

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 327/TT/2022**

**Coram:**

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

**Date of Order: 28.04.2023**

**In the matter of:**

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for determination of transmission tariff from COD to 31.3.2024 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for **Asset 1:** 1 no. 125 MVAR, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Khandwa Sub-station, **Asset 2:** 1 no. 240 MVAR Bus Reactor along with 765kV bay at 765kV Solapur Sub-station, **Asset 3:** 1 no. 125 MVAR, 400 kV Bus Reactor along with associated 400 kV bays at 400/220 kV Rajgarh Sub-station, **Asset 4:** 1 no. 330 MVAR Bus Reactor along with 765kV bays at 765kV Wardha Sub-station, **Asset 5:** 1 no. 240 MVAR Bus Reactor along with 765kV bays at 765kV Aurangabad Sub-station, **Asset 6:** 1 no. 125MVAR 400kV Bus Reactor along with associated 400 kV bays at 400/220 kV Champa Pooling split section, **Asset 7:** 1 no. 400/220 kV 500 MVA ICT along with associated Bays at 400/220 kV Jabalpur Sub-station, **Asset 8:** 1 no. 400/220 kV 500 MVA ICT along with associated bays at 400/220 kV Itarsi Sub-station under Western Region System Strengthening-XX (WRSS-XX).

**And in the matter of:**

Power Grid Corporation of India Limited,  
"Saudamini", Plot No. 2,  
Sector 29, Gurgaon-122001 (Haryana).

**.... Petitioner**

**Vs.**

1. Madhya Pradesh Power Management Company Limited,  
Shakti Bhawan, Rampur,  
Jabalpur-482008.
2. Maharashtra State Electricity Distribution Company Limited,  
Hongkong Bank Building, 3rd Floor,  
M.G. Road, Fort, Mumbai-400001.
3. Gujarat Urja Vikas Nigam Limited,  
Sardar Patel Vidyut Bhawan,



Race Course Road, Vadodara-390007.

4. Electricity Department,  
Government of Goa, Vidyut Bhawan, Panaji,  
Near Mandvi Hotel, Goa-403001.
5. Electricity Department,  
Administration of Daman & Diu,  
Daman-396210.
6. DNH Power Distribution Corporation Limited,  
Vidyut Bhawan, 66kV Road, Near Secretariat Amla,  
Silvassa-396230.
7. Chhattisgarh State Power Distribution Company Limited,  
P.O.Sunder Nagar, Dangania, Raipur,  
Chhattisgarh-492013.
8. Gujarat Power Corporation Limited,  
Block No. 8, Sixth Floor,  
Udhyog Bhavan, Sector 11,  
Gandhinagar-382011.

...Respondent(s)

**For Petitioner** : Shri S.S Raju, PGCIL  
Shri Zafrul Hasan, PGCIL  
Shri Ashish Alankar, PGCIL  
Ms. Ashita Chauhan, PGCIL  
Shri Pankaj Sharma, PGCIL

**For Respondents** : None

### **ORDER**

Power Grid Corporation of India Limited, has filed the instant petition for determination of transmission tariff for the period from COD 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 the following transmission assets under “Western Region System Strengthening-XX (WRSS-XX)(hereinafter referred to as “the transmission project”):

**Asset-1:** 1 Number, 125 MVar, 400 kV Bus Reactor along with associated 400 kVbay at 400/220 kV Khandwa Sub-station.



**Asset-2:**1 Number,240 MVAr Bus Reactor along with 765kV bay at 765kV Solapur Sub-station.

**Asset-3:**1 Number,125 MVAR, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Rajgarh Sub-station.

**Asset-4:**1Number, 330 MVAr Bus Reactor along with 765kV bay at Wardha Sub-station.

**Asset-5:**1 Number, 240 MVAr Bus Reactor along with 765kV bay at 765kV Aurangabad Sub-station.

**Asset-6:**1 Number,125MVAr 400kV Bus Reactor along with associated 400 kV bay at 400/220 kV Champa Pooling split section.

**Asset-7:**1 Number, 400/220 kV 500 MVA ICT-3 along with associated Bays at 400/220 kV Jabalpur Sub-station.

**Asset-8:**1 Number, 400/220 kV 500 MVA ICT-3 along with associated Bays at 400/220 kV Itarsi Sub-station(hereinafter referred to as the “transmission assets”).

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

*“1) Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred / projected to be incurred.*

*2) Approve the Transmission Tariff for the tariff block 2019-24 block for the asset covered under this petition, as per para –8.3 above.*

*3) Condone the delay in commissioning of above mentioned assets as the reasons mentioned at para 6 are beyond the control of petitioner and allow IDC and IEDC as claimed in the petition.*

*4) 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 2019 as per para 8 above for respective block.*

*5) 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.*

*6) 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.*

*7) 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 beneficiaries.

8) Allow the Petitioner to claim the overall security expenses and consequential IOWC on that security expenses separately.

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.

11) Allow interim tariff in accordance with Regulation 10 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.

12) Allow Final tariff in accordance with Regulation 10 (5) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 for purpose of inclusion in the PoC charges.

and pass such other relief as Hon'ble 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 follows:

(a) The Investment Approval (IA) of the transmission project was accorded by Board of Directors of the Petitioner in its 367<sup>th</sup> meeting held on 3.7.2019 communicated vide Memorandum Ref. No.: C/CP/PA1920-04-0F-IA003 dated 3.7.2019, at an estimated cost of ₹22698lakh including IDC of ₹1359lakh based on December, 2018 price level.

(b) The scope of the transmission project(Part-A) and (Part-B) was discussed and agreed in the 42<sup>nd</sup> Standing Committee Meeting (SCM) of Power System Planning in the Western Region held on 10.1.2018.

(c) The scope of the transmission project(Part-C) was discussed and agreed in the 42<sup>nd</sup> and 43<sup>rd</sup> SCM of Power System Planning in the Western Region held on 10.1.2018 and 11.5.2018 respectively.

(d) The scope of the transmission project(Part-A), (Part-B) and (Part-C) were deliberated during the 2<sup>nd</sup> meeting of Empowered Committee on transmission held on 6.8.2018, wherein, it was decided that the transmission



project shall be implemented under Regulated Tariff Mechanism (RTM) by the Petitioner.

(e) The scope of work covered under transmission project is as follows:

**A. Part A: Provision of Bus Reactors at High Voltage Nodes in Western Region:**

Sl. No.	Name of the Sub-station	Proposed Bus Reactor (MVar)
1	Khandwa 400kV	1x125 MVar along with 400 kV bay
2	Solapur 765kV	1x240 MVar along with 765 kV bay
3	Rajgarh 400kV	1x125 MVAR along with 400 kV bay
4	Wardha 765kV	1x330 MVar along with 765 kV bay
5	Aurangabad 765kV	1x240 MVar along with 765 kV bay

**B. Part B: Provision of Bus Reactor at Champa Pool Split Section:**

- i. 400kV Bus reactor Bay : 1
- ii. 420kV 1x125 MVar Bus reactor : 1

**C. Part C: Augmentation of transformation capacity in Western Region:**

**I. Jabalpur 400/220 kV Sub-station**

- i. 400/220kV ICT 500MVA : 1
- ii. 400kV ICT bay : 1
- iii. 220kV ICT bay : 1

**II. Itarsi 400/220 kV Sub-station**

- i. 400/220kV ICT 500MVA : 1
- ii. 400kV ICT bay (GIS) : 1
- iii. 220kV ICT bay : 1

(f) The Petitioner has submitted that the complete scope of work as per IA is complete and is covered in the instant Petition. The details of the transmission assets are as follows:

Assets	Description	SCOD	COD
Asset-1	1 Number, 125 MVar, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Khandwa Sub-station	3.8.2021	23.6.2021
Asset-2	1 Number, 240 MVar Bus Reactor along with 765kV bays at 765kV Solapur Sub-station		8.3.2022
Asset-3	1 Number, 125 MVar, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Rajgarh Sub-station		2.5.2021
Asset-4	1 Number, 330 MVar Bus Reactor along with		18.3.2022



	765kV bays at Wardha Sub-station		
Asset-5	1 Number, 240 MVAr Bus Reactor along with 765kV bays at 765kV Aurangabad Sub-station		1.8.2021
Asset-6	1 Number, 125MVAr 400kV Bus Reactor along with associated 400 kV bay at 400/220 kV Champa Pooling split section		4.12.2021
Asset-7	1 Number, 400/220 kV 500 MVA ICT-3 along with associated Bays at 400/220 kV Jabalpur Sub-station		15.8.2021
Asset-8	1 Number, 400/220 kV 500 MVA ICT - 3 along with associated bays at 400/220 kV Itarsi Sub-station		18.11.2021

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

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has also been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or suggestions have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. Madhya Pradesh Power Management Company Limited (MPPMCL) i.e. Respondent No.1 has filed its reply vide affidavit dated 29.11.2022 and has raised issues like time over-run, Initial Spares, ACE and GST. In response, the Petitioner has filed its rejoinder vide affidavit dated 13.12.2022 to MPPMCL's reply.

6. The hearing in this matter was held on 1.12.2022 and order was reserved.

7. This order is issued considering the submissions made by the Petitioner in the petition vide affidavit dated 27.6.2022; Petitioner's affidavit dated 21.9.2022; MPPMCL's reply vide affidavit 29.11.2022 and the Petitioner's rejoinder vide affidavit dated 13.12.2022 thereto.

8. Having heard the representatives of the Petitioner and MPPMCL and having



perused the material on record, we proceed to dispose of the petition.

### **DETERMINATION OF ANNUAL FIXED CHARGES FROM COD TO 31.3.2024**

9. The Annual Fixed Charges (AFC) claimed by the Petitioner in respect of the transmission assets for 2019-24 tariff period are as follows:

(₹ in lakh)

<b>Asset-1</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 282 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	38.14	60.68	63.67
Interest on Loan	29.07	43.38	41.95
Return on Equity	40.49	64.17	67.23
Interest on working capital	2.43	3.56	3.66
O&M Expenses	26.62	35.66	36.91
<b>Total</b>	<b>136.75</b>	<b>207.45</b>	<b>213.42</b>

(₹ in lakh)

<b>Asset-2</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 24 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	8.61	139.14	159.24
Interest on Loan	6.81	105.13	110.87
Return on Equity	9.22	148.32	168.10
Interest on working capital	0.44	7.04	7.69
O&M Expenses	3.17	49.93	51.68
<b>Total</b>	<b>28.25</b>	<b>449.56</b>	<b>497.58</b>

(₹ in lakh)

<b>Asset-3</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 334 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	49.28	64.00	66.23
Interest on Loan	35.73	43.72	41.63
Return on Equity	50.16	65.68	68.10
Interest on working capital	2.96	3.63	3.70
O&M Expenses	31.52	35.66	36.91
<b>Total</b>	<b>169.65</b>	<b>212.69</b>	<b>216.57</b>

(₹ in lakh)

<b>Asset-4</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 14 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	5.28	146.60	165.58
Interest on Loan	4.16	110.29	114.61
Return on Equity	5.64	155.54	173.94
Interest on working capital	0.27	7.30	7.90



O&M Expenses	1.85	49.93	51.68
<b>Total</b>	<b>17.20</b>	<b>469.66</b>	<b>513.71</b>

(₹ in lakh)

Asset-5			
Particulars	2021-22 (Pro-rata for 243 days)	2022-23	2023-24
Depreciation	103.55	168.39	174.06
Interest on Loan	76.49	116.76	110.98
Return on Equity	106.25	173.06	179.04
Interest on working capital	4.97	7.90	8.03
O&M Expenses	32.11	49.93	51.68
<b>Total</b>	<b>323.37</b>	<b>516.04</b>	<b>523.79</b>

(₹ in lakh)

Asset-6			
Particulars	2021-22 (Pro-rata for 118 days)	2022-23	2023-24
Depreciation	18.49	62.17	65.04
Interest on Loan	14.35	45.68	43.93
Return on Equity	19.66	65.78	68.53
Interest on working capital	1.11	3.63	3.72
O&M Expenses	11.14	35.66	36.91
<b>Total</b>	<b>64.75</b>	<b>212.92</b>	<b>218.13</b>

(₹ in lakh)

Asset-7			
Particulars	2021-22 (Pro-rata for 229 days)	2022-23	2023-24
Depreciation	72.81	131.73	135.54
Interest on Loan	56.14	95.93	91.02
Return on Equity	77.79	140.94	145.06
Interest on working capital	8.68	14.68	15.03
O&M Expenses	157.20	259.62	268.25
<b>Total</b>	<b>372.62</b>	<b>642.90</b>	<b>654.90</b>

(₹ in lakh)

Asset-8			
Particulars	2021-22 (Pro-rata for 134 days)	2022-23	2023-24
Depreciation	42.60	150.50	178.83
Interest on Loan	32.33	109.44	121.90
Return on Equity	44.37	157.53	187.65
Interest on working capital	4.91	14.92	16.13
O&M Expenses	88.20	248.92	257.18
<b>Total</b>	<b>212.41</b>	<b>681.31</b>	<b>761.69</b>

