

**True Up Order for Truing Up of Tariff
for Sale of Power from Baspa-II, 300
MW HEP to HPSEB Ltd. for the First
MYT Control Period (FY09-FY11)**



April 23, 2012

**Himachal Pradesh Electricity Regulatory
Commission**

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION AT SHIMLA**

CASE NO.124/2011 and 135/2011

CORAM

SUBHASH CHANDER NEGI

IN THE MATTER OF:

Truing up of tariff for sale of power from Baspa II 300 MW HEP to HPSEB Ltd for the First Control Period (FY09-FY11)

AND

IN THE MATTER OF:

Application for Truing up of Tariff for sale of power from Baspa-II Hydro Electric Plant to HPSEB Ltd. for FY 2003-04 to FY 2010-11 and Revision of Tariff for the Control Period FY 2011-12 to FY 2013-14 pursuant to Order dated 21.10.2011 passed by Appellate Tribunal for Electricity in Appeal No. 39/2010 in respect of payment of MAT.

M/s Jaiprakash Power Ventures Ltd. (hereinafter referred to as “the Petitioner”) has filed petitions with the Himachal Pradesh Electricity Regulatory Commission for truing up of tariff for sale of power from Baspa II, 300 MW Hydro electric power Plant located on River Baspa (tributary of River Satluj), District Kinnaur (H.P.) to the Himachal Pradesh State Electricity Board Limited for the First Control Period (FY09 to FY11), determined by the Himachal Pradesh Electricity Regulatory Commission (hereinafter referred to as “the Commission”). The Commission after considering the petition filed by the Petitioner, the facts presented by the Petitioner in its various filings, objections received by the Commission from the Himachal Pradesh State Electricity Board Limited and consumers, the issues raised in the hearings at Shimla, the responses of the Petitioner to the objections and documents available on record and in exercise of the powers vested in it under Sections 62 and 86 of the Electricity Act, 2003 (Act No. 36 of 2003) and read with the Himachal Pradesh Electricity Regulatory Commission (Terms & Conditions for Determination of Hydro Generation Tariff) Regulations, 2007, passes the following Order for Truing up of tariffs for 300 MW Baspa II Hydro Electric Power Plant for the period FY09 to FY11. The Commission has detailed the reasons for modifying/disallowing expenditure in its order.

This Order is subject to the decision to be taken by the Hon’ble Supreme Court in the Appeals filed before it by the HPSEBL challenging the Orders of the Hon’ble ATE in Appeals No. 39/2010 and 43/2011.

Shimla

Dated: April 23, 2012

(Subhash Chander Negi)

Chairman

Table of Contents

BACKGROUND.....	5
<i>Multi Year Tariff Regulations</i>	<i>5</i>
<i>Procedural Background.....</i>	<i>6</i>
<i>Admission Hearing.....</i>	<i>6</i>
<i>Public Hearings</i>	<i>6</i>
<i>Interaction with the Petitioner</i>	<i>7</i>
OBJECTION FILED BY STAKEHOLDERS	9
<i>Petitioner's Response.....</i>	<i>9</i>
<i>Commission's Views:</i>	<i>9</i>
ANALYSIS OF THE TRUE UP TARIFF PETITION FOR THE CONTROL PERIOD	10
INTRODUCTION	10
COMPUTATION OF TARIFF	10
<i>Capacity Charges.....</i>	<i>10</i>
<i>Primary Energy Charges</i>	<i>10</i>
<i>Incentive for Secondary Energy and Higher Plant Availability.....</i>	<i>11</i>
<i>Tax on Income.....</i>	<i>11</i>
ENERGY GENERATION FROM THE PLANT.....	11
<i>Actual Energy Generation and Plant Availability for FY04 – FY11.....</i>	<i>11</i>
<i>Additional Capital Cost.....</i>	<i>12</i>
<i>Interest on Loans.....</i>	<i>13</i>
<i>Depreciation and Advance Against Depreciation.....</i>	<i>45</i>
<i>Operations and Maintenance Expenses</i>	<i>46</i>
<i>Return on Equity</i>	<i>47</i>
<i>Interest on Working Capital.....</i>	<i>48</i>
<i>Incentive for Secondary Energy and Higher Plant Availability.....</i>	<i>48</i>
<i>Income Tax.....</i>	<i>49</i>
<i>Amortisation of Cost of Debt Restructuring.....</i>	<i>51</i>
<i>Export of Energy by the Board to JHPL</i>	<i>51</i>
ANNUAL FIXED CHARGE FOR BASPA II HEP	52
<i>Interest on Arrears Payable by the Board.....</i>	<i>53</i>

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

List of Tables

TABLE 1:	7
TABLE 2: NET SALEABLE ENERGY FROM BASPA II HEP	11
TABLE 3: ACTUAL ENERGY GENERATION AND PLANT AVAILABILITY FOR FY04-FY11	12
TABLE 4: APPROVED CAPITAL COST AND MEANS OF FINANCE IN MYT ORDER FOR FY09-FY11	12
TABLE 5: ADDITIONAL CAPITALISATION APPROVED BY THE COMMISSION	12
TABLE 6: ADDITIONAL CAPITAL EXPENDITURE FUNDING (RS. CR.)	13
TABLE 7: INSTITUTION/ BANK WISE RATE OF INTEREST	14
TABLE 8: INTEREST RATES FOR FCL	17
TABLE 9: IDBI BANK LOAN DETAILS	18
TABLE 10: TRUED UP IDBI BANK LOAN REPAYMENT AND INTEREST (RS CR)	19
TABLE 11: PFC LOAN DETAILS	19
TABLE 12: TRUED UP PFC LOAN REPAYMENT AND INTEREST (RS CR)	20
TABLE 13: IFCI NCDs/ UTI BANK NCD LOAN DETAILS	20
TABLE 14: TRUED UP IFCI NCDs/ UTI BANK NCD REPAYMENT AND INTEREST (RS CR)	21
TABLE 15: IIBI BANK LOAN DETAILS	21
TABLE 16: TRUED UP IIBI BANK LOAN REPAYMENT AND INTEREST (RS CR)	22
TABLE 17: ICICI BANK NCDs DETAILS	22
TABLE 18: TRUED UP ICICI BANK NCDs REPAYMENT AND INTEREST (RS CR)	23
TABLE 19: LIC LOAN DETAILS	23
TABLE 20: TRUED UP LIC LOAN REPAYMENT AND INTEREST (RS CR)	23
TABLE 21: BANK OF BARODA LOAN DETAILS	24
TABLE 22: TRUED UP BOB LOAN REPAYMENT AND INTEREST (RS CR)	24
TABLE 23: PUNJAB NATIONAL BANK LOAN DETAILS	25
TABLE 24: TRUED UP PNB LOAN REPAYMENT AND INTEREST (RS CR)	25
TABLE 25: INDIAN OVERSEAS BANK LOAN DETAILS	26
TABLE 26: TRUED UP IOB LOAN REPAYMENT AND INTEREST (RS CR)	27
TABLE 27: CENTRAL BANK OF INDIA LOAN DETAILS	27
TABLE 28: TRUED UP CBI LOAN REPAYMENT AND INTEREST (RS CR)	28
TABLE 29: STATE BANK OF INDORE LOAN DETAILS	29
TABLE 30: TRUED UP SBOI LOAN REPAYMENT AND INTEREST (RS CR)	29
TABLE 31: STATE BANK OF PATIALA LOAN DETAILS	30
TABLE 32: TRUED UP SBOP LOAN REPAYMENT AND INTEREST (RS CR)	30
TABLE 33: STATE BANK OF MYSORE LOAN DETAILS	31
TABLE 34: TRUED UP SBOM LOAN REPAYMENT AND INTEREST (RS CR)	32
TABLE 35: STATE BANK OF TRAVANCORE LOAN DETAILS	32
TABLE 36: TRUED UP SBOT LOAN REPAYMENT AND INTEREST (RS CR)	33
TABLE 37: STATE BANK OF HYDERABAD LOAN DETAILS	33
TABLE 38: TRUED UP SBOH LOAN REPAYMENT AND INTEREST (RS CR)	34
TABLE 39: IFCI LOAN DETAILS	34
TABLE 40: TRUED UP IFCI LOAN REPAYMENT AND INTEREST (RS CR)	35
TABLE 41: IDBI LOAN DETAILS	35
TABLE 42: TRUED UP IDBI LOAN REPAYMENT AND INTEREST (RS CR)	35
TABLE 43: YES BANK LOAN DETAILS	36
TABLE 44: TRUED UP YES BANK LOAN REPAYMENT AND INTEREST (RS CR)	36
TABLE 45: NORMATIVE LOAN DETAILS	36
TABLE 46: TRUED UP NORMATIVE LOAN REPAYMENT AND INTEREST (RS CR)	37
TABLE 47: EXCHANGE RATE RS/ USD	37
TABLE 48: CREDIT LYONNAIS LOAN DETAILS	38
TABLE 49: TRUED UP CREDIT LYONNAIS LOAN REPAYMENT AND INTEREST	38
TABLE 50: EXCHANGE RATE RS/ USD	39
TABLE 51: HYPOVEREINSBANK LOAN DETAILS	39
TABLE 52: TRUED UP HYPOVEREINSBANK LOAN REPAYMENT AND INTEREST	40
TABLE 53: EXCHANGE RATE RS/ USD	41
TABLE 54: VA TECH FINANCE LOAN DETAILS	41
TABLE 55: TRUED UP VA TECH FINANCE LOAN REPAYMENT AND INTEREST	42
TABLE 56: IDBI FOREIGN CURRENCY LOAN DETAILS	43

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

TABLE 57: TRUED UP IDBI FOREIGN CURRENCY LOAN REPAYMENT AND INTEREST	44
TABLE 58: INTEREST CHARGES ON OUTSTANDING LOANS (RS CR)	44
TABLE 59: INTEREST CHARGES ON OUTSTANDING LOANS (RS CR)	45
TABLE 60: TRUED UP DEPRECIATION AND AAD (RS CR)	45
TABLE 61: TRUED UP OPERATIONS & MAINTENANCE EXPENSES (RS CR)	47
TABLE 62: TRUED UP RETURN ON EQUITY FOR THE PERIOD FY04 TO FY08 (RS CR).....	47
TABLE 63: TRUED UP INTEREST ON WORKING CAPITAL FOR THE PERIOD FY04 TO FY11 (RS CR).....	48
TABLE 64: TRUED UP INCENTIVE FOR SECONDARY ENERGY FOR THE PERIOD FY04-FY08	49
TABLE 65: TRUED UP INCENTIVE FOR HIGHER PLANT AVAILABILITY FOR THE PERIOD FY04-FY08.....	49
TABLE 66: TRUED UP INTEREST ON DEBT RESTRUCTURING FOR THE FY04 TO FY11 (RS CR)	51
TABLE 67: ENERGY EXPORTED BY HPSEB TO JHPL	51
TABLE 68: TRUED UP ANNUAL FIXED CHARGES FOR THE PERIOD FY04 TO FY11 (RS CR).....	52
TABLE 69: JOINTLY RECONCILED STATEMENT OF PAYMENTS MADE BY HPSEBL TO JVPL (RS CR)	53
TABLE 70: ARREARS PAYABLE BY THE BOARD (RS CR)	54

A1: BACKGROUND

- 1.1 M/s Jaiprakash Power Ventures Limited (hereinafter referred to as “the Petitioner” or “JPVL”), JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat – 173215, Distt. Solan, H.P. is a “generating company” falling within the definition of section 2 (28) of the Electricity Act, 2003 (hereinafter referred to as the “Act”). The Petitioner has filed Two (2) No. petitions on dates 18th November, 2011 and 8th December, 2011 with the Himachal Pradesh Electricity Regulatory Commission (hereinafter referred to as “the Commission”) under sections 62 and 86 of the Act, read with the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2007 seeking true up of tariff for sale of electricity generated at Baspa II 300 MW hydro electric power plant on River Baspa, a tributary of River Satluj, District Kinnaur, Himachal Pradesh (hereinafter referred to as “the Project” or “Baspa II”) to the Himachal Pradesh State Electricity Board Limited (hereinafter referred to as the “HPSEBL”), a “deemed licensee” under the Act, engaged in generation and distribution of electricity in the State of Himachal Pradesh in pursuance of the Power Purchase Agreement (PPA) dated 4th June 1997.
- 1.2 This Order relates to the determination of Truing up of tariff for sale of electricity from Baspa II 300 MW hydro electric power plant to HPSEBL for each year of the Control Period (FY09 – FY11) under the Multi Year Tariff regime. The Commission has also revised the annual fixed cost for FY04-FY07 on account of the additional capitalisation approved by the Commission in its Order dated 24th January, 2011.
- 1.3 The Commission has reviewed the operational and financial performance of the Petitioner for previous years and has finalised this Order based on the PPA between the M/s JPVL and HPSEBL, review and analysis of the past records, information filed by the Petitioner in the petition and other submissions in response to queries raised by the Commission and views expressed by the stakeholders.

Multi Year Tariff Regulations

- 1.4 The Commission vide notification dated 10th October, 2007 had specified the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2007.

“10. True Up

- (1) *The true up across various controllable parameters shall be conducted as per principles stated below: -*
- (a) *any surplus and deficit on account of O&M expenses shall be to the account of the generating company and shall not be trued up in ARR; and*
 - (b) *at the end of the control period –*
 - (i) *the Commission shall review actual capital investment vis-à-vis approved capital investment;*
 - (ii) *depreciation and financing cost, which includes cost of debt including working capital (interest), cost of equity (return) shall be trued up on the basis of actual/audited information and prudence check by the Commission.*

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

(2) Notwithstanding anything contained in these regulations, the gains or losses in the controllable items of ARR on account of force majeure factors shall be passed on as an additional charge or rebate in ARR over such period as may be laid down in the order of the Commission.

