

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 564/TT/2014

Coram:

**Shri A. S. Bakshi, Member
Dr. M. K. Iyer, Member**

**Date of Hearing : 03.02.2016
Date of Order : 08.03.2016**

In the matter of:

Truing up of transmission tariff for 2009-14 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and determination of transmission tariff for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for **Asset-I:** 315 MVA, 400/220/33 kV 3-phase Spare ICT at Raipur sub-station, **Asset-II:** 315 MVA, 400/220/33 kV 3-phase Spare ICT at Pune sub-station, **Asset-III:** 420 kV, 80 MVAR 3-phase shunt reactor at Wardha sub-station, **Asset-IV:** 315 MVA, 400/220/33 kV 3-phase Spare transformer at Dehgam sub-station, **Asset-V:** 315 MVA, 400/220/33 kV 3-phase Spare transformer at Jabalpur, **Asset-VI:** 400 kV, 125 MVAR 3-phase Spare Reactor at Itarsi under provision of Spare ICTs and Reactors in Western Region, under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And in the matter of:

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

.....**Petitioner**

Versus

1. Madhya Pradesh Power Management Company Limited
Shakti Bhawan, Rampur
Jabalpur -482 008



2. Maharashtra State Electricity Distribution Co. Limited
5th Floor, Prakashgad, Plot no. 9,
Anant Kanekar Marg, Bandra (East),
Mumbai – 400 051
3. Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara – 390 007
4. Electricity Department
Govt. of Goa
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa – 403 001
5. Electricity Department
Administration of Daman & Diu
Daman – 396 210
6. Electricity Department
Administration of Dadra Nagar Haveli,
U.T., Silvassa – 396 230
7. Chhattisgarh State Electricity Board
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh – 492 013
8. Madhya Pradesh Audyogik Kendra
Vikas Nigam (Indore) Ltd.
3/54, Press Complex, Agra-Bombay Road,
Indore – 452 008

.....**Respondents**

The following were present:-

For Petitioner:

Smt Sangeeta Edwards, PGCIL
Shri S.S Raju, PGCIL
Shri S.C Taneja, PGCIL
Shri M.M Mondal, PGCIL
Shri Rakesh Prasad, PGCIL

For Respondent: None



ORDER

The present petition has been preferred by Power Grid Corporation of India Ltd. (“the petitioner”), for truing up of capital expenditure and tariff for Asset-I: 315 MVA, 400/220/33 kV 3-phase Spare ICT at Raipur sub-station, Asset-II: 315 MVA, 400/220/33 kV 3-phase Spare ICT at Pune sub-station, Asset-III: 420 kV, 80 MVAR 3-phase shunt reactor at Wardha sub-station, Asset-IV: 315 MVA, 400/220/33 kV 3-phase Spare transformer at Dehgam sub-station, Asset-V: 315 MVA, 400/220/33 kV 3-phase Spare transformer at Jabalpur, Asset-VI: 400 kV, 125 MVAR 3-phase Spare Reactor at Itarsi under provision of Spare ICTs and Reactors in Western Region (hereinafter referred as “transmission asset”) under Regulation 6 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as “the 2009 Tariff Regulations”) based on actual capital expenditure for the period from 1.7.2012 (COD) to 31.3.2014 for Asset-I and Asset-II, 1.8.2012(COD) to 31.3.2014 for Asset-III, 1.9.2012(COD) to 31.3.2014 for Asset-IV and Asset-V, 1.1.2013 for Asset-VI and for determination of tariff under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) for the period from 1.4.2014 to 31.3.2019 for Combined Assets.



2. The respondents are mostly distribution licensees, electricity departments and centralised companies who are procuring transmission service from the petitioner, mainly beneficiaries of Western Region.

3. The petitioner has served the petition to the respondents and notice of this application has been published in the newspapers in accordance with Section 64 of Electricity Act, 2003 ("the Act"). No comments have been received from the public in response to the notices published by the petitioner under Section 64 of the Act. The hearing in this matter was held on 3.2.2016. The petitioner was directed to file certain information vide letter dated 30.1.2016. In response, the petitioner has submitted the information vide affidavit dated 12.2.2016. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition.

4. The brief facts of the case are as follows:-

(a) The investment approval for the project ("Provision of Spare ICTs and Reactors for Eastern, Northern, Southern and Western Region") was accorded by Board of Directors of the petitioner company vide Memorandum No. C/CP/Spare ICTs & Reactors in letter dated 4.8.2011 at an estimated cost of ₹6409 lakh (Western Region), which included IDC of ₹173 lakh based on 1st quarter 2011 price level. Further, proposal of the above scheme was approved by the WR constituents during 15th WRPC meeting held on 12.11.2010. The petitioner has built the transmission



asset in the Western Region. The date of the commercial operation of the assets is as given below:

Asset	Actual DOCO
Asset-I: 315 MVA, 400/220/33 kV 3-phase Spare ICT at Raipur sub-station	1.7.2012
Asset-II: 315 MVA, 400/220/33 kV 3-phase Spare ICT at Pune sub-station	1.7.2012
Asset-III: 420 kV, 80 MVAR 3-phase shunt reactor at Wardha sub-station	1.8.2012
Asset-IV: 315 MVA, 400/220/33 kV 3-phase Spare transformer at Dehgam sub-station	1.9.2012
Asset-V: 315 MVA, 400/220/33 kV 3-phase Spare transformer at Jabalpur	1.9.2012
Asset-VI: 400 kV, 125 MVAR 3-phase Spare Reactor at Itarsi under provision of Spare ICTs and Reactors	1.1.2013

(b) The approved apportioned cost of Asset-I is ₹1275.56 lakh, Asset-II is ₹1268.58 lakh, Asset-III is ₹621.21 lakh, Asset-IV is ₹1263.97 lakh, Asset-V is ₹1263.97 lakh and for Asset-VI is ₹703.89 lakh.

(c) The tariff from COD to 31.3.2014 for Asset-I, Asset-II and Asset-III was allowed vide order dated 9.5.2013 in Petition No. 204/TT/2012. The tariff for Asset-IV, Asset-V and Asset-VI was allowed vide order dated 16.1.2014 in Petition No. 50/TT/2013 in accordance with the 2009 Tariff Regulations. The tariff allowed for the 2009-14 tariff period is as under:-

Asset-I	(₹ in lakh)	
	2012-13 (Pro-rata)	2013-14
Depreciation	32.96	55.92
Interest on Loan	39.54	63.43
Return on Equity	32.78	55.66
Interest on Working Capital	2.42	4.03



Asset-I	2012-13 (Pro-rata)	2013-14
O&M Expenses	0.00	0.00
Total	107.71	179.03

(₹ in lakh)

Asset-II	2012-13 (Pro-rata)	2013-14
Depreciation	32.74	54.50
Interest on Loan	39.28	61.76
Return on Equity	32.56	54.24
Interest on Working Capital	2.41	3.92
O&M Expenses	0.00	0.00
Total	106.99	174.43

Asset-III	2012-13 (Pro-rata)	2013-14
Depreciation	13.21	24.32
Interest on Loan	15.92	27.74
Return on Equity	13.15	24.25
Interest on Working Capital	0.97	1.76
O&M Expenses	0.00	0.00
Total	43.26	78.07

Asset-IV	2012-13 (Pro-rata)	2013-14
Depreciation	23.94	53.03
Interest on Loan	28.89	60.79
Return on Equity	23.80	52.75
Interest on Working Capital	1.76	3.83
O&M Expenses	0.00	0.00
Total	78.39	170.40

Asset-V	2012-13 (Pro-rata)	2013-14
Depreciation	27.62	54.39
Interest on Loan	33.35	62.12
Return on Equity	27.47	54.15



Interest on Working Capital	2.04	3.93
O&M Expenses	0.00	0.00
Total	90.47	174.59

Asset-VI	2012-13 (Pro-rata)	2013-14
Depreciation	5.34	26.59
Interest on Loan	6.53	31.14
Return on Equity	5.31	26.48
Interest on Working Capital	0.40	1.94
O&M Expenses	0.00	0.00
Total	17.58	86.15

(d) The tariff for Asset-I, II and III was allowed vide order dated 9.5.2013 in Petition No. 204/TT/2012 considering the capital cost of ₹608.38 lakh for Asset-I, ₹623.29 lakh for Asset-II, ₹291.80 lakh for Asset-III. Tariff for Asset-IV, V and VI was allowed vide order dated 16.1.2014 in Petition No. 50/TT/2013 as ₹613.49 lakh for Asset-IV, ₹815.99 lakh for Asset-V and ₹382.21 lakh for Asset-VI as on COD.

