

**ORISSA ELECTRICITY REGULATORY COMMISSION  
BIDYUT NIYAMAK BHAWAN  
UNIT-VIII, BHUBANESWAR – 751012**

\*\*\*\*\*

Present : Shri D.C.Sahoo, Chairperson  
Shri B.C.Jena, Member  
Shri S.K. Jena, Member

**Dated the 11<sup>th</sup> day of February, 2005**

**Case No.167 of 2003**

State of Orissa, represented through  
Principal Secretary to Govt., Deptt. of Energy,  
Secretariat Building, Bhubaneswar .... **Petitioner**

- Vrs. -

Grid Corporation of Orissa Ltd.,  
Janpath, Bhubaneswar .... **Respondent**

For the petitioner - Mr. B. Mishra, Jt. Secretary  
For the respondent - Mr. S.C. Mohapatra, CMD

**CASE No. 168 of 2003**

State of Orissa, represented through  
Principal Secretary to Govt., Deptt. of Energy,  
Secretariat Building, Bhubaneswar .... **Petitioner**

- Vrs. -

Southern Electricity Supply Co. of Orissa Ltd.,  
having its registered office at Plot No.123,  
Sector-A, Mancheswar Industrial Estate,  
Bhubaneswar, Dist. Khurda .... **Respondent**

For the petitioner - None  
For the respondent - Mr. R.B. Mishra, CEO

**CASE No. 169 of 2003**

State of Orissa, represented through  
Principal Secretary to Govt., Deptt. of Energy,  
Secretariat Building, Bhubaneswar .... **Petitioner**

- Vrs. -

North-Eastern Electricity Supply Co. of Orissa Ltd.,  
having its registered office at Plot No.123,  
Sector-A, Mancheswar Industrial Estate,  
Bhubaneswar, Dist. Khurda .... **Respondent**

For the petitioner - Mr. B. Mishra, Jt. Secretary  
For the respondent - Mr. N.C. Dash, CEO

**CASE No. 170 of 2003**

State of Orissa, represented through  
Principal Secretary to Govt., Deptt. of Energy,  
Secretariat Building, Bhubaneswar .... **Petitioner**

- Vrs. -

Western Electricity Supply Co. of Orissa Ltd.,  
having its registered office at Plot No.123,  
Sector-A, Mancheswar Industrial Estate,  
Bhubaneswar, Dist. Khurda .... **Respondent**

For the petitioner - Mr. B. Mishra, Jt. Secretary  
For the respondent - Mr. S.C. Dutta, CEO

**CASE No. 171 of 2003**

State of Orissa, represented through  
Principal Secretary to Govt., Deptt. of Energy,  
Secretariat Building, Bhubaneswar .... **Petitioner**

- Vrs. -

Central Electricity Supply Co. of Orissa Ltd.,  
having its registered office at 2<sup>nd</sup> Floor, IDCO Towers,  
Bhubaneswar, Dist. Khurda .... **Respondent**

For the petitioner - None  
For the respondent - Mr. S.K. Paikray, CEO

**ORDER**

The aforesaid cases being analogous in nature, a common order is passed.

2. The Commission in its tariff order dt.28.6.03 while disposing of the Bulk Supply Tariff application of GRIDCO and Retail Tariff application of the DISTCOs, namely, WESCO, NESCO, SOUTHCO and CESCO had

issued conditional tariff order depending upon acceptance of the recommendations of the Commission based on Deepak Parekh Committee by the State Govt. Keeping in view the orders passed by the Hon'ble High Court in Misc. Case No.414 of 2003 and 580 of 2003, the Order passed by the Commission on 28.6.03 was not pronounced and filed in a sealed cover in the Hon'ble Court on 30.6.2003.

