



नई दिल्ली
NEW DELHI

Review Petition No. 21/RP/2025 in Petition No. 137/GT/2024

कोरम/ Coram:

श्री जिशु बरुआ, अध्यक्ष/ Shri Jishnu Barua, Chairperson
श्री रमेश बाबू वी., सदस्य/ Shri Ramesh Babu V., Member
श्री हरीश दुदानी, सदस्य/ Shri Harish Dudani, Member

आदेश दिनांक/ Date of Order: 21st April, 2026

IN THE MATTER OF:

Review of the order dated 08.09.2025 passed by the Hon'ble Commission in the petition filed by Solar Energy Corporation of India Limited for determination of project specific tariff for 100 MW(AC)/155.02 MWp (DC) Solar PV power plant with 40MW/120 MWh of Battery Energy Storage at Rajnandgaon, Chhattisgarh for a period of 25 years from Commercial Operation Date ('COD') of the project.

AND IN THE MATTER OF:

Solar Energy Corporation of India Limited
6th Floor, Plate-B, NBCC Office Block Tower-2,
East Kidwai Nagar
New Delhi-110023

.....Petitioner

Versus

Chhattisgarh State Power Distribution Company Limited
Vidyut Seva Bhawan,
Daganiya,
Raipur - 492013

.....Respondent

Parties Present: Shri M. G Ramachandran, Senior Advocate, SECI
Ms. Anushree Bardhan, Advocate, SECI
Ms. Ritika Singh, Advocate, SECI
Ms. Somya Sahni, Advocate, SECI
Ms. Rashmi Vaish Advocate, SECI
Ms. Srishti Khindaria, Advocate, SECI
Shri Aneesh Bajaj, Advocate, SECI
Shri Ravi Sharma, Advocate, CSPDCL
Shri Aryan Chanda, Advocate, CSPDCL
Ms. Ayushi, Advocate, CSPDCL

आदेश/ ORDER

The Review Petition has been filed by Solar Energy Corporation of India Limited (SECI) seeking a review of the order dated 08.09.2025 passed by the Commission in the Petition No. 137/GT/2024 for determination of project specific tariff for 100 MW(AC)/155.02 MWp (DC) Solar PV power plant with 40MW/120 MWh of Battery Energy Storage at Rajnandgaon, Chhattisgarh for a period of 25 years from Commercial Operation Date ('COD') of the project.

2. The Review Petitioner has made the following prayers:

- (a) *admit the review petition;*
- (b) *review and modify the order 08.09.2025 passed in Petition 137/GT/2024 to the extent mentioned above and consider to allow the tariff to Rs. 4.22/kWh,*
- (c) *Pass such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.*

Submission by the Review Petitioner, SECI

3. The Petitioner, SECI, submitted that the order in Petition No. 137/GT/2024 contains certain errors apparent on the face of the record and accordingly needed to be reviewed and modified. The submissions made by SECI are as follows:

- (a) Disallowance of Rs. 169,32,946/- from the total EPC Contract value on the basis that the said amount is recoverable from the EPC Contractor- Tata Power Solar System Ltd, even

though the above amount was duly accounted for in the Amendment -4 of the Contract Agreement- Para 74, 76, 79 of the order;

