

Additional queries set -2

Funding for Capex

Reply: The actual borrowing of MSETCL is linked to the funding of Capital expenditure of MSETCL and the accounting of the loans and interest are done based on the actual drawl. Accordingly, MSETCL has considered the debt borrowings in its business plan. However, the IDC has been deducted from gross interest expenses to arrive at the interest expenses allowable in ARR. Therefore, the interest expenses related to Work-in-progress/works not capitalized is not charged in the ARR.

Deviation for Actual Capitalisation for FY 2011-12

Reply: MSETCL is in the process of compilation of required information. The same shall be submitted shortly.