IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT RANCHI

Miscellaneous Petition No. 02 of 2026 along with Case (Tariff) No.: 12 of 2025

Damodar Valley Corporation (DVC) .... Petitioner

Versus

Association of the DVC HT Consumer of Jharkhand ....Respondent

CORAM: HON'BLE MR. JUSTICE NAVNEET KUMAR, CHAIRPERSON
HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)

For the Petitioner : Mr. Nihal Bhardwaj and Ms. Surbhi Kapoor, Advocate

For the Respondent: Mr. Saket Upadhyay, Advocate

ORDER

Date – 31st July, 2026

1. The Petition has been instituted by Damodar Valley Corporation (DVC) seeking implementation and due compliance with the Judgment and Order dated 24.04.2026 rendered by the Hon'ble Appellate Tribunal for Electricity (APTEL) in Appeal No. 227 of 2025, titled Damodar Valley Corporation v. Jharkhand State Electricity Regulatory Commission & Ors., inter alia, for the FY 2024-25.

2. The principal issue arising for consideration in the aforesaid Appeal pertained to the methodology adopted for treatment of the Non-Tariff Income ("NTI") of the Distribution Business of Damodar Valley Corporation (DVC). The Appellant, inter alia, assailed the approach adopted by this Hon'ble Commission whereby, for the purpose of determination of the Aggregate Revenue Requirement (ARR), Revenue Gap, and Retail Tariff, the Commission had taken into account Non-Tariff Income other than Delayed Payment Surcharge ("DPS"), including income attributable to the Generation Business, Transmission Business, and other ancillary activities of DVC.

3. The principal issue raised in the Appeal pertained to the treatment of Non-Tariff Income ("NTI") for the distribution business of DVC, wherein this Hon'ble Commission had considered income other than Delayed Payment Surcharge ("DPS"), including income attributable to generation, transmission and other activities of DVC, while determining the ARR, Revenue Gap and retail tariff.

4. The Prayers of the Petitioner are follows: -
   (a) To revise, modify, and suitably give effect, to the extent necessitated by the re-determination of Non-Tariff Income ("NTI") in terms of the Judgment dated 24.04.2026 passed by the Hon'ble Appellate Tribunal for Electricity in Appeal No. 227 of 2025, the following Tariff Orders of this Commission, namely: (i) Order dated 30.01.2026 passed in Case (Tariff) Nos. 07 & 08 of 2022 pertaining to the True-up for FY 2020-21; (ii) Order dated 30.01.2026 passed in Case (Tariff) No. 01 of 2023 pertaining to the True-up for FY 2021-22, including the retrospective re-determination of NTI for FY 2012-13 to FY 2019-20; (iii) Order dated 30.09.2024 pertaining to the True-up for FY 2022-23; (iv) Order dated 27.05.2025 passed in

Case (Tariff) No. 13 of 2024 pertaining to the True-up for FY 2023-24; and (v) Order dated 30.03.2026 pertaining to the True-up for FY 2024-25, and consequently re-determine the Revenue Gap for the respective financial years by treating only the Delayed Payment Surcharge ("DPS") as admissible Non-Tariff Income ("NTI"), in conformity with the aforesaid Judgment of the Hon'ble Appellate Tribunal for Electricity.

(b) To bring on record, and give effect to, the period-wise revised cumulative Revenue Gap of Rs. 12,010 Crore (Principal Rs. 6,020 Crore + Carrying Cost Rs. 5,990 Crore), as set out in Annexure P/4, in compliance with the Judgment dated 24.04.2026 passed in APPEAL No. 227 of 2025

(c) Provide for liquidation of the said cumulative Revenue Gap over a structured trajectory, in parity with the other distribution licensees

(d) Hold and declare that the Revenue Surplus pertaining to FY 2006-07 to FY 2011-12 shall be kept entirely distinct, and shall not be set off or netted against the Revenue Gap accruing from FY 2012-13 onwards; and/or

(e) Pass such further or other order(s) as this Hon'ble Commission may deem just and proper in the facts and circumstances of the case.

