

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 350/TT/2020

Coram:

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

Date of Order: 10.05.2021

In the Matter of:

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and truing-up of transmission tariff of the 2014-19 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and determination of transmission tariff of the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 of **Asset-A1**: 400 kV, 125 MVAR Bus Reactor at Raipur Sub-station, **Asset A2**: 400 kV, 125 MVAR Bus Reactor at Seoni Sub-station, **Asset A3**: 400 kV, 63 MVAR Line Reactor at Raipur Sub-station, **Asset B1**: 1x125 MVAR Bus Reactor at 400 kV Damoh Sub-station, **Asset B2**: 1x125 MVAR Bus Reactor at 400 kV Bachau Sub-station, **Asset B3**: 1x125 MVAR Bus Reactor at 400 kV Pirana Sub-station, **Asset B4**: 1x125 MVAR Bus Reactor-1 at 400 kV Itarsi Sub-station, **Asset B5**: 1x125 MVAR Bus Reactor-2 at 400 kV Itarsi Sub-station, **Asset B6**: 1x125 MVAR Bus Reactor at 400 kV Gwalior Sub-station, **Asset C1**: 400 kV, 1x125 MVAR Bus Reactor at Parli Sub-station, **Asset C2**: Conversion of 50 MVAR Line Reactor (4 nos.) into switchable Line Reactors at 400/200 kV Pune Sub-station under "Installation of Reactors (Part-II) in Western Region".

And in the Matter of:

Power Grid Corporation of India Ltd.,
"Saudamini", Plot No. 2,
Sector 29, Gurgaon- 122001.

....Petitioner

Vs

1. Madhya Pradesh Power Management Company Ltd.,
Shakti Bhawan, Rampur,
Jabalpur - 482008.
2. Madhya Pradesh Power Transmission Company Ltd.,
Shakti Bhawan, Rampur,
Jabalpur - 482008.



3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.,
3/54, Press Complex, Agra-Bombay Road,
Indore-452008.
4. Maharashtra State Electricity Distribution Co. Ltd.,
Hongkong Bank Building, 3rdFloor,
M.G. Road, Fort, Mumbai-400001.
5. Maharashtra State Electricity Transmission Co. Ltd.,
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex, Bandra (East), Mumbai-400051.
6. Gujarat Urja Vikas Nigam Ltd.,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara - 390007.
7. Electricity Department,
Government of Goa, Vidyut Bhawan,
Panaji, Near Mandvi Hotel,
Goa - 403001.
8. Electricity Department,
Administration of Daman & Diu, Daman - 396210.
9. Electricity Department,
Administration of Dadra and Nagar Haveli,
U.T., Silvassa-396230.
10. Chhattisgarh State Power Transmission Co. Ltd.,
Office of the Executive Director (C&P),
State Load Despatch Building, Dangania,
Raipur – 492013.
11. Chhattisgarh State Power Distribution Co. Ltd.,
P.O. Sunder Nagar, Dangania,
Raipur-492 013.

.....Respondents

For Petitioner : Shri S. S. Raju, PGCIL
Shri A. K. Verma, PGCIL
Shri B. Dash, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents : None



ORDER

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

Asset-A1: 400 kV, 125 MVAR Bus Reactor at Raipur Sub-station,

Asset A2: 400 kV, 125 MVAR Bus Reactor at Seoni Sub-station,

Asset A3: 400 kV, 63 MVAR Line Reactor at Raipur Sub-station,

Asset B1: 1x125 MVAR Bus Reactor at 400 kV Damoh Sub-station,

Asset B2: 1x125 MVAR Bus Reactor at 400 kV Bachau Sub-station,

Asset B3: 1x125 MVAR Bus Reactor at 400 kV Pirana Sub-station,

Asset B4: 1x125 MVAR Bus Reactor-1 at 400 kV Itarsi Sub-station,

Asset B5: 1x125 MVAR Bus Reactor-2 at 400 kV Itarsi Sub-station,

Asset B6: 1x125 MVAR Bus Reactor at 400 kV Gwalior Sub-station,

Asset C1: 400 kV, 1x125 MVAR Bus Reactor at Parli Sub-station,

Asset C2: Conversion of 50 MVAR Line Reactor (4 nos.) into switchable Line Reactors at 400/200 kV Pune Sub-station (hereinafter referred to as the “transmission assets”).

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

“1) Allow the add cap for 2014-19 tariff block as claimed as per Para 10 and 11 above.

2) Approve the trued up Transmission Tariff for 2014-19 block and transmission tariff for 2019-24 block for the assets covered under this petition, as per para 10 and 11 above.



3) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided in Tariff Regulation 2014 and Tariff regulations 2019 as per para 10 and 11 above for respective block.

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

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

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

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

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

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

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

Background

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

(a) The Investment Approval (IA) and expenditure sanction for the transmission project was accorded by the Board of Directors of the Petitioner vide Memorandum No. C/CP/WR-343 dated 5.4.2013 at an estimated cost of ₹9283 lakh including IDC of ₹502 lakh based on February, 2013 price level. Subsequently, the Revised Cost Estimate (RCE) of the project was accorded by the Board of Directors of the Petitioner company vide Memorandum Ref. C/CP/RCE-Rectr. Part-II-WR dated



12.10.2015 at an estimated cost of ₹10211 lakh including IDC of ₹182 lakh at April, 2015 price level.

(b) The scope of the transmission project covered in the instant petition is as under:

Sub-stations:

- a) 400 kV Damoh (POWERGRID) Sub-station (Extension)
400 kV
- Bus Reactor Bay :1 Number
 - 420 kV, 125 MVAR Bus Reactor :1 Number
- b) 400 kV Bachau (POWERGRID) Sub-station (Extension)
400 kV
- Bus Reactor Bay :1 Number
 - 420kV, 125 MVAR Bus Reactor :1 Number
- c) 400 kV Pirana (POWERGRID) Sub-station (Extension)
400 kV
- Bus Reactor Bay :1 Number
 - 420 kV, 125 MVAR Bus Reactor :1 Number
- d) 400 kV Itarsi* (POWERGRID) Sub-station (Extension)
400 kV
- 420kV, 125 MVAR Bus Reactor :2 Numbers
- *To replace existing 2x50 MVAR Reactors at Itarsi sub-station which shall be used as spares.*
- e) 400kV Seoni (POWERGRID) Sub-station (Extension)
400 kV
- Bus Reactor Bay :1 Number
 - 420kV, 125 MVAR Bus Reactor :1 Number
- f) 400 kV Parli (POWERGRID) Sub-station (Extension)
400 kV
- Bus Reactor Bay :1 Number
 - 420 kV, 125 MVAR Bus Reactor :1 Number
- g) 400 kV Raipur (POWERGRID) Sub-station (Extension)
400 kV
- Bus Reactor Bay :1 Number
 - 420 kV, 125 MVAR Bus Reactor :1 Number
 - 420 kV, 63MVAR Line Reactor :1 Number
- h) 400 kV Gwalior* (POWERGRID) Sub-station (Extension)



400 kV

- 420 kV, 125 MVAR Bus Reactor :1 Number
**To replace existing 1x50 MVAR Reactors at Gwalior sub-station which shall be used as spare.*

- i) 400 kV Pune (POWERGRID) Sub-station (Extension)
- To convert existing 4x50MVAR Line Reactor at Pune (PG) sub-station into switchable Line Reactor.

(c) The entire scope of the transmission project is covered in the instant petition.

(d) As per the IA dated 5.4.2013, the instant transmission project was scheduled to be put into commercial operation within 24 months from the date of IA. Accordingly, the scheduled date of commercial operation was 5.4.2015. The details regarding nomenclature of transmission assets, their Scheduled Commercial Date of Operation (SCOD), Commercial Date of Operation (COD), and time over-run are as under:

Assets nomenclature as per order dated 26.5.2016 in Petition No. 117/TT/2014	Assets nomenclature in the instant petition	SCOD	COD	Time over-run
Asset-1	Asset-A1	5.4.2015	2.10.2014	Nil
Asset-2	Asset-A2	5.4.2015	13.12.2014	Nil
Asset-3	Asset-A3	5.4.2015	30.8.2014	Nil
Assets nomenclature as per order dated 28.4.2016 in Petition No. 242/TT/2014	Assets nomenclature in the instant petition	SCOD	COD	Time over-run
Asset-A	Asset-B1	5.4.2015	2.10.2014	Nil
Asset-B	Asset-B2	5.4.2015	3.12.2014	Nil
Asset-C	Asset-B3	5.4.2015	4.10.2014	Nil
Asset-D	Asset-B4	5.4.2015	7.8.2014	Nil
Asset-E	Asset-B5	5.4.2015	15.10.2014	Nil
Asset-F	Asset-B6	5.4.2015	2.7.2014	Nil
Assets nomenclature as per order dated 26.4.2016 in Petition No. 399/TT/2014	Assets nomenclature in the instant petition	SCOD	COD	Time over-run
Asset-I	Asset-C1	5.4.2015	10.1.2015	Nil
Asset-II	Asset-C2	5.4.2015	13.12.2014	Nil



(e) The transmission tariff in respect of Assets-A1, A2 and A3 was approved by the Commission from their respective COD to 31.3.2019 vide order dated 26.5.2016 in Petition No. 117/TT/2014. The transmission tariff of Assets-B1 to B6 from their respective COD to 31.3.2019 was approved vide order dated 28.4.2016 in Petition No. 242/TT/2014. The transmission tariff in respect of Assets-C1 and C2 from their respective COD to 31.3.2019 was approved vide order dated 26.4.2016 in Petition No. 399/TT/2014.

(f) The Petitioner has replaced the 2x50 MVAR existing bus reactor at Itarsi Sub-station and has submitted that the said 2x50 MVAR reactors were installed during 1998 under Vindhyachal Stage-I Additional Transmission System in Western Region and are covered in Petition No. 397/TT/2014. The Commission has approved the true up tariff for 2009-14 and tariff for 2014-19 for the same vide order dated 11.1.2016. Further, the replacement of 2x50 MVAR reactors with 2x125 MVAR reactors was approved in the Investment Approval dated 5.4.2013. The use of replaced 2x50 MVAR bus reactors as spare reactors was agreed by the members in the 34th Standing Committee Meeting (SCM) held on 9.5.2012 and 20th WRPC meeting held on 18.5.2012.

(g) The Petitioner has replaced 1x50 MVAR existing bus reactor at Gwalior Sub-station with 1X125 MVAR Bus Reactor and the replaced 50 MVAR Reactor at Gwalior is kept as spare.

(h) The trued up transmission tariff claimed by the Petitioner for the instant transmission assets for the 2014-19 tariff period is as follows:



(₹ in lakh)

Assets	Particular	2014-15	2015-16	2016-17	2017-18	2018-19
A1	Annual Fixed Charges approved vide order dated 26.5.2016 in Petition No. 117/TT/2014	91.18	213.37	228.66	234	231.54
	AFC claimed by the Petitioner based on truing up in the instant petition	92.40	215.35	222.24	224.03	226.67
A2	Annual Fixed Charges approved vide order dated 26.5.2016 in Petition No. 117/TT/2014	43.91	180.45	213.79	217.46	215.48
	AFC claimed by the Petitioner based on truing up in the instant petition	43.92	171.82	193.62	198.12	201.53
A3	Annual Fixed Charges approved vide order dated 26.5.2016 in Petition No. 117/TT/2014	46.08	99.21	116.67	126.87	123.19
	AFC claimed by the Petitioner based on truing up in the instant petition	46.09	98.96	102.42	100.40	99.00
B1	Annual Fixed Charges approved vide order dated 28.4.2016 in Petition No. 242/TT/2014	96.57	239.83	269.84	275.42	273.13
	AFC claimed by the Petitioner based on truing up in the instant petition	97.52	229.89	246.58	250.72	255.95
B2	Annual Fixed Charges approved vide order dated 28.4.2016 in Petition No. 242/TT/2014	83.64	347.06	412.91	413.60	405.49
	AFC claimed by the Petitioner based on truing up in the instant petition	84.59	328.33	378.59	385.53	380.76
B3	Annual Fixed Charges approved vide order dated 28.4.2016 in Petition No. 242/TT/2014	79.16	203.51	235.09	238.80	236.01
	AFC claimed by the Petitioner based on truing up in the instant petition	79.39	188.48	205.31	209.62	208.28
B4	Annual Fixed Charges approved vide order dated 28.4.2016 in Petition No. 242/TT/2014	53.81	96.13	100.83	99.50	96.53
	AFC claimed by the Petitioner based on truing up in the instant petition	53.81	95.01	99.84	99.68	97.02
B5	Annual Fixed Charges approved vide order dated	35.23	84.18	94.13	94.70	91.78



	28.4.2016 in Petition No. 242/TT/2014					
	AFC claimed by the Petitioner based on truing up in the instant petition	35.24	79.74	84.92	84.87	82.58
B6	Annual Fixed Charges approved vide order dated 28.4.2016 in Petition No. 242/TT/2014	50.92	81.25	87.68	89.54	86.74
	AFC claimed by the Petitioner based on truing up in the instant petition	50.92	78.71	80.73	83.01	83.13
C1	Annual Fixed Charges approved vide order dated 26.4.2016 in Petition No. 399/TT/2014	36.21	206.73	241.38	252.57	249.52
	AFC claimed by the Petitioner based on truing up in the instant petition	37.35	200.69	214.32	225.79	236.92
C2	Annual Fixed Charges approved vide order dated 26.4.2016 in Petition No. 399/TT/2014	89.36	316	332.48	344.80	352.18
	AFC claimed by the Petitioner based on truing up in the instant petition	90.98	319.41	328.69	341.22	354.09

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

5. The Petitioner has served the petition on the Respondents and notice regarding filing of this petition has also been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No comments or objections have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. General Notice dated 12.3.2020 directing the beneficiaries/ Respondents to file reply in the matter was also posted on the Commission's website. M.P. Power Management Company Limited (MPPMCL), Respondent No. 1, has filed its reply vide affidavit dated 5.6.2020 and has raised



issues like grossing up of RoE, Initial Spares and effect of CGST. The Petitioner vide affidavit dated 1.3.2021 has filed its rejoinder to MPPMCL's reply.

6. The hearing in this matter was held on 3.3.2021 through video conference and the order was reserved in the matter. Virtual appearance was entered for MPPMCL but no one turned up on its behalf despite the case being called out.

7. Having heard the representatives of the Petitioner and having perused the material on record, we proceed to dispose of the petition. This order is issued considering the submissions made by the Petitioner vide affidavits dated 21.1.2020, 2.12.2020, MPPMCL's reply filed vide affidavit dated 5.6.2020 and the Petitioner's rejoinder filed vide affidavit dated 1.3.2021.

