

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 212/TT/2020

Coram:

**Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member**

Date of Order: 11.02.2021

In the Matter of:

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and truing up of transmission tariff of the 2014-19 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2014 and determination of transmission tariff of the 2019-24 period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2019 for **Asset-I:** Farraka-Gokarna Portion of 400 kV D/C Rajarhat-Purnea Line including LILO at Farakka and Gokarna and associated line bays; **Asset-II:** 1X80 MVA bus reactor alongwith associated bays at Gokarna Sub-station and 1X80 MVA Switchable line reactor along with associated bays at Farakka Sub-station and **Asset-III:** 02 nos. of 400 kV Line bays for termination of LILO of 02nd Ckt. of Jamshedpur Rourkela 400 kV Line at Chaibasa Sub-station under "Eastern Region Strengthening Scheme-V" in the Eastern Region.

And in the Matter of:

Power Grid Corporation of India Ltd.,
SAUDAMINI, Plot No-2,
Sector-29, Gurgaon-122 001 (Haryana).

.....Petitioner

Versus

1. Bihar State Power (Holding) Company Ltd.,
(Formerly Bihar State Electricity Board-BSEB),
Vidyut Bhavan, Bailey Road, Patna-800001.
2. West Bengal State Electricity Distribution Company Ltd.,
Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II, Salt Lake City,
Calcutta-700091.



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3. Grid Corporation of Orissa Ltd.,
Shahid Nagar, Bhubaneswar-751007.
4. Jharkhand State Electricity Board,
In Front of Main Secretariat,
Doranda, Ranchi-834002.
5. Damodar Valley Corporation,
DVC Tower, Maniktala,
Civic Centre, VIP Road, Calcutta-700054.
6. Power Department,
Govt. of Sikkim, Gangtok-737101.

...Respondents

For Petitioner : Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri. B. Dash, PGCIL
Shri Vipin Joseph, PGCIL

For Respondents : None

ORDER

The instant petition has been filed by Power Grid Corporation of India Limited (hereinafter referred to as “the Petitioner”), a deemed transmission licensee, for truing up of tariff of the period from COD to 31.3.2019 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) and for determination of tariff for the period from 1.4.2019 to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as “the 2019 Tariff Regulations”) in respect of following assets under “Eastern Region Strengthening Scheme-V” in the Eastern Region (hereinafter referred to as “the transmission scheme”):



Asset-I: Farraka-Gokarna Portion of 400 kV D/C Rajarhat-Purnea Line including LILO at Farakka and Gokarna and associated line bays;

Asset-II: 1X80 MVAr bus reactor along with associated bays at Gokarna Sub-station and 1X80 MVAr Switchable line reactor along with associated bays at Farakka Sub-station; and

Asset-III: 02 Nos. of 400 kV Line bays for termination of LILO of 02nd Ckt. of Jamshedpur Rourkela 400 kV Line at Chaibasa Sub-station

2. The Petitioner has made the following prayers in the instant petition:

“1) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 10.2 and 11.0 above.

2) Approve the Completion cost and additional capitalization incurred during 2014-19 & 2019-24.

3) Allow the Petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019, as per para 10.2 and 11.0 above for respective block.

4) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 70 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and other expenditure (if any) in relation to the filing of petition.

5) Allow the Petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 70 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019.

6) Allow the Petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2019-24 period, if any, from the respondents.

7) Allow the Petitioner to claimed initial spares as project as whole.

8) Allow the Petitioner to file a separate petition before Hon'ble Commission for claiming the overall security expenses and consequential IOWC on that security expenses as mentioned at para 11.6 above

9) Allow the Petitioner to claim the capital spares at the end of tariff block as per actual.



10) Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if GST on transmission is levied at any rate in future. Further, any taxes including GST and duties including cess etc. imposed by any statutory/Govt./municipal authorities shall be allowed to be recovered from the beneficiaries

and pass such other relief as the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice”.

Background

3. The brief facts of the case are as under:

a) The Investment Approval (IA) for implementation of the transmission scheme was accorded by the Board of Directors of the Petitioner Company vide the Memorandum Ref: C/CP/ERSS-V dated 31.10.2013 at an estimated cost of ₹136452 lakh including an IDC of ₹5911 lakh (based on August 2013 price level). Further, Revised Cost Estimate (RCE) of the assets was approved by the Board of Directors of the Petitioner Company vide Memorandum dated 30.3.2017 for ₹189141 lakh including an IDC of ₹13969 lakh (based on December 2016 price level).

b) The scope of work under the transmission scheme is as under:

“Transmission Lines:

- Rajarhat - Purnea 400 kV D/c line (with triple snowbird conductor with LILO of one circuit at Gokarna (WBSETCL) and other circuit at Farakka (NTPC)
- LILO of Subhashgram – Jeerat 400 kV S/C line at Rajarhat.

Sub-stations:

- Establishment of new 400/220 kV, 2x500 MVA Gas insulated sub-station at Rajarhat in West Bengal.
- Extension of 400/220 kV Purnea (POWERGRID) Sub-station
- Extension of 400 kV Gokarna (WBSETCL), Farakka (NTPC) and Chaibasa (POWERGRID) Sub-stations.

Reactive Compensation Bus Reactors

Srl. No.	Transmission Line	From End	To End
1	Rajarhat Farakka S/C line	1x80 MVAR (Switchable)	1x80 MVAR
2	Rajarhat – Gokarna S/C	1x80 MVAR (Switchable)	0



	line		
3	Purnea – Gokarna S/C	1x80 MVAR (Switchable)	0
4	Purnea – Farakka S/C	1x80 MVAR (Switchable)	0

Bus Reactors

- 2x125 MVAR at Rajarhat;
- 1x80 MVAR at Gokarna”

c) The Petitioner had claimed tariff for nine assets covered in the transmission scheme for the 2014-19 tariff period in Petition No.44/TT/2017. However, the Commission vide order dated 23.7.2018 allowed tariff for only three assets which were put into commercial operation and tariff for the remaining six assets was not allowed as they were not put into commercial operation and the Petitioner was directed to file a fresh petition. The relevant portion of the order dated 23.7.2018 is as under:

“7. Subsequently, vide affidavit dated 13.6.2017, the petitioner has submitted that the Asset I(b) and Asset-III were put into commercial operation on the same date i.e. 30.4.2017. Hence, they both are treated as a single asset and named herein as Asset-III. Accordingly, Asset-I(c) is renumbered as Asset-I(b). Therefore, the current status of assets, submitted by the petitioner is mentioned as below:-

Name of Asset (revised/ current status)	Current COD status
Asset-I(a): Farraka-Gokarna Portion of 400kV D/C Rajarhat-Purnea Line including LILO at Farakka and Gokarna and associated line bays	31.3.2017 (Actual)
Asset-I(b): Rajarath-Gokarna portion of 400 kV Rajarhar-Purnea portion alongwith associated bays at Rajarhat GIS, alongwith 02 Nos of switchable line reactor at Rajarhat GIS	30.9.2017 (Anticipated)
Asset-II: Farakka-Purnea portion of 400kV D/C Rajarhat-Purnea TL alongwith 02 Nos of 80 MVAR switchable line reactor at Purnea S/s	30.9.2017 (Anticipated)
Asset-III: 1X80 MVAR bus reactor alongwith associated bays at Gokarna Sub-station and 1X80 MVAR Switchable line reactor alongwith associated bays at Farakka Sub-Station	30.4.2017 (Actual)
Asset-IV: LILO of 400kV S/C Subhasgram – Jeerat line at Rajarhat and associated bays; 01 no. 400/220kV, 500MVA ICT (1st) and associated bays alongwith 02 nos 220kV line bays at Rajarhat Substation	30.9.2017 (Anticipated)
Asset-V: 01 no 400/220 kV, 500 MVA ICT (2nd) and associated bays at Rajarhat Sub-station	30.9.2017 (Anticipated)
Asset-VI: 01 no 125 MVAR Bus Reactor (1st) and associated bays at Rajarhat Sub-station	30.9.2017 (Anticipated)
Asset-VII: 01 no 125 MVAR Bus Reactor (2nd) and associated bay at Rajarhat Sub-station	30.9.2017 (Anticipated)
Asset-VIII: 04 nos 220 kV line bays at Rajarhat Sub-station	30.9.2017 (Anticipated)
Asset-IX: 02 Nos of 400kV Line bays for termination of LILO of 02nd Ckt of Jamshedpur Rourkela 400 kV Line at Chaibasa S/S	22.11.2016 (Actual)

8. The tariff is computed in the instant petition only for Asset-I(a), Asset-III and Asset-IX out of nine assets and we direct the petitioner to file a separate petition



for Asset-I(b), Asset-II, Asset-IV, Asset-V, Asset-VI, Asset-VII and Asset-VIII after these assets achieve their respective CODs.”

d) Accordingly, the Petitioner has claimed trued up tariff for three assets which were granted tariff vide order dated 23.7.2018. The details of the assets covered in the instant petition are as follows:

