

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

**Present : Sri T K Jose, Chairman
Sri B Pradeep, Member**

Petition No: OP 58/2025

In the matter of : Truing Up of accounts of M/s KINESCO Power and Utilities Private Limited for the financial year 2024-25.

Petitioner : M/s KINESCO Power and Utilities Private Limited (KPUPL)

Represented by : Smt.Geesha.A.K, CEO in-charge, KPUPL
Sri. Anee Shah P.M. Senior Accountant, KPUPL
Smt.Sreedevi, Asst. Manager (Finance), KPUPL
Sri. Sajeev M.S., Resident Engineer, KPUPL

Respondent : M/s Kerala State Electricity Board Limited

Represented by : Sri. Edward.P.Boniface, Asst. Executive Engineer, KSEB
Smt. Biji Christudas , Asst. Executive Engineer, KSEB Ltd
Smt. Sutha Lekshmy.G.R, Supt, TRAC, KSEB Ltd.

Date of hearing : 07.01.2026

Order Dated 16.04.2026

1. KINESCO Power and Utilities Private Limited (hereinafter referred to as KPUPL or licensee or the petitioner) is a 100% subsidiary of KINFRA which was earlier a joint venture between KINFRA and NESCL and constituted originally for the electric supply to the units in industrial parks under KINFRA. Before the formation of KPUPL, the electricity distribution licence was in the name of KINFRA Export Promotion Industrial Park (KEPIP) and this licence was transferred to the name of KPUPL on its formation by transferring the electricity distribution assets of KEPIP to KPUPL. The service area of the distribution licensee consists of following five industrial parks of KINFRA;
 - (1) KEPIP Kakkanad (180.126 Acres)
 - (2) Hi- Tech Park Kalamassery (240 Acres)
 - (3) KIITP Kanjikode (350 Acres)
 - (4) KINFRA Mega Food Park Kozhipara, Kanjikode, Palakkad (97.51 Acres)
 - (5) KINFRA Petrochemical Park, Ambalamugal, Kochi (311.79 Acres)
2. The Commission had notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (hereinafter referred to as the Tariff

Regulations, 2021) for the five-year Control Period starting from the first day of April 2022 and ending on the thirty first day of March 2027. The licensee has filed the petition for truing up of accounts for the year 2024-25 as per the provisions of the KSERC (Terms and Conditions for determination of Tariff) Regulations 2021. The present petition is for the third year of the Control Period. KPUPL has filed the present petition for Truing Up of Accounts for the year 2024-25 with the following prayers:

- 1. Approve the true up petition based on the forms and Annexures submitted herewith for the financial year 2024-25.*
 - 2. Approve the T&D loss of 2.02 % for the year 2024-25.*
 - 3. Approve the capital expenditure of Rs.23.31 lakhs for the year 2024-25.*
 - 4. Approve the depreciation claimed in the schedule for the year 2024-25.*
 - 5. Approve the Tax Expenses of Rs.225.62 lakhs for the year 2024-25*
 - 6. Approve other expenditures for the year 2024-25 such as;*
 - 7. Interest paid to consumers for Rs. 90.90 Lakhs*
 - 8. Interest on Working Capital for 35.47 Lakhs*
 - 9. CSR Expenditure of Rs. 12.91 Lakhs.*
 - 10. Compute ROE on the equity shares for the year 2024-25.*
 - 11. Exempt interest on Regulatory Surplus, otherwise, compute interest on the regulatory surplus after removing the expenses that have not been approved by the Hon'ble Commission like Electricity duty u/s.3 till the year 2024-25.*
 - 12. Approve the revenue surplus of Rs.328.94 lakhs for the year 2024-25.*
 - 13. Pass such other and further order as deemed fit and proper in the facts and circumstances of the case.*
 - 14. Condone any inadvertent omissions, errors, shortcomings and permit KPUPL to add/change/modify/alter this filing and make further submissions as may be required at a future date.*
3. The Commission vide Order in OP No.14/2023 dated 19.03.2024 has approved the ARR&ERC for the Control Period. Subsequently vide order dated 25.11.2025 (OP No.15/2025) the Commission has approved the MPR and Revised ARR&ERC for the remaining years of the control period. **In the present petition for truing up the accounts, the licensee has claimed a revenue surplus of Rs.328.95 lakh compared to revenue surplus of Rs.1200.71 lakh approved by the Commission in the Order on MPR and Revised ARR&ERC.** A comparison of the MPR and Revised ARR approved in the Order dated 25.11.2025 and the Truing up claim for the financial year 2024-25 as per the petition along with the trued-up figures for the years 2023-24 and 2022-23 is shown below;

Table 1
Comparison of Income and Expenditure for 2024-25 (Rs. lakh)

| Particulars | MPR & Revised ARR&ERC Projected | MPR & Revised ARR&ERC Approved | Truing Up petition |
|------------------------------|---------------------------------------|--------------------------------------|-----------------------|
| Purchase of Power | 8842.64 | 8843.91 | 8848.97 |
| Employee Cost | 76.85 | 68.46 | 76.85 |
| A &G Expenses | 258.92 | 52.07 | 258.92 |
| R&M Expenses | 211.41 | 109.36 | 211.41 |
| Depreciation | 72.83 | 65.94 | 65.94 |
| Interest & Finance Charges | 179.83 | 162.10 | 149.82 |
| Return on Equity | 45.64 | 4.43 | 42.60 |
| Tax Expenses | 225.62 | 0.00 | 225.62 |
| CSR Expenses | 12.91 | 0.00 | 12.91 |
| Total Expenditure | 9926.65 | 9306.27 | 9893.04 |
| Revenue from Sale of Power | 9874.22 | 9874.22 | 9874.22 |
| Non-Tariff Income | 347.77 | 632.76 | 347.77 |
| Total Income | 10221.99 | 10,506.98 | 10,221.99 |
| Net Surplus/(Deficit) | 295.33 | 1200.71 | 328.95 |

Table 2
Comparison of Income and Expenditure (Rs. lakh)

| Particulars | 2022-23 | | 2023-24 | | 2024-25 |
|------------------------------|----------------------------------|----------------|----------------------------------|----------------|-----------------------|
| | Revised Truing Up Petition | Trued Up | Revised Truing Up Petition | Trued Up | Truing Up Petition |
| Purchase of Power | 6016.82 | 5817.44 | 7379.23 | 7241.05 | 8848.97 |
| Employee Cost | 82.78 | 73.05 | 67.78 | 68.22 | 76.85 |
| R&M Expenses | 111.82 | 102.73 | 143.76 | 58.17 | 258.92 |
| A &G Expenses | 115.46 | 48.92 | 130.98 | 106.67 | 211.41 |
| Depreciation | 69.96 | 68.46 | 73.81 | 65.94 | 65.94 |
| Interest & Finance Charges | 97.45 | 81.30 | 103.07 | 83.84 | 149.82 |
| Return on Equity | 45.64 | 4.43 | 45.64 | 4.43 | 42.60 |
| Tax Expenses | 324.85 | 1.23 | 233.99 | 1.23 | 225.62 |
| CSR Expense | - | - | 11.05 | - | 12.91 |
| Total Expenditure | 6864.78 | 6197.56 | 8189.31 | 7629.55 | 9893.04 |
| Revenue from Sale of Power | 6935.45 | 6911.79 | 8417.93 | 8395.82 | 9874.22 |
| Non-Tariff Income | 218.10 | 371.39 | 295.59 | 542.05 | 347.77 |
| Total Income | 7153.55 | 7283.18 | 8713.52 | 8937.87 | 10,221.99 |
| Net Surplus/(Deficit) | 288.77 | 1085.62 | 524.21 | 1308.32 | 328.95 |

5. After examining the petition, the Commission admitted the petition as **OP No. 58/2025.**

Hearing on the Petition

6. The public hearing on the Truing Up petition was conducted at the Court Hall, Office of the Commission on 07-01-2026. Smt.Geesha.A.K, CEO

in-charge, Sri. Anee Shah P.M. Senior Accountant, Smt.Sreedevi, Asst. Manager (Finance), KPUPL, Sri. Sajeev M.S., Resident Engineer, KPUPL represented the licensee. Sri. Sajeev M.S, Resident Engineer made a presentation on the Truing Up petition and responded to the queries of the Commission. The main points made by the licensee are:

- a) There is increase in the number of consumers and increase in sale of power compared to the previous year. The actual energy sale during the year 2024-25 is 1167.83 lakh units for 582 consumers.
- b) The distribution loss for the year 2024-25 is 2.02%.
- c) The licensee has claimed Rs.8848.97 lakh for the purchase of 1224.08 lakh units. Out of the energy input of 1224.08 lakh units, 1191.56 lakh units was purchased from KSEB Ltd, 31.34 lakh units was from solar export and 1.19 lakh units from solar self generation.
- d) The Chief Executive Officer and the Accounts Officer were engaged on regular role and all technical and administrative functions were outsourced through man power agency. The licensee for the year 2024-25 has claimed an amount of Rs.76.85 lakh as employee cost for the year.
- e) The R&M Expenses for the year is Rs.211.41 lakh.
- f) The distribution areas under KPUPL are spread over at different locations at Kakkanad, Kalamassery and Palakkad which cause more administrative expenses. On the other side, the company has taken all the effective measures to limit the A&G expenses under control. The licensee in the petition has claimed A&G expenses of Rs.258.92 lakh which also includes duty under section 3 of the Kerala Electricity Duty Act.
- g) During the year, a capital addition of Rs.23.31 lakh has been made by the licensee and Rs.65.94 lakh is claimed as depreciation for the year.
- h) The licensee has claimed an amount of Rs.149.82 lakh towards Interest and Finance charges and Rs.45.64 lakh as Return on Equity.
- i) The licensee has claimed an amount of Rs.225.62 lakh as tax expenses and Rs.12.91 lakh as CSR Expenses.
- j) The revenue from sale of power is Rs.9874.22 lakh and the non-tariff income booked for the year is Rs.347.77 lakh.
- k) Accordingly, for the year 2024-25, the revenue surplus is Rs.328.95 lakh.

7. The KSEB Ltd filed the following comments on the Truing Up petition.

- i. The distribution loss is higher than the approved value, which is not a prudent practice. As per Regulation 73(3) of Tariff Regulations, 2021, distribution loss is a controllable parameter and the methodology for accounting variations is specified. The Commission to approve the distribution loss within the approved limits.

- ii. The licensee has not accounted for interest on accumulated surplus as non-tariff income, as required by the Commission in previous orders.
- iii. The O&M expenses claimed in trueing up petition is higher than approved cost. Since O&M expenses are a controllable expense the O&M expenses may be limited to approved level.
- iv. Licensee has claimed an additional expense over and above the approved norms is due to engaging of staff at the new license area of Petrochemical Park. The additional claim of Rs.8.39 Cr may be approved after prudence check.
- v. The licensee has claimed Rs.211.41 Lakh for R&M expenses in FY 2024-25, which exceeds the norms in Tariff Regulations, 2021. The Commission should approve this claim after a prudence check.
- vi. Electricity Duty under section 3(1) is also claimed in the A&G expenses. The Commission may adopt uniform approach regarding sec 3(1) duty. A&G expenses for the year may be allowed only after prudence check.
- vii. KPUPL has sought approval for Rs.23.31 lakh in capital expenditure for 2024-25. It is stated that the asset additions was financed from the accrued surplus of KPUPL. The prior approval is to be sought for incurring capital expenditure. Asset additions may be approved after prudence check.
- viii. Depreciation may be allowed only after verifying the asset details and exercising prudence checks.
- ix. KPUPL has claimed Rs.58.92 lakh for interest, which should be on a normative basis as per Regulation 29. Additionally, Rs.90.90 lakh claimed as interest on consumer security deposits should be verified by the Commission for proper disbursement.
- x. Licensee's request to include share premium for ROE is not admissible, as Regulation 28 of Tariff Regulations, 2021 allows ROE only on paid-up equity capital. Accordingly, ROE approved for FY 2023-24 at Rs.4.43 lakh on equity of Rs.31.64 lakh may be continued for FY 2024-25, in the absence of additional equity.
- xi. The quantum of energy purchased and cost of purchase for 2024-25 claimed by the licensee tally with the records of KSEBL.
- xii. The liability provision of Rs.69.32 lakh is claimed for RPO in 2024-25. It is not specified whether KPUPL has purchased RE certificates. In true up process, the actual amount spent is to be taken. As such, the provision for RPO shall not be taken in power purchase cost.
- xiii. The total units of green energy purchased tally with the details of KSEB Ltd.

