

HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED



**CONSUMER-END TARIFF PETITION
FOR
FY 2019-20
BASED ON ACTUAL/ESTIMATED
RESULTS OF
FY 2018-19**

DISTRIBUTION LICENSE

No. 05/DL/2002

17TH OCTOBER, 2019

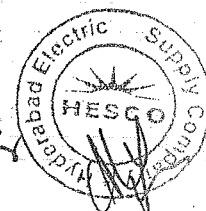
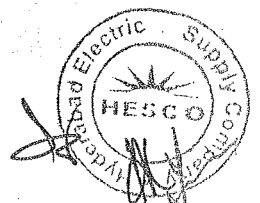


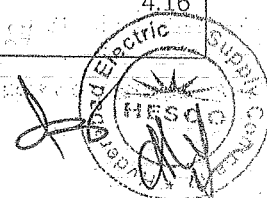
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CONSUMER END TARIFF PETITION - HESCO
SUMMARY OF EVIDENCE FOR DISTRIBUTION BUSINESS
FOR FY 2019-20

Sr. #	Parameter	Unit	NEPRA Determination FY 2017-18	FY 2018-19 (Provisional)	FY 2019-20 (Projected)
1	Sales Volume & Growth in Sales	Gwh	4,310	3,916	3,897
2	T&D Losses	%age	22.59%	29.52%	27.50%
3	Power Purchase Volume	Gwh	0	0	0
4	Power Purchase Price (Un adjusted)	Rs./ Kwh	-	-	-
5	Return on Rate Base	Rs.in M	2,573	2,825	3,000
		%age	11.83%	11.83%	11.83%
6	O&M	Rs. in M	8,207	9,975	11,665
7	Provision for Bad Debt	Rs. in M	-	1,261	718
8	Depreciation	Rs. in M	1,506	1,612	1,777
9	Other Income	Rs. in M	(1,647)	(921)	(963)
10	Distribution Margin	Rs./ Kwh	2.31	3.77	4.16
11	Prior Year Adjustment	Rs./Kwh	4.45	-	-
12	Write-Off	Rs./Kwh	-	-	-
13	Bi-Annually Adjustment	Rs./Kwh	0.61	-	-
14	Average Nominal Tariff	Rs./ Kwh	7.37	3.77	4.16



1. PETITION SUMMARY

1.1 Details of the Petitioner:

1.1.1 Name and Address:

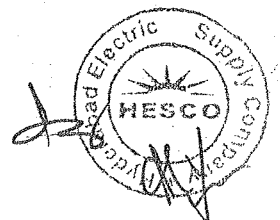
Hyderabad Electric Supply Company Limited (hereinafter referred to as HESCO) WAPDA OFFICES COMPLEX, HUSSAINABAD HYDERABAD.

1.1.2 Representatives of HESCO:

- | | |
|-----------------------------|--------------------------|
| • Mr. Abdul Haq Memon | Chief Executive Officer |
| • Mr. Saleem Ahmad | Chief Operating Officer |
| • Mr. Nizam-u-din Memon | Chief Commercial Officer |
| • Mr. Zahid Pervaiz Mughul | Chief Engineer (PMU) |
| • Mr. Syed Imran Ali Askari | HR & Admin Director |
| • Mst. Hina Talpur | Chief Financial Officer |

2. GROUND OF CONSUMER-END TARIFF PETITION:

- 2.1 NEPRA, under the regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter NEPRA Act) amended vide the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (the Amendment Act), is responsible for regulating the electricity sector in Pakistan which includes determining the Revenue Requirement, tariffs and other terms and conditions for the supply of electricity by the Generation, Transmission and Distribution Companies and to recommend the same to the Federal Government for notification. For this purpose NEPRA has laid down certain guidelines and procedures under the NEPRA Tariff Standards and Procedures Rules, 1998.
- 2.2 HESCO, being a power distribution licensee, requires adequate revenues in order to perform its obligatory duties prescribed by NEPRA under the NEPRA Amendment Act 2018, NEPRA Performance Standards (Distribution) Rules 2005, NEPRA Consumer Eligibility Criteria 2003, Distribution License of HESCO and other Obligations as determined by NEPRA from time to time. The main source of funding available to the petitioner for their revenue requirements are; (i) internal efficiency improvements, (ii) generation of adequate revenue through tariff and (ii) funding / borrowings. Internal efficiency improvements require commensurate financial resources either through borrowings or tariff. As per general principles of banking industry, international or local, the financial viability of borrowing organization is always taken as fundamental for lending decisions.



- 2.3 In order to fulfill and perform its obligatory duties as mentioned above and to ensure financial viability of HESCO by recovering its prudently incurred costs and reasonable return, in order to keep and maintain its existing distribution network and to support the future investments for expansion of distribution network, this Tariff Petition is being filed for FY 2018-19, through its Chief Executive Officer, who has been duly authorized to sign and file this petition by the Board Of Directors, in its 134th Meeting held on 14.07.2018.

3. OBJECTIVES OF THE PETITION:

The aim of this petition is to obtain approval for the timely implementation of cost reflective tariffs to yield HESCO's required revenues for FY 2018-19 and its recovery from consumer.

The implementation of cost reflective tariffs will benefit HESCO, as it will;

- i) Enable HESCO to improve service quality and reliability.
- ii) Provide adequate funds for the operation, maintenance and expansion of distribution network.
- iii) Ensure the financial sustainability of HESCO.

4. HESCO'S REVENUE REQUIREMENT:

As per the amendment Act 2018 the Major component for revenue requirement for the distribution of power is:

1. Distribution Margin

The detail of this component of the revenue requirement is discussed below:

4.1 T&D Losses

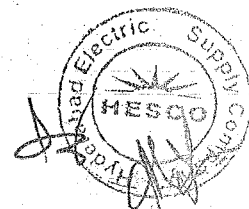
The T&D Losses in actual for FY 2018-19 and target for FY 2019-20 of Transmission & Distribution losses is proposed for the consideration of the Authority:

Year	Transmission Loss %	Distribution Loss%	T&D Losses%
2018-19	3.83	25.69	29.52
2019-20	3.69	23.81	27.50

Based on the above formula, the compensation for T&D losses would be automatically adjusted for any changes in the power purchase cost that will be the part of revenue requirement of supply of power in a separate petition in this regard.

The major reasons of T&D Losses are as follows:

- i) The Worst Law & order situation does not permit frequent movement to HESCO staff in their jurisdiction. Attacks on employees / offices are common.
- ii) Massive theft of electricity & non-payment culture are the main problems of HESCO. Law Enforcing Agencies are not extending cooperation for providing security to staff and



- lodging FIRs against stealers of electricity. Out of 1,105 referred cases of electricity theft only 55 No. FIRs has so far been lodged from Jul-2018 to June-2019.
- iii) Majority of Villages / Town / Colonies are the defaulters of HESCO, and in case of disconnection of electricity, the defaulters blocks the highways/roads to create hurdles.
 - iv) Out of total 3,396.33 KM Transmission line 687.12 K.M is of 66 KV i.e. 20.23%. The Transmission system is old and deteriorated, which causes high loss.
 - v) Out of 525 feeders 290 (55.24%) supplying electricity to Rural areas.
 - vi) Due to worst Law & Order situation customers stealing electricity through Kundas / Hooking in negated LT lines.
 - vii) Even ABC (Aerial Bundled Conductor) installed in Hyderabad City has been damaged by stealers for direct hooking / Kundas.

4.2 DISTRIBUTION MARGIN

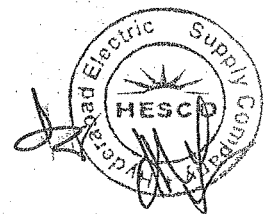
The average Distribution Margin (DM) for the FY 2018-19 is based on the following formula, keeping in view of the actual results, where ever required.

$$\text{Avg. D. Margin} = \frac{\text{O\&M} + \text{Provision for Bad Debts} + \text{Depreciation} + \text{RORB} - (\text{Other income})}{\text{Total Unit Sales}}$$

The average distribution margin of HESCO at Rs. 4.15/kwh for the FY 2019-20 based on projected figures worked out as under:

[Rs.in Million]		
Sr.#	Description	FY 2019-20
1	Return on Net Fixed Assets in Operation (RRB * Profit Rate Base) @ 11.83% as per last approved rate of NEPRA	3,000
2	O&M	11,663
3	Depreciation	1,777
4	Provision for bad debts	718
5	Other Income	(963)
6	Distribution Margin Cost	16,197
7	Sales Volume (Gwh)	3,897
8	Average Distribution Margin (6/7) Rs./Kwh	4.16

4.2.1 O&M Cost:



Based on inflation adjustments to HESCO'S operating expenses from the latest available actual data as well as last three years average and increasing pattern of actual expenditure in the following major heads for.

