

30 June 2026

To
The Commission Secretary,
Telangana Electricity Regulatory Commission (TGERC),
Vidyut Niyantran Bhavan, GTS Colony,
Kalyan Nagar, Hyderabad – 500 045.

BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION

I.A. No. 4 of 2026

IN

O.S.No. 24 of 2020

Subject: Joint Objections on behalf of Naripeddi Budidapadu Renewables LLP, Naripeddi Dharoor Renewables LLP, and Naripeddi Maldakal Renewables LLP (Objectors/SPGs) to the Petition filed by TGSPDCL and TGNPDCL seeking downward revision of the pre-fixed levelised tariff for PM-KUSUM Component-A from Rs. 3.13/kWh to Rs. 2.98/kWh — Public Notice dated 23.06.2026.

Respected Sir,

I. PARTICULARS OF THE OBJECTORS

1. The Objectors are three Solar Power Generators (SPGs) sharing the registered address at #03 LH, 1004, Lanco Hills, Hyderabad – 500 089, and operating under the PM-KUSUM Component-A Scheme. Each Objector has executed a separate Power Purchase Agreement (PPA) with TGSPDCL at the pre-fixed levelised tariff of Rs. 3.13/kWh as determined by the Hon'ble Commission under its Order dated 02.01.2021 in O.P. No. 24 of 2020 (hereinafter the Tariff Order). The particulars of each Objector are as follows:

(a) Naripeddi Budidapadu Renewables LLP — PPA No. 474/2025-26, dated 25.07.2025 — 2 MW Solar Power Plant — Kakulavaram Village, Gadwal Mandal, Gadwal District, Telangana — 33/11 KV Boodidapad SS.

(b) Naripeddi Dharoor Renewables LLP — PPA No. 445/2025-26, dated 25.07.2025 — 2 MW Solar Power Plant — Dharur Village, Dharoor Mandal, Gadwal District, Telangana — 33/11 KV Dharoor SS.

(c) Naripeddi Maldakal Renewables LLP — PPA No. 443/2025-26, dated 25.07.2025 — 2 MW Solar Power Plant — Maldakal Village, Maldakal Mandal, Gadwal District, Telangana — 33/11 KV Maldakal SS.

2. The Objectors appear in response to the Public Notice dated 23.06.2026 inviting objections to the petition of TGSPDCL and TGNPDCL in I.A. No. 4 of 2026, which seeks to reduce the tariff from Rs. 3.13/kWh to Rs. 2.98/kWh on the ground of GST reduction. Since the Objectors raise identical grounds arising from the same Tariff Order and the same GST history, this joint representation is filed in the interests of efficiency and the Commission's convenience.

II. PRELIMINARY SUBMISSIONS

3. The Objectors submit, at the outset, that the petition is legally unsustainable and factually misconceived. It rests on four fundamental errors:
 - (i) a factually incorrect premise regarding the GST rate prevailing as on the date of the Tariff Order;
 - (ii) mischaracterising as a Change in Law what is, in truth, a mere restoration of the original GST position, which is not a change from any recognised legal baseline;
 - (iii) applying the Change in Law doctrine selectively and asymmetrically, ignoring that the GST increase from 5% to 12% in October 2021 was itself an adverse Change in Law event for generators, for which the Objectors have never been compensated; and
 - (iv) disregarding the substantial escalation in all other components of project cost since January 2021, which far exceeds any theoretical saving from the GST reduction.

These grounds are addressed in turn.

OBJECTION I — GST WAS 5% WHEN THE TARIFF WAS DETERMINED; THE CURRENT RATE OF 5% RESTORES THE STATUS QUO AND IS NOT A CHANGE FROM THE TARIFF DETERMINATION BASELINE

4. The Tariff Order was passed by the Hon'ble Commission on 02.01.2021. On that date, the rate of Goods and Services Tax (GST) applicable to solar photovoltaic modules, cells, and associated equipment was 5%. The capital cost benchmark of Rs. 3.60 Crore/MW adopted in the Tariff Order accordingly incorporated GST at 5%. This material fact is either overlooked or deliberately suppressed in the petition.
5. By Notification No. 08/2021-Central Tax (Rate) dated 30.09.2021, the GST rate on solar photovoltaic modules and cells was increased from 5% to 12%, with effect from

01.10.2021. This was an adverse Change in Law event that materially increased capital costs for generators. The Objectors executed their PPAs on 25.07.2025, entirely under the 12% GST regime, and procured or committed to procure equipment at that elevated rate.