8. The licensee vide letter dated 21.01.2026 submitted the additional details on the clarifications sought on certain areas during the hearing.

Analysis and decision of the Commission

9. The Commission considered the petition of the licensee for Truing Up of Accounts for the year 2024-25 along with the clarifications provided in the hearing and the comments of KSEB Ltd and the counter of the licensee. The analysis and decisions of the Commission as per the provisions of the Tariff Regulations, 2021 on the petition for Truing Up of Accounts for the year 2024-25 are detailed below.

Energy Sales and Consumer Mix

10. The actual sales to 582 consumers for the year 2024-25 is 1167.83 lakh units, which is higher than the previous year sales of 1002.90 lakh units to 539 consumers. A comparison of the actual sale of power and category wise number of consumers is given below.

Table-3
Comparison of number of consumers and sales

| Particulars | 2022-23 | | 2023-24 | | 2024-25 | |
|---------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Number of consumers | Units Sold (lakh units) | Number of consumers | Units Sold (lakh units) | Number of consumers | Units Sold (lakh units) |
| HT Categories | 62 | 645.66 | 69 | 794.52 | 77 | 930.89 |
| Deemed High Tension (DHT) | 42 | 79.62 | 36 | 81.16 | 48 | 95.76 |
| LT Categories | 446 | 103.04 | 434 | 127.22 | 457 | 141.18 |
| Total | 550 | 828.33 | 539 | 1002.90 | 582 | 1167.83 |

11. The licensee in the petition has stated that, consumers falling under industrial tariff category HT1A, DHT IA & LT IVA contribute to 39.24% of the total sales. For the year 2024-25, industrial category recorded 65% increase in the number of consumers and 42% increase in the connected load / contract demand. Also, the consumers under IT&ITES category at Infopark phase I at Kakkanad license area are almost saturated. Most of the new consumers turning up in other license areas of the licensee are of industrial categories.
12. There is significant increase in the energy sales to the HT category (17.16%) which shows a positive growth in the industry. Considering the increase in the sales, ***the Commission hereby approves the actual energy sales of 1167.83 lakh units as per petition for the purpose of Truing Up of Accounts for the financial year 2024-25.***

Energy Requirement and Distribution loss

13. As per the Truing Up petition, the total energy input during the year 2024-25 is 1224.08 lakh units. Out of this energy input, 1191.56 lakh units was purchased

from KSEB Ltd, 1.19 lakh units was from self-solar generation units and 31.34 lakh units from solar prosumers. The Commission while approving ARR&ERC for the Control Period has approved 1.72% as distribution loss for the year 2024-25 and the licensee has claimed a distribution loss of 2.02%. The licensee in the MPR petition also has claimed distribution loss of 2.02% for the year 2024-25. The Commission had approved the same distribution loss of 1.72% for the year 2024-25 as approved in the ARR Order. As compared to previous year the distribution loss has been decreased from 2.66% to 2.02%. The details of the distribution loss for the year 2024-25 as per the petition are as shown below.

Table 4
Distribution loss for the year 2023-24 and 2024-25

| Sl. No. | Particulars | 2023-24 (Actual) | 2024-25 (Actual) |
|---------|--|------------------|------------------|
| 1. | Energy Purchased from KSEB Ltd and Solar generation (lakh units) | 1030.53 | 1224.08 |
| 2. | Energy Sales (lakh units) | 1003.17 | 1199.30 |
| 3. | Distribution Loss (lakh units) (1) - (2) | 27.36 | 24.78 |
| 4. | Distribution Loss % [(3/1) *100] | 2.66% | 2.02% |

14. The following table shows the area wise distribution loss claimed by the licensee in the petition for the year 2024-25.

Table 5
Distribution loss claimed by the licensee for the year 2024-25

| License Area | Purchase (Lakh Units) | | Total Purchase (Lakh Units) | Total Sales (Lakh Units) | T & D Loss (Lakh Units) | T & D Loss (%) |
|----------------------------------|-----------------------|--------------|-----------------------------|--------------------------|-------------------------|----------------|
| | KSEB Ltd | RE | | | | |
| Infopark & KEPIP, Kakkanad | 881.05 | 13.70 | 894.74 | 877.63 | 17.11 | 1.91% |
| KINFRA Hi Tech Park, Kalamassery | 144.65 | 5.33 | 149.98 | 142.89 | 7.09 | 4.73% |
| KIITP, Kanjikode, Palakkad | 101.56 | 7.65 | 109.21 | 108.00 | 1.21 | 1.11% |
| KINFRA Mega Food Park, Palakkad | 32.34 | 5.84 | 38.18 | 38.13 | 0.05 | 0.13% |
| KINFRA Petrochemical Park, Kochi | 31.96 | 0.00 | 31.96 | 31.95 | 0.01 | 0.04% |
| Stn. Aux. | | | | 0.69 | | |
| Total | 1191.56 | 32.52 | 1124.08 | 1199.30 | 24.79 | 2.02% |

15. The Commission notes that, about 73.94% of the total sale of power is in Kakkanad area and the T&D loss is 1.91% as against 2.15% in 2023-24. As compared to previous year the distribution losses in all areas of the licensee except Kalamassery have decreased. At KINFRA Mega Food Park, Palakkad, there is a significant decrease in distribution from 12.89% to 0.13%. The phase wise comparison of number of consumers, sales units and distribution loss of the licensee is given below.

Table 6
Comparison of distribution loss for the year 2023-24 and 2024-25

| License Area | Acres | Voltage Level | No. of Consumers | | Sales Unit | | Distribution Loss | |
|--------------------|---------|---------------|------------------|------------|----------------|---------------|-------------------|--------------|
| | | | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 |
| Kakkanad | 280.126 | 110 KV | 339 | 375 | 773.21 | 877.63 | 2.15% | 1.91% |
| Kalamassery | 240.00 | 11 KV | 125 | 124 | 101.52 | 142.89 | 4.08% | 4.73% |
| KIITP | 350.00 | 22 KV | 28 | 30 | 91.63 | 108.00 | 1.95% | 1.11% |
| Mega Food Park | 97.51 | 22 KV | 44 | 47 | 29.79 | 38.13 | 12.89% | 0.13% |
| Petrochemical Park | 311.79 | 11 KV | 3 | 6 | 6.75 | 31.95 | 1.50% | 0.04% |
| Total | | | 539 | 582 | 1002.90 | 1198.6 | 2.66% | 2.02% |

16. As compared to other license areas, Kalamassery area has reported a higher distribution loss of 4.73%. The licensee in the current petition has stated that, during the year 2024-25, the maximum power demand recorded in the Park was 4.19 MVA resulting in under loading of power transformer in the substation, which may be contributed to the higher distribution loss of 4.73% at Hi Tech Park, Kalamassery. The licensee has also stated that, considering the rising power demand and ongoing infrastructure development in the Park, the demand is projected to reach 6 MVA in 2025–26 and may increase to 8 MVA within the next two to three years. The licensee has also explored sharing two 11 kV feeders with KSEBL to strengthen distribution network in the Kalamassery area.
17. The licensee in the additional submissions vide letter dated 21.01.2026 submitted detailed analysis on the higher distribution loss at Kalamassery area. The licensee made calculation on the overall distribution loss excluding KINFRA Hi Tech Park, Kalamassery and the total distribution loss came to 1.65%, indicating that all other license areas operate within the normal and acceptable limits. The licensee also made calculation on the distribution loss of the licensee by assuming the loss at Kalamassery area at 2.02% and the distribution loss came to 1.69%, which is also well within the approved limit. The licensee has submitted that, the higher loss at Kalamassery is attributable to the commissioning of the 110 kV substation and initial under-loading of power transformers. The licensee has also submitted a detailed analysis on the effect of loss on loading of transformer.
18. Regulation 73 (3) of Tariff Regulations 2021 requires that, if the actual distribution loss is higher than the approved level of distribution loss, then the quantum of power purchased corresponding to the excess distribution loss shall be disallowed at the average cost of power purchase. The relevant portion of the Regulations is shown below.

73. Distribution Losses. –

- (3) Any variation between the actual level of distribution losses and the approved level of distribution losses shall be dealt with, as part of the truing up of the respective financial year in the Control Period, in the following manner: -*

- (i) If the actual distribution loss is higher than the approved level of distribution loss for any particular financial year of the Control Period, then the quantum of power purchased corresponding to the excess distribution loss for that financial year, shall be disallowed at the average cost of power purchase for the respective financial year;
- (ii) If the actual distribution loss is lower than the approved level of distribution loss for any particular financial year of the Control Period, then the savings in power purchase cost corresponding to the difference in distribution loss for that financial year at the average cost of power purchase for the respective financial year, shall be shared between the distribution business/ licensee and its consumers in the ratio of 2:1;
- (iii) Export of power to other states, if any, and the revenue thereof shall be considered by the Commission appropriately, while determining the disallowance on account of excess distribution loss.

19. As seen from the above Regulation, the licensee is to adhere to the distribution loss as approved by the Commission in the ARR & ERC for the respective year. **Accordingly the Commission hereby approves the distribution loss of 1.72% as per Revised ARR&ERC Order. The Commission directs the licensee to strictly adhere to the approved ARR percentages as mentioned in the Commission's Order on revised ARR&ERC dated 25.11.2025 in OP 15/2025 for the rest of the Control Period. Hence, the Commission decides to retain the approved distribution loss of 1.72% for the purpose of truing up of accounts for 2024-25 also.** Accordingly, based on the approved distribution loss, the energy requirement for the year 2024-25 is tabulated below.

Table 7
Distribution loss approved for the year 2024-25

| Particulars | MPR Approved | As Per Truing Up Petition | Approved in Trued Up |
|---|----------------|---------------------------|----------------------|
| Total Energy Output (lakh Units) | 1199.30 | 1199.30 | 1199.30 |
| Distribution Loss (%) | 1.72% | 2.02% | 1.72% |
| Distribution Loss (lakh Units) | 20.99 | 24.78 | 20.99 |
| Gross energy in the system (lakh units) | 1220.29 | 1224.08 | 1220.29 |
| Solar Generation Units (lakh units) | 34.28 | 32.53 | 32.53 |
| Energy to be purchased from KSEB Ltd (lakh units) | 1186.01 | 1191.55 | 1187.76 |
| Excess Distribution Loss (in lakh units) (1191.55-1187.76) | | | 3.79 |

Power Purchase Cost

20. The power purchase cost as per the petition for Truing Up of accounts is Rs.8848.97 lakh for 2024-25 which includes Rs.8731.74 lakh for power purchased from KSEB Ltd, Rs.12.04 lakh for solar from prosumers and Rs.69.32 lakh for provision for Renewable Power Obligation. The licensee has also included net power factor incentive of Rs.134.66 lakh and green energy purchase of Rs.170.52 lakh. The details of Power purchase cost claimed by the licensee is shown below;

Table 8
Power Purchase cost claimed for the year 2023-24 and 2024-25

| Particulars | 2023-24 Truing Up Petition (Rs. lakh) | 2024-25 Truing Up Petition (Rs. lakh) |
|--|--|--|
| Contract Demand (kVA) | 25000 | 26000 |
| Maximum Demand (kVA) | 24026 | 26921.62 |
| Excess Demand (kVA) | 579 | 921.62 |
| Units Purchased (lakh units) | 1025.50 | 1191.56 |
| Solar generation (Self) (lakh units) | 1.22 | 1.19 |
| Solar export (By consumers) | | 31.34 |
| Solar Purchase (Consumers) | 3.82 | 1.76 |
| Fixed Charges (Rs. lakh) | 985.04 | 1185.14 |
| Variable Charges (Rs. lakh) | 6318.57 | 7546.60 |
| Sub Total | 7303.61 | 8731.74 |
| Net Power Factor (Incentive) (Rs. lakh) | | 134.66 |
| Other Charges-Green Energy Purchase (Rs. lakh) | | 170.52 |
| Solar Purchase (Consumers) (Rs. lakh) | 6.58 | 12.04 |
| Renewable Power Obligation (Rs. lakh) | 57.00 | 69.32 |
| TOTAL (Rs. lakh) | 7367.19 | 8848.97 |
| Average Rate (Rs. per unit) | 7.16 | 7.23 |

21. It is seen that there is an increase in the purchase of power and cost compared to the previous year. The licensee has claimed an amount of Rs.69.32 lakh as part of power purchase cost towards meeting the Renewable Power Obligation. The licensee has claimed the same in the previous truing up also and the Commission in the order stated that as the licensee has not incurred any expenditure on purchase of RE Certificate for meeting RE obligation, the same cannot be approved as part of power purchase cost. While approving the revised ARR&ERC for the remaining years of the control period, the Commission has not approved the claim made by the licensee for the purchase of RE Obligation stating that, the same will be approved at the time of truing up of accounts for the respective years, upon submission of verifiable proof of purchase. ***The licensee has not submitted any verifiable proof in the current truing up petition. Therefore, the claim of Rs.69.32 lakh towards RE obligations is not approved by the Commission.***
22. The licensee in the current petition has claimed Rs.170.52 lakh towards green energy purchase for the year 2024-25. The licensee in the petition has stated that, the procedure followed by KSEBL for monthly green energy settlement differs from that envisaged by KSERC in the tariff order, resulting in a mismatch where purchase units exceed sale units and the balance units will be adjusted in the next financial year. It is clarified that KSEB Ltd cannot apply green tariff on procurement of power by KPUPL under the PPA. The Commission during the hearing did clarify

the methodology to be followed with regard to accounting of Green energy as same as that of fuel surcharge settlement procedure.

