

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO 220-21, SECTOR – 34-A, CHANDIGARH**

**Petition No. 13 of 2015
Date of Order: 01.09.2015**

Present: Smt. Romila Dubey, Chairperson.
Er. Gurinder Jit Singh, Member.

In the matter of: Petition under Section 86 (1) (a) read with section 62 of the Electricity Act, 2003 regarding recovery due to payment of additional levy as per Hon'ble Supreme Court order dated 24.09.2014

AND

In the matter of : Punjab State Power Corporation Limited,
Patiala.

ORDER:

Punjab State Power Corporation Limited (PSPCL) has filed the present petition under section 86 (1) (a) read with section 62 of the Electricity Act, 2003 regarding recovery due to payment of additional levy as per Hon'ble Supreme Court order dated 24.09.2014. It has been submitted by PSPCL that the erstwhile Punjab State Electricity Board was allotted the Pachwara Central

Block coal mine for the exclusive use by the generating stations of erstwhile Punjab State Electricity Board. The coal mine is being used exclusively since February, 2006 for State owned thermal power stations namely GGSSTP, Ropar, GHTP, Lehra Mohabbat and GNDTP, Bathinda. These thermal power stations are under commercial operation and generating electricity to maintain the distribution and supply of electricity to the consumers. PSPCL is undertaking both generation and distribution of electricity. PSPCL has also been renovating and modernizing the units of above said thermal plants to ensure sustained operation of generation with higher efficiency. These generating stations use coal as fuel for generation of electricity.

2. For the purpose to meet with coal requirements of the thermal generating stations of erstwhile Punjab State Electricity Board, the Government of India allotted the Pachwara (Central Block) coal mine in the State of Jharkhand to the erstwhile Punjab State Electricity Board. A special purpose vehicle namely Panem Coal Mines Limited was created only for mining of coal from the Pachwara Central Block coal mine. By notification dated 22.02.2002, the Government of India, specified the end use of the supply of coal from the Pachwara Central block by Panem Coal Mines Ltd. for exclusive use for the power plants of erstwhile Punjab State Electricity Board for generation of thermal power and further with the condition that the erstwhile Punjab State Electricity Board will hold at least 26% of the voting equity share capital of Panem Coal Mines Limited.

The Government of India, Ministry of Coal & Mines by communication dated 25.08.2004 addressed to the Government of Jharkhand communicated the previous approval of the Central Government under Section 5(1) of the Mines & Minerals (Development & Regulation) Act, 1957 to the grant of lease for mining of coal from the Pachwara Central Block covering an area of 1278 hectares to Panem Coal Mines Limited for a period of 30 years.

The mining lease was granted by the Government of Jharkhand to Panem Coal Mines Limited by Mining Lease Deed dated 16.11.2004 for an area of 905.41 hectares and by Mining Lease Deed dated 30.03.2005 for an area of 372.96 hectares, aggregating to a total of 1278.37 hectares.

Pursuant to the above, the mines were developed and the mining and supply of coal began from March, 2006. The specific condition of coal allotment as well as the mining lease is that the coal is to be used exclusively for the generation of electricity from the power plants of erstwhile Punjab State Electricity Board and this has been scrupulously followed during all these years without any deviation whatsoever.

3. Pursuant to the unbundling and reorganization of the erstwhile Punjab State Electricity Board with effect from 16.04.2010, in terms of Section 131 of the Electricity Act, 2003, the Generation and Distribution functions of the erstwhile Punjab State Electricity

Board have been vested in the Punjab State Power Corporation Limited (PSPCL), a wholly owned Government of Punjab entity.

4. PSPCL further submitted that the coal block in question is included at Serial No. 25 in the list of 40 coal blocks in the issue before the Hon'ble Supreme Court in coal block allocation case, wherein Orders were passed for cancellation of the coal blocks. In the Orders dated 25th August, 2014 and 24th September, 2014, the Hon'ble Supreme Court has directed payment of additional compensation in the sum of ₹295 per MT for the entire extracted coal with regard to various coal blocks including Pachwara Coal Mine Block.

In compliance to the above decision of the Hon'ble Supreme Court, the Government of India notified the Coal Mines (Special Provisions) Second Ordinance, 2014 providing for the terms and conditions subject to which the PSPCL could get the allotment of the said Pachwara (Central) Coal Block directly in its name. In terms of the said Ordinance, the PSPCL being 26% shareholder in Panem Coal Mines Limited, (a Joint Venture Company of the PSPCL and EMTA Limited) had to deposit a sum of ₹391,46,36,262 being 26% of the compensation payable at the rate of ₹295/- per MT for 51038282.42 MT coal extracted from the Pachwara (Central) Coal Block since inception till 24.09.2014 in compliance with the order of the Hon'ble Supreme Court pending decision by the Central Government on the allocation of the mine to the PSPCL. Further, PSPCL is also required to deposit compensation at the rate of ₹295/- per MT upto June,

2015 for the coal extracted from the Pachwara (Central) Coal Block from 25.09.2014 to 31.03.2015 in compliance to the Order of the Hon'ble Supreme Court. Accordingly, PSPCL deposited a sum of ₹391,46,36,262 with the Central Government and applied for the allocation of Pachwara (Central) Coal Block for the end use of the various power stations of PSPCL mentioned in above paras. This payment has been made after availing loan of ₹195 crore each from REC and PFC.

5. PSPCL has further submitted that it will be applying to Central Govt. for refund of the above amount deposited by it, after the process of allocation of the Pachwara (Central) Coal Block is completed pursuant to the action initiated by the Central Govt. and the application made by it. PSPCL is filing the present application for consideration of the above amount deposited by it with the Central Govt. as a part of the revenue requirements of PSPCL for the period from 01.04.2015 onwards. Further, in the event, PSPCL is able to obtain the refund of the said amount from the Central Govt., it will file appropriate application for the amount being excluded from the revenue requirements of PSPCL. PSPCL has requested to consider this amount along with interest in the tariff for the financial year 01.04.2015 onwards.

