

HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED



CONSUMER-END TARIFF PETITION

FOR

FY 2018-19

BASED ON ACTUAL/ESTIMATED

RESULTS OF

FY 2017-18

DISTRIBUTION LICENSE

No. 05/DL/2002

17TH OCTOBER, 2019



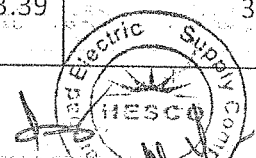
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CONSUMER END TARIFF PETITION - HESCO
SUMMARY OF EVIDENCE FOR DISTRIBUTION BUSINESS
FOR FY 2018-19

Sr. #	Parameter	Unit	NEPRA Determination FY 2015-16	FY 2017-18 (Provisional)	FY 2018-19 (Projected)
1	Sales Volume & Growth in Sales	Gwh	4,310	4,001	4,290
2	T&D Losses	%age	22.59%	29.75%	26.84%
3	Power Purchase Volume	Gwh	0	0	0
4	Power Purchase Price (Un adjusted)	Rs./ Kwh	-	-	-
5	Return on Rate Base	Rs.in M	1,761	2,323	2,424
		%age	11.83%	11.83%	11.83%
6	O&M	Rs. in M	6,417	8,141	9,975
7	Provision for Bad Debt	Rs. in M	-	2,029	1,977
8	Depreciation	Rs. in M	1,235	1,474	1,608
9	Other Income	Rs. in M	(1,323)	(384)	(623)
10	Distribution Margin	Rs./ Kwh	1.88	3.39	3.58
11	Prior Year Adjustment	Rs./Kwh	1.20	-	-
12	Write-Off	Rs./Kwh	0.48	-	-
13	Average Nominal Tariff	Rs./ Kwh	3.56	3.39	3.58



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.

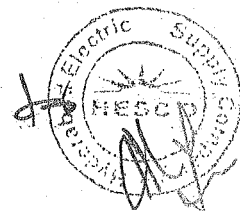
1.1.2 Representatives of HESCO:

- | | |
|-----------------------------|--------------------------|
| • 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 OFS 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

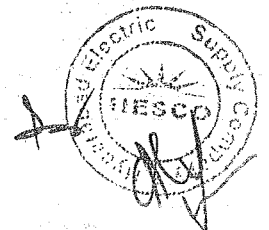
The T&D Losses in actual for FY 2016-17, provisional for FY 2017-18 and target for FY 2018-19 of Transmission & Distribution losses is proposed for the consideration of the Authority:

Year	Transmission Loss %	Distribution Loss%	T&D Losses%
2016-17	3.16	23.13	26.29
2017-18	3.33	26.42	29.75
2018-19	3.31	23.53	26.84

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 3,177 referred cases of electricity theft only 152 No. FIRs has so far been lodged from Jul-2016 to June-2018.
- 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 3,296.91 KM Transmission line 687.12 K.M is of 66 KV i.e. 20.84%. The Transmission system is old and deteriorated, which causes high loss.
- v) Out of 489 feeders 276 (56.5%) 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.3.58/kwh for the FY 2018-19 based on projected figures worked out as under:

[Rs.in Million]		
Sr.#	Description	FY 2018-19
1	Return on Net Fixed Assets in Operation (RRB * Profit Rate Base) @ 11.83% as per last approved rate of NEPRA	2,424
2	O&M	9,975
3	Depreciation	1,608
4	Provision for bad debts	1,977
5	Other Income	(623)
6	Distribution Margin Cost	15,362
7	Sales Volume (Gwh)	4,290
8	Average Distribution Margin (6/7) Rs./Kwh	3.58



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 2018-19, a budgetary requirement is estimated as follows:

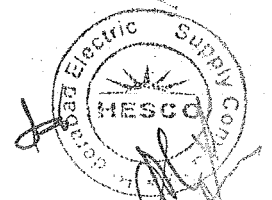
Description	Expenditure FY 2017-18 (Provisional)	Proposed FY 2018-19	[Rs. In Million]
			(Inc)/Dec Amount
Salary & Other Benefits	4,040	5,019	(979)
Post-Retirement Benefits	3,092	3,524	(432)
Total	7,132	8,543	(1,411)

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 2017-18 based on provisional and for FY 2018-19 based on projected figures is as follows:

FY 2017-18 Provisional Expenditure Rs.(M)	FY 2018-19 Projected Expenditure Rs.(M)
538	775



4.2.4 Travelling Allowance:

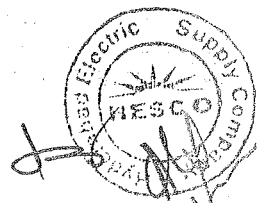
- Traveling expenses are related with the operational duties on regular basis as per policy such as regular vigilance, maintenance, disconnection of defaulters, attending complains etc.
- From total employees about 60% technical staff avail the T.A on frequent basis and 40% admin/supervisory staff avail T.A on requirement basis.
- Keeping in mind above facts, Travelling Expenses for FY 2017-18 based on provisional and for FY 2018-19 based on projected figures is as follows:

FY 2017-18 Expenditure [Provisional]	FY 2018-19 Projected Expenditure
Rs.(M)	Rs.(M)
209	213

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 2017-18 based on provisional and for FY 2018-19 based on projected figures is as follows:

Head of Account	[Rs. In Million]	
	FY 2017-18 Expenditure [Provisional]	FY 2018-19 Expenditure Projected
Vehicle Expense - Repairs	16.26	38.85
Vehicle Expenses - Fuel and Oil	94.00	191.70
Vehicle Expenses - License & Ins.	0.13	0.27
Total	110.39	230.81



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 2017-18 based on provisional and for FY 2018-19 based on projected figures is as follows:

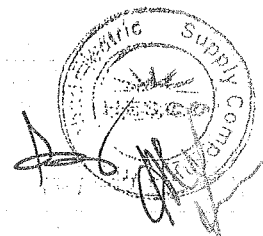
Head of Account	[Rs. In Million]	
	FY 2017-18 Expenditure [Provisional]	FY 2018-19 Expenditure Projected
Other Expenses	152	213

Based on above details the O&M expenditure for FY 2017-18 and FY 2018-19 is as under:

Description	[Rs. In Million]	
	FY 2017-18 Expenditure [Provisional]	FY 2018-19 Projected
Salaries & Other Benefits	7,132	8,543
Maintenance Expenses	538	775
T.A Expenses	209	213
Vehicle Expenses	110	231
Other Expenses	152	213
Total	8,141	9,975

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 2018-19 Rs. 1,608 (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

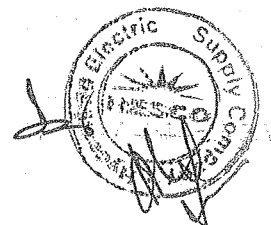
$$\text{WACC} = \text{Weighted Average Cost of Capital has been taken as determined by NEPRA in its determination dated 06.07.2018 i.e. 11.83% (post tax).}$$

The working of Rate Base is tabulated below:

Description	Unit	FY 2018-19
		Projected
Gross Fixed Assets in Operation - Opening Balance	[Mln Rs]	41,832
Addition in Fixed Assets	[Mln Rs]	3,997
Gross Fixed Assets in Operation - Closing Balance	[Mln Rs]	45,829
Less: Accumulated Depreciation	[Mln Rs]	19,545
Net Fixed Assets in Operation	[Mln Rs]	26,284
Add: Capital Work In Progress - Closing Balance	[Mln Rs]	16,813
Investment in Fixed Assets	[Mln Rs]	43,097
Less: Deferred Credits	[Mln Rs]	21,601
Regulatory Assets Base	[Mln Rs]	21,497
Average Regulatory Assets Base	[Mln Rs]	20,494
Rate of Return	[%age]	11.83%
Return on Rate Base	[Mln Rs]	2,424

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 2017-18 is 76.7% i.e. the Govt. recovery is 87.6% and Pvt. is 74.4%. 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. 1,977 (M) for FY 2018-19 based on projected figures.



