



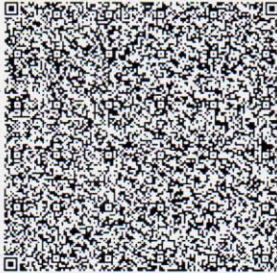
सत्यमेव जयते

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Purchased by	: MINISTRY OF POWER GOVT OF INDIA
Description of Document	: Article 5 General Agreement
Property Description	: Not Applicable
Consideration Price (Rs.)	: 0 (Zero)
First Party	: MINISTRY OF POWER GOVT OF INDIA
Second Party	: GOVERNMENT OF ASSAM AND OTHERS
Stamp Duty Paid By	: MINISTRY OF POWER GOVT OF INDIA
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TRIPARTITE MEMORANDUM OF UNDERSTANDING AMONGST

Ministry of Power, Government of India

AND

Government of Assam,

AND

Assam Power Distribution Company Limited,

For achieving turnaround of Assam Power Distribution Company Limited.

This TRIPARTITE MEMORANDUM OF UNDERSTANDING (hereinafter referred to as the “Tripartite MOU”) is made on this **4th day of January 2017**.

BY AND AMONGST

Ministry of Power, Government of India, having its Office at Rafi Marg, Sansad Marg Area, New Delhi - 110001 which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the FIRST PART:

AND

Government of Assam (hereinafter referred to as “Government of Assam” which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the SECOND PART

AND

Assam Power Distribution Company Limited (herein after referred as to “APDCL”) which expression shall unless repugnant to the context or meaning thereof includes its successors and assigns) of the THIRD PART

The Government of India, the Government of Assam, and the APDCL is hereinafter also referred to collectively as the “Parties” and individually as the “Party”.

DEFINITIONS:

“**Effective Date**” means the date of signing of the MOU.

“**Cut-off Date**” means 30th September 2015.

“**APDCL**” or “**DISCOM**” means Assam Power Distribution Company Limited.

“**Bonds**” mean the bonds issued by the Government of Assam and APDCL under UDAY.

“**Outstanding Debt**” means the debt of the DISCOM including loan for capital expenditure (capex), short term loans of Banks and FIs

“**UDAY**” or “**UJWAL DISCOM Assurance Yojana**” means the scheme for operational and financial turnaround of State owned Power Distribution Companies (DISCOMs) issued by Ministry of Power, Gol vide OM No. 06/02/2015-NEF/FRP dated 20.11.2015 and OM No. 06/01(23)/2016-NEF (U) dated 08.07.2016.

PREAMBLE:

APDCL have been reeling under severe financial stress and had incurred losses during FY 2013-14 amounting to Rs. 527.93 Crores and Rs. 577.50 Crores in 2014-15. The accumulated losses have reached to the level of Rs. 2,985.03 Crores as on financial year ending 2014-15. The outstanding debt level of the APDCL has reached to Rs. 1,510.04 Crores at the end of September 2015. The Average Revenue Requirement (ARR) is not sufficient to meet the Average Cost of Supply (ACS) with a cost of recovery of only 84.9% in FY 2014-15.

The Government of India, Government of Assam and the APDCL has entered into a tripartite MOU in order to improve the operational and financial efficiency of the APDCL to enable financial turnaround of the DISCOM.

NOW IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO as follows:

1. Obligations/Commitments:

1.1 The Government of India to take following measures:

- a) Facilitating Government of Assam to take over 75% of the outstanding debt of the APDCL as on 30th September, 2015 in the financial year 2016-17. The details have been furnished in Annexure-A;

- b) Facilitating Banks / FIs not to levy any prepayment charge on the DISCOM debt. Banks / FIs shall waive off any unpaid overdue interest and penal interest on the DISCOM debt and refund / adjust any such overdue / penal interest paid since 1st October 2013. 75% of DISCOM debt as on 30th September 2015, as reduced by any waivers by Banks / FIs shall be converted by the Banks / FIs into loans or bonds with interest rate not more than the bank's base rate plus 0.1%. Alternatively, this debt maybe fully or partly issued by the DISCOM as State guaranteed DISCOM bonds at the prevailing market rates which shall be equal to or less than bank base rate plus 0.1%;
- c) Facilitating the state to get additional and priority funding through DDUGJY, IPDS and PSDF and /or other such schemes of MoP and MNRE as outlined in the scheme;
- d) Facilitating through Ministry of Coal, increase in supply of domestic coal to existing and up-coming State Power Generating plants in the state;
- e) Ensuring rationalization of coal linkages;
- f) Liberally allowing coal swaps from inefficient plants to efficient plants and from plant situated away from mines to pithead plants;
- g) Rationalizing coal prices based on Gross Calorific Value (GCV);
- h) Ensuring correction of coal grade slippages through re-assessment of each mine;
- i) Directing Coal India to supply 100% washed coal for G10 Grade and above by 1st October 2018;
- j) Ensuring supply of 100% crushed coal from Coal India by 1st April 2016;
- k) Faster completion of ISTN lines;
- l) Allocating linkages to State at notified price based on which the State will go for tariff-based bidding. This shall help in getting cheaper power and revive stressed assets.