10. The details of the Interest on Working Capital (IWC) claimed by the Petitioner in respect of the transmission assets are as follows:





(₹ in lakh)

Asset-1			
Particulars	2021-22 (Pro-rata for 282 days)	2022-23	2023-24
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	21.82	25.58	26.24
<b>Total</b>	<b>29.86</b>	<b>33.90</b>	<b>34.86</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>2.43</b>	<b>3.56</b>	<b>3.66</b>

(₹ in lakh)

Asset-2			
Particulars	2021-22 (Pro-rata for 24 days)	2022-23	2023-24
O&M Expenses	4.02	4.16	4.31
Maintenance Spares	7.23	7.49	7.75
Receivables	52.98	55.43	61.18
<b>Total</b>	<b>64.23</b>	<b>67.08</b>	<b>73.24</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>0.44</b>	<b>7.04</b>	<b>7.69</b>

(₹ in lakh)

Asset-3			
Particulars	2021-22 (Pro-rata for 334 days)	2022-23	2023-24
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	22.86	26.22	26.63
<b>Total</b>	<b>30.90</b>	<b>34.54</b>	<b>35.25</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>2.96</b>	<b>3.63</b>	<b>3.70</b>

(₹ in lakh)

Asset-4			
Particulars	2021-22 (Pro-rata for 14 days)	2022-23	2023-24
O&M Expenses	4.02	4.16	4.31
Maintenance Spares	7.23	7.49	7.75
Receivables	55.28	57.90	63.16
<b>Total</b>	<b>66.53</b>	<b>69.55</b>	<b>75.22</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>0.27</b>	<b>7.30</b>	<b>7.90</b>

(₹ in lakh)

Asset-5			
Particulars	2021-22 (Pro-rata for 243 days)	2022-23	2023-24
O&M Expenses	4.02	4.16	4.31
Maintenance Spares	7.23	7.49	7.75



<b>Asset-5</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 243 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Receivables	59.88	63.62	64.40
<b>Total</b>	<b>71.13</b>	<b>75.27</b>	<b>76.46</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>4.97</b>	<b>7.90</b>	<b>8.03</b>

(₹ in lakh)

<b>Asset-6</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 118 days)</b>	<b>2022-23</b>	<b>2023-24</b>
O&M Expenses	2.87	2.97	3.08
Maintenance Spares	5.17	5.35	5.54
Receivables	24.69	26.25	26.82
<b>Total</b>	<b>32.73</b>	<b>34.57</b>	<b>35.44</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>1.11</b>	<b>3.63</b>	<b>3.72</b>

(₹ in lakh)

<b>Asset-7</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 229 days)</b>	<b>2022-23</b>	<b>2023-24</b>
O&M Expenses	20.88	21.64	22.35
Maintenance Spares	37.59	38.94	40.24
Receivables	73.22	79.26	80.52
<b>Total</b>	<b>131.69</b>	<b>139.84</b>	<b>143.11</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>8.68</b>	<b>14.68</b>	<b>15.03</b>

(₹ in lakh)

<b>Asset-8</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 134 days)</b>	<b>2022-23</b>	<b>2023-24</b>
O&M Expenses	20.02	20.74	21.43
Maintenance Spares	36.04	37.34	38.58
Receivables	71.33	84.00	93.65
<b>Total</b>	<b>127.39</b>	<b>142.08</b>	<b>153.66</b>
Rate of Interest (in %)	10.50	10.50	10.50
<b>Interest on Working Capital</b>	<b>4.91</b>	<b>14.92</b>	<b>16.13</b>

### **Date of Commercial Operation (“COD”)**

11. The Petitioner has claimed the following COD of the transmission assets:

<b>Assets</b>	<b>COD</b>
Asset-1	23.6.2021
Asset-2	8.3.2022
Asset-3	2.5.2021



Asset-4	18.3.2022
Asset-5	1.8.2021
Asset-6	4.12.2021
Asset-7	15.8.2021
Asset-8	18.11.2021

12. Regulation 5 of the 2019 Tariff Regulations provides as follows:

**“5. Date of Commercial Operation:** (1) *The date of commercial operation of a generating station or unit thereof or a transmission system or element thereof and associated communication system shall be determined in accordance with the provisions of the Grid Code.*

(2) *In case the transmission system or element thereof executed by a transmission licensee is ready for commercial operation but the interconnected generating station or the transmission system of other transmission licensee as per the agreed project implementation schedule is not ready for commercial operation, the transmission licensee may file petition before the Commission for approval of the date of commercial operation of such transmission system or element thereof:*

*Provided that the transmission licensee seeking the approval of the date of commercial operation under this clause shall give prior notice of at least one month, to the generating company or the other transmission licensee and the long term customers of its transmission system, as the case may be, regarding the date of commercial operation:*

*Provided further that the transmission licensee seeking the approval of the date of commercial operation of the transmission system under this clause shall be required to submit the following documents along with the petition:*

- (a) *Energisation certificate issued by the Regional Electrical Inspector under Central Electricity Authority;*
- (b) *Trial operation certificate issued by the concerned RLDC for charging element with or without electrical load;*
- (c) *Implementation Agreement, if any, executed by the parties;*
- (d) *Minutes of the coordination meetings or related correspondences regarding the monitoring of the progress of the generating station and transmission systems;*
- (e) *Notice issued by the transmission licensee as per the first proviso under this clause and the response;*
- (f) *Certificate of the CEO or MD of the company regarding the completion of the transmission system including associated communication system in all respects.*

(3) *The date of commercial operation in case of integrated mine(s), shall mean the earliest of —*

- a) *the first date of the year succeeding the year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or*
- b) *the first date of the year succeeding the year in which the value of production estimated in accordance with Regulation 7A of these regulations, exceeds total expenditure in that year; or*
- c) *the date of two years from the date of commencement of production:*

*Provided that on earliest occurrence of any of the events under sub-clauses (a) to (c) of Clause (3) of this Regulation, the generating company shall declare the date of*



commercial operation of the integrated mine(s) under the relevant sub-clause with one week prior intimation to the beneficiaries of the end-use or associated generating station(s);

*Provided further that in case the integrated mine(s) is ready for commercial operation but is prevented from declaration of the date of commercial operation for reasons not attributable to the generating company or its suppliers or contractors or the Mine Developer and Operator, the Commission, on an application made by the generating company, may approve such other date as the date of commercial operation as may be considered appropriate after considering the relevant reasons that prevented the declaration of the date of commercial operation under any of the sub-clauses of Clause (3) of this Regulation;*

*Provided also that the generating company seeking the approval of the date of commercial operation under the preceding proviso shall give prior notice of one month to the beneficiaries of the end-use or associated generating station(s) of the integrated mine(s) regarding the date of commercial operation.”*

13. In support of actual COD of the transmission assets, the Petitioner has submitted the following documents:

<b>Assets</b>	<b>COD</b>	<b>CEA Approval of energisation date</b>	<b>Date of completion of trial operation</b>	<b>RLDC trial operation certificate date</b>	<b>Self-declaration of COD</b>
Asset-1	23.6.2021	27.5.2021	22.6.2021	9.7.2021	28.6.2021
Asset-2	8.3.2022	2.3.2022	7.3.2022	22.4.2022	8.3.2022
Asset-3	2.5.2021	23.4.2021	1.5.2021	15.5.2021	6.5.2021
Asset-4	18.3.2022	28.2.2022	17.3.2022	13.4.2022	18.3.2022
Asset-5	1.8.2021	10.7.2021	31.7.2021	16.8.2021	13.8.2021
Asset-6	4.12.2021	23.11.2021	3.12.2021	29.12.2021	8.12.2021
Asset-7	15.8.2021	26.7.2021	14.8.2021	22.9.2021	16.8.2021
Asset-8	18.11.2021	27.10.2021	17.11.2021	3.12.2021	25.11.2021

14. The Petitioner has also submitted the CMD certificate for declaration of COD of all the transmission assets.

15. Taking into consideration CEA Approval of energisation certificate, RLDC trial operation certificate, CMD certificate and self-declaration of COD as required under the Grid Code, COD of the transmission assets is approved as follows:

<b>Assets</b>	<b>COD</b>
Asset-1	23.6.2021
Asset-2	8.3.2022
Asset-3	2.5.2021
Asset-4	18.3.2022
Asset-5	1.8.2021
Asset-6	4.12.2021



Asset-7	15.8.2021
Asset-8	18.11.2021

## **Capital Cost**

16. Regulation 19 of the 2019 Tariff Regulations provides as follows:

**“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 Asset-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 trued 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 ash disposal and utilization including handling and transportation facility;  
(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 up to 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 Asset-forming part of the project, but not in use, as declared in the tariff petition;  
(b) De-capitalised Asset-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 decapitalised 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 asset.*

(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  
(e) 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.”

17. The Petitioner has submitted the Auditor’s Certificate and has claimed the following capital cost as on COD and Additional Capital Expenditure (ACE) projected to be incurred, in respect of the transmission assets:



(₹ in lakh)

Assets	FR apportioned approved cost	Capital cost upto COD	Projected ACE			Capital costas on 31.3.2024
			2021-22	2022-23	2023-24	
Asset-1	1418.69	770.88	319.70	97.24	11.56	1199.38
Asset-2	3755.38	2485.94	6.54	280.49	420.74	3193.71
Asset-3	1418.17	818.49	308.78	76.86	8.90	1213.03
Asset-4	3946.79	2592.55	35.46	266.18	385.55	3279.74
Asset-5	3700.39	2699.46	265.96	212.07	0.00	3177.49
Asset-6	1503.08	1040.07	78.47	97.84	0.00	1216.38
Asset-7	2964.29	1958.15	484.91	116.52	29.66	2589.24
Asset-8	3990.89	1884.79	520.61	780.94	287.96	3474.30

18. The estimated completion cost of all the transmission assets is within the FR apportioned approved cost. Therefore, there is no cost over-run.

19. Further, the Petitioner has submitted the reason of cost variation w.r.t. FR.

The details are as follows:

**(i) Sub-station equipment**

For procurement, open competitive bidding route is followed by providing equal opportunity to all eligible firms, lowest possible market prices for required product/services is obtained and contracts are awarded on the basis of lowest evaluated eligible bidder. The best competitive bid prices against tenders may happen to be lower or higher than the cost estimate depending upon prevailing market conditions.

Regarding variation in cost of individual item in sub-station packages, the packages under the scope of work comprises of a large number of items and the same are awarded through open competitive bidding. In the said bidding process, bids are received from multiple parties quoting different rates for various BOQ items under the said package. Further, lowest bidder can be arrived at evaluated on overall basis only. Hence, item-wise unit prices in contracts and its variation over unit rate considered in FR estimates are beyond the control of the Petitioner.

**(ii) Decrease in IEDC and contingency:**

In IA, 10.75% and 3% of the equipment cost and civil works has been considered for IEDC and contingency respectively. However, the actual



expenditure and the actual IEDC upto COD is lower. The same has been considered in the Auditor's Certificate.

**(iii) Decrease in IDC:**

Decrease in IDC is attributable to variation in rate of interest considered in FR v/s actuals, decrease in overall capital cost w.r.t. FR and deployment of funds based on actuals. In FR, IDC was calculated considering rate of interest for domestic loans @10.5%. However, in actual, the weighted average rate of interest of loans is floating in nature. The actual IDC accrued upto DOCO has been considered in the Auditor's Certificate.

20. We have considered the submissions of the Petitioner. As compared with FR cost, the estimated completion cost of Asset-1, Asset-2, Asset-3, Asset-4, Asset-5, Asset-6, Asset-7 and Asset-8 is lower by an amount of ₹219.31 lakh, ₹561.67 lakh, ₹205.13 lakh, ₹667.05 lakh, ₹522.90 lakh, ₹286.70 lakh, ₹375.05 lakh and ₹516.59 lakh respectively. Accordingly, the completion cost of the project is approved.