3. In accordance with the directions of the Hon'ble Court, the Commission pronounced the tariff order on 12.11.03 in case Nos. 61, 62, 63, 64 of 2002 and 9 of 2003 which is reproduced below :-

*"Para-4 In the circumstances mentioned above after finalisation of tariff order for 2002-03, the Commission is proceeding to finalise and pronounce the Tariffs for the year 2003-04 as decided by the Commission and filed with the Hon'ble Court in a sealed cover on 30.06.2003 which was taken return from the Hon'ble Court on 30.07.2003. In the above tariff order the Commission had provided for time till 22<sup>nd</sup> October 2003 to the State Government to take a decision on certain aspects before the tariff increase proposed in the said Tariff Order is given effect to from 1<sup>st</sup> November 2003. The relevant portion of the tariff orders reads as under.*

*"In case, Govt. of Orissa does not accept the Parekh Committee recommendations, as advised by the Commission, the revenue requirement of GRIDCO for FY 2003-04 would increase by Rs.94.10 crore and thereby BST would rise by 7.81 P/U over a period of 12 months, with an all Orissa average RST rise of 11.45 P/U; as per the Tariff Schedule given in Annex (C1) w.e.f. 01.11.2003. It is made clear that the tariff hereby made effective from 01.11.2003 shall not be construed as an amendment of the tariff order and there shall be no fresh proceeding U/S 26(6) of the OERC Act. However, in the event of such non-acceptance by the State Govt. on or before 22.10.2003, tariff as per (Annex-C) shall be published for giving effect thereto after 7 days from the date of publication. The amount left unrecovered due to*

*shorter tenure of recovery or partial acceptance of the Parekh Committee recommendation, would be carried forward to 2004-2005 for adjustment."*

*5. As the Tariff Order for the year 2003-04 is being finalised and pronounced now i.e. after 22<sup>nd</sup> October 2003, the time for the State Government to take the decision as mentioned above will be 22<sup>nd</sup> December 2003 instead of 22<sup>nd</sup> October 2003 and the implementation of the increased new tariff, subject to the decision of the State Government as envisaged above, shall be 1<sup>st</sup> January 2004 instead of 1<sup>st</sup> November 2003. In all other respects, the Tariff Order as filed with the Hon'ble High Court on 30.06.2003 shall be effective."*

The relevant portion of Bulk Supply Tariff Order for 2003-04 is quoted as follows:-

◇ **Energy charge :**

<i>Licensees</i>	<i>With Parekh Committee Recommendation (P/U)</i>	<i>Without Parekh Recommendation (P/U)</i>
<i>CESCO</i>	<i>92.00</i>	<i>100.00</i>
<i>NESCO</i>	<i>86.00</i>	<i>94.00</i>
<i>WESCO</i>	<i>96.50</i>	<i>103.85</i>
<i>SOUTHCO</i>	<i>84.00</i>	<i>92.00</i>

- ◇ *There shall be no change in the existing tariff, provided the State Govt. accepts Parekh Committee recommendations as adopted by the Commission in its tariff order.*
- ◇ **Demand charge** : Rs.200/KVA/month remains unchanged.
- ◇ **Transmission charge** : 32 paise/unit remains unchanged if Parekh Committee recommendations are accepted by the Govt. of Orissa. Otherwise, it would be 40 paise/unit.
- ◇ *Transmission loss has been approved at 3.58%.*
- **The Commission has approved GRIDCO's revenue requirement for 2003-04 at Rs. 2045.00 crore (applying correctives) which GRIDCO is allowed to recover at an approved tariff in accordance with Deptt. of**

**Energy, Govt. of Orissa notification No.1068/E dtd.29.01.03 and Parekh Committee recommendations duly accepted by Govt. of India. In case Govt. of Orissa does not accept the Parekh Committee recommendations, as advised by the Commission, the revenue requirement of GRIDCO for FY 2003-04 would increase by Rs. 94.10 crore and thereby BST would rise by 7.81 p/u over a period of 12 months, with consequential RST rise w.e.f 01.11.2003. It is made clear that the tariff hereby made effective from 01.11.2003 shall not be construed as an amendment of this tariff order and there shall be no fresh proceeding u/s 26 (6) of the OER Act. However, in the event of such non-acceptance by the State Govt. on or before 22.10.2003, tariff as given above shall be applicable and be published for giving effect thereto after 7 days from the date of publication. The amount left unrecovered due to shorter tenure of recovery or partial acceptance of the Parekh Committee recommendation, would be carried forward to 2004-2005 for adjustment.**

4. The retail tariff will have also impact of rising BST and the same will be as follows:-

Category	Consumption of Units	New Rate	Existing Rate
LT Domestic category	0-100	Rs.1.80 P/U	Rs.1.40 P/U
	100-200	Rs.2.60 P/U	Rs.2.30 P/U

Consumption above 200 units remains unchanged.