(e) The MAT rate applicable as on 2008-09 was considered to arrive at rate of return on equity for the tariff period 2009-14, which is required to be adjusted as per the actual MAT rate applicable for the respective year at the time of truing up of tariff for 2009-14 tariff period.

(f) The instant petition was filed on 11.12.2014

TRUING UP OF ANNUAL FIXED CHARGES FOR TARIFF PERIOD 2009-14

5. The truing up of tariff for the 2009-14 tariff period for the assets has been determined as discussed below:



Capital Cost

6. The Commission in its order dated 9.5.2013 in Petition No. 204/TT/2012 had approved the capital cost of ₹608.38 lakh, ₹623.29 lakh and ₹291.80 lakh for Asset-I, Asset-II and Asset-III respectively as on COD (1.7.2012, 1.7.2012 and 1.8.2012 for Asset-I, Asset-II and Asset-III respectively) for the purpose of tariff. The petitioner has claimed same capital cost of ₹608.38 lakh, ₹623.29 lakh and ₹291.80 lakh for Asset-I, Asset-II and Asset-III respectively as on COD of the assets (as per Auditor's Certificate) for the purpose of tariff.

7. The Commission in order dated 16.1.2014 in Petition No. 50/TT/2013 had approved capital cost of ₹613.49 lakh, ₹815.99 lakh and ₹382.21 lakh for Asset-IV, Asset-V and Asset-VI respectively, as on COD (1.9.2012 for Asset-IV and Asset V, 1.1.2013 for Asset-VI). The petitioner has submitted revised capital cost of ₹622.76 lakh, ₹823.33 lakh and ₹0.00 lakh for Asset- IV, Asset-V and Asset-VI respectively as on COD of the assets (as per Auditor's Certificate) for the purpose of tariff. The petitioner further submitted that for Asset-VI no capital cost has been claimed as on COD, no liability was discharged for the asset prior to COD.

8. The petitioner submitted that, there are certain changes in the admitted cost of Asset-IV and V as per latest Auditor's Certificate dated 26.9.2014, due to adjustment of IDC and IEDC expenses arrived after completion of auditing of accounts for 2012-13. For Asset-VI, the admitted COD cost in order dated



16.1.2014, was as per Auditor's Certificate dated 11.12.2012. The same is revised as per Auditor's Certificate dated 26.9.2014.

9. Clause (1) of Regulation 7 of the 2009 Tariff Regulations provides that:-

“(1) Capital cost for a project shall include:

(a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan - (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, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check;

(b) capitalised initial spares subject to the ceiling rates specified in regulation 8; and

(c) additional capital expenditure determined under regulation 9:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost.”

10. The petitioner has submitted the Auditor's Certificate certifying the capital cost as on COD and additional capitalization claimed thereafter. Thus, the capital cost of Asset-I, Asset-II and Asset-III are approved as per admitted capital cost of ₹608.38 lakh, ₹623.39 lakh, ₹291.80 lakh, respectively as on COD.

11. The capital cost of Asset-IV, Asset-V and Asset-VI are within the approved apportioned cost of the assets. Initial spares are within limits for the said assets. Thus, for Asset- IV, Asset-V and Asset-VI, capital cost has been considered as ₹622.76 lakh, ₹828.33 lakh and ₹0.00 lakh respectively as on COD, i.e. as per petitioner's submissions based on Auditor's certificate dated 26.9.2014.



Additional Capital Expenditure

12. The petitioner has claimed additional capitalization of ₹477.15 lakh, ₹424.53 lakh, ₹138.17 lakh ₹314.67 lakh, ₹406.51 lakh and ₹430.22 lakh for Asset-I, Asset-II, Asset-III, Asset-IV, Asset-V and Asset-VI, respectively, on account of undischarged liabilities towards final payment withheld due to contractual exigencies i.e. balance and retention payment for works done within cut-off date under Regulation 9(1)(i) of the 2009 Tariff Regulations.

13. Clause (1), sub-clause(i) of Regulation 9 of the 2009 Tariff Regulations provides that:-

“Additional Capitalisation. (1) The capital expenditure 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:

(i) Undischarged liabilities...;”

14. The total capital cost of ₹1085.53 lakh, ₹1047.82 lakh, ₹429.97 lakh, ₹937.43 lakh, ₹1234.84 lakh and ₹430.22 lakh for Asset-I, Asset-II, Asset-III, Asset-IV, Asset-V and Asset-VI respectively, including actual additional capitalization claimed by the petitioner is within the overall approved apportioned cost of ₹1275.56 lakh, ₹1268.58 lakh, ₹621.21 lakh, ₹1263.97 lakh, ₹1263.97 lakh and ₹703.89 lakh for Asset-I, Asset-II, Asset-III, Asset-IV, Asset-V and Asset-VI respectively. Hence, considering the submissions made by the petitioner, we have allowed total capital cost including additional capitalization



under Regulation 9(1)(i) of the 2009 Tariff Regulations as shown in the table below:-

(₹ in lakh)

Asset	Particulars	Approved Apportioned Cost	Capital cost as on COD	Additional Capital Expenditure (2009-14)		Total Add cap	Capital Cost as on 31.3.2014
				2012-13	2013-14		
Asset-I	Approved in order dated 9.5.2013	1,275.56	608.38	450.17	5.55	455.72	1064.10
	Actual incurred as per Auditor's certificate dated 5.8.2014		608.38	325.33	151.82	477.15	1085.53
Asset-II	Approved in order dated 9.5.2013	1,268.58	623.29	409.15	3.80	412.95	1036.24
	Actual incurred as per Auditor's certificate dated 5.8.2014		623.29	417.86	6.67	424.53	1047.82
Asset-III	Approved in order dated 9.5.2013	621.21	291.80	168.89	3.36	172.25	464.05
	Actual incurred as per Auditor's certificate dated 5.8.2014		291.80	137.95	0.22	138.17	429.97
Asset-IV	Approved in order dated 16.1.2014	1,263.97	613.49	328.72	127.32	456.04	1069.53
	Actual incurred as per Auditor's certificate dated 26.9.2014		622.76	313.07	1.60	314.67	937.43
Asset-V	Approved in order dated 16.1.2014	1,263.97	815.99	163.69	105.81	269.50	1085.49
	Actual incurred as per Auditor's certificate dated 26.9.2014		828.33	136.32	270.19	406.51	1234.84
Asset-VI	Approved in order dated 16.1.2014	703.89	382.21	45.83	153.82	199.65	581.86
	Actual incurred as per Auditor's certificate dated 26.9.2014		-	374.25	55.97	430.22	430.22
Total Approved		6397.18	3335.16	1566.45	399.66	1966.11	5301.27
Total Actual			2974.56	1704.78	486.47	2191.25	5165.81

Debt: Equity

15. Clause 1 & 3 of Regulation 12 of the 2009 Tariff Regulations provide that:-

“(1) For a project declared under commercial operation on or after 1.4.2009, 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 where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of tariff:

Provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.

.....

(3) Any expenditure incurred or projected to be incurred on or after 1.4.2009 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.”