**Time Over-run**

21. As per IA dated 3.7.2019, the transmission assets were scheduled to be put into commercial operation (SCOD) within 25 months from the date of IA. Accordingly, SCOD comes out to 3.8.2021. The actual COD of the transmission assets and time over-run are as follows:

Assets	Description	SCOD	COD	Time over-run as per IA
Asset-1	1 Number, 125 MVAR, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Khandwa Sub-station	3.8.2021	23.6.2021	NIL
Asset-2	1 Number, 240 MVAR Bus Reactor along with 765kV bays at 765kV Solapur Sub-station		8.3.2022	217 days
Asset-3	1 Number, 125 MVAR, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Rajgarh Sub-station		2.5.2021	NIL
Asset-4	1 Number, 330 MVAR Bus Reactor along with 765kV bays at Wardha Sub-station		18.3.2022	227 days





Asset-5	1 Number, 240 MVAR Bus Reactor along with 765kV bays at 765kV Aurangabad Sub-station		1.8.2021	NIL
Asset-6	1 Number, 125MVAR 400kV Bus Reactor along with associated 400 kV bay at 400/220 kV Champa Pooling split section		4.12.2021	123 days
Asset-7	1 Number, 400/220 kV 500 MVA ICT-3 along with associated Bays at 400/220 kV Jabalpur Sub-station		15.8.2021	12 days
Asset-8	1 Number, 400/220 kV 500 MVA ICT-3 along with associated bays at 400/220 kV Itarsi Sub-station		18.11.2021	107 days

22. The Petitioner has submitted that Asset-2, Asset-4, Asset-6, Asset-7 and Asset-8 were delayed on account of worldwide COVID-19 pandemic. Due to Covid-19 pandemic, the Government of India imposed lockdown throughout the country for around 3-4 months which restricted the movement from one place to another. The movement and restrictions affected the suppliers' chain, transportation shortage, workers absenteeism due to illness/quarantine/migration, labour shortages which resulted in decrease in output and delayed all countrywide ongoing projects. The lockdown imposition was unavoidable and complicated things further. The site was closed or access was restricted as a result of measures to contain the COVID-19 outbreak. The contractor was not able to carry out the works as a result of action taken by the Governments to prevent the spread of the outbreak. Further, Ministry of Power (MoP) recognised the situation and issued a circular No. 3/1/2020-Trans dated 27.7.2020 and provided extension of five months in respect to SCOD for inter-State transmission project which were under construction on 25.3.2020. Further, MoP vide letter dated 12.6.2021 had provided extension of three months in respect to SCOD for inter-State transmission project.

23. The Petitioner has submitted that the time over-run in case of Asset-2, Asset-4, Asset-6, Asset-7 and Asset-8 is due to reasons beyond the control of the



Petitioner and requested to condone the time over-run under Regulation 22(2)(c) of the 2019 Tariff Regulations.

24. MPPMCL has requested that the Commission may conduct prudence check before condoning the time over-run as claimed by the Petitioner. In response, the Petitioner reiterated its submissions.

25. The Petitioner vide affidavit dated 21.9.2022 has submitted the asset-wise specific reasons of delay in supply and execution of the transmission project as follows:

<b>Assets</b>	<b>Asset Description</b>	<b>Manufacturing &amp; supply start and end date as per Gantt chart</b>	<b>Actual Supply date at site</b>	<b>Remarks</b>
<b>Asset-2</b>	240 (3X80) MVar Bus Reactor at 765 kV Solapur Sub-station	Progressively up to 30.4.2021	1st Unit: 20.9.2021 2nd Unit: 22.10.2021 3rd Unit: 9.12.2021	<p>Major delay was due to delay in supply of reactor at site owing to disruption and dislocation in supply chain. BHEL was not able to supply reactor as per schedule due to COVID-19 lockdown between March, 2020 to September, 2020 and further again from March, 2021 to July, 2021.</p> <p>In addition to reactor, supplies of other equipment's like CT, bushings, radiators etc. also got affected due to COVID-19.</p> <p>Further, civil works and other erection activities were also affected due to lockdowns, non-availability of skilled manpower, difficulties in transportation, non-availability of construction materials.</p>



<b>Asset-4</b>	330 (3X110) MVAR Bus Reactor at 765 kV Wardha Sub-station	Progressively up to 30.4.2021	1st Unit: 4.5.2021 2nd Unit: 27.10.2021 3rd Unit: 27.10.2021	<p>Major delay was due to delay in supply of reactor at site owing to disruption and dislocation in supply chain. BHEL was not able to supply reactor as per schedule due to COVID-19 lockdown between March, 2020 to September, 2020 and further again from March, 2021 to July, 2021.</p> <p>In addition to reactor, supplies of other equipment's like CT, bushings, radiators etc were affected due to COVID-19.</p> <p>Further, civil works and other erection activities also badly affected in above mentioned dates due to lockdowns, non-availability of skilled manpower, difficulties in transportation, non-availability of construction materials.</p>
<b>Asset-6</b>	125 MVAR 400 kV Bus Reactor at ChampaSub-station	Progressively up to 31.5.2021	6.10.2021	<p>Major delay was due to delay in supply of reactor at site owing to disruption and dislocation in supply chain. T&amp;R was not able to supply reactor as per schedule due to COVID-19 lockdown between March, 2020 to September, 2020 and further again from March, 2021 to July, 2021.</p> <p>In addition to reactor, supplies of other equipment's like CT, bushings, radiators etc were affected due to COVID-19.</p> <p>Further, civil works and other erection activities also got badly affected in above mentioned dates due to lockdowns, non-availability of skilled manpower, difficulties in transportation, non-availability of construction materials.</p>



<b>Asset-7</b>	400/220 kV 500 MVA ICT-3 at Jabalpur Sub-station	Progressively up to 31.5.2021	15.6.2021	<p>Major delay was due to the delay in equipment supply due to Covid-19 pandemic. Since, the supply chain was disrupted due to factory lockdown, difficulty in procurement of raw materials, availability of labour and transportation got badly affected between March, 2020 to September, 2020 and further again from March, 2021 to June, 2021.</p> <p>Further, civil works and other erection activities was also badly affected in above mentioned dates due to local and nation-wide lockdowns, non-availability of skilled manpower, difficulties in transportation, non-availability of construction materials.</p>
<b>Asset-8</b>	400/220 kV 500 MVA ICT-3 at Itarsi Sub-station	Progressively up to 31.5.2021	2.10.2021	<p>Major delay was due to the delay in supply of GIS material, ICT, bushings, fire-fighting items due to Covid-19 pandemic. Since, the supply chain was disrupted due to factory lockdown, difficulty in procurement of raw materials, availability of labour and transportation was badly affected between March, 2020 to September, 2020 and further again from March, 2021 to June, 2021.</p> <p>Further, civil works and other erection activities was also badly affected due to local and nation-wide lockdowns, non-availability of skilled manpower, difficulties in transportation, non-availability of construction materials.</p>

26. We have considered the submission of the Petitioner and MPPMCL. As per the IA dated 3.7.2019, the transmission assets were scheduled to be put into commercial operation on 3.8.2021 against which Asset-2, Asset-4, Asset-6, Asset-7 and Asset-8 were put into commercial operation with a time over-run of 217 days, 227 days, 123 days, 12 days and 107 days respectively. There is no time over-



run in execution of Asset-1, Asset-3 and Asset-5. The Petitioner has submitted that the time over-run is mainly on account of Covid-19 pandemic. The Petitioner has referred to MoP circular dated 27.7.2020 which allowed the extension of SCOD for five months and circular dated 12.6.2021 which allowed the extension of SCOD for three months. The original SCOD of the transmission project was 3.8.2021 and the Petitioner is seeking extension in SCOD till 3.4.2022 and accordingly as per the MoP circular there is no time over-run in execution of the transmission assets.

27. The relevant extracts of the letter dated 27.7.2020 of MoP, which provided extension of five months in respect of SCOD for inter-State transmission project is as follows:

*“Sub: Extension to TSP/Transmission Licensees for completion of under construction inter-State transmission projects*

*Sir,*

*I am directed to state that transmission utilities have pointed out that construction activities at various transmission project sites have been severely affected by the nationwide lockdown measures announced since 25th march,2020 to contain outbreak of COVID-19 and have requested for extension of Scheduled Commercial Operation (SCOD) to mitigate the issues of disruption in supply chains and manpower, caused due to outbreak of COVID-19 pandemic.*

*2. It has been, therefore, decided that;*

- i. All inter-state transmission projects, which were under construction as on date of lock-down i.e. 25th March 2020, shall get an extension of five months in respect of SCOD*
- ii. This order shall not apply to those projects, whose SCOD date was prior to 25 th March 2020*
- iii. Start date of Long Term Access granted to a generator by CTU based on completion of a transmission line, whose SCOD is extended by 5 months due to COVID-19 as mentioned above at point(i), shall also be extended by 5 months.”*

*3. This issue with the approval of Competent Authority.”*

28. The relevant extracts of the letter dated 12.6.2021 of MoP, which provided extension of three months in respect of SCOD for inter-State transmission project is as follows:

*“Sub: Extension to TSP/Transmission Licensees for completion of under construction*



*inter-State transmission projects – reg.*

*Sir,*

*I am directed to state that transmission utilities have approached this Ministry stating that construction activity at various transmission projects sites have been severely affected by the current second wave of COVID-19 pandemic and various measures taken by State/UT Governments to contain the pandemic; such as night curfew, imposition of section 144, weekend lockdown and complete lockdown. In this regard they have requested for extension of Scheduled Commercial Operation Date (SCOD) for the undergoing Transmission projects to mitigate the issues of disruption in supply chains and manpower, caused due to COVID-19 pandemic.*

*2. The matter has been examined in the Ministry and it has been noted that unlike last year complete lock-down in the entire country, this time different States/UTs have ordered lock-down in their State/UTs as per their own assessments. Therefore, after due consideration, it has been decided that;*

- i. All inter-state transmission projects, which are under construction with SCOD coming after 01 April 2021 shall get an extension of three (3) months in respect of their SCOD;*
- ii. The commencement date of Long Term Access (LTA) to a generator by CTU based on completion of a transmission line, whose SCOD is extended by three (3) months due to COVID-19 as mentioned above at point(i), shall also be extended by three (3) months.*

*3. This issue with the approval of Competent Authority.”*

29. As per I.A., the schedule COD of the transmission project was 3.8.2021. In terms of the above letters dated 27.7.2020 and 12.6.2021, the COD of the transmission project is extended by five months and further by three months. Accordingly, the revised SCOD of the transmission assets is 3.4.2022. Hence, we find that there is no time over-run in declaring the commercial operation of Asset-2, Asset-4, Asset-6, Asset-7 and Asset-8 in terms of the revised SCOD.

**Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC)**

30. The Petitioner has claimed IDC in respect of the transmission assets and has submitted the Auditor's Certificates in support of the same. The Petitioner has submitted the computation of IDC along with year-wise details of the IDC discharged.

31. The loan amount as on COD has been mentioned in Form-6 and Form-9C.



The loan details submitted in Form-9C for 2019-24 tariff period and IDC computation statement have been considered for the purpose of IDC calculation on cash basis and on accrued basis. The un-discharged IDC as on COD has been considered as ACE during the year in which it has been discharged. However, in the statement showing IDC discharged up to COD, the Petitioner has indicated the floating rate of interest of the loans deployed. IDC on cash basis up to COD has been worked out on the basis of loan details given in the statement showing discharge of IDC and Form-9C for the transmission assets. The Petitioner is directed to submit the information on actual interest rates at the time of truing-up.

32. Accordingly, based on the information furnished by the Petitioner, IDC considered, is as follows:

**(₹ in lakh)**

Assets	IDC as per Auditor's Certificate	IDC Admissible	IDC disallowed due to computational difference	IDC discharged as on COD	IDC Un-discharged as on COD	IDC Discharge during	
						2021-22	2022-23
	A	B	C=A-B	D	E=B-D	F	G
Asset-1	8.22	8.22	0.00	8.02	0.19	0.19	0.00
Asset-2	45.14	45.14	0.00	44.43	0.71	0.00	0.71
Asset-3	4.03	4.03	0.00	4.02	0.01	0.01	0.00
Asset-4	60.09	60.09	0.00	58.58	1.51	0.00	1.51
Asset-5	26.29	26.29	0.00	26.29	0.00	0.00	0.00
Asset-6	13.03	13.03	0.00	13.02	0.01	0.01	0.00
Asset-7	26.96	26.96	0.00	26.65	0.31	0.31	0.00
Asset-8	40.77	40.77	0.00	40.56	0.21	0.21	0.00

33. The Petitioner has claimed IEDC and has submitted Auditor's Certificate in support of the same. The Petitioner has also submitted that entire IEDC has been discharged as on COD in respect of the transmission assets. Accordingly, IEDC allowed is as follows:

**(₹ in lakh)**

Assets	IEDC claimed	IEDC disallowed due to time over-run	IEDC allowed
Asset-1	53.12	0.00	53.12
Asset-2	526.18	0.00	526.18



Asset-3	45.02	0.00	45.02
Asset-4	542.09	0.00	542.09
Asset-5	573.91	0.00	573.91
Asset-6	197.55	0.00	197.55
Asset-7	25.87	0.00	25.87
Asset-8	27.65	0.00	27.65

### Initial Spares

34. Regulation 23(d) of the 2019 Tariff Regulations provides the following ceiling norms:

<i>“(d) Transmission System</i>	
<i>(i) Transmission line:</i>	1.00%
<i>(ii) Transmission sub-station</i>	
- <i>Green Field:</i>	4.00%
- <i>Brown Field:</i>	6.00%
<i>(iii) Series Compensation devices and HVDC Station:</i>	4.00%
<i>(iv) Gas Insulated Sub-station (GIS)</i>	
- <i>Green Field:</i>	5.00%
- <i>Brown Field:</i>	7.00%
<i>(v) Communication System:</i>	3.50%
<i>(vi) Static Synchronous Compensator:</i>	6.00%

35. The Petitioner has claimed the following Initial Spares:

<b>Assets</b>	<b>Particulars</b>	<b>Plant and machinery cost (excluding IDC and IEDC, land cost and cost of civil works) (₹ in lakh) (A)</b>	<b>Initial Spares as claimed (₹ in lakh) (B)</b>	<b>Ceiling limit(in %) as per regulation (C)</b>	<b>Initial Spares allowable as per regulation (D=(A-B)*C/(100-C)) (₹ in lakh)</b>
Asset-1	Sub-station	1118.04	63.64	6.00	67.30
Asset-2	Sub-station	2587.59	135.48	6.00	156.52
Asset-3	Sub-station	1143.98	62.78	6.00	69.01
Asset-4	Sub-station	2677.56	135.60	6.00	162.25
Asset-5	Sub-station	2577.29	131.73	6.00	156.10
Asset-6	Sub-station	1005.8	73.70	6.00	59.50
Asset-7	Sub-station	2516.41	90.78	6.00	154.83
Asset-8	Sub-station	3385.88	337.14	6.00	194.60

36. MPPMCL has submitted that the Initial Spares claimed by the Petitioner is for Asset-6 and Asset-8 is higher than the norm. Therefore, Initial Spares should be restricted to the ceiling limit as specified in the regulations after prudence check.

