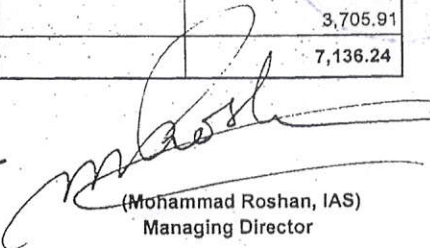
Sl. No.	Particulars	For the year ended 31st Mar,2023		For the year ended 31st Mar,2022	
		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
1	Cash flow from Operating activities				
1-1	Net Loss before extraordinary items and tax	(83,171.10)		(1,52,659.73)	
1-2	Depreciation and amortisation	34,347.90		30,490.70	
1-3	Provision for Bad and Doubtful Debts	(570.93)		912.09	
1-4	Loss on sale of assets	23.76		35.37	
1-5	Finance costs	1,43,828.00		1,00,434.45	
1-6	Provision for Leave Encashment & FBF	5,745.07		2,033.18	
1-7	Bonus/Exgratia Payable	706.88		677.99	
1-8	Provision for Retirement Benefits	25,370.02		26,163.68	
1-9	Material Cost Variance	-		(372.11)	
1-10	Interest income	(229.02)		(109.76)	
	Operating profit / (loss) before working capital changes (i)		1,26,050.59		7,605.86
2	Changes in Working Capital:				
	Adjustments for (increase) / decrease in operating assets:				
2-1	Inventories	(3,328.10)		(496.72)	
2-2	Trade receivables	(30,798.11)		(851.34)	
2-3	Short-term loans and advances	128.19		279.50	
2-4	Long-term loans and advances	14,455.03		(4,949.66)	
2-5	Other current assets	(82,542.07)		2,91,277.44	
2-6	Other non-current assets	(58,022.57)		(1,13,163.85)	
	Adjustments for increase / (decrease) in operating liabilities:				
2-7	Trade payables	1,40,351.51		35,031.83	
2-8	Other current liabilities	23,621.13		13,955.60	
2-9	Other long-term liabilities	12,266.83		(9,043.12)	
2-10	Short-term provisions	437.30		170.61	
2-11	Long-term provisions	3,817.76		506.77	
	Total (ii)		20,386.90		2,12,717.08
	Net cash flow from / (used in) operating activities A = (i + ii)		1,46,437.49		2,20,322.94
3	Cash flow from Investing activities				
3-1	Capital expenditure on fixed assets, including capital advances	(80,869.78)		(77,837.81)	
3-2	Increase in Capital VIP	(10,478.05)		10,426.96	
3-3	Proceeds from sale of fixed assets	277.07		38.29	
3-4	Current investments not considered as Cash and cash equivalents	360.00		-	
	Net cash flow from / (used in) investing activities (B)		(90,710.76)		(67,372.56)
4	Cash flow from Financing activities				
4-1	Proceeds from shares Deposits	9,460.00		2,151.64	
4-2	Proceeds from long-term borrowings	2,29,627.05		1,42,398.84	
4-3	Repayment of long-term borrowings	(1,56,816.33)		(2,43,965.53)	
4-4	Deposits and contributions from consumers	24,879.85		14,281.93	
4-5	Preliminary Expense	(10.23)		75.10	
4-6	Net increase / (decrease) in working capital / Short Term Borrowings	(17,071.95)		31,565.40	
4-7	Finance cost	(1,43,828.00)		(1,00,434.45)	
	Net cash flow from / (used in) Financing activities (C)		(53,759.61)		(1,53,927.07)
	Net increase / (decrease) in Cash and Cash equivalents D = (A + B + C) = (F - E)		1,967.12		(976.69)
5	Cash and Cash Equivalents at the beginning of the year (E)		7,136.24		8,112.93
	Cash and Cash equivalents at the end of the year (6+7+8) (F)		9,103.36		7,136.24
6	Cash on hand		1,152.29		1,949.48
7	In current accounts		2,222.44		1,480.85
8	In deposit accounts		5,728.64		3,705.91
			9,103.36		7,136.24

For and on behalf of the Board of Directors


(Raghavendra Kotemane)
Company Secretary


(Patil Prakash)
Director (Finance)


(S. M. Sasalatti)
Director (Technical)


(Mohammad Roshan, IAS)
Managing Director

As per our Audit Report of even date

For ABARNA & ANANTHAN
CHARTERED ACCOUNTANTS
Firm Reg. No.: 0000038

380

UDIN: 23023238 BGYKZ62A9

Place:

Date: 25.09.2023

PARTNER: CLEMENT GRATIAN PINTO
MEMBERSHIP No.: 023238


**CONTROLLER (A & R),
HESCOM, Hubballi.**





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

Notes to the Financial Statements for the year ended March 31, 2023.

Notes	Particulars
1	<p>General information of the Company:</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, Hubballi - 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	<p>Significant Accounting Policies:</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 financial 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-23.</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). Scrapped assets are valued at scrap rate indicated in the 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>



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HESCOM, Hubballi.



Notes	Particulars
2.6	<p>Property, Plant and Equipment:</p> <p>2.6.1. Fixed assets are shown at their historical costs (except Land Assets) 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 (except Land 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.,</p> <p>2.6.6 Land Assets were being Revalued at current market price through a Registered Valuator as on 31.03.2022. The Accounting Policy towards accounting of Land Assets has been changed from Historical Cost to Current Market Value duly getting approval at the 99th Board of Directors meeting held in Corporate Office, HESCOM, Hubli on 11th Feb, 2022.</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.L-1/236/2018/CERC dated 07.03.2019 issued by CERC & the CERC (Terms and Conditions of Tariff) Regulations 2019, Appendix I.</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.L-1/236/2018/CERC dated 07.03.2019 issued by CERC & the CERC (Terms and Conditions of Tariff) Regulations 2019, Appendix I.</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 life i.e., period of agreement or license term and in the absence of license the cost is amortised in 3 years period.</p>



**CONTROLLER (A & R),
HESCOM, Hubballi.**

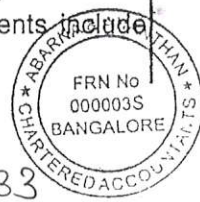


Notes	Particulars
2.8	<p>Receivables Against Supply of Power. Receivables against supply of power activity relates Sale of Power various categories of LT, HT Consumer.</p>
2.9	<p>Revenue recognition Sale of goods Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include taxes.</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. 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. 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>
2.12	<p>Investments Investments are classified into current investments and Non-Current investments. Current investments are carried at lower of cost. 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>



HESCOM, Hubballi
CONTROLLER (A & R)

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CONTROLLER (A & R),
HESCOM, Hubballi.



Notes	Particulars
	<p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p> <p>Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.</p>
2.13	<p>Employee benefits</p> <p>a. Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits for current employees are estimated and measured on an undiscounted basis.</p> <p>b. Defined contribution plans</p> <p>Employee benefit under defined contribution plans comprising of pension fund and gratuity fund for employees enrolled on or after 01.04.2006 are recognized based on the amount of obligation of the Company to contribute to the plan (Employee's contribution is 10% of the Basic Pay + Dearness Pay + Dearness Allowance, whereas Employer's contribution is 14% of the Basic Pay + Dearness Pay + Dearness Allowance with effect from 01.04.2019). The same is paid to KPTCL/ESCOMs NDCPS Trust and expensed during the year through statement of Profit and Loss.</p> <p>In respect of employees who have joined HESCOM after 01.04.2006, provision for contribution to KPTCL/ESCOMs NDCPS Family Pension and Gratuity Trust is made on the formula evolved by the Trust based on the actuarial valuation undertaken by KPTCL/ESCOMs NDCPS Family Pension and Gratuity Trust. Any revision in contribution rates due to actuarial valuation by the Trust is accounted as per the intimation by the Trust to the Company.</p> <p>As the Company contribution is collected and administrated by the Trust, the NDCPS Family Pension and Gratuity benefits are paid to the beneficiaries on a pay-as-you-go basis.</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>



**CONTROLLER (A & R),
HESCOM, Hubballi.**



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>



CONTROLLER (A & R)
HESCOM, Hubballi

[Signature]
CONTROLLER (A & R)
HESCOM, Hubballi.



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>



S. S. Srinivas
**CONTROLLER (A & R),
HESCOM, Hubballi.**





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

Note 3 Share Capital:

SI No	Particulars	A/C Code	As at 31st Mar, 2023		As at 31st Mar, 2022	
			Number of shares In Lakhs	Amount In Lakhs	Number of shares In Lakhs	Amount In Lakhs
3 -1	Authorised Equity shares of ` 10 each with voting rights		55,000.00	5,50,000.00	55,000.00	5,50,000.00
3 -2	Issued Equity shares of ` 10 each with voting rights	52.301	21,519.44	2,15,194.35	20,504.24	2,05,042.41
3 -3	Subscribed and fully paid up Equity shares of ` 10 each with voting rights		21,519.44	2,15,194.35	20,504.24	2,05,042.41
	Total		21,519.44	2,15,194.35	20,504.24	2,05,042.41

Notes:

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

SI No	Particulars	As at 31st Mar, 2023		As at 31st Mar, 2022	
		Number of shares In Lakhs	Amount In Lakhs	Number of shares In Lakhs	Amount In Lakhs
3-1-1	Equity Shares				
	Issued, Subscribed and Fully Paid up:				
	At beginning of the year	20,504.24	2,05,042.41	15,542.38	1,55,423.78
	Issued during the year				
	Fresh Issue	1,015.19	10,151.94	4,961.86	49,618.63
	Bonus				
	ESOP				
	At end of the year	21,519.44	2,15,194.35	20,504.24	2,05,042.41

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

SI No	Class of shares / Name of shareholder	As at 31st Mar, 2023		As at 31st Mar, 2022	
		Number of shares held in Lakhs	% holding in that class of shares	Number of shares held in Lakhs	% holding in that class of shares
3 -2-1	Equity shares with voting rights Governor of Karnataka	21,518.94	99.9977%	20,503.74	99.9977%

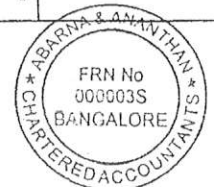
Board of Directors of HESCOM at its 105th meeting held on 02.03.2023 accorded its approval to allot 1,015.19 Lakhs of shares of Rs.10/- each amounting to Rs.10,151.94 Lakhs being the equity given by Govt. of Karnataka towards capital projects of HESCOM in favor of his Excellency, Governor, State of Karnataka duly approving stamp duty, for issue of shares, amounting to Rs.5.08 Lakhs.

(iii) Details of Shareholding pattern of promoters:
Shares held by Promoters at the end of the year:

SI. No.	Promoter Name	As at 31st Mar, 2023		As at 31st Mar, 2022	
		No. of Shares	%age of Total Shares	No. of Shares	%age of Total Shares
1	His Excellency Governor of Karnataka	2,15,18,93,500	99.9977%	2,05,03,74,100	99.9977%
2	Sri. Kapil Mohan, IAS Additional Chief Secretary to Government, Energy Department, (Representative of His Excellency, GoK) & Chairman, HESCOM	49,994	0.0023%	-	-
3	Sri. G. Kumar Nalk, IAS Additional Chief Secretary to Government, Energy Department, (Representative of His Excellency, GoK) & Chairman, HESCOM	-	-	49,994	0.0023%
4	Sri. Mohammad Roshan, IAS Managing Director	1	0.0000%	-	-



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5	Smt. D. Bharathi, IAS Managing Director	-	-	1	0.0000%
6	Smt. Aparna Pavate, Independent Director	1	0.0000%	1	0.0000%
7	Sri. Shrikant M. Sasalatti, Director (Technical)	1	0.0000%	-	-
8	Sri. Patil Prakash, Director (Finance)	1	0.0000%	-	-
9	Sri. B. Manjunath, Director (Finance)	-	-	1	0.0000%
10	Sri. N. V. Bhuvaneshwaralah, Director	-	-	1	0.0000%
11	Sri. R. H. Lakshmpathy, Director	1	0.0000%	-	-
12	Sri. K. Shivana, Director	1	0.0000%	-	-
13	Sri. T. R. Ramakrishnaiah, Director	-	-	1	0.0000%
14	Sri. Shivaprakash. T. M., Director	-	-	1	0.0000%
Total		2,15,19,43,500	100.0000%	2,05,04,24,100	100.0000%

(iv) Details of Authorised Share Capital:

Sl.No	Year	Authorised Share Capital in Lakhs	Reference
1	2002-03	100	Company was incorporated with a share capital of Rs.100 Lakhs 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	100	
3	2004-05	25,000	2nd AGM held on 24th Dec 2004 at 1:00 PM at Registered Office of the Company Hubli increased by Rs.24,900 Lakhs.
4	2005-06	25,000	
5	2006-07	25,000	
6	2007-08	25,000	
7	2008-09	25,000	
8	2009-10	25,000	
9	2010-11	25,000	
10	2011-12	1,00,000	9th AGM held on 28th Sep 2011 at 1:00 PM at Registered Office of the Company Hubli increased by Rs.75,000 Lakhs.
11	2012-13	1,00,000	
12	2013-14	1,00,000	
13	2014-15	1,00,000	
14	2015-16	1,00,000	
15	2016-17	2,00,000	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.1,00,000 Lakhs.
16	2017-18	2,00,000	
17	2018-19	2,00,000	
18	2019-20	2,00,000	
19	2020-21	2,00,000	
20	2021-22	5,50,000	19th AGM held on 12th Nov 2021 at 3:00 PM at Registered Office of the Company Hubli increased by Rs.3,50,000 Lakhs.
21	2022-23	5,50,000	

Scheme wise Share Capital Contribution by GoK:

Sl.No.	Scheme	31.03.2023	31.03.2022
1	NJY	18,881.00	18,881.00
2	Equity contribution GoK	1,50,301.83	1,41,242.76
3	SDP	22,983.73	22,549.90
4	Flood Affected	2,543.00	2,543.00
5	UNIP	4,400.00	4,400.00
6	SCP/TSP	14,119.41	13,460.37
7	Implementation of Distribution and Automation system in Municipal Corporation area of Karnataka State	450.00	450.00
8	Development of Software	1,500.00	1,500.00
9	Proposed Adjustment to Net Worth	15.38	15.38
Total		2,15,194.35	2,05,042.41

(Rs. in Lakhs)



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

Note 3A Share Application money pending allotment:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
.3A-1	Share Application money pending allotment	52.301	-	691.94
	Total		-	691.94

Note 4 Reserves and Surplus:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
.4-1	Reserve for Material Cost Variance			
	Opening balance		-	372.11
	Add: Transferred to P&L Account during the year	56.610	-	(372.11)
	Closing balance		-	-
.4-2	Proposed Adjustments to Networth Reserve			
	Opening balance		4,760.68	4,760.68
	Add: Additions / transfers during the year	52.307,308	-	-
	Closing balance		4,760.68	4,760.68
.4-3	Surplus / (Deficit) in Statement of Profit and Loss			
	Opening balance		(6,42,186.64)	(5,12,823.98)
	Add: Profit / (Loss) for the year	58.200	(83,622.56)	(1,29,362.65)
	Closing balance		(7,25,809.19)	(6,42,186.64)
.4-4	Reserve for Revaluation of Land Assets			
	Opening balance		2,32,184.59	-
	Add: Additions during the year	56.201	16.23	2,32,184.59
	Closing balance		2,32,200.81	2,32,184.59
	Total		(4,88,847.70)	(4,05,241.37)

Note:

1) The Company had accounted certain transactions pertaining to the period prior to unbundling of the KPTCL which had been accounted as 'Proposed Adjustment to Net Worth' pending approval of the GoK. A sum of Rs.4760.68 Lakhs had been accounted under Proposed Adjustment to Net Worth.