4.6 Other Income:

An amount of Rs. 384 (M) for FY 2017-18 excluding LPS and based on last three years average Rs. 623 (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 2017-18	Projected FY 2018-19
DOP	257	1,053
ELR	477	663
7th STG	3,509	3,879
Others (Village Electrification and Deposit Work)	560	616
Total	4,804	6,212

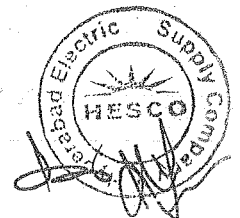
5.1 Financing:

5.1.1 Table - (A) (Own Resources)

Project	[Rs. In Million]	
	Expenditure FY 2017-18	Projected FY 2018-19
DOP	257	1,053
ELR	477	663
7th STG	1,894	3,879
Total	2,628	5,595

5.1.2 Table - (B) Foreign Loan/Consumer contribution

Project	[Rs. In Million]	
	Expenditure FY 2017-18	Projected FY 2018-19
ADB - Trench-I & II	836	0
ADB - Trench-III	710	0
ADB - Trench-IV	70	0
Village Electrification/Deposit Work	560	616
Total	2,176	616



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

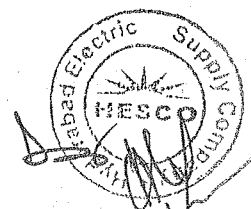
5.2.2 Scope of Work for FY 2018-19:

• 11 KV Feeders, LT/HT Lines

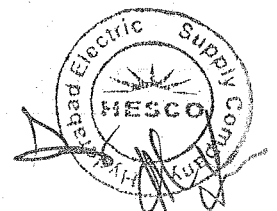
- New HT Line
- Reconductoring HT Line
- 11KV Capacitors (450 KVAR)
- 11KV Panels
- New LT Line
- Reconductoring of LT Line

• Civil Works Construction

- Construction of G.I Parking shed with PCC pavers at XEN Office Kotri
- Construction of Security Guard Room with bathroom and store i/c external water supply sewerage system for regional store at VVIP Rest House Nawabshah.
- Construction of Guard Room with bathroom and store & G.I Parking Shed for HESCO Medical Dispensary at VVIP Rest House S.E Office Nawabshah.
- Construction of water tower (RCC Foundation), 02 Nos Back side with steel ladder, electrification at regional Training Center Jamshoro
- Construction of security Guard Room with bathroom and store i/c external water supply sewerage system at 132 KV Grid station Tando Adam
- Construction of 01 No. D-Type Quarter i/c external water supply line and sewerage system at 132 Kv Grid station T.M.Khan.
- Construction of 2 Nos. E-Type Quarter at 132 KV Grid station HESCO Golarchi.
- Construction of 1 No. C-type Bungalow at i/c external water supply line and sewerage system at 132 Grid station Thatta.
- Construction of (04 No Rooms for SDO Construction Office Building at XEN/RO Office Kotri.
- Construction of 01 No D-Type Quarter i/c external water supply line and sewerage system at 132 KV Grid station Sehwan.
- Construction of 02 Nos E-type Quarter i/c water supply and Sewerage system at 132 KV Grid station Sehwan
- Construction of Bitumen road 700x12 (1x2x80x12) for residence side i/c earth filing at 132 KV Grid station Sehwan.
- Construction of conference/meeting hall @ S.E office Society Nawabsah.
- Construction of 01 No. C-Type Bungalow i/c water supply and sewerage system at HESCO Colony Society Nawabshah.
- Construction of C-Type Bungalow i/c external water supply line and sewerage system at 132 KV Grid station Umerkot.



- Construction of 02 Nos D-Type Quarter i/c external water supply line and sewerage system at 132 KV Grid station Mirpurkhas.
- Construction of Under Ground tank and vehicle shed for S.E Office at 132 KV Grid station Mirpurkhas.
- Construction of vehicle Shed for XEN/RO Office Umerkot at 132 KV Grid station Umerkot.
- Providing and Fixing vehicle shade of Regional store HESCO Hyderabad.
- Construction of Bricks Paving from left side New paving to office i/c earth filling and brick work at Regional Store HESCO Hyderabad.
- Construction of SDO Operation Office Building Allama Iqbal @ 132 KV Grid station Kohsar Latifabad.
- Construction of SDO Office Building, Memon S/Division @ HESCO Old Power house Phulleli.
- Construction of SDO Office Building, Ilyasabad S/Division @ HESCO Old Power house Phulleli.
- Construction of 03 Nos. E-Type Quarter i/c external water supply line and sewerage system at HESCO Old power house Colony T.M.Khan.
- Construction of underground and overhead tank and boring and external water supply and 15 H.P Pump Set @ 132 KV Grid station Talhar.
- Construction of B-type Bungalow i/c external water supply line and sewerage system at 132 KV Grid station Badin.
- Construction of 01 D-type, 02 Nos. E-type Quarter i/c external and internal water supply and sewerage system at 132 KV Grid station Nooriabad.
- Construction of B-type Bungalow i/c external water supply and sewerage system at 132 KV Grid station Thatta.
- Construction of B-Type Bungalow i/c external water supply line and sewerage system, at 132 KV Grid station Sehwan.
- Construction of 70 person masjid at 132 KV Grid station Nooriabad.
- Construction of main water supply line from city to Grid station Overhead & Underground tank at 132 KV Grid station Sehwan.
- Construction of Rest House Building at 132 KV Grid station Sehwan.
- Construction of Sub Division-I Operation at 132 KV Grid station society Nawabshah-II.
- Construction of 01 No. B-Type Bungalow i/c external water supply line and sewerage system at HESCO Nawabshah Road Sanghar.
- Construction of 03 Nos. E-type Quarter i/c external water supply line and sewerage system at HESCO Colony S.E Office Nawabshah.
- Construction of Operation Sub Division Building Mirwah Gorchani at 132 KV Grid station Mirwah.
- Construction of 03 Nos. E-Type at i/c external water supply line and sewerage system 132 KV Grid station Mirpurkhas.
- Construction of ware House Field Store HESCO Mirpurkhas.
- Construction of 01 No. D-type & 02 Nos. E-Type Quarter i/c external water supply line and sewerage system at 132 KV Grid station Matli.