5. The matter was taken up for hearing by the Commission, wherein due opportunity of hearing was afforded to all the parties to advance their respective submissions. During the course of the proceedings, Mr. Saket Upadhyay, learned Counsel appearing on behalf of the Respondent, entered appearance and addressed arguments before the Commission. However no written objections/submissions/counter affidavit has been filed on behalf of DVC.

6. The Commission granted liberty to both parties to file their written submissions, if any, within three days. However, despite the opportunity so granted, the Respondent neither filed any objections nor submitted any reply or affidavit on record.

   The Commission reserved the Order on 07.07.2026 and then today the Order is passed by this Commission.

7. **In this Order the Commission is considering the prayer of the petitioner of NTI for FY 2024-25 only**, and for other prayers raised in the instant Petition the Commission will issue separate orders as follows:

   i) For Order dated 30.01.2026 in Case (Tariff) Nos. 07 & 08 of 2022 (True-up FY 2020-21);

   ii) For Order dated 30.01.2026 in Case (Tariff) No. 01 of 2023 (True-up FY 2021-22, including the retrospective re-determination of NTI for FY 2012-13 to FY 2019-20);

   iii) For Order dated 30.09.2024 in Case (Tariff) Nos. 12 of 2023 & 01 of 2024 (True-up FY 2022-23) in Case No. 36 of 2024 (Review Petition);

   iv) For Order dated 27.05.2025 in Case (Tariff) No. 13 of 2024 (True-up FY 2023-24);

8. The issue raised by the Petitioner and the reliefs sought in the instant Petition have been examined by the Commission and are dealt with hereunder: -

Computation of Non Tariff Income for FY 2024-25:

Petitioner's Submission

9. The petitioner has submitted that vide Order dated 30.03.2026, the Commission determined the Revenue Gap for FY 2024-25 at Rs. 1,052 Crore (treated as a Regulatory Asset), and directed liquidation of the entire amount in the FY 2026-27 tariff order with applicable carrying cost. DVC respectfully placed on record that the said determination of Rs. 1,052 Crore was arrived at by treating items in addition to DPS as NTI. Such treatment is squarely contrary to the binding ratio of the Judgment dated 24.04.2026 of the Hon'ble APTEL in Appeal No. 227 of 2025.

10. On re-computation applying only DPS as NTI, the Revenue Gap for FY 2024-25 stands at Rs. 1,056.72 Crore (Principal) as against the Rs. 1,051.97 Crore determined in the order dated 30.03.2026, leaving a residual Regulatory Asset of approximately Rs. 4.75 Crore. The said revised figure has been duly carried forward, therefore, the petitioner most respectfully prays that the Revenue Gap for FY 2024-25 be revised accordingly and the revised figure be given effect to in the present computation.

11. It is submitted that the Hon'ble APTEL is the statutory appellate forum constituted under the Electricity Act, and its orders and judgments in appeals arising from the orders of the Commission are binding upon the Commission. By its Judgment dated 24.04.2026 in Appeal No. 227 of 2025, the Hon'ble APTEL has, upon a detailed component-wise examination, conclusively held that only DPS qualifies as NTI in DVC's distribution business in the State of Jharkhand inter alia holding that NTI can only include income attributable to the distribution business and not to generation or transmission.

12. The Judgment dated 24.04.2026 has not been challenged in further appeal before the Hon'ble Supreme Court of India under Section 125 of the Act, and has thereby attained finality and become conclusive and binding between the parties. The question of what does, and what does not, constitute NTI for DVC's distribution business is therefore no longer res integra: it stands authoritatively and finally determined.

13. Once an issue of law and its application has been so settled by the appellate tribunal and allowed to attain finality, the same issue cannot be permitted to be re-agitated, re-opened or decided differently in any connected or subsequent proceeding involving the same subject matter. The said finality consequently governs and substantially decides the determination of NTI in each of the orders sought to be revised and given effect to in the present petition, leaving the Commission with the single, consistent course of applying that settled position uniformly.