37. In response, the Petitioner has submitted that the Initial Spares claimed are





within the ceiling limit on an overall project basis and, therefore, may be allowed.

38. We have considered the submissions of the Petitioner and MPPMCL .Initial Spares claimed by the Petitioner towards Asset-1, Asset-2, Asset-3,Asset-4,Asset-5 and Asset-7 are within norm of 6%. Initial Spares claimed by the Petitioner towards Asset-6 and Asset-8 are restricted to the norm of 6%. Initial Spares allowed are as follows:

Assets	Particulars	Plant & machinery Cost up to cut-off date (₹ in lakh) (excluding IDC and IEDC)	Initial Spares claimed (₹ in lakh)	Allowable Initial Spares (₹ in lakh)	Ceiling limit (in%)	Initial Spares allowed (₹ in lakh)	Excess Initial Spares claimed (₹ in lakh)
Asset-1	Sub-station	1118.04	63.64	67.30	6.00	63.64	0.00
Asset-2	Sub-station	2587.59	135.48	156.52	6.00	135.48	0.00
Asset-3	Sub-station	1143.98	62.78	69.01	6.00	62.78	0.00
Asset-4	Sub-station	2677.56	135.60	162.25	6.00	135.60	0.00
Asset-5	Sub-station	2577.29	131.73	156.09	6.00	131.73	0.00
Asset-6	Sub-station	1005.8	73.70	59.50	6.00	59.50	14.20
Asset-7	Sub-station	2516.41	90.78	154.83	6.00	90.78	0.00
Asset-8	Sub-station	3385.88	337.14	194.60	6.00	194.60	142.54

### Capital Cost allowed as on COD

39. Accordingly, capital cost allowed in respect of the transmission assets as on COD areas follows:

(₹ in lakh)					
Assets	Capital cost claimed in Auditor's Certificate as on COD (A)	Less: IDC disallowed due to computational difference (B)	Less: IDC un-discharged as on COD (C)	Less: Excess Initial Spares disallowed (D)	Capital cost allowed as on COD (E) = (A-B-C-D)
Asset-1	770.88	0.00	0.19	0.00	770.69
Asset-2	2485.94	0.00	0.71	0.00	2485.23
Asset-3	818.49	0.00	0.01	0.00	818.48
Asset-4	2592.55	0.00	1.51	0.00	2591.04
Asset-5	2699.46	0.00	0.00	0.00	2699.46
Asset-6	1040.07	0.00	0.01	14.20	1025.86
Asset-7	1958.15	0.00	0.31	0.00	1957.84
Asset-8	1884.79	0.00	0.21	142.54	1742.04



## **Additional Capital Expenditure (“ACE”)**

40. Regulation 24 and Regulation 25 of the 2019 Tariff Regulations provide as follows:

### ***“24. Additional Capitalization within the original scope and up to 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.”

41. The Petitioner has claimed projected ACE for 2019-24 tariff period on account of balance and retention payments for works executed within the cut-off date and claimed under Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulations. The projected ACE claimed by the Petitioner are as follows:

(₹ in lakh)

Assets	Projected ACE		
	2021-22	2022-23	2023-24
Asset-1	319.70	97.24	11.56
Asset-2	6.54	280.49	420.74
Asset-3	308.79	76.86	8.90
Asset-4	35.46	266.18	385.55
Asset-5	265.96	212.07	0.00
Asset-6	78.47	97.84	0.00
Asset-7	484.91	116.52	29.66
Asset-8	520.61	780.94	287.96

42. The Petitioner vide affidavit dated 21.9.2022 has submitted the liability flow statement. The details are as follows:

(₹ in lakh)

Asset-1							
Headwise/ Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
T&R	Sub-station	41.52	50.14	10.44	22.38	14.86	0.00
BHEL	Sub-station	30.00	25.00	0.00	202.95	0.00	0.00
Civil Package	Civil	0.00	5.00	0.00	15.00	0.00	0.00
BHEL	IT Equipment	0.00	2.24	1.12	7.85	0.00	0.00
<b>Total</b>		<b>71.52</b>	<b>82.38</b>	<b>11.56</b>	<b>248.18</b>	<b>14.86</b>	<b>0.00</b>

(₹ in lakh)

Asset-2							
Headwise/ Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
BHEL	Sub-station	0.00	3.77	217.02	0.00	161.07	30.24
BHEL	Sub-station	0.00	0.42	24.24	0.00	17.99	3.38
BHEL	Sub-station	0.00	0.64	36.73	0.00	27.26	5.12



BHEL	IT Equipment	0.00	0.00	0.19	0.00	13.30	19.76
BHEL	Sub-station	3.38	0.90	52.09	2.94	38.66	7.25
BHEL	Sub-station	0.00	0.29	16.45	0.00	12.21	2.29
BHEL	IT Equipment	0.00	0.00	0.01	0.00	0.35	0.52
R D Constructio n and Electricals	Civil	0.13	1.98	2.97	0.10	1.65	2.47
<b>Total</b>		<b>3.51</b>	<b>8.00</b>	<b>349.70</b>	<b>3.04</b>	<b>272.49</b>	<b>71.03</b>

(₹ in lakh)

Asset-3							
Headwise/ Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
T&R	Sub-station	28.23	41.66	8.90	56.87	11.76	0.00
BHEL	Sub-station	34.62	18.44	0.00	170.38	0.00	0.00
Civil Package	Civil	0.00	5.00	0.00	15.00	0.00	0.00
BHEL	IT Equipment	3.68	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		<b>66.53</b>	<b>65.10</b>	<b>8.90</b>	<b>242.25</b>	<b>11.76</b>	<b>0.00</b>

(₹ in lakh)

Asset-4							
Headwise/ Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
BHEL	Sub-station	0.00	27.61	225.70	0.00	158.04	1.20
BHEL	Sub-station	0.00	2.84	28.52	0.00	16.27	0.15
BHEL	Sub-station	0.00	3.09	20.71	0.00	17.72	0.11
BHEL	IT Equipment	0.00	0.00	0.00	0.00	16.63	16.63
BHEL	Sub-station	23.17	0.06	0.59	12.29	0.34	0.00
BHEL	Sub-station	0.00	3.37	90.03	0.00	19.26	0.48
BHEL	IT Equipment	0.00	0.00	0.00	0.00	0.95	1.43
<b>Total</b>		<b>23.17</b>	<b>36.97</b>	<b>365.55</b>	<b>12.29</b>	<b>229.21</b>	<b>20.00</b>

(₹ in lakh)

Asset-5							
Headwise/ Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
BHEL	Sub-station	20.31	160.09	0.00	26.58	16.98	0.00
BHEL	Sub-station	17.55	5.41	0.00	22.95	0.57	0.00
BHEL	Sub-station	19.00	17.41	0.00	24.85	1.85	0.00
BHEL	IT Equipment	3.24	1.42	0.00	0.00	0.00	0.00
BHEL	Sub-station	8.05	1.06	0.00	10.53	0.11	0.00
BHEL	Sub-station	48.73	6.44	0.00	63.75	0.68	0.00
BHEL	IT Equipment	0.42	0.03	0.00	0.00	0.00	0.00
<b>Total</b>		<b>117.30</b>	<b>191.86</b>	<b>0.00</b>	<b>148.66</b>	<b>20.19</b>	<b>0.00</b>

(₹ in lakh)

Asset-6							
Headwise/ Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
T&R	Sub-station	6.89	31.12	0.00	40.47	2.49	0.00
T&R	Sub-station	1.27	1.76	0.00	7.45	0.14	0.00



BHEL	Sub-station	1.00	1.63	0.00	5.86	0.13	0.00
BHEL	IT Equipment	0.00	0.03	0.00	0.19	4.44	0.00
BHEL	Sub-station	0.35	14.67	0.00	2.08	1.17	0.00
BHEL	Sub-station	1.85	35.46	0.00	10.84	2.84	0.00
BHEL	IT Equipment	0.00	0.01	0.00	0.22	1.40	0.00
CG Power and Industrial Solution	Sub-station	0.00	0.51	0.00	0.00	0.04	0.00
<b>Total</b>		<b>11.36</b>	<b>85.19</b>	<b>0.00</b>	<b>67.11</b>	<b>12.65</b>	<b>0.00</b>

(₹ in lakh)

Asset-7							
Headwise/ Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
BHEL	Sub-station	190.00	73.12	29.66	279.91	38.40	0.00
Civil Package	Civil	0.00	5.00	0.00	15.00	0.00	0.00
BHEL	IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		<b>190.00</b>	<b>78.12</b>	<b>29.66</b>	<b>294.91</b>	<b>38.40</b>	<b>0.00</b>

(₹ in lakh)

Asset-8							
Headwise / Partywise	Particulars	Discharge			Work deferred for execution		
		2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
BHEL	Sub-station	40.00	100.00	202.40	465.61	675.94	85.56
Civil Package	Civil	0.00	5.00	0.00	15.00	0.00	0.00
BHEL	IT Equipment	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		<b>40.00</b>	<b>105.00</b>	<b>202.40</b>	<b>480.61</b>	<b>675.94</b>	<b>85.56</b>

43. MPPMCL has submitted that the Petitioner has claimed the ACE on account of balance/ retention payment only without providing proper details and justifications and, therefore, ACE on account of balance and retention payments may be allowed only at the time of truing up of the tariff.

44. In response, the Petitioner has submitted that ACE incurred/projected to be incurred is mainly on account of balance/ retention payments and the details of ACE have been duly provided in Form-7. In the present petition the transmission tariff has been calculated taking actual expenditure upto COD and estimated expenditure from COD to 31.3.2023. Hence, ACE may be allowed as claimed.

45. We have considered the submissions of the Petitioner and MPPMCL. ACE



claimed is allowed on account of balance and retention payments and work executed after COD and is within cut-off date and is allowed under Regulation 24(1)(a) and Regulation 24(1)(b) of the 2019 Tariff Regulations. The projected ACE allowed is subject to truing up in respect of the transmission assets and the same is as follows:

(₹ in lakh)

<b>Asset-1</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations	319.70	97.24	11.56
Add: IDC discharge	0.19	0.00	0.00
<b>Total</b>	<b>319.89</b>	<b>97.24</b>	<b>11.56</b>

(₹ in lakh)

<b>Asset-2</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations	6.54	280.49	420.73
Add: IDC discharge	0.00	0.71	0.00
<b>Total</b>	<b>6.54</b>	<b>281.20</b>	<b>420.73</b>

(₹ in lakh)

<b>Asset-3</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations	308.79	76.86	8.90
Add: IDC discharge	0.01	0.00	0.00
<b>Total</b>	<b>308.80</b>	<b>76.86</b>	<b>8.90</b>

(₹ in lakh)

<b>Asset-4</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations	35.46	266.18	385.55
Add: IDC discharge	0.00	1.51	0.00
<b>Total</b>	<b>35.46</b>	<b>267.69</b>	<b>385.55</b>

(₹ in lakh)

<b>Asset-5</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations	265.96	212.07	0.00



24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations			
Add: IDC discharge	0.00	0.00	0.00
<b>Total</b>	<b>265.96</b>	<b>212.07</b>	<b>0.00</b>

(₹ in lakh)

<b>Asset-6</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations	78.47	97.84	0.00
Add: IDC discharge	0.01	0.00	0.00
<b>Total</b>	<b>78.48</b>	<b>97.84</b>	<b>0.00</b>

(₹ in lakh)

<b>Asset-7</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations	484.91	116.52	29.66
Add: IDC discharge	0.31	0.00	0.00
<b>Total</b>	<b>485.22</b>	<b>116.52</b>	<b>29.66</b>

(₹ in lakh)

<b>Asset-8</b>			
<b>Particulars</b>	<b>Proposed ACE</b>		
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Proposed ACE allowed under Regulations 24(1)(a) and 24(1)(b) of the 2019 Tariff Regulations	520.61	780.94	287.96
Add: IDC discharge	0.21	0.00	0.00
<b>Total</b>	<b>520.82</b>	<b>780.94</b>	<b>287.96</b>

(₹ in lakh)

### **Capital Cost as on 31.3.2024**

46. Accordingly, capital cost allowed in respect of the transmission assets as on 31.3.2024 is as follows:

<b>Assets</b>	<b>Capital cost allowed as on COD</b>	<b>Projected ACE</b>			<b>Total capital cost as on 31.3.2024</b>
		<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	
Asset-1	770.69	319.89	97.24	11.56	1199.38
Asset-2	2485.23	6.54	281.20	420.73	3193.70
Asset-3	818.48	308.80	76.86	8.90	1213.04
Asset-4	2591.04	35.46	267.69	385.55	3279.74
Asset-5	2699.46	265.96	212.07	0.00	3177.49
Asset-6	1025.86	78.48	97.84	0.00	1202.18
Asset-7	1957.84	485.22	116.52	29.66	2589.24
Asset-8	1742.04	520.82	780.94	287.96	3331.76

(₹ in lakh)



## **Debt-Equity Ratio**

47. Regulations 18 of the 2019 Tariff Regulations provides as follows:

**“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.

(6) Any expenditure incurred for the emission control system during the tariff period as may be admitted by the Commission as additional capital expenditure for determination of supplementary tariff, shall be serviced in the manner specified in clause (1) of this Regulation.”