23. The licensee has stated that, during the year 2024-25 solar energy of 1.76 lakh units was pooled by prosumers and exported to the licensee's network at Rs.3.26/unit. An amount of Rs.5.72 lakh was provisioned in March 2024 and is settled during the financial year 2025-26. In the truing up order dated 23.04.2025 in OP No.03/2025, the Commission had directed the licensee to claim Rs.12.04 lakh relating to power purchase from the solar prosumers which was settled during the month of April 2024 and accounted in the year 2024-25, in the truing up for the year 2024-25. As such, the licensee has claimed Rs.12.04 lakh in the current petition. **The Commission hereby approves Rs.12.04 lakh for pooler solar energy for the year 2023-24 settled in the year 2024-25.**
24. As per the details furnished by the licensee, the average power purchase cost for the year 2024-25 is worked out at Rs.7.33/kWh (Rs.8731.74 lakh/1191.56 lakh units). As per Regulation 73, excess distribution loss, shall be disallowed at the average cost of power purchase. Considering the approved distribution loss in para 17 and the excess energy loss on account of the higher distribution loss, the approved power purchase cost is worked out as shown below.

Table 9
Power Purchase Cost approved for the year 2024-25

| Sl. No | Particulars | Approved in Truing up |
|----------|---|-----------------------|
| 1 | Total cost of power purchase (Rs. lakh) | 8848.97 |
| 2 | (Less) Green energy purchase (Rs. lakh) | 170.52 |
| 3 | (Less) Renewable Power Obligation (Rs. lakh) | 69.32 |
| 4 | Power Purchase cost from KSEB Ltd (Rs. lakh) | 8609.13 |
| 5 | Actual quantum of power purchased (in lakh units) | 1191.56 |
| 6 | Average cost of purchase (Rs. /kWh) (4 / 5) | 7.33 |
| 7 | Excess distribution loss (in lakh units) (Table 8) | 3.79 |
| 8 | Excess Distribution Loss (Rs. lakh) (3*4) | 27.78 |
| 9 | Power purchase approved for 2024-25 (4-8) (Rs. lakh) | 8581.35 |

25. The excess distribution loss of Rs.27.78 lakh is hereby disallowed from the power purchase cost **and the Commission hereby approves power purchase cost of Rs.8581.35 lakh for truing-up for the year 2024-25 (excluding the provision of RPO obligation and green energy purchase) incurred for the power purchased from KSEB Ltd and towards the settlement of pooled solar energy for the year 2023-24 settled in April 2024.**

Operation & Maintenance Expenses

26. Operation and Maintenance expenses are controllable expenses which include Employee cost, Repair & Maintenance expenses and Administrative & General

expenses. The Operation and Maintenance expenditure claimed for the year 2024-25 is higher than the norms approved in the Tariff Regulations, 2021. The Commission while approving the norms in the Tariff Regulations, 2021 had approved the Operation and Maintenance expenses of Rs.229.89 lakh for 2024-25. The licensee in the petition has claimed total operation and maintenance expense of Rs.547.18 lakh. During the year 2023-24, the actual O&M expenses claimed was Rs.342.52 lakh. The Commission had considered the submission and after due prudence check approved Rs.233.06 lakh as total O&M expenses for 2023-24. A comparison of the expenses in 2023-24 and 2024-25 is tabulated below.

Table 10
Comparison of the O&M expenses for 2023-24 and 2024-25 (Rs. Lakh)

| Particulars | 2023-24 | | | 2024-25 | |
|----------------------|----------------|---------------|---------------|----------------|---------------|
| | Approved Norms | For Truing Up | Trued Up | Approved Norms | For Truing Up |
| Employee Cost | 65.54 | 67.78 | 68.22 | 68.46 | 76.85 |
| R & M Expenses | 104.69 | 143.76 | 106.67 | 109.36 | 211.41 |
| A & G Expenses | 49.85 | 130.98 | 58.17 | 52.07 | 258.92 |
| Total O&M | 220.08 | 342.52 | 233.06 | 229.89 | 547.18 |

27. The Commission has examined the details furnished by the licensee and the claim in the Truing up of accounts as per the provisions of the Tariff Regulations, 2021. As per the Tariff Regulations, 2021, the licensee shall be allowed to recover the operation and maintenance expenses as per the norms specified in Annexure-7 of Tariff Regulations for each financial year of the Control Period. The Annexure-7 of Tariff Regulations 2021 specifies, the base year (2021-22) norms as per Table-9 and approved norms (Third Table under para 3(iii) of Annexure-7) of the O&M expenses of KPUPL. The details are given below:

Table 11
O&M Expenses as per the Tariff Regulations, 2021 (Rs. lakh)

| Particulars | Base year | Control period | | | | |
|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
| Employee Cost | 60.07 | 62.75 | 65.54 | 68.46 | 71.51 | 74.70 |
| R&M Expenses | 95.96 | 100.23 | 104.69 | 109.36 | 114.23 | 119.32 |
| A&G Expenses | 45.69 | 47.73 | 49.85 | 52.07 | 54.39 | 56.81 |
| Total | 201.72 | 210.71 | 220.08 | 229.89 | 240.13 | 250.83 |

28. The paragraph-1 of the Annexure-7 of the Tariff Regulations, 2021 specifies inflation rate adopted for tariff determination for the Control Period from 2022-23 to 2026-27. Further, the 'Note' to the paragraph-1 to Annexure-7 permits that, the actual inflation will be allowed at the stage of truing up for the respective years. The relevant provisions of the Regulations, 2021 is stated below.

“Methodology adopted for specifying the Normative Operation & Maintenance (O&M) Costs for the 5-year Control Period (2022-27)

1. The O&M costs consist of:

- Employee cost;
- Administrative & General (A&G) expenses; and
- Repair & Maintenance (R&M) costs.

The annual inflation/ escalation rate under the Control Period (2018-22) was fixed at 4.84% based on the CPI (Industrial workers) & WPI indices in the weightage ratio 70:30, for the 4-year period (2013-14 to 2016-17). Considering the 5-year MYT period in this Regulation and the subdued performance of the economy in the year 2020-21 due to the ‘Covid 19’ pandemic; it is proposed to fix the annual escalation factor for the 5-year MYT Control Period (2022-23 to 2026-27) as follows: -

- a) *The average of the increase in the CPI & WPI indices, for the 4-year period(2017-18 to 2020 -21), as given in Table- 1 below:*

**Table- 1
Computation of Escalation Factors for this MYT Regulation**

| Sl.No | Escalation factors/ year | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|-------|--|---------------|---------|---------|---------|
| 1 | CPI (Industrial Workers) 2001=100 | 284.42 | 299.90 | 322.50 | 338.69 |
| 2 | Annual CPI increase % | 3.08 | 5.44 | 7.54 | 5.02 |
| 3 | WPI (2011-12) series | 114.90 | 119.80 | 121.80 | 123.40 |
| 4 | Annual WPI increase % | 2.96 | 4.26 | 1.67 | 1.31 |
| 5 | CPI:WPI (70:30) weightage (%) | 3.04 | 5.09 | 5.78 | 3.91 |
| 6 | Average 4 Year annual increase @ 70:30 weightage (%) | 4.454% | | | |

Note:

The Commission notes that there has been severe fluctuations as far as the inflation indices are concerned. Further, due to the outbreak of COVID 19, and the overall depressing economic situation faced by all major industries in the country, the offtake of electricity during this period has considerably reduced and there is a glut as far as the electricity market is concerned.

However as of now, the economy seems to be on a path of revival and the increase in oil prices have also added to the overall inflation in the economy. Hence, the Commission feels that any data of past indices may not completely reflect the true economic situation in the country and its inflationary trends and therefore is of the opinion that, for the purpose of ARR&ERC for the Control Period, it would be advisable to rely on historical inflation data for the previous four years. But, the actual escalation rates based on the actual inflation existing for each year of the Control Period shall be considered at the time of the truing up of the concerned financial year and would be a more reliable basis. Hence, the actual inflation indices will be allowed at the stage of truing up for the respective years.”

29. As discussed in the preceding paragraphs and as specified under Annexure-7 of the Tariff Regulations, 2021, the base year O&M expenses for the Year 2021-22 is Rs.201.72 lakh. The average escalation rate approved by the Commission for the Control Period from 2022-23 to 2026-27 based on the average of the ‘consumer price index and whole sale price index’ is 4.454%. By applying the escalation rate of 4.454% on the O&M expenses of the base year 2021-22, the

O&M Expenses for 2024-25 is Rs.229.89 lakh. However, the Note to the paragraph-1 to the Annexure-7 of the Tariff Regulations 2021 provides that, the escalation rates based on the actual inflation indices shall be adopted for approving the O&M expenses while truing up of the respective years. The actual inflation rate of the year 2024-25 is 3.05%.

30. Commission notices that a typographical error had crept in while considering the actual inflation for the year 2023-24. The actual inflation rate of the year 2023-24 is 3.41%, whereas the Commission while truing up the accounts had taken 3.14% which had led to an apparent error while approving the O&M expenses. The Commission hereby corrects the error for the year 2023-24 considering the actual inflation of 3.41%. Based on the actual escalation of 3.41% in the year 2023-24, the revised O&M expenses of KPUPL as given below;

Table 12
Revised O&M expenses for 2023-24 considering actual Inflation (Rs. lakh)

| Particulars | 2022-23 | Control Period- 2023-24 | |
|---------------|----------------|-------------------------|---------------|
| | Approved norms | Actual inflation | O&M Approved |
| Employee Cost | 64.31 | 3.41% | 66.50 |
| R&M Expenses | 102.73 | 3.41% | 106.23 |
| A&G Expenses | 48.92 | 3.41% | 50.59 |
| Total | 215.96 | | 223.32 |

31. Based on the actual escalation of 3.05% in the year 2024-25, the revised O&M expenses of KPUPL are approved by the Commission considering actual inflation as given below.

Table 13
Revised O&M expenses of KPUPL approved for the year 2024-25 considering Actual Inflation (Rs. lakh)

| Particulars | 2023-24 | Control Period- 2024-25 | |
|---------------|------------------|-------------------------|---------------|
| | Revised approved | Actual inflation | O&M Approved |
| Employee Cost | 66.50 | 3.05% | 68.53 |
| R&M Expenses | 106.23 | 3.05% | 109.47 |
| A&G Expenses | 50.59 | 3.05% | 52.13 |
| Total | 223.32 | | 230.13 |

32. An analysis of the three items constituting the head O&M expenses indicates the nature of each of the three items of expenditure and its relevance to the actual operational requirement of the Electricity distribution business. Each component of the Operation & Maintenance Expenses is taken up separately for analysis.

Employee cost

33. The employee cost claimed by the licensee for the year 2024-25 is Rs.76.85 lakh. The Commission in the Tariff Regulations, 2021 had approved an amount of

Rs.68.46 lakh as the employee cost for the year. The employee cost claimed by the licensee in the current year is higher than the claim made by the licensee in the previous year. The licensee has submitted that the Chief Executive Officer and an Accounts Officer were engaged on regular role and all technical and administrative functions were outsourced to keep the employee cost on lower side. A comparison of the actual employee cost claimed is shown below.

