



Kanpur Electricity Supply Company Ltd.

Financial Statements

FY 2019-20

KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71 Civil Lines, Kesa House, Kesco, Kanpur
Balance Sheet as at 31st March, 2020

Amount (₹ in Lacs)

Sl. No.	Particulars	Note No.	Figures at the end of Current reporting period 31st March 2020	Figures at the end of Previous reporting period 31st March 2019
	Assets			
1	Non-Current Assets			
	(A) Property, Plant and Equipment	2	105324.50	95005.62
	(B) Capital Work-in-Progress	3	11423.74	17288.93
	(C) Financial Assets			
	(i) Others	4	743.87	743.87
			117492.11	113038.42
2	Current Assets			
	(A) Inventories	5	7160.20	7316.71
	(B) Financial Assets			
	(i) Trade Receivables	6	294872.06	273068.87
	(ii) Cash and Cash Equivalents	7	30872.75	43379.34
	(iii) Bank Balance other than (ii) above	8	4.16	-
	(iv) Others	9	9706.17	9309.31
	(C) Other Current Assets	10	1371.15	1220.63
			343986.49	334294.86
	Total Assets		461478.60	447333.28
	Equity and liabilities			
	Equity			
	Equity Share Capital	11	195584.42	165583.48
	Other Equity	12	(188787.68)	(167721.48)
	Total Equity		6796.74	(2138.00)
	Liabilities			
1	Non-Current Liabilities			
	(A) Financial Liabilities			
	(i) Borrowings	13	181775.02	194015.63
	(ii) Other Financial Liabilities	14	20326.86	18877.04
			202101.88	212892.67
2	Current Liabilities			
	(A) Financial Liabilities			
	(i) Borrowings	15	1054.80	1054.80
	(ii) Trade Payables	16	106982.52	106073.83
	(iii) Other Financial Liabilities	17	42080.98	39981.20
	(B) Other Current Liabilities	18	102461.68	89468.78
			252579.98	236578.61
	Total Liability		454681.86	449471.28
	Total Equity and Liabilities		461478.60	447333.28
	Significant Accounting Policies	1 A		
	The accompanying notes form an integral part of the financial statements	1B		

As per our separate report of even date attached

For
Gupta & Shah
Chartered Accountants
FRN. 001416C

CA Sharad Kumar Shah

Partner

M. No. 70601

Date: 24.01.2021

Place: Kanpur

UDIN: 21070601 AAAAAM4262

For and on behalf of the Board of Directors

(Pankaj Saxena)
Dy. G.M. (Accts.)

(Sudhir Arya)
Director (F), UPPCL & Nominee
Director, KESCO

DIN No. 05135780

(Abha Sethi Tandon)
Company Secretary

(Ajay Kumar)
Managing Director

DIN No. 08197051

Kanpur Electricity Supply Company Limited
14/71 Civil Lines, Kesa House, Kesco, Kanpur
Statement of Profit and Loss for the Year Ended on 31st March, 2020

Amount (₹ in Lacs)

Sl. No.	Particulars	Note No.	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
(I)	Revenue from Operations	19	2,61,939.22	2,44,994.31
(II)	Other Income	20	4,252.06	6,660.82
(III)	Total Revenue (I+II)		2,66,191.28	2,51,655.13
	Expenses			
1	Cost of Power Purchased	21	2,32,158.26	2,46,842.04
2	Employees Benefits Expense (Employees Cost)	22	12,481.85	7,879.86
3	Finance Costs (Interest and Finance Charges)	23	17,191.54	18,484.50
4	Depreciation and Amortization expenses	24	3,159.76	2,157.91
5	Other Expenses			
	a) Administrative, General & Other Expenses	25	13,687.65	12,323.35
	b) Repairs and Maintenance Expenses	26	8,369.00	7,558.83
	c) Bad Debts & Provisions	27	2,248.39	1,230.09
(IV)	Total Expenses		2,89,296.45	2,96,476.58
V	Profit/(Loss) before Exceptional items and Tax (III-IV)		(23,105.17)	(44,821.45)
VI	Exceptional Items		-	-
VII	Profit/(Loss) before Tax (V-VI)		(23,105.17)	(44,821.45)
VIII	Tax Expense:			
	a) Current Tax		-	-
	b) Deferred Tax		-	-
IX	Profit/ (Loss) for the period from Continuing Operations (VII-VIII)		(23105.17)	(44821.45)
X	Profit/(Loss) from Discontinued Operations		-	-
XI	Tax Expenses of Discontinued Operations		-	-
XII	Profit/(Loss) from Discontinued Operations (After Tax) (X-XI)		-	-
XIII	Profit/(Loss) for the Period (IX+XII)		(23105.17)	(44821.45)
XIV	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss		22.28	-
	A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	B(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total comprehensive income for the period (Comprising Profit/Loss and Other Comprehensive Income) (XIII+XIV)		(23082.89)	(44821.45)
XV	Earnings per Equity Share(for continuing operations) (in ₹)			
	a) Basic		(1.28)	(3.01)
	b) Diluted		(1.28)	(3.01)
XVI	Earnings per Equity Share(for discontinued operations) (in ₹)			
	a) Basic		-	-
	b) Diluted		-	-
XVII	Earnings per equity share (for continuing and discontinued operations) (in ₹)			
	a) Basic		(1.28)	(3.01)
	b) Diluted		(1.28)	(3.01)
	Significant Accounting Policies	1 A		
	The accompanying notes form an integral part of the financial statements	1 B		

As per our separate report of even date attached

For
Gupta & Shah
Chartered Accountants
FRN. 001416C

CA Sharad Kumar Shah

Partner
M. No. 70601
Date: 24.01.2021
Place: Kanpur

For and on behalf of the Board of Directors

(Pankaj Saxena)
Dy. G.M. (Accts.)

(Sudhir Arora)
Director (F), JPPCL & Nominee
Director, KESCo
DIN No. 05135780

(Abha Sethi Tandon)
Company Secretary

(Ajay Kumar)
Managing Director
DIN No. 08197051

KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Statement of Cash Flows for the year ended 31st March, 2020

Amount (₹ in Lacs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash flow from operating activities		
Profit/(Loss) for the Period	(23105.17)	(44821.45)
<u>Adjustments for:</u>		
a) Depreciation	3,159.76	2,157.91
b) Interest & Financial Charges	17,191.54	18,484.50
c) Bad Debts & Provision	2,248.39	1,230.09
d) Interest income	(1459.28)	(1751.71)
e) Adj for Other Comprehensive Income	22.28	
Sub Total	(1942.48)	(24700.66)
Operating Profit Before Working Capital Changes		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
a) Inventory	156.51	985.57
b) Trade Receivable	(24051.58)	-22,509.50
c) Other Current Financial Assets	(396.86)	-7,348.05
d) Other Current Assets	(150.52)	262.19
e) Other Current financial Liability	(4617.07)	614.71
f) Other Current Liabilities	12,992.90	12,829.31
g) Trade Payables	908.69	60,522.38
Sub Total	(15157.93)	45,356.61
Net Cash Flow from Operating Activities (A)	(17100.41)	20,655.95
B. Cash Flow From Investing Activities		
a) Decrease (increase) in Fixed Assets	(13103.01)	(50178.01)
b) Decrease/(increase) in Capital Advances	4572.25	16,053.52
c) Interest Income	1,459.28	1,751.71
d) fixed Deposits	(4.16)	
Net Cash Flow from Investing Activities (B)	(7075.64)	(32372.78)
C. Cash Flow from Financing Activities		
a) Increase/(Decrease) in Borrowings	20,333.02	12,544.85
b) Proceeds from share application money	1,836.81	26,234.64
c) Proceeds from consumers contribution & GoUP capital subsidy (Reserve & Surplus)	5,242.35	5,775.45
d) Other long term liabilities	1,449.82	790.60
e) Interest & Financial Charges	(17191.54)	(18484.50)
Net Cash Flow from Financing Activities (C)	11,669.46	26,860.04
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(12506.59)	15,143.21
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	43,379.34	28,236.13
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	30,872.75	43,379.34

As per our separate report of even date attached

For

Gupta & Shah

Chartered Accountants

FRN. 001416C

CA Sharad Kumar Shah

Partner

M. No. 70601

Date: 24.01.2021

Place: Kanpur

For and on behalf of the Board of Directors

(Pankaj Saxena)
Dy. G.M. (Accts.)