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 2018-19:

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

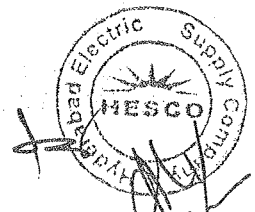
5.4.1 Objectives of STG Project:

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 201 8-19 (PROPOSED)

• Grid Station

- 132kV G/S Sakhi Wahab Hussain Near Sabzi Mandi alongwith T/L (New)
- 132kV G/S Jam Nawaz Ali alongwith T/L (New)
- 132kV G/S M.P.Khas-II alongwith T/L (New)
- 132kV G/S Bhit Shah alongwith T/L (New)
- 66kV G/S Kunri Alongwith T/L
- 66kV G/S Mithi alongwith T/L Noukot-Mithi
- 66kV G/S Islamkot alongwith T/L Mithi – Islamkot
- 66kV G/S Nabisar alongwith T/L
- 66kV G/S Khipro alongwith T/L
- 66kV G/S Chachro alongwith T/L
- 66kV G/S Pithoro alongwith T/L
- 66kV G/S Tando bago alongwith T/L
- 66kV G/S Pangrio alongwith T/L
- 66kV G/S Kaloi alongwith T/L
- 132kV G/S Sakrand (Aug)
- 132kV G/S Sehwan (Aug)
- 132kV G/S Old Jamshoro (Aug)
- 132 kV G/S Thatta (Aug)
- 132 kV G/S Thatta (Aug)
- 132 kV G/S Kalu Kohar (Aug)



- 132 kV G/S Doulatpur (Aug)
- 132kV G/S Gulistan-e-shahbabz (Aug)
- 132kV G/S Matiari (Aug)
- 132kV G/S Daur (Aug)
- 132kV G/S Umar Kot (Aug)
- 132kV G/S Saeedabad (Aug)
- 132kV G/S Hala (Aug)
- 132kV G/S Golarchi (Ext)

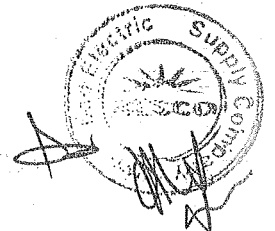
• Transmission Lines

- 132kV Kotri- Jhampir T/L (Rehb:)
- 132kV Thatta Sujawal T/L (Rehb:)
- 132kV NTPS-T.M.Khan T/L (Rehb:)
- 132kV Sujawal-B.S.Karim (Rehb:)
- 132kV B.S.Karim-T.M.Khan (Rehb:)
- Thatta - Pir Patho - Sakro (Rehb:)
- 132kV SDT Sujawal – Golarchi T.Line
- In & Out arrangement at Saeedabad S/S 2xLine Bays at substation
- Near Hyd. By Pass – Qasimabad S/S 2xLine Bays at Near Hyd. By Pass substation
- Sakrand – Nawab Shah 2xLine Bays (1 at each substation)
- Construction of 06 Nos. 132 kV Transmission Lines from proposed 220kV New Mirpur Khas Grid Station (of NTDC) to HESCO's Network (2xLine Bays, 1 at MPK and 1 at Kandiyari)
- 132kV MirPurKhas Grid Station (Rehb)
- 132kV Old Jamshoro Grid Station (Rehb)
- 132kV Sakrand Grid Station (Rehb)
- In & Out arrangement at Chamber S/S (2nd circuit) 1xLine Bay at substation

6. SUMMARY OF REVENUE REQUIREMENT:

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

Description	FY 2018-19	
	[Rs.in Million]	Rs./kWh
Distribution Margin	15,362	3.58



7 **PRAY:**

• **Consumer-End Tariff:**

1. It is prayed that in view of above discussions the total revenue requirement of Rs. 15,362 (M) having average tariff rate for the FY 2018-19 at Rs. 3.58/Kwh, may be allowed.
2. It is prayed that the T&D Losses @ 26.84% for FY 2018-19 may be allowed.
3. It is prayed that the investment of Rs. 6,212 (M) for FY 2018-19, as per detail mentioned above may be allowed.
4. Any other benefit authority may deemed right may be allowed.



(ABDUL HAQ MEMION)
CHIEF EXECUTIVE OFFICER

Exhibit

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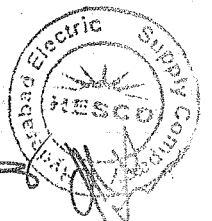
FORM - 1

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Company Statistics

		FY 2017-18	FY 2018-19
		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	68
Length of Feeders	KM	28,156	
Number of Feeders	Nos.	58	
Average Length of Feeders	KM	485	#DIV/0!
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 2017-18	FY 2018-19	FY 2017-18	FY 2018-19
	Actual	Projected	Actual	Actual
A				
Number of Employees	7,460	8,373	7,132	8,543
Qualified Professionals	276	288	264	294
Engineers	212	219	203	223
Others	64	69	61	70
B				
Staff	7,184	8,085	6,868	8,249
Technical	3,991	4,407	3,816	4,497
Clerical	218	337	208	344
Non Technical	2,975	3,341	2,844	3,409



FORM - 2

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Profit & Loss Statement

		FY 2016-17	FY 2017-18	FY 2018-19
		Audited	Provisional	Projected
Power Balances				
Units Received	[MkWh]	5,359	5,696	5,864
Units Lost	[MkWh]	1,648	1,694	1,574
Units Lost	[%age]	30.74%	29.75%	26.84%
Units Sold	[MkWh]	3,712	4,001	4,290
Revenue				
Sales Revenue	[Mln Rs]	35,802	13,583	15,361
Subsidy	[Mln Rs]	4,690	-	-
Fuel Price Adjustment	[Mln Rs]	-	-	-
Total Sales Revenue	[Mln Rs]	40,492	13,583	15,361
Rental & Service Income	[Mln Rs]	-	-	-
Amortization of Def Credits	[Mln Rs]	744	-	-
Other Income	[Mln Rs]	1,771	384	623
Total Revenue	[Mln Rs]	43,008	13,968	15,984
Operating Cost				
Power Purchase Cost	[Mln Rs]	52,229	-	-
O&M Expenses	[Mln Rs]	8,559	8,141	9,975
Depreciation	[Mln Rs]	1,376	1,474	1,608
Amortization	[Mln Rs]	-	-	-
Provision for Bad Debt	[Mln Rs]	7,051	2,029	1,977
Total Operating Cost	[Mln Rs]	69,214	11,645	13,560
EBIT	[Mln Rs]	(26,207)	2,323	2,424
Finance Cost	[Mln Rs]	734	-	-
EBT	[Mln Rs]	(26,941)	2,323	2,424
Tax	[Mln Rs]	369	-	-
EAT	[Mln Rs]	(27,310)	2,323	2,424
WPPF	[Mln Rs]	-	-	-
Profit for the period	[Mln Rs]	(27,310)	2,323	2,424

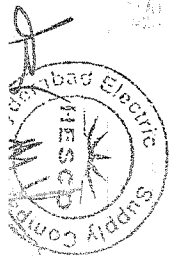


HYDERABAD ELECTRIC SUPPLY COMPANY LTD.
Profit & Loss Statement (FY 2017-18)

