



# TELANGANA IRON & STEEL MANUFACTURERS ASSOCIATION

Regd. No 58 of 2022

13 Jan 2026

President  
**Sunil Kumar Saraf**

Vice President  
**Neeraj Goenka**

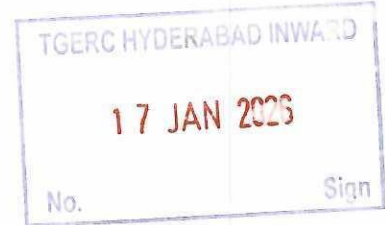
General Secretary  
**Vinod Kumar Agarwal**

Joint Secretary  
**Sudhanshu Shekar**

Treasurer  
**Vinod Kumar Agarwal**

Executive members  
**Anil Agarwal**  
**Gopal Agarwal**  
**Bharat Kumar Agarwal**  
**Vinay Kumar Agarwal**  
**Shashikant Agarwal**

To,  
The Secretary  
TGERC  
Vidyut Niyantran Bhavan,  
Sy.No.145-P, G.T.S. Colony,  
Kalyan Nagar, 500018  
Hyderabad



Sub: Preliminary Objections on the Petition Filed by TGTransco for True-Up of FY 2024-25 and ARR for FY 2026-27

Dear Sir,

Referring to the subject, please find enclosed the Preliminary Objections on the Petition Filed by TGTransco for True-Up of FY 2024-25 and ARR for FY 2026-27

We request the Hon'ble Commission to condone the delay caused due to paucity of time and intervening holidays, consider the preliminary objections/comments submitted herein, and permit us to submit detailed objections/comments at the time of public hearing.

Thanking you.

For: Telangana Iron & Steel Manufacturers Association

Regards

  
Vinod Kumar Agarwal  
+91- 98490 79571  
General Secretary

## **Preliminary Objections on the Petition Filed by TGTransco for True-Up of FY 2024-25 and ARR for FY 2026-27**

### **True up for FY 2024-25:**

1. **Transmission Loss:** TGTransco to provide detailed break-up of transmission loss as claimed in True-up of FY 2024-25 (i.e. 2.19%). TGTransco to also provide clarification/justification on how they have been able to reduce the actual transmission loss for FY 2024-25 by 0.11% with respect to FY 2023-24, whereas the approved transmission loss for the same period was reduced only by 0.02%.
2. **System Availability:** TGTransco to provide proof for claiming transmission availability at 99.90% during FY 2024-25. TGTransco to substantiate its claims by providing reports of system outages and shutdown carried out in FY 2024-25.
3. **Advance Against Depreciation:** Advance against depreciation could not be claimed against the Regulations at this stage. Hon'ble Commission undertook extensive stakeholder consultation before issuance of MYT Regulations, wherein TGTransco was also provided an opportunity to make its representation. Once the Regulations were notified, any modification to the same may not be entertained by the Hon'ble Commission. Therefore, TGTransco cannot claim any relaxation to the provisions of the Regulations at the time of filing True up. It must have preferred a higher forum challenging the Regulations itself.
4. **O&M Expenses:** The variation in O&M expenses have not been justified/claimed considering the normative expenses for FY 2024-25, in context of issue of controllable/ uncontrollable items. TGTransco has claimed the difference in O&M expenses with respect to actual expenses and not with respect to normative expenses, which is not as per the methodology specified in the MYT Regulations.
5. **Employee Benefit Expenses:** The Audited Accounts for FY 2024-25 provides for employee benefit expenses of Rs. 1043.12 Cr., which also includes SLDC expenses. However, in the segmental accounts reported on Pg. 38 of Audited accounts, the total employee benefits expenses including SLDC expenses are shown as Rs. 1237.14 Cr. out of which Rs. 55.71 Cr. pertains to SLDC business. TGTransco has claimed Rs. 1005.50 Cr. as employee expenses for TGTransco, however there is no way to substantiate this claim due to such discrepancy observed in audited accounts of FY 2024-25. Hon'ble Commission is requested to seek additional information regarding the same. In case employee expenses for SLDC are to be considered as Rs 55.71 Cr., then as per the Audited statement, the employee expenses for TGTransco would be Rs. 987.41 Cr. (Rs. 1043.12 Cr. – Rs. 55.71 Cr.) and not Rs. 1005.50 Cr. as claimed in the Petition.
6. **Capitalisation:** TGTransco is requested to provide reasons for lower capitalisation achieved in FY 2024-25 with respect to the approved capitalisation for FY 2024-25.

7. **Interest Expenses:** MYT Regulations provides for the Interest Expenses to be allowed on a normative basis. However, TGTransco has claimed Interest Expenses on actuals based on the Audited Accounts. The concept of True up is not meant to change the approach of admission of an expenses under the RTM principles.
8. **Return on Equity:** TGTransco has claimed waiver for not reducing RoE due to delay in filing of MYT Petition. It is submitted that the rate of RoE once determined in MYT Order cannot be revised at the time of True-up. Therefore, the RoE may be allowed at the rate at which RoE was approved in MYT Order for FY 2024-25.

#### **ARR/ Tariff for FY 2026-27**

9. **Transmission Loss:** TGTransco has projected the loss of 2.46% for FY 2025-26 and 2.44% for FY 2026-27, which is a reduction of 0.2% every year with respect to the approved loss for FY 2024-25. TGTransco in its True-up has claimed a Transmission loss of 2.19% for FY 2024-25, which is significantly lower than the approved loss of FY 2024-25. Therefore, the transmission loss for FY 2025-26 and FY 2026-27 needs be projected considering the base as actual loss of FY 2024-25 (i.e. 2.19%) rather than the approved loss of FY 2024-25 (i.e. 2.48%).
10. **Capitalisation for FY 2026-27:** TGTransco has claimed capitalisation for FY 2026-27 at Rs. 4949.18 Cr. as against the approved capitalisation of Rs. 1312.51 Cr. TGTransco has been over projecting the Capitalisation for future years consistently on annual basis. Even in True-up of FY 2024-25, the capitalisation claimed by TGTransco was much lower than the approved capitalisation for FY 2024-25. This depicts inaccurate planning of Capital works which ultimately burdens the retail consumers unduly.
11. **Grossing up of RoE with MAT Rate:** Percentage of RoE may not be grossed up by MAT rate unless there is actual MAT paid by TGTransco. Therefore, RoE may be allowed only at the base rate of 14.00%.
12. **Non-Tariff Income:** TGTransco has claimed Non-Tariff Income of Rs. 455.19 Cr. in True-up of FY 2024-25, whereas in FY 2025-26 and FY 2026-27, it has claimed Rs. 328.48 Cr. and Rs. 325.27 Cr. respectively. Hon'ble Commission is requested to allow Non-Tariff Income for FY 2025-26 and FY 2026-27 keeping base of actual Non-Tariff Income as claimed in True-up for FY 2024-25.
13. **Adjustment of Surplus for FY 2024-25:** TGTransco has claimed to adjust the surplus derived from True-up of FY 2024-25 in a period of two years i.e. FY 2026-27 and FY 2027-28. Hon'ble Commission is requested that since TGTransco has already recovered higher tariff as compared to the tariff it was suppose to recover for FY 2024-25, the entire surplus amount needs to be adjusted in the ensuing year itself i.e. in FY 2026-27.

Further, the Objector seeks liberty to advance additional submissions on the instant Petition at the time of Public hearing.