



## Mangalore SEZ Limited

Sy. No 168/3A, Plot No. U-1, Administrative Building,  
Mangalore Special Economic Zone, Bajpe Village,  
Mangaluru Taluk, Dakshina Kannada (Dist.), Karnataka-574 142.  
Phone: 0824-2885501/02 Fax: 0824-2885503  
E-mail: info@msezl.com Website: www.mangaloresez.com  
CIN: U45209KA2006PLC038590

Ref: MSEZL/KERC/ARR/01/2020-21

Dated: 25.11.2020

To,  
The Secretary,  
Karnataka Electricity Regulatory Commission,  
No.16, C-1, Miller Tank Bed Area,  
Vasanthanagara, Bengaluru -560052.

Sir,

Sub: Application for Annual Performance Review for FY 20 and Revised Annual Revenue Requirement for the Distribution and Retail Supply Business FY 22 and revised Tariff petition for FY 22 – Reg.

Ref: The Hon'ble KERC letter No.B/08/20

\*\*\*

We are herewith submitting the tariff application for approval of (i) Annual Performance Review for FY 20 and (ii) Revised Annual Revenue Requirement for the Distribution and Retail Supply Business for FY 22 and Revised Tariff Petition for FY 22, for kind consideration and approval of the Hon'ble Commission.

A tariff application fee of Rs.90,500/- (Rupees Ninety Thousand & Five Hundred Only) is paid by means of RTGS on 24.11.2020 through State Bank of India, Corporate Accounts Group, Branch II, New Delhi.

Kindly acknowledge the receipt of the above.

Thanking you,

Yours faithfully,

**For Mangalore SEZ Limited**

*V. Suresh Kumar*  
24/11/20  
Authorized Signatory




# MANGALORE SEZ LIMITED



## Annual Performance Review for FY 20 and Revised Annual Revenue Requirement for the Distribution & Retail Supply Business FY 22 and Revised Tariff Petition for FY 22

FILED ON 26<sup>th</sup> November, 2020



  
V. Suryanarayana  
Chief Executive Officer



Submitted to


KARNATAKA ELECTRICITY REGULATORY COMMISSION

By  
MANGALORE SEZ LIMITED

26<sup>th</sup> November, 2020

BEFORE KARNATAKA ELECTRICITY REGULATORY  
COMMISSION  
AT BANGALORE

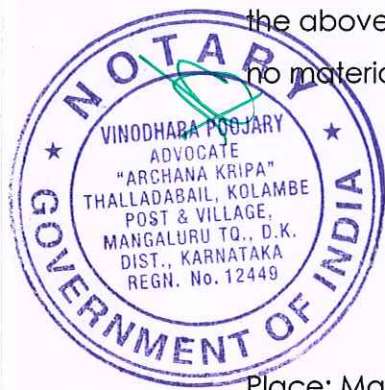


  
V. Suryanarayana  
Chief Executive Officer





2. I, V. Suryanarayana, dealing with Regulatory Affairs, Mangalore SEZ Limited, Mangalore, duly authorized to make this Affidavit as per the delegation of powers approved for the Chief Executive Officer by the Board of Directors in the 2<sup>nd</sup> Board Meeting held on 8<sup>th</sup> July, 2006.
3. The statement made in Chapters 1 to 10 and the related Annexure of ERC herein now shown to me are true to the best of my knowledge and the statements made in Chapters 1 to 10 are based on information I believe to be true.
4. Solemnly affirmed at Mangalore on this 23<sup>rd</sup> November 2020 that the contents of the above Affidavit are true to the best of my knowledge, no part of it is false and no material information has been concealed there from.



Place: Mangalore  
Date: 23.11.2020

For **Mangalore SEZ Limited**

*V. Suryanarayana*  
**V. SURYANARAYANA**  
Authorized Signatory  
Mangalore SEZ Limited



**BEFORE ME**

Sworn/solemnly affirmed and signed  
before me, this 23<sup>rd</sup> day  
of November 2020  
at Mangaluru

*Vinodhara Pojary*

**VINODHARA POJARY** B.A.(Law),LL.B,  
Advocate  
'Archana Kripa", Thalladbail  
Kolambe Post & Village  
Mangaluru - 574 142, D. K.  
Notary for D.K. Dist, Govt. of India  
Regn No.: 12449  
NOTARIAL REGN. No. 1560 /2020

No. of Errors/Corrections Nil

BOOK No. 1

**BEFORE KARNATAKA ELECTRICITY REGULATORY COMMISSION AT  
BANGALORE**

Filing No \_\_\_\_\_

Case No \_\_\_\_\_

IN THE MATTER OF

An Application for approval for Annual Performance Review for FY 20 and Revised Annual Revenue Requirement and Expected Revenue from Charges (ERC) for wires and supply business of Mangalore SEZ Limited, Mangalore and approval of tariff filing for FY 22 of Mangalore SEZ Limited under Section 61 & 62 of the Electricity Act, 2003 read with relevant Regulations of KERC (Tariff) Regulations including KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006.

AND

IN THE MATTER OF

Mangalore SEZ Limited (MSEZL), Mangalore.

**AFFIDAVIT**

1. I, V. Suryanarayana, S/o V. Srinivasa Rao, aged 52 years, Chief Executive Officer, Mangalore SEZ Limited, Mangalore, do solemnly affirm and say as follows.
2. I, V. Suryanarayana, dealing with Regulatory Affairs, Mangalore SEZ Limited, Mangalore, duly authorized to make this Affidavit as per the delegation of powers approved for the Chief Executive Officer by the Board of Directors in the 2<sup>nd</sup> Board Meeting held on 8<sup>th</sup> July, 2006.
3. The statement made in Chapters 1 to 10 and the related Annexure of ERC herein now shown to me are true to the best of my knowledge and the statements made in Chapters 1 to 10 are based on information I believe to be true.

  
V. Suryanarayana  
Chief Executive Officer



4. Solemnly affirmed at Mangalore on this 23<sup>rd</sup> November 2020 that the contents of the above Affidavit are true to the best of my knowledge, no part of it is false and no material information has been concealed there from.


For **Mangalore SEZ Limited**

Place: Mangalore

Date: 23.11.2020



Authorized Signatory



V. Suryanarayana  
Chief Executive Officer

## ABBREVIATIONS

A&G	Administrative and General
ARR	Aggregate revenue requirement
APR	Annual Performance Review
CERC	Central Electricity Regulatory Commission
CAPEX	Capital Expenditure
CWIP	Capital Work in Progress
Cr	Crore
D:E	Debt to Equity Ratio
ERC	Expected Revenue from Charges
FAC	Fuel Cost Adjustment Charges
FY	Financial Year
HT	High Tension
GSS	Grid Substation
GFA	Gross Fixed Asset
KPTCL	Karnataka Power Transmission Company
KERC and Hon'ble Commission	Karnataka Electricity Regulatory Commission
KV	Kilo volts
KVA	Kilo volt Amperes
KW	Kilo Watt
KWh	Kilo Watt hours
LT	Low Tension
MAT	Minimum Alternate Tax
MESCOM	Mangalore Electricity Supply Company
MSEZ	Mangalore Special Economic Zone
MSEZL	Mangalore SEZ Limited
MUs	Million Units
MVA	Mega Volt Amp
MYT	Multi Year Tariff
O & M	Operation & maintenance
PP	Power Purchase
RBI	Reserve Bank of India
R & M	Repairs and Maintenance
RoE	Return on Equity
SEZ	Special Economic Zone
TDS	Tax Deducted at Source
WII	Weighted inflation index



  
**V. Suryanarayana**  
 Chief Executive Officer





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V. Suryanarayana  
Chief Executive Officer



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 V. Suryanarayana  
 Chief Executive Officer



## ARR FILING ANNEXURES

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V. Suryanarayana  
Chief Executive Officer



## NOTE

**In this application:**

Previous year is defined as Financial Year 2019- 20  
(Referred as FY - 20)

Current year is defined as Financial Year 2020 - 21  
(Referred as FY - 21)

Ensuing year is defined as Financial Year 2021 -22  
(Referred as FY - 22)



  
V. Suryanarayana  
Chief Executive Officer



## 1. STATUTORY ADHERANCE

- A. In accordance with The Karnataka Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations-2006, every Distribution Licensee is required to file an application for approval of ARR and ERC under the MYT framework for the Control Period. The filing for the Control period shall have to be made by the licensed within a period not less than 120 days before the commencement of the Control Period. The filing shall be for the entire Control Period. The filing shall be in the same form as specified in the KERC (Tariff) Regulations, with year wise details for each year of the Control Period, duly complying with the principles for determination of ARR as specified in these Regulations.
- B. As per the Extraordinary Gazette Notification dated 3-3-2010 issued by Ministry of Commerce, Government of India, the Developers / Co-Developers of a Special Economic Zones notified under sub section 1 of section 4 of SEZ act 2005, shall be deemed a distribution licensee as per Section 14 of the Electricity Act 2003. Consequently, MSEZL (a SEZ Developer) has been consistently filing the tariff petition (from FY 16 onwards) and the latest tariff application was filed for FY 21. The Hon'ble Commission has approved the revised ARR for FY 21 and passed tariff orders dated 04<sup>th</sup> November, 2020 accordingly.
- C. The Hon'ble Commission has vide letter dated 16<sup>th</sup> October, 2020 has directed MSEZL to file the APR for FY 20 and application for revision of ARR/Tariff for FY 22 and accordingly, an application for APR FY 20 and revision of ARR& Tariff for FY 22 is filed before the Hon'ble Commission.
- D. The content of this application is in accordance with the Retail supply tariff guidelines notified by Hon'ble Commission.
- E. As part of this exercise, MSEZL will provide such information as may be stipulated by the Hon'ble Commission from time to time. For any additional information not previously known or available to us at the time of filing the APR for FY 20 and revised ARR for FY 22, the information would be placed as additional submissions for the kind consideration of the Hon'ble Commission.

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V. Suryanarayana  
Chief Executive Officer



## 2. MSEZL in brief

### 2.1 Profile of the company

The Government of India has, over the last decade, adopted a multi-pronged approach for promotion of foreign investments in India. Government of India announced the SEZ Policy to enable the creation of SEZs in the country with a view to provide an internationally competitive and hassle-free environment for exports. This policy was intended to make SEZs an engine for economic growth supported by quality infrastructure complemented by an attractive fiscal package, both at the Centre and the State level, with the minimum possible regulations.

Mangalore SEZ Limited (MSEZL) is an SPV co-promoted by Oil and Natural Gas Corporation Limited (ONGC) (26%), Infrastructure Leasing & Financial Services Limited (IL&FS) (50%), Karnataka Industrial Areas Development Board (KIADB) (23%) and Kanara Chamber of Commerce and Industries (KCCI) and others (1%).

MSEZL being upgraded to Multi Product SEZ can attract investments from sectors viz., Petroleum & Petrochemical Products, Plastics, IT & ITES, Pharma, Textiles and Manufacturing & Others. Currently, MSEZL has attracted investments from Petrochemicals, Pharma and Food Processing Industries.

Our Esteemed Consumer Profile is as under:

Sl. No	Customers
1	ONGC Mangalore Petrochemicals Limited
2	Indian Strategic Petroleum Reserves Limited
3	Syngene International Limited, a Biocon Company
4	Catasynth Specialty Chemicals
5	Cardolite Specialty Chemicals LLP
6	Authentic Ocean Treasure
7	Gadre Marine Export Private Limited
8	Yashaswi Fish Meal & Oil
9	Shree Ulka LLP
10	MSEZL utility installations



  
V. Suryanarayana  
Chief Executive Officer




## 2.2 Brief Introduction to Electrical Network

- a) MSEZL has constructed 110/33/11KV substation (GSS-03) with installed capacity of 40MVA, which can be augmented, to 80MVA to cater power to various units. MSEZL receives and distributes power to all its consumers by underground cables only. A stable and quality power supply is provided to 11KV consumers through Ring Main Units which are inter linked with UG cables and for 33KV consumers the supply is directly fed through radial feeders emanating from 110/33/11KV GSS-03 and also through ring main units.
- b) The 110/33/11KV GSS-03 of substation receives stable power from the nearby 220/110/11KV Main Receiving Sub-station of KPTCL at Bajpe for which 13.939 acres of land within the MSEZL area is leased to KPTCL. From this receiving substation, MSEZL has laid twin circuits of copper underground cables of 110KV class 400-sqmm cable to GSS-03, each circuit is capable of delivering 80MVA power, with an augmentation. The total route length of the twin circuits is 1.9 KMS.
- c) In the upstream 220/110/11KV Main Receiving Sub-station of KPTCL is sourced through the 220KV Double circuit line from Kemar to Kavoov. This line is integrated to the grid network of KPTCL and further to the southern grid of India.
- d) Based on the existing consumer's requirement and requirement of power for upcoming industries, the Grid substation with 40 MVA capacities is capable of catering power until FY 2022.

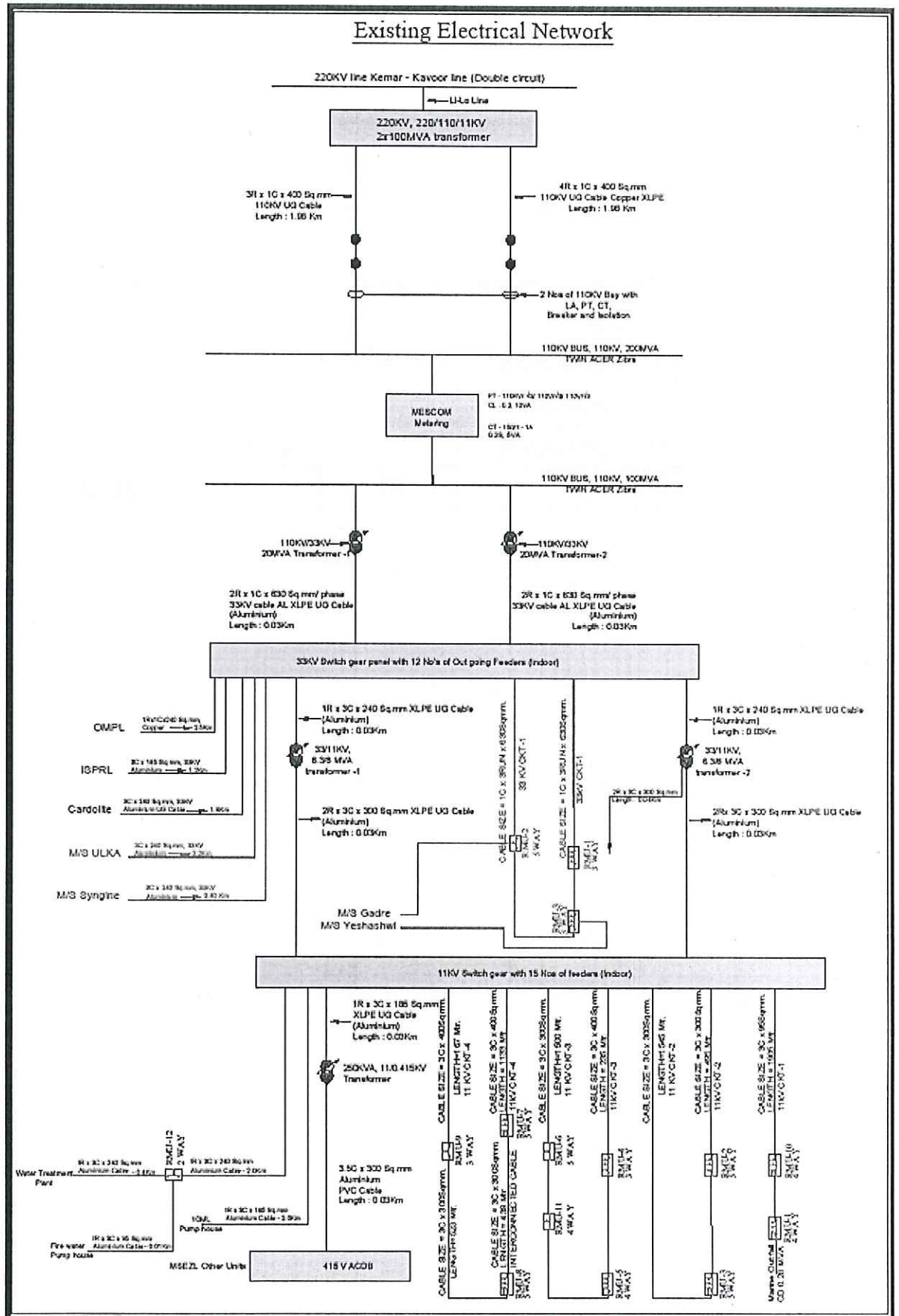
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V. Suryanarayana  
Chief Executive Officer



# MAP OF EXISTING ELECTRICAL NETWORK



  
**V. Suryanarayana**  
 Chief Executive Officer





### 2.3 Consumers Profile as on 31.03.2020

As on 31 March 2020, the Company was providing power supply to consumers at different voltage levels, as given below:-

Sl. No.	Class of Consumer	No. of consumers	Voltage class	Sanctioned load MVA
1	HT - Industrial	18	33/11KV	33.51
2	HT - Construction	1	11KV	1
3	LT - Industrial	8	440 V	0.14
4	LT - Construction	2	440 V	0.07
	<b>Total</b>	<b>29</b>		<b>34.72</b>

\*\*\*



*V. Suryanarayana*

V. Suryanarayana  
Chief Executive Officer



### 3. Segregating Licensed & Non-licensed activities of MSEZL

- A. The books of account of MSEZL as at 31<sup>st</sup> March 2020 is audited; received, considered and adopted by the shareholders in the Annual General Meeting held on 29<sup>th</sup> September, 2020. From the audited books of account, the audited financial statements have been segregated into licensed and non-licensed portion activities.
- B. The basis and method adopted for segregation of Balance sheet and Profit & Loss account of FY 20 is consistent with the methodology followed for segregation in the earlier tariff petitions filed for FY 16, FY 17, FY18, FY 19, FY 20 and FY 21 (Chapter 3 of respective ARR filing).
- C. MSEZL has put in its best efforts to accurately bifurcate the entire business transactions into the "Licensed" and "Non-Licensed" portion. It has all the supporting records/documents in support of the exercise made. The Company would be happy to provide any further information that would be required by the Commission in this regard.
- D. The independent report received from the auditor for the segregation of statement of Balance sheet and licensed activity Statement of Profit & Loss for FY 20 is attached as Annexure I.

The audited Balance sheet of the MSEZL as at 31<sup>st</sup> March 2020:

Rs. in Crore	
Particulars	As at 31-03-2020
<b>SHAREHOLDER'S FUNDS:</b>	
SHARE CAPITAL	50.00
RESERVES & SURPLUS	(6.05)
<b>Total</b>	<b>43.95</b>
<b>LOAN FUNDS:</b>	
LOANS FROM STATE GOVT	
LOANS FROM OTHERS- SECURED	533.47
LOANS FROM OTHERS- UNSECURED	
FRESH BORROWINGS FOR CAPEX	
<b>Total</b>	<b>533.47</b>
CONTRIBUTIONS, GRANTS & SUBSIDIES TOWARDS COST OF	18.73



  
V. Suryanarayana  
Chief Executive Officer



CAPITAL ASSETS	
OTHER LONG TERM LIABILITIES	942.14
LONG TERM PROVISIONS	2.10
DEFERRED TAX LIABILITY	10.38
<b>GRAND TOTAL</b>	<b>1,550.78</b>
<b>APPLICATION OF FUNDS:</b>	
<b>NET FIXED ASSETS:</b>	
a) GROSS BLOCK	1,421.67
b) LESS: ACCUMULATED DEPRECIATION+AAD	182.48
c) NET FIXED ASSETS	<b>1,239.19</b>
d) CAPITAL WORK IN PROGRESS	190.99
e) ASSETS NOT IN USE	
f) DEFERRED COSTS	
g) INTANGIBLE ASSETS	12.57
<b>SUB TOTAL OF ( c ) TO ( g )</b>	<b>1,442.75</b>
INVESTMENTS	0.09
LONG TERM LOANS AND ADVANCES – SECURITY DEPOSIT KEPT WITH MESCOM AND OTHERS	6.39
OTHER NON-CURRENT ASSETS	9.75
OTHERS	8.21
<b>SUB TOTAL</b>	<b>24.43</b>
<b>NET CURRENT ASSETS:</b>	
<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>	
a) INVENTORIES	
b) CURRENT INVESTMENTS	38.82
c) RECEIVABLES AGAINST SALE OF POWER & OTHER RECEIVABLES	136.55
d) CASH & BANK BALANCES	39.65
e) LOANS & ADVANCES and OTHER CURRENT ASSETS	12.32
f) SUNDRY RECEIVABLES	-
<b>TOTAL OF A</b>	<b>227.35</b>
<b>B. CURRENT LIABILITIES AND PROVISIONS:</b>	
a) SECURITY DEPOSIT FROM CONSUMERS	6.70
b) BORROWINGS FOR WORKING CAPITAL	-
c) PAYMENTS DUE ON CAPITAL LIABILITIES	57.42
d) OTHER CURRENT LIABILITIES - D 25	29.55
e) CURRENT MATURITIES OF LONG TERM DEBT	16.50
f) TRADE PAYABLE	18.27
g) PROVISION FOR PENSION, GRATUITY, FBT etc.	15.32
h) PROVISION FOR IT and FBT	-
<b>TOTAL OF B</b>	<b>143.75</b>
<b>NET CURRENT ASSETS ( A - B )</b>	<b>83.60</b>
<b>GRAND TOTAL</b>	<b>1,550.78</b>



*V. Suryanarayana*  
V. Suryanarayana  
Chief Executive Officer



The segregated balance sheet as at 31<sup>st</sup> March 2020 into licensed and Non-Licensed activities is as under.

Rs. in Crore

PARTICULARS	MSEZL Audited Figures as at 31st March 2020	Non-Licensed Activity as at 31 <sup>st</sup> March 2020	Licensed Activity as at 31 <sup>st</sup> March 2020
<b>SHAREHOLDER'S FUNDS:</b>			
EQUITY SHARE CAPITAL – (INCLUDING SHARE DEPOSIT)	50.00	50.00	
EQUITY SHARE CONTRIBUTION			35.55
RESERVES & SURPLUS	(6.05)	(7.45)	1.40
<b>Total</b>	<b>43.95</b>	<b>42.55</b>	<b>36.94</b>
<b>LOAN FUNDS:</b>			
LOANS FROM STATE GOVT			
LOANS FROM OTHERS- SECURED	533.47	510.32	23.16
LOANS FROM OTHERS- UNSECURED			
FRESH BORROWINGS FOR CAPEX			
<b>Total</b>	<b>533.47</b>	<b>510.32</b>	<b>23.16</b>
CONTRIBUTIONS, GRANTS & SUBSIDIES TOWARDS COST OF CAPITAL ASSETS	18.73	18.73	-
OTHER LONG TERM LIABILITIES	942.14	942.14	-
LONG TERM PROVISIONS	2.10	2.10	-
DEFERRED TAX LIABILITY	10.38	5.45	4.93
<b>GRAND TOTAL</b>	<b>1,550.78</b>	<b>1,521.29</b>	<b>65.04</b>
<b>APPLICATION OF FUNDS:</b>			
<b>NET FIXED ASSETS:</b>			
a) GROSS BLOCK	1,421.67	1,354.47	67.20
b) LESS: ACCUMULATED DEPRECIATION+AAD	182.48	169.17	13.31
c) NET FIXED ASSETS	<b>1,239.19</b>	<b>1,185.29</b>	<b>53.89</b>
d) CAPITAL WORK IN PROGRESS	190.99	190.99	-
e) ASSETS NOT IN USE			
f) DEFERRED COSTS			
g) INTANGIBLE ASSETS	12.57	12.57	12.57
<b>SUB TOTAL OF ( c ) TO ( g )</b>	<b>1,442.75</b>	<b>1,388.85</b>	<b>53.89</b>
INVESTMENTS	0.09	0.09	-
LONG TERM LOANS AND ADVANCES – SECURITY DEPOSIT WITH MESCOM AND OTHERS	6.39	2.02	4.37
OTHER NON-CURRENT ASSETS	9.75	9.75	-
OTHERS	8.21	8.21	-
<b>SUB TOTAL</b>	<b>24.43</b>	<b>20.06</b>	<b>4.37</b>



*V. Suryanarayana*  
V. Suryanarayana  
Chief Executive Officer



<b>NET CURRENT ASSETS:</b>			
<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) INVENTORIES	-	-	-
b) CURRENT INVESTMENTS	38.82	38.82	-
c) RECEIVABLES AGAINST SALE OF POWER & OTHER RECEIVABLE	136.55	130.49	6.06
d) CASH & BANK BALANCES	39.65	28.67	10.98
e) Share Contribution to Licensed Activity	-	35.55	-
f) LOANS & ADVANCES and OTHER CURRENT ASSETS	12.32	12.05	0.28
g) SUNDRY RECEIVABLES	-	-	-
<b>TOTAL OF A</b>	<b>227.35</b>	<b>245.58</b>	<b>17.32</b>
<b>B. CURRENT LIABILITIES AND PROVISIONS:</b>			
a) SECURITY DEPOSIT FROM CONSUMERS	6.70	0.11	6.58
b) BORROWINGS FOR WORKING CAPITAL	-	-	-
c) PAYMENTS DUE ON CAPITAL LIABILITIES	57.42	57.39	0.04
d) OTHER CURRENT LIABILITIES - D 25	29.55	29.55	-
e) CURRENT MATURITIES OF LONG TERM DEBT	16.50	15.78	0.71
f) TRADE PAYABLE	18.27	15.06	3.20
g) PROVISION FOR PENSION, GRATUITY, FBF etc.	15.32	15.32	-
h) PROVISION FOR IT and FBT	-	-	-
<b>TOTAL OF B</b>	<b>143.75</b>	<b>133.21</b>	<b>10.54</b>
<b>NET CURRENT ASSETS (A - B)</b>	<b>83.60</b>	<b>112.37</b>	<b>6.79</b>
<b>GRAND TOTAL</b>	<b>1,550.78</b>	<b>1,521.29</b>	<b>65.04</b>

The balance sheet details for licensed activity as at 31.03.2020 is explained, as under.