- (b) Disallowance of Rs. 3,88,73,710/- claimed by SECI towards the Pre- Project Activities for Construction, Drawing and Design of the Tower and Foundation on the basis that the same is in the scope of work of the EPC Contractor, even though the tender document clearly specifies the same is under the scope of the Owner (i.e. SECI).
- (c) Deduction of the Clean Technology Fund (CTF) Grant of Rs. 66.6 Crores from the Solar Power Plant Cost Component of the Project, even though the same is exclusively and specifically for the BESS Cost Component of the Project
- (d) Disallowance of the Degradation Factor of 0.5%.
- (e) Disallowance of the claim of SECI of allowing the difference between the industrial tariff rate of Rs 6.6/kWh paid to CSPDCL (taken for the connection of 500 kVA at industrial tariff for meeting auxiliary load requirement) and the tariff determined for the project, along with minimum annual charges of Rs 22.5 Lakhs as O & M Expenses. The Commission has netted off the Auxiliary Consumption of 1.14% from the Project's generation and has not considered SECI's above claim.
- (f) Restriction of the interest on loan to 6.15% rate for the normative domestic loan component, which should be allowed at a normative interest rate of 10.57%, contrary to Regulation 14 (2) (b) of the RE Tariff Regulations, 2020.
- (g) Weighted Average Interest rate on the World Bank's International Bank for Reconstruction and Development ('IBRD') Loan and the CTF Loan has been determined at 6.15% without considering the impact of FERV/Interest rate variation.
- (h) Restriction of the interest on loan rate, for the battery replacement cost of Rs. 74.64 crores at the end of 12 years with the debt equity ratio of 70: 30, at 6.15% (based on the World Bank loan rate) instead of the normative interest rate of 10.57%.
- (i) Return on Equity has been grossed up by the Minimum Alternate Tax (MAT) rate for the first 20 years and for the remaining period by the corporate tax rate of 17.47%, which is contrary to the actual position as SECI opted for the income tax rate under Section 115 by way of which the applicable tax rate is 25.178%.
- (j) Wrongful determination of the interest rate on Working Capital equivalent to the rate of the World Bank rate at 6.15%, which was for the construction of the project, as against the claim of 12.07% by SECI.
- (k) Disallowance of SECI's Expenses of Rs. 1 Lakh/MW towards manpower deployment, travelling, supervision, and monitoring at the project site.

Hearing dated 27.11.2025

2. During the course of the hearing, the counsel for the Petitioner submitted that the present review petition has been filed seeking review of the Commission's order dated 8.9.2025 in Petition No. 137/GT/2024, on the ground that the said order reflected errors apparent on the face of the record, on account of double deductions. After hearing the counsel for the Petitioner, the Commission admitted the Petition and directed the Respondents to file their reply and the Petitioner to file the rejoinder, if any.

Submissions of the Respondent, CSPDL dated 19.02.2026, in compliance with the Record of Proceedings (ROP) of the hearing dated 27.11.2025

3. The Respondent, CSPDCL submitted that it has filed an appeal dated 22.10.2025 before the Appellate Tribunal for Electricity (APTEL) in Appeal No. 340 of 2025 against Order dated 08.09.2025 (Petition No. 137/GT/2024) and that this Review Petition is not maintainable in view of the said appeal pending before APTEL where 7 of SECI's 11 review grounds are directly overlapping.
4. CSPDCL further submitted the grounds raised in its Appeal, which are as follows:
 - (i) Breach of PPA Tariff Ceiling as the Commission approved Rs. 4.01/kWh, which exceeds Rs. 4.00/kWh PPA/MoU ceiling.
 - (ii) The increased costs due to changes in land availability were included by CERC as tariff impact, despite CSPDCL's argument that EPC contracts already cover all such costs and filing for extra was not contractual or regulatory.
 - (iii) SECI amended the prayers via rejoinder without formal application (Order VI Rule 17 CPC).
 - (iv) GST (Change in Law): 100% impact wrongly allowed; should be limited to 70% of composite supply
 - (v) Normative IOL of 10.57% used instead of foreign currency (World Bank) loans at much lower actual rates (5.9-6.15%).
 - (vi) Auxiliary consumption: Allowed 1.14% vs 0.75% as per CERC RE Tariff Reg, but partly allowed additional Auxiliary Consumption Cost by Rs 0.74 paise.
 - (vii) Wrong condonation of 8-month time overrun (delay between scheduled COD and actual COD) without a proper prudence check or condonation request.
 - (viii) Normative debt-equity & interest rates applied despite lower actual costs.

- (ix) The methodology for future battery replacement (Rs 74.64 crore) was accepted by CERC without adequate scrutiny of market price trends, replacement mechanism, and the necessity for separate procurement outside EPC/OM contracts.
- (x) The grossing up of ROE using the corporate tax rate of 25.17%, contrary to Regulation 16 mandating the use of MAT for the first 20 years.
- (xi) Lower tariff discovered in other solar plus BESS Plant: Morena Solar plus BESS plant had discovered Rs. 2.70 CERC vide order dated 02.01.2025, passed in Petition No. 138/AT/2024, denied to adopt the tariff of the BESS project as their tariff rates were much higher than the current prevailing market rates.