16. The petitioner has claimed trued up Annual Fixed Charge based on debt-equity ratio of 70:30 admitted as on COD in order dated 9.5.2013 in Petition No. 204/TT/2012 for Asset-I, Asset-II and Asset-III. The petitioner has claimed trued up Annual Fixed Charge based on debt-equity ratio of 70:30 admitted as on COD in order dated 16.1.2014, in Petition No. 50/TT/2013, for Asset-IV, Asset-V and Asset-VI. The admitted debt:equity ratio of 70:30 as on COD for the Assets have been considered for the purpose of truing up of the approved tariff of tariff period 2009-14, as given under:-

(₹ in lakh)		
Asset-I	Amount	(%)
Debt	425.87	70.00
Equity	182.51	30.00
Total	608.38	100.00

(₹ in lakh)		
Asset- II	Amount	(%)
Debt	436.30	70.00
Equity	186.99	30.00
Total	623.29	100.00

(₹ in lakh)		
Asset- III	Amount	(%)
Debt	204.26	70.00
Equity	87.54	30.00



Total	291.80	100.00
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(₹ in lakh)

Asset- IV	Amount	(%)
Debt	435.93	70.00
Equity	186.83	30.00
Total	622.76	100.00

(₹ in lakh)

Asset- V	Amount	(%)
Debt	579.83	70.00
Equity	248.50	30.00
Total	828.33	100.00

(₹ in lakh)

Asset- VI	Amount	(%)
Debt	0.00	-
Equity	0.00	-
Total	0.00	-

17. With respect to additional capitalization, the petitioner has claimed the debt:equity ratio of 70:30 as on COD for the instant assets . The petitioner was directed to confirm that the actual equity infused for additional capitalization during the 2009-14 tariff period is not less than 30%. In response the petitioner vide affidavit dated 12.2.2016 submitted the actual equity infused during the tariff period 2009-14 as follows:

(₹ in lakh)

Particulars	Additional capitalization for the year	Actual Funding/Debt		Actual Equity	
		Amount	(%)	Amount	(%)
Additional Capitalization 2012-13	1704.79	1193.35	70.00%	511.44	30.00%
Additional Capitalization 2013-14	486.47	340.53	70.00%	145.94	30.00%



18. The overall debt equity ratio as on 31.3.2014 for the Assets including additional capitalization is as under:-

(₹ in lakh)

Asset-I	Amount	(%)
Debt	759.87	70.00
Equity	325.66	30.00
Total	1085.53	100.00

(₹ in lakh)

Asset- II	Amount	(%)
Debt	733.47	70.00
Equity	314.35	30.00
Total	1047.82	100.00

(₹ in lakh)

Asset- III	Amount	(%)
Debt	300.98	70.00
Equity	128.99	30.00
Total	429.97	100.00

(₹ in lakh)

Asset- IV	Amount	(%)
Debt	656.20	70.00
Equity	281.23	30.00
Total	937.43	100.00

(₹ in lakh)

Asset- V	Amount	(%)
Debt	864.38	70.00
Equity	370.46	30.00
Total	1234.84	100.00

(₹ in lakh)

Asset- V	Amount	(%)
Debt	301.16	70.00
Equity	129.06	30.00
Total	430.22	100.00

Interest on Loan ("IOL")

19. Regulation 16 of the 2009 Tariff Regulations provides the methodology for working out weighted average rate of interest on loan.



20. The petitioner has submitted the weighted average rate of interest on loan based on its actual loan portfolio and rate of interest. We have considered the submissions of the petitioner and accordingly calculated the IOL based on actual interest rate submitted by the petitioner, in accordance with Regulation 16 of the 2009 Tariff Regulations. The details of weighted average rate of interest are placed at **Annexure-I** and the IOL has been worked out and allowed as follows:-

(₹ in lakh)

Asset-I	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	39.54	63.43
As claimed by the petitioner	36.57	60.14
Allowed after trued up	36.57	60.14

(₹ in lakh)

Asset-II	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	39.28	61.76
As claimed by the petitioner	38.99	61.10
Allowed after trued up	38.99	61.11

(₹ in lakh)

Asset-III	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	15.92	27.74
As claimed by the petitioner	15.11	25.31
Allowed after trued up	15.11	25.31

(₹ in lakh)

Asset-IV	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	28.89	60.79
As claimed by the petitioner	28.63	55.43
Allowed after trued up	28.63	55.43



(₹ in lakh)		
Asset-V	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	33.35	62.12
As claimed by the petitioner	33.16	65.86
Allowed after trued up	33.16	65.86

(₹ in lakh)		
Asset-VI	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	6.53	31.14
As claimed by the petitioner	3.02	25.16
Allowed after trued up	3.02	25.16

21. There is variation in interest on loan due to variation in Capital Cost as on COD for Asset-IV, Asset-V and Asset-VI and variation in actual additional capitalization during 2012-14 tariff period for all the assets.

Return on Equity (“ROE”)

22. Clause (3), (4) and (5) of Regulation 15 of the 2009 Tariff Regulations provides that:-

“(3) The rate of return on equity shall be computed by grossing up the base rate with the Minimum Alternate/Corporate Income Tax Rate for the year 2008-09, as per the Income Tax Act, 1961, as applicable to the concerned generating company or the transmission licensee, as the case may be.

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

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

Where “t” is the applicable tax rate in accordance with clause (3) of this regulation.

(5) The generating company or the transmission licensee, as the case maybe, shall recover the shortfall or refund the excess Annual Fixed Charge 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:

Provided further that Annual Fixed Charge with respect to the tax rate applicable to the generating company or the transmission licensee, as the case may be, in line with the provisions of the relevant Finance Acts of the respective year during the tariff period shall be trued up in accordance with Regulation 6 of these regulations.”

23. The petitioner has submitted that MAT rate of 11.330% applicable for 2008-09 was considered in the order dated 13.5.2014. However, for truing up purpose, the computation of ROE for the tariff period 2009-14 has been done on the basis of actual MAT rate applicable during 2009-14. The petitioner has submitted the variation in the MAT rate during 2009-14 as per the Finance Act of the relevant year for the purpose of grossing up of ROE, as below:-

Particulars	MAT Rate (t) %	Grossed up ROE (Base rate/(1-t)) %
2012-13	20.008	19.377
2013-14	20.961	19.610

24. We have considered the revised MAT rate for grossing up ROE and the approved ROE is as shown in the table below:-

Asset-I	(₹ in lakh)	
	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	32.78	55.66
As claimed by the petitioner	33.62	59.40
Allowed after trued up	33.62	59.40

Asset-II	(₹ in lakh)	
	2012-13 (Pro-rata)	2013-14



Asset-II	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	32.56	54.24
As claimed by the petitioner	36.28	61.45
Allowed after trued up	36.28	61.45

(₹ in lakh)

Asset-III	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	13.15	24.25
As claimed by the petitioner	13.98	25.29
Allowed after trued up	13.98	25.29

(₹ in lakh)

Asset-IV	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	23.80	52.75
As claimed by the petitioner	26.43	55.10
Allowed after trued up	26.43	55.10

(₹ in lakh)

Asset-V	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	27.47	54.15
As claimed by the petitioner	30.40	64.70
Allowed after trued up	30.40	64.70

(₹ in lakh)

Asset-VI	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	5.31	26.48
As claimed by the petitioner	2.72	23.66
Allowed after trued up	2.72	23.66



25. The variation in return on equity is on account of increase in the applicable MAT rate for the purpose of grossing up of base rate of return on equity, variation in capital cost for Asset-IV, Asset-V and Asset- VI.

Depreciation

26. Clause (42) of Regulation 3 of the 2009 Tariff Regulations defines useful life as follows:-

“‘**useful life**’ in relation to a unit of a generating station and transmission system from the COD shall mean the following, namely:-

.....	
(c) AC and DC sub-station	25 years
(d) Hydro generating station	35 years
(e) Transmission line	35 years”

27. Clause (4) of Regulation 17 of the 2009 Tariff Regulations provides as follows:-

"17. Depreciation:

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

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

28. Depreciation was worked out in order dated 9.5.2013 in Petition No. 204/TT/2012 and in order dated 16.1.2014 in Petition No. 50/TT/2013 in accordance with Regulation 17 of the 2009 Tariff Regulations.

29. The weighted average useful life of the transmission asset has been considered as per Regulations 3 (42) and 17 (4) of the 2009 Tariff Regulations.



For the purpose of calculation, the weighted average useful life of the assets as on COD has been considered as 25 years. The depreciation for the tariff period 2009-14 has been worked out in accordance with Regulation 17 of the 2009 Tariff Regulations based on admitted capital expenditure as under.