5. Consequent upon issue of the tariff order, the Govt. of Orissa filed a petition on 14.12.03 with the Commission seeking for review of the above mentioned tariff order. It also further sought for stay of the above order for the time being till the Commission disposes of the review petition.

The relevant excerpts of the State Government's submission were as follows:-

*"1. That the State Government in this petition seeks review of order dt.28.06.03 and 12.11.03 of the Hon'ble commission passed in case No.9 of 2003 on the basis of the following submission of ground and facts.*

*2. that this Hon'ble Commission in its tariff order of 2003-04 has suggested that out of a total liability of 3445.93 crores on GRIDCO's*

*balance sheet, as on 31.3.99, rs.1863.18 crores may be retained by GRIDCO and the balance amount of Rs.1582.73 crores relating to non-project liabilities and power purchase liabilities may be transferred to Power Sector Restructuring Fund (PSRF) to be serviced by the State Govt.*

*The Commission in its order dated 28.6.2003 has observed*

*"The commission considers it appropriate and justifiable to transfer the loan liabilities of GRIDCO as on 31.03.2003 to the latent of Rs.583 crore to Power Sector Reform fund for making the sector financially viable." (Para 5.35.3)*

*The Commission has further observed*

*"In case Govt. of Orissa does not accept the Parekh Committee recommendations, as advised by the Commission, the revenue requirement of GRIDCO for FY 2003-04 would increase by Rs.94.10 crore and thereby BST would rise by 7.81 P/U over a period of 12 months, with an all Orissa average RST rise of 11.45 P/U; as per the Tariff Schedule given in Annex (C1) w.e.f. 01.11.2003." (Para-4 of order dt.12.11.2003)*

*The above suggestion of the Commission is given based on the recommendations of the D.S. Parekh Committee Report.*

.....

*9. That as a consequence of the order of OERC, the tariff for domestic category consuming upto 100 units and 200 units will increase by 40 paise and 30 paise respectively. This would affect only to electricity consumers who will not be able to pass on the tariff hike to others, but will have to absorb it themselves. This will no doubt cause undue hardship to the common citizen who should not have been discriminated. At any event if hike is still warranted then in the best interest of justice it should have been considered to pass such order so*

*as to be shared by all categories of consumers. However, this is only for the sake of argument but not admitting that the situation warrants any such hike of tariff to meet the revenue requirement of the licensee.*

*10. That in the meantime the GRIDCO is also in the process of retiring its high costs loans with low cost loans as indicated below:-*

- (a) GRIDCO has availed Rs.100 crores from Union Bank with State Govt. guarantee at 11.25% interest, to retire loan with interest at the rate of 15.25%.*
- (b) GRIDCO has availed Rs.25 crores from Allahabad bank with State Government guarantee at 11.25% interest to retire loan carrying interest rate of 15.25%.*
- (c) GRIDCO is in the process of availing Rs.100 crores from Dena Bank with State Government guarantee at 10.5% interest to retire high cost loan.*
- (d) GRIDCO is in the process of availing Rs.75 crores from Allahabad Bank with State Government guarantee at 10.5% interest to retire high cost loan.*

*11. That besides above, the State Govt. is also negotiating with World bank and DFID for a structural adjustment loan (SAL) to revive the economy of the State, part of which will be utilised to meet the deficit in power sector.*

*12. That if all the aforesaid action and aspect of the state govt. were taken into consideration by this Hon'ble Commission then certainly it would have arrived at a conclusion that the liabilities of the licensee applicant is much lower than what was determined. Accordingly consequent upon the same the tariff hike should have been designed.*

