

**CHAPTER-3**  
**Annual Performance**  
**for FY-20**

## Annual Performance for FY-20

3.1 The financial statements for FY 20 have been finalized and placed before the Board of Directors for approval in the 80<sup>th</sup> Meeting of the directors held on 27/11/2020 and the Audit of the Accounts by the Statutory Auditors is completed. The financial statements are subsequently taken up for supplementary / test audit by the C&AG.. Based on these approved financials, GESCOM proposes to file the Annual Performance Review and True Up for FY 20 as here under:

**Table-30**  
**Annual Performance for FY-20**

Amt in Crs.

Annual Performance Review for FY20 is as here under

Sl. No	Particulars	FY 20	FY20	Difference
		Actual	Approved	
1	Energy @ Gen Bus in MU	8483.22	9077.09	-593.87
2	Transmission Losses in %	4.61047	3.16	1.45047
3	Energy @ Interface in MU (March-19 to Feb-20)	8092.10	8790.07	-697.97
4	Distribution Losses in %	11.22%	14.89%	-0.0367
5	Sales in MU	7184.17	7481.24	-297.07
	Sales to other than IP-sets & BJ/KJ installation	3872.03	3856.32	15.71
	Sales to BJ/KJ installation	258.14	217.56	40.58
	Sales to IP Sets	3054.00	3407.35	-353.35
	<b>Total Sales</b>	<b>7184.17</b>	<b>7481.23</b>	<b>-297.06</b>
6	Revenue at existing tariff in RsCrs			0
	Revenue from tariff and Misc. Charges	3093.81	2909.24	184.57
	Tariff Subsidy to BJ/KJ Installations	182.76	146.64	36.12
	Tariff Subsidy to IP-sets	1836.53	1945.66	-109.13
	<b>Total Existing Revenue</b>	<b>5113.10</b>	<b>5001.54</b>	<b>111.56</b>
	Expenditure in RsCrs			0
7	Power Purchase Cost	3806.82	3680.75	126.07
	Transmission charges of KPTCL	423.59	420.98	2.61
	SLDC	2.22	2.22	0
	<b>Total Power Purchase Cost including charges of KPTCL</b>	<b>4232.63</b>	<b>4103.95</b>	<b>128.68</b>
8	Employee Cost	612.02		
	Repairs & Maintenance	58.18	698.33	
	Admin & General Expenses	128.86		
	<b>Total O&amp;M Expenses</b>	<b>799.06</b>	<b>698.33</b>	<b>100.73</b>
9	Depreciation	211.42	172.94	38.48
10	Interest & Finance charges			0
11	Interest on Capital Loans	136.21	99.74	36.47

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12	Interest on belated payment of power purchase cost / Working Capital	321.5	103.90	217.6
13	Interest on consumer Security deposits	35.6	36.40	-0.8
14	Other Interest & Finance charges	0	0.00	0
15	Less interest & other expenses capitalised	15.63	-5.50	21.13
16	<b>Total Interest &amp; Finance charges</b>	<b>477.68</b>	<b>234.54</b>	<b>243.14</b>
17	Other Debits	71.15	0	71.15
18	Net Prior Period Debit/Credit	0	0	0
19	Return on Equity	0	0	0
20	Funds toward consumer relation/consumer education	0.07	0.5	-0.43
	<b>Total Expenditure</b>	<b>5791.94</b>	<b>5209.76</b>	<b>582.18</b>
21	Less :Other income	184.45	-88.28	272.73
	ARR	5607.49	5125.1	482.39
	Deficit for FY 18 to be carried forward		126.43	-126.43
	<b>Net ARR</b>	<b>5607.49</b>	<b>5251.53</b>	<b>355.96</b>

Note: The Revenue for the year is arrived after accounting the Regulatory income of Rs 128.68 Crores on accrual cost being the difference of actual power purchase cost and the approved power purchase cost for the year FY-20. Further the Regulatory income accounted during previous year FY 18 amounting to Rs 456.35 Crores is reversed during FY 20 considering being passed on in the tariff order of the relevant year. Excluding the Regulatory Income the Company had incurred loss during FY-20 is Rs 494.38 (Rs. 19.33 Crores net Profit in FY 19). Hon'ble Commission is requested to consider approving the difference in the expenses as compared to the approved numbers as true up for FY 20 based on the Audited Financials.

Table-31

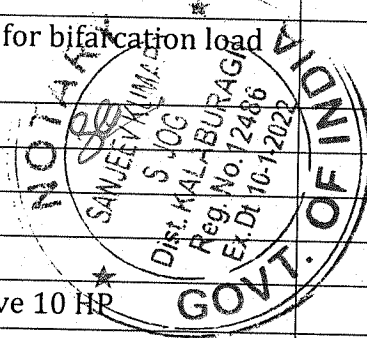
Details of Capital Budget Investment Approved and Expenditure booked for FY-20 and FY-21 (upto Sep-2020 actuals) FY-22(Projected)

Amount in Lakhs

Sl. No	Nomenclature of the Work	Capex Approved by Board for FY 2019-20	Utilized for FY 2019-20
1	GKS-SC	5538	2887
2	GKS-ST	3837	1917
3	GKS-BC	2827	1346
4	GKS-Min	1558	643
5	GKS-Vishwakarma	293	29
	<b>Total GKS</b>	<b>14053</b>	<b>6822</b>
6	Water Works.	1533	624
7	25 kVA Additional DTCs.	1385	882
8	63 kVA Additional DTCs.	1465	937
9	100 kVA Additional DTCs.	622	217
10	250KVA Additional DTCs.	18	0