Hearing dated 24.02.2026

- 5. During the course of the hearing, on the request of the counsel for the Petitioner, the Commission permitted the Petitioner to file its rejoinder.

Submission of the Additional Information via letter by SECI dated 20.3.2026

- 6. The Petitioner, SECI, submitted that the Respondent has also filed an interim application on Appeal No. 340 of 2025 before the Hon'ble APTEL against the Order dated 08.09.2025, requesting a stay on the Order dated 08.09.2025. During the hearing of the Interim Application before the Hon'ble APTEL on 16.3.2026, SECI informed the Hon'ble APTEL of the present Review Petition. Accordingly, the Hon'ble APTEL, vide the Daily Order dated 16.03.2026, directed a deferment of the hearing of the Interim Application for three weeks, with the expectation that the Commission would decide the Review Petition within this period.

Rejoinder by the Petitioner, SECI, dated 24.03.2026, on the Reply filed by CSPDCL

- 7. The Petitioner, SECI, has submitted the para-wise reply to the Respondents' submission and reiterated the errors and its response on all the grounds. Further, the Petitioner in its rejoinder submitted the following:
 - (a) The present case qualifies for the exercise of review jurisdiction by the Commission under Section 94(1)(f) of the Electricity Act, 2003, as the Order suffers from an error apparent on the face of the record and there are otherwise sufficient reasons for reviewing the order.
 - (b) SECI contended that the Respondent cannot request the Commission for dismissal of this review petition on the basis that certain grounds overlap with their Appeal No. 340 of 2025 filed before the APTEL. Both the Respondent and SECI are entitled to take

their own legal recourse if they are aggrieved by an Order. Respondent had filed their Appeal on 22.10.2025, whereas SECI had filed the current review petition on 17.10.2025.

- (c) SECI also submitted that initially when it had filed the Petition No. 137/GT/2024 it had claimed a total per unit tariff of INR 4.27/kWh i.e. INR 4/kWh + INR 0.22/kWh (as account of GST- change in law impact) + INR 0.05/kWh (on account of additional work- for additional cost due to revision in land), which was based on the then claim of the EPC Contractor. However, pursuant to re-computations with the EPC contractor, SECI sought a lesser per unit tariff of INR 4.22/kWh, i.e. INR 4/kWh + INR 0.20/kWh (change in law impact) + INR 0.02/kWh (for additional cost due to revision in land). SECI bona fide has been following up with the EPC Contractor and has been able to downward revise the claim so as to reduce its per unit tariff claim. This is for the benefit of the Respondent and its consumers who are getting the benefit of the above power supply from SECI's project.

Hearing dated 16.04.2026

8. The Commission heard the arguments of both parties at length. The Commission was apprised about the proceeding before the Hon'ble APTEL during the hearing dated 15.04.2026 in Appeal No. 340 of 2025 and IA No. 1605 of 2025, wherein the Hon'ble APTEL has stated that an order in the present Review Petition may be issued by the Commission at the earliest and preferably within two days from the present hearing. It was informed that the Hon'ble APTEL will take a call on the interim application filed by the CSPDCL to stay the Order in Petition No. 137/GT/2024 after disposal of this review Petition before the Commission.
9. During the course of the hearing, on the request of the parties, the Commission permitted the filing of the Note of the Arguments. The Commission, while taking note of the parties' submissions as well as the observation of the APTEL in its order dated 15.04.2026 in Appeal No. 340 of 2025, reserved the order in the matter.

Analysis and Decision

10. The Commission has heard the learned counsels for the Petitioner and the Respondents and has carefully perused the records.
11. The Commission observes that Regulation 52 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023, stipulates as follows:

“52. REVIEW OF ORDERS, DECISIONS AND DIRECTIONS

(1) The Commission shall exercise jurisdiction to review its own orders, decisions, and directions in accordance with Clause (f) of sub-section (1) of Section 94 of the Act read with Section 114 and Order 47 of the Civil Procedure Code. (2) Any person aggrieved by a direction, decision, or order of the Commission, from which no appeal has been preferred, may file a review petition on the following grounds within forty days of the making of such decision, direction, or order: (a) Upon the discovery of new and important matter or evidence that, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the direction, decision, or order was passed or; (b) On account of some mistake or error apparent from the face of the record, or; (c) If there is any other sufficient reason to review the matter.”