### 3.0 Balance Sheet Items:

#### i. Fixed Asset

The gross fixed assets position as on 31<sup>st</sup> March 2020 comprises of the followings fixed assets:

Sl. No.	Particulars	Amount Rs. in Crore
1.	Leasehold Land	6.17
2.	Building and structures	2.84
3.	<b>Plant and Machinery</b> Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and below	21.29
4	Towers, Poles, fixture, overhead conductors, UG cables and devices	35.96
5	Other items/Computers	0.07
6	Other Civil Works - Roads	0.87
	<b>MSEZL - Total</b>	<b>67.20</b>



*V. Suryanarayana*  
V. Suryanarayana  
Chief Executive Officer



## ii. Accumulated Depreciation

The accumulated depreciation as at 31<sup>st</sup> March, 2020 for the above listed fixed assets is Rs.13.31 Crore.

## iii. CWIP

The CWIP as at 31<sup>st</sup> March, 2020 is NIL.

### 3.1 Long Term Loans & Advances

The deposits kept with MESCOM for drawing 20 MVA power and outstanding as at 31<sup>st</sup> March 2020 is Rs.4.37 Crore.

### 3.2 Current Assets:

a. Receivables against sale of power Rs.6.06 Crore, details are as under:

i. Outstanding dues against the sale of energy in FY 20 Rs.4.47 Crore. These receivables are mainly of the bills raised for the month of March 2020. The balance outstanding Rs.1.59 Crore is yet to be paid by few consumers arising out of the Hon'ble Commission's FY19 tariff order for recovery of Rs.3.91 Crore.

b. Cash & Bank Balance: The cash and bank balance is Rs.10.98 Crore.

c. Other Current Assets includes gross accrued interest receivable for FY 20 on security deposit kept with MESCOM Rs.0.28 Crore.

### 3.3 Current Liabilities:

a. Security deposits from consumers: The outstanding security deposits from consumers as at 31<sup>st</sup> March 2020 Rs.6.27 Crore and interest payable on these deposits Rs.0.31 Crore for FY 20 is also considered here.

b. Current Liabilities of Rs.0.04 Crore is towards TDS payable.

c. Current maturities of long term debt: The repayment of long term loan in FY 21 Rs.0.71 Crore is considered here.

d. Trade Payable: The trade payable Rs.3.20 Crore includes the amount payable towards monthly contractual obligations and power purchase cost.

### 3.4 Non-Current Deferred tax liability:

The tax liability arising out of the temporary timing difference on account of differential depreciation rates under Income Tax Act, 1961 and CERC notified



*V. Suryanarayana*

V. Suryanarayana  
Chief Executive Officer



rates is accounted as deferred tax liability and as at 31<sup>st</sup> March, 2020 the accumulated liability is Rs.4.93 Crore.

### 3.5 Capital Structure For Licensed Business Activity:

- a) In the previous ARR filings, we had prepared and presented the balance sheet initial capital structure. The method adopted for arriving at the debt and equity amount **for a capital investment of Rs.65.84 Crore** was explained in detail in the FY 18 ARR filing from page number 22 to page number 23. The same is recapitulated as under:
- The overall D: E ratio for MSEZL was 46:54 (including cost of land) and hence, the D: E ratio for licensed business activity is also structured and computed on the similar basis.
  - The funding for capital investment of Rs.65.84 Crore is considered at the D: E ratio of 46:54 respectively.
- b) Though the D:E ratio of MSEZ licensed activity as per its Balance sheet is 46:54 as stated above, for the regulatory accounting, we have considered capital structure at D:E ratio of 70:30 for computation of interest on capital loan and RoE calculation for tariff fixation/determination. These calculations are furnished in filing formats Form A1, Form A4 and Form D9.
- c) **The Hon'ble Commission in its Order dated 26<sup>th</sup> October, 2017 against RP.08/2017 for FY 18 FY 17 has considered normative D: E ratio of 70:30 as the capital structure for approving the returns viz., interest on capital and RoE respectively.**
- d) We wish to emphasize again that the segregation of licensed activity flows from the MSEZL statutory accounting where the debt and equity is carried at historical actual viz., 46:54 ratio, which is reflected in the Form A2, Form A4 and Form D9.
- e) Thus, in the Balance Sheet as at 31<sup>st</sup> March 2020 – the outstanding debt stands at Rs.23.87 Crore (including Rs.0.71 Crore towards current maturities of long term debt) and equity share capital is Rs.35.55 Crore.

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## 4. Annual Performance Review – FY 20

4.1 The Hon'ble Commission has approved a Net ARR of Rs.42.81 Crore for FY 20, including Rs.2.42 Crore towards recovery of FY 18 carry forward deficit arising of true-up of FY 18 PP cost.

4.2 The APR for FY 20 is submitted for the kind consideration of the Hon'ble Commission as under:

- A. Operating Performance.
- B. Statement of audited Profit & Loss Account.
- C. Financial Presentation of APR.

A. Operating Performance:

i. Energy Sales:

The Hon'ble Commission had approved sales of 50.54 MUs. The actual sales category wise are as follows:

Consumer Category	FY 20 Energy Sales (in MUs)
HT Industrial	55.86
LT Industrial	0.42
HT Construction	0.20
LT Construction	0.04
<b>Total</b>	<b>56.52</b>

ii. Power Purchase:

The Hon'ble Commission had approved power purchase of 51.13 MUs. The actual power drawn is as under:

Source of energy	Actual Energy Purchase at IF Point in MUs
<b>MESCOM</b>	<b>56.88</b>

iii. Distribution Loss:

We have achieved a distribution loss at 0.63%, which is substantially less than the approved distribution loss of 1.15%.



  
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Chief Executive Officer





B. The audited profit and loss statement is as under:

Rs. in Crore

Ref Form- No	PARTICULARS	FY 20 P&L as per Audited Accounts
	POWER PURCHASE (MU)	56.88
T1/D1	ENERGY AVAILABLE AT INTERFACE POINTS (MU)	56.52
T2/D2	ENERGY SOLD (MU)	56.52
	DISTRIBUTION LOSS (%)	0.63%
	<b>INCOME</b>	
T2/D2	REVENUE FROM SALE OF POWER	48.57
T3/D3	TARIFF SUBSIDY FOR BJ/KJ & IP SETS	
T3/D3	REV SUBSIDIES & GRANTS	
T4/D4	OTHER INCOME	0.30
	<b>TOTAL</b>	<b>48.86</b>
	<b>EXPENDITURE</b>	
T1/D1	PURCHASE OF POWER	39.30
T5/D5	REPAIRS & MAINTENANCE	0.73
T6/D6	EMPLOYEES COSTS	0.46
T7/D7	ADM & GENERAL EXPENSES	0.31
T8/D8	DEPRECIATION AND RELATED DTS	2.83
T9/D9	INTEREST & FINANCE CHARGES (*)	2.41
	<b>SUB-TOTAL</b>	<b>46.03</b>
T10/D10	LESS: EXPENSES CAPITALISED – Interest and other exp.	-
T11/D11	OTHER DEBITS (incl. Bad debts)	-
T12/D12	EXTRAORDINARY ITEMS	-
	<b>TOTAL EXPENDITURE</b>	<b>46.03</b>
	PROFIT (LOSS) BEFORE TAX	2.83
	PROVISION FOR TAXES	-
	Current Tax	-
	Deferred Tax	0.06
	PROFIT (LOSS) AFTER TAX	<b>2.77</b>
T13/D13	NET PRIOR PERIOD Debits/Credits	-
	RETURN ON EQUITY	<b>3.12</b>
	<b>REVENUE SURPLUS/(DEFECIT)</b>	<b>(0.35)</b>

**NOTES:**

(\*) 'Interest & Finance Charges' – The auditor has considered and certified for only for the actual interest expense of Rs.2.41 Crore and not the normative interest on debt portion of Rs.1.08 Crore, which is allowed as per tariff regulations and claimed under APR FY 20 regulatory claim.



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### C. Financial Presentation of APR:

The abstract of FY 20 approved ARR vis-à-vis the APR claim made is as under:

Rs. in Crore

Sl. No.	PARTICULARS	As approved in T.O. dated 30.05.2019		As per MSEZL APR claim
		ARR	Average Realisation rate as per T.O.	
1	POWER PURCHASE (MU)	51.13		56.88
2	ENERGY AVAILABLE AT INTERFACE POINTS (MU)	50.54		56.52
3	ENERGY SOLD (MU)	50.54		56.52
4	DISTRIBUTION LOSS (%)	1.15%		0.63%
<b>5</b>	<b>REVENUE</b>			
	Revenue from sale of power	42.81	8.47	45.86
	<b>EXPENDITURE</b>			
6	Power Purchase cost	31.83	6.30	35.89
7	O&M Expenses	1.47	0.29	1.47
8	Depreciation	2.84	0.56	2.83
9	Interest on Loan capital	3.21	0.64	3.14
10	Interest on working capital	-		-
11	Interest on consumer security deposit	0.25	0.05	0.35
12	RoE	3.12	0.62	3.12
13	Income taxes	-		-
14	Less: Other income	-0.40	(0.08)	-0.30
15	Deficit of FY 18 carried forward	2.42	0.48	-
16	<b>Total ARR (6+7+8+9+10+11+12+13-14+15)</b>	<b>44.74</b>	<b>8.85</b>	<b>46.49</b>
17	Deferred Revenue	1.93	0.38	-
18	<b>Net ARR (16-17)</b>	<b>42.81</b>	<b>8.47</b>	<b>46.49</b>
19	<b>Deferred revenue (5-18)</b>	<b>-</b>		<b>(0.63)</b>

#### I. Revenue from sale of power

a. FY 18 incremental PP cost allowed for recovery in FY 20:

- i. The Hon'ble Commission while approving the APR for FY 18 had revised the power purchase from Rs. 24.95 Crore to Rs.28.36 Crore. The Hon'ble Commission had directed MSEZL to pay the difference in the power purchase of Rs.3.41 Crore to MESCOM. MSEZL had complied with the order and paid the entire amount to MESCOM on 29.06.2019.



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- ii. The Hon'ble Commission having considered the increase in PP cost by Rs.3.41 Crore and upon truing up the other items in FY 18 APR had decided to carry forward Rs.2.42 Crore only into the ARR of FY 20.
- iii. The Hon'ble Commission having decided to carry forward FY 18 deficit of Rs.2.42 Crore consequently allowed the recovery of Rs.2.42 Crore in FY 20 ARR and had set the tariff accordingly, as presented in above table.
- iv. Thus, the Hon'ble Commission has set a tariff rate of Paise 48/unit towards recovery of Rs.2.42 Crore.
- v. Considering the actual energy sales of 56.52 MUs at the recovery rate of Paise 48/unit, MSEZL has realized Rs.2.71 Crore as under.

Particulars	Legend	Details
FY 18 APR PP cost: Incremental PP cost paid to MESCOM as per tariff orders – Rs. in Crore	A	3.41
Allowed for recovery in ARR of FY 20 – Rs. in Crore	B	2.42
Sales approved for FY 19-20 MUs	C	50.54
Recovery of per unit set in tariff = $(B/C*10)$	D	0.48
Actual sales in FY 19-20 - MUs	E	56.52
Amount realized Rs. in Crore = $(D*E/10)$	F	2.71

- b. Revenue from sale of power for FY 20 APR:
  - i. In FY 20, the energy sold is 56.52 MUs and revenue billed & recognized at the approved tariff structure is Rs.48.57 Crore. The revenue of Rs.48.57 Crore includes Rs.2.71 Crore realized (as above) towards FY 18 deficit carried forward into FY 20.
  - ii. Since, Rs.2.71 Crore is realized directly from the customers towards one time recovery of FY 18 PP cost Rs.3.41 Crore the realization of the same i.e.Rs.2.71 Crore is not claimed & considered in the revenue from sale of power towards FY 20 APR. The revenue from sale of power considered in APR FY 20 claim, excluding onetime realization of Rs.2.71 Crore is as under:

Sl. No.	Particulars	Amount in Rs. Crore
1	Revenue billed at the approved tariff structure	48.57
2	Less: The FY 18 carry forward PP cost and realized directly from sale of 56.52 MUs to customers during FY 20, as per tariff orders	2.71
3	<b>Revenue from sale of power towards the FY 20 ARR claimed by MSEZL in APR 20</b>	<b>45.86</b>



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The summary of consumer category wise sales and revenue is as under:

Sl. No.	Consumer Category	Energy Sold in MUs	Revenue from sale of power for FY 20 ARR – Rs. in Crore
1	HT Industrial	55.86	45.27
2	LT Industrial	0.42	0.29
3	HT Construction	0.20	0.24
4	LT Construction	0.04	0.05
	<b>Total Revenue from sale of power for FY 20</b>	<b>56.52</b>	<b>45.86</b>

iii. Thus, we request the Hon'ble Commission to consider and allow Rs.45.86 Crore towards revenue from of power for the FY 20 ARR claimed by MSEZL in APR 20.

c. Other Income:

The details of other income areas under:

Sl. No.	Details	Amount Rs. in Crore
1	Interest income on deposits kept with MESCOM	0.28
2	One time supervision charges from new consumers	0.02
	<b>Total</b>	<b>0.30</b>

## II. EXPENDITURE

a. Power Purchase Cost:

- i. The Hon'ble Commission vide the order dated 30.05.2019 while approving the APR for FY 18 had revised the power purchase cost of FY 2017-18 and directed MSEZL to pay the differential power purchase cost of Rs.3.41 Crore to MESCOM. MSEZL had paid Rs.3.41 Crore to MESCOM on 29.06.2019.
- ii. Since, the amount of Rs.3.41 Crore has been allowed for recovery from the customers directly; the inclusion of the same in the power purchase cost for FY 20 does not arise. Hence, MSEZL has not considered the FY 18 incremental PP cost of Rs.3.41 Crore paid to MESCOM in the revised ARR of FY 20 during the APR of FY 20.
- iii. Further, MSEZL has paid MESOM at the FY 20 approved PP rate of Rs.6.226/unit along with FAC/unit charged by MESCOM from time to time.



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iv. The power purchase cost details are as under:

Source	Actual Energy at IP in MUs	Power Purchase Cost Rs. in Cr.	Average rate Rs./kWh
MESCOM	56.88	35.89 #	6.31

#**excludes** Rs.3.41 Crore paid to MESCOM as per Hon'ble Commission order dated 30.05.2019 for revision of FY 18 PP cost.


# **includes** FAC charged by MESCOM during FY 20 from time to time as per the Hon'ble Commission respective orders.

- v. While approving the APR for FY 20, if, the Hon'ble Commission increases the power purchase cost for FY 20, we request the Hon'ble Commission to pass orders for recovery of the entire increase in PP cost from the consumers in proportion to the actual energy consumed by the respective consumers.
- vi. MSEZL requests the Hon'ble Commission to compute the revised PP cost/unit if any for APR FY 20 after considering our detailed submissions made in Chapter 6.

b. O&M Expenses:

- i. MSEZL has incurred O&M expenses of Rs.1.50 Crore which comprise of (a) R&M Expense (b) Employee cost and (c) A&G Expense, wherein the:-
- R&M expense includes expenses like GSS operation and maintenance cost, consumables, etc.
  - A&G expense includes expenses line insurance premium on fixed assets of GSS, professional and technical fess, KERC tariff and annual license fee, printing, advertisement charges, testing charges, servicing of electrical instruments, KPTCL & CEIG statutory charges, inspection charges and etc.
  - Employee Cost includes the share of direct employee cost and shared Corporate Service Employee cost.
- ii. The Hon'ble Commission has approved O&M expense of Rs.1.47 Crore in FY 20 ARR.
- iii. We have considered the WII of 8.2064% and an efficiency factor at 0.5% (as considered in earlier control periods) to calculate the normative allowable O&M expense for FY 20, the same is as under:



  
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Particulars	FY 17	FY 18	FY 19	FY 20
No of installations	15	21	25	29
Consumer growth index based on 3 year CAGR of consumers in %		28.28%	40.57%	48.33%
Inflation index in %	8.1059%	8.2760%	8.2604%	8.2604%
Base year O&M expenses – Rs. in Cr	1.22	1.35	1.455	
Normative O&M expense Rs. in Cr (T*1+WII) = Rs.1.45 Crore * 1.082604				1.57

- iv. The allowable normative O&M expense based on the methodology followed by the Hon'ble Commission, as above, is Rs.1.57 Crore and the actual O&M expense incurred is Rs.1.50 Crore, we however restrict the claim of O&M Expenses to approved O&M expense of Rs.1.47 Crore.
- v. We request the Hon'ble Commission to allow Rs.1.47 Crore as the O&M expenses for FY 20.

c. Depreciation:

- i. Depreciation is calculated based on the method and depreciation rates notified as per Annexure III of CERC Notification 2009. Further, in FY 20 annual accounts, Notes 2 titled 'significant accounting policies - on depreciation', it is specifically stated that depreciation charge to Profit & Loss account on power distribution assets is as based on the depreciation rates notified by CERC.
- ii. The actual depreciation charge to statement of profit and loss for FY 20 is Rs.2.83 Crore.
- iii. The depreciation charge along with the details of gross and net carrying value of assets are as under:-

Asset details	Gross carrying amount			Depreciation /Amortization			Net carrying amount	
	As at 01.04.2019	Additions during the year	As at 31.03.2020	As at 01.04.2019	Additions during the year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
Leasehold land	6.17	-	6.17	-	-	-	6.17	6.17
Building	2.84	-	2.84	0.36	0.09	0.44	2.40	2.48
Substation & others	21.28	0.0059	21.29	4.03	1.01	5.04	16.24	17.25



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UG cables	35.92	0.04#	35.96	5.98	1.71	7.69	28.27	29.94
Computers	0.07		0.07	-	-	-	0.07	0.07
Road	0.87		0.87	0.11	0.03	0.13	0.74	0.76
<b>Total</b>	<b>67.16</b>	<b>0.04</b>	<b>67.20</b>	<b>10.48</b>	<b>2.83</b>	<b>13.31</b>	<b>53.89</b>	<b>56.68</b>

# During FY 20 we have capitalized assets of Rs.0.04 Cr towards laying 11KV UG cables and pro-rata depreciation is charged on the assets capitalized from October 2019.

iv. Thus, we request the Hon'ble Commission to allow the actual depreciation charge of Rs.2.83 Crore.

d. Interest & Finance Charges:

i. Interest on Loan Capital:

Table A: The interest on capital loan of Rs.3.14 Crore for FY 20 is worked as under.

Sl. No.	Particulars	Details	Remarks
1	Average borrowing for licensed activity – Rs. in Crore	23.87	As per Table B below
2	Weighted Average rate of interest on term loan – per annum	8.69%	As per Table C below
3	Actual Interest charge for FY 20 – Amount in Rs. in Crore (1*2)	2.06	
4	Normative Interest claim on excess equity investment in GFA – Amount in Rs. in Crore	1.08	As per Table E below
5	Total interest claim on loan as per regulatory accounting (3+4) – Amount in Rs. Crore.	3.14	

Table B: The average long term loan:

Sl. No.	Particulars	Amount Rs. in Crore		Remarks
		As at 31.03.2020	As at 31.03.2019	
1	Long term capital loan	23.16	23.87	Refer Form A-2 & Form D-9 of the current tariff filing
2	Current maturities of long term loan	0.71	-	Refer Form A-2 & Form D-9 of the current tariff filing
3	Total Outstanding	23.87	23.87	
4	<b>Average Borrowings</b>		<b>23.87</b>	



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Table C: The Weighted Average Interest on term Loans of MSEZL for FY 20 is as under:

Sl. No.	Particulars	Details	Remarks
1	Interest on Term loan Paid (A) -Amount in Rs. in Crore	47.82	Refer Note 36 in Annual Accounts
2	Average Borrowings – Amount in Rs. in Crore	549.92	Refer Table D, below
3	Weighted Average rate of interest on term loan – per annum (1/2*100) for FY 20	8.69%	

Table D: The average long term capital loan of MSEZL for FY 20 is as under:

Amount in Rs. Crore				
Sl. No.	Particulars	As at 31.03.2020	As at 31.03.2019	Remarks
1	Non-current Long term capital loan	533.47	549.87	Refer Note 22 in Annual accounts
2	Current portion of Long term capital loan	16.50	-	Refer Note 28 in Annual accounts
3	Total	549.97	549.87	
	<b>Average Borrowings</b>		<b>549.92</b>	

In connection with the interest claim of Rs.2.06 Crore, we would like to draw the attention of the Hon'ble Commission to the following points:-

- The interest on loan capital is computed based on the weighted average rate of interest for FY 20 i.e.8.69% p.a. (Table C).
- The quantitative details in Table C and Table D are based on the MSEZL audited annual accounts for FY 20.
- There are no fresh/new loans considered for licensed activity business in FY 20.
- The average loan outstanding of Rs.23.87 Crore is based on the (i) opening loan balances as admitted by the Hon'ble Commission in the earlier years ARR/tariff petitions.
- The loan balances in the licensed activity balance sheet is based on debt balances at 46% (Refer Para 3.4 in Chapter 3) and interest as computed above on average loan balance of 46% i.e.Rs.23.87 Crore works out to Rs.2.06 Crore.



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ii. Normative Interest on Loan Capital:

- The clause 3.6 of KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail sale of Electricity) Regulations, 2006 allows normative interest on the equity amount in excess of 30% gross fixed assets (GFA).
- The following are the workings for allowable normative interest on excess equity capital.

Table E

Sl. No.	Particulars	Amount in Rs. Crore
1	Opening balance of GFA	67.16
2	30% of GFA (eligible for allowance of RoE)	20.15
3	Opening balance of equity	34.18
4	Equity in excess of 30% of GFA (3-2)	14.03
5	Allowable interest in %	8.69%
6	Allowable normative interest	1.21
7	Amount claimed for APR FY 20 (please refer D 9 workings)	1.08

iii. Normative Interest on Working Capital:

We have not claimed the interest on working capital in ARR for FY 20 and hence, the normative interest on working capital is not claimed for APR FY 20.

iv. Interest on Consumers Deposits:

- Interest on consumers deposit Rs.0.35 Crore is calculated as per the KERC (Interest on Security Deposits) Regulations, 2005. The details are asunder:

Sl. No.	Amount of security deposit	Period	Interest @ *6.50%p.a	Remarks
1	Rs.4.06 Crore	365 days	Rs.0.264 Cr	Interest on deposits outstanding at opening & end of year and hence, considered for full interest.
2	Rs.0.16 Crore	244 days	Rs.0.007 Cr	Deposit on temporary connections returned to the customers during FY 20. Hence, proportionate interest considered.
2	Rs.1.151 Crore	305 days	Rs.0.062 Cr	Deposit amount accepted during FY 20 and proportionate interest considered.
3	Rs.0.319 Crore	183 days	Rs.0.010 Cr	
4	Rs.0.089 Crore	91 days	Rs.0.001 Cr	
5	Rs.0.655 Crore	31 days	Rs.0.004 Cr	
			<b>Rs.0.348 Cr</b>	



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- The bank rate as on 01.04.2018 is **6.50% per annum**.
- The interest on consumers deposit Rs.0.35 Crore is charged to P&L account and also, a provision for interest payable in made FY 20 audited books of account.

Thus, we request the Hon'ble Commission to allow us the actual Interest on consumers' deposits of Rs.0.35 Crore for FY 20.

v. **The summary of interest and finance charge claimed in APR FY 20 is as under:**

**Table F**

Sl. No.	Interest and finance charges	Amount in Rs. Crore	
		As per Audited Accounts	As per APR claim
1	Interest on loan capital - at actual	2.06	2.06
2	Normative Interest on excess equity investment in GFA	-	1.08
3	Normative Interest on working capital	-	-
4	Interest on consumers deposit	0.35	0.35
	<b>Total</b>	<b>2.41</b>	<b>3.48</b>

e. Tax Expense:

- i. The deferred tax liability arising out of difference in rates of depreciation under Income Tax Act, 1961 and CERC notified rates for licensed activity assets is recognized as deferred tax liability.
- ii. We request the Hon'ble Commission to kindly take note of the deferred tax liability for FY 20.

Deferred tax liability – Provided in books of accounts	Rs. 0.06 in Crore
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- iii. Further, we would like to bring to the kind attention of the Hon'ble Commission that since the deferred tax liability is only a charge on P&L statement and does not represent actual outgo of tax in FY 20.

Thus, the charge of deferred tax Rs.0.06 Crore is not considered for arriving at the Revenue deficit of FY 20 and hence, the deferred tax is not proposed in the APR FY 20 for recovery from the consumers.



  
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 Chief Executive Officer



f. Return on Equity:

i. The clause 3.9 of KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail sale of Electricity) Regulations, 2006 considers and allows RoE restricting to 30% GFA.

ii. The allowable Return on equity for FY 19 is calculated as under

STATEMENT SHOWING DETAILS OF RoE FOR FY 20	
Particulars	Amount Rs. in Cr
The Gross equity share capital as on 01.04.2019 is	35.55
Opening balance of accumulated deficit under Reserves & Surplus	(1.37)
Opening balance of Net Equity	34.18
Normative equity at 30% of the opening GFA	20.15
RoE @ 15.5%	3.12


Thus, we request the Hon'ble Commission to allow us the RoE of Rs.3.12 Crore for FY 20.

g. Basis the above financial presentation of APR for FY 20 there is deferred revenue of Rs.0.63 Crore.

h. **Proposal for APR FY 20:**

- The deferred revenue for APR FY 20 claim submitted is Rs.0.63 Crore and considering the interest of consumers as paramount MSEZL proposes to absorb Rs.0.63 Crore.
- If the Hon'ble Commission upon truing up the power purchase cost for APR FY 20 approves any increase and directs MSEZL to pay the increased power purchase cost to MESCOM, then the power purchase cost (a direct uncontrollable cost) should be fully allowed for recovery from the consumers.
- In here, we also kindly request the Hon'ble Commission to compute the revised PP cost if any for APR FY 20 after considering our detailed submissions made in Chapter 6.
- We submit and request the Hon'ble Commission that the increased power purchase cost if any (after considering our submissions in chapter 6) of APR FY 20 should not be carried forward and added to the ARR FY 22.