TRUING UP OF ANNUAL FIXED CHARGES OF THE 2014-19 TARIFF PERIOD

8. The details of the trued-up transmission charges claimed by the Petitioner for the instant transmission assets for the 2014-19 tariff period are as follows:

(₹ in lakh)

Asset-A1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	18.30	45.70	48.34	49.64	50.92
Interest on Loan	21.33	50.23	49.07	45.45	42.47
Return on Equity	19.85	50.31	53.43	55.29	57.30
Interest on Working Capital	3.02	6.81	7.03	7.14	7.27
O&M Expenses	29.90	62.30	64.37	66.51	68.71
Total	92.40	215.35	222.24	224.03	226.67

(₹ in lakh)

Asset-A2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	7.23	31.12	37.77	39.70	41.06
Interest on Loan	8.99	37.01	41.75	39.51	37.30
Return on Equity	8.13	35.56	43.35	45.85	47.76
Interest on Working Capital	1.56	5.83	6.38	6.55	6.70



O&M Expenses	18.01	62.30	64.37	66.51	68.71
Total	43.92	171.82	193.62	198.12	201.53

(₹ in lakh)

Asset-A3					
Particular	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	13.37	29.29	31.05	31.50	31.96
Interest on Loan	16.41	33.71	33.15	30.17	27.69
Return on Equity	15.27	33.73	35.92	36.47	37.12
Interest on Working Capital	1.04	2.23	2.30	2.26	2.23
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	46.09	98.96	102.42	100.40	99.00

(₹ in lakh)

Asset-B1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	15.92	41.92	47.84	50.81	53.06
Interest on Loan	19.52	48.00	48.93	43.75	40.75
Return on Equity	16.71	44.83	51.30	54.47	57.15
Interest on Working Capital	3.51	7.92	8.39	8.58	8.79
O&M Expenses	41.86	87.22	90.12	93.11	96.20
Total	97.52	229.89	246.58	250.72	255.95

(₹ in lakh)

Asset-B2					
Particular	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	19.07	80.29	97.96	103.22	104.04
Interest on Loan	23.12	89.70	99.52	93.16	84.20
Return on Equity	20.22	86.69	106.19	111.87	113.08
Interest on Working Capital	2.52	9.35	10.55	10.77	10.73
O&M Expenses	19.66	62.30	64.37	66.51	68.71
Total	84.59	328.33	378.59	385.53	380.76

(₹ in lakh)

Asset-B3					
Particular	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	14.22	37.30	43.08	45.30	45.44
Interest on Loan	17.28	41.40	43.51	40.86	36.84



Return on Equity	15.60	41.28	47.70	50.14	50.44
Interest on Working Capital	2.72	6.20	6.65	6.81	6.85
O&M Expenses	29.57	62.30	64.37	66.51	68.71
Total	79.39	188.48	205.31	209.62	208.28

(₹ in lakh)

Asset-B4					
Particular	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	15.90	28.70	30.99	31.93	32.01
Interest on Loan	18.97	32.02	31.90	29.76	26.89
Return on Equity	17.73	32.15	34.70	35.75	35.94
Interest on Working Capital	1.21	2.14	2.25	2.24	2.18
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	53.81	95.01	99.84	99.68	97.02

(₹ in lakh)

Asset-B5					
Particular	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	10.27	23.76	26.11	27.05	27.13
Interest on Loan	12.73	27.57	27.66	25.63	23.13
Return on Equity	11.45	26.62	29.24	30.28	30.46
Interest on Working Capital	0.79	1.79	1.91	1.91	1.86
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	35.24	79.74	84.92	84.87	82.58

(₹ in lakh)

Assets-B6					
Particular	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	14.87	23.75	25.16	26.78	27.62
Interest on Loan	18.33	26.59	25.59	24.38	22.63
Return on Equity	16.58	26.60	28.16	29.98	31.01
Interest on Working Capital	1.14	1.77	1.82	1.87	1.87
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	50.92	78.71	80.73	83.01	83.13



(₹ in lakh)

Asset-C1					
Particular	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	6.98	41.02	45.49	49.76	53.83
Interest on Loan	8.28	45.92	47.16	46.66	46.19
Return on Equity	7.45	44.97	50.45	55.68	60.69
Interest on Working Capital	1.26	6.48	6.85	7.18	7.50
O&M Expenses	13.38	62.30	64.37	66.51	68.71
Total	37.35	200.69	214.32	225.79	236.92

(₹ in lakh)

Asset-C2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	5.46	20.58	21.44	23.16	24.87
Interest on Loan	4.80	17.29	16.11	15.79	15.51
Return on Equity	4.36	17.30	18.15	20.17	22.24
Interest on Working Capital	4.32	15.04	15.51	16.06	16.63
O&M Expenses	72.04	249.20	257.48	266.04	274.84
Total	90.98	319.41	328.69	341.22	354.09

9. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner for the instant transmission assets for the period from 1.4.2014 to 31.3.2019 are as follows:

(₹ in lakh)

Asset-A1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	31.06	35.89	37.04	37.34	37.78
Total	45.14	50.43	52.06	52.86	53.82
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	3.02	6.81	7.03	7.14	7.27



(₹ in lakh)

Asset-A2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	24.51	28.64	32.27	33.02	33.59
Total	38.59	43.18	47.29	48.54	49.63
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	1.56	5.83	6.38	6.55	6.70

(₹ in lakh)

Asset-A3					
Particular	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	13.10	16.49	17.07	16.73	16.50
Total	13.10	16.49	17.07	16.73	16.50
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	1.04	2.23	2.30	2.26	0.30

(₹ in lakh)

Asset-B1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	7.04	7.27	7.51	7.76	8.02
Maintenance Spares	12.66	13.08	13.52	13.97	14.43
Receivables	32.78	38.32	41.10	41.79	42.66
Total	52.48	58.67	62.13	63.52	65.11
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	3.51	7.92	8.39	8.58	8.79

(₹ in lakh)

Asset-B2					
Particular	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	43.24	54.72	63.10	64.26	63.46
Total	57.32	69.26	78.12	79.78	79.50
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	2.52	9.35	10.55	10.77	10.73



(₹ in lakh)

Asset-B3					
Particular	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	26.98	31.41	34.22	34.94	34.72
Total	41.06	45.95	49.24	50.46	50.76
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	2.72	6.20	6.65	6.81	6.85

(₹ in lakh)

Asset-B4					
Particular	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	13.81	15.84	16.64	16.61	16.17
Total	13.81	15.84	16.64	16.61	16.17
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	1.21	2.14	2.25	2.24	2.18

(₹ in lakh)

Asset-B5					
Particular	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	12.76	13.29	14.15	14.15	13.76
Total	12.76	13.29	14.15	14.15	13.76
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	0.79	1.79	1.91	1.91	1.86

(₹ in lakh)

Asset-B6					
Particular	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	11.35	13.12	13.46	13.84	13.86
Total	11.35	13.12	13.46	13.84	13.86
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	1.14	1.77	1.82	1.87	1.87



(₹ in lakh)

Asset-C1					
Particular	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	28.05	33.45	35.72	37.63	39.49
Total	42.13	47.99	50.74	53.15	55.53
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	1.26	6.48	6.85	7.18	7.50

(₹ in lakh)

Asset-C2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	20.10	20.77	21.46	22.17	22.90
Maintenance Spares	36.18	37.38	38.62	39.91	41.23
Receivables	50.77	53.24	54.78	56.87	59.02
Total	107.05	111.39	114.86	118.95	123.15
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	4.32	15.04	15.51	16.06	16.63

Capital Cost

10. The capital cost was determined by the Commission for Assets-A1, A2 and A3 vide order dated 26.5.2016 in Petition No. 117/TT/2014, for Assets-B1 to B6 vide order dated 28.4.2016 in Petition No. 242/TT/2014 and for Assets-C1 and C2 vide order dated 26.4.2016 in Petition No. 399/TT/2014. The details of approved capital cost as on 31.3.2019 are as follows:

(₹ in lakh)

Asset	RCE AppORTioned Approved Capital Cost	Admitted Capital Cost as on COD	Additional Capital Expenditure (ACE)(Approved)			Total Capital Cost Approved as on 31.3.2019
			2014-15	2015-16	2016-17	
A1	994.68	558.25	235.29	106.45	90.35	990.34
A2	914.38	439.03	47.27	326.97	65.00	878.27
A3	763.78	351.90	181.01	74.77	155.63	763.31
B1	1026.88	460.56	223.25	257.01	84.35	1025.17
B2	2044.46	891.34	324.40	698.17	96.11	2010.02
B3	1046.39	453.27	174.47	301.80	71.64	1001.18



B4	635.40	410.01	107.82	65.42	18.11	601.36
B5	635.40	421.97	1.09	99.96	37.84	560.86
B6	658.16	315.42	122.30	47.79	50.54	536.05
C1	1104.27	430.67	242.45	259.38	161.97	1094.47
C2	387.17	218.58	59.30	47.37	56.97	382.21
Total	10210.97	4951.00	1718.65	2285.09	888.51	9843.25

11. The Petitioner vide Auditor's Certificates dated 31.7.2019 in respect of the transmission assets has submitted the capital cost incurred up to COD and Additional Capital Expenditure (ACE) up to 31.3.2019. The details of apportioned approved capital cost as per the RCE, capital cost as on COD and ACE up to 31.3.2019 as claimed by the Petitioner are as follows:

Asset	Apportioned Approved Capital Cost (RCE)	Actual Capital Cost as on COD	Actual ACE					Total Capital Cost as on 31.3.2019
			2014-15	2015-16	2016-17	2017-18	2018-19	
A1	994.68	581.52	232.5	89.77	0	62.99	0	966.78
A2	914.38	457.81	44.24	214.12	34.36	50.02	10.45	811
A3	763.78	364.94	167.97	74.77	0	18.61	0	626.29
B1	1026.88	464.84	219.21	148.23	71.17	36.09	49.29	988.83
B2	2044.46	910.91	314.28	490.69	161.05	30.89	0	1907.82
B3	1046.39	453.81	174.35	140.19	77.03	5.63	0	851.01
B4	635.4	410.97	106.85	51.52	35.25	0.28	2.9	607.77
B5	635.4	425.41	0	51.52	35.25	0.28	2.9	515.36
B6	658.16	318.85	118.87	24.05	29.33	32.04	0	523.14
C1	1104.27	485.46	205.67	151.54	21.45	155.81	8.15	1028.08
C2	387.17	227.2	59.17	20.99	0	68.2	0	375.56
Total	10210.97	5101.72	1643.11	1457.39	464.89	460.84	73.69	9201.64

12. The completion cost including ACE is within the RCE approved apportioned capital cost. Therefore, there is no cost over-run in respect of the transmission assets.

13. The assets covered in the instant petition have been put under commercial operation within the SCOD of 5.4.2015. Hence, there is no time over-run.



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

14. The Petitioner has claimed IDC for the transmission assets and has submitted the Auditor's Certificates dated 31.7.2019 in support of the same. The Petitioner has submitted the computation of IDC along with year-wise details of the IDC discharged.

15. The allowable IDC has been worked out considering the information submitted by the Petitioner for the transmission assets separately on cash basis. The loan details submitted in Form-9C for the 2014-19 tariff period and the IDC computation sheet have been considered for the purpose of IDC calculation on cash and accrued basis. The un-discharged IDC as on COD has been considered as ACE during the year in which it has been discharged.

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

(₹ in lakh)							
Asset	IDC as per Auditor's Certificate	Disallowed on account of computational difference	IDC admissible	IDC discharged as on COD	IDC Un-discharged as on COD	IDC discharged during	
						2014-15	2015-16
A	B	C	D=B-C	E	F=C-E	G	H
A1	24.95	14.94	10.01	5.48	4.53	2.79	1.74
A2	22.99	9.86	13.13	4.22	8.92	3.03	5.89
A3	15.73	11.05	4.68	2.69	1.99	1.99	0.00
B1	14.89	0.15	14.74	10.34	4.40	4.04	0.36
B2	43.89	6.70	37.19	23.50	13.69	9.96	3.73
B3	11.00	0.00	11.00	10.46	0.54	0.12	0.42
B4	1.34	0.00	1.34	0.38	0.96	0.96	0.00
B5	9.26	0.06	9.20	5.82	3.38	1.09	2.29
B6	9.56	0.00	9.56	6.13	3.43	3.43	0.00
C1	35.21	10.71	24.50	11.42	13.08	9.30	3.78
C2	13.42	6.19	7.23	4.22	3.01	0.13	2.87



17. The Petitioner has claimed an IEDC of ₹10.30 lakh, ₹-1.01 lakh, ₹5.79 lakh, ₹5.78 lakh, ₹12.17 lakh, ₹6.13 lakh, ₹5.19 lakh, ₹6.13 lakh, ₹0.38 lakh, ₹4.14 lakh and ₹9.47 lakh for Asset-A1, Asset-A2, Asset-A3, Asset-B1, Asset-B2, Asset-B3, Asset-B4, Asset-B5, Asset-B6, Asset-C1 and Asset-C2 respectively and has submitted an Auditor's certificate in support of the same. The Petitioner has also submitted that the entire IEDC has been discharged as on COD in respect of the transmission assets. The IEDC claimed is within the percentage of the Hard Cost and hence allowed.

Initial Spares

18. The Petitioner has submitted an Auditor's Certificate with regard to the claim of Initial Spares. The details of Initial Spares claimed by the Petitioner are as follows:

Asset	Particulars	Plant and Machinery Cost (excluding IDC, IEDC, land cost and cost of civil works) (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Initial Spares as % of P&M Cost	Ceiling as per 2014 Tariff Regulations (%)
A1	Sub-station	833.98	55.25	6.67	6
A2		706.91	0.00	0.00	6
A3		549.43	7.16	1.24	6
B1		968.16	56.94	5.87	6
B2		1851.76	73.25	3.87	6
B3		833.88	0.00	0.00	6
B4		601.25	0.00	0.00	6
B5		499.97	26.93	5.35	6
B6		513.20	0.00	0.00	6
C1		743.77	59.87	8.23	6
C2		329.26	0.00	0.00	6

19. The Petitioner has submitted that vide order dated 25.4.2013 in Petition No 33/TT/2013, the Commission has already allowed Initial Spares considering the Project as a whole instead of element wise. Further, as per the 2014 Tariff Regulations, all elements are to be clubbed for the purpose of tariff of the project as



a whole. In this case, the identity of individual elements will be lost after clubbing of all the elements as per the Commission directions and therefore restricting spares on individual elements becomes infructuous.