(Sudhir Arya)
Director (F) UPPCL &
Nominee Director, KESCo

DIN No. 05135780

(Abha Sethi Tandon)
Company Secretary

(Ajay Kumar)
Managing Director

DIN No. 08197051

Kanpur Electricity Supply Company Limited
14/71 Civil Lines, Kesa House, KESCO, Kanpur
Statement of Changes in Equity

A Equity Share Capital
For the year ended 31st March,2020

Amount (₹ in Lacs)		
Balance at the beginning of the reporting period	Changes in Equity share capital during the year	Balance at the end of the reporting period
1,65,583.48	30,000.93	1,95,584.41

For the year ended 31st March,2019

Balance at the beginning of the reporting period	Changes in Equity share capital during the year	Balance at the end of the reporting period
1,32,701.74	32,881.74	1,65,583.48

B Other Equity
For the year ended 31st March,2020

Amount (₹ in Lacs)			
Particulars	Share Application Money Pending Allotment	Reserves & Surplus	Total
		Capital Reserve	Retained Earnings
Balance at the beginning of the reporting period	30,000.93	1,59,161.06	(3,56,883.47)
Changes in accounting Policy or Prior Period errors	-	-	-
Restated balance at the beginning of the reporting Period	30,000.93	1,59,161.06	(3,56,883.47)
Total comprehensive Income for the year			(23,082.89)
Dividends			-
Transfer to retained earnings			-
Changes during the Year	(28,164.12)	31,098.13	2,934.01
Less: Amount paid/amortized		(917.32)	(917.32)
Balance at the end of the reporting period	1,836.81	1,89,341.87	(3,79,966.36)
			(1,88,787.68)

Other Equity
For the year ended 31st March,2019

Amount (₹ in Lacs)			
Particulars	Share Application Money Pending Allotment	Reserves & Surplus	Total
		Capital Reserve	Retained Earnings
Balance at the beginning of the reporting period	36,648.03	1,28,159.43	(3,12,201.43)
Changes in accounting Policy or Prior Period errors	-	-	139.41
Restated balance at the beginning of the reporting Period	36,648.03	1,28,159.43	(3,12,062.02)
Total comprehensive Income for the year			(44,821.45)
Dividends			-
Transfer to retained earnings			-
Changes during the Year	(6,647.10)	31,631.22	24,984.12
Less: Amount paid/amortized		(629.59)	(629.59)
Balance at the end of the reporting period	30,000.93	1,59,161.06	(3,56,883.47)
			(1,67,721.48)

As per our separate report of even date attached

For
Gupta & Shah
Chartered Accountants
FRN. 001416C

CA Sharad Kumar Shah
Partner
M. No. 70601

Date: 24.01.2021
Place: Kanpur

For and on behalf of the Board of Directors

(**Pankaj Saxena**)
Dy. G.M. (Accts.)

(**Sudhir Arya**)
Director (F) KPPCL & Nominee Director
KESCO
DIN No. 05135780

(**Abha Sethi Tandon**)
Company Secretary

(**Ajay Kumar**)
Managing Director
DIN No. 08197051

Notes forming part of the financial statements for the year ended 31st March, 2020

2020

Amount (₹ in Lakh)									
Gross block				Depreciation			Net block		
	Balance as at 1st April, 2019	Additions during 2019-20	Balance as at 31st March, 2020	Balance as on 1st April, 2019	Depreciation expense for the year	Balance as on 31st March, 2020	Balance as at 31st March, 2020		
A									
Tangible assets									
A	Line & Cable Network	79,888.12	10,367.03	90,255.15	25,607.19	2,151.39	27,758.58	62,496.57	
B	Plant and Machinery	47,006.68	3,851.33	50,858.01	10,668.41	1,691.13	12,559.54	38,298.47	
C	Building	4,913.03	126.42	5,039.45	1,082.54	101.67	1,184.21	3,855.24	
D	Land on Lease	0.00	-	0.00	-	-	-	-	
E	Computer & Office Equipment	2,082.35	17.55	2,099.90	1,466.38	119.66	1,586.04	513.86	
F	Furniture & fixture	180.93	33.63	214.56	114.45	7.72	122.17	92.39	
G	Vehicles	406.85	-	406.85	333.37	5.51	338.88	67.97	
	Total	1,34,477.96	14,395.96	1,48,873.92	39,472.34	4,077.08	43,549.42	1,05,324.50	
less- Amortization of Consumers Contribution on Fixed Assets				-917.32					
Depreciation charged to operation				3,159.76					
	Gross block			Depreciation			Net block		
	Balance as at 1 April, 2018	Additions during 2018-19	Balance as at 31st March, 2019	Balance as on 1st April, 2018 including Prior Period Adjustment	Depreciation expense for the year including Prior Period Adjustment	Balance as on 31st March, 2019	Balance as at 31st March, 2019		
B									
Tangible assets									
A	Line & Cable Network	45,669.63	34,198.49	79,888.12	24,230.08	1,377.11	25,607.19	54,280.93	
B	Plant and Machinery	23,398.45	23,608.23	47,006.68	9,716.41	1,152.00	10,868.41	36,138.27	
C	Building	3,602.65	1,310.38	4,913.03	995.21	87.33	1,082.54	3,830.49	
D	Land on Lease	-	-	-	-	-	-	-	
E	Computer & Office Equipment	1,677.28	405.07	2,082.35	1,307.19	159.19	1,466.38	615.97	
F	Furniture & fixture	174.71	6.22	180.93	108.09	6.36	114.45	66.48	
G	Vehicles	406.85	-	406.85	327.86	5.51	333.37	73.48	
	Total	74,949.57	59,528.39	1,34,477.96	36,684.84	2,787.50	39,472.34	95,005.62	
less- Amortization of Consumers Contribution on Fixed Assets				-629.59					
Depreciation charged to operation				2,157.91					

NOTE 3 : CAPITAL WORKS IN PROGRESS						Amount (₹ in Lakh)
Particulars	Balance as on 1st April 2019	Additions during the year	Deduction/adjustments	Prior Period Adjustment	Capitalized during the year	Balance as on 31st March 2020
	₹ in Lakh	₹ in Lakh	₹ in Lakh		₹ in Lakh	₹ in Lakh
Capital Work in Progress	4351.09	13,103.01	-		14,395.96	3,058.14
Advance to Capital Contractors (Net of Provision)	12937.85	7,702.99	12,275.24			8,365.60
Total	17288.94	20806.00	12275.24		14395.96	11423.7

Particulars	Balance as on 01st April 2018	Additions during the year	Deduction/Adjustments	Prior Period Adjustment	Capitalized during the year	Balance as on 31st March 2019
Capital Work in Progress	13767.76	50,251.66	-	-139.94	59,528.39	4,351.05
Advance to Capital Contractors (Net of Provision)	28991.36	17,037.52	33,091.04			12,937.86
Total	42759.12	67289.18	33091.04	33091.04	59528.39	17288.91

KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 4 : FINANCIAL ASSETS, OTHERS (NON CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Advance paid to State Govt for freehold title of Land	743.87	743.87
Total	743.87	743.87

NOTE - 5 : INVENTORIES (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Stores & Spares		
Stock of Materials - Capital Works	3,950.02	4,332.12
Stock of Materials - O&M	3,210.18	2,984.59
Total	7,160.20	7,316.71

Inventories are valued at cost.

