CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION
Irrigation Colony, Shanti Nagar, Raipur - 492 001 (C.G.)
Ph.0771-4073555
www.cserc.gov.in, e-mail: cserc.sec@cg.nic.in

Petition No. 79 of 2025

In the matter of

"Seeking recovery of amount deducted from the true-up for FY 2016-17 towards notional income earned on excess security deposit held over and above the requirement of working capital."

M/s Chhattisgarh State Power Distribution Co. Ltd. …… Petitioner

Present: **Vivek Ganodwale, Member (Law)**
Ajay Kumar Singh, Member (Tech)

Appearance: Shri Abhinav Kardekar, Shri Ayush Solanki, Shri Rahul Taneja and Shri Pranav Khandelwal counsels along with Shri Rajesh Sadasivan, SE for M/s CSPDCL.

ORDER

(Passed on 13/11/2026)

This order is passed in petition filed by Chhattisgarh State Power Distribution Co. Ltd. (CSPDCL) under Section 86(1)(k) of the Electricity Act, 2003 for seeking recovery of an amount deducted from its Annual Revenue Requirement (ARR) of FY 2016-17 during truing-up exercise

considering same as "notional income" on excess consumer security deposit.

2. CSPDCL submitted that the Commission has erroneously deducted Rs. 65.31 crore from ARR of FY 2016-17 during truing-up exercise as "notional income" on excess consumer security deposit. This amount represents notional interest on excess consumer security deposits held in excess of the working capital requirement which the Commission treated as Non-Tariff Income during truing-up FY 2016-17. Therefore, CSPDCL prayed for allowing it to recover Rs. 65.31 Crore along with carrying cost, in the ARR to be determined for future years.

3. CSPDCL further submitted that the Regulation 25.1 of the MYT Regulations, 2015 prescribes the complete methodology for computing of IoWC for retail supply of electricity and only requires consumer security deposits (cash) to be deducted from the working capital requirement which has no provision for computing notional interest on security deposits held in excess or for treating such interest as non-tariff income, therefore, deduction of notional interest made in the Tariff Order dated 30.04.2016 had no regulatory backing.

4. CSPDCL further submitted that Hon'ble APTEL in order dated 09.10.2015 passed in in Appeal No. 308 of 2013 and order dated 15.05.2015 passed in Appeal No. 286 of 2017 held that such a

deduction is contrary to the Tariff Regulations, 2012. Since the relevant provisions of the 2015 Regulations are identical in substance, hence, the same finding applies to FY 2016-17 and is binding on the Commission in the instant issue.

5. CSPDCL further submitted that the amendment to Regulation 25.1(e) dated 16.06.2017 cannot be applied to FY 2016-17, as it came after the tariff orders for FY 2016-17 and FY 2017-18 were issued. Under Regulation 5.8(d), true-up must be done under the regulations on which the original tariff was determined, therefore, true-up for FY 2016-17 should be done according to the un-amended CSERC MYT regulations, 2015.

6. CSPDCL further submitted that the Commission in its order dated 12.09.2025 in Petition No. 64 of 2016, allowed CSPDCL to recover the similar deduction from ARR of FY 2017-18 along with carrying cost. Therefore, CSPDCL requested for the same treatment to the truing-up for FY 2016-17.

7. CSPDCL further submitted that under Section 62 of the Electricity Act, 2003, a licensee is entitled to recover the full cost of supplying power. Therefore, aforesaid deduction caused an under-recovery of the expenses incurred in FY 2016-17.

8. CSPDCL further submitted that the petition is within the Commission's jurisdiction and limitation and is free of delay, as it was filed after the APTEL order of 15.05.2025.

Commission's View

9. Upon perusal of the submissions made by CSPDCL, the Commission observed that CSPDCL neither filed any review petition within the prescribed period i.e. thirty (30) days from the date of issue of the tariff order dated 28.02.2019 for review of matter of considering negative Interest on Working Capital (IoWC) at the time of carrying out truing-up of ARR of FY 2016-17 nor preferred appeal before Hon'ble APTEL on aforesaid issue. It is pertinent to mention here that CSPDCL preferred an Appeal (Appeal No. 161 of 2019) before hon'ble APTEL against order dated 28.02.2019 excluding the issue of considering negative interest on working capital while computing ARR for FY 2016-17 during true-up of ARR.

10. Therefore, Order dated 28.02.2019 in so far as it pertains to computation of ARR during true-up of FY 2016-17 considering negative IoWC, has attained finality.

11. In view of the above, the Commission is of the considered view that the present petition is not maintainable, hence, dismissed.

Sd/-
(Ajay Kumar Singh)
Member (Tech)

Sd/-
(Vivek Ganodwale)
Member (Law)