20. MPPMCL has submitted that the facts of Petition No.33/TT/2013 are not similar to this case and this Commission vide several orders has held that Initial Spares are to be calculated asset-wise as every asset has its own identity and is different as also not related to other assets. In light of the above, MPPMCL has requested that the excess Initial Spares claimed in respect of Asset-A1 and C1 may be disallowed by the Commission.

21. In response, the Petitioner vide its rejoinder has submitted that the Initial Spares are within the specified limits considering the project as a whole. In compliance of the APTEL's judgment in Appeal 74 of 2017, Initial Spares have been calculated on overall project cost basis instead of individual cost basis.

22. We have considered the submissions of MPPMCL and the Petitioner. The instant transmission project consists of 11 transmission assets and they were put into commercial operation during 2014-19 tariff period. As per the judgement dated 14.9.2019 of APTEL, Initial Spares may be restricted to the cost of the individual asset initially and subsequently trued-up as per the ceiling limits on the basis of the overall project cost.

23. Regulation 13(d) of the 2014 Tariff Regulations specifies the following norms for "Initial Spares".

"13. Initial Spares: Initial spares shall be capitalised as a percentage of the Plant and Machinery cost upto cut-off date, subject to following ceiling norms:

d) Transmission System

Transmission line: 1.00%

Transmission sub-station (Green Field): 4.00%

Transmission sub-station (Brown Field): 6.00%



GIS Sub-station: 5.00%
Communication System: 3.5%”

24. Usually, the tariff allowed for the assets put into commercial operation in the 2014-19 tariff period is trued-up at the end of the 2014-19 tariff period. Moreover, the “overall project cost” is arrived at only after the COD of all the assets covered in the transmission project and after the expiry of the “cut-off date” of the assets. As per the principles laid down by APTEL in judgement dated 14.9.2019, the Initial Spares are to be allowed as a percentage of the overall project cost. In the instant case, as stated above, the transmission assets were put into commercial operation in the 2014-19 tariff period and the “overall project cost” could be arrived at only on 31.3.2018, i.e. after the cut-off date of the last asset put into commercial operation, which was 10.1.2015 of Asset-C1. Therefore, the Initial Spares are allowed on the basis of the cost of the individual assets in the 2014-19 tariff period and are allowed on the basis of the overall project cost in the 2019-24 period when the transmission assets are combined and the overall project cost is arrived at as per the judgement of APTEL. Accordingly, the details of Initial Spares allowed for the 2014-19 tariff period are as follows:

Asset	Parts	Plant & Machinery cost up to cut-off date (excluding IDC, IEDC, land cost and cost of civil works) (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Ceiling Limit (%)	Initial Spares as per norms $D = [(A-B)*C / (100-C)]$ (₹ in lakh)	Initial Spares allowed (₹ in lakh)	Initial Spares Disallowed (₹ in lakh)
		(A)	(B)	(C)	(D)	(E)	F= B-E
A1	Sub-station	809.09	55.25	6	48.12	48.12	7.13
A2		671.86	0.00	6	42.88	0.00	0.00
A3		534.72	7.16	6	33.67	7.16	0.00
B1		861.52	56.94	6	51.36	51.36	5.58
B2		1788.69	73.25	6	109.50	73.25	0.00
B3		823.12	0.00	6	52.54	0.00	0.00



B4		598.07	0.00	6	38.17	0.00	0.00
B5		496.79	26.93	6	29.99	26.93	0.00
B6		481.16	0.00	6	30.71	0.00	0.00
C1		743.77	59.87	6	43.65	43.65	16.22
C2		270.05	0.00	6	17.24	0.00	0.00

Capital Cost as on the COD

25. Accordingly, the capital cost allowed as on COD is summarized as follows:

(₹ in lakh)

Assets	Capital Cost as on COD as per Auditor's Certificate	Less: IDC as on COD due to		Less: Excess Initial Spares	Capital Cost as on COD (on cash basis)
		IDC Disallowed	Un-discharged IDC		
A1	581.52	14.94	4.53	7.13	554.92
A2	457.81	9.86	8.92	0.00	439.04
A3	364.94	11.05	1.99	0.00	351.90
B1	464.84	0.15	4.40	5.58	454.71
B2	910.91	6.70	13.69	0.00	890.52
B3	453.81	0.00	0.54	0.00	453.27
B4	410.97	0.00	0.96	0.00	410.01
B5	425.41	0.06	3.38	0.00	421.97
B6	318.85	0.00	3.43	0.00	315.42
C1	485.46	10.71	13.08	16.22	445.46
C2	227.20	6.19	3.01	0.00	218.00

Additional Capital Expenditure (ACE)

26. The ACE allowed for the transmission assets vide orders dated 26.5.2016, 28.4.2016 and 26.4.2016 in Petition No. 117/TT/2014, Petition No. 242/TT/2014 and Petition No. 399/TT/2014 respectively are as follows:

Asset	Additional Capital Expenditure		
	2014-15	2015-16	2016-17
A1	235.29	106.45	90.35
A2	47.27	326.97	65.00
A3	181.01	74.77	155.63
B1	223.25	257.01	84.35
B2	324.40	698.17	96.11
B3	174.47	301.80	71.64



B4	107.82	65.42	18.11
B5	1.09	99.96	37.84
B6	122.30	47.79	50.54
C1	242.45	259.38	161.97
C2	59.30	47.37	56.97

27. The Petitioner has claimed the following ACE for the transmission assets and submitted Auditor's Certificate in support of its claim:

(₹ in lakh)

Asset	Additional Capital Expenditure (ACE)				
	2014-15	2015-16	2016-17	2017-18	2018-19
A1	232.50	89.77	0.00	62.99	0.00
A2	44.24	214.12	34.36	50.02	10.45
A3	167.97	74.77	0.00	18.61	0.00
B1	219.21	148.23	71.17	36.09	49.29
B2	314.28	490.69	161.05	30.89	0.00
B3	174.35	140.19	77.03	5.63	0.00
B4	106.85	51.52	35.25	0.28	2.90
B5	0.00	51.52	35.25	0.28	2.90
B6	118.87	24.05	29.33	32.04	0.00
C1	205.67	151.54	21.45	155.81	8.15
C2	59.17	20.99	0.00	68.20	0.00

28. The Petitioner has submitted that the ACE is on account of un-discharged liability towards final payment/ withheld payment due to contractual exigencies for works executed within the cut-off date. The ACE incurred after COD and up to the cut-off date has been claimed under Regulations 14(1)(i) (un-discharged liabilities) and 14(1)(ii) (work deferred for execution) and ACE incurred after cut-off date has been claimed under Regulation 14(3)(v) of the 2014 Tariff Regulations.

29. The Petitioner has also submitted that ACE up to 31.3.2019 has been considered in the Auditor's certificate as per actuals. The Petitioner has submitted contract-wise details along with LoA for balance and retention payments.



30. The cut-off date for Assets-A1 to A3, Assets-B1 to B6 and Asset-C2 is 31.3.2017 and for Asset-C1 is 31.3.2018. It is observed that the total estimated completion cost including ACE from 2014-15 to 2018-19 period is within the RCE approved apportioned capital cost. Therefore, the same has been considered for computation of the total capital cost as on 31.3.2019. The un-discharged IDC as on COD has been allowed as ACE in its respective year of discharge.

31. We have considered the submissions of the Petitioner. The ACE claimed for the 2014-19 tariff period is allowed under Regulations 14(1) (i), 14(1) (ii) and 14(3) (v) of the 2014 Tariff Regulations. Accordingly, the ACE allowed for the instant transmission assets is as follows:

(₹ in lakh)

Asset	Additional Capital Expenditure (ACE)				
	2014-15	2015-16	2016-17	2017-18	2018-19
A1	235.29	91.51	-	62.99	-
A2	47.27	220.01	34.36	50.02	10.45
A3	169.96	74.77	-	18.61	-
B1	223.25	148.59	71.17	36.09	49.29
B2	324.24	494.42	161.05	30.89	-
B3	174.47	140.61	77.03	5.63	-
B4	107.82	51.52	35.25	0.28	2.90
B5	1.09	53.81	35.25	0.28	2.90
B6	122.30	24.05	29.33	32.04	-
C1	214.97	155.32	21.45	155.81	8.15
C2	59.29	23.86	-	68.19	-

Capital Cost of the 2014-19 Tariff Period

32. Accordingly, the capital cost of the transmission assets considered as on 31.3.2019 for the tariff period 2014-19 is as under:

(₹ in lakh)

Asset	Apportioned Approved Cost (RCE)	Capital Cost as on COD	Additional Capital Expenditure (ACE)					Capital Cost as on 31.3.2019
			2014-15	2015-16	2016-17	2017-18	2018-19	
A1	994.68	554.92	235.29	91.51	-	62.99	-	944.71
A2	914.38	439.04	47.27	220.01	34.36	50.02	10.45	801.15



A3	763.78	351.90	169.96	74.77	-	18.61	-	615.24
B1	1026.88	454.71	223.25	148.59	71.17	36.09	49.29	983.09
B2	2044.46	890.52	324.24	494.42	161.05	30.89	-	1901.12
B3	1046.39	453.27	174.47	140.61	77.03	5.63	-	851.01
B4	635.4	410.01	107.82	51.52	35.25	0.28	2.90	607.78
B5	635.4	421.97	1.09	53.81	35.25	0.28	2.90	515.3
B6	658.16	315.42	122.30	24.05	29.33	32.04	-	523.14
C1	1104.27	445.46	214.97	155.32	21.45	155.81	8.15	1001.15
C2	387.17	218.00	59.29	23.86	-	68.19	-	369.35

Debt-Equity Ratio

33. The Petitioner has considered the debt-equity ratio of 70:30 as on COD and for ACE post COD. The debt-equity ratio of 70:30 has been considered for capital cost as on COD and ACE during the 2014-19 tariff period as provided under Regulation 19 of the 2014 Tariff Regulations. The details of the debt-equity as on the COD and 31.3.2019 considered for the purpose of tariff computation for the 2014-19 tariff period are as follows:

Asset-A1	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	388.45	70.00	661.31	70.00
Equity	166.47	30.00	283.40	30.00
Total	554.92	100.00	944.71	100.00

Asset-A2	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	307.32	70.00	560.81	70.00
Equity	131.71	30.00	240.34	30.00
Total	439.04	100.00	801.15	100.00

Asset-A3	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	246.33	70.00	430.67	70.00
Equity	105.57	30.00	184.56	30.00
Total	351.90	100.00	615.24	100.00

Asset-B1	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	318.29	70.00	688.17	70.00



Equity	136.41	30.00	294.92	30.00
Total	454.71	100.00	983.09	100.00

Asset-B2	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	623.36	70.00	1330.80	70.00
Equity	267.15	30.00	570.33	30.00
Total	890.52	100.00	1901.12	100.00

Asset-B3	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	317.29	70.00	595.72	70.00
Equity	135.98	30.00	255.29	30.00
Total	453.27	100.00	851.01	100.00

Asset-B4	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	287.02	70.00	425.47	70.00
Equity	122.99	30.00	182.31	30.00
Total	410.01	100.00	607.78	100.00

Asset-B5	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	295.38	70.00	360.72	70.00
Equity	126.59	30.00	154.58	30.00
Total	421.97	100.00	515.30	100.00

Asset-B6	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	220.80	70.00	366.21	70.00
Equity	94.62	30.00	156.93	30.00
Total	315.42	100.00	523.14	100.00

Asset-C1	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	311.82	70.00	700.83	70.00
Equity	133.63	30.00	300.32	30.00
Total	445.46	100.00	1001.15	100.00

Asset-C2	As on COD		As on 31.3.2019	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	152.60	70.00	258.62	70.00
Equity	65.40	30.00	110.73	30.00
Total	218.00	100.00	369.35	100.00



Depreciation

34. The Petitioner's claim towards depreciation in this petition was found to be higher than the depreciation allowed in orders dated 26.5.2016, 28.4.2016 and 26.4.2016 in Petition No.117/TT/2014, Petition No. 242/TT/2014 and Petition No. 399/TT/2014, respectively. The Petitioner has neither given any justification for claiming higher depreciation than that was allowed earlier nor has made any specific prayer for allowing higher depreciation in this petition. It is observed that vide orders dated 26.5.2016, 28.4.2016 and 26.4.2016 in Petition No.117/TT/2014, Petition No. 242/TT/2014 and Petition No. 399/TT/2014 respectively, the depreciation for IT equipment was allowed @5.28%. The Petitioner, now at the time of truing-up of the tariff of the 2014-19 period, has segregated the IT equipment cost from the sub-station cost and has considered depreciation rate for IT Equipment @15% and the salvage value for IT Equipment is NIL as per the 2014 Tariff Regulations. A similar issue had come up in some earlier petitions filed by the Petitioner. In this regard, the Commission in order dated 9.5.2020 in Petition No. 19/TT/2020 held as follows:

"31. We have considered the submissions of the Petitioner. The instant assets were put into commercial operation during the 2009-14 period and the tariff from the respective CODs to 31.3.2014 was allowed vide orders dated 30.8.2012 and 9.5.2013 in Petition No.343/2010 and Petition No. 147/TT/2011 respectively. Further, the tariff of the 2009-14 period was trued up and tariff for the 2014-19 period was allowed vide order dated 25.2.2016 in Petition No.10/TT/2015. The Petitioner did not claim any capital expenditure towards "IT Equipment" in the above said three petitions where tariff for the instant assets for the 2009-14 period was allowed, tariff of the 2009-14 period was trued up and tariff for 2014- 19 period was allowed even though there was a clear provision in the 2009 Tariff Regulations and 2014 Tariff Regulations providing depreciation @15% for IT Equipment. Having failed to make a claim as per the 2009 Tariff Regulations (the period during which COD of assets was achieved), the Petitioner has now, at the time of truing up of the tariff allowed for the 2014-19 period has apportioned a part of the capital expenditure to "IT Equipment". The Petitioner has adopted similar methodology not only in this but in some of the other petitions listed along with the instant petition on 26.2.2020. It is observed that the Petitioner has for the first time apportioned a part of the capital expenditure towards IT Equipment and has claimed depreciation under the head "IT Equipment" @15% at the time of truing up of the tariff of 2014-19 period. Regulation 8(1) of the 2014 Tariff Regulations provides for truing up of the capital expenditure including the additional capital



expenditure, incurred up to 31.3.2019, admitted by the Commission after prudence check. We are of the view that scope of truing up exercise is restricted to truing up of the capital expenditure already admitted and apportionment or reapportionment of the capital expenditure cannot be allowed at the time of truing up. Therefore, we are not inclined to consider the Petitioner's prayer for apportionment of capital expenditure towards IT Equipment and allowing depreciation @ 15% from 1.4.2014 onwards. Accordingly, the depreciation @ 5.28% has been considered for IT Equipment as part of the substation up to 31.3.2019 while truing up the capital expenditure for the 2014-19 period. During the 2019-24 tariff period, the IT Equipment has been considered separately and depreciation has been allowed @ 15% for the balance depreciable value of IT Equipment in accordance with Regulation 33 read with Sr. No. (p) of the Appendix-I (Depreciation Schedule) of the 2019 Tariff Regulations."