NOTE - 6 : FINANCIAL ASSETS, TRADE RECEIVABLES (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
A) Trade receivables outstanding from customers on account of Supply of Power		
Secured & Considered good	15459.32	13111.52
Unsecured & Considered good	272503.76	254010.01
Considered Doubtful	62861.07	61844.78
Total	350824.15	328966.31
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person of debts due by firms of private companies respectively in which any director is a partner or a director or a member	-	-
Net Total (A)	3,50,824.15	3,28,966.31
B) Trade receivables outstanding from customers on account of Electricity Duty		
Secured & Considered good	-	-
Unsecured & Considered good	6,908.98	5,947.34
Considered Doubtful	1508.20	1,376.95
Total	8,417.18	7,324.29
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person of debts due by firms of private companies respectively in which any director is a partner or a director or a member	-	-
Net Total (B)	8,417.18	7,324.29
Gross Value of Trade Receivables outstanding from customers on account of Supply of Power and Electricity Duty (A+B)	3,59,241.33	3,36,290.60
Less: Allowance for bad and doubtful receivables	64,369.27	63,221.73
Net Value of Trade Receivables outstanding from customers on account of Supply of Power and Electricity Duty	2,94,872.06	2,73,068.87

NOTE - 7 : FINANCIAL ASSETS, CASH AND CASH EQUIVALENTS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Cash & Cash Equivalents		
(i) Cash in hand	7.30	8.09
(ii) Temporary Imprest With Staff	2.90	1.10
(iii) Cheques, draft on hand	221.52	613.66
(iv) Balance with banks		
In current accounts	30,641.03	42,756.49
Total	30,872.75	43,379.34

NOTE - 8 : FINANCIAL ASSETS, BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Bank Balance other than Cash and Cash Equivalents		
Balance in deposit account	4.16	-
Total	4.16	-

Handwritten signatures and initials: *ASP*, *ML*, and others.



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 9 : FINANCIAL ASSETS, OTHERS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
(i) Receivable from Holding Company (UPPCL) on account of loan and Deposit work	7731.45	7408.45
(ii) Receivable from Discoms and other Companies		
UPPTCL	1049.04	1046.42
UPRVUNL	0.23	0.23
DVVNL	889.59	796.03
Sub Total	1938.86	1842.68
(iii) Loans and Advances to Employees		
(a) Unsecured Considered Good	35.89	58.18
(b) Unsecured considered Doubtful	50.77	148.44
Sub Total	86.66	206.62
Less: Provision for doubtful loans and advances	50.80	148.44
Sub Total	35.86	58.18
Total	9706.17	9309.31

NOTE - 10 : OTHER CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
(i) Advances Recoverable in Cash or in Kind for value to be received		
(a) Unsecured Considered Good	135.78	68.15
(b) Unsecured considered Doubtful	297.23	263.37
Sub Total	433.01	331.52
Less: Provision for doubtful loans and advances	297.23	263.37
Total	135.78	68.15
(ii) Income Tax Deducted at source	729.34	557.10
(iii) Prepaid Exp	1.06	13.11
(iv) Misc. Recovery		
(a) Unsecured Considered Good	109.23	64.85
(b) Unsecured considered Doubtful	372.65	372.65
Sub Total	481.88	437.50
Less: Provision for doubtful loans and advances	372.65	372.65
	109.23	64.85
(v) Income Accrued and Due	395.74	517.42
Total	1,371.15	1,220.63



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 11 : EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
(I) Authorized Equity shares of ₹ 10 each	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000.00
	2,00,00,00,000	2,00,000.00	2,00,00,00,000	2,00,000.00
(II) Issued Equity shares of ₹ 10 each	1,95,58,44,169	1,95,584.42	1,65,58,34,838	1,65,583.48
	1,95,58,44,169	1,95,584.42	1,65,58,34,838	1,65,583.48
(III) Subscribed and fully paid up Equity shares of ₹ 10 each	1,95,58,44,169	1,95,584.42	1,65,58,34,838	1,65,583.48
	1,95,58,44,169	1,95,584.42	1,65,58,34,838	1,65,583.48

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

Particulars	Opening Balance	Transferred from Share Application Money Pending allotment	Closing Balance
(a) Issued Equity Shares			
Year ended 31st March, 2020			
Number of shares	1,65,58,34,838	30,00,09,331.00	1,95,58,44,169
Amount (₹) in lakh	1,65,583.48	30,000.93	1,95,584.41
Year ended 31st March, 2019			
Number of shares	1,32,70,17,426	32,88,17,412.00	1,65,58,34,838
Amount (₹) in lakh	1,32,701.74	32,881.74	1,65,583.48
(b) Subscribed and fully paid up Equity shares			
Year ended 31st March, 2020			
Number of shares	1,65,58,34,838	30,00,09,331	1,95,58,44,169
Amount (₹)	1,65,583.48	30,000.93	1,95,584.41
Year ended 31st March, 2019			
Number of shares	1,32,70,17,426	32,88,17,412	1,65,58,34,838
Amount (₹)	1,32,701.74	32,881.74	1,65,583.48

(ii) Details of shares held by the holding company :

Particulars	Equity shares Number of shares
As at 31st March, 2020	
Uttar Pradesh Power Corporation Limited	1,95,58,44,169
As at 31st March, 2019	
Uttar Pradesh Power Corporation Limited	1,65,58,34,838

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

Class of shares / Name of shareholder	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Uttar Pradesh Power Corporation Limited	1,95,58,44,169	100%	1,65,58,34,838	100%

(iv) The company has only one class of equity shares having par value of Rs 10 per share. Each equity share is entitled to one vote.

In the event of liquidation of the Company the holders of equity share will be entitled to receive the assets in proportion to the number of equity shares held by each of them.

NOTE - 12 : OTHER EQUITY

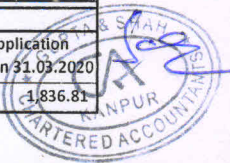
Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
(A) Capital Reserves		
(i) Consumer Contribution		
Consumers Contribution Opening Balance	34,026.23	31,154.76
Consumer Contribution Received during the Year	2,338.34	2,871.47
Consumer Contribution closing balance (Before Amortization)	36,364.57	34,026.23
Less: Deduction (Amortized till date)	(11898.44)	(10981.12)
Consumer Contribution at the end of year (Net of Amortization)	24,466.13	23,045.11
(ii) Grant under UDAY	1,52,500.53	1,26,644.75
(iii) Subsidy for repayment of loan	10,929.53	8,025.52
(iv) Restructuring Reserve	1,445.68	1,445.68
Sub Total	1,89,341.87	1,59,161.06
(B) Surplus /Deficit in the Statement of Profit&Loss Account		
As per Last financial statement	(356883.47)	(312201.43)
Changes in accounting Policy or Prior Period errors	0.00	139.41
Restated Balance	(356883.47)	(312062.02)
Add:- Profit/(Loss) for the year as per statement of Profit & Loss	(23082.89)	(44821.45)
Sub Total	(379966.36)	(356883.47)
(C) Share Application Money		
Share Application Money (Pending for allotment to UPPCL)	1,836.81	30,000.93
Sub Total	1,836.81	30,000.93
Total	(188787.68)	(167721.48)

RECONCILIATION OF SHARE APPLICATION MONEY

Share Application Money as on 1.04.2019	Received during the year	Allotted During the year	Share Application Money as on 31.03.2020
30,000.93	1,836.81	30,000.93	1,836.81