Srl. No.	Asset Description	Asset nomenclature in order dated 23.7.2018 in Petition No. 44/TT/2017	Asset nomenclature in instant petition
1	Farraka-Gokarna portion of 400 kV D/C Rajarhat-Purnea line including LILO at Farakka and Gokarna and associated line bays	Asset-I(a)	Asset-I
2	1X80 MVARr Switchable line reactor along with associated bays at Farakka Sub-station	Asset-I(b)	Not Covered
3	Rajarath-Gokarna portion of 400 kV Rajarhat-Purnea portion along with associated bays at Rajarhat GIS, along with 02 nos. of switchable line reactors at Rajarhat GIS	Asset-I(c)	Not Covered
4	Farakka-Purnea portion of 400 kV D/C Rajarhat-Purnea TL along with 02 nos. of 80 MVAR switchable line reactors at Purnea Sub-station	Asset-II	Not Covered
5	1X80 MVAR bus reactor along with associated bays at Gokarna Sub-station and 1X80 MVAR Switchable line reactor along with associated bays at Farakka Sub-station	Asset-III	Asset-II
6	LILO of 400 kV S/C Subhasgram-Jeerat line at Rajarhat and associated bays; 01 no. 400/220 kV, 500 MVA ICT (1st) and associated bays along with 02 nos. 220 kV line bays at Rajarhat Sub-station	Asset-IV	Not Covered
7	01 no 400/220 kV, 500 MVA ICT (2nd) and associated bays at Rajarhat Sub-station	Asset-V	Not Covered
8	01 no. 125 MVAr Bus Reactor (1 st) and associated bays at Rajarhat Sub-station	Asset-VI	Not Covered
9	01 no. 125 MVARr Bus Reactor (2nd) and associated bay at Rajarhat Sub-station	Asset-VII	Not Covered
10	04 nos. 220 kV line bays at Rajarhat Sub-station	Asset-VIII	Not Covered
	02 nos. of 400 kV Line bays for termination of LILO of 02 nd ckt. of Jamshedpur Rourkela 400 kV Lline at Chaibasa Sub-station	Asset-IXI	Asset-III

e) The details of the transmission charges allowed vide order dated 23.7.2018 and claimed by the Petitioner based on truing up for the 2014-19 tariff period in the instant petition are as under:



(₹ in lakh)

Assets		2016-17	2017-18	2018-19
Asset-I	Annual Fixed Charges (AFC) approved <i>vide</i> order dated 23.7.2018 in Petition No. 44/TT/2017	13.13	5277.47	5886.47
	AFC claimed by the Petitioner based on truing up in the instant petition	13.36	4944.31	5022.93
Asset-II	AFC approved <i>vide</i> order dated 23.7.2018 in Petition No. 44/TT/2017	-	425.73	550.09
	AFC claimed by the Petitioner based on truing up in the instant petition	-	373.32	478.76
Asset-III	AFC approved <i>vide</i> order dated 23.7.2018 in Petition No. 44/TT/2017	85.97	269.63	292.71
	AFC claimed by the Petitioner based on truing up in the instant petition	86.51	262.82	273.43

4. The Respondents are distribution licensees and power departments, which are procuring transmission services from the Petitioner and are mainly beneficiaries of the Eastern Region.

5. The Petitioner has served the petition on the Respondents and notice of this petition has been published in the newspapers in accordance with Section 64 of the Electricity Act 2003. A general Notice dated 12.3.2020 directing the beneficiaries/ Respondents to file reply in the matter was also published on Commission's website. No suggestions and objections have been received from the public in response to the aforesaid notices published in the newspapers by the Petitioner. None of the Respondents have filed reply in the matter.

6. The hearing in this matter was held on 24.6.2020 through video conference and the order was reserved.



7. This order is issued considering the submissions made by the Petitioner in the petition dated 3.12.2019 and affidavit dated 4.5.2020 filed in response to Technical Validation (TV) letter.

8. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the petition.

Truing Up of Annual Fixed Charges for the 2014-19 Tariff Period

9. The details of the trued up transmission charges claimed by the Petitioner in respect of the assets covered in the instant petition are as under:

Asset-I

(₹ in lakh)

Particulars	2016-17 (Pro rata for 1 day)	2017-18	2018-19
Depreciation	3.66	1384.12	1447.03
Interest on Loan	4.21	1487.64	1414.62
Return on Equity	4.23	1596.93	1671.71
Interest on Working Capital	0.31	116.21	118.25
O&M Expenses	0.95	359.41	371.32
Total	13.38	4944.31	5022.93

Asset-II

(₹ in lakh)

Particulars	2017-18 (Pro rata for 336 days)	2018-19
Depreciation	75.72	105.88
Interest on Loan	78.93	102.51
Return on Equity	84.77	118.86
Interest on Working Capital	11.44	14.09
O&M Expenses	122.46	137.42
Total	373.32	478.76

Asset-III

(₹ in lakh)

Particulars	2016-17 (Pro rata for 130 days)	2017-18	2018-19
Depreciation	13.11	42.57	45.52
Interest on Loan	11.77	36.17	35.65
Return on Equity	12.55	41.48	44.90
Interest on Working Capital	3.22	9.58	9.94
O&M Expenses	45.86	133.02	137.42
Total	86.51	262.82	273.43



10. The details of trued-up Interest on Working Capital (IWC) claimed by the Petitioner in respect of the assets covered in the instant petition are as under:

Asset-I

(₹ in lakh)

Particulars	2016-17 (Pro rata for 1 day)	2017-18	2018-19
O&M Expenses	28.99	29.95	30.94
Maintenance Spares	52.18	53.91	55.70
Receivables	813.13	824.05	837.16
Total Working Capital	894.30	907.91	923.80
Rate of Interest (%)	12.80	12.80	12.80
Interest on Working Capital	0.31	116.21	118.25

Asset-II

(₹ in lakh)

Particulars	2017-18 (Pro rata for 336 days)	2018-19
O&M Expenses	11.09	11.45
Maintenance Spares	19.95	20.61
Receivables	67.59	79.79
Total Working Capital	98.63	111.85
Rate of Interest (%)	12.60	12.60
Interest on Working Capital	11.44	14.09

Asset-III

(₹ in lakh)

Particulars	2016-17 (Pro rata for 130 days)	2017-18	2018-19
O&M Expenses	10.73	11.09	11.45
Maintenance Spares	19.31	19.95	20.61
Receivables	40.48	43.80	45.57
Total Working Capital	70.52	74.84	77.63
Rate of Interest (%)	12.80	12.80	12.80
Interest on Working Capital	3.22	9.58	9.94

Time over-run

11. As per the investment approval dated 23.10.2013, the assets were scheduled to be put into commercial operation within 30 months from the date of investment approval. There was time over-run in case of all the assets covered in the instant petition. The details of the time over-run and the time over-run condoned vide order dated 23.7.2018 in Petition No.44/TT/2017 are as follows:



Assets	Time over-run condoned	Time over-run not condoned
Asset I	11 months 8 days (342 days)	-
Asset II	11 months 8 days (342 days)	1 month (30 days)
Asset III	-	7 months (213 days)

Capital Cost

12. The details of Revised Capital Expenditure (RCE) approved apportioned capital cost, actual expenditure upto COD and actual Additional Capital Expenditure (ACE) incurred during the 2016-19 period as claimed by the Petitioner are as under:

Assets	FR Apportioned Approved Capital Cost	RCE Apportioned Approved Capital Cost	Actual capital cost as on COD	Actual ACE 2016-17	Actual ACE 2017-18	Actual ACE 2018-19	(₹ in lakh)
							Capital Cost as on 31.3.2019
On cash basis							
Asset I	23151.81	36980.89	26136.69	-	1754.66	623.55	28514.90
Asset II	1457.08	2642.26	1537.18	-	41.15	853.78	2432.11
Asset III	1053.27	895.00	527.94	136.40	74.51	37.30	776.15

13. It is observed that the total capital cost as on 31.3.2019 including ACE of assets is within the RCE apportioned approved capital cost.

Interest During Construction (IDC)

14. The Petitioner has claimed IDC for the assets and has submitted the statement showing IDC claim, discharge of IDC liability as on COD and thereafter as under:

Assets	IDC as per Auditor Certificates	IDC Discharged upto COD	IDC discharged during 2016-17	IDC discharged during 2017-18	(₹ in lakh)
					IDC discharged during 2018-19
Asset I	2596.65	2184.84	411.81	0	0
Asset II	91.10	87.58	0	2.40	1.12
Asset III	22.12	4.02	2.84	15.25	0



15. It is observed that there is a difference between the loan portfolio submitted in the IDC discharge statement for Assets-I, II and III and the loan portfolio specified in Form 9C. For the purpose of determination of allowable IDC, the loan amount as mentioned in Form 9C has been considered by the Commission. Accordingly, the loan amount (₹774.66 lakh) of Bond LVIII drawn on 9.3.2017 for Asset-I as submitted in Form 9C instead of loan amount of ₹1062.93 lakh for Bond LVIII specified in the IDC discharge statement is considered for computation of IDC. Further, in case of Asset-II, the Petitioner has claimed loan amount with respect to Bond LVIII as per the IDC discharge statement. However, the value mentioned in the IDC discharge statement is not matching with that submitted in Form 9C. Thus, Bond LVII (loan amount of ₹0.68 lakh) as per Form 9C has been considered for IDC computations. It is observed that the consideration of the aggregate loan portfolio specified in Form 9C for Asset-II matches with the total loan value mentioned in Form 6. Thus, the IDC considered for the purpose of tariff determination is as under:

(₹ in lakh)

Assets	IDC claimed	IDC disallowed (on account of time over-run not condoned)	IDC disallowed as on COD (Un-discharged liability)	IDC allowed (as on COD)
Asset I	2596.65	0.00	411.81	2184.84
Asset II	91.10	7.26	1.79	82.05
Asset III	22.12	20.76	0.00	1.36

Incidental Expenditure During Construction (IEDC)

16. The Petitioner has claimed IEDC of ₹570.37 lakh, ₹39.21 lakh and ₹8.14 lakh in respect of Asset-I, Asset-II and Asset-III respectively. The Petitioner has claimed IEDC as on COD, which is within the percentage of hard cost as indicated in the abstract cost estimate. Further, the Petitioner has submitted that the entire IEDC claimed in



Auditor Certificates dated 21.10.2019 and 13.7.2019 is on cash basis. Accordingly, the IEDC details considered for the purpose of tariff calculation are as under:

(₹ in lakh)

Assets	IEDC claimed as per Auditor Certificates	IEDC disallowed (on account of time over-run not condoned)	IEDC allowed (as on COD)
Asset I	570.37	0.00	570.37
Asset II	39.21	0.92	38.29
Asset III	8.14	1.53	6.61

Initial Spares

17. Regulation 13(d) of the 2014 Tariff Regulations provides that Initial Spares shall be capitalized as a percentage of plant and machinery cost up to cut-off date, subject to the following ceiling norms:

“(d) Transmission System
Transmission line: 1.00%
Transmission sub-station (Green Field): 4.00%
Transmission sub-station (Brown Field): 6.00%
Gas Insulated Sub-station (GIS): 5.00%
.....”