2) The company had revalued the Land Assets (excluding Buildings) during FY 2021-22 (Sl. No.: 4-4) by engaging an Independent valuation specialist to assess fair value as at 31.03.2022 using comparable prices adjusted for specific market factors such as nature, location and condition of the land.



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Note 5 Long-Term Borrowings:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
5-1	Term Loans (Refer Note (i) & (ii) below)			
	From Banks			
	Secured	53.3, 53.9	3,29,581.03	2,71,732.29
	Unsecured	53.3, 53.9	-	-
	Sub-Total		3,29,581.03	2,71,732.29
	From Financial Institutions / Govt. of Karnataka			
Secured	53.3, 53.9	2,85,785.03	2,39,480.94	
Unsecured	53.3, 53.9	60,244.00	75,555.21	
Sub-Total		3,46,029.03	3,15,036.15	
Total		6,75,610.06	5,86,768.44	

(1) Details / Break-up of Secured / Unsecured Loan Balances:

SI No	Particulars	As at 31st Mar, 2023		As at 31st Mar, 2022	
		Secured	Unsecured	Secured	Unsecured
		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
5-1-1	Term loans from banks:				
	Loan from Canara Bank, Hubli(53.981) - Secured by Govt. Guarantee & Receivables	52,358.36	-	4,261.46	-
5-1-2	Loan from SBI, Hubli(53.978) - Secured by Assets & Receivables	23,098.20	-	-	-
	COVID - 19 Loans secured by GoK Guarantee:				
5-1-3	Loan drawn from Bank of India (COVID-19)(53.988)	95,216.33	-	99,978.69	-
5-1-4	Loan drawn from Punjab National Bank (COVID-19)(53.989)	64,264.14	-	67,492.14	-
5-1-5	Loan drawn from State Bank of India (COVID-19)(53.990)	47,024.24	-	50,000.00	-
5-1-6	Loan drawn from Canara Bank (COVID-19)(53.991)	47,619.76	-	50,000.00	-
	Total - Term loans from banks	3,29,581.03	-	2,71,732.29	-
	Term loans from Financial Institutions / Govt. of Karnataka:				
5-1-7	Loan from Power Finance Corporation LTD - R-APDRP Scheme(53.961) - Secured by Assets created	716.62	-	822.85	-
5-1-8	Loans drawn from REC in respect of ongoing SPA Scheme works (53.314) - Secured by Assets created	2,09,284.25	-	2,20,133.29	-
5-1-9	Loans Released from GoK through KPTCL towards PMGY works(53.307)	-	-	-	56.07
5-1-10	APDRP - GoK Loan Payable to KPTCL(53.350) - Secured by Assets created	-	-	465.21	-
5-1-11	Loans drawn from GoK towards payment of power purchase cost and transmission charges(53.984)	-	60,244.00	-	75,499.14
5-1-12	Loans drawn from M/s Rural Electrification Corporation Ltd. towards DDUGJY Scheme(53.986) - Secured by Assets created	12,279.44	-	13,635.25	-
5-1-13	Loan drawn from M/s Power Finance Corporation Ltd. towards IPDS Scheme(53.987) - Secured by Assets created	4,072.14	-	4,424.34	-
5-1-14	Loan drawn from REC (LPS) (53.992) - Secured by Assets created	29,716.28	-	-	-
5-1-15	Loan drawn from PFC (LPS) (53.993) - Secured by Assets created	29,716.28	-	-	-
	Total	2,85,785.03	60,244.00	2,39,480.94	75,555.21

(2) Details of long-term borrowings guaranteed by the Government of Karnataka: (Included under (1) above)

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
5-2-1	Term loans of Rs 20,000 Lakhs from Canara bank is guaranteed by GoK to the extent of Rs 15,000 Lakhs	53.981	52,358.36	4,261.46
5-2-2	COVID - 19 Loan of Rs.2,67,500 Lakhs from Banks is guaranteed by the GoK	53.988, 989, 990 & 991	2,54,124.47	2,67,470.83
	Total		3,06,482.83	2,71,732.29

Note:

- Special Long Term Loan amount of Rs.2,54,124.47 Lakhs (PY Rs.2,67,470.83 Lakhs) Guaranteed by GoK vide Order No's.: ENERGY 308 PSR 2020 Bengaluru, Dtd: 01-10-2020 and Dtd: 09-12-2020.
- For the current maturities of long-term borrowings, refer Note 8 "Short Term Borrowings"
- The company has not defaulted payment of Principal and Interest, There are no overdues to Banks and Financial Institutions as on 31.03.2023.
- The Assets secured for Loans are Lines, Cables and Networks.

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STATEMENT SHOWING THE DETAILS OF LOAN BALANCES AS ON 31.03.2023

Sl. NO.	Name of the Bank/Financial Institution	Charge Creation ID & Date	Tenure (Years)	No. of Installments	Repayment terms	ROI	Loan Balance as on 01.04.2022	Loans Drawn during 2022-23	TOTAL LOANS	Repayment of Loan During 2022-23	Loan Balance as on 31.03.2023
Loans from Commercial Banks											
1	CANARA Bank-Capex (Secured by Hypothecation of Created Asset)	1015333551.03.20009	3+12	48	Qly	11.65	1,063.66	-	1,063.66	836.94	226.72
2	CANARA Bank-Capex (Secured by Hypothecation of Created Asset)	10248180701.09.2010	3+12	48	Qly	11.9	5,713.79	-	5,713.79	1,679.43	4,034.36
3	CANARA Bank -PP (Secured by Receivables)	105785529.06.2015	1 Years	Bullet	Monthly	11.3	-	3,000.00	3,000.00	Working Capital	3,000.00
4	CANARA Bank -PP (Secured by Receivables)	105785529.06.2015	1 Years	Bullet	Monthly	11.3	3,000.00	-	3,000.00	3,000.00	-
5	CANARA BANK 500 Cr (A/c No:173000404034)	10059113423.06.2022	3+7	84	Monthly	9.5	-	50,000.00	50,000.00	Under Moratorium	50,000.00
6	CANARA Bank/STATE BANK OF INDIA -Over Draft (Secured by Receivables)	CIB:10610780/15.03.2022 SBI:8001383722.06.2022		OD		11.3	8,949.99	20,041.71	28,991.70	21,082.76	7,908.94
7	SBI S.H. 150 Cr (40853367641) 15.03.2022 (Secured by Receivables)	8001383722.06.2022	1	1	BULLET	11.15	14,896.80	3,000.00	17,896.80	3,025.03	14,871.77
8	SBI 300 Cr (A/c No: 41071621088) (Secured by Receivables)	8001383722.06.2022	8 Years	96	Monthly	11.15	-	30,000.00	30,000.00	2,832.80	27,167.20
9	SBI MTL 100 Cr (39863798098) (Secured by Receivables)	8001383722.06.2022	3	36	Monthly	11.2	5,830.00	-	5,830.00	3,336.01	2,493.99
10	Canara Bank LTL Rs.500 A/c No:5005 Covid Loan (Secured by Govt Guarantee)	10040330919.12.2020	3+7	84	Monthly	8.25	50,000.00	-	50,000.00	Under Moratorium	50,000.00
11	SBI LTL 500 Cr COVID Loan (39835563603) (Secured by Govt Guarantee)	10039310930.11.2020	3+7	28	Qly	8.65	50,000.00	-	50,000.00	0.76	49,999.24
12	Bank Of India 1000 Cr LTL 844965410000074 Covid Loan (Secured by Govt Guarantee)	10040348424.12.2020	3+7	84	Monthly	8.45	99,978.69	-	99,978.69	0.43	99,978.25
13	Punjab National Bank 500 Cr LTL 2273001C000002550 Covid Loan (Secured by Govt Guarantee)	10040417922.12.2020	3+7	84	Monthly	8.45	49,994.18	-	49,994.18	11.85	49,982.32
14	Punjab National Bank 175 Cr LTL 2273001C000002569 Covid Loan (Secured by Govt Guarantee)	10040349022.12.2020	3+7	84	Monthly	8.45	17,497.96	-	17,497.96	4.15	17,493.81
							3,06,925.07	1,06,041.71	4,12,966.78	35,810.17	3,77,156.61



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HESCOM HUBBALLI
COMPTROLLER (A & R)

SL NO.	Name of the Bank/Financial Institution	Charge Creation ID & Date	Tenure (Years)	No. of Installments	Repayment terms	ROI	Loan Balance as on 01.04.2022	Loans Drawn during 2022-23	TOTAL LOANS	Repayment of Loan During 2022-23	Loan Balance as on 31.03.2023
LOANS FROM OTHER FINANCIAL INSTITUTIONS											
15	PFC B/C Long Term Loan PFC 100 Cr A/c No.32624001(Secured by Hypothecation of Asset)	100055332/22.09.2016	1+15	60	Qly	11.25	7,961.92	-	7,961.92	7,961.92	-
16	PFC B/C Long Term Loan PFC 200 Cr A/c No.32624002 (Secured)	100086914/07.03.2017	1+15	60	Qly	11	14,066.95	-	14,066.95	14,066.95	-
17	PFC Medium Term Loan PFC 416 Cr A/c No. 32671001(Secured by Hypothecation of Asset)	100267338/15.06.2019	36	36	Monthly	11.75	10,668.98	-	10,668.98	10,668.98	-
18	PFC IPDS(Secured by Hypothecation of Asset)	100148500/9.01.2018		60	Qly	10	4,776.54	-	4,776.54	352.20	4,424.34
19	PFC(R-APDRP Part B)(Secured by Hypothecation of Asset)	10280607729.03.2011		64	Monthly	11.5	889.73	-	889.73	93.09	796.64
20	PFC IFS 32674001(Secured by Govt Guarantee)	Loan is secured by Govt Guarantee, hence charge not created	2 Yr 10 months MRT+10 Yrs	120	Monthly	11.5	-	29,716.28	29,716.28	Under Moratorium	29,716.28
21	REC STATIONS-Capex (Secured by Hypothecation of Asset)	1000517024.05.2006	3+10	120	Monthly	11	60.50	-	60.50	60.50	0.00
22	REC-RGGVY Scheme-Capex (Secured by Hypothecation of Asset)	Loan Closed	3+10	120	Monthly	10.75	171.51	-	171.51	171.51	-
23	ACSR-Capex (Secured by Hypothecation of Asset)	100027946/25.04.2016	3+10	120	Monthly	11	906.40	-	906.40	502.24	404.16
24	DTC Metering-Capex (Secured by Hypothecation of Asset)	10514061/17.07.2014	3+10	120	Monthly	11	5,611.49	-	5,611.49	843.12	4,768.36
25	Additional DTC-Capex (Secured by Hypothecation of asset)	10514061/17.07.2014	3+10	120	Monthly	11	3,085.87	-	3,085.87	463.65	2,622.22
26	REC NIY I-Capex (Secured by Hypothecation of asset)	10327359/13.12.2011	3+10	120	Monthly	11	5,480.32	-	5,480.32	1,345.53	4,134.79
27	REC NIY II-Capex (Secured by Hypothecation of asset)	10444537/29.07.2013	3+10	120	Monthly	11	5,674.72	-	5,674.72	1,137.49	4,537.23
28	REC NIY III-Capex (Secured by Hypothecation of asset)	10514059/17.07.2014	3+10	120	Monthly	11	9,944.45	-	9,944.45	1,303.43	8,641.02
29	REC II KV Station Link Line & Reconductoring Capex (Secured by Hypothecation of asset)	10460406/22.10.2013	3+10	120	Monthly	11	8,024.94	-	8,024.94	1,335.94	6,689.00
30	REC - BI/KJ-Capex (Secured by Hypothecation of asset)	10560406/22.10.2013	3+10	120	Monthly	11	835.84	-	835.84	139.12	696.73



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Sl. NO.	Name of the Bank/Financial Institution	Charge Creation ID & Date	Tenure (Years)	No. of Installments	Repayment terms	ROI	Loan Balance as on 01.04.2022	Loans Drawn during 2022-23	TOTAL LOANS	Repayment of Loan During 2022-23	Loan Balance as on 31.03.2023
31	REC - UNIP -Capex (Secured by Hypothecation of asset)	100028003725.04.2016	3+10	120	Monthly	11	88,565.33	16,370.25	1,04,935.58	7,343.42	97,592.16
32	REC - UG CABLE -Hubli Capex (Secured by Hypothecation of asset)	1052591626.09.2014	3+10	120	Monthly	11	12,341.59	-	12,341.59	2,014.60	10,326.99
33	REC -UG CABLE BILGAVI -Capex (Secured by Hypothecation of asset)	1052591626.09.2014	3+10	120	Monthly	11	26,198.49	-	26,198.49	4,683.79	21,514.70
34	REC - THERMOGRAPHY -Capex (Secured by Hypothecation of asset)	10004922018.08.2016	3+10	120	Monthly	11	880.27	-	880.27	98.94	781.32
35	REC NUMERICAL RELAYS IP SETS-Capex (Secured by Hypothecation of asset)	100156928729.01.2018	3+10	120	Monthly	11	870.86	-	870.86	98.17	772.69
36	REC STATIC METER -Capex (Secured by Hypothecation of asset)	1055171131.01.2015	3+10	120	Monthly	11	17,147.65	-	17,147.65	1,573.43	15,574.22
37	REC GANGA KALYANA IP SETS 2016-17 -Capex (Secured by Hypothecation of asset)	100171395726.03.2018	3+10	120	Monthly	11	5,533.68	-	5,533.68	621.99	4,911.69
38	REC GANGA KALYANA IP SETS 2017-18-Capex (Secured by Hypothecation of asset)	100171395726.03.2018	3+10	120	Monthly	11	6,558.40	-	6,558.40	737.17	5,821.24
39	REC 33/11KV Sub Station and Constructions Athani,Raiibag,Bagalkot, Dharwad Rural(Secured by Hypothecation of asset)	100171395726.03.2018	3+10	120	Monthly	10.85	3,090.28	-	3,090.28	283.00	2,807.28
40	REC DDUGJY(Secured by Hypothecation of asset)	100156928729.01.2018	3+10	120	Monthly	10.5	13,635.25	-	13,635.25	1,355.81	12,279.44
41	REC PMREA(Secured by Hypothecation of asset)	10029567527.09.2019	3+10	120	Monthly	11	7,105.45	-	7,105.45	666.29	6,439.16
42	REC CAPEX 2020-21(Secured by Hypothecation of asset)	100489391/08.10.2021	3+10	120	Monthly	9.58	10,648.00	2,453.00	13,101.00	Under Moratorium	13,101.00
43	REC R&M(Secured by Hypothecation of asset)	100550241/03.03.2022	3+10	120	Monthly	9.58	13,723.92	-	13,723.92	Under Moratorium	13,723.92
44	REC UG Cable Gokak(Secured by Hypothecation of asset)	100550241/03.03.2022	3+10	120	Monthly	9.58	3,146.61	-	3,146.61	Under Moratorium	3,146.61
45	REC 11 KV LINK LINE(Secured by Hypothecation of asset)	100690547/04.03.2023	3+10	120	Monthly	9.58	-	5,171.24	5,171.24	Under Moratorium	5,171.24
46	REC LPS(Secured by Govt Guarantee)	Loan is secured by Govt Guarantee, hence charge not created	2 Yr. 10 months MRT+10 Yrs	120	Monthly	9.75	-	29,716.28	29,716.28	Under Moratorium	29,716.28
47	REC MTL Rs.150 Cr. A/C No: 46115472/30.09.2019 Capex (Secured by Hypothecation of asset)	10029567527.09.2019	3	36	Monthly	13	2,500.00	-	2,500.00	2,500.00	-
	REC MTL Rs.150 Cr. A/C No:46115847 Capex (Secured by Hypothecation of asset)	100416674/31.12.2020	3	36	Monthly	12.75	5,000.00	-	5,000.00	5,000.00	-