- 1.5 This Order relates to Truing Up for the First Control Period (FY09-FY11) for the Baspa II HEP.

Procedural Background

- 1.6 The Commission had issued an Order dated 24th February 2007, approving the capital cost of the Baspa II 300 MW Hydro Electric Project at Rs.1533.96 Cr for the purpose of determination of tariff and had approved the tariff for the initial 5 years from FY04 to FY08.
- 1.7 The Petitioner filed a petition on 30th November 2007 with the Commission for determination of tariff for the Control Period FY09 to FY11. The Commission vide its Order dated 30th March 2009 and vide review orders dated 10th September 2009 and 23rd June 2010 approved the tariff for the Control Period FY09 to FY11 and trued up the tariff for the period FY04 to FY08.
- 1.8 The Commission by an order dated 24th Jan 2011, passed in Petition No 11/2010, revised the Annual Revenue Requirement for FY07 to FY11 on account of additional capitalisation allowed due to Force Majeure event and expenditure on Inter-Connection facility and additional O&M Expenses on Inter-Connection facility. The said order was challenged in Appeal No. 43/2011 before the Hon'ble ATE and the decision taken thereon is further stated to be challenged before the Hon'ble Supreme Court.

Admission Hearing

- 1.9 The Commission vide its Interim Order dated 12th December, 2011 admitted the petition No. 124/2011 and directed the petitioner to implead necessary parties and vide Interim Order dated 18th February, 2012 directed the petitioner to publish this petition in abridged form in accordance with Section 64(2) of the Act.
- 1.10 Vide Interim Order dated 03rd January, 2012 the Commission admitted the petition No. 135/2011 and directed the Petitioner to implead necessary parties and publish the abridged form of the petition in accordance with Section 64(2) of the Act.

Public Hearings

- 1.11 The Petitioner in compliance with the interim orders dated 3rd January, 2012 and 18th February, 2012 in case Nos. 135/2011 and 124/2011 respectively, published the salient features of the petition in the following newspapers:-
- (a) In Case No 135/2011.- The Tribune (English newspaper) and the Divya Himachal (Hindi newspaper) dated 18th January, 2012 and 21st January, 2012;

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

- (b) In Case No. 124/2011.- The Tribune (English newspaper) and the Divya Himachal (Hindi newspaper) dated 5th March, 2012 and 8th March, 2012.
- 1.12 Subsequent to the publication of the initial disclosure by the petitioner, the Commission in accordance with Section 64(3) of the Act, invited suggestions and objections from the public on the True-Up petitions filed by the Petitioner. . The public notice, issued by the Commission, inviting objections/ suggestions was published in the following newspapers:-
- (a) In Case No. 135/2011.- The Tribune (English newspaper) and the Punjab Kesari (Hindi newspaper) dated 20th January, 2012. A separate public Notice was also issued through publications in the newspapers The Indian Express (English newspaper) and the Divya Himachal (Hindi newspaper) dated 26th February, 2012 informing of the scheduled date of Public Hearing as 6th March, 2012.
- (b) In case No. 124/2011.- The Indian Express (English newspaper) and the Amar Ujala (Hindi newspaper) dated 7th March, 2012. This publication also included in it the scheduled date fixed for the Public Hearing as 24th March, 2012.
- 1.13 Through the aforementioned publications, the interested parties/ stakeholders were asked to file their objections and suggestions on the petitions and rejoinders to the Replies filed by the Petitioner for which dates were specified by the Commission through the publications.. The Commission received objections/ suggestions from only one stakeholder which is the HPSEBL by the stipulated date.
- 1.14 Because both the aforementioned Petitions pertained to the True-Up of Baspa-II, therefore the Public Hearing in both these cases was clubbed and held on 24th March, 2012 in the Commission's Court Room in Shimla.
- 1.15 The objections, issues and concerns raised by the stakeholders, consumer representatives and HPSEBL, the responses along with the submissions of the Petitioner and the views of the Commission are detailed in Chapter A3 of this Order.

Interaction with the Petitioner

- 1.16 During the interim period, the JPVL in order to address the data/information gaps, made several submissions through various filings in the Commission. These are as shown in the following Table 1:-

Table 1: Petitions/Applications filed by JPVL before the Commission

Case No.	Date of Filing	In the matter of:			
124/2011	18.11.2011	Application for the truing up of Tariff for sale of power from Baspa II HEP to HPSEB Ltd for the Control Period FY 2008-09 to FY 2010-11			
Miscellaneous Applications (MA) Filed in Case No 124/2011					
MA No.	Date	MA No.	Date	MA No.	Date
10/2012	31/01/2012	29/2012	18/02/2012	39/2012	29/02/2012
52/2012	15/03/2012	57/2012	22/03/2012	65/2012	31/03/2012

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Case No.	Date of Filing	In the matter of:			
135/2011	08/12/2011	Application for Truing up of Tariff for sale of power from Baspa-II Hydro Electric Plant to HPSEB Ltd. for FY 2003-04 to FY 2010-11 and Revision of Tariff for the Control Period FY 2011-12 to FY 2013-14 pursuant to Order dated 21.10.2011 passed by Appellate Tribunal for Electricity in Appeal No. 39/2010 in respect of payment of MAT.			
Miscellaneous Applications (MA) Filed in Case No 135/2011					
MA No.	Date	MA No.	Date	MA No.	Date
09/2012	31/01/2012	30/2012	18/02/2012	40/2012	29/02/2012
48/2012	06/03/2012	62/2012	29/03/2012	64/2012	31/03/2012
76/2012	19/04/2012				

- 1.17 HPSEBL vide MA Nos. 25/2012 and 26/2012 dated 17th February, 2012 filed their objections / replies to the JPVL petitions.

A2: OBJECTION FILED BY STAKEHOLDERS

- 2.1 HPSEBL being the lone objector filed written objections to the True Up Petitions filed by the JPVL. The public hearing was held on date 24th March, 2012, in the Commission's Court Room in Shimla. Issues raised by the HPSEBL along with replies given to the objections by the Petitioner and views of the Commission are detailed hereafter:
- 2.2 SBI PLR specified in the petition is as on 31st March of the respective financial year, however the applicable SBI PLR should be as on 1st April of the respective year.
- 2.3 The reconciled statement jointly signed between HPSEBL and JVPL for FY11 has not been submitted in the Petition. Instead of this, an annual statement of amount received for FY11 has been submitted. It has not been accounted for in the lease rent of 3.95 Cr deducted by HPSEBL and Rs 15.83 Cr payment made by HPSEBL on account of Order of Hon'ble APTEL in appeal No 43 of 2011 against HPERC Order dated 24th January 2011 in case no 11/2010.

Petitioner's Response

- 2.4 Petitioner has not submitted any written response on the objections raised by the HPSEBL.

Commission's Views:

- 2.5 The Commission has analysed and determined the various components of tariff in accordance with the various provisions of the PPA dated 04.06.1997 signed between the Petitioner and HPSEBL.

A3: ANALYSIS OF THE TRUE UP TARIFF PETITION FOR THE CONTROL PERIOD

Introduction

- 3.1 This chapter details the analysis of the True Up Petition filed by the Petitioner for the first MYT Control Period from FY09 to FY11 for determination of tariff for sale of energy to HPSEBL.
- 3.2 The Commission has finalised this Order based on the review and analysis of the tariff petition, information submissions, clarifications submitted by the Petitioner and objections/issues and views raised by stakeholders during the public hearing. This chapter contains the detailed analysis of the various components of tariff based on various submissions of the Petitioner.

Computation of Tariff

- 3.3 As per the PPA, the tariff for 88% of the energy generated by Baspa II HEP comprises of five parts -
- (a) Capacity Charges
 - (b) Primary Energy Charges
 - (c) Incentive for Secondary Energy
 - (d) Incentive for Higher Plant Availability
 - (e) Tax on Income

Capacity Charges

- 3.4 The capacity charges as per Section 8.6 of the PPA is a sum of -
- (a) Interest on outstanding loan due during the tariff year, as per the loans approved by the Commission while approving the project cost;
 - (b) Depreciation and Advance Against Depreciation for the tariff year, as per the Section 8.6.5 of the PPA; and
 - (c) Leasing Charges.

Primary Energy Charges

- 3.5 The primary energy charges, as per Section 8.7 of the PPA, is a sum of -
- (a) Operations and Maintenance Charges, computed as per Section 8.7.2 of the PPA;

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

- (b) Return on Equity, computed as per Section 8.7.3 of the PPA on the equity component approved by the Commission;
- (c) Interest on Working Capital, as per Section 8.7.4 of the PPA; and
- (d) Other Miscellaneous Charges, as defined under Section 8.7.5 of the PPA.

Incentive for Secondary Energy and Higher Plant Availability

- 3.6 The incentive for secondary energy, calculated as per Section 8.9 of the PPA, and incentive for higher plant availability, calculated as per the Section 8.10 of the PPA, has been detailed in the relevant paragraphs of this Order.

Tax on Income

- 3.7 The tax on income shall be computed as per Section 8.11 of the PPA and has been discussed in detail in the relevant paragraphs of this Order.

Energy Generation from the Plant

- 3.8 The Schedule IX-A of the PPA provides the details of the design energy of the plant which is 1213.18 MU per annum. As per clause 8.12 of the PPA, the net saleable energy from the plant shall be equal to 88% (after excluding the 12% free energy to Government of Himachal Pradesh) of the energy worked out by deducting

- (a) 0.50% auxiliary consumption
- (b) 0.50% transformation losses
- (c) 0.65% transmission losses

- 3.9 The net saleable energy has been considered by the Commission as per the PPA and shown in the following Table 2:

Table 2: Net Saleable Energy from Baspa II HEP

Particular	Unit	
Design Energy	MU	1213.18
Auxiliary Consumption	%	0.50%
Transformation losses	%	0.50%
Transmission loss to grid	%	0.65%
Share of Available Power	%	88.00%
Net Saleable Energy	MU	1050.06

Actual Energy Generation and Plant Availability for FY04 – FY11

- 3.10 The Commission has considered the actual generation of energy and plant availability for each year of the Control Period, as detailed in the following Table 3:-

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Table 3: Actual Energy Generation and Plant Availability for FY04-FY11

Particulars	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Generation of Energy (MU)								
Primary Energy	940.41	1041.93	1028.50	1050.06	1050.06	1050.06	1050.06	1050.06
Secondary Energy	53.47	0.00	0.00	71.48	71.20	81.40	88.97	155.00
Total Energy (excluding Free Energy)	993.88	1041.93	1028.50	1121.54	1121.26	1131.46	1139.03	1205.06
Plant Availability (%)								
Normative	90%	90%	90%	90%	90%	90%	90%	90%
Actual	96.80%	99.80%	95.65%	98.83%	99.91%	99.65%	99.83%	98.92%

Additional Capital Cost

3.11 The Commission had considered the capital cost of Rs 1533.96 Cr in its MYT Order dated 30th March 2009, as detailed in the following Table 4:-

Table 4: Approved Capital Cost and Means of Finance in MYT Order for FY09–FY11

Particulars	Amount (Rs Cr)
Capital Cost of Project	1533.96
Means of Finance	
Equity	460.19
Debt	1073.77
Foreign Currency Loan	203.26
Rupee Term Loan	870.52
Total	1533.96

3.12 The Petitioner filed a Petition No 11 of 2010 seeking approval of additional cost incurred on the restoration and protection of pothead yard, additional cost of interconnection facility and compensation for land and other issues. The Commission passed its Order on the Petition No 11 of 2010 on 24th January, 2011.

3.13 The Commission had approved the following additional capitalisation in the aforesaid order, as detailed in the following Table 5:-

Table 5: Additional Capitalisation approved by the Commission

	Annual Capital Expenditure			Deletion against slope protection works prior to COD of Project	Cumulative Capital Expenditure
	Force Majeure	Paid to SJVNL	Annual Total		
FY07	46.34	-	46.34	2.67	43.67
FY08	40.24	-	40.24	-	83.91
FY09	10.17	-	10.17	-	94.08
FY10	-	1.80	1.80	-	95.88

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

- 3.14 The Commission considered the normative debt equity ratio of 70:30 for funding of the additional capitalization in terms of Regulation 13 of the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2007, as detailed in the following Table 6:

Table 6: Additional Capital Expenditure Funding (Rs. Cr.)

Particulars	FY06	FY07	FY08	FY09	FY10
Opening Capital Cost of Project	1533.96	1533.96	1577.63	1617.87	1628.04
Additional capitalization		43.67	40.24	10.17	1.80
Total Cost End of the Year	1533.96	1577.63	1617.87	1628.04	1629.84
Means of Finance					
Opening Equity	460.19	460.19	473.29	485.36	488.41
Additional Equity		13.10	12.07	3.05	0.54
Closing Equity	460.19	473.29	485.36	488.41	488.95
Opening Debt (Gross)	1073.77	1073.77	1104.34	1132.51	
Additional Debt		30.57	28.17	7.12	1.26
<i>Yes Bank Loan</i>		25.75			
<i>Normative Loan</i>		4.82	28.17	7.12	1.26
Closing Debt (Gross)	1073.77	1104.34	1132.51	1139.63	1140.89
Total	1533.96	1617.87	1628.04	1629.84	1629.84

- 3.15 HPSEBL filed an Appeal No 43 of 2011 with the Hon'ble Appellate Tribunal for Electricity and subsequently filed an interlocutory application IA-65 of 2011 seeking a stay on the Order dated 24th January, 2011. Hon'ble ATE in its Order dated 29th March 2011 on IA-65 of 2011, granted conditional Order of Stay and directed HPSEBL to deposit Rs 15 Cr with the Petitioner (JPVL) by 31st March, 2011, as against Rs 65.12 Cr determined by the Commission in its Order dated 24th January, 2011.
- 3.16 Hon'ble Appellate Tribunal in its judgement dated 6th February, 2012 has upheld the Commission's Order. In this Order, the Commission has considered the additional capital expenditure as approved in its Order dated 24th January, 2011.