4.2.2 Pay and Allowances:

In pursuance of the Govt. announcement in the budget regarding 10% increase in salary of employees and other benefit, impact of annual increment and financial impact of new recruitment for FY 2019-20, a budgetary requirement is estimated as follows:

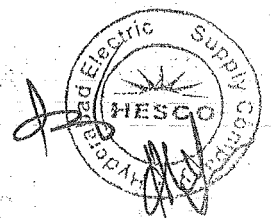
[Rs. In Million]			
Description	Expenditure FY 2018-19 (Provisional)	Proposed FY 2019-20	(Inc)/Dec Amount
Salary & Other Benefits	5,019	5,156	(137)
PM Assistant Package	--	200	(200)
Post-Retirement Benefits	3,524	4,734	(1,210)
Total	8,543	10,090	(1,547)

The post-retirement benefits represents the total employees of HESCO dealing in distribution and supply of power as worked out by the consultant firm for actuarial working. However, this requires bi-furcation, the same will be submitted as and when completed.

4.2.3 Repair and Maintenance:

- The repair & maintenance is necessary for smooth operational of HESCO due to following reasons.
- Replacement of Distribution Transformers, on account of over load.
- Replacement of distribution lines due to rust and old lines.
- Repair & Maintenance of grid stations, offices, building and colonies due to damages occurred during flood & rains.
- Keeping in mind above facts, Repair & Maintenance cost for FY 2018-19 based on provisional and for FY 2019-20 based on projected figures is as follows:

FY 2018-19 Provisional Expenditure	FY 2019-20 Projected Expenditure
Rs.(M)	Rs.(M)
775	893



4.2.4 Travelling Allowance:

- Traveling expenses are related with the operational duties on regular basis as per policy such as regular vigilance, maintenance, disconnection of defaulters, attending complains etc.
- From total employees about 60% technical staff avail the T.A on frequent basis and 40% admin/supervisory staff avail T.A on requirement basis.
- Keeping in mind above facts, Travelling Expenses for FY 2018-19 based on provisional and for FY 2019-20 based on projected figures is as follows:

FY 2018-19 Expenditure [Provisional]	FY 2019-20 Projected Expenditure
Rs.(M)	Rs.(M)
213	252

4.2.5 Transportation Charges :

- The transportation charges include repair and maintenance of vehicles, POL and annual renewal of registration fees. The utility vehicles are very old they have almost utilized their life. Due to old and deteriorated distribution network of HESCO which is spread in scattered areas, expenditures in this head are increasing day by day.
- Keeping in mind above facts, Transportation Expenses for FY 2018-19 based on provisional and for FY 2019-20 based on projected figures is as follows:

Head of Account	[Rs. In Million]	
	FY 2018-19 Expenditure [Provisional]	FY 2019-20 Expenditure Projected
Vehicle Expense - Repairs	38.85	38.85
Vehicle Expenses - Fuel and Oil	191.70	191.70
Vehicle Expenses - License & Ins.	0.27	0.27
Total	230.81	190.0



4.2.6 Other Miscellaneous Expenditures:

- Postage, telephone, PEPCO Supervisory charges, NEPRA License & Tariff petition Fee, Insurance charges, Professional fees to lawyers, Photostat charges, cleaning material, office stationery, and others Miscellaneous charges are included in this head of expenditure.
- Keeping in mind above facts, Other Expenses for FY 2018-19 based on provisional and for FY 2019-20 based on projected figures is as follows:

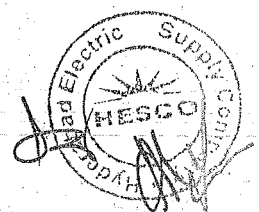
[Rs. In Million]		
Head of Account	FY 2018-19 Expenditure [Provisional]	FY 2019-20 Expenditure Projected
Other Expenses	213	238

Based on above details the O&M expenditure for FY 2018-19 and FY 2019-20 is as under:

[Rs. In Million]		
Description	FY 2018-19 Expenditure [Provisional]	FY 2019-20 Projected
Salaries & Other Benefits	8,543	10,090
Maintenance Expenses	775	893
T.A Expenses	213	252
Vehicle Expenses	231	190
Other Expenses	213	238
Total	9,975	11,663

4.3 Depreciation:

The depreciation is calculated on the basis of: (i) the value of existing assets; plus (ii) Provisional/Estimated addition in assets. The figures for depreciation worked out for FY 2019-20 Rs. 1,777 (M) based on projected figures.

4.4 Return on Rate Base (RORB):

The calculation of Rate Base is given as under:

$$\text{RORB} = \text{Rate Base} \times \text{WACC}$$

Where:

$$\text{Rate Base} = \text{Regulatory Asset Base}$$

$$\text{Regulatory Asset Base} = \text{Net Fixed Assets in Operations} + \text{Additions during the year} \\ - \text{Deferred Credits (assets not financed by HESCO)}$$

And

$$\text{WACC} = \text{Weighted Average Cost of Capital has been taken as determined by NEPRA in its determination dated 06.07.2018 i.e. 11.83\% (post tax).}$$

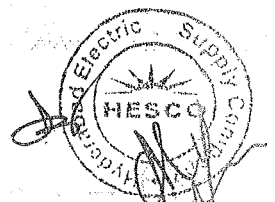
The working of Rate Base is tabulated below:

Description	Unit	FY 2019-20
		Projected
Gross Fixed Assets in Operation - Opening Balance	[Mln Rs]	45,787
Addition in Fixed Assets	[Mln Rs]	4,959
Gross Fixed Assets in Operation - Closing Balance	[Mln Rs]	50,746
Less: Accumulated Depreciation	[Mln Rs]	21,286
Net Fixed Assets in Operation	[Mln Rs]	29,460
Add: Capital Work In Progress - Closing Balance	[Mln Rs]	16,968
Investment in Fixed Assets	[Mln Rs]	46,429
Less: Deferred Credits	[Mln Rs]	20,182
Regulatory Assets Base	[Mln Rs]	26,247
Average Regulatory Assets Base	[Mln Rs]	25,361
Rate of Return	[%age]	11.83%
Return on Rate Base	[Mln Rs]	3,000

4.5 Provision for Bad Debts:

The socio-economic condition of the consumers of HESCO's area of service is very poor. The overall recovery position of consumer-end tariff of HESCO for the FY 2018-19 is 74.5% i.e. the Govt. recovery is 75.8% and Pvt. is 68.6%. Keeping in view of above and compliance of international accounting standard HESCO has to make provision of trade debts on the basis of its age. The amount on account of provision for bad debts is Rs. 718 (M) for FY 2019-20 based on projected figures.

4.6 Other Income:



An amount of Rs. 921 (M) for FY 2018-19 excluding LPS and based on last three years average Rs. 963 (M) based on projected figures has been worked out for other income excluding LPS.

5 DEVELOPMENT/INVESTMENT PLAN:

The investment program of the Company in the 6th STG, ELR and DOP is as under:

Project	[Rs. In Million]	
	Expenditure FY 2018-19	Projected FY 2019-20
DOP	195	653.08
T&P	--	200.00
ELR	129	450.00
STG	3,135	2000.00
Others (Village Electrification and Deposit Work)	1,294	1,294.66
Total	4,753	4,597.74

5.1 Financing:

5.1.1 Table - (A) (Own Resources)

Project	[Rs. In Million]	
	Expenditure FY 2018-19	Projected FY 2019-20
DOP	195	653.08
T&P	--	200.00
ELR	129	450.00
STG	3,135	1,294.66
Total	3,459	2,597.74

5.1.2 Table - (B) Foreign Loan/Consumer contribution

Project	[Rs. In Million]	
	Expenditure FY 2018-19	Projected FY 2019-20
ADB - Trench-I & II	0	0
ADB - Trench-III	0	0
ADB - Trench-IV	0	0
Village Electrification/Deposit Work	1,294	1,294.66
Total	1,294	1,294.66

5.2.1 Objectives of DOP Project:

The objectives of this Distribution of Power Expansion Project are to improve the:

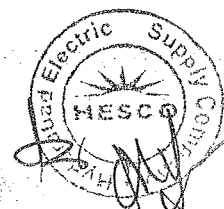
- Reliability of the system



- Stability of power supply
- Overloaded system
- Quality and safety of the system