PSPCL has further submitted that it was required to pay the above amount in view of the directions of the Hon'ble Supreme Court and in the circumstances provided in the Coal Mines (Special Provisions) Second Ordinance, 2014. PSPCL would not

have become entitled to the allocation of the Pachwara (Central) Coal Block if it had not deposited the said amount by or before 31.12.2014. PSPCL has acted in the interest of the public and consumers of electricity by depositing the above amount and fulfilling the conditions for becoming eligible for allotment of the Pachwara (Central) Coal Block. The Pachwara (Central) Coal Block is of absolute necessity to PSPCL in order to meet the coal requirements for its various generating stations. The non allocation of Pachwara (Central) Coal Block would lead to substantial difficulty in getting the coal; the economic burden of which will be borne by the public at large. PSPCL has acted in a prudent and bonafide manner by depositing the above amount required to be paid as a precondition for the allocation of the Pachwara (Central) Coal Block.

PSPCL has prayed to the Commission to: -

- (i) Consider the amount of ₹391,46,36,262 already paid by it and such other amount as may become payable in terms of the orders passed by the Hon'ble Supreme Court and in terms of the Coal Mines (Special Provisions) Second Ordinance, 2014 notified by the Central Govt. in the revenue requirements of petitioner;
- (ii) Allow PSPCL to recover the said amount along with interest in the tariff for distribution and retail supply of electricity to be determined by the Commission from 01.04.2015 to 31.03.2016; and
- (iii) Pass such further order or orders as this Commission may deem just and proper in the circumstances of the case.

6. The petition was admitted vide order dated 17.03.2015 and PSPCL was informed that any additional information, if required, after scrutiny of the petition shall be asked subsequently. The next date of hearing was fixed as 07.04.2015.

7. During hearing of Petition on 07.04.2015, PSPCL informed the Commission that coal mine at Pachwara has again been allocated/allotted to the State.

The Commission vide its order dated 09.04.2015 observed that the petition is required to be put on the website of the Commission and a public notice inviting comments/suggestions/objections from the stakeholders and general public is required to be issued immediately. PSPCL was directed to submit a copy of the mine allotment order alongwith detailed terms and conditions by 28.04.2015.

8. A public notice was issued for inviting objections/comments from the general public and stakeholders on this petition by 15.05.2015 and public hearing was also fixed for 21.05.2015. Comments/ objections from the following seven objectors were received :-

(a) Sh. Dalip Sharma, Director, PHD Chamber of Commerce and Industry, Chandigarh.

(b) Sh. Padamjit Singh, 45, Ranjit Bagh, Opp. Modi Mandir, Patiala.

- (c) Siel Chemical Complex, Charatrapur, Vill. Khadauli/Sardargarh, Rajpura.
- (d) Asstt. Director/Electrical, Lovely International Trust, Electrical Deptt., Chaheru (Phagwara).
- (e) Sh. M.P.S.Rana, General Manager, (Materials & HR), Punjab Alkalies & Chemicals Ltd., Chandigarh.
- (f) Sh. Jaswant Singh Birdi, President, Cycle Trade Union, Kharbanda Complex, Ludhiana.
- (g) Sh. Gurpargat Singh Kahlon, President, Auto Parts Manufacturers Association, Focal Point, Ludhiana.

The comments/objections are summarised as under:

- (i) The amount was deposited by PSPCL on 31.12.2014 but the Petition has been filed in April, 2015. The reasons for delay have not been explained in the petition. It seems to be tactics of PSPCL to delay the issue of Tariff Order for FY 2015-16 for the reasons best known to them. As per para 16 of the Petition, the Orders of Hon'ble Supreme Court were issued on 25.08.2014 and 24.09.2014, whereas the ARR for FY 2015-16 was submitted on 30.11.2014 by PSPCL. This anticipated expenditure was not made part of the ARR for Revised Estimates for FY 2014-15 or projections for FY 2015-16. This expenditure was also not made a part of subsequent correspondence on ARR. Even the approval of the Commission for depositing the amount of ₹391.46 crore was not obtained though the liability was known to the petitioner.

- (ii) As per para 19 of the petition, the amount sought by PSPCL is to be returned back by Gol after allocation of the mine is made to PSPCL. For this, PSPCL will be filing the application for refund of this amount after the mine is allocated to PSPCL. As per Press report dated 23rd March, 2015, the mine has already been allocated again to PSPCL but the fact has not been brought out by PSPCL in the petition. The petition should have been filed for the interest burden only. The position regarding refund may be intimated by PSPCL along with efforts/copy of representation to Govt. of India for the refund of the amount paid.
- (iii) The petition filed is mischievous, ill conceived and with ulterior motive. It is an attempt to load an amount on to the consumers, which is in the form of earnest money and deserves only interest on actual. PSPCL is submitting the claims for amounts knowing well that such expenditures will not be incurred and will be adjusted in true up against its losses in one way or the other. It is the tactics of the PSPCL to reduce the drawl of working capital.
- (iv) This petition has been filed in April, 2015, wherein the interest has also been claimed. Claiming of interest is not justified as PSPCL itself has delayed the filing of petition by over three months.
- (v) The petition is incomplete and without requisite supporting documents. Whatever specific documents/supporting documents have been referred to in the petition or relied

upon by the petitioner, must and should have been provided as annexures to the petition, otherwise, the petition will remain non-transparent and incomplete. Apart from Annexure 'A', there is no other Annexure provided in the petition as referred to in the petition.

- (vi) Position regarding resumption of coal mining and coal supply from the Pachwara Mine to PSPCL has not been given/confirmed by the Petitioner whereas the entire purpose of making the payment of levy was to ensure that this mine is given back to PSPCL, so that coal supply to the thermal plants can be resumed.
- (vii) PSPCL should get the recovery of levy paid of ₹391.46 crore not from consumers through the ARR but from the coal mining company EMTA.

CAG report has given specific instances where EMTA has been over charging and over recovering the cost of coal from PSPCL and earning unjustified profit from the very beginning, when coal mining was commenced. The huge profit recovered at the expense of PSEB/PSPCL is sufficient justification to adjust/recover the levy from EMTA. Paras 3.1.4.2, 3.1.5.3, 3.1.6.3, 3.1.7.1, 3.1.8.1, 3.1.8.2 and 3.1.8.3 from the CAG report (extracts from pages 51 to 59 of CAG Report on Public Sector Undertakings for the year ended 31st March, 2014) have been quoted in this regard by one of the objectors.