6. By Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025, the GST rate was reduced back to 5%, with effect from 22.09.2025, restoring the rate to precisely the level prevailing on 02.01.2021, the date of the Tariff Order. The complete GST history is:

(a) As on the date of Tariff Order (02.01.2021): GST on solar equipment = 5%.

(b) Post-determination adverse Change in Law (01.10.2021): GST increased to 12%, raising capital costs for generators.

(c) Present position (22.09.2025 onwards): GST restored to 5% - identical to the Tariff Order baseline.

7. The Petitioners proceed on the factually incorrect premise that the Tariff Order incorporated GST at 12%. This is wrong. The tariff of Rs. 3.13/kWh was determined on 02.01.2021, when GST was 5%. The current rate of 5% is not a reduction from the perspective of the Tariff Order, it is a restoration of the original position as on the date of determination. Measured against the correct baseline, there has been no net change in GST. The foundational premise of the petition is factually wrong, and the petition must fail on this ground alone.

OBJECTION II — THE GST REDUCTION FROM 12% TO 5% DOES NOT CONSTITUTE A CHANGE IN LAW AND CANNOT BE THE BASIS FOR DOWNWARD TARIFF REVISION

8. A Change in Law event, as defined in the PPA and as consistently understood in electricity regulatory jurisprudence, is a departure from the statutory or legal position prevailing as on the relevant reference date. In the context of a tariff determined under Section 62 of the Electricity Act, 2003, the reference date is the date of the Tariff Order, namely 02.01.2021.

9. The GST rate on the reference date was 5%. The GST rate today is also 5%. There is no departure, no variation, and no difference between the legal position as on the reference date and the legal position today. A return to the original position is not a change in any legal, statutory, or commercial sense. The word change necessarily implies a difference between the before-state and the after-state. Where the before-state (5% GST at tariff determination) and the after-state (5% GST today) are identical, there is no change. The Petitioners' invocation of Change in Law for the current GST position is therefore a legal nullity.

10. The critical distinction is this: the GST increase from 5% to 12% in October 2021 was a genuine Change in Law because it departed from the reference-date position of 5%. The current GST of 5% does not depart from the reference-date position; it coincides with it. Only departures from the reference-date baseline are qualifying Change in Law events and a restoration of the reference-date baseline is not, and cannot be, a Change in Law.

11. The Andhra Pradesh Electricity Regulatory Commission (APERC), in its Suo Motu Order dated 23.06.2026, recognised the GST change as a Change in Law event in the context of PPAs whose relevant reference date was after October 2021, when GST was already 12%. That is a materially different factual position from the present case, where the Tariff Order's reference date is 02.01.2021, when GST was 5%. When correctly applied to the reference date of 02.01.2021, the conclusion is that the current GST of 5% is unchanged from the reference-date position and does not constitute a Change in Law.

OBJECTION III — IF CHANGE IN LAW IS HELD APPLICABLE, THE OBJECTORS ARE ENTITLED TO PRIOR LUMP SUM COMPENSATION FOR THE ADVERSE CHANGE IN LAW CAUSED BY THE GST INCREASE FROM 5% TO 12% (w.e.f. 01.10.2021), WHICH HAS NEVER BEEN COMPENSATED

12. Without prejudice to Objection II above, and strictly in the alternative that even if the Hon'ble Commission holds that the Change in Law doctrine applies, it must be applied symmetrically to both parties. The DISCOMs cannot selectively invoke Change in Law only when it produces a benefit for them, while ignoring the adverse Change in Law event of October 2021 that produced a quantifiable financial burden for generators.