18. The Commission vide order dated 23.7.2018 in Petition No. 44/TT/2017 had allowed Initial Spares as claimed by the Petitioner. The Initial Spares now considered for the purpose of tariff determination in the instant petition is as under:

Assets	Asset type	Plant & Machinery cost as on cut-off date as per Auditor Certificates (₹ in lakh)	Initial Spares claimed in Auditor Certificates (₹ in lakh)	Ceiling Limit	Allowable (₹ in lakh)	Allowed vide order dated 23.7.2018 in Petition No. 44/TT/2017 (₹ in lakh)	Excess Initial Spares (₹ in lakh)	Initial Spares allowed (₹ in lakh)
		A	B	C	$D = ((A - B) * C) / (100 - C)$	E	F = B - D	
Asset I	Transmission Line	21677.01	220.00	1%	216.74	270.00	3.26	216.74



	Sub-station	1905.83	27.86	6%	119.87	27.86	-	27.86
Asset II	Sub-station	2389.74	52.16	6%	149.21	52.16	-	52.16
Asset III	Sub-station	838.17	48.47	6%	50.41	48.47	-	48.47

19. The Initial Spares claimed by the Petitioner for Asset-II and Asset-III in the Auditor Certificates dated 21.10.2019 and 13.7.2019 are within the ceiling limit and hence are allowed as claimed. The Initial Spares claimed by the Petitioner for the sub-station portion of Asset-I is also within the norms. However, the Petitioner has claimed excess Initial Spares of ₹3.26 lakh for transmission line portion of Asset-I which has been deducted from the capital cost as on COD of Asset-I.

Capital Cost as on COD

20. The capital cost of the assets has been calculated in accordance with Regulations 9(3) of the 2014 Tariff Regulations. The Commission vide order dated 23.7.2018 in Petition No. 44/TT/2017 had approved the transmission tariff for the assets for the 2014-19 period based on the admitted capital cost as on COD and projected ACE during the 2014-19 tariff period for the assets as shown under:

(₹ in lakh)

Assets	Capital Cost admitted as on COD (A)	Approved projected ACE			Capital Cost as on 31.3.2019
		2016-17	2017-18	2018-19	
Asset I	26136.71*	0.00	5115.83	3300.00	34552.54
Asset II	1537.18#	0.00	718.37	350.00	2605.55
Asset III	527.94^	171.34	128.51	128.51	956.30

*Capital cost allowed after adjustment of accrual IDC as on COD and added back in the 2017-18 as per actual discharge.

Capital cost allowed after deduction of IDC and/or IEDC of ₹7.94 lakh.

^ Cost allowed after deduction of IDC and/or IEDC of ₹22.29 lakh.

21. The details of the capital cost as on COD now approved after adjustment of IDC are as follows:



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(₹ in lakh)

Assets	Capital Cost claimed as on COD (on accrual basis)	Un-discharged IDC as on COD	IDC disallowed due to time over-run	Capital Cost (after disallowing IDC)
Asset I	26548.51	411.81	0.00	26136.70
Asset II	1545.12	1.79	7.26	1536.07
Asset III	550.22	0.00	20.76	529.46

22. The details of the capital cost as on COD now approved after adjustment of IEDC are as under:

(₹ in lakh)

Assets	Capital Cost (after disallowing IEDC)	IEDC disallowed due to time over-run	Capital Cost (after disallowing IEDC)
Asset I	26136.70	0	26136.70
Asset II	1536.07	0.92	1535.16
Asset III	529.46	1.53	527.93

23. The details of the capital cost as on COD now approved after adjustment of Initial Spares are as under:

(₹ in lakh)

Assets	Capital Cost (after disallowing IEDC)	Excess Initial Spares	Capital Cost allowed as on COD
Asset I	26136.70	3.26	26133.44
Asset II	1535.16	0.00	1535.16
Asset III	527.93	0.00	527.93

Additional Capital Expenditure (ACE)

24. The Commission had allowed ACE of ₹9912.56 lakh for assets covered in the instant petition during the 2014-19 period towards balance and retention payments vide order dated 23.7.2018 in Petition No. 44/TT/2017.

25. The Petitioner has claimed the following ACE based on actual expenditure:



(₹ in lakh)

Assets	ACE claimed		
	2016-17	2017-18	2018-19
Asset I	0.00	1754.65	623.55
Asset II	0.00	41.15	853.78
Asset III	136.40	74.51	37.30

26. The Petitioner has submitted that the ACE pertains to balance and retention payments pertaining to undischarged liabilities as on COD. The Petitioner has further submitted that the ACE claimed is within the cut-off date.

27. We have considered the submissions made by the Petitioner. ACE claimed by the Petitioner is allowed under Regulation 14(1)(i) and (ii) of the 2014 Tariff Regulations as it is towards balance and retention payments pertaining to undischarged liabilities till COD. Accordingly, the capital cost as on COD, ACE during the 2014-19 tariff period and capital cost as on 31.3.2019 considered for truing up of the tariff for the 2014-19 period is as under:

(₹ in lakh)

Assets	FR Apportioned Approved Capital Cost	RCE Apportioned Approved Capital Cost	Capital Cost allowed as on COD	ACE			Total Capital Cost as on 31.3.2019
				2016-17	2017-18	2018-19	
Asset I	23151.81	36980.89	26133.44	0.00	1754.65	623.55	28511.64
Asset II	1457.08	2642.26	1535.16	0.00	42.94*	853.78	2431.87
Asset III	1053.27	895.00	527.93	136.40	74.51	37.30	776.14

*Includes discharge of IDC of ₹1.79 lakh (undischarged as on COD)

Debt-Equity ratio

28. The Petitioner has claimed Debt-Equity ratio of 70:30 as on COD. Debt-Equity ratio of 70:30 is considered as provided in Regulation 19 of the 2014 Tariff Regulations. The details of Debt-Equity ratio in respect of the assets as on the date of commercial operation and as on 31.3.2019 are as follows:



(₹ in lakh)

Assets	Capital Cost as on COD			ACE			Capital Cost as on 31.3.2019		
	Debt	Equity	Total	Debt	Equity	Total	Debt	Equity	Total
	70%	30%	100%	70%	30%	100%	70%	30%	100%
Asset I	18293.41	7840.03	26133.44	1664.74	713.46	2378.20	19958.15	8553.49	28511.64
Asset II	1074.61	460.55	1535.16	627.70	269.01	896.72	1702.31	729.56	2431.87
Asset III	369.55	158.38	527.93	173.75	74.46	248.21	543.30	232.84	776.14

Interest on Loan (IoL)

29. The Petitioner has claimed the weighted average rate of IoL based on its actual loan portfolio and rate of interest. IoL has been calculated based on actual interest rate in accordance with Regulation 26 of the 2014 Tariff Regulations. The trued up IoL allowed in respect of the assets is as under:

(₹ in lakh)

Assets	I			II		III		
	2016-17 (Pro-rata for 1 day)	2017-18	2018-19	2017-18 (Pro-rata for 336 days)	2018-19	2016-17 (Pro-rata for 130 days)	2017-18	2018-19
Gross Normative Loan	18293.41	18293.41	19521.66	1074.61	1104.66	369.55	465.03	517.19
Cumulative Repayments upto Previous Year	0.00	3.66	1387.61	0.00	75.66	0.00	11.44	49.33
Net Loan-Opening	18293.41	18289.74	18134.05	1074.61	1029.01	369.55	453.59	467.86
Additions	0.00	1228.26	436.49	30.06	597.65	95.48	52.16	26.11
Repayment during the year	3.66	1383.94	1446.86	75.66	105.86	11.44	37.88	40.83
Net Loan-Closing	18289.74	18134.05	17123.68	1029.01	1520.79	453.59	467.86	453.14
Average Loan	18291.57	18211.90	17628.87	1051.81	1274.90	411.57	460.72	460.50
Weighted Average Rate of Interest on Loan (%)	8.4015	8.1675	8.0235	8.1455	8.0400	8.0461	7.9193	7.8912
Interest on Loan	4.21	1487.45	1414.45	78.87	102.50	11.79	36.49	36.34

30. IoL approved vide order dated 23.7.2018 in Petition No. 44/TT/2017, claimed by the Petitioner in the instant petition and trued up IOL allowed in the instant order is shown in the table as under:



(₹ in lakh)

Asset	I			II		III		
	2016-17 (Pro-rata)	2017-18	2018-19	2017-18 (Pro-rata)	2018-19	2016-17 (Pro-rata)	2017-18	2018-19
Approved vide order dated 23.7.2018 in Petition No. 44/TT/2017	4.16	1633.97	1747.83	96.02	125.75	12.30	40.87	44.51
Claimed by the Petitioner in the instant petition	4.21	1487.64	1414.62	78.93	102.51	11.77	36.17	35.65
Allowed after true-up in this order	4.21	1487.45	1414.45	78.87	102.50	11.79	36.49	36.34

Return on Equity (RoE)

31. The Petitioner is entitled to RoE for the instant assets in accordance with Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that it is liable to pay income tax at MAT rates and has claimed following effective tax rates for the 2014-19 period:

Year	Claimed effective tax (in %)	Grossed up RoE (Base Rate/1-t) (in %)
2014-15	21.018	19.624
2015-16	21.382	19.715
2016-17	21.338	19.704
2017-18	21.337	19.704
2018-19	21.549	19.757

32. We have considered the submissions of the Petitioner. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 has arrived at the effective tax rate for the Petitioner based on the notified MAT rates. The relevant extract of the order dated 27.4.2020 is as under:

“26. We are conscious that the entities covered under MAT regime are paying Income Tax as per MAT rate notified for respective financial year under IT Act, 1961, which is levied on the book profit of the entity computed as per the Section 115JB of the IT Act, 1961. The Section 115JB(2) defines book profit as net profit in the statement of Profit & Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner



has been paying income tax on income computed under Section 115JB of the IT Act, 1961 as per the MAT rates of the respective financial year, the notified MAT rate for respective financial year shall be considered as effective tax rate for the purpose of grossing up of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax authorities shall be considered on actual payment. However, penalty (for default on the part of the Assessee) if any imposed shall not be taken into account for the purpose of grossing up of rate of return on equity. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term transmission customers/ DICs as the case may be on year to year basis.