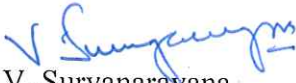
  
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- The Hon'ble Commission may rather allow the increased power purchase cost to be recovered from consumers as 'one time recovery' in proportion to the energy consumed by the respective consumers in FY 20. This would ensure equitable recovery from all the consumers and does not unduly burden the consumers through overall increase in average cost of supply of FY 22.

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Chief Executive Officer



## 5. Technical forecast for FY 22

### A. Sales:

1. We have re-estimated the energy sales at 57.57 MUs after evaluating the energy consumption of (i) consumers who have already commenced operations and (ii) consumers who have commenced operations in FY 20 – FY 21.
2. The category wise demand and sales projections for FY 22 is as under:

Sl. No.	Customer category	MVA	MUs
1	HT Industrial – 33 KV	27.65	51.33
2	HT Industrial – 11 KV	4.61	5.85
3	HT Construction	-	-
4	LT Industrial	0.14	0.39
5	<b>Total</b>	<b>32.40</b>	<b>57.57</b>

### b. Distribution Loss:

Considering the actual distribution loss for FY 20 and FY 21, we have re-estimated the distribution loss at 0.75%.

### c. Power purchase:

1. We have re-estimated the energy at IF point and source of power supply, as under:

Energy at IF Point:

Sl. No.	Particulars	Energy in MUs
1	Energy Sales - in MUs	57.57
2	Distribution loss – in %	0.75%
3	Energy at IF point – in MUs	58.01

Source of power supply

Sl. No.	Particulars	Energy in MUs
1	MESCOM and others	40.61
2	Open access short term power	17.40
3	<b>Total energy at IF point</b>	<b>58.01</b>



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**d. Capital Investment:**

- i. The Hon'ble Commission had in MYT filing for FY 22 approved a capex investment of Rs.1.25 Crore towards substation augmentation. However, based on the current consumer load requirement, we are not proposing the substation augmentation in FY 22.
- ii. However, going forward during the FY 22 we would reassess additional load growth and energy requirement of the consumers and may undertake the substation augmentation and bring to the kind notice of the Hon'ble Commission.
- iii. The Department of Electrical Inspectorate during the periodical inspection of EHT substation has instructed to provide 'Nitrogen Fire Injection System' for 1101/33 KV 2\*20MVA transformers. MSEZL has estimated the a capex cost of Rs.0.10 Crore and thus, we request the Hon'ble Commission to allow Rs.0.10 Crore only for FY 22.

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## 6. Revision of Power Purchase computation

### 6.1 Present methodology of arriving at Power Purchase Cost:

- i. The Hon'ble Commission computes the power purchase cost by considering the State's total purchase cost excluding the Hydro power, as the basis to arrive at the average cost of power, to be delivered at the IF point.
- ii. The Hon'ble Commission has adopted and continued with the method as above, while computing the PP cost for FY 21 and this has immensely benefitted the consumers of MSEZL. We take this opportunity to thank the Hon'ble Commission, as this method has reduced the retail supply tariff for the consumers of MSEZL.
- iii. The extract of the Hon'ble Commission's working on PP cost for FY 21 is as under:

Particulars	Energy in MUs	Cost Rs. in Crores	Weighted Average PP cost Rs./unit
Approved state power purchase and cost	73104.34	37227.472	
Less:			
KPC & Other Hydro	11120.57	1145.07	
State PP cost excluding Hydro	61983.77	36082.40	5.821
<b>Add: Mark-up cost component</b>			0.75
Trading Margin, Energy handling and Grid support charges including the transmission charges payable to the KPTCL, PGIL, SLDC and POSOCO.			
<b>PP cost at interface point t for FY 21</b>			<b>6.5713</b>

### iv. Observations on State approved power purchase cost for FY 21:

The Hon'ble Commission has approved total state power purchase and cost (Annexure II) for FY 21 at 73,104.34 MUs and Rs.37,227.47 Crore respectively. On the basis of information contained in Annexure II, we observe that the State power purchase cost of Rs.37,227.47 Crore is arrived after including total transmission & LDC charges of Rs.6,092.67 Crore. Hence, the weighted average PP/unit already includes the recovery towards total transmission & LDC charges.

### v. Recovery of mark-up cost component:

MSEZL would like to humbly submit for the kind consideration of the Hon'ble Commission that since the approved state power purchase cost (and weighted



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average PP/unit thereof) is inclusive of total transmission & LDC charges we feel that the **mark up for the same set of cost** need not be again added separately for determining the PP cost/unit at IF point.

vi. **Revision of Power Purchase computation:**

- Basis the above information, it can be discerned that the average cost of supply Rs.5.821/unit, as above, is inclusive of the mark-up cost components. Hence, again separately adding the mark-up components of 75 paise/unit would result in **recovering twice** for the same set of cost components in the PP cost/unit at Interface point.
- Alternatively, MSEZL humbly submits that the Hon'ble Commission while determining the base cost of "State PP cost excluding Hydro" may consider excluding the total transmission & LDC charges. This would ensure that there is no overlapping of the total transmission & LDC charges in the State PP cost excluding Hydro since the marks up cost of 75 paise/unit is added while arriving at the PP cost at interface point.


vii. **Reduction in Power Purchase cost:**

- Since the power purchase cost in the State is increasing, year on year, and is having a direct impact on the MSEZL power purchase cost, the changes as suggested for the kind consideration of the Hon'ble Commission would definitely and significantly reduce the PP cost at IF point and would result in the overall reduction of the retail supply tariff to the consumers of MSEZL.
- Further, this would avoid extra financial burden on the consumers of MSEZL and make their export oriented business more competitive and marketable in international market.

viii. **Request for change in computation methodology:**

- We request the Hon'ble Commission to kindly consider our request for change in the computation, as this would significantly reduce the PP cost and would directly & beneficially benefit the consumers of MSEZL and
- We request the Hon'ble Commission to reduce the marks-up cost.
- We also request the Hon'ble Commission to apply the changes if any in the computation of PP cost while determining the revised PP cost in APR FY 20.



  
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## 7 Revision of ARR for FY 22

### 7.1 Power Purchase Cost:

- i. We draw the kind attention of the Hon'ble Commission to our submissions made in Chapter 6, wherein we have requested the Hon'ble Commission to kindly consider the change in computation methodology for adding the marks-up cost.
- ii. However, for the purposes of ARR and tariff thereof we have considered the Hon'ble Commission's MYT tariff order for FY 22, wherein it has approved a PP cost at interface point Rs.6.561/unit considering the State's total purchase cost excluding the Hydro power at Rs.5.811/unit and marks up of 75 paise/unit.
- iii. The short term open access power is considered at the *current bid price per unit* of Rs.4.50.
- iv. The FAC paid to MESCOM as per the FAC tariff orders being a *pass through cost* is not factored in the total power purchase cost.
- v. Besides, FAC recovered from consumers is not included in the average realization rate.
- vi. We have re-estimated power purchase cost for FY 22 as under, considering revised energy source and sales as projected

Statement Showing calculation of Power Purchase Cost for FY 22						
Year	Source of power supply	Sales in MUs	Distribution Loss in %	Energy at IF point in MU	PP rate at IF point Rs. per unit	Total PP cost Rs. in Cr
FY 22	MESCOM & Others	40.30	0.75%	40.61	6.561	26.64
FY 22	Short term open access	17.27	0.75%	17.40	4.50	7.83
		<b>57.57</b>		<b>58.01</b>		<b>34.47</b>

- vii. If the Hon'ble Commission determines and approves power purchase rate higher than Rs.6.561/unit then (i) the revised power purchase cost should be approved with a consequential increase in FY 22 ARR and (ii) the consequential increase in the ARR needs to be fully compensated through a corresponding and consequential increase in the end retail tariff from consumers.



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- viii. The open access PP cost/unit is bided price. If in the actual bidding process the price revises (+/-) the revised PP cost would be brought up in the APR for FY 22.
- ix. Basis the above information and submissions made in chapter 6, we request the Hon'ble Commission to allow Rs.34.47 Crores as PP cost.

## 7.2 Operation and Maintenance Expenses:

- i. MSEZL had under MYT filing for FY 22 claimed O&M expenses of Rs.1.71 Crore.
- ii. The Hon'ble Commission as per the provisions of MYT regulations calculated the allowable normative allowable O&M index for FY 22 at Rs.2.83 Crore. However, considering the submission made by us the Hon'ble Commission has approved the O&M expenses at Rs.1.71 Crore.
- iii. MSEZL has reassessed the normative O&M for FY 22 considering:
- Base year cum cost: The O&M expenses of the base year as per the audited accounts for FY 20 at Rs.1.49 Crore.
  - The weighted inflation index of 8.2604%.
  - The three year CAGR of consumers.
  - Efficiency factor at 0.5% is considered.
- ix. The table showing the normative allowable O&M expenses FY 22 is as under:

Particulars	FY 19	FY 20	FY 21	FY 22
No. of installations	25	29	29	29
Consumer Growth rate-CAGR	40.57%	48.33%	48.33%	48.33%
Weighted inflation index (WII)	8.2604%	8.2604%	8.2604%	8.2604%
Base year O&M cost – Rs. in Cr.		1.50	1.62	
<b>Normative O&amp;M index = O&amp;M (t-1) * (1+WII-X) - Allowable</b>				1.758
<b>O&amp;M allowed for MYT FY 22 – Rs. in Crore</b>				1.71
<b>O&amp;M claimed for FY 22 - Rs. in Crore</b>				1.71

- iv. Thus, we seek no revision in the O&M expenses of Rs.1.71 Crore approved under MYT filing for FY 22 and request the Hon'ble Commission to allow Rs.1.71 Crore as FY 22 O&M expenses.



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### 7.3 Depreciation:

- i. MSEZL had under MYT filing for FY 22 had claimed depreciation charge of Rs.2.84 Crore.
- ii. The Hon'ble Commission as per the provisions of MYT regulations calculated the normative allowable depreciation for FY 22 at Rs.2.84 Crore.
- iii. Major additional capex works is not envisaged in FY 22, **except for any replacement/spare purchases.**
- iv. The table showing the computation of depreciation FY 22 is as under:

Statement Showing Details of Depreciation for FY 22						
Sl. No.	Particulars	GFA as at 31.03.2021 - Rs. in Cr	GFA as at 31.03.2022 Rs. in Cr	Average GFA - Rs. in Cr.	Rate (%)	Depreciation - Rs. in Cr.
1	Building	2.84	2.84	2.84	3.34%	0.09
2	Civil -Roads	0.87	0.87	0.87	3.34%	0.03
3	Substation	21.29	21.29	21.29	5.28%	1.01
4	UG Cables	35.96	35.96	35.96	5.28%	1.71
5	Others				-	
<b>Total depreciation charge claimed</b>						<b>2.83</b>

- v. Thus, we seek no revision in the depreciation charge of Rs.2.84 Crore approved under MYT filing for FY 22 and request the Hon'ble Commission to allow Rs.2.83 Crore as FY 22 depreciation charge.

### 7.4 Interest on loan:

- i. The floating interest rate (SBI 6 months MCLR plus 40 basis point) on loan for FY 21 is 7.35% p.a. (w.e.f.01.07.2020). For ARR FY 22 we have considered 7.35% p.a. as applicable interest rate on the assumption that it would remain in that range. The risk exposure arising out of floating interest rate movement would be claimed by MSEZL while submitting the APR for FY 22.
- ii. To help under the risk exposure of interest rate movement a 'sensitivity analysis' is presented before the Hon'ble Commission in para viii below.
- iii. MSEZL is not proposing any new borrowing of capital loan for FY 22 and loan repayment of Rs.1 Cr for FY 22 is considered.
- iv. The table showing the computation of allowable interest for FY 22 is as under:




  
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Table A

Sl. No.	Particulars	FY 22 – Amt Rs. in Cr	Remarks
1	Opening balance	23.16	Refer Form A-2 & Form D-9 for FY 21 of the current tariff filing
2	Add: New loans	-	Refer Form D-9 for FY 21 of the current tariff filing
3	Less: Repayments	1.00	Refer Form D-9 for FY 21 of the current tariff filing
4	Total loan at the end of the year	22.16	Refer Form A-2 & Form D-9 for FY 21 of the current tariff filing
5	Average loan	22.66	
6	Rate of interest % p.a.	7.35%	
7	Interest on capital loan (5*6)	1.67	

- v. The Hon'ble Commissions tariff regulations allow normative interest on equity in excess of 30% of gross fixed assets. The table showing the computation allowable normative interest is as under.

Table B

Sl. No.	Particulars	Amount in Rs. Crore
1	Opening balance of GFA	67.20
2	30% of GFA (eligible for allowance of RoE)	20.16
3	Opening balance of equity	36.94
4	Equity in excess of 30% of GFA (3-2)	16.78
5	Allowable interest in %	7.35%
6	Allowable normative interest	1.23

- vi. The total interest on capital loan for FY 22 vis-à-vis the total amount of interest approved by Hon'ble Commission under MYT filing for FY 22 is as under:

Table C

Sl. No.	Particulars	Rs. in Crore	
		FY 22	Approved as per MYT filing for FY 21
1	Interest on capital loan – Table A, above	1.67	1.92
2	Interest on normative loan – Table B, above	1.23	1.106
<b>3</b>	<b>Total interest claim</b>	<b>2.90</b>	<b>3.026</b>



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vii. Thus, we seek a downward revision in interest on loan by Rs.0.126 Crore and request the Hon'ble Commission to allow Rs.2.90 Crore as interest on capital loan for FY 22.

viii. **Interest Rate Sensitivity Analysis:**

The interest rates for MSEZL are floating rates and the floating rates are subjected to various economic factors and hence, an analysis is prepared and presented before the Hon'ble Commission assuming a 100 basis point (+)/(-) fluctuation in the interest rate movement. This will help understand the sensitivity of interest rate on the ARR of FY 22. Also, the present analysis will help determine whether ultimately interest rate movement would contribute to the revenue surplus or (deficit).

**Analysis:**

Sensitivity	Impact on ARR – Rs. in Crore	Remarks
Interest rates – increase by 100 basis points	0.38	Increase in ARR
Interest rates – decrease by 100 basis points	(0.38)	Decrease in ARR

Term loan component	Loan amount – Rs. Cr	Interest rate – 100 basis points	Interest Amount – Rs. Cr
Average loan during FY 22, Table A above	22.16	1%	0.22
Equity in excess of 30% of GFA, Table B above	16.78	1%	0.17
<b>Total Interest</b>			<b>0.38</b>

We submit before the Hon'ble Commission that the risk exposure arising out of the interest rate sensitivity would be claimed while filing the APR for FY 22.

**7.5 Interest on Working Capital Loan:**

- i. MSEZL has considered effective interest rate of 9.5% p.a. based on one year SBI MCLR rate 7% p.a. [effective as on 10.10.2020] plus 250 basis points.
- ii. In the MYT filing for FY 22, the Hon'ble Commission had allowed Rs.1.06 Crore as interest on working capital.



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iii. The table showing claim on interest on working capital is as under:

Table A

Sl. No.	Particulars	Rs. in Crore
A	O&M expenses for one month	0.14
B	Opening gross fixed assets	67.20
C	Spares at 1% on GFA at the beginning of the year (B*1%)	0.67
D	Receivables equivalent to 2 months avg. billing	8.12
E	<b>Total working capital (A+C+D)</b>	<b>8.93</b>
F	Rate of interest (% p.a.)	9.50%
G	Interest on Working capital (E*F)	0.85

iv. Thus, we seek a downward revision in working capital interest by Rs.0.21 Crore and request the Hon'ble Commission to allow Rs.0.85 Crore as interest on working capital loan for FY 22.

#### 7.6 Interest on Consumer Deposits:

- MSEZL has not envisaged additional security deposits for FY 22.
- The RBI bank rate as at 01.04.2020 is 4.25% p.a. and we have considered the same for computation of allowable interest on consumer deposit for FY 22.
- In the MYT filing for FY 22, the Hon'ble Commission had allowed Rs.0.26 Crore as interest on consumer deposits.
- The table showing allowable interest on consumers deposits is as under:

Table A

Sl. No.	Particulars	Rs. in Crore
1	Consumer deposits as at 1.04.2021	6.27
2	Consumer deposit as at 31.03.2022	6.27
3	Average consume deposit (1+2)/2	6.27
4	Rate of Interest	4.25%
5	Allowable interest	0.27

v. Thus, we seek an upward revision in interest on consumer's deposits by Rs.0.01 Crore and request the Hon'ble Commission to allow Rs.0.27 Crore as interest on consumers deposit for FY 22.

#### 7.7 Return on Equity:

- The Hon'ble Commission as per the provisions of MYT regulations approved a RoE of Rs.3.12 Crore. We have re-assessed the RoE for FY 22 as under:-



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Table A

Sl. No.	Particulars	Rs. in Cr
A	Opening balance of equity	35.55
B	Opening balance of accumulated deficit under Reserves & Surplus	1.40
C	Opening balance of Net Equity	36.94
D	Opening balance of gross fixed assets	67.20
E	Normative equity at 30% of the opening GFA (D*30%)	20.15
F	RoE @ 15.5%	3.12

- ii. Thus, we seek no revision of RoE and request the Hon'ble Commission to allow Rs.3.12 Crore as RoE for FY 22.

### 7.8 Taxes on Income:

- i. MSEZL has not claimed any current tax charge. If any income tax becomes payable, the same will be claimed during the true-up exercise.
- ii. The deferred tax liability/asset is to account for the tax liability on accrual basis. There being no consequent cash outgo for the period the same is not considered in the 'Form RR GAP' for arriving at the net revenue surplus/deficit.

### 7.9 Interest income on security deposit:

- i. The table showing calculation of interest income on security deposit for FY 22 is as under:

Table A

Sl. No.	Particulars	Rs. in Crore
1	Consumer deposits as at 1.04.2021	4.37
2	Consumer deposit as at 31.03.2022	4.37
3	Average consume deposit (1+2)/2	4.37
4	Rate of Interest	4.25%
5	Allowable interest	0.19

- ii. We do not envisage any 'other income' for FY 22.
- iii. Thus, we request the Hon'ble Commission to allow Rs.0.19 Crore as other income for FY 22.

It is submitted before the Hon'ble Commission to duly consider the revision of ARR for FY 22, as above. The detailed workings in formats A1 to D24 is presented as annexure to these filings.



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## 8 Provisional ARR for FY 21 and Revised ARR for FY 22

Sl. No.	Details	FY 21	FY 22
		Provisional	Projected
	Power Purchase	57.62	58.01
	Energy Available at interface point (MU)	57.62	58.01
	Sale of Power (MU)	57.22	57.57
	Loss %	0.69%	0.75%
	Average Cost of Supply (in paise)	822.39	798.73
<b>1</b>	<b>Receipts</b>		
<b>a</b>	Revenue from tariffs & Miscell. Charges	49.09	48.71
<b>b</b>	Tariff subsidy for BJ/KJ & IP sets		
<b>c</b>	RE subsidy from Govt.		
	<b>Total</b>	<b>49.09</b>	<b>48.71</b>
<b>2</b>	<b>Expenditure</b>		
<b>a</b>	Power Purchase	35.77	34.47
<b>b</b>	R&M Expense	0.82	0.89
<b>c</b>	Employee Expenses	0.48	0.52
<b>d</b>	A&G Expense	0.28	0.30
<b>e</b>	Depreciation	2.83	2.83
<b>f</b>	Interest & Finance Charges	3.96	4.02
<b>g</b>	Less: Interest & other expenses capitalised	-	-
<b>h</b>	Other Debits (incl. Prov for Bad debts)	-	-
<b>i</b>	Extraordinary Items	-	-
<b>j</b>	Other (Misc.)-net prior period credit	-	-
	<b>Total</b>	<b>44.14</b>	<b>43.03</b>
<b>3</b>	<b>ROE</b>	<b>3.12</b>	<b>3.12</b>
<b>4</b>	<b>Other Income</b>	<b>0.20</b>	<b>0.19</b>
<b>5</b>	<b>Provision for taxes</b>	-	-
<b>6</b>	<b>Annual Revenue Requirement (2)+(3)-(4)-(5)</b>	<b>47.06</b>	<b>45.96</b>
<b>7</b>	Less: Surplus of FY 21 - 50% estimated FY 21 surpluses carried forward into FY 22 ARR		<b>0.75</b>
<b>8</b>	<b>Net Annual Requirement (6-7)</b>		<b>45.21</b>
<b>9</b>	<b>Surplus(+ ) / Shortfall(-) : (1)-(8)</b>	<b>2.03</b>	<b>3.50</b>
	before tariff revision		
<b>10</b>	<b>Subsidy receivable from Government</b>	-	-
<b>11</b>	<b>Surplus(+ ) / Shortfall(-) : (9+10)</b>	<b>2.03</b>	<b>3.50</b>
	after tariff revision		



  
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## 9 Tariff Revision Proposals for FY 22

### 9.1 On APR FOR FY 20:

- a. The deferred revenue for APR FY 20 Rs.0.63 Crore is proposed to be absorbed and thus, no proposal arises for the same.
- b. If the Hon'ble Commission upon truing up the power purchase cost for APR FY 20 (after considering our submissions in chapter 6) approves any increase and directs us to pay the increased power purchase cost to MESCOM; then the power purchase cost, being a direct uncontrollable cost, should be fully allowed for recovery from the consumers only.
- c. We submit and request the Hon'ble Commission that for the recovery of the increased power purchase cost of APR FY 20, the power purchase cost should not be carried forward and added to the ARR FY 22. The Hon'ble Commission may rather allow the increased power purchase cost to be recovered from consumers as 'one time recovery', in proportion to the energy consumed by the respective consumers in FY 20. This would ensure equitable recovery from all the consumers and average cost of supply of FY 22 is not unduly increased.
- d. Further, we draw the kind attention of the Hon'ble Commission to our submissions in chapter 6 on 'change in computation methodology' of the PP cost at Interface point. We request the Hon'ble Commission to determine the revised PP cost for FY 20, if any considering the suggestions/change as proposed.

### 9.2 On ARR for FY 22:

#### PART I:

- a. The ERC at the existing retail supply tariff approved by the Hon'ble Commission, is as under:

Table i:

Sl. No.	Particulars	Details	Remarks
1	Estimated sales in FY 22 - MUs	57.57	Please refer Form D2 and D21
2	Existing average retail supply tariff per unit	8.461	Please refer to Form D21
3	ERC (1*2) – Rs. in Crore	48.71	



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b. Basis our submissions in chapter 7 & chapter 8, the revised ARR for FY 22 is Rs.45.96 Crore for an estimated energy sales of 57.57 MUs.

**c. Surplus in Revenue:**

Based on the existing retail supply tariff, the total revenue realization from sale of power will be Rs.48.71 Crore resulting in a revenue surplus of Rs.2.73 Crore as under:

**Table ii**


Sl. No.	Particulars	Details	Remarks
1	ERC – Rs. in Crore	48.71	Table i above
2	Revised ARR – Rs. in Crore	45.96	Please refer chapter 8
3	Revenue surplus – Rs. in Crore	2.75	
4	Expected sales in MUs	57.57	
5	Reduction in retail supply tariff – Paise per unit	0.48	

**d. MSEZL proposes to transfer the surplus of Rs.2.75 Crore to the consumers by proposing a reduction in tariff – energy charges by Paise 48/unit.**

e. The reduction in tariff by Paise 48/unit is considering (amongst other variable factors as explained in chapter 7) the uncontrollable PP cost from MESCOM & Open access:

- In a scenario if the Hon'ble Commission accepts our request in chapter 6 on 'Revision of PP computation' the reduction thereon in the PP cost at IF point and resulting decrease in retail supply tariff should be fully passed on to the consumers.
- However, if the Hon'ble Commission determines and approves power purchase rate higher than Rs.6.561/unit then (i) the revised power purchase cost should be approved with a consequential increase in FY 22 ARR and (ii) the consequential increase in the ARR needs to be fully compensated through a corresponding and consequential increase in the end retail tariff from consumers.
- The open access PP cost/unit Rs.4.50 is bided price. If at the next bid the price revises (+/-) the revised PP cost would be brought up in the APR for FY 22.



  
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**Part II.**

a. Surplus in FY 21:

We estimate the energy sales for FY 21 to be achieved and also estimate to end FY 21 with a surplus of Rs.2.03 Crore on account of estimated reduction in PP cost due to open access power purchase and in interest cost due to interest rate reductions.

b. Considering the COVID-19 induced economic pain on the consumers, MSEZL proposes to front load upto 50% of the FY 21 surplus into FY 22 ARR so that the FY 22 tariff can be further reduced and immediate benefit/relief can be given to consumers. As otherwise, the consumers need to wait for one year to get the benefit out of FY 21 APR.

c. Hence, in absolute terms we intend and propose to transfer a surplus of Rs.0.75 Crore into the ARR of FY 22.

**d. Reduction in retail supply tariff:**

On an estimated energy sale of 57.57 MUs the expected reduction in retail supply cost per unit, which will accrue to the consumers, is as under:

**Table iii**


Sl. No.	Particulars	Details
1	Revised ARR for FY 22 – Rs. in Crore	45.96
2	FY 21 surplus transferred in FY 22 – Rs. in Crore	0.75
<b>3</b>	<b>Net Revised ARR for FY 22 – Rs. in Crore (1-2)</b>	<b>45.21</b>
4	Estimated energy sales in MUs	57.57
<b>5</b>	<b>Reduction in retail supply tariff Paise per unit (2/3*10)</b>	<b>0.13</b>

e. MSEZL propose to transfer the surplus of Rs.0.75 Crore into the ARR of FY 22, as above, to the consumers and provide an additional reduction in tariff – energy charges by Paise 13/unit.

