

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 229/2010

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 30th March, 2026

In the matter of:

Approval of tariff of Indira Gandhi Super Thermal Power Project, Stage-I (3x500 MW) for the period from the date of commercial operation of Unit-I to 31.3.2014

And

In the matter of:

Implementation of APTEL judgment dated 22.7.2025 in Appeal No. 204 of 2016 (APCPL V HPPC and ors.).

And

In the matter of:

Aravali Power Company Private Limited
1st & 2nd floor, Pawan Hans Towers, C-14,
Sector-1, Noida (UP) - 201301

.....Petitioner

Vs

1. Haryana Power Purchase Centre (HPPC)
Shakti Bhawan, Sector-VI, Panchkula Haryana - 134109
2. Tata Power Delhi Distribution Ltd.
Grid Sub Station, Hudson Road, Kingsway Camp, Delhi-110009.
3. BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place, New Delhi – 110019
4. BSES Yamuna Power Ltd.
Shakti Kiran Building, Karkadooma, Delhi – 110092.

.....Respondents

Parties Present:



Ms. Swapna Seshadri, Advocate, APCPL
Shri Karthikeyan Murugan, Advocate, APCPL
Ms. Pragya Pushkar, Advocate, APCPL

ORDER

Background

Petition No. 229/2010 was filed by the Petitioner, Aravali Power Company Private Limited (in short, "APCPL"), seeking approval of the tariff of Indira Gandhi Super Thermal Power Project, Stage-I (3x500 MW) (in short, "generating station") for the period from the date of commercial operation of Unit-I to 31.3.2014. The Commission, vide Order dated 6.5.2015, determined the tariff from respective CODs to 31.3.2014 in respect of Unit-I, Unit-II and Unit-III of the generating station.

2. The Petitioner, aggrieved by the Commission's order dated 6.5.2015, filed Review Petition No. 12/RP/2015 in Petition No. 229/2010. The Commission, vide order dated 27.6.2016, while disposing of the said Review Petition, observed as under:

"13. It is observed that the petitioner has filed Petition No. 437/GT2014 for truing up of tariff of the generating station for the period from 5.3.2011 to 2014 and the same is pending for consideration by the Commission. Moreover, the petitioner has been granted liberty in para 35 of the order dated 6.5.2015 to submit certain information. In this background, we consider it prudent to revise the tariff of this generating station considering the issues allowed in this order at the time of truing up of tariff in terms of Regulation 6(1) of the 2009 Tariff Regulations.

14. Petition No. 12/RP/2015 is disposed of in terms of the above. Petition No. 437/GT2014 shall be listed for hearing on 28.7.2016."

3. The Commission, vide order dated 17.1.2017 in Petition No. 437/GT/2014, read with corrigendum dated 14.2.2017, trued up the tariff of 2009-14 tariff period in respect of Unit-I, Unit-II and Unit-III of the generating station.

4. An Appeal No. 204 of 2016 was filed by the Petitioner before the Appellate Tribunal for Electricity (APTEL), challenging the order dated 6.5.2015 passed by the Commission in Petition No. 229 of 2010 on the following grounds:



- (a) Consideration of zero date as the date of award of the main plant package instead of the date of financial closure;
- (b) Consideration of Scheduled Commissioning Date as per the schedule tied up with the vendors instead of benchmark timelines provided in the Tariff Regulations, 2009;
- (c) Non-consideration of justifications provided by the Appellant for delay in execution of various works while circulating the IDC and IEDC;
- (d) Disallowance of the additional return on equity of 0.5% as provided in Regulation 15 of the Tariff Regulations, 2009.
- (e) Non-consideration of the fact that the hard costs of the project were within the benchmark costs and there was no cost over-run;
- (f) Non-consideration of IDC on the notional loan by virtue of equity deployed in excess of normative.

5. APTEL vide judgment dated 22.7.2025 has remanded the matter back to the Commission and vide para 24 to 28 of the said judgment, held as under:

“24. In view of these facts and circumstances of the case, we find that the Commission was right in reckoning the SCOD of the power project from the date of award for main plant package instead of date of financial closure, as contended by the Appellant, but has erred in considering the period for commercial operation of the 1st unit of the project as 35 months from the date of award of such contract. The Commission ought to have determined the commissioning schedule as 45 months from the date of main plant contract for the 1st unit of the project with the interval of six months thereafter for the other two units as specified in the feasible report.

25. The contention of the Appellant that the SCOD of the power project should be reckoned from the date of investment approval has no basis and is not borne out from any document on record. Even the investment approval mentions that commercial operation date for 1st unit would be 42 months from the date of main plant order, even though the period of “42 months” has been recorded incorrectly therein as per the erroneous information given by the GM of NTPC.

26. We have carefully perused the previous judgements of this Tribunal relied upon by the Learned Counsels for respondents in this matter. In none of those judgements has this Tribunal considered the commissioning period mentioned in the contract between the generating company and the vendor for determining the SCOD of the power project. In all those cases, this Tribunal has determined the SCOD of the power projects from the date of investment approval. However, in this case, as already noted herein above, the Commissioning schedule has been mentioned incorrectly in the investment approval on the basis of a wrong information provided by the GM, NTPC. Therefore, we find it appropriate to consider the commissioning schedule for power project in question as specified in the feasibility report.

27. Hence, we direct that the SCOD of the three units of the power project of the Appellant shall be reckoned as per the schedule given in the feasibility report i.e. 45 months from the date of main plant contract for unit-I with an interval of six months thereafter respectively for unit-II and III. The impugned order is hereby set aside to the above extent.

28. Accordingly, the case is now remanded back to the Commission for determining the timelines for the power project afresh in terms of this judgment after hearing the



parties again. The Commission shall endeavour to pass the fresh order expeditiously and not later than four months from the date of the judgment.”

Hearing dated 14.10.2025

6. Pursuant to APTEL order dated 22.7.2025, the matter was heard on 14.10.2025.

The learned counsel for the petitioner referred to the APTEL judgment dated 22.7.2025, and requested a fresh determination of the project timelines, after hearing the parties in accordance with the said judgment. She further submitted that once the Scheduled Commercial Operation Date (SCOD) of the Project is determined, the other reliefs sought by the Petitioner, being consequential thereto, may also be considered, and requested time to place on record certain additional documents in the matter. The Commission permitted the Petitioner to submit said additional information, and the parties were directed to file their written submissions. In compliance, the Petitioner has filed its written submissions.