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Sl. NO.	Name of the Bank/Financial Institution	Charge Creation ID & Date	Tenure (Years)	No. of Installment ends	Repayment terms	ROI	Loan Balance as on 01.04.2022	Loans Drawn during 2022-23	TOTAL LOANS	Repayment of Loan During 2022-23	Loan Balance as on 31.03.2023
49	RFC - STL Rs.150 Crs 30.08.2021 42816362 Capex (Secured by Hypothecation of asset)	100416674/31.12.2020	3	36	Monthly	8.25	6,818.18	-	6,818.18	6,818.18	-
50	RFC - STL Rs.150 Crs 30.08.2021 42816361 Capex (Secured by Hypothecation of asset)	100416674/31.12.2020	3	36	Monthly	8.5	10,625.00	-	10,625.00	7,500.00	3,125.00
51	RFC - STL Rs.150 Cr A/C No: 46115472/30.09.2019 moratorium period 4615001341	100295675/27.09.2019	3 months	3 months	Monthly	12.5	1,096.20	-	1,096.20	1,096.20	-
52	REC MTL Rs.12.06 Cr A/C No:46115847 moratorium period 4615001358	100416674/31.12.2020	3 months	3 months	Monthly	12.75	1,187.75	-	1,187.75	Under Moratorium	1,187.75
53	RFC -Medium Term Loan 16.72Cr 46115472 (4616002767) 31.08.2020 II nd mrt	100295675/27.09.2019	3 months	3 months	Monthly	12.5	1,666.19	-	1,666.19	1,666.19	-
54	RFC -Medium Term Loan 17.57Cr -46115847 (4616002803) 31.08.2020 II nd mrt	100416674/31.12.2020	3 months	3 months	Monthly	12.75	1,749.16	-	1,749.16	Under Moratorium	1,749.16
55	RFC - STL-RBPP LOAN A/C NO:42817219 (05.09.2022) (Secured by Hypothecation of asset)	100610572/16.09.2022	5 Years	Revolving Fund	Monthly	9.25	-	60,200.00	60,200.00	30,200.00	30,000.00
56	GOK APDRP SCHEME-GOK Loan (Un Secured)	-	20 Yrs	20	YEARLY	11.5	1,009.21	-	1,009.21	544.00	465.21
57	GOK LOAN FOR POWER PURCHASE Rs1500 cr(Un Secured)	-	3+7	7	YEARLY	-	50,742.00	-	50,742.00	7,248.86	43,493.14
58	GOK LOAN FOR POWER PURCHASE Rs400 cr(Un Secured)	-	2+5	5	YEARLY	-	40,000.00	-	40,000.00	8,000.14	31,999.86
59	KRIIDL-20.02.2019 STL(Un Secured)	-	18 months	1	BULLE	8.55	11,500.00	-	11,500.00	11,500.00	-
60	PMGY Scheme-GOK Loan(Un Secured)	-	20	15	YEARLY	12	93.07	-	93.07	93.07	-
							4,21,592.69	1,43,627.05	5,65,219.75	1,42,088.91	4,23,130.83
							7,28,517.77	2,49,668.76	9,78,186.53	1,77,899.09	8,00,287.44

ABSTRACT

Sl. No.	Name of the Institution	Opening Balance as on 01.04.2022	Loans drawn during 2022-23	TOTAL LOANS	Repayment of Loan during 2022-23	Loan Balance as on 31.03.2023
1	Rural Electrification Corporation Limited (REC)	2,79,884.30	1,13,910.77	0	81,559.71	3,12,235.36
2	Power Finance Corporation Limited (PFC)	38,364.11	29,716.28	68,080.40	33,143.14	34,937.26
3	Canara Bank	59,777.46	55,000.00	1,12,777.46	5,516.37	1,07,261.09
4	State Bank of India (SBI)	70,726.80	35,000.00	1,03,726.80	9,194.60	94,532.20
5	Punjab National Bank (PNB)	67,492.14	-	67,492.14	16.00	67,476.14
6	Bank of India (BoI)	99,978.69	-	99,978.69	0.43	99,978.25
7	Government of Karnataka	91,844.28	-	91,844.28	15,886.07	75,958.21
8	Karnataka Renewable Energy Development Limited (KREDL)	11,500.00	-	11,500.00	11,500.00	-
9	State Bank of India and Canara Bank (Working Capital)	8,949.99	20,041.71	28,991.70	21,082.76	7,908.94
	TOTAL	8,949.99	2,49,668.76	9,78,186.53	1,77,899.09	8,00,287.44

(Rs. In Lakhs)



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Note 6 Other Long-Term Liabilities:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. in Lakhs	Rs. in Lakhs
6-1	Miscellaneous Deposits	46.966 & 47.601	282.56	160.13
6-2	Security Deposit from consumers	47.6 & 48.1	1,13,522.62	1,01,297.22
6-3	Security Deposit from Employees	46.920	0.19	0.17
6-4	Payable to GOK - BRP II from Consumers	46.204 to 46.207	40.20	40.20
6-5	Liability for Inter Company Transactions - Payable/Receivable (Net):			
6-5-1	Payable to KPTCL & ESCOMs	42.2	6,724.35	6,871.70
6-5-2	Less: Receivable from KPTCL & ESCOMs	28.9	434.65	500.98
	Net Payable to KPTCL & ESCOMs		6,289.70	6,370.72
	Total		1,20,135.27	1,07,868.44

Note: 6-2: The balance of Security Deposits from consumers held as per Accounts and Consumer Ledger accounts are subject to reconciliation. Balance as per Consumer Ledger is Rs.1,01,274.30 Lakhs.

Note 7 Long-Term Provisions:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. in Lakhs	Rs. in Lakhs
	Provision for employees benefit:			
7-1	Provision for compensated absences	46.430	18,812.07	15,025.70
7-2	Provision for employees benefit (FBF)	44.142	1,019.37	987.98
	Total		19,831.44	16,013.68

Note:

1) The provision for Liability in respect of Earned Leave Encashment(Compensated Absences) and Family Benefit Fund is created on the basis of Actuarial valuation as per AS 15 (revised 2005) as prescribed in the Companies (Accounting Standards) Rules, 2006. The assumptions adopted for valuation for 9,531 (PY 9,428) employees with salary increase of 6% (PY 6%) and Rol @ 7.45%p.a. (PY 6.95% p.a.). The Current cost on these items are shown in Note No.: 11.

2) No separate fund and Bank balance is maintained by the company for 7-1 & 7-2.

3) Amount charged to P&L Account during the year 2022-23 on account of these obligations Rs.23,522.62 Lakhs (PY Rs.19,267.55 Lakhs) (long term and short term) Note No.: 25-9 and Note No.: 25-12.



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Note 8 Short-Term Borrowings:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
8 -1	Loans repayable on demand from Banks			
	Secured(CC) - Canara Bank/State Bank of India - Over Draft	50.1	7,908.94	8,949.99
	Secured - State Bank of India	53.978	14,871.77	2,390.80
	Secured - Canara Bank	53.981	3,000.00	-
	Secured - REC - RBPF	53.314	30,000.00	-
	Current maturities of long-term debt (Refer Note 2 below)		68,896.68	1,30,408.54
	Total		1,24,677.38	1,41,749.33

2) Current maturities (payable during 2023-24) of long-term debt:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
I	Term loans From banks Secured			
1	Loan from State Bank of India Hubli by HESCOM	53.978	6,562.99	18,336.00
2	Loan from Canara Bank, Hubli by HESCOM	53.981	1,902.72	5,516.00
3	Loan drawn from Bank of India (COVID-19)	53.988	4,761.92	-
4	Loan drawn from Punjab National Bank (COVID-19)	53.989	3,212.00	-
5	Loan drawn from State Bank of India (COVID-19)	53.990	2,975.00	-
6	Loan drawn from Canara Bank (COVID-19)	53.991	2,380.24	-
	Sub-Total		21,794.87	23,852.00
II	From other parties Secured			
1	Loan from Power Finance Corporation LTD - R-APDRP Scheme.	53.961	80.01	66.89
2	Loans drawn from REC in respect of ongoing SPA Scheme works by KPTCL for HESCOM.	53.314	30,955.38	46,115.75
3	Loans Released from GoK through KPTCL towards PMGY works	53.307	-	37.00
4	APDRP - GOK Loan Payable to KPTCL	53.350	465.21	544.00
5	Loan from Power Finance Corporation Ltd., - KPTCL	53.960	-	32,697.84
6	Loan from Power Finance Corporation Ltd., - IPDS-TL	53.987	352.20	352.20
7	Short Term Loan KREDL	53.985	-	11,500.00
8	Loan from GOK towards Power purchase	53.984	16,249.00	15,242.86
	Sub-Total		47,101.80	1,06,556.54
	Total		68,896.68	1,30,408.54



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Note 9 Trade Payables:

Sl No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
9-1	Trade Payables for Purchase of Power	*41.1 to 41.5	2,57,206.01	1,47,883.34
9-1-1	Provision for Liability for Purchase of Power*	41.200	1,36,717.08	1,07,372.84
9-1-2	Provision for Liability for Interest on belated Payment of Purchase of Power	41.200	1,52,395.73	1,55,715.85
9-2	Trade Payables for Purchase of Power - (ESCOMs) (Net):			
9-2-1	Payable to ESCOMs	42.2	3,54,141.03	3,26,926.30
9-2-2	Less: Receivable from ESCOMs	28.8	1,85,740.19	1,63,530.19
	Net Payable to ESCOMs		1,68,400.83	1,63,396.11
Total			7,14,719.65	5,74,368.14

* Unbilled as on 31.03.2023.

Note: 1) Letter of Credit from banks (non-fund based):

As per the conditions of power purchase agreements entered with various power generators, the company has provided LC's to Generators as a payment security and availing rebate as per the rebate clause. The obligations under LC had been honoured by HESCOM promptly and there was no LC devolvement. The status of LC's provided as an 31.03.2023 is furnished as below:

Sl.No	Name of the Bank	Comprehensive LC Limit (Rs. in Lakhs)	Amount of LC availed (Rs. in Lakhs)	Balance of LC limit available out of comprehensive LC as on 31-03-2023 (Rs. in Lakhs)
1	State Bank of India (against 10% Cash margin)	30,000.00	28,693.53	1,306.47
2	Canara Bank (against 15% Cash margin)	15,000.00	2,666.00	12,334.00
Total		45,000.00	31,359.53	13,640.47

* PY Comprehensive LC Limit of only SBI was Rs.15,000 Lakhs, Canara Bank was Zero. Amount of LC availed of SBI was Rs.15,000 Lakhs, Canara Bank was Zero.

2) Interest on belated payments payable is accounted on receipt of Invoices for supply of power from the Power Generators.

3) Trade payable balances are subject to confirmations.

4) Caliberation charges are accounted as and when Invoices are raised by Power suppliers.

5) M/s UPCL had claimed Late Payment Surcharge for which ESCOMs had filed Civil Appeal in the Hon'ble Supreme Court vide CA No.: 828/2021, 842/2021, 927-928/2021 and 32/2021 against Hon'ble APTEL Order in APL No.: 10 to 13 and 80 of 2020 Dtd: 02.11.2020. This case has been disposed by the Hon'ble Supreme Court vide order Dtd: 08.02.2022 and rejected the appeal filed. The amount payable to M/s. UPCL has been reconciled by HESCOM and the payment has been made on 18.03.2023 which amounts to Rs.78,595 Lakhs (including Principal of Rs.18,064 Lakhs) by debit to P&L Account of FY 2022-23 (Note No.: 24-1 and 26-20). The liability in this regard is NIL as on 31.03.2023.

6) The Principal dues and Interest dues of M/s. KPCL is under dispute and the reconciliation work has been entrusted by M/s. KPCL duly taking the approval from GoK and consent from ESCOMs' to the third party namely, M/s. Ramraj & Co., for reconciliation from 2005-06 and the same is under process.



