



Suryachakra Power Corporation Limited

Regd. Off : SURYACHAKRA HOUSE, Plot No. 304-L-III, Road No. 78, Jubilee Hills,
Hyderabad-500 096.CIN: L40103TG1995PLC019554 Ph : +91-40-3082 3000, 2355 0597 / 98
Fax : 040 - 2354 1339, E-mail : admin@suryachakra.com website : www.suryachakra.in



ISO 9001 : 2008
ISO 14001 : 2004

To
The General Manager
Dept. of Corporate Services
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Fax: 022 2272 2061 / 2041

Date: 2nd May 2015
Place: Hyderabad-96

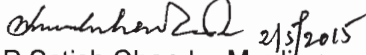
Dear Sir,

Sub: JERC orders dated 29th April 2015 on finalization project cost (received by us on 2.05.2015) as per the directions of APTEL, New Delhi, dated 28th November 2014 in the matter of SPCL VS electricity Dept, A&N Islands, & Chief secretary, A&N Administration, PortBlair, A&N Islands..

Ref: Scrip Code: 532874

With reference to the above, please find enclosed a copy of the JERC's order dated 29.04.2015 on petition No.89/2012 filed by the Company earlier before JERC, New Delhi. Now JERC has fixed the project cost at Rs.77.64 crores as per the directions of APTEL dated 28th November 2014. **This order if implemented will benefit the Company approximately to the tune of Rs.83 Crores (Rupees Eighty three Crores only). A&N Government filed an SLP in the Honorable Supreme Court of India, but no stay was granted.** This is for your information and may be displayed on the web site of BSE for the information of Investors and all the concerned

For Suryachakra Power Corporation Limited


P. Satish Chandra Mouli
Company Secretary

Encl: a/a

**JOINT ELECTRICITY REGULATORY COMMISSION FOR
THE STATE OF GOA AND UNION TERRITORIES
GURGAON**

Quorum
Shri S.K.Chaturvedi, Chairperson
Petition No. 89/2012
Date of Order 29.04.2015

In the matter of

Petition for fixation of completed / actual capital cost and Tariff of the project of the Petitioner- a Power Generating Company under Regulations 3(2)(a), 3(4), 12 and 36 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for determination of Tariff) Regulations, 2009 read with Sections 62(1) (a) and 63 of the Electricity Act, 2003.

And in the matter of

M/s Suryachakra Power Corporation Ltd., Suryachakra House, Plot No. 304-L-III, Road No.78, Film Nagar, Jubilee Hills, Hyderabad- 500096Petitioner

Vs.

1. Electricity Department, Rep. by its Superintending Engineer, Port Blair, Andaman & Nicobar Islands.
2. Chief Secretary, Andaman & Nicobar Administration Secretariat, Port Blair, Andaman & Nicobar Islands.Respondents

Order

M/s Suryachakra Power Corporation Ltd. (M/s. SPCL) – Petitioner filed the present Petition no. 89/2012 for fixation of completed / actual capital cost and Tariff of project of the petitioner- a Power Generating Company under Regulations 3(2)(a), 3(4), 12 and 36 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for determination of Tariff) Regulations, 2009 read with Sections 62(1) (a) and 63 of the Electricity Act, 2003.

The brief facts of the case are that in the year 1995, the Electricity Department of Andaman & Nicobar Islands-respondents invited bids for setting up of a 20 MW DG Power Plant in Bamboo Flat, South Andaman. The petitioner was selected as the lowest bidder in June, 1995 with a project cost of Rs. 52.25 crores. However, due to delay in obtaining approval from Government of India, the petitioner in September, 1997 submitted a revised proposal with a project cost of Rs. 63.14 crores.

The Central Electricity Authority hereinafter referred to as the Authority after scrutinizing the proposal worked out the project cost as Rs. 63.14 crores. The petitioner vide letter dated 10.9.1997 agreed to the said cost of Rs. 63.14 crores.

On 20.11.1997, the A&N Administration issued Techno Economic Clearance at a cost of Rs. 63.14 crores subject to the condition that the cost shall not exceed this amount except on account of variation in (i) Foreign Exchange Rate of US dollars, (ii) interest during construction and financing charges as per actuals but not exceeding the amount as specified unless otherwise revised by the A&N Administration, (iii) taxes and duties on domestic component shall be as per actuals and (iv) change in Indian law resulting in change in cost.

On 20.11.1997, a Power Purchase Agreement ("PPA") was entered into between the Petitioner and the A&N Administration for purchase of 20 MW power using 4 diesel generators (DG sets) of 5 MW each on BOOT basis. The PPA was followed by an Addendum – 1 to the PPA signed on 30.3.1999.

The PPA contemplated that Commercial Operation Date ("COD") of the first two units of project shall be achieved within 19 months of the date of achieving financial closure and next two units within 24 months of financial closure. On 1.8.2000, the financial closure of the Project was achieved. Accordingly, as per PPA, the COD of Unit I and II was to be achieved by 1.3.2002 and COD of Unit No. III and IV by 1.8.2002.

Under the PPA, the A&N Administration was obligated to provide the design, to construct and to provide transmission lines for inter connection with the project 120 days prior to the CoD of the first Unit i.e. by 1.11.2011. Due to an interlocutory order passed by Hon'ble Supreme Court on cutting down of trees, the original transmission line needed realignment. As an alternative, the A&N Administration strengthened their existing 33 kV system for evacuation of 6-7 MW power from the 20 MW power plant on 17.4.2002.

On 10.12.2002, the 33 kV double circuit line for evacuation of power from the 20 MW project was ready for charging. On 2.4.2003, the CoD of the project was declared.

In November 2003, the Petitioner furnished the relevant records to the A&N Administration for approving the capital cost of the project. Though initially the Petitioner had claimed capital cost of Rs. 85.10 crores, the claim was reduced to Rs. 83.67 crores as per the Auditor's Report.

The A&N Administration appointed numerous consultants between June 2004 to October 2012 for determination of the capital cost. However, the capital cost was not approved by the A&N Administration.

Meanwhile, the A&N Administration submitted a letter to Secretary, JERC dated 07.01.2009 forwarding a brief note on completed cost of the project with a request to the Commission for perusal, scrutiny and approval of the project cost submitted by M/s. SPCL.

In this context, the Commission noted the letter from CEA dated 04th March, 2008 addressed to A&N Administration citing Order of Hon'ble Delhi High Court that the State Electricity Regulatory Authority is to compute the completed capital cost and while fixing the tariff it must take the said completed cost into consideration. Hence, CEA proposed to return the Completed Cost documents to A&N Administration which were sent to CEA for fixation of completed project cost for further necessary action at A&N Administration end.