5.2.2 Scope of Work for FY 2019-20:

- **11 KV Feeders, LT/HT Lines**
 - New HT Line
 - Reconductoring HT Line
 - 11KV Capacitors (450 KVAR)
 - 11KV Panels
 - New LT Line
 - Reconductoring of LT Line
- **Civil Works Construction**
 - Over Head
 - Construction of Op. Sub Division Office (Miran Muhammad Shah)
 - New Const. Civil Works (List attached)
 - HESCO House
 - Const. of op. sub-Division Allama Iqbal Hyd, Mirwah Gorachani, Memon, illayasabad
 - Const. of Civil sub-Division Nawabshah
 - Op. Division Gari Khata Hyd.
 - Const. of Construction Divisions I&II Hyd.
 - Const. of Construction Divisions Hyd, Kotri & Mirpur Khas
 - Const. of residential Cat-II (C-type Benglow) Badin, Thatta, Sehwan, Umerkot, Nawabshah, Tando Allahyar.
 - Const. of residential Cat-III (C-type Benglow) Umer kot, Nawabshah, Pithroto T.M Khan, Mithi, Tando Jam, Mirpur Khas & Sujawal.
 - Const. of residential Cat-IV (D-type Benglow) Umerkot, Digri, Badin, Sanghar, Sehwan, Tando Allahyar & T.M Khan
 - Const. of residential Cat-V (E-type Benglow) T.M Khan, Sehwan, Golarchi, Nawabshah, Matli, Thatta, Mirpurkhas & Tando Jam.
 - Construction of ware house Hyderabad & Mirpurkhas
 - Const. of Masjid for 70 persons Sehwan, 40 persons for Tando Jam & Nooriabad, Mirpur Khas
 - Const. of Mattled Road T.M Khan, Sehwan & Latifabad Grid Station.
 - Const. of Boundry wall of Op. sub-Division Tando Adam, Sanghar, Golarchi & Chamber.
 - RCC Parking shade for long vehicle at Regional Store Hyd, & parking shade for Op. Division Qasimbad, Phullali, Umerkot & Kotri.
 - Const. of security Guard Rooms NTPS, Qasimabad, Ghnaghramori, Bye pass & Mirpurkhas
 - Const. of RCC septic Tank with pump room i/c main holls & providing RCC line at 66 KV Grid Station Matli.
 - Providing G.I Pipe line from main bhan saeedabad sehwan Road 132 KV Grid Station Sehwan.
 - Const. of 04 Nos record rooms for XEN / RO Op. Division Qasimabad.
 - Const. of 02 Nos. Rooms for store const sub-Division Shahdadpur.



- Const. of 02 Nos watch tower (RCC Foundation) back side with steel ladder Regional Training Center HESCO Jamshoro

5.3.1 Objectives of ELR Project:

The objectives of the Distribution Rehabilitation Project are as under:

- Energy loss Reduction
- Improvement in Quality of Supply
- Reduce Cost of Operation and Maintenance
- Improve Life of Equipment

5.3.2 Scope of Work for FY 2019-20:

- Scope Of 11 KV
- Reconductoring HT Line
- 11KV Capacitors (450 KVAR)
- 11KV Panels
- New LT Line
- Reconductoring of LT Line
- Scope of Work for ABC

5.4.1 Objectives of STG Project:

The objectives of this project are to give relief to the existing overload system and to meet future expansion in HESCO area.

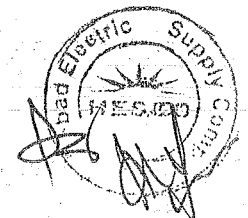
5.4.2 PSDP (STG) WORKS 2019-20 (PROPOSED)

• Grid Station

- 132KV G/S SAKHI WAHAB HUSSAIN (NEW SABZI MANDI) HYDERABAD Alongwith L/Bays and feeding T/L & (Conversion from Lynx to Greeley Conductor) 132 KV D/C NTPS - Hala Road T/Line
- 132KV G/S JAM NAWAZ ALI Alongwith L/Bays and feeding T/L
- 132KV G/S BHIT SHAH 1x20/26 MVA T/Bay Alongwith L/Bays and feeding T/L
- 132KV G/S MIRPUR KHAS-2x40MVA T/Bay Alongwith L/Bays and feeding T/L
- 66/132KV G/S KUNRI (CONV. FROM 66KV & 132 KV Alongwith L/Bays and feeding T/L Feed for Kunri (In-Out Samaro - Naukot)
- 66/132KV G/S MITHI Alongwith L/Bays and feeding T/L Naukot-Mithi
- 66/132KV G/S ISLAMKOT Alongwith L/Bays and feeding T/L Mithi - Islamkot
- 132KV G/S Jamshoro Old (Rehb.) of Bus Bar (Twin Bundle Bus Bar)
- 132KV G/S Sakrand (Rehb.) of Bus Bar (Twin Bundle Bus Bar)

• Transmission Lines

- 132kv NTPS - T.M Khan
- 132kv Thatta- Sujawal Transmission Line (Diversion)
- 132kv T.M Khan - Bulri Shah Karim



- 132kV Bulri Shah Karim – Sujawal
- 132kV Sujawal - Golarchi T/line
- 132kV Sakrand - Nawabshah T/line
- In-Out Saeedabad G/s
- 132kV By Pass - Qasimabad T/Line

6 SUMMARY OF REVENUE REQUIREMENT:

The revenue requirement as explained in detail above is summarized in the table below:-

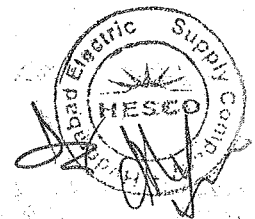
Description	FY 2019-20	
	[Rs.in Million]	Rs./kWh
Distribution Margin	16,197	4.16

7 PRAY:

• Consumer-End Tariff:

1. It is prayed that in view of above discussions the total revenue requirement of Rs. 16,197 (M) having average tariff rate for the FY 2019-20 at Rs. 4.16/Kwh, may be allowed.
2. It is prayed that the T&D Losses @ 27.50% for FY 2019-20 may be allowed.
3. It is prayed that the investment of Rs. 4,753 (M) for FY 2019-20, as per detail mentioned above may be allowed.
4. Any other benefit authority may deemed right may be allowed.

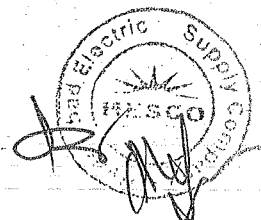

(ABDUL HAQ MEMON)
CHIEF EXECUTIVE OFFICER



STANDARD PETITION FORMATS FOR DISTRIBUTION COMPANIES

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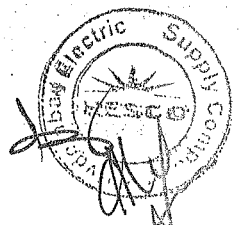


FORM - 1

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.
Company Statistics

		FY 2018-19	FY 2019-20
		Provisional	Projected
Peak demand during FY	MW		
Number of Consumers	Nos.		
Area	Sq. K.M.	77,160	7,760
Circles	Nos.	4	4
Divisions	Nos.	15	15
Sub Divisions	Nos.	68	69
Length of Feeders	KM	28,156	
Number of Feeders	Nos.	58	
Average Length of Feeders	KM	485	
Maximum Length of Feeder	KM		
Minimum Length of Feeder	KM		
New Connections	Nos.		
Length of High Voltage Transmission lines (132 kV)	KM	2,336	
Length of STG lines (66kV)	KM	893	
Length of lines (11kV)	KM	28,156	
Length of Low Voltage Distribution lines (400 V)	KM		
Number of HV transformers (132/11KV)	Nos.	92	
Number of burnt down HV transformers	Nos.	Nil	
Number of STG transformers (132/66KV)	Nos.	5	
Number of burnt down STG transformers	Nos.	Nil	
Number of STG transformers (66/11KV)	Nos.	20	
Number of burnt down STG transformers	Nos.	Nil	
Number of LV transformers	Nos.		
Number of burnt down LV transformers	Nos.	1,224	1,410

		Strength		Cost (Rs. in M)	
		FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20
		Actual	Projected	Actual	Projected
A	Number of Employees	7,094	7,450	8,543	10,091
	Qualified Professionals	259	288	312	390
	Engineers	200	220	241	298
	Others	59	68	71	92
B	Staff	6,835	7,162	8,232	9,701
	Technical	3,802	4,021	4,579	5,447
	Clerical	628	683	756	925
	Non Technical	2,405	2,458	2,896	3,329

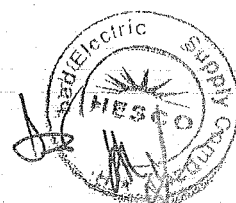


FORM - 2

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Profit & Loss Statement

		FY 2017-18	FY 2018-19	FY 2019-20
		Audited	Provisional	Projected
Power Balances				
Units Received	[MkWh]	5,743	5,557	5,375
Units Lost	[MkWh]	1,716	1,641	1,478
Units Lost	[%age]	29.88%	29.52%	27.50%
Units Sold	[MkWh]	4,027	3,916	3,897
Revenue				
Sales Revenue	[Mln Rs]	39,604	14,751	16,197
Subsidy	[Mln Rs]	15,860	-	-
Fuel Price Adjustment	[Mln Rs]	-	-	-
Total Sales Revenue	[Mln Rs]	55,464	14,751	16,197
Rental & Service Income	[Mln Rs]	-	-	-
Amortization of Def Credits	[Mln Rs]	780	-	-
Other Income	[Mln Rs]	2,027	921	963
Total Revenue	[Mln Rs]	58,271	15,672	17,160
Operating Cost				
Power Purchase Cost	[Mln Rs]	63,825	-	-
O&M Expenses	[Mln Rs]	9,983	9,975	11,665
Depreciation	[Mln Rs]	1,475	1,612	1,777
Amortization	[Mln Rs]	-	-	-
Provision for Bad Debt	[Mln Rs]	11,635	1,261	718
Total Operating Cost	[Mln Rs]	86,918	12,847	14,160
EBIT	[Mln Rs]	(28,647)	2,825	3,000
Finance Cost	[Mln Rs]	2,002	-	-
EBT	[Mln Rs]	(30,649)	2,825	3,000
Tax	[Mln Rs]	511	-	-
EAT	[Mln Rs]	(31,160)	2,825	3,000
WPPF	[Mln Rs]	-	-	-
Profit for the period	[Mln Rs]	(31,160)	2,825	3,000