12. The Commission observes that by the present review petition, the Petitioner, Solar Energy Corporation of India Limited (**‘SECI’**) is seeking review of the order dated 08.09.2025 passed in Petition No. 137/GT/2024 wherein the Commission has determined the project specific tariff of the 100 MW(AC)/155.02 MWp (DC) Solar PV power plant with 40MW/120 MWh of Battery Energy Storage System (BESS) at Rajnandgaon, Chhattisgarh for a period of 25 years from Commercial Operation Date (**‘COD’**).
13. According to the Petitioner, the order dated 08.09.2025 in Petition No 137/GT/2024, contains certain errors apparent on the face of the record and accordingly needs to be reviewed and modified. The Commission has addressed the issues raised by the Petitioner in the subsequent paragraphs.

ISSUE NO.1: - DISALLOWANCE OF RS. 169,32,946/- FROM THE TOTAL EPC CONTRACT VALUE:

14. **Petitioner’s Submission:** According to the Petitioner, at paras 74 and 76 of the said order in Petition No 137/GT/2024, the Commission erroneously disallowed Rs. 1,69,32,946/- from the total EPC Contract value on the basis that the said amount is recoverable by SECI from the EPC Contractor- Tata Power Solar System Ltd. It is stated that SECI had submitted the EPC amount of Rs. 8,73,69,50,379/-, after duly reducing Rs. 1,69,32,946/- recoverable by SECI from Tata Power Solar System Ltd, by way of Amendment-4 for consideration by this Commission for the purposes of tariff determination.

15. Further, the Petitioner submitted that in Para 79 of the said Order, this Commission has inadvertently again deducted Rs. 1,69,32,946 from the EPC Cost of Rs. 8,73,69,50,379/- despite the said amount being already reduced from the EPC Cost in the Amendment 4 of the Contract Agreement. Thus, on account of the above, the amount of Rs. 1,69,32,946/- has been deducted twice from the EPC Cost.
16. Respondent's Reply: On the contrary, the Respondent has replied that any amount contractually recoverable from Tata Power Solar or otherwise not forming part of SECI's final liability cannot be loaded into capital cost, and that the Commission must strictly prune project cost to protect consumers. According to the Respondent, the so-called "double deduction" arises from SECI's interpretation of its own Amendment-4; the Commission's order shows a consciously pruned capital-cost computation and does not contain a patent arithmetical slip on its face. The grievance concerns the correctness of the capital cost prudence check, not any obvious clerical or accidental error.
17. Commission's Decision: The Commission perused the records submitted by the Petitioner and found that the claim of the Petitioner that the EPC amount of Rs. 8,73,69,50,379/- has been computed after reducing Rs. 1,69,32,946/- is not borne out by the records. There is no clerical or accidental error, and hence, there is no merit in the argument of the Petitioner.

ISSUE NO. 2: DISALLOWANCE OF RS. 3,88,73,710 CLAIMED BY SECI TOWARDS THE PRE- PROJECT ACTIVITIES

18. Petitioner's Submission: According to the Petitioner, Rs 3,88,73,710 cost has been incurred by SECI towards the construction of two (02) nos. of 132 kV feeder bay at the 220 kV S/s Thelkadih for grid connectivity of the Project, and the same does not fall under the Scope of Work of the EPC Contractor. The Petitioner has referred to a clause in the RfS document and has further argued that, for accounting purposes, it has been identified as "pre- project activities for construction, drawing and design of the tower and foundation," which is duly reflected in the certificate issued by the Auditor for the Project Cost.
19. Respondent's Reply: - The Respondent has argued that the EPC was a turnkey contract for the grid-connected project, and SECI cannot carve out bay-construction costs as "pre-project" to inflate capital cost; any such segregation contradicts the tender structure and cost-plus framework tied to discovered EPC cost. The RfS clause and accounting classification were argued by SECI in the main petition; the Commission has already

taken a considered view. No new document or fact that has now been produced that was unavailable despite due diligence. It is further argued that the said claim is a classic attempt to re-argue what has been decided; review jurisdiction does not permit a “second innings” on the same material in the absence of special circumstances such as non-consideration of a material statutory provision or binding precedent.