Interest on Loans

- 3.17 For true up of interest on loans, the Commission directed to provide details of the applicable interest rate for various loans availed by the Petitioner during FY08-FY11.
- 3.18 The Commission, while true up the interest on loans, has considered the loan amount, repayment amount as approved in its earlier Orders.
- 3.19 Based on the various submissions of the Petitioner duly supported by documentary evidence, the rates of interest charged by the institutions and bank during the period FY04 to FY11 and considered by the Commission for true up are shown in the following Table 7:-

Table 7: Institution/ Bank Wise Rate of Interest

Loan	Applicable Rate of Interest		
	p.a.	From	To
IDBI	18.50%	1-Apr-03	31-Dec-03
	10.50%	1-Jan-04	Till Date
PFC*	16.84%	1-Apr-03	31-Mar-04
	16.19%	1-Apr-04	31-Mar-06
	16.84%	1-Apr-06	14-Oct-08
	10.50%* Revised	15-Oct-04	31-Mar-06
	11.15%* Revised	1-Apr-06	14-Oct-07
	13.15%* Revised	15-Oct-07	Till Date
IFCI Deb/ UTI Bank	17.30%	1-Apr-03	11-Aug-04
	10.00%	12-Aug-04	Till Date
IIBI	18.50%	1-Apr-03	31-Mar-05
	10.50%	1-Apr-05	30-Nov-09
	11.50%	1-Dec-09	Till Date
ICICI NCD	17.64%	1-Apr-03	14-Sep-03
	12.50%	15-Sep-03	31-Dec-03
	10.50%	1-Jan-04	14-Jun-05
	8.50%	15-Jun-05	14-Jun-08
	13.15%	15-Jun-08	Till Date
LIC	17.38%	1-Apr-03	31-Dec-03
	10.50%	1-Jan-04	Till Date
Bank of Baroda	15.50%	1-Apr-03	30-Jun-03
	14.25%	1-Jul-03	31-Dec-03
	10.50%	1-Jan-04	30-Apr-06
	11.00%	1-May-06	31-Jul-06
	11.50%	1-Aug-06	31-Dec-06
	12.00%	1-Jan-07	14-Feb-07
	12.50%	15-Feb-07	4-Apr-07
	13.25%	5-Apr-07	31-Jul-07
	10.50%	1-Aug-07	31-Jul-08
	11.75%	1-Aug-08	Till Date
Punjab National Bank	15.25%	1-Apr.-03	31-May-03
	15.00%	1-Jun-03	31-Dec-03
	10.50%	1-Jan-04	31-Jul-06
	11.25%	1-Aug-06	28-Nov-06
	10.50%	29-Nov-06	Till Date
Indian Overseas Bank	15.50%	1-Apr-03	30-Jun-03
	14.75%	1-Jul-03	31-Dec-03

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Loan	Applicable Rate of Interest		
	p.a.	From	To
	14.00%	1-Jan-04	30-Jun-04
	11.00%	1-Jul-04	31-Aug-04
	10.50%	1-Sep-04	31-Dec-06
	11.50%	1-Jan-07	14-Feb-07
	12.00%	15-Feb-07	8-Apr-07
	12.75%	9-Apr-07	31-Aug-08
	10.50%	1-Sep-08	31-Mar-10
	10.50%* Revised	1-Jan-04	31-Dec-06
	10.50%* Revised	1-Apr-07	31-Mar-10
Central Bank of India	14.50%	1-Apr-03	31-Dec-03
	14.00%	1-Jan-04	30-Sep-04
	10.50%	1-Oct-04	21-Jan-07
	11.00%	22-Jan-07	28-Feb-07
	11.50%	1-Mar-07	25-Apr-07
	12.00%	26-Apr-07	28-Mar-08
	11.00%	29-Mar-08	6-Jun-08
	Pre-Paid on 6 June 2008		
State Bank of Indore	13.75%	1-Apr-03	28-Jul-03
	13.50%	29-Jul-03	31-Dec-03
	10.50%	1-Jan-04	23-May-06
	11.00%	24-May-06	11-Apr-07
	11.50%	12-Apr-07	31-Mar-08
	10.50%* Revised	1-Apr-07	31-Mar-11
State Bank of Patiala	13.35%	1-Apr-03	30-Jun-03
	13.10%	1-Jul-03	30-Sep-04
	10.50%	1-Oct-04	30-Apr-06
	11.00%	1-May-06	31-July-06
	11.25%	1-Aug-06	26-Dec-06
	11.75%	27-Dec-06	18-Feb-07
	12.50%	19-Feb-07	9-Apr-07
	13.00%	10-Apr-07	18-May-08
Pre-Paid on 18 May 2008			
State Bank of Mysore	14.00%	1-Apr-03	31-Dec-03
	10.50%	1-Jan-04	21-May-06
	11.00%	22-May-06	27-Dec-06
	11.50%	28-Dec-06	15-Feb-07
	12.00%	16-Feb-07	9-Apr-07
	12.75%	10-Apr-07	9-Aug-08
	13.75%	10-Aug-08	09-Nov-08

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Loan	Applicable Rate of Interest		
	p.a.	From	To
	13.00%	10-Nov-08	13-Dec-08
	10.50%* Revised	1-Jan-04	23-May-06
	10.50%* Revised	1-Apr-07	13-Dec-08
	Pre-Paid on 13 December 2008		
State Bank of Travancore	13.75%	1-Apr-03	18-May-03
	13.50%	19-May-03	31-Dec-03
	10.50%	1-Jan-04	30-Jun-06
	11.00%	1-Jul-06	31-Dec-06
	11.50%	1-Jan-07	14-Feb-07
	12.00%	15-Feb-07	8-Apr-07
	12.50%	9-Apr-07	15-May-08
Pre-Paid on 15 May 2008			
State Bank of Hyderabad	14.00%	1-Apr-03	30-May-03
	13.75%	1-Jun-03	31-Dec-03
	10.50%	1-Jan-04	30-Apr-06
	11.00%	1-May-06	28-Dec-06
	11.50%	29-Dec-06	18-Feb-07
	12.00%	19-Feb-07	11-Apr-07
	12.50%	12-Apr-07	2-Jul-08
	13.00%	3-Jul-08	3-Aug-08
	13.50%	4-Aug-08	12-Oct-08
	14.00%	13-Oct-08	9-Nov-08
	13.25%	10-Nov-08	30-Dec-08
	12.50%	31-Dec-08	10-May-09
	12.00%	11-May-09	11-May-09
	12.25%	12-May-09	30-June-09
11.75%	1-Jul-09	Till Date	
IFCI (New)	10.50%	15-May-08	30-Nov-09
	11.50%	1-Dec-09	Till Date
IDBI (New)	10.50%	06-June-08	IDBI (New)
	10.81%	12-Dec-08	1-June-10
	11.50%	2-June-10	Till Date
Yes Bank	9.85%	30-Sept-07	30-Mar-07
	10.50%	31-Mar-07	24-Oct-10

* The treatment of revised RoI has been discussed in detail under respective loans later.

- 3.20 For the Foreign Currency Loans (FCL) for which the interest rates are pegged w.r.t. the LIBOR rates, the Commission has considered the LIBOR rates for calculation of the interest charges as per the provisions of the respective loan agreements. The interest charges calculated for the FCL are inclusive of the payment guarantee

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

commission (PGC) due to PFC and the service tax on PGC (from the year applicable).
The interest rates considered for FCL are as shown in the following Table 8:-

Table 8: Interest Rates for FCL

Loan	Applicable Rate of Interest	
	Rate per annum	Period
Credit Lyonnais Loan	7.26%*	FY04
	7.42%	FY05 & FY06
	7.46%	FY07, FY08 & FY09
	7.42%	FY10 & FY11
Hypo Bank **	3.25%*	FY04 H1
	3.02%*	FY04 H2
	3.23%	FY05 H1
	3.99%	FY05 H2
	4.97%	FY06 H1
	5.94%	FY06 H2
	6.84%	FY07 H1
	7.65%	FY07H2
	7.50%	FY08 H1
	7.47%	FY08 H2
	5.25%	FY09
	3.68%	FY10H1
	3.01%	FY10H2
	2.46%	FY11H1
2.77%	FY11H2	
VA Tech**	3.25%*	FY04 H1
	3.02%*	FY04 H2
	3.23%	FY05 H1
	3.99%	FY05 H2
	5.17%	FY06 H1
	6.14%	FY06 H2
	7.04%	FY07 H1
	7.85%	FY07H2
	7.70%	FY08 H1
	7.67%	FY08 H2
	5.45%	FY09
	3.88%	FY10H1
	3.31%	FY10H2
	2.76%	FY11H1
3.07%	FY11H2	
IDBI FCL	5.79%	FY04 Q1
	5.61%	FY04 Q2
	5.66%	FY04 Q3

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Loan	Applicable Rate of Interest	
	Rate per annum	Period
	5.66%	FY04 Q4
	5.61%	FY05 Q1
	6.10%	FY05 Q2
	6.51%	FY05 Q3
	7.06%	FY05 Q4
	7.60%	FY06 Q1
	8.00%	FY06 Q2
	8.55%	FY06 Q3
	9.03%	FY06 Q4
	9.49%	FY07 Q1
	10.01%	FY07 Q2
	9.87%	FY07 Q3
	9.86%	FY07 Q4
	9.85%	FY08 Q1
	9.86%	FY08 Q2
	9.73%	FY08 Q3
	9.23%	FY08 Q4
	7.20%	FY09 Q1
	7.29%	FY09 Q2
	8.38%	FY09 Q3
	5.94%	FY09 Q4
	5.71%	FY10 Q1
	5.10%	FY10 Q2
	4.78%	FY10 Q3
	4.75%	FY10 Q4
	5.71%	FY11 Q1
	4.79%	FY11 Q2
	5.03%	FY11 Q3
	4.79%	FY11 Q4

* Service tax not levied

**Margin was 0.3% for Hypo (instead of 0.5% considered in earlier tariff orders), while Margin was 0.5% for VA Tech. VA Tech increased Margin to 0.6% in second half of FY08)

3.21 In the following paragraphs, the Commission details the various loans and the true up of the interest charges.

IDBI Loan

The details of the loan considered by the Commission for true up are as shown in the following Table 9:-

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)**Table 9: IDBI Bank Loan Details**

Particulars	
Sanctioned amount as per loan document	Rs 75.00 Cr
Loan amount considered by Commission for tariff determination	Rs 84.96 Cr
Original loan repayment installments/ No of years	40 / 10
Revised loan repayment installments / No of Years	44/ 11
Yearly Installment	4
Principal Installment Payment dates	1 July, 1 Aug, 1 Sep, 1 Oct
Principal Repayment Started from	1 July 2005
Applicable Interest Rate	18.50% p.a. upto 31.12.2003
Revised Interest Rate	10.50% p.a. from 01.01.2004
Interest Payment Schedule	Monthly

- 3.22 Based on the above, the Commission approves the following principal repayment and interest charges for the period FY04 to FY11, as detailed in the following Table 10:-

Table 10: Trued Up IDBI Bank Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	84.96	84.96	84.96	77.24	69.51	61.79	54.07	46.34
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	7.72	7.72	7.72	7.72	7.72	7.72
Closing Balance	84.96	84.96	77.24	69.51	61.79	54.07	46.34	38.62
Interest Payment	14.03	8.92	8.41	7.60	6.79	5.98	5.17	4.36

Power Finance Corporation Loan

- 3.23 The Commission based on the information contained in the Petitioner's submissions has considered the interest rate at 16.84% for the period 1 April 2003 – 31 March 2004, 16.19% for the period 1 April 2004 – 31 March 2006, 16.84% for the period 1 April 2006 – 14 Oct 2008 and 13.15% for period 15 Oct 2008 onwards and has adjusted the interest refunded as per the schedule provided by PFC as per the reset interest rate against the future interest payable by the Petitioner.
- 3.24 The Commission has recomputed and trued up the interest charges for the period FY04 to FY11. The details of the loan considered by the Commission for true up are as shown in the following Table 11:-

Table 11: PFC Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 170.00 Cr
Loan amount considered by Commission for tariff determination	Rs 165.75 Cr
Original loan repayment installments/ Years	40/10
Revised loan repayment installments/ Years	39/10
Yearly Installment	4

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	Reset Interest Rate
16.84% 01.04.2003 to 31.03.2004	16.84% 01.04.2003 to 31.03.2004
16.19% 01.04.2004 to 31.03.2005	16.19% 01.04.2004 to 31.03.2005
16.19% 01.04.2005 to 31.03.2006	10.50% 15.10.2004 to 31.03.2005
16.84% 01.04.2006 to 31.03.2007	10.50% 01.04.2005 to 31.03.2006
16.84% 01.04.2007 to 31.03.2008	11.15% 01.04.2006 to 31.03.2007
16.84% 01.04.2008 to 14.10.2008	11.15% 01.04.2007 to 14.10.2007
13.15% 15.10.2008 onwards	13.15% 15.10.2007 onward
Interest Payment Schedule	Monthly

- 3.25 Based on the above, the Commission approves the following principal repayment and interest charges for the period FY04-FY11, as detailed in the following Table 12:

Table 12: Trued Up PFC Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	165.75	165.75	165.75	148.75	131.75	114.75	97.75	80.75
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	17.00	17.00	17.00	17.00	17.00	17.00
Closing Balance	165.75	165.75	148.75	131.75	114.75	97.75	80.87	63.75
Interest Payment	27.91	26.83	25.22	23.37	20.51	10.67*	-6.42*	9.31

*Including Interest adjustment of 5.32 Cr in FY09 and 17.96 Cr in FY10

IFCI Debentures/ UTI Bank Loan

- 3.26 Based on the information submission by the Petitioner, the Commission has considered the swapped UTI NCD of Rs 136.22 Cr at a restructured interest rate and loan tenure of 8 years with 32 quarterly principal repayments.
- 3.27 The Commission has trued up the interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are shown in the following Table 13:-

