

KERALA STATE ELECTRICITY REGULATORY COMMISSION

THIRUVANANTHAPURAM

Present: **Shri. Preman Dinaraj, Chairman**
Adv.A.J.Wilson, Member(Legal)

Petition No. OA 18/2020 & 19/2020

In the matter of : Petition for Truing Up for the financial year 2017-18 & 2018-19 of Distribution Licensee INFOPARK.

Petitioner : M/s. InfoParks Kerala, Park Centre,
Infopark kochi P.O., Kakkanad,Kochi-682042

Petitioner represented by : Shri. Vijayan V.R, Head Projects & Engineering,
Shri. Santhosh. V, Manager (Finance)
Shri. Arun.S, Jr. Engineer-Electrical

Hearing No.& date : 2nd Public Hearing held on 23-12-2020 at park
Centre, Infopark, Kakkanad ,Kochi.

Daily Order dated 06.01.2021

The second Public hearing on the petition for the Truing up of accounts for the years 2017-18 & 2018-19 filed by the Distribution Licensee M/s. Infopark Kerala was held on 23-12-2020 as a public hearing at park Centre, Infopark, Kakkanad ,Kochi on 23-12-2020 at 11.00 A.M. The licensee had submitted revised statements and forms for 2017-18 and 2018-19 of which main points submitted are as under;

1. As per the revised statements, the licensee has claimed a revenue gap of Rs.52.93 lakh for 2017-18 and a revenue gap of Rs 48.49 lakhs for 2018-19.
2. There is an increase in the number of consumers to 64 in 2017-18 as against the 62 reported in the pre revised statements and to 83 in 2018-19 compared to 81 reported earlier.
3. The sale of power increased to 6.98 MU in 2017-18 compared to 6.83 MU reported earlier and to 8.03 MU as against 7.84 MU reported in 2018-19.
4. The Commission had observed that the licensee had wrongly included Electricity Duty and Surcharge collected along with the sales revenue figures in the earlier submitted True up claim submitted for 2017-18 and 2018-19. The licensee submitted that the above has been rectified.
5. The licensee has in the revised statements furnished that the consumers having leased land from infopark are availing power as per the relevant clause

in the Kerala Electricity Supply Code 2014 and that the maximum allowed load is not exceeded.

6. The licensee has reported in the revised statements that Capital expenditure for additional facilities to consumers is not included in licensee's own expenditure.
7. The Distribution loss for the year 2017-18 was reported as 8.02% in the pre-revised statements has come down to 6.04% in the revised statements which is higher than the distribution loss of 6.00 % as per trued up figures for the previous year 2016-17. For 2018-19 the Distribution loss reported was 7.28% in the pre-revised statements which has come down to 5.20% in the revised statements.
8. Further, the Commission directed that Distribution loss be reworked after including the complete power injected into the system so as to get a correct figure of the Distribution loss. The licensee has reworked the distribution loss in the revised statement.
9. The Commission observed that employee cost submitted was on the higher side and also in certain cases like earned leave encashment, other allowances, pay revision arrears, etc. proper accounting was not seen done. During the course of the 1st hearing ,the licensee was directed to verify and furnish the correct figures so as to have a true and fair view of the accounts. Details of pay revision effected along with supporting documents to be produced.
10. The licensee submitted that in the revised statements filed they have included the minutes of 50th meeting of Board of Governors of Infoparks Kerala held on 28-09-17 approving the pay revision in line with that implemented in KSIDC and Technopark. The minutes of the 12th Governing body held at Chief Minister's conference hall on 20-12-2018 approving the pay revision of Infopark, Technopark and Cyberpark in line with Kerala Government 10th pay revision.
11. Licensee has submitted that after 2009, salary revision was pending for Infopark employees and the same was approved only in March 2018. The revision had retrospective effect from 2012. Hence they were following the old scales of pay for which the DA percentage has been enhancing. This was the reason for the higher dearness allowance rate of 259%. Licensee submitted that documents in support of DA rates was also furnished.
12. The Commission had observed in the 1st hearing that the licensee had wrongly grouped expenses such as interest paid to consumers and bank charges A&G expenses. The licensee informed that these expenses were now grouped under interest and finance charges.
13. It was observed in the 1st hearing that the repairs and maintenance expenses has increased from Rs 17.12 lakhs in 2017-18 to Rs.27.37 lakhs in 2018-19.

The licensee explained that due to increased operations in Phase II which called for 24 hours supervision more operational staff was required which resulted in the increased cost.

14. The licensee submitted that the Assets at Cherthala are created out of debt funds availed from South Indian bank. However, the loan was pre-closed and loan and interest thereon was accounted in the main accounts of Infopark.
15. The Commission has directed the licensee to furnish authenticated details of loan availed and the proportionate principal portion of the loan utilized for distribution assets and related interest be re-appropriated from corporate account and bring it to accounts of the distribution licensee.
16. The licensee submitted that the assets at phase 2 was created out of Government grants and hence the depreciation claimed earlier for phase2 is withdrawn.

The Commission directions consequent to the 2nd hearing are as under;

- Separate petition to be filed in respect of the complete Assets and Liabilities for cleaning up the books of accounts of the licensee with the approval of their Board before 10th February 2021. The Hearing shall be conducted on 23rd February 2021.
- Details of Capital expenditure proposals pending for approval to be submitted. Source of funding of Assets to specified i.e. whether from own funds, consumer contributions, Grants or subsidies etc.
- The Principal portion of the loan availed for procuring electricity distribution assets be segregated from the corporate accounts along with interest thereon and to transfer the same to the regulatory accounts.

M/s INFOPARK shall furnish details for completing Truing Up the accounts of the financial years 2017-18 and 2018-19 at the earliest.

Sd/-
Adv.A.J.Wilson
Member

Sd/-
Preman Dinaraj
Chairman

Approved for Issue

Sd/-
Secretary (i/c)