20. Commission’s Decision: The Commission has dealt with this issue in para 75 of the Order in Petition No. 137/GT/2025, in which the amount of Rs. 3,88,73,710 has been disallowed due to lack of relevant details.
21. Therefore, it is clear that the Commission has taken a conscious decision on the disallowance of the above cost on account of the lack of relevant material or information furnished by the Petitioner. Hence, the Petitioner's claim in this regard does not sustain.

ISSUE NO. 3:- DEDUCTION OF THE CTF GRANT OF RS. 66.6 CRORES FROM THE SOLAR POWER PLANT COST COMPONENT OF THE PROJECT AS AGAINST THE BESS COST COMPONENT OF THE PROJECT

22. Petitioner’s Submission: - The Petitioner has submitted that the Commission, in paras 77-78, 102, has wrongfully deducted the CTF Grant of Rs. 66.6 Crores from the Solar Component of the Project cost when the said amount is exclusively granted for the BESS Component of the Project. It is submitted that, under the loan agreement between SECI and the International Bank for Reconstruction and Development, the CTF Grant was to be allocated specifically to the BESS Component.
23. Respondent’s Reply: The Respondent, in response, asserted that all grants, including CTF, must be fully netted off capital cost under Regulation 13 (debt-equity after grant deduction), and SECI cannot ring-fence the grant to any one component to artificially increase tariff/ROE. According to the Respondent, it is the choice of the Commission to treat the CTF grant as a general capital-cost reduction as a normative regulatory decision on the application of RE Regulations and hence cannot be considered as an accidental oversight
24. Commission’s Decision: - The Commission, in the said order, has treated a CTF grant as part of the overall project cost and reduced the CTF grant from capital cost before applying debt-equity as per the RE Tariff Regulations principle. The approach adopted by the Commission in approving the costs in paras 78, 79, and 102 of the said order is a conscious decision ,not an accidental oversight. Hence, the Commission rejects the Petitioner's plea.

ISSUE NO. 4:- DISALLOWANCE OF THE DEGRADATION FACTOR OF 0.5%

25. Petitioner's Submission: - The Petitioner submitted that the Commission at paras 90-91,102 has wrongly disallowed the degradation factor of 0.5% for the entire life of the project on the basis that the RE Tariff Regulations 2020 do not provide any norms for the module degradation factor. It is humbly submitted that the degradation factor of 0.5% has increased due to capacity degradation of the BESS Component of the Project, affecting the overall plant output. Further, it was argued that considering the project having two components, i.e. Solar and BESS, and having appreciated the requirement to replace the battery on account of degradation rate, this Commission ought to have allowed the claim made by SECI for a degradation factor of 0.5% for the whole project. It is submitted that due to this inadvertent error, there is an impact of around Rs. 0.15/kWh on the tariff.
26. Respondent's Reply:- The Respondent has submitted that the Commission's Order shows active consideration of the issue raised by the Petitioner, and the Commission has taken a reasoned decision in not accepting the degradation claim of the Petitioner. According to the Respondent, the Petitioner, SECI, is challenging the quality of the reasoning rather than pointing to an obvious error on the face of the record. Courts have repeatedly held that a review is not an appeal in disguise merely because another view is possible. The Petitioner has not established any special circumstances.
27. Commission's Decision: The Commission has dealt with the issue of degradation in para 90 of the Order in Petition No 137/GT/2024. The Commission has made a conscious decision to disallow the 0.5% degradation factor and has taken a similar approach in many other RE tariff Petitions. There is no inadvertent error on the face of the record, and hence, the Commission does not find any merit in the argument to review its decision in this regard.