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KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 13 : FINANCIAL LIABILITIES, BORROWINGS (NON-CURRENT)

NOTE - 13 : FINANCIAL LIABILITIES, BORROWINGS (NON-CURRENT)				As at 31st March, 2020	As at 31st March, 2019
Particulars				₹ in lacs	₹ in lacs
(i) <u>Rural Electrification Corporation Limited (Unsecured)</u>					
Loan Outstanding	7587.06	10788.68			
Less: Current Maturity	2092.06	3277.87			
	5495.00	7510.81	5495.00	7510.81	
(ii) <u>Power Finance Corporation Limited (Unsecured)</u>					
a) Loan Outstanding	54412.41	23467.29			
Less: Current Maturity	2412.41	3054.88			
	52000.00	20412.41	52000.00	20412.41	
b) Loan from PFC (IPDS)	11942.55	4468.00	11942.55	4468.00	
(iii) <u>Bonds</u>					
Secured					
8.97% Rated Listed Bonds dt. 17.2.17	39520.00	39520.00			
8.48% Rated Listed Bonds dt. 27.3.17	19210.00	19210.00			
	58730.00	58730.00			
Less: Current Maturity	8390.00	-			
	50340.00	58730.00			
Unsecured					
9.70% UDAY Bonds Dt. 04.07.16	25661.69	25661.69			
UDAY Bonds Dt. 28.9.16	28148.68	28148.68			
UDAY Bonds Dt. 30.03.17	3128.00	3128.00			
	56938.37	56938.37			
Less: Current Maturity	156.13	0.00			
	56782.24	56938.37			
Total			1,07,122.24	1,15,668.37	
(iv) REC Loan (KESCo)				1,750.00	16,250.00
(v) Loan from State Govt.				3,465.23	3,850.26
Total Loans				1,81,775.02	1,68,159.85
Interest Free Govt. Loan under UDAY Scheme				-	25,855.78
Total				1,81,775.02	1,94,015.63

Details of Current maturities of Borrowings (Non-Current)

Particulars		As at 31st March, 2020	As at 31st March, 2019
		₹ in lacs	₹ in lacs
Term loans			
Current maturities of Long-Term Borrowings through UPPCL			
a) REC Loan		2,092.06	3,277.87
b) PFC Loan		2,412.41	3,054.88
c) 8.97% Rated Listed Bonds		5,645.71	-
d) 8.48% Rated Listed Bonds		2744.29	-
e) 9.70% UDAY Bonds		156.13	-
Total		13,050.60	6,332.75



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 14 : Other Financial Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
(i) Security deposit from Consumers	15,459.32	13,111.54
(ii) Provision for Leave Encashment	4,867.54	5,765.50
Total	20,326.86	18,877.04

NOTE - 15 : FINANCIAL LIABILITIES, BORROWINGS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Loan from Noida (Unsecured)	1,054.80	1,054.80
Total	1,054.80	1,054.80

NOTE - 16 : FINANCIAL LIABILITIES, TRADE PAYABLES (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Trade Payables		
(a) For Power Purchase (UPPCL)	1,01,380.60	1,04,956.53
(b) For Transmission Charges (UPPTCL)	5,601.92	1,117.30
Total	1,06,982.52	1,06,073.83

NOTE - 17 : FINANCIAL LIABILITIES, OTHERS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Interest accrued & due	5,105.17	4,865.88
Current Maturity of Long Term Borrowings	13,050.60	6,332.75
Liability for Capital Supplies/Works	4,284.97	11,126.46
Liability for O&M Supplies/Works	2,102.75	1,302.76
Prior Period Adjustment of Liability for O&M	-	19.23
Staff Related Liabilities	4,745.25	3,875.99
Prior Period Adjustment of Staff related liabilities	-	41.02
Deposits & Retentions from Suppliers & Others	7,825.91	8,797.95
Payable to DISCOMS -		
MVVNL	144.16	144.16
PVVNL	437.97	475.41
Pash VVNL	32.86	103.22
Other current Liabilities towards UPPCL	3,023.64	1,829.38
Liabilities towards UP Power Sector Employees Trust-		
General Provident Fund	392.18	380.10
Pension and Gratuity	597.92	605.51
CPF Trust	78.78	64.90
Interest Accrued but not due on Borrowings	258.82	16.48
Grand Total	42,080.98	39,981.20

NOTE - 18 : OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
Electricity Duty & Other Levies payable to Govt.	95,962.93	83,695.99
Prior Period Adj of Electricity Duty	-	(554.68)
Liability for GST	30.17	46.93
Deposit Works	4,515.04	3,803.01
Sundry Liabilities	227.76	592.10
Provision for Leave Encashment	402.21	275.98
Provision for 7th Pay Commission	1,323.57	1,599.73
Sub Total	1,02,461.68	89,459.06
Inter Unit Transfer :		
IUT Material with in zone	-	9.72
Inter-Unit Accounts - Personnel	2.73	2.78
Inter-Unit Accounts-Other	694.69	694.25
Sub Total	697.42	706.75
Less: Provision for Unsecured considered Doubtful	697.42	697.03
Sub Total	-	9.72
Grand Total	1,02,461.68	89,468.78



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 19 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Sale of Power (Refer Note (i) below)	2,61,939.22	2,44,994.31
Total	2,61,939.22	2,44,994.31
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Note: (i) Sale of Power comprises :		
A. Electricity Charges		
Domestic (LMV-I)	99,898.03	91,003.34
Commercial (LMV-II)	34,586.53	32,811.85
Street Light (LMV-III)	4,839.56	5,214.02
Public Institution (LMV-IV)	7,635.80	5,857.27
Tubewell & Pump (LMV-V)	7.35	7.93
Small Power (LMV-VI)	28,415.03	27,290.69
Water works (LMV-VII)	12,306.82	11,206.86
Temp.Connection (LMV-IX)	215.73	2,350.59
Prepaid	933.71	-
Large & heavy (HV-I)	22,338.65	21,519.99
Large & heavy (HV-II)	46,387.51	43,503.95
Internal Energy Consumed	4,374.50	4,227.82
Total A	2,61,939.22	2,44,994.31
B. Electricity Duty		
Domestic (LMV-I)	4,738.78	4,291.70
Commercial (LMV-II)	2,430.07	2,297.22
Street Light (LMV-III)	945.57	1,000.90
Public Institution (LMV-IV)	437.19	682.36
Tubewell & Pump (LMV-V)	0.52	0.59
Small Power (LMV-VI)	1,832.92	1,879.85
Water works (LMV-VII)	795.89	719.23
Temp.Connection (LMV-IX)	9.02	118.51
Prepaid	48.54	-
Large & heavy (HV-I)	1,352.07	1,265.32
Large & heavy (HV-II)	2,328.50	2,259.11
Total B	14,919.07	14,514.79
Gross Sale of Power (A+B)	2,76,858.29	2,59,509.10
Less : Electricity duty	14,919.07	14,514.79
Net Sale of Power	2,61,939.22	2,44,994.31
Total	2,61,939.22	2,44,994.31



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 20 : OTHER INCOME

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
(i) Interest income (Refer Note (i) below)	1,459.28	1,751.71
(ii) Other non-operating income (Refer Note (ii) below)	2,792.78	4,909.11
Total	4,252.06	6,660.82

Note: (i) Interest income comprises:

Interest from banks on Fixed Deposit

	1,459.28	1,751.71
Total - Interest income	1,459.28	1,751.71

Note: (ii) Other non-operating income comprises:

- (a) Delayed Payment charges from consumers
- (b) Other recoveries from consumers
- (c) Sale of Scrap
- (d) Penalty from Contractors
- (e) Rental from Staff
- (f) Sales of Tender Forms
- (g) Other Misc. Income
- (h) Subsidy for payment of Interest on Loan
- (i) Balance Write/Off