(₹ in lakh)

Asset-I	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	32.96	55.92
As claimed by the petitioner	30.53	53.31
Allowed after trued up	30.53	53.31

(₹ in lakh)

Asset-II	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	32.74	54.50
As claimed by the petitioner	32.96	55.15
Allowed after trued up	32.96	55.15

(₹ in lakh)

Asset-III	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	13.21	24.32
As claimed by the petitioner	12.67	22.62
Allowed after trued up	12.67	22.62

(₹ in lakh)

Asset-IV	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	23.94	53.03
As claimed by the petitioner	24.00	49.45
Allowed after trued up	24.00	49.45

(₹ in lakh)

Asset-V	2012-13 (Pro-rata)	2013-14



Asset-V	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	27.62	54.39
As claimed by the petitioner	27.61	58.07
Allowed after trued up	27.61	58.07

(₹ in lakh)

Asset-VI	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	5.34	26.59
As claimed by the petitioner	2.46	21.16
Allowed after trued up	2.46	21.17

30. The variation in depreciation is on account of variation in additional capitalization vis-à-vis that approved in the Order and variation in capital cost for Asset-IV, Asset-V and Asset-VI.

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

31. The petitioner has not claimed any O&M Expenses for the said assets, as the assets are spare transformers.

Interest on working capital (“IWC”)

32. Sub-clause (c) of clause (1) of Regulation 18 of the 2009 Tariff Regulations provides the components of the working capital for the transmission system and clause (3) of Regulation 18 of the 2009 Tariff Regulations provides for the rate of interest of working capital.

33. The petitioner submitted the rate of interest on working capital as 13.50% for all the assets for the period COD of the asset to 31.3.2014 as per Clause (3) of Regulation 18 of the 2009 Tariff Regulations and the components of working



capital are also considered in accordance with Sub-clause (c) of clause (1) of Regulation 18 of the 2009 Tariff Regulations.

34. Rate of interest in working capital is considered on normative basis in accordance with Clause (3) of Regulation 18 of the 2009 Tariff Regulations. It is calculated equal to State Bank of India Base Rate as applicable as on 1.4.2012 plus 350 basis points. State Bank of India Base Rate on 1.4.2012 was 10.00%. Therefore, interest rate of 13.50% (10.00% plus 350 basis points) for all the assets has been considered to work out the interest on working capital in the instant case.

35. The IWC trued up is as under:-

(₹ in lakh)		
Asset-I	2012-13 (Pro-rata)	2013-14
Maintenance Spares	0.00	0.00
O & M expenses	0.00	0.00
Receivables	17.17	29.47
Total	17.17	29.47
Rate of Interest (%)	13.50	13.50
Interest	2.32	3.98

(₹ in lakh)		
Asset-II	2012-13 (Pro-rata)	2013-14
Maintenance Spares	0.00	0.00
O & M expenses	0.00	0.00
Receivables	18.45	30.30
Total	18.45	30.30
Rate of Interest (%)	13.50	13.50
Interest	2.49	4.09



(₹ in lakh)

Asset-III	2012-13 (Pro-rata)	2013-14
Maintenance Spares	0.00	0.00
O & M expenses	0.00	0.00
Receivables	7.12	12.48
Total	7.12	12.48
Rate of Interest (%)	13.50	13.50
Interest	0.96	1.69

(₹ in lakh)

Asset-IV	2012-13 (Pro-rata)	2013-14
Maintenance Spares	0.00	0.00
O & M expenses	0.00	0.00
Receivables	13.48	27.28
Total	13.48	27.28
Rate of Interest (%)	13.50	13.50
Interest	1.82	3.68

(₹ in lakh)

Asset-V	2012-13 (Pro-rata)	2013-14
Maintenance Spares	0.00	0.00
O & M expenses	0.00	0.00
Receivables	15.54	32.16
Total	15.54	32.16
Rate of Interest (%)	13.50	13.50
Interest	2.10	4.34

(₹ in lakh)

Asset-VI	2012-13 (Pro-rata)	2013-14
Maintenance Spares	0.00	0.00
O & M expenses	0.00	0.00
Receivables	1.40	11.93
Total	1.40	11.93
Rate of Interest (%)	13.50	13.50
Interest	0.19	1.61



(₹ in lakh)

Asset-I	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	2.42	4.03
As claimed by the petitioner	2.32	3.98
Allowed after trued up	2.32	3.98

(₹ in lakh)

Asset-II	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	3.23	3.92
As claimed by the petitioner	2.49	4.09
Allowed after trued up	2.49	4.09

(₹ in lakh)

Asset-III	2012-13 (Pro-rata)	2013-14
Approved vide order dated 9.5.2013	0.97	1.76
As claimed by the petitioner	0.96	1.69
Allowed after trued up	0.96	1.69

(₹ in lakh)

Asset-IV	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	1.76	3.83
As claimed by the petitioner	1.82	3.68
Allowed after trued up	1.82	3.68

(₹ in lakh)

Asset-V	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	2.04	3.93
As claimed by the petitioner	2.10	4.34



Asset-V	2012-13 (Pro-rata)	2013-14
Allowed after trued up	2.10	4.34

(₹ in lakh)

Asset-VI	2012-13 (Pro-rata)	2013-14
Approved vide order dated 16.1.2014	0.40	1.94
As claimed by the petitioner	0.19	1.61
Allowed after trued up	0.19	1.61

36. The variation in IWC is on account of variation in IOL, Depreciation and ROE due to variation in capital cost for Asset-IV, V and VI and actual additional capitalization for all the assets and further increase in ROE on account of applicable MAT rate during 2009-14 tariff period.

ANNUAL FIXED CHARGES FOR 2009-14 TARIFF PERIOD

37. The detailed computation of the various components of the trued up annual fixed charges for the Asset for the tariff period 2009-14 is summarised below:-

(₹ in lakh)

Asset-I	2012-13 (Pro-rata)	2013-14
Gross Block		
Opening Gross Block	608.38	933.71
Additional Capitalization	325.33	151.82
Closing Gross block	933.71	1085.53
Average Gross block	771.05	1009.62
Depreciation		
Rate of Depreciation (%)	5.280	5.280
Depreciable Value	693.94	908.66



Asset-I	2012-13 (Pro-rata)	2013-14
Elapsed Life of the assets at beginning of the year	0	1
Weighted Balance Useful life of the assets	25	24
Remaining Depreciable Value	693.94	878.12
Depreciation	30.53	53.31
Interest on Loan		
Gross Normative Loan	425.87	653.60
Cumulative Repayment upto Previous Year	0.00	30.53
Net Loan-Opening	425.87	623.07
Additions	227.73	106.27
Repayment during the year	30.53	53.31
Net Loan-Closing	623.07	676.03
Average Loan	524.47	649.55
Weighted Average Rate of Interest on Loan (%)	9.2972	9.2582
Interest	36.57	60.14
Return on Equity		
Opening Equity	182.51	280.11
Additions	97.60	45.55
Closing Equity	280.11	325.66
Average Equity	231.31	302.89
Return on Equity (Base Rate) (%)	15.50	15.50
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (Pre Tax) (%)	19.377	19.610
Return on Equity (Pre Tax)	33.62	59.40
Interest on Working Capital		
Maintenance Spares	0.00	0.00
O & M Expenses	0.00	0.00
Receivables	17.17	29.47
Total	17.17	29.47



Asset-I	2012-13 (Pro-rata)	2013-14
Interest	2.32	3.98
Annual Transmission Charges		
Depreciation	30.53	53.31
Interest on Loan	36.57	60.14
Return on Equity	33.62	59.40
Interest on Working Capital	2.32	3.98
O & M Expenses	0.00	0.00
Total	103.04	176.82

(₹ in lakh)

Asset-II	2012-13	2013-14
Gross Block		
Opening Gross Block	623.29	1041.15
Additional Capitalization	417.86	6.67
Closing Gross block	1041.15	1047.82
Average Gross block	832.22	1044.49
Depreciation		
Rate of Depreciation (%)	5.280	5.280
Depreciable Value	749.00	940.04
Elapsed Life of the assets at beginning of the year	0	1
Weighted Balance Useful life of the assets	25	24
Remaining Depreciable Value	749.00	907.08
Depreciation	32.96	55.15
Interest on Loan		
Gross Normative Loan	436.30	728.80
Cumulative Repayment upto Previous Year	0.00	32.96
Net Loan-Opening	436.30	695.84
Additions	292.50	4.67
Repayment during the year	32.96	55.15
Net Loan-Closing	695.84	645.37