**9.3 Retail supply tariff for FY 22:**

a. Basis the discussions in Part I and II of Para 9.2, above, MSEZL is proposing a overall reduction in tariff – energy charges by Paise 61/unit – Part I proposal Paise 48/unit and Part II proposal Paise 13/unit.



  
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f. **The revised Tariff category and rates Proposed for FY 22**

We are proposing before the Hon'ble Commission the retail supply tariff for FY 22 as under:

**Table A**

STATEMENT SHOWING TARIFF CATEGORY AND RATES AS EXISTING									
Sl. No.	Tariff Category	Type of installation	No. of consumers	Sanctioned load (MVA)	Consumption MUs	PARTICULARS	RATE (Rs)	AMOUNT (Rs. Cr)	Realisation/Unit
1	HT	Industrial	18	32.26	57.18	Demand Charges/KVA	220	7.24	8.47
						Energy Charges	7.20	41.17	
2	HT	Construction				Demand Charges/KVA	260	-	-
						Energy Charges	11	-	
3	LT	Industrial	7	0.14	0.39	Fixed Charges/KW	210	0.03	7.46
						Energy Charges	6.75	0.26	
4	LT	Construction				Fixed Charges/KW	250	-	-
						Energy Charges	11	-	
<b>Total (HT +LT)</b>			<b>25</b>	<b>32.40</b>	<b>57.57</b>			<b>48.71</b>	<b>8.461</b>

**Table B**

STATEMENT SHOWING TARIFF CATEGORY AND RATES AS PROPOSED									
Sl. No.	Tariff Category	Type of installation	No. of consumers	Sanctioned load (MVA)	Consumption MUs	PARTICULARS	RATE (Rs)	AMOUNT (Rs. Cr)	Realisation/Unit
1	HT	Industrial	18	32.26	57.18	Demand Charges/KVA	220	7.24	7.86
						Energy Charges	6.59	37.68	
2	HT	Construction				Demand Charges/KVA	260	-	-
						Energy Charges	11	-	
3	LT	Industrial	7	0.14	0.39	Fixed Charges/KW	210	0.03	7.46
						Energy Charges	6.59	0.26	
4	LT	Construction				Fixed Charges/KW	250	-	-
						Energy Charges	11	-	
<b>TOTAL (HT+LT)</b>			<b>25</b>	<b>32.40</b>	<b>57.57</b>			<b>45.21</b>	<b>7.85</b>

**9.4. On Wheeling Charges and Cross Subsidy Surcharge:**

For the MYT control period FY 20 to FY 22 wheeling charges, the Hon'ble Commission decided that the wheeling charges as determined for MESCOM shall be applicable to us. We request the Hon'ble Commission to continue the same proposition for FY 22.



*V. Suryanarayana*  
V. Suryanarayana  
Chief Executive Officer



## 10. Prayer

1. MSEZL has submitted previous tariff applications by keeping the interest of the MSEZ consumers as paramount. The Hon'ble Commission has also kindly accepted our submissions and determined the retail supply tariff. The Hon'ble Commission has also in the tariff orders ensured parity in end tariff to consumers in MSEZ. In continuation of this endeavor and considering the COVID 19 induced financial stress on the consumers, MSEZL has taken certain measures and the present tariff application is made for the kind consideration of Hon'ble Commission:
  - A proposal for reduction in FY 22 energy charges and
  - A proposal for 'Revision of Power purchase computation' under chapter 6 for reduction in PP cost at interface point.
2. MSEL prays that these proposals are made to make the MSEZ consumers products more competitive in international market and help in growth of Indian export market. MSEZL is sanguine that the Hon'ble Commission would positively consider these proposals
3. MSEZL with the averments made in the respective Chapters of the present application duly detailing the revision of annual revenue requirement and expected revenue from the existing tariff charges, respectfully prays the Hon'ble Commission to:-
  - a. Pass appropriate order for FY 20 based on APR detailed and submitted in chapter 4 read with chapters 6 and 9.
  - b. Consider the revision of annual revenue requirement for FY 22 detailed and submitted in chapter 7 read with chapter 6.
  - c. Consider tariff revision proposal and tariff structure for FY 22 detailed in the Chapter 9 read with chapter 6.
  - d. Condone any error, omissions and deletions in the petition and give a chance to provide any other necessary information as deemed fit by the Commission.
  - e. Pass appropriate orders on the application made by Mangalore SEZ Limited.

Place: Mangalore  
Date: 23.11.2020

For **Mangalore SEZ Limited**

  
Authorized Signatory



  
V. Suryanarayana  
Chief Executive Officer

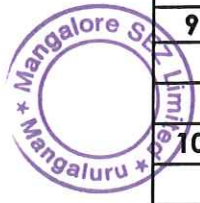


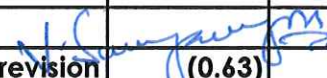
**MSEZL : REVENUE REQUIREMENT & REVENUE GAP**

**MSEZL-Total**

Rs. in Cr

Sl. No.	Details	FY 20	FY 21	FY 22
		Actual	Provisional	Projected
	Power Purchase	56.88	57.62	58.01
	Energy Available at interface point (MU)	56.88	57.62	58.01
	Sale of Power (MU)	56.52	57.22	57.57
	Loss %	0.63%	0.69%	0.75%
	Average Cost of Supply (in paise)	822.55	822.39	785.35
<b>1</b>	<b>Receipts</b>			
<b>a</b>	Revenue from tariffs & Miscell. Charges	45.86	49.09	48.71
<b>b</b>	Tariff subsidy for BJ/KJ & IP sets			
<b>c</b>	RE subsidy from Govt.			
	<b>Total</b>	<b>45.86</b>	<b>49.09</b>	<b>48.71</b>
<b>2</b>	<b>Expenditure</b>			
<b>a</b>	Power Purchase	35.89	35.77	34.47
<b>b</b>	R&M Expense	0.73	0.82	0.89
<b>c</b>	Employee Expenses	0.46	0.48	0.52
<b>d</b>	A&G Expense	0.28	0.28	0.30
<b>e</b>	Depreciation	2.83	2.83	2.83
<b>f</b>	Interest & Finance Charges	3.48	3.96	4.02
<b>g</b>	Less: Interest & other expenses capitalised	-	-	-
<b>h</b>	Other Debits (incl. Prov for Bad debts)	-	-	-
<b>i</b>	Extraordinary Items	-	-	-
<b>j</b>	Other (Misc.)-net prior period credit	-	-	-
	<b>Total</b>	<b>43.67</b>	<b>44.14</b>	<b>43.03</b>
<b>3</b>	<b>ROE</b>	<b>3.12</b>	<b>3.12</b>	<b>3.12</b>
<b>4</b>	<b>Other Income</b>	<b>0.30</b>	<b>0.20</b>	<b>0.19</b>
<b>5</b>	<b>Provision for taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6</b>	<b>Annual Revenue Requirement (2)+(3)-(4)-(5)</b>	<b>46.49</b>	<b>47.06</b>	<b>45.96</b>
<b>7</b>	Less: Surplus of FY 21 - estimated FY 21 surpluses carried forward into FY 22 ARR			<b>0.75</b>
<b>8</b>	<b>Net Annual Requirement (6-7)</b>	<b>46.49</b>	<b>47.06</b>	<b>45.21</b>
<b>9</b>	<b>Surplus(+)/ Shortfall(-) : (1)-(8) before tariff revision</b>	<b>(0.63)</b>	<b>2.03</b>	<b>3.50</b>
<b>10</b>	<b>Subsidy receivable from Government</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Surplus(+)/ Shortfall(-) : (9+10) after tariff revision</b>	<b>(0.63)</b>	<b>2.03</b>	<b>3.50</b>



  
**N. SRINIVASAN**  
 Chief Executive Officer  
 Mangalore SEZ Limited

**MSEZL: PROFIT & LOSS ACCOUNT**  
**MSEZL-Total**

(Rs. in Cr)

Ref Form-No	PARTICULARS	FY 20	FY 21	FY 22
		Actual	Provisional	Projected
	POWER PURCHASE (MU)	56.88	57.62	58.01
T1/D1	ENERGY AVAILABLE AT INTERFACE POINTS (MU)	56.88	57.62	58.01
T2/D2	ENERGY SOLD (MU)	56.52	57.22	57.57
	DISTRIBUTION LOSS (%)	0.63%	0.69%	0.75%
	<b>INCOME</b>			
T2/D2	REVENUE FROM SALE OF POWER	45.86	49.09	48.71
T3/D3	TARIFF SUBSIDY FOR BJ/KJ & IP SETS	-	-	-
T3/D3	REV SUBSIDIES & GRANTS	-	-	-
T4/D4	OTHER INCOME	0.30	0.20	0.19
	<b>TOTAL</b>	<b>46.16</b>	<b>49.28</b>	<b>48.90</b>
	<b>EXPENDITURE</b>			
T1/D1	PURCHASE OF POWER	35.89	35.77	34.47
T5/D5	REPAIRS & MAINTENANCE	0.73	0.82	0.89
T6/D6	EMPLOYEES COSTS	0.46	0.48	0.52
T7/D7	ADM & GENERAL EXPENSES	0.28	0.28	0.30
T8/D8	DEPRECIATION AND RELATED DTS	2.83	2.83	2.83
T9/D9	INTEREST & FINANCE CHARGES	3.48	3.96	4.02
	<b>SUB-TOTAL</b>	<b>43.67</b>	<b>44.14</b>	<b>43.03</b>
T10/D1	LESS: EXPENSES CAPITALISED:			
	-INTEREST & FINANCE CHARGES CAPITALISED	-	-	-
	-OTHER EXPENSES CAPITALISED			
	<b>SUB-TOTAL</b>	-	-	-
T11/D1	OTHER DEBITS (incl. Bad debts)			
T12/D1	EXTRAORDINARY ITEMS			
	<b>TOTAL EXPENDITURE</b>	<b>43.67</b>	<b>44.14</b>	<b>43.03</b>
	PROFIT (LOSS) BEFORE TAX	2.50	5.15	5.87
	<b>PROVISION FOR TAXES</b>			
	Current Tax	-	-	-
	Deferred Tax	0.06	0.37	0.20
	<b>PROFIT (LOSS) AFTER TAX</b>	<b>2.43</b>	<b>4.78</b>	<b>5.66</b>
T13/D1	NET PRIOR PERIOD Debits/Credits			
A-4	RETURN ON EQUITY	<b>3.12</b>	<b>3.12</b>	<b>3.12</b>
	<b>REVENUE SURPLUS/(DEFECIT)</b>	<b>(0.69)</b>	<b>1.65</b>	<b>2.54</b>

*V. Suryanarayana*  
**V. SURYANARAYANA**  
Chief Executive Officer  
Mangalore SEZ Limited



## MSEZL: BALANCE SHEET AS AT THE END OF THE YEAR

## MSEZL-Total

(Rs in Cr)

Ref Form-No	PARTICULARS	MSEZL Audited Figures as at 31st March 2020	Non-Licnese Activity as at 31st March 2020	Licnese activity as at 31st March 2020	Licnese activity as at 31st March 2019	Licnese activity as at 31st March 2021	Licnese activity as at 31st March 2022
	<b>SHAREHOLDER'S FUNDS:</b>						
	EQUITY SHARE CAPITAL - (including share deposit)	50.00	50.00				
	EQUITY SHARE CONTRIBUTION	-	-	35.55	35.55	35.55	35.55
	RESERVES & SURPLUS	(6.05)	(2.24)	(3.81)	(6.24)	0.97	6.63
	<b>Total</b>	<b>43.95</b>	<b>47.76</b>	<b>31.74</b>	<b>29.31</b>	<b>36.52</b>	<b>42.18</b>
T9/D9	<b>LOAN FUNDS:</b>						
	LOANS FROM STATE GOVT	-	-				
	LOANS FROM OTHERS- SECURED	533.47	510.32	23.16	23.87	22.16	20.88
	LOANS FROM OTHERS- UNSECURED	-	-	-	-	-	-
	FRESH BORROWINGS FOR CAPEX	-	-	-	-	-	-
	<b>Total</b>	<b>533.47</b>	<b>510.32</b>	<b>23.16</b>	<b>23.87</b>	<b>22.16</b>	<b>20.88</b>
T14/D14	CONTRIBUTIONS, GRANTS & SUBSIDIES TOWARDS COST OF CAPITAL ASSETS	18.73	18.73	-	-	-	-
	OTHER LONG TERM LIABILITIES	942.14	942.14	-	-	-	-
	LONG TERM PROVISIONS	2.10	2.10	-	-	-	-
	DEFERRED TAX LIABILITY	10.38	5.45	4.93	4.88	5.31	5.51
	<b>GRAND TOTAL</b>	<b>1,550.78</b>	<b>1,526.50</b>	<b>59.83</b>	<b>58.07</b>	<b>63.99</b>	<b>68.59</b>
	<b>APPLICATION OF FUNDS:</b>						
	<b>NET FIXED ASSETS:</b>						
T15/D15	a) GROSS BLOCK	1,421.67	1,354.47	67.20	67.16	67.20	67.20
T8/D8	b) LESS: ACCUMULATED DEPRECIATION+AAD	182.48	169.17	13.31	10.48	16.14	18.97
T16/D16	c) NET FIXED ASSETS	<b>1,239.19</b>	<b>1,185.30</b>	<b>53.89</b>	<b>56.68</b>	<b>51.06</b>	<b>48.23</b>
T17/D17	d) CAPITAL WORK IN PROGRESS	190.99	190.99	-	-	-	-
	e) ASSETS NOT IN USE						
	f) DEFERRED COSTS						
	g) INTANGIBLE ASSETS	12.57	12.57	-	-	-	-
	<b>SUB TOTAL OF (c) TO (g)</b>	<b>1,442.75</b>	<b>1,388.86</b>	<b>53.89</b>	<b>56.68</b>	<b>51.06</b>	<b>48.23</b>
	INVESTMENTS	0.09	0.09	-	-	-	-
	LONG TERM LOANS AND ADVANCES - SECURITY DEPOSIT KEPT WITH MESCOM AND OTHERS	6.39	2.02	4.37	3.85	4.37	4.37
	OTHER NON-CURRENT ASSETS	9.75	9.75	-	-	-	-
	OTHERS	8.21	8.21	-	-	-	-
	<b>SUB TOTAL</b>	<b>24.43</b>	<b>20.06</b>	<b>4.37</b>	<b>3.85</b>	<b>4.37</b>	<b>4.37</b>
	<b>NET CURRENT ASSETS:</b>						
	<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>						
	a) INVENTORIES	-	-	-	-	-	-
	b) CURRENT INVESTMENTS	38.82	38.82	-	-	-	-
T18/D18	c) RECEIVABLES AGAINST SALE OF POWER & OTHER RECEIVABLES	136.55	130.49	6.06	4.39	5.67	5.64
	d) CASH & BANK BALANCES	39.65	33.78	5.87	0.04	13.23	20.93
	e) Share Contribution to Licensed Activity	-	35.55	-	-	-	-
	f) LOANS & ADVANCES and OTHER CURRENT ASSETS	12.32	12.05	0.28	0.24	0.20	0.19
	g) SUNDRY RECEIVABLES	-	-	-	-	-	-
	<b>TOTAL OF A</b>	<b>227.35</b>	<b>250.69</b>	<b>12.21</b>	<b>4.67</b>	<b>19.11</b>	<b>26.76</b>
	<b>B. CURRENT LIABILITIES AND PROVISIONS:</b>						
	a) SECURITY DEPOSIT FROM CONSUMERS	6.70	0.11	6.58	4.44	6.53	6.51
	b) BORROWINGS FOR WORKING CAPITAL	-	-	-	-	-	-
	c) PAYMENTS DUE ON CAPITAL LIABILITIES	57.42	57.39	0.04	0.23	0.03	-
	d) OTHER CURRENT LIABILITIES - D 25	29.55	29.55	-	-	-	0.03
	e) CURRENT MATURITIES OF LONG TERM DEBT	16.50	15.78	0.71	-	1.00	1.28
	f) TRADE PAYABLE	18.27	15.00	3.27	2.46	2.94	2.95
	g) PROVISION FOR PENSION, GRATUITY, FBF & OTHERS etc.	15.32	15.32	-	-	-	-
	h) PROVISION FOR IT and FBT	-	-	-	-	-	-
	<b>TOTAL OF B</b>	<b>143.75</b>	<b>133.15</b>	<b>10.61</b>	<b>7.13</b>	<b>10.50</b>	<b>10.77</b>
	<b>NET CURRENT ASSETS (A - B)</b>	<b>83.60</b>	<b>117.54</b>	<b>1.60</b>	<b>(2.46)</b>	<b>8.60</b>	<b>15.99</b>
	<b>GRAND TOTAL</b>	<b>1,550.78</b>	<b>1,526.50</b>	<b>59.83</b>	<b>58.07</b>	<b>63.99</b>	<b>68.59</b>



MSEZL: CASH FLOW STATEMENT FOR THE YEAR  
MSEZL-Total

Form A3

(Rs in Cr)

Sl. No.	PARTICULARS	FY 20 Actuals	FY 21 Provisional	FY 22 Projected
<b>I</b>	<b>Net Funds from Operations:</b>			
<b>1</b>	<b>Net Funds from Earnings:</b>			
	Profit before Tax	2.50	5.15	5.87
	<b>Less:</b>			
	Revenue/Tariff subsidy and Grants			
	Income Tax payment during the year			
	Surplus to be allocated other ESCOMs			
	Interest paid on debt funds but capitalized during the year - Not Debited to P&L account			
	<b>Total of A</b>	<b>2.50</b>	<b>5.15</b>	<b>5.87</b>
	<b>B. ADD: Debits to Revenue Account not requiring Cash Outflow:</b>			
	(i) Depreciation (inclgd AAD)	2.83	2.83	2.83
	(ii) Amortisation of Deferred Cost			
	(iii) Amortisation of Intangible Assets			
	(iv) Investment Allowance Reserve			
	(v) Others, if any.			
	<b>Total of B</b>	<b>2.83</b>	<b>2.83</b>	<b>2.83</b>
	<b>C. LESS: Credits to Revenue Account not involving Cash Receipts:</b>			
	(i) Depreciation			
	(ii)			
	<b>Total of C</b>			
	<b>Net Funds from Earnings (A+B-C)</b>	<b>5.33</b>	<b>7.98</b>	<b>8.70</b>
<b>2</b>	Contributions, Grants and Subsidies towards Cost of Capital Assets			
<b>3</b>	Security Deposit from consumers			
<b>4</b>	Proceeds from disposal of Fixed Assets			
<b>5</b>	Reserve account			
<b>6</b>	Other			
<b>7</b>	Subsidy and Grants received in advance			
<b>8</b>	<b>Total Funds from Operations (1 to 8)</b>	<b>5.33</b>	<b>7.98</b>	<b>8.70</b>
<b>9</b>	<b>Net Increase/(Decrease) in Working Capital:</b>			
	<b>A. Increase/(Decrease) in Current Assets:</b>			
	a) Inventories			
	b) Receivables against sale of power	1.67	(0.39)	(0.02)
	c) Loans and Advances	0.03	(0.08)	(0.01)
	d) Security deposits with MESCOM	0.52	-	
	<b>Total of A</b>	<b>2.22</b>	<b>(0.47)</b>	<b>(0.04)</b>
	<b>B. Increase/(Decrease) in Current Liabilities:</b>			
	a) Borrowings for working capital			
	b) Security deposits from customers	2.14	(0.05)	(0.02)
	b) Other Current liabilities - Power purchase	0.81	(0.33)	0.01
	- Others	(0.19)	0.02	(0.03)
	-Provisions			
	<b>Total of B</b>	<b>2.76</b>	<b>(0.36)</b>	<b>(0.05)</b>
	<b>Net Increase/(Decrease) in Working Capital (A - B)</b>	<b>(0.54)</b>	<b>(0.10)</b>	<b>0.01</b>
<b>10</b>	Net Funds from Operations before Subsidies & Grants (8-9)	5.87	8.07	8.69
<b>11</b>	Receipts from Revenue/Tariff Subsidies and Grants			
<b>Total I</b>	<b>Net Funds from Operations including Subsidies &amp; Grants (7+8)</b>	<b>5.87</b>	<b>8.07</b>	<b>8.69</b>
<b>II</b>	<b>Net Increase / (Decrease) in Capital Liabilities:</b>			
	<b>A. Fresh Borrowings:</b>			
	(a) State Loans			
	(b) Borrowings for Working Capital			
	(c) Foreign currency Loans/Credits			
	(d) Other long term liabilities			
	(e) Other Borrowings			
	<b>Total of A</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>B. Repayments:</b>			
	Repayment of Principal			
	(a) State Loans			
	(b) Foreign currency Loans/Credits			
	(c) Other Borrowings		0.71	1.00
	(d) Working Capital			
	<b>Total of B</b>	<b>-</b>	<b>0.71</b>	<b>1.00</b>
	<b>Net Increase / (Decrease) in Capital Liabilities (A - B)</b>	<b>-</b>	<b>(0.71)</b>	<b>(1.00)</b>
<b>III</b>	Increase/(Decrease) in Equity Capital			
<b>IV</b>	<b>Total Funds available for Capital Expenditure (I+II+III)</b>	<b>5.87</b>	<b>7.36</b>	<b>7.69</b>
<b>V</b>	<b>Funds Utilised on Capital Expenditure:</b>			
	(a) On Projects	0.04	-	-
	b) Assets not in use - reissued for works			
	(c) Intangible Assets			
	(d) Deferred Costs			
	<b>Total of V</b>	<b>0.04</b>	<b>-</b>	<b>-</b>
<b>VI</b>	Net Increase/(Decrease) in Investments			
<b>VII</b>	Net Increase/(Decrease) in Cash & Bank Balance (IV - V - VI)	5.83	7.36	7.69
<b>VIII</b>	Add: Opening Cash & Bank balances	0.04	5.87	13.23
<b>IX</b>	<b>Closing Cash &amp; Bank Balances (VII+VIII)</b>	<b>5.87</b>	<b>13.23</b>	<b>20.93</b>

**SURYANARAYANA**  
Chief Executive Officer  
Mangalore SEZ Limited



**MSEZL: Aggregate Revenue Requirement**  
**MSEZL-Total**

(Rs in Cr)

Sl. No.	Item	Ref Form No	FY 20	FY 21	FY 22
			Actuals	Provisional	Projected
1	Equity Share Capital as allocated to license activity (at actual equity ratio of 54%)	A-2	35.55	35.55	35.55
2	Equity Share Capital as per KERC norms – GFA as at 01.04.2019 is Rs.67.16 Cr*30%, normative equity		20.15	20.16	20.16
3	Equity Share Capital resitricted to 30% for RoE allowability as per KERC norms		20.15	20.16	20.16
4	<b>Total equity for RoE</b>		<b>20.15</b>	<b>20.16</b>	<b>20.16</b>

*V. Suryanarayana*  
V. SURYANARAYANA  
Chief Executive Officer  
Mangalore SEZ Limited



**MSEZL: Revenue Requirement - Capital Base**  
**MSEZL-Total**

(Rs in Crs)

SI No	Data Required	Ref Form No.	FY 20	FY 21	FY 22
			Actuals	Provisional	Projected
1	Original cost of fixed assets ( at the beginning of the year)	D15	-	-	-
(a)	Cost of intangible assets		-	-	-
(b)	The original cost of work in progress	D17	-	-	-
(c)	The amount of investment compulsorily made under para-IV of the Sixth Schedule		-	-	-
(d)	An amount on account of working capital equal to the sum of :		-	-	-
(e) i	Average cost of stores		-	-	-
	(1/12 <sup>th</sup> of the sum of the stores materials and supplies including fuel in hand at the end of each month of the year)		-	-	-
(e) ii	Average cash and bank balance		-	-	-
	(1/12 <sup>th</sup> of the sum of cash and bank balance whether credit or debit and call and short term deposits at the end of each month of the year)		-	-	-
	<b>Sum of above</b>		-	-	-
<b>Less</b>			-	-	-
2	The amounts written off or set aside on account of	D8	-	-	-
i)	depreciation of fixed assets.		-	-	-
ii)	The amount of any loan or subvention from the State	D9	-	-	-
ii.a)	The amount of any loans borrowed from organisations or institutions approved by the State Government.	D9	-	-	-
ii-b)	The amount of any debenture issued by the licensee.		-	-	-
iii)	The amounts deposited in cash with the licensee by consumers, by way of security.		-	-	-
iv)	The amount standing to the credit of Tariff and Dividends Control Reserve at the beginning of the year of account.		-	-	-
v)	The amount standing to the credit of the Development Reserve at the close of the year.		-	-	-
vi)	The amount carried forward (at the beginning of the year of account) in the accounts of the Licensee for distribution to the consumers.		-	-	-
	<b>Sum of above</b>		-	-	-

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



MSEZL - Cost of Purchased Power - 20

Sl No	Source	Units purchased (M.U.)	Fixed Charges per annum (Rs in Crs)	Variable charge (Rs crs)				Total Cost of Power at each interface point. (Rs in Crs)			Average rate (Rs./kwh)		
				Variable charge - Rs. in Crs.	Fuel escalation charge	Incentive payment	Wheeling charge	Any Other Charges	Total variable charge	Fixed charges		Variable charges	Total
	MESCOM	56.88								35.8935		35.8935	
	<b>TOTAL</b>	<b>56.88</b>								<b>35.8935</b>		<b>35.8935</b>	<b>6.31</b>

Notes:

- 1.The PP cost/unit is Rs 6.226/kWh being the rate approved by KERC for FY 2019-20. The PP cost of Rs.35.8935 Crore paid to MESCOM also includes the FAC charged by MESCOM from time to time.
- 2.The quantum of energy purchased is as per the actuals bills received from MSECOC during the period April 2019 to March 2020.
- 3.The PP cost, as above, **does not include** FY 2017-18 differential power purchase cost of Rs.3.41 Crore paid to MESCOM as per the KERC vide the order dated 30.05.2019. Since, the amount of Rs.3.41 Crore is already considered for recovery from the consumers directly the question of including it in the PP cost for FY 20 does not arise (please refer to corresponding note in Form D2 for FY 20 and write up in tariff application)

Cost of Purchased Power - 21

Sl No	Source	Units purchased (M.U.)	Fixed Charges per annum (Rs in Crs)	Variable charge (Rs crs)				Total Cost of Power at each interface point. (Rs in Crs)			Average rate (Rs./kwh)		
				Variable charge	Fuel escalation charge	Incentive payment	Wheeling charge	Any Other Charges	Total variable charge	Fixed charges		Variable charges	Total
	MESCOM	53.30								34.12		34.12	6.40
	Short term open access	4.32								1.65		1.65	3.82
	<b>TOTAL</b>	<b>57.62</b>								<b>35.77</b>		<b>35.77</b>	<b>6.207</b>

Notes:

- 1) The assumptions for energy purchase for balance period in FY 21 (i.e.from November 2020 to March 2021) is made on a realistic basis duly considering existing demand pattern of the consumers and the distribution loss.
- 2) The MESCOM PP cost includes FAC as approved by KERC from time to time and PP cost/unit as per the tariff orders.
- 3) The MESCOM PP cost does not include Rs.3.29 Crore payable to MESCOM towards FY 19 PP cost as per the Hon'ble Commission's tariff orders dated 4th November, 2020.
- 4) We have estimated open access power for the period January 2021 to March 2021.