ISSUE NO. 5:- NETTING OFF THE AUXILIARY CONSUMPTION OF 1.14%

28. Petitioner's Submission:- It is submitted that the Commission in Para 102 of the Order in Petition No 137/GT/2024, has netted off the Auxiliary Power Consumption of 1.14% from the quantum of generation of the Project but has not allowed the difference between the industrial tariff rate of Rs.6.6/ kWh paid to CSPDCL (taken for the connection of 500 kVA at industrial tariff for meeting auxiliary load requirement) and the tariff determined for the project as O & M Expenses along with the minimum annual charges of Rs 22.5 Lakhs. According to the Petitioner, the difference between the retail tariff paid to

CSPDCL for the cost of the power towards the auxiliary consumption and the Project tariff determined by the Commission has to be accounted as a part of O & M Expenditure for the purpose of the tariff computation. The review is claimed as there is no impropriety on the part of SECI in the expenditure incurred, and the expenditure was legitimate and necessary.

29. Respondent's Reply: - The Respondent has submitted that the issues raised by the Petitioner were known and substantially argued in the main proceedings and are not a "new and important" matter that could not with diligence have been produced. The Commission's refusal to treat the auxiliary tariff differential as a separate reimbursable O&M head is a conscious decision. There is no apparent miscalculation or mis-recording. Further, the Petitioner's case does not identify any statutory or regulatory provision that the Commission failed to notice; it simply contends that the same provision should have been applied differently, which is outside the scope of the review petition.
30. Commission's Decision: - The Commission agrees with the view of the Respondent and would like to reiterate that not allowing the difference between the high industrial tariff paid for the auxiliary load requirement and the tariff determined for the project is a conscious decision of the Commission and accordingly the cost of Auxiliary consumption is approved by the Commission in para 102 of the said Order. The Commission has consistently taken this view while dealing with such issues in other petitions. Further, there is no apparent error or miscalculation in this regard, and hence, the claim of the Petitioner is rejected.

ISSUE NO. 6:- RESTRICTING THE INTEREST ON LOAN RATE TO 6.15% FOR THE NORMATIVE LOAN COMPONENT (BASED ON THE WORLD BANK LOAN RATE), WHICH OUGHT TO HAVE BEEN ALLOWED AT A NORMATIVE INTEREST RATE OF 10.57%.

31. Petitioner's Submission: - It is submitted that the Commission has erred in restricting the rate of interest on loan to 6.15% for the normative domestic loan component, also in Para 44 (based on the World Bank Loan rate), which ought to have been allowed at the normative interest rate of 10.57% as recorded in para 43 of the order. It is further submitted that SECI raised bonds for the normative domestic loan portion in September 2025 at an interest rate of 7.14% p.a., repayable after 10 years in a bullet repayment. In view of this, the Commission may allow an interest rate of 7.14% with a bullet repayment term, if not the normative interest rate of 10.57%.

32. Respondent's Reply: - The Respondent has submitted that the fixation of the rate of interest of 6.15% is not an "accidental" figure but the product of expressed reasoning by the Commission. SECI's alternative plea for 7.14% based on bonds issued in September 2025 is a new financing arrangement post-order and was not part of the record considered on 08.09.2025. A review cannot be used to introduce subsequent events or restructure financing.
33. Commission's Decision: - The Commission has dealt with this aspect in detail with reasoning in its order, and there is no apparent error on the face of the record. Further, the Commission agrees with the respondent's view that the Petitioner's alternative request to apply an interest rate of 7.14% rather than the normative interest rate of 10.57% should not be considered, as this was not part of the record when the order was issued. Accordingly, the Commission does not accept the petitioner's plea.

ISSUE NO. 7: WEIGHTED AVERAGE INTEREST RATE ON THE WORLD BANK'S INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ('IBRD') LOAN AND THE CTF LOAN HAS BEEN DETERMINED AT 6.15% WITHOUT CONSIDERING THE IMPACT OF FERV/INTEREST RATE VARIATION

34. Petitioner's Submission:- It is submitted that the Hon'ble Commission has wrongly considered the interest rate on World Bank's IBRD and CTF Loan as 6.15% at para 42 of the order without considering the impact of FERV/Interest rate variation. The Petitioner has argued that the same was informed to the Commission vide its rejoinder dated 05.12.2024. The Petitioner argued that the Commission ought to have allowed to reimburse SECI the cost of FERV, interest rate variation along with variable spread as well as hedging cost on World Bank IBRD and FERV on World Bank CTF Loan on actuals, however, this aspect has not been dealt by the Commission and the Commission considered the interest rate on World Bank loan without including the impact of exchange rate variation.
35. Respondent Reply: - The Respondent has argued that SECI's new tabulations in the review petition simply update or re-work the same data; they do not qualify as "new and important matter" not within its knowledge earlier. The relief sought — a different interest structure plus separate FERV on actuals — would fundamentally alter the tariff architecture and is, in substance, an appeal against regulatory policy, which review cannot accommodate.