Submission of the Petitioner

7. The Petitioner, vide its affidavit dated 2.12.2025, has submitted the following:

(a) The APTEL, vide its judgment dated 22.7.2025, has directed that the SCOD of the three units of the Indira Gandhi Stage-I shall be reckoned as per the schedule given in the feasibility report, i.e., 45 months from the date of the main plant contract for Unit-I, with intervals of six months thereafter, respectively, for Unit-II and Unit-III and issued with specific directions to determine the timelines afresh in terms of the said Judgment. Accordingly, the timeline of the project, as per the schedule given in the feasibility report, is given below:

Unit nos.	Period (months)	Scheduled COD (from the date of main plant order: zero date 21.08.2007)	Actual COD	Total delay counting from the main plant order
Unit-I	45	21.05.2011	05.03.2011	No delay
Unit-II	+6	21.11.2011	21.04.2012	5 Months
Unit-III	+6	21.05.2012	26.04.2013	11 Months 5 Days



(b) The Petitioner has submitted the following reasons for the time overrun, and further submitted that the same issues affected all the units, leading to delays in COD of Units II and III, even though COD of Unit I was achieved, as under:

<u>UNIT</u>	<u>DELAY</u>	<u>REASONS FOR DELAY</u> (Reference Document - Additional Submissions dated 04.11.2014 sought by CERC in P. No. 229/2010)	<u>REASONS FOR DELAY</u> (Reference Document - Review Petition bearing P. No. 12/RP/2015)
Unit I (500 MW)	No delay	Delay in adopting the High Concentration Slurry Disposal System (HCSD) - APCPL adopted HCSD for large capacity power station handling in large quantities of ash. It was the first-of-its-kind at this scale. During the development and establishment of this technology, APCPL faced serious troubles and delays. Thereafter, APCPL adopted the conventional way of wet disposal. Delay in material supply and execution - Delays caused by BHEL in the supply and erection of pressure parts (heater coils, roof readers) and P-91 material of critical piping. Impact of delays was also seen due to the mismatch between orders booked and the institutional capacity available with BHEL. These shortages were because of the large order during FY 2010-12 from BHEL, which is the country's premier BTG supplier. These are: Shortage of appropriate equipment and suppliers in the country. Shortage of skilled manpower. Global economic slowdown and an increase in prices of the construction material beyond projections.	Restrictions by Haryana Government to execute the work of laying make up water line - Due to the absence of any legislation for the Right of Use ('ROU') for laying underground pipeline, the project was hampered. The notification came on 16.09.2009 which granted the ROU in the land. Unprecedented Monsoons 2010 – Unprecedented rainfall due to which 1.4 KM of ROU corridor was completely submerged in water up to 1.5 m height. It came to a complete standstill up to December 2010.



		Global Economic Slowdown - Economic sluggishness in power projects was observed where BHEL played a major role, due to which resource mobilization and project execution were hampered. Reduction in overall industrial growth: Economic growth reduced to 8.19% from 10.18% due to the Global Economic Crisis during the 2007-12 period. Economic deceleration in project implementation could be seen in the power sector, the infrastructural sector and the manufacturing sector. These factors affected the commissioning of all the Units.	
Unit II (500 MW)	5 months delay	Cascading effect of delays from Unit-I in Unit-II, which are - Delay in adopting the High Concentration Slurry Disposal System (HCSD). Delay in material supply and execution by BHEL. Global Economic Slowdown and Reduction in overall industrial growth. Civil works of wagon tippers faced troubles, resulting in a delay in the coal handling facility. Unprecedented monsoon in 2010 - It resulted in flooding of the foundations, wagon tippers area, and pump reservoir. The submergence of the area en route to the make-up pipeline of about 2.2km, which prevented APCPL from laying underground pipelines. To meet the SCOD of Unit-II, temporary loop lines were constructed in an emergency to match CWG 2010. This was without supports/pedestals, and could not be loaded for the purpose of Unit-II and Unit-III.	Ban on Mining - A ban on mining was imposed in Haryana with effect from 28.02.2010. This led to a scarcity of construction raw materials and affected critical civil works in the plant area from March 2010 onwards. This delay was about 7 months due to the issuance of a Notification by the Haryana Government.



		These works were unduly delayed due to the marshy nature of the area and hence had to wait till 2011 for the monsoons to get over under compulsion. Delay in Coal Handling Facility – Wagon tipplers are facing troubles due to inundation, and the civil works have been delayed. The coal firing began on 26.10.2011 instead of April 2011, leading to a delay of more than 6 months.	
Unit III (500 MW)	11 months and 6 days delay	Cascading effect of delays from Unit-I & II in Unit-III which are - Delay in adopting the High Concentration Slurry Disposal System (HCSD). Delay in material supply and execution by BHEL. Global Economic Slowdown and Reduction in overall industrial growth. Unprecedented Monsoon in 2010. Civil works of wagon tipplers faced troubles, resulting in a delay in the coal handling facility. TG foundation work was stalled for 7.5 months, i.e., instead of July 2010, the work commenced only on 16.02.2011, leading to a very critical impact of the delay in Unit-III commission.	Delay in civil work due to non-availability of make-up water line - This was due to heavy rainfall in the 2010 monsoon season and ROU issue for laying of underground pipelines. This became workable only after September 2012, and the line was completed in March 2013.

(c) The Petitioner has also made the following issue-wise submissions.

I. NON-CONSIDERATION OF REASONS FOR DELAY IN EXECUTION OF WORKS WHILE CALCULATING IDC AND IEDC.

(d) In view of the determination of timelines afresh by the APTEL judgment dated 22.7.2025, the time overrun occurred for reasons beyond the control of the Petitioner, the presently claimed IDC and IEDC till the date of COD of Unit-I, II and III are Rs. Rs. 30773, Rs. 65834, and Rs. 114701 lakhs, respectively.