13. The increase in GST from 5% to 12% with effect from 01.10.2021 was unambiguously a Change in Law event adverse to generators. Each of the Objectors executed their PPAs on 25.07.2025, when the applicable GST rate was 12%. Equipment procurement for the three projects occurred or was committed to be procured under the 12% GST regime. The incremental 7 percentage points of GST paid by the Objectors on their equipment procurement then the difference between the reference-date rate of 5% and the applicable rate of 12%, directly increased capital costs and constitutes a real, quantifiable Change in Law burden.

14. This adverse Change in Law burden has never been compensated. The Objectors were never paid any incremental amount by TGSPDCL to account for the higher GST. If the Change in Law doctrine is now applied at the DISCOMs' instance, the principle of symmetric and equitable application requires that the Objectors must first be compensated by a lump sum representing the incremental GST burden calculated as the difference between the GST actually paid at 12% and the GST payable at the

reference-date rate of 5% on the actual value of equipment procured prior to any consideration of the DISCOMs' claim.

15. The DISCOMs cannot claim the benefit of the downward GST change while ignoring the burden of the upward GST change. When both are accounted for symmetrically, the net financial impact on the Objectors under the DISCOMs' own framing is negative, because the duration of the 12% GST period (four years: October 2021 to September 2025) and the investment size of each 2 MW project mean the incremental burden substantially exceeds any current saving from the return to 5%.

OBJECTION IV — ALL COMPONENTS OF PROJECT COST MUST BE ASSESSED HOLISTICALLY; ISOLATED GST REDUCTION CANNOT JUSTIFY DOWNWARD REVISION

16. The tariff determination under Section 62 is a comprehensive cost-of-service exercise. The Commission adopted in the Tariff Order: Capital Cost of Rs. 3.60 Crore/MW; Debt-Equity ratio of 70:30; Return on Equity at 14%; Loan tenure of 12 years at 10% interest per annum; O&M cost escalation at 4.04% per annum; Capacity Utilisation Factor of 19%; Discount Factor of 11.20%; and Auxiliary Consumption of 0.75%. Any revision must be supported by a holistic reassessment of all parameters, not an isolated assessment of a single variable.

17. Since 02.01.2021, every other material cost parameter has moved adversely for generators:

- i. Capital equipment costs: Global silver prices have surged by 55% to 83% year-on-year, adding Rs. 9 Lakh to Rs. 27 Lakh per MW. Copper prices have risen approximately 42% year-on-year, adding an estimated Rs. 20 Lakh per MW to electrical BOS. Steel and aluminium have seen sustained double-digit price increases. As of mid-2026, the all-in EPC cost for a 1 MW solar project in India ranges between Rs. 3.5 Crore and Rs. 4.5 Crore per MW, already at or above the 2021 benchmark of Rs. 3.60 Crore/MW.
- ii. Balance of System and evacuation infrastructure: Prices of transformers, HT switchgear, cables, and evacuation infrastructure have risen sharply over the past five years.
- iii. Civil and land development costs: Land acquisition, site development, internal roads, fencing, and drainage costs have escalated substantially since 2021.
- iv. Financing costs: Project loan interest rates and lender margin-money requirements have increased. Insurance premiums have risen materially.

v. O&M costs: Operation and maintenance costs escalate annually, while the pre-fixed tariff remains constant for 25 years. The generator bears the entirety of O&M escalation risk throughout the PPA term.

18. The cumulative impact of these cost increases since January 2021 has raised total project costs by an estimated 25% to 30%. The marginal saving from the GST reduction on modules and cells only is wholly absorbed by and vastly outweighed by these escalations. A downward revision of the tariff based solely on the GST reduction, without a fresh holistic cost-of-service determination, would be arbitrary and contrary to the Commission's own methodology.