1.2 The Government of Assam to take following measures:

- a) Taking over 75% of the outstanding debt of the APDCL as on 30th September, 2015;
- b) The Government of Assam shall take over the debt according to the following timelines:
 - (i) Year 2016-17: Last Quarter of the financial year

- c) The Borrowings made by the State during 2016-17 to takeover APDCL debt shall be utilized by Government of Assam solely for the purpose of discharging the APDCL debt and transfer to APDCL as a mix of grant and equity, as given in the following table:

Sl .	Debt/Liabilities	FY 2016-17	
		Grant	Equity
1	Government of Assam Loan	849.40	283.13
	Total (Rs Cr.)	849.40	283.13

- d) For the borrowings made by the state to takeover APDCL debt, Government of Assam shall take prior permission of the Department of Expenditure, Ministry of Finance, Government of India under Article 293 of the Constitution of India before approaching Reserve Bank of India to raise loans;
- e) The borrowings made by the state to take over APDCL debt during 2016-17 shall not be reckoned against the normal permissible net borrowings ceiling of the state determined by department of Expenditure, Ministry of Finance under the recommendations of 14th Finance Commission. However, any borrowings made by the state after 31/03/2017 to takeover APDCL debt shall be reckoned as part of the Net Borrowings ceiling of the state;
- f) The Government of Assam shall waive off the unpaid interest due to APDCL as on 30th September 2015, amounting INR 554 Crores.
- g) The Government of Assam shall issue Non-SLR bonds (including SDL bond), if required, to raise funds for providing grant to the APDCL or convert the existing Government loans to Government equity and grants;
- h) Bonds to be issued against the loans of Fls, including REC and PFC, would first be offered for subscription by the market including pension and insurance companies. Balance, if any, will be taken over by banks in proportion to their current lending to APDCL;
- i) The takeover of the debt shall be in the order of debt already due, followed by debt with highest cost;
- j) The Government of Assam shall take over the- future losses of the APDCL in a graded manner and shall fund the losses as follows:

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Previous year's DISCOM loss to be taken over by the state	0% of the loss of 2015-16	0% of the loss of 2016-17	5% of the loss of 2017-18	10% of the loss of 2018-19	25% of the loss of 2019-20	50% of the loss of 2020-21

- k) Government of Assam shall provide Operational Funding Requirement (OFR) support to the APDCL till the DISCOM achieves turnaround which shall also include the outstanding power purchase liabilities of the DISCOM as on 31.03.2015;
- l) All outstanding dues from the State Government department to APDCL which amounts to Rs.99.98 crores as on 30th September 2015, for supply of electricity shall be paid expeditiously/by 31.03.2017;
- m) Government of Assam shall guarantee repayment of principal and interest payment for the balance debt remaining with APDCL/ bonds issued by APDCL;
- n) Henceforth, Banks / FIs shall not advance short-term debt to APDCL for financing losses. Therefore, Government of Assam shall guarantee the bonds issued by APDCL or issue bonds itself to meet current losses after 1st October, 2015, if any, within the limit of loss trajectory finalized by MoP;
- o) The Government of Assam shall ensure replacement of street lights with LEDs in all municipal towns through Municipal Corporations;
- p) Improving efficiency of State Generating Units;
- q) The Government of Assam shall endeavor to ensure that tariff hikes as reflected in Annexure-C are undertaken;
- r) The Government of Assam shall endeavor to ensure that all operational targets as enumerated in Section 1.3 are achieved;
- s) The Government of Assam will endeavor to reduce transmission losses to 3.40% by 2020;
- t) The review of APDCL performance shall be done on monthly basis at State Government level in the presence of State finance representative.