Table 14
Employee Cost over the years (Rs. lakh)

| Particulars | 2022-23 | | 2023-24 | | 2024-25 |
|---|--------------------|--|--------------------|---|--------------|
| | Truing up petition | Trued up | Truing up petition | Trued up | Truing up |
| Basic Pay | 15.05 | 73.05 <i>(Considering actual escalation and additional expenses due to pay revision arrears)</i> | 15.49 | 68.22 <i>(Considering actual escalation and additional expenses for new license area)</i> | 11.20 |
| Dearness allowance AO) | 5.85 | | 6.54 | | 6.28 |
| House Rent Allowance | 0.17 | | 0.18 | | 0.23 |
| Earned leave encashment | 0.83 | | 0.00 | | - |
| Other Allowance | 0.75 | | 0.09 | | 0.09 |
| Medical Reimbursement | 0.90 | | 1.12 | | 0.92 |
| Interim Relief/Wage Revision | 8.74 | | 0.00 | | - |
| Staff Welfare Expense | 1.92 | | 1.22 | | 0.57 |
| Provident Fund Contribution | 1.22 | | 1.25 | | 2.35 |
| Manpower outsourced for support functions (Payment to Consultants and outsourced staff) | 47.35 | | 41.90 | | 55.21 |
| Total Employee Cost | 82.78 | 73.05 | 67.78 | 68.22 | 76.85 |

34. The employee cost includes Rs.21.64 lakh towards employees on regular role and Rs.55.21 lakh for the manpower outsourced for support function of the office. The licensee has stated that Rs.3.36 lakh is towards the employee expenses for the Petrochemical Park. The Commission noticed that KPUPL was granted extension of area of license covering the KINFRA Petrochemical Park, Ambalamugal, Kochi which started operations from 28.10.2023. The area was not considered while finalizing the norms. **Therefore, the Commission hereby approves Rs.3.36 lakh towards employee expenses for petrochemical park over and above the approved norms.**
35. The licensee has stated that, during the year 2024-25 the Chief Executive Officer and an Asst. Manager (Finance) were engaged on regular role and all technical and non-technical functions were outsourced to keep the employee cost on lower side. The Chief Executive Officer resigned from his duties on 31 July 2025, following which KINFRA appointed Deputy Manager (Technical), Head Central Zone as new Chief Executive Officer (In Charge) of KINESCO till a permanent arrangement is made. Hence no salary expense towards CEO was made from this office for FY 2024-25.

36. **Considering the decision taken in para 31, and allowing additional amount towards petrochemical park above the approved norms, the Commission hereby approves the employee expenses of Rs.71.89 lakh (68.53+3.36) for the year 2024-25.**

R & M Expenses

37. The licensee for the year 2024-25 has claimed an R&M expense of Rs.211.41 lakh as against the normative amount of Rs.109.36 lakh. The claim for 2024-24 is higher than the claim of Rs.143.76 lakh in the previous year. The Commission while truing up the accounts for the year 2023-24 had approved Rs.106.67 lakh considering the actual escalation.
38. The licensee stated that major part of R&M Expenses is incurred for the operation and maintenance of the sub-stations which are awarded through proper tendering process. There are 110 KV and 22KV Substations and 11KV control station spread at different locations. The licensee has also stated that they have commissioned 110 kV substation at Hi Tech Park, Kalamassery on 18.06.2024 and have been employed required manpower as specified in CEA manual relating to Safety & Electric Supply Regulations 2010 for the operation and maintenance of the substation. A comparison of the R&M for the year 2023-24 and 2024-25 is tabulated below.

Table 15
R&M expenses for the year 2023-24 and 2024-25 (Rs. Lakh)

| Particulars | 2023-24 | | 2024-25 | |
|---|----------------|---------------|----------------|---------------|
| Operation and Maintenance: SS at Kakkanad | 53.03 | | 74.26 | |
| Operation and Maintenance: Kalamassery LA | 25.90 | | 41.50 | |
| Operation and Maintenance: SS at KIITP, Kanjikode | 32.23 | | 35.55 | |
| Operation and Maintenance: Kinfra MFP Kanjikode | 7.45 | | 10.00 | |
| Operation and Maintenance: Petrochemical Park | 0.71 | | 3.16 | |
| <i>Sub Total</i> | | 119.32 | | 164.47 |
| Repairs/ Break-down maintenance: | | | | |
| Kakkanad | 12.09 | | 24.72 | |
| Kalamassery | 4.03 | | 12.04 | |
| KIITP, Palakkad | 4.61 | | 7.17 | |
| Kinfra Mega Food Park, Kanjikode | 1.38 | | | |
| <i>Sub Total</i> | | 22.11 | | 43.93 |
| Spares & Consumables | | 1.96 | | 2.60 |
| Repair and Maintenance: Building, Office Equipment/ Furniture & fixtures etc | | 0.37 | | 0.40 |
| Total | | 143.76 | | 211.40 |

39. In the petition, the licensee stated that, there are 110 KV and 22KV Substations and 11KV control station spread at different locations. The operation and maintenance of substations are carried out with qualified personnel as specified in CEA manual relating to Safety & Electric Supply Regulations 2010. The licensee has also stated that, for supplying uninterrupted power to the areas, KPUPL is

using 11KV RMUs and UG cabling system with ring mains in all license areas except Mega Food Park, Palakkad. It was further stated that due to limited competition for bidding contracts of such small magnitude, there has been an increase of expenditure for operation and maintenance contract for the year 2024-25.

40. The licensee has claimed Renovation and modernization expense of Rs.38.76 lakh and Repair and maintenance expenses of Petrochemical park of Rs.3.20 lakh as one time expenses for the year 2024-25. The licensee in the additional submission submitted the split up details of the one time expenses claimed for the year 2024-25. The break up of the one time expenses claimed by the licensee for the year 2024-25 is given below;

Table 16
One time expenses for the year 2024-25 (Rs. Lakh)

| Particulars | 2023-24 |
|--|--------------|
| Renovation and modernization: SS at Kakkanad | 24.14 |
| Renovation and modernization: Kalamassery LA | 7.51 |
| Renovation and modernization: SS at KIITP, Kanjikode | 6.38 |
| Renovation and modernization: Kinfra MFP Kanjikode | 0.73 |
| Repair and maintenance: Petrochemical Park | 3.20 |
| Total | 41.96 |

41. The Commission notices that KPUGL was granted extension of area of license and the KINFRA Petrochemical Park, Ambalamugal, Kochi started operations from 28.10.2023. The area was not considered while finalizing the norms. **Hence, the Commission approves the claim of Rs.3.20 lakh as repair and maintenance expenses for Petrochemical Park and Rs.38.76 lakh as one time expense for renovation and modernization works.**
42. Considering Para 31 of this Order, the Commission has already approved Rs.109.47 lakh as R&M Expenses based on actual inflation rate for the year 2024-25. **Considering the additional expenses for the extended license area and one time expenses, the Commission hereby approves Rs.151.43 lakh (Rs. 109.47 lakh + Rs. 41.96 lakh) as R&M expenses for the year 2024-25.**

A & G Expenses

43. The licensee has claimed A&G expenses significantly higher than the normative amount approved by the Commission. As against the normative amount of Rs.52.07 lakh approved in the Tariff Regulations, 2021, the A&G expenses claimed is Rs.258.92 lakh. The major claim booked under A&G expenses are towards Rent, rates & taxes, other professional charges, vehicle running expenses, advertisement expenses, Electricity Duty under Section 3 of the Kerala Electricity Duty Act, 1963 and license fee and other related fees. The comparison of the actual claim of A&G expenses over the years is tabulated below;

Table 17
Comparison of Administrative & General Expenses claimed over the years

| Particulars | 2022-23 | | 2023-24 | | 2024-25 |
|--|---------------|--|---------------|--|---------------|
| | For truing up | Trued up | For truing up | Trued Up | For truing up |
| Rent Rates & Taxes | 12.56 | 48.91 (Approved on the basis of actual inflation of 7.06%.) | 11.55 | 58.17 (Approved on the basis of actual inflation and expense for new license area.) | 13.28 |
| Insurance | 1.34 | | 1.43 | | 1.63 |
| Telephone & Postage, etc. | 0.65 | | 0.65 | | 1.06 |
| Legal charges | 0.00 | | 0.00 | | 0.00 |
| Audit Fees | 1.59 | | 1.60 | | 7.84 |
| Other Professional charges | 16.46 | | 13.79 | | 15.93 |
| Conveyance / Travelling Expense | 0.34 | | 0.13 | | 0.08 |
| Vehicle Hiring Expenses Truck / Delivery Van | 8.22 | | 10.07 | | 9.59 |
| Electricity charges | 0.73 | | 0.92 | | 0.18 |
| Entertainment | 0.97 | | 1.14 | | 1.24 |
| Printing & Stationery | 1.61 | | 1.30 | | 1.63 |
| Contribution / Donation | 0.00 | | 4.00 | | 25.00 |
| Training expenses/ Stipend | 0.31 | | 0.00 | | 0.27 |
| Miscellaneous Expenses | 3.69 | | 0.86 | | 2.27 |
| Purchase Related Advertisement Expenses | 0.26 | | 0.03 | | 0.00 |
| Bank Charges | 2.90 | | 3.56 | | 7.22 |
| Office Expenses | 1.46 | | 1.50 | | 1.86 |
| License Fee and other related fee | 10.10 | | 8.61 | | 10.31 |
| Others | 2.75 | | 4.34 | | 41.57 |
| Power Connectivity Charges | 0.00 | | 5.15 | | 0.00 |
| Gross A&G Expenses | 65.94 | 48.91 | 70.63 | 58.17 | 140.96 |
| Ele. Duty u/s 3(I), KED Act | 49.52 | - | 60.35 | - | 117.97 |
| Less: Expenses Capitalised | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net A&G Expenses | 115.46 | 48.91 | 130.98 | 58.17 | 258.93 |

44. The major A&G expenses incurred by the licensee during the year is shown below.

Table 18
A&G Expense – Split up of major expenditures

| Particulars | Rs lakh | Details |
|---|---------|---|
| Rent Rates & Taxes | 13.28 | Office rent |
| Professional Charges | 15.93 | - Retainer fee for Company Secretary - Payment for GST audit, GST filing, Cost audit etc. - Internal audit fees |
| Hiring of vehicle | 9.59 | -Hiring of vehicle for the use of CEO and office. |
| License fee & other fee | 10.31 | - License renewal fee - Electrical Inspectorate towards periodical inspection fee - Other statutory fee to KSEBL |
| Energy Audit Fees | 7.84 | - Payment for Energy Audit to KSPC and Audit fees to Statutory auditors. |
| Prior period Ineligible GST Input Tax Credit reversed | 32.21 | -The Input Tax Credit (ITC) pertaining to prior periods was reversed as per the auditor's directive, since the amount is neither eligible for refund nor claimable. |
| Donation | 25.00 | - Contribution to Chief Ministers Distress Relief Fund towards Wayanad landslide relief. |
| Electricity Duty | 117.97 | Payment of Ele. Duty u/s 3(I), KED Act |

45. The amount of Electricity Duty under Section 3 (1) of the Kerala Electricity Duty Act, 1963, cannot be admitted as an item of expenditure in the truing up petition. The Commission has, in its previous orders also, consistently pointed out that the Electricity Duty payable by the licensee under Section 3 (1) of the Kerala Electricity Duty Act cannot be included in the A&G expenses and passed on to the consumers. **Hence, the Commission disallows the licensee's claim of Rs.117.97 lakh as Section 3(1) duty.**
46. The licensee has claimed Rs.25.00 lakh being contribution to Chief Ministers Distress Relief Fund and included under A&G expenses. **The Commission is of the opinion that this is a voluntary contribution and hence should have been from the profit of the licensee. Therefore, the Commission disallows the claim of the licensee.**
47. The actual expense claimed for 2024-25 is significantly high compared to the norms approved by the Commission. O&M expenses which includes A&G expense are controllable expenses and the Commission is bound to go by the norms. Considering Para 31 of this Order, the Commission has already approved Rs.52.13 lakh as A&G Expenses based on actual inflation rate for the year 2024-25. **Considering this, the Commission hereby approves an amount of Rs.52.13 lakh as the A&G expenses for the year 2024-25.**

O&M Expenses Approved

48. The total O&M expenses for the year 2024-25, which includes Employee costs, R&M expenses and A&G expenses approved by the Commission is as shown below;

Table 19
Approved O&M expenses for 2024-25 (Rs. Lakh)

| Particulars | 2024-25 | | |
|----------------------|----------------|---------------|---------------|
| | Approved Norms | For Truing Up | Trued Up |
| Employee Cost | 68.46 | 76.85 | 71.89 |
| R & M Expenses | 109.36 | 211.41 | 151.43 |
| A & G Expenses | 52.07 | 258.92 | 52.13 |
| Total O&M | 229.89 | 547.18 | 275.45 |

