

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 569/TT/2025**

**Coram:**

**Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member**

**Date of Order: 15.01.2026**

**In the matter of:**

Petition for approval under Section 62 read with Section 79(1)(d) of the Electricity Act, 2003, and under Regulation 15(1)(a) and Regulation 23 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023, for truing-up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, and for determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, for the Combined Assets under "Northern Region System Strengthening Scheme-III" in the Northern Region.

**And in the matter of:**

**Power Grid Corporation of India Limited,  
SAUDAMINI, Plot No.-2, Sector-29,  
Gurgaon-122001 (Haryana).**

.....**Petitioner**

**Versus**

- 1. Uttar Pradesh Power Corporation Limited,**  
Shakti Bhawan, 14, Ashok Marg,  
Lucknow – 226001 (Uttar Pradesh).
- 2. Ajmer Vidyut Vitran Nigam Limited,**  
Corporate Office, Vidyut Bhawan,  
Panchsheel Nagar, Makarwali Road,  
Ajmer – 305004 (Rajasthan).
- 3. Jaipur Vidyut Vitran Nigam Limited,**  
132 kV, GSS RVPNL Substation building,  
Caligiri road, Malviya Nagar,  
Jaipur – 302017 (Rajasthan).
- 4. Jodhpur Vidyut Vitran Nigam Limited,**  
New Power House, Industrial Area,  
Jodhpur – 342003 (Rajasthan).



- 5. Himachal Pradesh State Electricity Board Limited,**  
Vidyut Bhawan, Kumar House Complex Building-II,  
Shimla – 171004 (Himachal Pradesh).
- 6. Punjab State Power Corporation Limited,**  
The Mall, PSEB Head Office,  
Patiala - 147001 (Punjab).
- 7. Haryana Power Purchase Centre,**  
Shakti Bhawan, Sector-6,  
Panchkula - 134109 (Haryana).
- 8. Jammu Kashmir Power Corporation Limited,**  
220/66/33 kV Gladni S/S, SLDC Building,  
Narwal, Jammu.
- 9. BSES Yamuna Power Limited,**  
B-Block, Shakti Kiran Building,  
Near Karkardooma Court, 2<sup>nd</sup> Floor,  
Karkardooma, New Delhi-110092.
- 10. BSES Rajdhani Power Limited,**  
BSES Bhawan, Nehru Place, New Delhi.
- 11. Tata Power Delhi Distribution Limited,**  
33 kV Substation Building, Hudson Lane,  
Kingsway Camp, North Delhi – 110009.
- 12. Chandigarh Electricity Department,**  
Chandigarh Administration, Sector -9, Chandigarh.
- 13. Uttarakhand Power Corporation Limited,**  
Urja Bhawan, Kanwali Road, Dehradun, Uttarakhand.
- 14. North Central Railway,**  
Allahabad.
- 15. New Delhi Municipal Council,**  
Palika Kendra, Sansad Marg,  
New Delhi-110002.

**...Respondents**

**For Petitioner :** Shri Zafrul Hasan, PGCIL  
Ms. Supriya Singh, PGCIL



**For Respondent :** None

**ORDER**

The instant Petition has been filed by Power Grid Corporation of India Limited (PGCIL) (hereinafter referred to as "the Petitioner") for the true-up of the transmission tariff for the 2019-24 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred to as "the 2019 Tariff Regulations"), and for the determination of the transmission tariff for the 2024-29 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 (hereinafter referred to as "the 2024 Tariff Regulations"), with respect to the following assets (hereinafter referred to as the "Combined Assets") under "Northern Region System Strengthening Scheme-III" in the Northern Region (hereinafter referred to as the 'transmission project'):

**Asset-I:** a) 50 MVAr Bus Reactor at Hissar Substation;  
b) LILO of 400 kV Moga-Hissar Line, ICT-I at Fatehabad Substation, 4 Nos. 220 kV line bays (feeders from Fatehabad-1 and Fatehabad-2) and 50 MVAr Bus Reactor Bay along with associated bays at Fatehabad Substation;  
c) Total Upstream System including Malerkotla-Ludhiana-Jalandhar Transmission Line along with associated bays at Ludhiana Substation, Malerkotla Substation;

**Asset-II:** d) ICT-I along with associated bays at Ludhiana Substation;  
e) ICT-II along with associated bays at Ludhiana Substation;

**Asset-III:** f) 315 MVA, 400/220 kV ICT-II along with associated bays at 400/220 kV Fatehabad Substation.

2. The Petitioner has made the following prayers in the instant Petition:

*a) Approve the trued-up Transmission Tariff for 2019-24 block and transmission tariff for 2024-29 block for the asset covered under this petition, as per para 16 & 17 above.*

*b) Admit the capital cost claimed and additional capitalization incurred during 2019-24.*

*c) 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 Regulations, 2019 and Tariff Regulations, 2024 as per para 16 & 17 above for respective block.*