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**Cost of Purchased Power - 22**

SI No	Source	Units purchased (M.U.)	Fixed Charges per annum (Rs in Crs)	Variable charge (Rs crs)				Total variable charge	Total Cost of Power at each interface point. (Rs in Crs)			Average rate (Rs./kwh)	
				Variable charge	Fuel escalation charge	Incentive payment	Wheeling charge		Any Other Charges	Fixed charges	Variable charges		Total
1	MESCOM and others	40.61		26.64				26.64	-	26.64	6.5610		
2	Short term open access	17.40		7.83				7.83		7.83	4.50		
	<b>TOTAL</b>	<b>58.01</b>		<b>34.47</b>				<b>34.47</b>	<b>-</b>	<b>34.47</b>	<b>5.943</b>		

Notes:

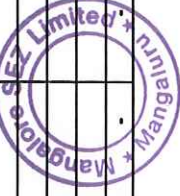
1) The FAC charges charged by MESCOM is not forming part of Power Purchase cost, as above.

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## MSEZL - REVENUE FROM SALE OF POWER

Sl. No.	Particulars	Actuals Current year-FY20				Ensuing year - FY21				Ensuing year - FY22			
		No of Installations	Energy Sold (MU)	Revenue (Rs Crs)	Average realisation (Rs/unit)	No of Installations	Energy Sold (MU)	Revenue (Rs Crs)	Average realisation (Rs/unit)	No of Installations	Energy Sold (MU)	Revenue (Rs Crs)	Average realisation (Rs/unit)
	<b>Consumer Categorywise-HT 33KV</b>												
1	Residential												
2	Commercial												
3	Industrial	8	50.76	40.88	8.05	8	52.16	44.41	8.51	8	51.33	43.43	8.461
4	Water supply												
5	Public lighting												
6	Temporary												8.461
	<b>Total HT 33 KV</b>	<b>8</b>	<b>50.76</b>	<b>40.88</b>	<b>8.05</b>	<b>8</b>	<b>52.16</b>	<b>44.41</b>	<b>8.51</b>	<b>8</b>	<b>51.33</b>	<b>43.43</b>	<b>8.46</b>
	<b>Consumer Categorywise-HT 11KV</b>												
1	Residential												
2	Commercial												
3	Industrial	10	5.10	4.39	8.60	10	4.68	4.39	9.38	10	5.85	4.95	8.461
4	Water supply												
5	Public lighting												
6	Temporary	1	0.20	0.24	12.18								
	<b>Total HT 11 KV</b>												
	<b>Total</b>	<b>11</b>	<b>5.30</b>	<b>4.63</b>	<b>8.74</b>	<b>10</b>	<b>4.68</b>	<b>4.39</b>	<b>9.38</b>	<b>10</b>	<b>5.853</b>	<b>4.95</b>	<b>8.46</b>
	<b>Consumer Categorywise-LT</b>												
1	Residential												
2	Commercial												
3	<b>LT others</b>												
4	Industrial	8	0.42	0.29	7.03	7	0.39	0.29	7.52	7	0.39	0.33	8.461
5	Water supply												
6	Public lighting												
7	Temporary	2	0.04	0.05	12.95								
	<b>Total LT</b>	<b>10</b>	<b>0.46</b>	<b>0.35</b>	<b>7.56</b>	<b>7</b>	<b>0.39</b>	<b>0.29</b>	<b>7.52</b>	<b>7</b>	<b>0.39</b>	<b>0.33</b>	<b>8.46</b>
III	Electricity duty recovery/Other State levies recovered												
IV	Wheeling charges recovery												
V	<b>Misc Charges from Consumers</b>												
1	Fuse of calls												
2	Reconnection Fee												
3	Public lighting maintenance charges												
4	Service connection charges												
5	Delayed payment charges												
6	Other receipts												
	<b>Total of IV</b>												



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## MSEZL : REVENUE FROM SALE OF POWER

Sl. No.	Particulars	Actuals Current year-FY20			Ensuing year - FY21			Ensuing year - FY22					
		No of Installations	Energy Sold (MU)	Revenue (Rs Crs)	Average realisation (Rs/unit)	No of Installations	Energy Sold (MU)	Revenue (Rs Crs)	Average realisation (Rs/unit)	No of Installations	Energy Sold (MU)	Revenue (Rs Crs)	Average realisation (Rs/unit)
VI	Gross Revenue from Sale of Power (I+II+III+IV)	29	56.52	45.86	24.35	25	57.22	49.09	25.41	25	57.57	48.71	25.38
VII	LESS:												
1	Electricity duty payable (Contra)												
	TOD impact												
2	Other State levies payable (Contra)												
3	Withdrawal of Revenue Demand												
	<b>Total of VI</b>												
VII	<b>Total (V-VI)</b>												
	<b>Grand Total</b>	29	56.52	45.86	24.35	25	57.22	49.09	25.41	25	57.57	48.71	25.38

Note on FY 20 - The Hon'ble Commission had in tariff order for FY 20 allowed to carry forward the FY 18 deficit (on account of revision of PP cost of FY 18 by Rs.3.41 Crore) of Rs.2.42 Crore into the FY 20 ARR and set the tariff accordingly. An amount of Rs.2.71 Crore is recovered directly from the customers in FY 20 (towards the FY 18 PP cost) and thus, the recovery of Rs.2.71 Crore is not included in the revenue from sale of power. (Please refer to corresponding note in Form D1 for FY 20 and the write up in tariff application)

Note on FY 21 - The revenue from sale of power does not include Rs.2.687 Crore recoverable from consumers as per the Hon'ble Commission tariff orders dated 4th November, 2020 wherein it has allowed recovery of the deficit of FY 19 of Rs.2.687 Crores from the consumers in proportion to the energy consumed by the respective consumers in FY 19.

Note on - FY 22: - Revenue from sale of Power: The FAC charged by MSEZL is not included in the average realisation rate calculation above. Since, FAC is pass through cost for MSEZL.

  
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**MSEZL : REVENUE SUBSIDIES AND GRANTS**  
**Retail supply business**

(Rs. in Cr)

SI No	Particulars	FY 20	FY 21	FY 22
		Actuals	Provisional	Projected
1	RE Subsidies			
2	Grants for Research and Development Expenses	-	-	-
3	Grant for Survey and Investigation	-	-	-
4	Others (this contra is taken in the depreciation - Contra refer D 15 and D8 )	-	-	-
	<b>Grand Total</b>	-	-	-

  
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**MSEZL : NON-TARIFF INCOME (OTHER INCOME)****MSEZL-Total****(Rs. in Cr)**

Sl No	Particulars	FY 20	FY 21	FY 22
		Actuals	Provisional	Projected
<b>1</b>	<b>Interest on staff loans and advances</b>			
<b>2</b>	<b>Income from Investments:</b>			
a	Interest on securities	-	-	-
b	Interest on Bank fixed deposits	-	-	-
c	Income on other investments	-	-	-
d	Interest on loans/advances to suppliers/ Contractors	-	-	-
e	Interest from Banks/Security Deposits with MESCOM	0.28	0.20	0.19
f	Interest on loans to Societies	-	-	-
<b>3</b>	<b>Income from Trading:</b>	-	-	-
a	Profit on sale, hire etc of apparatus	-	-	-
b	Hire charges from Contractors	-	-	-
c	Material Cost Variance	-	-	-
d	Profit on sale of stores	-	-	-
e	Sale of Scrap	-	-	-
f	Other Misc Receipts from trading	-	-	-
g	Other income -	0.02		
<b>4</b>	<b>Income/Fees collections against staff welfare activities:</b>	-	-	-
a	Recoveries for transport facilities	-	-	-
<b>5</b>	<b>Miscellaneous Receipts:</b>	-	-	-
a	Income due to right of way granted for laying fibre optic cables/co-axial cables on T&D system	-	-	-
b	Rental from Staff Quarters	-	-	-
c	Rental from others	-	-	-
d	Leave contribution	-	-	-
e	Excess found on physical verification of stock	-	-	-
f	Excess found on physical verification of stock	-	-	-
g	Excess found on physical verification of Assets	-	-	-
h	Recovery from transport & vehicle expenses	-	-	-
i	Commission for collection of electricity duty	-	-	-
j	Misc. recoveries	-	-	-
k	Incentives received	-	-	-
l	Provision for Bad debts withdrawn	-	-	-
m	Extra-ordinary credits	-	-	-
	<b>Grand Total</b>	<b>0.30</b>	<b>0.20</b>	<b>0.19</b>



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**MSEZL : REPAIRS AND MAINTENANCE COSTS**  
**MSEZL-Total**

Rs.In Cr.

Sl No	Particulars	FY 20			FY 21			FY 22		
		Actuals			Provisional			Projected		
		Consumption of stores	Other expenses	Total	Consumption of stores	Other expenses	Total	Consumption of stores	Other expenses	Total
	<b>Repairs and maintenance to:</b>									-
1	Plant and Machinery			-			-			-
2	Transformers: (*) (a) repairs and maintenance made departmentally (b) repairs and maintenance by private agencies	-		-			-			-
3	Buildings	-	-	-			-			-
4	Other civil works/road	-		-			-			-
5	Hydraulic works	-	-	-			-			-
6	Lines, Cable Network, etc -	-		-			-			-
7	Sub-station maintenance by private agencies and Inspection/Testing/statutory charges paid to Electrical Directorate; KPTCL; CEIG	0.02	0.71	<b>0.73</b>	-	0.82	<b>0.82</b>	-	0.89	0.89
8	Vehicles	-	-	-	-		-			-
9	Furniture & Fixtures	-	-	-	-		-			-
10	Office Equipments	-	-	-	-		-			-
11	Others/Computers	-	-	-	-		-			-
12	R&M on Old assets	-	-	-			-			-
13	R&M on New assets	-	-	-			-			-
	<b>Total</b>	<b>0.02</b>	<b>0.71</b>	<b>0.73</b>	-	<b>0.82</b>	<b>0.82</b>	-	<b>0.89</b>	<b>0.89</b>

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**MSEZL : EMPLOYEE COSTS**  
**MSEZL-Total**

(Rs. in Cr)

SI No	Particulars	FY 20	FY 21	FY 22
		Actuals	Provisional	Projected
1	Salaries	0.46	0.48	0.52
2	Overtime	-		-
3	Dearness Allowance	-		-
4	Other Allowances	-	-	-
5	Bonus	-		-
<b>6</b>	<b>Sub-Total (1 to 5)</b>	<b>0.46</b>	<b>0.48</b>	<b>0.52</b>
7	Medical expenses reimbursement	-		-
8	Leave travel Assistance	-		-
9	Earned Leave Encashment	-		-
10	Leave Encashment and gratuity	-	-	-
11	Payment under Workmen's Compensation Act	-		-
12	Employee insurance			
<b>13</b>	<b>Total Other staff costs ( 7 to 12)</b>	<b>-</b>	<b>-</b>	<b>-</b>
14	Staff Welfare expenses			-
15	Terminal Benefits/PF Employer Contribution			
<b>16</b>	<b>Sub-total (14 to 15)</b>	<b>-</b>	<b>-</b>	<b>-</b>
17	Addition liability on account of pay revision	-		-
<b>18</b>	<b>Grand Total</b>	<b>0.46</b>	<b>0.48</b>	<b>0.52</b>

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**MSEZL : EMPLOYEES COSTS - ADDITIONAL INFORMATION**  
**MSEZL - Total**

Rs. in Cr

SI No	Category of employee	FY 20			FY 21			FY 22		
		Actuals			Provisional			Projected		
		Number		Cost	Number		Cost	Number		Cost
		Sanctio ned	Working	Rs in Crores	Sanctio ned	Working	Rs in Crores	Sanctio ned	Working	Rs in Crores
1	Board of directors (full time)									
2	Chief Engineer & equivalents									
3	Superintending Engineers & equivalents									
4	Executive Engineers & equivalents									
5	Asst Executive Engineers &									
6	Manager					-				-
7	All other staff			0.46		0.48				0.52
8	Terminal Benefits			0.00		-				-
9	Others			0.00		-				-
10										
	<b>Total</b>	-	-	<b>0.46</b>	-	-	<b>0.48</b>	-	-	<b>0.52</b>

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 Chief Executive Officer  
 Mangalore SEZ Limited



## MSEZ : ADMINISTRATION AND GENERAL CHARGES

## MSEZ-Total

Rs. in Cr

SI No	Particulars	FY 20	FY 21	FY 22
		Actuals	Provisional	Projected
1	Rent,Rates and Taxes	0.01		
2	Expenses incurred towards security arrangements	-	-	-
3	Insurance on fixed assets & Others	0.04	0.05	0.05
4	Car hire Charges	0.04	0.04	0.04
5	Pagers, Cellular phones, E-Mail, Telephone etc	-	-	-
6	Postage	-	-	-
7	Revenue receipt stamps/Computer billing	-	-	-
8	Bank charges	0.01	0.01	0.01
9	Audit fee	0.05	0.06	0.06
10	Consultancy charges	0.01	0.01	0.01
11	Technical fee	0.02	0.02	0.02
13	Office Expenses	0.01	0.01	0.01
14	Conveyance, Hotel Accommodation & Travel expenses	0.0040	0.0043	0.0047
	<b>Sub-total</b>	<b>0.20</b>	<b>0.19</b>	<b>0.20</b>
	Other expenses			
15	Fees & subscription (incl. KERC filling charges, ROC filing fee, Application fee @ 0.025% of expected revenue)	0.02	0.02	0.02
16	Books, Periodicals and dairies	0.001	0.00	0.00
17	Printing & Stationery	0.01	0.01	0.01
18	Factory license fees		-	-
19	Advertisement expenses	0.02	0.02	0.02
20	Computer expenses	0.003	0.00	0.00
21	Contributions	-	-	-
22	Electricity charges	-	-	-
23	Statutory payment under Companies Act	-	-	-
24	Office Expenses	0.04	0.04	0.04
25	Revenue expenditure incurred on software	-	-	-
26	Miscellaneous expenses		-	-
	<b>Total other expenses</b>	<b>0.08</b>	<b>0.09</b>	<b>0.10</b>
27	Freight & other material related expenditure	-	-	-
	<b>GRAND TOTAL</b>	<b>0.28</b>	<b>0.28</b>	<b>0.30</b>



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## MSEZL : DEPRECIATION

## MSEZL-Total

Rs. in Crs.

Sl No	Particulars of assets	FY 20				FY 21			FY 22		
		Actuals				Provisional			Projected		
		Balance at the end of the year	Depreciation provided for the year	With drawal of depreciation	Balance at the end of the year	Depreciation provided for the year	With drawal of depreciation	Balance at the end of the year	Depreciation provided for the year	With drawal of depreciation	Balance at the end of the year
<b>MSEZL- Total</b>											
1	Leasedhold Land		-	-	-	-		-			-
2	Building and structures	0.36	0.09	-	0.44	0.09		0.53	0.09		0.62
3	<b>Plant and Machinery</b> Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and below.	4.03	1.01	-	5.04	1.01		6.05	1.01		7.06
4	Substation Transformers, Circuit breakers, other fixed apparatus of rating above 100 MVA .	-		-	-	-		-	-		-
5	Towers, Poles, fixture, overhead conductors,UG cables and devices	5.98	1.71	-	7.69	1.71		9.40	1.71		11.11
6	Service lines	-	-	-	-	-		-	-		-
7	Metering equipment	-	-	-	-	-		-	-		-
8	Misc equipment	-	-	-	-	-		-	-		-
9	Other items/Computers	-	-	-	-	-		-	-		-
10	Hydraulic Works/Civil works	-	-	-	-	-		-	-		-
a	Other Civil Works -	0.11	0.03	-	0.13	0.03		0.16	0.03		0.19
b	Vehicles	-	-	-	-	-		-	-		-
c	Furniture Fixtures	-	-	-	-	-		-	-		-
d	Office Equipments	-	-	-	-	-		-	-		-
e	Software (intangilbe asset)	-	-	-	-	-		-	-		-
	<b>MSEZL Total</b>	<b>10.48</b>	<b>2.83</b>	<b>-</b>	<b>13.31</b>	<b>2.83</b>	<b>-</b>	<b>16.14</b>	<b>2.83</b>	<b>-</b>	<b>18.97</b>

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Institution	FY 20						FY 21						FY 22						
	Actuals						Provisional						Projected						
	Opening Balance	New loan addition	Total loan at the end of the year	Repayment of principal	Interest for the year	Closing Bal	Opening Balance	New loan addition	Total loan at the end of the year	Repayment of principal	Interest for the year	Closing Bal	Opening Balance	New loan addition	Total loan at the end of the year	Repayment of principal	Interest for the year	Closing Bal	
<b>Secured Loans -State Bank of India</b>																			
<b>1 Borrowings from SBI - A</b>	23.87	-	23.87	-	2.06	23.87	23.87	-	23.87	0.71	23.16	23.16	23.16	-	23.16	1.00	1.67	22.16	
<b>a</b> Add: Normative debt component to bring the debt to normative levels (normative @ 24%) i.e. 70%-46%	12.45		12.45	-	1.08	12.45	12.45		12.45	0.37	12.08	12.08	12.08		12.08	0.52	1.23	11.56	
<b>b</b> Total debt considered @ 70% for tariff allowability as per KERC norms	36.32		36.32	-	3.14	36.32	36.32	-	36.32	1.08	35.24	35.24	35.24		35.24	1.52	2.90	33.72	
<b>2 Fresh borrowings for capex - B</b>																			
Cost of hedging																			
<b>Total = A</b>	23.87	-	23.87	-	-	23.87	23.87	-	23.87	0.71	23.16	23.16	23.16	-	23.16	1.00	2.90	22.16	
12 Others																			
<b>Other Interest and finance charges</b>																			
Guarantee commission to Gok																			
Interest payable on Power Purchases																			
Interest to Consumers					0.35	-	-	-	-	0.29	-	-	-	-	-	-	0.27	-	
Interest on working capital - wires business										0.09							0.08		
Interest on working capital -supply business										0.85							0.77		
<b>Others Total</b>	-	-	23.87	-	3.48	23.87	23.87	-	23.87	0.71	23.16	23.16	23.16	-	23.16	1.00	4.02	22.16	
<b>Total</b>	23.87	-	23.87	-	3.48	23.87	23.87	-	23.87	0.71	23.16	23.16	23.16	-	23.16	1.00	4.02	22.16	

## MSEZL : DISTRIBUTION WIRES BUSINESS

## MSEZL TOTAL

(Rs. in Crores)

## Sale and Lease Back of Assets - FY 20

Sl. No.	Particulars of Assets	Year of Acquisition	Original Cost of the Asset	Year of Sale	Book value at the time of the sale	Period of Lease (Years)	Annual Lease payments	Remarks
	Transformers accessories circuit breakers	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>							
								(Rs. In Crores)

## Sale and Lease Back of Assets - FY 21

Sl. No.	Particulars of Assets	Year of Acquisition	Original Cost of the Asset	Year of Sale	Book value at the time of the sale	Period of Lease (Years)	Annual Lease payments	Remarks
	Transformers accessories circuit breakers	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>							
								(Rs. In Crores)

## Sale and Lease Back of Assets - FY 22

Sl. No.	Particulars of Assets	Year of Acquisition	Original Cost of the Asset	Year of Sale	Book value at the time of the sale	Period of Lease (Years)	Annual Lease payments	Remarks
	Transformers accessories circuit breakers	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>							

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**MSEZL : DETAILS OF EXPENSES CAPITALIZED**  
**MSEZL-Total**

(Rs. In Cr)

SI No	Particulars	FY 20 Actuals	FY 21 Provisional	FY 22 Projected
1	Interest & Finance charges Capitalised			
<b>2</b>	<b>Other expenses capitalised:</b>			
a	Employee Costs	-	-	-
b	Administration and General Expenses	-	-	-
c	Repairs and maintenance	-	-	-
d	Depreciation	-	-	-
e	Others, if any			
	Total of 2	-	-	-
	<b>Grand Total</b>	-	-	-

  
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**MSEZL : OTHER DEBITS****MSEZL-Total**

Rs. in Cr

Particulars	FY 20	FY 21	FY 22
	Actuals	Provisional	Projected
Small and Low value items written off	-	-	-
Computer Rentals/Maintenance charges	-	-	-
Losses/gains relating to Fixed assets	-	-	-
Assets decommissioning cost	-	-	-
Bad debts written off	-	-	-
Provisions for bad and doubtful debts	-	-	-
Miscellaneous losses and write offs	-	-	-
Material cost variance	-	-	-
Bad & doubtful debts provided for others	-	-	-
<b>Grand Total</b>	-	-	-

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**MSEZL : EXTRAORDINARY ITEMS**  
**MSEZL-Total**

(Rs. in Cr)

SI No	Particulars	FY 20	FY 21	FY 22
		Actuals	Provisional	Projected
1	Extraordinary Credits(incl.			
	subsidies against losses due to natural disasters	-	-	-
	<b>TOTAL CREDITS</b>	-	-	-
2	Extraordinary Debits (incl.			
	subsidies against losses due to natural disasters	-	-	-
	<b>TOTAL DEBITS</b>	-	-	-
3	<b>Grand Total</b>	-	-	-

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



## MSEZL : NET PRIOR PERIOD CREDIT/(CHARGES)

## MSEZL-Total

(Rs. in Cr)

SI No	Particulars	FY 20	FY 21	FY 22
		Actuals	Provisional	Projected
	<b>Prior period credits/charges</b>	-	-	-
1	Short/excess provision of depreciation	-	-	-
2	Short/excess provision of Interest and finance charges	-	-	-
3	Short provision for power purchase in previous years	-	-	-
4	Withdrawal of Revenue Demand and receipts from consumes relating to prior periods	-	-	-
5	Other expenses/income relating to prior periods	-	-	-
6	A&G expenses for prior period	-	-	-
7	Other excess provisions relating to prior periods	-	-	-
8	Operating expenses of previous year	-	-	-
9	Employee cost relating to previous year	-	-	-
10	Material related expenses relating to previous years	-	-	-
11	Excess provision of IT	-	-	-
	<b>Net prior period Credit/(Charges)</b>	-	-	-

*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**MSEZL: CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS COST OF CAPITAL ASSETS****MSEZL-Total**

(Rs. in Cr)

Sl No	Particulars	FY 20			FY 21		FY 22	
		Actuals			Provisional		Projected	
		Balance at the end of the year	Additions during the Year	Balance at the end of the year	Additions during the Year	Balance at the end of the year	Additions during the Year	Balance at the end of the year
1	Consumers Contribution	-	-	-	-	-	-	-
2	Subsidies towards cost of Capital Assets*	-	-	-	-	-	-	-
3	towards cost of Capital Assets*	-	-	-	-	-	-	-
4	Others	-	-	-	-	-	-	-
	Less: Adjusted against asset cost	-	-	-	-	-	-	-
D3	Revenue Subsidy Recognised in P&L A/c.	-	-	-	-	-	-	-
	<b>Grand Total</b>	-	-	-	-	-	-	-

*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**MSEZL : GROSS FIXED ASSETS**  
**MSEZL-Total**

(Rs. in Cr)

Sl No	Particulars of assets	FY 20				FY 21			FY 22		
		Actual				Provisional			Projected		
		Balance at the end of previous year	Additions during the year	Retirement of assets during the year	Balance at the end of the year	Additions during the year	Retirement of assets during the year	Balance at the end of the year	Additions during the year	Retirement of assets during the year	Balance at the end of the year
<b>MSEZL - Total</b>											
1	Leasehold Land	6.17	-		6.17	-	-	6.17	-	-	6.17
2	Building and structures	2.84	-		2.84	-	-	2.84	-	-	2.84
3	<b>Plant and Machinery</b> Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and below	21.28	0.01		21.29		-	21.29		-	21.29
4	Substation Transformers, Circuit breakers, other fixed apparatus of rating above 100 MVA .	-	-	-	-	-	-	-	-	-	-
5	Towers, Poles, fixture, overhead conductors,UG cables and devices	35.92	0.04	-	35.96		-	35.96			35.96
6	Service lines	-	-	-	-	-	-	-	-	-	-
7	Metering equipment	-	-	-	-	-	-	-	-	-	-
8	Misc equipment	-	-	-	-	-	-	-	-	-	-
9	Other items/Computers	0.07	-		0.07	-	-	0.07	-	-	0.07
10	Hydraulic Works/Civil	-	-		-	-	-	-	-	-	-
a	Other Civil Works - Roads	0.87	-		0.87	-	-	0.87	-	-	0.87
b	Vehicles	-	-		-	-	-	-	-	-	-
c	Furniture Fixtures		-		-	-	-	-	-	-	-
d	Office Equipments		-		-	-	-	-	-	-	-
e	Software (Intangible asset)	-	-		-	-	-	-	-	-	-
<b>MSEZL - Total</b>		<b>67.16</b>	<b>0.04</b>	<b>-</b>	<b>67.20</b>	<b>-</b>	<b>-</b>	<b>67.20</b>	<b>-</b>	<b>-</b>	<b>67.20</b>