A petition under Section 86(f) of the Electricity Act, 2003 was filed by SPCL on 13.10.2009 before the Commission for direction to A&N Administration and ED-A&N to pay the long standing dues/for settlement of long pending issues/payments. The A&N Administration in their response filed a counter claim on 22.01.2010.

The Commission gave a final order on 12.07.2010 as under:

Quote:

“

1. *The petitioner have filed affidavit dated 09.06.2010 for withdrawal of the petition on the premise that there is likelihood of favourable consideration of the claim by the respondent. Permission is also sought to renew the petition if negotiations fail.*
2. *The respondents have filed affidavit dated 12.07.10 by way of reply stating that the respondent withdraws the reply to all documents including counter claims that they have made in the reply to the petition by the petitioner. However, they also want to reserve their right for filing the petition in the event of failure of negotiations.*
3. *Since the parties are proposing to amicably resolve their long pending disputes through negotiations. The Commission feels there is sufficient ground to grant permission to the parties to withdraw their respective petition and counter claim with liberty to institute fresh petition and counter claim/petition in respect of the same subject matter.*
4. *Before parting, the Commission hopes that the parties shall ensure proper and adequate supply of electricity to the consumer of the Union Territory irrespective of the progress or Outcome of the negotiations between the parties as the interest of the consumer is paramount which needs to be protected.*
5. *The petition as well as the counter claim are dismissed as withdrawn. No orders as to costs.*
6. *File be consigned”.*

Unquote:

As the pending disputes could not be resolved among the parties, M/s Suryachakra Power Corporation Ltd. herein the petitioner filed the present petition (Petition no. 89/2012) on 29.11.2012 for fixation of completed/ actual capital cost of project and Tariff of the project of the petitioner- a Power Generating Company under Regulations 3(2)(a), 3(4), 12 and 36 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for determination of Tariff) Regulations, 2009 read with section 62(1) (a) and 63 of the Electricity Act, 2003.

The Commission sent notice on 17.12.2012 of the petition to Electricity Department- Andaman & Nicobar Islands herein the respondents for their response. The respondents filed reply on 11.01.2013 to the petition contesting the petition on various grounds and prayed for dismissal of the petition.

The petitioner filed rejoinder to the reply of the respondent on 14.01.2013 and once again prayed for fixation of completed/ actual capital cost of project and Tariff of the project of the petitioner- a Power Generating Company.

The Commission appointed an Independent Expert to consider the documents and give his recommendations. The Independent Expert gave his recommendations to the Commission on capital cost and other issues.

The Commission held nine hearings at Commission’s headquarters on (i) 17.12.2012 (ii) 15.01.2013; (iii) 31.01.2013; (iv) 18.02.2013; (v) 12.03.2013; (vi) 20.03.2013; (vii) 02.04.2013; (viii) 17.04.2013; and (ix) 14.06.2013 and passed the orders for the relevant hearings.

The Commission vide order dated 03.07.2013 approved completed/ actual capital cost of the project of the petitioner- a Power Generating Company under Regulations 3(2)(a), 3(4), 12 and 36 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for determination of Tariff) Regulations, 2009 read with sections 62(1) (a) and 63 of the Electricity Act, 2003.

The petitioner filed appeal no. 200 of 2013 and I.A. Nos. 278&279 of 2013 and Electricity Department- Andaman & Nicobar – Respondent also filed separate appeal no. 268 of 2013 and I.A. No. 359 of 2013 against the order dated 3.07.2013 in petition no. 89/2012 passed by JERC before Hon’ble APTEL under section 111 of EA, 2003. The appeals no. 200/2013 & 268/2013 were clubbed by the Hon’ble APTEL. The Hon’ble APTEL vide common Judgment dated 28.11.2014 dismissed the Appeal no. 200/2013 and partly allowed Appeal no. 268/2013. The Hon’ble APTEL in para no. 36 of the Judgment observed as under:-

Quote:

“Thus, the Completed capital cost of the project will be sum of capital cost of Rs. 63.14 Crs. indicated in the PPA and charges on Foreign Exchange Rate Variation on 5.131 MUSD incurred on Foreign equipment including their transportation cost, FERV on the customs duty/ taxes on imported equipment applied on equipment US Dollars, changes necessary for efficient operation of the plant as approved by the Administration or the Joint Commission, additional IDC, Financing cost and incidental expenses during construction for the period of delay in achieving the COD for reasons attributable to the Administration and beyond the reasonable control of Suryachakra Power from the Scheduled COD to the actual COD, change in cost due to change in law and taxes and duties on domestic component as per actuals. The Joint Commission is directed to determine the completed capital cost accordingly. This will be subject to ceiling of actual funds tied up by Suryachakra Power for the project and the actual cost incurred. The Joint Commission will also verify the actual payment of custom duty and remittance of foreign loan.”

Unquote :

The Hon’ble APTEL summarized its findings in para no. 69 of the Judgment dated 28.11.2014 as under:-

- i. The capital cost has not been determined by the Joint Commission as per the terms of the PPA. Accordingly, the capital cost has to be determined as directed under paragraph 36 of this Judgment.*
 - ii. We do not find any infirmity in the Joint Commission’s finding regarding deemed generation.*
 - iii. We do not find any infirmity in the findings of the Joint Commission regarding rebate deducted by the Administration on the invoices where part payment was made.*
 - iv. The Joint Commission has correctly decided that LDs are not to be levied on Suryachakra Power as the delay in COD of the project was due to delay in commissioning of the transmission line by the Administration.*
- 4
- v. Interest is payable to Suryachakra Power by the Administration due to the delay in payment as per the terms of the PPA. If the Administration has settled all amounts due to Suryachakra Power on account of conversion of HSD density from weight to volume after signing of the Addendum to PPA on 18.08.2011 within the stipulated time then no delayed payment interest will be payable on that amount. Suryachakra Power shall also submit necessary supporting documents to the Administration for its claim relating to interest and repayment of loan.*

vi. *Suryachakra Power cannot be allowed additional payment on account of computation of cost of HSD on volume instead of weight prior to April 2007 in terms of the Addendum-II to the PPA signed on 18.08.2011.*

The Hon'ble APTEL in para no. 70 of the Judgment dated 28.11.2014 gave the following direction to the Commission.

Quote:

".....The Joint Commission is directed to pass consequential order within three months of the date of this Judgment."