	Jul-17	Aug-17	Sep-17	Q-1	Oct-17	Nov-17	Dec-17	Q-2	Jan-18	Feb-18	Mar-18	Q-3	Apr-18	May-18	Jun-18	Q-4	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Provisional	Provisional	Provisional
Power Balances																	
Units Received	[MkWh] 569	564	575	1,708	523	363	312	1,198	308	285	406	1,001	505	657	626	1,788	5,696
Units Lost	[MkWh] 192	197	201	590	173	62	75	310	56	35	133	225	159	239	171	569	1,694
Units Lost %age	[%age] 33.75%	34.93%	34.99%	34.56%	33.09%	17.09%	24.07%	25.89%	18.16%	12.38%	32.83%	22.46%	31.48%	36.33%	27.32%	31.80%	29.73%
Units Sold	[MkWh] 377	367	374	1,118	350	301	237	888	252	251	273	776	345	418	455	1,219	4,001
Revenue																	
Sales Revenue	[Mn Rs] 1,132	1,132	1,132	3,396	1,132	1,132	1,132	3,396	1,132	1,132	1,132	3,396	1,132	1,132	1,131.95	3,396	13,583
Subsidy	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Price Adjustment	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sales Revenue	[Mn Rs] 1,132	1,132	1,132	3,396	1,132	1,132	1,132	3,396	1,132	1,132	1,132	3,396	1,132	1,132	1,132	3,396	13,583
Rental & Service Income	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Def Credits	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Mn Rs] 32	32	32	96	32	32	32	96	32	32	32	96	32	32	32	96	384
Total Revenue	[Mn Rs] 1,164	1,164	1,164	3,492	1,164	1,164	1,164	3,492	1,164	1,164	1,164	3,492	1,164	1,164	1,164	3,492	13,968
Operating Cost																	
Power Purchase Cost	[Mn Rs] 678	678	678	2,035	678	678	678	2,035	678	678	678	2,035	678	678	678.45	2,035	8,141
O&M Expenses	[Mn Rs] 123	123	123	369	123	123	123	369	123	123	123	369	123	123	123	369	1,474
Depreciation	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Mn Rs] 169	169	169	507	169	169	169	507	169	169	169	507	169	169	169	507	2,029
Total Operating Cost	[Mn Rs] 970	970	970	2,911	970	970	970	2,911	970	970	970	2,911	970	970	970	2,911	11,645
EBT	[Mn Rs] 194	226	226	645	226	226	226	677	226	226	226	677	226	226	226	677	2,323
Financial Charges	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Mn Rs] 194	226	226	645	226	226	226	677	226	226	226	677	226	226	226	677	2,323
Tax	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Mn Rs] 194	226	226	645	226	226	226	677	226	226	226	677	226	226	226	677	2,323
WPPF	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Mn Rs] 194	226	226	645	226	226	226	677	226	226	226	677	226	226	226	677	2,323

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.
Profit & Loss Statement FY 2018-19 (Projected)

	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
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Power Balances																	
Units Received	[MkWh] 585	580	593	1,757	539	374	321	1,234	317	295	419	1,031	520	677	645	1,842	5,864
Units Lost	[MkWh] 186	191	197	574	168	55	70	294	50	29	130	210	140	217	140	496	1,574
Units Lost %age	[%age] 31.81%	32.96%	33.25%	32.69%	31.21%	14.77%	21.80%	23.80%	15.86%	9.98%	31.10%	20.36%	26.82%	32.00%	21.67%	26.92%	26.84%
Units Sold	[MkWh] 399	389	395	1,183	371	319	251	940	267	266	288	821	381	450	505	1,346	4,290
Revenue																	
Sales Revenue	[Mn Rs] 1,280	1,280	1,280	3,840	1,280	1,280	1,280	3,840	1,280	1,280	1,280	3,840	1,280	1,280	1,280	3,840	15,361
Subsidy	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Price Adjustment	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sales Revenue	[Mn Rs] 1,280	1,280	1,280	3,840	1,280	1,280	1,280	3,840	1,280	1,280	1,280	3,840	1,280	1,280	1,280	3,840	15,361
Rental & Service Income	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Def Credits	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Mn Rs] 52	52	52	156	52	52	52	156	52	52	52	156	52	52	52	156	623
Total Revenue	[Mn Rs] 1,332	1,332	1,332	3,996	1,332	1,332	1,332	3,996	1,332	1,332	1,332	3,996	1,332	1,332	1,332	3,996	15,984
Operating Cost																	
Power Purchase Cost	[Mn Rs] 831	831	831	2,494	831	831	831	2,494	831	831	831	2,494	831	831	831	2,494	9,975
O&M Expenses	[Mn Rs] 134	134	134	402	134	134	134	402	134	134	134	402	134	134	134	402	1,608
Depreciation	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Mn Rs] 165	165	165	494	165	165	165	494	165	165	165	494	165	165	165	494	1,977
Total Operating Cost	[Mn Rs] 1,130	1,130	1,130	3,390	1,130	1,130	1,130	3,390	1,130	1,130	1,130	3,390	1,130	1,130	1,130	3,390	13,560
EBT	[Mn Rs] 201.98	201.98	201.98	606	201.98	201.98	201.98	606	201.98	201.98	201.98	606	201.98	201.98	201.98	606	2,424
Financial Charges	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Mn Rs] 202	202	202	606	202	202	202	606	202	202	202	606	202	202	202	606	2,424
Tax	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Mn Rs] 202	202	202	606	202	202	202	606	202	202	202	606	202	202	202	606	2,424
WPPF	[Mn Rs] -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Mn Rs] 202	202	202	606	202	202	202	606	202	202	202	606	202	202	202	606	2,424



FORM - 4

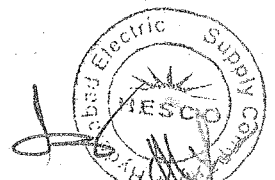
HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Balance Sheet

[Rs. in Million]

Description	FY 2016-17	FY 2017-18	FY 2018-19
	Audited As on 30.06.17	Un-Audited As on 30.06.18	Projected As on 30.06.19
Intangible Fixed Assets	-	-	-
Net Fixed Assets in Operations	22,913	22,952	27,441
Total Net Fixed Assets in Operations	22,913	22,952	27,441
Capital Work in Progress	13,715	16,187	17,056
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	134,487	139,968
Subscribed Equity	71,521	71,521	71,521
Unappropriated Profit/(Loss)	(159,274)	(184,295)	(177,280)
Total Equity	(87,753)	(112,774)	(105,759)
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	21,601
Receipts against deposit works and connections	2,976	2,659	2,589
Total Long Term Loan	4,630	5,335	5,335
Total Long Term Liability	50,785	52,438	56,784
Current Liability			
Current Maturity on Long Term Loans	6,955	7,815	860
Subsidy Received in Advance from GoP	2,325	2,480	2,480
Due to Associated Companies	-	-	-
Provision for Taxation	141,972	176,757	169,995
Accrued Mark-up	-	-	-
Accrued Mark-up	4,914	6,009	6,891
Creditors, Accrued and Other Liabilities	5,678	9,577	9,577
Total Current Liability	154,889	194,823	188,943
Total Liabilities and Commitments	205,674	247,261	245,727
Total Liabilities and Equity	117,921	134,487	139,968

Note:- Combined Statement of Distribution & Supply Business.