9. PSPCL submitted its reply to the comments of 4 objectors vide its email/letter dated 20.05.2015, which are summarized as under:

- (i) PSPCL was in critical need of the allotment of the Pachwara Central Coal Block, therefore, as a matter of abundant caution to become eligible for allotment of coal mine, PSPCL after getting the opinion of legal counsel of PSPCL Sh. M.G.Ramachandran, Advocate, New Delhi, deposited a sum of ₹391.46 crore. The amount of additional levy was released to the Central Govt. based upon the decision of the BoDs taken in its 36th meeting held on 29.12.2014 at Mohali on Agenda Item No. 23/FA/L&D dated 18.12.2014 of the office of Financial Advisor. The formal communication in this regard was communicated by Company Secretary, PSPCL vide letter dated 13.02.2015. The BoDs in its decision has authorised Chief Engineer/Fuel to file a separate petition through Chief Engineer/ARR&TR with PSERC for recovery of the amount. The petition to be filed before PSERC regarding recovery of ₹391.46 crore was got drafted from Sh. Ramachandran and the same was forwarded on 02.03.2015 to the office of Chief Engineer/ARR&TR after getting the same approved from CMD, PSPCL for filing it before PSERC. The petition was placed for hearing before the Commission on 17.03.2015.

PSPCL has taken prompt action for filing of the petition before the PSERC after communication of decision dated

13.02.2015 of the BoDs of PSPCL in this regard and there was no delay on the part of PSPCL.

- (ii) The order of Hon'ble Supreme Court was issued on 24.09.2014 regarding instructions to deposit the requisite amount of additional levy. Matter was taken up with legal counsel of PSPCL to give advice in this matter. Based on the advice received, an application was filed by PSPCL & other states in Hon'ble Supreme Court on 13.11.2014, wherein it was specifically requested by PSPCL as under: *“waive the payment of ₹295/- per MT as additional compensation in terms of the Orders dated 25th August 2014 and 24th September 2014 as a special case in view of the peculiar circumstances of the case.”*

The application was heard by the special bench of Hon'ble Supreme Court on 08.12.2014, but it was rejected.

The ARR petition for FY 2015-16 was filed on 30.11.2014, so this amount could not be made part of the ARR. A reference in this regard was made by PSPCL in the ARR petition at Sr. No. 5.6.3 on page no. 93 regarding implication of ₹1503 crore on account of additional levy and it was submitted that actual impact of the same shall be claimed as pass through as and when the same is paid.

- (iii) There are no provisions in the order of the Hon'ble Supreme Court and Coal Mines Ordinance dated 26.12.2014 that additional levy shall be returned to the mine allottee after allotment of coal mine. The additional

levy was paid to the Central Govt. as a matter of abundant caution to become eligible for allotment of coal mine. While depositing the additional levy to Ministry of Coal vide Memo No. 2368/90/CE/Fuel/C-273 dated 31.12.2014, it has been specifically mentioned at Sr. No. 5 of the letter by PSPCL as under:

“The Punjab State Power Corporation Limited is in critical need of the allotment of the Pachwara (Central) Coal Block in Jharkhand and, therefore, has consistently maintained that we would comply with the required terms and conditions for getting such allotment. However, if in terms of the provisions of the new Ordinance, no liability is to be imposed on the State Utilities such as Punjab State Power Corporation Limited or West Bengal and Karnataka State Utilities etc. We may also be given necessary adjustments for the amount deposited. This would avoid huge financial outflow to Punjab State Power Corporation Limited, which need to be arranged through borrowings from the Lenders. The additional levy, is required to be passed on to the public at large i.e. the consumers in the State of Punjab by increase in the retail supply tariff.”

- (iv) Karnataka Power Corporation Limited has also paid the additional levy to the Ministry of coal to be eligible for allotment of coal mine in line with decision taken in this regard by PSPCL.
- (v) Pachwara Central coal mine was allotted to PSPCL vide Allotment Order dated 31.03.2015. After getting the advice

of legal counsel of PSPCL Sh. Ramachandran, PSPCL vide its letter dated 11.05.2015 has requested Secretary (Coal), Ministry of Coal GOI for refund of the amount.

- (vi) PSPCL has filed the petition before the PSERC for the entire amount deposited to Ministry of Coal alongwith its interest as PSPCL has physically deposited the additional amount of ₹391.46 crore to the Ministry of coal. As and when, this amount is refunded back to PSPCL by Ministry of Coal, PSPCL shall apprise the whole position to the PSERC.
- (vii) PSPCL has been receiving coal from Pachwara Central coal mine since March, 2006, which was at the discounted rates w.r.t. the coal from CIL sources. The benefit of this cheaper coal was also passed on to the consumers of the State. As such, any additional financial liability on this coal needs to be passed on to the consumers of the State.
10. A public hearing in the matter was held on 21.05.2015 and the Commission in its order dated 26.05.2015 observed and ordered as under:

“The following objectors/representatives of the objectors attended the public hearing in connection with the petition held on 21.05.2015:

1. *Shri Sanjeev Gupta, Dy.C.E./TR-2*
2. *Shri Harminder Singh, Dy.CE Fuel*
3. *Shri D.K.Mongia, Mawana Sugars Mill*

4. *Shri Pawan Prashar, Punjab Alkalies & Chemicals Ltd.*
5. *Shri Padamjit Singh, Chief Engineer (Retd.)*
6. *Shri Jaswant Singh Birdi, Cycle Trade Union, Ludhiana*
7. *Shri H.G.C.Sharma, 1296B, Phase-X, Mohali*

During the public hearing, the objectors raised the following issues:

1. *Shri Jaswant Singh Birdi, on behalf of Cycle Trade Union, Ludhiana objected to the demand of ₹391.46 crore of PSPCL in the petition and desired that this amount may not be charged to the consumers. He further desired that the copies of judgments of the Hon'ble Supreme Court dated 25.08.2014 & 24.09.2014 be supplied.*
2. *Shri Padamjit Singh raised the following issues:-*
 - (i) *PSPCL should supply the copies/relevant abstracts of the documents mentioned in the petition, such as judgments of the Hon'ble Supreme Court dated 25.08.2014 & 24.09.2014; Gol notification of coal mines (special provisions) Second Ordinance, 2014; Annexure-I of the allotment order issued by Ministry of Coal, Gol; copy of the agreement entered with EMTA; copy of the report of the committee constituted by PSPCL to look after the affairs of the mine allotted afresh; comments on the relevant paras of the CAG report and copies of the correspondence*

exchanged with Gol regarding refund of amount deposited.