49. **Commission for the year 2024-25 approves a total O&M expense of Rs.275.45 lakh. The Commission also approves an additional amount of Rs.0.57 lakh (Rs.223.32 lakh – Rs.222.75 lakh) as prior period O&M expenditure considering the actual inflation rate of the year 2023-24 which is 3.41% based on Para 30 of the Order.**

Asset Addition

50. The licensee has claimed a total asset addition of Rs.23.31 lakh utilizing the accumulated surplus available with KPUGL. The licensee in the petition has

submitted a detailed write up/justification for the area wise capital expenditures incurred during the year and has stated that the asset additions are sourced through accrued surplus of KPUPL. The assets addition made during the year 2024-25 are shown below:

**Table 20
Assets Addition for the year 2024-25**

| Sl. No | Description of Assets | Unit | Qty. | (Rs Lakh) |
|----------------------------------|--|------|------|--------------|
| Kakkanad Licensee Area | | | | |
| 1 | Transformers - 110 kV Metering PT for 110 kV Substation at KKD | Nos | 1 | 2.12 |
| 2 | Substation Equipment- Chequered Plate for KKD SS | Nos | 12 | 0.56 |
| 3. | Office equipments-Pedestal fan | Nos | 1 | 0.05 |
| 4. | Furniture & Fixtures – Aluminium fabricated Cupboard in Office | LS | 1 | 2.88 |
| 5. | Computer & Accessories -PC Monitor and DP for HDMI | Nos | 1 | 0.08 |
| 6. | Computer & Accessories - HP Make Personal Computers | Nos | 2 | 1.34 |
| 7. | Office equipments- Max Numbering Machine | No. | 3 | 0.05 |
| Kalamassery Licensee Area | | | | |
| 1. | Switch Gears – 11 kV, 4-way outdoor RMU | Nos | 1 | 9.04 |
| 2. | Substation Equipment-200 W High Mist LED Lights | Nos | 12 | 0.51 |
| 3. | Substation Equipment- FRP Earth Rod | Nos | 6 | 0.39 |
| 4. | Substation Equipment- Lightning Arrester | Nos | 4 | 2.82 |
| 5. | Air conditioner – 1.5 Ton Split AC with Stabilizer | Nos | 1 | 0.47 |
| 6. | Furniture & Fixtures – Table and Chairs for Kalamassery substation | LS | 1 | 0.38 |
| 7. | Furniture & Fixtures –Office Chairs | LS | 1 | 0.16 |
| 8. | Furniture & Fixtures –Office cubicles fabrication works | LS | 1 | 2.21 |
| 9. | Office equipments-Pedestal fan – for 110 kV substation at Kalamassery, Kalamassery | Nos | 2 | 0.10 |
| 10. | Office equipments- BLDC fan for 110 kV substation at Kalamassery | Nos | 1 | 0.04 |
| KIITP, Kanjikode | | | | |
| 1. | Furniture & Fixtures – Table and Chairs for KIITP Palakkad substation | LS | 1 | 0.05 |
| 2. | Furniture & Fixtures –Computer chair | Nos | 1 | 0.04 |
| 3. | Office equipment- Mobile Phone for Palakkad | Nos | 1 | 0.01 |
| TOTAL | | | | 23.31 |

51. The licensee also submitted details for each item of capital expenditure incurred during 2024-25 in the petition. The details are shown as below.

I. Purchase of Transformers

a. 110 kV Metering PT for 110 kV Substation at Kakkanad - Rs. 2.12 lakh

During the annual maintenance of the BR-KF#1 feeder at the 110 kV KINESCO Substation, Kakkanad on 10.01.2024, the 110 kV metering Potential Transformer (PT) was found leaking from the secondary terminal box. As advised by KSEBL TMR Division, Angamaly, the feeder was not to be energized unless the PT was

repaired or replaced. Since repair was found to be uneconomical and required testing at a NABL accredited laboratory, it was decided to replace the PT with a new one to normalize the feeder.

Accordingly, a tender (No. KINESCO/KKD/08/2023-24) was published with a PAC of Rs.2.06 lakh. Among the three bidders, M/s. Jalk Electrical Enterprises emerged as the lowest bidder (L1) by quoting Rs.1.80 lakh plus GST. After confirming that the quoted rate was their best and reasonable, the work order was issued to them, and the supply and testing of the 110 kV metering PT was successfully completed.

II. Purchase of substation equipments

a. Chequered Plate for Kakkanad Substation Rs.0.56 lakh

The expenditure was incurred for the purchase of 12 Nos. of MS Chequered Plates (1000 mm × 1250 mm × 5 mm) for the Kakkanad Substation, including cutting, loading, and freight charges. The purchase order was awarded to M/s. Ibrahim Traders at a total cost of Rs.0.48 lakh plus applicable GST. The supplier has successfully completed the supply in accordance with the purchase order.

b. 200 W High Mist LED Lights- Kakkanad – Rs.0.51 lakh

The investment was undertaken to replace the 12 damaged and non-functional high-mast lights at the KINFRA 110 kV Substation, Hi-Tech Park, Kalamassery, which were found beyond repair during the pre-commissioning inspection prior to energization on 18.06.2024. As per statutory and safety requirements, functional lighting in the substation yard is mandatory before energization; hence 12 Nos. of 200 W LED lights were procured and installed to ensure safe operation and inspection. Based on quotations obtained from three suppliers, M/s. ZE Lights offered the lowest rate and was awarded the purchase order for a total amount of Rs.0.51 lakh (including GST). The supplier successfully completed the supply as per the purchase order.

c. FRP Earth Rod – Rs.0.39 lakh

The investment was undertaken to procure custom-made FRP earth rods for the 110 kV Substation at Hi-Tech Park, Kalamassery, in compliance with the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2023. Since the substation bus bars are tubular type with a diameter of 90 mm, standard earth rods available in the market were not compatible, making it necessary to fabricate rods specifically suited to the bus bar configuration to ensure safe earthing during operation and maintenance. As M/s. Concert Engineering Enterprises was identified as the only nearby supplier capable of fabricating the required earth rods, the purchase order was issued at a quoted amount of Rs.0.33 lakh plus GST (total Rs.0.39 lakh). The supplier successfully completed the supply as per the purchase order.

d. Lightning Arrester - Kalamassery Substation – Rs.2.82 lakh

Following a flashover incident in the B-phase Lightning Arrester (LA) on the KSEB side of KLBR#2 bay at the 110 kV KINFRA Substation, Hi-Tech Park, Kalamassery, one LA from KLBR#1 had to be temporarily used due to the absence of spares, leaving the system vulnerable to further failures. To ensure system reliability, operational continuity, and safety compliance, it was necessary to procure four Nos. of 96 kV, 10 kA Metal Oxide Gapless Lightning Arresters with polymer housing, insulating base, and surge monitor—one to restore KLBR#1 and three as critical spares. A tender was invited and, based on the evaluation, M/s. Jalk Electrical Enterprise emerged as the lowest bidder (L1) with a quoted amount of Rs.2.39 lakh plus GST. The work order was issued accordingly, and the supply was successfully completed by the contractor.

III. Furniture's & Fixtures

a. Aluminum fabricated Cupboard in Office- Kakkanad Office – Rs.2.88 lakh

The investment was undertaken to improve the file storage system at the KINESCO Office, Kakkanad, where existing files were kept in congested angle-slotted shelves along with electrical equipment and other items, leading to disorganization, difficulty in retrieval, and pest-related damage. To ensure proper storage, cleanliness, and efficient use of space, aluminum fabricated cupboards with doors were proposed and constructed in the office room and pantry room. Based on quotations obtained from contractors, M/s. BMK Aluminum Fabricators emerged as the lowest bidder (L1) for both works— Rs.1.80 lakh for the office room cupboards and Rs.1.07 lakh for the pantry room cupboards. The rates were found reasonable, work orders were issued, and the works were successfully completed by the contractor.

b. Furniture at Kalamassery Substation Control Room

- **Table and Chair for Control Room - Rs.0.38 lakh**
- **Office Chairs – Rs.0.16 lakh**
- **Office Cubicles fabrication works – Rs.2.21 lakh**

The investment was undertaken to provide essential furniture and office infrastructure for the control room and office spaces of the 110 kV KINESCO Substation at KINFRA Hi-Tech Park, Kalamassery, which was energized on 18.06.2024. As the control room lacked adequate furniture for operational staff, it was necessary to procure tables and chairs for operators and maintenance personnel. In addition, aluminum fabrication works such as office cabin partitions, workstations, PVC ceiling, and lockable cupboards were carried out to facilitate proper office space, staff coordination, and storage facilities. Based on quotations

and tender evaluation, M/s. MS Cube Associates was awarded the supply of tables and chairs and office chairs as the lowest bidder, while Mr. Binoop M.K was awarded the aluminum fabrication work as the lowest bidder. The rates were found reasonable, and the supplies and works were successfully completed as per the respective orders.

c. KIITP Palakkad substation:

- **Table and Chairs for KIITP Palakkad substation – Rs. 0.05 lakh**
- **Computer chair – Rs. 0.05 lakh**

The Expenditure incurred in connection with purchase of Table and Chairs for KIITP Palakkad substation and Computer chair for KINESCO 22 kV Substation KIITP, Palakkad.

IV. Computer & Accessories - Kakkanad Office

a. PC Monitor and DP for HDMI - Rs.0.08 lakh

A local enquiry was conducted with suppliers dealing in similar items, and M/s. Techavlon Digital Solutions, Kakkanad offered the most competitive rate. Accordingly, 1 No. 21.5” HP V22V G5 HDMI Monitor and 1 No. DP-to-HDMI cable were procured on an urgent basis at a total cost of Rs.0.08 lakh (including GST). The supplier successfully completed the supply and installation of the materials as per the specifications.

b. HP Make Personal Computers – Rs.1.34 lakh

For the urgent procurement of two PCs, quotations were obtained from suppliers engaged in similar supplies. Based on the comparative statement, M/s. Techavlon Digital Solutions emerged as the lowest bidder (L1) with a quoted rate of Rs.0.57 lakh per unit plus GST. Accordingly, a purchase order was issued for two AiO HP 24 CB1907IN-00 PCs at a total cost of Rs.1.34 lakh (including 18% GST). The supplier successfully completed the supply as per the purchase order. The capital expenditure was financed from the accrued surplus of KPUPL.

V. Office equipments

a. Pedestal fan for 110kV KINESCO Substation, Kakkanad – Rs.0.05 lakh

The investment was undertaken to purchase a heavy-duty pedestal fan for the 110 kV KINESCO Substation control room at Kakkanad, where the existing ceiling fan and worn-out pedestal fan were insufficient to manage high temperatures, particularly during summer, affecting staff working round the clock. Based on a local enquiry, M/s. Bright Electrical agreed to supply 1 No. Almonard Mark 2 pedestal fan at a total cost of Rs.0.05 lakh (including GST). The supplier successfully completed the supply as per the purchase order.

b. At 110 kV Substation, Kalamassery

- **Pedestal fan for substation control room – Rs.0.10 lakh**
- **BLDC Ceiling fan for substation control room – Rs.0.03 lakh**

The investment was undertaken to improve ventilation in the control room and newly fabricated office space of the 110 kV KINESCO Substation at KINFRA Hi-Tech Park, Kalamassery, which has been operational since 18.06.2024. As the existing ceiling fans were old and inadequate to provide proper air circulation for the staff working round the clock, two pedestal fans were procured for the control room, and one BLDC ceiling fan was purchased for the newly arranged office space. Based on local enquiries, M/s. City Electricals offered the lowest rate and was awarded the supply of pedestal fans for Rs.0.10 lakh (including GST) and the BLDC ceiling fan for Rs.0.03 lakh (including GST). The supplier successfully completed the supply as per the specifications.

c. At 22 kV Substation, KIITP, Kanjikode- Mobile Phone for Palakkad - Rs. 0.01 lakh

The Expenditure incurred in connection with purchase of Mobile phone for KINESCO 22 kV Substation KIITP, Palakkad.

d. At KPUPL Kakkanad Office - Max Numbering Machine – Rs.0.05 lakh

The Expenditure incurred in connection with purchase of Numbering machine for Kakkanad Office.