II. NON-CONSIDERATION OF THE FACT THAT THERE WAS NO ESCALATION IN THE MAIN PLANT CIVIL PACKAGE ON ACCOUNT OF TIME OVERRUN

- (e) There was no cost escalation in the main plant civil package on account of the time overrun; however, the Commission compared the actual expenditure with the awarded contract price and disallowed the excess amount on a pro rata basis corresponding to the time overrun determined in the earlier order dated 6.5.2015. Therefore, in view of the fresh determination of timelines, the Petitioner has submitted that the time overrun occurred due to reasons beyond its control, and the disallowed capital cost pertaining to the main plant civil package may be reconsidered for inclusion in the capital cost.

III. DISALLOWANCE OF ADDITIONAL RETURN OF EQUITY OF 0.5%.

- (f) The Commission had previously disallowed the claim for additional Return on Equity ('RoE') under Regulation 15 of the 2009 Tariff Regulations, on the ground that the said Regulation mandates commissioning of all units of the generating station within the timeframe specified in Appendix-II of the said Regulations. However, the Petitioner challenged this interpretation, asserting that Regulation 15 applies to individual units, not to the entire station collectively. In light of the fact that Unit-I was commissioned within the prescribed timeline, as affirmed by the APTEL judgment dated 22.7.2025, the Petitioner submits that it is entitled to the additional RoE for Unit-I, which amounts to a total of Rs. 681.1 lakh.

IV. NON-CONSIDERATION OF NOTIONAL IDC.

- (g) The decision on this issue will depend upon the extent of time overrun being considered for Unit-II and Unit-III by the Commission in the present proceedings. However, it is submitted that the APTEL judgment dated 3.10.2019 in Appeal No. 231 of 2017 (Powerlinks Transmission Limited v. Central Electricity Regulatory Commission & Ors.) and Appeal No. 212 of 2017 (NTPC Tamil Nadu Energy Company Limited v. A.P. Transmission Corporation Limited & Ors.) has held that the grant of notional IDC is not contingent upon the actual drawal of loans. Accordingly, a notional IDC of Rs. 4475.65 lakhs has been claimed by the Petitioner.



V. NON-CONSIDERATION OF DEFERMENT OF DRAW-DOWN/ DEPLOYMENT OF DEBT

- (h) The decision on this issue will depend on the view taken on the time overrun by the Commission in the present proceedings. However, in the order dated 6.5.2015, while computing the cost overrun, the Commission had not factored in the deferment of drawdown and deployment of debt. Instead, the cost overrun was calculated proportionally to the time overrun. In view of the APTEL direction to reassess the SCOD based on the feasibility report, the project timelines are now being determined afresh.
- (i) Accordingly, the issue of cost overrun warrants reconsideration, as the revised SCOD will directly impact the quantum and timing of expenditure, including debt deployment. The deferment of debt drawdown has a material bearing on the IDC and financing costs, which were previously overstated due to the proportional linkage with time overrun.
- (j) In terms of the revised SCOD, the data related to capital cost, IDC, IEDC, and Notional IDC, claimed in line with the findings of the APTEL, are provided in the table below for consideration:

	Capital cost on cash basis, excluding IEDC and IDC	IEDC claimed	IDC (claimed)	Capital cost claimed, excluding notional IDC	Notional IDC claimed	Capital cost claimed, including notional IDC
COD OF UNIT-I (5.03.2011)	276438	4510	30773	311707	4475.65	316182.7
COD of Unit-II (21.4.2012) [Unit-I & Unit-II (combined)]	477206	9892	65834	552952	4475.65	557427.7
COD of Unit-III / generating station (26.4.2013)	640282	22469	114701	777488	4475.65	781963.7

- (k) The cost overrun may be recalculated after aligning the SCOD with the feasibility report as directed by APTEL.

VI. WRONG CONSIDERATION OF DEPRECIATION RATE

- (l) The depreciation rate is claimed at 4.37883%, 4.6697% and 4.8338% as on COD of Unit-I, Unit-II and Unit-III.



Hearing dated 3.12.2025

8. The matter was listed again for hearing on 3.12.2025. The learned counsel for the Petitioner submitted that despite the grant of time, none of the Respondents has filed their written submissions. She also prayed that the matter may be reserved for orders. The Commission, after granting the last opportunity to the Respondents, reserved its order in this matter. However, no reply has been received in the matter.

Analysis and Decision

9. Based on the above, we proceed to deal with the Petition in terms of the APTEL judgment dated 22.7.2025. The said judgment has upheld the Commission's decision to consider the zero date as 21.8.2007, being the date of award of the contract. However, the APTEL has remanded the matter to the limited aspect of reconsideration of the project timeline as 45 months instead of 35 months considered in the order dated 6.5.2015. Accordingly, paragraph 18 of the said order stands revised to this extent, and consequential changes towards disallowance of IEDC/IDC on account of the revised time overrun for all units are carried out in this order. As such, the table under paragraph 18 of the order dated 6.5.2015 stands revised as under:

Units	Date of main plant date) (Zero	Period of COD (months)	Schedule COD (from date of main plant award)	Actual COD	Time overrun (Months)
Unit-I	21.8.2007	45	21.5.2011	5.3.2011	No delay
Unit-II		51	21.11.2011	21.4.2012	5
Unit-III		57	21.5.2012	26.4.2013	11

10. As discussed above, the remand is limited to reconsideration of the project timeline only; the other prayers (c) to (f) are not being examined in the present order. Accordingly, the SCODs, the actual COD, and the time overrun have been computed as under:



Units	Date of main plant award (Zero date)	Period of COD (months)	Schedule COD (from date of main plant award)	Actual COD	Time overrun (Months)
Unit-I	21.8.2007	45	21.5.2011	5.3.2011	No delay
Unit-II		51	21.11.2011	21.4.2012	5
Unit-III		57	21.5.2012	26.4.2013	11

Consequential impact of revision in SCODs

11. Due to the above revision in SCOD of Unit-I to Unit-III of the generating station, we note that there is a consequential impact on the following three components:

- (a) Reduction in the main plant Civil work due to time overrun of Units-II & III.
- (b) Deduction in the Overhead expenses
- (c) Interest During Construction

12. Except for these 3 components, capital cost as on respective CODs of Unit-I to Unit-III of the generating station, as allowed vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017, is not required to be revised. Accordingly, we proceed to deal with the consequential impact of revision in SCOD of Unit-I to Unit-III of the generating station for these 3 components in the subsequent paragraphs.

