

**MSETCL Business Plan**

Replies to Data gaps

Date: 20<sup>th</sup> Sep 2012

Sr. No.	Reference	Reference	Discrepancies																																																															
1	Form F5	Advance Against Depreciation	<p>The concept of AAD is that the Loan Repayment for the year, if higher than the Depreciation of that year, the balance would be allowed as advance against depreciation. Hence for a period of as submitted by the company (2009-10 to 2015-16), the total of the Loan Repayment should be equal to the Total of Depreciation and Advance Against Depreciation for the years under consideration.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="7" style="text-align: left;"><i>Calculation Of Advance Against Depreciation</i></th> <th colspan="2" style="text-align: right;"><i>INR in Crores</i></th> </tr> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">2009-10</th> <th style="text-align: center;">2010-11</th> <th style="text-align: center;">2011-12</th> <th style="text-align: center;">2012-13</th> <th style="text-align: center;">2013-14</th> <th style="text-align: center;">2014-15</th> <th style="text-align: center;">2015-16</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Depreciation for the year</td> <td style="text-align: center;">318</td> <td style="text-align: center;">356</td> <td style="text-align: center;">467</td> <td style="text-align: center;">553</td> <td style="text-align: center;">1105</td> <td style="text-align: center;">1319</td> <td style="text-align: center;">1546</td> <td style="text-align: center;">5664</td> </tr> <tr> <td>Advance Against Depreciation during the year</td> <td style="text-align: center;">72</td> <td style="text-align: center;">7</td> <td style="text-align: center;">278</td> <td style="text-align: center;">426</td> <td style="text-align: center;">30</td> <td style="text-align: center;">0</td> <td style="text-align: center;">35</td> <td style="text-align: center;">847</td> </tr> <tr> <td><i>Total of Deprn + AAD</i></td> <td style="text-align: center;"><i>390</i></td> <td style="text-align: center;"><i>363</i></td> <td style="text-align: center;"><i>745</i></td> <td style="text-align: center;"><i>979</i></td> <td style="text-align: center;"><i>1135</i></td> <td style="text-align: center;"><i>1319</i></td> <td style="text-align: center;"><i>1580</i></td> <td style="text-align: center;"><i>6511</i></td> </tr> <tr> <td>Loan repayment for the year</td> <td style="text-align: center;">390</td> <td style="text-align: center;">363</td> <td style="text-align: center;">745</td> <td style="text-align: center;">979</td> <td style="text-align: center;">1135</td> <td style="text-align: center;">1249</td> <td style="text-align: center;">1580</td> <td style="text-align: center;">6441</td> </tr> <tr> <td colspan="8" style="text-align: center;"><b>EXCESS OF TOTAL OF DEPRN + AAD OVER THE LOAN REPAYMENT</b></td> <td style="text-align: center;"><b>70</b></td> </tr> </tbody> </table> <p>However as per the detailed calculation above, the total of Depreciation and AAD exceeds the total loan repayment by <b>INR 70 crores</b>.</p>	<i>Calculation Of Advance Against Depreciation</i>							<i>INR in Crores</i>		Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Total	Depreciation for the year	318	356	467	553	1105	1319	1546	5664	Advance Against Depreciation during the year	72	7	278	426	30	0	35	847	<i>Total of Deprn + AAD</i>	<i>390</i>	<i>363</i>	<i>745</i>	<i>979</i>	<i>1135</i>	<i>1319</i>	<i>1580</i>	<i>6511</i>	Loan repayment for the year	390	363	745	979	1135	1249	1580	6441	<b>EXCESS OF TOTAL OF DEPRN + AAD OVER THE LOAN REPAYMENT</b>								<b>70</b>
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**MSETCL Reply:**

The concept of AAD is applicable on year-to-year basis and not on cumulative basis. MSETCL has followed the same approach in its computations.

2	Form F9	Non Tariff Income	<p>The "Income from Other Investments" under Non Tariff Income for the 5 year period 2011-12 to 2015-16 has been reduced in the revised submission <b>from INR 34.66 crores to INR 11.70 crores</b>. The company needs to clarify the reasons for the same.</p>
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**MSETCL Reply:**

With reference to the query raised by the Hon'ble Commission on interest on contingency reserves, the earlier interest income has been split into two components- interest on contingency reserves and interest on other investments, based on the latest estimates