- (ii) PSPCL should intimate the fate of balance 74% out of the total amount of ₹1505 crore liable to be paid as per orders of the Hon'ble Supreme Court.*
- (iii) PSPCL should intimate the status of the refund of this amount of ₹391.46 crore from Gol.*
- (iv) PSPCL should indicate the time to be taken for development of the mine and extraction of coal from it.*
- (v) PSPCL should keep in view and not repeat the mistakes made in the past during the processing of the case for development of mine, as pointed out in the CAG report. On this, the representative of PSPCL intervened and informed that they have received certain guidelines from Gol and the comments on which have been sent for approval of Gol. On receipt of the comments from Gol, PSPCL will initiate further action in the matter of finalization of tender documents. It was also informed by PSPCL officers that it will take about 6-7 months for development of mine and start extraction of coal.*
- (vi) The objector informed the Commission that presently there is fire in the mine allotted to PSPCL and steps need to be taken to extinguish this fire. It was informed by PSPCL officers that they have already*

initiated steps in this direction and will intimate the latest status in the matter to the Commission and objector.

(vii) The amount of ₹391.46 crore should be recovered from EMTA who have earned a lot due to various irregularities as pointed out by CAG in its report.

3. *The representative of Siel desired that the impact of this demand raised by PSPCL in the petition should not be loaded on the consumers and tariff for FY 2015-16 should not be revised.*

After hearing the objectors and PSPCL, the Commission directed PSPCL as under:

(i) Copies of the documents mentioned below, as desired by the various objectors, should be sent to all the objectors, with a copy to the Commission, within 15 days i.e. by 08.06.2015:

(a) Copies/relevant abstracts of the documents mentioned in the petition, i.e. judgments of the Hon'ble Supreme Court dated 25.08.2014 & 24.09.2014, (b) copy of Gol notification of coal mines (special provisions) Second Ordinance, 2014, (c) copy of Annexure-I of the allotment order issued by Ministry of Coal, Gol, (d) copies of the correspondence exchanged with Gol regarding refund of amount paid to Gol, (e) copies of the report(s) of the committee(s) constituted by PSPCL to look after the affairs of the Pachwara mine allotted on 31.03.2015, (f) copy of the

agreement (alongwith amendments) entered with PANEM for supply of coal to PSPCL (g) copy of agenda memorandum, put up to the Board of Directors and decision taken by the Board of Directors of PSPCL for depositing the amount (₹391.46 crore) with Gol. (h) copy of the Legal Advice obtained in this case from the counsel of PSPCL and copies of the letters vide which amount of ₹391.46 crore was deposited by PSPCL with the concerned authorities of Ministry of Coal, Government of India.

- (ii) PSPCL was also directed to supply to the Commission its comments on the CAG report on Public Sector Undertakings for the year ended on 31st March, 2014, as and when the same are finalized. PSPCL should try to finalize the comments as early as possible because various observations raised by CAG in the report are very serious and effects the consumers' interest. Latest status of the CAG para relating to this mine be supplied.*
- (iii) The parawise reply on the objections/comments raised by various objectors in their objections and in the public hearing should be supplied to them immediately, with copy to the Commission. Further, the comments on the remaining objections should also be supplied to the Commission within 7 days of this order.*
- (iv) The objectors may submit their further comments, if any, to the Commission in the matter by 23.06.2015."*

11. PSPCL vide its letter no. 5919-25 dated 08.06.2015 submitted the reply in compliance with the Commission's order, which is as under:-

- (i) PSPCL has supplied the various documents as directed by the Commission in its order dated 26.05.2015, to the objectors and the Commission as under:-
 - (a) Copy of Hon'ble Supreme Court Judgement dated 25.08.2014 and 24.09.2014.
 - (b) Copy of Coal Mines (Special Provisions) Second Ordinance, 2014.
 - (c) Copy of allotment Order No. 103/11/2015/NA dated 31st March, 2015 issued by the Nominated Authority, Ministry of Coal, Govt. of India in respect of allotment of Pachwara Central coal mine to PSPCL (except Annexure-1 mentioned in the Allotment Order).
 - (d) Copy of letter no. 843/46 dated 11.05.2015 to Secretary (Coal), Ministry of Coal regarding refund of amount paid as additional levy.
 - (e) Copies of the report(s) of the committee(s) constituted by PSPCL to look after the affairs of the Pachwara Central coal mine.
 - (f) Copy of the Coal Purchase Agreement dated 30.08.2006 signed between PSPCL and Panem Coal Mines Ltd.

- (g) Copy of the Agenda put up to the Board of Directors of PSPCL alongwith its decision for depositing the additional levy.
 - (h) Copy of the advice taken from legal counsel of PSPCL for depositing the additional levy.
 - (i) Copy of the letter dated 31.12.2014 to Coal Controller, Ministry of Coal, Kolkata vide which additional levy was deposited by PSPCL.
 - (ii) The reply to the observations of CAG was not submitted by PSPCL as the same has been stated to be under preparation.
 - (iii) The parawise reply in respect of remaining 3 objectors and the issues raised in the public hearing was also submitted by PSPCL.
 - (iv) PSPCL submitted that LOI for the work of extinguishing of fire at Pachhware Central Coal Mine has been given to EMTA Coal Ltd.
12. OSD/Power Reforms, Govt. of Punjab, Deptt. of Power (Power Reforms Wing) vide letter dated 15.06.2015 has submitted in its comments that since PSPCL meets 50% of its coal requirements from Pachwara (Central) Coal Block, the non-allocation of the same would have led to a substantial difficulty in getting the coal at a cheaper price in comparison to the other coal linkages. Now as the Pachwara (Central) Coal Block has been re-allocated to PSPCL, therefore, action of PSPCL to deposit the above mentioned amount seems to be right. As the benefit of cheaper

coal has already been passed on to the consumers in the shape of reduced tariff, hence, passing this burden now to the consumers is also justified.

13. Er. Padamjit Singh on the basis of documents supplied by PSPCL to him, has submitted additional comments vide his email dated 02.07.2015, as under:-

- (i) Whereas, the Hon'ble Supreme Court had ordered the levy of ₹295 per tonne in respect of each coal mine, in the case of Pachwara Coal Mine, the levy was payable by PANEM. However, practically, PSPCL has paid its 26% share while EMTA did not pay its 74% share, which is highly anomalous.
- (ii) From the letters written by PSPCL dated 26.12.2014 and dated 31.12.2014 to the Coal Controller, Govt. of India and the advice rendered by Sh. M.G.Ramachandran, Advocate in his letter dated 29.12.2014, it is concluded that the payment of ₹295 per tonne should have been made by PANEM, while PSPCL made this payment of 26% only to protect the allocation of coal mine subsequently to Punjab.
- (iii) In the process of coal mining, while the profits have been pocketed by EMTA right from the beginning, in the matter of making payment as ordered by the Hon'ble Supreme Court, the same has been totally avoided by PANEM resulting in a situation where PSPCL had to make the payment so as to retain its claim on the coal mine during the subsequent process of reallocation.

