

No. N/94/12

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION, BANGALORE
Dated 12th December 2013**

O P No. 49/2012

Present: Sri M.R. Sreenivasa Murthy --- Chairman

BETWEEN

The Tata Power Company Limited
Bombay House 24, Homi Mody Street
MUMBAI -400 001
(By Trilegal, Advocates)

.. PETITIONER

AND

- 1) Power Corporation of Karnataka Limited
Room No.501, 5th Floor, KPTCL Building, Cauvery Bhavan
Bangalore-560 009
- 2) Bangalore Electricity Supply Company Limited
2nd Floor, 2nd Block
K.R. Circle, Bangalore-560 001
- 3) Mangalore Electricity Supply Company Limited,
Paradigm Plaza, A.B. Shetty Circle
Mangalore -575 001
(By ALMT Legal, Advocates)

.. RESPONDENTS

Order on Application no. 1/2013

1. The petitioner has filed this application on 25.11.2013 seeking rectification of the order passed by the Commission on 10.10.2013, praying to substitute the words 'does not get set off ' in paragraphs 20 and 21 (b) with the words 'gets set off'.
2. Pursuant to issue of notice, both parties appeared through their Counsel and were heard on 12.12.2013.
3. The Counsel for petitioner submitted that the error in the order is a typographical error and requires to be corrected. The Counsel for respondents fairly submitted that the order needs to be rectified as prayed for by the petitioner.
4. In the order we had held that the reimbursement of MAT is an admitted liability and the petitioner was directed to furnish a bank guarantee with an intention of providing

a security mechanism to the respondents for the amount which would get set off in future years.

5. In the circumstances, it is necessary and proper to rectify the order dated 10.10.2013 as prayed for by the petitioner and hence, the following order is made:

In paragraph nos. 20 and 21, (Page nos. 12 and 13) of the order dated 10.10.2013, in place of the words 'does not get set off' the words 'gets set off' shall be substituted.

Accordingly, paragraph nos. 20 and 21 (Page nos. 12 and 13) in the order shall read as follows:

"20) Though we have held that the Petitioner is entitled for reimbursement of MAT without waiting for expiry of the period of set-off, in order to secure the interest of the Respondents, we direct the Petitioner to furnish a Bank Guarantee, in a form acceptable to the Respondents and keep it valid for next 10 (ten) years, undertaking to repay the amount paid to it towards MAT liability, which **gets set-off** in future years as provided under section 115JAA of the Income Tax Act, 1961.

21) Consequently, it is ordered as follows:

(a) The Petitioner is entitled for reimbursement of the MAT paid by it during the subsistence of the PPA dated 10.2.1999; and,

(b) The Petitioner shall furnish a Bank Guarantee, in a form acceptable to the Respondents and keep it valid for next 10 (ten) years, undertaking to repay the amount paid to it towards MAT liability, which **gets set-off** in future years as provided under section 115JAA of the Income Tax Act, 1961."

Sd/-
(M.R. SREENIVASA MURTHY)
Chairman