	44.86	3,363.63
	460.52	207.00
	313.66	89.44
	506.77	253.53
	16.18	10.35
	17.93	20.71
	1,021.18	220.95
	401.96	743.50
	9.72	-
Total - Other non-operating income	2,792.78	4,909.11

NOTE - 21 : PURCHASE OF POWER

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Purchase Cost	2,21,391.51	2,39,620.61
Transmission Cost	10,766.75	7,221.43
Total	2,32,158.26	2,46,842.04

NOTE - 22 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Salaries & Allowances	9,153.99	8,228.57
Dearness Allowance	1,405.90	633.65
Other Allowances	792.43	638.21
Bonus/ Ex-gratia	89.33	99.09
Earned Leaves Encashment	9.89	621.81
Medical Expenses (Re-imbursement)	105.90	178.18
Others	338.98	81.00
Staff welfare expenses	19.06	8.50
Pension and Gratuity	1,388.06	1,348.87
Contributions to provident and other funds	361.64	274.71
Prior Period Adj of Employee Benefit Expenses	-	41.02
Less : Expenses Capitalized	(1183.33)	(4273.75)
Total	12,481.85	7,879.86



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2020

NOTE - 23 : FINANCE COST

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
(i) Interest expense on Borrowings	15,863.78	17,031.73
Less: Rebate for timely payment of Interest	10.75	-
Sub Total	15,853.03	17,031.73
(ii) Other borrowing cost and finance charges	455.60	665.76
(iii) Interest Expenses on Security deposits from consumers	882.91	787.01
Total	17,191.54	18,484.50

NOTE - 24 : DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Line & Cable Network	2151.39	1372.79
Plant and Machinery	1691.13	1149.97
Building	101.67	87.13
Computer & Office Equipment	119.66	159.19
Furniture & fixture	7.72	6.36
Vehicles	5.51	5.51
Prior Period Adj of Depreciation	-	6.55
Grand Total	4077.08	2787.50
Less: Amortization of Consumer Contribution on Fixed Assets	917.32	629.59
Depreciation charged to operation	3159.76	2157.91

NOTE - 25 : ADMINISTRATIVE, GENERAL & OTHER EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Interest Expense on Electricity duty	7352.44	6438.20
Rates & Taxes	232.64	395.12
Insurance	15.38	6.74
Communication	70.00	63.61
Travelling & Conveyance	7.23	8.64
Legal & Professional charges	564.30	431.13
Prior Period Adj of Legal & Prof Charges	-	-
On line & Spot Billing charges	2121.92	1252.09
Prior Period Adj of Online & Spot Billing Chgs	67.73	50.59
Printing & Stationery	89.70	55.01
Advertisement Expenses	-	4.05
Prior Period Adj of Adv Exp	107.25	252.24
Fee & Subscription	932.18	1619.01
Rebate to consumers	-	-
Security Charges	1685.87	1495.67
Auditors Remuneration	4.72	4.72
Audit Fees	4.00	4.00
GST	0.72	0.72
Miscellaneous expenses	433.20	234.36
Expenditure on Trust	3.09	12.17
Total	13687.65	12323.35

Note - 26 : REPAIRS AND MAINTENANCE EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Repairs & Maintenance - Building	1,763.91	1,574.04
Repairs & Maintenance - Machinery	3,254.36	3,067.22
Repairs & Maintenance - Line, Cables, Networks etc.	2,965.60	3,044.54
Repairs & Maintenance - Others	385.13	67.33
Prior Period Adj. of Repairs & Maintenance	-	-194.30
Total	8,369.00	7,558.83

Note - 27 : BAD DEBTS & PROVISIONS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹ in lacs	₹ in lacs
Provision for Bad & doubtful trade Receivables	1,147.54	1,119.97
Provision for doubtful loans & advances	1,100.85	110.12
Total	2,248.39	1,230.09

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Kanpur Electricity Supply Company Ltd.

CIN U40105UP1999SGC024626

NOTE NO. 1A

SIGNIFICANT ACCOUNTING POLICY

1. REPORTING ENTITY

Kanpur Electricity Supply Company (KESCo), is a company domiciled in India having its registered address at 'KESA House', 14/71, Civil Lines Kanpur. The Company is a wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow (A State Govt. Company) and is engaged in the distribution of electricity in its specified area.

2. GENERAL/BASIS OF PREPARATION

- (a) The financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013. However where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.
- (b) The accounts are prepared under historical cost convention, on accrual basis, unless stated otherwise in pursuance of Ind AS, and on accounting assumption of going concern.
- (c) Insurance and Other Claims, Refund of Interest on Income Tax & Other taxes, Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.
- (d) **Statement of compliance**

The financial statements are prepared on accrual basis of accounting, unless stated otherwise, and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by Board of Directors on 6th January 2021.

(e) **Functional and presentation currency**

The financial statements are prepared in Indian Rupee (₹), which is the Company's functional currency. All financial information presented in Indian rupees has been rounded to the nearest rupees in lakhs (up to two decimals), except as stated otherwise.

(f) **Use of estimates and management judgments**

The preparation of financial statements require management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of asset, liabilities, income, expenses and related disclosures concerning the items

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involved as well as contingent Assets and Liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factor considered reasonable and prudent in the circumstances. Actual results may differ from this estimate.

Estimates and Underlying assumptions are reviewed as on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are reviewed and if any future periods affected.

(g) Current and non-current classification

1) The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

I- PROPERTY, PLANT AND EQUIPMENT

- (a) Property, Plant and Equipment are shown at historical cost less accumulated depreciation.
- (b) All costs relating to the acquisition and installation of Property, Plant and Equipment till the date of commissioning are capitalized.
- (c) Consumer Contribution, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.
- (d) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- (e) Due to multiplicity of functional units as well as multiplicity of functions at particular unit, Employees cost to capital works are capitalized @ 15% on deposit works, 13.50% on Distribution works and @ 9.5% on other works on the amount of total expenditure.



- (f) Borrowing cost during construction stage of capital assets are capitalized as per provisions of Ind AS-23.

II- CAPITAL WORK-IN-PROGRESS

Property, Plant and Equipment those are not yet ready for their intended use are carried at cost under Capital Work-In-Progress, comprising direct costs, related incidental expenses and attributable interest.

The value of construction stores is charged to capital work-in-progress as and when the material is issued. The material at the year end lying at the work site is treated as part of capital work in progress.

III- INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at cost. Subsequently the intangible assets are carried at cost less accumulated amortization/accumulated impairment losses. The amortization has been charged over its useful life in accordance with Ind AS-38.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use.

IV- DEPRECIATION

- (a) Depreciation is charged on Straight Line Method as per Schedule II of the Companies Act 2013.
- (b) Depreciation on additions to / deductions from Property, Plant and Equipment during the year is charged on Pro rata basis.
- (c) Property, Plant and Equipment are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged.

V- STORES & SPARES

- (a) Stores and Spares are valued at cost.
- (b) As per practice consistently followed by the Company, Scrap is accounted for as and when sold.
- (c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

VI- REVENUE/ EXPENDITURE RECOGNITION

- (a) Revenue from sale of energy is accounted for on accrual basis.
- (b) Late payment surcharge recoverable from consumers on energy bills is accounted for on cash basis due to uncertainty of realisation.
- (c) The sale of electricity does not include electricity duty payable to the State Government.

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- (d) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- (e) In case of detection of theft of energy, the consumer is billed on laid down norms as specified in Electricity Supply Code.
- (f) Penal interest, over due interest, commitment charges, restructuring charges and incentive/rebates on loans are accounted for on cash basis after final ascertainment.