14. It is further submitted that in the proceedings in OP No. 1 of 2025, while seeking extension of time by IA No. 717 of 2026, the Commission expressly represented as recorded in the Order dated 29.04.2026 that "*considering that the judgment of this Tribunal in Appeal No. 227 of 2025 dated 24.04.2026 is also to be factored in, additional time is sought.*" The Commission's own admitted position before the appellate forum binds it and supplies an independent and sufficient basis for the reliefs sought.

15. It is further submitted that by its orders dated 30.01.2026 and the Tariff Order dated

30.03.2026, the Commission itself recorded that the treatment of NTI adopted till date was provisional in nature and subject to the final outcome of the appeals then pending before the Hon'ble APTEL, expressly reserving liberty to make appropriate adjustments consequent upon final adjudication. The final adjudication has now occurred. The present petition therefore seeks no more than the working-out and implementation of adjustments squarely within the framework that the Commission itself established; it does not invite any fresh or de novo adjudication, nor any re-opening of concluded findings on other heads.

Analysis and Findings of the Commission

16. The Commission has duly considered and examined the submissions advanced by the Petitioner concerning the treatment of Non-Tariff Income ("NTI"), together with the judicial pronouncements subsequently brought on record for its consideration. Upon due examination of the materials available on record, the Commission observes that the Tariff Order dated 30.03.2026 passed in Case (Tariff) No. 12 of 2025 was rendered on the basis of the regulatory framework then in force and the prevailing legal position, including the judicial precedents holding the field as on the date of issuance of the said Order. Consequently, the findings and determinations recorded therein were arrived at in accordance with the statutory provisions, applicable Regulations, and the legal position obtaining at the relevant point of time.
17. The Commission observes that, subsequent to the issuance of the Tariff Order dated 30.03.2026, the Hon'ble APTEL, vide its Order dated 24.04.2026 in Appeal No. 227, has clarified the legal position regarding the treatment of Non-Tariff Income (NTI). In light of the said judgment, the Commission considers it appropriate to re-examine the treatment of NTI in the present Review Proceedings. Accordingly, to the extent warranted by the findings and directions contained in the Hon'ble APTEL's Order and subject to prudence check, the Commission deems it fit to revise the treatment of NTI adopted in the Tariff Order dated 30.03.2026 and allow consequential relief to the Petitioner in accordance with law.

18. The Commission further observes that the Hon'ble APTEL, vide its Order dated 24.04.2026 in Appeal No. 227, has examined the issue relating to the treatment of Non-Tariff Income (NTI) and issue the directions are as follows:

> *"78. As mentioned in the paragraph 13, we are only dealing with the issue of NTI in this judgement.*
>
> *79. Based on the issues emerging from the submission of the parties, we have divided our analysis and conclusions in three parts:*
>
> *(i) Part I: Essential requirement for an item to be considered as NTI under prevailing regulatory arrangement governing tariff for DVC's assets, and findings on specific items considered by JSERC as NTI in the Impugned Order*
>
> *(ii) Part-II: The Guiding Framework for segregation of network assets of DVC into distribution system and transmission system*
>
> *(iii) Part-III: Segregation of accounts*
>
> *....*
>
> *86. The issue of NTI has been brought to this Tribunal in several appeals earlier too. Some of the important interim or final judgements as noticed by us, and also relied*

upon by the parties, and the directions/findings contained therein are extracted below:

(i) Judgement dated 05.02.2024 in Appeal No. 845 of 2023 ("DVC Judgement-2")

"The 1st Respondent Commission's jurisdiction to determine the tariff is confined only to the retail supply business of the Appellant within the State of Jharkhand, and not beyond. Consequently, the 1st Respondent Commission lacked jurisdiction to include the non-tariff income of the Appellant arising from its generation, transmission and other businesses as its non-tariff income with respect of its distribution business. The tariff of the Appellant, with respect to its generation and transmission business, is determined by the CERC in terms of its Regulations; determination of the tariff for its distribution business in the State of West Bengal falls within the jurisdiction of WBERC, and in the State of Jharkhand within the jurisdiction of the 1st Respondent Commission. Even if the CERC had not taken into consideration the non-tariff income derived by the Appellant from its generation, transmission and other businesses, in determining its tariff, such an error could only have been corrected by the CERC; and the mere fact that it may have a bearing on the input cost, while determining the tariff of the Appellant's distribution business in the Sate of Jharkhand, would not confer jurisdiction on the 1st Respondent to reduce such non-tariff income from the annual revenue requirement of the Appellant for its distribution business in State of Jharkhand."