Table 13: IFCI NCDs/ UTI Bank NCD Loan Details

Particulars	
Sanctioned amount as per loan document (IFCI NCDs)	Rs 150.00 Cr
Applicable Interest Rate	17.30%
Loan repayment installments/No of Years	40/10
Swapped amount as per loan document (UTI Bank NCDs)	Rs 174.00 Cr
Applicable Interest Rate	10.00%
Loan repayment installments/No of Years	32/8
Loan amount considered by Commission for tariff determination	Rs 136.22 Cr

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
Loan repayment installments/No of Years	32/8
Applicable Interest Rate	17.30% p.a. up to 11.08.2004
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2008
Revised Interest Rate	10.00% p.a. from 12.08.2004
Interest Payment Schedule	Monthly

3.28 Based on the above, the Commission approves the following principal repayment and interest charges for the period FY04-FY11, as detailed in the following Table 14:-

Table 14: Trued Up IFCI NCD / UTI Bank NCD Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	136.22	136.22	136.22	136.22	136.22	136.22	119.19	102.16
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	0.00	0.00	0.00	17.03	17.03	17.03
Closing Balance	136.22	136.22	136.22	136.22	136.22	119.19	102.16	85.13
Interest Payment	23.57	17.25	13.62	13.62	13.62	12.62	10.92	9.22

IIBI Loan

3.29 The Commission has trued up the principal repayment and interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are shown in the following Table 15:-

Table 15: IIBI Bank Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 15.00 Cr
Loan amount drawn by the Petitioner	Rs 13.65 Cr
Loan amount considered by Commission for tariff determination	Rs 13.65 Cr
Original loan repayment installments/ No of Years	40/10
Revised loan repayment installments/No of Years	48/12
Yearly Installments	4
Principal Installment Payment dates	1 July, 1 Aug, 1 Sep, 1 Oct
Principal Repayment Started from	1 July 2005
Applicable Interest Rate	18.50% p.a. upto 31.03.2005
Revised Interest Rate	10.50% p.a. from 01.04.2005 11.50% p.a. from 1.12.2009
Interest Payment Schedule	Monthly

3.30 Based on the above, the Commission approves the principal repayment and interest

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

charges for the period FY04-FY11, as shown in the following Table 16:-

Table 16: Trued Up IIBI Bank Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	13.65	13.65	13.65	12.51	11.37	10.24	9.10	7.96
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	1.14	1.14	1.14	1.14	1.14	1.14
Closing Balance	13.65	13.65	12.51	11.37	10.24	9.10	7.96	6.82
Interest Payment	2.53	2.53	1.36	1.24	1.12	1.00	0.91	0.83

ICICI Bank Non Convertible Debentures

- 3.31 The Commission has trued up the principal repayment and interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are shown in the following Table 17:

Table 17: ICICI Bank NCDs Details

Particulars	Details
Sanctioned amount as per loan document	Rs 150.00 Cr
Loan amount drawn by the Petitioner	Rs 150.00 Cr
Loan amount considered by Commission for tariff determination	Rs 150.00 Cr
Original loan repayment installments/ No of Years	40/10
Revised loan repayment installments/ No of Years	44/11 (39 Installments of 3.125 and last 5 installments of 5.625 Cr)
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	17.64% p.a. upto 14.09.2003
Revised Interest Rate	12.50% p.a. w.e.f 15.09.2003
Revised Interest Rate	10.50% p.a. w.e.f 01.01.2004
Revised Interest Rate	8.50% p.a. w.e.f 15.06.2005
Revised Interest Rate	13.15% p.a. w.e.f 15.06.2008
Interest Payment Schedule	Monthly

- 3.32 Based on the above, the Commission approves the following principal repayment and interest charges for the period FY04-FY11, as shown in the following Table 18:-

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Table 18: Trued Up ICICI Bank NCDs Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	150.00	150.00	150.00	137.50	125.00	102.50	32.62	20.12
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-payment (Partial)						67.38	0.00	0.00
Principal Repayment	0.00	0.00	12.50	12.50	12.50	12.50	12.50	12.50
Closing Balance	150.00	150.00	137.50	125.00	112.50	32.62	20.12	7.62
Interest Payment	21.52	15.75	12.49	11.07	10.00	6.80	3.33	1.68

LIC Loan

- 3.33 The Commission has trued up the principal repayment and interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are shown in the following Table 19:-

Table 19: LIC Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 15.00 Cr
Loan amount drawn by the Petitioner	Rs 15.00 Cr
Loan amount considered by Commission for tariff determination	Rs 15.00 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11 (39 Installments of 0.3125 and last 5 installments of 0.5625 Cr)
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	17.38% p.a. up to 31.12.2003
Revised Interest Rate	10.50% p.a. w.e.f. 01.01.2004
Interest Payment Schedule	Monthly

- 3.34 Based on the above, the Commission approves the following principal repayment and interest charges for the period FY04-FY11, as shown in the following Table 20:-

Table 20: Trued Up LIC Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	15.00	15.00	15.00	13.75	12.50	11.25	10.00	8.75
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	1.25	1.25	1.25	1.25	1.25	1.25
Closing Balance	15.00	15.00	13.75	12.50	11.25	10.00	8.75	7.50
Interest Payment	2.35	1.58	1.50	1.37	1.24	1.10	0.97	0.84

Bank of Baroda Loan

3.35 The Commission has trued up the principal repayment and interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are shown in the following Table 21:-

Table 21: Bank of Baroda Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 50.00 Cr
Loan amount drawn by the Petitioner	Rs 50.00 Cr
Loan amount considered by Commission for tariff determination	Rs 50.00 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	15.50 % Upto 30.06.2003
Revised Interest Rate	14.25% w.e.f 01.07.2003
Revised Interest Rate	10.50% w.e.f 01.01.2004
Revised Interest Rate	11.00% w.e.f 01.05.2006
Revised Interest Rate	11.50% w.e.f 01.08.2006
Revised Interest Rate	12.00% w.e.f 01.01.2007
Revised Interest Rate	12.50% w.e.f 15.02.2007
Revised Interest Rate	13.25% w.e.f 05.04.2007
Revised Interest Rate	10.50% w.e.f 01.08.2007
Revised Interest Rate	11.75% w.e.f 01.08.2008
Interest Payment Schedule	Monthly

3.36 Based on the above, the Commission approves the following principal repayment and interest charges for period FY04-FY11, as shown in the following Table 22:-

Table 22: Trued Up BoB Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	50.00	50.00	50.00	45.83	41.67	37.50	33.33	29.17
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	4.17	4.17	4.17	4.17	4.17	4.17
Closing Balance	50.00	50.00	45.83	41.67	37.50	33.33	29.17	25.00
Interest Payment	6.81	5.25	4.99	4.97	4.50	3.96	3.63	3.14

Punjab National Bank Loan

3.37 The Commission has trued up the principal repayment and interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

details of the loan considered by the Commission for true up are as shown in the following Table 23:-

Table 23: Punjab National Bank Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 50.00 Cr
Loan amount drawn by the Petitioner	Rs 49.41 Cr
Loan amount considered by Commission for tariff determination	Rs 49.41 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	15.25% Upto 31.05.2003
Revised Interest Rate	15.00% w.e.f 01.06.2003
Revised Interest Rate	10.50% w.e.f 01.01.2004
Revised Interest Rate	11.25% w.e.f 01.08.2006
Revised Interest Rate	10.50% w.e.f 29.11.2006
Interest Payment Schedule	Monthly

3.38 Based on the above, the Commission approves the following principal repayment and interest charges for the period FY04-FY11, as shown in the following Table 24:-

Table 24: Trued Up PNB Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	49.41	49.41	49.41	44.92	40.43	35.93	31.44	26.95
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	4.49	4.49	4.49	4.49	4.49	4.49
Closing Balance	49.41	49.41	44.92	40.43	35.93	31.44	26.95	22.46
Interest Payment	6.88	5.19	4.91	4.54	3.97	3.50	3.02	2.55

Indian Overseas Bank Loan

3.39 As per the submission of the Petitioner, the bank charged interest

- (a) @ 15.50% p.a. w.e.f 1 April, 2003 to 30 June 2003,
- (b) @ 14.75% p.a. w.e.f 1 July, 2003 to 31 December, 2003,
- (c) @ 14.00% p.a. w.e.f 1 January, 2004 to 30 June, 2004,
- (d) @ 11.00% p.a. w.e.f 1 July, 2004 to 31 August, 2004 and
- (e) @ 10.50% p.a. w.e.f 1 September, 2004 onwards

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

- 3.40 The Petitioner submitted that the bank through bank's letter dated 29 June 2005, had reset the interest rate @ 10.50% effective from 1 January, 2004 instead of 1 September, 2004 and the excess interest paid during the period (8 months) which amounted to Rs 91.48 lac was adjusted by the bank against the future interest to be serviced by the Petitioner, spread over a period of 8 months, starting 31 August 2005.
- 3.41 The bank through its respective letters dated 6 January, 2007, 17 February 2007, and 9 April, 2007 had revised and charged the interest rate -
- (a) @ 11.50% p.a. w.e.f. 1 January, 2007 to 14 February, 2007
 - (b) @ 12.00% p.a. w.e.f. 15 February, 2007 to 8 April, 2007
 - (c) @ 12.75% p.a. w.e.f. 9 April, 2007 onwards
- 3.42 The bank through its letter dated 24 March 2008, reset the interest rate
- (a) @ 10.50% p.a. to be charged from 1 April 2007 till 31 March 2010.
- 3.43 The excess interest amounting to Rs 11.48 lac, charged extra during the period from 1 April, 2007 to 31 August, 2008 shall be refunded by adjusting against the future interest to be recovered starting 31 July, 2008. The Petitioner in its submission dated 4 February, 2009 has provided the details of the excess interest refunded by the bank.
- 3.44 The Commission, for calculating the interest charge against the outstanding loan, has considered the actual interest rates applicable for the relevant period, prior to the reset, and has adjusted the interest refund amount against the future interest to be serviced by the Petitioner as carried out by the bank.
- 3.45 The Commission has tried up the principal repayment and interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are shown in the following Table 25:-

Table 25: Indian Overseas Bank Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 50.00 Cr
Loan amount drawn by the Petitioner	Rs 50.00 Cr
Loan amount considered by Commission for tariff determination	Rs 50.00 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Actual Interest Rate	Reset Interest Rate
15.50% 01.01.2003 to 30.06.2003	15.50% 01.01.2003 to 30.06.2003

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
14.75% 01.07.2003 to 31.12.2003	14.75% 01.07.2003 to 31.12.2003
14.00% 01.01.2004 to 30.06.2004	10.50% 01.01.2004 to 31.12.2006
11.00% 01.07.2004 to 31.08.2004	
10.50% 01.09.2004 to 31.12.2006	
11.50% 01.01.2007 to 14.02.2007	
12.00% 15.02.2007 to 08.04.2007	12.00% 15.02.2007 to 31.03.2007
12.75% 09.04.2007 to 31.08.2008	10.50% 01.04.2007 to 31.03.2011
10.50% 01.09.2008 to 31.03.2011	
Interest Payment Schedule	Monthly

3.46 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11, as are shown in the following Table 26:-

Table 26: Trued Up IOB Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	50.00	50.00	50.00	45.45	40.91	36.36	31.82	27.27
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	4.55	4.55	4.55	4.55	4.55	4.55
Closing Balance	50.00	50.00	45.45	40.91	36.36	31.82	27.27	22.73
Interest Payment	7.38	5.73	4.06	4.62	4.87	2.73	3.06	2.58
Interest Refund*	0.00	0.00	0.91	0.00	0.00	1.15	0.00	0.00

* Interest Refund has been subtracted from Interest Payable and considered while arriving at Interest Payment shown above

Central Bank of India Loan

3.47 The Commission has trued up the principal repayment and interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are shown in the following Table 27:-

Table 27: Central Bank of India Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 50.00 Cr
Loan amount drawn by the Petitioner	Rs 50.00 Cr
Loan amount considered by Commission for tariff determination	Rs 50.00 Cr
Loan amount considered by Commission for tariff determination	Rs 50.00 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	14.50% Upto 31.12.2003
Revised Interest Rate	14.00% w.e.f 01.01.2004
Revised Interest Rate	10.50% w.e.f 01.10.2004
Revised Interest Rate	11.00% w.e.f 22.01.2007
Revised Interest Rate	11.50% w.e.f 01.03.2007
Revised Interest Rate	12.00% w.e.f 26.04.2007
Revised Interest Rate	11.00% w.e.f 29.03.2008
Interest Payment Schedule	Monthly

3.48 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11, as shown in the following Table 28:-

Table 28: Trued Up CBI Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	50.00	50.00	50.00	45.45	40.91	36.36	0.00	0.00
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepayment						36.36	0.00	0.00
Principal Repayment	0.00	0.00	4.55	4.55	4.55		0.00	0.00
Closing Balance	50.00	50.00	45.45	40.91	36.36	0.00	0.00	0.00
Interest Payment	7.19	6.13	4.97	4.55	4.57	0.72	0.00	0.00

State Bank of Indore Loan

3.49 As per the information submitted by the Petitioner the bank has charged the interest at the following rates:

- (a) @ 13.75% p.a. w.e.f 1 April, 2003 to 28 July, 2003
- (b) @ 13.50% p.a. w.e.f 29 July, 2003 to 31 December, 2003
- (c) @ 10.50% p.a. w.e.f 1 January, 2004 to 23 May, 2006
- (d) @ 11.00% p.a. w.e.f 24 May, 2006 to 11 April, 2007
- (e) @ 11.50% p.a. w.e.f 12 April, 2007 to 31 March 2008
- (f) @ 10.50% p.a. w.e.f 1 April, 2007 to 31 March, 2010.