*13. That although the Hon'ble Commission while in seisen of the matter sought for the advice/opinion of State govt., the Review Petitioner, but due to oversight and pre-engagements of the officers relating to affairs of the matter with all due diligence all the aforesaid facts and material could not be provided to the Hon'ble Commission so as to aid and assist them to consider and determine the tariff. As a result of which*

*the Hon'ble Commission without taking into consideration the aforesaid facts and impact of the same on reduction of liabilities of GRIDCO decided the tariff in order which obviously suffers from various errors apparent on the face of record. In view of this that order requires to be reviewed so as to eliminate all illusions and surmises in the best interest of justice, equity and fairplay.*

*14. That in view of the aforesaid facts and circumstances unless the order of the Hon'ble Commission dated 28.6.03 and 12.11.03 passed in Case No.9/2003 is modified/reviewed by taking into consideration to the aforesaid facts and circumstances it will cause undue hardship to a large sector of consumers which cannot be compensated in any manner and will cause irreparable loss and agony to the State.*

6. The Commission registered the revised petition as Case No.167, 168, 169, 170 & 171 of 2003 and fixed date of hearing on 27.12.2003. Notices were also issued to GRIDCO, CESCO, WESCO, NESCO and SOUTHCO to file their counter responding to the petition of the State Government. GRIDCO and DISTCOs filed their counters. Extracts of their filing are as follows :-

*GRIDCO in its submission stated that "it was saddled with loans and liabilities from the OSEB period and therefore the increase in BST will be helpful in recovering some of these liabilities."*

*The three DISTCOs., namely, WESCO, NESCO and SOUTHCO made a joint rejoinder which is as follows:-*

1. *All stakeholders in the Power Sector, the Govt. of Orissa (through its Notification), the World Bank (Meetings/correspondences with Ministry of Power, govt. of India), and the Sovan Kanungo committee (High Power committee report), including the Hon'ble OERC (in their last two tariff orders) have recognised that the causes/reasons for the*

*present health of Power Sector in Orissa are attributed to reform process adopted by the Govt. of Orissa on corporatisation/privatisation of Generation, Transmission and Distribution viz. Up-valuation of assets by over Rs.2000 crores, unrealistic determination of distribution loss level for determining Retail Supply Tariff (RST), very optimistic Information Memorandum far from reality and abrupt withdrawal of subsidy by the State Govt. after privatisation.*

- 2. Because of the above reasons, WESCO, NESCO and SOUTHCO have huge accumulated past losses and also carrying huge unserviceable liabilities.*
- 3. It is pertinent to note that the Hon'ble OERC in the past increased bulk supply tariff based on servicing of large non-asset based liabilities of GRIDCO without accommodating its financial impact on RST. A part of the non-asset based loans and liabilities have been transferred to DISTCOMs. The same should be written off corresponding to the over-valuation of assets as per the recommendations of Sovan Kanungo Committee. However, it can be seen from the last RST orders that Distribution Companies are not even given the RST to recover their reasonable revenue requirement and a minimum rate of return.*
- 4. We would like to draw the kind attention of the Hon'ble Commission particularly to Para No.10, 11 and 12 of the Review Petition of the State Govt. The State Govt. in their review petition have brought to light a number of steps taken by GRIDCO and the State Govt by which the liabilities of GRIDCO would be reduced substantially. The Hon'ble Commission may direct both, GRIDCO and the Govt. of Orissa to submit full details of adjustments of all loans and liabilities of GRIDCO to determine the reduced BST for WESCO, NESCO and SOUTHCO.*
- 5. In the last five years, our State has been badly affected by natural calamities like flood, cyclone and drought, which has*

*substantially reduced the paying capacity of consumers, particularly the rural and urban domestic consumers where AT&C loss is around 60% to 70%. Therefore, Hon'ble Commission may be pleased to consider the reduction of BST in order to maintain at least the current uniform RST, based on actual AT&C Loss of Distribution Companies.*