1.3 The APDCL to take following measures:

- a) For the 25% of the debt remaining with it, DISCOM to fully/ partially issue state government guaranteed bonds or get them converted by GoA/banks/FIs into loans or bonds with interest not more than the Bank base rate plus 0.1%. DISCOM and the Government of Assam to ensure timely payment of lender's dues towards principal/interest for the balance debt remaining with DISCOM;
- b) As per the UDAY scheme, all DISCOMs have to reduce AT&C losses to 15% by FY 2018-19. Considering the current level of AT&C losses of 22.49%, and late joining of the State and DISCOM under UDAY, APDCL has proposed to reduce it to 15.00% by FY 2019-20 as per the following trajectory:

2015-16	2016-17	2017-18	2018-19	2019-20
22.49%	19.00%	17.75%	16.10%	15.00%

However, if the target in a particular year is not met, then the DISCOM shall strive to achieve the targets in the subsequent years, so as to achieve the desired target of 15.00 % AT&C losses by FY 2019-20. The Division wise targets have been finalized as indicated in Annexure-B. Further, APDCL will make all necessary efforts to achieve the desired target of 15.00 % AT&C losses by FY 2018-19;

- c) The APDCL shall increase hours of power supply in areas showing reduction in AT&C losses;
- d) As per the UDAY scheme, all DISCOMs have to eliminate gap between ACS & ARR by FY 2018-19. Considering the current level of the gap, and late joining of the State and DISCOM in UDAY, APDCL has proposed to eliminate it by FY 2019-20. Detailed computation of year wise ACS-ARR gap along with financial projections have been attached as Annexure-C. Further, APDCL will make all necessary efforts to eliminate gap between ACS & ARR by FY 2018-19;
- e) APDCL shall submit the detailed action plan by 31st March, 2017 to achieve the projected trajectory for AT&C loss and ACS-ARR gap;
- f) The APDCL shall achieve operational milestones as specified in DDUGJY & IPDS;
- g) The APDCL shall take the following measures for Loss Reduction:
- Undertaking name and shame campaign to control power theft from time to time;
 - Preparing loss reduction targets at sub-divisions / divisions / circle/ regional level and making concerned officers responsible for achieving the loss reduction

targets; the loss reduction targets at the Division level have been attached as Annexure-B;


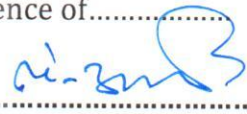




- (iii) Implementing performance monitoring and management system or a robust MIS for tracking the meter replacement, loss reduction and day to day progress for reporting to top management;
 - (iv) Achieve 100% feeder metering by 30th June 2017;
 - (v) Achieve 100% Distribution Transformer (DT) metering by 30th June 2018;
 - (vi) Undertaking energy audit up to 11kV level in rural areas by 30th September 2018;
 - (vii) Undertaking feeder improvement programme for network strengthening and optimization, to be completed by 31st March 2018;
 - (viii) Undertaking Physical Feeder Segregation by 31st December 2018;
 - (ix) Install Smart Meters for all consumers other than agricultural consumers consuming above 500 units / month by 31st December 2017 and consumers consuming above 200 units / month by 31st December 2019;
 - (x) Providing electricity access to 21.74 Lakhs unconnected rural and urban households as per trajectory finalized in the 24x7 power for all document by FY 2019.
 - (xi) Implementing ERP system for better and effective inventory management, personnel management, accounts management etc. to reduce costs and increase efficiencies by March 2017.
- h) The APDCL shall undertake the following measures for Demand Side Management and Energy Efficiency:
- (i) Providing LED for domestic and other category consumers under DELP program through EESL.
 - (ii) Undertaking consumer awareness programs for optimum utilization of resources and to foster long-term behavioral changes.
 - (iii) Replacing at least 10% of existing agriculture pumps with energy efficient pumps by 31st March 2019.

- (iv) Shall promote PAT scheme of BEE for improving energy efficiency in Industries.
- i) The APDCL shall undertake the following tariff measures:
 - (i) Quarterly tariff revision particularly to offset fuel price increase;
 - (ii) Timely filing of Tariff Petition before the AERC so that Tariff Order may be issued for the year as early as possible.
 - (iii) Timely preparation of annual accounts of the APDCL, which shall also enable timely filing of the Tariff Petition.
- j) The APDCL shall undertake the following measures to increase employee engagement:
 - (i) Initiating capacity building of employees to enhance technical, managerial and professional capabilities at induction level and in subsequent refresher trainings;
 - (ii) Devising Key Performance Indicators (KPIs) for each officer in-charge on areas of AT&C loss reduction and improvement in metering / billing / collection efficiency. The performance of officer in-charge shall be linked to KPIs achieved and will attract incentive / penalty.
- k) The APDCL shall implement the following Consumer Service Strategy:
 - (i) Setting up of Centralized Customer Call Centre for timely resolution of complaints related to no current and other technical complaints, harassment by official, reporting of theft and safety related complaints;
 - (ii) Introducing more avenues to consumers for bill payment, which could be in terms of e-payment through net banking, credit/ debit card, kiosks at banks and post offices, village panchayats, mobile collection vans, etc.
- l) The APDCL shall procure power through the transparent process of competitive bidding.
- m) The APDCL shall identify the key personnel for implementing the scheme (UDAY).
- n) The APDCL shall devise the mechanism to motivate and encourage the staff.
- o) The Chairman/Managing Director of APDCL shall monitor the performance of the utility on monthly basis.