48. The details of debt-equity ratio considered for the purpose of computation of tariff for 2019-24 period in respect of the transmission assets areas follows:

<b>Asset-1</b>				
<b>Particulars</b>	<b>Capital cost as on COD (₹ in lakh)</b>	<b>(in %)</b>	<b>Total capital cost as on 31.3.2024 (₹ in lakh)</b>	<b>(in %)</b>
Debt	539.48	70.00	839.57	70.00
Equity	231.21	30.00	359.81	30.00
<b>Total</b>	<b>770.69</b>	<b>100.00</b>	<b>1199.38</b>	<b>100.00</b>

<b>Asset-2</b>				
<b>Particulars</b>	<b>Capital cost as on COD (₹ in lakh)</b>	<b>(in %)</b>	<b>Total capital cost as on 31.3.2024 (₹ in lakh)</b>	<b>(in %)</b>
Debt	1739.66	70.00	2235.59	70.00
Equity	745.57	30.00	958.11	30.00
<b>Total</b>	<b>2485.23</b>	<b>100.00</b>	<b>3193.70</b>	<b>100.00</b>

<b>Asset-3</b>				
<b>Particulars</b>	<b>Capital cost as on COD (₹ in lakh)</b>	<b>(in %)</b>	<b>Total capital cost as on 31.3.2024 (₹ in lakh)</b>	<b>(in %)</b>
Debt	572.94	70.00	849.13	70.00
Equity	245.54	30.00	363.91	30.00
<b>Total</b>	<b>818.48</b>	<b>100.00</b>	<b>1213.04</b>	<b>100.00</b>

<b>Asset-4</b>				
<b>Particulars</b>	<b>Capital cost as on COD (₹ in lakh)</b>	<b>(in %)</b>	<b>Total capital cost as on 31.3.2024 (₹ in lakh)</b>	<b>(in %)</b>
Debt	1813.73	70.00	2295.82	70.00
Equity	777.31	30.00	983.92	30.00
<b>Total</b>	<b>2591.04</b>	<b>100.00</b>	<b>3279.74</b>	<b>100.00</b>

<b>Asset-5</b>				
<b>Particulars</b>	<b>Capital cost as on COD (₹ in lakh)</b>	<b>(in %)</b>	<b>Total capital cost as on 31.3.2024 (₹ in lakh)</b>	<b>(in %)</b>



Debt	1889.62	70.00	2224.24	70.00
Equity	809.84	30.00	953.25	30.00
<b>Total</b>	<b>2699.46</b>	<b>100.00</b>	<b>3177.49</b>	<b>100.00</b>

Asset-6				
Particulars	Capital cost as on COD (₹ in lakh)	(in %)	Total capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	718.10	70.00	841.52	70.00
Equity	307.76	30.00	360.65	30.00
<b>Total</b>	<b>1025.86</b>	<b>100.00</b>	<b>1202.18</b>	<b>100.00</b>

Asset-7				
Particulars	Capital cost as on COD (₹ in lakh)	(in %)	Total capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1370.49	70.00	1812.47	70.00
Equity	587.35	30.00	776.77	30.00
<b>Total</b>	<b>1957.84</b>	<b>100.00</b>	<b>2589.24</b>	<b>100.00</b>

Asset-8				
Particulars	Capital cost as on COD (₹ in lakh)	(in %)	Total capital cost as on 31.3.2024 (₹ in lakh)	(in %)
Debt	1219.43	70.00	2332.23	70.00
Equity	522.61	30.00	999.53	30.00
<b>Total</b>	<b>1742.04</b>	<b>100.00</b>	<b>3331.76</b>	<b>100.00</b>

## Depreciation

49. Regulation 33 of the 2019 Tariff Regulations provides as follows:

**“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 Asset-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 asset*

*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.*

*(9) Where the emission control system is implemented within the original scope of the generating station and the date of commercial operation of the generating station or unit thereof and the date of operation of the emission control system are the same, depreciation of the generating station or unit thereof including the emission control system shall be computed in accordance with Clauses (1) to (8) of this Regulation.*

*(10) Depreciation of the emission control system of an existing or a new generating station or unit thereof where the date of operation of the emission control system is subsequent to the date of commercial operation of the generating station or unit*



thereof, shall be computed annually from the date of operation of such emission control system based on straight line method, with salvage value of 10%, over a period of

a) twenty-five years, in case the generating station or unit thereof is in operation for fifteen years or less as on the date of operation of the emission control system; or

b) balance useful life of the generating station or unit thereof plus fifteen years, in case the generating station or unit thereof is in operation for more than fifteen years as on the date of operation of the emission control system; or

c) ten years or a period mutually agreed by the generating company and the beneficiaries, whichever is higher, in case the generating station or unit thereof has completed its useful life.”

50. We have considered the submissions of the Petitioner. The IT equipment has been considered as part of the Gross Block and depreciated using Weighted Average Rate of Depreciation (WAROD). WAROD has been worked out and placed as Annexure-I after considering 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% depreciable. Depreciation allowed in respect of the transmission assets for the 2019-24 tariff period is as follows:

(₹ in lakh)

Asset-1				
	Particulars	2021-22 (Pro-rata for 282 days)	2022-23	2023-24
A	Opening Gross Block	770.69	1090.58	1187.82
B	Addition during the year 2019-24 due to projected ACE	319.89	97.24	11.56
C	Closing Gross Block (A+B)	1090.58	1187.82	1199.38
D	Average Gross Block (A+C)/2	930.64	1139.20	1193.60
E	Average Gross Block (90% depreciable assets)	926.71	1130.23	1182.95
F	Average Gross Block (100% depreciable assets)	3.93	8.97	10.65
G	Depreciable value (excluding IT equipment and software) (E*90%)	834.04	1017.21	1064.66
H	Depreciable value of IT equipment and software (F*100%)	3.93	8.97	10.65
I	Total Depreciable Value (G+H)	837.96	1026.18	1075.31
J	Weighted average rate of Depreciation (WAROD) (in %)	5.31	5.33	5.33
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00



Asset-1				
	Particulars	2021-22 (Pro-rata for 282 days)	2022-23	2023-24
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>38.15</b>	<b>60.68</b>	<b>63.67</b>
N	Cumulative Depreciation at the end of the year	38.15	98.83	162.50
O	Remaining Aggregate Depreciable Value at the end of the year	799.82	927.35	912.81

(₹ in lakh)

Asset-2				
	Particulars	2021-22 (Pro-rata for 24 days)	2022-23	2023-24
A	Opening Gross Block	2485.23	2491.77	2772.97
B	Addition during the year 2019-24 due to projected ACE	6.54	281.20	420.73
C	Closing Gross Block (A+B)	2491.77	2772.97	3193.70
D	Average Gross Block (A+C)/2	2488.50	2632.37	2983.34
E	Average Gross Block (90% depreciable assets)	2486.44	2623.49	2957.39
F	Average Gross Block (100% depreciable assets)	2.06	8.88	25.95
G	Depreciable value (excluding IT equipment and software) (E*90%)	2237.80	2361.14	2661.65
H	Depreciable value of IT equipment and software (F*100%)	2.06	8.88	25.95
I	Total Depreciable Value (G+H)	2239.86	2370.02	2687.60
J	Weighted average rate of Depreciation (WAROD) (in %)	5.26	5.29	5.34
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>8.61</b>	<b>139.13</b>	<b>159.24</b>
N	Cumulative Depreciation at the end of the year	8.61	147.74	306.98
O	Remaining Aggregate Depreciable Value at the end of the year	2231.25	2222.28	2380.62

(₹ in lakh)

Asset-3				
	Particulars	2021-22 (Pro-rata for 334 days)	2022-23	2023-24
A	Opening Gross Block	818.48	1127.28	1204.14
B	Addition during the year 2019-24 due to projected ACE	308.80	76.86	8.90
C	Closing Gross Block (A+B)	1127.28	1204.14	1213.04
D	Average Gross Block (A+C)/2	972.88	1165.71	1208.59
E	Average Gross Block (90% depreciable assets)	945.91	1136.90	1179.78
F	Average Gross Block (100% depreciable assets)	26.97	28.81	28.81
G	Depreciable value (excluding IT equipment and software) (E*90%)	851.32	1023.21	1061.80



**Asset-3**

	<b>Particulars</b>	<b>2021-22 (Pro-rata for 334 days)</b>	<b>2022-23</b>	<b>2023-24</b>
H	Depreciable value of IT equipment and software (F*100%)	26.97	28.81	28.81
I	Total Depreciable Value (G+H)	878.29	1052.02	1090.61
J	Weighted average rate of Depreciation (WAROD) (in %)	5.53	5.49	5.48
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
L	Balance useful life at the beginning of the year (Year)	24.00	24.00	23.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>49.27</b>	<b>64.01</b>	<b>66.23</b>
N	Cumulative Depreciation at the end of the year	49.27	113.28	179.51
O	Remaining Aggregate Depreciable Value at the end of the year	829.02	938.74	911.10

(₹ in lakh)

**Asset-4**

	<b>Particulars</b>	<b>2021-22 (Pro-rata for 14 days)</b>	<b>2022-23</b>	<b>2023-24</b>
A	Opening Gross Block	2591.04	2626.50	2894.19
B	Addition during the year 2019-24 due to projected ACE	35.46	267.69	385.55
C	Closing Gross Block (A+B)	2626.50	2894.19	3279.74
D	Average Gross Block (A+C)/2	2608.77	2760.35	3086.97
E	Average Gross Block (90% depreciable assets)	2608.77	2751.56	3060.36
F	Average Gross Block (100% depreciable assets)	0.00	8.79	26.61
G	Depreciable value (excluding IT equipment and software) (E*90%)	2347.89	2476.40	2754.32
H	Depreciable value of IT equipment and software (F*100%)	0.00	8.79	26.61
I	Total Depreciable Value (G+H)	2347.89	2485.19	2780.93
J	Weighted average rate of Depreciation (WAROD) (in %)	5.28	5.31	5.36
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>5.28</b>	<b>146.60</b>	<b>165.58</b>
N	Cumulative Depreciation at the end of the year	5.28	151.88	317.46
O	Remaining Aggregate Depreciable Value at the end of the year	2342.61	2333.31	2463.47

(₹ in lakh)

**Asset-5**

	<b>Particulars</b>	<b>2021-22 (Pro-rata for 243 days)</b>	<b>2022-23</b>	<b>2023-24</b>
A	Opening Gross Block	2699.46	2965.42	3177.49
B	Addition during the year 2019-24 due to projected ACE	265.96	212.07	0.00



**Asset-5**

	<b>Particulars</b>	<b>2021-22 (Pro-rata for 243 days)</b>	<b>2022-23</b>	<b>2023-24</b>
C	Closing Gross Block (A+B)	2965.42	3177.49	3177.49
D	Average Gross Block (A+C)/2	2832.44	3071.46	3177.49
E	Average Gross Block (90% depreciable assets)	2770.99	3007.44	3112.75
F	Average Gross Block (100% depreciable assets)	61.46	64.02	64.74
G	Depreciable value (excluding IT equipment and software) (E*90%)	2493.89	2706.70	2801.48
H	Depreciable value of IT equipment and software (F*100%)	61.46	64.02	64.74
I	Total Depreciable Value (G+H)	2555.34	2770.71	2866.22
J	Weighted average rate of Depreciation (WAROD) (in %)	5.49	5.48	5.48
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>103.54</b>	<b>168.40</b>	<b>174.06</b>
N	Cumulative Depreciation at the end of the year	103.54	271.94	446.00
O	Remaining Aggregate Depreciable Value at the end of the year	2451.80	2498.77	2420.21

(₹ in lakh)