VII- POWER PURCHASE

Power purchase is accounted for in the books of Corporation as below:

- (a) The Bulk purchase of power is made available by the holding company (U.P. Power Corporation Limited) and the cost of Power Purchase is accounted for on accrual basis at the rates approved/bills raised by UPPCL.
- (b) Transmission charges are accounted for on accrual basis on bills raised by the U.P Power Transmission Corporation Limited at the rates approved by UPERC.

VIII- EMPLOYEE BENEFITS

- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.
- (c) Leave encashment has been accounted for on accrual basis.

IX- PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- (b) Contingent assets and liabilities are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income are not recognised.

X- GOVERNMENT GRANT, SUBSIDIES AND CONSUMER CONTRIBUTIONS

Government Grants (Including Subsidies) are recognised when there is reasonable assurance that it will be received and the company will comply the conditions attached, if any, to the grant. The amount of Grant, Subsidies and Loans are received from the State Government by the UPPCL centrally, being the Holding Company and distributed by the Holding Company to the DISCOMS.

Consumer Contributions, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.

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XI- FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transaction. Gains and Losses, if any, as at the year end in respect of monetary assets and liabilities are recognized in the Statement of Profit and Loss.

XII- DEFERRED TAX LIABILITY

Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the profitability of the Company and no provision is made in case of current loss and past accumulated losses as per Para 34 of Ind AS 12 "Income Taxes".

XIII- STATEMENT of CASH FLOWS

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Ind AS – 7 'Statement of Cash Flow'.

XIV- FINANCIAL ASSETS

Initial recognition and measurement:

Financial assets of the Company comprises, Cash & Cash Equivalents, Bank Balances, Trade Receivable, Advance to Contractors, Advance to Employees, Security Deposits, Claim recoverables etc. The Financial assets are recognized when the company become a party to the contractual provisions of the instrument.

All the Financial Assets are recognized initially at fair value plus transaction cost that are attributable to the acquisition or issue of the financial assets as the company purchase/acquire the same on arm length price and the arm length price is the price on which the assets can be exchanged.

Subsequent Measurement:

A- Debt Instrument:- A debt instrument is measured at the amortized cost in accordance with Ind AS 109.

B- Equity Instrument:- All equity investments in entities are measured at fair value through P & L (FVTPL) as the same is not held for trading.

Impairment on Financial Assets- Expected credit loss or provisions are recognized for all financial assets subsequent to initial recognition. The impairment losses and reversals are recognized in Statement of Profit & Loss.

XV- FINANCIAL LIABILITIES

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade payables, borrowings and other payables.

Subsequent Measurement:

Borrowings have been measured at fair value using effective interest rate (EIR) method. Effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest and other expenses over the relevant period. Since each borrowings has its own separate rate of interest and risk, therefore the rate of interest at which they are existing is treated as EIR.

Trade and other payables are shown at contractual value/amortized cost.

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A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

XVI- MATERIAL PRIOR PERIOD ERRORS

Material prior period errors are corrected retrospectively by restating the comparative amount for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balance of assets, liabilities and equity for the earliest period presented, are restated.

Gupta & Shah
Chartered Accountants
FRN. 001416C

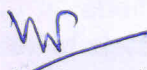


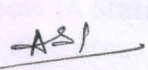
CA Sharad Kumar Shah
Partner
M. No. 70601


Dated: 24.01.2021


Place: Kanpur

For Kanpur Electricity Supply Company Limited


(Pankaj Saxena)
D.G.M. (Acctt.)


(Abha Sethi Tandon)
Company Secretary


(Sudhir Arya)
Director (F) UPPCL &
Nominee Director, KESCo
DIN No. 05135780


(Ajay Kumar)
Managing Director

DIN No. 08197051

KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

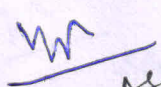
Note No. 1 B

NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020
AND STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31st March, 2020

1. Kanpur Electricity Supply Company (KESCO), is a company domiciled in India having its registered address at 'KESA House', 14/71, Civil Lines Kanpur. The company is registered under the erstwhile Companies Act, 1956 and was incorporated through the Transfer Scheme dated 15th January, 2000, wherein the assets, liabilities and personnel of Kanpur Electricity Supply Administration (KESA) under erstwhile Uttar Pradesh State Electricity Board (UPSEB) were transferred to KESCO. Subsequently the UP Electricity Regulatory Commission, in exercise of the powers conferred on it under Section 15 of the Uttar Pradesh Electricity Reform Act, 1999 (Uttar Pradesh Act No. 24 of 1999), granted KESCO on 4th October 2000 a distribution license for a period of 30 years for carrying out the business of Distribution and Retail Supply of electrical energy within its license area.
2. The Company is a wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow (A State Govt. company) and is engaged in the distribution of electricity in its specified area.
3. The amount of Loans, Subsidies and Grants were received from the State Government by the Uttar Pradesh Power Corporation Limited centrally, being the Holding Company and distributed by the Holding Company to the DISCOMs, which have been accounted for accordingly.
4. The share capital include 700 Equity shares of ₹ 10 each allotted to subscribers of Memorandum of Association
5. The loan taken by the Company during the financial year 2019-20 amounting to ₹ 41822 lakhs out of which ₹ 7822 lakhs was taken directly by KESCO and ₹ 34000 lakhs by Holding Company i.e. UPPCL for and on behalf of KESCO as per details given below:-

Particulars	KESCO (₹ in lakh)	UPPCL (₹ in Lakh)	Total (₹ in Lakh)
PFC Loan (IPDS)	7822.00	Nil	7822.00
State Govt Loan	Nil	Nil	Nil
PFC	Nil	34000.00	34000.00
Total	7822.00	34000.00	41822.00

6. The Board of Directors of KESCO has escrowed all the Revenue receipt accounts in favour of U.P. Power Corporation Limited, Lucknow. The Holding Company has been further authorized to these escrow revenue accounts for raising or borrowing the funds for & on behalf of KESCO for all necessary present and future financial needs including Power Purchase obligation
7. Based on actuarial valuation report dt. 9.11.2000 submitted by M/s Price Waterhouse Coopers to UPPCL (the Holding Company) provision for accrued liability on account of Pension and Gratuity has been made @16.70% and 2.38% respectively on the amount of Basic pay, Grade pay and DA paid to erstwhile UPSEB employees. A part from this, with respect to employees appointed under KESCO after 14.01.2000, the provision for accrued liability on account of Leave Encashment and Gratuity has been made as per separate actuarial valuation report by M/s Mithras Consultants, Actuarial valuers dt. 19.09.2020


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KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

8. Revenue from Operation

The Company earns revenue primarily from supply of power to ultimate consumers situated in the area covered under its jurisdiction to supply the power. The Company procured the power from its Holding Company (UPPCL) which procures the power on our behalf and supplies the same to us.

Effective 01st April, 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch up transition method, applied to contracts with customers that were not completed as at 01st April, 2018. Accordingly, the comparative amounts of revenue have not been retrospectively adjusted and continue to be reported as per Ind AS18 "Revenues" and Ind AS 11 "Construction Contracts" (to the extent applicable). The effect on the adoption of Ind AS 115 was insignificant as we supply the power to our ultimate consumers and generate the bills on monthly consumption basis.

Revenue from Sale of Power is recognized on satisfaction of performance obligation upon supply of power to the consumers at an amount that reflects the consideration (As per UPERC Tariff), adjusted with rebate on timely payment, the Company expects to receive in exchange for those supplied power. Consumer Contribution received under Deposit work has been amortized in the proportion in which depreciation related assets is charged to allocate the transaction price over a period of life of assets.

9.