35. In line with the above decision in order dated 9.5.2020 in Petition No. 19/TT/2020, depreciation has been considered for IT Equipment @5.28% as part of the sub-station up to 31.3.2019 while truing up the capital expenditure for the 2014-19 period. However, for the 2019-24 tariff period, the IT Equipment has been considered separately and depreciation has been allowed @15% for the balance depreciable value of IT Equipment in accordance with Regulation 33 of the 2019 Tariff Regulations. The Gross Block during the 2014-19 tariff period has been depreciated at weighted average rate of depreciation (WAROD) and working of WAROD is at Annexure-I (a) to (k). WAROD has been worked out after taking into account the depreciation rates of assets as prescribed in the 2014 Tariff Regulations and depreciation allowed during tariff period 2014-19 is as follows:

(₹ in lakh)

Asset-A1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	554.92	790.21	881.72	881.72	944.71
Additional Capitalization	235.29	91.51	0.00	62.99	0.00
Closing Gross Block	790.21	881.72	881.72	944.71	944.71
Average Gross Block	672.56	835.97	881.72	913.22	944.71
Weighted average rate of Depreciation (WAROD) (%)	5.171	5.161	5.146	5.110	5.076
Balance useful life of the asset at the beginning of year (Year)	24	24	23	22	21



Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	605.31	752.37	793.55	821.90	850.24
Depreciation during the year	17.25	43.15	45.37	46.66	47.96
Aggregate Cumulative Depreciation at the end of the year	17.25	60.40	105.77	152.43	200.39
Remaining Aggregate Depreciable Value at the end of the year	588.06	691.97	687.78	669.47	649.86

(₹ in lakh)

Asset-A2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	439.04	486.31	706.32	740.68	790.70
Additional Capitalization	47.27	220.01	34.36	50.02	10.45
Closing Gross Block	486.31	706.32	740.68	790.70	801.15
Average Gross Block	462.67	596.31	723.50	765.69	795.92
Weighted average rate of Depreciation (WAROD) (%)	5.231	5.175	5.149	5.117	5.093
Balance useful life of the asset at the beginning of year (Year)	25	25	24	23	22
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	416.40	536.68	651.15	689.12	716.33
Depreciation during the year	7.23	30.86	37.25	39.18	40.53
Aggregate Cumulative Depreciation at the end of the year	7.23	38.09	75.34	114.53	155.06
Remaining Aggregate Depreciable Value at the end of the year	409.18	498.59	575.80	574.59	561.27

(₹ in lakh)

Asset-A3					
Particular	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	351.90	521.86	596.63	596.63	615.24
Additional Capitalization	169.96	74.77	0.00	18.61	0.00
Closing Gross Block	521.86	596.63	596.63	615.24	615.24



Average Gross Block	436.88	559.24	596.63	605.93	615.24
Weighted average rate of Depreciation (WAROD) (%)	5.157	5.135	5.109	5.106	5.102
Balance useful life of the asset at the beginning of year (Year)	25	25	24	23	22
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	393.19	503.32	536.97	545.34	553.72
Depreciation during the year	13.21	28.72	30.48	30.94	31.39
Aggregate Cumulative Depreciation at the end of the year	13.21	41.93	72.41	103.35	134.74
Remaining Aggregate Depreciable Value at the end of the year	379.98	461.39	464.56	441.99	418.98

(₹ in lakh)

Asset-B1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	454.71	677.96	826.54	897.71	933.80
Additional Capitalization	223.25	148.59	71.17	36.09	49.29
Closing Gross Block	677.96	826.54	897.71	933.80	983.09
Average Gross Block	566.33	752.25	862.13	915.76	958.45
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset at the beginning of year (Year)	24	24	23	22	21
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	509.70	677.03	775.92	824.18	862.60
Depreciation during the year	14.83	39.72	45.52	48.35	50.61
Aggregate Cumulative Depreciation at the end of the year	14.83	54.55	100.07	148.42	199.03
Remaining Aggregate Depreciable Value at the end of the year	494.87	622.48	675.85	675.76	663.58



(₹ in lakh)

Asset-B2					
Particular	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	890.52	1214.76	1709.18	1870.23	1901.12
Additional Capitalization	324.24	494.42	161.05	30.89	0.00
Closing Gross Block	1214.76	1709.18	1870.23	1901.12	1901.12
Average Gross Block	1052.64	1461.97	1789.71	1885.68	1901.12
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset at the beginning of year (Year)	24	24	23	22	21
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	947.38	1315.77	1610.74	1697.11	1711.01
Depreciation during the year	18.12	77.19	94.50	99.56	100.38
Aggregate Cumulative Depreciation at the end of the year	18.12	95.31	189.81	289.37	389.75
Remaining Aggregate Depreciable Value at the end of the year	929.25	1220.46	1420.93	1407.74	1321.26

(₹ in lakh)

Asset-B3					
Particular	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	453.27	627.74	768.35	845.38	851.01
Additional Capitalization	174.47	140.61	77.03	5.63	0.00
Closing Gross Block	627.74	768.35	845.38	851.01	851.01
Average Gross Block	540.51	698.05	806.87	848.20	851.01
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset at the beginning of year (Year)	25	25	24	23	22
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	486.45	628.24	726.18	763.38	765.91
Depreciation during the year	14.00	36.86	42.60	44.78	44.93



Aggregate Cumulative Depreciation at the end of the year	14.00	50.85	93.45	138.24	183.17
Remaining Aggregate Depreciable Value at the end of the year	472.46	577.39	632.72	625.14	582.74

(₹ in lakh)

Asset-B4					
Particular	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	410.01	517.83	569.35	604.60	604.88
Additional Capitalization	107.82	51.52	35.25	0.28	2.90
Closing Gross Block	517.83	569.35	604.60	604.88	607.78
Average Gross Block	463.92	543.59	586.98	604.74	606.33
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset at the beginning of year (Year)	25	25	24	23	22
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	417.53	489.23	528.28	544.27	545.70
Depreciation during the year	15.91	28.70	30.99	31.93	32.01
Aggregate Cumulative Depreciation at the end of the year	15.91	44.61	75.60	107.53	139.54
Remaining Aggregate Depreciable Value at the end of the year	401.63	444.63	452.68	436.74	406.16

(₹ in lakh)

Asset-B5					
Particular	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	421.97	423.06	476.87	512.12	512.40
Additional Capitalization	1.09	53.81	35.25	0.28	2.90
Closing Gross Block	423.06	476.87	512.12	512.40	515.30
Average Gross Block	422.52	449.97	494.50	512.26	513.85
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset at the beginning of year (Year)	25	25	24	23	22



Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	380.26	404.97	445.05	461.04	462.47
Depreciation during the year	10.27	23.76	26.11	27.05	27.13
Aggregate Cumulative Depreciation at the end of the year	10.27	34.03	60.14	87.18	114.31
Remaining Aggregate Depreciable Value at the end of the year	370.00	370.94	384.91	373.85	348.15

(₹ in lakh)

Asset-B6					
Particular	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	315.42	437.72	461.77	491.10	523.14
Additional Capitalization	122.30	24.05	29.33	32.04	0.00
Closing Gross Block	437.72	461.77	491.10	523.14	523.14
Average Gross Block	376.57	449.75	476.44	507.12	523.14
Weighted average rate of Depreciation (WAROD) (%)	5.28	5.28	5.28	5.28	5.28
Balance useful life of the asset at the beginning of year (Year)	25	25	24	23	22
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	338.92	404.77	428.79	456.41	470.83
Depreciation during the year	14.87	23.75	25.16	26.78	27.62
Aggregate Cumulative Depreciation at the end of the year	14.87	38.62	63.77	90.55	118.17
Remaining Aggregate Depreciable Value at the end of the year	324.04	366.16	365.02	365.86	352.66

(₹ in lakh)

Asset-C1					
Particular	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	445.46	660.42	815.74	837.19	993
Additional Capitalization	214.97	155.32	21.45	155.81	8.15
Closing Gross Block	660.42	815.74	837.19	993	1001.15



Average Gross Block	552.94	738.08	826.47	915.10	997.08
Weighted average rate of Depreciation (WAROD) (%)	5.203	5.157	5.113	5.084	5.075
Balance useful life of the asset at the beginning of year (Year)	24	24	23	22	21
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	497.65	664.28	743.82	823.59	897.37
Depreciation during the year	6.38	38.06	42.26	46.53	50.60
Aggregate Cumulative Depreciation at the end of the year	6.38	44.44	86.7	133.23	183.83
Remaining Aggregate Depreciable Value at the end of the year	491.26	619.83	657.12	690.36	713.54

(₹ in lakh)

Asset-C2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	218	277.3	301.16	301.16	369.35
Additional Capitalization	59.29	23.86	0.00	68.19	0.00
Closing Gross Block	277.3	301.16	301.16	369.35	369.35
Average Gross Block	247.65	289.23	301.16	335.26	369.35
Weighted average rate of Depreciation (WAROD) (%)	5.229	5.188	5.187	5.171	5.157
Balance useful life of the asset at the beginning of year (Year)	20	20	19	18	17
Lapsed life at the beginning of the year (Year)	0	0	1	2	3
Aggregated Depreciable Value	222.89	260.31	271.04	301.73	332.42
Depreciation during the year	3.87	15.00	15.62	17.33	19.05
Aggregate Cumulative Depreciation at the end of the year	3.87	18.87	34.49	51.83	70.88
Remaining Aggregate Depreciable Value at the end of the year	219.02	241.43	236.55	249.9	261.54



Interest on Loan (“IoL”)

36. The Petitioner has claimed IoL based on actual interest rates for each year during the 2014-19 tariff period. The Petitioner has submitted that the weighted average rate of IoL has been considered on the basis of the rates prevailing as on 1.4.2014 and has prayed to consider floating rate of interest applicable during the 2014-19 period, if any, during the truing up of tariff.

37. We have considered the submissions made by the Petitioner. It is observed that the SBI loan with respect to the transmission assets has been deployed with floating interest rates. Accordingly, factoring the impact of floating rate of interest, IoL has been worked out based on actual interest rate, in accordance with Regulation 26 of the 2014 Tariff Regulations.

38. IoL in respect of the transmission assets has been worked out as per the following considerations:

- i. Gross amount of loan, repayment of instalments, rate of interest and weighted average rate of interest on actual average loan have been considered as per the petition.
- ii. The repayment for the 2014-19 tariff period has been considered to be equal to the depreciation allowed for that period.

39. IoL has been worked out based on actual interest rate, in accordance with Regulation 26 of the 2014 Tariff Regulations. IoL allowed for the transmission assets is as follows:

(₹ in lakh)

Asset-A1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	388.45	553.15	617.22	617.22	661.31



Cumulative Repayments up to Previous Year	0.00	17.25	60.40	105.77	152.43
Net Loan-Opening	388.45	535.90	556.82	511.45	508.88
Additions	164.70	64.06	0.00	44.09	0.00
Repayment during the year	17.25	43.15	45.37	46.66	47.96
Net Loan-Closing	535.90	556.82	511.45	508.88	460.92
Average Loan	462.18	546.36	534.13	510.16	484.90
Weighted Average Rate of Interest on Loan (%)	9.217	9.063	9.011	8.783	8.679
Interest on Loan	21.12	49.52	48.13	44.81	42.08

(₹ in lakh)

Asset-A2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	307.32	340.41	494.42	518.48	553.49
Cumulative Repayments up to Previous Year	0.00	7.23	38.09	75.34	114.53
Net Loan-Opening	307.32	333.19	456.33	443.13	438.96
Additions	33.09	154.01	24.05	35.01	7.32
Repayment during the year	7.23	30.86	37.25	39.18	40.53
Net Loan-Closing	333.19	456.33	443.13	438.96	405.75
Average Loan	320.26	394.76	449.73	441.05	422.36
Weighted Average Rate of Interest on Loan (%)	9.400	9.298	9.154	8.840	8.721
Interest on Loan	8.99	36.71	41.17	38.99	36.83

(₹ in lakh)

Asset-A3					
Particular	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	246.33	365.30	417.64	417.64	430.67
Cumulative Repayments up to Previous Year	0.00	13.21	41.93	72.41	103.35
Net Loan-Opening	246.33	352.10	375.72	345.23	327.33
Additions	118.97	52.34	0.00	13.03	0.00
Repayment during the year	13.21	28.72	30.48	30.94	31.39
Net Loan-Closing	352.10	375.72	345.23	327.33	295.94
Average Loan	299.21	363.91	360.48	336.28	311.63
Weighted Average Rate of Interest on Loan (%)	9.239	9.081	9.028	8.809	8.728
Interest on Loan	16.21	33.05	32.54	29.62	27.20



(₹ in lakh)

Asset-B1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	318.29	474.57	578.59	628.41	653.67
Cumulative Repayments up to Previous Year	0.00	14.83	54.55	100.07	148.42
Net Loan-Opening	318.29	459.75	524.04	528.34	505.25
Additions	156.28	104.01	49.82	25.26	34.50
Repayment during the year	14.83	39.72	45.52	48.35	50.61
Net Loan-Closing	459.75	524.04	528.34	505.25	489.15
Average Loan	389.02	491.89	526.19	516.80	497.20
Weighted Average Rate of Interest on Loan (%)	10.026	9.722	9.307	8.513	8.284
Interest on Loan	19.34	47.82	48.97	43.99	41.19

(₹ in lakh)

Asset-B2					
Particular	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	623.36	850.33	1196.43	1309.17	1330.80
Cumulative Repayments up to Previous Year	0.00	18.12	95.31	189.81	289.37
Net Loan-Opening	623.36	832.21	1101.12	1119.36	1041.42
Additions	226.97	346.10	112.74	21.62	0.00
Repayment during the year	18.12	77.19	94.50	99.56	100.38
Net Loan-Closing	832.21	1101.12	1119.36	1041.42	941.04
Average Loan	727.79	966.67	1110.24	1080.39	991.23
Weighted Average Rate of Interest on Loan (%)	9.742	9.278	8.972	8.660	8.567
Interest on Loan	23.12	89.69	99.61	93.56	84.92