FORM - 5

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Cash Flow Statement

[Rs. in Million]

		FY 2016-17 Audited As on 30.06.17	FY 2017-18 Un-Audited As on 30.06.18	FY 2018-19 Projected As on 30.06.19
Average Monthly Demand Index (MDI)	[MW]	1.33	1.37	1.44
Units Purchased	[GWh]	5,359	5,696	5,864
Transmission Losses (132 kV)	[GWh]	1,030	1,065	1,092
Distribution Losses	[GWh]	617	630	481
Units Sold to Customers	[GWh]	3,712	4,001	4,290
Average Tariff Required	[Rs/unit]			19.15
Average Tariff Existing	[Rs/unit]	13.05	13.05	13.05
	[Rs/unit]			
Revenue from Sales	[Rs. in M]	35,802	38,065	72,073
Collection from Required	[%]	118%	95%	100.0%
Inflows from Operations				
Collection from Sales	[Rs. in M]	42,087	36,166	72,073
Total Inflows from Operations		42,087	36,166	72,073
Outflow from Operations				
Payment for electricity (to CPPA)	[Rs. in M]	34,442	26,936	58,433
Distribution Service Cost (=DMC)	[Rs. in M]	7,645	9,230	10,709
Total Outflow from Operations		42,087	36,166	69,142
Surplus/Deficit from Operations				2,931
Inflows from Other Sources				
Capital Contributions	[Rs. in M]	2,042	2,756	2,816
Consumer Security Deposits	[Rs. in M]	157	185	171
GOP Subsidy (Actual and Estimated)	[Rs. in M]	1,170	1,944	10,063
Loan receipts from ADB	[Rs. in M]	987	860	0
Total Inflows from Other Sources	[Rs. in M]	4,355	5,746	13,050
Outflow Others				
Repayment of Long Term Loans	[Rs. in M]			0
Investment Program (Loan Disbursement)	[Rs. in M]	987	860	0
Investment Program (Own Sources)	[Rs. in M]	1,580	2,542	5,918
GOP Subsidy (Actual and Estimated) to CPPA	[Rs. in M]	1,170	1,944	10,063
Total Outflow Others	[Rs. in M]	3,736	5,347	15,981
Surplus/Deficit Others	[Rs. in M]	619	399	0
Total Inflows (Operations + Others)	[Rs. in M]	46,442	41,912	85,123
Total Outflows (Operations + Others)	[Rs. in M]	45,824	41,513	85,123
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.

Page 7



FORM - 7

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Line Losses FY 2017-18

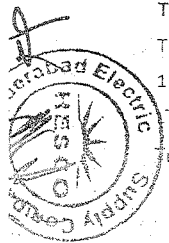
		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Provisional	Provisional
Power Balances														
Units Received	[MkWh]	569.09	564.03	575.31	523.07	363.04	312.14	307.93	286.49	406.42	505.11	656.98	626.00	5,695.59
Units Sold	[MkWh]	377.00	367.00	374.00	350.00	301.00	237.00	252.00	251.00	273.00	346.10	418.30	455.00	4,001.40
Units Lost	[MkWh]	192.09	197.03	201.31	173.07	62.04	75.14	55.93	35.49	133.42	159.01	238.68	171.00	1,694.19
Units Lost	[%age]	33.75%	34.93%	34.99%	33.09%	17.09%	24.07%	18.16%	12.39%	32.83%	31.48%	36.33%	27.32%	29.75%
Technical Losses	[%age]	22.35%	19.70%	18.63%	18.96%	8.42%	17.67%	17.10%	8.00%	32.19%	20.17%	22.33%	19.94%	18.69%
Administrative Losses	[%age]	11.40%	15.23%	16.36%	14.13%	8.67%	6.40%	1.06%	4.39%	0.64%	11.31%	14.00%	7.38%	11.06%
Technical Losses at Different Levels														
Transmission Losses 132 kV	[%age]	6.31%	3.64%	2.59%	2.89%	-6.92%	2.82%	3.77%	-6.14%	16.50%	4.30%	6.40%	3.80%	3.33%
11 kV Losses	[%age]	10.85%	10.87%	10.85%	10.88%	10.15%	9.66%	8.14%	8.95%	10.50%	10.68%	10.74%	10.95%	10.17%
LT Losses	[%age]	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%
Total Technical Losses	[%age]	22.35%	19.70%	18.63%	18.96%	8.42%	17.67%	17.10%	8.00%	32.19%	20.17%	22.33%	19.94%	18.69%

FORM - 7 (A)

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
		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Power Balances														
Units Received	[MkWh]	584.73	579.58	592.56	538.79	373.89	321.46	317.24	295.10	418.59	520.26	676.69	644.78	5,863.67
Units Sold	[MkWh]	398.70	388.54	395.31	370.65	318.68	251.05	266.93	265.66	288.41	380.71	460.13	505.05	4,289.82
Units Lost	[MkWh]	186.03	191.04	197.25	168.14	55.21	70.41	50.31	29.44	130.18	139.55	216.56	139.73	1,573.85
Units Lost	[%age]	31.81%	32.96%	33.29%	31.21%	14.77%	21.90%	15.86%	9.98%	31.10%	26.82%	32.00%	21.67%	26.84%
Technical Losses	[%age]	22.29%	19.64%	18.57%	18.90%	8.36%	17.61%	17.04%	7.94%	32.13%	20.11%	22.27%	19.88%	18.63%
Administrative Losses	[%age]	9.52%	13.32%	14.72%	12.31%	6.41%	4.29%	-1.18%	2.04%	-1.03%	6.71%	9.73%	1.79%	8.21%
Technical Losses at Different Levels														
Transmission Losses 132 kV	[%age]	6.29%	3.62%	2.57%	2.87%	-6.94%	2.80%	3.75%	-6.16%	16.48%	4.28%	6.38%	3.78%	3.31%
11 kV Losses	[%age]	10.82%	10.84%	10.82%	10.85%	10.12%	9.63%	8.11%	8.92%	10.47%	10.65%	10.71%	10.92%	10.14%
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]	22.29%	19.64%	18.57%	18.90%	8.36%	17.61%	17.04%	7.94%	32.13%	20.11%	22.27%	19.88%	18.63%

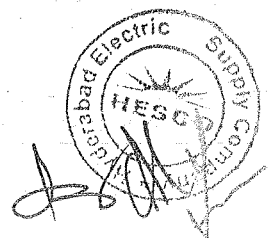


FORM - 8

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

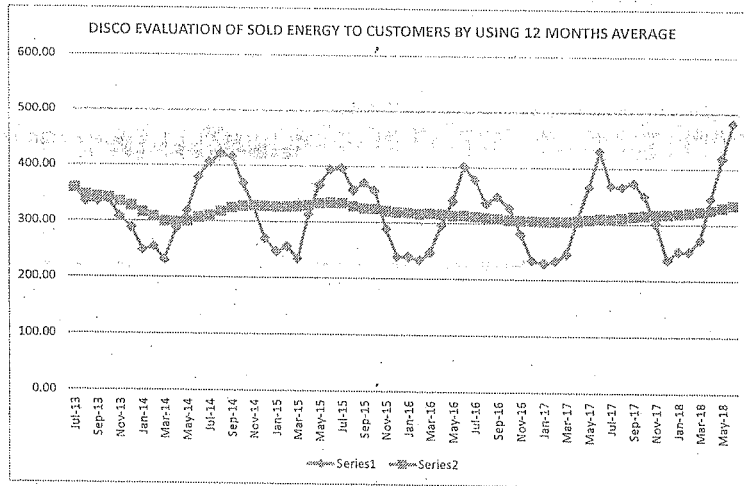
Operational and Technical Information

HESCO load factors on yearly basis	2017	68.72%
	2016	62.20%
	2015	64.92%
	2014	67.31%
	2013	61.22%
NTDC/DISCO Delivery Points metering accuracy		0.2
<u>DISCO metering accuracy</u> For all customers (residential, commercial, industrial, etc.)		1-2
Estimated High Voltage Transmission lines losses (132 kv)		2.57%