- d) *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 94 (1) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and other expenditure (if any) in relation to the filing of petition.*
- e) *Allow the petitioner to bill and recover RLDC fees & charges and Licensee fee, separately from the respondents in terms of Regulation 94 (3) and (4) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.*
- f) *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 2024-29 period, if any, from the respondents.*
- g) *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 23 above.*
- h) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall insurance expenses and consequential IOWC on that insurance expenses as mentioned at para 23 above.*
- i) *Allow the petitioner to file a separate petition before Hon'ble Commission for claiming the overall capital spares at the end of tariff block as per actual as mentioned at Para 23 above.*
- j) *Allow the petitioner to claim expenses of CTUIL borne by POWERGRID through a separate petition as mentioned at para 24 above.*
- k) *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 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 follows:
  - a. The Investment Approval (the IA) for the transmission project was accorded by the Petitioner's Board of Directors vide Memorandum dated 13.7.2004, with an estimated cost of ₹23052 lakh, including an Interest During Construction (IDC) of ₹1477 lakh. Subsequently, the approval for the Revised Cost Estimate (RCE) was accorded by the Petitioner's Board of Directors vide Memorandum dated 26.2.2008, at an estimated cost of ₹32690 lakh, including the IDC of ₹1826 lakh.
  - b. The details of the assets comprising the Combined Assets, including their



Dates of Commercial Operation (COD) and nomenclature, are as follows:

Particulars	Assets	Nomenclature in order dated 20.4.2009 and 18.6.2010 in Petition Nos. 134/2008 and 65/2020	Nomenclature in order dated 15.2.2010 in Petition No. 163/2009	Nomenclature in order dated 29.2.2016 in Petition No. 2/TT/2015	Nomenclature in order dated 20.5.2021 in Petition No. 14/TT/2020	COD	Effective COD
Asset-a	50 MVAr Bus Reactor at Hissar Substation.	Asset-I				1.7.2007	
Asset-b	LILO of 400 kV Moga-Hissar Line, ICT-I at Fatehabad Substation, 4 Nos. 220 kV line bays (feeders from Fatehabad-1 and Fatehabad-2) and 50 MVAr Bus Reactor Bay along with associated bays at Fatehabad Substation.	Asset-II			Asset-I	1.2.2008	
Asset-c	Total Upstream System including Malerkotla-Ludhiana-Jalandhar Transmission Line along with associated bays at Ludhiana Substation, Malerkotla Substation.		Asset-II		Combined Assets	1.6.2008	
Asset-d	ICT-I along with associated bays at Ludhiana Substation.		Asset-I		Asset-II	1.6.2008	
Asset-e	ICT-II along with associated		Asset-III			1.7.2008	



	bays at Ludhiana Substation.					
<b>Asset-f</b>	315 MVA, 400/220 kV ICT-II along with associated bay at 400/220 kV Fatehabad Substation.	Asset-III		Asset-III		1.4.2008

(\*Assets-a, b and c were combined into Asset-I; Assets-d and e were combined into Asset-II; and Asset-f was re-named as Asset-III for determination of transmission tariff for the period from 1.4.2009 to 31.3.2014 vide order dated 4.4.2011 in Petition No. 268/2010. Thereafter, Assets-I, II and III were combined into one single asset i.e. Combined Assets for truing-up of transmission tariff for the period from 1.4.2014 to 31.3.2019 vide order dated 20.5.2021 in Petition No. 14/TT/2020)

- c. The transmission tariff and Additional Capital Expenditure (ACE) for Assets a, b, and f from the Date of Commercial Operation (COD) to 31.3.2009 were determined vide order dated 20.4.2009 in Petition No. 134/2008, and thereafter revised vide order dated 18.6.2010 in Petition No. 65/2010 due to the ACE during the year 2008-09. The transmission tariff and ACE for Assets c, d and e from the COD to 31.3.2009 were determined vide order dated 15.2.2010 in Petition No. 163/2009.
- d. The transmission tariff for the 2009-14 period for Assets-a, b, c, d, e and f was determined vide order dated 4.4.2011 in Petition No. 268/2010. The transmission tariff for the 2009-14 period was trued-up, and the transmission tariff for the 2014-19 period was determined vide order dated 29.2.2016 in Petition No. 2/TT/2015.
- e. The Commission, vide its order dated 20.5.2021 in Petition No. 14/TT/2020, revised the transmission tariff for the 2004-09 and 2009-14 periods in terms of the Appellate Tribunal for Electricity's (APTEL's) judgements dated 22.1.2007 and 13.6.2007, trued-up the transmission tariff for the 2014-19 period, and determined the transmission tariff for the 2019-24 period in



respect of the Combined Assets.

4. The Petitioner has served a copy of the Petition on the Respondents, and notices regarding the filing of this Petition were published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as “the Act”). No comments or suggestions have been received from the general public in response to the notices published in the newspapers by the Petitioner.

5. The Respondents are the Distribution Licensees, Transmission Licensees and Power Departments, mainly the beneficiaries of the Northern Region, which are procuring transmission services from the Petitioner.

6. None of the Respondents has filed their reply to the instant Petition.

7. The hearing in this matter was held on 6.11.2025, and the order was reserved.

8. This order is issued considering the submissions made by the Petitioner vide affidavits dated 4.11.2024 and 3.9.2025.

9. Having heard the Petitioner’s representative and perused the material on record, we proceed to dispose of the Petition.