(₹ in lakh)

Asset-B3					
Particular	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	317.29	439.43	537.86	591.78	595.72
Cumulative Repayments up to Previous Year	0.00	14.00	50.85	93.45	138.24
Net Loan-Opening	317.29	425.43	487.01	498.33	457.48
Additions	122.14	98.43	53.92	3.94	0.00
Repayment during the year	14.00	36.86	42.60	44.78	44.93
Net Loan-Closing	425.43	487.01	498.33	457.48	412.55
Average Loan	371.36	456.22	492.67	477.90	435.02
Weighted Average Rate of Interest on Loan (%)	9.491	9.083	8.848	8.575	8.505



Interest on Loan	17.29	41.44	43.59	40.98	37.00
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(₹ in lakh)

Asset-B4					
Particular	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	287.02	362.50	398.56	423.24	423.44
Cumulative Repayments up to Previous Year	0.00	15.91	44.61	75.60	107.53
Net Loan-Opening	287.02	346.59	353.95	347.64	315.91
Additions	75.47	36.06	24.68	0.20	2.03
Repayment during the year	15.91	28.70	30.99	31.93	32.01
Net Loan-Closing	346.59	353.95	347.64	315.91	285.93
Average Loan	316.81	350.27	350.80	331.78	300.92
Weighted Average Rate of Interest on Loan (%)	9.222	9.142	9.093	8.968	8.936
Interest on Loan	18.97	32.02	31.90	29.76	26.89

(₹ in lakh)

Asset-B5					
Particular	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	295.38	296.14	333.81	358.49	358.69
Cumulative Repayments up to Previous Year	0.00	10.27	34.03	60.14	87.18
Net Loan-Opening	295.38	285.88	299.79	298.36	271.51
Additions	0.76	37.67	24.68	0.20	2.03
Repayment during the year	10.27	23.76	26.11	27.05	27.13
Net Loan-Closing	285.88	299.79	298.36	271.51	246.41
Average Loan	290.63	292.83	299.07	284.93	258.96
Weighted Average Rate of Interest on Loan (%)	9.516	9.414	9.248	8.995	8.932
Interest on Loan	12.73	27.57	27.66	25.63	23.13

(₹ in lakh)

Asset-B6					
Particular	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	220.80	306.41	323.25	343.78	366.21
Cumulative Repayments up to Previous Year	0.00	14.87	38.62	63.77	90.55
Net Loan-Opening	220.80	291.54	284.63	280.01	275.66
Additions	85.61	16.84	20.53	22.43	0.00
Repayment during the year	14.87	23.75	25.16	26.78	27.62
Net Loan-Closing	291.54	284.63	280.01	275.66	248.04
Average Loan	256.17	288.09	282.32	277.84	261.85



Weighted Average Rate of Interest on Loan (%)	9.567	9.231	9.063	8.774	8.642
Interest on Loan	18.33	26.59	25.59	24.38	22.63

(₹ in lakh)

Asset-C1					
Particular	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	311.82	462.31	571.03	586.05	695.12
Cumulative Repayments up to Previous Year	0.00	6.38	44.44	86.70	133.23
Net Loan-Opening	311.82	455.92	526.59	499.35	561.89
Additions	150.48	108.73	15.02	109.07	5.71
Repayment during the year	6.38	38.06	42.26	46.53	50.60
Net Loan-Closing	455.92	526.59	499.35	561.89	517.00
Average Loan	383.87	491.25	512.97	530.62	539.45
Weighted Average Rate of Interest on Loan (%)	9.427	9.097	8.955	8.624	8.450
Interest on Loan	8.03	44.69	45.94	45.76	45.58

(₹ in lakh)

Asset-C2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	152.60	194.12	210.88	210.88	258.62
Cumulative Repayments up to Previous Year	0.00	3.87	18.87	34.49	51.83
Net Loan-Opening	152.60	190.25	192.01	176.39	206.79
Additions	41.51	16.77	0.00	47.74	0.00
Repayment during the year	3.87	15.00	15.62	17.33	19.05
Net Loan-Closing	190.25	192.01	176.39	206.79	187.75
Average Loan	171.43	191.13	184.20	191.59	197.27
Weighted Average Rate of Interest on Loan (%)	9.388	9.140	9.028	8.771	8.621
Interest on Loan	4.81	17.47	16.63	16.80	17.01

Return on Equity (“RoE”)

40. The Petitioner has claimed Return on Equity for the instant transmission assets in terms of Regulations 24 and 25 of the 2014 Tariff Regulations. The Petitioner has submitted that they are liable to pay income tax at MAT rates and has claimed the following effective tax rates for the 2014-19 tariff period:



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

41. MPPMCL has submitted that the Petitioner has grossed up RoE on the basis of actual taxes paid during 2016-17 and 2017-18 and has not placed on record the assessment orders for 2016-17 and 2017-18. For 2018-19, it has grossed up the RoE and has not claimed the effective tax rate based on actual taxes paid for 2018-19. MPPMCL has submitted that the Petitioner has neither submitted copy of assessment order for 2014-15 and 2015-16 nor the audited accounts in respect of actual taxes paid for 2016-17 and 2017-18 has been enclosed in the instant petition. MPPMCL has further submitted that the in absence of these essential documents, it is not possible to scrutinize the claim of the Petitioner in a proper way.

42. In response, the Petitioner vide its rejoinder dated 1.3.2021 has submitted that the Income Tax assessment of the Petitioner has been completed and assessment orders have been issued by the Income Tax Department in case of 2014-15, 2015-16 and 2016-17 and the Income Tax returns have been filed with the Income Tax Department for the years 2017-18 and 2018-19. The Petitioner has submitted that on the basis of the effective tax rate and Grossed up RoE tried-up accordingly for the 2014-19 tariff period has already been mentioned in the instant petition for prudence check. The Petitioner has further submitted that the assessment order for the 2014-15 and 2015-16 have already been submitted in Technical Validation reply in Petition No. 20/TT/2020 and has also placed on record a copy of the assessment order for the year 2016-17 along with the rejoinder.



43. We have considered the submissions of the Petitioner and MPPMCL. As regards the MPPMCL's contentions that the grossed up rate of RoE for the period 2016-17 and 2017-18 is not based on the MAT rates approved by the Income Tax Authorities, it is observed that the effective rate of tax considered for 2014-15, 2015-16 and 2016-17 are based on Assessment orders issued by Income Tax Authorities and the effective rate of tax considered for 2017-18 and 2018-19 are based on the Income Tax returns filed for the purpose of grossing up the RoE rate of respective years. The Commission vide order dated 2.2.2021 in Petition No. 312/TT/2020 has already dealt with the concerns of MPPMCL. The relevant paragraph of the order are extracted as under:

"39. We have considered the submissions of the Petitioner and MPPMCL. As regards MPPMCL's contention, it is observed that the Petitioner has submitted the assessment orders issued by the Income Tax Department for the years 2014-15, 2015-16 and 2016-17 and the Income Tax returns filed by the Petitioner for years 2017-18 and 2018-19. The Petitioner has submitted the documents pointed out by MPPMCL."

44. In view of the clarification given by the Petitioner and previous orders of this Commission on the same issue, we are of the view that there is no merit in the contentions advanced by MPPMCL.

45. The Commission vide order dated 27.4.2020 in Petition No. 274/TT/2019 has already arrived at the effective tax rate for the Petitioner based on the notified MAT rates. The relevant portion of the order dated 27.4.2020 is as under:

"26. We are conscious that the entities covered under MAT regime are paying Income Tax as per MAT rate notified for respective financial year under IT Act, 1961, which is levied on the book profit of the entity computed as per the Section 115JB of the IT Act, 1961. The Section 115JB(2) defines book profit as net profit in the statement of Profit & Loss prepared in accordance with Schedule-III of the Companies Act, 2013, subject to some additions and deductions as mentioned in the IT Act, 1961. Since the Petitioner has been paying income tax on income computed under Section 115JB of the IT Act, 1961 as per the MAT rates of the respective financial year, the notified MAT rate for respective financial year shall be considered as effective tax rate for the purpose of grossing up of RoE for truing up of the tariff of the 2014-19 tariff period in terms of the provisions of the 2014 Tariff Regulations."



Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax authorities shall be considered on actual payment. However, penalty (for default on the part of the Assessee) if any imposed shall not be taken into account for the purpose of grossing up of rate of return on equity. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries or the long term transmission customers/ DICs as the case may be on year to year basis.

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

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

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

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

47. Accordingly, the RoE allowed for the instant transmission assets is as follows:

(₹ in lakh)					
Asset-A1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	166.47	237.06	264.51	264.51	283.40
Increase in Equity due to addition during the year	70.59	27.45	0.00	18.90	0.00
Closing Equity	237.06	264.51	264.51	283.40	283.40
Average Equity	201.76	250.78	264.51	273.96	283.40
Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5



Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable RoE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	19.62	49.42	52.12	53.98	56.00

(₹ in lakh)

Asset-A2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	131.71	145.89	211.89	222.20	237.21
Increase in Equity due to addition during the year	14.18	66.00	10.31	15.01	3.13
Closing Equity	145.89	211.89	222.20	237.21	240.34
Average Equity	138.80	178.89	217.05	229.70	238.77
Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable RoE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	8.13	35.25	42.77	45.26	47.18

(₹ in lakh)

Asset-A3					
Particular	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	105.57	156.55	178.98	178.98	184.56
Increase in Equity due to addition during the year	50.98	22.43	0.00	5.58	0.00
Closing Equity	156.55	178.98	178.98	184.56	184.56
Average Equity	131.06	167.77	178.98	181.77	184.56
Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable RoE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	15.07	33.06	35.27	35.82	36.47

(₹ in lakh)

Asset-B1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	136.41	203.38	247.96	269.31	280.13
Increase in Equity due to addition during the year	66.97	44.58	21.35	10.83	14.79
Closing Equity	203.38	247.96	269.31	280.13	294.92
Average Equity	169.90	225.67	258.63	274.72	287.53
Return on Equity	15.500	15.500	15.500	15.500	15.500



(Base Rate) (%)					
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable RE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	16.52	44.47	50.96	54.13	56.81

(₹ in lakh)

Asset-B2					
Particular	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	267.15	364.43	512.75	561.06	570.33
Increase in Equity due to addition during the year	97.27	148.32	48.31	9.27	0.00
Closing Equity	364.43	512.75	561.06	570.33	570.33
Average Equity	315.79	438.59	536.91	565.69	570.33
Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable RoE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	20.19	86.42	105.80	111.47	112.69

(₹ in lakh)

Asset-B3					
Particular	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	135.98	188.31	230.49	253.60	255.29
Increase in Equity due to addition during the year	52.33	42.18	23.11	1.69	0.00
Closing Equity	188.31	230.49	253.60	255.29	255.29
Average Equity	162.15	209.40	242.04	254.44	255.29
Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable ROE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	15.59	41.26	47.69	50.14	50.44

(₹ in lakh)

Asset-B4					
Particular	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	122.99	155.34	170.79	181.36	181.44
Increase in Equity due to addition during the year	32.35	15.46	10.57	0.08	0.87
Closing Equity	155.34	170.79	181.36	181.44	182.31
Average Equity	139.16	163.06	176.08	181.40	181.88



Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable ROE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	17.72	32.13	34.70	35.75	35.94

(₹ in lakh)

Asset-B5					
Particular	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	126.59	126.92	143.06	153.63	153.71
Increase in Equity due to addition during the year	0.33	16.14	10.57	0.08	0.87
Closing Equity	126.92	143.06	153.63	153.71	154.58
Average Equity	126.75	134.99	148.34	153.67	154.14
Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable ROE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	11.44	26.60	29.23	30.28	30.46

(₹ in lakh)

Asset- B6					
Particular	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	94.62	131.31	138.52	147.32	156.93
Increase in Equity due to addition during the year	36.69	7.21	8.80	9.61	0.00
Closing Equity	131.31	138.52	147.32	156.93	156.93
Average Equity	112.97	134.92	142.92	152.13	156.93
Return on Equity (Base Rate) (%)	15.5	15.5	15.5	15.5	15.5
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable ROE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	16.57	26.59	28.16	29.98	31.01

(₹ in lakh)

Asset-C1					
Particular	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	133.63	198.12	244.71	251.14	297.88
Increase in Equity due to addition during the year	64.48	46.59	6.43	46.74	2.44
Closing Equity	198.12	244.71	251.14	297.88	300.32



Average Equity	165.88	221.42	247.93	274.51	299.10
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable ROE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	7.22	43.63	48.85	54.09	59.10

(₹ in lakh)

Asset-C2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Net Opening Equity	65.40	83.18	90.28	90.28	110.73
Increase in Equity due to addition during the year	17.78	7.10	0.00	20.45	0.00
Closing Equity	83.18	90.28	90.28	110.73	110.73
Average Equity	74.29	86.73	90.28	100.50	110.73
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (%)	20.961	21.342	21.342	21.342	21.549
Applicable ROE Rate (%)	19.610	19.705	19.705	19.705	19.758
Return on Equity for the year	4.35	17.09	17.79	19.80	21.88

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

48. The Petitioner has not claimed any O&M Expenses for Assets-A3, B4, B5, B6. The details of the O&M Expenses claimed by the Petitioner for the other transmission assets and allowed under Regulation 29(3) of the 2014 Tariff Regulations for the purpose of tariff are as follows:

(₹ in lakh)

Asset-A1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
400 kV Bay (AIS) at Raipur Sub-station	1	1	1	1	1
Norm (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses	29.90	62.30	64.37	66.51	68.71



(₹ in lakh)

Asset-A2					
Particulars	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
400 kV Bay (AIS) at Seoni Sub-station	1	1	1	1	1
Norm (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses	18.01	62.30	64.37	66.51	68.71

(₹ in lakh)

Asset-B1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
765 kV Bay (AIS) at Damoh Sub-station	1	1	1	1	1
Norm (₹ lakh/bay)	84.42	87.22	90.12	93.11	96.20
Total O&M Expenses	41.86	87.22	90.12	93.11	96.20

Asset-B2					
Particulars	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
400 kV Bay (AIS) at Bachau Sub-station	1	1	1	1	1
Norm (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses	19.66	62.30	64.37	66.51	68.71

Asset-B3					
Particulars	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
400 kV Bay (AIS) at Pirana Sub-station	1	1	1	1	1
Norm (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses	29.57	62.30	64.37	66.51	68.71

Asset-C1					
Particulars	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
400 kV Bay (AIS) at Parli Sub-station	1	1	1	1	1
Norm (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses	13.38	62.30	64.37	66.51	68.71

Asset-C2					
Particulars	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Sub-station Bays					
400 kV Bay (AIS) at Parli Sub-station	1	1	1	1	1
Norm (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses	13.38	62.30	64.37	66.51	68.71



Sub-station Bays					
400 kV Bay (AIS) at Pune Sub-station	4	4	4	4	4
Norm (₹ lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total O&M Expenses	72.04	249.20	257.48	266.04	274.84

Interest on Working Capital (“IWC”)

49. The IWC in respect of the instant transmission assets has been worked out as per the methodology provided in Regulation 28 of the 2014 Tariff Regulations. The Petitioner is entitled to claim IWC as per Regulation 28(1)(c) of the 2014, Tariff Regulations as under:

i. **Maintenance spares:**

Maintenance spares have been worked out based on 15% of Operation and Maintenance Expenses specified in Regulation 28.

ii. **O & M Expenses:**

O&M Expenses have been considered for one month of the allowed O&M Expenses.

iii. **Receivables:**

The receivables have been worked out on the basis of 2 months of annual transmission charges as worked out above.

iv. **Rate of interest on working capital:**

Rate of interest on working capital is considered on normative basis in accordance with Regulation 28(3) of the 2014, Tariff Regulations.