- (iv) As per para 6 of Article 3 of agreement dated 21.03.2001 on captive coal mining project of PSEB through a joint venture, PSEB shall not be required to make any financial contribution to the company at any time. Further as per Article 6 of the ibid agreement, EMTA and its partners shall not require PSEB to undertake or to be a party to any guarantee obligation or otherwise to give any security or assurance or such raising of finance and funds. As per above mentioned paras of the ibid agreement, EMTA should have made the entire payment of ₹1505 crore in compliance to the Hon'ble Supreme Court order. The fact that PSPCL has made 26% contribution, while 74% shareholder has made nil contribution is highly anomalous and unacceptable.
- (v) The captive coal mine was originally allocated to Punjab State Electricity Board. On the reorganization of PSEB into PSPCL and PSTCL, there is no provision in the transfer scheme to allocate the coal mine to PSPCL. Therefore, this coal mine was allocated to Govt. of Punjab after the unbundling of PSEB on 16.04.2010. The matter of payment related to Govt. of Punjab and not to PSPCL.
- (vi) PSPCL in its letters to Coal Controller dated 26.12.2014 and 31.12.2014 has made the claim that the liability of making payment is of PANEM and the majority shareholder EMTA. Now, by filing this Petition, PSPCL seeks to put the burden of 26% payment share on the consumers of the State. This is contradicting and contravening the stand taken by PSPCL before the Coal Controller through its letter dated 26.12.2014

and 31.12.2014. In case, the claim of ₹391.46 crore is allowed to PSPCL, it will finish or sink the claim of PSPCL before Coal Controller. This will amount to giving a huge financial benefit to EMTA at the cost of power consumers of Punjab.

- (vii) PSPCL should refer this matter for legal advice to Sh. M.G.Ramachandran, Advocate, as the claim made in this petition will have serious adverse repercussions on stand of PSPCL before the Coal Controller. Even the Coal Controller has written to PANEM to make the entire payment of ₹295 per MT and this implies that even as per Coal Controller, the entire payment is required to be made by PANEM. It will not be proper to undermine the stand taken by Coal Controller as above.

14. PSPCL vide its memo no. 5273 dated 28.07.2015 submitted its reply to the additional comments of Sh. Padamjit Singh as under:-

PSPCL has reiterated its earlier version that since PSPCL was in critical need of the allotment of the Pachhwarra Central Coal Mine, therefore, as a matter of abundant caution to become eligible for allotment of coal mine as per Coal Mines (SP) ordinance, PSPCL had deposited with the Ministry of Coal, Government of India, Coal Controller's Account, a sum of ₹391,46,36,262/- calculated at the rate of 26% of ₹295/- per MT in respect of the coal extracted from the Pachhwarra Central coal mine from March 2006 to 24th September 2014 vide Letter No. 2368/70/CE/Fuel/C-273 dated 31.12.2014. As per Section 3(1)(n) of Coal Mines (Special Provisions) Act 2015, Panem

Coal Mines Ltd. is the Prior Allottee for the Pachhwara Central coal mine and as such the liability on account of additional levy in case of Pachhwara Central coal mine is of Panem only and not of PSPCL. Accordingly, PSPCL requested Secretary (Coal), MOC, GOI vide Letter No. 843/46/CE/Fuel/C-273 dated 11.05.2015 for taking immediate steps for early refund of this amount of ₹391,46,36,262 deposited by PSPCL with the Ministry of Coal as the said amount is urgently required for meeting various financial needs of PSPCL as this payment was made after taking loan from REC and PFC.

It is further mentioned by PSPCL that the Nominated Authority, Ministry of Coal, Govt. of India vide its email dated 04.07.2015 has asked PSPCL to make payment of "Fixed Amount" amounting to ₹90,26,73,773.76 latest by 13.07.2015, in respect of Pachhwara Central coal mine allotted to PSPCL. PSPCL vide letter No. 1350/CE/Fuel/C-145 dated 08.07.2015 has requested the Nominated Authority that the payment of the "Fixed Amount" of ₹90,26,73,773.76 to be paid now by PSPCL may kindly be adjusted against the payment of additional levy amounting to ₹391,46,36,262 made by PSPCL, the refund of which is awaited from the Ministry. Nominated authority was also requested by PSPCL that if there is any legal hitch in adjusting this amount from the earlier payment made by PSPCL, then this amount of ₹391,46,36,262 deposited by PSPCL with the Ministry of Coal may kindly be refunded immediately to PSPCL and simultaneously PSPCL may be permitted for making payment of this "Fixed Amount" in six monthly installments in view of the

financial hardships being faced by PSPCL, as this will help in improving the liquidity position of PSPCL. In spite of regular follow up with the Ministry of Coal in this regard, the said amount is yet to be refunded by the Ministry.

PSPCL has further submitted that in the present scenario PSPCL has rightly filed the petition before PSERC for recovery of ₹391,46,36,262 crore alongwith its interest from the consumers of the State. In case the said amount of additional levy is refunded by the Ministry of coal to PSPCL then PSPCL shall immediately apprise the same to PSERC.

15. Er. Padamjit Singh submitted additional comments vide letter dated 29.07.2015 as under:-

- (i) As per the news item dated 28.07.2015, the coal ministry has issued a notice on Punjab for failure to follow the due process of tendering in engaging EMTA as mine development operator. The news item also states that the Supreme Court has issued a contempt notice to EMTA for its failure to pay the levy of ₹295 per tonne corresponding to their 74% share.
- (ii) As this is a new development, information regarding the show cause notice, reply and related necessary documents must be obtained from PSPCL.
- (iii) PSPCL may also be required to supply all the documents, memorandum etc. by which it has taken the decision to allot the mine to EMTA without following the tender process and

to explain how the directions of ministry of coal for following due process of tendering were not adopted.