- a) Property, Plant & Equipment including Land remained with the company after notification of final transfer scheme are inherited from erstwhile UPSEB which had been the title holder of the such Property, Plant & Equipment. The title deeds of new Property, Plant & Equipment created after incorporation of the company, are held in the respective units where such Property, Plant & Equipment were created/purchased.
- b) Where historical cost of a discarded/ retired/ obsolete Property, Plant & Equipment is not available, the estimated value of such Property, Plant & Equipment/Intangible Assets and depreciation thereon has been adjusted and accounted for.
- c) In terms of powers conferred by the Notification no. GSR 627(E) dated 29 August 2014 of Ministry of Corporate Affairs, Govt. of India, the Depreciation/Amortization on Property, Plant & Equipment/Intangible Assets have been calculated taking into consideration the useful life of Property, Plant & Equipment as approved in the orders of UPERC (terms & conditions for determination of distribution tariff) Regulation, 2006.
- d) Land of the company is on lease from UPPCL at ₹. 1.00 per month as per the transfer scheme.

10. Capitalization of Interest on borrowed fund utilized during construction stage of Capital Assets is done by identifying the Schemes/Assets and the funds used for the purpose to the extent established

11.

- a) The Provision for Bad & Doubtful Debts against revenue from sale of power has been made @ 5 % on the incremental debtors during the year which amounted to ₹1147.54 lakhs
- b) The details of provision for doubtful loans & advances are as under: -
 - (i) The Provision on unadjusted advances to suppliers/ contractors (O&M) for more than two years has been made for ₹ 1198.09 lakhs during the year



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
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- (ii) The provision for doubtful receivable from employees has been reduced by ₹ 97.25 lakh on unadjusted balance for more than two years

12. Government dues in respect of Electricity duty and other levies amounting to ₹ 95962.93 lakh shown in Note No. 18 includes ₹ 43567.34 lakh for Electricity Duty and ₹ 52395.59 lakh for Interest on ED.
13. Liability towards staff training expenses, medical expenses and LTC has been provided to the extent established.
14. Some balances appearing under the heads 'Other Non-Current Assets', 'Other Current Financial Assets', 'Other Current Assets' 'Other Current Financial Liabilities', 'Other Current liabilities', 'Material in transit/ under inspection/lying with contractors are subject to confirmation/ reconciliation and subsequent adjustments, as may be required.
15. Basic and diluted earnings per share has been shown in the Statement of Profit & Loss in accordance with Ind AS-33 "Earnings Per Share". Basic earnings per share have been computed by dividing net loss by the weighted average number of equity shares outstanding during the year.

Earning Per Share

(Amount in
₹. In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Net Profit after tax (₹ in lakh) (Numerator used for calculation of Basic and Diluted EPS)	(23082.89)	(44821.45)
Weighted average number of Equity Shares (in Lakh) (denominator for calculating Basic EPS)	18058.40	14,914.26
Weighted average number of Equity Shares (in Lakh) (denominator for calculating Diluted EPS)	18058.40	14,914.26
Basic earnings per share of ₹ 10/- each	(1.28)	(3.01)
Diluted earnings per share of ₹ 10/- each	(1.28)	(3.01)

As per para 43 of Ind AS-33 issued by the Institute of Chartered Accounts of India, Potential Equity Shares are treated as Anti-Dilutive as their conversion to Equity Shares would decrease loss per share. Therefore, effect of Anti-Dilutive Potential Equity Shares is ignored in calculating Dilutive Earnings Per Share) * calculated on Monthly basis.

16. Amount due to Micro, Small and medium enterprises (under the MSMED Act 2006) could not be ascertained and interest thereon could not be provided for want of sufficient related information. However, the company is in process to obtain the complete information in this regard.
17. Bill of power purchase and transmission charges are being taken in to account as per the bills raised by UPPCL/UPPTCL after due verification.
18. Payment to Directors and Officers in foreign currency towards foreign tour was NIL (Previous year NIL).
19. Debts due to/from Directors were Nil (Previous year Nil)
20. Additional Information required under the Schedule-III of the Companies Act, 2013 are as under: -

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KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

(a) **Quantitative Details of Energy Purchased & Sold:-**

Particulars	2019-20	2018-19
Total Power Purchased (MU)	3578.253	3468.973
Total Power Sold (MU)	3300.502	3173.838
Transmission & Distribution Loss (MU)	277.751	295.135
% Transmission & Distribution loss	7.76%	8.51%

(b) **Contingent liabilities not provided for:-**

Particulars	2019-20 (₹ In lakhs)	2018-19 (₹ In lakhs)
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	8876.87	1860.59
(b) Claims by employees under litigation	1000.25	949.29
(c) Interest Payable to UPERC on delayed license fees	36.52	36.52
Total	9913.64	2846.40

21. Since the Company is principally engaged in the distribution business of Electricity and there is no other reportable Operating segment as per Ind AS-108, hence the disclosure as per Ind AS-108 on Operating segment reporting is not required.

22. **Related Party Disclosure as per Ind AS 24**

A-List of Related Parties

(a) **List of Parent, Subsidiary and Associates of Parent Company:-**

Company	Nature
Uttar Pradesh Power Corporation Ltd.	Holding Company
DakshinanchalVidyutVitrان Nigam Ltd	Subsidiary of Holding Company
PaschimanchalVidyutVitrان Nigam Ltd	Subsidiary of Holding Company
MadhyanchalVidyutVitrان Nigam Ltd	Subsidiary of Holding Company
PoorvanchalVidyutVitrان Nigam Ltd	Subsidiary of Holding Company
Sonebhadra Power Generation Company Limited	Subsidiary of Holding Company
Southern Power Transmission Corporation Limited	Subsidiary of Holding Company
Yamuna Power Generation Company Limited	Associates of Holding Company



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
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(b) Key management personnel: -

Key management personnel of KESCO

S.No	Name	Designation	Working Period for FY 2019-20	
			Appointment	Retirement/ Cessation
Key management personnel of KESCO				
1	Sri Arvind Kumar	Principal Secretary (Energy) and Chairman	10.11.2019	Working
2.	Sri Alok Kumar	Principal Secretary (Energy) and Chairman	20.05.2017	09.11.2019
3	Sri M Devraj	Managing Director, UPPCL (Nominee Director)	05.11.2019	Working
4	Smt Aparna U	Managing Director, UPPCL (Nominee Director)	31.08.2018	04.11.2019
5	Sri Ajay Kumar Mathur	Managing Director	24.09.2017	Working
6	Smt Saumya Agarwal	Managing Director	22.12.2017	16.09.2019
7	Sri Ajay Kumar Mathur	Director (Commercial)	28.06.2018	Working
8	Sri Sudhir Arya	Director (Finance), UPPCL (Nominee Director)	25.09.2019	Working
9	Sri Sudhanshu Dwivedi	Director (Finance), UPPCL (Nominee Director)	31.08.2018	30.06.2019
10	Sri Brahmdev Ram Tiwari	DM Kanpur (Nominee Director)	13.01.2020	Working as on 31.03.2020
11	Sri Vijay Vishwas Pant	DM Kanpur (Nominee Director)	25.06.2018	13.01.2020
12	SmtAbhaSethiTandon	Company Secretary	14.03.2013	Working
Key management personnel of Parent Company (UPPCL)				
1	Sri Arvind Kumar	Principal Secretary (Energy) and Chairman	10.11.2019	Working
2.	Sri Alok Kumar	Principal Secretary (Energy) and Chairman	20.05.2017	09.11.2019
3	Sri M Devraj	Managing Director	05.11.2019	Working
4	Smt Aparna U	Managing Director	31.08.2018	04.11.2019
5	Sri Sudhir Arya	Director (Finance)	30.07.2019	Working
6	Sri Sudhanshu Dwivedi	Director (Finance)	30.06.2016	30.06.2019
7	Sri AK Purwar	Director (PM & A)	10.07.2019	Working
8	Sri Satya Prakash Pandey	Director (PM & A)	01.07.2016	02.06.2019
9	Sri Vijay Kumar	Director (Distribution)	06.01.2018	Working as on 31.03.2020
10	Sri VP Srivastav	Director (Corp. Planning)	04.01.2018	Working
11	Sri AK Srivastav	Director(Commercial)	27.06.2018	Working
12	Sri Senthil Pandiyan C	MD UPPTCL	10.09.2018	Working
13	Sri Neelratan Kumar	Nominee Director (Finance Department)	16.04.2013	Working
14	Smt. Manju Shankar	Nominee Director (Bureau of Public Enterprise)	10.12.2015	31.12.2019