50. The trued-up IWC allowed for the instant transmission assets are as follows:

(₹ in lakh)

Asset-A1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	30.54	35.18	36.15	36.50	36.98
Total Working Capital	44.61	49.72	51.17	52.02	53.02
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50



Interest on Working Capital	2.99	6.71	6.91	7.02	7.16
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(₹ in lakh)

Asset-A2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	24.51	28.49	31.98	32.74	33.32
Total Working Capital	38.58	43.02	47.00	48.26	49.35
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	1.56	5.81	6.35	6.52	6.66

(₹ in lakh)

Asset-A3					
Particular	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	12.94	16.17	16.76	16.43	16.21
Total Working Capital	12.94	16.17	16.76	16.43	16.21
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	1.02	2.18	2.26	2.22	2.19

(₹ in lakh)

Asset-B1					
Particular	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	7.04	7.27	7.51	7.76	8.02
Maintenance Spares	12.66	13.08	13.52	13.97	14.43
Receivables	32.28	37.85	40.65	41.35	42.26
Total Working Capital	51.97	58.20	61.68	63.08	64.70
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	3.48	7.86	8.33	8.52	8.73

(₹ in lakh)

Asset-B2					
Particular	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	42.73	54.15	62.46	63.63	62.89
Total Working Capital	56.80	68.68	77.48	79.15	78.92
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	2.50	9.27	10.46	10.69	10.65



(₹ in lakh)

Asset-B3					
Particular	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	26.90	31.34	34.15	34.87	34.65
Total Working Capital	40.97	45.88	49.17	50.39	50.69
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	2.71	6.19	6.64	6.80	6.84

(₹ in lakh)

Asset-B4					
Particular	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	13.81	15.83	16.64	16.61	16.17
Total Working Capital	13.81	15.83	16.64	16.61	16.17
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	1.21	2.14	2.25	2.24	2.18

(₹ in lakh)

Asset-B5					
Particular	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	12.76	13.29	14.15	14.14	13.76
Total Working Capital	12.76	13.29	14.15	14.14	13.76
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	0.79	1.79	1.91	1.91	1.86

(₹ in lakh)

Asset-B6					
Particular	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	11.35	13.12	13.45	13.83	13.85
Total Working Capital	11.35	13.12	13.45	13.83	13.85
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	1.15	1.77	1.82	1.87	1.87



(₹ in lakh)

Asset-C1					
Particular	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	5.03	5.19	5.36	5.54	5.73
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
Receivables	27.23	32.51	34.69	36.66	38.56
Total Working Capital	41.30	47.04	49.71	52.17	54.59
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	1.24	6.35	6.71	7.04	7.37

(₹ in lakh)

Asset-C2					
Particular	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
O&M Expenses	20.10	20.77	21.46	22.17	22.90
Maintenance Spares	36.18	37.38	38.62	39.91	41.23
Receivables	49.86	52.28	53.82	55.99	58.21
Total Working Capital	106.14	110.43	113.89	118.06	122.34
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	4.28	14.91	15.38	15.94	16.52

Annual Fixed Charges for the 2014-19 Tariff Period

51. Accordingly, the trued-up annual fixed charges allowed for the transmission assets for the 2014-19 tariff period are as follows:

(₹ in lakh)

Asset-A1					
Particulars	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	17.25	43.15	45.37	46.66	47.96
Interest on Loan	21.12	49.52	48.13	44.81	42.08
Return on Equity	19.62	49.42	52.12	53.98	56.00
Interest on Working Capital	2.99	6.71	6.91	7.02	7.16
O&M Expenses	29.90	62.30	64.37	66.51	68.71
Total	90.88	211.09	216.90	218.99	221.90

(₹ in lakh)

Asset-A2					
Particulars	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	7.23	30.86	37.25	39.18	40.53



Interest on Loan	8.99	36.71	41.17	38.99	36.83
Return on Equity	8.13	35.25	42.77	45.26	47.18
Interest on Working Capital	1.56	5.81	6.35	6.52	6.66
O&M Expenses	18.01	62.30	64.37	66.51	68.71
Total	43.91	170.93	191.91	196.46	199.92

(₹ in lakh)

Asset-A3					
Particulars	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	13.21	28.72	30.48	30.94	31.39
Interest on Loan	16.21	33.05	32.54	29.62	27.20
Return on Equity	15.07	33.06	35.27	35.82	36.47
Interest on Working Capital	1.02	2.18	2.26	2.22	2.19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	45.51	97.01	100.56	98.60	97.24

(₹ in lakh)

Asset-B1					
Particulars	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	14.83	39.72	45.52	48.35	50.61
Interest on Loan	19.34	47.82	48.97	43.99	41.19
Return on Equity	16.52	44.47	50.96	54.13	56.81
Interest on Working Capital	3.48	7.86	8.33	8.52	8.73
O&M Expenses	41.86	87.22	90.12	93.11	96.20
Total	96.03	227.09	243.90	248.10	253.54

(₹ in lakh)

Asset-B2					
Particulars	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	18.12	77.19	94.50	99.56	100.38
Interest on Loan	23.12	89.69	99.61	93.56	84.92
Return on Equity	20.19	86.42	105.80	111.47	112.69
Interest on Working Capital	2.50	9.27	10.46	10.69	10.65
O&M Expenses	19.66	62.30	64.37	66.51	68.71
Total	83.59	324.87	374.74	381.79	377.35

(₹ in lakh)

Asset-B3					
Particulars	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	14.00	36.86	42.60	44.78	44.93
Interest on Loan	17.29	41.44	43.59	40.98	37.00



Return on Equity	15.59	41.26	47.69	50.14	50.44
Interest on Working Capital	2.71	6.19	6.64	6.80	6.84
O&M Expenses	29.57	62.30	64.37	66.51	68.71
Total	79.16	188.05	204.90	209.22	207.93

(₹ in lakh)

Asset-B4					
Particulars	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	15.91	28.70	30.99	31.93	32.01
Interest on Loan	18.97	32.02	31.90	29.76	26.89
Return on Equity	17.72	32.13	34.70	35.75	35.94
Interest on Working Capital	1.21	2.14	2.25	2.24	2.18
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	53.81	94.99	99.83	99.67	97.02

(₹ in lakh)

Asset-B5					
Particulars	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	10.27	23.76	26.11	27.05	27.13
Interest on Loan	12.73	27.57	27.66	25.63	23.13
Return on Equity	11.44	26.60	29.23	30.28	30.46
Interest on Working Capital	0.79	1.79	1.91	1.91	1.86
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	35.23	79.72	84.91	84.87	82.58

(₹ in lakh)

Asset-B6					
Particulars	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	14.87	23.75	25.16	26.78	27.62
Interest on Loan	18.33	26.59	25.59	24.38	22.63
Return on Equity	16.57	26.59	28.16	29.98	31.01
Interest on Working Capital	1.15	1.77	1.82	1.87	1.87
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Total	50.92	78.70	80.72	83.00	83.13

(₹ in lakh)

Asset-C1					
Particulars	2014-15 (Pro-rata for 81 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	6.38	38.06	42.26	46.53	50.60
Interest on Loan	8.03	44.69	45.94	45.76	45.58
Return on Equity	7.22	43.63	48.85	54.09	59.10



Interest on Working Capital	1.24	6.35	6.71	7.04	7.37
O&M Expenses	13.38	62.30	64.37	66.51	68.71
Total	36.25	195.03	208.13	219.93	231.36

(₹ in lakh)

Asset-C2					
Particulars	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
Depreciation	3.87	15.00	15.62	17.33	19.05
Interest on Loan	4.81	17.47	16.63	16.80	17.01
Return on Equity	4.35	17.09	17.79	19.80	21.88
Interest on Working Capital	4.28	14.91	15.38	15.94	16.52
O&M Expenses	72.03	249.20	257.48	266.04	274.84
Total	89.33	313.67	322.90	335.92	349.29

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

52. The Petitioner has submitted the tariff forms combining the instant transmission assets, which achieved COD prior to 1.4.2019, into a single asset and has claimed combined tariff. Accordingly, as per proviso (i) of the Regulation 8(1) of the 2019 Tariff Regulations, single tariff for the Combined Asset has been worked out for the 2019-24 tariff period.

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

(₹ in lakh)					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	493.80	493.80	480.32	470.50	470.50
Interest on Loan	364.36	320.72	279.39	238.98	198.51
Return on Equity	518.44	518.44	518.44	518.44	518.44
Interest on Working Capital	35.27	35.20	34.90	34.70	34.59
O&M Expenses	334.36	346.12	358.28	370.87	383.87
Total	1746.23	1714.28	1671.33	1633.49	1605.91

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

(₹ in lakh)					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	27.86	28.84	29.86	30.91	31.99



Maintenance Spares	50.15	51.92	53.74	55.63	57.58
Receivables	214.70	211.35	206.05	201.39	197.45
Total	292.71	292.11	289.65	287.93	287.02
Rate of Interest (%)	12.05	12.05	12.05	12.05	12.05
Interest	35.27	35.20	34.90	34.70	34.59

Effective Date of Commercial Operation (E-COD)

55. The Petitioner has claimed E-COD of the Combined Asset as 25.10.2014. Accordingly, based on the trued-up admitted capital cost and actual COD of all the Assets, the E-COD has been worked out as follows:

Computation of effective COD					
Asset	Actual COD	Admitted Capital Cost as on 31.3.2019	Weight of the cost (%)	Number of days from last COD	Weighted days
Asset-A1	2.10.2014	944.71	10.37	100.00	10.37
Asset-A2	13.12.2014	801.15	8.79	28.00	2.46
Asset-A3	30.8.2014	615.24	6.75	133.00	8.98
Asset-B1	2.10.2014	983.09	10.79	100.00	10.79
Asset-B2	3.12.2014	1901.12	20.86	38.00	7.93
Asset-B3	4.10.2014	851.01	9.34	98.00	9.15
Asset-B4	7.8.2014	607.78	6.67	156.00	10.40
Asset-B5	15.10.2014	515.30	5.65	87.00	4.92
Asset-B6	2.7.2014	523.14	5.74	192.00	11.02
Asset-C1	10.1.2015	1001.15	10.99	0.00	0.00
Asset-C2	13.12.2014	369.35	4.05	28.00	1.13
Total		9113.06	100.00		77.15
Effective COD 25.10.2014					

56. The E-COD is used to determine the lapsed life of the project as a whole, which works out as 4 (four) years as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from E-COD).

Weighted Average Life (WAL) of the Combined Transmission Asset

57. The life as defined in Regulation 33 of the 2019 Tariff Regulations has been considered for determination of Weighted Average Life (WAL).

58. The Combined Asset may have multiple elements (i.e. land, building, transmission line, sub-station and PLCC) and each element may have a different



span of life. Therefore, the concept of WAL has been used as the useful life of the project as whole.

59. WAL has been determined based on the admitted capital cost of the individual elements as on 31.3.2019 and their respective life as stipulated in the 2019 Tariff Regulations. The element-wise life as it was defined in the 2014 Tariff Regulations prevailing at the time of actual COD of the individual asset has been ignored for this purpose. The life as defined in the 2019 Tariff Regulations has been considered for determination of WAL. Accordingly, WAL of the Combined Asset has been worked out as 25 years as shown below:

Particular (1)	Combined Cost (₹in lakh) (2)	Life in Years (3)	Weighted Cost (₹in lakh) (4) = (2)x(3)	Weighted Average Life of Asset (in years) (5) = (4)/ (2)
Building	366.47	25	9161.80	24.69 years, rounded off to 25 years
Transmission line	0.00	35	0.00	
Sub-station	8593.91	25	214847.75	
PLCC	0.00	15	0.00	
Lease hold land	0.00	25	0.00	
IT Equipment and Software	152.68	7	1017.84	
Total	9113.06		225027.39	

60. WAL as on 1.4.2019 as determined above is applicable prospectively (i.e. for 2019-24 tariff period onwards) and no retrospective adjustment of depreciation in previous tariff period is required to be done. As discussed above, the Effective COD of the assets is 25.10.2014 and the lapsed life of the project as a whole works out as 4 years as on 1.4.2019 (i.e. the number of completed years as on 1.4.2019 from Effective COD). Accordingly, the WAL has been used to determine the remaining useful life as on 31.3.2019 to be 21years.



Capital Cost as on 1.4.2019

61. Regulations 19 of the 2019 Tariff Regulations provides as under:

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

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

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period;*
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these regulations;*
- (e) Capitalised initial spares subject to the ceiling rates in accordance with these regulations;*
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with these regulations;*
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 7 of these regulations;*
- (h) Adjustment of revenue earned by the transmission licensee by using the assets before the date of commercial operation;*
- (i) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;*
- (j) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;*
- (k) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;*
- (l) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;*
- (m) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;*
- (n) Expenditure on account of change in law and force majeure events; and*
- (o) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries.*

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



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

(4) The capital cost in case of existing or new hydro generating station shall also include:

- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project inconformity with National R&R Policy and R&R package as approved; and
- (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area.