…

….

……

We consider it appropriate, in such circumstances, to set aside the impugned order and remand the matter to the 1st Respondent Commission to ascertain the break-up of the non-tariff income of the Appellant, as reflected in the audited accounts for FY 2006-07 to FY 2011-12, between its generation, transmission, distribution and other businesses; and treat only the non-tariff income, relating to the Appellant's distribution business in the State of Jharkhand, as its non-tariff income which is required to be reduced from its ARR for FY 2006-07 to FY 2011-12, and then pass an order afresh in accordance with law."

(Emphasis supplied)

(ii) Judgement dated 29.11.2024 in Appeal No 135 of 2024 ("DVC Judgement-3")

This Judgment referred to the DVC Judgement-2 and since herein also, JSERC was respondent, similar direction as extracted below was issued:

" the matter is remanded to the JSERC directing it to determine the Appellant's non tariff income only to the extent of its retail supply business in the State of Jharkhand, and not beyond….."

(Emphasis supplied)

(iii) Judgement dated 15.10.2024 in Appeal No 332 of 2024 ("DVC Judgement-4")

"44. JSERC vide remand order was directed to ascertain the component of NTI which is attributable to distribution business, there is no deliberation on this issue in the impugned order as well as whether some or all component of NTI shown under Generation and Transmission head by Appellant could be assigned to

Distribution Business. The JSERC could also have undertaken the exercise of approximation on any rational basis which they choose not to do. Initially we contemplated remanding the matter again to the JSERC to undertake a rational exercise of approximation to determine the non-tariff income of the Appellant relating to its distribution business……"

(iv) Judgement dated 15.09.2025 in Appeal No 275 of 2015 & batch ("DVC Judgement-5")

"85. DVC is supplying power to its firm consumers in its command area through a system of wires and associated facilities; therefore, it does have a distribution system as defined under Section 2 (19). The capital cost of such a distribution system should have been accounted for and approved by the WBERC while undertaking retail tariff determination, even if it falls under the total T&D system.

86. Therefore, it cannot be said that DVC does not have a distribution asset base, as also held by this Tribunal in judgment dated 23.11.2007 passed in Appeal No.271 of 2006 & batch ……"

…

….

99. Therefore, we set aside the impugned order on this count and direct WBERC to identify the distribution assets of DVC along with the corresponding costs within the T&D costs as determined by CERC.

100. Further, the State Commission shall determine the NTI of the distribution business after obtaining all the information from DVC in accordance with the relevant Regulation.

101. We also direct the State Commission to distribute the total NTI related to T&D assets between the distribution and transmission business in the ratio of the effective cost ratio of the distribution and transmission business. Till such time the actual NTI is determined, the total T&D NTI shall be distributed between the two businesses, as an approximation after obtaining the transmission and distribution assets ratio in similar States like Bihar, Tamil Nadu, or Chhattisgarh. The same will be subject to adjustment based on the actual determination."

87. It may be seen that the "DVC Judgement-2" holds that since tariff for generation and transmission is regulated by CERC, any omission by CERC in not considering any NTI from generation or transmission business for tariff reduction, cannot be corrected by the State Commission. The principle that emerges from this finding is that the authority which regulates the tariff for a particular segment or activity alone is competent to determine the cost and revenue elements including NTI pertaining to that segment or activity while arriving at the ARR. Similar is the finding in the "DVC Judgement-4". It was perhaps inadvertently missed out that CERC is not just regulating tariff for transmission, it is regulating tariff for Transmission & Distribution system (T&D). If this fact was also noticed, perhaps, the conclusion that JSERC can consider only NTI from distribution business, would have been slightly different.

88. The direction in "DVC Judgement-3" is almost similar, except the nomenclature; here the phrase used is "retail supply business" in place of "distribution business".

…..

