

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001**  
**Ph: 23753942 Fax-23753923**

Petition No. 219/GT/2013

Date: 31.3.2014

To

Chief Engineer (Commercial),  
Damodar Valley Corporation,  
DVC Towers, First Floor,  
VIP Road,  
Kolkatta-700054

Sir,

**Subject : Determination of tariff for Koderma Thermal Power Station Units 1&2 (2x500 MW) for the tariff period 2009-14.**

**Ref.: (i) Our letter dated 29.5.2013.**  
**(ii) Your submissions dated 19.11.2013 and 13.12.2013.**

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With reference to the subject mentioned above, I am directed to request you to furnish the following information on affidavit, with advance copy to the respondents, latest by 15.4.2014:

- 1) Audited financial statements for the period 2012-13.
- 2) Details of asset-wise and party-wise liabilities included in the Capital Cost as on COD of the I<sup>st</sup> unit and combined capital cost as on COD of the II<sup>nd</sup> Unit.
- 3) The IDC claimed in Form No. 5B does not match with the detailed IDC calculation submitted at Appendix-VII. The following details and editable soft copy of calculations of both IDC and Notional IDC (with all links) giving date of drawals and rate of interest shall be submitted:
  - a. Total interest for the period
  - b. Interest capitalized to gross block as on respective CODs
  - c. Interest lying in CWIP as on respective CODs
  - d. Interest charged to revenue during the period.
  - e. Other charges, if any, considered for the computation of IDC with documentary proof.
- 4) The following forms, duly filled in shall be furnished:
  - a. Form 9 showing the work-wise details of projected additional capitalization after COD of I<sup>st</sup> Unit.
  - b. Form 9A and 9B showing the gross block and CWIP as on COD of I<sup>st</sup> Unit and subsequent periods.

- 5) Form No.11 appears to be incomplete. Revised Form No.11 showing computation of depreciation based on the capital cost as on COD, along with the asset-wise capital cost as on COD duly certified by Auditor for the computation of depreciation rate as per Regulation 43(2)(3) of Tariff Regulation, 2009, shall be submitted.
- 6) Loan agreement in respect of all loans (except PFC loan) shown in Form No.7, 13 and 14 shall be submitted along with documentary proof for subsequent changes in interest rates.
- 7) Form No: 13 shows loan from consortium of Banks and Financial Institution at Sl. No.1 instead of Loan from PFC. The factual position shall be clarified and, if required, the relevant form shall be suitably revised.
- 8) The following additional information regarding creation of sinking funds shall be submitted:
  - a. The amount of fund from issue of bonds actually utilized for this project. (The sum of all project specific loans shown in Form No: 7 exceed the total cost of the project).
  - b. Actual Contribution made towards sinking fund during 2012-13 and 2013-14 against the bonds utilized for funding this project.(Accounts of 2011-12 shows no entry regarding the contribution towards sinking fund against bonds issued on 30.03.2012)
  - c. Explanation for difference in interest rates of Bonds in offer document (9.3%) and Form No.7&13 (10.3%).
  - d. Further, Note No.18 to the Accounts of 2009-10 states that "the accounting policy on sinking fund is under review for change over from existing method of deployment of fund internally in DVC to management and governance of the fund through a separate Sinking Fund Account with deployment of fund outside and interest of investment of such fund will be credited to the sinking fund on annual basis". In view of this, the present policy of creation of sinking funds including the purpose (approved by CAG) for which these funds are created, shall be explained in detail.

2. Further action in this matter will be taken on receipt of the above information/clarification.

Yours faithfully,

Sd/-  
(B. Sreekumar)  
Deputy Chief (Law)