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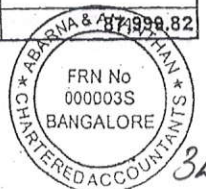


Note 10 Other Current Liabilities:

Sl No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. in Lakhs	Rs. in Lakhs
10 -1	Interest accrued and due on borrowings	51.200	1,134.90	789.63
10 -2	Interest accrued but not due on borrowings	46.710	434.81	1,323.06
10 -3	Interest accrued but not due on Consumers on Security Deposits (Refer Note 2 below)	48,340,350	3,892.64	3,909.52
10 -4	Other payables:			
10 -4-1	Liability for Supplies/Works	42,101,201,301,401, 501 & 701	32,525.38	24,040.51
10 -4-2	Security Deposit from Suppliers/contractors	46,101,102,103,104, 107,108 & 109	10,621.41	16,384.45
10 -5	Staff Related Liabilities and Provisions			
10 -5-1	Provision for payment and receivable to/from P&G Trust (Pension & Gratuity)(Net)			
10 -5-1a	Pension & Gratuity - Payable to P&G Trust	44.122	6,430.02	9,408.22
10 -5-1b	Less: Pension & Gratuity - Receivable from P&G Trust	28.907	(964.38)	(263.48)
	Pension & Gratuity - Net Payable to P&G Trust		7,394.40	9,671.70
10 -5-2	Provision for payment and receivable to/from NDCPS Family Pension Trust and Grtaturity Trust (Net)			
10 -5-2a	Payable to NDCPS Family Pension Trust and Gratuity	44.123 & 44.124	6,454.38	5,405.75
10 -5-2b	Less: Receivable from NDCPS Family Pension Trust and Gratuity	28.909 & 28.910	190.53	-
	Net Payable to NDCPS Family Pension Trust and Gratuity		6,263.85	5,405.75
10 -5-3	Unpaid Bonus	44.220	1.23	1.64
10 -5-4	Salary payable	44,310,311,312	2,081.01	759.96
10 -5-5	Bonus payable	44.320	26.50	18.29
10 -5-6	Ex-gratia payable	44,330	680.39	659.70
10 -6	Statutory remittances:			
10 -6-1	Electricity tax and other levies payable to Government including old balances (Refer Note 1 below)	46.300	7,705.27	6,288.15
10 -6-2	Compounding Fee payable to Govt.	46.301	183.39	152.96
10 -6-3	ESI	46.991 & 46.992	1.39	1.51
10 -6-4	Taxes such as Sales Tax, Income Tax, Service Tax, etc., deducted at source and payable to Government.	(46,921,924,925,926,927,930,931 & 942)	978.10	2,928.30
10 -6-5	Goods and Service Tax (GST)	(46,932,933,934,984,985,986,987,988,989,990,993,994,995,996,997)	3,380.41	1,960.23
10 -6-6	Amount recoverable from salaries of corporation employees & payable to other departments	46.928	127.53	89.42
10 -6-7	NDCPS Contribution from Employees/Employer	46.952 & 44.150	2,178.78	740.36
10 -6-8	Amount recovered from Employees & payable to Employees welfare Trust towards Employees contribution	46.956	85.63	85.63
10 -6-9	Contract employees PF and Company's Share of PF payable account	46.957 & 46.958	0.10	0.52
10 -6-10	TCS Collected from Consumers	46.936	5.12	6.83
10 -6-11	IT deducted at Source on purchase of electricity	46.937	123.78	87.62
10 -7	Others			
10-7-1	Expenses Payable	46,400,410,411,430,440,441,450,460,470	26,123.62	8,599.92
10-7-2	Receipts in Bank accounts pending adjustments to A/c's	46,971,972,974,975,978,980 & 981	1,757.14	1,276.12
10-7-3	Advance received for sale of stores scrap etc.,	46.922	60.44	23.55
10-7-4	Stale Cheques	46.910 & 46.911	11.95	6.64
10-7-5	Advance paid to SPPCC towards UI Charges/Administrative charges	28.945 & 28.946	2,787.85	2,787.85
10-7-6	On Billing Finance under DELP Programme.	46.302	0.05	-
10-7-7	Free Power supply to BPL consumers (SC/ST) under Amrut Jyoti scheme	46.303	530.90	-
10-7-8	Encashment of Bank Guarantee pending disposal of Court case against Liquidated damages	56.202	523.00	-
	Total		1,11,620.95	87,999.82



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Notes:

1) Electricity taxes (10-6-1): The Electricity tax demanded for the year is Rs.29,956.74 Lakhs (PY Rs.27,510 Lakhs), the tax collected from consumers including arrears and payable to GOK during FY 2022-23 is Rs.29,754.38 Lakhs (PY Rs.30,077 Lakhs). Out of this, the GOK has Adjusted Rs.28,603.00 Lakhs (PY Rs.27,293 Lakhs) to tariff subsidy receivable from the GOK during the year.

2) 10-3: 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 due at 4.25% is created duly deducting applicable, TDS amount of Rs.109.16 Lakhs (PY Rs.140.39 Lakhs).

3) 10-7-8: During the year, Bank Guarantee was encashed against Liquidated damages and pending disposal of Court case is held in Other Current Liabilities.

4) Liability with respect to Arms length arrangement for sharing of maintenance cost and payment of rent in respect to assets of common use between KPTCL and HESCOM are pending reconciliation with KPTCL.

5) 10-7-7: Amrut Jyothi Scheme - The Government of Karnataka vide Order dated 18.05.2022 introduced 'Amrut Jyothi Scheme' for free supply of power to the domestic consumers under Scheduled Caste and Scheduled Tribe categories upto a maximum of 75 units per month. The scheme covered all the consumers from SC/ST category including those covered under existing Bhagya Jyothi / Kuteera Jyothi Schemes. To avail the benefit of free power, consumers need to initially pay the monthly electricity charges only after which amount equivalent to consumption upto 75 units will be transferred to the beneficiary through Direct Benefit Transfer (DBT).

For implementation of the scheme, HESCOM sought an estimated amount of Rs.603.27 lakh for reimbursement of electricity charges to 246358 beneficiaries (172747 beneficiaries under SC category and 73611 beneficiaries under ST categories) between June 2022 to March 2023. Against the claims, Government released Rs.553.95 lakh (Rs.23.00 lakh in October 2022, Rs.141.98 lakh in December 2022 and Rs.388.97 lakh in March 2023) against which Rs.23.05 lakh has been transferred to 11045 beneficiaries till March 2023 leaving an unutilised balance of Rs.530.90 lakh. The role of HESCOM under the scheme is limited only to identify the beneficiary and authorize such reimbursement to consumers subject to fulfilment of conditions stated in the Scheme.



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Note 11 Short-Term Provisions:

Sl No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
11-1	Provision for employees benefit (Leave Encashment)	46.430	3,612.27	3,171.03
11-2	Provision - Others:			
11-2-1	Provision for loss on written off of cash found short	46.965	0.67	0.67
11-2-2	Provision for other employees benefit - FBF	44.142	78.91	82.85
Total			3,691.85	3,254.55

Note: For Long term provisions of the above refer Note No.: 7.



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Note 12 A Property, Plant and Equipment:

Rs. In Lakhs

Sl No	Property, Plant and Equipment	A/C Code	Gross block				Accumulated depreciation and impairment				Net block	
			Balance as at 1st April, 2022	Additions	Disposals	Balance as at 31st March 2023	Rate %	Balance as at 1st April, 2022	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31st March 2023	Balance as at 31st March, 2022
12-1	Land Freehold	10.1	2,34,843.77	59.10	72.29	2,34,830.58	12.1	-	-	-	2,34,830.58	2,34,843.77
12-2	Buildings	10.2	20,852.32	9,691.15	-	30,543.47	12.2	4,819.69	830.17	-	24,893.61	16,032.63
12-3	Hydraulic Works	10.3	694.67	120.51	-	815.19	12.3	263.86	38.16	-	513.18	430.82
12-4	Other Civil Works	10.4	978.73	140.51	-	1,119.23	12.4	169.88	36.30	-	913.04	808.84
12-5	Plant and Equipment	10.5	1,46,296.60	41,653.48	29,026.59	1,58,923.49	12.5	36,791.47	9,323.71	5,382.82	1,18,191.13	1,09,505.13
12-6	Line Cable Networks	10.6	7,66,142.16	67,760.01	7,480.25	8,26,421.92	12.6	1,37,362.75	40,847.58	19,400.66	6,67,612.25	6,28,779.41
12-7	Vehicles	10.7	930.92	204.96	9.50	1,126.38	12.7	597.87	48.38	8.55	488.68	333.06
12-8	Furniture and Fixtures	10.8	817.95	109.49	1.61	925.84	12.8	414.74	42.03	0.78	469.85	403.21
12-9	Office equipment	10.9	600.26	987.51	532.47	1,055.30	12.9	124.88	12.02	5.02	923.42	475.38
12-10	Land Leasehold	10.102	16.59	6.85	0.81	22.63	12.1	-	-	-	22.63	16.59
	Total		11,72,173.98	1,20,733.56	37,123.51	12,55,784.03		1,80,545.14	51,178.36	24,797.84	2,06,925.66	9,91,628.84
Less: Contributions, Grants and Subsidies towards cost of Capital Assets.												
Net Block			8,61,547.88	3,45,005.20	34,379.11	11,72,173.97		1,61,446.86	45,116.09	26,017.80	1,80,545.15	7,00,101.02
Previous year												

Note- Revaluation of Land Assets (Sl. No.: 12-1):
Cost of Land include revalued amount of Rs.2,32,200.81 Lakhs done during FY 2021-22.



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Depreciation relating to continuing operations:

Sl No	Particulars	Rs. In Lakhs	
		For the year ended	31-Mar-22
12-11	Depreciation for the year on tangible assets as per Note 12 A	51,069.95	45,116.09
	Less: Utilised from revaluation reserve	-	-
	Depreciation relating to continuing operations	51,069.95	45,116.09

Note:

1) The Capital Grants received from Government and consumer contribution towards cost of capital assets aggregating to Rs.2,97,585.62 Lakhs (PY Rs.2,65,851.44 Lakhs) 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 2022-23 @5.28% which works out to Rs.612.54 Lakhs (PY Rs.754.09 Lakhs) plus accumulated depreciation amount of Rs.15,099.98 Lakhs (PY Rs.13,282.87 Lakhs) on these assets duly passing a journal entry at Head Office.

2) Capital grants and consumer contributions are accounted on receipt basis except - (i) amount spent on 2019 flood related capital works (see Note No.: 21-1-1) and (ii) GK works (see Note No.: 21-1-12) are accounted on accrual basis.

12A1: Contributions, Grants and Subsidies towards cost of Capital Assets:

Sl No	Particulars	Rs. In Lakhs	
		For the year ended	31-Mar-22
12-A-1	Capital Grants		
	Opening balance	55.1, 55.3	2,85,984.44
12-A-2	Add: Received during the year		18,240.52
	Closing balance		3,04,224.95

Break-up of Contributions, Grants and Subsidies towards cost of Capital Assets:

Sl No	Particular	Rs. In Lakhs	
		For the year ended	31-Mar-22
12-A-1	Consumers contribution towards cost of capital	55.1	2,03,288.43
12-A-2	Grants towards Cost of Capital assets	55.3	82,696.01
	Total	3,04,224.95	2,85,984.44

12 B. Intangible Assets:

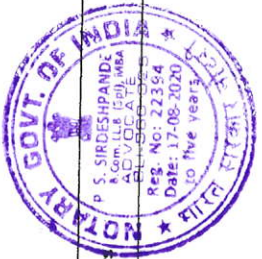
Sl No	Intangible Assets	A/C Code	Gross block			Accumulated amortisation			Net block	
			Balance as at 1st April, 2022	Additions	Disposals	Balance as at 31st March, 2023	Amortisation for the year	Eliminated on disposal of assets	Balance as at 31st March, 2023	Balance as at 31st March, 2022
12-B-1	Software acquired / Purchased for internal use	18.1	2,531.44	52.58	-	300.86	-	2,013.82	570.19	818.47
	Total		2,531.44	52.58	-	300.86	-	2,013.82	570.19	818.47

Note: There are no Intangible Assets under development.



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12.C. CAPITAL WORKS IN PROGRESS:



SI No	Particulars	A/C Code	Rs. In Lakhs	
			For the year ended	31-Mar-22
12-C-1	Capital Work in Progress	14.116 to 14.910	29,725.75	32,426.52
	CWIP Categorised	14.906 & 14.907	(47.89)	(879.88)
	Sub-Total		29,677.86	31,546.64
12-C-2	Completed works (to be categorised).	15.5	6,416.32	7,834.56
	Written down value of Faulty / Dismantled Assets	16.2	5,010.70	4,739.29
	Less: Consumers contribution towards cost of capital	55.1 & 55.3	6,639.33	20,132.99
	Total		34,465.55	23,987.50

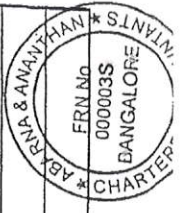
Note: 1) During the year 2022-23, the company has collected Rs.18,240.52 Lakhs (PY Rs.34,414.92 Lakhs) from Consumers/Govt. by way of Grants towards Assets creation for distribution of electricity. The Assets aggregating to Rs.11,601.19 Lakhs (PY Rs.14,282 Lakhs) has been capitalised during the year and included in 12A under Additions to Gross Block. Therefore this amount is reduced from Net block of Assets. The Assets created out of Grants/Consumers contribution to the extent of Rs.2,97,585.62 Lakhs (PY Rs.2,65,851.44 Lakhs) cumulative has been reduced from the Net value of Assets upto 31.03.2023 as per AS 12. The remaining balance of Rs.6,639.33 Lakhs (PY Rs.20,132.99 Lakhs) is held under capital works in progress as on 31.03.2023.

2) An amount of Rs.18,926.78 Lakhs in Account code 55.1 includes Grant of Flood related activities under 12A1.

3) Pending completion of the enquiry, the irregular works observed in Athani Division during earlier years aggregating Rs.11,463.64 Lakhs (Financial Loss - Rs.3,403.22 Lakhs & Procedure Lapses/Illegal Works - Rs.8,060.44 Lakhs) are not dealt with / withdrawn from the CWIP/Capital Assets. Also, the loss after considering the money held with the HESCOM is not provided in the books.

Land owned under full titles (A/c Code 10.101) include the following lands which are under correspondence/dispute and pending before the Court. The details are as under:

Sl. No.	Divisions	Name of the place	Survey / CTS No.	Area	W.P.No./Year	Remarks
1	Gadag	Unachageri village, Ron taluk.	64/2 & 64/3	03A-30G	EX-57/2015	Additional Compensation.
2	Ranebennur	Division office premises Rannebenur	794A/9B+10/B, 795/1	05A-30.14G	104529/2018	Land Encroachment.
3	Ranebennur	Sub-Division Office Premises Byadagi	180/A/1	01A-9.0G	51/2010	Refund of excess amount to HESCOM.
4	Belagavi Urban	Gandhi nagar, Belagavi	1046/3AB	02A-16G	EX.C/69/2022	Additional Compensation.
5	Belagavi Urban	Gandhi nagar, Belagavi	1046/2A	00A-08G	EX.C/72/2021	Additional Compensation.
6	Belagavi Urban	Gandhi nagar, Belagavi	1046/3A	00A-18G	LAC Appeal 143/2015	Additional Compensation.
7	Belagavi Rural	Hirebagewadi 33/11KV Sub Station, Rural Division, Belagavi	450/B	00A-18G	LAC No. 3/2009	Quashed in favour of HESCOM.
8	Athani	Athani	CTS No: 4356	02A-00G	OS 293/2019	Land Encroachment.
9	Vijayapur	Jurnal	418/2+3+4	01A-12G	OS/673/2018	Additional Compensation.
10	Indi	Jigajivani		03A-00G	OS/43/2022	Land dispute injunction appeal quashed suit pending.
11	Indi	Almel	755/5	03A-03G	WP No. 202039/2021	Land Encroachment.
12	Indi	Naad B K		03A-29G	EP 23/2016	Additional Compensation.
13	Basavana Bagewadi	Malaghan	137	05A-00G	WP No. 203453/2017	Additional Compensation.



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Note 13 Non-Current Investments:

SI No	Particulars	As at 31st Mar, 2023			As at 31st Mar, 2022		
		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) (100 Equity Shares of Rs. 1000 Each)	-	1.00	1.00	-	1.00	1.00
	ii) Other Investments - M/s. Priyadarshini Jurala Hydro Electric Project (PTC-20.272)	-	1,040.00	1,040.00	-	1,400.00	1,400.00
	Total	-	1,041.00	1,041.00	-	1,401.00	1,401.00
	Aggregate amount of unquoted investments			1,041.00			1,401.00

Note:

HESCOMs share of allocation by the GoK out of total payment of Rs.7,000 Lakhs made to M/s Priyadarshini Jurala Hydro Electric Project Limited through M/s PCKL as an investment in Power Utilities was Rs.1,400 Lakhs. This amount is held under Non-Current Assets. PCKL vide its letter dtd: 04.04.2022 and 30.05.2022 has directed to amortise this amount over a period of 35 years commencing from FY 2014-15. Hence, an amount of Rs.40 Lakhs per annum for a period of 9 years (from 2014-15 to 2022-23) is calculated which amounts to Rs.360 Lakhs. The same is debited to P&L Account for the year 2022-23.