- 6. The World Bank, DFID, Sovan Kanungo Committee and even the Hon'ble Commission have agreed and realised that restructuring the debt of DISTCOMs and GRIDCO is essential to bring power sector reforms back on rails. The restructuring can be done only in line with the recommendations may be Deepak Parekh Committee. This would help GRIDCO and DISTCOMs to reduce servicing interest liability substantially.*
- 7. In view of above, it is essential to prepare the financial restructuring plan acceptable to GRIDCO, govt. of Orisa and DISTCOMs. Any increase in bulk supply tariff at this juncture would impose additional financial burden on DISTCOs, which we would not be able to bear at present. In addition to that OERC has proposed corresponding increase of 40 paise in RST in domestic category of consumers whose consumption is less than 100 units and 30 paise increase in RST where consumption is between 100 and 200 units. As collection in domestic category is very poor due to poor paying capacity of consumers and due to various other reasons. DISTCOMs (WESCO/NESCO/SOUTHCO) would not be able to recover the entire billed amount, which would further adversely affect our poor financial condition. A statement showing net financial loss to DISTCOMs due to proposed increase in BST and RST is submitted to the Hon'ble Commission.*
- 8. The Hon'ble Commission has determined retail supply tariff based on AT&C loss level as suggested by Kanungo Committee. It is important to note that the various recommendations of the Kanungo Committee are yet to be implemented and executed. In line with above, it is suggested*

*that to consider actual AT&C loss level in determining retail supply tariff in stead of loss level suggested by the Kanungo Committee other wise DISTCOMs would again end up with huge revenue gap.*

9. *In view of above, it is, therefore proposed that*
  - (a) *BST should be reduced to maintain the current level of RST*
  - (b) *Govt. may please be directed to release the outstanding dues of Govt. departments, and other receivables at the earliest.*
  - (c) *After enactment of new Electricity Act 2003, Law and Order support from Govt. of Orissa to take action against erratic consumers.*
  - (d) *The recommendations of the Sovan Kanungo Committee may be implemented in totally by the State Govt.*

7. After hearing the contending parties, the Commission passed an order on 27.12.2003 as follows:-

*"In the circumstances, the Commission's order dt.2806.03 and consequential order dt.12.11.2003 with regard to rise of Bulk Supply Tariff and Retail Supply Tariff (effective from 01.01.2004) is stayed till hearing and disposal of the revenue Requirement application of GRIDCO and four DISTCOMs for the financial year 2004-05. This review petition will be taken up for hearing on merit along with the hearing of the Revenue Requirement applications for the FY 2004-05 since the said matter is likely to be taken up in near future."*

8. The case was accordingly posted for public hearing for finalising the ARR and tariff applications of GRIDCO and four DISTCOs namely, CESCO, NESCO, WESCO, SOUTHCO for the FYs 2004-05 and 2005-06.

9. The representative of the State Govt. stated that in view of the State government's support by way of providing guarantee to GRIDCO to raise loans and swap the costlier loans and securitisation of outstanding NTPC dues of GRIDCO amounting to Rs.1102.87 crores as per the Alhuwalia Committee recommendations, the interest burden of Rs.94.10 crores as determined by the Commission in its tariff order for FY 2003-04 may be reduced to nil. Therefore, its impact on tariff will come to naught. He also further stated that earlier submission by the State Govt. for review of the Order of Commission may be taken into consideration while disposing of the cases.
10. The Distribution companies objected to pass the impact of Rs.94.10 crores on RST on the ground that it should be borne by GRIDCO out of its profits. Their submissions were as follows:-

Rs.94.10 crore has been proposed to be allowed to GRIDCO as pass through towards carrying cost of PSRF aggregating Rs.1583 crore for the FY 2003-04. GoO had filed a review petition before OERC not to recognise Rs.94.10 crore as such. As GRIDCO has made cash profit of Rs. 419 crore in FY 2003-04 after adjustment of interest & depreciation, there exists substantial sum left as profit during 2003-04. Thus, there is absolutely no need to pass through Rs. 94.10 crore in the ARR of GRIDCO.