FORM - 3

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Profit & Loss Statement (FY 2018-19)

	Jul-18	Aug-18	Sep-18	Q-1	Oct-18	Nov-18	Dec-18	Q-2	Jan-19	Feb-19	Mar-19	Q-3	Apr-19	May-19	Jun-19	Q-4	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Power Balances																	
Units Received	[MkWh]	654	584	549	1,787	491	354	302	1,147	283	263	347	893	481	618	632	1,730
Units Lost	[MkWh]	220	195	186	601	164	53	72	289	49	29	115	193	152	230	176	558
Units Lost	[%age]	33.59%	33.43%	33.89%	33.63%	33.31%	14.98%	23.86%	25.17%	17.47%	11.03%	33.08%	21.64%	31.51%	37.27%	27.88%	32.24%
Units Sold	[MkWh]	434	389	363	1,186	327	301	230	858	234	234	232	700	330	387	456	1,172
Revenue																	
Sales Revenue	[Min Rs]	1,229.24	1,229.24	1,229.24	3,688	1,229.24	1,229.24	1,229.24	3,688	1,229.24	1,229.24	1,229.24	3,688	1,229.24	1,229.24	1,229.24	14,751
Subsidy	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Price Adjustment	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sales Revenue	[Min Rs]	1,229	1,229	1,229	3,688	1,229	1,229	1,229	3,688	1,229	1,229	1,229	3,688	1,229	1,229	1,229	14,751
Rental & Service Income	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Def Credits	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Min Rs]	77	77	77	230	77	77	77	230	77	77	77	230	77	77	77	921
Total Revenue	[Min Rs]	1,306	1,306	1,306	3,918	1,306	1,306	1,306	3,918	1,306	1,306	1,306	3,918	1,306	1,306	1,306	15,672
Operating Cost																	
Power Purchase Cost	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O&M Expenses	[Min Rs]	831	831	831	2,494	831	831	831	2,494	831	831	831	2,494	831	831	831.24	9,975
Depreciation	[Min Rs]	134	134	134	403	134	134	134	403	134	134	134	403	134	134	134	1,612
Amortization	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Min Rs]	105	105	105	315	105	105	105	315	105	105	105	315	105	105	105	1,261
Total Operating Cost	[Min Rs]	1,071	1,071	1,071	3,212	1,071	1,071	1,071	3,212	1,071	1,071	1,071	3,212	1,071	1,071	1,071	12,847
EBT	[Min Rs]	235	312	312	860	312	312	312	937	312	312	312	937	312	312	312	2,825
Financial Charges	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Min Rs]	235	312	312	860	312	312	312	937	312	312	312	937	312	312	312	2,825
Tax	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Min Rs]	235	312	312	860	312	312	312	937	312	312	312	937	312	312	312	2,825
WPPF	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Min Rs]	235	312	312	860	312	312	312	937	312	312	312	937	312	312	312	2,825

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Profit & Loss Statement FY 2019-20 (Projected)

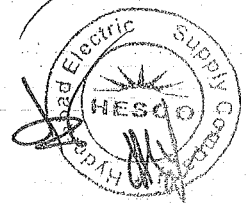
	Jul-19	Aug-19	Sep-19	Q-1	Oct-19	Nov-19	Dec-19	Q-2	Jan-20	Feb-20	Mar-20	Q-3	Apr-20	May-20	Jun-20	Q-4	Total
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Power Balances																	
Units Received	[MkWh]	580	570	536	1,686	480	347	297	1,124	279	259	340	878	470	602	615	1,687
Units Lost	[MkWh]	171	183	169	523	149	48	66	264	45	27	105	177	143	209	163	515
Units Lost	[%age]	29.38%	32.16%	31.59%	31.02%	31.05%	13.97%	22.23%	23.44%	16.30%	10.28%	30.83%	20.15%	30.34%	34.72%	26.55%	30.52%
Units Sold	[MkWh]	410	387	366	1,163	331	299	231	861	233	233	235	701	327	393	452	1,172
Revenue																	
Sales Revenue	[Min Rs]	1,349.77	1,349.77	1,349.77	4,049	1,349.77	1,349.77	1,349.77	4,049	1,349.77	1,349.77	1,349.77	4,049	1,349.77	1,349.77	1,349.77	16,197
Subsidy	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Price Adjustment	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sales Revenue	[Min Rs]	1,350	1,350	1,350	4,049	1,350	1,350	1,350	4,049	1,350	1,350	1,350	4,049	1,350	1,350	1,350	16,197
Rental & Service Income	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Def Credits	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Min Rs]	80	80	80	241	80	80	80	241	80	80	80	241	80	80	80	963
Total Revenue	[Min Rs]	1,430	1,430	1,430	4,290	1,430	1,430	1,430	4,290	1,430	1,430	1,430	4,290	1,430	1,430	1,430	17,160
Operating Cost																	
Power Purchase Cost	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O&M Expenses	[Min Rs]	972	972	972	2,916	972	972	972	2,916	972	972	972	2,916	972	972	972	11,665
Depreciation	[Min Rs]	148	148	148	444	148	148	148	444	148	148	148	444	148	148	148	1,777
Amortization	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Min Rs]	60	60	60	179	60	60	60	179	60	60	60	179	60	60	60	718
Total Operating Cost	[Min Rs]	1,180	1,180	1,180	3,540	1,180	1,180	1,180	3,540	1,180	1,180	1,180	3,540	1,180	1,180	1,180	14,160
EBT	[Min Rs]	250.02	250.02	250.02	750	250.02	250.02	250.02	750	250.02	250.02	250.02	750	250.02	250.02	250.02	3,000
Financial Charges	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Min Rs]	250	250	250	750	250	250	250	750	250	250	250	750	250	250	250	3,000
Tax	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Min Rs]	250	250	250	750	250	250	250	750	250	250	250	750	250	250	250	3,000
WPPF	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Min Rs]	250	250	250	750	250	250	250	750	250	250	250	750	250	250	250	3,000

Balance Sheet

[Rs. in Million]

Description	FY 2017-18 Audited As on 30.06.18	FY 2018-19 Provisional As on 30.06.19	FY 2019-20 Projected As on 30.06.20
Intangible Fixed Assets	-	-	-
Net Fixed Assets in Operations	22,913	26,287	29,473
Total Net Fixed Assets in Operations	22,913	26,287	29,473
Capital Work in Progress	13,715	16,006	15,863
Long Term Loans and Deposits	566	561	561
Current Assets			
Stores & Spares	2,727	2,460	2,583
Net Trade Debts	27,499	35,726	35,726
Loans and Advances	734	1,058	1,058
Advances, Prepayments, Other Receivables	15,782	18,717	18,717
Receivable from Associated Companies (Including TDS)	29,356	31,864	31,864
Taxation Net	682	631	631
Accrued Mark-up	20	5	5
Cash & Bank Balances	3,927	4,326	4,326
Total Current Assets	80,727	94,787	94,910
Total Assets	117,921	137,641	140,807
Subscribed Equity	71,521	71,521	71,521
Unappropriated Profit/(Loss)	(159,274)	(184,295)	(181,431)
Total Equity	(87,753)	(112,774)	(109,910)
Long Term Liability			
Security Deposits	1,659	1,846	2,054
Employee Retirement Benefits	24,683	25,205	25,205
Deferred Credits	16,837	17,393	20,182
Receipts against deposit works and connections	2,976	2,659	3,268
Total Long Term Loan	4,630	5,335	5,335
Total Long Term Liability	50,785	52,438	56,044
Current Liability	6,955	7,815	860
Current Maturity on Long Term Loans	2,325	2,480	2,480
Subsidy Received in Advance from GoP	-	-	-
Due to Associated Companies	141,972	176,757	169,995
Provision for Taxation	-	-	-
Accrued Mark-up	4,914	6,009	6,832
Creditors, Accrued and Other Liabilities	5,678	9,577	9,577
Total Current Liability	154,889	194,823	188,884
Total Liabilities and Commitments	205,674	247,261	244,928
Total Liabilities and Equity	117,921	137,641	140,807

Note:- Combined Statement of Distribution & Supply Business.