91. We have noted that from this Tribunal's previous judgements (DVC Judgements- 2, 3 and 4) it emerged that an authority which regulates the tariff for *a particular segment or activity alone is competent to determine the cost and revenue elements pertaining to that segment or activity.*

92. We note that in the previous judgements of this Tribunal, the term used is "distribution business" or "retail supply business". At this stage, it is useful to distinguish between a "distribution business" and the "distribution system".

(i) The term "distribute" and "distribution" has not been defined in the Act. However, Section 12 mandates that no person shall inter-alia distribute electricity unless authorised by a licence under Section 14 or is exempt under Section 13.

(ii) Some of the relevant terms, which have been defined in Section 2 of the Act and relevant part of Section 42 are extracted below:

"(17) "distribution licensee" means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

….

(19) "distribution system" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers;

…..

…

..

"Section 42. (Duties of distribution licensee and open access): (1) It shall be the duty of a distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in his area of supply and to supply electricity in accordance with the provisions contained in this Act.

…

….."

93. A careful reading of the provisions of the Act indicates that the essential objective of the distribution business (i.e. business of the distribution licensee) is the supply of electricity to consumers. The distribution system, on the other hand, constitutes the physical network through which electricity is conveyed to such consumers. Thus, distribution system is the infrastructure used by the distribution licensee (one who owns and operate distribution business) to perform the function of supplying electricity to the consumers. Accordingly, the distribution business encompasses elements beyond the fixed assets that constitutes the distribution system, including operational, commercial and service-related aspects necessary to effectuate electricity supply to the consumers.

94. In view of the analysis in the preceding paragraph, there is a need to build upon the operative part of the previous Judgments of this Tribunal that NTI from distribution business can be considered by JSERC, while remaining aligned with its core reasoning. It is clear that the tariff for distribution system is also regulated by CERC as part of integrated T&D system. The costs related to fixed assets such as plants, machinery and buildings of DVC (generation, transmission & distribution together) are considered by CERC while fixing tariff for these systems. Similarly, the cost associated with human assets i.e. manpower related cost (as part of establishment expenses during construction of fixed assets and as O&M costs during operation of fixed assets) is also considered by CERC. Since CERC has treated distribution system in a similar way as transmission, the same regulations are applicable for even systems up to 33 kV. The CERC Tariff Regulations, 2019 have one specific Regulation dealing with non-tariff income

which is reproduced
below:

"84. Sharing of Non-Tariff Income: The non-tariff net income in case of generating station and transmission system from rent of land or buildings, eco-tourism, sale of scrap, and advertisements shall be shared between the generating company or the transmission licensee and the beneficiaries or the long term customers, as the case may be, in the ratio of 1:1."

95. Thus, CERC's Tariff Regulations form a complete code on tariff related matters for generation and T&D of DVC. It is clear, and rightly so, that JSERC adopts the generation tariff and T&D tariff as determined by CERC, without inquiring whether any cost element has not been considered by CERC. As a corollary, if any revenue is shown against any of individual items covered in generation and T&D tariff, it should not be used by JSERC to reduce the ARR, even if such revenue is not accounted for by CERC as NTI (Regulation 84) or not netted by CERC while formulating norms for O&M expenses. We, therefore, conclude that NTI emanating from "distribution system" should not be considered by JSERC.

96. Such a conclusion is necessitated by two reasons: first, to avoid duplicity of regulatory oversight; and second, because the regulatory philosophy of CERC and that of JSERC may differ on certain aspects, creating the possibility of the same head or sub-head being considered twice. If NTI emanating from distribution system is allowed to be determined by JSERC, in addition to that by CERC, it would lead to an anomalous situation; the annual fixed charges are determined by CERC by applying its own regulation, CERC also considers NTI as per its own regulations, but additionally JSERC will also determine its own version of NTI (which is only a limited aspect of tariff).