Note 13A Deferred Tax (Asset):

SI. No.	Particulars	A/C code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
13A-1	Deferred Tax (Asset)	46.801	37,679.91	38,131.37
	Total		37,679.91	38,131.37

Break-up of Deferred Tax Asset

Particulars	(Rs. In Lakhs)		
	Opening balance as on 31.03.2022	Closing balance as on 31.03.2023	Dr / Cr to P&L Account
1	2	3	4 = 3 - 2
Deferred Tax Liabilities (A)	28,927.36	31,031.63	2,104.27
Deferred Tax Assets (B)	67,058.73	68,711.54	1,652.81
Deferred Tax Asset / Liability (C = A - B)	(38,131.37)	(37,679.91)	451.46



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Note 14 Long-Term Loans and Advances:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
14-1	Capital advances			
14-1-1	Secured, considered good			
	Advance to Suppliers - Interest free	25.501	6.75	6.75
	Advance to Contractors - Interest free	26.601, 602 & 603	504.38	4,258.04
	Material Advance to Contractors	26.605	5,969.55	16,667.66
14-2	Deposit with Others			
14-2-1	Secured, considered good			
	Deposits made with Courts, Telephone connections, etc.,	28.930,933,935	507.70	510.97
	Total		6,988.38	21,443.41

Note 15 Other Non-Current Assets:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
15-1	Long-Term Trade Receivables:			
15-1-1	Subsidy receivable from GOK Unsecured, considered good (Refer Note No.: 18)	28.611,613,615,6 16,617,618,620 & 621	54,160.27	56,673.12
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 (Refer Note No.: 18)	28.614	5,365.57	5,365.57
15-1-3	Amount receivable from Karnataka Power Loom Development Board – GOK towards Special Nekar Package Scheme.	28.619	2,176.12	1,269.71
15-1-4	Regulatory Asset	28.908	96,593.43	56,416.12
	Total		1,58,295.39	1,19,724.52

Note: 15-1-1 includes Rs.2,702.37 Lakhs Subsidy Receivable from GoK with respect to Hukkeri Co-Operative Society.

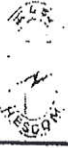
Note 16 Current investments

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
16-1			Nil	Nil
			Nil	Nil

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Note 17 Inventories:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
17-1	Stores and spares (As per details below)	22.610, 641, 660, 700, 810, 820 & 16.1	19,638.30	16,310.21
Total			19,638.30	16,310.21

Details of Inventories are as below:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
17-1-1	Materials Stock Account	22.610	18,320.96	14,303.03
17-1-2	Materials imprest Account	22.641	335.81	320.02
17-1-3	Materials pending Inspection	22.660, 680	80.39	318.47
17-1-4	Obsolete Materials Account	22.710, 720, 730, 731, 760	(2,238.10)	(1,635.34)
	Materials stock Excess / Shortage Pending Investigation.			
17-1-5	Stock Excess pending Investigation.	22.810	(72.19)	(62.45)
17-1-6	Stock Shortage pending Investigation.	22.820	172.08	130.09
	Assets not in use		16,598.96	13,373.83
17-1-7	Obsolete / Scrapped assets.	16.102, 103, 104, 105, 106, 107, 109	3,039.35	2,936.38
Total			19,638.30	16,310.21



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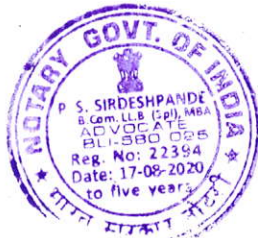
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Note 18 Trade Receivables against Supply of Power:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
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	2,39,056.80	2,07,980.14
18 -1-2	Less: Revenue Suspense, Revenue collection Pending Classification	47.607, 47.609	1,415.71	190.57
18 -2	Outstanding for a period exceeding six months from the date they were due for payment			
18 -2-1	Unsecured against disconnected installations	23.5	4,429.78	3,804.15
	Sub-Total		2,42,070.87	2,11,593.72
18 -3	Less: Provision for withdrawal of Revenue demand	23.8	1,784.04	1,677.38
18 -4	Less: Provision for doubtful trade receivables	23.9	3,234.01	4,232.56
	Sub-Total		5,018.05	5,909.94
	Total (As per Note below)		2,37,052.82	2,05,683.78

Details of Trade Receivables are as below:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
	RECEIVABLES AGAINST SUPPLY OF POWER.			
	Unsecured Considered Good			
18 -1-1-1	Trade Receivables for sale of Power – LT	23.1	1,25,874.46	1,06,964.59
18 -1-1-2	Trade Receivables for sale of Power - HT	23.2	18,783.90	15,132.26
18 -1-1-3	Trade Receivables for Electricity Tax	23.3	6,878.11	6,683.93
18 -1-1-4	Dues from Permanently disconnected consumers	23.5	4,429.78	3,804.15
18 -1-1-5	Trade Receivables - miscellaneous dues from consumers & HRECS (Incl Interest on Revenue Arrears)	23.700	74,747.79	68,892.86
18 -1-1-6	Trade Receivables for sale of Power - HRECS	23.275	12,772.54	10,306.50
	Sub-Total		2,43,486.58	2,11,784.29
	Less:			
18 -1-1-7	Less: Provision for withdrawal of Revenue demand	23.800, 801, 802	1,784.04	1,677.38
18 -1-1-8	Less: Provision for Doubtful Dues from consumers (Credit Account)	23.9	3,234.01	4,232.56
18 -1-1-9	Less: Revenue Suspense, Revenue collection pending classification	47.607, 47.609	1,415.71	190.57
	Total (Net Receivables against Supply of Power)		2,37,052.82	2,05,683.78



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Note:

(i) As per G.O.No.: Energy/123/PSR/2022 Bangalore, Dated: 11.03.2022, GoK extended the financial support to the Company by releasing arrears of subsidy from FY-17 till FY-22 of Rs.3,46,308 Lakhs (Cash Support Rs.2,47,050 Lakhs and Interest free loan adjusted Rs.99,258 Lakhs) and remaining subsidy balance from FY-03 till FY-16 of Rs.2,19,603 Lakhs had been advised for write-off duly obtaining approval from the Board.

In this regard, the company made representation to GoK for reconsideration. The GoK vide their letter No.: Energy/293/PSR/2022 Dtd: 01.12.2022, had not considered the representation of the Company. As HESCOM is contemplating to make representation on merits, the directions are not given effect in the accounts of the Company as on 31.03.2023.

The breakup details of **Rs.2,19,603 Lakhs** is given below:

1. Trade Receivables as above includes under A/c Codes 23.1 and 23.7 Rs.1,07,632 Lakhs dues (Rs.63,322 Lakhs Principal + Rs.44,309 Lakhs Accumulated interest up to 31.03.2012) which pertains to the period prior to announcement of Free Power Supply to IP Sets up to 10 HP. The Interest Charged in the DCB amounting Rs.32,763 Lakhs had been withdrawn by the Company from 2012-13 onwards.

2. Note No.: 15 - Other Non Current Assets - An amount of Rs.51,670 Lakhs under A/c code 28.620 towards Rural Electrification Loss for the period 2002-03 to 2004-05 and an amount of Rs.5,365.57 Lakhs under A/c code 28.614 vide G.O. No. EN 34 PSR 2008 dated 19.08.2010 was ordered for refund (pertaining to the amount paid by the farmers during the period from 01.04.2001 to 31.03.2003) to them. The same was paid by HESCOM.

3. Note No.: 21 - Other Current Assets include balance under A/c Code 28.627 - Rs.54,936 Lakhs.

(ii) Trade Receivables for sale of power includes Rs. 3524.47 Lakhs (PY Rs.3,379.47 Lakhs) pertaining to disputes raised by consumers and which are pending before various authorities and courts, as detailed below:

SI No	Name of the Appellate Authority	Number of Cases	Amount (in Lakhs)
1	Corporate Office, HESCOM	2	10.06
2	Chief Engineer (Ele), HESCOM	1	75.69
3	SEE, O & M Circles, HESCOM	33	20.20
4	SEE, Appeals	53	13.89
5	EEE, O & M Division	3	2.19
6	Courts	62	3,365.00
7	KERC.Bangalore	7	37.44
	Total	161	3,524.47



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Note 19 Cash and Cash Equivalents:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
.19-1	Balances with Banks:			
19-1-1	Collecting Bank Accounts (Non-operative)	24.3	1,094.33	1,315.37
19-1-2	Disbursement Bank Accounts (Operative)	24.4	1,125.65	165.48
19-1-3	Transit account with Head Office	24.5	2.46	-
	Sub-Total		2,222.44	1,480.85
.19-2	Cash on hand	24.110	490.46	1,108.45
.19-3	Cheques on hand	24.110	645.40	825.22
.19-4	Postage stamps on hand	24.120	3.18	2.77
.19-5	Imprest with staff	24.210	13.25	13.05
.19-6	Fixed Deposits in Banks			
.19-6-1	Cash and Cash Equivalent (maturity less than 3 months)	28.935	-	-
.19-7	Other Bank Balances			
.19-7-1	Deposits provided as margin money for letter of credit (maturity more than 3 months but less than 12 months)	28.935	5,728.64	3,705.91
.19-7-2	Deposits provided as margin money for letter of credit (maturity more than 12 months)	28.935	-	-
	Total		9,103.36	7,136.24

Note: Bank Fixed deposits include Deposits under lien towards Letter of Credit Limits availed from Banks for Purchase of Power amounting to Rs.45,000 Lakhs (i.e., 10% and 15% Cash Margin) (PY Rs.15,000 Lakhs).

Note 20 Short-Term Loans and Advances:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
20 -1	Loans and Advances to Employees (Refer Note below)			
	Secured, considered good	27.1 & 27.2	608.62	460.62
	Tax Deducted at Source	27.410, 27.425 & 28.821	124.79	47.38
	TCS paid to the suppliers on Purchase of Electricity/Goods	28.822 & 28.823	223.86	577.64
iv	GST TCS Collected by electronic commerce operator on the trade obligation of Renewable Energy Certificates (RECs) sale.	28.818, 824 & 825	0.19	-
	Total		957.45	1,085.64

Note:

- Loans and Advances to Employees comprises of Festival Advance, Medical Advance and Advance against expenses.
- Medical advance and staff advance to employees is given based on the KPTCL circular: CYS-611/Dt:15.06.2012.



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Note 21 Other Current Assets:

SI No	Particulars	A/C Code	As at 31st Mar, 2023	As at 31st Mar, 2022
			Rs. In Lakhs	Rs. In Lakhs
21 -1-1	Unbilled Revenue	23.4	1,37,002.72	55,915.82
21 -1-2	Preliminary expenses on survey/feasability studies of project not yet sanctioned	17.301	42.93	53.17
21 -1-3	Transformers / meters etc., issued to contractors / suppliers for repairs / replacement.	26.604	2,315.94	1,682.73
21 -1-4	Initial Advance paid to PCKL towards its Working Capital	27.820 & 27.821	-	2.19
21 -1-5	Interest accrued on Bank Deposits	28.210 & 28.265	128.72	46.23
21 -1-6	Amount Recoverable from Employees & others	28.1, 28.4 & 46.978	286.56	451.68
21 -1-7	Claims for Loss/Damage to Assets/Material	28.724, 729, 743, 744, 749	25.22	24.45
21 -1-8	Other Receivable towards other ESCOMs receivable, etc.,	28.8, 28.901 & 902	11,055.20	7,751.99
21 -1-9	Subsidy receivable from GoK (Refer Note No.:18 - Trade Receivables against supply of power)	28.627	69,222.36	65,087.25
21-1-10	Amount receivable from GoK towards waiver of Demand/Fixed Charges of MSME COVID 19 welfare measures	28.623 & 28.626	9.17	1,371.32
21 -1-11	Sundry Debtors - Government Department (Refer Note 1 below)	28.110	16,453.49	20,942.37
21-1-12	Amount Receivable from Departments towards Ganga Kalyan Works (Refer Note 2 below)	28.628 to 28.636	1,330.93	1,122.00
21 -1-13	Service Tax claim settled by HESCOM to be recovered from Consumer/Contractor (Refer Note 3 below)	28.852	619.95	631.40
21 -1-14	Inter Unit Accounts	31 to 37	3,026.33	1,041.16
21 -1-15	Deposits for Electrification / Service Connection	47.3	(1,988.87)	892.10
21 -1-16	Trade amount receivable by the Company from the Energy Exchanges towards Renewable Energy Certificates (RECs) sale.	28.857, 28.858	37.51	-
	Total		2,39,568.16	1,57,015.86

Note:

- 21-1-11 includes the amount related to 2019 flood related to Capital works which are claimed as refunds from the GoK to extent of Rs.13,791.60 Lakhs (PY Rs.13,791.60 Lakhs).
- 21-1-12 includes an amount of Rs.1,330.93 Lakhs (PY Rs.1,122 Lakhs) related to GK works which are receivable from various Government Departments.
- 21-1-13: Rs.1109.00 Lakhs Service Tax liability was paid by the Company during the month of March 2018 towards Supervision Charges collected from the consumers for the period from 01.04.2011 to 30.06.2017 in respect of electrical connections as per the Summons issued by Senior Intelligence Officer, Bengaluru on 08.09.2017. The recovery of service tax from the consumers upto 31.03.2023 is Rs.489.05 Lakhs (Rs.11.45 Lakhs recovered during the year) and outstanding recoverable amount is Rs.619.95 Lakhs (PY Rs.631.40 Lakhs). No provision is made towards this amount.



