The Commission Secretary
Telangana Electricity Regulatory Commission (TGERC)
Vidyut Niyantran Bhavan
GTS Colony, Kalyan Nagar
Hyderabad – 500045

Subject: Objections to the proposed reduction of tariff from Rs.3.13/kWh to Rs.2.98/kWh under PM-KUSUM Component-A

Respected Sir,

I, the undersigned, on behalf of Murali Power Projects , a Solar Power Generator (SPG) under PM-KUSUMComponent-A, having our project at Indugula Village, Madugulapally Mandal, NalgondaDistrict, Telangana

I strongly object to the proposal for reduction of the pre-fixed levelized tariff from ₹3.13/kWh to ₹2.98/kWh. Instead of a reduction, the prevailing market conditions warrant an upward revision of the tariff to ensure project viability, bankability, and continued participation of private investors in the scheme.

Grounds for Objection :

1. Investment Made Based on Approved Tariff
The project was developed after making substantial investments and obtaining bank finance based on the tariff of Rs.3.13/kWh approved by the Hon'ble Commission vide Order dated 02.01.2021
2. Tariff Cannot Be Revised Solely on GST Reduction
Tariff determination considers benchmark capital cost, financing cost, O&M; expenses, insurance, evacuation infrastructure, depreciation and reasonable return. GST alone cannot justify tariff revision.
3. Significant Increase in Project Costs
Interest rates, labour, civil works, O&M; expenses, insurance, security, steel, aluminium, copper, freight, evacuation infrastructure and electrical equipment costs

have increased substantially since 2021, outweighing any GST benefit.

4. One-Time GST Benefit vs Long-Term Revenue Loss

GST reduction from 12% to 5% is only a one-time benefit, whereas the proposed tariff reduction would

reduce revenue throughout the 25-year PPA, causing a much greater financial loss.

5. Project Viability

The proposed reduction will adversely affect loan repayments, project cash flows, returns on investment and long-term financial sustainability.

6. Regulatory Certainty

Developers and lenders relied on the Commission's tariff order. Revising the tariff after investments have been made would undermine regulatory certainty and investor confidence.

7. Existing Tariff Already Under Pressure

The tariff has remained unchanged despite inflation and increases in financing, labour, insurance, O&M; and infrastructure costs.

8. Public Interest

Continuation of the existing tariff supports renewable energy, protects farmers' income and encourages investment under the PM-KUSUM Scheme.

9. Need for Comprehensive Cost Review

If tariff is reviewed, all cost parameters should be reassessed instead of relying only on GST reduction.

Prayer:

(i) Reject the proposal to reduce the tariff from Rs.3.13/kWh to Rs.2.98/kWh.

(ii) Continue the existing tariff of Rs.3.13/kWh.

(iii) Direct the Petitioners to submit project-wise GST calculations and a comprehensive cost-benefit analysis.

(iv) Protect the interests of Murali Power Projects and similarly placed SPGs.

(v) Pass such other order(s) as deemed fit.

(vi) If a tariff review is undertaken, you may comprehensively reassess all project cost parameters, which would justify an appropriate upward revision in the interest of justice.

Yours faithfully,

Katta Muralidhar
Managing Partner – Murali Power Projects
PM-KUSUM Component-A Solar Power Generator , Location: Indugula Village, Madugulapally Mandal, Nalgonda District, Telangana.