97. ***However, as mentioned earlier, there may be other aspects of distribution business, which are beyond distribution system, and which may give rise to NTI. Only such NTI should be considered by JSERC in their ARR and true-up exercise****. We make it clear that the aforesaid conclusion is applicable only till transitory arrangement of regulating tariff for distribution system by CERC continues. As and when JSERC starts regulating distribution business in its entirety, including tariff for distribution system after identifying the same, it will have complete jurisdiction over all the matter including NTI emanating from distribution system.*

……

101. Based on the conclusion drawn by us earlier, we now proceed to analyse the items of NTI considered by JSERC in ARR {items j) to y) of table 63 of Impugned Order}. The justification against most of the items of NTI for 2023 as furnished by DVC is recorded in para 5.78 and 5.79 of the Impugned Order. We have taken the description of each item as furnished by DVC to be correct since the same has not been questioned in the Impugned Order. On the other hand, JSERC, in para 5.93 of the Impugned Order has not given specific reasons for considering these items, instead they have given reasons for not considering the other items.

(i) Certain items are related to employees. Since, costs and revenues related to all the employees of DVC are considered by CERC while determining tariff for generation and T&D, therefore JSERC should not be considering them again. Accordingly, following items should not have been considered by JSERC as NTI:

• j): interest from Employee Loan and Advances

• n): Income from service charges

(ii) Certain income heads pertain to the contractors/vendors which are employed for capital works or O&M. The relevant costs and revenues get covered in capital cost or O&M cost (as the case may be) in the tariff for generation and T&D determined by CERC. Therefore, following income heads should not have been considered by JSERC:

• k) Interest from Non-current investments

• m) Profit on disposal of Fixed Assets

• q) LD recovery

• r) sale of scrape

• s) Sale of tenders/papers/forms

• w) Interest on short term deposits

• x) Forfeiture of SD/EMD

(iii) Certain items are linked to fixed assets. It appears that all these items are covered under CERC tariff for generation and T&D (in the form of recovery of capital cost or O&M costs or both). However, if any of the items is not covered in CERC tariff, it is equally true that the same is not covered by JSERC also (as may be seen from table 65 of the Impugned order- which does not list any item regulated by JSERC pertaining to fixed assets). Therefore, following items, which emanate from the fixed assets should not have been considered by JSERC:

• o) Misc. Recovery from Employees and outsiders (this recovery is for use of certain assets such as Schools, Hospitals, Transport Services, Quarters, Marriage Ceremony halls, Guest house etc.)

• p) Rental

• l) Interest on CLTD

(iv) The item u) and v) are intra-head and inter-head transfers. They merely indicate reallocation of costs from one-sub head to another within same head or from one head to another. Similarly, item "t) capitalized" just represents reallocation of expenditure from revenue to capital account. There is no additional income or expenditure and therefore, these should not have been considered as NTI.

(v) About item "y) Dividend non-current Investment", DVC has contended that this is revenue from JV of DVC with certain other companies. The business of this JV is not the core business of DVC i.e. distribution and therefore this item should not have been considered as NTI by JSERC.

102. Based on the analysis in the preceding paragraph we conclude that none of the items from j) to y) in the table 63 of the Impugned order, which were considered by JSERC qualifies to be the NTI. In our opinion, only item i) "Delayed Payment Surcharge", of this table qualifies as NTI.

ORDER

For the foregoing reasons as stated above, the captioned Appeal No. 227 of 2025 is allowed only to the limited extent of the issue relating to determination of Non-Tariff Income (NTI). Accordingly, we pass the following order:

(ii) ***The JSERC is directed to re-compute the tariff by considering Delayed Payment Surcharge (DPS) alone as NTI."***

19. The Commission further observes that the Hon'ble APTEL, in its Order dated 24.04.2026 in Appeal No. 227, has held that only such income as is incidental to the

distribution business and arises from the utilization of distribution assets can be treated as Non-Tariff Income (NTI) for the purpose of determination of Aggregate Revenue Requirement (ARR). The Hon'ble APTEL has further emphasized that income attributable to generation, transmission or any other business activities distinct from the distribution function cannot be considered as NTI of the distribution business. Accordingly, the Commission has examined the nature and source of the income considered under NTI and, in compliance with the directions of the Hon'ble APTEL, has excluded those income streams which are not directly related to the distribution business while determining the ARR in the present Review Proceedings. Accordingly, in exercise of its powers under the applicable provisions of the Tariff Regulations governing review of tariff orders and in order to align the tariff determination process with the legal position settled by the Hon'ble APTEL vide its Order dated 24.04.2026 in Appeal No. 227, the Commission finds merit in the submissions of the Petitioner on this issue.