#### **Truing-up of the Annual Fixed Charges for the 2019-24 Tariff Period**

10. The details of the trued-up transmission charges claimed by the Petitioner in respect of the Combined Assets are as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Depreciation	1523.45	1523.45	460.74	460.74	460.75
Interest on Loan	525.26	396.03	303.03	255.74	207.92
Return on Equity	1794.95	1807.74	1807.74	1807.74	1807.74
Interest on Working Capital	111.21	104.06	83.56	84.71	98.14
O&M Expenses	1225.51	1269.14	1313.67	1360.38	1406.97
<b>Total</b>	<b>5180.38</b>	<b>5100.42</b>	<b>3968.74</b>	<b>3969.30</b>	<b>3981.52</b>



11. The details of the trued-up Interest on Working Capital (IWC) claimed by the Petitioner for the Combined Assets are as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	102.13	105.76	109.47	113.36	117.25
Maintenance Spares	183.83	190.37	197.05	204.06	211.05
Receivables	636.93	628.82	489.30	489.37	489.53
<b>Total Working Capital</b>	<b>922.89</b>	<b>924.95</b>	<b>795.82</b>	<b>806.79</b>	<b>817.83</b>
Rate of Interest (in %)	12.05	11.25	10.50	10.50	12.00
<b>Interest on Working Capital</b>	<b>111.21</b>	<b>104.06</b>	<b>83.56</b>	<b>84.71</b>	<b>98.14</b>

#### **Capital Cost for the 2019-24 Tariff Period**

12. The capital cost of the transmission project has been calculated in accordance with Regulations 19(1) and 19(3) of the 2019 Tariff Regulations.

13. The Commission, vide order dated 20.5.2021 in Petition No. 14/TT/2020, allowed the capital cost as on 31.3.2019 and ACE for the 2019-24 tariff period in respect of the Combined Assets. The details are as follows:

Particulars	Apportioned Approved Capital Cost as per the RCE	Capital Cost allowed as on 1.4.2019	ACE admitted		Capital Cost allowed as on 31.3.2024
			2019-24		
Combined Assets	32690.00	31630.64	468.70		32099.34

14. The Petitioner has claimed the capital cost as on 31.3.2019 and the actual ACE incurred by the Petitioner vide Auditor's Certificate dated 27.8.2024 in respect of the Combined Assets for the 2019-24 tariff period as under:

FR Apportioned Approved Cost as per the RCE	Capital Cost claimed as on 1.4.2019	ACE Claimed					Capital Cost claimed as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
32690.00	31630.64	454.19	0.00	0.00	0.00	0.00	32084.83

15. We have considered the Petitioner's submissions. The capital cost of ₹31630.64



lakh as on 31.3.2019 has been approved by the Commission vide order dated 20.5.2021 in Petition No. 14/TT/2020 and thus, the same is being considered as the opening capital cost for truing-up of the Annual Fixed Charges (AFC) for the 2019-24 tariff period in respect of the Combined Assets.

#### **Additional Capital Expenditure (ACE)**

16. The Commission, vide its order dated 20.5.2021 in Petition No. 14/TT/2020, allowed the ACE for the Combined Assets as per Regulation 25(1)(a) of the 2019 Tariff Regulations for the 2019-24 tariff period and the same is as under:

Particulars	ACE allowed	Regulation
	2019-24 tariff period	
Combined Assets	468.70	Regulation 25(1)(a) of the 2019 Tariff Regulations.

17. The Petitioner has claimed the ACE for the 2019-24 tariff period based on the actual expenditure incurred for Asset-I (part of the Combined Assets comprising Assets-a, b and c), in accordance with Regulation 25(1)(a) of the 2019 Tariff Regulations. The details are as under:

Asset	Particulars	Regulation	(₹ in lakh) Actual ACE				
			2019-20	2020-21	2021-22	2022-23	2023-24
Asset-I	Discharge of Liabilities	Regulation 25(1)(a) of the 2019 Tariff Regulations	454.19	0.00	0.00	0.00	0.00
		<b>Total</b>	<b>454.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

18. It is submitted that the additional capitalization claimed in the year 2019-20 is on account of the enhanced land payment for the Fatehabad Substation, as per the Court Order already admitted by the Commission vide order dated 20.5.2021 in Petition No. 14/TT/2020.

19. The Petitioner has also submitted the Liability Flow Statement, indicating the



discharge of liabilities for the 2019-24 tariff period. The details are as under:

Asset	Party-Wise	Particular	Outstanding Liability as on 31.3.2019	Liability Discharge						Additional liability (Unexecuted work) 2019-24	Outstanding Liability as on 31.3.2024
				2019-20	2020-21	2021-22	2022-23	2023-24	Total (2019-24)		
Asset-I	Land Owners	Free hold Land	454.19	454.19	0.00	0.00	0.00	0.00	454.19	0.00	0.00
<b>Total</b>			<b>454.19</b>	<b>454.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>459.19</b>	<b>0.00</b>	<b>0.00</b>

20. We have considered the Petitioner's submissions. It is observed that the Petitioner has claimed the ACE on account of the enhanced payment for the land at the Fatehabad Substation and has submitted documentary proof of payment. Therefore, the ACE claimed by the Petitioner is allowed as per Regulation 25(1)(a) of the 2019 Tariff Regulations. The details are as follows:

Asset	Particulars	Allowed ACE					Total (2019-24)
		2019-20	2020-21	2021-22	2022-23	2023-24	
Asset-I	Freehold Land	454.19	0.00	0.00	0.00	0.00	<b>454.19</b>

21. Accordingly, the details of the capital cost and the trued-up ACE allowed in respect of the Combined Assets for the 2019-24 tariff period are as under:

Asset	Capital Cost allowed as on 1.4.2019	Allowed ACE					Capital Cost as on 31.3.2024
		2019-20	2020-21	2021-22	2022-23	2023-24	
Combined Assets	31630.64	454.19	0.00	0.00	0.00	0.00	32084.83

### Debt-Equity Ratio

22. The details of the debt-equity ratio considered and allowed under Regulation 18 of the 2019 Tariff Regulations for the computation of the tariff in respect of the Combined Assets for the 2019-24 tariff period are as follows:



Funding	Capital Cost as on 1.4.2019 ₹ in lakh)	(in %)	ACE in 2019-24 ₹ in lakh)	(in %)	Capital Cost as on 31.3.2024 ₹ in lakh)	(in %)
Debt	22142.01	70.00	317.94	70.00	22459.95	70.00
Equity	9488.63	30.00	136.25	30.00	9624.88	30.00
<b>Total</b>	<b>31630.64</b>	<b>100.00</b>	<b>454.19</b>	<b>100.00</b>	<b>32084.83</b>	<b>100.00</b>

### **Depreciation**

23. The depreciation has been worked out considering the admitted capital expenditure as on 1.4.2019, and thereafter up to 31.3.2024. The Weighted Average Rate of Depreciation (WAROD) for the Combined Assets has been computed as per the rates of depreciation specified in Regulation 33 of the 2019 Tariff Regulations. Further, the Combined Assets had completed 12 years of their useful life as on 1.4.2021. Therefore, the remaining depreciable value of ₹7371.81 lakh as on 1.4.2021 has been spread over the balance useful life of the Combined Assets in accordance with the 2019 Tariff Regulations.

24. The depreciation allowed for the Combined Assets for the 2019-24 tariff period is as follows:

	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in lakh)
	<b>Depreciation</b>						
A	Opening Gross Block	31630.64	32084.83	32084.83	32084.83	32084.83	
B	Addition during the years 2019-24 due to the projected ACE	454.19	0.00	0.00	0.00	0.00	
C	Closing Gross Block (A+B)	32084.83	32084.83	32084.83	32084.83	32084.83	
D	Average Gross Block (A+C)/2	31857.74	32084.83	32084.83	32084.83	32084.83	
E	Freehold land (Average)	2678.82	2905.91	2905.91	2905.91	2905.91	
F	Average Gross Block (90% depreciable assets) (D-E-G)	29178.92	29178.92	29178.92	29178.92	29178.92	
G	Average Gross Block (100%)	0.00	0.00	0.00	0.00	0.00	



	depreciable assets)					
H	Depreciable Value (excluding IT equipment and software) (F*90%)	26261.03	26261.03	26261.03	26261.03	26261.03
I	Depreciable Value of IT equipment and software (G*100%)	0.00	0.00	0.00	0.00	0.00
J	Total Depreciable Value (H+I)	26261.03	26261.03	26261.03	26261.03	26261.03
K	Weighted Average Rate of Depreciation (WAROD) (in %)	4.78	4.75	Spreading Over		
L	Lapsed useful life at the beginning of the year (Year)	10.00	11.00	12.00	13.00	14.00
M	Balance useful life at the beginning of the year (Year)	18.00	17.00	16.00	15.00	14.00
N	Depreciation during the year (D*K)	1523.45	1523.45	460.74	460.74	460.74
O	Cumulative Depreciation at the end of the year	17365.77	18889.22	19349.96	19810.69	20271.43
P	Remaining Aggregate Depreciable Value at the end of the year (J-O)	8895.26	7371.81	6911.07	6450.33	5989.60

25. The details of the depreciation allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020 for the Combined Assets, the depreciation claimed in the instant true-up Petition, and the trued-up depreciation approved in the instant order are as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020.	1523.45	1523.45	460.74	460.74	460.74
Claimed in the instant true-up Petition.	1523.45	1523.45	460.74	460.74	460.75
Approved after true-up in this order.	1523.45	1523.45	460.74	460.74	460.74

#### Interest on Loan (IoL)

26. The Petitioner has claimed the Weighted Average Rate of Interest (WAROI) on



loans based on its actual loan portfolio as per the prevailing Rate of Interest (RoI). The Interest on Loan (IoL) has been calculated based on the actual interest rate submitted by the Petitioner in accordance with Regulation 32 of the 2019 Tariff Regulations. The trued-up IoL approved for the Combined Assets is as follows:

Particulars		Combined Assets					(₹ in lakh)
		2019-20	2020-21	2021-22	2022-23	2023-24	
	<b>Interest on Loan</b>						
A	Gross Normative Loan	22142.01	22459.94	22459.94	22459.94	22459.94	
B	Cumulative Repayments up to Previous Year	15842.32	17365.77	18889.22	19349.96	19810.69	
C	Net Loan-Opening (A-B)	6299.69	5094.17	3570.72	3109.99	2649.25	
D	Additions	317.93	0.00	0.00	0.00	0.00	
E	Repayment during the year	1523.45	1523.45	460.74	460.74	460.74	
F	Net Loan-Closing (C+D-E)	5094.17	3570.72	3109.99	2649.25	2188.51	
G	Average Loan (C+F)/2	5696.93	4332.45	3340.36	2879.62	2418.88	
H	Weighted Average Rate of Interest on Loan (in %)	9.2201	9.1413	9.0723	8.8816	8.5962	
I	<b>Interest on Loan (G*H)</b>	<b>525.26</b>	<b>396.04</b>	<b>303.05</b>	<b>255.76</b>	<b>207.93</b>	

27. The details of the IoL allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020 for the Combined Assets, the IoL claimed in the instant true-up Petition, and the trued-up IoL approved in the instant order are as follows:

(₹ in lakh)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020.	528.19	402.19	310.45	266.10	220.32
Claimed in the instant true-up Petition.	525.26	396.03	303.03	255.74	207.92
Approved after true-up in this order.	525.26	396.04	303.05	255.76	207.93

#### **Return on Equity (RoE)**

28. The Petitioner has submitted that its Income Tax Assessments for the FYs 2019-20 and 2020-21 have been completed, and the Assessment Orders have been issued by the Income Tax Department. It is submitted that the income has been assessed



under the MAT regime as per Section 115JB of the Income Tax Act, 1961 (hereinafter referred to as "the IT Act, 1961"). It is further submitted that the Income Tax Returns (ITRs) have been filed for the FYs 2021-22 and 2022-23, and the filing of ITR is pending for the FY 2023-24, which shall be filed in due course, and the effective tax rate is calculated based on the applicable MAT rate.

29. It is submitted that the Petitioner is liable to pay the income tax at the MAT rates (17.472%, i.e., 15% Income Tax +12% Surcharge on Income Tax+4% Health and Education Cess on Income Tax and Surcharge) and has claimed the following effective tax rates for the 2019-24 tariff period:

Year	Claimed effective tax rate (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2019-20	17.472	18.782
2020-21	17.472	18.782
2021-22	17.472	18.782
2022-23	17.472	18.782
2023-24	17.472	18.782

30. The Petitioner has requested to allow it to claim the differential tariff on account of the trued-up Return on Equity (RoE) based on the effective tax rates calculated on completion of the Income Tax Assessment/Re-assessment for the FYs 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 on receipt of the respective Assessment Orders, directly from the beneficiaries, on a year to year basis, as provided in the regulations.

31. We have considered the Petitioner's submissions and have gone through the record. We note that the entities covered under the MAT regime are paying income tax as per the MAT rates notified for the respective financial years under the IT Act, 1961, which is levied on the book profit of the entity computed as per Section 115 JB of the IT Act, 1961. Section 115 JB (2) of the IT Act, 1961 defines book profit as the net profit in the Statement of Profit and 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 the MAT rates for the respective financial years, the notified MAT rates for the respective financial years shall be considered as the effective tax rate for the purpose of grossing up the RoE for truing up the tariff for the 2019-24 tariff period in terms of the provisions of the 2019 Tariff Regulations. Interest imposed on any additional income tax demand as per the Assessment Order of the Income Tax Authorities shall be considered on the actual payment. However, the penalty (for default on the part of the Assessee), if any, imposed shall not be taken into account for the purpose of grossing up the rate of RoE. Any under-recovery or over-recovery of the grossed-up rates on the RoE after truing-up shall be recovered from or refunded to the beneficiaries or the long-term customers, as the case may be, on a year-to-year basis. Therefore, the following effective tax rates, based on the notified MAT rates, are considered for the purpose of grossing up the rate of RoE:

Year	Notified MAT rates (in %) (inclusive of surcharge and cess)	Effective Tax (in %)	Base rate of RoE (in %)	Grossed-up RoE [(Base Rate)/(1-t)] (in %)
2019-20	17.472	17.472	15.500	18.782
2020-21	17.472	17.472	15.500	18.782
2021-22	17.472	17.472	15.500	18.782
2022-23	17.472	17.472	15.500	18.782
2023-24	17.472	17.472	15.500	18.782

32. Accordingly, the trued-up RoE allowed in respect of the Combined Assets for the 2019-24 tariff period is as follows:

	Particulars	Combined Assets				
		2019-20	2020-21	2021-22	2022-23	2023-24
	<b>Return on Equity</b>					
A	Opening Equity	9488.63	9624.89	9624.89	9624.89	9624.89
B	Additions	136.26	0.00	0.00	0.00	0.00
C	Closing Equity (A+B)	9624.89	9624.89	9624.89	9624.89	9624.89
D	Average Equity (A+C)/2	9556.76	9624.89	9624.89	9624.89	9624.89
E	Return on Equity (Base Rate) (in %)	15.500	15.500	15.500	15.500	15.500



F	MAT Rate for respective year (in %)	17.472	17.472	17.472	17.472	17.472
G	Rate of Return on Equity (in %)	18.782	18.782	18.782	18.782	18.782
H	<b>Return on Equity (D*G)</b>	1794.95	1807.75	1807.75	1807.75	1807.75