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<b>Total Additional DTCs.</b>		<b>3490</b>	<b>2036</b>
11	25kVA to 63kVA DTC Enhancement.	537	240
12	63kVA to 100kVA DTC Enhancement.	703	250
13	100KVA to 250KVA DTC Enhancement.	148	0
<b>Total DTC Enhancement</b>		<b>1388</b>	<b>490</b>
14	Shifting of existing DTC to load center.	211	41
15	LT Line Conversion of 1 Ph 2 wire or 1 Ph 3 wire to 3Ph 5 Wire (Including providing ABC,UG cable etc).	663	75
16	Providing SMC Box to DTCs.	0	0
17	Replacement of Damaged poles	1721	1222
18	Energisation of IP Sets under General category	390	125
19	Energisation of IP Sets under General category (ShigrraSamparkaYojane)	695	412
20	Service Connection works other than IP/BJ/KJ/Water works.	1173	608
21	Sub Stations.	4532	1317
22	Stations Augmentation	743	81
23	Providing 33kV new link Lines for bifarcation load and Express Feeder	1056	38
24	Providing 11kV new link Lines for bifarcation load and Express Feeder	1269	498
25	NirantaraJyotiYojana	1016	1744
26	RAPDRP Part-A	120	9
27	RAPDRP Part-B	104	29
28	Un Authorized IP Sets	4161	1225
29	Providing meters to IP Sets above 10 HP	74	1
30	Providing meters to BJ/KJ	154	0
31	Providing meters to Street Lights and Water Supply.	544	80
32	Replacement of Faulty / MNR energy meters other than BJ/KJ/ Street Light.	602	38
33	Replacement of EM meters by Static meters	878	19
34	DTC Metering of RAPDRP	109	10
35	DTC Metering of non RAPDRP	1395	7
36	Replacement of 33kV Line Rabbit Conductor by Coyote Conductor	483	0
37	11kV Re-Conductoring	777	211
38	LT Re-Conductoring	1287	373
39	IT Initiatives, Automation and Call Centers	479	175
40	Establishing ALDC & SCADA	20	0
41	Distribution Automation System (DAS)	1500	722
42	DSM	30	0
43	Replacement of failed Distribution Transformers by New Transformer by Scraping failed Transformer which is beyond Repair.	2748	989
44	Replacement of Power Transformers	400	0



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45	Replacement of Old and failed equipments and other works of existing 33kV Stations & Lines.	969	362
46	Preventive measures to reduce the accidents (Providing intermediate poles, Re-stringing of sagging lines, providing guy and stud, guarding, shifting of lines, fencing of DTCs)	2050	1173
47	Safety Materials	300	31
48	Civil works	3303	1155
49	SCP/TSP	1201	507
50	SDP works	7655	3684
51	DDUGJY	28656	14499
52	IPDS	12172	6990
53	HT Conductor by 11KV AB Cable	269	6
54	T&P Materials i) Furniture	109	76
55	Computer and Printers (T & P materials)	99	3
56	Shifting of meter from I to O	2266	1418
57	Creation of Electrical Infrastructures for conversion of Existing various villages to Model villages	530	0
58	SOUBHAGYA Scheme	8319	3789
59	CWIP- Capital Expenditure booked for restoration of infrastructure in flood affected areas.	1866	957
60	Solar Roof Top of existing GESCOM buildings and substations under 13th Finance Commission.	0	0
<b>TOTAL</b>		<b>119562</b>	<b>54671</b>

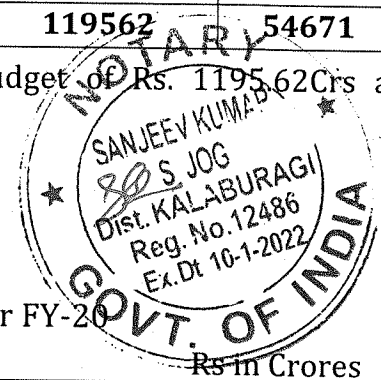
During the year 2019-20 out of the total allocated budget of Rs. 1195.62 Crs an expenditure of Rs. 546.71 Crs was incurred.

### 3.2 Financial performance of GESCOM for FY-20

**Table-32**  
Financial performance of GESCOM for FY-20

Sl. No	Particulars	FY20
	Receipts	
1	Revenue from Tariff, Tariff subsidy and misc. charges	5113.1
2	Other income	184.45
	Total Revenue	5297.55
	Expenditure	
3	Power Purchase Cost	3806.82
4	Transmission charges of KPTCL	423.59
5	SLDC Charges	2.22
	Power Purchase Cost including cost of transmission	4232.63
6	O&M Expenses	799.06
7	Depreciation	211.42
	Interest & Finance charges	
8	Interest on Loans	136.21
9	Interest on consumer deposits	35.6

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10	Interest on belated payment of power purchase cost/Working capital	321.5
11	Other Interest & Finance charges	0
12	Less: Interest and Finance charges Capitalised	15.63
	Total interest & finance charges	477.68
13	Other Debits	71.15
13	Net Prior Period Debit/Credit	0
14	Total Expenditure	5791.94
	Profit /(Loss)	-494.39

### 3.3 GESCOM's Accumulated Profit / Losses

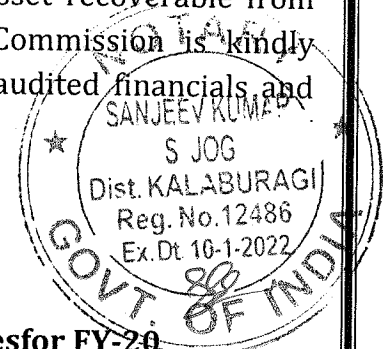
Table-33

Amount in Rs. Crs

#### GESCOM's Accumulated Profit / Losses

Particulars	Profit / (Loss) for the year	Accumulated profit / (Loss) at the year end
For the year 2018-19	319.77	-1,002.44
For the year 2019-20	-982.29	-1,984.73

The loss for FY 20 is after accounting income on Regulatory Asset recoverable from consumers in subsequent financial years. However, Hon'ble Commission is kindly requested to approve the difference in expenditure as per the audited financials and Approved numbers in the true up exercise.