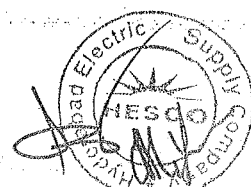


Cash Flow Statement

[Rs. in Million]

		FY 2017-18 Audited As on 30.06.18	FY 2018-19 Provisional As on 30.06.19	FY 2019-20 Projected As on 30.06.20
Average Monthly Demand Index (MDI)	[MW]	1.33	1.39	1.46
Units Purchased	[GWh]	5,359	5,557	5,375
Transmission Losses (132 kV)	[GWh]	1,030	1,060	992
Distribution Losses	[GWh]	617	581	487
Units Sold to Customers	[GWh]	3,712	3,916	3,897
Average Tariff Required	[Rs/unit]			23.49
Average Tariff Existing	[Rs/unit]	13.05	13.05	13.05
	[Rs/unit]			
Revenue from Sales	[Rs. in M]	35,802	14,751	64,285
Collection from Required	[%]	118%	245%	100.0%
Inflows from Operations				
Collection from Sales	[Rs. in M]	42,087	36,166	64,285
Total Inflows from Operations		42,087	36,166	64,285
Outflow from Operations				
Payment for electricity (to CPPA)	[Rs. in M]	34,442	26,936	65,569
Distribution Service Cost (=DMC)	[Rs. in M]	7,645	9,230	12,450
Total Outflow from Operations		42,087	36,166	78,019
Surplus/Deficit from Operations				(13,734)
Inflows from Other Sources				
Capital Contributions	[Rs. in M]	2,042	2,756	3,495
Consumer Security Deposits	[Rs. in M]	157	185	171
GOP Subsidy (Actual and Estimated)	[Rs. in M]	1,170	1,944	27,251
Loan receipts from ADB	[Rs. in M]	987	860	0
Total Inflows from Other Sources	[Rs. in M]	4,355	5,746	30,917
Outflow Others				
Repayment of Long Term Loans	[Rs. in M]			
Investment Program (Loan Disbursement)	[Rs. in M]	987	860	0
Investment Program (Own Sources)	[Rs. in M]	1,580	2,542	3,528
GOP Subsidy (Actual and Estimated) to CPPA	[Rs. in M]	1,170	1,944	27,251
Total Outflow Others	[Rs. in M]	3,736	5,347	30,779
Surplus/Deficit Others	[Rs. in M]	619	399	(13,596)
Total Inflows (Operations + Others)	[Rs. in M]	46,442	41,912	95,202
Total Outflows (Operations + Others)	[Rs. in M]	45,824	41,513	108,798
Opening Balance	[Rs. in M]	3,309	3,927	4,326
Surplus/Deficit for Fiscal Year	[Rs. in M]	619	399	
Closing Balance	[Rs. in M]	3,927	4,326	4,326

Note:- Combined Statement of Distribution & Supply Business.



FORM - 7

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Line Losses FY 2018-19

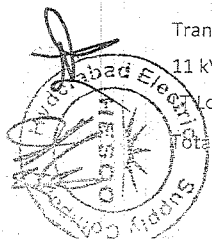
		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Power Balances														
Units Received	[MkWh]	654.15	583.89	548.63	490.92	353.69	302.32	283.06	263.00	346.82	481.10	617.57	631.61	5,556.76
Units Sold	[MkWh]	434.40	388.70	362.70	327.40	300.70	230.20	233.60	234.00	232.10	329.50	387.40	455.50	3,916.20
Units Lost	[MkWh]	219.75	195.19	185.93	163.52	52.99	72.12	49.46	29.00	114.72	151.60	230.17	176.11	1,640.56
Units Lost	[%age]	33.59%	33.43%	33.89%	33.31%	14.98%	23.86%	17.47%	11.03%	33.08%	31.51%	37.27%	27.88%	29.52%
Technical Losses	[%age]	23.10%	20.01%	16.26%	20.37%	7.78%	18.15%	16.40%	7.18%	31.27%	19.68%	26.84%	15.88%	19.07%
Administrative Losses	[%age]	10.49%	13.42%	17.63%	12.94%	7.20%	5.71%	1.07%	3.85%	1.81%	11.83%	10.43%	12.00%	10.45%
Technical Losses at Different Levels														
Transmission Losses 132 kV	[%age]	7.11%	3.99%	0.26%	4.34%	-7.52%	3.34%	3.11%	-6.92%	17.73%	3.85%	10.95%	-0.22%	3.83%
11 kV Losses	[%age]	10.82%	10.84%	10.82%	10.85%	10.12%	9.63%	8.11%	8.92%	8.36%	10.65%	10.71%	10.92%	10.06%
LT Losses	[%age]	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%
Total Technical Losses	[%age]	23.10%	20.01%	16.26%	20.37%	7.78%	18.15%	16.40%	7.18%	31.27%	19.68%	26.84%	15.88%	19.07%

FORM - 7 (A)

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Line Losses FY 2019-20

		Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Power Balances														
Units Received	[MkWh]	580.30	569.84	535.68	479.84	347.07	297.33	278.75	259.30	340.40	470.07	602.16	614.74	5,375.48
Units Sold	[MkWh]	409.80	386.56	366.46	330.86	298.59	231.23	233.32	232.65	235.45	327.47	393.10	451.51	3,897.00
Units Lost	[MkWh]	170.50	183.28	169.22	148.98	48.48	66.10	45.43	26.65	104.95	142.60	209.06	163.23	1,478.48
Units Lost	[%age]	29.38%	32.16%	31.59%	31.05%	13.97%	22.23%	16.30%	10.28%	30.83%	30.34%	34.72%	26.55%	27.50%
Technical Losses	[%age]	22.35%	19.79%	18.00%	20.11%	10.82%	17.97%	12.81%	7.06%	23.70%	21.52%	27.88%	19.41%	18.45%
Administrative Losses	[%age]	7.03%	12.37%	13.59%	10.94%	3.15%	4.26%	3.49%	3.22%	7.13%	8.82%	6.84%	7.14%	9.05%
Technical Losses at Different Levels														
Transmission Losses 132 kV	[%age]	6.59%	4.01%	2.24%	4.32%	-4.44%	3.20%	1.56%	-5.00%	10.20%	5.83%	12.23%	3.55%	3.69%
11 kV Losses	[%age]	10.59%	10.61%	10.59%	10.62%	10.09%	9.60%	6.08%	6.89%	8.33%	10.52%	10.48%	10.69%	9.59%
LT Losses	[%age]	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%
Total Technical Losses	[%age]	22.35%	19.79%	18.00%	20.11%	10.82%	17.97%	12.81%	7.06%	23.70%	21.52%	27.88%	19.41%	18.45%



FORM - 8**HYDERABAD ELECTRIC SUPPLY COMPANY LTD.****Operational and Technical Information**

HESCO load factors on yearly basis

2018	65.79%
2017	68.72%
2016	62.20%
2015	64.92%
2014	67.31%

NTDG/DISCO Delivery Points metering accuracy

0.2

DISCO metering accuracy

For all customers (residential, commercial, industrial, etc.)

1-2

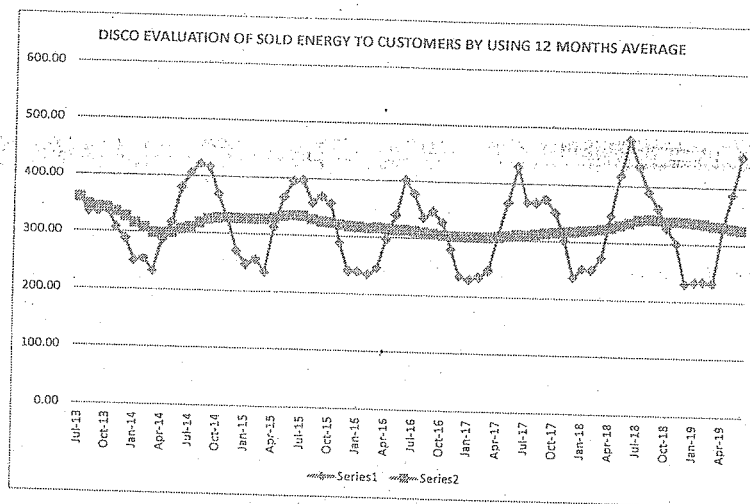
Estimated High Voltage Transmission lines losses (132 kv)