Unquote:

The Commission in compliance of the order dated 28.11.2014 restored the petition no. 89/2012 on 05.12.2014. The Commission scheduled a hearing on 12.01.2015. The Commission sent hearing notices to the parties and directed them to submit record/ data along with supporting documents on or before 05.01.2015. The petitioner filed data with supporting records and documents on 05.01.2015. The petitioner on 07.01.2015 filed additional documents.

The Commission held a hearing on 12.01.2015 and heard the representatives of the parties. The representatives for respondents requested for three weeks time for filing records/ data along with supporting documents.

The Commission considered the request of the representatives of the respondents and considering the time limit fixed by Hon'ble APTEL, directed the respondents to file records and data along with supporting documents on or before 27.01.2015 positively with advance copy to the petitioner, and scheduled the next hearing on 10.02.2015. The Commission also ordered that no further extension of time will be given in this regard in view of the directives of the Hon'ble APTEL.

The respondents submitted reply, records and data along with supporting documents on 29.01.2015. The petitioner also submitted rejoinder to the reply of the respondents on 09.02.2015.

The representative of the Respondents during hearing on 10.02.2015 submitted that the respondents have filed Civil Appeal No. 1652/2015 in the Hon'ble Supreme Court of India against the Judgment dated 28.11.2014 of the Hon'ble APTEL. The representative of the Respondents informed the Commission that the Appeal is likely to be heard on 16.02.2015 and prayed for adjournment beyond 16.02.2015 stating that the outcome of the Appeal shall have bearing on the hearings before this Commission. The Commission after considering the prayer of the representatives of the respondents scheduled the petition for hearing on 23.02.2015.

The learned Counsel for the petitioner on 23.02.2015 during hearing placed on record a copy of the order dated 20.02.2015 passed by Hon'ble Supreme Court in Civil Appeal No. 1652/2015. The Hon'ble Supreme Court has admitted the Civil Appeal and has directed the respondent in Appeal (M/s Suryachakra Power Corporation Limited) to file reply within two weeks.

The learned Counsel for the respondent (ED- A&N) on 23.02.2015 also submitted before the Commission that the outcome of the Appeal pending hearing in the Hon'ble Supreme Court shall have

bearings on the fixation of the Capital Cost of the project and prayed that the petition be adjourned beyond three weeks. Therefore, the Commission adjourned the petition for hearing to 16.03.2015.

The Commission heard Sh. Vijay Kumar, Executive Director, representative for the petitioner- M/s SPCL and Ms. Ruchi Sindhvani, Advocate learned counsel for the respondent (ED- A&N) on 16.03.2015. The Commission reserved the order.

Meanwhile, the Commission submitted before Hon'ble APTEL an Interlocutory Application for extension of time to pass the consequential order in compliance of the Judgment of Hon'ble APTEL in the Appeal No. 200 of 2013 and No. 268 of 2013, citing the reason that the Commission has to hold Public Hearing in eight places situated in different areas and has to issue in a time bound manner the Tariff Orders of the generating company and the distribution licensees under its jurisdiction. Hon'ble APTEL, after hearing the IA has granted extension of time till 30.04.2015. (vide Hon'ble APTEL order dated 25th March, 2015).

The Commission has carefully gone through the Judgment dated 28th November, 2014 delivered by Hon'ble APTEL in disposing of the Appeal No. 200 of 2013 and Appeal no. 268 of 2013. The Commission directed both the parties to file the written submissions and the supporting documents. The Commission has also gone through the Petition, reply, rejoinder, documents and written submissions filed by the parties.

The petitioner has submitted their calculation of project cost at Rs. 82.26 cr on 05/01/2015 in their written submission which was subsequently revised by the petitioner to Rs. 82.74 cr on 19/01/2015 considering the TEC approved project cost of Rs. 63.14 cr as the base. The revised calculation submitted by the petitioner on 19/01/2015 is reproduced below:

Amount in Rs. Crs

Description	As per APTEL Order
TEC Approved project cost	63.14
Observation of Electricity Department with regard to physical work deviation at site and its proportionate cost deduction in complete cost analysis as per Joint Exercise Report dated 15.04.2010 agreed by both the parties at Pg. 43&44. (Attached)	(2.44)
Exchange Variation on 5.13 MUSD	5.66

(5.13 MUSD x 11.0445 per \$)	
Exchange Variation on customs duty	1.39
(Rs.4.53 Crs/Rs.36*11.0445)	
Addl. Expenditure approved by A&N Admn. on works for changes necessary for efficient operation of Plant as approved in Joint Exercise Report dated 15.04.2010 (Copy of the Extract of the Report is attached) (Rs. 5.62 Cr + Rs. 6.14)	11.76
Less amount deducted not agreed by APTEL in its directives at Para 24, Pg.40 of APTEL Order dated 28.11.2014 towards additional expenditure of Rs. 2.89 Cr out of CITI Bank loan for punch list items which are contrary provision to the PPA.	(2.89)
Additional Interest During Construction (IDC) Total interest during construction incurred (as per auditor certificate dated 23.12.2004 and 14.04.2010 submitted to Superintending Engineer, Electricity Department, A&N Administration) – Detailed working attached.	5.84
Less: IDC initially approved in original TEC of Rs. 63.14 Crores	(3.00)
Less: Interest for the period 10.12.2002 to 01.04.2003 towards deemed generation.	(0.68)
Additional Incidental Expenditure During Construction Total IEDC incurred (as per auditor certificate dated 23.12.2004 and 14.04.2010 submitted to Superintending Engineer, Electricity Department, A&N Administration)-	5.81
Less: IEDC initially approved in original TEC of Rs. 63.14 Crores	(1.85)
Total Project Cost	82.74

The Commission, after carefully scrutinizing the documents and written submissions filed by the parties, having regard to the directions given by Hon'ble APTEL in their Judgment, especially Paragraphs 36 and 69 of the Judgment, observes the following:

1) Changes necessary for efficient operation of the plant:

The petitioner submitted as part of their written submissions the copy of the minutes of the meeting held on 15th to 17th April, 2010 for a joint exercise for arriving at the completion cost of the project set up by the Petitioner. The meeting was attended by the then Superintending Engineer and other officials of the Electricity Department, A & N Islands along with representatives of the Petitioner. During the meeting, the Joint Exercise report submitted and signed by both the parties was discussed to analyse the cost variation between the Techno Economic Clearance (TEC) cost of Rs. 63.14 crores and the

completed cost of Rs. 85.10 crores submitted by the petitioner. A detailed analysis of the variation in the sub-item wise cost of the project was carried out during the Joint Exercise by both the parties. The supply and works carried out by the petitioner was analysed with respect to the scope of work and cost of each sub item as stipulated in the TEC/PPA. The increase in scope of work, variations in the supplies and works and items not carried out by the petitioner even though stipulated in the PPA were clearly brought out sub item wise in the Joint Exercise Report. The justification given by the Petitioner and the views of the Electricity Department against each sub item of project cost as appearing in the report was discussed by both the parties during the meeting held on 15th to 17th April, 2010. In the meeting, after considering the cost variation statement, the certificate given by the auditors of the petitioner for the actual expenditure incurred by the petitioner and the recommendation of one of the consultants appointed by the A&N Administration (KPCL), the project cost of Rs.76.14 crores was approved & recorded in the minutes.