### 3.4 Energy sale for FY-20

Table-34

#### Tariff wise approved & Actual number of installations and Sales for FY-20

Category	Sales for FY-20 in MU			No. of installation FY-20		
	Approved	Actuals	Diff	Approved	Actuals	Diff
BJ/KJ-More than 40 units	13.91	6.60	-7.31	15146	8497	-6649.00
LT-2a	1247.13	1202.32	-44.81	1754724	1830097	75373.00
LT-2b	15.19	14.82	-0.37	5404	5191	-213.00
LT-3	353.8	352.82	-0.98	283442	286835	3393.00
LT-4 (b)	2.00	2.82	0.82	2870	2289	-581.00
LT-4 (c)	1.13	1.16	0.03	498	451	-47.00
LT-5	171.26	172.20	0.94	66953	66504	-449.00
LT-6 WS	377.97	413.67	35.70	23669	25208	1539.00
LT-6 PL	277.91	244.22	-33.69	12260	13289	1029.00
LT-7	21.09	22.29	1.20	35856	34850	-1006.00
HT-1	131.1	109.95	-21.15	158	156	-2.00
HT-2 (a)	982.38	1088.82	106.44	1653	1695	42.00
HT-2 (b)	73.83	75.87	2.04	412	412	0.00
HT2C	34.36	29.65	-4.71	238	213	-25.00

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HT-3(a)& (b)	114.78	115.55	0.77	464	422	-42.00
HT-4	14.29	14.75	0.46	29	39	10.00
HT-5	24.2	11.12	-13.08	41	42	1.00
Sub-Total other than BJ/KJ and IP sets	3856.33	3878.62	22.29	2203817	2276190	72373.00
BJ/KJ-Upto 40 Units	217.56	251.55	33.99	597675	589178	-8497.00
IP	3407.35	3054.00	-353.35	389615	399627	10012.00
Sub-Total BJ/KJ and IP sets	3624.91	3305.55	-319.36	987290	988805	1515.00
Total	7481.24	7184.17	-297.07	3191107	3264995	73888.00

**Table-35**

**Comparison of Energy Sales in MU for FY 20 as per Audited Financials**

Million units

Category	FY 19 Audited	Approved Tariff Order 2019	FY 20 Audited	Increase/ Decrease over FY19	Increase / decrease over Approved (Tariff Order19)
BJ/KJ more than 40 units	7.93	13.91	6.60	-1.33	-7.31
LT-2a	1122.19	1247.13	1202.32	80.13	-44.81
LT-2b	13.94	15.19	14.82	0.88	-0.37
LT-3	325.51	353.80	352.82	27.31	-0.98
LT-4 (b)	9.65	2.00	2.82	-6.83	0.82
LT-4 (c)	1.04	1.13	1.16	0.12	0.03
LT-5	171.63	171.26	172.20	0.57	0.94
★ LT-6-WS	356.66	377.97	413.67	57.01	35.70
LT-6-PL	252.69	277.91	244.22	-8.47	-33.69
LT-7	20.10	21.09	22.29	2.19	1.20
HT-1	111.45	131.10	109.95	-1.50	-21.15
HT-2 (a)	1144.22	982.38	1088.82	-55.40	106.44
HT-2 (b)	72.98	73.83	75.87	2.89	2.04
HT2C	26.28	34.36	29.65	3.37	-4.71
HT-3(a)& (b)	113.55	114.78	115.55	2.00	0.77
HT-4	14.40	14.29	14.75	0.35	0.46
HT-5	11.62	24.20	11.12	-0.50	-13.08
Sub-Total other than BJ/KJ & IP sets	3775.85	3856.32	3878.62	102.77	22.30
LT-1 BJ/KJ	237.47	217.56	251.55	14.08	33.99
LT4 (a)IP Sets	3514.97	3407.35	3054.00	-460.97	-353.35
Sub Total BJ/KJ & IP sets	3752.44	3624.91	3305.55	-446.89	-319.36
Total	7528.30	7481.23	7184.17	-344.13	-297.06

The total Energy Sales while compared to FY 19 has decreased by 344.13 MU and the breakup is as under:

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- a) There is a minor decrease of 55.40 MU ie 3.83% % of total HT Category Sales
- b) The abnormal rainfall & economic slowdown in the region IP set sales has resulted in decrease of 460.97 MU i.e.5.72 % of total LT Category Sales
- c) The decrease of 295.35 MU i.e 4.89% over the previous year decreased base figures is seen under other LT categories.

It can also be seen that the energy sales of GESCOM has decreased from the approved sales by 367.84MU in LT category and 70.78 MU increase in HT category overall decrease in sales by 297.06 MU.

The reductions in energy sales are seen in LT 4 a, LT 4 b & LT 6a category. The reduction in energy sales of LT4a category may be contributed to abnormal rainfall in the region and slowdown in agricultural activity. The HT2(a) sales have decreased & as of now there are 49 no of consumer are availed special incentive scheme and having total 113126 KVA of Contract demand .

From the above table, comparison for FY 19 over FY 20 Sales has dropdown by 344.13 Mu.