**11. Objectors views :-**

- 12 The State govt. being the owner of GRIDCO initiated the Power Sector reforms. Therefore, it is logical that the State Govt. should bear the burden of a portion of loans and liabilities of the sector as per Deepak Parekh Committee recommendations and consumers should not be asked to pay for the same. The State Govt. clearly stated that it is not in a position to financially bear the burden arising out of the recommendations of the Deepak Parekh Committee. They also further stated that various supports are being extended to GRIDCO/

DISTCOMs for restructuring of its loans and liabilities. However, they intend to pass on a portion of structural adjustment loans proposed to be availed from the World Bank to meet the deficit in the power sector.

13. In view of the above, the Commission observes that all the loans and liabilities passed on to GRIDCO through the first transfer scheme 1998 issued by the State Govt. would remain with GRIDCO.
14. It is pertinent to mention here that the Commission in its tariff order for FY 2003-04 estimated an amount of Rs.218 crore towards interest charged to revenue, if the state govt. accepts Deepak Parekh Committee recommendations, or else the same interest would mount to Rs.314.49 crore. After taking into consideration the impact of miscellaneous revenue, net gap worked out to be 94.09 or 94.10 crore. This has been reflected in Annex-A (Revenue Requirement) of the tariff order 28.6.2003 (attached).
15. Subsequently, GRIDCO has filed the ARR and BST for the FY 2004-05 and 2005-06 before the Commission in which the data for the FY 2003-04 were given based on their management accounts. On scrutiny of the account for the FY 2003-04, it is revealed that GRIDCO has swapped costlier loans by availing loans at a cheaper interest rate, thereby reducing the basket of interest in a significant measure for the year 2003-04. As per GRIDCO's calculation, the interest for the FY 2003-04 chargeable to revenue comes to Rs.299.81 crore. The Commission made in-depth analysts of the same and noticed that GRIDCO had made provision of Rs.26.00 crore and Rs.19.19 crore towards interest on balance loan of Rs.400 crore (Zero Coupon Bond) and Rs.168.71 crore (State Govt. loan) respectively. Since, the state govt. vide their order 29.01.2003 suggested to keep in abeyance the effect of upvaluation and moratorium on debt servicing till 2005-06 or sectoral turn around, whichever is earlier, the Commission does not think it prudent to allow the interest on Rs.400 crore of Zero Coupon

Bond and Rs.168.71 crore of state govt. loan to be passed on to tariff. As such, the Commission did not allow any interest on state govt. loan.

16. Besides the above, the licensee has calculated the interest on PFC loan @ 16.05% and on REC loan @ 12.15% per annum. The Commission in their order dated 28.6.03 categorically stated that as per State Govt. notification dated 29.01.2003 tax free Bonds @8.5% interest would be guaranteed by the Govt. of Orissa for such loans. Accordingly, the Commission has considered the same for calculating the interest for the year FY 2003-04. The Commission takes the similar stand and calculates the interest on PFC and REC loan @ 8.5% per annum.
17. As against the Commission's estimate of Rs.314.49 towards interest chargeable to revenue without correctives as recommended by Deepak Parekh Committee the licensee has proposed a sum of Rs.299.81 crore for the year 03-04 according to their provisional accounts.
18. The interest amounting Rs.299.81 crore proposed by the licensee for the year 2003-04 hurls down to Rs.226.82 crore as per calculation sheet.
19. Thus, the gap subsisting between the interest of Rs.226.82 crore approved by the Commission (without applying Parekh Committee recommendation) and Rs.218.00 crore (considered in revenue) comes to Rs.8.82 crore, which is allowed to be passed on to ARR for 2004-05.
20. As such, the revenue requirement for 03-04 approved without Parekh Committee recommendations stand revised to the above extent. Therefore, the Commission further orders that the tariff order dt.28.06.03/12.11.03 for the FY 2003-04 effective from 01.12.03 will hold good.