The Respondents in their reply on 28.01.2015 submitted that the petitioner cannot be allowed undue benefit of full TEC cost of Rs. 63.14 crores, as the petitioner has not adhered to the TEC provision and has heavily deviated in both work and cost from those approved in the TEC. The Respondents further requested the Commission to carry out item wise check of work required as per TEC/PPA after calling for the invoices / supporting documents from the petitioner and verify the actual expenditure incurred and the cost under-rum. The Respondents also submitted that as per the direction of the Hon'ble APTEL vide Para 25 of the Judgment dated 28th November, 2014 it was necessary for the Commission to verify the actual cost incurred by the petitioner as the PPA provides that if the actually incurred cost is less than the ceiling cost agreed in the PPA, the lesser cost will be considered. The Respondents submitted that while the petitioner has deducted Rs. 2.44 crores for the major physical deviation from TEC, the actual deviation should be Rs. 2.47 crores. The petitioner was required to provide two auxiliary transformers of 1600 KVA capacity, whereas the petitioner had provided two auxiliary transformers of 1200 KVA capacity. As such, the Respondents have claimed proportionate cost reduction of Rs. 0.0325 crores towards this deviation and had arrived at a deduction amount of Rs. 2.47 crores.

8

The petitioner in their reply submitted on 09.02.2015 to the Commission with respect to the written submissions of the Respondents refuted the arguments of the Respondents. The relevant portion of their additional written submission is as under:

Quote:

“ The Respondents have also sought to deny that the Petitioner has incurred the full TEC cost of Rs. 63.14 crores. In fact as per appendix- I filed alongwith the rebuttal submissions the Respondents claim that the capital cost of the project is under-run by Rs. 8.2045 crores. As such according to the Respondents the completed cost Rs. 54.93 crores. This submission is totally devoid of merit and is infact

absurd as it is completely contrary to the records, documents and the Respondents' own prior stand and acts. The Respondents have quoted paragraph 25 of the judgment dated 28.11.2014 of the Hon'ble Appellate Tribunal for Electricity and are misconstruing the said paragraph to mean as if the Appellate Tribunal for Electricity has declared that the incurred cost is lesser than the TEC cost. It is submitted that this is completely incorrect. A bare reading of the said paragraph 25 of the judgment dated 28.11.2014 makes it clear that the Hon'ble Appellate Tribunal for Electricity was merely reiterating an established principle that if the actual cost incurred for completion of a project is lesser than the TEC provided cost, than the lesser cost would be taken into consideration for the purposes of the project cost.

*The Respondents have submitted that this Hon'ble Commission ought to verify the item wise work undertaken by the Petitioner and compare it with the TEC provided work. The Respondents have indicated that the TEC provided cost detailed item wise is available in the PPA at pages 97 to 105. The Petitioner categorically submits that while it has absolutely no objection whatsoever for the item wise verification to be undertaken by this Hon'ble Commission, it has to be taken into consideration that as early as November, 2003 the item wise actual cost incurred was submitted to the Respondents and the Respondents in the joint exercise dated 15th to 17th of April, 2010 have categorically permitted the said actual expenditure on the project to be included in the project cost. For the sake of the convenience of this Hon'ble Commission to undertake the verification of the item wise cost incurred on the project by the Petitioner, the Petitioner is herewith filing the relevant extracts from the PPA which details the item wise TEC approved cost as **Annexure- I** and the actual item wise cost incurred by the Petitioner, which was submitted to the Respondents in November, 2003 as **Annexure-II**. The item wise cost approved by the Respondents in the joint exercise has already been filed before this Hon'ble Commission on 07.01.2015 and the same is available from pages 35 to 51 of that compilation.*

9

A mere comparison of the above three documents would completely established that the actual project cost as verified and approved by the Respondents is much higher than the TEC approved project cost of Rs. 63.14 crores. The Hon'ble Appellate Tribunal for Electricity in its judgment dated 28.11.2014 at paragraph 36 has clearly held that the capital cost of the project will include apart from the TEC cost of Rs. 63.14 crores and apart from a Foreign Exchange Rate Variation, the changes which are approved by the Respondents and this Hon'ble Commission. The approval for all alterations to the project, which amounts to Rs. 76.2801 crores has been given by the Respondents in the joint exercise dated 15th to 17th of April, 2010."

Unquote

Commission's Analysis:

The Commission has examined the various statements, documents and the written submissions submitted by both the Petitioner and the Respondents. The Commission observes that the actual cost incurred in the project by the Petitioner was verified by various consultants appointed by A&N Administration on different occasions which was subsequently examined by CEA, the Expert appointed by the Commission and the Commission itself. The Commission takes note of the disallowances of some of the items of expenditure in its order dated 03.07.2013. There was a disallowance of Rs. 57.20 lakhs incurred as extra expenditure on the head "construction of Jetty" and Rs. 39.85 lakhs towards the cost of "centrifugal Separator" from the cost incurred by the petitioner as the same were not approved by the Five Member Committee of A&N Administration which was also not considered by the Expert appointed by the Commission. The Commission also finds that the additions, deletions and increase in quantities of some areas of supply and works were discussed in depth in the Joint Exercise meeting held on 15th to 17th April, 2010 which was represented by the entire hierarchy of the technical team of the Electricity Department and the representatives of the Petitioner. The relevant portion of the views of the Electricity Department in the Joint Exercise Report is reproduced below:

Quote:

"The submission of M/s SPCL and the suggested proportionate reduction of the cost due to deviations in the works executed by them can be dropped since they have executed many other additional works over and above the TEC provisions which are technically required for improved performance of the power plant, by them"

10

Unquote:

Thus, the Commission comes to the conclusion on the basis of the detailed examination and subsequent approval by the technical team of the Respondents of the additional works executed by the Petitioner over and above the TEC provisions confirming that they were technically required for improved performance of the power plant.