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**MSEZL : NET FIXED ASSETS**  
MSEZL-Total

(Rs. in Cr)

Sl No	Particulars of assets	FY 20				FY 21			FY 22		
		Actual				Provisional			Projected		
		Balance at the end of previous year	Addition of assets during the year	Net Depreciation for the Year	Balance at the end of the year	Addition of assets during the year	Net Depreciation for the Year	Balance at the end of the year	Addition of assets during the year	Net Depreciation for the Year	Balance at the end of the year
	<b>MSEZL- Total</b>										
1	Leasehold Land	6.17	-	-	6.17	-	-	6.17	-	-	6.17
2	Building and structures	2.49	-	0.09	2.40	-	0.09	2.32	-	0.09	2.23
3	<b>Plant and Machinery</b> Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and above.	17.25	0.01	1.01	16.24	-	1.01	15.23	-	1.01	14.22
4	Substation Transformers, Circuit breakers, other fixed apparatus of rating below 100 MVA .	-	-	-	-	-	-	-	-	-	-
5	Towers, Poles, fixture, overhead conductors, UG cables and devices	29.94	0.04	1.71	28.27	-	1.71	26.56	-	1.71	24.85
6	Service lines	-	-	-	-	-	-	-	-	-	-
7	Metering equipment	-	-	-	-	-	-	-	-	-	-
8	Misc equipment	-	-	-	-	-	-	-	-	-	-
9	Other items/Computers	0.07	-	-	0.07	-	-	0.07	-	-	0.07
10	Hydraulic Works/Civil	-	-	-	-	-	-	-	-	-	-
a	Other Civil Works - Roads	0.77	-	0.03	0.74	-	0.03	0.71	-	0.03	0.69
b	Vehicles	-	-	-	-	-	-	-	-	-	-
c	Furniture Fixtures	-	-	-	-	-	-	-	-	-	-
d	Office Equipments	-	-	-	-	-	-	-	-	-	-
e	Software (intangible asset)	-	-	-	-	-	-	-	-	-	-
	<b>MSEZL- Total</b>	<b>56.68</b>	<b>0.04</b>	<b>2.83</b>	<b>53.89</b>	<b>-</b>	<b>2.84</b>	<b>51.05</b>	<b>-</b>	<b>2.84</b>	<b>48.21</b>

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**MSEZL : WORK IN PROGRESS - DISTRIBUTION**  
**MSEZL-Total**

(Rs. in Cr)

Description	FY 20	FY 21	FY 22
	Provisional	Projected	Projected
<b>Opening balance</b>	-	-	-
<b>Add:</b>			
i) Capital expenditure			
ii) Interest & Finance charges capitalised			
iii) Expenses (including Interest) capitalised			
iv) Capital receipt deducted in capital cost			
v) Being the allocation of project development expenses reduced.			
<b>Total capital expenditure for the year</b>	-	-	-
Less: Expenditure Capitalised (Transferred to Form-T15/D15)	-		
<b>Closing Balance</b>	-	-	-

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited





**Receivables against Sale of Power**  
**( DEMAND, COLLECTION AND BALANCE OF REVENUE FOR THE YEAR)**

**Not Applicable as SEZ does not have such classification**

(Rs In Crs)

SL NO	NAME OF ZONE/CIRCLE/ DIVISION	OPENING BALANCE		FOR THE YEAR						CLOSING BALANCE	
		PRINCIPAL	INTEREST	DEMAND		COLLECTION		COLLECTION %		PRINCIPAL	INTEREST
				PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST		
1	ZONE										
A	CIRCLE										
1	DIVISION-1										
2	DIVISION-2										
3	etc.										
	<b>TOTAL OF A</b>										
B											
4											
5											
6	etc.										
	<b>TOTAL OF B</b>										
	<b>TOTAL OF I (Zone)</b>										
II											
C											
III											
IV											
V											
	<b>COMPANY TOTAL (OF ALL ZONES)</b>										

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**STATEMENT SHOWING DIVISIONWISE, TARIFFWISE DEMAND, COLLECTION AND BALANCE OF REVENUE FOR THE YEAR FY 20 to FY 22**

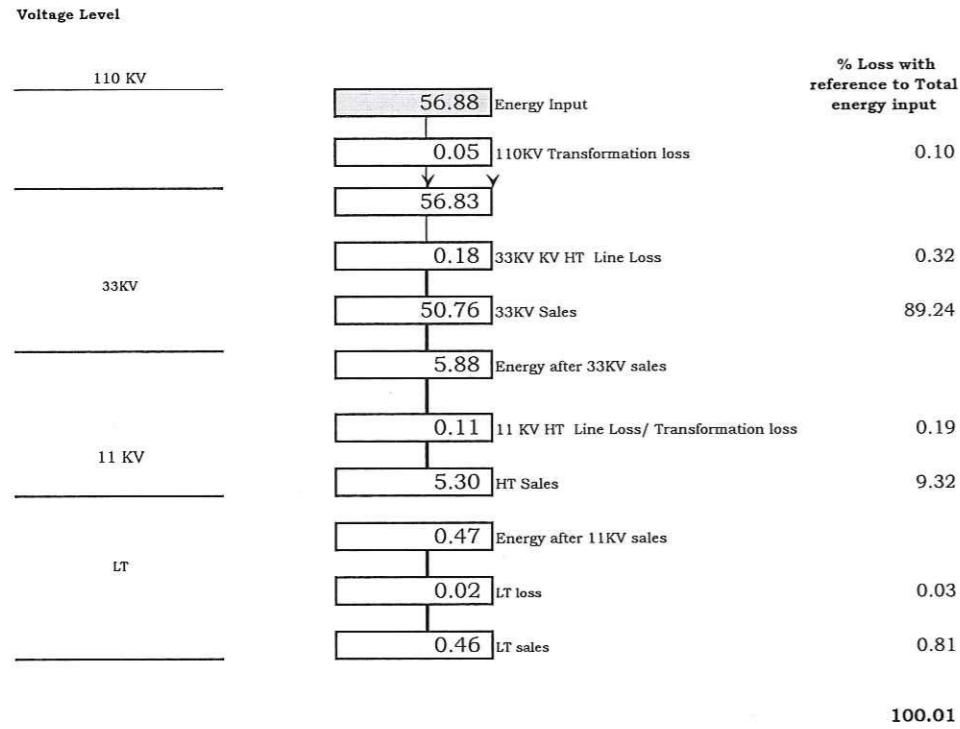
SL. NO.	DIVISION/ CIRCLE/ ZONE	PARTICULARS	33KV		11KV HT		LT Others		TOTAL
			Industrial	Construction	Industrial	Construction	Industrial	Construction	
1	MSEZL - FY20	No. of installations	8	-	10	1	8	2	29
		Consumption	50.76	-	5.10	0.20	0.42	0.04	56.52
		Consumption per Installation	6.35	-	0.51	0.20	0.05	0.02	7.13
		O.B.	4.06	-	-	0.33	-	-	4.39
		Demand	40.88	-	4.39	0.24	0.29	0.05	45.86
		Demand per kwh	8.05	-	8.60	12.18	7.03	12.95	48.82
		Collection	39.12	-	4.39	0.34	0.29	0.05	44.19
		C.B.	5.82	-	-	0.24	-	-	6.06
2	MSEZL - FY21	No. of installations	8	-	10	-	7	-	25
		Consumption	52.16	-	4.68	-	0.39	-	57.22
		Consumption per Installation	6.52	-	0.47	-	0.06	-	7.04
		O.B.	5.82	-	-	0.24	-	-	6.06
		Demand	44.41	-	4.39	-	0.29	-	49.09
		Demand per kwh	8.51	-	9.38	-	7.52	-	8.58
		Collection	44.95	-	4.02	0.24	0.27	-	49.48
		C.B.	5.28	-	0.37	-	0.02	-	5.67
3	MSEZL - FY22	No. of installations	8.00	-	10	-	7	-	25.00
		Consumption	51.33	-	5.85	-	0.39	-	57.57
		Consumption per Installation	6.42	-	0.59	-	0.06	-	7.06
		O.B.	5.28	-	0.37	-	0.02	-	5.67
		Demand	43.43	-	4.95	-	0.33	-	48.71
		Demand per kwh	8.46	-	8.46	-	8.46	-	8.46
		Collection	43.51	-	4.91	-	0.32	-	48.74
		C.B.	5.20	-	0.41	-	0.03	-	5.64

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**ENERGY FLOW DIAGRAM OF MSEZL FOR FY- 20**

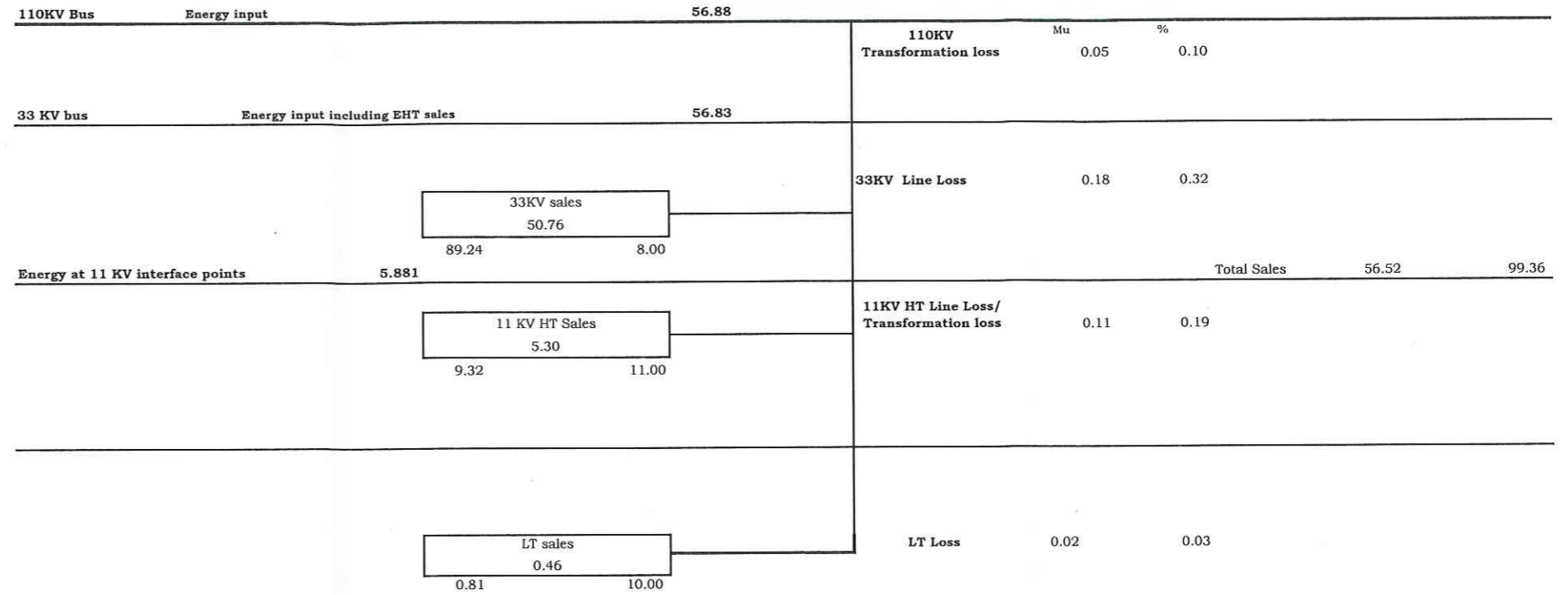
(All data in Mus)



Segregation Loss	Energy in MU	% Loss
110KV transformation loss	0.05	0.10
33KV line loss	0.18	0.32
11KV Loss	0.11	0.19
LT loss	0.02	0.03
	<b>0.36</b>	<b>0.64</b>

- Note: 1) The loss for FY20 is considered as 1.05 based on the actual distribution loss  
 2) The losses occurring at various voltage levels are assumed to be proportional to the sale of energy in the respective levels.  
 3) The losses occurring at 33Kv and 110KV voltages are assumed to be in the ratio of 110:33 i.e 77: 23

**ENERGY FLOW DIAGRAM OF MSEZL FOR FY-20**



*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited

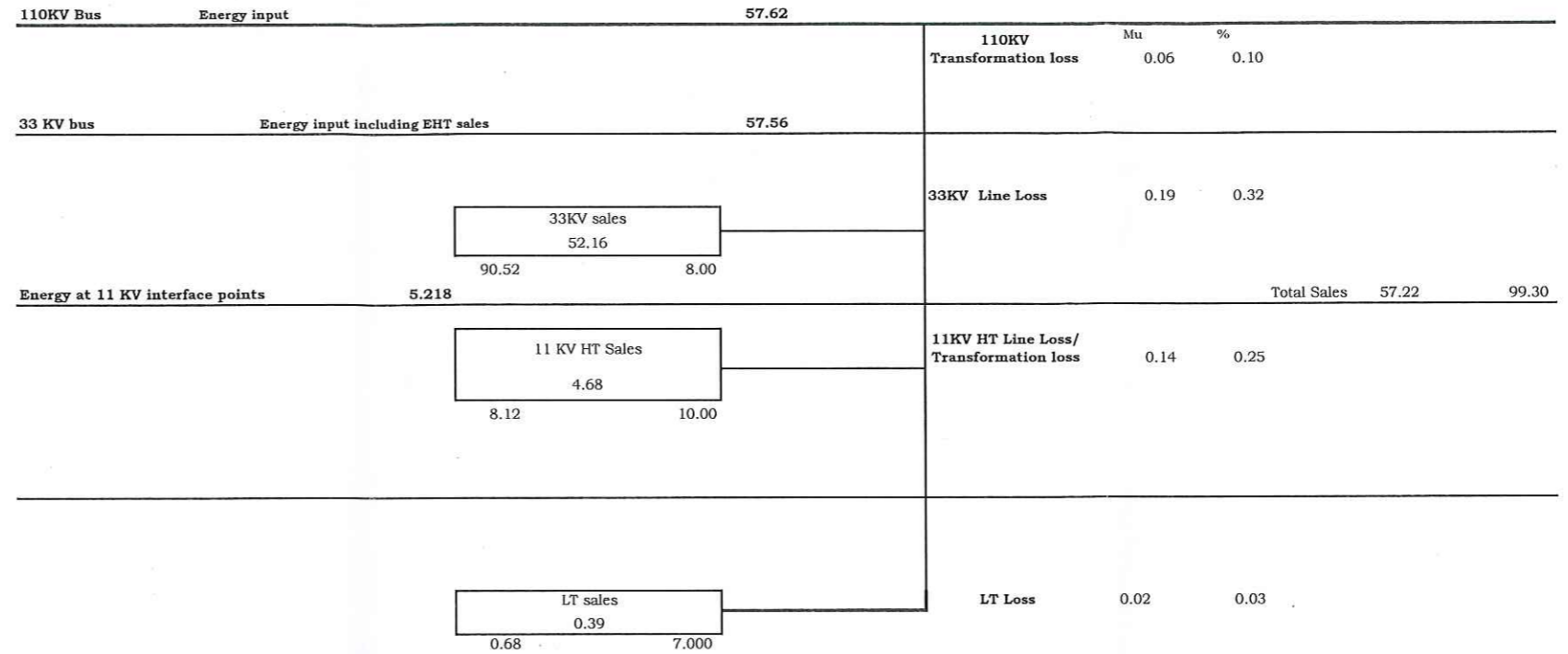
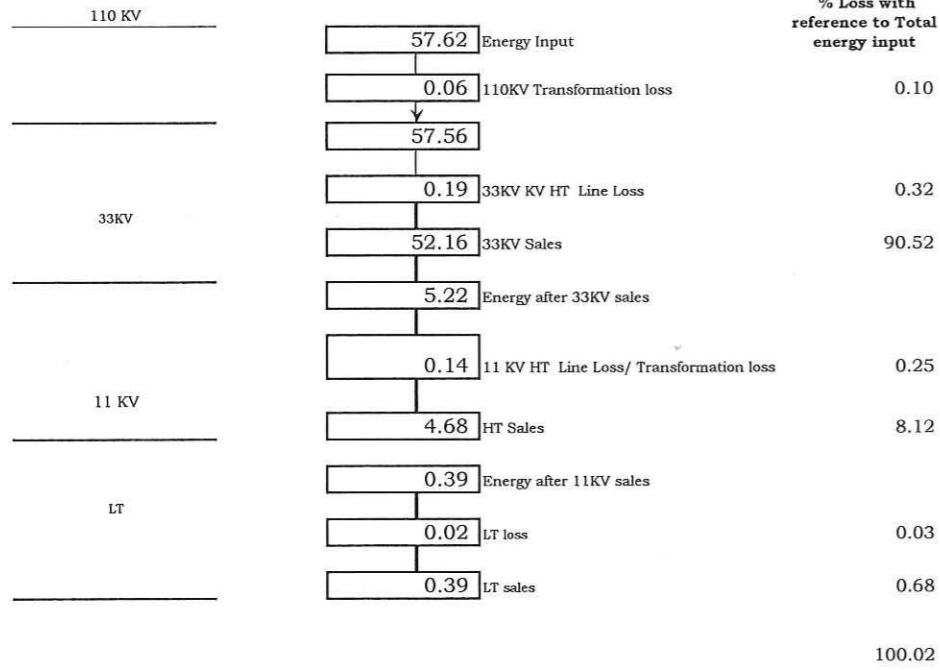


**ENERGY FLOW DIAGRAM OF MSEZL FOR FY-21**

(All data in Mus)

**ENERGY FLOW DIAGRAM OF MSEZL FOR FY-21**

Voltage Level



Segregation Loss	Energy in MU	% Loss
110KV transformation loss	0.06	0.10
33KV line loss	0.19	0.32
11KV Loss	0.14	0.25
LT loss	0.02	0.03
	<b>0.40</b>	<b>0.70</b>

- Note:
- 1) The loss for FY21 is considered as 0.70% based on the present distribution loss in the existing network
  - 2) The losses occurring at various voltage levels are assumed to be proportional to the sale of energy in the respective levels.
  - 3) The losses occurring at 33Kv and 110KV voltages are assumed to be in the ratio of 110:33 i.e 77: 23

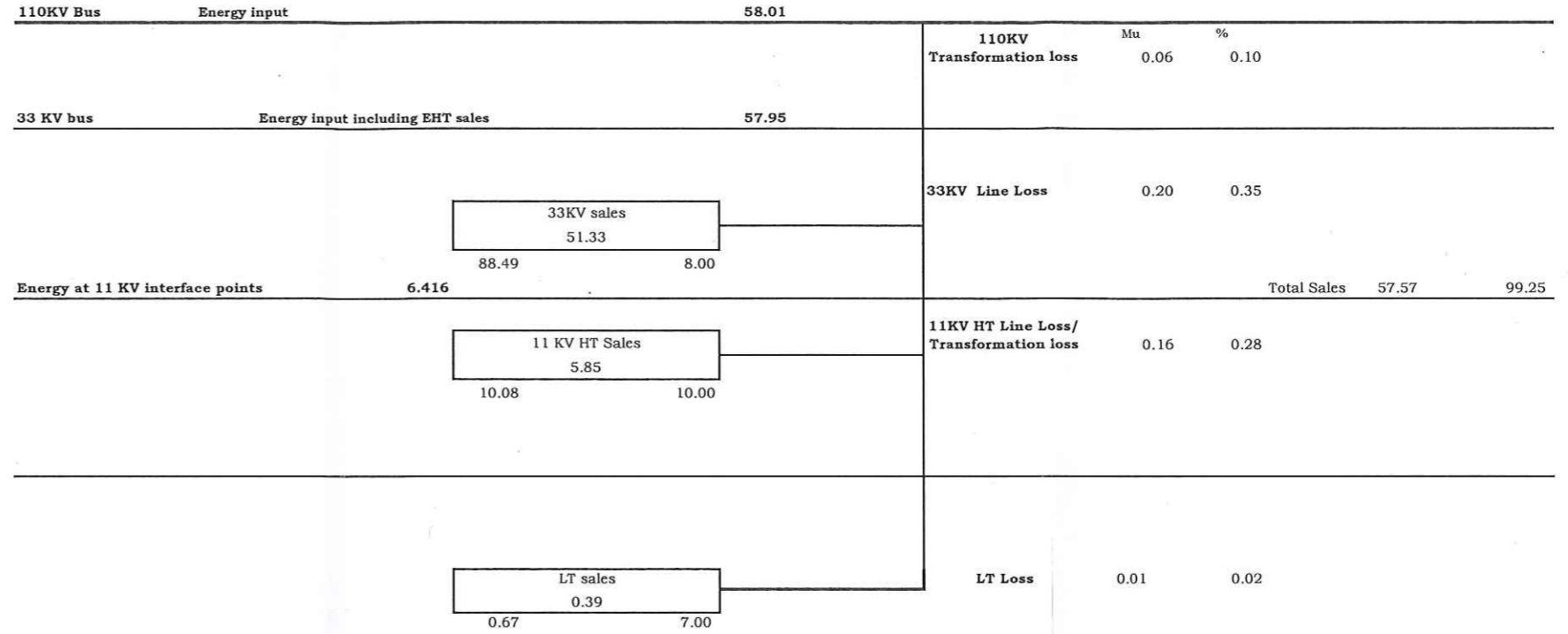
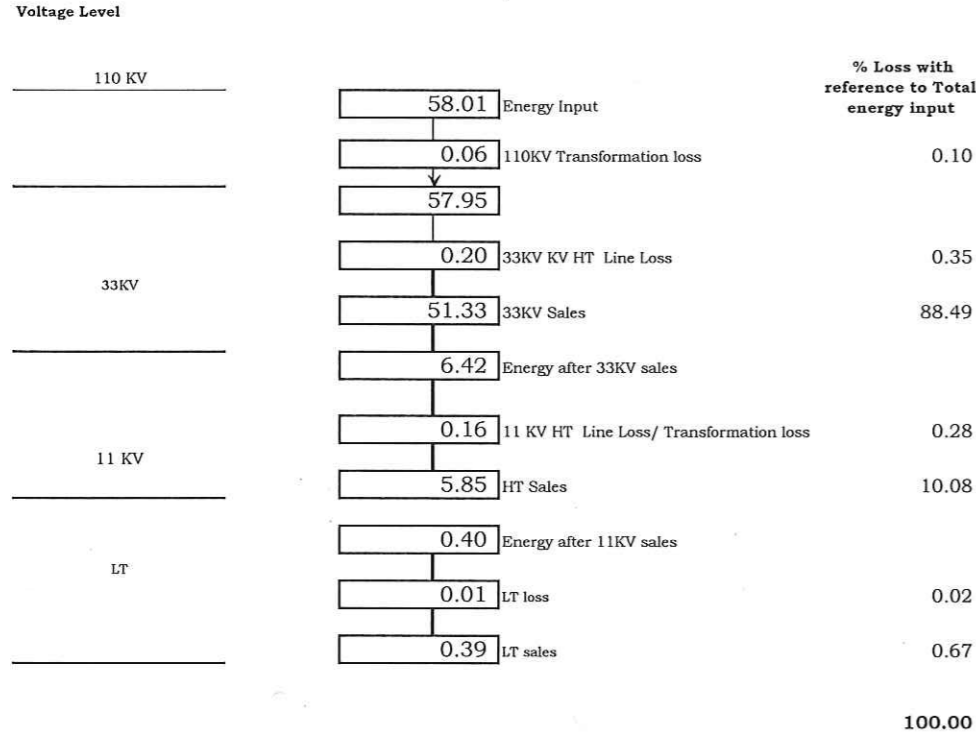
*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



**ENERGY FLOW DIAGRAM OF MSEZL FOR FY-22**

(All data in Mus)

**ENERGY FLOW DIAGRAM OF MSEZL FOR FY-22**



Segregation Loss	Energy in MU	% Loss
110KV transformation loss	0.06	0.10
33KV line loss	0.20	0.35
11KV Loss	0.16	0.28
LT loss	0.01	0.02
	0.44	0.75

- Note: 1) The loss for FY22 is considered as 0.75 % based on the distribution loss during FY 21  
 2) The losses occurring at various voltage levels are assumed to be proportional to the sale of energy in the respective levels.  
 3) The losses occurring at 33Kv and 110KV voltages are assumed to be in the ratio of 110:33 i.e 77: 23

*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



ANNEXURE - II (REVISED)

Forms for Filing ERC			
SI No	Item	Transmission Form No	Distribution Form No
1	Existing Tariff and Proposed Tariff	T20	D20
2	Existing Tariff and Proposed Tariff	T21	D21
3	Expected Revenue when Proposed Tariff is introduced for a Part Year	T22	D22
4	Embedded cost of service of supply of electricity	T23	D23
5	External Subsidy (Allocation of external subsidy among consumer classes)	T24	D24

  
**V. SURYANARAYANA**  
Chief Executive Officer  
Mangalore SEZ Limited



## EXISTING TARIFF AND PROPOSED TARIFF

Sl. No.	Tariff Category	Type of installation	No. of consumers	Sanct. Load- Slabwise (KW /MVA )	Consumption- Slabwise (MU)	EXISTING TARIFF CHARGES		PROPOSED TARIFF CHARGES	
						PARTICULARS	RATE (Rs.)	PARTICULARS	RATE (Rs.)
	HT	Industrial	18	32.26	57.18	Fixed Charges/KVA	220.00	Fixed Charges/KVA	220.00
						Energy Charges/kWh	7.20	Energy Charges/kWh	6.59
	HT	Construction power	-	-	-	Fixed Charges/KVA	260.00	Fixed Charges/KVA	260.00
						Energy Charges/kWh	11.00	Energy Charges/kWh	11
	LT	Construction power	-	-	-	Fixed Charges/HP	250.00	Fixed Charges/KW	250.00
						Energy Charges/kWh	11.00	Energy Charges/kWh	11
	LT	Industrial	7	0.14	0.39	Fixed Charges/KVA	210.00	Fixed Charges/KVA	210.00
						Energy Charges/kWh	6.75	Energy Charges/kWh	6.59



*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited

EXISTING TARIFF AND PROPOSES TARIFF

FORM T21/D21

Sl. No.	Tariff Category	Type of installation	No. of consumers	Sanct. Load- Slabwise MVA	Consumption n- Slabwise (MU)	CHARGES AT EXISTING TARIFF		CHARGES AT PROPOSED TARIFF		EXPECTED ADDITIONAL REVENUE AT PROPOSED CHARGES (RS. CRS)	PROPOSED PERCENTAGE INCREASE (%)	Remarks
						PARTICULARS	RATE (RS)	AMOUNT (RS. CRS)	Realisation /Unit			
1	HT	Industrial	18	32.26	57.18	Fixed Charges/KVA	220.00	7.24	Demand Charges/KVA	220.00	7.24	
						Energy Charges	7.20	41.17	Energy Charges/kWh	6.59	37.68	-8.48%
2	HT	Construction power			-	Fixed Charges/KVA	260.00	-	Demand Charges/KVA	260.00	-	
						Energy Charges	11.00	-	Energy Charges/kWh	11.00	-	
Total HT- A						57.18		48.41		44.92	7.86	0.00%

Sl. No.	Tariff Category	Type of installation	No. of consumers	Sanct. Load- Slabwise KW	Consumption n- Slabwise (MU)	CHARGES AT EXISTING TARIFF		CHARGES AT PROPOSED TARIFF		EXPECTED ADDITIONAL REVENUE AT PROPOSED CHARGES	PROPOSED PERCENTAGE INCREASE (%)	Remarks
						PARTICULARS	RATE (RS)	AMOUNT (RS. CRS)	Realisation /Unit			
3	LT	Construction power			-	Fixed Charges/KW	250.00		Fixed Charges/KW	250.00		
						Energy Charges	11.00		Energy Charges/kWh	11.000		0.00%
4	LT	Industrial	7	0.14	0.39	Fixed Charges/KW	210.00	0.03	Fixed Charges/KW	210.00	0.03	
						Energy Charges	6.75	0.26	Energy Charges/kWh	6.59	0.26	
Total LT - B						0.39		0.29		0.29	7.46	0.00%
Total (HT+LT)						57.57		48.71		45.21	7.85	0.00%

V. Suryanarayana R.  
**V. SURYANARAYANA R.**  
 Chief Executive Officer  
 Mangalore SEZ Limited





Expected Revenue when Proposed Tariff is Introduced for a Part Year

Not Applicable

Sl. No	Tariff Category	Type of Installation	Energy Sales (MU)			Revenue (Rs in Crs)		
			At Current Tariff	At Proposed Tariff	Total	At Current Tariff	At Proposed Tariff	Total
			Not Applicable					

*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



Embedded cost of service of supply of electricity  
Not Applicable

(Rs. in Crs)

Sl. No.	Voltage / Consumer category	Cost of Service of supply per Kwh				Total
		Item 1	Item 2	Item 3	.....	