(5) The following shall be excluded from the capital cost of the existing and new projects:

- (a) The assets forming part of the project, but not in use, as declared in the tariff petition;
- (b) De-capitalised Assets after the date of commercial operation on account of replacement or removal on account of obsolescence or shifting from one project to another project:

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

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

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



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

62. The capital cost has been dealt in line with Regulation 19(3) of the 2019 Tariff Regulations. The element-wise capital cost (i.e. land, building, transmission line, Sub-station and PLCC) as admitted by the Commission as on 31.3.2019 for the Combined Asset is as follows:

												(₹ in lakh)
Particulars	A1	A2	A3	B1	B2	B3	B4	B5	B6	C1	C2	Combined Cost (a)
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building	99.16	82.10	56.38	0.00	0.00	0.00	0.00	0.00	0.00	105.43	23.40	366.47
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Station	827.33	719.05	558.86	960.97	1867.32	845.72	607.78	515.30	523.14	877.46	290.98	8593.91
PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT Equipment and software	18.22	0.00	0.00	22.12	33.80	5.29	0.00	0.00	0.00	18.27	54.97	152.68
Total	944.71	801.15	615.24	983.09	1901.12	851.01	607.78	515.30	523.14	1001.15	369.35	9113.06

Initial Spares

63. As stated above, Initial Spares are allowed for the 2014-19 period on the basis of the cost of the individual assets. The assets covered in the instant transmission project are combined and the overall project cost is arrived at in the 2019-24 tariff period and therefore Initial Spares are allowed during the 2019-24 tariff period on the basis of the overall project cost as per the APTEL's judgement dated 14.9.2019 in Appeal No.74 of 2017.

64. Accordingly, Initial Spares allowed for the 2019-24 tariff period are as follows:



Asset	Plant & Machinery cost up to cut-off date (excluding IDC and IEDC) (₹ in lakh)	Initial Spares claimed (₹ in lakh)	Ceiling limit (%)	Initial Spares allowable as per 2014 Tariff Regulation (₹ in lakh)	Initial Spares allowed in 2014-19 period (₹ in lakh)	Additional Initial Spares allowed on combined asset (Earlier disallowed) (₹ in lakh)
Sub-station						
Asset-A1	809.09	55.25	6	48.12	48.12	
Asset-A2	671.86	0.00		42.88	0.00	
Asset-A3	534.72	7.16		33.67	7.16	
Asset-B1	861.52	56.94		51.36	51.36	
Asset-B2	1788.69	73.25		109.50	73.25	
Asset-B3	823.12	0.00		52.54	0.00	
Asset-B4	598.07	0.00		38.17	0.00	
Asset-B5	496.79	26.93		29.99	26.93	
Asset-B6	481.16	0.00		30.71	0.00	
Asset-C1	743.77	59.87		43.65	43.65	
Asset-C2	270.05	0.00		17.24	0.00	
Total	8078.84	279.40			497.83	250.47

65. Accordingly, Initial Spares of ₹28.93 lakh are being allowed as part of the combined capital cost as on 1.4.2019 in line with APTEL's judgement dated 14.9.2019 in Appeal No. 74 of 2017.

66. Capital cost as on 1.4.2019 is worked out as follows:

(₹ in lakh)		
Combined Capital Cost as on 31.3.2019	Additional Spares allowed	Combined Capital Cost as on 1.4.2019
9113.06	28.93	9141.99



67. The trued-up capital cost of ₹9141.99 lakh for Combined Asset is considered as admitted capital cost as on 1.4.2019 for working out tariff for the 2019-24 tariff period.

Additional Capital Expenditure (ACE)

68. The Petitioner has not claimed any ACE for the 2019-24 tariff period.

Capital Cost for the 2019-24 Tariff Period

69. Accordingly, the capital cost of the Combined Asset, considered for the 2019-24 tariff period, subject to truing-up, is as follows:-

(₹ in lakh)		
Capital cost allowed as on 1.4.2019	ACE	Total Estimated Completion cost up to 31.3.2024
9141.99	0.00	9141.99

Debt-Equity Ratio

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

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

Provided that:

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

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

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



generating station or the transmission system including communication system, as the case may be.

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

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

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

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

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

71. The details of the debt-equity ratio considered in respect of the Combined Asset for the purpose of computation of tariff for 2019-24 tariff period are as follows:

Combined Asset	Capital Cost as on 1.4.2019 (₹ in lakh)	(%)	Total Capital Cost as on 31.3.2024 (₹ in lakh)	(%)
Debt	6399.59	70.00	6399.59	70.00
Equity	2742.40	30.00	2742.40	30.00
Total	9141.99	100.00	9141.99	100.00

Depreciation

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

73. IT equipment have been considered as a part of the Gross Block and depreciated using weighted average rate of depreciation (WAROD). WAROD has been worked out (refer to Annexure-II) after taking into account the depreciation rates of IT and non-IT assets as prescribed in the 2019 Tariff Regulations. The salvage value of IT equipment has been considered nil, i.e. IT asset has been considered as 100 per cent depreciable. The depreciation has been worked out considering the admitted capital expenditure as on 31.3.2019 and accumulated depreciation up to 31.3.2019. The depreciation allowed for the Combined Asset is as follows:

(₹ in lakh)

Combined Asset					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Gross Block	9141.99	9141.99	9141.99	9141.99	9141.99
ACE during 2019-24	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	9141.99	9141.99	9141.99	9141.99	9141.99
Average Gross Block	9141.99	9141.99	9141.99	9141.99	9141.99
Weighted Average Rate of Depreciation (WAROD) (%)	5.365	5.365	5.365	5.365	5.365
Balance useful life of the asset (Year)	21	20	19	18	17
Lapsed Life at the beginning of the year (Year)	4	5	6	7	8
Aggregate Depreciable Value	8243.06	8243.06	8243.06	8243.06	8243.06
Cumulative Depreciation up to previous year	1888.87	2379.30	2869.73	3360.15	3850.58
Depreciation during the year	490.43	490.43	490.43	490.43	490.43
Aggregate Cumulative Depreciation at the end of the year	2379.30	2869.73	3360.15	3850.58	4341.01
Remaining Depreciable Value at the end of the year	5863.76	5373.33	4882.91	4392.48	3902.05



Interest on Loan (“IoL”)

74. Regulation 32 of the 2019, Tariff Regulations provides as under:-

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

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

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

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

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

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

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

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

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

75. The Petitioner has submitted that IoL for the 2019-24 period has been calculated on the basis of interest rates prevailing as on 1.4.2019 for respective loans. The change in the interest rate due to floating rate of interest applicable, if any, for the project needs to be claimed / adjusted over the tariff period of 5 years directly from / with the beneficiaries. We have considered the submissions of



Petitioner. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2019 in the instant order. The change in interest rate due to floating rate of interest applicable, if any, during 2019-24 tariff period shall be considered and adjusted at the time of true-up and it cannot be claimed by the Petitioner from the beneficiaries directly. IoL allowed in accordance with Regulation 32 of the 2019 Tariff Regulations for the Combined Asset is as follows:

(₹ in lakh)					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Normative Loan	6399.59	6399.59	6399.59	6399.59	6399.59
Cumulative Repayments up to Previous Year	1888.87	2379.30	2869.73	3360.15	3850.58
Net Loan-Opening	4510.72	4020.29	3529.86	3039.44	2549.01
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	490.43	490.43	490.43	490.43	490.43
Net Loan-Closing	4020.29	3529.86	3039.44	2549.01	2058.58
Average Loan	4265.50	3775.08	3284.65	2794.22	2303.79
Weighted Average Rate of Interest on Loan (%)	8.627	8.599	8.616	8.636	8.643
Interest on Loan	367.98	324.63	283.01	241.32	199.12

Return on Equity ("RoE")

76. Regulations 30 and 31 of the 2019, Tariff Regulations provide as follows:-

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

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

Provided that return on equity in respect of Additional Capitalization after cut-off date beyond the original scope excluding Additional Capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system;

Provided further that:

i. In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO) or Free Governor Mode Operation



(FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the respective RLDC;

ii. in case of existing generating station, as and when any of the requirements under (i) above of this Regulation are found lacking based on the report submitted by the concerned RLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

iii. in case of a thermal generating station, with effect from 1.4.2020:

- a) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate of 1% per minute;
- b) an additional rate of return on equity of 0.25% shall be allowed for every incremental ramp rate of 1% per minute achieved over and above the ramp rate of 1% per minute, subject to ceiling of additional rate of return on equity of 1.00%:

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

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

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

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

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

Illustration-

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

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

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



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

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

77. The Petitioner has submitted that MAT rate is applicable to the Petitioner's Company. Accordingly, MAT rate applicable during the year 2019-20 has been considered for the purpose of RoE, which shall be true-up with actual tax rate in accordance with Regulation 31(3) of the 2019, Tariff Regulations. Accordingly, the RoE allowed for the Combined Asset as per Regulation 30 of the 2019, Tariff Regulations is as follows:-

(₹ in lakh)

Combined Asset					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Equity	2742.40	2742.40	2742.40	2742.40	2742.40
Addition due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Closing Equity	2742.40	2742.40	2742.40	2742.40	2742.40
Average Equity	2742.40	2742.40	2742.40	2742.40	2742.40
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
Tax Rate applicable (%)	17.472	17.472	17.472	17.472	17.472
Rate of Return on Equity (Pre-tax) (%)	18.782	18.782	18.782	18.782	18.782
Return on Equity (Pre-tax)	515.08	515.08	515.08	515.08	515.08

Operation & Maintenance Expenses (O&M Expenses)

78. Regulations 35(3) and (4) of the 2019, Tariff Regulations provide as follows:



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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Norms for sub-station Bays (₹ Lakh per bay)					
765 kV	45.01	46.60	48.23	49.93	51.68
400 kV	32.15	33.28	34.45	35.66	36.91
220 kV	22.51	23.30	24.12	24.96	25.84
132 kV and below	16.08	16.64	17.23	17.83	18.46
Norms for Transformers (₹ Lakh per MVA)					
765 kV	0.491	0.508	0.526	0.545	0.564
400 kV	0.358	0.371	0.384	0.398	0.411
220 kV	0.245	0.254	0.263	0.272	0.282
132 kV and below	0.245	0.254	0.263	0.272	0.282
Norms for AC and HVDC lines (₹ Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.881	0.912	0.944	0.977	1.011
Single Circuit (Bundled conductor with four sub-conductors)	0.755	0.781	0.809	0.837	0.867
Single Circuit (Twin & Triple Conductor)	0.503	0.521	0.539	0.558	0.578
Single Circuit (Single Conductor)	0.252	0.260	0.270	0.279	0.289
Double Circuit (Bundled conductor with four or more sub-conductors)	1.322	1.368	1.416	1.466	1.517
Double Circuit (Twin & Triple Conductor)	0.881	0.912	0.944	0.977	1.011
Double Circuit (Single Conductor)	0.377	0.391	0.404	0.419	0.433
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.319	2.401	2.485	2.572	2.662
Multi Circuit (Twin & Triple Conductor)	1.544	1.598	1.654	1.713	1.773
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per 500 MW) (Except Gazuwaka BTB)	834	864	894	925	958



<i>Gazuwaka HVDC Back-to-Back station (₹ Lakh per 500 MW)</i>	1,666	1,725	1,785	1,848	1,913
<i>500 kV Rihand-Dadri HVDC bipole scheme (Rs Lakh) (1500 MW)</i>	2,252	2,331	2,413	2,498	2,586
<i>±500 kV Talcher- Kolar HVDC bipole scheme (Rs Lakh) (2000 MW)</i>	2,468	2,555	2,645	2,738	2,834
<i>±500 kV Bhiwadi-Balia HVDC bipole scheme (Rs Lakh) (2500 MW)</i>	1,696	1,756	1,817	1,881	1,947
<i>±800 kV, Bishwanath-Agra HVDC bipole scheme (Rs Lakh) (3000 MW)</i>	2,563	2,653	2,746	2,842	2,942

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

Provided further that:

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

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of sub-station



bays, transformer capacity of the transformer (in MVA) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA and per km respectively.

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

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

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

79. The O&M Expenses claimed and allowed in respect of the Combined Asset for the 2019-24 period are as follows:

(₹ in lakh)					
Combined Asset					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sub-station Bays					
400 kV Bays (AIS) – Numbers	9	9	9	9	9
765 kV Bays (AIS) – Numbers	1	1	1	1	1
Norm (₹lakh/bay)					
400 kV Bay (AIS)	32.150	33.280	34.450	35.660	36.910
765 kV Bay (AIS)	31.507	32.620	33.761	34.951	36.176
Total O&M Expenses	334.36	346.12	358.28	370.87	383.87

Interest on Working Capital (“IWC”)

80. Regulations 34 and 3(7) of the 2019 Tariff Regulations provide as under:-

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

(a) **For Coal-based/lignite-fired thermal generating stations:**

- (i) Cost of coal or lignite and limestone towards stock, if applicable, for 10 days for pit-head generating stations and 20 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal/lignite stock storage capacity whichever is lower;
- (ii) Advance payment for 30 days towards cost of coal or lignite and limestone for generation corresponding to the normative annual plant availability factor;
- (iii) Cost of secondary fuel oil for two months for generation corresponding to the normative annual plant availability factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;
- (iv) Maintenance spares @ 20% of operation and maintenance expenses including water charges and security expenses;



- (v) Receivables equivalent to 45 days of capacity charge and energy charge for sale of electricity calculated on the normative annual plant availability factor; and
- (vi) Operation and maintenance expenses, including water charges and security expenses, for one month.

(b) For Open-cycle Gas Turbine/Combined Cycle thermal generating stations:

- (i) Fuel cost for 30 days corresponding to the normative annual plant availability factor, duly taking into account mode of operation of the generating station on gas fuel and liquid fuel;
- (ii) Liquid fuel stock for 15 days corresponding to the normative annual plant availability factor, and in case of use of more than one liquid fuel, cost of main liquid fuel duly taking into account mode of operation of the generating stations of gas fuel and liquid fuel;
- (iii) Maintenance spares @ 30% of operation and maintenance expenses including water charges and security expenses;
- (iv) Receivables equivalent to 45 days of capacity charge and energy charge for sale of electricity calculated on normative plant availability factor, duly taking into account mode of operation of the generating station on gas fuel and liquid fuel; and
- (v) Operation and maintenance expenses, including water charges and security expenses, for one month.

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

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

(2) The cost of fuel in cases covered under sub-clauses (a) and (b) of clause (1) of this Regulation shall be based on the landed fuel cost (taking into account normative transit and handling losses in terms of Regulation 39 of these regulations) by the generating station and gross calorific value of the fuel as per actual weighted average for the third quarter of preceding financial year in case of each financial year for which tariff is to be determined:

Provided that in case of new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses in terms of Regulation 39 of these regulations) and gross calorific value of the fuel as per actual weighted average for three months, as used for infirm power, preceding date of commercial operation for which tariff is to be determined.

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

Provided that in case of truing-up, the rate of interest on working capital shall



be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24.