36. Commission's Decision: - The Commission would like to highlight that all the information provided by the Petitioner, including its rejoinder, was considered while taking the decision on the interest on loan and has not been overlooked. The rate of interest decided by the Commission in the Order is a reasoned decision and with adequate explanation in paras 35 to 44 of the said Order. There is thus no non-consideration of a material piece of evidence, and hence the Commission rejects the plea of the Petitioner in this regard.

ISSUE NO. 8:- RESTRICTING THE INTEREST ON THE LOAN RATE FOR THE BATTERY REPLACEMENT COST OF RS. 74.64 CRORES AT THE END OF 12 YEARS WITH THE DEBT EQUITY RATIO OF 70: 30, AT 6.15% (BASED ON THE WORLD BANK LOAN RATE) INSTEAD OF THE NORMATIVE INTEREST RATE OF 10.57%

37. Petitioner's Submission: - It is submitted that the Commission has restricted the rate of interest on loan, for the battery replacement cost of Rs. 74.64 crores at the end of 12 years with the debt equity ratio of 70: 30, at 6.15% (based on the World bank loan rate) instead of the normative interest rate of 10.57%. It is submitted that the withdrawal period for the World Bank Loan was up to 31.12.2024, as provided in the Loan Agreement (now extended to 31.12.2025). As this amount is for the replacement cost to be incurred at the end of 12 years, the loan from the World Bank cannot be used for the replacement cost (as the available withdrawal period is only up to 31.12.2025), and SECI will either use its own equity or a mix of domestic loan borrowing/equity to finance the above expenditure. In view of the above, the interest on the loan rate ought to have been considered at the normative loan rate of 10.57%.

38. Respondent's Reply: - The Respondent has argued that the grievance of the Petitioner is again only with the rate of interest, a parameter deliberately set in the order. No mis-statement or omission of a fact appears on the face of the record. It was further argued that the alleged "domestic borrowing at the time of replacement" is a future commercial choice of SECI; the Commission was entitled to model the project using a unified interest assumption. That modelling choice cannot be revisited in the review.

39. Commission's Decision: - The Commission would like to reiterate that the approach/ assumption considered by the Commission in para 80 of the said Order in Petition No. 137/GT/2024 is a conscious approach with a balanced view to protect the consumer interest while allowing adequate returns on the investment. There is no new document

submitted by the Petitioner that merits a different view; hence, the Commission does not accept the Petitioner's plea in this regard.

ISSUE NO. 9: - RETURN ON EQUITY HAS BEEN GROSSED UP BY THE MINIMUM ALTERNATE TAX (MAT) RATE FOR THE FIRST 20 YEARS AND FOR THE REMAINING PERIOD BY THE CORPORATE TAX RATE OF 17.47%, WHICH IS CONTRARY TO THE ACTUAL POSITION AS SECI HAS OPTED FOR INCOME TAX RATE UNDER SECTION 115 BY WAY OF WHICH THE APPLICABLE TAX RATE IS 25.178- %.

40. Petitioner's Submission: - It is submitted that this Commission ought to have appreciated the submissions of SECI regarding SECI having opted for the income tax rate under section 115BAA of the Income Tax Act, according to which the effective income tax rate applicable on SECI is 25.178% (22% income tax rate+10% surcharge+4% Cess). Further, in accordance with the provisions of section 115BAA of the Income Tax Act, the companies that are covered under this section are not required to pay MAT. Therefore, the applicable income tax rate for SECI is 25.178%, which has been used to gross up the post-tax return on equity of 14%.
41. Respondent's Reply: - The Respondent has submitted that SECI's reliance on Section 115BAA and its internal tax planning was already placed before the Commission; the regulatory decision to stick to normative tax rates is manifest and cannot be termed an "apparent" error. The Commission's Order expressly considers and applies Regulation 16 while computing the ROE, and there is no omission to notice a relevant regulation or to give reasons.
42. Commission's Decision: - The Commission, while dealing with the ROE in paras 30 to 34 of the said Order, has taken note of the argument made by the Petitioner and has taken the considered view, similar to that in other Petitions. There is no apparent error on the face of the record, and hence, the plea of the Petitioner is rejected.