27. Accordingly, following effective tax rates based on notified MAT rates are considered for the purpose of grossing up of rate of return on equity:

Year	Notified MAT rates (inclusive of surcharge & cess)	Effective tax (in %)
2014-15	20.961	20.961
2015-16	21.342	21.342
2016-17	21.342	21.342
2017-18	21.342	21.342
2018-19	21.549	21.549

”

33. The same MAT rates as considered in order dated 27.4.2020 in Petition No. 274/TT/2019 are considered for the purpose of grossing up of rate of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations which is as under:

Year	Notified MAT rates (inclusive of surcharge & cess) (in %)	Base rate of RoE (in %)	Grossed up RoE (Base Rate/1-t) (in %)
2014-15	20.961	15.50	19.610
2015-16	21.342	15.50	19.705
2016-17	21.342	15.50	19.705
2017-18	21.342	15.50	19.705
2018-19	21.549	15.50	19.758

34. RoE is trued up on the basis of the MAT rate applicable in the respective years and is allowed as under:



(₹ in lakh)

Assets	I			II		III		
	2016-17 (Pro-rata for 1 day)	2017-18	2018-19	2017-18 (Pro- rata for 336 days)	2018-19	2016-17 (Pro- rata for 130 days)	2017-18	2018-19
Return on Equity								
Opening Equity	7840.03	7840.03	8366.43	460.55	473.43	158.38	199.30	221.65
Additions	0.00	526.40	187.07	12.88	256.13	40.92	22.35	11.19
Closing Equity	7840.03	8366.43	8553.49	473.43	729.56	199.30	221.65	232.84
Average Equity	7840.03	8103.23	8459.96	466.99	601.49	178.84	210.48	227.25
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	21.342	21.342	21.549	21.342	21.549	21.342	21.342	21.549
Rate of Return on Equity (%)	19.705	19.705	19.758	19.705	19.758	19.705	19.705	19.758
Return on Equity	4.23	1596.78	1671.48	84.71	118.84	12.55	41.48	44.90

35. Details of RoE approved vide order dated 23.7.2018 in Petition No. 44/TT/2017, claimed by the Petitioner in the instant petition and trued up RoE allowed in this order is shown in the table below:

(₹ in lakh)

Assets	I			II		III		
	2016-17 (Pro rata for 1 day)	2017-18	2018-19	2017-18 (Pro rata for 336 days)	2018-19	2016-17 (Pro rata for 130 days)	2017-18	2018-19
Approved vide order dated 23.7.2018 in Petition No. 44/TT/2017	4.13	1688.10	1935.66	102.70	142.99	12.86	44.92	52.48
Claimed by the Petitioner in the instant petition	4.23	1596.93	1671.71	84.77	118.86	12.55	41.48	44.90
Allowed after true-up in this order	4.23	1596.78	1671.48	84.71	118.84	12.55	41.48	44.90

Depreciation

36. The Petitioner's claim towards depreciation in this petition was found to be higher than the depreciation allowed for the assets vide order dated 23.7.2018 in Petition No. 44/TT/2017. The Petitioner has neither given any justification for claiming higher depreciation than that was allowed earlier in order dated 23.7.2018 nor made



Order in Petition No. 212/TT/2020

any specific prayer for allowing higher depreciation in this petition. Similar issue had come up in Petition No. 19/TT/2020 wherein the Commission vide order dated 9.5.2020 decided as under:

“31. We have considered the submissions of the Petitioner. The instant assets were put into commercial operation during the 2009-14 period and the tariff from the respective CODs to 31.3.2014 was allowed vide orders dated 30.8.2012 and 9.5.2013 in Petition No.343/2010 and Petition No. 147/TT/2011 respectively. Further, the tariff of the 2009- 14 period was trued up and tariff for the 2014-19 period was allowed vide order dated 25.2.2016 in Petition No.10/TT/2015. The Petitioner did not claim any capital expenditure towards “IT Equipment” in the above said three petitions where tariff for the instant assets for the 2009-14 period was allowed, tariff of the 2009-14 period was trued up and tariff for 2014-19 period was allowed even though there was a clear provision in the 2009 Tariff Regulations and 2014 Tariff Regulations providing depreciation @15% for IT Equipment. Having failed to make a claim as per the 2009 Tariff Regulations(the period during which COD of assets was achieved), the Petitioner has now, at the time of truing up of the tariff allowed for the 2014-19 period has apportioned a part of the capital expenditure to “IT Equipment”. The Petitioner has adopted similar methodology not only in this but in some of the other petitions listed along with the instant petition on 26.2.2020. It is observed that the Petitioner has for the first time apportioned a part of the capital expenditure towards IT Equipment and has claimed depreciation under the head “IT Equipment” @15% at the time of truing up of the tariff of 2014-19 period. Regulation 8(1) of the 2014 Tariff Regulations provides for truing up of the capital expenditure including the additional capital expenditure, incurred up to 31.3.2019, admitted by the Commission after prudence check. We are of the view that scope of truing up exercise is restricted to truing up of the capital expenditure already admitted and apportionment or reapportionment of the capital expenditure cannot be allowed at the time of truing up. Therefore, we are not inclined to consider the Petitioner’s prayer for apportionment of capital expenditure towards IT Equipment and allowing depreciation @ 15% from 1.4.2014 onwards. Accordingly, the depreciation @ 5.28% has been considered for IT Equipment as part of the sub-station up to 31.3.2019 while truing up the capital expenditure for the 2014-19 period. During the 2019-24 tariff period, the IT Equipment has been considered separately and depreciation has been allowed @ 15% for the balance depreciable value of IT Equipment in accordance with Regulation 33 read with Sr. No. (p) of the Appendix-I (Depreciation Schedule) of the 2019 Tariff Regulations.”

37. In line with the above decision, the depreciation has been considered @5.28% for IT Equipment as part of the sub-station up to 31.3.2019 while truing up the capital expenditure for the 2014-19 period. During the 2019-24 tariff period, the IT Equipment has been considered separately and depreciation has been allowed @15% for the balance depreciable value of IT Equipment in accordance with Regulation 33 of the



2019 Tariff Regulations. The Gross Block during the tariff period 2014-19 has been depreciated at Weighted Average Rate of Depreciation (WAROD) (as placed in Annexure-1 to this order). WAROD has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and the depreciation allowed during 2014-19 period is as under:

(₹ in lakh)

Assets	I			II		III		
	2016-17 (Pro rata for 1 day)	2017-18	2018-19	2017-18 (Pro rata for 336 days)	2018-19	2016-17 (Pro rata for 130 days)	2017-18	2018-19
Depreciation								
Opening Gross Block	26133.44	26133.44	27888.09	1535.16	1578.09	527.93	664.33	738.84
Additional Capitalisation	0.00	1754.65	623.55	42.94	853.78	136.40	74.51	37.30
Closing Gross Block	26133.44	27888.09	28511.64	1578.09	2431.87	664.33	738.84	776.14
Average Gross Block	26133.44	27010.76	28199.86	1556.62	2004.98	596.13	701.59	757.49
Weighted Average Rate of Depreciation (WAROD) (%)	5.12%	5.12%	5.13%	5.28%	5.28%	5.39%	5.40%	5.39%
Balance useful life of the asset	33.00	33.00	32.00	25.00	25.00	22.00	22.00	21.00
Elapsed Life of the asset at the beginning of the year	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
Aggregated Depreciable Value	23520.09	24309.69	25379.88	1400.96	1804.48	541.34	636.25	686.56
Combined Depreciation during the year	3.66	1383.94	1446.86	75.66	105.86	11.44	37.88	40.83
Aggregate Cumulative Depreciation	3.66	1387.61	2834.47	75.66	181.52	11.44	49.33	90.16
Remaining Aggregate Depreciable Value	23516.43	22922.08	22545.41	1325.30	1622.96	525.07	582.10	591.58

38. Accordingly, the details of the depreciation approved vide order dated 23.7.2018 in Petition No. 44/TT/2017, claimed by the Petitioner in the instant petition and trued up depreciation in this order is shown in the table below:



(₹ in lakh)

Asset	I			II		III		
	2016-17 (Pro-rata)	2017-18	2018-19	2017-18 (Pro-rata)	2018-19	2016-17 (Pro-rata)	2017-18	2018-19
Approved vide order dated 23.7.2018 in Petition No. 44/TT/2017	3.60	1472.66	1694.99	92.17	128.33	11.76	41.10	47.96
Claimed by the Petitioner in the instant petition	3.66	1384.12	1447.03	75.72	105.88	13.11	42.57	45.52
Allowed after true-up in this order	3.66	1383.94	1446.86	75.66	105.86	11.44	37.88	40.83

Operation & Maintenance Expenses (O&M Expenses)

39. Regulation 29(3) of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission system. The total O&M Expenses claimed by the Petitioner for the assets are as under:

(₹ in lakh)