2.57%

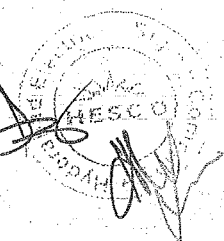


Table/Graph 14 - Sold Energy Evaluation and Setting up Sold Energy Average

Month	Units [MkWh]	12 months moving average
Jul-13	359.80	360
Aug-13	334.80	347
Sep-13	336.00	344
Oct-13	338.30	342
Nov-13	307.60	335
Dec-13	288.30	327
Jan-14	249.20	316
Feb-14	254.40	309
Mar-14	231.30	300
Apr-14	287.40	299
May-14	318.00	300
Jun-14	379.30	307
Jul-14	406.00	311
Aug-14	421.60	318
Sep-14	416.00	325
Oct-14	368.90	327
Nov-14	326.20	329
Dec-14	269.70	327
Jan-15	246.40	327
Feb-15	256.40	327
Mar-15	233.40	327
Apr-15	313.10	330
May-15	367.10	334
Jun-15	394.70	335
Jul-15	396.80	334
Aug-15	357.60	329
Sep-15	370.00	325
Oct-15	356.90	324
Nov-15	288.50	321
Dec-15	239.30	318
Jan-16	238.90	318
Feb-16	233.80	316
Mar-16	246.40	317
Apr-16	296.00	316
May-16	340.00	313
Jun-16	401.10	314
Jul-16	377.30	312
Aug-16	336.30	310
Sep-16	347.80	309
Oct-16	328.10	306
Nov-16	280.70	305
Dec-16	234.30	305
Jan-17	229.20	304
Feb-17	233.80	304
Mar-17	245.80	304
Apr-17	309.10	305
May-17	366.10	307
Jun-17	429.80	310
Jul-17	367.70	309
Aug-17	367.10	312
Sep-17	373.50	314
Oct-17	350.20	316
Nov-17	301.10	317
Dec-17	237.20	318
Jan-18	252.20	319
Feb-18	251.00	321
Mar-18	272.50	323
Apr-18	346.10	326
May-18	418.30	331
Jun-18	481.00	335
Jul-18	434.40	340
Aug-18	388.70	342
Sep-18	362.70	341
Oct-18	327.40	339
Nov-18	300.70	339
Dec-18	230.20	339
Jan-19	233.60	337
Feb-19	234.00	336
Mar-19	232.10	332
Apr-19	329.50	331
May-19	387.40	328
Jun-19	455.50	326

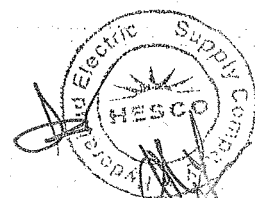
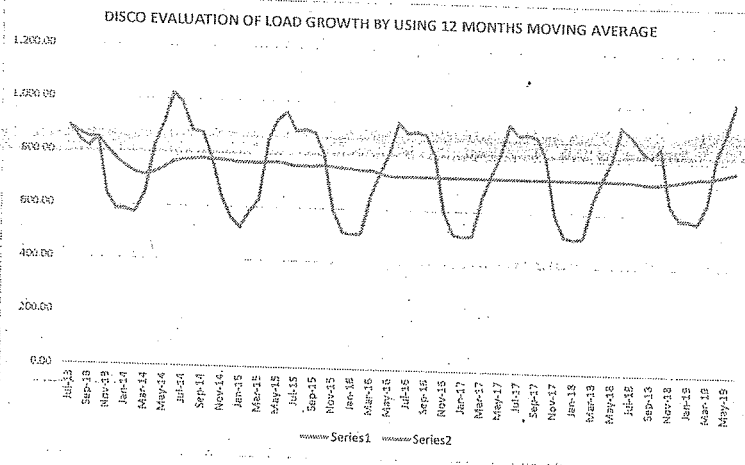


336. Average Sold Energy for last 12 months
4,033 Assumed Average Load for next Fiscal Year

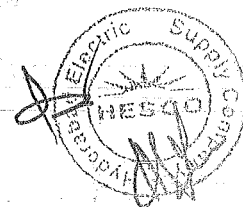


Table/Graph 13 - Load Growth Evaluation and Setting up Load Average

Month	Load [MW]	12 months moving average
Jul-13	892.00	892
Aug-13	846.00	869
Sep-13	818.00	852
Oct-13	852.00	852
Nov-13	640.00	810
Dec-13	584.00	772
Jan-14	584.00	745
Feb-14	573.00	724
Mar-14	647.00	715
Apr-14	822.00	726
May-14	910.00	743
Jun-14	1,022.00	766
Jul-14	985.00	774
Aug-14	887.00	777
Sep-14	878.00	782
Oct-14	774.00	776
Nov-14	634.00	775
Dec-14	557.00	773
Jan-15	523.00	768
Feb-15	582.00	768
Mar-15	629.00	767
Apr-15	854.00	770
May-15	931.00	771
Jun-15	960.00	766
Jul-15	890.00	758
Aug-15	896.00	759
Sep-15	885.00	760
Oct-15	806.00	762
Nov-15	592.00	759
Dec-15	513.00	755
Jan-16	505.00	754
Feb-16	509.00	748
Mar-16	648.00	749
Apr-16	733.00	739
May-16	809.00	729
Jun-16	929.00	726
Jul-16	890.00	726
Aug-16	896.00	726
Sep-16	885.00	726
Oct-16	806.00	726
Nov-16	592.00	726
Dec-16	513.00	726
Jan-17	505.00	726
Feb-17	509.00	726
Mar-17	648.00	726
Apr-17	733.00	726
May-17	809.00	726
Jun-17	929.00	726
Jul-17	890.00	726
Aug-17	896.00	726
Sep-17	885.00	726
Oct-17	806.00	726
Nov-17	592.00	726
Dec-17	513.00	726
Jan-18	505.00	726
Feb-18	509.00	726
Mar-18	648.00	726
Apr-18	733.00	726
May-18	809.00	726
Jun-18	929.00	726
Jul-18	892.00	726
Aug-18	846.00	722
Sep-18	818.00	717
Oct-18	852.00	721
Nov-18	640.00	725
Dec-18	584.00	730
Jan-19	584.00	737
Feb-19	573.00	742
Mar-19	647.00	742
Apr-19	822.00	750
May-19	910.00	758
Jun-19	1,022.00	766



S. No	Description	Cost			Accumulated Depreciation			Book Value as on June 30
		As at July 01	Addition/deletions	As at June 30	As at July 01	Charge during the year	As at June 30	
A.	Land							
1	Freehold	55.65	-	55.65	-	-	-	55.65
2	Lease hold	84.15	-	84.15	-	-	-	84.15
	Total	139.80	-	139.80	-	-	-	139.80
B	Building							
1	Residential Building	900.35	-	900.35	386.73	18.01	404.74	495.61
2	Non-Residential Building	222.75	-	222.75	83.64	4.46	88.10	134.66
3	GSO Residential Building	61.07	-	61.07	6.46	1.22	7.68	53.39
4	Non GSO Residential Building	-	-	-	-	-	-	-
5	Other Property	579.27	161.05	740.32	116.63	14.81	131.43	608.89
	Total	1,763.45	161.05	1,924.50	593.46	38.49	631.95	1,292.56
C.	Sub-Transmission							
1	132 KV Sub-Tranm:Line	3,120.84	37.32	3,158.16	1,539.09	110.54	1,649.63	1,508.53
2	66 KV Sub-Tranm:Line	375.55	4.11	379.67	136.94	13.29	150.23	229.43
3	33 KV Sub-Tranm:Lines	154.88	5.42	160.30	100.10	5.61	105.71	54.59
	Total	3,651.26	46.86	3,698.12	1,776.13	129.43	1,905.57	1,792.56
D.	Gird Station							
1	132 KV Gird Station	3,187.61	1,434.86	4,622.47	235.81	161.79	397.59	4,224.87
2	66 KV Gird Station	138.41	0.84	139.25	77.40	4.87	82.28	56.97
3	33 KV Gird Station	-	-	-	-	-	-	-
	Total	3,326.02	1,435.69	4,761.72	313.21	166.66	479.87	4,281.84
E.	11 KV Distribution Equip:							
1	11 KV Poles	1,656.39	57.97	1,714.36	337.54	60.00	397.55	1,316.81
2	11 KV Line	11,137.16	1,389.12	12,526.28	4,527.02	438.42	4,965.44	7,560.83
3	Distribution Transformer	16,047.51	156.84	16,204.35	8,620.53	567.15	9,187.68	7,016.67
	Total	28,841.06	1,603.93	30,444.99	13,485.10	1,065.57	14,550.67	15,894.32
F	LV Distribution Equip:							
1	LV Poles	1,118.43	464.38	1,582.81	289.97	55.40	345.37	1,237.44
2	440 LV Distribution Line	2,143.47	141.14	2,284.61	871.68	79.96	951.64	1,332.97
3	220 LV Distribution Line	850.77	589.01	1,439.78	221.78	50.39	272.18	1,167.60
4	KWH Meters & Service Cable	2,953.03	443.53	3,396.55	990.42	118.88	1,109.30	2,287.25
5	Misc:Equip:	0.25	0.15	0.40	0.01	0.01	0.03	0.37
	Total	7,065.93	1,638.21	8,704.14	2,373.87	304.64	2,678.51	6,025.63
G	Vehicles							
1	132/66/ KV GSO Vehicles	302.98	43.95	346.93	310.67	31.44	342.11	4.82
2	Vehicles	379.12	17.83	396.95	355.47	35.97	391.44	5.51
	Total	682.10	61.78	743.88	666.15	67.41	733.55	10.33
H	Detail of General Plant Assets							
1	Furniture	112.77	0.02	112.78	112.08	0.39	112.47	0.32
2	Workshop Equipment	6.61	6.03	12.64	0.58	-	0.58	12.06
3	Laboratory Equipment	57.35	-	57.35	54.81	-	54.81	2.54
4	Misc:Equipment	129.57	3.47	133.04	123.75	4.12	127.87	5.17
	Total	306.31	9.51	315.82	291.22	4.51	295.74	20.08
J.	Computer Equipment							
1	Computer Equipment	11.55	1.86	13.41	9.55	0.71	10.26	3.15
	Total	11.55	1.86	13.41	9.55	0.71	10.26	3.15
	Grand Total	45,787.49	4,958.89	50,746.38	19,508.68	1,777.44	21,286.12	29,460.26