- Note:
- 1) Items above refer to various elements of cost such as cost of power purchase. Transmission loss, on equity, interest, Depreciation, Repairs and Maintenance, Employee cost, Administration and general expenses, apportioned common overheads etc.
  - 2) List of assumptions and Detailed working for each of the items shall be attached.

*V. Suryanarayana*  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited



External Subsidy (Allocation of external subsidy among consumer classes)

Not applicable as there is no external subsidy

(Rs in Crs)

Sl.No	Tariff Category	Type of Installation	At Current Tariff Charges		At Proposed Tariff Charges	
			Revenue for a full year.	External Subsidy Directly Assigned	Revenue for a full year.	External Subsidy Directly Assigned
		TOTAL				



  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited

To,  
The Board of Directors,  
Mangalore SEZ Limited,  
Sy. No. 168/3A, Plot No. U-I, Administrative Building,  
MSEZ, Bajpe Village,  
Mangalore Tq. KA – 574 142

**Independent Report and Segregation of the General Performance Financial Statement of Mangalore SEZ Limited, into Licensed Activity and Non-Licensed Activity Portions.**

1. This report is issued in accordance with the terms of our engagement letter dated 12<sup>th</sup> October, 2020.
2. The accompanying statements of Balance Sheet, Profit & Loss account, Cash Flow Statement, Statement of Revenue Requirement and Revenue Gap as on 31.03.2020 segregating the audited financial statements for the year ended 31.03.2020 into Licensed activity and Non-licensed activity, contains details as required which we have initialed for identification purpose.

**Management Responsibility for the Statement:**

3. The preparation of this Statement is the responsibility of the Management of Mangalore SEZ Limited, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes, the design implication and maintenance of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the company complies with the requirement of the Karnataka Electricity Regulatory Commission.

**Auditors responsibility:**

5. Pursuant to the requirement of the Karnataka Electricity Regulatory Commission, Bangalore, it is our responsibility to provide reasonable assurance whether: -
  - i. The amounts in the Licensed Activity Balance sheet for the year ended 31.03.2020 have been accurately extracted from the Audited Financial Statements.
  - ii. The amounts stated in the Licensed Activity Statement of Profit and Loss Account have been accurately extracted from the Audited Financial Statements for the year ended 31.03.2020.
  - iii. The amounts stated in the Licensed Activity Statement of Revenue Requirement and Revenue Gap have been accurately extracted from the Audited Financial Statement for the year ended 31.03.2020.



# REBELLO & ASSOCIATES

## Chartered Accountants

- iv. The amounts stated in the Licensed Activity Cash Flow Statement have been accurately extracted from the Audited Financial Statement for the year ended 31.03.2020.
6. We have relied on the Independent Audit report & audited financial statements for the period ended 31.3.2020 issued by M/s Ray & Ray, Chartered Accountants, the statutory auditors of Mangalore SEZ Limited.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of this Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion:

9. Based on our examination as above, we are of the opinion that:  
The amounts stated in the Licensed Activity financial statements viz., Balance Sheet, Profit & Loss Account, Cash Flow Statement, Statement of Revenue Requirements and Revenue Gap have been accurately extracted from the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2020.


### Restriction on use:

10. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to enable comply with requirement of Karnataka Electricity Regulatory Commission and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR REBELLO & ASSOCIATES

Chartered Accountant

FRN : 015401S



(CA. Dylan Rebello)

Proprietor

Membership.No.230366

UDIN: 20230366AAAABF5619



Date : 29.10.2020

Place : Mangalore

**MSEZL : REVENUE REQUIREMENT & REVENUE GAP**

**MSEZL-Total**

Sl. No.	Details	Rs. in Cr
		FY 20 Actual
	Power Purchase	56.88
	Energy Available at interface point (MU)	56.88
	Sale of Power (MU)	56.52
	Loss %	0.63%
	Average Cost of Supply (in paise)	864.59
<b>1</b>	<b>Receipts</b>	
<b>a</b>	Revenue from tariffs & Miscell. Charges	48.57
<b>b</b>	Tariff subsidy for BJ/KJ & IP sets	
<b>c</b>	RE subsidy from Govt.	
	<b>Total</b>	<b>48.57</b>
<b>2</b>	<b>Expenditure</b>	
<b>a</b>	Power Purchase	39.30
<b>b</b>	R&M Expense	0.73
<b>c</b>	Employee Expenses	0.46
<b>d</b>	A&G Expense	0.31
<b>e</b>	Depreciation	2.83
<b>f</b>	Interest & Finance Charges	2.41
<b>g</b>	<b>Less:</b> Interest & other expenses capitalised	-
<b>h</b>	Other Debits (incl. Prov for Bad debts)	-
<b>i</b>	Extraordinary Items	-
<b>j</b>	Other (Misc.)-net prior period credit	-
	<b>Total</b>	<b>46.03</b>
<b>3</b>	<b>ROE</b>	<b>3.12</b>
<b>4</b>	<b>Other Income</b>	<b>0.30</b>
<b>5</b>	<b>Provision for taxes</b>	<b>-</b>
<b>6</b>	<b>Annual Revenue Requirement (2)+(3)-(4)-(5)</b>	<b>48.87</b>
<b>7</b>	<b>Surplus(+)/ Shortfall(-) : (1)-(6) before tariff revision</b>	<b>(0.30)</b>
<b>8</b>	<b>Subsidy receivable from Government</b>	<b>-</b>
<b>9</b>	<b>Surplus(+)/ Shortfall(-) : (7)+(8) after tariff revision</b>	<b>(0.30)</b>

Note 1: The interest & finance charge of Rs.2.41 Crores, as above, does not include (i) interest on capital loan payable on normative debt portion, allowed as per tariff regulations and (ii) normative interest on working capital loan.

Note 2: The deferred tax liability of Rs.0.06 Cr is not considered in From 'RR-GAP' since it is only a provision for tax liability as per accounting standards.



**MSEZL: PROFIT & LOSS ACCOUNT**  
**MSEZL-Total**

(Rs. in Cr)

Ref Form No	PARTICULARS	FY 20
		<b>Actual</b>
	POWER PURCHASE (MU)	56.88
T1/D1	ENERGY AVAILABLE AT INTERFACE POINTS (MU)	56.88
T2/D2	ENERGY SOLD (MU)	56.52
	DISTRIBUTION LOSS (%)	0.63%
	<b>INCOME</b>	
T2/D2	REVENUE FROM SALE OF POWER	48.57
T3/D3	TARIFF SUBSIDY FOR BJ/KJ & IP SETS	-
T3/D3	REV SUBSIDIES & GRANTS	-
T4/D4	OTHER INCOME	0.30
	<b>TOTAL</b>	<b>48.86</b>
	<b>EXPENDITURE</b>	
T1/D1	PURCHASE OF POWER	39.30
T5/D5	REPAIRS & MAINTENANCE	0.73
T6/D6	EMPLOYEES COSTS	0.46
T7/D7	ADM & GENERAL EXPENSES	0.31
T8/D8	DEPRECIATION AND RELATED DTS	2.83
T9/D9	INTEREST & FINANCE CHARGES	2.41
	<b>SUB-TOTAL</b>	<b>46.03</b>
T10/D10	LESS: EXPENSES CAPITALISED:	
	-INTEREST & FINANCE CHARGES CAPITALISED	-
	-OTHER EXPENSES CAPITALISED	
	<b>SUB-TOTAL</b>	<b>-</b>
T11/D11	OTHER DEBITS (incl. Bad debts)	
T12/D12	EXTRAORDINARY ITEMS	
	<b>TOTAL EXPENDITURE</b>	<b>46.03</b>
	PROFIT (LOSS) BEFORE TAX	2.83
	<b>PROVISION FOR TAXES</b>	
	Current Tax	-
	Deferred Tax	0.06
	<b>PROFIT (LOSS) AFTER TAX</b>	<b>2.77</b>
T13/D13	NET PRIOR PERIOD Debits/Credits	
A-4	RETURN ON EQUITY	3.12
	<b>REVENUE SURPLUS/(DEFECIT)</b>	<b>(0.35)</b>

Note 1: The interest & finance charge of Rs.2.41 Crores, as above, does not include (i) interest on capital loan payable on normative debt portion, allowed as per tariff regulations and (ii) normative interest on working capital loan.



MSEZL: BALANCE SHEET AS AT THE END OF THE YEAR  
MSEZL-Total

Form A2

(Rs in Cr)

Ref Form-No	PARTICULARS	MSEZL Audited Figures as at 31st March 2020	Non-Licnese Activity as at 31st March 2020	Licnese activity as at 31st March 2020	Licnese activity as at 31st March 2019
	<b>SHAREHOLDER'S FUNDS:</b>				
	EQUITY SHARE CAPITAL - (including share deposit)	50.00	50.00		
	EQUITY SHARE CONTRIBUTION	-	-	35.55	35.55
	RESERVES & SURPLUS	(6.05)	(7.45)	1.40	(1.37)
	<b>Total</b>	<b>43.95</b>	<b>42.55</b>	<b>36.94</b>	<b>34.18</b>
T9/D9	<b>LOAN FUNDS:</b>				
	LOANS FROM STATE GOVT	-	-		
	LOANS FROM OTHERS- SECURED	533.47	510.32	23.16	23.87
	LOANS FROM OTHERS- UNSECURED	-	-		
	FRESH BORROWINGS FOR CAPEX	-	-		
	<b>Total</b>	<b>533.47</b>	<b>510.32</b>	<b>23.16</b>	<b>23.87</b>
T14/D14	CONTRIBUTIONS, GRANTS & SUBSIDIES TOWARDS COST OF CAPITAL ASSETS	18.73	18.73	-	-
	OTHER LONG TERM LIABILITIES	942.14	942.14	-	-
	LONG TERM PROVISIONS	2.10	2.10	-	-
	DEFERRED TAX LIABILITY	10.38	5.45	4.93	4.88
	<b>GRAND TOTAL</b>	<b>1,550.78</b>	<b>1,521.29</b>	<b>65.04</b>	<b>62.93</b>
	<b>APPLICATION OF FUNDS:</b>				
	<b>NET FIXED ASSETS:</b>				
T15/D15	a) GROSS BLOCK	1,421.67	1,354.47	67.20	67.16
T8/D8	b) LESS: ACCUMULATED DEPRECIATION+AAD	182.48	169.17	13.31	10.48
T16/D16	c) NET FIXED ASSETS	<b>1,239.19</b>	<b>1,185.29</b>	<b>53.89</b>	<b>56.68</b>
T17/D17	d) CAPITAL WORK IN PROGRESS	190.99	190.99	-	-
	e) ASSETS NOT IN USE				
	f) DEFERRED COSTS				
	g) INTANGIBLE ASSETS	12.57	12.57	-	-
	<b>SUB TOTAL OF ( c ) TO ( g )</b>	<b>1,442.75</b>	<b>1,388.85</b>	<b>53.89</b>	<b>56.68</b>
	INVESTMENTS	0.09	0.09	-	-
	LONG TERM LOANS AND ADVANCES - SECURITY DEPOSIT KEPT WITH MESCOM AND OTHERS	6.39	2.02	4.37	3.85
	OTHER NON-CURRENT ASSETS	9.75	9.75	-	-
	OTHERS	8.21	8.21	-	-
	<b>SUB TOTAL</b>	<b>24.43</b>	<b>20.06</b>	<b>4.37</b>	<b>3.85</b>
	<b>NET CURRENT ASSETS:</b>				
	<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
	a) INVENTORIES	-	-	-	-
	b) CURRENT INVESTMENTS	38.82	38.82	-	-
T18/D18	c) RECEIVABLES AGAINST SALE OF POWER & OTHER RECEIVABLES	136.55	130.49	6.06	4.39
	d) CASH & BANK BALANCES	39.65	28.67	10.98	4.89
	e) Share Contribution to Licensed Activity	-	35.55	-	-
	f) LOANS & ADVANCES and OTHER CURRENT ASSETS	12.32	12.05	0.28	0.24
	g) SUNDRY RECEIVABLES	-	-	-	-
	<b>TOTAL OF A</b>	<b>227.35</b>	<b>245.58</b>	<b>17.32</b>	<b>9.52</b>
	<b>B. CURRENT LIABILITIES AND PROVISIONS:</b>				
	a) SECURITY DEPOSIT FROM CONSUMERS	6.70	0.11	6.58	4.44
	b) BORROWINGS FOR WORKING CAPITAL	-	-	-	-
	c) PAYMENTS DUE ON CAPITAL LIABILITIES	57.42	57.39	0.04	0.23
	d) OTHER CURRENT LIABILITIES - D 25	29.55	29.55		
	e) CURRENT MATURITIES OF LONG TERM DEBT	16.50	15.78	0.71	
	f) TRADE PAYABLE	18.27	15.06	3.20	2.46
	g) PROVISION FOR PENSION, GRATUITY,FBF & OTHERS etc.	15.32	15.32	-	-
	h)PROVISION FOR IT and FBT				
	<b>TOTAL OF B</b>	<b>143.75</b>	<b>133.21</b>	<b>10.54</b>	<b>7.13</b>
	<b>NET CURRENT ASSETS (A - B)</b>	<b>83.60</b>	<b>112.37</b>	<b>6.79</b>	<b>2.39</b>
	<b>GRAND TOTAL</b>	<b>1,550.78</b>	<b>1,521.29</b>	<b>65.04</b>	<b>62.93</b>





MSEZL: CASH FLOW STATEMENT FOR THE YEAR  
MSEZL-Total

Form A3

(Rs in Cr)

Sl. No.	PARTICULARS	FY 20 Actuals
<b>I</b>	<b>Net Funds from Operations:</b>	
1	<b>Net Funds from Earnings:</b>	
	Profit before Tax	2.83
	<b>Less:</b>	
	Revenue/Tariff subsidy and Grants	
	Income Tax payment during the year	
	Surplus to be allocated other ESCOMs	
	Interest paid on debt funds but capitalized during the year - Not Debited to P&L account	
	<b>Total of A</b>	<b>2.83</b>
	<b>B. ADD: Debits to Revenue Account not requiring Cash Outflow:</b>	
	(i) Depreciation (inclgd AAD)	2.83
	(ii) Amortisation of Deferred Cost	
	(iii) Amortisation of Intangible Assets	
	(iv) Investment Allowance Reserve	
	(v) Others, if any.	
	<b>Total of B</b>	<b>2.83</b>
	<b>C.LESS: Credits to Revenue Account not involving Cash Receipts:</b>	
	(i) Depreciation	
	(ii)	
	<b>Total of C</b>	
	<b>Net Funds from Earnings (A+B-C)</b>	<b>5.66</b>
2	Contributions, Grants and Subsidies towards Cost of Capital Assets	
3	Security Deposit from consumers	
4	Proceeds from disposal of Fixed Assets	
5	Reserve account	
6	Other	
7	Subsidy and Grants received in advance	
8	<b>Total Funds from Operations (1 to 8)</b>	<b>5.66</b>
9	<b>Net Increase/(Decrease) in Working Capital:</b>	
	<b>A. Increase/(Decrease) in Current Assets:</b>	
	a) Inventories	
	b) Receivables against sale of power	1.67
	c) Loans and Advances	0.03
	d) Deposit with MESCOM	0.52
	<b>Total of A</b>	<b>2.22</b>
	<b>B. Increase/(Decrease) in Current Liabilities:</b>	
	a) Borrowings for working capital	
	b) Security deposits from customers	2.14
	b) Other Current liabilities - Power purchase	0.74
	- Others	(0.19)
	- Provisions	
	<b>Total of B</b>	<b>2.69</b>
	<b>Net Increase/(Decrease) in Working Capital (A - B)</b>	<b>(0.47)</b>
10	Net Funds from Operations before Subsidies & Grants (8-9)	6.13
11	Receipts from Revenue/Tariff Subsidies and Grants	
<b>Total I</b>	<b>Net Funds from Operations Including Subsidies &amp; Grants (7+8)</b>	<b>6.13</b>
<b>II</b>	<b>Net Increase/(Decrease) in Capital Liabilities:</b>	
	<b>A. Fresh Borrowings:</b>	
	(a) State Loans	
	(b) Borrowings for Working Capital	
	(c) Foreign currency Loans/Credits	
	(d) Other long term liabilities	
	(e) Other Borrowings	
	<b>Total of A</b>	<b>-</b>
	<b>B. Repayments:</b>	
	Repayment of Principal	
	(a) State Loans	
	(b) Foreign currency Loans/Credits	
	(c) Other Borrowings	
	(d) Working Capital	
	<b>Total of B</b>	<b>-</b>
	<b>Net Increase/(Decrease) in Capital Liabilities (A - B)</b>	<b>-</b>
<b>III</b>	<b>Increase/(Decrease) in Equity Capital</b>	
<b>IV</b>	<b>Total Funds available for Capital Expenditure (I+II+III)</b>	<b>6.13</b>
<b>V</b>	<b>Funds Utilised on Capital Expenditure:</b>	
	(a) On Projects	0.04
	b) Assets not in use - reissued for works	
	(c) Intangible Assets	
	(d) Deferred Costs	
	<b>Total of V</b>	<b>0.04</b>
<b>VI</b>	<b>Net Increase/(Decrease) in Investments</b>	
<b>VII</b>	<b>Net Increase/(Decrease) in Cash &amp; Bank Balance (IV - V - VI)</b>	<b>6.09</b>
<b>VIII</b>	<b>Add: Opening Cash &amp; Bank balances</b>	<b>4.89</b>
<b>IX</b>	<b>Closing Cash &amp; Bank Balances (VII+VIII)</b>	<b>10.98</b>



**MSEZL: Aggregate Revenue Requirement**  
**MSEZL-Total**

(Rs in Cr)

Sl. No.	Item	Ref Form No.	FY 20
			Actuals
1	Equity Share Capital as allocated to license activity (at actual equity ratio of 54%)	A-2	35.55
2	Equity Share Capital as per KERC norms – GFA as at 01.04.2019 is Rs.67.16 Cr*30%, normative equity		20.15
3	Equity Share Capital resitricted to 30% for RoE allowability as per KERC norms		20.15
4	<b>Total equity for RoE</b>		<b>20.15</b>



**MSEZL: Revenue Requirement - Capital Base**  
**MSEZL-Total**

SI No	Data Required	Ref Form No.	(Rs in Crs)	
			FY 20	Actuals
1	Original cost of fixed assets ( at the beginning of the year)	D15	-	
(a)	Cost of intangible assets		-	
(b)	The original cost of work in progress	D17	-	
(c)	The amount of investment compulsorily made under para-IV of the Sixth Schedule		-	
(d)	An amount on account of working capital equal to the sum of :		-	
(e)	(e) i Average cost of stores		-	
	(1/12 <sup>th</sup> of the sum of the stores materials and supplies including fuel in hand at the end of each month of the year)		-	
(e) ii	Average cash and bank balance		-	
	(1/12 <sup>th</sup> of the sum of cash and bank balance whether credit or debit and call and short term deposits at the end of each month of the year)		-	
	<b>Sum of above</b>		-	
<b>Less</b>			-	
2	The amounts written off or set aside on account of	D8	-	
i)	depreciation of fixed assets.		-	
ii)	The amount of any loan or subvention from the State	D9	-	
ii.a)	The amount of any loans borrowed from organisations or institutions approved by the State Government.	D9	-	
ii-b)	The amount of any debenture issued by the licensee.		-	
iii)	The amounts deposited in cash with the licensee by consumers, by way of security.		-	
iv)	The amount standing to the credit of Tariff and Dividends Control Reserve at the beginning of the year of account.		-	
v)	The amount standing to the credit of the Development Reserve at the close of the year.		-	
vi)	The amount carried forward (at the beginning of the year of account) in the accounts of the Licensee for distribution to the consumers.		-	
	<b>Sum of above</b>		-	



MSEZL - Cost of Purchased Power - 20

SI No	Source	Units purchased (M.U.)	Fixed Charges per annum (Rs in Crs)	Variable charges (Rs crs)				Total Cost of Power at each interface point. (Rs in Crs)			Form-T1/D1 Average rate (Rs./kwh)	
				Variable charge - Rs. in Crs.	Fuel escalation charge	Incentive payment	Wheeling charge	Any Other Charges	Total variable charge	Fixed charges		Variable charges
	MESCOM	56.88		35.8935		-	-	3.41	39.3017	-	39.3017	
	<b>TOTAL</b>	<b>56.88</b>	<b>-</b>	<b>35.8935</b>		<b>-</b>	<b>-</b>	<b>3.41</b>	<b>39.3017</b>	<b>-</b>	<b>39.3017</b>	<b>6.91</b>

Note:

- 1.The PP cost/unit is Rs 6.226/kWh being the rate approved by KERC for FY 2019-20. The PP cost of Rs.35.8935 Crore paid to MESCOM also includes the FAC charged by MESCOM from time to time.
- 2.The quantum of energy purchased is as per the actuals bills received from MESCOM during the period April 2019 to March 2020.
- 3.The KERC vide the order dated 30.05.2019 while approving the APR for FY 2017-18 had revised the power purchase cost of FY 2017-18 and directed MSEZL to pay the differential power purchase cost of Rs.3.41 Crore to MESCOM. MSEZL had paid Rs. 3.41 Crore to MESCOM on 29.06.2019.