The Commission also observes that the power plant was running for more than a decade without any major technical problems.

The Commission, in this context, takes note of the observation made by Hon'ble APTEL in the Paragraph 23 of their Judgment dated 28th November, 2014 which is as under:

Quote:

*“..... In case any modifications regarding capital improvements or change under the construction contract has been approved by the Administration or **which the Commission feels is necessary for efficient operation of the plant, the additional cost for such modifications has to be allowed.**”*

Unquote:

Hon’ble APTEL in the Paragraph 24 of their Judgment dated 28th November, 2014 observed as under:

Quote:

“... We feel that the Joint Commission has erred in allowing additional expenditure of Rs. 2.8915 crores out of CITI Bank Loan for punch list items contrary to the provisions of PPA. The Joint Commission has also wrongly allowed additional expenditure of Rs. 0.65 crores out of unsecured loans towards portion of outstanding liability to EPC contractor contrary to the terms of the PPA”.

Unquote:

Therefore, the Commission arrives at the following figure in respect of “additional cost of modifications” strictly in conformity with the directions of the Hon’ble APTEL as given in the Judgment dated 28th November, 2014.

Particulars		Amount (Rs. In crores)	
Additional Expenditure approved in the Joint Exercise Report (discussed above)			11.76
Less			
i.	Observation of Electricity Department with regard to physical work deviation at site and its proportionate deduction of cost.		(-)2.44
ii.	Expenditure not allowed by the Commission in their order dated 03 rd July, 2013 which was not recommended by the Five Member Committee of A&N Administration and the expert appointed by the Commission:	Rs. Cr	(-)0.97
	- Extra expenditure on the construction of jetty	0.57	
	- Cost of :centrifugal separator.”	0.40	
iii.	Hon’ble APTEL’s Judgment dated 28 th November, 2014 (para:24)	Rs. Cr	

-Additional Expenditure met out of Citi Bank loan	2.89	(-) 3.54
-Additional Expenditure met out of unsecured loan	0.65	
Net additional expenditure necessary for efficient operation of the plant allowed by the Commission		4.81

2) Exchange Rate Variation:

The Commission has strictly adhered to the directions given by Hon'ble APTEL in Paragraph 23 and Paragraph 36 of the Judgment dated 28th November, 2014 in this regard.

Hon'ble APTEL observed in Paragraph 23 as under:

Quote:

"..... The Joint Commission should also verify the inward foreign currency remittance certificate for actual use of foreign currency and verify the customs duty paid as the Administration has disputed the same."

12

Unquote:

Hon'ble APTEL under Paragraph 36 allowed over and above the capital cost of Rs. 63.14 crores indicated in the PPA, charges on Foreign Exchange Rate Variation on 5.131 m USD incurred on foreign equipment including their transportation cost and FERV on the customs duty/taxes on imported equipment applied on equivalent US Dollars.

The Commission, in conformity with the directions of the Hon'ble APTEL has checked the Foreign Currency Inward Remittances and the Bills of Entry submitted by the Petitioner. The Commission, thus, comes to the conclusion of the foreign currency utilization and the actual payment of customs duty of Rs. 4,48,51,567/- on 01/05/2001 and Rs. 51,048/- on 04/09/2001. The total amount of customs duty paid works out to Rs.4,49,02,615/- namely Rs. 4.49 crores. While the petitioner has claimed the actual customs duty paid was Rs. 4.53 crores in their submissions, the Commission, after scrutiny of the copy of

the Bills of Entry submitted by the Petitioner, arrives at the total customs duty payment of Rs. 4.49 crores.

Hon'ble APTEL under paragraph 19 of their Judgment dated 28th November, 2014 observed as under:

Quote:-

*".....The customs duty is levied as a percentage of cost of the equipment. The cost of the equipment is in the foreign exchange therefore, the customs duty will be calculated on the price of the equipment in foreign currency converted into Indian Rupees as on the date of the import. As indicated in the impugned order, the actual custom duty paid was Rs. 4.53 crores on improped equipment. **This amount has to be converted into US Dollars on the date when the customs duty was paid.** The customs duty converted in US Dollar will be subjected to FERV along with the cost of the equipment in USD".*

Unquote:

The Commission noted the above observation of Hon'ble APTEL that for the purpose of calculation of FERV on customs duty, the amount has to be converted into US Dollars on the date when the customs duty was paid. The Commission observes that the customs duty was paid on two occasions by the petitioner- Rs. 4,48,51,567/- on 01/05/2001 and Rs. 51,048/- on 04/09/2001. As such, the Commission considered the rate of exchange prevalent on the relevant dates as available in the RBI Reference Rate archive. As 01st May, 2001 was a holiday, the rate available on 30th April, 2001 is considered for the first transaction.

Copy of Bills of Entry submitted by the Petitioner and the copy of the Reference Rate of Exchange downloaded from RBI website (Archive) are enclosed in Annexure –1 to this order.

13

The following exchange rates are considered by the Commission.

- (i) As on 30th April, 2001 : 1USD = Rs.46.86 ps
- (ii) As on 04th April, 2001 : 1USD =Rs.47.16 ps
- (iii) As Considered in TEC/PPA : 1USD = Rs.36.00ps

The Commission observes that the foreign currency loan disbursements have taken place on different occasions, having different exchange rates. CEA in their report has considered the weighted average exchange rate during implementation of the project based on loan disbursements at Rs. 47.0445 per USD. The same was adopted for calculation of FERV on the foreign component by CEA, which was later adopted in the order issued on 03.07.2013 by the Commission for calculation of FERV on the foreign currency loan drawal. The Commission now considers the same weighted average rate of Rs. 47.0445 per USD to arrive at Foreign Exchange Rate Variation on 5.131 m USD incurred on import of equipment.

As directed by Hon'ble APTEL, 5.131m USD incurred on import of Foreign Equipment is considered to calculate the FERV.