Among all the category LT 4 a, LT 4b, LT 6b Street light, and HT-1, HT 2 (a) & HT 5 sales have decreased due to decrease in consumption by industrial consumption, slow down agricultural activity other factors has impacted to the negative growth in FY-20.

### 3.4.1: Sales other than IP Sets and BJ/KJ:

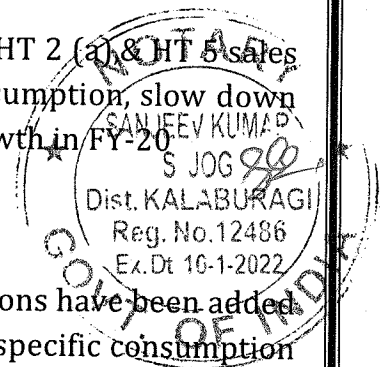
**LT4 - Agricultural sale:** As per DCB, 18530 No of installations have been added during the year consequent to new services during FY-20 and the specific consumption of total IP consumption is 7642 units/ IP/ annum as against the approved specific consumption of 8745.43 units/IP/annum, and there is a Significant difference in the specific consumption has seen in IP set considering the unauthorised installations yet to be regularised existing on the network.

The Commission in its Tariff order dated 30-05-2019 had approved total sales to various consumer categories at 7481.23 MU as against the GESCOM's proposal of 7636.51 MU. The actual sales of the GESCOM for FY-20 is 7184.17 MU indicating an decrease in sales to an extent of 297.06 MU with respect to the approved sales. The increase in sales to LT-categories (other than IP and BJ/KJ) by 22.30 MU and there is an increase in sales to HT-categories by 70.78 MU with respect to the approved sales.

### BJ/KJ installations Consumption:

The total BJ/KJ consumption of GESCOM for the FY20 is 258.15 MU as against 231.47 MU sales quantity approved by the Commission. The difference in BJ/KJ consumption between the approved and the actual for the FY20 is increased by 26.68 MU.

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**Table-36**

IP set details for FY-2019-20

Category	FY-20 approved	Actual	Difference
No. of IP Set installations (LT-4 a)	389615	399627	10012
Sales in MU	3407.35	3054.00	-353
IP Set Specific consumption	8745.43	7642.13	-1103

Note: IP Set Specific Consumption is has shown significant difference as compared to approved and Actual as per DCB

**3.4.2 Approved V/s Actual Average Realisation Rate:**

With the decreased energy sales, the Company has been able to maintain the Average Revenue Realisation of Rs 7.12 per unit as per the Audited financial statements as against the KERC Approved rate of Rs 7.02 per unit for FY-20.

**Table-37****Approved for FY-20 V/s Actual Average Realisation Rate for FY-20**

Particulars	Energy Sales (in Mu)	Revenue (in Rs Cr)	Average Revenue Realization (Rs / Unit)
As Approved by KERC	7481.23	5248.42	7.02
As per Audited Financials	7184.17	5113.10	7.12
Increase as compared to KERC Approved Figures	-297.06	-135.32	0.10

**3.5: Distribution Losses for FY-20:**

The Commission had approved distribution losses for FY-20 as shown in the table below:

**Table-38**

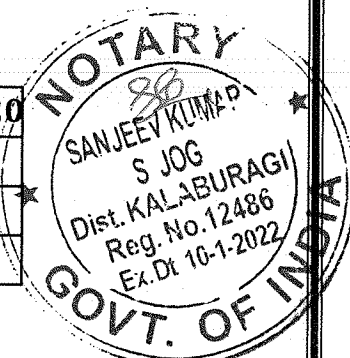
SL No.	Range	Approved FY-20
1	Upper limit	15.14%
2	Average	14.89%
3	Lower Limit	14.64%

**Table-39**

The distribution loss of GESCOM for FY-20 is as shown in the table below:

SI. No	Particulars	For FY-20
1	Input energy at IF points in MU (March-19 to Feb-20)	8092.10
2	Total sales in MU	7184.17
3	Avg. Distribution loss in: %	11.22

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In the Tariff Order 2019, Hon'ble Commission has approved a distribution loss level of 14.89 % for FY-20, against which the GESCOM has achieved distribution loss of 11.22% which is a substantial improvement in the loss reduction during the year.

### 3.6: Financial Performance:

The financial performance of GESCOM as per the Audited Annual financials for FY-20 and the Annual Revenue Requirement approved by the Hon'ble Commission in the Tariff Order-2019 is tabulated below;

#### Income FY-20 :

**Table-40**

Sales & Revenue Comparison v/s FY 19:

Category	Sales			Revenue in Rs. Crs.		
	FY-19 in Mu	FY-20 in Mu	Increase in %	FY-19 in Rs Crs	FY-20 in Rs.Crs	Increase in %
LT -Others	2518.83	2684.45	6.58	1688.60	1882.16	11.46
LT - IP Set	3514.97	3054.00	-13.11	1998.92	1858.69	-7.02
HT	1494.50	1445.72	-3.26	1242.94	1190.31	-4.23
Total	<b>7528.30</b>	<b>7184.17</b>	-4.57	<b>4930.46</b>	<b>4931.16</b>	0.01

From the details of the Revenue Income indicated in the above table are exclusive of interest as per DCB, we can see that:

Improvement of 193.56 Crores i.e 11.46 % over the previous years increased base figures (16.12% increase in FY19) is seen under other LT categories.

The decreased sales in IP set sales has resulted in decrease of Rs. 140.23 Crores i.e -7.02 %.( Excluding interest)

There is a marginal decrease of Rs 52.63 Crores i.e 4.23 % under HT category

#### Revenue Income for FY-20 V/s Approved.

**Table-41**

Revenue Income for FY-20 V/s Approved

Sl. No	Particulars	Income (Rs Cr)	
		Approved	Actuals
1	Revenue at existing tariff	5001.54	5113.10
2	Energy Sales in MU	7481.23	7184.17

This increase in revenue is on account of Increase in Tariff.