33. The details of the RoE allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020 for the Combined Assets, the RoE claimed in the instant true-up Petition, and the trued-up RoE approved for the Combined Assets in the instant order are as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020.	1795.36	1808.56	1808.56	1808.56	1808.56
Claimed in the instant true-up Petition.	1794.95	1807.74	1807.74	1807.74	1807.74
Approved after true-up in this order.	1794.95	1807.75	1807.75	1807.75	1807.75

#### **Operation and Maintenance Expenses (O&M Expenses)**

34. The Petitioner has claimed the following Operation and Maintenance Expenses (O&M Expenses) in the instant Petition:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
O&M Expenses	1225.51	1269.14	1313.67	1360.38	1406.97

35. We have considered the Petitioner's submissions. The O&M Expenses allowed for the Combined Assets as per the norms specified in the 2019 Tariff Regulations are as follows:

Particulars	Combined Assets				
	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Transmission Line: S/C (Twin &amp; Triple Conductor)</b>					
<ul style="list-style-type: none"> <li>400 kV S/C Jalandhar-Ludhiana Transmission Line (Length of Line: 84.770 km)</li> <li>400 kV S/C Malerkotla-Ludhiana Transmission Line (Length of Line: 35.735 km)</li> </ul>					
Norms as per the Regulation (₹ lakh/km)	0.503	0.521	0.539	0.558	0.578



O&M Expenses allowed	60.61	62.78	64.95	67.24	69.65
<b>Transmission Line: D/C (Twin &amp; Triple Conductor)</b>					
• LILO of 400 kV Moga-Hissar Line at Fatehabad (Twin & Triple Conductor) (Length of Line: 29.226 km)					
Norms as per the Regulation (₹ lakh/km)	0.881	0.912	0.944	0.977	1.011

O&M Expenses allowed	25.75	26.65	27.59	28.55	29.55
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#### **400 kV Bays**

##### **Fatehabad Substation**

- 2 Nos. bays for 2x315 MVA ICT-I and ICT-II.
- 2 Nos. Line Bay for LILO of 400 kV Moga-Hissar Line at Fatehabad.
- 1 No. 50 MVAr Bus Reactor Bay.

##### **Ludhiana Substation**

- 2 Nos. bays for 2x315 MVA ICT-I and ICT-II.
- 1 No. Line Bay for bays for 400 kV S/C Jalandhar-Ludhiana Transmission Line.
- 1 No. Line Bay for bays for 400 kV S/C Malerkotla-Ludhiana Transmission Line.
- 1 No. 80 MVAr Bus Reactor Bay.

##### **Jalandhar Substation**

- 1 No. Line Bay for bays for 400 kV S/C Jalandhar-Ludhiana Transmission Line.

##### **Malerkotla Substation**

- 1 No. Line Bay for bays for 400 kV S/C Malerkotla-Ludhiana Transmission Line.

##### **Hissar Substation**

- 1 No. 50 MVAr Bus Reactor Bay.

Norms as per the Regulation (₹ lakh/Bay)	32.15	33.28	34.45	35.66	36.91
O&M Expenses allowed	417.95	432.64	447.85	463.58	479.83

#### **220 kV Bays**

##### **Fatehabad Substation**

- 2 Nos. bays for 2x315 MVA ICT-I and ICT-II.
- 2 Nos. Line Bay for HVPNL-I and II.
- 1 No. Line Bay for Sarsa Line.
- 1 No. Line bay for Narwana Line.

##### **Ludhiana Substation**

- 2 Nos. bays for 2x315 MVA ICT-I and ICT-II.
- 2 Nos. Line Bay for Latonkalan-I and II.
- 1 No. Line Bay for Jagraon Line.
- 1 No. Line bay for Dhandari Line.

Norms as per the Regulation (₹ lakh/Bay)	22.51	23.30	24.12	24.96	25.84
O&M Expenses allowed	270.12	279.6	289.44	299.52	310.08



<b>ICTs</b>					
<b>Fatehabad Substation</b>					
• 2 Nos. 400/220 KV 315 MVA ICT-I and ICT-II					
<b>Ludhiana Substation</b>					
• 2 Nos. 400/220 KV 315 MVA ICT-I and ICT-II					
Norms as per the Regulation (₹ lakh/MVA)	0.358	0.371	0.384	0.398	0.411
O&M Expenses allowed	451.08	467.46	483.84	501.47	517.86
<b>Total O&amp;M Expenses allowed</b>	<b>1225.51</b>	<b>1269.14</b>	<b>1313.67</b>	<b>1360.37</b>	<b>1406.97</b>

36. Accordingly, the details of the O&M Expenses allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020, the O&M Expenses claimed in the instant true-up Petition, and the trued-up O&M Expenses approved in the instant order are as follows:

<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020.	1225.51	1269.14	1313.67	1360.38	1406.97
Claimed by the Petitioner in the instant true-up Petition.	1225.51	1269.14	1313.67	1360.37	1406.97
Approved after true-up in this order.	1225.51	1269.14	1313.67	1360.37	1406.97