**Sd/-**  
**(S.K. Jena)**  
**Member**

**Sd/-**  
**(B.C. Jena)**  
**Member**

**Sd/-**  
**(D.C. Sahoo)**  
**Chairperson**

**1 REVENUE REQUIREMENT FOR 2003-04**

Expenditure					
SL NO	Description	2003-04 (Gridco Proposal)	2003-04 (Approval With Parekh comitte)	2003 03-04 (Aproval Without Parekh Comitte)	Diference
				<u>Rs in Crs</u>	
I.	Cost of Purchase of Energy	1,668.01	1,648.72	1,648.72	
II.	Transmission Cost (O/M)				
	(a) Employees cost	118.28	100.06	100.06	
	(b) Material cost	13.35	13.35	13.35	
	(c) Admn. & General Expenses	20.09	14.19	14.19	
	(d) Amortisation of approved investment for restoring damages due to cyclone.	-			
III.	Rent, rates and taxes other than all taxed on income & profits				
IV.	Interest on loans, advanced by Gridco				
	(a) Interest on loan borrowed from organisation	455.38	218.00	314.49	96.50
	(b) Interest on debenture issued by licensee				
V.	Interest on security deposit				
VI.	Legal charges ( shown separately from A&G Expenses)	0.82			
VII.	Provision for Bad debt	-			
VIII.	Auditor's fees ( shown separately from A&G Expense)	0.12			
IX.	Management including managing agents remuneration				
X.	Depreciation	42.78	36.05	36.05	
XI.	Other expenses (ERLDC Fees)	1.35	1.35	1.35	
XII.	Contribution to P.F., Staff pension, Gratuity (Included in Employee Cost)	-			
	(a) Expenses on training & other training scheme				
	Bonus				
<b>A</b>	<b>(Total expenses I to XIII)</b>	<b>2,320.18</b>	<b>2,031.71</b>	<b>2,128.20</b>	

**Special appropriation to cover****Para XVII Clause 2(c)**

		Estimates for ensuing Year 03-04			
SL NO	Description				
I.	Previous loss	917.12	0.00	0.00	
II.	All taxes on income & profits				
III.	Installments of written down account				

		in respect of intangible assets and				
		new capital issue expenses				
IV.		Contribution to contingency reserve	14.12	14.12	14.12	
V.		Contribution towards arrear depreciation				
	(a)	Contribution to development reserve				
	(b)	Debt redemption and obligation				
VI.		Other special appropriation permitted		48.72	48.72	
		by Appropriate Authority				
<b>B</b>		<b>Total of (I to VI)</b>	<b>931.24</b>	<b>62.84</b>	<b>62.84</b>	
<b>C</b>		<b>Total (A+B)</b>	<b>3,251.42</b>	<b>2,094.55</b>	<b>2,191.05</b>	
<b>D</b>		<b>Reasonable Return</b>	<b>30.69</b>			
<b>E</b>		<b>Rebate to Consumers</b>				
<b>F</b>		<b>Miscellaneous Receipts</b>	<b>55.36</b>	<b>49.55</b>	<b>51.95</b>	<b>-2.41</b>
		<b>Total (C+D+E-F)</b>	<b>3,226.75</b>	<b>2,045.00</b>	<b>2,139.10</b>	<b>94.09</b>

