**ANNEXURE-II**

**True-Up filings for FY 2024-25 and Annual Tariff Petition for FY 2026-27**

**Replie to submissions on SLDC Business Activity O.P. No.69 of 2025 by Sri R.V. Subba Rao.**

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| --- | --- | --- |
| **SI.No** | **Objection of Sri R. V. Subba Rao** | **Reply of TGTRANSCO** |
| 5.1 | Employee Cost Escalation  Despite increasing automation, employee costs are projected to rise.  Submission:   Benchmark employee cost per  substation against peer utilities  Restrict SLDC recruitment to essential technical roles only | The actual increase in Employee benefit expenses for the FY 2024-25 is Rs.2.71 crores when compared to actual employee cost of the FY 2023-24(i.e., Rs.55.72 Crores – Rs.53.01 Crores)  Further, the Employee expenses for the FY 2024-25 has increased mainly on account of regular annual grade increment, Encashment of earned leave by the employees and Dearness allowance and also includes Actuarial Valuation Liability towards employee terminal benefits.  However, as per clause 89.3 of regulation 2 of 2023 Employee Cost for the year is arrived by increasing the previous year employee cost at an inflation rate of Consumer price index. But in actual practice an Employees will receive annual grade increment and Encashment of leave salary but the same was not considered in Commission methodology.  In view of the above, the actual employee cost for the FY 2024-25 was increased when compared to approved employee benefit expenses for the year. |