Reduction in the main plant Civil work due to the time overrun of Units-II & III

13. The Commission, vide order dated 6.5.2015 in Petition No. 229/2010, had reduced the amount of the main plant Civil work due to time overrun of Units-II & III.

The relevant extracts of the said order are as under:

“32. Due to disallowance of time overrun of 1.5 months for Unit-I, 12 months for Unit-II and 21 months for Unit-III, the pro rata increase in IEDC (in the form of establishment charges under the head " Overheads ") and main plant package & main plant civil work has been computed based on the IEDC claimed as on COD of units/generating station and increase in the main plant package and main plant civil works as per the award value indicated in Form-5D and the actual amount claimed in Form-5 B of the affidavit dated 15.11.2013 . It is observed from Form- 5D that the award value of the main plant



package (SG +TG) is ₹289465 lakh and the actual expenditure as on COD of the generating station is ₹286233 lakh. Thus, there is no price escalation in the main plant package. However, the award value in the main plant civil package is ₹29011 lakh and the actual expenditure as on COD of Unit-II and on COD of Unit-III / generating station is ₹35314 lakh respectively, which is more than the award value. This represents an increase of ₹6303 lakh (35314-29011) and ₹22646 lakh (51657-29011) as on COD of Units II & III respectively. There is no increase in the actual expenditure on Civil package as on the COD of Unit-I. Accordingly, the pro rata reduction in the main plant Civil work due to time overrun of Units-II & III are worked out as under:

	Total period taken from zero date to actual COD (months)	Time overrun disallowed (months)	Increase in main plant civil work package	Pro-rata reduction = (col.4 x col.3) /col.2
(1)	(2)	(3)	(4)	(5)
Unit-II	56	12	6303	1350.64
Unit-III	68	21	(22646-6303) =16343	5047.10

“

14. Accordingly, due to revision in disallowance of time overrun 5 months for Unit-II and 11 months for Unit-III, as decided above, the pro rata reduction in the main plant Civil work due to time overrun of Units-II & III is worked out as under:

(Rs.in lakh)

	Total period taken from zero date to actual COD (months)	Time overrun disallowed (months)	Increase in main plant civil work package	Pro-rata reduction = (col.4 x col.3) /col.2
(1)	(2)	(3)	(4)	(5)
Unit-II	56	5	6303	562.77
Unit-III	68	11	(22646-6303) =16343	2643.72

Deduction in the Overhead expenses

15. The Commission, vide order dated 6.5.2015 in Petition No. 229/2010, had disallowed the Overhead expenses due to the time overrun of Units-II & III. The relevant extracts of the said order are as under:

“33. The petitioner has not furnished the Incidental Expenditure During Construction (IEDC) head separately in the capital cost. Due to the delay in the declaration of COD



of the units/generating station, the overhead expenses in establishments such as salary, transportation, etc., has increased. Accordingly, pro rata disallowance of overhead expenses for the period of 1.5 months as on COD of Unit-I, 12 months as on COD of Unit-II and 21 months as on COD of Unit-III/ station is made. Thus, the establishment cost as on COD of Unit-I is ₹4510 lakh, as on COD of Unit-II is ₹9892 lakh and as on COD of Unit-III /generating station is ₹21596 lakh. Based on this, the establishment charges for Unit-II works out to ₹5382 lakh (9892-4510) and as on COD of Unit-III/generating station works out to ₹11704 lakh (21596-9892). The pro rata deduction in the Overhead expenses is worked out as follows:

	Total period taken from zero date to actual COD (months)	Time overrun disallowed (months)	Overhead Expenses	Pro-rata reduction = (col.4x col.3) /col.2
(1)	(2)	(3)	(4)	(5)
Unit-I	42.5	1.5	4510	159.18
Unit-II	56	12	5382	1153.29
Unit-III	68	21	11704	3614.47

“

16. Accordingly, due to revision in disallowance of time overrun 5 months for Unit-II and 11 months for Unit-III, as decided above, the pro rata reduction in the Overhead expenses is worked out as follows:

(Rs.in lakh)

	Total period taken from zero date to actual COD (months)	Time overrun disallowed (months)	Increase in main plant civil work package	Pro-rata reduction = (col.4 x col.3) /col.2
(1)	(2)	(3)	(4)	(5)
Unit-I	42.5	No delay	4510	0.00
Unit-II	56	5	5382	480.54
Unit-III	68	11	11704	1893.29

.....”

Interest During Construction

17. The Commission, vide order dated 6.5.2015 in Petition No. 229/2010, had allowed the IDC as on the COD of Unit-I, Unit-II and Unit-III. Subsequently, the Commission, vide order dated 17.1.2017 in Petition No. 437/GT/2014, read with corrigendum dated 14.2.2017, trued up the tariff of 2009-14 tariff period in respect of Unit-I, Unit-II and Unit-III of the generating station, wherein the IDC was revised, and the same is reproduced as under:



“25. The submissions of the petitioner as regards of notional IDC, IDC & FC is examined as under:

(a) Notional IDC- The petitioner has not submitted additional details in respect of notional IDC up to 21.1.2011, 21.4.2011 and 21.7.2011 respectively for Unit-I, Unit-II and Unit-III respectively. Accordingly, normative IDC of ₹2632.65 lakh as considered in order dated 6.5.2015 has retained.