Particulars	Asset-I		
	2016-17	2017-18	2018-19
2 nos. of 400 kV Bays at Farakka Sub-station and 02 nos. of 400 kV Bays at Gokarna Sub-station			
No. of bays	4	4	4
Norms (₹ lakh/Bay)	64.37	66.51	68.71
Transmission line (400 kV LILO of Ckt of Rajarhat)			
D/C Twin/Triple Conductor	119.7	119.7	119.7
Norms (₹ lakh/Bay)	0.755	0.78	0.806
Total O&M Expenses (₹ in lakh)	0.95	359.41	371.32

(₹ in lakh)

Particulars	Asset-II	
	2017-18	2018-19
1 no. of 400 kV Bay at Farakka Sub-station and 1 no. of 400 kV Bay at Gokarna Sub-station		
No. of bays	2	2
Norms (₹ lakh/Bay)	66.51	68.71
Total O&M Expenses (₹ in lakh)	122.45	137.42



(₹ in lakh)

Particulars	Asset-III		
	2016-17	2017-18	2018-19
1 no. of 400 kV Bay at Jamshedpur Bay-II and 1 no. of 400 kV Bay at Rourkela Bay-II			
No. of bays	2	2	2
Norms (₹ lakh/Bay)	64.37	66.51	68.71
Total O&M Expenses (₹ in lakh)	45.85	133.02	137.42

40. Regulation 29(3) of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission system. Norms specified in respect of the elements covered in the assets are as under:

(₹ in lakh)

Particulars	2016-17	2017-18	2018-19
400 kV Conventional			
Norms (₹ lakh/Bay)	64.37	66.51	68.71
Transmission line			
Norms (₹ lakh/Bay)	0.755	0.78	0.806

41. We have considered the submissions of the Petitioner. The O&M Expenses claimed by the Petitioner are as per the norms specified in the 2014 Tariff Regulations and hence, they are allowed as claimed. The details are as under:

(₹ in lakh)

Particulars	Asset-I		
	2016-17	2017-18	2018-19
2 nos. of 400 kV Bays at Farakka Sub-station and 02 nos. of 400 kV Bays at Gokarna Sub-station			
No. of bays	4	4	4
Norms (₹ lakh/Bay)	64.37	66.51	68.71
Transmission line (400 kV LILO of Ckt of Rajarhat)			
D/C Twin/Triple Conductor	119.7	119.7	119.7
Norms (₹ lakh/Bay)	0.755	0.78	0.806
Total O&M Expenses (₹ in lakh)	0.95	359.41	371.32

(₹ in lakh)

Particulars	Asset-II	
	2017-18	2018-19



1 no. of 400 kV Bay at Farakka Sub-station and 1 No. of 400 kV Bay at Gokarna Sub-station		
No. of bays	2	2
Norms (₹ lakh/Bay)	66.51	68.71
Total O&M Expenses (₹ in lakh)	122.45	137.42

(₹ in lakh)

Particulars	Asset-III		
	2016-17	2017-18	2018-19
1 no. of 400 kV Bay at Jamshedpur Bay-II and 1 no. of 400 kV Bay at Rourkela Bay-II			
No. of bays	2	2	2
Norms (₹ lakh/Bay)	64.37	66.51	68.71
Total O&M Expenses (₹ in lakh)	45.85	133.02	137.42

42. The details of the O&M Expenses approved *vide* order dated 23.7.2018 in Petition No. 44/TT/2017, claimed by the Petitioner an trued up O&M Expenses allowed in this order is shown in the table below:

(₹ in lakh)

Asset	I			II		III		
	2016-17 (Pro rata for 1 day)	2017-18	2018-19	2017-18 (Pro rata for 336 days)	2018-19	2016-17 (Pro rata for 130 days)	2017-18	2018-19
Approved <i>vide</i> order dated 23.7.2018 in Petition No. 44/TT/2017	0.94	359.41	371.32	122.30	137.42	46.13	133.02	137.42
Claimed by the Petitioner in the instant petition	0.95	359.41	371.32	122.46	137.42	45.86	133.02	137.42
Allowed after true-up in this order	0.95	359.41	371.32	122.45	137.42	45.85	133.02	137.42

Interest on Working Capital (IWC)

43. The IWC has been allowed out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations and allowed as under:



(₹ in lakh)

Assets	I			II		III		
	2016-17 (Pro-rata)	2017-18	2018-19	2017-18 (Pro-rata)	2018-19	2016-17 (Pro-rata)	2017-18	2018-19
Interest on Working Capital								
O & M Expenses	28.99	29.95	30.94	11.09	11.45	10.73	11.09	11.45
Maintenance Spares	52.18	53.91	55.70	19.95	20.61	19.31	19.95	20.61
Receivables	813.60	823.96	837.06	67.55	79.79	39.69	43.06	44.89
Total Working Capital	894.77	907.82	923.70	98.59	111.85	69.73	74.10	76.95
Rate of Interest (%)	12.80	12.80	12.80	12.60	12.60	12.80	12.80	12.80
Interest on Working Capital	0.31	116.20	118.23	11.44	14.09	3.18	9.48	9.85

44. The details of IWC approved *vide* order dated 23.7.2018 in Petition No. 44/TT/2017, IWC claimed by the Petitioner in the instant petition and as trued up IWC allowed in this order is shown in the table below:

(₹ in lakh)

Asset	I			II		III		
	2016-17 (Pro-rata)	2017-18	2018-19	2017-18 (Pro-rata)	2018-19	2016-17 (Pro-rata)	2017-18	2018-19
Approved <i>vide</i> order dated 23.7.2018 in Petition No. 44/TT/2017	0.31	123.32	136.67	12.54	15.59	3.20	9.73	10.35
Claimed by the Petitioner	0.31	116.21	118.25	11.44	14.09	3.22	9.58	9.94
Allowed after true-up in this order	0.31	116.20	118.23	11.44	14.09	3.18	9.48	9.85

Approved Annual Fixed Charges for the 2014-19 Tariff Period

45. The trued up annual fixed charges for the assets for the 2014-19 tariff period are as under:



(₹ in lakh)

Assets	I			II		III		
	2016-17 (Pro-rata for 1 day)	2017-18	2018-19	2017-18 (Pro-rata for 336 days)	2018-19	2016-17 (Pro-rata for 130 days)	2017-18	2018-19
Depreciation	3.66	1383.94	1446.86	75.66	105.86	11.44	37.88	40.83
Interest on Loan	4.21	1487.45	1414.45	78.87	102.50	11.79	36.49	36.34
Return on Equity	4.23	1596.78	1671.48	84.71	118.84	12.55	41.48	44.90
Interest on Working Capital	0.31	116.20	118.23	11.44	14.09	3.18	9.48	9.85
O&M Expenses	0.95	359.41	371.32	122.45	137.42	45.85	133.02	137.42
Total	13.37	4943.78	5022.33	373.12	478.72	84.82	258.35	269.34

46. Accordingly, the comparison between Annual Transmission Charges as approved vide order dated 23.7.2018 in Petition No. 44/TT/2017, as claimed by the Petitioner in the instant petition and as approved after trueing up in this order is shown in the table below :

(₹ in lakh)

Particulars	Asset	2016-17	2017-18	2018-19
Approved vide order dated 23.7.2018 in Petition No. 44/TT/2017	I	13.13	5277.47	5886.47
Claimed by the Petitioner in the instant petition		13.36	4944.31	5022.93
Allowed after true-up in this order		13.37	4943.78	5022.33

(₹ in lakh)

Particulars	Asset	2016-17	2017-18	2018-19
Approved vide order dated 23.7.2018 in Petition No. 44/TT/2017	II	-	425.73	550.09
Claimed by the Petitioner in the instant petition		-	373.32	478.76
Allowed after true-up in this order		-	373.12	478.72

(₹ in lakh)

Particulars	Asset	2016-17	2017-18	2018-19
Approved vide order dated 23.7.2018 in Petition No. 44/TT/2017	III	85.97	269.63	292.71
Claimed by the Petitioner in the instant petition		86.51	262.82	273.43
Allowed after true-up in this order		84.82	258.35	269.34



Order in Petition No. 212/TT/2020

DETERMINATION OF ANNUAL FIXED CHARGES FOR THE 2019-24 TARIFF PERIOD

47. The Petitioner has submitted the tariff forms for the Combined Asset as a single asset. Accordingly, as per proviso (i) of Regulation 8(1) of the 2019 Tariff Regulations, single tariff for the Combined Asset has been worked out for the 2019-24 tariff period.

48. The Petitioner has claimed the following transmission charges for the Combined Asset for the 2019-24 tariff period:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1654.57	1670.65	1670.65	1670.65	1667.38
Interest on Loan	1493.26	1372.66	1236.35	1100.18	963.45
Return on Equity	1804.38	1821.28	1821.28	1821.28	1821.28
Interest on Working Capital	90.42	89.88	88.40	86.94	85.24
O&M Expenses	366.03	378.78	391.97	405.60	419.67
Total	5408.66	5333.25	5208.65	5084.65	4957.02

49. The Petitioner has claimed the following IWC for the Combined Asset for the 2019-24 tariff period:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	30.50	31.56	32.66	33.80	34.97
Maintenance Spares	54.90	56.82	58.79	60.84	62.95
Receivables	665.00	657.52	642.16	626.87	609.47
Total Working Capital	750.40	745.91	733.62	721.51	707.39
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest on Working Capital	90.42	89.88	88.40	86.94	85.24

Effective Date of Commercial Operation (E-COD)

50. The Petitioner has stated that E-COD of the Combined Asset is claimed as 30.3.2017. Based on the trued up capital cost and actual COD of the individual assets, E-COD has been determined as 30.3.2017 and is as under:



Asset	Trued up Capital Cost as on 31.3.2019 (₹ in lakh)	COD	No. of days of COD of Asset from COD of Project	Weight of cost (%)	Weighted days
I	28511.64	31.3.2017	30.00	89.89	26.97
II	2431.87	30.4.2017	-	7.67	0.00
III	776.14	22.11.2016	159.00	2.45	3.89
Total	31719.65			100%	30.86
Effective COD (latest COD less weighted days) – 30.3.2017					

Weighted Average Life (WAL)

51. WAL has been determined based on the admitted capital cost of individual elements as on 31.3.2019 and their respective life as specified in the 2019 Tariff Regulations. Accordingly, WAL of the Combined Asset put into commercial operation during 2014-19 period has been allowed as 32 years as under:

Particulars	Life (in years) (1)	Capital Cost as on 31.3.2019 (₹ in lakh) (2)	Weighted Cost (₹ in lakh) (3)= (1) x (2)	Weighted Avg. Life of instant assets (in years) (4) = (3)/ (2)
Building & Civil Works	25	2215.00	55375.00	32.36 years (rounded off to 32 years)
Transmission Line	35	23596.11	825863.76	
Sub-station	25	5691.96	142298.97	
PLCC	15	168.39	2525.83	
IT Equipment (Incl. Software)	6.67	48.20	321.30	
Total		31719.65	1026384.87	

Capital Cost as on 1.4.2019

52. Regulation 19 of the 2019 Tariff Regulations provides as under:

“19. **Capital Cost:** (1) The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in accordance with these regulations shall form the basis for determination of tariff for existing and new projects.