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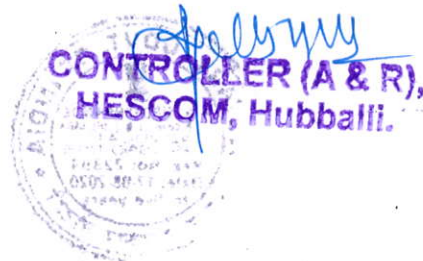
M/s. HUBLI ELECTRICITY SUPPLY COMPANY LIMITED
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Note 22 Revenue from Operations:

SI No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
22 -1	Sale of products comprises: (Refer Note below)			
22 -1-1	Revenue from Sale of Power - LT	61.1 & 61.3	7,68,598.40	7,27,433.72
22 -1-2	Revenue from Sale of Power - HT	61.2	1,79,464.49	1,53,705.63
22 -1-3	Revenue from Sale of Power - HRECS	61.275	22,111.02	18,743.25
22 -1-4	FAC/FPPCA (LT, HT & HRECS)	61.4 & 61.5	1,14,960.45	(12,743.24)
			10,85,134.36	8,87,139.36
22 -2	Other Operating Revenue	61.9	15,559.60	16,417.40
	Less:		11,00,693.95	9,03,556.76
22 -3	Rebates and Incentives	78.822, 78.823, 78.826	483.63	364.70
22 -4	Provision for withdrawal of Revenue Demand	83.830, 831 & 832	187.32	2,091.85
	Total		11,00,023.01	9,01,100.20

Breakup of Revenue from Operations consumers wise:

SI No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
	Sale of products comprises : Revenue from Sale of Power - LT			
22 -1-1-1	Bhagya / Kuteera jyothi Scheme above 40 units	61.101	2,653.45	3,565.61
22 -1-1-2	Lighting/Combined Lighting, Heating and Motive Power - Urban Local Bodies.	61.102	86,633.05	77,839.72
22 -1-1-3	Lighting/ Combined Lighting, Heating and Motive Village Panchayats.	61.104	41,916.37	38,018.25
22 -1-1-4	Lighting/ Combined Lighting, Heating and Motive private professional and other private educational institutions in Urban Local Bodies & City Corporations	61.113	1,970.68	1,400.73
22 -1-1-5	Lighting/ Combined Lighting, Heating and Motive private professional and other private educational institutions in Village Panchayats	61.114	603.53	382.56
22 -1-1-6	Commercial Lighting, Heating and Motive power - Areas under all Urban Local Bodies including City Corporations.	61.116	46,947.97	38,102.13
22 -1-1-7	Commercial Lighting, Heating and Motive Power - Areas under Village Panchayats.	61.117	19,246.08	17,143.47
22 -1-1-8	Irrigation Pump sets (above 10 HP)	61.121	801.69	756.75



Sl No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
22 -1-1-9	IP Sets Up to and inclusive of 10HP	61.122	4,64,158.02	4,58,576.45
22 -1-1-10	Private Horticultural Nurseries, Coffee, & Tea plantations	61.127 + 61.128	75.24	61.60
22 -1-1-11	Industrial, Non-Industrial, Heating and Motive Power including Lighting	61.129 To 61.137	34,542.48	30,732.27
22 -1-1-12	Water supply and sewerage pumping installations	61.143	28,520.28	23,791.11
22 -1-1-13	Public Street lights	61.144	15,220.80	13,683.74
22 -1-1-14	Temporary Power Supply of all categories, including Hoardings and advertisement Boards.	61.145 & 61.146	12,822.10	10,552.57
22 -1-1-15	Electric Vehicle Charging Station and Battery Swapping Stations - LT-6 (c)	61.147	0.76	-
22 -1-1-16	Bhagya / Kuteera jyothi Scheme Subsidy upto 40 units	61.300	12,485.88	12,826.77
22 -1-1-17	FAC/FPPCA (LT)	61.4	95,713.98	(10,271.74)
	Revenue from Sale of power - LT		8,64,312.38	7,17,161.98
	Revenue from Sale of Power – HT			
22 -1-2-1	Public Water Supply & Sewerage Pumping	61.250	23,898.51	22,556.78
22 -1-2-2	Industrial.	61.255	1,02,477.83	89,622.80
22 -1-2-3	Commercial.	61.256	15,859.58	13,202.37
22 -1-2-4	Government Hospitals and Hospitals run by Charitable Institutions	61.257	4,836.15	3,940.74
22 -1-2-5	Educational Institutions and Hostels of Educational Institutions	61.258	2,683.54	2,212.73
22 -1-2-6	Lift Irrigation schemes under Govt Departments / Govt owned Corporations.	61.262	15,134.62	12,606.56
22 -1-2-7	Lift Irrigation schemes & Lift Irrigation societies	61.263	6,732.67	6,491.08
22 -1-2-8	Irrigation and Agricultural Farms, Govt horticultural farms, Private Horticultural nurseries, Coffee.	61.264	3.64	0.93
22 -1-2-9	Private Lift Irrigation schemes & Lift Irrigation societies	61.265	14.01	28.33
22 -1-2-10	Residential Apartments and colonies, areas under City Municipal Corporations.	61.272	1,340.36	1,247.78
22 -1-2-11	Temporary HT Installations	61.274	6,483.58	1,795.54
22 -1-1-12	FAC/FPPCA (HT)	61.4	15,512.31	(2,115.08)
	Revenue from Sale of Power – HT		1,94,976.80	1,51,590.55



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Sl No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
22 -1-1-13	Bulk power supply to Hukkeri Rural Electric Co-Operative Society- HRECS.	61.275	22,111.02	18,743.25
22 -1-1-14	FAC/FPPCA (HRECS)	61.575	3,734.16	(356.42)
	Revenue from Sale of Power – HRECS		25,845.18	18,386.83
	Other operating revenues comprise:			
22 -2-1	Reconnection Fee (D & R)	61.901,61.902	37.49	21.51
22 -2-2	Service Connection (Supervision charges)	61.904	2,070.29	1,794.13
22 -2-3	Delayed payment charges from consumers.	61.905	12,344.39	13,431.37
22 -2-4	Other Receipts from consumers	61.906,61.600	465.10	604.44
22 -2-5	Registration fee towards SRTPV	61.907	21.48	3.13
22 -2-6	Facilitation fee towards SRTPV	61.908	2.71	24.30
22 -2-7	Supervision Charges for self Execution works	61.909	447.41	391.87
22 -2-8	Maintenance charges for the layouts created by the Developers	61.910	170.73	146.66
			15,559.60	16,417.40
	Less: Rebates and Incentives:			
22 -3-1	Solar Rebate allowed to consumers	78.822	345.30	350.86
22 -3-2	Incentives for prompt payment	78.823, 824 & 825	77.92	10.70
22 -3-3	Time of day (TOD) Tariff Incentive	78.826	60.41	3.14
			483.63	364.70
22 -4	Less: Provision for withdrawal of Revenue Demand	83.830 & 83.831	187.32	2,091.85
	Grand Total		11,00,023.01	9,01,100.20

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

Sl.No.	Particulars	Energy in M.U	
		2022-23	2021-22
	Energy Sales:		
a	Total energy available for sale	15,018.69	14,365.83
b	Total metered sales	5,549.63	5,211.61
c	Total un-metered sales	6,408.12	6,550.36
d	Wheeled Energy	760.15	665.04
e	Total sales (including Wheeled Units)	12,717.90	12,427.00
f	Distribution loss	2,300.79	1,938.83
g	Percentage of Distribution loss	15.32%	13.50%

Note: The above sales excludes the energy sold to HRECS of 378.62 MUs in FY 2022-23 and 335.40 MUs in FY 2021-22.



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Note 23 Other Income:

SI No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
.23 -1	Interest on Bank Fixed Deposits & Others	62.260,270,222,323	229.02	109.76
.23 -2	Profit on sale of stores	62.330	54.49	138.20
.23 -3	Sale of scrap	62.340	277.07	38.29
.23 -4	Reactive energy charges demanded on IPPs	62.361	116.08	90.08
.23 -5	Meter Readings and Calibration of meter - charges of Wind Mill Project.	62.363	87.69	63.38
.23 -6	Rental from Staff Quarters	62.901	94.42	91.61
.23 -7	Rental from others	62.902,903,904	6.61	5.85
.23 -8	Excess found on physical verification of Materials Stock.	62.905	1.70	15.17
.23 -9	Trade Income from the Energy Exchanges towards Renewable Energy Certificates (RECs) sale. (See Note below)	62.907	10,158.59	-
.23-10	Incentive Income from the Energy Exchanges towards RECs	62.908	64.13	-
.23 -11	Income from Cables on HESCOM infrastructure.	62.913	89.86	-
.23-12	Rebate for collection of Electricity Duty.	62.916	148.78	150.39
.23-13	Other Recoveries	62.917,918	5,760.02	2,798.47
.23-14	NEF Interest Subsidy	62.917	2,434.57	5,823.62
.23-15	Rebate from Power Generators	62.919	2,466.98	249.07
.23-16	Consultancy Charges	62.921	-	0.54
Total			21,990.02	9,574.44

Note: HESCOM has 57,78,198 Renewable Energy Certificates (RECs) for 2019-20, 2020-21 of which 10,13,927 RECs has been traded in the Energy Exchange and an amount of Rs.10,139.27 Lakhs has been realised from trading of RECs in 2022-23 from Aug-2022. Also, HESCOM has Energy Savings Certificates (ESCCerts) for 2015-19 PAT Cycle-II of 3,614 ESCerts of which 1,050 ESCerts have been traded in the Energy Exchange and an amount of Rs.19.32 Lakhs has been realised from trading of ESCerts in 2022-23. The aggregate amount of income is Rs.10,158.59 Lakhs.



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Note 24 Purchase of Power:

SI No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
.24 -1	Purchase of Power from Generators	70.000	7,55,695.29	6,59,474.88
.24 -2	O & M Expenses to SLDC.	70.165	2,458.16	(1,289.29)
.24 -3	Power purchased cost in respect of Inter ESCOM Energy exchange.	70.281	(51,415.27)	(68,261.78)
.24 -4	Energy Balancing (Refer Note 4 below)	70.801	40,824.69	1,31,361.10
.24 -5	Power Transmission Charges (Refer Note 1 below)	70.113 & 70.161	1,64,085.91	1,39,615.20
	Total		9,11,648.78	8,60,900.12

Note:

- 1) Transmission charges towards M/s. KPTCL has been accounted amounting to Rs.96,539.62 lakhs including incentive charges of Rs.471.11 lakhs and towards M/s. CTUIL (M/s. PGCIL) amounting to Rs.63,878.01 lakh for April-2022 to March-2023.
- 2) As per the Hon'ble APTEL Order Dated: 05.10.2020 pertaining to payment of Tannirbhavi Power Purchase Cost of earlier years amounting to Rs.32,991 Lakhs (including HRECS of Rs.791 Lakhs), the Company shall amortise this expenditure over the period of 5 years. Accordingly company has amortised Rs.6,758 Lakhs by debiting to KPTCL Power Transmission charges during the current year (Included in SI. No. 24-5). The balance amount to be amortised over the remaining period is Rs.17,459 Lakhs. This liability is not accounted in the accounts.
- 3) SI. No. 24-1 & 24-3: Pending receipt of final bills from M/s KPCL truing up, Purchase & Sale of Power in Energy Exchange and POSOCO charges are accounted on provisional basis (based on the provisional bills received from these Suppliers) for the year 2022-23.
- 4) The Energy Department, GoK has approved Energy allocation of their respective production from different sources towards Purchase of Power as follows for FY-23 & FY-22:

Source	2022-23	2021-22
KPCL Hydel	25.33%	19.12%
KPCL Thermal	11.69%	20.65%
CGS	19.33%	21.45%
UPCL	26.00%	21.45%

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

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

The Company accounts the import /export of energy among ESCOMs as net energy either as a sale/purchase and also accounts energy at 11KV Inter ESCOM flow.

Statement showing the Energy Balancing accounted for the Year 2022-23						
ESCOMs	Energy Balancing at SLDC, Bengaluru		Energy Balancing 11KV/ 33 KV Inter ESCOMs flow		Energy (in MUs)	Amount (Rs. In Lakhs)
	Energy (in MUs)	Amount (Rs. In Lakhs)	Energy (in MUs)	Amount (Rs. In Lakhs)		
1	2	3	4	5	6(2+4)	7(3+5)
MESCOM	19.39	855.48	(1.48)	(87.71)	17.91	767.77
BESCOM	483.25	31,264.62	(20.77)	(1,078.88)	462.48	30,185.74
GESCOM	(61.03)	(3,166.76)	(24.51)	(1,272.77)	(85.54)	(4,439.53)
CESC	287.83	14,310.70	-	-	287.83	14,310.70
Total	729.44	43,264.05	(46.76)	(2,439.35)	682.68	40,824.69



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Statement showing the Energy Balancing accounted in Previous Year 2021-22						
ESCOMs	Energy Balancing at SLDC, Bengaluru		Energy Balancing 11KV/ 33 KV Inter ESCOMs flow		Energy (in MUs)	Amount (Rs. In Lakhs)
	Energy (in MUs)	Amount (Rs. In Lakhs)	Energy (in MUs)	Amount (Rs. In Lakhs)		
1	2	3	4	5	6(2+4)	7(3+5)
MESCOM	750.86	34,917.90	(0.70)	(48.28)	750.16	34,869.62
BESCOM	1,279.91	69,603.70	(20.22)	(1,119.11)	1,259.69	68,484.59
GESCOM	391.13	19,382.00	(31.97)	(1,775.19)	359.16	17,606.81
CESC	210.16	10,400.00	-	-	210.16	10,400.00
Total	2,632.06	1,34,303.60	(52.89)	(2,942.58)	2,579.17	1,31,361.02

Note: Positive figures indicates that payable by HESCOM and Negative figures indicates Receivable by HESCOM. The expenditure is included in Sl. No.: 24-4.

5) A) RE Certificates:

As per CERC, Renewable Energy Certificate Regulation 2022 dtd:09-05-2022, the Distribution Licensee are eligible for certification from the concerned State Commission about purchase of electricity from Renewable Energy Sources in excess of the Renewable Purchase Obligation (RPO) as determined by the concerned State Commission.

As such, for the Renewable Energy over and above the RPO, KERC has issued Format 1.4 for 2019-20, 2020-21 and the same was uploaded in NLDC Portal, accordingly REC was issued to HESCOM. The details are as below:

Sl. No	Source	Period	Issue Date	Valid upto	Opening Balance of RECs	Closing Balance of RECs
1	Non-Solar	2019-20	03-08-2022	02-08-2025	20.86	15.1
2	Solar	2019-20	04-08-2022	03-08-2025	10.62	6.24
3	Non-Solar	2020-21	21-09-2022	20-09-2025	18.15	18.15
4	Solar	2020-21	22-09-2022	21-09-2025	8.15	8.15
Total					57.78	47.64

As per the procedure, the RECs were submitted to M/s. PCKL for trading through IEX, PXIL, HPX Energy Exchange on behalf of HESCOM.

The RECs are being traded from August-2022. (Trade on last Wednesday of every month). Details of REC traded are as below:

Sl. No.	Month	Opening Balance of RECs	RECs Traded	Closing Balance of RECs as on 31.03.2023
		57,78,198		
1	Aug-22		3,39,358	54,38,840
2	Sep-22		3,32,173	51,06,667
3	Oct-22		2,08,608	48,98,059
4	Nov-22		1,33,788	47,64,271
Total			10,13,927	



RE Certificate were traded at Rs. 1,000 per certificate in March-2023.

The amount realized upto March-2023 is accounted in 2022-23.

For FY-22, the Hon'ble KERC on 01-06-2023, has recommended that HESCOM is eligible for issuance of 3.30 lakh solar and 4.02 lakh non-solar RECs (7.32 lakh RECs in aggregate), based on which HESCOM has sought issue of RECs from NLDC, New Delhi and issuance of RECs is awaited from NLDC.

B) Energy Savings Certificate (ESCerts):

As per the Bureau of Energy Efficiency (BEE) Notification No. SO1264 (E), dtd: 31-03-2016, the Distribution Companies (DCs) under Perform Achieve Target (PAT) Cycle-II are eligible for certification for achieving energy savings in excess of the determined target set by BEE.

Energy Savings Certificate (ESCerts) issued by BEE to HESCOM for 2017-18, 2018-19, 2020-21 is 3,614 ESCerts.