- p) Monthly monitoring formats along with the targets shall be provided by APDCL.
- q) It is hereby agreed that this signed MOU can be put in the public domain by any of the signatory.

Detailed action plan for implementation of the targeted activities is attached as Annexure-D of the MoU.

IN WITNESS whereof the Parties hereto have executed these presents the day, month and year first herein above written.

<p>SIGNED AND DELIVERED BY (on behalf of MOP, Govt. of India)</p> <p>Signature..... </p> <p>डा. अरुण कुमार वर्मा Dr. ARUN KUMAR VERMA संयुक्त सचिव / Joint Secretary विद्युत विभाग / Ministry of Power भारत सरकार, नई दिल्ली-110001 Name and Designation: Dr. A.K. Verma Joint Secretary (Distribution) Address: Ministry of Power, Sharm Shakti, Rafi Marg, Sansad Marg, Sansad Marg, New Delhi-110001</p>	<p>In the presence of.....</p> <p>Signature..... </p> <p>Name and Designation <i>Narender Singh</i></p> <p>Address <i>US-MOP</i></p>
<p>SIGNED AND DELIVERED BY (on behalf of State Govt.)</p> <p>Signature..... </p> <p><i>Zabin Rahman Ahmed</i></p> <p>Name and Designation Mrs. Zebin Rahman Ahmed , Secretary to the Govt. of Assam Secretary Power (E) Department, Govt. of Assam, Dispur, Assam.</p>	<p>In the presence of.....</p> <p>Signature..... </p> <p>Name and Designation Mr. Manoj Adhikary, CGM (Commercial), APDCL</p> <p>Address: Bijuli Bhawan, Paltan Bazar, Guwahati, Assam, India-781001</p>
<p>SIGNED AND DELIVERED BY (State DISCOM)</p> <p>Signature..... </p> <p>MD, APDCL Bijulee Bhawan, Guwahati-01</p> <p>Name and Designation: Dr. Om Prakash, IAS, Managing Director, APDCL Bijulee Bhawan, Paltan Bazar, Guwahati, Assam, India-781001</p>	<p>In the presence of.....</p> <p>Signature..... </p> <p>Name and Designation Mr. Manoj Adhikary, CGM (Commercial), APDCL</p> <p>Address Bijulee Bhawan, Paltan Bazar, Guwahati, Assam, India-781001</p>

Annexure – A

Outstanding debts from Banks/FIs/GoA

1. Status of outstanding debts from Banks/FIs/GoA as on 30.09.2015

Sl.	Lender	Nature of Debts	Amount (Rs. Cr.)
1	Government of Assam	Loan provided for capital works and payment of liabilities	1,510.04
Total (Rs Cr.)			1,510.04

2. Schedule of takeover of outstanding debts by Government of Assam

Sl.	Debt/Liabilities	FY 2016-17
1	Government of Assam Loan (75% to be taken over)	1,132.53
Total (Rs Cr.)		1,132.53

3. Schedule of conversion of outstanding debts into grant and equity

Sl.	Debt/Liabilities	FY 2016-17	
		Grant	Equity
1	Government of Assam Loan	849.40	283.13
Total (Rs Cr.)		849.40	283.13

Annexure – B

Loss reduction targets at Division level (in %)

1. Loss reduction target for Assam Power Distribution Company Limited (%)

Particulars	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
T&D Losses	18.12%	17.35%	16.50%	15.25%	14.57%
Collection Efficiency	96.87%	98.00%	98.50%	99.00%	99.50%
AT&C Losses	22.49%	19.00%	17.75%	16.10%	15.00%