**Asset-6**

	<b>Particulars</b>	<b>2021-22 (Pro-rata for 118 days)</b>	<b>2022-23</b>	<b>2023-24</b>
A	Opening Gross Block	1025.86	1104.34	1202.18
B	Addition during the year 2019-24 due to projected ACE	78.48	97.84	0.00
C	Closing Gross Block (A+B)	1104.34	1202.18	1202.18
D	Average Gross Block (A+C)/2	1065.10	1153.26	1202.18
E	Average Gross Block (90% depreciable assets)	1062.75	1147.77	1193.75
F	Average Gross Block (100% depreciable assets)	2.34	5.49	8.43
G	Depreciable value (excluding IT equipment and software) (E*90%)	956.48	1032.99	1074.37
H	Depreciable value of IT equipment and software (F*100%)	2.34	5.49	8.43
I	Total Depreciable Value (G+H)	958.82	1038.48	1082.80
J	Weighted average rate of Depreciation (WAROD) (in %)	5.30	5.33	5.35
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>18.25</b>	<b>61.43</b>	<b>64.29</b>
N	Cumulative Depreciation at the end of the year	18.25	79.68	143.97
O	Remaining Aggregate Depreciable Value at the end of the year	940.57	958.80	938.83



(₹ in lakh)

Asset-7				
	Particulars	2021-22 (Pro-rata for 229 days)	2022-23	2023-24
A	Opening Gross Block	1957.84	2443.06	2559.58
B	Addition during the year 2019-24 due to projected ACE	485.22	116.52	29.66
C	Closing Gross Block (A+B)	2443.06	2559.58	2589.24
D	Average Gross Block (A+C)/2	2200.45	2501.32	2574.41
E	Average Gross Block (90% depreciable assets)	2200.45	2501.32	2574.41
F	Average Gross Block (100% depreciable assets)	0.00	0.00	0.00
G	Depreciable value (excluding IT equipment and software) (E*90%)	1980.41	2251.19	2316.969
H	Depreciable value of IT equipment and software (F*100%)	0.00	0.00	0.00
I	Total Depreciable Value (G+H)	1980.41	2251.19	2316.97
J	Weighted average rate of Depreciation (WAROD) (in %)	5.27	5.27	5.26
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>72.80</b>	<b>131.73</b>	<b>135.54</b>
N	Cumulative Depreciation at the end of the year	72.80	204.53	340.07
O	Remaining Aggregate Depreciable Value at the end of the year	1907.60	2046.66	1976.90

(₹ in lakh)

Asset-8				
	Particulars	2021-22 (Pro-rata for 134 days)	2022-23	2023-24
A	Opening Gross Block	1742.04	2262.86	3043.80
B	Addition during the year 2019-24 due to projected ACE	520.82	780.94	287.96
C	Closing Gross Block (A+B)	2262.86	3043.80	3331.76
D	Average Gross Block (A+C)/2	2002.45	2653.33	3187.78
E	Average Gross Block (90% depreciable assets)	1972.02	2620.18	3153.08
F	Average Gross Block (100% depreciable assets)	30.43	33.15	34.70
G	Depreciable value (excluding IT equipment and software) (E*90%)	1774.82	2358.16	2837.78
H	Depreciable value of IT equipment and software (F*100%)	30.43	33.15	34.70
I	Total Depreciable Value (G+H)	1805.25	2391.31	2872.47
J	Weighted average rate of Depreciation (WAROD) (in %)	5.42	5.39	5.37
K	Elapsed useful life at the beginning of the year (Year)	0.00	0.00	1.00
L	Balance useful life at the beginning of the year (Year)	25.00	25.00	24.00
<b>M</b>	<b>Depreciation during the year (D*J)</b>	<b>39.85</b>	<b>142.98</b>	<b>171.30</b>
N	Cumulative Depreciation at the end of the year	39.85	182.83	354.13
O	Remaining Aggregate Depreciable Value at the end of the year	1765.40	2208.49	2518.35

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## **Interest on Loan (“IoL”)**

51. Regulation 32 of the 2019 Tariff Regulations provides as follows:

**“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 asset, 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.*

(5a) *The rate of interest on loan for installation of emission control system shall be the weighted average rate of interest of actual loan portfolio of the emission control system or in the absence of actual loan portfolio, the weighted average rate of interest of the generating company 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”.*

52. The weighted average rate of interest of IoL has been considered on the basis of the rates prevailing as on COD for respective loans. The Petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during 2019-24 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true-up.



53. In view of above, IoL has been worked out in accordance with Regulation 32 of the 2019 Tariff Regulations. IoL allowed in respect of the transmission assets is as follows:

(₹ in lakh)

Asset-1				
	Particulars	2021-22 (Pro-rata for 282 days)	2022-23	2023-24
A	Gross Normative Loan	539.48	763.41	831.47
B	Cumulative Repayments up to Previous Year	0.00	38.15	98.83
C	Net Loan-Opening (A-B)	539.48	725.26	732.65
D	Addition due to ACE	223.92	68.07	8.09
E	Repayment during the year	38.15	60.68	63.67
F	Net Loan-Closing (C+D-E)	725.26	732.65	677.07
G	Average Loan (C+F)/2	632.37	728.95	704.86
H	Weighted Average Rate of Interest on Loan (in %)	5.95	5.95	5.95
I	<b>Interest on Loan (G*H)</b>	<b>29.07</b>	<b>43.37</b>	<b>41.94</b>

(₹ in lakh)

Asset-2				
	Particulars	2021-22 (Pro-rata for 24 days)	2022-23	2023-24
A	Gross Normative Loan	1739.66	1744.24	1941.08
B	Cumulative Repayments up to Previous Year	0.00	8.61	147.74
C	Net Loan-Opening (A-B)	1739.66	1735.63	1793.34
D	Addition due to ACE	4.58	196.84	294.51
E	Repayment during the year	8.61	139.13	159.24
F	Net Loan-Closing (C+D-E)	1735.63	1793.34	1928.61
G	Average Loan (C+F)/2	1737.65	1764.48	1860.97
H	Weighted Average Rate of Interest on Loan (in %)	5.96	5.96	5.96
I	<b>Interest on Loan (G*H)</b>	<b>6.81</b>	<b>105.13</b>	<b>110.88</b>

(₹ in lakh)

Asset-3				
	Particulars	2021-22 (Pro-rata for 334 days)	2022-23	2023-24
A	Gross Normative Loan	572.94	789.10	842.90
B	Cumulative Repayments up to Previous Year	0.00	49.27	113.28
C	Net Loan-Opening (A-B)	572.94	739.83	729.62
D	Addition due to ACE	216.16	53.80	6.23
E	Repayment during the year	49.27	64.01	66.23
F	Net Loan-Closing (C+D-E)	739.83	729.62	669.62
G	Average Loan (C+F)/2	656.38	734.72	699.62
H	Weighted Average Rate of Interest on Loan (in %)	5.95	5.95	5.95
I	<b>Interest on Loan (G*H)</b>	<b>35.74</b>	<b>43.72</b>	<b>41.63</b>



(₹ in lakh)

Asset-4				
	Particulars	2021-22 (Pro-rata for 14 days)	2022-23	2023-24
A	Gross Normative Loan	1813.73	1838.55	2025.93
B	Cumulative Repayments up to Previous Year	0.00	5.28	151.88
C	Net Loan-Opening (A-B)	1813.73	1833.27	1874.05
D	Addition due to ACE	24.82	187.38	269.89
E	Repayment during the year	5.28	146.60	165.58
F	Net Loan-Closing (C+D-E)	1833.27	1874.05	1978.36
G	Average Loan (C+F)/2	1823.50	1853.66	1926.20
H	Weighted Average Rate of Interest on Loan (in %)	5.95	5.95	5.95
I	<b>Interest on Loan (G*H)</b>	<b>4.16</b>	<b>110.29</b>	<b>114.61</b>

(₹ in lakh)

Asset-5				
	Particulars	2021-22 (Pro-rata for 243 days)	2022-23	2023-24
A	Gross Normative Loan	1889.62	2075.79	2224.24
B	Cumulative Repayments up to Previous Year	0.00	103.54	271.94
C	Net Loan-Opening (A-B)	1889.62	1972.25	1952.31
D	Addition due to ACE	186.17	148.45	0.00
E	Repayment during the year	103.54	168.40	174.06
F	Net Loan-Closing (C+D-E)	1972.25	1952.31	1778.24
G	Average Loan (C+F)/2	1930.94	1962.28	1865.27
H	Weighted Average Rate of Interest on Loan (in %)	5.95	5.95	5.95
I	<b>Interest on Loan (G*H)</b>	<b>76.49</b>	<b>116.76</b>	<b>110.98</b>

(₹ in lakh)

Asset-6				
	Particulars	2021-22 (Pro-rata for 118 days)	2022-23	2023-24
A	Gross Normative Loan	718.10	773.04	841.52
B	Cumulative Repayments up to Previous Year	0.00	18.25	79.68
C	Net Loan-Opening (A-B)	718.10	754.78	761.84
D	Addition due to ACE	54.94	68.49	0.00
E	Repayment during the year	18.25	61.43	64.29
F	Net Loan-Closing (C+D-E)	754.78	761.84	697.55
G	Average Loan (C+F)/2	736.44	758.31	729.70
H	Weighted Average Rate of Interest on Loan (in %)	5.95	5.95	5.95
I	<b>Interest on Loan (G*H)</b>	<b>14.17</b>	<b>45.12</b>	<b>43.42</b>

(₹ in lakh)

Asset-7				
	Particulars	2021-22 (Pro-rata for 229 days)	2022-23	2023-24
A	Gross Normative Loan	1370.49	1710.14	1791.71
B	Cumulative Repayments up to Previous Year	0.00	72.80	204.53
C	Net Loan-Opening (A-B)	1370.49	1637.34	1587.17
D	Addition due to ACE	339.65	81.56	20.76

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Asset-7				
	Particulars	2021-22 (Pro-rata for 229 days)	2022-23	2023-24
E	Repayment during the year	72.80	131.73	135.54
F	Net Loan-Closing (C+D-E)	1637.34	1587.17	1472.39
G	Average Loan (C+F)/2	1503.91	1612.26	1529.78
H	Weighted Average Rate of Interest on Loan (in %)	5.95	5.95	5.95
I	<b>Interest on Loan (G*H)</b>	<b>56.14</b>	<b>95.93</b>	<b>91.02</b>

(₹ in lakh)

Asset-8				
	Particulars	2021-22 (Pro-rata for 134 days)	2022-23	2023-24
A	Gross Normative Loan	1219.43	1584.00	2130.66
B	Cumulative Repayments up to Previous Year	0.00	39.85	182.83
C	Net Loan-Opening (A-B)	1219.43	1544.15	1947.83
D	Addition due to ACE	364.57	546.66	201.57
E	Repayment during the year	39.85	142.98	171.30
F	Net Loan-Closing (C+D-E)	1544.15	1947.83	1978.11
G	Average Loan (C+F)/2	1381.79	1745.99	1962.97
H	Weighted Average Rate of Interest on Loan (in %)	5.95	5.95	5.95
I	<b>Interest on Loan (G*H)</b>	<b>30.18</b>	<b>103.89</b>	<b>116.80</b>

### Return on Equity (“RoE”)

54. Regulation 30 and Regulation 31 of the 2019 Tariff Regulations provide as follows:

**“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 excluding Additional Capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system or in the absence of actual loan portfolio of the generating station or the transmission system, the weighted average rate of interest of the generating company or the transmission licensee, as the case may be, as a whole shall be considered, subject to ceiling of 14%.*

*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.

(3) The return on equity in respect of additional capitalization on account of emission control system shall be computed at the base rate of one year marginal cost of lending rate (MCLR) of the State Bank of India as on 1st April of the year in which the date of operation (ODe) occurs plus 350 basis point, subject to ceiling of 14%.”

**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:

Rate of pre-tax return on equity = 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:



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 =  $15.50/(1-0.24) = 20.395\%$ .

(3) 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.”

