

Additional Clarifications and Submission True Up FY 2016-17

1. *Regarding actual Interest on Unfunded Gap*

It is submitted that the interest on unfunded gap forms a part of the Interest on Long Term Loans and Short Term borrowings and Working Capital as depicted in the True Up petition also. The same has also been shown in Format 3.7. The loans are taken up as per the requirement and the same taken for unfunded gap is also a part of the long term and short term borrowing shown. Loans are not taken up separately under the head of unfunded gap.

2. *Regarding weighted average rate of interest*

The computation of weighted rate of interest as per Regulation 21(5) of the RERC (Terms and Conditions for Determination of Tariff) Regulations, 2014 is submitted as **Annexure 1**.

3. *Regarding Additional Contribution in Terminal Benefits*

With respect to the Terminal benefits, it is submitted that the amount actually deposited in the trust is bifurcated into regular and additional contribution as shown in Form 3.2(b). For a particular financial year as per the audited accounts only the liability for terminal benefits is created and same is not categorized into additional and regular contribution.