(b) IDC & FC-The Commission in order dated 9.2.2016 had allowed the IDC on the loan amount of ₹130293.75 lakh, which was disallowed vide order dated 6.5.2015. Further, the unit-wise allocation submitted by the petitioner is same as that considered in order dated 6.5.2015. Accordingly, IDC corresponding to the loan amount of ₹130293.75 lakh is allowed and allocated to each unit in the same proportion (gross IDC to IDC allocated to a particular unit) as done in order dated 6.5.2015. Accordingly, the allowable IDC & FC is worked out as below:

Units	IDC allowed up to	IDC (in Rs. lakh)
Unit-I	21.1.2011	28663.98
Unit-II	21.4.2011	49230.38
Unit-III	21.7.2011	72317.93

Accordingly, the total IDC & FC allowed up to COD of Unit-III works out to ₹72317.932 lakh. Also, the normative IDC of 2632.65 lakh allowed up to 31.3.2011 is same as approved in the order dated 6.5.2015.

(c) Short term FERV-The petitioner's claim of FERV is in order and hence allowed.”

18. Accordingly, due to revision in disallowance of time overrun 5 months for Unit-II and 11 months for Unit-III, as decided above and based on the information furnished in the Petition No. 437/GT/2014, all other available details and retaining the unit-wise allocation as considered in Order dated 17.01.2017, the IDC is recomputed as under:

Units	IDC allowed up to	IDC (Rs. in lakh)
Unit-I	05.03.2011	30774.97
Unit-II	21.11.2011	59548.61
Unit-III	21.05.2012	94432.41

Also, the normative IDC of 2632.65 lakh, applicable up to 31.3.2011, is retained as approved in the order dated 6.5.2015.

Revision in Capital Cost in respect of Unit-I to Unit-III from COD to 31.3.2014

19. Consequent to the above revision in three components, the capital cost with respect to Unit-I to Unit-III from COD to 31.3.2014 is required to be revised.

20. The Commission, vide order dated 27.6.2016 in Review Petition No. 12/RP/2015, approved the following capital cost after correcting the adjustment of the sale of infirm power.



(Rs.in lakh)

	As on COD Unit-I 05.03.2011	As on COD Unit-I and Unit- II 21.04.2012	As on COD Unit-III and generating station 02.04.2013
Capital cost excluding IDC	280948.00	(47098 – 159.18) = 486938.82	(662751.00 – 159.18 – 1350.64 – 1153.29) = 660087.89
less: Pro rata deduction due to time overrun	0.00	0.00	0.00
(i) Main plant Civil works	0.00	0.00	0.00
(ii)IEDC (only establishment cost)	159.18	1153.29	3614.47
Capital cost excluding IDC	280788.82	485785.53	656473.42
Adjustment due to the sale of the infirm power	0.00	0.00	0.00
Capital cost excluding IDC	280788.82	485785.53	656473.42

21. Thereafter, the Commission, vide order dated 17.1.2017 in Petition No. 437/GT/2014, read with corrigendum dated 14.2.2017, allowed the following capital cost as on respective CODs of Unit-I to Unit-III and additional capital expenditure:

(₹ in lakh)

	2010-11 (5.3.2011 to 31.3.2011)	2011-12 (1.4.2011 to 31.3.2012)	2012-13 (1.4.2012 to 20.4.2012)	2012-13 (21.4.2012 to 31.3.2013)		2013-14 (1.4.2013 to 25.4.2013)		2013-14 (COD of Unit III)		Total Capital cost of the station on 26.4.2013
	Unit I	Unit I	Unit I	Unit I	Unit II	Unit I	Unit II	Unit I & II	Unit III	Unit I, II, III
Opening Capital Cost (Excl. IDC)	280512.23	312625.17	339642.67	339642.67	172967.93	340362.52	209162.41	549562.96	152669.90	702232.86
Add: Adjustment due to the sale of infirm power	276.59	0.00	0.00	0.00	2951.81				2218.78	2218.78
Add: IDC allowed	28663.98	0.00	0.00		20566.40				23087.55	23087.55
Add: Normative IDC*	2632.65	0.00	0.00							
Add: Short term FERV loss/(gain)	-14.00	0.00	0.00		20.00				36.00	36.00
Additional capital exp.	553.72	27017.51	0.00	719.84	12656.28	26.08	11.95			
Closing Capital cost	312625.17	339642.67	339642.67	340362.52	209162.41	340388.60	209174.36	549562.96	178012.23	727575.20

22. Since, the tariff of the instant generating station from respective CODs of Unit-I to Unit-III has already been trued-up vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017, we find it appropriate to proceed



with the revision in capital cost as already trued up vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017.

23. Accordingly, the capital cost from respective CODs of Unit-I to Unit-III of the generating station stands revised as under:

(Rs.in lakh)

	COD of Unit-I (5.3.2011)	COD of Unit-I & Unit-II (COD of Unit-21.4.2012)	As on COD of Unit-III / generating station (26.4.2013)
Revised Capital Cost excluding IDC	280948.00	486054.69	657170.68
Revised IDC	30774.97	59548.61	94432.41
Normative IDC (Interest on Normative Loan)	2632.65	2632.65	2632.65
Short Term FERV	-14.00	20.00	36.00
Opening Capital Cost including IDC	314341.62	548255.95	754271.74

24. There is no change in Additional Capital Expenditure (ACE), and as such, ACE allowed in respect of Unit-I, Unit-II and Unit-III of the generating station vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017 is retained. The same has been summarised as under:

(Rs.in lakh)

Year	2010-11	2011-12	2012-13	2012-13	2013-14	2013-14
	05.03.2011 to 31.03.2011	01.04.2011 to 31.03.2012	01.04.2012 to 20.04.2012	21.04.2012 to 31.03.2013	01.04.2013 to 25.04.2013	26.04.2013 to 31.03.2014
Addition during 2009-14 due to Actual/ Projected Additional Capitalisation	553.72	27017.51	0.00	13376.12	38.03	33658.17

Revision/Truing up of Annual Fixed Charges for 2009-14 Tariff Period

25. The Commission, vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017, has allowed the following annual fixed charges from respective CODs of the Unit-I to Unit-III of the generating station:



(Rs. in lakh)

	2010-11 (5.3.2011 to 31.3.2011)	2011-12	2012-13 (1.4.2012 to 20.4.2012)	2012-13 (21.4.2012 to 31.3.2013)	2013-14 (1.4.2013 to 25.4.2013)	2013-14 (26.4.2013 to 31.3.2014)
Depreciation	13384.34	13975.06	14575.70	25034.01	25392.71	35377.80
Interest on Loan	23452.72	23877.77	24159.14	39221.36	38355.55	50333.87
Return on Equity	14524.20	18958.49	19743.77	29824.61	30577.81	43793.30
Interest on Working Capital	3994.97	4124.04	4168.74	14587.67	14648.02	20538.14
O&M Expenses	6870.00	7265.00	7680.00	15360.00	16240.00	23548.00
Secondary fuel oil cost	1626.61	1631.07	1626.61	4423.80	4423.80	7012.02
Total	63852.84	69831.44	71953.96	128451.45	129637.89	180603.13

Debt-Equity Ratio

26. The debt-equity ratio as on the COD of Unit-I, Unit-II and Unit-III as allowed vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017 has been retained.