- (iv) These above stated documents are directly related to the matter of the levy of ₹295 per tonne and also related to issue of non payment of 74% share by EMTA. In the objection letter of the undersigned, it was suggested that 100% amount should be paid by EMTA. Instead, EMTA has not paid its 74% share for which the Supreme Court has issued contempt notice as per the press report.
 - (v) The above submissions may be taken into account while deciding the Petition for recovery of coal levy through tariff.
16. PSPCL vide its letter no. 5404 dated 19.08.2015 has filed response to the submissions filed by the objector (Sh. Padamjit Singh) vide his letter dated 29.07.2015 and submitted as under:
- (i) & (ii) Copies of the “Show Cause Notice” dated 23.07.2015 issued by Nominated Authority, Ministry of Coal, GOI and reply to the “Show Cause Notice” given by PSPCL to the Nominated Authority vide Memo No. 1563/CE/Fuel/C-273 dated 03.08.2015 have been submitted by PSPCL.
 - (iii) PSPCL has not taken any decision to allot the mine to EMTA as has been alleged by the objector.
 - (iv) PSPCL has submitted that the detailed position regarding payment of additional levy to the Ministry of Coal, Govt. of India has already been brought out by it in the reply submitted vide memo no. 5273/TR-5 dated 28.07.2015

w.r.t. the objections raised earlier by the objector in this regard.

17. Findings and Decision :

After going through the submissions made by PSPCL, the issues raised by various objectors in their objections, reply filed by PSPCL to the issues raised by the objectors, the additional submissions made by one of the objectors and the reply of the PSPCL on the additional submissions of the objector, Commission observes and decides as under: -

- A. The Comptroller and Auditor General of India (CAG) in para 3.1.9.3 of its report on Public Sector Undertakings for the year ending 31st March, 2014 has observed as under: -

“The Supreme Court while deciding on a writ petition held the allotment of coal blocks made by the Screening Committee of MoC, Gol, as also the allotments made through the Government dispensation route as arbitrary and illegal and quashed all these allotments including allotment of Pachwara (Central) block allotted to erstwhile PSEB. PSPCL was requested (October 2014) to convey the implications of the above judgement on the working of PSPCL and other related aspects.

PSPCL intimated that they have deposited (31 December 2014) ₹391.46 crore towards additional levy @ ₹295 per metric tonne with respect to the coal extracted till 24 September 2014 with Central Government as per the Coal mines (Special Provision)

Ordinance 2014. The basis of calculation of ₹391.46 crore deposited towards additional levy and other details though asked for (October 2014 and January 2015) were not furnished.

The matter were referred to the Government (July 2014), their reply was awaited (December 2014).”

PSPCL in its reply submitted vide memo no. 5919 dated 08.06.2015 has intimated that the reply to the observations of CAG is under preparation.

B. Shri M.G. Ramachandran, Advocate advised PSPCL on this issue as under: -

- “i. This has reference to the discussions I had with your officials in regard to the allotment of Pachhwara (Central) Coal Block by the Government of India to the Punjab State Power Corporation Limited (PSPCL) in accordance with the recent Ordinance promulgated.*
- ii. In the Ordinance, the prior allottee had been defined as 1 entity to which the allotment of coal block was made. This entity in the case of Pachhwara (Central) Coal Block will be PANEM Coal Mines Limited, the Joint Venture Company in which PSPCL holds 26% shares and the balance majority and controlling shares are held by EMTA Limited.*
- iii. On the strict construction of the provisions of the Ordinance, the liability to pay the entire amount of ₹295 per MT will be on PANEM Coal Mines Limited and not on PSPCL as a shareholder of PANEM Coal Mines Limited. However, in the discussions with the Ministry of Coal in an*

informal basis, the officials of PSPCL have been advised that the allotment of Pachhwara (Central) Coal Block in favour of PSPCL will be considered only if PSPCL deposits 26% of the additional levy of ₹295/- per MT. This amount need to be deposited by 31st December 2014 as per the Ordinance failing which the Coal Controller may consider that the conditions of the Ordinance is not satisfied by PSPCL for allotment of the above mine.

- iv. At this stage, it may not be appropriate for PSPCL to enter into any deliberations with the Ministry of Coal or the Coal Controller on the aspect of the liability of PSPCL to deposit the 26% of the additional levy claimed. It may not be possible to get any kind of valid confirmation from the Ministry of Coal, Government of India or the Coal Controller in regard to the above liability. This is so, despite the fact, that the Coal Controller has written to PANEM calling upon them to deposit the entire amount of ₹295/- per MT in pursuance to the Orders of the Hon'ble Supreme Court.*
- v. I am of the opinion that PSPCL should not take chance of not depositing the amount equivalent to 26% shares and allowing the Coal Controller or the Ministry of Coal of taking the view that there has been no compliance on the part of PSPCL. The approach adopted by the Hon'ble Supreme Court in the coal allocation matter has been very strict. The Supreme Court may not grant any relief to PSPCL in case the Coal Controller or the Ministry of Coal declines the allotment of Pachhwara (Central) Coal Block to PSPCL on*

the ground that there has been a failure to deposit the requisite amount.

- vi. In my opinion, PSPCL need to first protect the allotment of Pachwara (Central) Coal Block and, therefore, should err on the right side by complying with the requirements of the deposit of 26% of ₹295/- per MT to fulfil the conditions of the Ordinance, as now being orally interpreted by the officials of the Ministry of Coal at this stage. Such a deposit be made despite the fact that the interpretation advised by the Ministry of Coal may not be correct and there may not be any legal liability on PSPCL to pay the said amount, namely, 26% share for the additional levy. The amount equivalent to 26% of the additional levy may be deposited with the Coal Controller with a letter to be written to the Coal Controller as per the draft attached. The draft letter sufficiently protects the interest of PSPCL, namely, in case the amount is not required to be deposited by PSPCL to the extent of 26% of the shares, PSPCL can claim adjustments in future.*
- vii. In addition to the above, PSPCL can write a letter to PANEM with a copy to EMTA to the effect that PANEM may proceed to deposit the amount of ₹295 per MT forthwith with the Coal Controller in compliance with the letter sent by the Coal Controller to PANEM.*
- viii. After few days, PSPCL can write a letter to the Coal Controller with copy to the Ministry of Coal referring to the letter addressed by the Coal Controller to PANEM and*

asking for the refund/adjustment of the amount deposited by PSPCL with the Coal Controller. The draft of the letter to be addressed to PANEM with copy to EMTA is attached.”