VI. Switch Gears - 11 kV, 4-way outdoor RMU - Kalamassery - Rs.9.04 lakh

The investment was undertaken to replace the deteriorated Gold Souk RMU at KINFRA Hi-Tech Park, Kalamassery, which was a critical unit supplying power to the entire Gold Souk Park and was frequently developing faults, affecting supply reliability and requiring long troubleshooting time. To improve system reliability and comply with operational requirements, a tender was invited for the supply of an 11 kV, 4-way outdoor RMU. After evaluation, M/s. Imperial Engineering Company emerged as the lowest bidder and further reduced the quoted amount to Rs.7.66 lakh plus GST after negotiation. The work order was issued accordingly, and the supply was successfully completed. The capital expenditure of Rs.9.04 lakh (including GST) was financed from the accrued surplus of KPUPL.

VII. KPUPL Kalamassery office - Air conditioner - 1.5 Ton Split AC with Stabilizer -Rs.0.47 lakh

The investment was undertaken to install a 1.5 Ton Split Air Conditioner with stabilizer at the KPUPL sub office located in the 110 kV KINESCO Substation building at KINFRA Hi-Tech Park, Kalamassery, which was commissioned on 18.06.2024. Due to high ambient temperatures affecting staff working conditions, the AC was required to ensure a comfortable environment and maintain staff

efficiency. Quotations were invited from suppliers, and M/s. Laminar Air Systems emerged as the lowest bidder (L1) with a quoted rate of Rs.0.37 lakh plus GST. The work order was issued accordingly, and the supply and installation were successfully completed at a total cost of Rs.0.47 lakh, financed from the accrued surplus of KPUPL.

52. The Commission has analysed the submissions of the licensee and the documents furnished by them in support of the capital expenditure. It is seen that the capital expenditure has been incurred after assessing the necessity and also after observing tender formalities. **Considering the details submitted by the licensee and the provisions of the Tariff Regulations, 2021 the Commission hereby approves the assets addition of Rs.23.31 lakh for the year 2024-25. Further, the Commission allows the licensee to fund the asset additions (excluding consumer contributions) utilizing the accumulated regulatory surplus approved by the Commission. It is also clarified that the licensee is not eligible to claim depreciation, interest on normative loan and Return on NFA on the assets created by utilizing the approved regulatory surplus. It is directed that the cost of assets replaced have to be removed from GFA with corresponding reduction in accumulated depreciation and NFA.**

Depreciation

53. The licensee in the petition has claimed Rs.65.94 lakh as depreciation for the year 2024-25. The Commission while truing up the accounts for 2023-24 had approved a depreciation of Rs.65.94 lakh. During 2024-25, the licensee has incurred a capital expenditure of Rs.23.31 lakh. The depreciation is claimed under straight line method. Details of the depreciation claimed for the year 2024-25 is shown below.

Table 21
Depreciation claimed for the year 2024-25 (Rs. lakh)

| Asset Group (as per notification in respect of depreciation) | Rate of depreciation (%) | Gross fixed assets | | | | Depreciation for the year |
|--|--------------------------|------------------------------|---------------------------|-------------------------|------------------------|---------------------------|
| | | At the beginning of the year | Additions during the year | Adjustment & deductions | At the end of the year | |
| Land & land rights | 3.34% | 239.11 | 0.00 | 0.00 | 239.11 | 8.49 |
| Other Civil works - Building | 3.34% | 164.46 | 0.00 | 0.00 | 164.46 | 5.40 |
| Distribution lines | 5.28% | 289.30 | 0.00 | 0.00 | 289.30 | 4.30 |
| Transformers | 5.28% | 246.57 | 2.12 | 4.47 | 244.22 | 9.68 |
| Switchgears, Control gear & Protection | 5.28% | 424.85 | 9.04 | 6.49 | 427.40 | 16.92 |
| Batteries | 5.28% | 3.83 | 0.00 | 0.00 | 3.83 | 0.10 |
| Others (Sub-station assets) | 5.28% | 98.60 | 4.28 | 0.00 | 102.88 | 3.87 |
| Distribution lines | 5.28% | 297.12 | 0.00 | 0.00 | 297.12 | 8.53 |
| Sub-station equipment- IPD | 5.28% | 82.45 | 0.00 | 0.00 | 82.45 | 4.35 |
| Others (AC, Safety equipment, Refrigerator) | 5.28% | 4.95 | 0.47 | 0.00 | 5.42 | 0.26 |
| Meters | 5.28% | 138.99 | 0.00 | 0.00 | 138.99 | 5.41 |
| Solar Plants | 5.28% | 58.94 | 0.00 | 0.00 | 58.94 | 3.11 |
| Furniture & fixtures | 6.33% | 10.50 | 5.73 | 0.00 | 16.23 | 0.88 |

| | | | | | | |
|---|--------|----------------|--------------|--------------|----------------|--------------|
| Office Equipment | 6.33% | 1.97 | 0.24 | 0.00 | 2.21 | 0.12 |
| Capital spares of HV & LT transmission/ ASIDE Grant | | 380.82 | 0.00 | 0.00 | 380.82 | 0.00 |
| Assets taken over & pending final valuation | | 1681.20 | 43.42 | 0.00 | 1724.62 | 0.00 |
| IT Equipment | 15.00% | 13.47 | 1.42 | 0.00 | 14.89 | 1.30 |
| Computer Software | 15.00% | 2.23 | 0.00 | 0.00 | 2.23 | 0.00 |
| Any other items (Motor Vehicle) | 5.28% | 1.70 | 0.00 | 0.00 | 1.70 | 0.09 |
| Gross Assets | | 4141.06 | 66.73 | 10.96 | 4196.82 | 72.83 |
| Less: Consumer contribution | | 1681.20 | 43.42 | 0.00 | 1724.62 | 0.00 |
| Less: Government grants | | 380.82 | 0.00 | 0.00 | 380.82 | 0.00 |
| Less: Share of GOI Grants | | 177.62 | 0.00 | 0.00 | 177.62 | 0.00 |
| less: Assets disallowed by KSERC | | 1.86 | 0.00 | 0.00 | 1.86 | 0.00 |
| Less: Additions during the year from KINFRA fund | | 0.71 | 0.00 | 0.00 | 0.71 | 0.00 |
| Less: Capital Subsidies | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Asset considered for depreciation (2021-22) | | 1898.85 | 23.31 | 10.96 | 1911.20 | 72.83 |

54. Regulation 27 of the Tariff Regulations, 2021 clearly specifies that the depreciation shall be computed annually based on straight line method for the first thirteen years from the date of commercial operation as per the rates specified in the regulations, and the remaining depreciable value shall be spread over the balance useful life of the assets. The salvage value of the asset shall be ten percent of the allowable capital cost excluding the cost of assets created out of contributions and grant. The depreciation shall be maximum of ninety per cent of the capital cost of the assets.

55. Accordingly, considering the GFA in line with the previous year true up Order and duly considering the asset addition made during the year, the depreciation approved for the year 2024-25 is tabulated below;

Table 22
Depreciation approved for 2024-25 (Rs. lakh)

| Asset Group (as per notification in respect of depreciation) | Rate of depreciation (%) | Gross fixed assets | | | | Depreciation for the year |
|--|--------------------------|------------------------------|---------------------------|-------------------------|------------------------|---------------------------|
| | | At the beginning of the year | Additions during the year | Adjustment & deductions | At the end of the year | |
| Land & land rights | 3.34% | 239.11 | 0.00 | 0.00 | 239.11 | 8.49 |
| Other Civil works - Building | 3.34% | 164.46 | 0.00 | 0.00 | 164.46 | 5.40 |
| Distribution lines | 5.28% | 289.30 | 0.00 | 0.00 | 289.30 | 4.30 |
| Transformers | 5.28% | 246.57 | 2.12 | 4.47 | 244.22 | 9.68 |
| Switchgears, Control gear & Protection | 5.28% | 424.85 | 9.04 | 6.49 | 427.40 | 16.92 |
| Batteries | 5.28% | 3.83 | 0.00 | 0.00 | 3.83 | 0.10 |
| Others (Sub-station assets) | 5.28% | 98.60 | 4.28 | 0.00 | 102.88 | 3.87 |
| Distribution lines | 5.28% | 297.12 | 0.00 | 0.00 | 297.12 | 8.53 |
| Sub-station equipment- IPD | 5.28% | 82.45 | 0.00 | 0.00 | 82.45 | 4.35 |

| | | | | | | |
|---|--------|----------------|--------------|--------------|----------------|--------------|
| Others (AC, Safety equipment, Refrigerator) | 5.28% | 4.95 | 0.47 | 0.00 | 5.42 | 0.26 |
| Meters | 5.28% | 138.99 | 0.00 | 0.00 | 138.99 | 5.41 |
| Solar Plants | 5.28% | 58.94 | 0.00 | 0.00 | 58.94 | 3.11 |
| Furniture & fixtures | 6.33% | 10.50 | 5.73 | 0.00 | 16.23 | 0.88 |
| Office Equipment | 6.33% | 1.97 | 0.24 | 0.00 | 2.21 | 0.12 |
| Capital spares of HV & LT transmission/ ASIDE Grant | | 380.82 | 0.00 | 0.00 | 380.82 | 0.00 |
| Assets taken over & pending final valuation | | 1681.20 | 43.42 | 0.00 | 1724.62 | 0.00 |
| IT Equipment | 15.00% | 13.47 | 1.42 | 0.00 | 14.89 | 1.30 |
| Computer Software | 15.00% | 2.23 | 0.00 | 0.00 | 2.23 | 0.00 |
| Any other items (Motor Vehicle) | 5.28% | 1.70 | 0.00 | 0.00 | 1.70 | 0.09 |
| Gross Assets | | 4141.06 | 66.73 | 10.96 | 4196.82 | 72.83 |
| Less: Consumer contribution | | 1681.20 | 43.42 | 0.00 | 1724.62 | 0.00 |
| Less: Government grants | | 380.82 | 0.00 | 0.00 | 380.82 | 0.00 |
| Less: Share of GOI Grants | | 177.62 | 0.00 | 0.00 | 177.62 | 6.36 |
| less: Assets disallowed by KSERC | | 1.91 | 0.00 | 0.00 | 1.91 | 0.10 |
| Less: Additions during the year from KINFRA fund | | 0.71 | 0.00 | 0.00 | 0.71 | 0.04 |
| Less: Capital Subsidies | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Assets created from accumulated surplus | 5.28% | 26.06 | 23.31 | 0.00 | 49.37 | 2.61* |
| Net Asset considered for depreciation (2021-22) | | 1898.85 | 23.31 | 10.96 | 1911.20 | 63.72 |

*(Depreciation for approved for the assets addition for 2023-24 and 2024-25 from the accumulated surplus i.e., $49.37 \times 5.28\% = 2.61$)

56. **Accordingly, the Commission hereby approves depreciation of Rs.63.72 lakh for the year 2024-25.**

Interest and Finance Charges

a. Interest on Normative loan

57. The licensee has claimed an amount of Rs.58.92 lakh towards Interest on normative loan. The details as per the petition are furnished below.

