

MONDAY | 28 JULY 2025
Case Update

APTEL Sets Aside MPERC's Disallowances in JPVL Bina Plant Tariff True-Up



On 28.07.2025, in a key regulatory win for M/s Jaiprakash Power Ventures Limited ("JPVL"), the Appellate Tribunal for Electricity ("APTEL") allowed the company's appeal against two major disallowances made by the Madhya Pradesh Electricity Regulatory Commission ("MPERC") in its true-up order for FY 2019–20.

The Tribunal directed MPERC to recompute the tariff for JPVL's 2x250 MW coal-based thermal power plant at Bina by (i) allowing grossing up of Return on Equity ("RoE") with Minimum Alternate Tax ("MAT"), and (ii) permitting recovery of Operation and Maintenance ("O&M") expenses incurred on the plant's dedicated transmission line ("DTL") and associated bay.

JPVL had challenged MPERC's order dated 07.12.2021, which rejected JPVL's claims for grossing up of Return on Equity on MAT on the grounds that JPVL as a cooperate entity had paid nil tax, and denied O&M cost on DTL despite admitting its capital cost. APTEL ruled that the regulator erred by retrospectively applying the MPERC 2020 Tariff Regulations and by failing to follow the APTEL's judgement in Appeal Nos. 283 of 2017, 131 of 2018, and 231 of 2018 in Jaiprakash Power Ventures Limited vs. MPERC & Ors. ("JPVL Judgment")

Emphasising that RoE must be grossed up based on applicable tax rates at the company level and not actual tax paid, the Tribunal also held that dedicated transmission line is an essential part of the generating project under the Electricity Act, and its O&M cost is fully recoverable under a cost-plus tariff framework.

The Tribunal directed MPERC to issue consequential orders within three months. These directions are, however, subject to the outcome of a related civil appeal no. 6562 of 2024 which is currently pending before the Hon'ble Supreme Court.

Click [here](#) to read the order.

JPVL was represented before the Appellate Tribunal For Electricity by Shri Venkatesh (Founding Partner), Suhael Buttan (Partner), Vedant Choudhary (Associate) and Manav Bhatia (Associate) of the SKV Law Offices Team.