3.50 The Petitioner has submitted that the bank through bank's letter dated 10 October, 2007, had reset the interest rate from 11.50% to 10.50% effective from 1 April, 2007 and the interest during the period 24 May, 2006 to 31 March, 2007 was reset from 11.00% to 10.50%. The bank through letter dated 30 January, 2009, has informed that the refund of interest charged over and above 10.50%, to the tune of Rs 12.46 lac and

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Rs 6.94 lac have been credited on 12 October, 2007 and 7 December, 2007 to Petitioner's account.

- 3.51 The Commission for calculating the interest charge against the outstanding loan, has considered the actual interest rates applicable for the relevant period, prior to the reset, and has adjusted the interest refund amount against the future interest to be serviced by the Petitioner as carried out by the bank.
- 3.52 The Commission has trued up the principal repayment and the interest charges for the period FY04–FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission are shown in the following Table 29:-

Table 29: State Bank of Indore Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 25.00 Cr
Loan amount drawn by the Petitioner	Rs 21.00 Cr
Loan amount considered by Commission for tariff determination	Rs 21.00 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Actual Interest Rate	Reset Interest Rate
13.75% w.e.f 01.04.2003 to 28.07.2003	13.75% w.e.f 01.04.2003 to 28.07.2003
13.50% w.e.f 29.07.2003 to 31.12.2003	13.50% w.e.f 29.07.2003 to 31.12.2003
10.50% w.e.f 01.01.2004 to 23.05.2006	10.50% w.e.f 01.01.2004 to 23.05.2006
11.00% w.e.f 24.05.2006 to 11.04.2007	10.50% w.e.f 01.04.2007 to 31.03.2011
11.50% w.e.f 12.04.2007 to 31.03.2008	
Interest Payment Schedule	Monthly

- 3.53 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11, as shown in the following Table 30:-

Table 30: Trued Up SBOI Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	21.00	21.00	21.00	19.09	17.18	15.27	13.36	11.45
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	1.91	1.91	1.91	1.91	1.91	1.91
Closing Balance	21.00	21.00	19.09	17.18	15.27	13.36	11.45	9.54
Interest Payment	2.70	2.21	2.09	1.96	1.60	1.49	1.29	1.09
Interest Refund*	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00

* Interest Refund has been subtracted from Interest Payable and considered while arriving at Interest Payment shown above

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

State Bank of Patiala Loan

3.54 The Commission has trued up the principal repayment and the interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are as shown in the following Table 31:-

Table 31: State Bank of Patiala Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 25.00 Cr
Loan amount drawn by the Petitioner	Rs 22.50 Cr
Loan amount considered by Commission for tariff determination	Rs 22.50 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	13.25% w.e.f 01.04.2003 to 30.06.2003
Revised Interest Rate	13.10% w.e.f 01.07.2003 to 30.09.2004
Revised Interest Rate	10.50% w.e.f 01.10.2004 to 30.04.2006
Revised Interest Rate	11.00% w.e.f 01.05.2006 to 31.07.2006
Revised Interest Rate	11.25% w.e.f 01.08.2006 to 26.12.2006
Revised Interest Rate	11.75% w.e.f 27.12.2006 to 18.02.2007
Revised Interest Rate	12.50% w.e.f 19.02.2007 to 09.04.2007
Revised Interest Rate	13.00% w.e.f 10.04.2007 to 18.05.2008 (Pre-Paid)
Interest Payment Schedule	Monthly

3.55 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11 as shown in the following Table 32:-

Table 32: Trued Up SBOP Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	22.50	22.50	22.50	20.45	18.41	16.36	0.00	0.00
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-payment						16.36	0.00	0.00
Principal Repayment	0.00	0.00	2.05	2.05	2.05	0.00	0.00	0.00
Closing Balance	22.50	22.50	20.45	18.41	16.36	0.00	0.00	0.00
Interest Payment	2.96	2.66	2.24	2.18	2.23	0.26	0.00	0.00

State Bank of Mysore Loan

3.56 As per the information submitted by the Petitioner in its various submissions, the bank

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

has charged the interest at the following rates:

- (a) @ 14.00% p.a. w.e.f 1 April, 2003 to 31 December, 2003
 - (b) @ 10.50% p.a. w.e.f 1 January, 2004 to 21 May, 2006
 - (c) @ 11.00% p.a. w.e.f 22 May, 2006 to 27 December, 2006
 - (d) @ 11.50% p.a. w.e.f 28 December, 2006 to 15 February, 2007
 - (e) @ 12.00% p.a. w.e.f 16 February, 2007 to 9 April, 2007
 - (f) @ 12.75% p.a. w.e.f 10 April, 2007 to 9 August, 2008
 - (g) @ 13.75% p.a. w.e.f 10 August, 2008 to 9 November, 2008.
 - (h) @13.00% p.a. w.e.f 10 November, 2008 to 13 December, 2008 (loan prepaid).
- 3.57 The Petitioner submitted letters from the Bank, dated 25 July 2007 and 30 January, 2009, wherein the bank has credited Rs 6.39 lac of excess interest charged for the period 1 April, 2006 to 31 March, 2007, when the rate of interest was reset to 11.00%.
- 3.58 The Commission for calculating the interest charge against the outstanding loan, has considered the actual interest rates applicable for the relevant period, prior to the reset, and has adjusted the interest refund amount against the future interest to be serviced by the Petitioner as carried out by the bank.
- 3.59 The Commission has tried up the principal repayment and the interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are as shown in the following Table 33:-

Table 33: State Bank of Mysore Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 15.00 Cr
Loan amount drawn by the Petitioner	Rs 15.00 Cr
Loan amount considered by Commission for tariff determination	Rs 15.00 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Actual Interest Rate	Reset Interest Rate
14.00% w.e.f 01.04.2003 to 31.12.2003	14.00% w.e.f 01.04.2003 to 31.12.2003
10.50% w.e.f 01.01.2004 to 21.05.2006	10.50% w.e.f 01.01.2004 to 21.05.2006

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
11.00% w.e.f 22.05.2006 to 27.12.2006	11.00% w.e.f 01.04.2006 to 31.03.2007
11.50% w.e.f 28.12.2006 to 15.02.2007	
12.00% w.e.f 16.02.2007 to 09.04.2007	
12.75% w.e.f 10.04.2007 to 09.08.2008	12.75% w.e.f 10.04.2007 to 09.08.2008 (Pre-Paid)

- 3.60 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11 as shown in the following Table 34:-

Table 34: Trued Up SBOM Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	14.00	15.00	15.00	13.64	12.27	10.91	0.00	0.00
Addition	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-Payment						9.55	0.00	0.00
Principal Repayment	0.00	0.00	1.36	1.36	1.36	1.36	0.00	0.00
Closing Balance	15.00	15.00	13.64	12.27	10.91	0.00	0.00	0.00
Interest Payment	1.97	1.58	1.49	1.43	1.40	0.95	0.00	0.00
Interest Refund*	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00

* Interest Refund has been subtracted from Interest Payable and considered while arriving at Interest Payment shown above

State Bank of Travancore Loan

- 3.61 The Commission has trued up the principal repayment and the interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are as shown in the following Table 35:-

Table 35: State Bank of Travancore Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 25.00 Cr
Loan amount drawn by the Petitioner	Rs 25.00 Cr
Loan amount considered by Commission for tariff determination	Rs 25.00 Cr
Original loan repayment installments/No of Years	40/10
Revised loan repayment installments/No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	13.75% w.e.f 01.04.2003 to 18.05.2003
Revised Interest Rate	13.50% w.e.f 19.05.2003 to 31.12.2003
Revised Interest Rate	10.50% w.e.f 01.01.2004 to 30.06.2006
Revised Interest Rate	11.00% w.e.f 01.07.2006 to 31.12.2006
Revised Interest Rate	11.50% w.e.f 01.01.2007 to 14.02.2007

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
Revised Interest Rate	12.00% w.e.f 15.02.2007 to 08.04.2007
Revised Interest Rate	12.50% w.e.f 09.04.2007 to 15.05.2008 (Pre-Paid)
Interest Payment Schedule	Monthly

- 3.62 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11 as shown in the following Table 36:-

Table 36: Trued Up SBOT Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	0.00	25.00	25.00	22.73	20.45	18.18	0.00	0.00
Addition	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-Payment						18.18	0.00	0.00
Principal Repayment	0.00	0.00	2.27	2.27	2.27	0.00	0.00	0.00
Closing Balance	25.00	25.00	22.73	20.45	18.18	0.00	0.00	0.00
Interest Payment	3.20	2.63	2.49	2.36	2.39	0.27	0.00	0.00

State Bank of Hyderabad Loan

- 3.63 The Commission has trued up the principal repayment and the interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are as shown in the following Table 37:-

Table 37: State Bank of Hyderabad Loan Details

Particulars	
Sanctioned amount as per loan document	Rs 25.00 Cr
Loan amount drawn by the Petitioner	Rs 22.02 Cr
Loan amount considered by Commission for tariff determination	Rs 22.02 Cr
Original loan repayment installments/ No of Years	40/10
Revised loan repayment installments/ No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2005
Applicable Interest Rate	14.00% w.e.f 01.04.2003 to 31.05.2003
Revised Interest Rate	13.75% w.e.f 01.06.2003 to 31.12.2003
Revised Interest Rate	10.50% w.e.f 01.01.2004 to 30.04.2006
Revised Interest Rate	11.00% w.e.f 01.05.2006 to 28.12.2006
Revised Interest Rate	11.50% w.e.f 29.12.2006 to 18.02.2007
Revised Interest Rate	12.00% w.e.f 19.02.2007 to 11.04.2007

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
Revised Interest Rate	12.50% w.e.f 12.04.2007 to 02.07.2008
Revised Interest Rate	13.00% w.e.f. 3.07.2008 to 3.08.2008
Revised Interest Rate	13.50% w.e.f. 4.08.2008 to 12.10.2008
Revised Interest Rate	14.00% w.e.f.13.10.2008 to 09.11.2008
Revised Interest Rate	13.25% w.e.f.10.11.2008 to 30.12.2008
Revised Interest Rate	12.50% w.e.f.31.12.2008 to 10.05.2009
Revised Interest Rate	12.00% w.e.f.11.05.2009 to 11.05.2009
Revised Interest Rate	12.25% w.e.f.12.05.2009 to 30.06.2009
Revised Interest Rate	11.75% w.e.f.01.07.2009 till date
Interest Payment Schedule	Monthly

- 3.64 Based on the above, the Commission approves the following principal repayment and interest charges for the period FY04-FY11 Table 38:-

Table 38: Trued Up SBOH Loan Repayment and Interest (Rs Cr)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance	0.00	22.02	22.02	20.02	18.02	16.01	14.01	12.01
Addition	22.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Closing Balance	22.02	22.02	20.02	18.02	16.01	14.01	12.01	10.01
Interest Payment	2.86	2.31	2.19	2.10	2.10	1.92	1.53	1.27

IFCI Loan

- 3.65 The Commission approved fresh loan of Rs 47.82 Cr availed by the Petitioner for retiring loans of SBoP (Rs 16.36 Cr), SBoT (Rs 18.18 Cr) and ICICI Bank (Rs 13.28 Cr). The details of the loan considered by the Commission for true up are as shown in the following Table 39:-

Table 39: IFCI Loan Details

Particulars	
Loan amount considered by Commission for tariff determination	Rs 47.82 Cr (34.54 Cr on May 15, 2008 and 13.28 Cr from Aug 1, 2008)
Loan repayment installments/ No of Years	32/8
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2008
Applicable Interest Rate	10.50% w.e.f 15.05.2008 to 30.11.2009
Revised Interest Rate	11.50% w.e.f 01.12.2009 to till date
Interest Payment Schedule	Monthly

- 3.66 Based on the above, the Commission approves the principal repayment and interest charges for the period FY09-FY11 as shown in the following Table 40:-

Table 40: Trued Up IFCI Loan Repayment and Interest (Rs Cr)

Loan	True Up		
	FY09	FY10	FY11
Opening Balance	0.00	41.85	35.87
Addition	47.82	0.00	0.00
Principal Repayment	5.98	5.98	5.98
Closing Balance	41.85	35.87	29.89
Interest Payment	3.70	4.15	3.72

IDBI Loan

- 3.67 The Commission approved fresh loan of Rs 100.00 Cr availed by the Petitioner for retiring loans of CBI (Rs 36.36 Cr), SBoM (Rs 9.54 Cr) and ICICI Bank (Rs 50.00 Cr and Rs 4.10 Cr). The details of the loan considered by the Commission for true up are as shown in the following Table 41:-

Table 41: IDBI Loan Details

Particulars	
Loan amount considered by Commission for tariff determination	Rs 100 Cr (36.36 Cr on June 6, 2008, 50 Cr on July 7, 2008 and 13.64 Cr from Dec 13, 2008)
Loan repayment installments/ No of Years	32/8
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2008
Applicable Interest Rate	10.50% w.e.f 06.06.2008 to 13.12.2008
Revised Interest Rate	10.81% w.e.f 14.12.2008 to 01.06.2010
Revised Interest Rate	11.50% w.e.f 02.06.2010 to till date
Interest Payment Schedule	Monthly

- 3.68 Based on the above, the Commission approves the principal repayment and interest charges for the period FY09-FY11 as shown in the following Table 42:-

Table 42: Trued Up IDBI Loan Repayment and Interest (Rs Cr)

Loan	True Up		
	FY09	FY10	FY11
Opening Balance	0.00	87.50	75.00
Addition	100.00	0.00	0.00
Principal Repayment	12.50	12.50	12.50
Closing Balance	87.50	75.00	62.50
Interest Payment	6.67	8.61	7.64

Yes Bank Loan

- 3.69 The Commission approved fresh loan of Rs 25.75 Cr availed by the Petitioner for additional capital expenditure approved by the Commission in its Order dated 24th January 2011. The details of the loan considered by the Commission for true up are as