#### **Interest on Working Capital (IWC)**

37. The IWC has been worked out in accordance with Regulation 34 of the 2019 Tariff Regulations. The RoI considered is 12.05% (SBI 1-year MCLR applicable as on 1.4.2019 of 8.55% plus 350 basis points) for the FY 2019-20, 11.25% (SBI 1-year MCLR applicable as on 1.4.2020 of 7.75% plus 350 basis points) for FY 2020-21, 10.50% (SBI 1-year MCLR applicable as on 1.4.2021 of 7.00% plus 350 basis points) for FYs 2021-22 and 2022-23 and 12.00% (SBI 1-year MCLR applicable as on 1.4.2023 of 8.50% plus 350 basis points) for FY 2023-24. The components of the working capital and interest allowed thereon in respect of the Combined Assets for the 2019-24 tariff period are as follows:



	Particulars	Combined Assets				
		2019-20	2020-21	2021-22	2022-23	2023-24
	<b>Interest on Working Capital</b>					
A	Working Capital for O&M Expenses (O&M Expenses for one month).	102.13	105.76	109.47	113.36	117.25
B	Working Capital for Maintenance Spares (15% of O&M Expenses)	183.83	190.37	197.05	204.06	211.05
C	Working Capital for Receivables (Equivalent to 45 days of the Annual Fixed Cost /Annual Transmission Charges)	636.93	628.82	489.30	489.37	489.53
<b>D</b>	<b>Total Working Capital (A+B+C)</b>	<b>922.89</b>	<b>924.95</b>	<b>795.82</b>	<b>806.79</b>	<b>817.83</b>
E	Rate of Interest for Working Capital (in %)	12.05	11.25	10.50	10.50	12.00
<b>F</b>	<b>Interest on Working Capital (D*E)</b>	<b>111.21</b>	<b>104.06</b>	<b>83.56</b>	<b>84.71</b>	<b>98.14</b>

38. The details of the IWC allowed vide order dated 20.5.2021 in Petition No.14/TT/2020 for the Combined Assets; IWC claimed in the instant true-up Petition, and the trued-up IWC approved in the instant order are as follows:

Particulars	₹ in lakh				
	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020.	111.26	104.16	89.73	91.01	92.10
Claimed in the instant true-up Petition.	111.21	104.06	83.56	84.71	98.14
Approved after true-up in this order.	111.21	104.06	83.56	84.71	98.14

#### **Trued-up Annual Fixed Charges for the 2019-24 Tariff Period**

39. Accordingly, the AFC allowed, after the truing-up of the tariff for the 2019-24 tariff period in respect of the Combined Assets, are as follows:

S. No.	Particulars	Combined Assets				
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Depreciation	1523.45	1523.45	460.74	460.74	460.74
B	Interest on Loan	525.26	396.04	303.05	255.76	207.93
C	Return on Equity	1794.95	1807.75	1807.75	1807.75	1807.75
D	O & M Expenses	1225.52	1269.14	1313.68	1360.38	1406.97



E	Interest on Working Capital	111.21	104.06	83.56	84.71	98.14
F	<b>Total (A+B+C+D+E)</b>	<b>5180.39</b>	<b>5100.44</b>	<b>3968.78</b>	<b>3969.34</b>	<b>3981.53</b>

40. The details of the AFC allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020 for the Combined Assets, AFC claimed in the instant true-up Petition, and the trued-up AFC approved in the instant order are as follows:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Allowed vide order dated 20.5.2021 in Petition No. 14/TT/2020.	5183.77	5107.59	3983.15	3986.78	3988.69
Claimed in the instant true-up Petition.	5180.38	5100.42	3968.74	3969.30	3981.52
Approved after true-up in this order.	5180.39	5100.44	3968.78	3969.34	3981.53

#### **Determination of the Annual Fixed Charges for the 2024-29 Tariff Period**

41. The Petitioner has claimed the following transmission charges in respect of the Combined Assets for the 2024-29 tariff period:

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
Depreciation	460.74	460.75	460.74	460.75	460.73
Interest on Loan	164.90	124.26	85.97	47.76	14.32
Return on Equity	1807.74	1807.74	1807.74	1807.74	1807.74
Interest on Working Capital	84.24	86.17	88.22	90.27	92.92
O&M Expenses	1114.62	1173.46	1234.36	1298.75	1368.28
<b>Total</b>	<b>3632.24</b>	<b>3652.38</b>	<b>3677.03</b>	<b>3705.27</b>	<b>3743.99</b>

42. The Petitioner has claimed the following IWC in respect of the Combined Assets for the 2024-29 tariff period:

Particulars	Combined Assets				
	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	92.89	97.79	102.86	108.23	114.02
Maintenance Spares	167.19	176.02	185.15	194.81	205.24
Receivables	447.81	450.29	453.33	455.57	461.59
<b>Total Working Capital</b>	<b>707.89</b>	<b>724.10</b>	<b>741.34</b>	<b>758.61</b>	<b>780.85</b>
Rate of Interest (in %)	11.90	11.90	11.90	11.90	11.90



Interest on Working Capital	84.24	86.17	88.22	90.27	92.92
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## Capital Cost

43. Regulation 19 of the 2024 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 checks in accordance with these regulations shall form the basis for the 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 and, in the event actual equity is in excess of 30% on a pari-passu basis, by treating the excess equity over and above 30% of the funds deployed as a normative loan, or (ii) being equal to the actual amount of the loan in the event of actual equity being 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 the sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 6 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 the 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).....
- (p).....