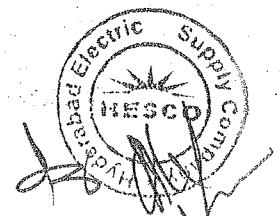


Table/Graph 14 - Sold Energy Evaluation and Setting up Sold Energy Average

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

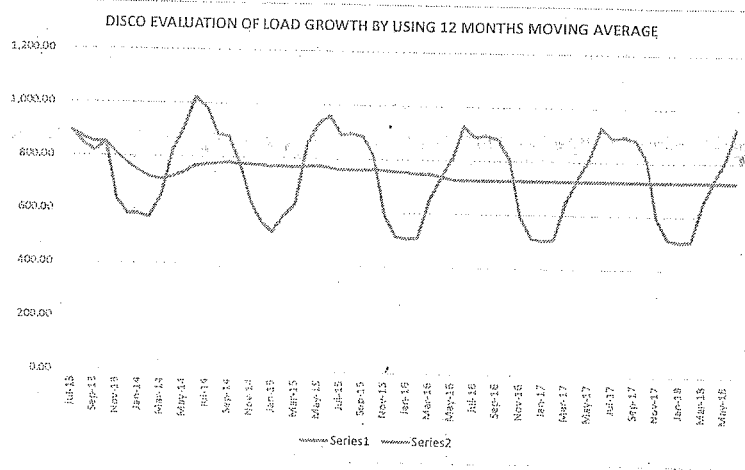


320 Average Sold Energy for last 12 months
 3,840 Assumed Average Load for next Fiscal Year

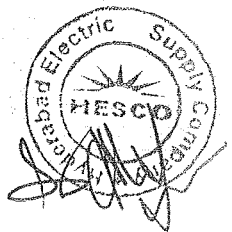


Table/Graph 13 - Load Growth Evaluation and Setting up Load Average

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



726 Load Average for last 12 months
 8715 Average Load for next Fiscal Year



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	0	55.65	0	0	0	55.65
2	Lease hold	84.15	35	119.17	0	0	0	119.17
	Total	139.80	35	174.82	0	0	0	174.82
B	Building							
1	Residential Building	900.35	15.12	915.47	368.73	18.31	387.04	528.44
2	Non-Residential Building	222.75	17	240.11	79.19	4.80	83.99	156.13
3	GSO Residential Building	61.07	12	73.12	5.23	1.46	6.70	66.42
4	Non GSO Residential Building	0	0	0.00	0	0	0	0
5	Other Property	433.63	159	593.04	105.32	11.86	117.18	475.87
	Total	1,617.80	203.94	1,821.75	558.46	36.43	594.90	1,226.85
C.	Sub-Transmission							
1	132 KV Sub-Tranm:Line	2,873.07	156.65	3,029.72	1,426.67	106.04	1,532.71	1,497.00
2	66 KV Sub-Tranm:Line	366.52	9.03	375.55	123.80	13.14	136.94	238.61
3	33 KV Sub-Tranm:Lines	154.88	0	154.88	94.67	5.42	100.10	54.78
	Total	3,394.47	165.68	3,560.14	1,645.15	124.61	1,769.75	1,790.39
D.	Gird Station							
1	132 KV Gird Station	2,405.84	1,177.96	3,583.80	138.11	125.43	263.54	3,320.26
2	66 KV Gird Station	136.91	2.80	139.71	72.61	4.89	77.50	62.22
3	33 KV Gird Station	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	2,542.75	1,180.77	3,723.51	210.71	130.32	341.04	3,382.48
E.	11 KV Distribution Equip:							
1	11 KV Poles	1,656.39	0	1,656.39	279.57	57.97	337.54	1,318.84
2	11 KV Line	10,558.32	1,200.64	11,758.96	4,158.98	411.56	4,570.55	7,188.41
3	Distribution Transformer	15,607.54	584.29	16,191.83	8,063.92	566.71	8,630.63	7,561.20
	Total	27,822.25	1,784.93	29,607.18	12,502.47	1,036.25	13,538.72	16,068.45
F	LV Distribution Equip:							
1	LV Poles	1,054.16	291.86	1,346.02	258.79	47.11	305.90	1,040.12
2	440 LV Distribution Line	1,982.01	43.54	2,025.55	792.53	70.89	863.42	1,162.13
3	220 LV Distribution Line	806.93	341.74	1,148.67	202.43	40.20	242.64	906.03
4	KWH Meters & Service Cable	2,585.96	0.62	2,586.59	874.24	90.53	964.77	1,621.81
5	Misc:Equip:	0.04	0.18	0.22	0.00	0.01	0.01	0.21
	Total	6,429.09	677.95	7,107.04	2,128.00	248.75	2,376.74	4,730.30
G	Vehicles							
1	132/66/ KV GSO Vehicles	198.87	8	206.91	142.27	20.69	162.97	43.95
2	Vehicles	379.12	0.00	379.12	361.10	0.19	361.29	17.83
	Total	578.00	8.04	586.04	503.38	20.88	524.26	61.78
H	Detail of General Plant Assets							
1	Furniture	112.25	1	113.31	112.25	1	113.31	0
2	Workshop Equipment	0.58	6.03	6.61	0.58	0.00	0.58	6.03
3	Laboratory Equipment	54.81	3	57.35	54.81	3	57.35	0
4	Misc:Equipment	124.18	6.48	130.66	124.18	6.48	130.66	0
	Total	291.82	16.11	307.94	291.82	10.08	301.91	6.03
J-	Computer Equipment							
1	Computer Equipment	10.69	0.86	11.55	8.83	0.71	9.55	2
	Total	10.69	0.86	11.55	8.83	0.71	9.55	2
	Grand Total	42,826.68	4,073.29	46,899.97	17,848.83	1,608.04	19,456.87	27,443.10

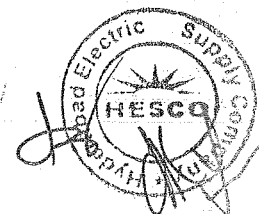


FORM - 14

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Aging of Accounts Receivables as on June 30, 2019

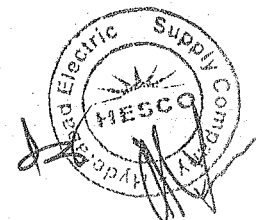
		Actual for ending 30th June, 2017	Actual for ending 30th June, 2018	Projected for ending 30th June, 2019
Outstanding for current year	Rs In Million	9,919	8,326	-
Outstanding for more than 1 to 3 years	Rs In Million	12,181	15,271	15,662
Outstanding for more than 3 years	Rs In Million	29,037	36,464	42,663
Total Receivables as on June 30, 2019	Rs In Million	51,138	60,061	58,325



HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

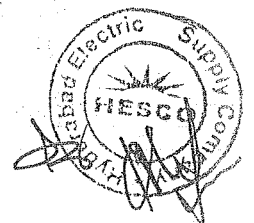
Operating Cost

	FY 2017-18	FY 2017-18	FY 2018-19
	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]	4,650	4,040
PM Assistant Package	[Mln Rs]		
Retirement Benefits	[Mln Rs]	-	3,092
Total Employees Cost	[Mln Rs]	4,650	7,132
Repair & Maintenance	[Mln Rs]	950	538
Travelling	[Mln Rs]	288	209
Transportation	[Mln Rs]	261	110
Miscellaneous Expenses	[Mln Rs]	268	152
Total O&M	[Mln Rs]	6,417	8,141
C Depreciation & Amortization			
Depreciation	[Mln Rs]	1,235	1,474
Amortization of Leased Assets	[Mln Rs]		
Total	[Mln Rs]	1,235	1,474
D Provision for Bad Debts			
Provision for bad debts	[Mln Rs]	-	2,029
Bad debts written off	[Mln Rs]		1,977
E. Extra Ordinary /Contingency Expenses			
Other Contingency expenses due to Flood	[Mln Rs]		



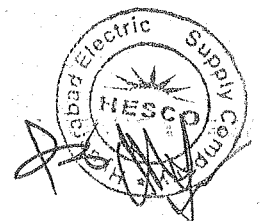
Distribution Margin Comparison

	Unit	FY 2017-18 Provisional	FY 2018-19 Projected
O&M Expenses	Rs. in M	8,141	9,975
Increase in %	%age		22.5%
Provision for bad debts	Rs. in M	2,029	1,977
Depreciation	Rs. in M	1,474	1,608
RORB	Rs. in M	2,323	2,424
Income Tax	Rs. in M	-	-
Other Income	Rs. in M	(384)	(623)
Distribution Margin	Rs. in M	13,583	15,361
Energy Sold	Gwh	4,001	4,290
DM per unit	Rs./kwh	3.39	3.58
DM per unit increase	%age		5.5%



Financial Charges

	FY 2017-18	FY 2017-18	FY 2018-19
	Determined	Actual/Un-Audited	Projected
A Long Term Loans			
GOP loans			
Foreign Loans		773	882
Bonds			
TFCs			
Others			
Total		773	882
B Short Term Loan			
Running Finance			
Short Term Loan			
Others			
Total			
C Total Financial Charges (A+B)		773	882



FORM - 19

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

RORB Calculation

Sr. #	Description	Unit	FY 2015-16	FY 2017-18	FY 2018-19
			Audited	Provisional	Projected
A	Gross Fixed Assets in Operation - Opening Bal	[Mln Rs]	33,423	39,386	41,794
B	Addition in Fixed Assets	[Mln Rs]	2,588	2,408	3,994
C	Gross Fixed Assets in Operation - Closing Bal	[Mln Rs]	36,011	41,794	45,787
D	Less : Accumulated Depreciation	[Mln Rs]	15,036	17,900	19,509
E	Net Fixed Assets in Operation	[Mln Rs]	20,975	23,894	26,279
F	Add : Capital Work In Progress - Closing Bal	[Mln Rs]	12,299	14,598	16,813
G	Investment in Fixed Assets	[Mln Rs]	33,274	38,492	43,092
H	Less : Deferred Credits	[Mln Rs]	15,582	19,007	21,601
I	Regulatory Assets Base	[Mln Rs]	17,693	19,485	21,491
J	Average Regulatory Assets Base	[Mln Rs]	16,830	19,638	20,488
	Rate of Return	[%age]	17.00%	11.83%	11.83%
	Return on Rate Base	[Mln Rs]	2,861	2,323	2,424



FORM - 20

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

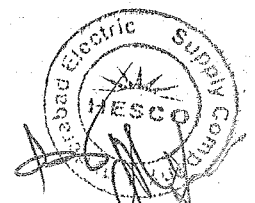
Revenue Requirement

		FY 2017-18 Determined	FY 2017-18 Provisional	FY 2018-19 Projected
A	Power Purchase Price			
B	DM			
	O&M	[Mln Rs]	6,417	8,141
	Depreciation	[Mln Rs]	1,235	1,474
	Provision for bad bebts	[Mln Rs]	-	2,029
	RORB	[Mln Rs]	1,761	2,323
	Less Other Income	[Mln Rs]	(1,323)	(384)
	Total DM	[Mln Rs]	8,091	13,583
C	Revenue Requirement (A+B)	[Mln Rs]	8,091	13,583
D	Total Revenue Requirement	[Mln Rs]	8,091	13,583
E	Prior Year Adjustment	[Mln Rs]	5,189	-
F	Write Off	[Mln Rs]	2,059	-
G	Net Revenue Requirement	[Mln Rs]	15,339	13,583
				15,361

FORM - 20 (A)

Revenue Requirement (per unit sold)

		FY 2017-18 Determined	FY 2017-18 Provisional	FY 2018-19 Projected
A	Power Purchase Price [Un-Adjusted]	[Rs/ kWh]	-	-
B	Losses	[%age]	0.00%	0.00%
C	Power Purchase Price [Adjusted]	[Rs/ kWh]	-	-
D	DM			
	O&M	[Rs/ kWh]	1.49	2.03
	Depreciation	[Rs/ kWh]	0.29	0.37
	Provision for bad bebts		-	0.51
	RORB	[Rs/ kWh]	0.41	0.58
	Advance Tax	[Rs/ kWh]	-	-
	Other Income	[Rs/ kWh]	(0.31)	(0.10)
	Total DM	[Rs/ kWh]	1.88	3.39
E	Revenue Requirement (A+B)	[Rs/ kWh]	1.88	3.39
F	Total Revenue Requirement	[Rs/ kWh]	1.88	3.39
G	Prior Year adjustment	[Rs/ kWh]	1.20	-
H	Write Off	[Rs/ kWh]	0.48	-
I	Net Average Tariff Rate	[Rs/ kWh]	3.56	3.39
				3.58



FORM - 21 (A)

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Investment

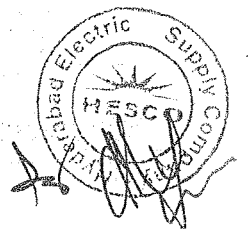
	FY 2017-18	FY 2017-18		FY 2018-19	
		Determined	Budgeted	Provisional	Projected
A Investment Plan					
DOP*	[Mln Rs]	-	615	257	1,053
ELR	[Mln Rs]	-	603	477	663
STG	[Mln Rs]	-	4,985	3,509	3,879
ERP & CIS	[Mln Rs]	-	343	-	-
Village Electrification	[Mln Rs]	-	420	420	463
Others (Deposit Work)	[Mln Rs]	-	140	140	153
Total	[Mln Rs]	3,067	7,105	4,804	6,212
B Financing Arrangement					
Local	[Mln Rs]	-	-	-	-
Foreign	[Mln Rs]	-	1,960	2,628	-
PSDP / Own Resources	[Mln Rs]	-	4,586	1,616	5,593
Grant	[Mln Rs]	-	-	-	-
Village Electrification	[Mln Rs]	-	420	420	463
Others (Deposit Work)	[Mln Rs]	-	140	140	153
Total	[Mln Rs]	3,067	7,105	4,804	6,212

FORM - 21 (B)

Overall Losses

Existing Level of Losses	(Jul;17 to Jun-18)	29.80%
Losses previous year		29.75%
Investment carried out last year		7,105
Objective committed last year	(Reduction of Losses from 30.7% FY 2016-17 to 29.8% FY 2017-18)	
Actual Results achieved after investments		29.75%