OBJECTION V — THE TARIFF ORDER AND EXECUTED PPAs ARE BINDING AND CANNOT BE UNILATERALLY REOPENED

19. The pre-fixed levelised tariff of Rs. 3.13/kWh has crystallised into binding contractual rights through the execution of PPA Nos. 474/2025-26, 445/2025-26, and 443/2025-26. These are concluded contracts governing the rights and obligations of both parties for the entire 25-year PPA term. Neither the Electricity Act, 2003 nor the PPAs permit unilateral reopening of the agreed tariff because one component of project cost is perceived to have changed.

20. Acting in reliance on the approved tariff of Rs. 3.13/kWh, each Objector has: identified and secured project land at the respective sites in Gadwal District; furnished the requisite Performance Bank Guarantee to TGSPDCL; incurred project development expenditure; initiated financing arrangements with financial institutions on the basis of projected revenues at Rs. 3.13/kWh; and executed binding PPAs with TGSPDCL. All these steps have been taken irreversibly in reliance on the approved tariff.

21. The doctrine of promissory estoppel squarely precludes the Petitioners from altering the fundamental commercial terms of the concluded PPAs after the Objectors have irrevocably altered their position in reliance on those terms. Under Section 64(6) of the Electricity Act, 2003, the Tariff Order is binding on all parties unless amended or revoked through the prescribed process. Under Section 62(4), the tariff shall not ordinarily be amended more frequently than once in any financial year.

22. The present Petition is not maintainable either in law or on facts. The Petitioners seek to reopen a tariff that has already been determined by this Hon'ble Commission under Section 62 of the Electricity Act, 2003, acted upon by all stakeholders, and incorporated into duly executed and binding Power Purchase Agreements. The Electricity Act, 2003 does not confer any power upon the Distribution Licensees to seek a fresh determination or downward revision of a concluded tariff merely because one component of the project cost is subsequently perceived to have undergone a

change. In the absence of any express statutory provision authorising such reopening, the present Petition is wholly misconceived and liable to be rejected in limine.

23. The tariff determination under Section 62 attains finality upon its issuance and, once accepted and implemented through executed PPAs, creates vested contractual and commercial rights in favour of the generating companies. The Petitioners have neither challenged the Tariff Order dated 02.01.2021 before any appellate forum nor demonstrated any jurisdictional error, fraud, or other legally recognised ground warranting reopening of the concluded tariff determination. What is sought through the present proceedings is, in substance, a review and modification of the Tariff Order without invoking any statutory review jurisdiction and without satisfying the legal requirements governing such exercise. The present Petition is therefore liable to be dismissed as not maintainable.

OBJECTION VI — POLICY, EQUITY, AND REGULATORY CERTAINTY

24. The Objector is a small Solar Power Generator, a farmer participating in a Central Government scheme specifically designed to augment rural incomes through decentralised solar power generation. The PM-KUSUM Component-A Scheme was designed with a pre-fixed levelised tariff structure, rather than competitive bidding, precisely because its target beneficiaries are farmers, water user associations, and gram panchayats who lack the financial sophistication and risk-management capacity of large corporate developers. The certainty of a pre-fixed tariff for 25 years is the cornerstone of the scheme's commercial viability for such participants. Any downward revision of that tariff fundamentally undermines the scheme's architecture and its intended benefits.

25. The adverse consequences of the proposed tariff reduction for small developers and for the renewable energy programme are severe:

- a) Financial viability: Marginal projects structured and financed at Rs. 3.13/kWh may face debt-service shortfalls at Rs. 2.98/kWh, given that current EPC costs already substantially exceed the 2021 capital cost benchmark.
- b) Investor confidence: Regulatory revision of tariffs after PPAs are signed and investments are committed will severely and irreversibly damage confidence in government-backed renewable energy schemes. Small farmers and rural entrepreneurs, who participated in PM-KUSUM on the strength of regulatory assurances, will bear this loss directly and personally.
- c) Renewable energy targets: Achievement of Telangana's Renewable Purchase Obligation (RPO) targets and renewable energy programme goals will be

delayed or defeated as developers who cannot sustain financial viability at the reduced tariff abandon or defer projects.