**Information on receipt repayment of loan (Rs. in Crores)**

	Rate of Interest	2002-03				2003-04				
		Addition	Repayment	As on 31.03.2003	Interest	Addition	Repayment	As on 31.03.2004	Interest (proposed)	Interest (Approved)
<b>A</b>	<b>GRIDCO Bonds including Securitisation</b>									
<b>I</b>	<b>Exisiting</b>									
	Power Bond-I	15%	31.34	73.14	15.63	31.34	41.79	10.91	10.91	
	Power Bond-I(residual)	7%								
	Power Bond-II	15.25%	55.50	142.58	28.15	142.39	0.20	17.68	17.68	
	Power Bond-II(residual)	9.00%				86.30	86.30			
	OPGC-I	15%	18.00	42.00	8.94	42.00	-	2.48	2.48	
	OHPC-I	15.00%		50.00	7.50		50.00	7.51	7.51	
	Nalco-I	15%		50.00	7.50		50.00	7.51	7.51	
	Nalco-II	10.95%	150.00	150.00	12.32		150.00	16.43	16.43	
	NTPC-I	15%		-	-		-	-	-	
	NTPC-II	12.50%		-	-		-	-	-	
	NTPC-III (GoO Bonds)	8.50%		1,102.88	93.74		1,102.88	93.74	93.74	
	NTPC-IV	10.00%	306.55	342.85	22.96		342.85	34.32	34.32	
	<b>Sub Total</b>		<b>456.55</b>	<b>104.84</b>	<b>1,953.45</b>	<b>196.74</b>	<b>86.30</b>	<b>215.73</b>	<b>1,824.02</b>	<b>190.58</b>
<b>II</b>	<b>Proposed</b>									
	Loan Syndication	8.25%		-	-		-	-	-	
	Unrated New Bonds	10.00%		-	-		-	-	-	
	<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>III</b>	<b>Other Bonds</b>									
	Pension Trust Bonds	9.00%		150.00	18.03		150.00	18.03	18.03	
	GoO Bonds	13.00%		400.00	26.00		400.00	26.00	-	
	<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>550.00</b>	<b>44.03</b>	<b>-</b>	<b>-</b>	<b>550.00</b>	<b>44.03</b>
	<b>Total Bonds</b>		<b>456.55</b>	<b>104.84</b>	<b>2,503.45</b>	<b>240.78</b>	<b>86.30</b>	<b>215.73</b>	<b>2,374.02</b>	<b>234.61</b>
<b>B</b>	<b>Other Loans</b>									
	PFC Loan	8.50%		65.50	235.41	21.52	76.20	159.21	29.91	16.77
	PFC WCL	9.50%	200.00		200.00	26.68	200.00	400.00	30.35	30.35
	PFC STL	7.50%								
	IBRD Loan	13.00%	111.09	33.33	387.67	43.44	76.35	22.91	441.12	53.45
	REC Loan	8.50%	3.39	45.24	369.14	49.47	51.74	317.40	43.84	29.18
	LIC Loan	14.00%			140.66	52.12		140.66	4.92	4.92
	State Govt. Loan	13.00%			168.71	20.62		168.71	19.19	-
	Central Govt. Loan	9.25%			11.26	1.01		11.26	1.01	1.01
	Open Market Loan	11.50%		10.73	24.03	3.11		24.03	2.75	2.75
	Commercial Banks	15.00%		17.83	0.00			0.00	0.34	0.34
	SPA Loan	14.00%			-	0.14		-	0.07	0.07
	ICICI	13.12%	2.28	21.98	47.49	0.49	16.03	31.46	4.71	4.71
	Union Bank of India (loan Synd)	8.25%	100.00		100.00	-	2.80	97.20	11.15	11.15
	Allahabad Bank(loan synd)	8.25%	25.00		25.00	-	125.00	150.00	5.02	5.02
	HUDCO	7.75%					300.00	300.00	0.06	0.06
	Dena Bank	8.25%					100.00	100.00	2.35	2.35
	U Co Bank	8.25%								
	Short term Borrowings	10.00%			-			-		
	<b>Other Loan Total of B</b>		<b>441.76</b>	<b>194.61</b>	<b>1,709.37</b>	<b>218.60</b>	<b>801.35</b>	<b>169.68</b>	<b>2,341.05</b>	<b>209.14</b>
	Finance Charge					23.48			36.71	36.71
<b>C</b>	<b>Grand Total(A+B)</b>		<b>898.31</b>	<b>299.45</b>	<b>4,212.82</b>	<b>482.85</b>	<b>887.65</b>	<b>385.40</b>	<b>4,715.06</b>	<b>480.46</b>
	Interest Paid during the year					232.08			619.08	619.08

	Interest O/s				738.03				526.42		
<b>D</b>	Total Loan				<b>4,950.85</b>				<b>5,241.48</b>		
Less: Int. on Loan receivable from Distco										129.05	
<b>F</b>	Less: Interest Capitalisation				54.25				51.60	51.60	
<b>G</b>	<b>Interest Chargeble</b>				<b>299.73</b>				<b>299.81</b>	<b>226.82</b>	