As per the procedure, the ESCerts were submitted to M/s. PCKL for trading through IEX, PXIL, HPX Energy Exchange on behalf of HESCOM.

The ESCerts are being traded from February-2023. (Trade on every Tuesday). Details of ESCerts traded are as below:

Sl. No.	Month	Opening Balance of ESCerts	ESCerts Traded	Closing Balance of ESCerts as on 31.03.2023
1	OB of ESCerts	3,614		
2	Feb-23		374	3,240
3	Mar-23		676	2,564
Total			1,050	

Energy Savings Certificate were traded at Rs. 1,840 per certificate in March-2023.

The amount realized upto March-2023 is accounted in 2022-23.

The Company held 47,64,271 Renewable Energy Certificates (REC's) and 2,564 Energy Saving Certificates (ESCerts) as on 31.03.2023. The approximate value of these certificates aggregate Rs.260.12 crores based on latest traded value during August 2023. Pending realization, on account of price volatility and uncertainties involved in trading, the company had not accounted these certificates in the books of accounts as on 31.03.2023.



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Note 25 Employee Benefits Expenses:

SI No	Particulars	A/C Code	For the year ended	For the year ended
			31st Mar,2023	31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
25 -1	Salaries	75.1	57,131.41	46,693.18
25 -2	Over Time	75.2	749.16	776.07
25 -3	Dearness Allowance	75.3	17,521.77	10,008.15
25 -4	Other Allowances	75.4	7,130.91	6,116.53
25 -5	Bonus/Ex-Gratia	75.5	706.88	677.99
25 -6	Medical Expenses reimbursement	75.611	702.83	860.09
25 -7	Earned Leave Encashments - Employees covered under Contributory Pension Scheme	75.616	1,976.86	2,348.88
25 -8	Earned leave encashment - Regular Employees.	75.617	2,113.75	2,388.85
25 -9	Earned leave encashment - Retired / Deceased Employees	75.618	5,703.14	1,951.49
25 -10	Payment to helpers/employees of Monsoon gang	75.630	98.66	60.18
25 -11	Staff Welfare expenses	75.7	380.12	355.32
25 -12	Terminal Benefits (Refer Note 2 & 4 below)	75.8	25,437.46	26,260.80
Total			1,19,652.97	98,497.53

Note:

1) Earned leave benefit

- Maximum accrual is 30 days per year and maximum accumulation allowed is 300 days.
- EL accumulated in excess of 15 days is allowed for encashment while in service provided the EL encashed is not less than 15 days in case of "A"&"B" group employees and 30 days in case of "C"&"D" group employees.
- The liability for leave encashment is recognized on the basis of Actuarial valuation and provided in the accounts.

2) Family Benefit Fund

Rs.41.93 Lakhs accounted towards Employees family benefit fund scheme for the year 2022-23. The fund was introduced with effect from 01.07.1978. INR 200/- is deducted from each employee and paid to this fund. In case of death of an employee while in service, INR 2,00,000/- is being paid to the family. The company contributes to this fund as per the terms of the scheme in case of death/retirement of the employees.

The liability for Family Benefit Fund is being recognized on the basis of Actuarial valuation.

- The company do not maintain separate fund/investments to the above two schemes.

4) Disclosures under Accounting Standard - 15

SI No	Particulars
Employee benefit plans	
Defined contribution plans	
25-1-1	The funds towards Pension and Gratuity to the Employees appointed before 01.04.2006 is managed by KPTCL/ESCOMs Pension and Gratuity Trust - Pension contribution @72.21% and Gratuity contribution @11.28% as on 31-03-2023. The Company recognised Rs.15,699.58 Lakhs (PY Rs.14,586.56 Lakhs) for Pension & Rs.1,896.40 Lakhs (PY Rs.1,378.27 Lakhs) for Gratuity contributions in the Statement of Profit and Loss for the year 2022-23 based on the rates of Actuarial Valuation conducted by P&G Trust.
25-1-2	The employees/officers who have joined/joining on or after 1.4.2006 are covered under New Defined Contributory Pension Scheme (NDCPS). As per this scheme, the employees/officers have to contribute 10% and Employer has to contribute 14% of the Basic Pay & Dearness Allowance. The said contribution is being remitted to the KPTCL/ESCOMs P&G Trust for the time being, pending appointment of Central Record Keeping Agency & Pension Fund Managers. The contribution and returns thereon shall be deposited in a non-withdrawable Pension Tier-I Account. The Company recognised Rs.6,725.42 Lakhs (Year ended 31 March, 2022 Rs.4,793.10 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss.
25-1-3	The Company introduced Family Pension and Gratuity Scheme to NDCPS Employees approved vide G.O. No.: AE 34 PEN 2018 Dated: 23.06.2018. The funds are managed by the KPTCL/ESCOMs Family Pension and Gratuity Trust. The contributions based on Actuarial Valuations and the company accounted Rs.844.89 Lakhs (PY Rs.4,753.40 Lakhs) towards Gratuity contribution liability and Rs.203.74 Lakhs (PY Rs.652.35 Lakhs) towards Family Pension during the year 2022-23.
25-1-4	The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.27.38 Lakhs (Year ended 31 March, 2022 Rs.27.97 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

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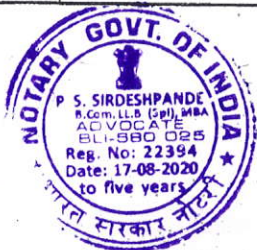




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Note 26. Finance Costs:

Sl No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
26 -1	Interest on Loan from REC	78.540	27,678.87	25,915.55
26 -2	Payment of Interest on loan drawn by HESCOM from SBI, Hubli	78.564	4,161.30	2,517.58
26 -3	Interest on loan from Canara Bank	78.567	4,106.51	1,119.27
26 -4	Interest on shortterm loan/ Interest on working capital C.C	78.568	558.80	840.89
26 -5	Interest on Loan drawn from M/s Rural Electrification Corporation Ltd. towards DDUGJY Scheme.	78.571	1,320.10	1,431.70
26 -6	Interest on loan drawn from M/s Power Finance Corporation Ltd. towards IPDS Scheme.	78.572	473.58	402.64
26 -7	Interest on Loan drawn from Bank of India (COVID-19)	78.573	7,769.81	7,625.16
26 -8	Interest on Loan drawn from Punjab National Bank (COVID-19)	78.574	5,257.03	5,179.14
26 -9	Interest on Loan drawn from State Bank of India (COVID-19)	78.575	4,333.87	3,850.00
26 -10	Interest on Loan drawn from Canara Bank (COVID-19)	78.576	3,766.10	3,669.62
26 -11	Interest on Loan drawn from REC (LPS)	78.577	123.37	-
26 -12	Interest on Loan drawn from PFC (LPS)	78.578	134.94	-
26 -13	Payment of interest on PFC loan drawn by KPTCL on behalf of HESCOM	78.584	1,483.73	4,556.79
26 -14	Interest on loan from Power Finance Corporation Ltd. In respect of R.APDRP Scheme	78.585	178.16	112.46
26 -15	Interest on APDRP - GOK Loan	78.591	116.06	178.62
26 -16	Interest on Pradhan Mantri Gramodaya Yojana Schem (PMGY) Loan	78.546	11.17	15.61
26 -17	Interest on Loans drawn from KREDL for working capital requirements.	78.598	280.28	1,691.59
26 -18	Interest on Security Deposits to Consumers	78.640 & 78.660	4,001.80	4,049.91
26 -19	Other Interest and Finance Charges	78.821 To 78.899	4,304.16	3,038.55
26 -20	Interest on belated payments to IPPs	80	77,342.09	37,391.84
26 -21	Less : Interest and finance charges capitalised during the year pertaining to CWIP	78.900	3,573.72	3,152.46
Total			1,43,828.00	1,00,434.45



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Note 27 (i) Depreciation and Amortisation Expenses:

SI No	Particulars	A/C Code	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
27 i-1	Amortisation of Lease Hold Assets	77.110	0.91	0.85
27 i-2	Depreciation on Buildings	77.120	834.72	600.41
27 i-3	Depreciation on Hydraulic Works	77.130	36.80	29.90
27 i-4	Depreciation on Civil Works	77.140	34.91	25.00
27 i-5	Depreciation on Plant and Machinery	77.150 + 77.151	9,030.25	7,707.49
27 i-6	Depreciation on lines, cable, network etc.,	77.160 + 77.161	24,009.20	21,770.57
27 i-7	Depreciation on Vehicles	77.170 + 77.171	46.55	34.87
27 i-8	Depreciation on Furniture & Fixtures	77.180	169.03	36.42
27 i-9	Depreciation on Office Equipments	77.190 + 77.191	10.79	20.76
27 i-10	Depreciation on Intangible Assets	77.801	150.74	258.09
			34,323.91	30,484.35
27 i-11	Small & Low value items Written off	77.610	23.99	6.34
	Total		34,347.90	30,490.70

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Note 27 (II) Repairs & Maintenance, Administrative and Other expenses:

Sl No	Particulars	A/C Code	For the year ended	For the year ended
			31st Mar,2023	31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
.27 -1	(i) Repairs & Maintenance to:			
.27 -1-1	Plant and Machinery	74.1	9,923.42	8,486.91
.27 -1-2	Buildings	74.2	599.24	1,001.63
.27 -1-3	Civil Works	74.3	436.78	429.29
.27 -1-4	Lines, Cable Net Work Etc.	74.5	6,697.21	3,329.83
.27 -1-5	Vehicles	74.6	22.72	26.09
.27 -1-6	Furniture and Fixtures	74.7	0.20	0.76
.27 -1-7	Office Equipments.	74.8	5.85	8.47
	Total Repairs & Maintenance Exp. (i)		17,685.42	13,282.98
.27 -2	(ii) Administrative Expenses:			
.27 -2-1	Rent, Rates & Taxes	76.101, 76.102 & 78.861	370.34	417.70
.27 -2-2	Pagers cellular phones E-mail, Telephone, Trunk call, Telegrams and Telex Charges	76.110,111,112	107.16	87.97
.27 -2-3	Postage	76.113	24.99	21.53
.27 -2-4	Mobile phone	76.114	59.40	67.11
.27 -2-5	Legal Charges	76.120 & 76.121	173.10	76.07
.27 -2-6	Payment to Statutory Auditors : Audit Fees	76.122	8.37	7.66
.27 -2-7	Consultancy charges	76.123	20.87	12.56
.27 -2-8	Other Professional Charges	76.125	31.20	34.36
.27 -2-9	Conveyance & Travel expenses	76.130 To 76.139	5,144.26	4,767.85
.27 -2-10	Remuneration Paid to Contract Agencies engaged in Computerisation activities/Others.	76.126 + 76.127 + 76.128 + 76.129 + 76.140	10,701.84	9,479.81
.27 -2-11	Amount paid to service provider for obtaining IT related Web services, SMS services and Broadband charges etc.	76.142	470.73	464.49
.27 -2-12	Fees & Subscriptions	76.151	251.61	240.93
.27 -2-13	Books, periodicals and dairies	76.152	0.65	0.47
.27 -2-14	Printing & Stationery	76.153	160.06	153.32
.27 -2-15	Amount paid to the Energy Exchanges towards Renewable Energy Certificates (RECs) sale.	76.154	375.90	-
.27 -2-16	Advertisement Expenses	76.155	25.16	34.25
.27 -2-17	Computer stationary	76.156	29.59	29.93
.27 -2-18	Contributions	76.157	150.23	21.18
.27 -2-19	Electricity Charges	76.158	264.92	245.05
.27 -2-20	Water Charges	76.160	40.73	42.06
.27 -2-21	Fund towards Consumers Education	76.162 & 76.165	28.49	1.42
.27 -2-22	Miscellaneous expenses	76.190 & 76.191	205.50	194.05
.27 -2-23	Demand Side Management (DSM) Expenses	76.193	119.94	27.21
.27 -2-24	Freight & other material related expenses	76.201 To 76.282	214.84	216.72
	Total Administrative Expenses: (ii)		18,979.88	16,643.69



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SI No	Particulars	A/C Code	For the year ended	For the year ended
			31st Mar,2023	31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
.27 -3	(iii) Other Expenses (Debits):			
.27 -3-1	Asset Decommissioning Costs	77.5	322.22	320.94
.27 -3-2	Losses relating to Fixed Assets	77.7	23.76	35.37
.27 -3-3	Material cost variance	79.110	2,674.34	2,641.73
.27 -3-4	Provided for Bad & Doubtful Debts Written off	79.4	(570.93)	912.09
.27 -3-5	Miscellaneous losses and Write offs (Note No.: 1)	79.5	2,115.02	1,691.78
Total of Other Expenses / Debits (III)			4,564.41	5,601.91
Grand Total of Repairs & Maintenance, Administrative and Other expenses:(I + II + III)			41,229.71	35,528.57

Note:

1) Miscellaneous Losses and Write Offs comprises Compensation for injuries, death and damages to Staff Rs.8.09 Lakhs (PY Rs.31.31 Lakhs) and Compensation for injuries, death and damages -outsiders Rs.991.20 Lakhs (PY Rs.507.54 Lakhs), Compensation paid to consumers on order of tribunal / consumers Forum / Court due to wrong billing etc Rs.7.78 Lakhs (PY Rs.29.00 Lakhs), Provision for loss on obsolescence of stores Rs.675.87 Lakhs (PY Rs.961.02 Lakhs), Loss on sale of scrap Rs.55.58 Lakhs (PY Rs.161.08 Lakhs), Infructuous capital expenditure written-off Rs.16.50 Lakhs (PY Rs.1.82 Lakhs) and amortization of investment in Jurala project Rs.360 Lakhs.

2) Provision for Loss of Assets in respect of Rural Load Management System Units (RLMS) was made on estimated basis from 2012-13 at Corporate Office level. Provision outstanding as on 31.03.2023 is Rs.3,187 Lakhs.

3) The company has not taken insurance for Cash and its Assets for any loss and also any contingencies that may occur to the life/damages to the staff and others. The company over the years is absorbing such losses by charging to its Profit and Loss Account.

4) Reserve for Material Cost Variance represents the difference between Standard Rate and Purchase rate of Materials. During the year 2022-23, the Material Cost Variance (Debit balance) is Rs.2,674.34 Lakhs (PY Rs.2,641.73 Lakhs). The entire amount is charged to Profit and Loss Account under Note No.: 27-3-3.