Table 23
Interest on loan for the year 2024-25 (Rs. lakh)

| Particulars | 2024-25 |
|---|--------------|
| Gross Loan - Opening | 822.21 |
| Cumulative repayments of Loans upto previous year | 293.86 |
| Net loan-Opening | 528.35 |
| Add: Drawal(s) during the Year (Accum. interest) | 0.00 |
| Less: Repayment (s) of Loans during the year | 35.57 |
| Net loan - Closing | 492.78 |
| Average Net Loan | 510.56 |
| Rate of Interest on Loan on annual basis | 11.50 |
| Interest on loan | 58.92 |

58. The licensee submitted in the petition that, the debt: equity ratio as per the Asset Transfer Agreement executed on 07-09-2016 and the Supplementary Agreement dated 27-10-2017 is 70:30. The effective date of transfer of the assets was considered as 01-02-2010 and the company has issued 2,16,438 equity shares of Rs.10/- each at a premium of Rs.136/- each, aggregating to an amount of Rs.3,15,99,948/-. The Company availed loan from the promoter KINFRA for an amount of Rs.7,37,40,737/-. The licensee further stated that, the total equity participation by the promoter has been changed from Rs.10,00,000/- to Rs.3,25,99,948/- and the debt portion had been revised to Rs.7,37,40,737/- and effect of the same was brought to the books in the year 2019-20 to comply with the requirements of the Companies Act, 2013.
59. The licensee also submitted that they had earlier availed a loan of Rs.235.00 lakh from KINFRA at an interest rate of 11.50% per annum, the rate at which KINFRA has been obtaining funds from Govt. of Kerala, for completion of the first phase of the sub-station at Kinfra Integrated Industrial & Textile Park at Palakkad. Refund of the loan of Rs.235.00 lakh commenced at 60 equated monthly instalments (EMI) from April 2017. Refund of the loan of Rs.737.41 lakh and the interest on loan commenced from 01.04.2018 at 180 EMIs.
60. In the Order on Truing Up of accounts for the year 2017-18, the Commission has examined the matter and observed that the above adjustments have been made by the licensee in the accounts for 2017-18 itself. The licensee had made the same submissions in the petition for the Truing Up for 2017-18; and the Commission had arrived at an opening balance of normative loan of Rs.648.57 lakh as on 01-04-2017.
61. As per Regulation 29 of Tariff Regulations, 2021, Tariff Regulations, 2018 and Regulation 30 of KSERC (Terms and Conditions for Determination of Tariff) Regulations 2014 (hereinafter referred to as the Tariff Regulations, 2014), interest is to be allowed based on normative loan. The Tariff Regulations state that, the normative loan outstanding as on the First day of April of the relevant financial year, shall be worked out by deducting the amount of cumulative repayment as approved by the Commission up to the Thirty First day of March of the year, from the normative loan. Accordingly, the interest on normative loan for the year 2024-25 is as below:

Table 24
Normative loan approved for the year 2024-25 (Rs. lakh)

| Particulars | 2024-25 |
|--|--------------|
| Opening Normative Loan | 345.66 |
| Less: Value of Assets dismantled/removed | 10.96 |
| Less: Depreciation for the year as repayment | 63.72 |
| Closing Normative Loan | 270.98 |
| Average Normative Loan | 308.32 |
| Rate of Interest | 11.50% |
| Interest on normative loan | 35.46 |

62. **Accordingly, the Commission hereby approves Rs.35.46 lakh as interest on normative loan for the year 2024-25 as against Rs.58.92 lakh claimed by the licensee.**

b. Interest on Security Deposit paid to Consumers

63. The licensee has claimed Rs.90.90 lakh as interest on security deposit for the year 2024-25. The interest on security deposit claimed by the licensee is the amount paid on 30.06.2024 for the service connections of the consumers for the year 2023-24. **The Commission examined the submissions made by the licensee and hereby approves Rs.90.90 lakh as interest on security deposit for the year 2024-25.**

c. Interest on working capital

64. The licensee has claimed Rs.35.47 lakh as interest on working capital for the year 2024-25. The same is not seen considered as an expense for the year in the computation of Revenue surplus for the year. Commission while issuing Order on the MPR petition filed has allowed an interest on working capital of Rs. 35.47 lakh for the year 2024-25. The computation of interest on working capital claimed by the licensee is as shown below:

**Table 25
Interest on working capital for the year 2024-25 (Rs. Lakh)**

| Particulars | 2024-25 |
|--|----------------|
| O&M expenses (as per norms) | 19.16 |
| Maintenance Spares (as per norms) | |
| Receivables (2 Months revenue from sale of power) (as per norms) | 1645.70 |
| Less: Security deposits except security deposits held in the form of bank Guarantee from Users | 1346.73 |
| Total working capital | 318.13 |
| Interest Rate (as per norms) (MCLR+2) | 11.15% |
| Interest on Working capital | 35.47 |

65. The Commission has analysed computation of interest on working capital as claimed by the licensee, the licensee has calculated interest on working capital as per the provisions of Tariff Regulations. As per the provisions of the regulations, interest rate is two percent higher than the External Benchmark-Linked Lending Rate (EBLR) declared by the State Bank of India. Based on the approved O&M expenses and revenue from sale of power and the EBLR rate, the interest on working capital approved for the year 2024-25 is as shown below:

**Table 26
Interest on Working capital approved for the year 2024-25 (Rs. lakh)**

| Particulars | 2024-25 |
|---------------------------------------|----------------|
| O & M Expenses- One month | 22.95 |
| Maintenance spares | - |
| Receivables-2 months | 1645.70 |
| Less: security Deposit from consumers | 1346.73 |

| | |
|------------------------------------|--------------|
| Total working Capital | 321.92 |
| Interest rate (SBI-EBLR+2%) (%) * | 11.15% |
| Interest on working capital | 35.89 |

* EBLR of 9.15 % as on 01-04-2024

66. **Therefore, the Commission hereby approves Rs.35.89 lakh as interest on working capital for the year 2024-25.**
67. Therefore, the total interest and finance charges approved for the year 2024-25 is as shown below:

Table 27
Interest and finance charges approved (Rs. lakh)

| Particulars | 2024-25 |
|--|---------------|
| Interest on normative loan | 35.46 |
| Interest on Security Deposit paid to Consumers | 90.90 |
| Interest on working capital | 35.89 |
| Total Interest and finance charges | 162.25 |

Corporate Social Responsibility (CSR) Expenses

68. The licensee in the current petition has claimed an amount of Rs.12.91 lakh as expense towards Corporate Social Responsibility (CSR) Expenses. The licensee has stated that as per Section 135 of the Companies Act, 2013 companies must mandatorily contribute a certain amount towards CSR activities fulfilling any of the following conditions in the preceding financial year:
- Net worth of more than Rs.500 crore
 - Turnover of more than Rs.1000 crore
 - Net profit of more than Rs.5 crore
69. The licensee in the petition has stated that they are obligated to spend CSR funds as per Section 135 of the Companies Act, 2013. CSR obligation for 2024-25, which represents 2% of the average profit (PBT) of the company for the past three years, works out to Rs.12.91 lakh.
70. The Commission has examined the claim of the licensee regarding Corporate Social Responsibility (CSR) expenses amounting to Rs.12.91 lakh for the year 2024-25. As per Section 135 of the Companies Act, 2013, CSR obligations arise only when a company meets specific financial thresholds related to net worth, turnover, or net profit in the preceding financial year. CSR expenditure is a statutory obligation of the company and is to be borne by the licensee from its own surplus. It is not a cost that can be passed on to consumers through tariff determination. **Thus, the Commission disallows the claim of Rs.12.91 lakh claimed by the licensee towards CSR expense for the year 2024-25.**

Return on Equity

71. The licensee has claimed return on equity of Rs.45.64 lakh for the year 2024-25. The details of claim made by the licensee are shown below;

Table 28
Return on Equity claimed for the year 2024-25

| Equity at the end of the year (Rs. lakh) | Rate of return | Return on Equity (Rs. lakh) |
|---|----------------|--------------------------------|
| 326.00 | 14% | 45.64 |

72. The licensee in the petition has submitted that the Commission had issued a clarification on Return on Equity as part of Tariff Regulations 2006 and as per this clarification any cash resources available to the licensee from its share premium account or from its internal resources that are used to fund the equity commitments of the projects shall be treated as equity. The licensee further submitted that though the above clarificatory clause of the earlier regulation was omitted in the subsequent regulation and in the absence of anything contradictory in the subsequent regulation, the earlier regulation stands good. The licensee also requested to consider share premium account along with equity for the purpose of calculation of ROE.
73. The licensee has cited the Hon. APTEL Order on Appeal No. 121 of 2011 dated 3rd October 2011 in support of their claim of return on equity on the share premium amount. The contention of the petitioner is that as per the Assets Transfer Agreement dated 07-09-2016 and the Supplementary Agreement dated 27-10-2017, the effective date of transfer of the assets was considered as 01-02-2010. The debt: equity ratio as per the Asset Transfer Agreement is 70:30. Accordingly, the company has issued 2,16,438 equity shares of Rs.10/- each at a premium of Rs.136/- each, aggregating to an amount of Rs.3,15,99,948/- during the year. Hence, the total equity participation by the promoter is increased from Rs.10,00,000/- to Rs.3,25,99,948/-.
74. The licensee has also stated that, during the year 2024-25, the company issued 2,847,942 bonus equity shares of Rs.10 each, as fully paid up to its existing shareholders. The bonus issue was made by capitalizing Rs.28,479,420/- from the securities premium reserve. The bonus share were allotted in the ratio of 9 fully paid up equity share of Rs.10 each for every 1 fully paid up equity share of Rs.10 each held by the shareholders. As a result of the bonus issue, the Company's equity share capital increased from 316,438 shares to 3,164,380 shares of Rs.10 each, aggregating to Rs.31,643,800/-. Consequently, the Securities Premium Reserve was reduced to Rs.9,56,148/-. Following this adjustment, the total equity (share capital plus securities premium) amounts to Rs.3,25,99,948/-. The Company is, therefore, eligible to get ROE of Rs.45.64 Lakh for the year 2024-25.

75. During the previous years the licensee had claimed return on equity of Rs.45.64 lakh for the equity of Rs.326.00 lakh (including share premium of Rs.294.26 lakh). The Commission while approving the Return on Equity for the previous years approved Rs.4.43 lakh (for the equity of Rs.31.64 lakh) only, stating that as per the provisions of Tariff Regulations, 2021, the Return on equity shall be computed in rupee terms, on the paid-up equity share capital and not on the premium amount. In the current petition the licensee has issued bonus share by capitalizing the share premium account. The Commission has examined the contention of the licensee in detail vis-a-vis the provisions of Tariff Regulations and is of the opinion that, although the equity share capital has increased, there is no actual capital infusion in to the company. Therefore, as per Regulation 28(1) in the case of increase in the equity share capital of the distribution business, the additional amount of equity share capital infused into the distribution business and approved by the Commission for the assets put to use alone shall be provided with ROE. The licensee is eligible for return on equity only on the amount shown as paid-up equity capital excluding the additions made during 2024-25 by issuing bonus shares utilizing the balance in share premium amount. Therefore, the admissible return on equity for the year 2024-25 works out as under:

Table 29
Return on Equity approved for the year 2024-25

| Particulars | Amount (Rs. lakh) |
|--|----------------------|
| Opening Equity as on 01-04-2024 | 31.64 |
| Add: Additions for 2024-25 | 0.00 |
| Closing Equity as on 31-03-2025 | 31.64 |
| Return on Equity @ 14% (Rs.31.64 lakh *14%) | 4.43 |

76. ***Accordingly, the Commission hereby approves Rs.4.43 lakh as Return on Equity for the year 2024-25 as against Rs.45.64 lakh claimed by the licensee.***

Tax on Return on Equity

77. The licensee has claimed Rs.225.62 lakh as tax expense for the year 2024-25 through Form D1.1 of the Truing Up petition for the year 2024-25. KPUGL has paid an advance tax of Rs.158.50 lakh for the year 2024-25, apart from a sum of Rs.40.02 lakh towards TDS on various heads. The computation of Income Tax for the AY 2024-25 is attached as 'Annexure # N' for the kind perusal of the Commission. The Income tax authorities have finalised the tax liability of the Company as Rs.225.62 lakh for the FY 2024-25 (AY 2025-26). But as per the Income tax return acknowledgement submitted by the licensee, the net tax payable is Rs.186.73 lakh.

78. Regulation 31(2) of the Tariff Regulations, 2021, states that the difference between the Income Tax on regulated business actually paid and that approved by the Commission in the Aggregate Revenue Requirement can be allowed subject to prudence check in the Truing Up process. The Commission notes that, as per Regulation 31, the Income Tax based on the permissible return on equity share capital or return on net fixed assets, as approved by the Commission be allowed to be recovered through Aggregate Revenue Requirements. The relevant portion of the Regulation is stated below.

31. Tax on returns. – (1) The Commission shall provisionally approve the Income Tax payable for the appropriate years of the Control Period, if any, based on the permissible return on equity share capital or return on net fixed assets, as approved by the Commission relating to the generating business/ company or transmission business/ licensee or distribution business/ licensee or the State Load Despatch Centre, as the case may be and included in the Aggregate Revenue Requirements:

(2) The difference between the Income Tax on regulated business actually paid and that approved by the Commission in the Aggregate Revenue Requirement of the generating business/ company or transmission business/ licensee or distribution business/ licensee or the State Load Despatch Centre shall, subject to prudence check, be adjusted in the truing up process in the respective years.

Provided that no Income Tax on the amount of efficiency gains or incentive earned by the generating business/ company or transmission business/ licensee or distribution business/ licensee or State Load Despatch Centre shall be approved for recovery through the tariff or charges from the consumers or beneficiaries.

79. The Commission has carefully examined the licensee's claim in the petition and noted that, the licensee has paid Rs.186.73 lakh (without considering late fee and interest) as income tax for the total income of Rs.671.19 lakh as per income tax Act for the year 2024-25. Considering this the proportionate amount of income tax paid based on Return on Equity is Rs.1.23 lakh ($186.73/671.19 \times 4.43$) for the year 2024-25. **Accordingly, the Commission hereby approves the amount of Rs.1.23 lakh against the claim of Rs.255.62 lakh towards Tax on Return on Equity.**

Revenue from Sale of Power

80. Compared to the year 2023-24, there is increase in the sales and accordingly, there is increase in revenue from sale of power. The actual revenue realized during 2024-25 from the sale of 1167.83 lakh units is Rs. 9874.22 lakh. The major share of the sale and revenue realization is from HT category. The category wise detail of the revenue from sale of power for the year 2023-24 and 2024-25 is shown below.