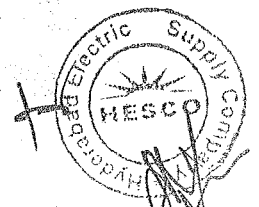
Investment Requested for the year	6,211.72
Objective (reduction in losses / maintenance of existing level of losses)	
Projected losses for the control period	26.84%



Interest on Development Loans

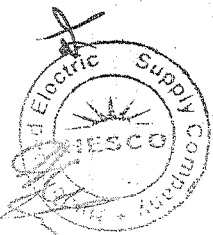
Sr. No.	Loans	Interest Rate %	FY 2017-18	FY 2018-19				Total
				1st Qrt	2nd Qrt	3rd Qrt	4th Qrt	
1	World Bank Loan No 7565 & Credit No. 4464-PAK	17%	383.780	95.945	95.945	95.945	95.945	383.780
2	ADB Loan No 2438-PAK Tranche-I	17%	320.843	80.211	80.211	80.211	80.211	320.843
3	ADB Loan No 2727-PAK Tranche-II	17%	27.359	36.990	-	-	-	36.990
4	ADB Loan No 2972-PAK Tranche-III	17%	39.673	118.573	-	-	-	118.573
5	ADB Loan No 3096-PAK Tranche-IV	17%	1.649	22.129	-	-	-	22.129
TOTAL			773.30	353.85	176.16	176.16	176.16	882.314

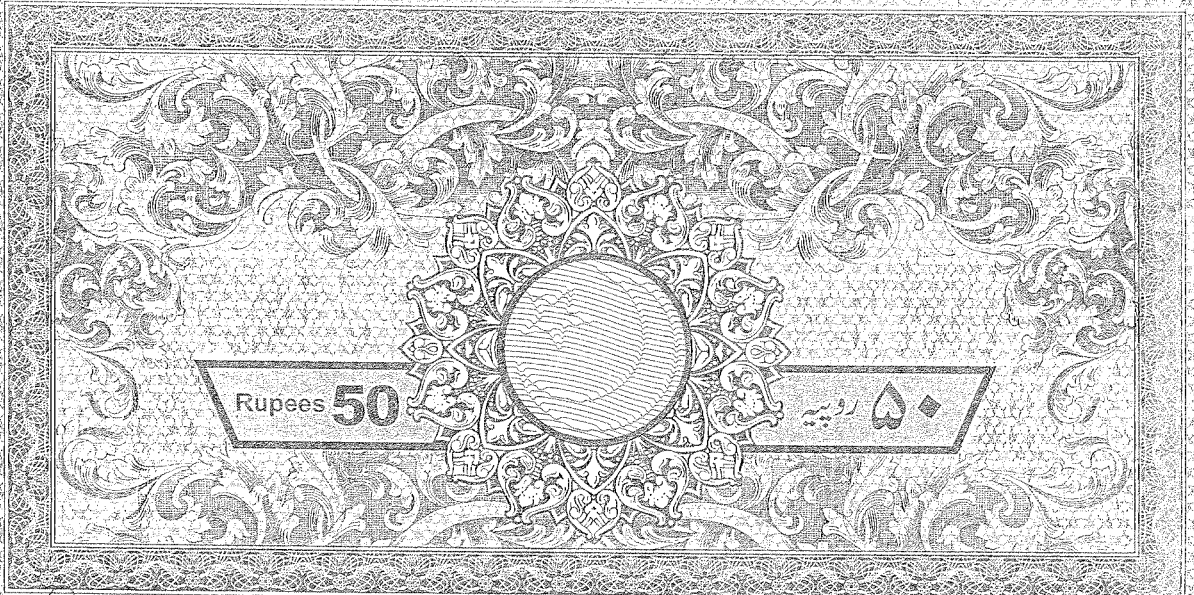
This form should be submitted for each loan appearing on the DISCO's Balance Sheet



FORM - 23
HYDERABAD ELECTRIC SUPPLY COMPANY LTD.
Development Loan

Sr. No.	Loan	Interest Rate	Remaining Years	FY 2017-18				First Qrt of FY 2018-19				Second Qrt of FY 2018-19				Third Qrt of FY 2018-19				Fourth Qrt of FY 2018-19			
				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 (Tranch-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 Tranch-II	17%		1,337.721	769.651	-	2,107.37	2,107.372	-	-	2,107.37	2,107.372	-	-	2,107.37	2,107.372	-	-	2,107.37	2,107.372	-	-	2,107.37
iii.	ADB Loan No. 2927-PK Tranch-III	17%		899.724	554.276	-	1,454.00	1,454.000	-	-	1,454.00	1,454.000	-	-	1,454.00	1,454.000	-	-	1,454.00	1,454.000	-	-	1,454.00
iv.	ADB Loan No. 3096-PK Tranch-IV	17%		572.652	66.946	-	639.60	639.598	-	-	639.60	639.598	-	-	639.60	639.598	-	-	639.60	639.598	-	-	639.60
Grand Total				5,954.94	1,390.87	-	8,345.81	8,345.81	-	-	8,345.81	8,345.81	-	-	8,345.81	8,345.81	-	-	8,345.81	8,345.81	-	-	8,345.81





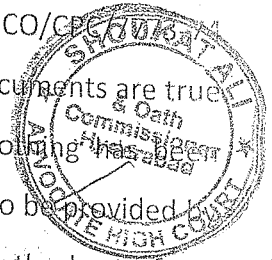
WASIT AHMED MEMON
Government Stamp Vendor
Licence No: 12
Yenus Photo Studio, Court Road
Hyderabad

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/106/2019 dated 17.10.2019, related to FY 2018-19, 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.

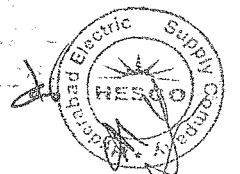


Deponent

Abdul Haq Memon
(ABDUL HAQ MEMON)
CHIEF EXECUTIVE OFFICER

ATTESTED

Speakat Alli
SPEAKAT ALLI
ADVOCATE HIGH COURT
Oath Commissioner, Hyderabad



HESCO HYDERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE COMPANY SECRETARY HESCO HYDERABAD
ROOM NO.132 WAPDA OFFICES COMPLEX HUSSAINABAD HYDERABAD

Phone # 022-9260012

Fax # 022960361

022-3820258


No.HESCO/BOD/CS/8568.

Date 15-07-2018

BOARD RESOLUTION

Reference 145th HESCO BOD Meeting held on 12.7.2018 & minutes circulated vide this office letter No.HESCO/CS/Min-145th BOD/meet:/8517-36 dated 15.7.2018.

Decision. The BOD approved agenda No.3 regarding the Consumer and Tariff petition along with O&M budget for FY 2018-19 to be presented before NEPRA.


COMPANY SECRETARY
HESCO HYDERABAD

Copy to:

- > Chairman/Members of the Board of Directors HESCO.
- > Chief Operating Officer HESCO Hyderabad.
- > Chief Engineer (Dev) PMU HESCO Hyderabad.
- > Chief Engineer (P&E) HESCO Hyderabad.
- > Chief Commercial Officer HESCO Hyderabad.
- > Chief Technical Officer HESCO Hyderabad.
- > Chief Financial Officer HESCO.
- > Chief Internal Audit HESCO Hyderabad.
- > PSO to CEO HESCO Hyderabad.