55. The Petitioner has submitted that MAT rate is applicable to it. MAT rate applicable in the year 2019-20 has been considered for the purpose of RoE which shall be trued up with actual tax rate in accordance with Regulation 31(3) of the 2019 Tariff Regulations. RoE allowed in respect of the transmission assets is as follows:

(₹ in lakh)

Asset-1				
	Particulars	2021-22 (Pro-rata for 282 days)	2022-23	2023-24
A	Opening Equity	231.21	327.17	356.35
B	Addition due to ACE	95.97	29.17	3.47
C	Closing Equity (A+B)	327.17	356.35	359.81
D	Average Equity (A+C)/2	279.19	341.76	358.08
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>40.51</b>	<b>64.19</b>	<b>67.25</b>

(₹ in lakh)

Asset-2				
	Particulars	2021-22 (Pro-rata for 24 days)	2022-23	2023-24
A	Opening Equity	745.57	747.53	831.89
B	Addition due to ACE	1.96	84.36	126.22



Asset-2				
	Particulars	2021-22 (Pro-rata for 24 days)	2022-23	2023-24
C	Closing Equity (A+B)	747.53	831.89	958.11
D	Average Equity (A+C)/2	746.55	789.71	895.00
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>9.22</b>	<b>148.32</b>	<b>168.10</b>

(₹ in lakh)

Asset-3				
	Particulars	2021-22 (Pro-rata for 334 days)	2022-23	2023-24
A	Opening Equity	245.54	338.18	361.24
B	Addition due to ACE	92.64	23.06	2.67
C	Closing Equity (A+B)	338.18	361.24	363.91
D	Average Equity (A+C)/2	291.86	349.71	362.58
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>50.16</b>	<b>65.68</b>	<b>68.10</b>

(₹ in lakh)

Asset-4				
	Particulars	2021-22 (Pro-rata for 14 days)	2022-23	2023-24
A	Opening Equity	777.31	787.95	868.26
B	Addition due to ACE	10.64	80.31	115.67
C	Closing Equity (A+B)	787.95	868.26	983.92
D	Average Equity (A+C)/2	782.63	828.10	926.09
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>5.64</b>	<b>155.53</b>	<b>173.94</b>

(₹ in lakh)

Asset-5				
	Particulars	2021-22 (Pro-rata for 243 days)	2022-23	2023-24
A	Opening Equity	809.84	889.63	953.25
B	Addition due to ACE	79.79	63.62	0.00
C	Closing Equity (A+B)	889.63	953.25	953.25
D	Average Equity (A+C)/2	849.73	921.44	953.25
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>106.25</b>	<b>173.06</b>	<b>179.04</b>



(₹ in lakh)

Asset-6				
	Particulars	2021-22 (Pro-rata for 118 days)	2022-23	2023-24
A	Opening Equity	307.76	331.30	360.65
B	Addition due to ACE	23.54	29.35	0.00
C	Closing Equity (A+B)	331.30	360.65	360.65
D	Average Equity (A+C)/2	319.53	345.98	360.65
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>19.40</b>	<b>64.98</b>	<b>67.74</b>

(₹ in lakh)

Asset-7				
	Particulars	2021-22 (Pro-rata for 229 days)	2022-23	2023-24
A	Opening Equity	587.35	732.92	767.87
B	Addition due to ACE	145.57	34.96	8.90
C	Closing Equity (A+B)	732.92	767.87	776.77
D	Average Equity (A+C)/2	660.14	750.40	772.32
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>77.79</b>	<b>140.94</b>	<b>145.06</b>

(₹ in lakh)

Asset-8				
	Particulars	2021-22 (Pro-rata for 134 days)	2022-23	2023-24
A	Opening Equity	522.61	678.86	913.14
B	Addition due to ACE	156.25	234.28	86.39
C	Closing Equity (A+B)	678.86	913.14	999.53
D	Average Equity (A+C)/2	600.74	796.00	956.33
E	Return on Equity(Base Rate) (in %)	15.500	15.500	15.500
F	Tax Rate applicable (in %)	17.472	17.472	17.472
G	Rate of Return on Equity (Pre-tax)	18.782	18.782	18.782
H	<b>Return on Equity (Pre-tax) (D*G)</b>	<b>41.42</b>	<b>149.50</b>	<b>179.62</b>

### Operation & Maintenance Expenses (“O&M Expenses”)

56. O&M expenses claimed by the Petitioner are as follows:

(₹ in lakh)

Assets	Particulars	2021-22	2022-23	2023-24
Asset-1	1 Number, 125 MVA, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Khandwa Sub-station	26.62	35.66	36.91
Asset-2	1 Number, 240 MVA Bus Reactor along with 765kV bays at 765kV Solapur Sub-station	3.17	49.93	51.68





Asset-3	1 Number, 125 MVAR, 400 kV Bus Reactor along with associated 400 kV bay at 400/220 kV Rajgarh Sub-station	31.52	35.66	36.91
Asset-4	1 Number, 330 MVAr Bus Reactor along with 765kV bays at Wardha Sub-station	1.85	49.93	51.68
Asset-5	1 Number, 240 MVAr Bus Reactor along with 765kV bays at 765kV Aurangabad Sub-station	32.11	49.93	51.68
Asset-6	1 Number, 125MVAr 400kV Bus Reactor along with associated 400 kV bay at 400/220 kV Champa Pooling split section	11.14	35.66	36.91
Asset-7	1 Number, 400/220 kV 500 MVA ICT-3 along with associated Bays at 400/220 kV Jabalpur Sub-station	157.20	259.62	268.25
Asset-8	1 Number, 400/220 kV 500 MVA ICT-3 along with associated bays at 400/220 kV Itarsi Sub-station	88.20	248.92	257.18

57. Regulation 35(3)(a) of the 2019 Tariff Regulations provide as follows:

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Norms for sub-station Bays (₹ Lakh per bay)</b>					
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
<b>Norms for Transformers (₹ Lakh per MVA)</b>					
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
<b>Norms for AC and HVDC lines (₹ Lakh per km)</b>					
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 sub-conductors)	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
<b>Norms for HVDC stations</b>					



<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<i>HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)</i>	834	864	894	925	958
<i>Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)</i>	1,666	1,725	1,785	1,848	1,913
<i>500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)</i>	2,252	2,331	2,413	2,498	2,586
<i>±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)</i>	2,468	2,555	2,645	2,738	2,834
<i>±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)</i>	1,696	1,756	1,817	1,881	1,947
<i>±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)</i>	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.”

58. O&M Expenses claimed by the Petitioner are within the norms specified under the 2019 Tariff Regulations. O&M Expenses approved in respect of the transmission assets for 2019-24 tariff period are as follows:

(₹ in lakh)

<b>Asset-1</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 282 days)</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Sub-station Bays</b>			
400kV: Khandwa:400kV Bay Bus Reactor	1	1	1
<b>Norms</b>			
400kV (AIS)	34.45	35.66	36.91
<b>Total Sub-station Bays</b>	<b>34.45</b>	<b>35.66</b>	<b>36.91</b>
<b>Total O&amp;M Expenses allowed</b>	<b>26.62</b>	<b>35.66</b>	<b>36.91</b>

(₹ in lakh)

<b>Asset-2</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 24 days)</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Sub-station Bays</b>			
765kV: Solapur:765kV Bay Bus Reactor	1	1	1
<b>Norms</b>			
765kV (AIS)	48.23	49.93	51.68
<b>Total Sub-station Bays</b>	<b>48.23</b>	<b>49.93</b>	<b>51.68</b>
<b>Total O&amp;M Expenses allowed</b>	<b>3.17</b>	<b>49.93</b>	<b>51.68</b>

(₹ in lakh)

<b>Asset-3</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 334 days)</b>	<b>2022-23</b>	<b>2023-24</b>



<b>Sub-station Bays</b>			
400kV: Rajgarh:400kV Bay Bus Reactor	1	1	1
<b>Norms</b>			
400kV (AIS)	34.45	35.66	36.91
<b>Total Sub-station Bays</b>	<b>34.45</b>	<b>35.66</b>	<b>36.91</b>
<b>Total O&amp;M Expenses allowed</b>	<b>31.52</b>	<b>35.66</b>	<b>36.91</b>

(₹ in lakh)

<b>Asset-4</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 14 days)</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Sub-station Bays</b>			
765kV: Wardha:765kV Bay Bus Reactor	1	1	1
<b>Norms</b>			
765kV (AIS)	48.23	49.93	51.68
<b>Total Sub-station Bays</b>	<b>48.23</b>	<b>49.93</b>	<b>51.68</b>
<b>Total O&amp;M Expenses allowed</b>	<b>1.85</b>	<b>49.93</b>	<b>51.68</b>

(₹ in lakh)

<b>Asset-5</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 243 days)</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Sub-station Bays</b>			
765kV: Aurangabad:765kV Bay Bus Reactor	1	1	1
<b>Norms</b>			
765kV (AIS)	48.23	49.93	51.68
<b>Total Sub-station Bays</b>	<b>48.23</b>	<b>49.93</b>	<b>51.68</b>
<b>Total O&amp;M Expenses allowed</b>	<b>32.11</b>	<b>49.93</b>	<b>51.68</b>

(₹ in lakh)

<b>Asset-6</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 118 days)</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Sub-station Bays</b>			
400kV: Champa:400kV Bay Bus Reactor	1	1	1
<b>Norms</b>			
400kV (AIS)	34.45	35.66	36.91
<b>Total Sub-station Bays</b>	<b>34.45</b>	<b>35.66</b>	<b>36.91</b>
<b>Total O&amp;M Expenses allowed</b>	<b>11.14</b>	<b>35.66</b>	<b>36.91</b>

(₹ in lakh)

<b>Asset-7</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 229 days)</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Sub-station Bays</b>			



400kV: Jabalpur:400kV Bay ICT	1	1	1
220kV: Jabalpur:220kV Bay ICT	1	1	1
<b>Norms</b>			
400kV (AIS)	34.45	35.66	36.91
220kV (AIS)	24.12	24.96	25.84
<b>Total Sub-station Bays</b>	<b>58.57</b>	<b>60.62</b>	<b>62.75</b>
<b>Transformer (in MVA)</b>			
400kV: Jabalpur: ICT 3	500	500	500
<b>Norms (₹ lakh/MVA)</b>			
400kV	0.384	0.398	0.411
<b>Total of Transformer</b>	<b>192.00</b>	<b>199.00</b>	<b>205.50</b>
<b>Total O&amp;M Expenses allowed</b>	<b>157.21</b>	<b>259.62</b>	<b>268.25</b>

(₹ in lakh)

Asset-8			
Particulars	2021-22 (Pro-rata for 134 days)	2022-23	2023-24
<b>Sub-station Bays</b>			
400kV (GIS): Itarsi:400kV Bay ICT	1	1	1
220kV: Itarsi:220kV Bay ICT	1	1	1
<b>Norms</b>			
400kV (GIS)	24.115	24.962	25.837
220kV (AIS)	24.12	24.96	25.84
<b>Total Sub-station Bays</b>	<b>48.24</b>	<b>49.92</b>	<b>51.68</b>
<b>Transformer (in MVA)</b>			
400kV: Itarsi: ICT 3	500	500	500
<b>Norms (₹ lakh/MVA)</b>			
400kV	0.384	0.398	0.411
<b>Total of Transformer</b>	<b>192.00</b>	<b>199.00</b>	<b>205.50</b>
<b>Total O&amp;M Expenses allowed</b>	<b>88.20</b>	<b>248.92</b>	<b>257.18</b>

### Interest on Working Capital (“IWC”)

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

**“34. Interest on Working Capital: (1) The working capital shall cover:**

.....

**(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. **Definition** - In these regulations, unless the context otherwise requires:-

(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;”

60. The Petitioner has submitted that it has computed IWC for 2019-24 period considering the SBI base rate plus 350 basis points as on 1.4.2021. The Petitioner has considered the rate of IWC as 10.50%. IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 10.50% (SBI 1year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for 2021-24. The components of the working capital and interest allowed thereon is as follows:

(₹ in lakh)			
<b>Asset-1</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 282 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08
Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	21.82	25.58	26.24
<b>Total Working Capital</b>	<b>29.86</b>	<b>33.90</b>	<b>34.85</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>2.42</b>	<b>3.56</b>	<b>3.66</b>



(₹ in lakh)

<b>Asset-2</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 24 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	4.02	4.16	4.31
Working Capital for Maintenance Spares (15% of O&M Expenses)	7.23	7.49	7.75
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	52.97	55.42	61.18
<b>Total Working Capital</b>	<b>64.22</b>	<b>67.08</b>	<b>73.24</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>0.44</b>	<b>7.04</b>	<b>7.69</b>

(₹ in lakh)

<b>Asset-3</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 334 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08
Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	22.86	26.22	26.63
<b>Total Working Capital</b>	<b>30.90</b>	<b>34.54</b>	<b>35.24</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>2.97</b>	<b>3.63</b>	<b>3.70</b>

(₹ in lakh)

<b>Asset-4</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 14 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	4.02	4.16	4.31
Working Capital for Maintenance Spares (15% of O&M Expenses)	7.23	7.49	7.75
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	55.29	57.90	63.16
<b>Total Working Capital</b>	<b>66.54</b>	<b>69.55</b>	<b>75.22</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>0.27</b>	<b>7.30</b>	<b>7.90</b>

(₹ in lakh)

<b>Asset-5</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 243 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	4.02	4.16	4.31

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Working Capital for Maintenance Spares (15% of O&M Expenses)	7.23	7.49	7.75
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	59.88	63.62	64.40
<b>Total Working Capital</b>	<b>71.14</b>	<b>75.27</b>	<b>76.46</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>4.97</b>	<b>7.90</b>	<b>8.03</b>

(₹ in lakh)

<b>Asset-6</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 118 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	2.87	2.97	3.08
Working Capital for Maintenance Spares (15% of O&M Expenses)	5.17	5.35	5.54
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	24.43	25.99	26.56
<b>Total Working Capital</b>	<b>32.47</b>	<b>34.31</b>	<b>35.18</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>1.10</b>	<b>3.60</b>	<b>3.69</b>