20. Accordingly, the Commission finds merit in the prayer made by the Petitioner and, therefore, the same is hereby allowed. It is held that, for the purposes of determination of the Aggregate Revenue Requirement (ARR), the Non-Tariff Income (NTI) of the Distribution Business shall be confined exclusively to the Delayed Payment Surcharge (DPS) attributable to the Distribution Business and such other income, if any, as is directly relatable to and arises incidentally from the discharge of the licensed distribution function, in strict conformity with the findings, observations, and directions contained in the Judgment of the Hon'ble Appellate Tribunal for Electricity.It is further held that any income attributable to the Generation Business, Transmission Business, or any other activity extraneous to the licensed distribution function shall stand excluded from the computation of the Non-Tariff Income (NTI) of the Distribution Business and shall not be taken into consideration while determining the Aggregate Revenue Requirement (ARR), Revenue Gap, or Retail Tariff in the present Review Proceedings.

Table 1: Summary of Delay Payment Surcharge as approved by the Commission for FY 2024-25

(in Rs. Crore)

S. No.	Particulars	Approved by the Commission in Order dated 30.03.2026	Petitioner filed in his Petition	Approved by the Commission in Present Petition
1	Delayed Payment Surcharge (JH)	2.22	2.22	2.22
2	Interest from Employees Loan and Advances	0.00	-	-
3	Interest from Non-Current Investment	0.01	-	-
4	Interest on Security Deposit - Purchase of Power	0.01	-	-
5	Interest on Short Term Deposit	0.02	-	-
6	Interest on CLTD	0.00	-	-
7	Other Misc. Income	4.70	-	-
	Total Non-Tariff Income	**6.97**	**2.22**	**2.22**

Summary of Revised ARR and the resultant impact on Revenue Gap/(Surplus)

21. The Commission has duly considered the issue raised in the Instant Petition and the

consequential impact arising therefrom, including the revision in the treatment of Non-Tariff Income (NTI) in accordance with the directions of the Hon'ble APTEL, In view of the findings recorded in this Order, the Commission has revised the Aggregate Revenue Requirement (ARR) in True Up Order dated 30.03.2026 bearing case no.12 of 2025 for the FY 2024-25 and reworked the Revenue Gap/(Surplus) after considering the impact of the issue allowed and dealt with in the present Petition for implementation of the Order dated 24.04.2026 passed by Hon'ble APTEL in Appeal no. 227 of 2025 , as detailed below:

Table 2: Summary of ARR and Additional Revenue GAP/(Surplus) for FY 2024-25 as approved by the Commission

(In Rs Crore)

Sr. No.	Particulars	Amount
Cost/Income Approved by the Commission		
1	Non-Tariff Income	2.22
Impact on ARR		
2	ARR approved in True Up of FY 2024-25 in Tariff Order dated 30.03.2026	5,651.35
3	Add: Differential Non-Tariff Income	4.75
4	**Revised Annual Revenue Requirement for FY 2024-25 (2+3)**	**5,656.10**
5	**Revenue Billed for FY 2024-25**	**4,599.38**
6	**Revenue GAP (4-5)**	**1,056.72**

22. In view of the foregoing discussion and in due compliance with the Order dated 24.04.2026 passed by the Hon'ble APTEL in Appeal No. 227 of 2025, the Commission has revisited and re-determined the treatment of Non-Tariff Income (NTI) by restricting the same to the Delayed Payment Surcharge (DPS) alone, in accordance with the findings and directions contained therein. Consequently, the standalone Revenue Gap has been re-computed and re-determined for FY 2024-25 by revising its earlier tariff Order dated 30.01.2026 passed in Case (Tariff) No 12 of 2025 as shown in the table above i.e. Rs.1056.72 Crores.

Accordingly, the Petition is disposed of to the extent of the aforesaid issue.

Sd/-
Member (Law)

Sd/-
Chairperson