Note: 1 Payments to Statutory Auditor as under:

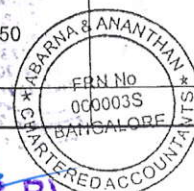
SI No	Particulars	For the year ended	For the year ended
		31st Mar,2023	31st Mar,2022
		Rs. In Lakhs	Rs. In Lakhs
1	Payments to the auditors comprise Audit fees with GST @ 18%	8.37	7.08
Total		8.37	7.08

Note: 28 Details of Prior period items (net)

SI No	Particulars	A/C Code	For the year ended	For the year ended
			31st Mar,2023	31st Mar,2022
			Rs. In Lakhs	Rs. In Lakhs
28-1	Prior Period Income:			
28-1-1	Excess provision for Depreciation in prior periods	65.600	537.66	2,649.46
28-1-2	Excess provision for Interest and Finance Charges in prior periods	65.700	53.59	29.77
28-1-3	Other Excess provision in prior periods includes provision for Interest on Security Deposit	65.800	9,407.42	9,413.09
28-1-4	Other Income relating to prior periods	65.900	821.65	684.57
			10,820.31	12,776.90
	Prior Period Expenses:			
28-1-5	Short provision for power purchased in previous years	83.100	296.22	164.10
28-1-6	Operating Expenses of previous years.	83.300	4.24	3.27
28-1-7	Employee costs relating to previous years	83.500	10.50	11.28
28-1-8	Depreciation under provided in previous years.	83.600	844.85	2,097.38
28-1-9	Interest and other Finance charges relating to previous years	83.700 & 83.800	8.13	11.70
28-1-10	Short Provision for Income tax - previous years	83.810	-	11.81
28-1-11	Administrative Expenses - previous years.	83.820	0.37	2.21
28-1-12	Withdrawal of other misc income accounted in previous year (PTC)	83.834	3,419.56	181.51
28-1-13	Other Expenses relating to prior periods	83.850	890.52	4,192.62
Net Prior Period Income			5,474.39	6,676.02
			5,345.92	6,100.81



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Note 28.a Regulatory Asset:

SI No	Particulars	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
		Rs. in Lakhs	Rs. in Lakhs
.28a -1	Income on account of Regulatory Assets truing of Subsidy (61.911)	40,177.32	56,416.12
	Total	40,177.32	56,416.12

Note:

The Company is engaged in Supply of Electricity to the consumers covered under its jurisdiction. The rates are regulated by the Hon'ble Karnataka Electricity Regulatory Commission(KERC).

As per section 62 of Electricity Act 2003, HESCOM is filing Tariff application yearly with Regulatory Commission for determination of tariff. The Regulatory Commission determines the Tariff as per procedures laid in section 24 of Electricity Act 2003. The company collects tariff from consumers as approved in the tariff order issued by the Regulatory Commission. The Hon'ble KERC through its Tariff Order allow recovery of deficits of particular year in subsequent periods besides through truing up orders. In this background, the Company has created the Regulatory Asset (wherein the actual power purchase cost is more than Approved Power Purchase cost) to the extent of Rs.40,177.32 Lakhs for the FY-23 after realization of Rs.38,818.55 Lakhs pertaining to FAC/FPPCA of FY-22 & FY-23 and Rs.74,147.41 Lakhs FAC/FPPCA of FY-23.

(Rs. In Lakhs)

KERC Approved PPC for FY-23	Actual PPC	FAC realized during FY-22	FPPCA realized during FY-23	Regulatory Asset created during the year
7,58,505.50	9,11,648.78	38,818.55	74,147.41	40,177.32

Note 28.b. Deferred Tax

SI No	Particulars	For the year ended 31st Mar,2023	For the year ended 31st Mar,2022
		Rs. in Lakhs	Rs. in Lakhs
28b-1	Deferred Tax	451.46	(23,297.08)
	Total	451.46	(23,297.08)

Note: Refer Note No.: 13A.



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Note 29 Contingent Liabilities:

SI No	Particulars	As at 31st Mar, 2023	As at 31st Mar, 2022
		Rs. In Lakhs	Rs. In Lakhs
29 -1	Contingent liabilities and commitments (to the extent not provided for)		
29 -1-1	Contingent liabilities		
29 -1-1-1	Claims against the Company not acknowledged as debt (give details)		
29 -1-1-1-1	The Claim of Interest on belated payments by Independent Private Power Producers (Kaiga) which is disputed by the Company .	4,112.03	2,871.92
29 -1-1-1-2	Dispute cases for compensation from the Company (502 Court Cases as on 31.03.2023 / 232 Court Cases as on 31.03.2022)	2,868.08	1,135.79
29 -1-1-1-3	GST Liability (penalty) towards disputed delayed GST paid on Liquidated/Penalty pertaining to earlier years (Interest not quantified)	183.71	183.71
29 -1-1-1-4	Dues payable to SPML Pvt. Ltd. (Contractor) towards disputed additional works carried out Vide order Dtd: 29.11.2021 of Commercial Court, Bengaluru.	1,600.00	1,600.00
29 -1-1-1-5	LC Balance against LCs issued by State Bank of India and Canara Bank	31,359.53	15,000.00
29 -1-1-1-6	The Claim towards loss, expenditure, damages etc caused by cancellation of tender related to work for Development & Facility Service and Maintenance Project for Hubballi, Dharwad and Belagavi City, which are R-APDRP Towns of HESCOM jurisdiction for Energy System Improvement and Implementation on Design, Build, Finance, Operate and Transfer (DBFOT) Module in respect of M/s.N Sure Reliable Power Solutions Pvt Limited, Bangalore.	22,030.34	-
29 -1-1-1-7	Amount towards short rate per unit provided in the Power purchase invoices which may have payable during Hon'ble KERC Orders on conclusion of rates per unit as compared to Power Purchase Agreement.	Not quantified	Not quantified
29 -1-1-1-8	As stated in Note No.: 12, contingent liability towards additional compensation claims against Land purchase.	Not quantified	Not quantified
29 -1-1-1-9	The claim of Interest on belated payments by M/s. KPCL.	9,992.40	1,100.91
29 -1-1-1-10	BESCOM demand for reimbursement of shared cost towards various activities under RAPDRP / IPDS Part A projects issued and borne by BESCOM on behalf of HESCOM.	6,291.59	-
29 -2	Commitments #		
29 -2-1	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	773.00
29 -2-2	Uncalled liability on shares and other investments partly paid.	Nil	Nil

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Note 30 Earnings per Share:

SI No	Particulars	For the year ended	For the year ended
		31-March-2023	31-March-2022
		Rs. In Lakhs	Rs. In Lakhs
.30 -1	Earnings per share Basic & Diluted		
	Net profit / (loss) for the year from continuing operations	(83,622.56)	(1,29,362.65)
	Weighted average number of equity shares	21,519.44	20,504.24
	Par value per share	10.00	10.00
	Earnings per share from continuing operations - Basic	(3.89)	(6.31)

Note 31 Related Party Transactions:

31-1 Managerial remuneration paid during the financial year :-

SI No	Particulars	2022-23	2021-22
		Rs. In Lakhs	Rs. In Lakhs
.31 ii -1	Smt. D. Bharathi, IAS. (01.04.2022 to 13.02.2023) Sri. Mohammad Roshan. (14.02.2023 to 31.03.2023) MANAGING DIRECTOR:		
.31 ii -1-1	Salary and allowance	16.94	14.35
.31 ii -1-2	Ex-gratia	0.07	0.01
.31 ii -1-3	Medical Expenses	-	-
.31 ii -1-4	Travelling Expenses	0.63	0.42
	Total	17.64	14.78
.31 ii -1	Sri. A. H. Kamble. (01.04.2022 to 31.05.2022) Sri. S. M. Sasalatti. (04.08.2022 to 31.03.2023) DIRECTOR (TECHNICAL):		
.31 ii -1-1	Salary and allowance	25.56	27.04
.31 ii -1-2	Ex-gratia	0.07	0.07
.31 ii -1-3	Medical Expenses	-	2.21
.31 ii -1-4	Travelling Expenses	0.91	0.29
	Total	26.54	29.61
.31 ii -1	Sri. B. Manjunath. (01.04.2022 to 30.08.2022) Sri. Patil Prakash. (22.07.2022 to 31.03.2023) DIRECTOR (FINANCE):		
.31 ii -1-1	Salary and allowance	29.30	27.82
.31 ii -1-2	Ex-gratia	0.13	0.07
.31 ii -1-3	Medical Expenses	0.20	-
.31 ii -1-4	Travelling Expenses	0.80	0.49
	Total	30.43	28.38
.31 ii -1	Sri. Raghavendra Kotemane. COMPANY SECRETARY:		
.31 ii -1-1	Salary and allowance	16.49	14.81
.31 ii -1-2	Ex-gratia	0.07	0.02
.31 ii -1-3	Medical Expenses	-	-
.31 ii -1-4	Travelling Expenses	0.32	-
	Total	16.88	14.83
.31 -1-1	Salary and allowance	88.29	84.03
.31 -1-2	Ex-gratia	0.34	0.17
.31 -1-3	Medical Expenses	0.20	2.21
.31 -1-4	Travelling Expenses	2.66	1.20
	OTHER BENEFITS:		
.31 -1-5	Sitting fees	2.08	1.84
.31 -1-6	Travelling Expenses	1.44	1.53
	Grand Total	95.01	90.97



Note 31A Government Grants:

SI No	Particulars	For the year ended	For the year ended
		31-March-2023	31-March-2022
		Rs. In Lakhs	Rs. In Lakhs
.31A -1	Details of government grants		
.31A-1-1	Government grants received by the Company during the year towards		
	- Subsidies (recognised under Capital Grants)		9,688
	- Duty drawback (recognised under Other operating revenues)		
	- Other Incentives under Tariff Subsidy (recognised under AS-12)	4,94,757	7,37,642



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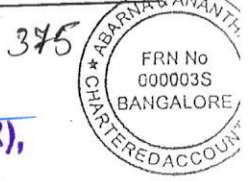
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Note 32 Additional information to the financial statements

SI No	Particulars																																																																
.32 -1	Earnings in foreign currency - Nil (As at 31st March, 2023 - Nil)																																																																
.32 -2	Expenditure in foreign currency - Nil (As at 31st March, 2023 - Nil)																																																																
.32 -3	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 - Dues to MSME's not quantified.																																																																
.32 -4	The Previous year figures have been regrouped/reclassified wherever necessary to confirm the current year presentation.																																																																
.32 -5	The balances in respect of Trade Receivables, Trade Payables and Loans and Advances to suppliers and others are subject to confirmation. The Company is having large customer base.																																																																
.32 -6	The employees earlier appointed by KPTCL are working in the Company on deputation basis. The Company is directly recruiting its employees since 2015.																																																																
.32 -7	The Company is unable to ascertain the estimated amount of contracts remaining to be executed on capital works due to the large number of contracts spread over 7 Districts of Karnataka.																																																																
.32 -8	Segment reporting : Business Segment : Electricity distribution is the principal business of the company. There is no other activities which form a reportable segment as per the accounting standard 17. Secondary Segment : The operation of the company are mainly carried out within the districts of Karnataka state namely , Dharwad, Haveri, Gadag, Uttar Kannada, Belagavi, Vijayapur & Bagalkot. Therefore geographical segments are not applicable. Deferred Taxation : The company has recognized Deferred Tax Assets / Liabilities as required by Accounting Standard 22.																																																																
32-9																																																																	
.32-10	Store/Inventory: The Company is having large items of materials & hence material wise quantities impractical to disclose. However, quantity wise records are maintained at various accounting units (Refer Note No.: 17)																																																																
	<table border="1"> <thead> <tr> <th>Opening Stock (Rs. In Lakhs)</th> <th>Receipts (Rs. In Lakhs)</th> <th>Issues (Rs. In Lakhs)</th> <th>Closing Stock (Rs. In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>14,303.03</td> <td>75,801.89</td> <td>71,783.96</td> <td>18,320.96</td> </tr> </tbody> </table>	Opening Stock (Rs. In Lakhs)	Receipts (Rs. In Lakhs)	Issues (Rs. In Lakhs)	Closing Stock (Rs. In Lakhs)	14,303.03	75,801.89	71,783.96	18,320.96																																																								
Opening Stock (Rs. In Lakhs)	Receipts (Rs. In Lakhs)	Issues (Rs. In Lakhs)	Closing Stock (Rs. In Lakhs)																																																														
14,303.03	75,801.89	71,783.96	18,320.96																																																														
.32-11	Effect on Accounts: Board has accepted the Accounts on 25.09.2023 Statutory Auditors have also certified on 25.09.2023 In the light of observations of the Comptroller and Auditor General of India during their supplementary audit conducted under Sec.143(6)(b) of the Companies Act 2013, necessary corrections have been incorporated. (Rs. In Lakhs)																																																																
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CONTROLLER (A & R),
HESCOM, Hubballi.





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

(Rs. In Lakhs)

Ratios as per Schedule III

Sl. No.	Particulars	2022-23			2021-22			Variation
		Current Assets	Current Liabilities	Ratio	Current Assets	Current Liabilities	Ratio	
1	Current Ratio	5,06,320.10	9,54,709.83	0.53	3,87,231.74	8,07,371.85	0.48	0.05
Reason: Increase in Current Asset and Liability.								
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Ratio	Total Debt	Shareholder's Equity	Ratio	Variation
		8,00,287.44	(5,05,854.16)	(1.58)	7,28,517.77	(4,31,691.60)	(1.69)	0.11
Reason: Increase in Total Debt.								
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	Ratio	Earnings available for debt service	Debt Service	Ratio	Variation
		54,827.49	2,36,079.05	0.23	(78,150.70)	3,16,550.86	(0.25)	0.48
Reason: Increase in the earnings and decrease in the debt service requirement.								
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	Ratio	Net Profits after taxes	Average Shareholder's Equity	Ratio	Variation
		(83,622.56)	(4,68,772.88)	(0.18)	(1,29,362.65)	(3,67,900.04)	(0.35)	0.17
Note: Decrease in losses.								
5	Inventory Turnover Ratio	Sales	Average Inventory	Ratio	Sales	Average Inventory	Ratio	Variation
		-	-	-	-	-	-	-
Note: The Company is engaged in Distribution of Electricity. Hence, this ratio is not applicable.								
6	Trade Receivables Turnover Ratio	Sales	Average Receivables	Ratio	Sales	Average Receivables	Ratio	Variation
		11,00,023.01	2,21,368.30	4.97	9,01,100.20	2,05,714.16	4.38	0.59
7	Trade Payables Turnover Ratio	Purchases	Average Payables	Ratio	Purchases	Average Payables	Ratio	Variation
		9,11,648.78	6,44,543.90	1.41	8,60,900.12	5,56,852.23	1.55	(0.13)
Reason: Increase in Liability towards Purchase of Power.								
8	Net Capital Turnover Ratio	Sales	Average Working Capital	Ratio	Sales	Average Working Capital	Ratio	Variation
		11,00,023.01	(4,34,264.92)	(2.53)	9,01,100.20	(2,49,245.86)	(3.62)	1.08
Note: The company has negative net working capital in both the years.								
9	Net Profit Ratio	Net Profit	Sales	Ratio	Net Profit	Sales	Ratio	Variation
		(83,622.56)	11,00,023.01	(0.08)	(1,29,362.65)	9,01,100.20	(0.14)	0.07
Reason: Negative returns. However, ratio improved due to reduction in loss.								
10	Return on Capital Employed	EBIT	Capital Employed	Ratio	EBIT	Capital Employed	Ratio	Variation
		60,656.91	(5,05,854.16)	0.12	(52,225.28)	(4,31,691.60)	(0.12)	0.24
Note: EBIT moved positive for FY 2022-23. ratio improved to positive.								

ATTESTED



NOTARY
CONTROLLER (A & R),
HESCOM, Hubballi.