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

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

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

81. The Petitioner has submitted that it has computed the IWC for the 2019-24 period considering the SBI Base Rate plus 350 basis points as on 1.4.2019. The Petitioner has considered the rate of IWC as 12.05%. The IWC is worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The rate of IWC considered is 12.05% (SBI 1year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for 2019-20 and 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for 2020-24. The components of the working capital and interest allowed thereon for the Combined Asset are as follows:

(₹ in lakh)

Combined Assets					
Particular	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	27.86	28.84	29.86	30.91	31.99
Maintenance Spares	50.15	51.92	53.74	55.63	57.58
Receivables	214.31	210.70	207.06	203.46	199.30
Total Working Capital	292.33	291.47	290.66	290.00	288.87
Rate of Interest (%)	12.05	11.25	11.25	11.25	11.25
Interest on Working Capital	35.23	32.79	32.70	32.63	32.50

Annual Fixed Charges for the 2019-24 Tariff Period

82. The annual fixed charges allowed for the Combined Asset for the 2019-24 tariff period are as follows:-

(₹ in lakh)

Combined Asset					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	490.43	490.43	490.43	490.43	490.43



Interest on Loan	367.98	324.63	283.01	241.32	199.12
Return on Equity	515.08	515.08	515.08	515.08	515.08
Interest on Working Capital	35.23	32.79	32.70	32.63	32.50
O&M Expenses	334.36	346.12	358.28	370.87	383.87
Total	1743.07	1709.04	1679.49	1650.32	1621.00

Filing Fee and Publication Expenses

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

Licence Fee and RLDC Fees and Charges

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

Goods and Services Tax

85. The Petitioner has sought to recover GST on transmission charges separately from the Respondents, if at any time GST on transmission is withdrawn from the negative list in future. MPPMCL has submitted that the demand of the Petitioner is premature and need not be considered at this juncture. In response, the Petitioner has submitted that currently transmission of electricity by an electric transmission utility is exempt from GST. Hence, the transmission charges currently charged are exclusive of GST. Further, if GST is levied at any rate and at any point of time in



future, the same shall be borne and additionally paid by the Respondents to the Petitioner and the same shall be charged and billed separately.

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

Security Expenses

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

88. We have considered the submissions of the Petitioner. We are of the view that the Petitioner should claim security expenses for all the transmission assets in one petition. It is observed that the Petitioner has already filed the Petition No.260/MP/2020 claiming consolidated security expenses on projected basis for the 2019-24 tariff period on the basis of actual security expenses incurred in 2018-19.



Therefore, security expenses will be dealt with in Petition No. 260/MP/2020 in accordance with the applicable provisions of the 2019 Tariff Regulations.

Capital Spares

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

Sharing of Transmission Charges

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

91. To summarise:

(a) The trued-up Annual Fixed Charges allowed for the instant transmission assets for the 2014-19 tariff period are as follows:

(₹ in lakh)

Asset	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
A1	90.88	211.09	216.90	218.99	221.90
Asset	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
A2	43.91	170.93	191.91	196.46	199.92
Asset	2014-15 (Pro-rata for 214 days)	2015-16	2016-17	2017-18	2018-19
A3	45.51	97.01	100.56	98.60	97.24



Asset	2014-15 (Pro-rata for 181 days)	2015-16	2016-17	2017-18	2018-19
B1	96.03	227.09	243.90	248.10	253.54
Asset	2014-15 (Pro-rata for 119 days)	2015-16	2016-17	2017-18	2018-19
B2	83.59	324.87	374.74	381.79	377.35
Asset	2014-15 (Pro-rata for 179 days)	2015-16	2016-17	2017-18	2018-19
B3	79.16	188.05	204.90	209.22	207.93
Asset	2014-15 (Pro-rata for 237 days)	2015-16	2016-17	2017-18	2018-19
B4	53.81	94.99	99.83	99.67	97.02
Asset	2014-15 (Pro-rata for 168 days)	2015-16	2016-17	2017-18	2018-19
B5	35.23	79.72	84.91	84.87	82.58
Asset	2014-15 (Pro-rata for 273 days)	2015-16	2016-17	2017-18	2018-19
B6	50.92	78.70	80.72	83.00	83.13
Asset	2014-15 (Pro-rata 81 days)	2015-16	2016-17	2017-18	2018-19
C1	36.25	195.03	208.13	219.93	231.36
Asset	2014-15 (Pro-rata for 109 days)	2015-16	2016-17	2017-18	2018-19
C2	89.33	313.67	322.90	335.92	349.29

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

(₹ in lakh)					
Combined Assets	2019-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges	1743.07	1709.04	1679.49	1650.32	1621.00

92. The Annexures enclosed hereinafter form part of the order.



93. This order disposes of Petition No. 350/TT/2020 in terms of the above discussion and findings.

sd/-	sd/-	sd/-	sd/-
(Pravas Kumar Singh) Member (Law)	(Arun Goyal) Member	(I. S. Jha) Member	(P. K. Pujari) Chairperson



Annexure-I(a)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
A1	Land	0.00	-	-	-	-	-	0	0.00	90.00	0.00	0.00	0.00	
	Building	34.19	6.91	19.97	-	38.10	-	99.16	3.34	1.26	1.71	2.04	2.68	
	Transmission Line	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	
	Sub-station	502.66	228.29	71.49	-	24.89	-	827.33	5.28	32.57	40.48	42.37	43.03	
	PLCC	0.00	-	-	-	-	-	-	6.33	0.00	0.00	0.00	0.00	
	Leasehold Land	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	
	IT Equipment and software	18.07	0.09	0.06	-	-	-	18.22	5.28	0.96	0.96	0.96	0.96	
	TOTAL	554.92	235.29	235.29	91.51	-	62.99	-	944.71		34.78	43.15	45.37	46.66
Average Gross Block (₹ in lakh)										672.56	835.97	881.72	913.22	944.71
Weighted Average Rate of Depreciation (WAROD) (%)										5.17	5.16	5.15	5.11	5.08



Annexure-I(b)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
A2	Land	0.00	-	-	-	-	-	-	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	23.29	17.72	15.67	14.97	10.45	82.10	3.34	0.39	1.07	1.63	2.14	2.57
	Transmission Line	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	439.04	23.98	202.29	18.69	35.05		719.05	5.28	23.81	29.79	35.62	37.04	37.97
	PLCC	0.00	-	-	-	-	-	-	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	0.00
	TOTAL	439.04	47.27	47.27	220.01	34.36	50.02	10.45	801.15		24.2	30.86	37.25	39.18
Average Gross Block (₹ in lakh)										462.67	596.31	723.50	765.69	795.92
Weighted Average Rate of Depreciation (WAROD) (%)										5.231	5.175	5.149	5.117	5.093



Annexure-I(c)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
A3	Land	0.00	-	-	-	-	-	-	0	0.00	0.00	0.00	0.00	0.00
	Building	24.50	6.53	21.45	-	3.90	-	56.38	3.34	0.93	1.39	1.75	1.82	1.88
	Transmission Line	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	327.40	163.43	53.32	-	14.71	-	558.86	5.28	21.6	27.32	28.73	29.12	29.51
	PLCC	0.00	-	-	-	-	-	-	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	0.00
	TOTAL	351.90	169.96	169.96	74.77	-	18.61	-	615.24		22.53	28.72	30.48	30.94
Average Gross Block (₹ in lakh)										436.88	559.24	596.63	605.93	615.24
Weighted Average Rate of Depreciation (WAROD) (%)										5.157	5.135	5.109	5.106	5.102



Annexure-I(d)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
B1	Land	0.00	-	-	-	-	-	-	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	0.00
	Transmission Line	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	435.41	223.08	148.57	68.53	36.09	49.29	960.97	5.28	28.88	38.69	44.42	47.18	49.44
	PLCC	0.00	-	-	-	-	-	-	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	19.30	0.17	0.02	2.64	-	-	22.12	5.28	1.02	1.03	1.10	1.17	1.17
	TOTAL	454.71	454.71	223.25	148.59	71.17	36.09	49.29	983.09		29.90	39.72	45.52	48.35
Average Gross Block (₹ in lakh)										566.33	752.25	862.13	915.76	958.45
Weighted Average Rate of Depreciation (WAROD) (%)										5.28	5.28	5.28	5.28	5.28



Annexure-I(e)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
B2	Land	0.00	-	-	-	-	-	-	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	0.00
	Transmission Line	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	861.22	323.91	494.30	157.00	30.89	-	1,867.32	5.28	54.02	75.62	92.82	97.78	98.59
	PLCC	0.00	-	-	-	-	-	-	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	29.30	0.33	0.12	4.05	-	-	33.80	5.28	1.56	1.57	1.68	1.78	1.78
TOTAL	890.52	324.24	494.42	161.05	30.89	-	1,901.12		55.58	77.19	94.50	99.56	100.38	
Average Gross Block (₹ in lakh)										1052.64	1461.97	1789.71	1885.68	1901.12
Weighted Average Rate of Depreciation (WAROD) (%)										5.28	5.28	5.28	5.28	5.28



Annexure-I(f)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
B3	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	448.66	174.47	140.61	76.35	5.63	0.00	845.72	5.28	28.3	36.61	42.34	44.51	44.65
	PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	4.61	0.00	0.00	0.68	0.00	0.00	5.29	5.28	0.24	0.24	0.26	0.28	0.28
TOTAL	453.27	174.47	174.47	140.61	77.03	5.63	0.00	851.01		28.54	36.86	42.60	44.78	44.93
Average Gross Block (₹ in lakh)										540.51	698.05	806.87	848.20	851.01
Weighted Average Rate of Depreciation (WAROD) (%)										5.28	5.28	5.28	5.28	5.28



Annexure-I(g)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
B4	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	410.01	107.82	51.52	35.25	0.28	2.90	607.78	5.28	24.5	28.70	30.99	31.93	32.01
	PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
TOTAL		410.01	107.82	51.52	35.25	0.28	2.90	607.78		24.5	28.70	30.99	31.93	32.01
Average Gross Block (₹ in lakh)										463.92	543.59	586.98	604.74	606.33
Weighted Average Rate of Depreciation (WAROD) (%)										5.28	5.28	5.28	5.28	5.28



Annexure-I(h)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
B5	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	421.97	1.09	53.81	35.25	0.28	2.90	515.30	5.28	22.31	23.76	26.11	27.05	27.13
	PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
	TOTAL	421.97	1.09	53.81	35.25	0.28	2.90	515.30		22.31	23.76	26.11	27.05	27.13
Average Gross Block (₹ in lakh)										422.52	449.97	494.50	512.26	513.85
Weighted Average Rate of Depreciation (WAROD) (%)										5.28	5.28	5.28	5.28	5.28



Annexure-I(i)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
B6	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	315.42	122.30	24.05	29.33	32.04	0.00	523.14	5.28	19.88	23.75	25.16	26.78	27.62
	PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
	TOTAL	315.42	122.30	24.05	29.33	32.04	0.00	523.14		19.88	23.75	25.16	26.78	27.62
Average Gross Block (₹ in lakh)										376.57	449.75	476.44	507.12	523.14
Weighted Average Rate of Depreciation (WAROD) (%)										5.28	5.28	5.28	5.28	5.28



Annexure-I(i)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
C1	Land	0.00	-	-	-	-	-	-	0	0.00	0.00	0.00	0.00	0.00
	Building	13.17	17.54	32.45	15.97	26.29	-	105.43	3.34	0.73	1.57	2.38	3.08	3.52
	Transmission Line	0.00	-	-	-	-	-	-	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	414.54	197.05	122.72	5.48	129.52	8.15	877.46	5.28	27.09	35.53	38.92	42.48	46.11
	PLCC	0.00	-	-	-	-	-	-	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	-	-	-	-	-	-	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	17.75	0.37	0.15	-	-	-	18.27	5.28	0.95	0.96	0.96	0.96	0.96
TOTAL	445.46	214.97	214.97	155.32	21.45	155.81	8.15	1,001.15		28.77	38.06	42.26	46.53	50.60
Average Gross Block (₹ in lakh)										552.94	738.08	826.47	915.10	997.08
Weighted Average Rate of Depreciation (WAROD) (%)										5.20	5.16	5.11	5.08	5.07



Annexure-I(k)

Asset	2014-19	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreciation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
	Capital Expenditure as on COD		2014-15	2015-16	2016-17	2017-18	2018-19			2014-15	2015-16	2016-17	2017-18	2018-19
C2	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
	Building	0.00	13.10	1.30	0.00	9.00	0.00	23.40	3.34	0.22	0.46	0.48	0.63	0.78
	Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
	Sub-station	163.78	46.16	21.85	0.00	59.19	0.00	290.98	5.28	9.87	11.66	12.24	13.80	15.36
	PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33	0.00	0.00	0.00	0.00	0.00
	Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
	IT Equipment and software	54.22	0.03	0.71	0.00	0.00	0.00	54.97	5.28	2.86	2.88	2.90	2.90	2.90
TOTAL		218.00	59.29	23.86	0.00	68.19	0.00	369.35		12.95	15.00	15.62	17.33	19.05
Average Gross Block (₹ in lakh)										247.65	289.23	301.16	335.26	369.35
Weighted Average Rate of Depreciation (WAROD) (%)										5.23	5.19	5.19	5.17	5.16



Annexure-II (Combined Asset)

2019-24 Capital Expenditure as on COD	Admitted Capital Cost as on COD (₹ in lakh)	Additional Capital Expenditure (₹ in lakh)					Admitted Capital Cost as on 31.3.2019 (₹ in lakh)	Rate of Depreci ation (%)	Annual Depreciation as per Regulations (₹ in lakh)				
		2019- 20	2021- 21	2021- 22	2022- 23	2023- 24			2019-20	2021-21	2021-22	2022-23	2023-24
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
Building	366.47	0.00	0.00	0.00	0.00	0.00	366.47	3.34	12.24	12.24	12.24	12.24	12.24
Transmission Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	0.00	0.00	0.00	0.00
Sub-station	8622.84	0.00	0.00	0.00	0.00	0.00	8622.84	5.28	455.29	455.29	455.29	455.29	455.29
PLCC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34	0.00	0.00	0.00	0.00	0.00
IT Equipment and software	152.68	0.00	0.00	0.00	0.00	0.00	152.68	5.28	22.90	22.90	22.90	22.90	22.90
TOTAL	9141.99	0.00	0.00	0.00	0.00	0.00	9141.99		490.43	490.43	490.43	490.43	490.43
Average Gross Block (₹ in lakh)									9141.99	9141.99	9141.99	9141.99	9141.99
Weighted Average Rate of Depreciation (WAROD) (%)									5.364	5.364	5.364	5.364	5.364