Depreciation

27. Based on the above revision in capital cost as on respective CODs of Unit-I to Unit-III of the generating station, the depreciation as allowed vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017 stands trued-up as under:

(₹ in lakh)

Particulars	2010-11	2011-12	2012-13		2013-14	
	5.3.2011 to 31.3.2011		1.4.2012 to 20.4.2012	21.4.12 to 31.3.2013	1.4.2013 to 25.4.2013	26.4.2013 to 31.3.2014
Opening Capital Cost	314341.62	314895.33	341912.84	548255.95	561632.07	754271.74
Add: Additional Capital Expenditure	553.72	27017.51	0.00	13376.12	38.03	33658.17
Closing Capital Cost	314895.33	341912.84	341912.84	561632.07	561670.10	787929.91
Average Capital Cost	314618.48	328404.09	341912.84	554944.01	561651.08	771100.82
Rate of Depreciation	4.285%	4.285%	4.291%	4.612%	4.621%	4.751%
Depreciable Value	283156.63	295563.68	307721.56	499449.61	505485.98	693990.74
Depreciation (Annualised)	13481.61	14072.34	14673.13	25592.35	25952.14	36646.55
Cumulative Depreciation	997.27	15069.61	15837.72	40027.76	41805.30	75941.82



(at the end of the year)						
Cumulative Depreciation reduction due to decapitalization	0.00	35.89	0.00	0.00	0.00	0.00
Cumulative Depreciation after adjustment due to decapitalization (at the end of the period)	997.27	15033.72	15837.72	40027.76	41805.30	75941.82

Interest on Loan ("IoL")

28. Based on the above revision in capital cost as on respective CODs of Unit-I to Unit-III

of the generating station, the IoL as allowed vide order dated 17.1.2017 in Petition No.

437/GT/2014 read with corrigendum dated 14.2.2017 stands trued-up as under:

(₹ in lakh)

Particulars	2010-11	2011-12	2012-13		2013-14	
	5.3.2011 to 31.3.2011		1.4.2012 to 20.4.2012	21.4.12 to 31.3.2013	1.4.2013 to 25.4.2013	26.4.2013 to 31.3.2014
Gross opening loan	220039.13	220426.73	239338.99	392935.04	402272.77	527990.22
Cumulative repayment of loan upto previous year	0.00	997.27	14550.52	15354.52	39544.56	41322.10
Net Loan Opening	220039.13	219429.46	224788.47	377580.52	362728.21	486668.11
Addition due to additional capital expenditure	387.60	18912.26	0.00	9363.28	26.62	23560.72
Repayment of loan during the year	997.27	14072.34	804.01	24190.03	1777.54	34136.52
Adj. due to decapitalisation during the year / period	0.00	519.09	0.00	0.00	0.00	0.00
Net Repayment	997.27	13553.25	804.01	24190.03	1777.54	34136.52
Net Loan Closing	219429.46	224788.47	223984.47	362753.77	360977.29	476092.32
Average Loan	219734.30	222108.97	224386.47	370167.14	361852.75	481380.22
Weighted Average Rate of Interest of loan	10.7508%	10.8252%	10.8383%	10.8383%	10.8399%	10.8488%
Interest on Loan (Annualised)	23623.19	24043.74	24319.68	40123.53	39224.48	52223.98

Return on Equity ("RoE")

29. Based on the above revision in capital cost as on respective CODs of Unit-I to Unit-III of the generating station, the RoE as allowed vide order dated 17.1.2017 in Petition No. 437/GT/2014 read with corrigendum dated 14.2.2017 stands trued-up as under:



(₹ in lakh)

Particulars	2010-11	2011-12	2012-13		2013-14	
	5.3.2011 to 31.3.2011		1.4.2012 to 20.4.2012	21.4.12 to 31.3.2013	1.4.2013 to 25.4.2013	5.3.2011 to 31.3.2011
Notional Equity-Opening	94302.48	94468.60	102573.85	155320.91	159359.30	226281.52
Addition of Equity due to additional capital expenditure	166.12	8105.25	0.00	4012.84	11.41	10097.45
Normative Equity Closing	94468.60	102573.85	102573.85	159333.75	159370.71	236378.97
Average Normative Equity	94385.54	98521.23	102573.85	157327.33	159365.00	231330.25
Return on Equity (Base Rate) %	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Rate of Return on Equity (Pre Tax) (%)	0.00%	20.008%	20.008%	20.008%	20.961%	20.961%
Rate of Return on Equity (Pre Tax)	15.50%	19.377%	19.377%	19.377%	19.610%	19.610%
Return on Equity (Pre Tax) (Annualised)	14629.76	19090.34	19875.61	30485.12	31252.19	45364.90

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

30. There is no change in O&M expenses, and as such, O&M Expenses as allowed vide order dated 17.1.2017 in Petition No. 437/GT/2014, read with corrigendum dated 14.02.2017, have been retained.

(₹ in lakh)

2010-11 (5.3.2011 to 31.3.2011)	2011-12	2012-13 (1.4.2012 to 20.4.2012)	2012-13 (21.4.2012 to 31.3.2013)	2013-14 (1.4.2013 to 25.4.2013)	2013-14 (26.4.2013 to 31.3.2014)
6870.00	7265.00	7680.00	15360.00	16240.00	23548.00

Interest on Working Capital (“IWC”)

31. Based on the above revision in capital cost as on respective CODs of Unit-I to Unit-III of the generating station, we note that there is a change in only receivables (fixed charges – two months) and all other components of IWC remain unaltered.