- d) Regulatory precedent: Selective downward revision of tariffs on the basis of isolated changes in a single cost parameter will set a damaging precedent that pervasively destabilises the regulatory framework for all infrastructure investment in Telangana.

26. Regulatory certainty and the honouring of concluded tariff orders are foundational to long-term infrastructure investment. The Commission has consistently upheld the principle that once a tariff order is passed and relied upon by developers who commit capital, that order must be honoured for the full term. The Objector respectfully urges the Commission to uphold this principle and to reject the petition.

OBJECTION VII — THE RELIEF SOUGHT IS CONTRARY TO THE OBJECTIVES OF THE PM-KUSUM SCHEME AND THE LARGER PUBLIC INTEREST

27. The present Petition is also contrary to the objectives underlying the PM-KUSUM Component-A Scheme, which was conceived by the Government of India to promote decentralized renewable energy generation, encourage private participation in the rural power sector, provide assured income to project developers and farmers, and strengthen the country's transition towards clean energy. The pre-fixed tariff approved by this Hon'ble Commission formed an integral part of the commercial framework that induced developers to participate under the Scheme and invest substantial capital in establishing solar power projects.

28. Permitting retrospective downward revision of the approved tariff after execution of the PPAs would seriously prejudice the implementation of the PM-KUSUM Scheme. Such a course would send an adverse signal to existing and prospective investors that even after obtaining regulatory approval and executing binding PPAs, the commercial terms of the project remain uncertain and susceptible to subsequent alteration. This would inevitably discourage private participation in future renewable energy programmes, adversely affect financing of similar projects, and undermine the public policy objectives of promoting decentralized solar generation, energy security, and sustainable development. The public interest therefore lies not in reopening settled tariffs but in preserving the certainty, stability, and credibility of the regulatory framework governing renewable energy investments.

VIII. PRAYER

In view of the foregoing submissions, the Objectors respectfully pray that the Hon'ble Commission may be pleased to:

(a) Reject the petition filed by TGSPDCL and TGNPDCL in I.A. No. 4 of 2026 in O.P. No. 24 of 2020 in its entirety;

(b) Hold that the pre-fixed levelised tariff of Rs. 3.13/kWh approved under the Tariff Order dated 02.01.2021 shall continue to remain valid and binding on all parties, without any downward revision;

(c) Hold that the current GST rate of 5% (effective 22.09.2025) is identical to the GST rate prevailing as on the date of the Tariff Order (02.01.2021) and does not constitute a Change in Law event, there being no departure from the reference-date legal position;

(d) In the alternative, if the Change in Law doctrine is held applicable, direct TGSPDCL to first pay each Objector a lump sum representing the incremental GST burden borne on account of the adverse Change in Law caused by the GST increase from 5% to 12% (w.e.f. 01.10.2021), calculated as the difference between GST actually paid at 12% and GST payable at 5% on the actual value of equipment procured, prior to any consideration of the DISCOMs' claim for downward adjustment;

(e) Hold that any revision of a tariff determined under Section 62 of the Electricity Act, 2003 requires a comprehensive holistic reassessment of all cost parameters and cannot lawfully be made on the basis of a single fiscal variable assessed in isolation;

(f) Protect the vested contractual rights of the Objectors arising under PPA Nos. 474/2025-26, 445/2025-26, and 443/2025-26 executed with TGSPDCL; and

(g) Pass such other and further orders as the Hon'ble Commission may deem fit and proper in the interests of justice, equity, and regulatory certainty.

Yours faithfully,



For and on behalf of:

1. Naripeddi Budidapadu Renewables LLP (PPA No. 474/2025-26)
2. Naripeddi Tharoor Renewables LLP (PPA No. 445/2025-26)
3. Naripeddi Maldakal Renewables LLP (PPA No. 443/2025-26)

Solar Power Generators under PM-KUSUM Component-A
#03 LH, 1004, Lanco Hills, Hyderabad – 500 089.

Date: 30 June 2026

Place: Hyderabad