From the perusal of the advice rendered by Sh. M.G.Ramachandran Advocate, it is clear that the liability to pay the entire amount of ₹295/MT was on PANEM Coal Mines Limited and not on PSPCL as a shareholder of PANEM Coal Mines Limited. Even the Coal Controller has written to PANEM calling upon them to deposit the entire amount of ₹295/MT in pursuance to the Orders of the Hon'ble Supreme Court. PSPCL was also advised to write a letter to PANEM with a copy to EMTA to the effect that PANEM may proceed to deposit the amount of ₹295/MT forthwith with the Coal Controller in compliance with the letter sent by the Coal Controller to PANEM. It was also advised to PSPCL to write a letter to the Coal Controller with a copy to the Ministry of Coal referring to the letter addressed by the Coal Controller to PANEM and request for the refund/adjustment of the amount deposited by PSPCL with the Coal Controller.

- C. In compliance to the advice rendered by the Advocate, PSPCL wrote a letter dated 31.12.2014 to Shri Amrita Acharya, Coal Controller, Ministry of Coal, Govt. of India, Kolkata, as under: -

“i. This has reference to your letter No. CC/MCBA/101.37/2014-15 dated 18.12.2014 on the above subject.

- ii. *In the meanwhile the Coal Mine (Special Provision) Second Ordinance 2014 has been promulgated on 26.12.2014. In terms of the above ordinance the liability to pay the additional levy of ₹295 per tonne is on the “prior allottee” and in regard to Pachwara (Central) coal block, the prior allottee is M/s PANEM Coal Mines Limited, a Joint Venture Company with EMTA as the majority shareholder and Punjab State Power Corporation Ltd (PSPCL) of 26%. In this regard, your office has also written to M/s PANEM Coal Mines Limited vide letter No. CC/MCBA/101/37/2014-15 dated 30.12.2014 with a copy forwarded to PSPCL. We have also written to M/s PANEM vide letter No. 2365/66/CE/Fuel/C-145 (34) dated 30.12.2014 impressing upon them to pay the additional levy as claimed forthwith.*
- iii. *Though the liability is essentially of M/s PANEM and the majority shareholder EMTA, PSPCL by way of abundant caution and without prejudice to our rights, is depositing the additional levy to the extent of 26% of our share in M/s PANEM. Accordingly as per your above referred letter dated 18.12.2014, we have made arrangements to deposit the amount towards additional levy with respect to the coal extracted till 24th September 2014 (inclusive of 24th September 2014) being 26% of ₹295/- per MT on or before 31st December 2014 through RTGS to the account specified in your above letter. The audited statement of the production of coal in the above mine from the Start Date till 24th September 2014 has already been furnished to you*

vide our letter dated 26.12.2014 (copy enclosed for ready reference). This deposit is subject to the liability of making the deposit by M/s PANEM as per your above mentioned letter.

- iv. So, today i.e. on 31.12.2014, PSPCL has deposited sum of ₹391,46,36,262 (to the extent of PSPCL share in M/s Panem) i.e. 26% of ₹295/- per MT of coal corresponding to 51038282.42 Metric Tonnes coal extracted upto 24.09.2014 from Pachwara (Central) coal block, through RTGS vide UTR No. STBPR52014123100659044 in Coal Controller's Account No. 0389050190862 with United Bank of India, Old Court House Street Branch, Kolkata-700001 having Bank IFSC Code No. UTBI00CH175. This deposit is subject to the liability of making the deposit by M/s PANEM as per your above mentioned letter.*
- v. The Punjab State Power Corporation Limited is in critical need of the allotment of the Pachwara (Central) Coal Block in Jharkhand and, therefore, has consistently maintained that we would comply with the required terms and conditions for getting such allotment. However, if in terms of the provisions of the new Ordinance, no liability is to be imposed on the State Utilities such as Punjab State Power Corporation Limited or West Bengal and Karnataka State Utilities etc. We may also be given necessary adjustments for the amount deposited. This would avoid huge financial outflow to Punjab State Power Corporation Limited, which need to be arranged through borrowings from the Lenders.*

The additional levy, is required to be passed on to the public at large i.e. the consumers in the State of Punjab by increase in the retail supply tariff.

We are also sending a copy of this letter to Joint Secretary to the Govt. of India and Nominated Authority under the CM (SP) Ordinance, 2014 and to Joint Secretary Coal, Ministry of Coal, Government of India for issue of necessary clarification.”

- D. PSPCL also wrote a letter dated 11.05.2015 to Secretary (Coal), Ministry of Coal, Govt. of India, New Delhi regarding refund of the amount paid by PSPCL as per orders of the Hon'ble Supreme Court and submitted as under:-

“ (i) This has reference to the allocation of Pachwara Central Coal Block in the State of Jharkhand to the Punjab State Power Corporation Limited (PSPCL) in pursuance of the Coal Mines (Special Provisions) Ordinance, 2014 (which has since become the Act passed by the Parliament) to PSPCL in its capacity as a wholly owned Government of Punjab Undertaking and for the end use of the specified generating station of the said Corporation in the State of Punjab.

(ii) At the time of making the application, PSPCL had by way of abundant caution deposited with the Ministry of Coal, Government of India, a sum of ₹391,46,36,262/- calculated at the rate of 26% of ₹295/- per MT in respect of

the coal extracted from the above mine and used by PSPCL in its generating station in Punjab during the past period. However, as per the Orders of the Hon'ble Supreme Court dated 25th August, 2014 and 24th September 2014, read with the above Ordinance, the entire amount of ₹295/- per MT was the liability of Messrs PANEM Limited, a Joint Venture Company of PSPCL and EMTA Limited and is not the liability of PSPCL. This is also so provided in the Explanation contained in the Coal Mines (Special Provisions) Ordinance, 2014 defining the term "Prior Allottee". PANEM being the prior allottee, the entire amount of ₹295/- per MT being payable by PANEM, the amount of ₹391,46,36,262/- crore deposited by PSPCL needs to be refunded to PSPCL.

(iii) It is submitted that the amount of ₹391,46,36,262/- crore has been deposited by PSPCL with the Ministry of Coal vide letter no. 2368/70/Ce/Fuel/C-237 dated 31.12.2014 (copy enclosed) through RTGS vide UTR No. STBPR52014123100659044 in Coal Controller's Account No. 0389050190862 with United Bank of India, Old Court House Street Branch, Kolkata- 700001 having Bank IFSC Code No. UTBI00CH175.

(iv) It is submitted that the position of PSPCL is akin to the West Bengal State Utilities which has also been allotted the coal block in a similar manner. The West Bengal Utilities had not deposited the amount equivalent to 26% as in the cases of PSPCL.