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KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

15	Sri P N Sahay	Chief Financial Officer	14.11.2018	04.03.2020
16	Sri AK Awasthi	Chief Financial Officer	05.03.2020	Working
17	SushNiharika Gupta	Company Secretary	18.03.2020	Working
18	Sri PradeepSoni	Company Secretary	31.07.2017	17.03.2020

c).The Company is a State Public Sector Undertaking (SPSU) controlled by State Government by holding majority of shares through its holding company (UPPCL). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for Government related entities and has made limited disclosures in the financial statements. Such entities from which Company have significant transactions includes but not limited to U.P Power Transmission Corporation Limited.






d)Post-Employment Benefit Plan: -
Uttar Pradesh State Power Sector Employees Trust.

B. Transaction with related Parties

a) Transaction with Holding and fellow Subsidiary of Holding Company:

(Amount ₹In Lakh)

Particulars	Holding Company		Fellow Subsidiary	
	2019-20	2018-19	2019-20	2018-19
(i) Power Purchase	2,21,391.51	2,39,620.61	-	-
(ii) Equity Contributed Received	1836.81	26,234.64	-	-
(iii) Payable for other Transaction	1194.26	243.08	-	-
(iv) Receivable for other Transaction			201.36	
(v) Receivable on account of Loan& Deposit work	323.00	7,408.45	-	-



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

b) Remuneration and Benefits paid to key management personnel

Particulars	2019-20 (₹ in Lakh)	2018-19 (₹ in Lakh)
Salary & Allowances	39.46	34.90
Leave Encashment	Nil	Nil
Contribution to Gratuity/Pension/PF	0.91	1.22
Total	40.37	36.12

c) Transaction with related parties under the control of same government:

Name of The Company	Nature of Transaction	2019-20 (₹ in Lakh)	2018-19 (₹ in Lakh)
UP Power Transmission Corporation Limited	Transmission Charges	10766.75	7221.43

d) Outstanding Balances of Holding, Fellow Subsidiary & Companies under the control of same government

Company	Nature	Payable/Receivable	Amount as on 31.03.2020 (₹ in Lakh)
UPPCL	Liability for Power Purchase	Payable	₹ 101380.60
UPPCL	Other Dues	Payable	₹ 3023.64
UPPTCL	Liability for Transmission Charges	Payable	₹ 5601.92
UPPTCL	Other Advances	Receivable	₹ 1049.04
UPRVUNL	Other Advances	Receivable	₹ 0.23
DVVNL	Other Advances	Receivable	₹ 889.59
MVVNL	Other Payables	Payable	₹ 144.16
Pash VVNL	Other Payables	Payable	₹ 32.86
Pu VVNL	Other Payables	Payable	₹ 437.97

23. Due to heavy carried forward losses / depreciation and uncertainties to recover such losses/depreciation in near future, the deferred tax assets have not been recognized in accordance with Ind 'AS-12 Income Taxes' issued by ICAI.

24. In the opinion of management, there is no specific indication of impairment of any assets as on balance sheet date as envisaged by Ind AS 36 'Impairment of Assets' of ICAI. Further, the assets of the corporation have been accounted for at their historical cost and most of the assets are very old where the impairment of assets is very unlikely.

25. Previous year figures have been regrouped/reclassified wherever necessary to confirm to this year classification

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KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

26. Financial Risk Management

The company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include borrowings/advances, trade & other receivables and Cash that derive directly from its operations.

The company is exposed to the following risks from its use of financial instruments:

(a) Regulatory Risk

The company's substantial operations are subject to regulatory interventions, introductions of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the company.

Regulations are framed by State Regulatory Commission as regard to Standard of Performance for utilities, Terms & Conditions for determination of tariff, obligation of Renewable Energy purchase, grant of open Access, Deviation Settlement Mechanism, etc. Moreover, the State Government are notifying various guidelines and policy for growth of the sector. These Policies/Regulations are modified from time to time based on need and development in the sector. Hence the policy/regulation is not restricted only to compliance but also has implications for operational performance of utilities, return of Equity, Revenue, competitiveness, and scope of supply.

To protect the interest of utilities, State Utilities are actively participating while framing of Regulations, ARR is regularly filed to UPERC considering the effect of change, increase/decrease, of power purchase cost and other expenses in deciding the Tariff of Sales of Power to ultimate consumers.

(b) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligation resulting in a financial loss to the company. Credit risk arises principally from cash & cash equivalents and deposits with banks and financial institutions. In order to manage the risk, company accepts only high rated bank/FIs.

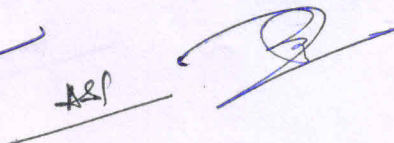
(c) Market Risk- Foreign Currency Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income/loss. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The company has no material foreign currency transaction hence there is no Market Risk w.r.t foreign currency translation.

(d) Market Risk- Interest Rate Risk

The company is exposed to interest rate risk arising from borrowing with floating rates because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The company manages the interest rate risks by entering into different kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.).











KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments are as under:

(Amount ₹ in Lakh)		
Particulars	31.03.2020	31.03.2019
Financial Assets		
Fixed Interest Rate Instruments- Deposits with Bank	4.16	-
Total	4.16	-
Financial Liabilities		
Fixed Interest Rate Instruments- Financial Instrument Loans	195880.42	201403.18
Variable Interest Rate Instruments- Financial Instruments Loans	-	-
Total	195880.42	201403.18

- (e) **Liquidity Risk:** Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation.

The Company manages liquidity risk by maintaining adequate FI/Bank facilities and reserve borrowing facilities by continuously monitoring, forecast the actual cash flows and matching the maturity profile of financial assets and liabilities.

27. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an appropriate capital structure of debt and equity.

The company is wholly owned by UPPCL (A Govt. of UP Undertaking) and the decision to transferring the share application money for issuing the shares is solely laid with GoUP through UPPCL. The company acts on the instruction and orders of UPPCL to comply with the statutory requirements.

The debt portion of capital structure is funded by the various banks, FIs and other institutions as per the requirement of the company.

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KANPUR ELECTRICITY SUPPLY COMPANY LIMITED
14/71, CIVIL LINES, KESA HOUSE, KANPUR (U.P.)

28. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in () denotes negative figures.

29. The Annual Accounts of FY 2018-19 are yet to be adopted in AGM as supplementary Audit by C&AG for FY 2018-19 is in progress.

Gupta & Shah
CHARTERED ACCOUNTANTS
FRN. 001416C




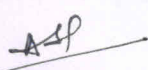
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
Dated: 24.01.2021

Place: Kanpur

For Kanpur Electricity Supply Company Limited


(Pankaj Saxena)
D.G.M. (Acctt.)


(Abha Sethi Tandon)
Company Secretary


(Sudhir Arya)
Director (F) UPPCL &
Nominee Director, KESCo
DIN No. 05135780


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Managing Director
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