The Foreign Exchange Rate Variation (FERV) amount is calculated as below:

A) FERV on import of equipment:

S. No.	Particulars	Amount
1	Cost of the imported equipment	5.131m USD
2	Rate of Exchange considered in PPA/TEC	1 USD = Rs. 36.00.
3	Weighted Average Exchange rate on foreign currency loan disbursement	1USD= Rs.47.0445ps.
4	Exchange Rate Variation for 1 USD	Rs. (47.0445-36.00) Rs. 11.0445.
5	Total FERV amount	5.131 m USD X Rs.11.0445 Rs. 5.66 crores

B) FERV on customs duty amount:

S. No.	Particulars	Amount
i)	Amount paid on 01 st May, 2001 Rate of Exchange as on 30 th April, 2001 } 1USD Rate of Exchange considered in PPA/TEC } 1 USD Exchange Rate variation per USD} Customs duty actually paid in terms of US Dollars at PPA/TEC rate } FERV amount (a)	Rs. 4,48,51,567/- Rs. 46.86 Rs.36.00 Rs. 10.86 Rs.4,48,51,567 ÷ 36 USD 12,45,876.86 USD 12,45,876.86 x Rs.10.86 Rs. 1,35,30,223/-
ii)	Amount paid on 04 th Sept, 2001 Rate of exchange as on 04 th Sept, 2001} 1USD Rate of exchange considered in PPA/TEC} 1USD	Rs. 51,048/- Rs. 47.16 Rs. 36.00

	Exchange rate variation per USD } Customs duty actually paid in terms of US Dollar at PPA/TEC rate FERV amount (b)	Rs. 11.16 Rs. 51048÷36 USD 1418 USD 1418xRs.11.16 Rs. 15,825/-
iii)	Total FERV amount allowed by the Commission on the Payment of custom duty.	Rs.1,35,30,223+15,825 Rs. 1,35,46,048 Rs. 1.35 crores

3. Increase in IDC, financing changes and Incidental expenses:

Hon'ble APTEL, in paragraph 23 of the Judgment dated 28th November, 2014 observed interalia, as under:

Quote:

"... As per the PPA, the increase in cost due to expenditure (IDC/FC etc) over and above that specified in the PPA due to delay in project not attributable to the company, its suppliers and contractors has to be approved by the Administration. In view of enactment of the Electricity Act, 2003, this has to be decided by the Joint Commission. We feel that the Joint Commission should allow increase in IDC, Financing charges and incidental expenses incurred for the delay in COD of the project due to reasons attributable to the Administration or for the reasons which are beyond the reasonable control of the Suryachakra Power and its contractors and suppliers."

15

Unquote:

Hon'ble APTEL , in paragraph 36 of the Judgment dated 28th November, 2014 allowed additional IDC, Financing cost and Incidental Expenses during construction for the period of delay in achieving the COD for reasons attributable to the Administration or beyond the reasonable control of the Petitioner from the scheduled COD to the actual COD, over and above the capital cost of Rs. 63.14 crores indicated in the PPA.

The interest calculations as submitted by the Petitioner on 05/01/2015 were examined by the Commission and the details are given below:

Interest During Construction (IDC)	Rs.
SBI – Rupee Term Loan (RTL)	1,89,86,658
SBI- Foreign Currency Loan (FCL)	2,19,43,476

SREI – Foreign Currency Loan	1,79,72,374
Total Interest from the first drawal of loan till COD ie 02.04.2003. (actually calculated upto 31.03.2003)	5,89,02,508.
Add: Letter of comfort charges on SBI-FCL	(+) 45,77,070
Less : Interest income on short-term deposits (net)	(-) 50,70,864
Amount considered by the petitioner towards IDC upto COD.	5,84,08714

The Petitioner in their additional submission on 09.02.2015 as rebuttal to the reply filed by the Respondents stated that the proportionate amount pertaining to Deemed Generation Period (from 10.12.2002 to 01.04.2003) amounting to Rs. 0.68 crores is deducted from the IDC figure calculated above. For this propose, the petitioner has considered total period of 975 days (from financial closure on 01.08.2000 to COD on 02.04.2003) to work out Rs. 5.84 crores. The number of days of deemed generation period is 113 days. The average interest for 113 days over 975 days works out to Rs 0.68 crores. (Rs. 5.84 crores ÷975x113=Rs.0.68 crores).

16

While extending the figure for calculation of project cost, the petitioner has considered the following details:

S. No.	Particulars	Amount (Rs. Cr)
1.	Total Interest During Construction (IDC)	5.84
2.	Less: Interest for Deemed Generation Period included above	(-)0.68
3.	Less: IDC as approved in TEC/PPA	(-)3.00.
4.	Additional IDC now considered by the Petitioner in the project cost.	2.16.

Commission's Analysis:

While examining the calculation of IDC as submitted by the Petitioner, the Commission observes that the Petitioner has paid penal interest to the banks and the same is also included in the amount claimed as IDC. The Commission disallows the penal interest paid by the Petitioner from the calculation as under:

S. No.	Particulars	Amount
--------	-------------	--------

1	Penal interest paid to State Bank of India- Rupee Terms Loan (a)	Rs.36,209/-
2	Penal interest paid to State Bank of India- Foreign Currency Loan (b)	Rs.7,74,481/-
3	Total penal interest disallowed by the Commission.(a)+(b)	Rs.8,10,690/-

The Commission takes note that the Petitioner has considered a total period of 975 days for calculation of proportionate average interest included for the deemed generation period, on the assumption that the first drawal of each loan started from the date of Financial Closure, namely 01.08.2000. However, the Commission finds the first drawal date (and hence the start of the interest amount) in case of each loan varies and did not fall on the Financial Closure date. Hence, the Commission has recalculated the proportionate average interest paid during the Deemed Generation period for deduction to arrive at Interest During Construction (IDC).

17

The additional IDC allowed by the Commission is arrived at as under:

S.No.	Particulars	Total IDC . (Including Deemed Generation period)				Deemed Generation Period (10.12.2002 to 01.04.2003)		Additional IDC amount approved by the Commission (Rs.) (a) –(b)
		From	To	No. of days	Amount (Rs.)(a)	No. of Days	Amount (Rs.) (b)	
1.	SBI- Rupee Term Loan (RTL)	23.07.2001	01.04.2003	617	1,89,86,658			
2.	Less:Penal Interest				(-)36,209			
3.	SBI-RTL Net			617	1,89,50,449	113	34,70,666	1,54,79,783
4.	SBI-Foreign Currency Loan (incl.-Letter of comfort charges)	21.11.2000	31.03.2003	861	2,65,20,547	113	34,80,629	2,30,39,918

5.	SREI Foreign Currency Loan (FCL)	16.07.2001	31.03.2003	624	1,79,72,381			
6.	Less: Int. income on short term deposits (net)				(-)50,70,864			
7.	Less: Penal interest				(-)7,74,481			
8.	SREI-FCL Net			624	1,21,27,036	113	21,96,082	99,30,954
9.	Total				5,75,98,032		91,47,377	4,84,50,655 i.e.4.84 Cr
10.	Less: IDC as approved in TEC/PPA							Rs. 3.00 Cr
11.	Additional IDC approved by the Commission for the delay in commissioning							Rs.1.84 Cr

18

SUMMARY

S.no.	Particulars	Amount (Rs. Cr.)
1.	Total IDC submitted by the Petitioner	5.84
	Less : Penal interest	(-)0.08
		<u>5.76</u>
2.	Less: Interest for Deemed Generation Period included above.	(-)0.92
		<u>4.84</u>
3.	Less: IDC as approved in TEC/PPA.	(-)3.00
4.	Additional IDC approved by the Commission as per directions of Hon'ble APTEL	<u>1.84</u>

The Respondents in their reply submitted that the additional IDC of Rs. 1.52 Crores upto 09.12.2002 could be considered in accordance with the direction of Hon'ble APTEL.