(2) The Capital Cost of a new project shall include the following:

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- (b) Interest during construction and financing charges, on the loans (i) being



equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;

- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;
- (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;
- (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;
- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
- (n) Expenditure on account of change in law and force majeure events; and
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

(3) The Capital cost of an existing project shall include the following:

- (a) Capital cost admitted by the Commission prior to 1.4.2019 duly tried up by excluding liability, if any, as on 1.4.2019;
- (b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these regulations;
- (c) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;
- (d) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
- (e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway; and
- (f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve



and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.

- (4) *The capital cost in case of existing or new hydro generating station shall also include:*
- (a) *cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and*
 - (b) *cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.*
- (5) *The following shall be excluded from the capital cost of the existing and new projects:*
- (a) *The assets forming part of the project, but not in use, as declared in the tariff petition;*
 - (b) *De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:*

Provided that in case replacement of transmission asset is recommended by Regional Power Committee, such asset shall be de-capitalised only after its redeployment;

Provided further that unless shifting of an asset from one project to another is of permanent nature, there shall be no de-capitalization of the concerned assets.

- (c) *In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process;*
- (d) *Proportionate cost of land of the existing project which is being used for generating power from generating station based on renewable energy; and*

Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment."

53. The Petitioner has claimed capital cost of ₹31723.16 lakh as on 31.3.2019 for the Combined Asset as per the Auditor Certificate dated 21.10.2019. However, the total capital cost of ₹31719.65 lakh as on 31.3.2019 worked out for the Combined Asset has been considered as the opening capital cost as on 1.4.2019 for determination of tariff in accordance with Regulation 19 of the 2019 Tariff Regulations.



Additional Capital Expenditure (ACE)

54. Regulations 24 and 25 of the 2019 Tariff Regulations provide as under:

“24. Additional Capitalisation within the original scope and upto the cut-off date

(1) *The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:*

- (a) *Undischarged liabilities recognized to be payable at a future date;*
- (b) *Works deferred for execution;*
- (c) *Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*
- (d) *Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority or order or decree of any court of law;*
- (e) *Change in law or compliance of any existing law; and*
- (f) *Force Majeure events:*

Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.

(2) *The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.*

25. Additional Capitalisation within the original scope and after the cut-off date:

(1) *The ACE incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:*

- (a) *Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;*
- (b) *Change in law or compliance of any existing law;*
- (c) *Deferred works relating to ash pond or ash handling system in the original scope of work;*
- (d) *Liability for works executed prior to the cut-off date;*
- (e) *Force Majeure events;*
- (f) *Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and*
- (g) *Raising of ash dyke as a part of ash disposal system.*

(2) *In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:*



- (a) *The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;*
- (b) *The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;*
- (c) *The replacement of such asset or equipment is necessary on account of obsolescence of technology; and*
- (d) *The replacement of such asset or equipment has otherwise been allowed by the Commission.”*

55. The Petitioner has claimed ₹600.00 lakh as ACE for the Combined Asset during the 2019-24 period. The Petitioner has claimed the capital cost as on 31.3.2024 as under:

Asset	FR AppORTIONED Approved Cost	RCE AppORTIONED Approved Cost	Capital Cost as on 31.3.2019	₹ in lakh)	
				Estimated ACE 2019-20	Capital Cost as on 31.3.2024
Asset I	23151.81	36980.89	28514.90	450.00	28964.90
Asset II	1457.08	2642.26	2432.11	80.00	2512.11
Asset III	1053.27	895.00	776.15	70.00	846.15
Combined Asset	25662.16	40518.15	31723.16	600.00	32323.16

56. The Petitioner was asked, vide Technical Validation (TV) letter dated 17.3.2020, to explain reasons for withholding of such payments as have been claimed as ACE for Asset-III after cut-off date in accordance with Regulation 25(1)(d) of the 2019 Tariff Regulations. In response, the Petitioner vide affidavit dated 4.5.2020 submitted that the ACE claimed in case of Asset-III after cut-off date is on account of un-discharged liability for the works executed prior to COD. The same was withheld because the contract was not closed and the amount was released after final submission of bills by the contractor. The detail of ACE claimed beyond cut-off date in Asset-III is as under:

Asset	Party Name	Package	Year	Balance & retention amount (₹ in lakh)
III	Sterling and Wilson	Sub-station	2019-20	70.00



57. The Petitioner was also asked to confirm whether any further previously recognized liabilities remain to be discharged for the 2019-24 tariff period other than the claimed ₹600.00 lakh. In response, the Petitioner vide affidavit dated 4.5.2020 submitted that there are no further previously recognized liabilities remain to be discharged for the 2019-24 tariff period other than the claimed ₹600.00 lakh.

58. We have considered the submissions made by the Petitioner. ACE claimed by the Petitioner has been allowed under Regulations 24(1)(a) and 25(1)(d) of the 2019 Tariff Regulations as it is towards balance and retention payments and balance work deferred for execution. Accordingly, the capital cost as on 31.3.2024 for the Combined Asset is considered as under:

(₹ in lakh)				
FR Apportioned Approved Cost	RCE Apportioned Approved Cost	Capital Cost as on 31.3.2019	Estimated ACE	Capital Cost as on 31.3.2024
			2019-20	
25662.16	40518.15	31719.65	600.00	32319.65

Debt-Equity ratio

59. Regulation 18 of the 2019 Tariff Regulations provides as under:

*“18. **Debt-Equity Ratio:** (1) For new projects, the debt-equity ratio of 70:30 as on date of commercial operation shall be considered. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:*

Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:*
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:*
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt: equity ratio.*

Explanation-*The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital*



expenditure of the generating station or the transmission system.

(2) The generating company or the transmission licensee, as the case may be, shall submit the resolution of the Board of the company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station or the transmission system including communication system, as the case may be.

(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered:

Provided that in case of a generating station or a transmission system including communication system which has completed its useful life as on or after 1.4.2019, if the equity actually deployed as on 1.4.2019 is more than 30% of the capital cost, equity in excess of 30% shall not be taken into account for tariff computation;

Provided further that in case of projects owned by Damodar Valley Corporation, the debt: equity ratio shall be governed as per sub-clause (ii) of clause (2) of Regulation 72 of these regulations.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2019, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2019, the Commission shall approve the debt: equity ratio in accordance with clause (1) of this Regulation.

(5) Any expenditure incurred or projected to be incurred on or after 1.4.2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this Regulation.”

60. The details of the debt and equity considered for the purpose of computation of tariff for the 2019-24 tariff period for the Combined Asset is as under:

Particulars	Capital Cost as on 1.4.2019 (₹ in lakh)	%	ACE for 2019-24 (₹ in lakh)	%	Capital Cost as on 31.3.2024 (₹ in lakh)	%
Debt	22203.76	70.00	420.00	70.00	22623.76	70.00
Equity	9515.90	30.00	180.00	30.00	9695.90	30.00
Total	31719.65	100.00	600.00	100.00	32319.65	100.00

Return on Equity (RoE)

61. Regulations 30 and 31 of the 2019 Tariff Regulations provide as under:



“30. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulation 18 of these regulations.

(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of-river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of-river generating station with pondage:

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system

Provided further that:

- i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;
- ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;
- iii. in case of a thermal generating station, with effect from 1.4.2020:
 - a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;
 - b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

Provided that the detailed guidelines in this regard shall be issued by National Load Dispatch Centre by 30.6.2019.”

“31. Tax on Return on Equity. (1) The base rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax paid on income from other businesses including deferred tax liability (i.e. income from business other than business of generation or transmission, as the case may be) shall be excluded for the calculation of effective tax rate.

(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$



Where “t” is the effective tax rate in accordance with clause (1) of this Regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

Illustration-

(i) In case of a generating company or a transmission licensee paying Minimum Alternate Tax (MAT) @ 21.55% including surcharge and cess:

$$\text{Rate of return on equity} = 15.50 / (1 - 0.2155) = 19.758\%$$

(ii) In case of a generating company or a transmission licensee paying normal corporate tax including surcharge and cess:

- (a) Estimated Gross Income from generation or transmission business for FY 2019-20 is Rs 1,000 crore;
- (b) Estimated Advance Tax for the year on above is Rs 240 crore;
- (c) Effective Tax Rate for the year 2019-20 = Rs 240 Crore/Rs 1000 Crore = 24%;
- (d) Rate of return on equity = $15.50 / (1 - 0.24) = 20.395\%$.