Table 30
Details of Revenue from Sale of Power for the year 2023-24 and 2024-25

| Particulars | 2023-24 | | | 2024-25 | | |
|--------------------|----------------------------|--------------------|--|----------------------------|--------------------|--|
| | Units Sold (lakh Units) | Sales (Rs.lakh) | Avg. realisation per KWh (Rs) | Units Sold (lakh Units) | Sales (Rs.lakh) | Avg. realisation per KWh (Rs) |
| HT I A | 351.11 | 2639.95 | 7.52 | 426.51 | 3228.87 | 7.57 |
| HT I B | 390.48 | 3338.44 | 8.55 | 437.53 | 3836.27 | 8.77 |
| HT II A | 4.12 | 41.06 | 9.97 | 4.88 | 47.82 | 9.79 |
| HT II B | 3.09 | 48.67 | 15.77 | 7.60 | 93.26 | 12.26 |
| HT III B | 0.31 | 5.43 | 17.60 | 0.21 | 3.97 | 18.98 |
| HT IV A | 6.99 | 76.75 | 10.98 | 11.12 | 110.07 | 9.90 |
| HT IV B | 38.43 | 346.28 | 9.01 | 42.12 | 385.41 | 9.15 |
| HT VII-Temp | | | | 0.91 | 17.63 | 19.33 |
| DHT I A | 1.17 | 11.76 | 10.08 | 4.12 | 38.84 | 9.42 |
| DHT I B | 74.22 | 657.56 | 8.86 | 83.91 | 754.74 | 9.00 |
| DHT II B | 5.77 | 69.73 | 12.08 | 7.74 | 81.20 | 10.50 |
| LT II | 0.04 | 0.44 | 11.38 | 0.00 | - | - |
| LT IV A | 26.31 | 227.33 | 8.64 | 27.61 | 244.37 | 8.85 |
| LT IV B | 61.78 | 511.53 | 8.28 | 72.19 | 602.01 | 8.34 |
| LT VI A | 0.00 | 0.04 | 40.80 | 0.00 | - | - |
| LT VI B | 4.22 | 35.10 | 8.31 | 3.82 | 34.72 | 9.10 |
| LT VI C | 4.88 | 54.30 | 11.12 | 5.83 | 59.37 | 10.18 |
| LT VI F | 22.65 | 250.32 | 11.05 | 21.69 | 230.90 | 10.65 |
| LT VII A | 6.92 | 78.24 | 11.30 | 8.54 | 93.67 | 10.97 |
| LT VII B | 0.09 | 0.81 | 9.19 | 0.25 | 1.63 | 6.55 |
| LT VIII B | 0.19 | 0.93 | 4.95 | 0.33 | 1.64 | 4.97 |
| LT X | 0.14 | 1.15 | 7.94 | 0.92 | 7.85 | 8.53 |
| Gross Total | 1002.90 | 8395.82 | 8.37 | 1167.83 | 9874.22 | 8.46 |

81. It is noted that there is a reduction in the per unit average realization in many categories despite tariff revision and Commission sought clarifications on this matter during the hearing. The licensee vide clarifications dated 21.01.2026 has stated various reasons for such reduction in the average realization. The licensee has stated that, the reduction in per-unit cost in 2024-25 compared to the previous year is mainly due to changes in consumption and tariff components across consumer categories. In Kakkanad's HT II B category, units sold increased significantly from 0.176 MU to 0.575 MU, enabling fixed costs to be spread over a larger number of units. Although per-unit energy charges increased from Rs.6.80 to Rs.7.30, the per-unit demand charge reduced from Rs.12 to Rs.5.30, resulting in lower overall per-unit revenue. In the DHT II B category, the reduction in LV surcharge following the shift to demand-based tariff from November 2023 reduced other charges from Rs.11.11 lakh to Rs.4.55 lakh. Similarly, in the LT VI B and LT

VI F categories, the per-unit cost declined mainly due to a significant reduction in per-unit energy charges despite lower units sold.

82. ***The Commission has analysed the details submitted by the licensee, considering the increase in the sales and revenue, the Commission hereby approves the revenue from energy sales of Rs.9874.22 lakh for 1167.83 lakh units for the year 2024-25 as per the petition.***

Non-tariff Income

A. Other Operational Income

83. As per the petition there is revenue of Rs.25.10 lakh from other operational income. The details furnished by the licensee in Form D.2.1 are shown below:

**Table 31
Other Operational Income for 2024-25 (Rs.in lakh)**

| Particulars | 2024-25 |
|---|--------------|
| Meter/metering equipment/service line rentals | 7.60 |
| Application Fees | 0.22 |
| Charges for solar grid connection | 0.81 |
| Installation Charges | 13.99 |
| Supervision Charges | 0.56 |
| Other incomes | 1.91 |
| Total | 25.10 |

84. ***After examining the nature of the income and the amount, the Commission hereby approves Rs.25.10 lakh as Other Operational Income for the year 2024-25 as claimed by the licensee.***

B. Income from wheeling charges

85. The licensee submitted that, M/s. TATA Consultancy Services Ltd (TCS Ltd) and M/s Nitta Gelatine (I) Ltd, at Infopark/KEPIP Park, Kakkanad have obtained sanction for availing power through Short Term Open Access (STOA) for 1.98 MW each from state nodal agency, SLDC vide Reg. No. 0033/STOA/TCSIFP dated 08.03.2018 and Reg. No.0040/STOA/NGIFP dtd. 19.07.2019, respectively. M/s. TATA Consultancy Services Ltd and M/s. Nitta Gelatine have started availing power through open access from April 2018 and August 2019 onwards respectively. During the year 2024-25 both consumers did not avail power through Short Term Open Access.
86. ***The Commission notes that the licensee in the current petition has not claimed any wheeling charges as there is no energy drawal recorded through Short Term Open Access.***

C. Other Income

87. The licensee has claimed other income of Rs.322.67 lakh for the year 2024-25 which includes Interest on Bank Fixed Deposits, interest on delayed payments,

commission for collection of electricity duty and other miscellaneous receipts. The claim of the licensee is tabulated below:

**Table 32
Other Income (Rs lakh)**

| Particulars | Truing Up Petition 2022-23 | Truing Up Petition 2023-24 | Truing Up Petition 2024-25 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Interest on Bank Fixed Deposits/others | 196.41 | 282.42 | 310.47 |
| Interest on delayed payments | 10.94 | 2.96 | 6.90 |
| Commission for collection of electricity duty | | | 5.14 |
| Other miscellaneous receipts | 7.22 | 10.21 | 0.16 |
| Total amount | 214.57 | 295.59 | 322.67 |

88. The Commission while truing up the accounts for the previous years had approved a non- tariff income which included the interest on accumulated revenue surplus. The licensee in the current petition has also not accounted the interest on accumulated surplus as part of non- tariff income. The legal position on this has already been clarified by the Commission in the previous Truing Up Orders whereby it has been made clear that interest on the accumulated surplus at the beginning of the year has to be accounted as other income for the concerned year.
89. The erstwhile licensee M/s KEPIP had erroneously reported the revenue from sale of power including Section 4 duty for the period from 2004-05 to 2008-09 and the revenue approved in the Order dated 06-12-2011 was inclusive of the Electricity Duty under Section 4. The total amount of duty for these years was Rs.124.80 lakh. Since the said amount was already remitted to the Government, based on the request submitted by the licensee, the Commission in Order dated 31-03-2020 had decided to exclude this amount only for the limited purpose of calculating the interest on accumulated revenue surplus as a special case. The rate of interest considered for the year is the SBI retail term deposit rate for tenure up to one year prevailing at the beginning of 2024-25, which is 6.80%. Accordingly, the interest on accumulated surplus (excluding the amount utilised for asset addition) to be considered as other income works out as under.

**Table 33
Interest on Accumulated Surplus for 2024-25**

| Particulars | Rs. in lakh |
|--|---------------|
| Accumulated Surplus at the beginning of the year | 8911.71 |
| Less: Section-4 duty | 124.80 |
| Surplus excluding the duty | 8786.91 |
| Less: Surplus utilised for asset addition | 49.37 |
| Net surplus | 8737.54 |
| Interest rate applicable (%) | 6.80 |
| Interest on Accumulated surplus | 594.15 |

90. The total interest applicable for the balance surplus is Rs.594.15 lakh. The licensee has already accounted Rs.310.47 lakh towards interest on Bank FD and others. Thus, the balance amount of Rs.283.68 lakh (Rs.594.15 lakh – Rs.310.47 lakh) is accounted as interest on accumulated surplus. Based on above, the Commission hereby approves Rs.283.68 lakh as interest on accumulated surplus for the year 2024-25. **Accordingly, the Commission hereby approves Rs.606.35 lakh as other income for the year 2024-25.**

**Table 34
Approved Other Income for 2024-25**

| Particulars | Rs. lakh |
|---|---------------|
| Interest on Bank Fixed Deposits/others | 310.47 |
| Interest on delayed payments | 6.90 |
| Commission for collection of electricity duty | 5.14 |
| Other miscellaneous receipts | 0.16 |
| Interest on Accumulated Surplus | 283.68 |
| Total amount | 606.35 |

91. Based on the details as above, **the Commission hereby approves Rs.631.45 lakh as Non-Tariff income for the year 2024-25** as shown below.

**Table 35
Approved Non- Tariff Income for the year 2024-25**

| Particulars | Rs. lakh |
|--------------------------------|---------------|
| Other Operational Income | 25.10 |
| Income from wheeling charges | 0.00 |
| Other Income | 606.35 |
| Total Non-tariff Income | 631.45 |

Revenue (Gap)/Surplus after Truing Up of Accounts for 2024-25

92. The Commission after detailed examination and analysis of each item of expenditure and income as described in the preceding paragraphs has arrived at the revenue surplus of Rs.1416.67 lakh for the year 2024-25. The approved Total Expenditure and Total Revenue for the year 2024-25 after truing up is as shown below.

**Table 36
Approved Truing Up of Accounts for the year 2024-25 (Rs. lakh)**

| Particulars | MPR & Revised ARR&ERC Approved | Truing Up petition | Trued up |
|--------------------------|--------------------------------------|-----------------------|----------|
| Purchase of Power | 8843.91 | 8848.97 | 8581.35 |
| Employee Cost | 68.46 | 76.85 | 71.89 |
| A &G Expenses | 52.07 | 258.92 | 52.13 |
| R&M Expenses | 109.36 | 211.41 | 151.43 |
| Prior period O&M expense | - | - | 0.57 |

| | | | |
|------------------------------|------------------|------------------|-----------------|
| Depreciation | 65.94 | 65.94 | 63.72 |
| Interest & Finance Charges | 162.10 | 149.82 | 162.25 |
| Return on Equity | 4.43 | 42.60 | 4.43 |
| Tax Expenses | 0.00 | 225.62 | 1.23 |
| CSR Expenses | 0.00 | 12.91 | 0.00 |
| Total Expenditure | 9306.27 | 9893.04 | 9089.00 |
| Revenue from Sale of Power | 9874.22 | 9874.22 | 9874.22 |
| Non-Tariff Income | 632.76 | 347.77 | 631.45 |
| Total Income | 10,506.98 | 10,221.99 | 10505.67 |
| Net Surplus/(Deficit) | 1200.71 | 328.95 | 1416.67 |

Orders of the Commission

93. The Commission after considering and detailed examination of the petition of the licensee for the Truing Up of accounts for the year 2024-25, additional information submitted thereon and the comments /remarks by KSEB Ltd., approves the following.

- (i) The Income for the year 2024-25 is **Rs.10505.67 lakh**
- (ii) Total Expenditure for the year 2024-25 is **Rs.9089.00 lakh**
- (iii) The revenue Surplus for the year 2024-25 is **Rs.1416.67 lakh**
- (iv) The cumulative revenue surplus up to 2024-25 is **Rs.10328.38 lakh** (Rs.8911.71 lakh+ Rs.1416.67 lakh). The licensee shall keep the surplus in a separate fund and utilize it as per the Orders of the Commission.

94. The petition is disposed of. Ordered accordingly.

Sd/-
Sri. T.K Jose
Chairman

Sd/-
Sri. B. Pradeep
Member

Approved for issue
Sd/-

Rajendran K V
Secretary