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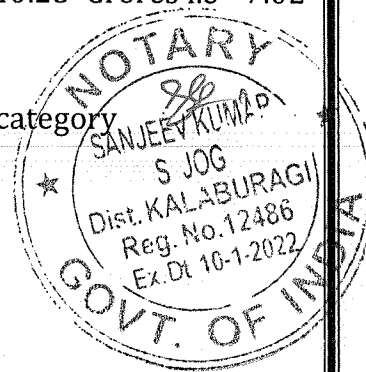


Table-42

**Expenditure FY-20**

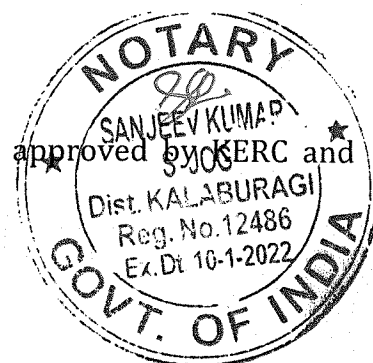
Sl. No	Particulars	Expenses (Rs Cr)	
		As approved	Actuals
1	Power purchase cost inclusive of transmission charges and SLDC Charges	4103.95	4232.63
2	R&M Expenses		58.18
3	Employee Expenses	698.33	612.02
4	A&G Expenses		128.86
5	Depreciation	172.94	211.42
6	<b>Interest &amp; Finance Charges</b>		
7	Interest on Loan Capital		136.21
8	Interest on Working Capital		0
9	Interest on Consumer Deposits		35.6
10	Interest on belated payment of power purchase	234.55	321.5
11	Other Interest & Finance Charges		0
12	Less Interest & other expenses capitalized		15.63
13	Other Debits (incl. Prov for Bad debts)		71.15
14	Extraordinary Items		0
15	Other (Misc.)-net prior period credit		0
	<b>Total</b>		<b>5791.94</b>
16	ROE	0	
17	Other Income	-88.28	184.45
18	Provision for taxes		0
19	Fund towards Consumer Relations / Consumer Education	0.5	0.07
	<b>NET ARR</b>	<b>5248.42</b>	<b>5607.49</b>

The major variation in the expenditure, with reference to the approved costs, is observed in O&M Cost, Interest & Finance Charges and power purchase cost including cost of Transmission. The depreciation on consumer contribution and grant assets is considered in the Audited financials under the Other income as per the Ind AS requirements but the same is reduced from the Depreciation claim in the Tariff Calculations for the purpose of clarity.

**3.7: Power Purchase Cost for FY-20:**

The details of the Power Purchase quantum and Cost approved by KERC and actual Cost is as under:

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**Table-43**  
**Power Purchase Cost for FY-20**

Particulars	Energy in MU	Rs .Crores
As approved by KERC at Generator Bus (Tariff Order 2019)	9077.09	4103.95
Actuals of GESCOM after accounting of Energy Balancing Liability (Cost including Transmission & SLDC Charges)	8483.22	4232.63
Difference (Increase/Decrease)	-593.87	128.68

**Power Purchase Cost:**

Comparison of actual Power Purchase with respect to Commission approved power purchase in the Tariff Order dated 30.05.2019 is shown below:

**Table - 44**

Power Purchase Cost:

Source of Power	Approved FY20			Actuals			Variation		
	Energy in MU	Cost in Rs Crs.	Per unit Cost in Rs	Energy in MU	Cost in Rs Crs.	Per unit Cost in Rs	Energy in MU	Cost in Rs Crs.	Per unit Cost in Rs
KPCL Hydel	1598.29	149.52	0.94	2084.62	171.06	0.82	486.33	21.54	-0.11
KPCL Thermal	1238.21	706.11	5.70	971.50	566.37	5.83	-266.71	-139.74	0.13
CGS Energy	2595.87	1020	3.93	2150.42	1086.87	5.05	-445.45	66.87	1.12
ipps	435.23	268.17	6.16	294.31	232.31	7.89	-140.92	-35.86	1.73
Renewable Energy	2470.83	985.19	3.99	2924.80	1187.54	4.06	453.97	202.35	0.07
Other State Hydel	13.08	7.26	5.55	22.77	7.69	3.38	9.69	0.43	-2.17
Medium term (co gen)	175.85	82.47	4.69	229.97	114.85	4.99	54.12	32.38	0.30
Bundled Power	549.73	211.43	3.85	498.28	226.16	4.54	-51.45	14.73	0.69
PGCIL Charges		250.25			304.38		0.00	54.13	
KPTCL Charges		420.98			423.59		0.00	2.61	
SLDC, POSOCO Charges, PCKL exp					4.19		0.00	1.62	
Other charges/ Inter ESCOM/ Energy balancing				-460.38	-215.08		-460.38	-215.08	
previos year diff of energy balance				-33.51	-14.32		-33.51	-14.32	
Others (UI, IEX, prior period)				-199.56	137.02		-199.56	137.02	
Total	9077.09	4103.95	4.52	8483.22	4232.63	4.99	-593.87	128.68	0.47

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**Table-45**

Percentage-wise, Source-wise energy and cost approved is compared with the actual percentage of power purchased and its cost for FY-20 in the below table:

Name of the Generating Station	Energy			Cost		
	Approved (%)	Actuals (%)	Variance (%)	Approved (%)	Actuals (%)	Variance (%)
KPCL Hydel	17.61	24.57	6.97	3.64	4.04	0.40
KPCL Thermal	13.64	11.45	-2.19	17.21	13.38	-3.82
CGS Energy	28.60	25.35	-3.25	24.85	25.68	0.82
ipps	4.79	3.47	-1.33	6.53	5.49	-1.05
Renewable Energy	27.22	34.48	7.26	24.01	28.06	4.05
Other State Hydel	0.14	0.27	0.12	0.18	0.18	0.00
Medium term (co gen)	1.94	2.71	0.77	2.01	2.71	0.70
Bundled Power	6.06	5.87	-0.18	5.15	5.34	0.19
PGCIL Charges		0.00	0.00	6.10	7.19	1.09
KPTCL Charges		0.00	0.00	10.26	10.01	-0.25
SLDC, POSOCO Charges, PCKL exp		0.00	0.00	0.06	0.10	0.04
Other charges/ Inter ESCOM/ Energy balancing		-5.43	-5.43	0.00	-5.08	-5.08
previos year diff of energy balance		-0.40			-0.34	
Others (UI, IEX, prior period)		-2.35	-2.35	0.00	3.24	3.24
Total	100.00	100.00	0.40	100.00	100.00	0.34

From the above table, it can be seen that there is an energy shortage of -2.19%, -3.25%, -1.33%, -0.18 % in, KPCL thermal, CGS energy IIPs and Bundled respectively. This energy shortage is made good by 6.97%, 7.26%, 0.12% and 0.77% through KPCL Hydel, Renewable Energy and short/medium term energy. Similarly, the power purchase cost has reduced by -3.28 %, -1.05%, in KPCL Thermal, Renewable energy, respectively. Power purchase increased by 0.40%, 0.85%, in KPCL Hydel, CGS energy, renewable energy .

GESCOM most respectfully submits that the above changes are beyond the reasonable control of GESCOM but well within the regulatory provisions for consideration in true up. Hon'ble Commission in its MYT Order has stated that since the power purchase cost are uncontrollable as per MYT regulations, any excess quantum or cost will be trued up in the Annual Performance Review of the respective years. Hence, GESCOM requests the Hon'ble Commission to approve the power purchase expenses for FY-20 as per the Audited Accounts.

  
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### 3.8 Renewable Purchase Obligation (RPO) target for FY-20:

As per KERC (Procurement of Energy from Renewable Sources)(Fifth Amendment) Regulations, 2017, target for FY-20 for Non-Solar RPO is 7% of the total power procurement and target for Solar RPO is 6%% of the total power procurement.

The Commission approved the power procurement of 9077.08 MU energy from NCE sources for FY-20 to GESCOM. Details are as under.

**Table-46**

Renewable Purchase Obligation (RPO) target for FY-20:

Particulars	UoM	Reference	Quantum
Energy Requirement from Apr-19 to March-20 (Excluding Hydel) (Prov)	MU	A	6375.83
Solar RPO as per RPO Regulations		B	7.25%
Energy to be purchased through solar during FY 20	MU	C=AXB	462.25
RE RPO as per RPO Regulations		D	8.00%
Total RE to be purchased during FY 20	MU	E=AXD	510.07
Purchased through Solar	MU	F	1265.66
Actual purchase through Non-Solar	MU	G	2091.35
Shortfall/Excess – Solar	MU	H=C-F	-803.41
Shortfall/Excess – RE	MU	I=E-G	-1581.28

**Table-47**

RPO obligation for FY-20 & 2020-21 (uptoSept-20)

FY	Total Power Consumed (in Mus)	Total Power considered for calculation of RPO as per sixth Amendmend (in Mus)	TARGET				Achieved				Difference		Remarks	( +ve) energy indicates excess energy above obligation & (-ve) energy indicates deficit to achieve the obligation
			in %		in Mus		in %		in Mus		in MU			
			Solar RPO Target	Non-Solar RPO Target	Solar Power Target to meet RPO	Non-Solar Power Target to meet RPO	Actual Solar power Consumed/procured	Actual Non-Solar power Consumed/procured	Actual Solar power Consumed/procured	Actual Non-Solar power Consumed/procured	Solar Obligation met above obligation	Non-Solar Obligation met above obligation		
	1	2	3	4	5=2*3	6=2*4	7 =9/2	8=10/2	9	10	11=9-5	12=10-6		
2019-20 (Prov.)	8557.21	6449.82	7.25%	8.00%	467.61	515.99	19.62%	32.42%	1265.66	2091.35	798.05	1575.36		
2020-21 (upto Sept-20 prov.)	3988.35	3010.35	8.50%	8.00%	255.88	240.83	20.32%	31.98%	611.6	962.68	355.72	721.85		

### 3.9 O&M Expenditure:

Employee Cost:

**Table-48**

Sl No	Particulars	Actuals FY 20
1	Salaries & Wages	407.63
2	Contribution to provident and other funds	137.41
3	Bonus & Exgratia	5.2
	<b>Sub-Total (1 to 3)</b>	<b>550.24</b>
4	Earned Leave Encashment	50.04

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SANJEEV KUMAR  
10/1/2022

5	Staff Welfare expenses	11.74
6	Arrears towards P&G Trust Contribution	
	<b>Sub-total (4 to 6)</b>	<b>61.78</b>
	<b>Grand Total</b>	<b>612.02</b>

### Recruitment of FY-19 & Additional Cost Impact in FY 20

During the year the salaries for the employees recruited during FY 19 had a partial year impact In FY-19 the employees are joined to the organisation for june- julyie., 4 Months has no impact seen in FY-19 salary paid out during the same year & have not accounted in FY-19 and this yearie., FY-20 the salaries would be for full year. The same does not have full base year numbers and hence would have to be considered separately while truing up.