ISSUE NO. 10:- WRONGFUL DETERMINATION OF THE INTEREST RATE ON WORKING CAPITAL EQUIVALENT TO THE WORLD BANK LOAN RATE AT 6.15%

43. Petitioner's Submission: The Petitioner has argued that the Commission has wrongly considered the interest rate on Working Capital (IOWC) to be equal to the rate of World Bank loan at 6.15%, which is without any merit. It is submitted that SECI has not tied up

any loan for the Working Capital in foreign currency. The loan tied up by SECI with the World Bank is exclusively for meeting the project's capital costs. Working Capital is required to meet O&M expenses and to cover the gap during the debtors period. In the absence of any Project Specific Working Capital borrowings by SECI, the normative interest rate on Working Capital, as 12.07%, was prayed for by SECI in line with Regulation 17 of RE Tariff Regulations 2020 for the purpose of tariff calculation.

44. Respondent's Reply:- The Respondent has responded that the reduction of IOWC from 12.07% to 6.15% is an explicit and reasoned relaxation by the Commission and not a mistake. SECI's contention that Regulation 17 "must" be applied rigidly was considered in substance and should be rejected. The Petitioner seeks to revisit the Commission's policy choice on applying normative interest in a concessional-finance scenario, which is beyond the review jurisdiction.
45. Commission's Decision: - The Commission, in its order in Petition No 137/GT/2024, has taken a conscious decision with reasoning while deciding the Interest on Working Capital in paras 49 to 55. The Petitioner has not brought any new evidence that was not available earlier. Hence, the Commission is not inclined to revisit its decision on IOWC.

ISSUE NO. 11:- DISALLOWANCE OF SECI'S EXPENSES OF RS. 1 LAKH/MW TOWARDS MANPOWER DEPLOYMENT, TRAVELLING, SUPERVISION, AND MONITORING AT THE PROJECT SITE

46. Petitioner's Submission:- It is submitted that SECI has deployed its manpower at the Project site to monitor and supervise the project, apart from incurring other administrative expenditure, and on account of this, SECI had claimed expenses of Rs. 1 lakh/MW. It is submitted that the O & M Cost, as determined through competitive bidding, does not include this cost, which is borne by SECI. These expenses have been wrongly disallowed by the Hon'ble Commission on the basis that the same are covered under the O & M Expenses allowed in para 100 and 102 of the order.
47. Respondent Reply:- The Respondent has submitted that the Commission has clearly applied the regulatory scheme to reject an extra head of O&M. SECI's disagreement is with the conclusion, not with any factual slip or omission. According to the Respondent, the review petition essentially repeats the original justification for SECI expenses.
48. Commission's Decision:- The Commission's decision of disallowing SECI's claim towards expenses under the extra head of O &M was conscious and with required reasoning. There is no apparent error on the face of the record. The Petitioner has also

failed to show any new circumstances indicating that any regulation or material was overlooked. Hence, the Petitioner's prayer for review does not sustain.

49. In our considered view, the Review Petitioner has sought to re-argue the case on its merits, which is not permissible in review. The Review Petition has a limited purpose and cannot be an appeal in disguise. The principles of review have also been enunciated by the Hon'ble Supreme Court in its judgment in the case of Kamlesh Verma v. Mayawati and ors. [AIR 2006 SC 75]. We, therefore, find no reason to allow the Review Petition on this count. Accordingly, we hold that the prayer of the Review Petitioner for review of the impugned order on these counts is not maintainable.

50. Petition No. 21/RP/2025 in Petition No.137/GT/2024 is disposed of in terms of the above.

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