Asset-II	2012-13	2013-14
Average Loan	566.07	670.60
Weighted Average Rate of Interest on Loan (%)	9.1830	9.1119
Interest	38.99	61.11
Return on Equity		
Opening Equity	186.99	312.35
Additions	125.36	2.00
Closing Equity	312.35	314.35
Average Equity	249.67	313.35
Return on Equity (Base Rate) (%)	15.50	15.50
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (Pre Tax) (%)	19.377	19.610
Return on Equity (Pre Tax)	36.28	61.45
Interest on Working Capital		
Maintenance Spares	0.00	0.00
O & M Expenses	0.00	0.00
Receivables	18.45	30.30
Total	18.45	30.30
Interest	2.49	4.09
Annual Transmission Charges		
Depreciation	32.96	55.15
Interest on Loan	38.99	61.11
Return on Equity	36.28	61.45
Interest on Working Capital	2.49	4.09
O & M Expenses	0.00	0.00
Total	110.72	181.79

(₹ in lakh)



Asset-III	2012-13	2013-14
Gross Block		
Opening Gross Block	291.80	429.75
Additional Capitalization	137.95	0.22
Closing Gross block	429.75	429.97
Average Gross block	360.78	429.86
Depreciation		
Rate of Depreciation (%)	5.269	5.262
Depreciable Value	324.70	386.87
Elapsed Life of the assets at beginning of the year	0	1
Weighted Balance Useful life of the assets	25	24
Remaining Depreciable Value	324.70	374.20
Depreciation	12.67	22.62
Interest on Loan		
Gross Normative Loan	204.26	300.83
Cumulative Repayment upto Previous Year	0.00	12.67
Net Loan-Opening	204.26	288.16
Additions	96.57	0.15
Repayment during the year	12.67	22.62
Net Loan-Closing	288.16	265.69
Average Loan	246.21	276.92
Weighted Average Rate of Interest on Loan (%)	9.2044	9.1394
Interest	15.11	25.31
Return on Equity		
Opening Equity	87.54	128.92
Additions	41.38	0.07
Closing Equity	128.92	128.99
Average Equity	108.23	128.95
Return on Equity (Base Rate) (%)	15.50	15.50



Asset-III	2012-13	2013-14
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (Pre Tax) (%)	19.377	19.610
Return on Equity (Pre Tax)	13.98	25.29
Interest on Working Capital		
Maintenance Spares	0.00	0.00
O & M Expenses	0.00	0.00
Receivables	7.12	12.48
Total	7.12	12.48
Interest	0.96	1.69
Annual Transmission Charges		
Depreciation	12.67	22.62
Interest on Loan	15.11	25.31
Return on Equity	13.98	25.29
Interest on Working Capital	0.96	1.69
O & M Expenses	0.00	0.00
Total	42.72	74.90

(₹ in lakh)

Asset-IV	2012-13	2013-14
Gross Block		
Opening Gross Block	622.76	935.83
Additional Capitalization	313.07	1.60
Closing Gross block	935.83	937.43
Average Gross block	779.30	936.63
Depreciation		
Rate of Depreciation (%)	5.280	5.280
Depreciable Value	701.37	842.97
Elapsed Life of the assets at beginning of the year	0	1
Weighted Balance Useful life of the assets	25	24



Asset-IV	2012-13	2013-14
Remaining Depreciable Value	701.37	818.96
Depreciation	24.00	49.45
Interest on Loan		
Gross Normative Loan	435.93	655.08
Cumulative Repayment upto Previous Year	0.00	24.00
Net Loan-Opening	435.93	631.08
Additions	219.15	1.12
Repayment during the year	24.00	49.45
Net Loan-Closing	631.08	582.74
Average Loan	533.50	606.91
Weighted Average Rate of Interest on Loan (%)	9.1996	9.1324
Interest	28.63	55.43
Return on Equity		
Opening Equity	186.83	280.75
Additions	93.92	0.48
Closing Equity	280.75	281.23
Average Equity	233.79	280.99
Return on Equity (Base Rate) (%)	15.50	15.50
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (Pre Tax) (%)	19.377	19.610
Return on Equity (Pre Tax)	26.43	55.10
Interest on Working Capital		
Maintenance Spares	0.00	0.00
O & M Expenses	0.00	0.00
Receivables	13.48	27.28
Total	13.48	27.28
Interest	1.82	3.68
Annual Transmission Charges		



Asset-IV	2012-13	2013-14
Depreciation	24.00	49.45
Interest on Loan	28.63	55.43
Return on Equity	26.43	55.10
Interest on Working Capital	1.82	3.68
O & M Expenses	0.00	0.00
Total	80.88	163.66

(₹ in lakh)

Asset-V	2012-13	2013-14
Gross Block		
Opening Gross Block	828.33	964.65
Additional Capitalization	136.32	270.19
Closing Gross block	964.65	1234.84
Average Gross block	896.49	1099.75
Depreciation		
Rate of Depreciation (%)	5.280	5.280
Depreciable Value	806.8	989.8
Elapsed Life of the assets at beginning of the year	0	1
Weighted Balance Useful life of the assets	25	24
Remaining Depreciable Value	806.8	962.2
Depreciation	27.6	58.1
Interest on Loan		
Gross Normative Loan	579.83	675.25
Cumulative Repayment upto Previous Year	0.00	27.61
Net Loan-Opening	579.83	647.64



Asset-V	2012-13	2013-14
Additions	95.42	189.13
Repayment during the year	27.61	58.07
Net Loan-Closing	647.64	778.70
Average Loan	613.73	713.17
Weighted Average Rate of Interest on Loan (%)	9.2620	9.2346
Interest	33.16	65.86
Return on Equity		
Opening Equity	248.50	289.40
Additions	40.90	81.06
Closing Equity	289.40	370.46
Average Equity	268.95	329.93
Return on Equity (Base Rate) (%)	15.50	15.50
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (Pre Tax) (%)	19.377	19.610
Return on Equity (Pre Tax)	30.40	64.70
Interest on Working Capital		
Maintenance Spares	0.00	0.00
O & M Expenses	0.00	0.00
Receivables	15.54	32.16
Total	15.54	32.16
Interest	2.10	4.34
Annual Transmission Charges		
Depreciation	27.61	58.07
Interest on Loan	33.16	65.86
Return on Equity	30.40	64.70
Interest on Working Capital	2.10	4.34
O & M Expenses	0.00	0.00
Total	93.27	192.97



(₹ in lakh)

Asset-VI	2012-13	2013-14
Gross Block		
Opening Gross Block	0.00	374.25
Additional Capitalization	374.25	55.97
Closing Gross block	374.25	430.22
Average Gross block	187.13	402.24
Depreciation		
Rate of Depreciation (%)	5.264	5.262
Depreciable Value	168.41	362.01
Elapsed Life of the assets at beginning of the year	0.00	1.00
Weighted Balance Useful life of the assets	25.00	24.00
Remaining Depreciable Value	168.41	359.55
Depreciation	2.46	21.17
Interest on Loan		
Gross Normative Loan	0.00	261.98
Cumulative Repayment upto Previous Year	0.00	2.46
Net Loan-Opening	0.00	259.52
Additions	261.98	39.18
Repayment during the year	2.46	21.17
Net Loan-Closing	259.52	277.53
Average Loan	129.76	268.52
Weighted Average Rate of Interest on Loan (%)	9.3000	9.3689
Interest	3.02	25.16
Return on Equity		
Opening Equity	0.00	112.27
Additions	112.27	16.79
Closing Equity	112.27	129.06
Average Equity	56.14	120.67
Return on Equity (Base Rate) (%)	15.500	15.500