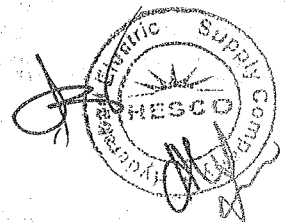
HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Aging of Accounts Receivables as on June 30, 2019

Outstanding for current year
 Outstanding for more than 1 to 3 years
 Outstanding for more than 3 years
 Total Receivables as on June 30, 2016

Rs In Million
 Rs In Million
 Rs In Million
 Rs In Million

Actual for ending 30th June, 2018	Actual for ending 30th June, 2019	Projected for ending 30th June, 2020
15,314	-	-
12,885	20,532	17,631
36,123	46,457	64,989
64,322	66,989	82,620



HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Operating Cost

FY 2017-18	FY 2018-19	FY 2019-20
Determined	Provisional	Projected

A Power Purchase Cost

Energy Charge	[Mln Rs]
Capacity Charge	[Mln Rs]
Transmission Charge	[Mln Rs]
Adjustment	[Mln Rs]
Market Operation Fee	[Mln Rs]
Total Power Purchase Cost	[Mln Rs]

B Operation & Maintenance

Employees Cost				
Salaries, Wages & Benefits	[Mln Rs]	4,667	5,019	5,157
PM Assistant Package	[Mln Rs]	759	-	200
Retirement Benefits	[Mln Rs]	1,353	3,524	4,734
Total Employees Cost	[Mln Rs]	6,779	8,543	10,091
Repair & Maintenance	[Mln Rs]	832	775	893
Travelling	[Mln Rs]	244	213	252
Transportation	[Mln Rs]	121	231	190
Miscellaneous Expenses	[Mln Rs]	231	213	238
Total O&M	[Mln Rs]	8,207	9,975	11,665

C Depreciation & Amortization

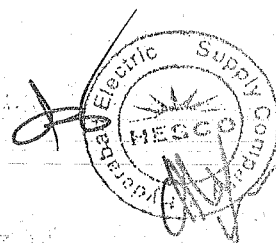
Depreciation	[Mln Rs]	1,506	1,612	1,777
Amortization of Leased Assets	[Mln Rs]			
Total	[Mln Rs]	1,506	1,612	1,777

D Provision for Bad Debts

Provision for bad debts	[Mln Rs]		1,261	718
Bad debts written off	[Mln Rs]			

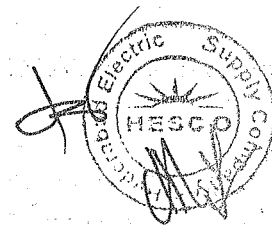
E. Extra Ordinary /Contingency Expenses

Other Contingency expenses due to Flood	[Mln Rs]
---	----------



Distribution Margin Comparison

	Unit	FY 2018-19 Provisional	FY 2019-20 Projected
O&M Expenses	Rs. in M	9,975	11,665
Increase in %	%age		16.9%
Provision for bad debts	Rs. in M	1,261	718
Depreciation	Rs. in M	1,612	1,777
RORB	Rs. in M	2,825	3,000
Income Tax	Rs. in M	-	-
Other Income	Rs. in M	(921)	(953)
Distribution Margin	Rs. in M	14,751	16,197
Energy Sold	Gwh	3,916	3,897
DM per unit	Rs./kwh	3.77	4.16
DM per unit increase	%age		10.35%



FORM-18

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Financial Charges

FY 2017-18	FY 2018-19	FY 2019-20
Determined	Provisional	Projected

A Long Term Loans

GOP loans

Foreign Loans

Bonds

TFCs

Others

Total

823

823

823

823

B Short Term Loan

Running Finance

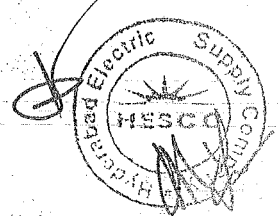
Short Term Loan

Others

Total**C Total Financial Charges (A+B)**

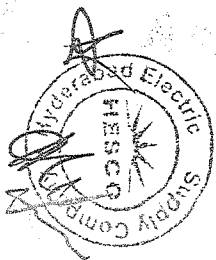
823

823



RORB Calculation

Sr. #	Description	Unit	FY 2017-18	FY 2018-19	FY 2019-20
			Audited	Provisional	Projected
A	Gross Fixed Assets in Operation - Opening Bal	[Mln Rs]	39,386	41,794	45,787
B	Addition in Fixed Assets	[Mln Rs]	2,408	3,994	4,959
C	Gross Fixed Assets in Operation - Closing Bal	[Mln Rs]	41,794	45,787	50,746
D	Less : Accumulated Depreciation	[Mln Rs]	17,900	19,509	21,286
E	Net Fixed Assets in Operation	[Mln Rs]	23,894	26,279	29,460
F	Add : Capital Work In Progress - Closing Bal	[Mln Rs]	16,471	17,229	16,968
G	Investment in Fixed Assets	[Mln Rs]	40,365	43,508	46,429
H	Less : Deferred Credits	[Mln Rs]	17,081	19,032	20,182
I	Regulatory Assets Base	[Mln Rs]	23,284	24,476	26,247
J	Average Regulatory Assets Base	[Mln Rs]	21,561	23,880	25,361
	Rate of Return	[%age]	11.83%	11.83%	11.83%
	Return on Rate Base	[Mln Rs]	2,551	2,825	3,000



FORM - 20

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

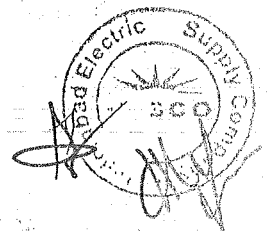
Revenue Requirement

		FY 2017-18 Determined	FY 2018-19 Provisional	FY 2019-20 Projected
A	Power Purchase Price			
B	DM			
	O&M			
	Depreciation	8,207	9,975	11,665
	Provision for bad debts	1,506	1,612	1,777
	RORB	-	1,261	718
	Less Other Income	2,573	2,825	3,000
	Total DM	(1,647)	(921)	(963)
		10,639	14,751	16,197
C	Revenue Requirement (A+B)	10,639	14,751	16,197
D	Total Revenue Requirement	10,639	14,751	16,197
E	Prior Year Adjustment	20,524	-	-
F	Write Off	-	-	-
G	Bi-Annually PPP Adjustment	2,821	-	-
H	Net Revenue Requirement	33,984	14,751	16,197

FORM - 20 (A)

Revenue Requirement (per unit sold)

		FY 2017-18 Determined	FY 2018-19 Provisional	FY 2019-20 Projected
A	Power Purchase Price [Un-Adjusted]			
B	Losses			
C	Power Purchase Price [Adjusted]			
D	DM			
	O&M	1.78	2.55	2.99
	Depreciation	0.33	0.41	0.46
	Provision for bad debts	-	0.32	0.18
	RORB	0.56	0.72	0.77
	Advance Tax	-	-	-
	Other Income	(0.36)	(0.24)	(0.25)
	Total DM	2.31	3.77	4.16
E	Revenue Requirement (A+B)	2.31	3.77	4.16
F	Total Revenue Requirement	2.31	3.77	4.16
G	Prior Year adjustment	4.45	-	-
H	Write Off	-	-	-
I	Bi-Annually PPP Adjustment	0.61	-	-
J	Net Average Tariff Rate	7.37	3.77	4.16



FORM - 21 (A)

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.
Investment

	FY 2017-18	FY 2018-19		FY 2019-20
	Determined	Budgeted	Provisional	Projected
A Investment Plan				
DOP*	[Mln Rs]	-	1,053	195
T&P	[Mln Rs]	-	-	200
ELR	[Mln Rs]	-	663	450
STG	[Mln Rs]	-	3,800	2,000
ERP & CIS	[Mln Rs]	-	-	-
Village Electrification	[Mln Rs]	-	420	682
Others (Deposit Work)	[Mln Rs]	-	140	612
Total	[Mln Rs]	5,500	6,076	4,598

B Financing Arrangement

Local	[Mln Rs]			
Foreign	[Mln Rs]		1,190	1,190
Annual Development Budget/ Own Resources	[Mln Rs]	-	4,326	3,303
Grant	[Mln Rs]	-	-	-
Village Electrification	[Mln Rs]	-	420	682
Others (Deposit Work)	[Mln Rs]	-	140	612
Total	[Mln Rs]	5,500	6,076	4,827

FORM - 21 (B)

Overall Losses

Existing Level of Losses	(Jul-18 to Jun-19)	29.80%
Losses previous year		29.52%
Investment carried out last year		6,076
Objective committed last year	(Reduction of Losses from 29.75% FY 2017-18 to 26.84% FY 2018-19)	
Actual Results achieved after investments		29.52%

Investment Requested for the year	4,597.74
Objective (reduction in losses / maintenance of existing level of losses)	
Projected losses for the control period	27.50%

