



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.13 of 2023/270

Date: 27th December 2023

To

Shri Anand Bardia
CFO- Finance & Strategy
Inland Power Ltd.
C/218, Road No. - 2
Ashok Nagar, Ranchi - 834002

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for True-up of FY 2022-23 of the petitioner - Inland Power Ltd. (IPL) - Regarding thereof.

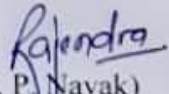
Sir,

Please find enclosed a copy of Order dated 27.12.2023 passed by the Commission in Case (Tariff) No. 13 of 2023 along with office report dated 27.12.2023 pointing out some discrepancies in the petition as cited.

A compliance report to this effect removing the discrepancies together with required additional data may please be sent within two weeks as order.

Thanking you.

Yours faithfully,


(R. P. Nayak)
Secretary

Office Report

The petition dated 18.12.2023 for True-up of FY 2022-23 of the petitioner - Inland Power Limited (IPL) for 1x63MW (Stage - 1) Coal Fired CFBC Thermal Power Project have been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

Note on Discrepancies/ Data gaps on the Petition for True-up of FY 2022-23 filed by Inland Power Ltd. (IPL)

1. The Petitioner has claimed capitalization of Rs. 0.18 Cr for purchase of vehicles and a de-capitalization of Rs. 0.01 Cr against Plant and Machinery. The Petitioner is directed to provide Bills of Purchase and documentation for de-commissioning of machineries in order to quantify its claim.
2. The '*Addition to Equity*' is claimed as Rs. 0.05 Cr., and '*Addition to Loan*' is claimed as Rs. 0.00 Cr. The total of these '*Additions*' is Rs. 0.05 Cr., which is less than the claimed capitalization. Such claims, are in clear violation of Clauses 15.6 to 15.8 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.
3. As per '*Table 3: Computation of Interest on long term loan*' the interest and finance charges are claimed as Rs. 10.20 Cr. However, it is observed that the average of the claimed opening and closing balances, multiplied by the claimed rate of interest equates to Rs. 5.42 Cr. The petitioner is directed to justify its claim with detailed calculation and explanation.
4. The Petitioner in '*Table 2*' of the Petition has claimed '*Net RoE Rate*' as 15.00%. However, while calculating the RoE, the Petitioner has claimed a Return on Equity on a post-tax rate of 18.18%, by grossing up the pre-tax rate of 15.00% (as per the Regulation) with the applicable MAT rate of 17.47%, to compute a net RoE (inclusive of tax) of Rs. 18.10 Cr. The petitioner is directed to provide detailed explanation for the same.

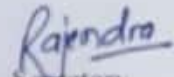
Additionally, the Petitioner has claimed an actual tax paid of Rs. 5.83 Cr., and has provided the '*Indian Income Tax Return Acknowledgment*' for the same in Annexure 8. Thus, the Income Tax is being doubly account for and is claimed by the Petitioner in two ways. The Petitioner in this regard is directed to clarify its stand on which form of Income Tax computation they want to claim. It is observed that in earlier Petitions the Petitioner has only considered the pre-tax rate as per Regulations and claimed the Actual tax separately and the same was allowed by the Commission. Further, in case of inadvertent errors, the Petitioner is requested to be careful in its submission since a similar submission had been made in the True-up Petition for FY 2021-22.

5. The Petitioner is directed to submit the excel files for Annexures 1, 5, 6, 7, 9, 10.
6. The Petitioner has assumed the rate of depreciation for Self-propelled vehicles as 6.33% instead of 12.77% as per '*Appendix-I: Depreciation Schedule*' of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020. In this regard, the Petitioner is directed to justify its assumption.

7. The Petitioner while computing the 'Net Revenue from Sale of Fly ash bricks' has deducted an amount of Rs. 4.57 Cr. on the head on 'O&M expenses', however the same is claimed as 'Other expenses' in the Cost Sheet of the Tariff Formats. The Petitioner is directed to justify why such O&M expenses has not been claimed in Table 7 of the Petition.

Further, the Petitioner is directed to shown detailed computation of the claim made in the current petition with reconciliation with the heads of expenses of the audited accounts. The Petitioner is directed to keep consistency in the nomenclature of the heads of claimed expenses, in-line with the audited accounts, both in this and in future petitions.

8. Similar views and directions had been given vide the Note on Discrepancies/ Data gaps on the Petition for True-up of FY 2021-22. The Petitioner is requested to be careful in its future tariff petition submissions.


Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING
Case (Tariff) No. 13 of 2023

Inland Power Limited (IPL)

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Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	27.12.2023	<p>The petition dated 18.12.2023 for True-up of FY 2022-23 of the petitioner - Inland Power Limited (IPL) for 1x63MW (Stage - 1) Coal Fired CFBC Thermal Power Project have been scrutinized and several deficiencies/ discrepancies have been pointed out as shown in the office report dated 27.12.2023.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within two weeks.</p> <p>Put on receipt of replies.</p> <p>Sd/- Member (T)</p> <p>Sd/- Member (L)</p>	