(₹ in lakh)

<b>Asset-7</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 229 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	20.88	21.64	22.35
Working Capital for Maintenance Spares (15% of O&M Expenses)	37.59	38.94	40.24
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	73.22	79.26	80.52
<b>Total Working Capital</b>	<b>131.69</b>	<b>139.84</b>	<b>143.11</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>8.68</b>	<b>14.68</b>	<b>15.03</b>

(₹ in lakh)

<b>Asset-8</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 134 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Working Capital for O&M Expenses (O&M Expenses for one month)	20.02	20.74	21.43
Working Capital for Maintenance Spares (15% of O&M Expenses)	36.04	37.34	38.58
Working Capital for Receivables (Equivalent to 45 days of annual fixed cost /annual transmission charges)	68.66	81.36	91.08





<b>Total Working Capital</b>	<b>124.72</b>	<b>139.44</b>	<b>151.08</b>
Rate of Interest for working capital (in %)	10.50	10.50	10.50
<b>Interest of working capital</b>	<b>4.81</b>	<b>14.64</b>	<b>15.86</b>

### **Annual Fixed Charges for 2019-24 Tariff Period**

61. The transmission charges allowed in respect of the transmission assets for 2019-24 tariff period are as follows:

(₹ in lakh)

<b>Asset-1</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 282 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	38.15	60.68	63.67
Interest on Loan	29.07	43.37	41.94
Return on Equity	40.51	64.19	67.25
O&M Expenses	26.62	35.66	36.91
Interest on Working Capital	2.42	3.56	3.66
<b>Total</b>	<b>136.77</b>	<b>207.46</b>	<b>213.43</b>

(₹ in lakh)

<b>Asset-2</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 24 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	8.61	139.13	159.24
Interest on Loan	6.81	105.13	110.88
Return on Equity	9.22	148.32	168.10
O&M Expenses	3.17	49.93	51.68
Interest on Working Capital	0.44	7.04	7.69
<b>Total</b>	<b>28.25</b>	<b>449.55</b>	<b>497.59</b>

(₹ in lakh)

<b>Asset-3</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 334 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	49.27	64.01	66.23
Interest on Loan	35.74	43.72	41.63
Return on Equity	50.16	65.68	68.10
O&M Expenses	31.52	35.66	36.91
Interest on Working Capital	2.97	3.63	3.70
<b>Total</b>	<b>169.66</b>	<b>212.70</b>	<b>216.57</b>

(₹ in lakh)

<b>Asset-4</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 14 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	5.28	146.60	165.58
Interest on Loan	4.16	110.29	114.61
Return on Equity	5.64	155.53	173.94



<b>Asset-4</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 14 days)</b>	<b>2022-23</b>	<b>2023-24</b>
O&M Expenses	1.85	49.93	51.68
Interest on Working Capital	0.27	7.30	7.90
<b>Total</b>	<b>17.20</b>	<b>469.65</b>	<b>513.71</b>

(₹ in lakh)

<b>Asset-5</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 243 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	103.54	168.40	174.06
Interest on Loan	76.49	116.76	110.98
Return on Equity	106.25	173.06	179.04
O&M Expenses	32.11	49.93	51.68
Interest on Working Capital	4.97	7.90	8.03
<b>Total</b>	<b>323.36</b>	<b>516.05</b>	<b>523.79</b>

(₹ in lakh)

<b>Asset-6</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 118 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	18.25	61.43	64.29
Interest on Loan	14.17	45.12	43.42
Return on Equity	19.40	64.98	67.74
O&M Expenses	11.14	35.66	36.91
Interest on Working Capital	1.10	3.60	3.69
<b>Total</b>	<b>64.06</b>	<b>210.79</b>	<b>216.05</b>

(₹ in lakh)

<b>Asset-7</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 229 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	72.80	131.73	135.54
Interest on Loan	56.14	95.93	91.02
Return on Equity	77.79	140.94	145.06
O&M Expenses	157.21	259.62	268.25
Interest on Working Capital	8.68	14.68	15.03
<b>Total</b>	<b>372.62</b>	<b>642.90</b>	<b>654.90</b>

(₹ in lakh)

<b>Asset-8</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 134 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Depreciation	39.85	142.98	171.30
Interest on Loan	30.18	103.89	116.80
Return on Equity	41.42	149.50	179.62
O&M Expenses	88.20	248.92	257.18
Interest on Working Capital	4.81	14.64	15.86



<b>Asset-8</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 134 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	204.46	659.93	740.76

### **Filing Fee and Publication Expenses**

62. 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 and RLDC Fees and Charges**

63. The Petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 70(4) of the 2019 Tariff Regulations for 2019-24 tariff period. The Petitioner shall also be entitled for recovery of RLDC fee and charges in accordance with Regulations 70(3) of the 2019 Tariff Regulations for 2019-24 tariff period.

### **Goods and Services Tax**

64. 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 Respondent(s) 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.

65. MPPMCL has submitted that the claim of GST is premature and, hence, may be disallowed. In response, the Petitioner has reiterated its submissions.



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

### **Security Expenses**

67. The Petitioner has submitted that security expenses in respect of transmission assets is not claimed in the instant petition, and it would file a separate petition for claiming the overall security expenses and consequential IWC.

68. We have considered the above submissions of Petitioner. The Petitioner has claimed consolidated security expenses for all the transmission assets owned by it on projected basis for 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19 in Petition No. 260/MP/2020. The said petition has already been disposed of by the Commission vide order dated 3.8.2021. Therefore, the Petitioner's prayer in the instant petition for allowing it to file a separate petition for claiming the overall security expenses and consequential IWC has become infructuous.

### **Capital Spares**

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

### **Sharing of Transmission Charges**

70. The billing, collection, and disbursement of transmission charges approved in this order shall be recovered in terms of provisions of the 2020 Sharing



Regulations as provided in Regulation 57 of the 2019 Tariff Regulations.

71. To summarise,

(a) AFC allowed in respect of the transmission assets for 2019-24 tariff period in the instant order are as follows:

(₹ in lakh)

<b>Asset-1</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 282 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	136.77	207.46	213.43

(₹ in lakh)

<b>Asset-2</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 24 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	28.25	449.55	497.59

(₹ in lakh)

<b>Asset-3</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 334 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	169.66	212.70	216.57

(₹ in lakh)

<b>Asset-4</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 14 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	17.20	469.65	513.71

(₹ in lakh)

<b>Asset-5</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 243 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	323.36	516.05	523.79

(₹ in lakh)

<b>Asset-6</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 118 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	64.06	210.79	216.05



(₹ in lakh)

<b>Asset-7</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 229 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	372.62	642.90	654.90

(₹ in lakh)

<b>Asset-8</b>			
<b>Particulars</b>	<b>2021-22 (Pro-rata for 134 days)</b>	<b>2022-23</b>	<b>2023-24</b>
Total	204.46	659.93	740.76

72. Annexure-I given hereinafter form part of the order.

73. This order disposes of Petition No. 327/TT/2022 in terms of the above discussions and findings.

**sd/-  
(P.K. Singh)  
Member**

**sd/-  
(Arun Goyal)  
Member**

**sd/-  
(I.S. Jha)  
Member**



Annexure - I

Asset-1									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Building	0.00	15.00	5.00	0.00	20.00	3.34	0.25	0.58	0.67
Sub-Station	770.69	297.04	90.00	10.44	1168.17	5.28	48.53	58.75	61.40
IT Equipment	0.00	7.85	2.24	1.12	11.21	15.00	0.59	1.35	1.60
<b>Total</b>	<b>770.69</b>	<b>319.89</b>	<b>97.24</b>	<b>11.56</b>	<b>1199.38</b>		<b>49.37</b>	<b>60.68</b>	<b>63.67</b>
<b>Average Gross Block (₹ in lakh)</b>							930.64	1139.20	1193.60
<b>Weighted Average Rate of Depreciation (in %)</b>							5.31	5.33	5.33



Asset-2									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Building	34.97	0.23	3.64	5.44	44.28	3.34	1.17	1.24	1.39
Sub-Station	2448.20	6.31	263.91	394.81	3113.23	5.28	129.43	136.57	153.96
IT Equipment	2.06	0.00	13.65	20.48	36.19	15.00	0.31	1.33	3.89
<b>Total</b>	<b>2485.23</b>	<b>6.54</b>	<b>281.20</b>	<b>420.73</b>	<b>3193.70</b>		<b>130.91</b>	<b>139.13</b>	<b>159.24</b>
					<b>Average Gross Block (₹ in lakh)</b>		2488.50	2632.37	2983.34
					<b>Weighted Average Rate of Depreciation (in %)</b>		5.26	5.29	5.34





Asset-3									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Building	0.00	15.00	5.00	0.00	20.00	3.34	0.25	0.58	0.67
Sub-Station	793.35	290.12	71.86	8.90	1164.23	5.28	49.55	59.10	61.24
IT Equipment	25.13	3.68	0.00	0.00	28.81	15.00	4.05	4.32	4.32
<b>Total</b>	<b>818.48</b>	<b>308.80</b>	<b>76.86</b>	<b>8.90</b>	<b>1213.04</b>		<b>53.84</b>	<b>64.01</b>	<b>66.23</b>
<b>Average Gross Block (₹ in lakh)</b>							972.88	1165.71	1208.59
<b>Weighted Average Rate of Depreciation (in %)</b>							5.53	5.49	5.48

Asset-4									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Sub-Station	2591.04	35.46	250.11	367.50	3244.11	5.28	137.74	145.28	161.59
IT Equipment	0.00	0.00	17.58	18.05	35.63	15.00	0.00	1.32	3.99
<b>Total</b>	<b>2591.04</b>	<b>35.46</b>	<b>267.69</b>	<b>385.55</b>	<b>3279.74</b>		<b>137.74</b>	<b>146.60</b>	<b>165.58</b>
<b>Average Gross Block (₹ in lakh)</b>							2608.77	2760.35	3086.97
<b>Weighted Average Rate of Depreciation (in %)</b>							5.28	5.31	5.36



Asset-5									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Sub-Station	2639.84	262.29	210.62	0.00	3112.75	5.28	146.31	158.79	164.35
IT Equipment	59.62	3.67	1.45	0.00	64.74	15.00	9.22	9.60	9.71
<b>Total</b>	<b>2699.46</b>	<b>265.96</b>	<b>212.07</b>	<b>0.00</b>	<b>3177.49</b>		<b>155.53</b>	<b>168.40</b>	<b>174.06</b>
<b>Average Gross Block (₹ in lakh)</b>							2832.44	3071.46	3177.49
<b>Weighted Average Rate of Depreciation (in %)</b>							5.49	5.48	5.48

Asset-6									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Sub-Station	1023.72	78.07	91.96	0.00	1193.75	5.28	56.11	60.60	63.03
IT Equipment	2.14	0.41	5.88	0.00	8.43	15.00	0.35	0.82	1.26
<b>Total</b>	<b>1025.86</b>	<b>78.48</b>	<b>97.84</b>	<b>0.00</b>	<b>1202.18</b>		<b>56.46</b>	<b>61.43</b>	<b>64.29</b>
<b>Average Gross Block (₹ in lakh)</b>							1065.10	1153.26	1202.18
<b>Weighted Average Rate of Depreciation (in %)</b>							5.30	5.33	5.35



Asset-7									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Building	0.00	15.00	5.00	0.00	20.00	3.34	0.25	0.58	0.67
Sub-Station	1957.84	470.22	111.52	29.66	2569.24	5.28	115.79	131.15	134.87
<b>Total</b>	<b>1957.84</b>	<b>485.22</b>	<b>116.52</b>	<b>29.66</b>	<b>2589.24</b>		<b>116.04</b>	<b>131.73</b>	<b>135.54</b>
<b>Average Gross Block (₹ in lakh)</b>							2200.45	2501.32	2574.41
<b>Weighted Average Rate of Depreciation (in %)</b>							5.27	5.27	5.26

Asset-8									
2019-24	Admitted Capital Cost as on COD (₹ in lakh)	Projected ACE			Admitted Capital Cost as on 31.3.2024 (₹ in lakh)	Rate of Depreciation (in %)	Annual Depreciation as per Regulations		
Capital Expenditure as on COD		2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)			2021-22 (₹ in lakh)	2022-23 (₹ in lakh)	2023-24 (₹ in lakh)
Building	0.00	15.00	5.00	0.00	20.00	3.34	0.25	0.58	0.67
Sub-Station	1712.79	503.46	772.85	287.96	3277.06	5.28	103.73	137.42	165.43
IT Equipment	29.25	2.36	3.09	0.00	34.70	15.00	4.56	4.97	5.20
<b>Total</b>	<b>1742.04</b>	<b>520.82</b>	<b>780.94</b>	<b>287.96</b>	<b>3331.76</b>		<b>108.54</b>	<b>142.98</b>	<b>171.30</b>
<b>Average Gross Block (₹ in lakh)</b>							2002.45	2653.33	3187.78
<b>Weighted Average Rate of Depreciation (in %)</b>							5.42	5.39	5.37