Asset-VI	2012-13	2013-14
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (Pre Tax) (%)	19.377	19.610
Return on Equity (Pre Tax)	2.72	23.66
Interest on Working Capital		
Maintenance Spares	0.00	0.00
O & M Expenses	0.00	0.00
Receivables	1.40	11.93
Total	1.40	11.93
Interest	0.19	1.61
Annual Transmission Charges		
Depreciation	2.46	21.17
Interest on Loan	3.02	25.16
Return on Equity	2.72	23.66
Interest on Working Capital	0.19	1.61
O & M Expenses	0.00	0.00
Total	8.39	71.60

DETERMINATION OF ANNUAL TRANSMISSION CHARGES FOR 2014-19

38. The petitioner has claimed the transmission charges for Combined Asset for the 2014-19 tariff period as under:-

	(₹ in lakh)				
Combined Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	275.78	278.97	278.97	278.97	278.97
Interest on Loan	287.91	266.29	240.53	214.70	188.88
Return on equity	307.45	311.00	311.00	311.00	311.00
Interest on Working Capital	20.05	19.71	19.12	18.52	17.93
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	891.19	875.97	849.62	823.19	796.78



39. The details submitted by the petitioner in support of its claim for interest on working capital are given hereunder:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
O & M expenses	0.00	0.00	0.00	0.00	0.00
Receivables	148.53	146.00	141.60	137.20	132.80
Total	148.53	146.00	141.60	137.20	132.80
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	20.05	19.71	19.12	18.52	17.93

Capital Cost

40. Clause (1) & (3) of Regulation 9 of the 2014 Tariff Regulations specify as follows:-

“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects.”

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

- (a) the capital cost admitted by the Commission prior to 1.4.2014 duly trued up by excluding liability, if any, as on 1.4.2014;
- (b) additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with Regulation 14; and
- (c) expenditure on account of renovation and modernisation as admitted by this Commission in accordance with Regulation 15.”

41. The petitioner has claimed capital cost of ₹1085.53 lakh, ₹1047.82 lakh, ₹429.97 lakh, ₹937.43 lakh, ₹1234.84 lakh and ₹430.22 lakh as on 31.3.2014 and additional capitalization of ₹2.55 lakh, ₹16.12 lakh and ₹101.99 lakh for Asset-IV, Asset-V and Asset-VI, respectively for the 2014-15 tariff period. No



additional capitalization is claimed for Asset-I, Asset-II and Asset-III in the 2014-19 tariff period.

42. The trued up capital cost of ₹5165.81 lakh as on 31.3.2014 is considered for Combined Assets to work out tariff for tariff period 2014-19.

Additional Capital Expenditure

43. The petitioner has proposed additional capitalization of ₹2.55 lakh, ₹16.12 lakh and ₹101.99 lakh for Asset-IV, Asset-V and Asset-VI, respectively for the 2014-15 tariff period. No additional capitalization is claimed for Asset-I, Asset-II and Asset-III in the 2014-19 tariff period. Total additional capitalization of ₹120.66 lakh in 2014-15 tariff period has been claimed for Combined Assets in 2014-19 tariff period towards balance and retention payments under Clause 1(i) of Regulation 14 of the 2014 Tariff Regulations.

44. Clause 1, sub-clause (i) of Regulation 14 of the 2014 Tariff Regulations provides as follows:

“(3) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check:

.....

(i) Undischarged liabilities recognized to be payable at a future date;

45. The Commission vide its letter dated 30.1.2016 sought the amount of balance and retention payment yet to be made along with the details of contract for which the payment has been retained. In response the petitioner vide affidavit



dated 12.2.2016 submitted the contractor wise details of balance and retention payments. The petitioner submitted that, the entire amount of projected additional capitalization has been discharged for Asset-I, Asset-II and Asset-III and no balance/retention payment is yet to be discharged in future for these assets. Further, for Asset-IV, Asset-V and Asset-VI entire amount of projected additional capitalization upto 2013-14 has been discharged and amount remaining is ₹2.55 lakh, ₹16.12 lakh and ₹101.99 lakh for Asset-IV, Asset-V and Asset-VI, respectively for the 2014-15 tariff period.

46. The total capital cost of the transmission asset including additional capitalization incurred during the 2014-19 tariff period works out to ₹5286.47 lakh for the Combined Assets. The Commission has considered the submissions of petitioner. It is observed that the additional capitalization proposed is towards balance and retention payments due to undischarged liabilities for works executed within cut-off date. Further, the total completion cost is within the approved apportioned cost of the Asset. Accordingly, the capital cost claimed by the petitioner is allowed in accordance with Clause 1, sub-clause (i) of Regulation 14 of the 2014 Tariff Regulations. The additional capitalisation for tariff period 2014-19 shall be finally approved after the detailed scrutiny of additional capitalisation while carrying out the true up for 2014-19 tariff period.

47. The total capital cost of the transmission asset including additional capitalization projected to be incurred during 2014-19 is shown below:-

(₹ in lakh)



Particulars	Approved Apportioned Cost	Admitted capital cost as on 31.3.2014	Additional capitalization	Total additional capitalization	Total capital cost including additional capitalization
			2014-15		
Combined Asset	6397.18	5165.81	120.66	120.66	5286.47

Debt:Equity Ratio

48. Clause 3 of Regulation 19 of the 2014 Tariff Regulations specifies as under:-

“(3) In case of the generating station and the transmission system declared under commercial operation prior to 1.4.2014, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2014 shall be considered.”

49. The petitioner has considered debt: equity ratio as 70:30 as on 31.3.2014. The admitted debt:equity ratio of 70:30 after true-up for the tariff period ending 31.3.2014 has been considered as opening debt:equity ratio as on 1.4.2014. The details of the debt:equity as on 1.4.2014 considered for the purpose of tariff for the 2014-19 tariff period is as follows:-

(₹ in lakh)		
Particulars	Amount	(%)
Debt	3616.06	70.00
Equity	1549.75	30.00
Total	5165.81	100.00

50. For additional capitalization, the petitioner has proposed normative debt:equity ratio of 70:30 and the same has been considered. The details of the debt:equity including additional capitalization as on 31.3.2019 is as follows:-

(₹ in lakh)		
Funding	Amount	(%)
Debt	3700.52	70.00



Equity	1585.95	30.00
Total	5286.47	100.00

Interest on Loan (“IOL”)

51. Clause (5) & (6) of Regulation 26 of the 2014 Tariff Regulations are reproduced as under:-

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

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

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

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

52. We have considered the submissions of petitioner. Accordingly, we have considered the weighted average rate of IOL on the basis of rate prevailing as on 1.4.2014. The IOL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations. The details of weighted average rate of interest are placed at **Annexure-II** and the IOL has been worked out and allowed as follows:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	3616.06	3700.52	3700.52	3700.52	3700.52
Cumulative Repayment up to previous year	390.00	665.78	944.74	1223.71	1502.67
Net Loan-Opening	3226.06	3034.74	2755.78	2476.81	2197.85
Additions during the year	84.46	0.00	0.00	0.00	0.00



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Repayment during the year	275.78	278.96	278.96	278.96	278.96
Net Loan-Closing	3034.74	2755.78	2476.81	2197.85	1918.89
Average Loan	3130.40	2895.26	2616.30	2337.33	2058.37
Rate of Interest (%)	9.1966	9.1973	9.1973	9.1936	9.1855
Interest	287.89	266.28	240.63	214.89	189.07

Return on Equity (“ROE”)

53. Clause (1) & (2) of Regulation 24 and Clause (2) of Regulation 25 of the 2014 Tariff Regulations specify as under:-

“24. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.
(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system”

“25. Tax on Return on Equity:

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

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

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

54. The petitioner has claimed ROE at the rate of 20.243% after grossing up the ROE of 15.50% with MAT rate as per the above Regulation. The petitioner has further submitted that the grossed up ROE is subject to truing up based on the actual tax paid along with any additional tax or interest, duly adjusted for any refund of tax including the interest received from IT authorities, pertaining to the



tariff period 2014-19 on actual gross income of any financial year. Any under-recovery or over-recovery of grossed up ROE after truing up shall be recovered or refunded to the beneficiaries on year to year basis.

55. The petitioner has further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of the tax including interest received from IT authorities shall be recoverable/adjustable after completion of income tax assessment of the financial year.