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



(a) Capital cost admitted by the Commission prior to 1.4.2024 duly trued up by excluding liability, if any, as on 1.4.2024;

(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) to (h).....

(i) Expenditure on account of change in law and force majeure events;

(4) & (5) .....

(6) 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 obsolescence;

(c) De-capitalised Assets on account of upgradation or shifting from one project to another project:

Provided that in case such an asset is recommended for further utilisation by the Regional Power Committee in consultation with CTU, such asset shall be de-capitalised from the original project only after its redeployment;

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

(d) .....

(e) Proportionate cost of land of the existing generation or transmission project, as the case may be, which is being used for generating power from a generating station based on renewable energy as may be permitted by the Commission; and

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

44. The Petitioner has claimed the following capital cost for the Combined Assets during the 2024-29 tariff period:

Asset	Cost as per the FR	Expenditure as on 31.3.2024	Projected ACE in the 2024-29 Tariff Period	Estimated Completion Cost as on 31.3.2029
			2024-29	
Combined Assets	32690.00	32084.83	0.00	32084.83



45. We have considered the Petitioner's submissions. The trued-up capital cost of ₹32084.83 lakh as on 31.3.2024 for the Combined Assets as approved by the Commission in the instant order is being considered as the opening capital cost as on 1.4.2024 in respect of the Combined Assets for the determination of the AFC for the 2024-29 tariff period in accordance with Regulation 19(3)(a) of the 2024 Tariff Regulations.

### **Additional Capital Expenditure (ACE)**

46. Regulations 24 and 25 of the 2024 Tariff Regulations provide as follows:

#### ***“24. Additional Capitalisation within the original scope and up to the cut-off date***

(1) *The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:*

- (a) *Payment made towards admitted liabilities for works executed up to the cut-off date;*
- (b) *Works deferred for execution;*
- (c) *Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 23 of these regulations;*
- (d) *Payment against the award of arbitration or for compliance with the directions or order of any statutory authority or order or decree of any court of law;*
- (e) *Change in law or compliance with any existing law which is not provided for in the original scope of work;*
- (f) *For uninterrupted and timely development of Hydro projects, expenditure incurred towards developing local infrastructure in the vicinity of the power plant not exceeding Rs. 10 lakh/MW shall be considered as part of capital cost and in case the same work is covered under budgetary support provided by Government of India, the funding of such works shall be adjusted on receipt of such funds;*  
*Provided that such expenditure shall be allowed only if the expenditure is incurred through Indian Governmental Instrumentality; and*
- (g) *Force Majeure events:*

*Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.*

(2) *The generating company or the transmission licensee, as the case may be shall submit the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution.*

#### ***25. Additional Capitalisation within the original scope and after the cut-off date:***

(1) *The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of*



*work and after the cut-off date may be admitted by the Commission, subject to prudence check:*

- (a) *Payment made against award of arbitration or for compliance with the directions or order of any statutory authority, or order or decree of any court of law;*
- (b) *Change in law or compliance with any existing law which is not provided for in the original scope of work;*
- (c) *Deferred works relating to ash pond or ash handling system or raising of ash dyke in the original scope of work;*
- (d) *Payment made towards liability admitted for works within the original scope executed prior to the cut-off date;*
- (e) *Force Majeure events;*
- (f) *Works within original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made; and*

(2) *In case of replacement of assets deployed under the original scope of the existing project after the cut-off date, the additional capitalization may be admitted by the Commission after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:*

- (a) *Assets whose useful life is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;*
- (b) *The replacement of the asset or equipment is necessary on account of a change in law or Force Majeure conditions;*
- (c) *The replacement of such asset or equipment is necessary on account of obsolescence of technology; and*
- (d) *The replacement of such asset or equipment has otherwise been allowed by the Commission.*
- (e) *The additional expenditure, excluding recurring expenses covered in O&M expenses, involved in relation to the renewal of lease of lease hold land on case to case basis.*

*Provided that any claim of additional capitalization with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than Rs. 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses.”*

47. The Petitioner has claimed 'NIL' ACE for the 2024-29 tariff period.
48. We have considered the Petitioner's submissions. Since the Petitioner has not projected any ACE for the 2024-29 tariff period, the ACE allowed in respect of the Combined Assets for the 2024-29 tariff period is " NIL"
49. Accordingly, the details of the capital cost and ACE allowed in respect of the Combined Assets for the 2024-29 tariff period are as follows:



Asset	Capital Cost admitted as on 31.3.2024	ACE Allowed					Capital Cost allowed as on 31.3.2029
		2024-25	2025-26	2026-27	2027-28	2028-29	
Combined Assets	32084.83	0.00	0.00	0.00	0.00	0.00	32084.83

### Debt-Equity Ratio

50. Regulation 18 of the 2024 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 the approval of the competent authority in other cases regarding the 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 the communication system declared under commercial operation prior to 1.4.2024, the debt-equity ratio allowed by the Commission for the determination of tariff for the period ending 31.3.2024 shall be considered:

*Provided that in case of a generating station or a transmission system, including a communication system which has completed its useful life as on 1.4.2024 or is completing its useful life during the 2024-29 tariff period, if the equity actually deployed 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 96 of these regulations.*