Accordingly, IWC as allowed vide order dated 17.1.2017 in Petition No. 437/GT/2014

read with corrigendum dated 14.2.2017 stands trued-up as under:

(₹ in lakh)

Particulars	2010-11	2011-12	2012-13		2013-14	
	5.3.2011 to 31.3.2011		1.4.2012 to 20.4.2012	21.4.12 to 31.3.2013	1.4.2013 to 25.4.2013	26.4.2013 to 31.3.2014
O&M expenses (1 month)	572.50	605.42	640.00	1280.00	1353.33	1962.33
Receivables (Fixed Charges)	10705.51	11705.64	12058.50	21770.22	21964.84	30906.67
Receivables (Variable Charges)	11729.08	11761.22	11729.08	40779.47	40779.47	58825.42
Maintenance Spares	1374.00	1453.00	1536.00	3072.00	3248.00	4709.60
Secondary Fuel oil cost	271.10	271.84	271.10	737.30	737.30	1168.67
Fuel Stock	11729.08	11761.22	11729.08	40779.47	40779.47	58825.42
Total Working Capital	36381.28	37558.34	37963.77	108418.46	108862.41	156398.11
Rate of Interest	11.00%	11.00%	11.00%	13.50%	13.50%	13.20%
Interest on Working Capital (annualised)	4001.94	4131.42	4176.01	14636.49	14696.43	20644.55

32. Accordingly, the annual fixed charges allowed for the period 5.3.2011 to

31.3.2014 stand trued-up and summarised as under:-

(₹ in lakh)

Particulars	2010-11	2011-12	2012-13		2013-14	
	5.3.2011 to 31.3.2011		1.4.2012 to 20.4.2012	21.4.12 to 31.3.2013	1.4.2013 to 25.4.2013	26.4.2013 to 31.3.2014
Depreciation	13481.61	14072.34	14673.13	25592.35	25952.14	36646.55
Interest on Loan	23623.19	24043.74	24319.68	40123.53	39224.48	52223.98
Return on Equity	14629.76	19090.34	19875.61	30485.12	31252.19	45364.90
Interest on Working Capital	4001.94	4131.42	4176.01	14636.49	14696.43	20644.55
O & M Expenses	6870.00	7265.00	7680.00	15360.00	16240.00	23548.00
Secondary fuel oil cost	1626.58	1631.04	1626.58	4423.80	4423.80	7012.02
Total	64233.09	70233.87	72351.01	130621.30	131789.03	185440.00



Note: (1) All figures are on an annualised basis. (2) All figures under each head have been rounded. The figure in the total column in each year is also rounded. As such, the sum of individual items may not be equal to the arithmetic total of the column

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

33. The Commission, vide order dated 9.3.2017 in Petition No. 266/GT/2014, determined the tariff for the 2014-19 tariff period in respect of the generating station. Thereafter, the tariff for the 2014-19 tariff period in respect of the generating station was trued-up vide order dated 20.9.2022 in Petition No. 157/GT/2020. However, the Commission, vide order dated 19.10.2023 in Review Petition No. 7/RP/2023, revised the trued-up tariff for the 2014-19 tariff period for the generating station.

34. As decided above, the Tariff for the 2009-14 tariff period in respect of the generating station has been revised consequent to a revision in capital cost as on respective CODs of Unit-I to Unit-III of the generating station in light of the APTEL judgment dated 22.7.2025 in the present order. We find it appropriate to give the effect of the revision of the capital cost of the 2009-14 tariff period to the 2014-19 tariff period also, and allow the revised trued-up tariff for the 2014-19 tariff in respect of the generating station, so as to avoid further delay.

35. The Commission, vide order dated 19.10.2023 in Review Petition No. 7/RP/2023, had allowed the following trued-up tariff for the 2014-19 tariff period in respect of the generating station:

	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	37154.82	38665.93	38430.49	39514.44	40443.09
Interest on Loan	49402.53	47523.17	45273.22	34501.00	32063.67
Return on Equity	45961.10	48233.48	49493.87	50784.49	51973.34
O&M Expenses	24922.37	26299.80	28243.05	29990.86	32272.71
Interest on Working Capital	19742.73	19893.28	19964.74	20244.97	20379.42
Annual fixed charges approved	177183.55	180615.66	181405.37	175035.76	177132.22

(₹ in lakh)



Capital cost for the period 2014-19

36. We have considered the revision in the opening capital cost as on 1.4.2014 as allowed in the present order. All other parameters, as allowed vide the order dated 19.10.2023 in Review Petition No. 7/RP/2023, remain unaltered. Accordingly, the capital cost allowed for the 2014-19 tariff period in respect of the generating station is worked out as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Capital Cost	787929.91	827968.61	857277.09	870610.59	900941.64
Add: Net additional Capital expenditure allowed	40038.70	29308.48	13333.49	30331.06	5173.66
Closing Capital Cost	827968.61	857277.09	870610.59	900941.64	906115.30
Average Capital Cost	807949.26	842622.85	863943.84	885776.11	903528.47

Debt-Equity Ratio

37. The debt-equity ratio as allowed vide order dated 19.10.2023 in Review Petition No. 7/RP/2023 has been retained.

38. Accordingly, the details of debt-equity are worked out as under:

	Capital cost up to COD / 1.4.2014		Additional Capital Expenditure 2014-19		Capital cost as on 31.3.2019	
	Amount	(%)	Amount	(%)	Amount	(%)
Debt (A)	551550.93	70.00%	82729.78	70.00%	634280.71	70.00%
Equity (B)	236378.97	30.00%	35455.62	30.00%	271834.59	30.00%
Total (C) = (A) + (B)	787929.91	100.00%	118185.40	100.00%	906115.30	100.00%

Depreciation

39. Based on the above revision in capital cost for the 2014-19 tariff period, the Depreciation as allowed vide order dated 19.10.2023 in Review Petition No. 7/RP/2023 stands trued-up as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Average Capital Cost (A)	807949.26	842622.85	863943.84	885776.11	903528.47