In this context, the Commission takes into consideration the observations made by Hon'ble APTEL in Paragraph 36 and Paragraph 53 of the Judgment dated 28th November, 2014 as reproduced below:

Paragraph: 53 of the Hon'ble APTEL Judgment dated 28th November, 2014. (regarding levy of liquidated damages):

Quote:

“..We have already held in earlier paragraph the delay in COD of the plant was not attributable to Suryachakra Power but is was due to delay in commissioning of the transmission line by the Administration. We have also accepted the findings of the Joint Commission regarding allowing deemed generation from the commissioning of the transmission line till the actual COD. Therefore, for the same reasoning, there is no justification in deduction of the liquidity damages for the capital cost of the project.”

Unquote:

Paragraph :36 of Hon'ble Judgment dated 28th Nov, 2014:

19

Quote:

“Thus, the completed capital cost of the project will be sum of capital cost of Rs. 63.14 crores indicated in the PPA and.....additional IDC, Financing Cost and Incidental Expenses during construction for the period of delay in achieving the COD for reasons attributable to the Administration and beyond the reasonable control of Suryachakra Power from the scheduled COD to the actual COD”

Unquote:

Accordingly the Commission approves Rs. 1.84 crores towards additional Interest During Construction.

(B) Incidental Expenditure, During Construction: (IEDC):

The Petitioner has claimed an additional amount of Rs. 3.96 crores towards IEDC and added the same to the project cost as indicated in the PPA.

Petitioner's Submission:

S.No.	Particulars	Amount (Rs. Cr.)
1	Total IEDC incurred (as per Auditor Certificate dated 23.12.2004 and 14.04.2010 submitted to Superintending Engineer, Electricity Department, A&N Administration)	5.81
2	Less: IEDC initially approved in original TEC of Rs.63.14 crores	(-)1.85
3.	Additional IEDC considered by the Petitioner	3.96

The Petitioner has submitted the details of IEDC of Rs. 5.81 crores

The Respondents in their reply submitted as below:

Quote:

“..That it is pertinent to submit here that Hon’ble APTEL while passing this direction has stated in categorical terms that the Petitioner will be allowed financing cost and additional incidental expenses only for delay in construction period. The Petitioner misinterpreting the said directive of the Hon’ble APTEL has raised FC & IEDC of Rs. 5.81 crores, which includes incidental expenses for more than 90 months i.e. from 1997 onwards. Such inflated claim of Petitioner is neither justified in accordance with the provision of PPA nor as per the directive of the Hon’ble APTEL”.

20

Unquote:

The Respondents further submitted that as per their calculations, additional IEDC of Rs. 1.264 crores only could be considered (Rs.0.65 crores as additional Financing Cost and Rs. 0.614 crores as additional proportionate incidental expenses) in accordance with the directive of the Hon’ble APTEL.

Commission’s analysis:

The Petitioner has given broad categories of IEDC- Brokerage and Commission on capital issue, upfront fee & commitment charges, other Preliminary Expenses for floating the company and Establishment and travel expenses for more than 90 months. Under the Establishment Expenses, the Commission finds that the Petitioner has included expenses like entertainment & staff welfare expenses, Board Meeting Expenses, Directors sitting fees, Loss on sale of vehicle / assets, Donations, Professional Tax, Inauguration Expenses, O&M Mobilization fee, Income tax provision and O&M Expenses during trial runs.

The Commission accepts that Suryachakra Power Corporation Ltd, as a single project company, can add the incidental expenses before commissioning of the project (Power Plant) to the cost of the project, as per Accounting Standards. However, for the purpose of determination of the project cost, in the light of the Judgment given by Hon’ble APTEL, where the Petitioner has entered into an agreement with the

Respondents in the form of Power Purchase Agreement (PPA) the IEDC is to be allowed in accordance with the provisions contained in the PPA and not as per Accounting method.

As such, the Commission compares the IEDC provision in the PPA with the details of IEDC submitted by the Petitioner, hereunder:

Preliminary & Capital Issue Expenses.

(Rs. Lakhs)

S.No.	Particulars	Provision in PPA	Actuals as submitted by SPCL.
1.	Brokerage, Commission on Capital Issue, legal, advertisement & stationary	22.25	9.94
2.	Upfront fee, Commitment Charges etc.	23.00	88.60
3.	Other Preliminary Expenses_ Company floating.	30.00	8.20
4	Establishment and Travel Expenses (PPA provides at Rs. 5 lakhs per month for 22 months)	110.00	474.63
5	Total	185.25	581.37

The Commission finds that the actual commitment charges, upfront fee and other financing charges are Rs. 88.60 lakhs as against the PPA provision of Rs.23.00 lakhs in this regard. The financing charges like commitment charges, upfront fee etc were paid as per the Bank Loan Agreement. In this context, the Commission observes that the Bank Loan agreements were submitted by the Petitioner to the Respondents after tie-up with the banks. The consultant, M/s. KPCL, appointed by the Respondents has also gone through the bank loan documents.

The Joint Exercise Report submitted by the Petitioner, in the context of bank loans, cites the views of the consultant (KPCL) as under:

Quote:

*“The consultant (KPCL) also certified that the interest rate availed by the developer is much effective than the approved interest rates by CEA, **the financial package of the M/s. SPCL is advantageous to the A&N Administration** subject to pass through of the benefit in the tariff mechanism during the currency of the PPA.”*

Unquote:

As the loan agreement includes comprehensive terms & conditions of the loan including financing charges apart from interest rates, the Commission approves the actual expenses of Rs. 88.60 lakhs towards the financing charges like upfront fee and commitment charges as submitted by the Petitioner.

The Brokerage, Commission in capital Issue, legal, advertisement & stationary actual expenditure as submitted by the Petitioner, namely Rs.9.94 lakhs is approved by the Commission, as it is much lower than the provision in the PPA. Similarly, the Commission approves the actual expenses submitted by the Petitioner towards floating of the company and other preliminary expenses of Rs. 8.20 lakhs, which is much lower than PPA provision in this regard.