56. We have considered the submissions made by the petitioner and respondent. Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up of return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. The petitioner has submitted that MAT rate is applicable to the petitioner's company. Accordingly, the MAT rate applicable during 2013-14 has been considered for the purpose of return on equity, which shall be trued up with actual tax rate in accordance with Regulation 25 (3) of the 2014 Tariff Regulations. Accordingly, the ROE determined by the Commission is given below:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	1549.75	1585.95	1585.95	1585.95	1585.95
Additional	36.20	0.00	0.00	0.00	0.00



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Capitalization					
Closing Equity	1585.95	1585.95	1585.95	1585.95	1585.95
Average Equity	1567.85	1585.95	1585.95	1585.95	1585.95
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT rate for the year (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	19.610	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	307.45	311.00	311.00	311.00	311.00

Depreciation

57. Clause (2), (5) and (6) of Regulation 27 of the 2014 Tariff Regulations provide as follows:-

"27. Depreciation:

(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 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"

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

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

(6) In case of the existing projects, the balance depreciable value as on 1.4.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2014 from the gross depreciable value of the assets."



58. The petitioner has computed depreciation considering capital expenditure of ₹5165.81 lakh as on 31.3.2014 with additional capitalization of ₹120.66 lakh for the 2014-19 tariff period. The effective date of commercial operation (1.9.2012) has been considered in accordance to Regulation 26 of the 2014 Tariff Regulations considering actual COD and capital cost of all the elements of the transmission system for working out the depreciation of for Combined Assets.

59. We have considered the submissions of the petitioner and have allowed depreciation considering capital expenditure of ₹5165.81 lakh as on 31.3.2014 under Regulation 27 of the 2014 Tariff Regulations. The details of the depreciation allowed are given hereunder:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block	5165.81	5286.47	5286.47	5286.47	5286.47
Additional Capitalization	120.66	0.00	0.00	0.00	0.00
Gross block at the end of the year	5286.47	5286.47	5286.47	5286.47	5286.47
Average gross block	5226.14	5286.47	5286.47	5286.47	5286.47
Rate of Depreciation (%)	5.277	5.277	5.277	5.277	5.277
Depreciable Value	4703.53	4757.82	4757.82	4757.82	4757.82
Elapsed Life of the assets at beginning of the year	2	3	4	5	6
Weighted Balance Useful life of the assets	23	22	21	20	19
Remaining Depreciable Value	4313.52	4092.04	3813.08	3534.11	3255.15
Depreciation	275.78	278.96	278.96	278.96	278.96

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



60. No O&M Expenses are claimed by the petitioner as the said assets are spares.

61. The petitioner has however, submitted that norms for O&M Expenses for the tariff period 2014-19 have been arrived on the basis of normalized actual O&M Expenses during the period 2008-13. The petitioner has further submitted that the wage revision of the employees of the petitioner Company is due during the 2014-19 tariff period and actual impact of wage hike, which will be effective at a future date, has not been factored in fixation of the normative O&M rate specified for the tariff period 2014-19. The petitioner has prayed to be allowed to approach the Commission for suitable revision in the norms of O&M Expenses for claiming the impact of such increase.

62. We have considered the submissions made by the petitioner and accordingly no O&M Expenses are approved. As no O&M expenses are approved separately for this transmission asset, the question of impact of wage hike does not arise at all.

Interest on Working Capital (“IWC”)

63. Clause 1 (c) of Regulation 28 and Clause 5 of Regulation 3 of the 2014 Tariff Regulations specify as follows:-

“28. Interest on Working Capital

(c)(i) Receivables equivalent to two months of fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses specified in regulation 29; and



(iii) Operation and maintenance expenses for one month”

“(5)Bank Rate’ means the base rate of interest as specified by the State Bank of India from time to time or any replacement thereof for the time being in effect plus 350 basis points;”

64. The petitioner has submitted that it has computed Interest on working capital for the tariff period 2014-19 considering the SBI Base Rate as on 1.4.2014 plus 350 basis points. The rate of interest on working capital considered is 13.50%.

65. The interest on working capital is worked out in accordance with Regulation 28 of the 2014 Tariff Regulations. The rate of interest on working capital considered is 13.50% (SBI Base Rate of 10% plus 350 basis points). The interest on working capital worked is shown in the table below:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	-	-	-	-	-
O & M Expenses	-	-	-	-	-
Receivables	148.53	145.99	141.62	137.23	132.83
Total	148.53	145.99	141.62	137.23	132.83
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	20.05	19.71	19.12	18.53	17.93

Annual Transmission Charges

66. The detailed computation of the various components of the annual fixed charges for the transmission asset for the tariff period 2014-19 is summarised below:-

(₹ in lakh)					
Combined Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Block					



Combined Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	5165.81	5286.47	5286.47	5286.47	5286.47
Additional Capitalization	120.66	0.00	0.00	0.00	0.00
Closing Gross Block	5286.47	5286.47	5286.47	5286.47	5286.47
Average Gross Block	5226.14	5286.47	5286.47	5286.47	5286.47
Depreciation					
Rate of Depreciation	5.277	5.277	5.277	5.277	5.277
Depreciable Value	4703.53	4757.82	4757.82	4757.82	4757.82
Elapsed Life of the assets at beginning of the year	2	3	4	5	6
Weighted Balance Useful life of the assets	23	22	21	20	19
Remaining Depreciable Value	4313.52	4092.04	3813.08	3534.11	3255.15
Depreciation	275.78	278.96	278.96	278.96	278.96
Interest on Loan					
Gross Normative Loan	3616.06	3700.52	3700.52	3700.52	3700.52
Cumulative Repayment upto Previous Year	390.00	665.78	944.74	1223.71	1502.67
Net Loan-Opening	3226.06	3034.74	2755.78	2476.81	2197.85
Additions	84.46	0.00	0.00	0.00	0.00
Repayment during the year	275.78	278.96	278.96	278.96	278.96
Net Loan-Closing	3034.74	2755.78	2476.81	2197.85	1918.89
Average Loan	3130.40	2895.26	2616.30	2337.33	2058.37
Weighted Average Rate of Interest on Loan (%)	9.1966	9.1973	9.1973	9.1936	9.1855
Interest	287.89	266.28	240.63	214.89	189.07
Return on Equity					
Opening Equity	1549.75	1585.95	1585.95	1585.95	1585.95
Additions	36.20	0.00	0.00	0.00	0.00
Closing Equity	1585.95	1585.95	1585.95	1585.95	1585.95
Average Equity	1567.85	1585.95	1585.95	1585.95	1585.95
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for the year 2013-14 (%)	20.961	20.961	20.961	20.961	20.961



Combined Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Rate of Return on Equity (Pre Tax) (%)	19.610	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	307.45	311.00	311.00	311.00	311.00
Interest on Working Capital					
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
O & M expenses	0.00	0.00	0.00	0.00	0.00
Receivables	148.53	145.99	141.62	137.23	132.83
Total	148.53	145.99	141.62	137.23	132.83
Interest	20.05	19.71	19.12	18.53	17.93
Annual Transmission Charges					
Depreciation	275.78	278.96	278.96	278.96	278.96
Interest on Loan	287.89	266.28	240.63	214.89	189.07
Return on Equity	307.45	311.00	311.00	311.00	311.00
Interest on Working Capital	20.05	19.71	19.12	18.53	17.93
O & M Expenses	-	-	-	-	-
Total	891.18	875.96	849.71	823.38	796.97

Filing Fee and Publication Expenses

67. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 52 of the 2014 Tariff Regulations.

68. The petitioner is 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 clause (1) of Regulation 52 of the 2014 Tariff Regulations.



Licence Fee and RLDC Fees and Charges

69. The petitioner has requested to allow the petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents.

70. We have considered the submissions of the petitioner and respondent submissions. The petitioner shall be entitled for reimbursement of licence fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a), respectively, of Regulation 52 of the 2014 Tariff Regulations.

Service Tax

71. The petitioner has sought to recover Service Tax on Transmission Charges separately from the Respondents, if at any time service tax on transmission is withdrawn from negative list in future.