The generating company or the transmission licensee, as the case may be, shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2019-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company or the transmission licensee, as the case may be. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term customers, as the case may be, on year to year basis.”

62. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. Accordingly, the MAT rate applicable in 2019-20 has been considered for the purpose of RoE for the 2019-24 tariff period, which shall be trued up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed for the Combined Asset is as under:



(₹ in lakh)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	9515.90	9695.90	9695.90	9695.90	9695.90
Additions	180.00	0.00	0.00	0.00	0.00
Closing Equity	9695.90	9695.90	9695.90	9695.90	9695.90
Average Equity	9605.90	9695.90	9695.90	9695.90	9695.90
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (%)	18.782	18.782	18.782	18.782	18.782
Return on Equity	1804.13	1821.03	1821.03	1821.03	1821.03

Interest on Loan (IoL)

63. Regulation 32 of the 2019 Tariff Regulations provides as under:

“32. Interest on loan capital: (1) The loans arrived at in the manner indicated in Regulation 18 of these regulations shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered;

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

(7) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.”



64. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during 2019-24 tariff period maybe adjusted.

65. We have considered the submission of the Petitioner. The floating rate of interest, if any, shall be considered at the time of true up. IoL has been allowed for the Combined Asset in accordance with Regulation 32 of the 2019 Tariff Regulations as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	22203.76	22623.76	22623.76	22623.76	22623.76
Cumulative Repayments upto Previous Year	3106.15	4760.53	6431.00	8101.47	9771.94
Net Loan-Opening	19097.61	17863.23	16192.76	14522.29	12851.82
Additions	420.00	0.00	0.00	0.00	0.00
Repayment during the year	1654.38	1670.47	1670.47	1670.47	1670.47
Net Loan-Closing	17863.23	16192.76	14522.29	12851.82	11181.34
Average Loan	18480.42	17027.99	15357.52	13687.05	12016.58
Weighted Average Rate of Interest on Loan (%)	8.0842	8.0656	8.0554	8.0438	8.0231
Interest on Loan	1494.00	1373.41	1237.11	1100.95	964.10

Depreciation

66. Regulation 33 of the 2019 Tariff Regulations provides as under:

*“33. **Depreciation:** (1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system or element thereof including communication system. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units:*

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.



(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of a transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station:

Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life.

(4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

*(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-I** to these regulations for the assets of the generating station and transmission system:*

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.

(7) The generating company or the transmission licensee, as the case may be, shall submit the details of proposed capital expenditure five years before the completion of useful life of the project along with justification and proposed life extension. The Commission based on prudence check of such submissions shall approve the depreciation on capital expenditure.

(8) In case of de-capitalization of assets in respect of generating station or unit thereof or transmission system or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset during its useful services.”



67. The IT equipment has been considered as a part of the Gross Block and depreciated using Weighted Average Rate of Depreciation (WAROD) (as placed in Annexure-2 to this order) after taking into account the depreciation rates of IT and non-IT assets as prescribed in the 2019 Tariff Regulations. The salvage value of IT equipment has been considered NIL, i.e. IT asset has been considered as 100 per cent depreciable. The depreciation has been worked out considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The depreciation allowed for the Combined Asset is as under:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	31719.65	32319.65	32319.65	32319.65	32319.65
Addition during the year 2019-24 due to projected Additional Capitalisation	600.00	0.00	0.00	0.00	0.00
Closing Gross Block	32319.65	32319.65	32319.65	32319.65	32319.65
Average Gross Block	32019.65	32319.65	32319.65	32319.65	32319.65
Weighted average rate of Depreciation (WAROD) (%)	5.17%	5.17%	5.17%	5.17%	5.17%
Balance useful life of the asset	30.00	29.00	28.00	27.00	26.00
Elapsed Life of the asset at the beginning of the year	2.00	3.00	4.00	5.00	6.00
Aggregated Depreciable Value	28822.77	29093.03	29093.03	29093.03	29093.03
Combined Depreciation during the year	1654.38	1670.47	1670.47	1670.47	1670.47
Aggregate Cumulative Depreciation	4760.53	6431.00	8101.47	9771.94	11442.41
Remaining Aggregate Depreciable Value	24062.24	22662.03	20991.56	19321.09	17650.62

Operation & Maintenance Expenses (O&M Expenses)

68. The O&M Expenses claimed by the Petitioner for the Combined Asset for the 2019-24 tariff period are as under:

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV					
No. of bays	8	8	8	8	8



Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Transmission line					
D/C Twin/Triple Conductor	119.7	119.7	119.7	119.7	119.7
Norms (₹ lakh)	0.881	0.912	0.944	0.977	1.011
PLCC					
O&M for PLCC	3.34754	3.34754	3.34754	3.34754	3.34754
Total O&M Expenses (₹ in lakh)	366.02	378.77	391.96	405.59	419.66

69. Regulations 35(3)(a) and Regulation 35 (4) of the 2019 Tariff Regulations provide that:

“35. Operation and Maintenance Expenses:

(3) Transmission system: (a) The following normative operation and maintenance expenses shall be admissible for the transmission system:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773



Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except	834	864	894	925	958
Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)	1,666	1,725	1,785	1,848	1,913
500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh)	2,252	2,331	2,413	2,498	2,586
±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000	2,468	2,555	2,645	2,738	2,834
±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500	1,696	1,756	1,817	1,881	1,947
±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs	2,563	2,653	2,746	2,842	2,942

Provided that the O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 of the O&M expenses of the normative O&M expenses for bays;

Provided further that:

- i. the operation and maintenance expenses for new HVDC bi-pole schemes commissioned after 1.4.2019 for a particular year shall be allowed pro-rata on the basis of normative rate of operation and maintenance expenses of similar HVDC bi-pole scheme for the corresponding year of the tariff period;*
- ii. the O&M expenses norms for HVDC bi-pole line shall be considered as Double Circuit quad AC line;*
- iii. the O&M expenses of ±500 kV Mundra-Mohindergarh HVDC bipole scheme (2000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±500 kV Talchar-Kolar HVDC bi-pole scheme (2000 MW);*
- iv. the O&M expenses of ±800 kV Champa-Kurukshetra HVDC bi-pole scheme (3000 MW) shall be on the basis of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme;*
- v. the O&M expenses of ±800 kV, Alipurduar-Agra HVDC bi-pole scheme (3000 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for ±800 kV, Bishwanath-Agra HVDC bi-pole scheme; and*
- vi. the O&M expenses of Static Synchronous Compensator and Static Var Compensator shall be worked at 1.5% of original project cost as on commercial operation which shall be escalated at the rate of 3.51% to work out the O&M expenses during the tariff period. The O&M expenses of Static Synchronous Compensator and Static Var Compensator, if required, may be reviewed after three years.*

- (b) The total allowable operation and maintenance expenses for the*



transmission system shall be calculated by multiplying the number of sub-station bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

(c) *The Security Expenses and Capital Spares for transmission system shall be allowed separately after prudence check:*

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, the details of year-wise actual capital spares consumed at the time of truing up with appropriate justification.

(3) *Communication system: The operation and maintenance expenses for the communication system shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up.”*

70. The Petitioner has claimed O&M Expenses separately for the PLCC under Regulation 35(4) of the 2019 Tariff Regulations @2% of its original project cost in the instant petition. The Petitioner has made similar claim in other petitions as well. Though PLCC is a communication system, it has been considered as part of the sub-station in the 2014 Tariff Regulations and the 2019 Tariff Regulations and the norms for sub-station has been specified accordingly. Accordingly, the Commission vide order dated 24.1.2020 in Petition No.126/TT/2020 has already decided that no separate O&M Expenses can be allowed for PLCC under Regulation 35(4) of the 2019 Tariff Regulations even though PLCC is a communication system. Therefore, the Petitioner's claim for separate O&M Expenses for PLCC @2% is not allowed. The relevant portions of the order dated 24.1.2020 in Petition No.126/TT/2020 are extracted hereunder:

“103. Thus, although PLCC equipment is a communication system, it has been considered as a part of sub-station, as it is used both for protection and communication. Therefore, we are of the considered view that rightly, it was not considered for separate O&M Expenses while framing norms of O&M for 2019-24 tariff period. While specifying norms for bays and transformers, O&M Expenses for PLCC have been included within norms for O&M Expenses for sub-station. Norms of O&M



Expenses @2% of the capital cost in terms of Regulation 35(4) of the 2019 Tariff Regulations have been specified for communication system such as PMU, RMU, OPGW etc. and not for PLCC equipment.”

“105. In our view, granting of O&M Expenses for PLCC equipment @2% of its capital cost under Regulation 35(4) of the 2014 Tariff Regulations under the communication system head would tantamount to granting O&M Expenses twice for PLCC equipment as PLCC equipment has already been considered as part of the sub-station. Therefore, the Petitioner’s prayer for grant of O&M Expenses for the PLCC equipment @2% of its capital cost under Regulation 35(4) of the 2014 Tariff Regulations is rejected.

106. The principle adopted in this petition that PLCC is part of sub-station and accordingly no separate O&M Expenses is admissible for PLCC equipment in the 2019-24 tariff period under Regulation 35(4) of the 2019 Tariff Regulations shall be applicable in case of all petitions where similar claim is made by the Petitioner. As already mentioned, the Commission, however, on the basis of the claim made by the Petitioner has inadvertently allowed O&M Expenses for PLCC equipment @2% of its original project cost, which is applicable for other “communication system”, for 2019-24 period in 31 petitions given in Annexure-3 of this order. Therefore, the decision in this order shall also be applicable to all the petitions given in Annexure-3. Therefore, PGCIL is directed to bring this decision to the notice of all the stakeholders in the 31 petitions given in Annexure-3 and also make revised claim of O&M Expenses for PLCC as part of the sub-station at the time of truing up of the tariff allowed for 2019-24 period in respective petitions.”