As far as the Establishment & Travel Expenses are concerned, the PPA provided a lump sum of Rs. 110 lakhs for 22 months at Rs. 5 lakhs per month. The Commission observes that due to delay in the Commission of the transmission line by the A&N Administration, there is a delay in commissioning of the Power Plant by the Petitioner. The project was commissioned only on 02.04.2003. As the Petitioner was not responsible for the delay in commissioning of the project, in adherence to the direction of Hon’ble APTEL in their Judgment dated 28th November, 2014, the Commission allows Establishment & Travel expenses beyond the original COD till actual COD.

Article -1 of the PPA under Definition of “ Acceptance Test” stipulates that the test is to be conducted in accordance with PPA provisions that will demonstrate an ability to generate continuously at

demonstrated capacity for seventy two hours in accordance with the Technical limits and the fuel specifications given in the PPA as per accepted test procedure. The Commission notes that all the four units were tested and commissioned simultaneously to demonstrate the ability to generate the demonstrated capacity as per PPA provisions. Accordingly, the additional Establishment & Travel Expenses are to be allowed for all the four units till actual commissioning, namely till 02.04.2003.

The time taken from Financial closure (01.08.2000) to the COD (02.04.2003) is 975 days, which is equivalent to 32.5 months, considering an average 30 days a month. While the Establishment & Travel Expenses were provided for 22 months in PPA, the same for the extended period to achieve COD at 32.5 months works out to Rs. 162.50 lakhs at Rs. 5 lakhs per month as per PPA stipulation.

Thus, the additional establishment & travel expenses under the head 'IEDC' are arrived at Rs. 52.50 lakhs.

The Commission approves additional IEDC as under:

S.No.	Particulars	IEDC approved by the Commission (Rs. Lakhs)
1.	Brokerage, Commission on capital Issue, legal advertisement & stationary.	9.94
2.	Upfront fee, commitment charges etc.	88.60
3.	Other preliminary expenses-- company floating.	8.20
4.	Establishment and Travel Expenses (32.5 months at Rs. 5 lakhs per month)	162.50
5	Total (a)	269.24
6	Less: Provision in PPA (b)	185.25
7	Additional IEDC allowed by the Commission (a) –(b)	83.99.

The additional IEDC of Rs. 83.99 lakhs is approved by the Commission.

Conclusion:

The Commission has examined the actual payment of customs duty as per copy of the Bills of Entry submitted by the petitioner. The copy of the Foreign Inward Remittance certificates, provided by the Petitioner's banks were verified. The certificate dated 23.12.2004 issued by M/s Visweswara Rao & Associates, Chartered Accountants giving the total project cost of Rs. 83.66 crores was taken note of by the Commission. The various documents including the Joint Exercise Report and minutes, provisions of the Power Purchase Agreement, the replies and observations made by the Respondents, copies of the bank statement submitted by the Petitioner have also been examined by the Commission. The directions given by Hon'ble APTEL in their Judgment dated 28th November, 2014 have been strictly followed by the Commission in arriving at the completed cost of the project as given below:

S.No.	Particulars	Amount (Rs. Crores)
1.	Capital cost of the project as per PPA	63.14
2.	Add: Foreign Exchange Rate Variation on 5.131 m USD incurred on import of equipment	5.66
3.	Add: Foreign Exchange Rate Variation on customs duty paid on imported equipment applied on equivalent US Dollars	1.35
4	Add: Net additional expenditure incurred by the Petitioner necessary for efficient operation of the plant allowed by the Commission	4.81
5.	Add: Additional Interest During Construction (IDC) Financing cost and Incidental Expenses During Construction (IEDC) as allowed by the Commission.	
	(i) Additional IDC	1.84
	(ii) Additional IEDC	0.84
6	Total project cost approved by the Commission	77.64

The Commission notes the observation made by Hon'ble APTEL in Paragraph 36 of the Judgment dated 28th November, 2014 as quoted below:

“ this (completed capital cost) will be subject to ceiling of actual funds tied up by Suryachakra Power for the project and the actual cost incurred”.

Unquote:

The actual cost of Rs. 83.66 crores incurred by the Petitioner as certified by the Chartered Accountants was taken note of by the Commission.

The Chartered Accountants, M/s. Visweswara Rao & Associates have certified on 14.04.2010, the actual cost as per the Petitioner and the sources of funds for the actual cost of Rs. 83.66 crores as stated hereunder:

Petitioner’s submission as per certificate given by M/s. Visweswara Rao & Associates.

Capital Expenditure on 20MW Power Project at Bambooflat upto 31st Oct, 2004.

S.No.	Name of the item	Certified upto 31.10.2004 Amount (Rs.)
1.	Land & site development	6,25,38,605
2.	Building & civil constructions	10,85,71,133
3.	Diesel Engine & accessories	48,36,80,698
4.	Electrical & Miscellaneous Fixed Assets	6,28,12,751
5.	Interest During Construction	5,84,08,714
6.	Preliminary & Capital Issue Expenses	5,81,36,745
7.	Start-up Fuel	25,28,784
8.	Total	83,66,77,43

Funding of the capital expenditure upto 31.10.2004.

S.No.	Particulars	Amount (Rs.)
	<u>Debt/other sources:</u>	
1.	SBI – Foreign Currency Loan	16,36,10,000.
2.	SREI – Foreign Currency Loan	21,08,64,100.
3.	SBI –Rupee Term Loan	13,69,00,000.
	Sub – Total	51,13,74,100
4.	Citi Bank Loan	4,02,00,000
5.	Other Sources/credits	2,05,23,731
6.	Total Debts	57,20,97,831
	<u>Equity:</u>	
7.	Equity Share Capital	23,18,79,000
8.	Share Application Money	3,27,00,600
9.	Total Equity	26,45,79,600
10.	Grand Total	83,66,77,431

Copy of the certificates dated 23.12.2004 and 14.04.2010 given by M/s. Visweswara Rao & Associates, Chartered Accountants, as submitted by the Petitioner are enclosed in Annexure- 2 to this order.

The Commission has determined the capital cost of the project at Rs. 77.64 crores, in accordance with the directions given by Hon'ble APTEL. The capital cost, thus approved by the Commission is within the actual cost incurred by the Petitioner and the funds tied-up for the project as seen above.

The Petition stands disposed of accordingly.

Sd/-
(S.K.Chaturvedi)
Chairperson

Certified Copy

(Keerti Tewari)
Secretary