## MSEZL : REVENUE FROM SALE OF POWER

Form T2/D2

Sl. No.	Particulars	Actuals Current year-FY20			
		No of Installations	Energy Sold (MU)	Revenue (Rs Crs)	Average realisation (Rs/unit)
I	<b>Consumer Categorywise-HT 33KV</b>				
1	Residential				
2	Commercial				
3	Industrial				
4	Water supply	8	50.76	43.31	8.53
5	Public lighting				
6	Temporary				
	<b>Total HT 33 KV</b>	<b>8</b>	<b>50.76</b>	<b>43.31</b>	<b>8.53</b>
II	<b>Consumer Categorywise-HT 11KV</b>				
1	Residential				
2	Commercial				
3	Industrial	10	5.10	4.63	9.08
4	Water supply				
5	Public lighting				
6	Temporary	1	0.20	0.25	12.66
	<b>Total HT 11 KV</b>				
	<b>Total</b>	<b>11</b>	<b>5.30</b>	<b>4.88</b>	<b>9.21</b>
II	<b>Consumer Categorywise-LT</b>				
1	Residential				
2	Commercial				
3	<b>LT others</b>				
4	Industrial	8	0.42	0.31	7.51
5	Water supply				
6	Public lighting				
7	Temporary	2	0.04	0.06	13.43
	<b>Total LT</b>	<b>10</b>	<b>0.46</b>	<b>0.37</b>	<b>8.04</b>
III	Electricity duty recovery/Other State levies recovered				
IV	Wheeling charges recovery				
V	Misc Charges from Consumers				
1	Fuse of calls				
2	Reconnection Fee				
3	Public lighting maintenance charges				
4	Service connection charges				
5	Delayed payment charges				
6	Other receipts				
	Total of IV				
VI	Gross Revenue from Sale of Power (I+II+III+IV)				
VII	LESS:				
1	Electricity duty payable (Contra)				
	TOD impact				
2	Other State levies payable (Contra)				
3	Withdrawal of Revenue Demand				
	<b>Total of VI</b>				
VII	<b>Total (V-VI)</b>				
	<b>Grand Total</b>	<b>29</b>	<b>56.52</b>	<b>48.57</b>	<b>8.59</b>



Form-D3

**MSEZL : REVENUE SUBSIDIES AND GRANTS**  
Retail supply business

(Rs. in Cr)

SI No	Particulars	FY 20
		Actuals
1	RE Subsidies	
2	Grants for Research and Development Expenses	-
3	Grant for Survey and Investigation	-
4	Others (this contra is taken in the depreciation - Contra refer D 15 and D8 )	-
	<b>Grand Total</b>	-



**MSEZL : NON-TARIFF INCOME (OTHER INCOME)**  
**MSEZL-Total**

(Rs. in Cr)

SI No	Particulars	FY 20
		Actuals
1	<b>Interest on staff loans and advances</b>	
2	<b>Income from Investments:</b>	
a	Interest on securities	-
b	Interest on Bank fixed deposits	-
c	Income on other investments	-
d	Interest on loans/advances to suppliers/ Contractors	-
e	Interest from Banks/Security Deposits with MESCOM	0.28
f	Interest on loans to Societies	-
3	<b>Income from Trading:</b>	-
a	Profit on sale, hire etc of apparatus	-
b	Hire charges from Contractors	-
c	Material Cost Variance	-
d	Profit on sale of stores	-
e	Sale of Scrap	-
f	Other Misc Receipts from trading	-
g	Other income -	0.02
4	<b>Income/Fees collections against staff welfare activities:</b>	-
a	Recoveries for transport facilities	-
5	<b>Miscellaneous Receipts:</b>	-
a	Income due to right of way granted for laying fibre optic cables/co-axial cables on T&D system	-
b	Rental from Staff Quarters	-
c	Rental from others	-
d	Leave contribution	-
e	Excess found on physical verification of stock	-
f	Excess found on physical verification of stock	-
g	Excess found on physical verification of Assets	-
h	Recovery from transport & vehicle expenses	-
i	Commission for collection of electricity duty	-
j	Misc. recoveries	-
k	Incentives received	-
l	Provision for Bad debts withdrawn	-
m	Extra-ordinary credits	-
	<b>Grand Total</b>	<b>0.30</b>



**MSEZL : REPAIRS AND MAINTENANCE COSTS**  
**MSEZL-Total**

Rs.in Cr.

Sl No	Particulars	FY 20		
		Actuals		
		Consum-ption of stores	Other expenses	Total
	<b>Repairs and maintenance to:</b>			
1	Plant and Machinery			-
2	Transformers: (*) (a) repairs and maintenance made departmentally (b) repairs and maintenance by private agencies	-		-
3	Buildings	-	-	-
4	Other civil works/road	-	-	-
5	Hydraulic works	-	-	-
6	Lines, Cable Network, etc -	-		-
7	Sub-station maintenance by private agencies and Inspection/Testing/statutory charges paid to Electrical Directorate; KPTCL; CEIG	0.02	0.71	<b>0.73</b>
8	Vehicles	-	-	-
9	Furniture & Fixtures	-	-	-
10	Office Equipments	-	-	-
11	Others/Computers	-	-	-
12	R&M on Old assets	-	-	-
13	R&M on New assets	-		-
	<b>Total</b>	<b>0.02</b>	<b>0.71</b>	<b>0.73</b>





Form D6

**MSEZL : EMPLOYEE COSTS**

**MSEZL-Total**

(Rs. in Cr)

SI No	Particulars	FY 20
		Actuals
1	Salaries	0.46
2	Overtime	-
3	Dearness Allowance	-
4	Other Allowances	-
5	Bonus	-
<b>6</b>	<b>Sub-Total (1 to 5)</b>	<b>0.46</b>
7	Medical expenses reimbursement	-
8	Leave travel Assistance	-
9	Earned Leave Encashment	-
10	Leave Encashment and gratuity	-
11	Payment under Workmen's Compensation Act	-
12	Employee insurance	-
<b>13</b>	<b>Total Other staff costs ( 7 to 12)</b>	<b>-</b>
14	Staff Welfare expenses	-
15	Terminal Benefits/PF Employer Contribution	-
<b>16</b>	<b>Sub-total (14 to 15)</b>	<b>-</b>
17	Addition liability on account of pay revision	-
<b>18</b>	<b>Grand Total</b>	<b>0.46</b>



MSEZL : EMPLOYEES COSTS - ADDITIONAL INFORMATION  
MSEZL - Total

Rs. in Cr

Sl No	Category of employee	FY 20		
		Actuals		
		Number		Cost
		Sanctioned	Working	Rs in Crores
1	Board of directors (full time)			
2	Chief Engineer & equivalents			
3	Superintending Engineers & equivalents			
4	Executive Engineers & equivalents			
5	Asst Executive Engineers &			
6	Manager			
7	All other staff			0.46
8	Terminal Benefits			0.00
9	Others			0.00
10				
	<b>Total</b>	-	-	<b>0.46</b>



Form-D7

**MSEZL : ADMINISTRATION AND GENERAL CHARGES**  
MSEZL-Total

SI No	Particulars	Rs. in Cr
		FY 20 Actuals
1	Rent,Rates and Taxes	0.04
2	Expenses incurred towards security arrangements	-
3	Insurance on fixed assets & Others	0.04
4	Car hire Charges	0.04
5	Pagers, Cellular phones, E-Mail, Telephone etc	-
6	Postage	-
7	Revenue receipt stamps/Computer billing	-
8	Bank charges	0.01
9	Audit fee	0.05
10	Professional charges	0.01
11	Technical fee	0.02
12	Office Expenses	0.01
13	Conveyance, Hotel Accommodation & Travel expenses	0.0040
	<b>Sub-total</b>	<b>0.23</b>
14	Other expenses	
15	Fees & subscription (incl. KERC filling charges, ROC filing fee, Application fee @ 0.025% of expected revenue)	0.02
16	Books, Periodicals and dairies	0.001
17	Printing & Stationery	0.01
18	Factory license fees	
19	Advertisement expenses	0.02
20	Computer expenses	0.003
21	Contributions	-
22	Electricity charges	-
23	Statutory payment under Companies Act	-
24	Office Expenses	0.04
25	Revenue expenditure incurred on software	-
26	Miscellaneous expenses	
	<b>Total other expenses</b>	<b>0.08</b>
27	Freight & other material related expenditure	-
	<b>GRAND TOTAL</b>	<b>0.31</b>



## MSEZL : DEPRECIATION

## MSEZL-Total

Rs. in Crs.

Sl No	Particulars of assets	FY 20			
		Actuals			
		Balance at the end of the year	Depreciation provided for the year	With drawal of depreciation	Balance at the end of the year
<b>MSEZL- Total</b>					
1.	Leasedhold Land		-	-	-
2.	Building and structures	0.36	0.09	-	0.44
0	<b>Plant and Machinery</b> Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and below.	4.03	1.01	-	5.04
4.	Substation Transformers, Circuit breakers, other fixed apparatus of rating above 100 MVA .	-		-	-
5.	Towers, Poles, fixture, overhead conductors,UG cables and devices	5.98	1.71	-	7.69
7.	Service lines	-	-	-	-
8.	Metering equipment	-	-	-	-
9.	Misc equipment	-	-	-	-
10.	Other items/Computers	-	-	-	-
a	Hydraulic Works/Civil works	-	-	-	-
b	Other Civil Works - Roads	0.11	0.03	-	0.13
c	Vehicles	-	-	-	-
d	Furniture Fixtures	-		-	-
e	Office Equipments	-	-	-	-
f	Software (intangilbe asset)	-	-	-	-
	<b>MSEZL Total</b>	<b>10.48</b>	<b>2.83</b>	<b>-</b>	<b>13.31</b>



Form- D9

**MSEZL : LOANS AND DEBENTURES AND INTEREST CHARGES**

MSF71-Total

(Rs. in Crores)

Institution	FY 20					
	Actuals					
	Opening Balance	New loan addition	Total loan at the end of the year	Repayment of principal	Interest for the year	Closing Bal
<b>Secured Loans -State Bank of India</b>						
1 Borrowings from SBI - A	23.87	-	23.87	-	2.06	23.87
a Add:Normative debt component to bring the debt to normative levels (normative @ 24%) i.e.70%-46%	12.45		12.45	-	-	12.45
b Total debt considered @ 70% for tariff allowability as per KERC norms	36.32		36.32	-	2.06	36.32
			-			
2 Fresh borrowings for capex - B			-	-		-
b Total debt considered @ 70% for tariff allowability as per KERC norms						
Cost of hedging					-	
<b>Total = A</b>	<b>23.87</b>	<b>-</b>	<b>23.87</b>	<b>-</b>		<b>23.87</b>
12 Others						
<b>Other Interest and finance charges</b>						
Guarantee commission to GoK						
Interest payable on Power Purchases						
Interest to Consumers			-		0.35	-
Interest on working capital - wires business					-	
Interest on working capital -supply business					-	
<b>Others Total</b>	<b>-</b>				<b>0.35</b>	<b>-</b>
<b>Total</b>	<b>23.87</b>	<b>-</b>	<b>23.87</b>	<b>-</b>	<b>2.41</b>	<b>23.87</b>



## MSEZL : DISTRIBUTION WIRES BUSINESS

## MSEZL TOTAL

(Rs. in Crores)

## Sale and Lease Back of Assets - FY 20

Sl. No.	Particulars of Assets	Year of Acquisition	Original Cost of the Asset	Year of Sale	Book value at the time of the sale	Period of Lease (Years)	Annual Lease payments	Remarks
	Transformers accessories circuit breakers	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>							



Form-D10

MSEZL : DETAILS OF EXPENSES CAPITALIZED  
MSEZL-Total

(Rs. in Cr)

SI No	Particulars	FY 20
		Actuals
1	Interest & Finance charges Capitalised	
<b>2</b>	<b>Other expenses capitalised:</b>	
a	Employee Costs	-
b	Administration and General Expenses	-
c	Repairs and maintenance	-
d	Depreciation	-
e	Others, if any	
	Total of 2	-
	<b>Grand Total</b>	-



Form-D11

**MSEZL : OTHER DEBITS**  
**MSEZL-Total**

Rs. in Cr

Particulars	FY 20
	Actuals
Small and Low value items written off	-
Computer Rentals/Maintenance charges	-
Losses/gains relating to Fixed assets	-
Assets decommissioning cost	-
Bad debts written off	-
Provisions for bad and doubtful debts	-
Miscellaneous losses and write offs	-
Material cost variance	-
Bad & doubtful debts provided for others	-
<b>Grand Total</b>	-





Form-D12

**MSEZL : EXTRAORDINARY ITEMS**  
**MSEZL-Total**

(Rs. in Cr)

SI No	Particulars	FY 20
		Actuals
1	Extraordinary Credits(incl. subsidies against losses due to natural disasters	-
	<b>TOTAL CREDITS</b>	-
2	Extraordinary Debits (incl. subsidies against losses due to natural disasters	-
	<b>TOTAL DEBITS</b>	-
3	<b>Grand Total</b>	-



**MSEZL : NET PRIOR PERIOD CREDIT/(CHARGES)**  
**MSEZL-Total**

(Rs. in Cr)

SI No	Particulars	FY 20
		Actuals
	<b>Prior period credits/charges</b>	-
1	Short/excess provision of depreciation	-
2	Short/excess provision of Interest and finance charges	-
3	Short provision for power purchase in previous years	-
4	Withdrawal of Revenue Demand and receipts from consumes relating to prior periods	-
5	Other expenses/income relating to prior periods	-
6	A&G expenses for prior period	-
7	Other excess provisions relating to prior periods	-
8	Operating expenses of previous year	-
9	Employee cost relating to previous year	-
10	Material related expenses relating to previous years	-
11	Excess provision of IT	-
	<b>Net prior period Credit/(Charges)</b>	-

NOTE: Explanatory notes with full details for each of the items shall be provided.



Form D14

**MSEZL: CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS COST  
OF CAPITAL ASSETS**

**MSEZL-Total**

(Rs. in Cr)

Sl No	Particulars	FY 20		
		Actuals		
		Balance at the end of the year	Additions during the Year	Balance at the end of the year
1	Consumers Contribution	-	-	-
2	Subsidies towards cost of Capital Assets*	-	-	-
3	Grants towards cost of Capital Assets*	-	-	-
4	Others	-	-	-
	Less: Adjusted against asset cost	-	-	-
D3	Revenue Subsidy Recognised in P&L A/c.	-	-	-
	<b>Grand Total</b>	-	-	-



**MSEZL : GROSS FIXED ASSETS**  
**MSEZL-Total**

Form-D15

(Rs. in Cr)

Sl No	Particulars of assets	FY 20			
		Actual			
		Balance at the end of previous year	Additions during the year	Retirement of assets during the year	Balance at the end of the year
<b>MSEZL - Total</b>					
1.	Leasehold Land	6.17	-		6.17
2.	Building and structures	2.84	-		2.84
3.	<b>Plant and Machinery</b> Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and below	21.28	0.01		21.29
4.	Substation Transformers, Circuit breakers, other fixed apparatus of rating above 100 MVA .	-	-		-
5.	Towers, Poles, fixture, overhead conductors,UG cables and devices	35.92	0.03		35.96
6	Service lines	-	-		-
7	Metering equipment	-	-		-
8	Misc equipment	-	-		-
9	Other items/Computers	0.07	-		0.07
a	Hydraulic Works/Civil	-	-		-
b	Other Civil Works - Roads	0.87	-		0.87
c	Vehicles	-	-		-
d	Furniture Fixtures	-	-		-
e	Office Equipments	-	-		-
f	Software (intangible asset)	-	-		-
<b>MSEZL - Total</b>		<b>67.16</b>	<b>0.04</b>	-	<b>67.20</b>



**MSEZL : NET FIXED ASSETS**  
**MSEZL-Total**

Form-D16

(Rs. in Cr)

Sl No	Particulars of assets	FY 20			
		Actual			
		Balance at the end of previous year	Addition of assets during the year	Net Depreciation for the Year	Balance at the end of the year
	<b>MSEZL- Total</b>				
1.	Leasedhold Land	6.17	-	-	6.17
2.	Building and structures	2.49	-	0.09	2.40
3.	<b>Plant and Machinery</b> Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and above.	17.25	0.01	1.01	16.24
4.	Substation Transformers, Circuit breakers, other fixed apparatus of rating below 100 MVA .	-	-	-	-
5.	Towers, Poles, fixture, overhead conductors, UG cables and deviices	29.94	0.03	1.71	28.27
7.	Service lines	-	-	-	-
8.	Metering equipment	-	-	-	-
9.	Misc equipment	-	-	-	-
10.	Other items/Computers	0.07	-	-	0.07
a	Hydraulic Works/Civil works	-	-	-	-
b	Other Civil Works - Roads	0.77	-	0.03	0.74
c	Vehicles	-	-	-	-
d	Furniture Fixtures	-	-	-	-
e	Office Equipments	-	-	-	-
f	Software (intangilbe asset)	-	-	-	-
	<b>MSEZL- Total</b>	<b>56.68</b>	<b>0.04</b>	<b>2.83</b>	<b>53.89</b>



## MSEZL : WORK IN PROGRESS - DISTRIBUTION

## MSEZL-Total

(Rs. in Cr)

Description	FY 20
	Actual
Opening balance	-
<b>Add:</b>	
i) Capital expenditure	
ii) Interest & Finance charges capitalised	
iii) Expenses (including Interest) capitalised	
iv) Capital receipt deducted in capital cost	
v) Being the allocation of project development expenses reduced.	
<b>Total capital expenditure for the year</b>	-
Less: Expenditure Capitalised (Transferred to Form-T15/D15)	-
<b>Closing Balance</b>	-



ANNEXURE-1							
ESCOMs TOTAL POWER PURCHASE FOR FY21							
Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Average Cost/Unit in Rs	Amount in Crores	Average Cost/Unit in Rs
<b>A</b>	<b>KPCL THERMAL</b>						
1	RAICHUR THERMAL POWER STATION_RTPS 1-7 (7x210)	6998.70	883.59	2428.55	3.47	3312.14	4.73
2	RAICHUR THERMAL POWER STATION_RTPS 8 (1x250)	1400.00	214.74	495.60	3.54	710.34	5.07
3	BELLARY THERMAL POWER STATIONS_BTPTS-1 (1x500)	1216.34	326.11	485.32	3.99	811.43	6.67
4	BELLARY THERMAL POWER STATIONS_BTPTS-2 (1x500)	1320.18	456.55	480.55	3.64	937.10	7.10
5	BELLARY THERMAL POWER STATIONS_BTPTS-3 (1x700)	2404.09	754.88	831.82	3.46	1586.70	6.60
6	YTPS	1854.29	1419.21	686.09	3.70	2105.29	11.35
	<b>TOTAL KPCL THERMAL</b>	<b>15193.60</b>	<b>4055.08</b>	<b>5407.92</b>	<b>3.56</b>	<b>9462.99</b>	<b>6.23</b>
<b>B</b>	<b>CGS SOURCES</b>						
1	N.T.P.C-RSTP-I&II (3X200MW+3X500MW)	2215.11	195.42	595.86	2.69	791.28	3.57
2	N.T.P.C-RSTP-III (1X500MW)	596.32	51.55	162.20	2.72	213.75	3.58
3	NTPC-TALCHER (4X500MW)	2261.79	180.02	450.10	1.99	630.12	2.79
4	SIMHADRI UNIT -1 & 2 (2X500MW)	1010.40	201.83	359.70	3.56	561.53	5.56
5	NTPC TAMILNADU ENERGY COMPANY LTD (NTECL)_VALLUR TPS STAGE I & 2 & 3 (3X500MW)	747.61	191.71	298.30	3.99	490.01	6.55
6	NEYVELI LIGNITE CORPORATION_NLC TPS-II STAGE I (3X210MW)	738.01	68.09	210.33	2.85	278.42	3.77
7	NEYVELI LIGNITE CORPORATION_NLC TPS-II STAGE 2 (4X210MW)	1025.57	95.21	292.29	2.85	387.50	3.78
8	NEYVELI LIGNITE CORPORATION_NLC TPS I EXP (2X210MW)	774.32	71.23	201.32	2.60	272.55	3.52
9	NEYVELI LIGNITE CORPORATION_NLC TPS2 EXP (2X250MW)	606.23	188.00	160.65	2.65	348.65	5.75
10	NLC TAMILNADU POWER LIMITED (NTPL) (TUTICORIN) (2X500MW)	1143.39	223.29	351.02	3.07	574.31	5.02

V. SURYANARAYANA

V. SURYANARAYANA

Chief Executive  
Mangalore SEZ Limited

ESCOMs TOTAL POWER PURCHASE FOR FY21							
Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount In Crores	Amount in Crores	Average Cost/Unit in Rs	Amount in Crores	Average Cost/Unit in Rs
11	MAPS (2X220MW)	85.86	-	24.64	2.87	24.64	2.87
12	KAIGA UNIT 1&2 (2X220MW)	844.87	-	355.69	4.21	355.69	4.21
13	KAIGA UNIT 3 & 4 (2X200MW)	859.45	-	361.83	4.21	361.83	4.21
14	NPCIL-KUDANKULAM ATOMIC POWER GENERATING STATION (KKNPP U1 (1X1000MW)	1269.74	-	539.64	4.25	539.64	4.25
15	NPCIL-KUDANKULAM ATOMIC POWER GENERATING STATION (KKNPP) U2(1X1000MW)	1498.08	-	636.68	4.25	636.68	4.25
16	DVC-UNIT-1 & 2 MEJA TPS (2X500MW)	1161.80	203.84	349.70	3.01	553.54	4.76
17	DVC-UNIT-7 & 8- KODERMA TPS (2X500MW)	1452.25	293.93	389.20	2.68	683.13	4.70
18	KUDGI	1200.00	966.89	454.80	3.79	1421.69	11.85
19	NEW NLC THERMAL PROJECT	457.30	111.50	103.35	2.26	214.85	4.70
	TOTAL CGS ENERGY @ KPTCL PERIPHERY	19948.10	3042.51	6297.31	3.16	9339.82	4.68
C	MAJOR IPPS						
1	UDUPI POWER CORPORATION LIMITED_UPCL (2x600)	3600.00	1141.20	1306.80	3.63	2448.00	6.80
D	KPCL HYDEL STATIONS						
1	SHARAVATHI VALLEY PROJECT_SVP (10x103.5+2x27.5)	5003.18	-	230.15	0.46	230.15	0.46
2	MAHATMA GANDHI HYDRO ELECTRIC POWER HOUSE_MGHE (4x21.6+4x13.2)	259.79	-	18.45	0.71	18.45	0.71
3	GERUSOPPA_GPH (SHARAVATHI TAIL RACE_STR) (4x60)	525.41	-	93.00	1.77	93.00	1.77
4	KALI VALLEY PROJECT_KVP (2x50+5x150+1x135)	3119.00	-	224.57	0.72	224.57	0.72
5	VARAHI VALLEY PROJECT_VVP (4x115+2x4.5)	1008.51	-	141.19	1.40	141.19	1.40
6	ALMATTI DAM POWER HOUSE_ADPH (1x15+5x55)	434.56	-	70.40	1.62	70.40	1.62

AMAVANARAYANA V

**V. SURYANARAYANA**  
Chief Executive Officer  
Mangalore SEZ Limited



**ESCOMs TOTAL POWER PURCHASE FOR FY21**

Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount in Crores	Amount in Crores	Average Cost/Unit in Rs	Amount in Crores	Average Cost/Unit in Rs
7	BHADRA HYDRO ELECTRIC POWER HOUSE_BHEP ((1x2+2x12)+(1x7.2+1x6))	47.86	-	26.13	5.46	26.13	5.46
8	KADRA POWER HOUSE_KPH (3x50)	370.69	-	91.19	2.46	91.19	2.46
9	KODASALLI DAM POWER HOUSE_KDPH (3x40)	347.07	-	61.43	1.77	61.43	1.77
10	GHATAPRABHA DAM POWER HOUSE_GDPH (2x16)	68.06	-	14.02	2.06	14.02	2.06
11	SHIVASAMUDRAM (4x4+6x3) & SHIMSHAPURA (2x8.6) HYDRO STATIONS.	291.47	-	11.95	0.41	11.95	0.41
12	MUNIRABAD POWER HOUSE (2x9+1x10)	91.44	-	10.24	1.12	10.24	1.12
	<b>TOTAL KPCL HYDRO</b>	<b>11567.04</b>	<b>-</b>	<b>992.71</b>	<b>0.86</b>	<b>992.71</b>	<b>0.86</b>
D	<b>OTHER HYDRO</b>						
1	PRIYADARSHINI JURALA HYDRO ESLECTRIC STATION (6x39)	156.55	-	58.66	3.75	58.66	3.75
2	TUNGABHADRA DAM POWER HOUSE_TBPH (4x9+4x9)	27.05	-	3.04	1.12	3.04	1.12
	<b>TOTAL OTHER HYDRO</b>	<b>183.60</b>	<b>-</b>	<b>61.70</b>	<b>3.36</b>	<b>61.70</b>	<b>3.36</b>
	<b>RE SOURCES</b>						
1	WIND-IPPS	7136.51	-	2776.10	3.89	2776.10	3.89
2	KPCL-WIND (9x0.225+10x0.230)	10.08	-	4.04	4.01	4.04	4.01
3	MINI HYDEL-IPPS	1228.73	-	409.17	3.33	409.17	3.33
4	CO-GEN	560.92	-	213.71	3.81	213.71	3.81
5	CAPPTIVE	290.66	-	115.68	3.98	115.68	3.98
6	BIOMASS	109.30	-	59.02	5.40	59.02	5.40
7	Solar Exisitng	5288.59	-	2180.72	4.12	2180.72	4.12
8	S RTPV	147.06	-	91.77	6.24	91.77	6.24
9	Solar taluka Projects	846.56	-	263.28	3.11	263.28	3.11
10	Solar-New Park Pavagada	1846.27	-	522.49	2.83	522.49	2.83
11	Wind MOA	154.87	-	59.47	3.84	59.47	3.84

ESCOMs TOTAL POWER PURCHASE FOR FY21							
Sl no	NAME OF THE GENERATING STATION	Energy considered (MU)	Capacity Charges	Variable Charges		Total Cost	
			Amount In Crores	Amount in Crores	Average Cost/Unit in Rs	Amount In Crores	Average Cost/Unit in Rs
12	SOLAR-KPCL (YELESANDRA,ITNAL,YAP ALDINNI,SHIMSHA) (3X1+3X1+1X3X1X5)	8.82	-	5.29	6.00	5.29	6.00
	TOTAL RE	17628.37	-	6700.75	-	6700.75	
1	BUNDLED POWER COAL(OLD)	309.73	-	125.13	4.04	125.13	4.04
2	BUNDLED POWER COAL(NEW)	2018.94	-	607.70	3.01	607.70	3.01
3	BUNDLED POWER SOLAR(OLD)	120.50	-	126.77	10.52	126.77	10.52
4	BUNDLED POWER SOLAR(NEW)	1249.40	-	599.71	4.80	599.71	4.80
	TOTAL BUNDLED POWER	3698.57	-	1459.31	-	1459.31	-
1	MEDIUM TERM. (CO GEN)	1285.06	-	669.52	5.21	669.52	5.21
E	TOTAL TRANSMISSION & LDC CHARGES						
1	KPTCL TRANSMISSION CHARGES	-	4292.87	-	-	4292.87	-
2	PGCIL CHARGES	-	1771.89	-	-	1771.89	-
3	SLDC	-	25.43	-	-	25.43	-
4	POSOCO CHARGES	-	2.48	-	-	2.48	-
F	TOTAL INCLUDING TRANSMISSION & LDC CHARGES	73104.341	14331.46	22896.01	3.132	37227.47	5.092

  
**V. SURYANARAYANA**  
 Chief Executive Officer  
 Mangalore SEZ Limited