Therefore, the Petitioner’s claim for separate O&M Expenses for PLCC @2% is not allowed.

71. The O&M Expenses allowed out for the Combined Asset for the 2019-24 tariff period is as under:

O&M Expenses	2019-20	2020-21	2021-22	2022-23	2023-24
400 kV					
No. of bays	8	8	8	8	8
Norms (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
Total	257.20	266.24	275.60	285.28	295.28
Transmission line					
D/C Twin/Triple Conductor	119.7	119.7	119.7	119.7	119.7
Norms (₹ lakh)	0.881	0.912	0.944	0.977	1.011
Total	105.46	109.17	113.00	116.95	121.02
Total O&M Expenses (₹ in lakh)	362.66	375.41	388.60	402.23	416.30



Interest on Working Capital (IWC)

72. Regulation 34 (1)(c), Regulations 34(3) and (4) and Regulation 3(7) of the 2019 Tariff Regulations provide as under:

“34. Interest on Working Capital:

(1) ...

(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

- (i) Receivables equivalent to 45 days of annual fixed cost;*
- (ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and*
- (iii) Operation and maintenance expenses, including security expenses for one month.”*

“(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.”

“(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.”

“3. Definitions ...

(7) ‘Bank Rate’ means the one year marginal cost of lending rate (MCLR) of the State Bank of India issued from time to time plus 350 basis points;”

73. The Petitioner has submitted that it has computed IWC for the 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%. IWC is allowed in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20, whereas, ROI for 2020-21 onwards has been considered as 11.25% (SBI 1-



year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points). The components of the working capital and interest allowed thereon are as under:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	30.22	31.28	32.38	33.52	34.69
Maintenance Spares	54.40	56.31	58.29	60.33	62.44
Receivables	664.60	656.39	641.04	625.76	608.77
Total Working Capital	749.22	743.98	731.71	719.62	705.90
Rate of Interest (%)	12.05	11.25	11.25	11.25	11.25
Interest on Working Capital	90.28	83.70	82.32	80.96	79.41

Annual Fixed Charges for the 2019-24 Tariff Period

74. The Annual Fixed Charges allowed for the Combined Asset for the 2019-24 tariff period are as under:

Particulars	(₹ in lakh)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1654.38	1670.47	1670.47	1670.47	1670.47
Interest on Loan	1494.00	1373.41	1237.11	1100.95	964.10
Return on Equity	1804.13	1821.03	1821.03	1821.03	1821.03
Interest on Working Capital	90.28	83.70	82.32	80.96	79.41
O&M Expenses	362.66	375.41	388.60	402.23	416.30
Total	5405.45	5324.03	5199.53	5075.65	4951.32

Filing Fee and the Publication Expenses

75. The Petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on *pro rata* basis in accordance with Regulation 70(1) of the 2019 Tariff Regulations.

Licence Fee & RLDC Fees and Charges

76. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for the 2019-24 tariff period. The



Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulation 70(3) of the 2019 Tariff Regulations for the 2019-24 tariff period.

Security Expenses

77. The Petitioner has submitted that security expenses for the instant assets are not claimed in the instant petition and it would file a separate petition for claiming the overall security expenses and the consequential IWC. The Petitioner has requested to consider the actual security expenses incurred during 2018-19 for claiming estimated security expenses for 2019-20 which shall be subject to true up at the end of the year based on the actuals. The Petitioner has submitted that similar petition for security expenses for 2020-21, 2021-22, 2022-23 and 2023-24 shall be filed on yearly basis based on the actual expenses of previous year subject to true up at the end of the year on actual expenses. The Petitioner has submitted that difference, if any, between the estimated security expenses and the actual security expenses as per the audited accounts may be allowed to be recovered from the beneficiaries on yearly basis.

78. We have considered the submissions of the Petitioner. We are of the view that the Petitioner should claim security expenses for all the transmission assets in one petition. It is observed that the Petitioner has already filed the Petition No. 260/MP/2020 claiming consolidated security expenses on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19. Therefore, security expenses will be dealt with in Petition No. 260/MP/2020 in accordance with the applicable provisions of the 2019 Tariff Regulations.



Goods and Services Tax

79. The Petitioner has submitted that, if GST is levied at any rate and at any point of time in future on charges of transmission of electricity, the same shall be borne and additionally paid by the Respondents to the Petitioner and the same shall be charged and billed separately by the Petitioner. Further additional taxes, if any, are to be paid by the Petitioner on account of demand from Government/ Statutory authorities, the same may be allowed to be recovered from the beneficiaries

80. We have considered the submissions of the Petitioner. Since GST is not levied on transmission service at present, we are of the view that the Petitioner's prayer at this stage is pre-mature.

Capital Spares

81. The Petitioner has sought reimbursement of capital spares at the end of tariff block. The Petitioner's claim, if any, shall be dealt with in accordance with the provisions of the 2019 Tariff Regulations.

Sharing of Transmission Charges

82. The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, or the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, as applicable, as provided in Regulation 43 of 2014 Tariff Regulations for the 2014-19 tariff period and Regulation 57 of the 2019 Tariff Regulations for the 2019-24 tariff period.



83. To summarise, the trued up Annual Fixed Charges allowed for the assets for the 2014-19 tariff period are as under:

(₹ in lakh)			
Annual Fixed Charges	2016-17	2017-18	2018-19
Asset-I	13.37 <i>(Pro rata for 1 day)</i>	4943.78	5022.33
Asset-II	-	373.12 <i>(Pro rata for 336 days)</i>	478.72
Asset-III	84.82 <i>(Pro rata for 130 days)</i>	258.35	269.34

The Annual Fixed Charges allowed for the Combined Asset for the 2019-24 tariff period in this order are as under:

(₹ in lakh)					
Combined Asset	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	5405.45	5324.03	5199.53	5075.65	4951.32

84. This order disposes of Petition No. 212/TT/2020

**Sd/
(Arun Goyal)
Member**

**Sd/
(I. S. Jha)
Member**

**Sd/
(P. K. Pujari)
Chairperson**



Asset-I

2014-19 Capital Expenditure	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)		Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)		
		2017-18	2018-19			2016-17	2017-18	2018-19
Building Civil Works & Colony	2180.64	34.36	0.00	2215.00	3.34%	72.83	73.41	73.98
Transmission Line	21647.21	1438.90	510.00	23596.11	5.28%	1142.97	1180.96	1232.41
Sub Station	2305.58	202.87	103.55	2612.00	5.28%	121.73	127.09	135.18
PLCC	0.00	78.53	10.00	88.53	6.33%	0.00	2.49	5.29
Total	26133.44	1754.65	623.55	28511.64	Total	1337.54	1383.94	1446.86
Average Gross Block (₹ in lakh)						26133.44	27010.76	28199.86
Weighted Average Rate of Depreciation						5.12%	5.12%	5.13%

Asset-II

2014-19 Capital Expenditure	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)		Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)		
		2017-18	2018-19			2017-18	2018-19	
Land - Freehold	0.00	0.00	0.00	0.00	-	-	-	
Land - Leasehold	0.00	0.00	0.00	0.00	3.34%	-	-	
Building Civil Works & Colony	0.00	0.00	0.00	0.00	3.34%	-	-	
Transmission Line	0.00	0.00	0.00	0.00	5.28%	-	-	
Sub Station	1535.16	42.94	853.78	2431.87	5.28%	82.19	105.86	
PLCC	0.00	0.00	0.00	0.00	6.33%	-	-	
IT Equipment (Incl. Software)	0.00	0.00	0.00	0.00	5.28%	-	-	
Total	1535.16	42.94	853.78	2431.87	Total	82.19	105.86	
Average Gross Block (₹ in lakh)						1535.16	1628.10	1714.08
Weighted Average Rate of Depreciation						5.28%	5.28%	5.28%



Asset-III

2014-19 Capital Expenditure	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capitalization (₹ in lakh)			Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)		
		2016-17	2017-18	2018-19			2016-17	2017-18	2018-19
Sub Station	434.23	102.05	74.51	37.30	648.09	5.28%	25.62	30.28	33.23
PLCC	45.51	34.35	0.00	0.00	79.86	6.33%	3.97	5.06	5.06
IT Equipment (Incl. Software)	48.20	0.00	0.00	0.00	48.20	5.28%	2.54	2.54	2.54
Total	527.93	136.40	74.51	37.30	776.14	Total	32.13	37.88	40.83
						Average Gross Block (₹ in lakh)	596.13	701.59	757.49
						Weighted Average Rate of Depreciation	5.39%	5.40%	5.39%



ANNEXURE-2

2019-24 Capital Expenditure	Combined Admitted Capital Cost as on 1.4.2019 (₹ in lakh)	Projected ACE (₹ in lakh)	Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations (₹ in lakh)				
		2019-20			2019-20	2020-21	2021-22	2022-23	2023-24
Land - Freehold	0.00	0.00	0.00	-	-	-	-	-	-
Land - Leasehold	0.00	0.00	0.00	3.34%	-	-	-	-	-
Building Civil Works & Colony	2215.00	0.00	2215.00	3.34%	73.98	73.98	73.98	73.98	73.98
Transmission Line	23596.11	410.00	24006.11	5.28%	1256.70	1267.52	1267.52	1267.52	1267.52
Sub Station	5691.96	184.73	5876.69	5.28%	305.41	310.29	310.29	310.29	310.29
PLCC	168.39	0.00	168.39	6.33%	10.66	10.66	10.66	10.66	10.66
IT Equipment (Incl. Software)	48.20	5.27	53.47	15.00%	7.62	8.02	8.02	8.02	8.02
Total	31719.65	600.00	32319.65	Total	1654.38	1670.47	1670.47	1670.47	1670.47
Average Gross Block (₹ in lakh)					32019.65	32319.65	32319.65	32319.65	32319.65
Weighted Average Rate of Depreciation					5.17%	5.17%	5.17%	5.17%	5.17%