In year 2018-19 not fully newly recruited employees is seen in FY 19 due to this there is surge in employee benefit expenses of Rs. 82.81 Cr ie., 15.65 % in FY-20 overall, in addition to that the regularisation of 92 No. of Revenue Assistants is been done in FY 20the arrears from 2010 are paid out in FY-20, The dearness allowance has increased form 3.75 % to 11.25% an increase of 7.5% is seen in FY-20 , P & G Contribution rates have also revised 42.53% to 58.30% and NDCPS contribution has increased from 10% to 14% due to these factors an impact of increased Employee benefit expenses has seen in FY-20, Hence it is requested to Hon'ble Commission to consider thesameas per APR FY-20, and additional expenditure accounted as per above and be allowed to include in truing up exercise for FY-22.

### 3.10. Repairs and Maintenance Expenses and Other A & G Expense:

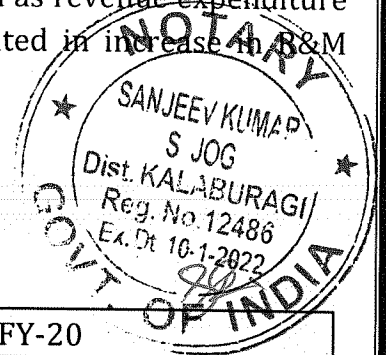
As per the directions of Hon'ble Commission, the expenditure on account of replacement of transformers by same capacity is to be classified as revenue expenditure which was hitherto allowed as Capital Expenditure has resulted in increase in R&M Expenses by Rs. 12.33Crores.

### 3.11 Depreciation:

**Table-49**  
**Depreciation**

Particulars	FY-20		
	Approved	Actual	Increase/(Decrease)
Buildings	3.04	3.07	0.03
leasehold assets		0	0.00
Other Civil	0.14	0.13	-0.01
Plant & M/c	38.15	35.39	-2.76
Line, Cable Network	175.4	171.89	-3.51
Vehicles	0.32	0.24	-0.08
Furniture	0.33	0.31	-0.02

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Office Equipment's	0.45	0.39	-0.06
Sub Total	217.83	211.42	-6.41
Less : Depreciation on assets created out of grants and consumer contribution	44.86	43.76	-1.10
Net Depreciation	172.97	167.66	-5.31

GESCOM submits that for FY 19, the Hon'ble Commission in its Tariff Order dated 30.05.2019 had considered the Depreciation in accordance with the provisions of the KERC (Terms and Conditions for determination of Tariff) Regulations, 2006 and its amendments. On the similar line GESCOM is claiming the depreciation.

A comparison of Depreciation Expense approved by the Hon'ble Commission and actual depreciation expenses of GESCOM is shown in the above table. The proportion is equivalent to 10 % of depreciation charged for plant and machinery/line and cables are reckoned as basis for arriving at depreciation write back against such quantum received over the year including current financial year under grants/subsidies/consumer contribution and the same is charged back as income and shown distinctively in depreciation schedule in the statement of Profit and Loss.

Depreciation amount of Rs. 211.42 Crs is worked out as per annual accounts for FY-20 after deducting an amount of Rs. 43.76 Crs, as per Ind AS 20, the net depreciation works out to Rs. 167.66 Crs.

### 3.12 Interest and Finance Charges:

As per MYT regulations, Commission is allowing actual interest incurred on the loans borrowed towards creation of Capital Assets, interest paid towards consumer deposit and interest on working capital on normative basis.

Breakups of interest and finance charges are as under:

**Table-50**  
**Interest on Working Capital / outstanding power Purchase dues :**

Sl. No	Particulars	FY 20
1	One-Twelfth of the amount of O & M Exp	66.59
2	Opening Balance Gross Fixed Assets (GFA)	5133.25
3	Stores, Materials & Supplies 1% of Opening Balance of GFA	51.33
4	one-sixth of the Revenue	852.18
5	Total Working Capital (1 + 3 + 4)	970.10
6	Rate of Interest (% p.a.)	11.00
7	Interest on Working capital	106.71

Interest & Finance Charges in respect of past loans (i.e interest payables on all loans drawn up to 31-03-2020):- interest liability in respect of past loans to be allowed as per actual during the control period.



### 3.13 Interest on Consumer Deposits:

Interest payable on security deposits collected from Consumer:- Based on the interest rate approved by the commission from time to time to be allowed as per actuals, Hence no to the account of the company.

**Table-51**  
**Interest on Consumer Deposits**

Sl no.	Particulars	FY 20
1	Balance of Consumer Deposit at the Beginning of the year	531.79
2	Closing Balance of Consumer Deposits	563.80
3	Addition during the year	32.01
4	Rate of Interest Allowed (% p.a.)	6.50
5	Interest on Consumer Security Deposit	35.61

Interest in consumer deposits is paid during FY 20 is 35.61Crs based on Prevailing bank rates on the first day of the financial year.

### 3.14 Long term loan:

The interest expenditure on account of long-term loans depends on the outstanding loan, repayments, and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and the funding of the same also have a major bearing on the long-term interest expenditure.