(v) *It is, therefore, requested that immediate steps be taken for refund of the amount of ₹391,46,36,262/- crore deposited by PSPCL with the Ministry of Coal and duly credited in Coal Controller's Account at the earliest as the said amount is urgently required for meeting various financial needs of PSPCL. As you are aware, PSPCL is already under financial stress and is suffering interest burden on the above amount as the same has been borrowed from REC and PFC. The refund of the amount at the earliest will reduce the financial burden of PSPCL."*

E. In response to a communication received by PSPCL from the Nominated Authority Ministry of Coal regarding payment of "Fixed Amount" of ₹90,26,73,773.76 in respect of Pachhwara Central Coal Mine, PSPCL wrote a letter to the Nominated Authority, Ministry of Coal, New Delhi dated 08.07.2015 as under:-

"In this respect, it is submitted that since PSPCL was in critical need of the allotment of the Pachhwara Central Coal Mine, therefore as a matter of abundant caution to become eligible for allotment of coal mine as per Coal Mines (SP) ordinance PSPCL had deposited with the Ministry of Coal, Government of India in Coal Controller's Account, a sum of Rs. 391,46,36,262/- calculated at the rate of 26% of Rs. 295/- per MT in respect of the coal extracted from the Pachhwaa Central coal mine from March 2006 to 24th September 2014 vide Letter No. 2368/70/CE/Fuel/C-273

dated 31.12.2014 (copy enclosed). However, in terms of the explanation to Section 3 (1) (n) of Coal Mines (Special Provisions) Act 2015, Panem Coal Mines Ltd. is the Prior Allottee for the Pachhwarra Central coal mine and as such the liability on account of additional levy in case of Pachhwarra Central coal mine is of M/s Panem only and not of PSPCL. Accordingly, PSPCL requested Secretary (Coal), MOC, GOI vide Letter No. 843/46/CE/Fuel/C-273 dated 11.05.2015 (copy enclosed) for taking immediate steps for early refund of this amount of Rs. 391,46,36,262 deposited by PSPCL with the Ministry of Coal as the said amount is urgently required for meeting various financial needs of PSPCL and PSPCL is facing acute financial crunch as this payment was made after taking loan from REC and PFC. However, this amount has not been refunded to PSPCL so far.

In view of the already tight financial position of PSPCL, as expressed above, it is requested that the above referred payment of the "Fixed Amount" of Rs. 90,26,73,773.76 to be paid now by PSPCL may kindly be adjusted against the above payment of additional levy amounting to Rs. 391,46,36,262 made by PSPCL, the refund of which is awaited from the Ministry in the light of the provisions of the Act brought out above. However, it is also requested that if there is any legal hitch in adjusting this amount from the earlier payment made by PSPCL, then this amount of Rs. 391,46,36,262 deposited by PSPCL with the Ministry of

Coal may kindly be refunded immediately to PSPCL and simultaneously PSPCL may be permitted for making payment of this "Fixed Amount" in Six monthly installments in view of the financial hardships being faced by PSPCL as this will help in improving the liquidity position of PSPCL.

Your personal intervention in this regard and an early reply is requested please."

From the contents of the letters dated 31.12.2014, 11.05.2015 and 08.07.2015, written by PSPCL to Ministry of Coal and Nominated Authority, it is gathered that as per Coal Mine (Special Provision) Second Ordinance 2014, the liability to pay the additional levy of ₹295 per tonne is on the "prior allottee" i.e. Panem Coal Mines Ltd. The amount deposited by PSPCL is subject to the liability of making the deposit by Panem Coal Mines Ltd. The amount deposited by PSPCL is refundable and this fact has been admitted by the PSPCL in the Petition also.

F. The clauses of Agreement of Captive Coal Mining Project of Punjab State Electricity Board through the joint venture signed on 21st March, 2001, relevant in the matter, are reproduced as under:

i) Article 3(2) states as under:

"PSEB's right on the PSEB Coal Mines shall be valued at ₹1.30 crore (Rupees one crore, thirty lacs only) and such value shall be

treated as consideration for the allotment to PSEB of 13,00,000 shares of Rupees 10 each of the company”.

ii) Article 3(5) states as under:

“For maintaining PSEB’s equity capital holding at 26% of the total paid up equity capital, if PSEB is to be allotted shares which will increase its total shareholding beyond 13,00,000 shares then consideration for allotment of such additional shares shall be brought in by EMTA and partners and PSEB shall be allotted the 26% shares in the additional shares capital being mobilized with equivalent voting rights”.

iii) Article 3(6) states as under:

“PSEB shall not be required to make any financial contribution to the company at any time”

iv) Article 6 states as under:-

“Subject to other provisions of this Agreement, EMTA and PARTNERS as the selected bidder shall ensure that the Company raises capital and other finances required for the business of the Company. EMTA and PARTNERS shall not require PSEB to undertake or be a party to any guarantee obligation or otherwise give any security or assurance for such raising of finance or funds.”

In the light of above, the Commission observes that any refundable payment made by PSPCL to MoC, Gol cannot be treated as payment towards cost of material (coal) and the same cannot be treated as expenses in accounting and for tariff determination.

G. The captive coal mine was originally allocated to Punjab State Electricity Board. On the reorganization of PSEB into PSPCL and PSTCL, there is no provision in the transfer scheme to allocate the coal mine to PSPCL. Which implies that consequent upon unbundling of PSEB w.e.f. 16.04.2010, Government of Punjab on dated 24.12.2012 notified Opening Balance Sheet of PSPCL and PSTCL as on 16.04.2010. Under the Transfer Scheme, the assets and liabilities of PSEB were transferred to Government of Punjab which were later on transferred to the new entities i.e. PSPCL and PSTCL. The share of PSEB's equity in PANEM has not been shown in Opening Balance Sheet of PSPCL or PSTCL, from which it can be concluded that Share of PSEB's equity which has been transferred to Govt. of Punjab but has not been re-vested in PSPCL.

In the light of above, it is concluded that the refundable amount of ₹391,46,36,262 (paid by PSPCL to GoI), interest thereon and such other amount (as prayed in the Petition) cannot be treated as expenditure for revenue requirement of the Petitioner and as such is not chargeable to consumers of the State through tariff.

The petition is dismissed.

Sd/-
(Gurinder Jit Singh)
Member

Sd/-
(Romila Dubey)
Chairperson

Chandigarh
Dated: 01.09.2015