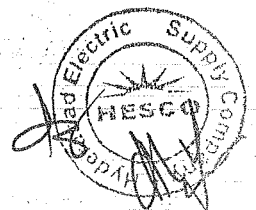


HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

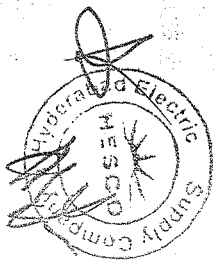
Interest on Development Loans

Sr. No.	Loans	Interest Rate %	FY 2018-19	FY 2019-20				Total
				1st Qrt	2nd Qrt	3rd Qrt	4th Qrt	
1	World Bank Loan No 7565 & Credit No. 4464-PAK	17%	383.780	95.945	95.945	95.945	95.945	383.780
2	ADB Loan No 2438-PAK Tranche-I	17%	320.843	80.211	80.211	80.211	80.211	320.843
3	ADB Loan No 2727-PAK Tranche-II	17%	13.997	3.499	3.499	3.499	3.499	13.996
4	ADB Loan No 2972-PAK Tranche-III	17%	93.107	23.277	23.277	23.277	23.277	93.108
5	ADB Loan No 3096-PAK Tranche-IV	17%	11.701	2.925	2.925	2.925	2.925	11.700
TOTAL			823.43	205.86	205.86	205.86	205.86	823.427

This form should be submitted for each loan appearing on the DISCO's Balance Sheet



Sr. No.	Loan	Interest Rate	Remaining Years	FY 2018-19				First Qtr of FY 2019-20				Second Qtr of FY 2019-20				Third Qtr of FY 2019-20				Fourth Qtr of FY 2019-20			
				O/Bal	Disbursement	Repayment	C/Bal	O/Bal	Disbursement	Repayment	C/Bal	O/Bal	Disbursement	Repayment	C/Bal	O/Bal	Disbursement	Repayment	C/Bal	O/Bal	Disbursement	Repayment	C/Bal
i.	World Bank Loan No 7565 & Credit No. 4464-PK	17%		2,257.532	-	-	2,257.53	2,257.532	-	-	2,257.53	2,257.532	-	-	2,257.53	2,257.532	-	-	2,257.53	2,257.532	-	-	2,257.53
	ADB Loan No. 2438-PAK (Tranche-II)			1,887.313	-	-	1,887.31	1,887.313	-	-	1,887.31	1,887.313	-	-	1,887.31	1,887.313	-	-	1,887.31	1,887.313	-	-	1,887.31
ii.	ADB Loan No. 2727-PK Tranche-II	17%		2,107.372	130.748	-	2,238.12	2,238.120	-	-	2,238.12	2,238.120	-	-	2,238.12	2,238.120	-	-	2,238.12	2,238.120	-	-	2,238.12
iii.	ADB Loan No. 2927-PK Tranche-III	17%		1,454.000	741.590	-	2,195.59	2,195.590	-	-	2,195.59	2,195.590	-	-	2,195.59	2,195.590	-	-	2,195.59	2,195.590	-	-	2,195.59
iv.	ADB Loan No. 3096-PK Tranche-IV	17%		639.598	106.672	-	746.27	746.270	-	-	746.27	746.270	-	-	746.27	746.270	-	-	746.27	746.270	-	-	746.27
Grand Total				8,345.81	979.01	-	9,324.82	9,324.82	-	-	9,324.82	9,324.82	-	-	9,324.82	9,324.82	-	-	9,324.82	9,324.82	-	-	9,324.82





HYDERABAD ELECTRIC SUPPLY COMPANY HYDERABAD
OFFICE OF THE COMPANY SECRETARY HESCO
3RD FLOOR ROOM NO.301 WAPDA OFFICES COMPLEX HUSSAINABAD HYDERABAD

Phone No.022-9260017
Exch.022-9260161/172
Cell # 03041929894
Fax No.022-9260361
Email: Secretary.hesco@gmail.com

No.HESCO/BOD/CS/2664-73

Date 16/09/2019

BOARD RESOLUTION

SUBJECT. TARIFF PETITION REGARDING CONSUMER-END TARIFF FOR FY 2019-20
(INCLUDING O&M BUDGET)

The Board in its 154th meeting held on 13.09.2019 vide Addl. Agenda No.1 has passed the following resolution:

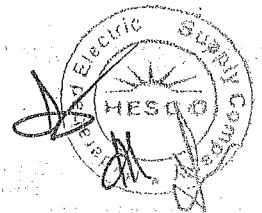
Resolved that "The BOD accorded approval of consumer-end Tariff petition for FY 2019-20. The BOD also authorized Chief Executive Officer HESCO to file the tariff petition and to file review for leave for motion (if necessary) before NEPRA on behalf of Hyderabad Electric Supply Company Limited".

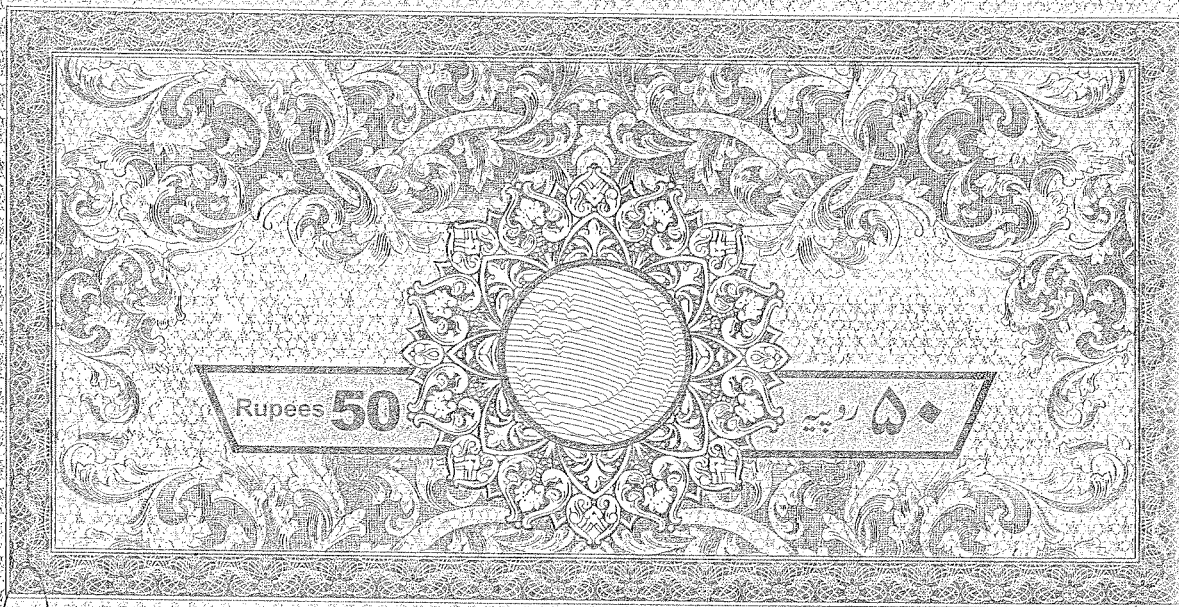
By order of the Board

(Signature) 16/09/19.
(FAHEEMULLAH MEMON)
COMPANY SECRETARY
HESCO HYDERABAD

Copy to:

1. Chairman BOD / members of BOD HESCO for kind information.
2. Chief Executive Officer HESCO Hyderabad.
3. Chief Technical Officer HESCO Hyderabad.
4. Chief Engineer (P&E) HESCO Hyderabad.
5. Chief Engineer (Dev) PMU HESCO Hyderabad.
6. Chief Operating Officer HESCO Hyderabad.
7. Chief Commercial Officer HESCO Hyderabad.
8. Chief Financial Officer HESCO Hyderabad.
9. Chief Internal Audit HESCO Hyderabad.
10. Admn & HR Director HESCO Hyderabad.
11. Master file





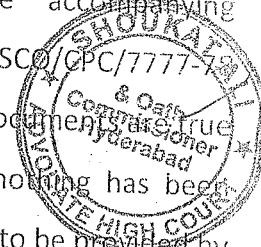
WASIT AHMED MEMON
Government Stamp Vendor
Licence No: 12
Venus Photo State, Court Road
Hyderabad.

Chief Executive Officer HESCO

17 OCT 2019

AFFIDAVIT

I, Abdul Haq Memon, Chief Executive Officer, Hyderabad Electric Supply Company Limited, (Distribution License # 05/DL/2002) being duly authorized representative/attorney of Hyderabad Electric Supply Company Limited, hereby solemnly affirm and declare that the contents of the accompanying petition/application submitted/filed vide No. CEO/CFO/HESCO/CPC/7777-12 dated 17.10.2019, related to FY 2019-20, including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed. I also affirm that all further documents and information to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and belief.



Deponent

(Signature)
(ABDUL HAQ MEMON)
CHIEF EXECUTIVE OFFICER

ATTESTED
(Signature)
SHOUKAT ALI
ADVOCATE HIGH COURT
Oath Commissioner, Hyderabad