As per final Accounts, an amount of Rs.903.75Crore of long term borrowings are existing as at the end of FY-20. Details of loans outstanding and interest paid are shown below:

Interest is calculated on the normative average loan availed during the year using Weighted average interest rate as shown in following table:

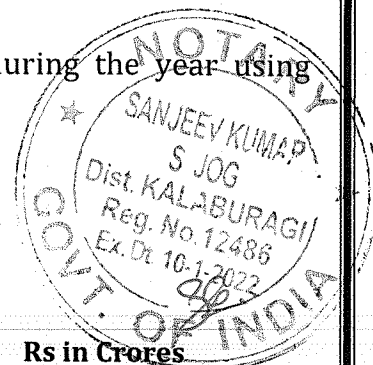
### Loans/Debentures and interest charges

**Table-52**  
**Long Term loans**

Rs in Crores

Sl no	Institution	Audited (FY20)					
		Opening Balance	New loan addition	Total loan at the end of the year	Repayment of principal	Interest for the year	Closing Bal
1	Loans from GoK (APDRP)	2.86	0	2.86	0.73	0.31	2.13
2	PFC	99.99	0.77	100.76	12.64	9.91	88.12
3	REC	766.67	130.11	896.78	85.26	87.45	811.52
4	PMGY	2.53	0	2.53	0.55	0.3	1.98
	Grand Total	872.05	130.88	1002.93	99.18	97.97	903.75

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### 3.15 Other Expenses/Provisions Bad and doubtful debts

Despite best of efforts, any organization dealing with a lot of costumers would find difficult to realize the entire money towards the sale of electricity to its customers. This is way the debtors need to be discounted to the extent of their unrealisability to depict a correct picture of realisable debts in the books. It is requested to allow Hon;ble commission a provision for bad doubtful debts of a certain percentage of the amount shown as receivable in the audited accounts

Provision for Bad & Doubtful dues is incorporated in the financials @10% for IP set outstanding arrears, 100% in case of such HT installations which have been identified as fully not recoverable and 4% in all other cases. The provision towards doubtful dues 71.15Crores.

#### Return on Equity ROE:

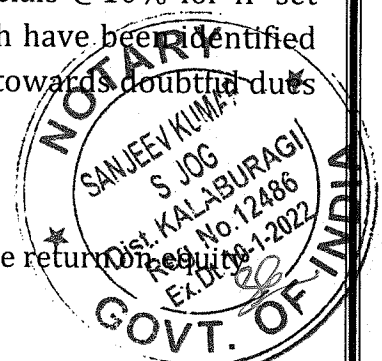
The company has incurred loss during the year FY-20, and is negative return on equity

#### Surplus/Deficit:

Table-53

Sl. No	Particulars	Actual	Approved	(Difference) Trued up
	<b>Revenue at existing tariff in Rs. Crs.</b>			
1	Revenue from tariff and Misc. Charges	3093.81	2909.24	-184.57
2	Tariff Subsidy from BJ/KJ	182.76	146.64	-36.12
3	Tariff Subsidy from IP	1836.53	1945.66	109.13
	<b>Total Revenue</b>	<b>5113.10</b>	<b>5001.54</b>	<b>-111.56</b>
	<b>Expenditure in Rs. Crs.</b>			0.00
4	Power Purchase Cost	3806.82	3680.75	-126.07
5	Transmission charges of KPTCL	423.59	420.98	-2.61
6	SLDC Charges	2.22	2.22	0.00
	<b>Power Purchase Cost including cost of</b>	<b>4232.63</b>	<b>4103.95</b>	<b>-128.68</b>
7	Employee Cost	612.02		86.31
8	Repairs and Maintenance	58.18	698.33	-58.18
9	Admin & General Expenses	128.86		-128.86
	<b>Total O&amp;M Cost</b>	<b>799.06</b>	<b>698.33</b>	<b>-100.73</b>
10	Depreciation	211.42	172.94	-38.48
	Interest & Finance Charges			0.00
11	Interest on Loans	136.21	99.74	-36.47
12	Interest on Working capital	321.50	103.90	-217.60
13	Interest on consumer deposits	35.60	36.40	0.80
14	Other Interest & Finance charges	0.00	0.00	0.00
15	Less: interest & other expenses capitalized	15.63	-5.50	-21.13
	<b>Total Interest and Finance charges</b>	<b>477.68</b>	<b>234.54</b>	<b>-243.14</b>

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16	Other debits	71.15	0.00	-71.15
17	Net Prior period debit/credits	0.00	0.00	0.00
18	Return on Equity	0.00	0.00	0.00
19	Funds towards Consumer Relations/Consumer Education	0.07	0.50	0.43
20	Less: Other Income	184.45	-88.28	-272.73
	<b>ARR</b>	<b>5607.49</b>	<b>5121.98</b>	<b>-485.51</b>
	<b>Surplus for the year</b>			<b>0.00</b>
	<b>Deficit for the year carried forward</b>	<b>-494.39</b>	126.43	
	<b>Net ARR</b>		<b>5248.41</b>	5248.41
	<b>GAP</b>		<b>0.00</b>	0.00
21	Sales	7184.17	7481.24	297.07
	<b>Average cost of supply</b>	<b>7.12</b>	<b>7.02</b>	

### 3.16 Average Cost of Supply:

Commission determined the average cost of supply at Rs. 7.02 per unit for FY-20. Actual Average Cost of Supply after accounting as per ARR is tabulated below:

**Table-54 :**  
**Average Cost of Supply**

Particulars	FY-20	
	Approved	Actual
Net ARR (in Crs.)	5248.41	5607.49
Approved/Actual Sales (MU)	7481.24	7184.17
Average Cost of Supply (Rs./unit)	7.02	7.81


As per proposed tried up figures, average cost of supply is Rs. 7.81 per unit as against approved average cost of Supply of Rs. 7.02 per unit. This is mainly due to decrease in the units sold as against approved figures.

### 3.17 Annual Accounts:

Audited financials for Annual for FY-20 is enclosed as **ANNEXURE-2**.

Hence it is kindly requested to consider these results/ profits as provisional.

Half yearly financials performance for FY 21(April to September 2020) is being submitted shortly.

  
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