Value of freehold land included in average capital cost (B)	54520.48	58107.36	58350.68	70674.64	83765.84
Aggregated Depreciable Value (D)= (A-B) *90%	678085.90	706063.94	725033.85	733591.33	737786.37
Remaining aggregate depreciable value at the beginning of the year (D)= (C) - Cumulative Depreciation (shown at J) at the end of the previous year]	602144.09	591744.31	571011.45	539931.02	503447.86
No. of completed years at the beginning of the year (E)	1.98	2.98	3.98	4.98	5.98
Balance useful life at the beginning of the year (F) = 25 - (E)	23.02	22.02	21.02	20.02	19.02
Weighted Average Rate of Depreciation (WAROD) (F)	4.7558%	4.7389%	4.5901%	4.5996%	4.6124%
Depreciation during the year/ period (G) = (A) * (F)	38424.45	39931.05	39655.89	40742.38	41674.44
Cumulative depreciation at the end of the year (before adjustment for de- capitalization) (H) = (G) + (Cumulative Depreciation (shown at J), at the end of the previous year)	114366.27	154250.68	193678.28	234402.69	276012.94
Less: Depreciation adjustment on account of de-capitalization (I)	46.64	228.28	17.97	64.19	191.91
Cumulative depreciation at the end of the year (J) = (H) - (I)	114319.63	154022.40	193660.31	234338.50	275821.04

Interest on Loan

40. Based on the above revision in capital cost for the 2014-19 tariff period, the IOL as allowed vide order dated 19.10.2023 in Review Petition No. 7/RP/2023 stands trued-up as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross opening loan (A)	551550.93	579578.03	600093.97	609427.41	630659.15



Cumulative repayment of loan upto previous year (B)	75458.62	113836.43	153539.20	193177.11	233855.30
Net Loan Opening (C) = (A) - (B)	476092.32	465741.60	446554.77	416250.30	396803.85
Addition due to additional capital expenditure (D)	28027.09	20515.94	9333.44	21231.74	3621.56
Repayment of loan during the period (E)	38424.45	39931.05	39655.89	40742.38	41674.44
Repayment adjustment on account of de-capitalization (F)	46.64	228.28	17.97	64.19	191.91
Net Repayment of during theyear (G) = (E) - (F)	38377.81	39702.77	39637.91	40678.19	41482.53
Net Loan Closing (H) = (C) + (D) - (G)	465741.60	446554.77	416250.30	396803.85	358942.88
Average Loan (I) = (C+H)/2	470916.96	456148.18	431402.53	406527.07	377873.36
Weighted Average Rate of Interest of loan (J)	10.8643%	10.7708%	10.8382%	8.7550%	8.7451%
Interest on Loan (K) = (I)*(J)	51162.01	49131.00	46756.14	35591.50	33045.40

Return on Equity

41. Based on the above revision in capital cost for the 2014-19 tariff period, the ROE as allowed vide order dated 19.10.2023 in petition no. 07/RP/2023 stands trued-up as under:

	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Normative Equity-Opening (A)	236378.97	248390.58	257183.13	261183.18	270282.49
Addition of Equity due to additional capital expenditure (B)	12011.61	8792.55	4000.05	9099.32	1552.10
Normative Equity-Closing (C) = (A) + (B)	248390.58	257183.13	261183.18	270282.49	271834.59
Average Normative Equity (D) = (A+C)/2	242384.78	252786.86	259183.15	265732.83	271058.54
Return on Equity (Base Rate) (E)	15.500%	15.500%	15.500%	15.500%	15.500%
Effective Tax Rate for respective years (F)	20.961%	21.342%	21.342%	21.342%	21.549%



Rate of Return on Equity (Pre-Tax) (G) = (E)/(1-F)	19.610%	19.705%	19.705%	19.705%	19.758%
Return on Equity (Pre- Tax) annualised (H) =(D)*(G)	47531.65	49811.65	51072.04	52362.65	53555.75

Interest on Working Capital

42. Based on the above revision in Capital Cost for the 2014-19 tariff period, we note that there is a change in only receivables (fixed charges – two months) and all other components of IWC remain unaltered. Accordingly, IWC has allowed vide order dated 19.10.2023 in Petition No. 07/RP/2023 stands trued-up as under:

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Cost of Coal - 15 (pit head) or 30 days (non-pit head)	26927.89	26927.89	26927.89	27576.76	27576.76
Cost of Coal - 30 days	26927.89	26927.89	26927.89	27576.76	27576.76
Cost of secondary fuel oil - 2 months	595.97	597.61	595.97	610.33	610.33
O&M expenses - 1 month	2076.86	2191.65	2353.59	2499.24	2689.39
Maintenance Spares - 20% of O&M	4984.47	5259.96	5648.61	5998.17	6454.54
Receivables - 2 months	85513.63	86211.55	86163.86	86365.88	86698.05
Total Working Capital	147026.72	148116.54	148617.82	150627.13	151605.83
Rate of Interest	13.50%	13.50%	13.50%	13.50%	13.50%
Total Interest on Working Capital	19848.61	19995.73	20063.41	20334.66	20466.79

Annual Fixed Charges for the period 2014-19

43. Based on the above discussions, the annual fixed charges for the 2014-19 tariff period in respect of the generating station stand trued-up as under:

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation (A)	38424.45	39931.05	39655.89	40742.38	41674.44
Interest on Loan (B)	51162.01	49131.00	46756.14	35591.50	33045.40



Return on Equity (C)	47531.65	49811.65	51072.04	52362.65	53555.75
Interest on Working Capital (D)	19848.61	19995.73	20063.41	20334.66	20466.79
O&M Expenses (E)	24922.37	26299.80	28243.05	29990.86	32272.71
Total AFC allowed (G) = (A+B+C+D+E)	181889.09	185169.24	185790.52	179022.05	181015.08

44. With the above, the directions contained in the APTEL judgment dated 22.7.2025 in Appeal No. 204 of 2016 stand implemented.

45. This order disposes of Petition No. 229/2010 in terms of the above findings and discussions to the extent of remand.

Sd/-
(Ravinder Singh Dhillon)
Member

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson