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

shown in the following Table 43:-

Table 43: Yes Bank Loan Details

Particulars	
Loan amount considered by Commission for tariff determination	Rs 25.75 Cr
Loan repayment installments/ No of Years	12/3
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2007
Applicable Interest Rate	9.85% w.e.f 30.09.2006 to 31.03.2007
Revised Interest Rate	10.50% w.e.f. 1.04. 2007 to till date
Interest Payment Schedule	Monthly

- 3.70 Based on the above, the Commission approves the principal repayment and interest charges for the period FY09-FY11 as shown in the following Table 44:-

Table 44: Trued Up Yes Bank Loan Repayment and Interest (Rs Cr)

Loan	True Up				
	FY07	FY08	FY09	FY10	FY11
Opening Balance	0.00	25.75	17.42	9.08	0.00
Addition	25.75	0.00	0.00	0.00	0.00
Principal Repayment	0.00	8.33	8.33	9.08	0.00
Closing Balance	25.75	17.42	9.08	0.00	0.00
Interest Payment	1.27	2.20	1.32	0.41	0.00

Normative Loan

- 3.71 The Commission approved normative loan for meeting remaining debt requirement for additional capitalisation. The normative loan amount considered is Rs 41.37 Cr. The drawn schedule is as per the funding shown in Table 6 of this Order.
- 3.72 The Commission observes that in its Order dated 24th January, 2011, it had erroneously considered addition in Normative Loan from 1st April for FY08, FY09 and FY10 instead of considering it from the mid of the year. The Commission has corrected the error in this Order.
- 3.73 The tenure of the loan considered is 11 year with 4 quarterly repayments with repayments on 15 July, 15 Aug, 15 Sept and 15 Oct. The rate of interest considered is the annual weighted average rate of interest on approved rupee terms loans for FY07, FY08, FY09, FY10 and FY11. The details of the loan considered by the Commission for true up are as shown in the following Table 45:-

Table 45: Normative Loan Details

Particulars	
Loan amount considered by Commission for tariff determination	Rs 41.37 Cr (4.82 In FY07, 28.17 Cr in FY08, 7.12 Cr in FY09 and 1.26 Cr in FY10)
Loan repayment installments/ No of Years	44/11
Yearly Installments	4
Principal Installment Payment dates	15 July, 15 Aug, 15 Sep, 15 Oct
Principal Repayment Started from	15 July 2008
Normative Interest Rate	11.27% in FY07, 11.47% in FY08, 10.33% in FY09, 7.59% in FY10 and 10.88% in FY11
Interest Payment Schedule	Monthly

- 3.74 Based on the above, the Commission approves the principal repayment and interest charges for the period FY09-FY11 as shown in the following Table 46:-

Table 46: Trued Up Normative Loan Repayment and Interest (Rs Cr)

Loan	True Up				
	FY07	FY08	FY09	FY10	FY11
Opening Balance	0.00	4.82	29.23	32.58	30.09
Addition	4.82	28.17	7.12	1.26	0.00
Principal Repayment	0.00	3.76	3.76	3.76	3.76
Closing Balance	4.82	29.23	32.58	30.09	26.32
Interest Payment	0.27	1.79	3.13	2.35	3.03

Credit Lyonnais Loan

- 3.75 As per the loan documents submitted by the Petitioner, the sanction loan amount from Credit Lyonnais is of US \$17.91 Mn with a fixed interest rate of 5.66% for whole tenure. The tenure of the loan is 12 years with semi-annual repayments. The payment against the loan has been guaranteed by PFC and a payment guarantee commission (PGC) of 1.60% is levied on the Petitioner by PFC.
- 3.76 The Commission has trued up the interest payments as per the applicable interest rates, charges related to the PGC and the semi-annual repayment in dollar terms. The Commission has considered the cumulative loan amount drawn from the bank as US \$17.85 Mn and the applicable interest rate of 7.46% per annum consisting of 5.66% interest rate charged by Credit Lyonnais Bank, 1.60% PGC on PFC Guarantee and the applicable service tax on PGC. The interest payments and the repayments have been calculated in dollar terms and then converted to equivalent rupee terms by applying the relevant foreign exchange conversion rates as submitted by the Petitioner in its tariff petition. The exchange rates considered by the Commission are as shown in the following Table 47:-

Table 47: Exchange Rate Rs/ USD

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
H1	47.04	44.10	43.80	44.91	41.06	40.13	50.30	44.88
H2	45.38	45.73	45.22	45.43	39.55	50.36	47.04	44.38

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

3.77 The Commission has trued up the interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are as shown in the following Table 48:-

Table 48: Credit Lyonnais Loan Details

Particulars	
Sanctioned amount as per loan document	USD 17.90 Mn
Loan amount considered by Commission for tariff determination	USD 17.85 Mn
Loan repayment installments	24
Interest Rate (for full tenure)	5.66% p.a. fixed
PFC Payment Guarantee Commission (PGC)	1.60%
Service Tax on PGC	Nil for FY04
	10.20% for FY05
	10.20% for FY06
	12.24% for FY07
	12.36% for FY08
	12.36% for FY09
	10.3% for FY10
	10.3% for FY11
Final Applicable Interest Rate	7.26% for FY04
Final Applicable Interest Rate	7.42% for FY05
Final Applicable Interest Rate	7.42% for FY06
Final Applicable Interest Rate	7.46% for FY07
Final Applicable Interest Rate	7.46% for FY08
Final Applicable Interest Rate	7.46% for FY09
Final Applicable Interest Rate	7.42% for FY10
Final Applicable Interest Rate	7.42% for FY11

3.78 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11 as shown in the following Table 49:-

Table 49: Trued Up Credit Lyonnais Loan Repayment and Interest

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance (US \$ Mn)	17.38	17.11	15.62	14.13	12.64	11.16	9.67	8.18
Addition (US \$ Mn)	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment (US \$ Mn)	0.74	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Closing Balance (US \$ Mn)	17.11	15.62	14.13	12.64	11.16	9.67	8.18	6.69
Interest Payment (US\$ Mn)	0.64	1.24	1.13	1.03	0.92	0.80	0.69	0.58
Equivalent Rupee								
Opening Balance (Rs Cr)	81.78	75.44	68.41	63.46	51.92	44.76	48.63	36.71
Addition (Rs Cr)	2.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment (Rs Cr)	3.37	6.68	6.62	6.72	5.99	6.73	7.24	6.64
Closing Balance (Rs Cr)	77.63	71.42	63.90	57.44	44.12	48.69	38.48	29.71

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Interest Payment (Rs Cr)	2.90	5.58	5.04	4.63	3.69	3.62	3.36	2.59

Hypovereinsbank Loan

- 3.79 As per the loan documents submitted by the Petitioner, the sanctioned loan amount from Hypovereinsbank is of US \$11.98 Mn with a floating interest rate pegged to LIBOR valid from time to time for periods of 6 month. The tenure of the loan is 12 years with semi-annual repayments. The payment against the loan has been guaranteed by PFC and a payment guarantee commission (PGC) of 1.60% is levied on the Petitioner by PFC.
- 3.80 The Commission in this true-up order has recomputed and trued up the interest payments as per the applicable interest rates, charges related to the PGC and the semi-annual repayment. The Commission has considered the cumulative loan amount drawn from the bank as US \$ 11.31 Mn and the applicable interest rate consisting of 6 month LIBOR plus margin rate charged by Hypovereinsbank, 1.60% PGC on PFC Guarantee and applicable service tax on PGC. The Commission has taken the LIBOR rates as applicable on two banking business days before the first day of the interest period, as published by British Banker's Association.
- 3.81 The interest payments and the repayments have been calculated in dollar terms and then converted to equivalent rupee terms by applying the relevant foreign exchange conversion rates as submitted by the Petitioner in its tariff petition. The exchange rates considered by the Commission are as shown in the following Table 50:-

Table 50: Exchange Rate Rs/ USD

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
H1	46.17	46.40	43.54	46.94	40.43	42.38	48.29	47.54
H2	45.40	43.86	44.39	44.35	39.85	49.35	46.48	46.19

- 3.82 The Commission has trued up the interest charges for the period FY04 to FY11 based on the information submitted by the Petitioner. The details of the loan considered by the Commission for true up are as shown in the following Table 51:-

Table 51: Hypovereinsbank Loan Details

Particulars	
Sanctioned amount as per loan document	USD 11.98 Mn
Loan amount considered by Commission for tariff determination	USD 11.31 Mn
Loan repayment installments	24
Interest Rate	6 month LIBOR + Margin
Margin	0.3% p.a
PFC Payment Guarantee Commission (PGC)	1.60%
Service Tax on PGC	Nil for FY04
	10.20% for FY05

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
	10.20% for FY06
	12.24% for FY07
	12.36% for FY08
	12.36% for FY09
	10.3% for FY10
	10.3% for FY11
Final Applicable Interest Rate	3.25% for FY04 H1
Final Applicable Interest Rate	3.02% for FY04 H2
Final Applicable Interest Rate	3.23% for FY05 H1
Final Applicable Interest Rate	3.99% for FY05 H2
Final Applicable Interest Rate	4.97% for FY06 H1
Final Applicable Interest Rate	5.94% for FY06 H2
Final Applicable Interest Rate	6.84% for FY07 H1
Final Applicable Interest Rate	7.65% for FY07 H2
Final Applicable Interest Rate	7.50% for FY08 H1
Final Applicable Interest Rate	7.47% for FY08 H2
Final Applicable Interest Rate	5.25% for FY09 H1
Final Applicable Interest Rate	5.25% for FY09 H2
Final Applicable Interest Rate	3.68% for FY10 H1
Final Applicable Interest Rate	3.01% for FY10 H2
Final Applicable Interest Rate	2.46% for FY11 H1
Final Applicable Interest Rate	2.77% for FY11 H2

3.83 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11 as shown in the following Table 52:-

Table 52: Trued Up Hypovereinsbank Loan Repayment and Interest

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance (US \$ Mn)	10.14	9.78	9.42	8.48	7.54	6.60	5.65	4.71
Addition (US \$ Mn)	0.58	0.58	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment (US \$ Mn)	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94
Closing Balance (US \$ Mn)	9.78	9.42	8.48	7.54	6.60	5.65	4.71	3.77
Interest Payment (US\$ Mn)	0.32	0.36	0.50	0.60	0.55	0.33	0.18	0.12
Equivalent Rupee								
Opening Balance (Rs Cr)	46.83	45.40	41.03	39.81	30.48	27.96	27.31	22.40
Addition (Rs Cr)	2.68	2.70	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment (Rs Cr)	4.31	4.25	4.14	4.30	3.78	4.32	4.47	4.42
Closing Balance (Rs Cr)	44.42	41.33	37.65	33.44	26.28	27.90	21.90	17.41
Interest Payment (Rs Cr)	1.46	1.62	2.20	2.72	2.19	1.53	0.87	0.55

VaTech Finance Loan

- 3.84 As per the loan documents submitted by the Petitioner, the sanction loan amount from VaTech is of US\$12.49 Mn with a floating interest rate pegged to LIBOR valid from time to time for periods of 6 month. The tenure of the loan is 12 years with semi-annual repayments. The payment against the loan has been guaranteed by PFC and a payment guarantee commission (PGC) of 1.60% is levied on the Petitioner by PFC.
- 3.85 The Commission has trued up the interest payments as per the applicable interest rates, charges related to the PGC and the semi-annual repayment. The Commission has considered the cumulative loan amount drawn from the bank as US \$ 11.48 Mn and the applicable interest rate consisting of 6 month LIBOR plus margin rate charged by VaTech Finance, 1.60% PGC on PFC Guarantee and applicable service tax on PGC. The Commission has taken the LIBOR rates as applicable on two banking business days before the first day of the interest period, as published by British Banker's Association.
- 3.86 The interest payments and the repayments have been calculated in dollar terms and then converted to equivalent rupee terms by applying the relevant foreign exchange conversion rates as submitted by the Petitioner in its tariff petition. The exchange rates considered by the Commission are as shown in the following Table 53:-

Table 53: Exchange Rate Rs/ USD

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
H1	46.17	46.40	43.54	46.94	40.43	42.38	48.29	47.54
H2	45.40	43.86	44.39	44.35	39.85	49.35	46.48	46.19

- 3.87 The Commission has trued up the interest charges for the period FY04 to FY08 based on the information submitted by the Petitioner. The details of the loan and the applicable interest rates as considered by the Commission and the repayment and interest charges approved by the Commission are as shown in the following Table 54:-

Table 54: VaTech Finance Loan Details

Particulars	
Sanctioned amount as per loan document	USD 12.49 Mn
Loan amount considered by Commission for tariff determination	USD 11.48 Mn
Loan repayment installments	24
Interest Rate	6 month LIBOR + Margin
Margin	0.3% p.a for first 60 months
	0.5% p.a. for 61 to 120 month
	0.6% p.a. from 121 month
PFC Payment Guarantee Commission (PGC)	1.60%
Service Tax on PGC	Nil for FY04
	10.20% for FY05
	10.20% for FY06
	12.24% for FY07

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
	12.36% for FY08
	12.36% for FY09
	10.3% for FY10
	10.3% for FY11
Final Applicable Interest Rate	3.25% for FY04 H1
Final Applicable Interest Rate	3.02% for FY04 H2
Final Applicable Interest Rate	3.43% for FY05 H1
Final Applicable Interest Rate	4.19% for FY05 H2
Final Applicable Interest Rate	5.17% for FY06 H1
Final Applicable Interest Rate	6.14% for FY06 H2
Final Applicable Interest Rate	7.04% for FY07 H1
Final Applicable Interest Rate	7.85% for FY07 H2
Final Applicable Interest Rate	7.70% for FY08 H1
Final Applicable Interest Rate	7.67% for FY08 H2
Final Applicable Interest Rate	5.45% for FY09 H1
Final Applicable Interest Rate	5.45% for FY09 H2
Final Applicable Interest Rate	3.88% for FY10 H1
Final Applicable Interest Rate	3.21% for FY10 H2
Final Applicable Interest Rate	2.66% for FY11 H1
Final Applicable Interest Rate	3.07% for FY11 H2

3.88 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11 as shown in the following Table 55:-

Table 55: Trued Up VaTech Finance Loan Repayment and Interest

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance (US \$ Mn)	10.30	9.94	9.57	8.61	7.66			
Addition (US \$ Mn)	0.59	0.59	0.00	0.00	0.00	6.70	5.74	4.78
Principal Repayment (US \$ Mn)	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Closing Balance (US \$ Mn)	9.94	9.57	8.61	7.66	6.70	5.74	4.78	3.83
Interest Payment (US\$ Mn)	0.32	0.39	0.53	0.62	0.57	0.35	0.20	0.13
Equivalent Rupee								
Opening Balance (Rs Cr)	47.56	46.40	43.54	46.94	40.43	28.40	27.73	22.73
Addition (Rs Cr)	2.73	2.74	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment (Rs Cr)	4.38	4.32	4.21	4.37	3.84	4.39	4.54	4.48
Closing Balance (Rs Cr)	45.11	41.97	38.23	33.95	26.69	28.34	22.24	17.66
Interest Payment (Rs Cr)	1.49	1.74	2.32	2.84	2.29	1.61	0.94	0.62

IDBI Foreign Currency Loan

3.89 As per the loan documents submitted by the Petitioner, the sanction loan amount from IDBI is of US \$ 4.76 Mn with an interest rate at 4.5% over the three (3) month

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

LIBOR. The tenure of the loan is 11 years with 1 year moratorium and quarterly repayments.

- 3.90 The Commission has trued up the interest payments as per the applicable interest rates. The Commission has considered the cumulative loan amount drawn from the bank as US\$ 2.62 Mn and the applicable interest rate @ 4.5% over the 3 month LIBOR for United States Dollar. The Commission has taken the LIBOR rates applicable on the loan, two business days prior to January 1, April 1, July 1 and October 1, which is as per the condition stipulated in the loan agreement. The Commission has taken the LIBOR rates as published by British Banker’s Association.
- 3.91 The interest payments and the repayments have been calculated in dollar terms and then converted to equivalent rupee terms by applying the relevant foreign exchange conversion rates as submitted by the Petitioner in its tariff petition. The details of the loan considered by the Commission for true up are as shown in the following Table 56:-

Table 56: IDBI Foreign Currency Loan Details

Particulars	
Sanctioned amount as per loan document	USD 4.76 Mn
Loan amount considered by Commission for tariff determination	USD 2.62 Mn
Revised loan repayment installments	40
Interest Rate	3 month LIBOR + 4.5%
Applicable Interest Rate	5.79% for FY04 Q1
	5.61% for FY04 Q2
	5.66% for FY04 Q3
	5.66% for FY04 Q4
	5.61% for FY05 Q1
	6.10% for FY05 Q2
	6.51% for FY05 Q3
	7.06% for FY05 Q4
	7.60% for FY06 Q1
	8.00% for FY06 Q2
	8.55% for FY06 Q3
	9.03% for FY06 Q4
	9.49% for FY07 Q1
	10.01% for FY07 Q2
	9.87% for FY07 Q3
	9.86% for FY07 Q4
	9.85% for FY08 Q1
9.86% for FY08 Q2	
9.73% for FY08 Q3	
9.23% for FY08 Q4	
7.20% for FY09 Q1	

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	
	7.29% for FY09 Q2
	8.38% for FY09 Q3
	5.94% for FY09 Q4
	5.71% for FY10 Q1
	5.10% for FY10 Q2
	4.78% for FY10 Q3
	4.75% for FY10 Q4
	5.71% for FY11 Q1
	4.79% for FY11 Q2
	5.03% for FY11 Q3
	4.79% for FY11 Q4

3.92 Based on the above, the Commission approves the principal repayment and interest charges for the period FY04-FY11 as shown in the following Table 57:-

Table 57: Trued Up IDBI Foreign Currency Loan Repayment and Interest

Loan	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Balance (US \$ Mn)	2.18	2.40	2.42	2.16	1.90	1.64	1.38	1.11
Addition (US \$ Mn)	0.22	0.22	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment (US \$ Mn)	0.00	0.20	0.26	0.26	0.26	0.26	0.26	0.26
Closing Balance (US \$ Mn)	2.40	2.42	2.16	1.90	1.64	1.38	1.11	0.85
Interest Payment (US\$ Mn)	0.13	0.16	0.19	0.20	0.17	0.11	0.07	0.05
Equivalent Rupee								
Opening Balance (Rs Cr)	10.22	10.86	10.62	10.02	7.78	7.04	6.67	5.15
Addition (Rs Cr)	1.00	1.01	0.00	0.00	0.00	0.00	0.00	0.00
Principal Repayment (Rs Cr)	0.00	0.88	1.17	1.18	1.06	1.23	1.24	1.20
Closing Balance (Rs Cr)	10.90	10.58	9.60	8.29	6.63	7.04	5.12	3.87
Interest Payment (Rs Cr)	0.59	0.70	0.86	0.91	0.70	0.52	0.31	0.24

3.93 The principal repayment and the interest charges discussed above are summarized in the following Table 58:-

Table 58: Interest Charges on Outstanding Loans (Rs Cr)

Loan	Trued Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
ICL								
Total Opening Balance Rs Cr	870.51	870.51	870.51	803.55	767.17	716.29	617.72	513.90
Additional Loan				30.57	28.17	154.95	1.26	
Total Repayment Rs Cr	0.00	0.00	66.95	66.95	79.05	253.52	105.08	95.99
Total Closing Balance Rs Cr	870.51	870.51	803.55	767.17	716.29	617.72	513.90	417.91
Total Interest Rs Cr	134.05	106.52	92.03	88.53	84.89	68.80	42.93	51.28

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Loan	Trued Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
FCL								
Total Opening Balance Rs Cr	186.38	177.79	161.73	153.73	121.13	108.16	110.34	87.00
Total Repayment Rs Cr	12.07	16.13	16.14	16.57	14.68	16.67	17.48	16.74
Total Closing Balance Rs Cr	178.05	165.31	149.38	133.12	103.73	111.97	87.75	68.66
Total Interest Rs Cr	6.44	9.64	10.42	11.10	8.88	7.28	5.48	3.99
Total ICL + FCL								
Total Opening Balance Rs Cr	1,056.89	1,048.30	1,032.24	957.28	888.30	824.45	728.05	600.90
Additional Loan				30.57	28.17	154.95	1.26	
Total Repayment Rs Cr	12.07	16.13	83.10	83.52	93.73	270.19	122.56	112.73
Total Closing Balance Rs Cr	1,048.56	1,035.82	952.94	900.29	820.02	729.69	601.65	486.56
Total Interest Rs Cr	140.49*	116.16	102.44	99.63	93.77	76.08	48.41	55.27

* Interest Charges computed for complete year

3.94 The interest on outstanding loans as trued up in this order have been as shown in the following Table 59:-

Table 59: Interest Charges on Outstanding Loans (Rs Cr)

Interest	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Interest on outstanding loans	117.59*	116.16	102.44	99.63	93.77	76.08	48.41	55.27

* Note – The plant was commissioned on 8 June 2003 and interest charges of Rs 140.49 Cr for the complete year have been reduced to Rs 117.59 Cr on proportional basis for tariff determination for the year FY04.

Depreciation and Advance Against Depreciation

3.95 The Commission observes that in its Order dated 24th January, 2011 it has wrongly computed 1/12 of the loan while computing advance against depreciation. The Commission has corrected the same in this Order.

3.96 The Commission has trued up the depreciation and advance against depreciation for the period FY04 to FY11 as per Section 8.6.5.1 of the PPA are as shown in the following Table 60:-

Table 60: Trued Up Depreciation and AAD (Rs Cr)

Particulars		True Up							
		FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
1/12th of the Loan(s)	A	89.48	89.48	89.48	92.03	94.38	94.97	95.07	95.07
Repayment of the Loan(s) as considered for working out Interest on Loan	B	12.07	16.13	83.10	83.52	93.73	139.74	122.56	112.73
Minimum of the Above	C	12.07	16.13	83.10	83.52	93.73	94.97	95.07	95.07
Less: Depreciation during the year	D	55.21	65.96	65.96	66.90	68.70	69.79	70.04	70.08
A	E=C-	0.00	0.00	17.14	16.62	25.02	25.18	25.03	24.99

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars		True Up					FY09	FY10	FY11
		FY04	FY05	FY06	FY07	FY08			
	D								
Cumulative Repayment of the Loan(s) as considered for working out Interest on Loan	F	12.07	28.20	111.30	194.82	288.55	428.29	550.84	663.58
Less: Cumulative Depreciation	G	55.21	121.17	187.13	271.16	356.49	451.30	546.53	641.64
B	H=F-G	0.00	0.00	0.00	0.00	0.00	0.00	4.32	21.94
Advance Against Depreciation (min (A, B)/ zero if negative)	A	0.00	0.00	17.14	16.62	25.02	25.18	25.03	24.99
Depreciation + AAD		55.21	65.96	83.10	83.52	93.73	94.97	95.07	95.07

Operations and Maintenance Expenses

3.97 The Commission has computed the O&M charges as per clause 8.7.2 of the PPA which states that-

‘Operation and maintenance charges including Insurance expenses for the initial tariff year shall be calculated at the rate of 1.25% (one and a quarter percentage) of the capital cost. These charges shall be escalated for each year subsequent to the initial tariff year, every year by 6% (compounded annually) for the first ten tariff years. Thereafter the escalation for each year shall be computed as per the formula given in Schedule XI.’

3.98 The initial tariff year as defined by the PPA is as follows:-

‘means the period commencing from April 1st after COD of the Project and ending on subsequent March 31st.’

3.99 The COD of the last unit of the project is 8 June 2003, and the initial tariff year is FY05 commencing from 1 April, 2004 and ended on 31 March, 2005. Hence, the escalation is applicable from FY06.

3.100 The Commission observes that while approving O&M Expenses for additional capitalisation (including inter-connection facility) in its Order dated 24th January 2011, the Commission has erroneously allowed full O&M Expenses for the year of capitalisation. For O&M Expenses on additional capitalisation (including inter-connection facility), the Commission in this Order has assumed additional capitalisation in mid of the year and approved O&M expenses for half year only. For the next year, O&M expenses have been calculated for the full year. Escalation has been considered from the next year after the full year of the operation.

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

- 3.101 The Commission, in this order has not considered 0.25% additional O&M expenses being paid by the petitioner to the SJVNL as per the term of the service agreement signed between the petitioner and the SJVNL. The Commission shall consider these expenses on submission of documentation in support of the actual payments made by the petitioner to the SJVNL.
- 3.102 The Commission has trued up the O&M Expenses for the period FY04 to FY11 as shown in the following Table 61:-

Table 61: Trued Up Operations & Maintenance Expenses (Rs Cr)

Particulars	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Base O&M Expense	19.17							
O&M Expenses	16.98	19.17	20.32	21.54	22.84	24.21	25.66	27.20
Additional O&M Expenses				0.27	0.80	1.15	1.28	1.37
Total O&M Expenses	16.98	19.17	20.32	21.82	23.63	25.35	26.94	28.57

Return on Equity

- 3.103 The Commission has trued up and approved the return on equity as per clause 8.7.3 of the PPA and has computed the return on equity at 16% at an approved equity base of Rs 460.19 Cr.
- 3.104 As per the clause 8.7.3 of PPA, -

'Return on Equity for each tariff year from the initial tariff year onwards will be calculated at a per annum rate of 16% (sixteen percent) of the equity component of the capital cost as per approved financial package. The return on equity for the tariff period and the last tariff year shall be worked out on proportionate basis for actual number of days for which such return on equity is to be determined.'

- 3.105 The trued up and approved return on equity as computed by the Commission is as shown in the following Table 62:-

Table 62: Trued Up Return on Equity for the Period FY04 to FY08 (Rs Cr)

Particulars	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Opening Equity	460.19	460.19	460.19	460.19	473.29	485.36	488.41	488.95
Additional Equity	0	0	0	13.10	12.07	3.05	0.54	0
Closing Equity	460.19	460.19	460.19	473.29	485.36	488.41	488.95	488.95
Average Equity	460.19	460.19	460.19	466.74	479.32	486.89	488.68	488.95
Return on Equity	65.20*	73.63	73.63	74.68	76.69	77.90	78.19	78.23

* The plant was commissioned on 8 June 2003 and RoE of Rs 73.63 Cr for the complete year has been reduced to Rs 65.20 Cr on proportional basis for tariff determination for the year FY04 as per the PPA.

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Interest on Working Capital

3.106 As per clause 8.7.4 of the PPA;-

'Interest on working capital shall be accounted for at the SBI lending rate as applicable from time to time for the secured loans. For this purpose the working capital shall consist of:-

- i) The Operation and Maintenance (O&M) charges for one month:*
- ii) Maintenance spares at actual but not exceeding one year's requirement less value of one fifth of initial spares already capitalised. The value of maintenance spares for one year requirement shall be taken as 12% of the O & M charges for that tariff period/ tariff year.*
- iii) Receivables equivalent to two months of average billing for sale of electricity.*

3.107 The rate of interest for calculating the interest on working capital has been taken as per the SBI PLR as on 1st April of the respective financial year as shown in the following Table 63:-

Table 63: Trued Up Interest on Working Capital for the period FY04 to FY11 (Rs Cr)

Particulars	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
1/12 th of O&M Expenses	1.60	1.60	1.69	1.82	1.97	2.11	2.25	2.38
Maintenance Spares 12% of O&M Expenses	0.00	0.00	0.00	0.00	0.00	3.04	3.23	3.43
Receivables equivalent to 2 months average billing	54.82	48.53	51.10	55.64	57.91	57.49	54.60	60.37
Total Working Capital	56.41*	50.13	52.80	57.46	59.87	62.65	60.08	66.18
Rate of Interest	10.75%	10.25%	10.25%	10.25%	12.25%	12.25%	12.25%	11.75%
Interest on Working capital	5.36*	5.14	5.41	5.89	7.33	7.67	7.36	7.78

* The plant was commissioned on 8 June 2003 and WC of Rs 56.27 Cr for the complete year has been reduced on proportional basis for tariff determination for the year FY04. The interest on working capital for the FY04 has been derived as per PPA section 8.16.

Incentive for Secondary Energy and Higher Plant Availability

3.108 The Commission in this order has trued up the incentive for higher plant availability and secondary energy as per the actual plant availability and the actual secondary energy generation for the years FY04 to FY11 as submitted by the Petitioner. The incentives have been computed as per the clause 8.9 on 'Incentive for Secondary Energy' and Section 8.10 on 'Incentive on Account of Higher Plant Availability' of the PPA.

3.109 As per the clause 8.9.1 of the PPA,-

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

'The per unit rate for saleable secondary energy (i.e. 88% of the secondary energy available at interconnection point at Jhakri) shall be calculated by dividing 10% return on equity with normative saleable Secondary energy amounting to 155 MU at Jhakri. The charges for the saleable Secondary energy for any tariff year shall not exceed 10% Return on Equity....'

- 3.110 The Commission observes that in its Order dated 24th January, 2011, it erroneously considered closing equity for computation of incentive on secondary energy generation, instead of average equity for the year. The Commission has corrected the same in this Order as shown in the following Table 64:-

Table 64: Trued Up Incentive for Secondary Energy for the Period FY04-FY08

Particulars	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Secondary Energy Generation (MU)	50.35	0.00	0.00	71.48	71.20	81.40	88.97	155.00
10% ROE* Secondary Energy/ 155 MU (Rs Cr)	14.95	0.00	0.00	21.52	22.02	25.57	28.05	48.90

- 3.111 As per clause 8.10 of the PPA on incentive for higher plant availability;

'In case the Plant Availability level in a Tariff year, as determined in accordance with Schedule I, exceeds the normative level of 90%, the Company shall be entitled to an incentive at the rate of 0.35% of Equity component of the capital cost as per the approved financial package for each percentage increase in plant availability above 90% normative level during the year when plant availability is more than 90%. The amount of this incentive payable for any tariff year shall not exceed 2% Return on Equity. The ceiling for the initial and last tariff period shall be worked out on pro-rata basis. Incentive shall be payable at the end of each tariff year/ tariff period.'

- 3.112 The Commission observes that in its Order dated 24th January, 2011, it erroneously considered closing equity for computation of incentive for higher availability of the plant, instead of average equity for the year. The Commission has corrected the same in this Order as shown in the following Table 65:-

Table 65: Trued Up Incentive for Higher Plant Availability for the Period FY04-FY08

Particulars	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Normative Plant Availability (%)	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00
Actual Plant Availability (%)	96.80	99.80	95.65	98.83	99.91	99.65	99.83	98.92
Higher Plant Availability (%)	6.80	9.80	5.65	8.83	9.91	9.65	9.83	8.92
Incentive(Rs Cr)	7.70	9.20	9.10	9.33	9.59	9.74	9.77	9.78

Income Tax

- 3.113 As per clause 8.11 of the PPA, the Tax on Income is payable as an expense to the Company by the Board.

3.114 The clause 8.11.1 states,-

‘Income Tax payable by the Board shall be determined by considering the income to the company on account of ROE (not exceeding 16%), depreciation/ advance against depreciation as applicable, and 50% of income on account of incentives as per Section 8.9 and 8.10, in respect of the project as per income tax law. Rebate on account of depreciation and any other rebate/ exemption admissible under law shall be considered for the purpose of calculation on tax liability of the Board.

Under no circumstances tax liability payable by the Board shall be more than income tax actually payable by the Company.

No Income tax shall be payable by the Board on any other income accrued to the Company.”

3.115 For the Petitioner, the Minimum Alternative Tax is applicable for the first 10 years from the date of commissioning.

3.116 In earlier orders, the Commission had calculated and trued up the tax liability of the Board as per the Section 8.11.1 of the PPA for the period FY04 to FY11.

3.117 The Petitioner filed an appeal in Hon’ble Apellate Tribunal of Electricity (ATE) against the Income Tax calculation, challenging the Multi Year Tariff Order dated 30.3.2009 passed by the Commission for the period FY 2008 -09 to FY 2010-11 and true up of financials for the period 2003-04 to 2007-08 for the appellant’s hydro electric power station and the review order dated 10.09.2009.

3.118 Hon’ble ATE in its Order dated 21st October, 2011 has held that -

“The appellant is entitled to payment of MAT by the respondent no. 2 under clause 20.21 of the PPA as per actuals during the tax holiday period available to the appellant under Section 80-IA of the Income Tax Act, 1961. After the expiry of the tax holiday period, the appellant will be entitled to payment of Tax on Income as per clause 8.11 of the PPA.”

3.119 In accordance with the decision of the Hon’ble ATE, the Commission directed the Petitioner to submit details of MAT calculations i.e. details of income and expenses considered for arriving at MAT liability, actual MAT paid, Assessment Orders of Income Tax and refund if any.

3.120 As the final information is yet to be received from the Petitioner, the Commission has not implemented the impact of Hon’ble ATE’s judgement in this Order. Moreover, the Hon’ble ATE judgement dated 21 October, 2011 is stated to be challenged before the Hon’ble Supreme Court by the HPSEBL and the decision thereon is awaited. The Commission will therefore, consider this issue when information is received to the Commission’s satisfaction subject to the decision by the Hon’ble Supreme Court in the aforesaid appeal pending before it.

Amortisation of Cost of Debt Restructuring

3.121 The Commission has trued up carrying cost of this expenditure and repayment based on the latest submission of the Petitioner and approves the same as part of the Capacity charges as shown in the following Table 66:-

Table 66: Trued Up Interest on Debt Restructuring for the FY04 to FY11 (Rs Cr)

Particulars	True Up							
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Total Opening Balance	0.00	20.00	55.62	68.02	68.02	68.02	61.97	53.12
Total Drawdowns	20.00	35.62	12.40	0.00	0.00	2.80	0.00	0.00
Total Repayment	0.00	0.00	0.00	0.00	0.00	8.85	8.85	8.85
Total Closing Balance	20.00	55.62	68.02	68.02	68.02	61.97	53.12	44.26
Rate of Interest	8%	8%	8%	8%	8%	8%	8%	8%
Total Interest	0.37	3.36	5.19	5.44	5.44	5.20	4.60	3.90

Export of Energy by the Board to JHPL

3.122 As per clause 8.1 of PPA entered into between JHPL and the Board, JHPL was permitted to draw energy for start up and maintenance of the project from the Board's system metered at the station and paid for at the same tariff at which the Board purchases the energy from JHPL and the said amount was required to be adjusted in the bills of corresponding months accordingly as shown in the following Table 67:-

Table 67: Energy Exported by HPSEB to JHPL

S. No	Period	Energy Exported (MU)
1	FY04	0.1
2	FY05	0.14
3	FY06	0.25
4	FY07	0.39
5	FY08	0.43
6	FY09	0.3
7	FY10	0.34
8	FY11	0.27

3.123 Clause 8.1 of PPA reads as follows-

“During such period as may occur from time to time, as the project is partially or totally unable to operate, the company may draw energy required for start up and maintenance of the Project from the Board's system metered at the station and paid for at the same tariff at which the Board purchases energy from the Company and adjust the same in corresponding month's bill accordingly. For this purpose, overall rate of energy shall be calculated on the basis of capacity charges, primary energy charges and saleable design energy for that tariff year/tariff period.”

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

3.124 The Commission has adjusted the charges recoverable by the HPSEBL on account of export of energy to JVPL in the year-wise charges payable to JVPL by the HPSEBL for FY04 – FY11.

Annual Fixed Charge for Baspa II HEP

3.125 Based on the discussions in the preceding sections, the various components of tariff trued up by the Commission for the period FY04 to FY11 are summarized in paragraphs below.

3.126 The total Annual Fixed Charges with the components of the capacity charges, primary energy charges and incentives and taxes recomputed and trued up based on the actual generation for the period FY04 to FY11 and detailed in the previous sections in this chapter are summarized in the following Table 68:-

Table 68: Trued Up Annual Fixed Charges for the Period FY04 to FY11 (Rs Cr)

Particulars	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Capacity Charges								
Interest on outstanding loans	117.59	116.16	102.44	99.63	93.77	76.08	48.41	55.27
Depreciation/Advance against Depreciation	55.21	65.96	83.10	83.52	93.73	94.97	95.07	95.07
Interest on normative loan related to debt restructuring expenditure	0.37	3.36	5.19	5.44	5.44	5.20	4.60	3.90
Repayment of normative loan related to debt Restructuring expenditure	0.00	0.00	0.00	0.00	0.00	8.85	8.85	8.85
Application fee	0.05	0.05	0.05	0.05	0.05	0.08	0.08	0.08
Financing charges related to HPSEB arrear payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Adjustments for ICF payments	7.83	5.80						
Sub-total Capacity Charges	165.39	179.73	190.78	188.65	192.98	185.18	157.03	163.18
Primary Energy Charges								
O&M Charges	16.05	19.17	20.32	21.82	23.63	25.35	26.94	28.57
RoE	61.63	73.63	73.63	74.68	76.69	77.90	78.19	78.23
Interest on Working Capital	5.06	5.14	5.41	5.89	7.33	7.67	7.36	7.78
Sub-total Primary Charges	82.74	97.94	99.37	102.37	107.61	110.92	112.49	114.58
Incentives and Taxes								

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Particulars	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Incentive for Secondary Energy	14.95	0.00	0.00	21.52	22.02	25.57	28.05	48.90
Incentive for Higher Plant Availability	7.70	9.20	9.10	9.33	9.59	9.74	9.77	9.78
Minimum Alternative Tax	4.18	4.39	7.36	11.20	12.74	13.22	20.12	25.68
Sub-total Incentives and Taxes	26.83	13.59	16.46	42.06	44.34	48.53	57.94	84.35
Total Annual Fixed Charges	274.95	291.27	306.61	333.08	344.94	344.64	327.46	362.11
Energy Exported by HPSEB to JHPL (MU)	0.10	0.14	0.25	0.39	0.43	0.30	0.34	0.27
Total Primary Energy and Capacity Charges (A+B)	248.12	277.67	290.15	291.03	300.65	296.11	269.52	277.76
Design Energy (MU)	940.41	1041.93	1028.50	1050.05	1050.05	1050.05	1050.05	1050.05
Rate Per Unit (Rs / Unit)	2.638	2.665	2.821	2.772	2.863	2.820	2.567	2.645
Adjustment for Energy Exported (Rs Cr)	0.026	0.037	0.071	0.108	0.123	0.085	0.087	0.071
Net Payable by HPSEB	274.93	291.23	306.54	332.97	344.81	344.55	327.37	362.04

Interest on Arrears Payable by the Board

3.127 As per the jointly reconciled statement submitted by the JVPL and HPSEBL, the payments made by the HPSEBL to JVPL excluding rebate and deduction for energy export are as shown in the following Table 69:-

Table 69: Jointly Reconciled Statement of Payments made by HPSEBL to JVPL (Rs Cr)

Particulars	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Payment made by HPSEB	207.11	250.84	264.02	330.74	390.84	390.03	299.84	440.50

3.128 The Commission observes that HPSEBL has deducted lease rent of 3.95 Cr in FY11 from the payment made to the JVPL, which has been opposed by the JVPL. The Commission directs HPSEBL and JVPL to resolve the dispute and submit to the Commission.

3.129 The Commission has recomputed the arrears payable by the Board and the carrying costs, based on the trued up values of the various components of the Annual Fixed Charges (AFC) and the payments made by the Board for the period FY04 to FY11. The computations of the arrears payable by the Board are as shown in the following Table 70:-

TRUE UP FOR THE FIRST CONTROL PERIOD (FY09-FY11)

Table 70: Arrears Payable by the Board (Rs Cr)

Particulars	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
Total Annual Fixed Charges	274.93	291.23	306.54	332.97	344.81	344.64	327.46	362.11
Payment made by HPSEB excluding rebate	207.11	250.84	264.02	330.74	390.84	390.03	299.84	440.50
Less: Insurance amount received				27.09				
Opening balance	0.00	70.54	118.19	171.86	159.76	124.68	87.44	124.74
Additions/(Subtractions)	67.82	40.40	42.52	-24.86	-46.02	-45.39	27.62	-78.39
Closing balance base amount	67.82	110.93	160.71	147.01	113.74	79.28	115.06	46.35
Interest rate (%)	8%	8%	8%	8%	8%	8%	10%	11.75%
Interest	2.71	7.26	11.16	12.75	10.94	8.16	9.68	10.05
Closing balance of payment	70.54	118.19	171.86	159.76	124.68	87.44	124.74	56.40

**weighted average rate of 8% for 7 months and 11.75% for 5 months*

3.130 The closing balance of arrears at the end of FY11 is 56.40 Cr. The Commission directs the HPSEBL to pay the entire amount along with the carrying cost for FY12 and for 6 months of FY13 @ 11.75% till 30th September 2012. The HPSEBL is directed to pay 50% of the amount by 30th June 2012 and remaining 50% of the amount by 30th September 2012. The interest payable on arrears by the HPSEBL till 30 September, 2012 will be allowed as a pass through in the ARR of the HPSEBL. However, any interest payable on arrears post 30 September, 2012 will not be allowed as pass through in the ARR.