72. We are of the view that the petitioner's prayer of Service Tax is premature.

Sharing of Transmission Charges

73. The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time, as provided in Regulation 43 of the 2014 Tariff Regulations.

74. This Order disposes of Petition No. 564/TT/2014.

Sd/-
(Dr. M. K. Iyer)
Member

Sd/-
(A.S. Bakshi)
Member



ANNEXURE-I**DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO 2009-14****(₹ in lakh)**

2009-14	Asset-1				Asset-2			
Particulars	Interest Rate (%)	Loan deployed as on COD (1.6.2012)	Additions during the tariff period	Total	Interest Rate (%)	Loan deployed as on COD (1.6.2012)	Additions during the tariff period	Total
SBI (21.3.2012)-ADDCAP FOR 2013-2014 AddCap-5-	10.29	0.00	0.00	0.00	10.29	0.00	0.00	0.00
BOND XL-ADDCAP FOR 2012-2013 AddCap-1-	9.30	0.00	221.10	221.10	9.30	0.00	0.00	0.00
BOND XL-Loan1-	9.30	425.87	0.00	425.87	9.30	436.30	0.00	436.30
BOND - XLI-ADDCAP FOR 2012-2013 AddCap-2-	8.85	0.00	6.63	6.63	8.85	0.00	198.37	198.37
BOND - XLII-ADDCAP FOR 2012-2013 AddCap-3-	8.80	0.00	0.00	0.00	8.80	0.00	94.13	94.13
BOND - XLII-ADDCAP FOR 2013-2014 AddCap-4-	8.80	0.00	106.27	106.27	8.80	0.00	4.67	4.67
Total		425.87	334.00	759.87		436.30	297.17	733.47

(₹ in lakh)

2009-14	Asset-3				Asset-4			
Particulars	Interest Rate (%)	Loan deployed as on COD (1.8.2012)	Additions during the tariff period	Total	Interest Rate (%)	Loan deployed as on COD (1.9.2012)	Additions during the tariff period	Total
SBI (21.3.2012)-ADDCAP FOR 2013-2014 AddCap-5-	10.29	0.00	0.00	0.00	10.29	0.00	0.00	0.00
BOND XL-ADDCAP FOR 2012-2013	9.30	0.00	0.00	0.00	9.30	0.00	0.00	0.00



2009-14	Asset-3				Asset-4			
Particulars	Interest Rate (%)	Loan deployed as on COD (1.8.2012)	Additions during the tariff period	Total	Interest Rate (%)	Loan deployed as on COD (1.9.2012)	Additions during the tariff period	Total
AddCap-1-								
BOND XL-Loan1-	9.30	204.26	0.00	204.26	9.30	435.93	0.00	435.93
BOND - XLI-ADDCAP FOR 2012-2013 AddCap-2-	8.85	0.00	0.00	0.00	8.85	0.00	0.00	0.00
BOND - XLII-ADDCAP FOR 2012-2013 AddCap-3-	8.80	0.00	96.57	96.57	8.80	0.00	219.15	219.15
BOND - XLII-ADDCAP FOR 2013-2014 AddCap-4-	8.80	0.00	0.15	0.15	8.80	0.00	1.12	1.12
Total		204.26	96.72	300.98		435.93	220.27	656.20

(₹ in lakh)

2009-14	Asset-5				Asset-6			
Particulars	Interest Rate (%)	Loan deployed as on COD (1.9.2012)	Additions during the tariff period	Total	Interest Rate (%)	Loan deployed as on COD (1.1.2013)	Additions during the tariff period	Total
SBI (21.3.2012)-ADDCAP FOR 2013-2014 AddCap-5-	10.29	0.00	59.89	59.89	10.29	0.00	39.18	39.18
BOND XL-ADDCAP FOR 2012-2013 AddCap-1-	9.30	0.00	0.00	0.00	9.30	0.00	261.98	261.98
BOND XL-Loan1-	9.30	579.82	0.00	579.82	9.30	0.00	0.00	0.00
BOND - XLI-ADDCAP FOR 2012-2013 AddCap-2-	8.85	0.00	0.00	0.00	8.85	0.00	0.00	0.00
BOND - XLII-ADDCAP FOR 2012-2013 AddCap-3-	8.80	0.00	95.42	95.42	8.80	0.00	0.00	0.00



2009-14	Asset-5				Asset-6			
Particulars	Interest Rate (%)	Loan deployed as on COD (1.9.2012)	Additions during the tariff period	Total	Interest Rate (%)	Loan deployed as on COD (1.1.2013)	Additions during the tariff period	Total
BOND - XLII- ADDCAP FOR 2013-2014 AddCap-4-	8.80	0.00	129.24	129.24	8.80	0.00	0.00	0.00
Total		579.82	284.55	864.37		0.00	301.16	301.16

**CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN
FOR TARIFF PERIOD 2009-14**

(₹ in lakh)

2009-14	Asset-1		Asset-2	
Particulars	2012-13	2013-14	2012-13	2013-14
Gross Opening Loan	425.87	653.60	436.30	728.80
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00
Net Loans Opening	425.87	653.60	436.30	728.80
Add: Drawl(s) during the year	227.73	106.27	292.50	4.67
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00
Net Closing Loan	653.60	759.87	728.80	733.47
Average Net Loan	539.74	706.74	582.55	731.14
Interest on Loan	9.2972%	9.2582%	9.1830%	9.1119%
Rate of Interest on Loan (%)	50.18	65.43	53.50	66.62



2009-14	Asset-3		Asset-4	
	2012-13	2013-14	2012-13	2013-14
Particulars				
Gross Opening Loan	204.26	300.83	435.93	655.08
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00
Net Loans Opening	204.26	300.83	435.93	655.08
Add: Drawl(s) during the year	96.57	0.15	219.15	1.12
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00
Net Closing Loan	300.83	300.98	655.08	656.20
Average Net Loan	252.55	300.91	545.51	655.64
Interest on Loan	9.2044%	9.1394%	9.1996%	9.1324%
Rate of Interest on Loan (%)	23.25	27.50	50.18	59.88

2009-14	Asset-5		Asset-6	
	2012-13	2013-14	2012-13	2013-14
Particulars				
Gross Opening Loan	579.82	675.24	0.00	261.98
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00
Net Loans Opening	579.82	675.24	0.00	261.98
Add: Drawl(s) during the year	95.42	189.13	261.98	39.18
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00
Net Closing Loan	675.24	864.37	261.98	301.16
Average Net Loan	627.53	769.81	130.99	281.57
Interest on Loan	9.2620%	9.2346%	9.3000%	9.3689%
Rate of Interest on Loan (%)	58.12	71.09	12.18	26.38



ANNEXURE-II**DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO (2014-19)**

(₹ in lakh)

Combined Assets	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
SBI (21.3.2012)-ADDCAP FOR 2013-2014 AddCap-5-	10.25	99.07	0.00	99.07
BOND XL-ADDCAP FOR 2012-2013 AddCap-1-	9.30	483.08	0.00	483.08
BOND XL-Loan1-	9.30	2082.18	0.00	2082.18
BOND - XLI-ADDCAP FOR 2012-2013 AddCap-2-	8.85	205.00	0.00	205.00
BOND - XLII-ADDCAP FOR 2012-2013 AddCap-3-	8.80	505.27	0.00	505.27
BOND - XLII-ADDCAP FOR 2013-2014 AddCap-4-	8.80	241.45	0.00	241.45
Total		3616.05	0.00	3616.05

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN FOR TARIFF PERIOD 2014-19

(₹ in lakh)

Combined Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	3616.05	3616.05	3616.05	3616.05	3616.05
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	239.87	479.74
Net Loans Opening	3616.05	3616.05	3616.05	3376.18	3136.31
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	0.00	0.00	239.87	239.87	239.87
Net Closing Loan	3616.05	3616.05	3376.18	3136.31	2896.44
Average Net Loan	3616.05	3616.05	3496.12	3256.25	3016.38
Rate of Interest on Loan (%)	9.1973%	9.1973%	9.1936%	9.1855%	9.1761%
Interest on Loan	332.58	332.58	321.42	299.10	276.79