2. Division-wise loss reduction target (%)

Division/Circle	FY 2016*	FY 2017	FY 2018	FY 2019	FY 2020
G.E.D. (Central)	10.09%	9.75%	9.44%	8.88%	9.75%
G.E.D. (North)	7.29%	6.99%	6.77%	6.85%	8.06%
G.E.D. (East)	3.54%	3.50%	3.39%	4.90%	6.59%
G.E.D. (South)	8.40%	7.79%	7.54%	7.09%	8.90%
Guwahati Electrical Circle – I	7.96%	7.59%	7.35%	7.27%	8.64%
G.E.D(West)	22.92%	21.92%	20.65%	18.91%	16.72%
Mirja Division	27.71%	23.41%	21.86%	20.03%	18.48%
Guwahati Electrical Circle - II	24.60%	22.45%	21.08%	19.31%	17.34%
Nalbari Division	34.54%	29.18%	27.26%	24.72%	23.04%
Rangia Division	32.50%	27.45%	25.65%	23.69%	21.67%
Rangia Circle	33.12%	27.98%	26.14%	24.00%	22.09%
Goalpara Division	57.41%	48.50%	45.31%	41.10%	38.29%
Bongaigaon Division	33.86%	28.61%	26.73%	24.24%	22.59%
Bongaigaon Circle	44.40%	37.51%	35.05%	31.79%	29.62%
Mangaldoi Division	42.69%	36.07%	33.70%	30.56%	28.48%
Udalguri Division	48.28%	40.79%	38.10%	34.56%	32.20%
Mangaldoi Circle	45.76%	38.66%	36.11%	32.76%	30.52%
Kokrajhar Division	49.86%	42.12%	39.35%	35.69%	33.25%
Dhubri Division	49.02%	41.42%	38.69%	35.10%	32.70%
Kokrajhar Circle	49.45%	41.78%	39.03%	35.40%	32.98%
Pathsala Division	31.06%	26.24%	24.52%	22.23%	20.71%
Barpeta Division	35.90%	30.33%	28.33%	25.70%	23.94%
Barpeta Circle	34.14%	28.84%	26.94%	24.44%	22.77%
Dibrugarh Division	21.88%	20.04%	18.28%	17.20%	14.60%
Duliajan Division	29.37%	24.82%	23.18%	21.03%	19.59%
Dibrugarh Circle	25.14%	22.12%	20.41%	18.87%	16.77%
Tinsukia Division	27.37%	23.13%	22.23%	20.44%	18.26%
Digboi Division	27.51%	23.24%	21.78%	20.05%	18.35%
Tinsukia Circle	27.44%	23.19%	22.00%	20.24%	18.30%
Sivasagar Division	27.93%	23.60%	22.05%	20.00%	18.63%
Nazira Division	31.42%	26.55%	24.80%	22.49%	20.96%
Moran Division	32.81%	27.72%	25.89%	23.49%	21.88%
Sivasagar Circle	30.93%	26.13%	24.41%	22.14%	20.63%

Division/Circle	FY 2016*	FY 2017	FY 2018	FY 2019	FY 2020
Jorhat-I Division	31.89%	28.27%	25.47%	22.83%	21.27%
Jorhat-II Division	37.75%	31.89%	29.79%	27.03%	25.18%
Teok Division	49.93%	42.18%	39.41%	35.74%	33.30%
Jorhat Circle	35.91%	31.10%	28.51%	25.71%	23.95%
Golaghat Division	41.18%	34.79%	32.50%	29.48%	27.47%
Golaghat Circle	41.18%	34.79%	32.50%	29.48%	27.47%
Tezpur Division	20.58%	20.04%	18.96%	17.00%	13.73%
Chariali Division	29.30%	26.38%	24.31%	20.98%	19.54%
Dhekiajuli Division	25.53%	24.18%	21.60%	18.28%	17.03%
Tezpur Circle	24.41%	22.89%	21.25%	18.62%	16.28%
Nagaon Division-I	23.89%	22.90%	21.31%	18.45%	15.93%
Nagaon Division-II	41.07%	34.70%	32.42%	29.40%	27.40%
Hojai Division	30.26%	27.23%	25.11%	21.66%	20.18%
Nagaon Circle	32.17%	28.57%	26.54%	23.40%	21.46%
Jagiroad Division	28.83%	27.42%	24.00%	21.40%	19.23%
Morigaon Division	37.38%	33.19%	29.50%	26.75%	24.93%
Morigaon Circle	32.98%	30.22%	26.67%	24.00%	22.00%
Diphu Division	43.56%	36.80%	34.38%	31.18%	29.05%
Howraghat Division	76.29%	64.45%	59.57%	54.61%	50.88%
Halflong Division	48.39%	40.88%	38.19%	34.64%	32.27%
Kanch Circle	51.90%	43.85%	40.82%	37.15%	34.62%
Silchar-I Division	30.14%	27.26%	25.42%	21.57%	20.10%
Silchar-II Division	41.97%	35.46%	33.13%	30.04%	27.99%
Cachar Circle	34.37%	30.19%	28.18%	24.61%	22.92%
Karimganj Division	50.38%	42.56%	39.76%	36.07%	33.60%
Hailakandi Division	51.47%	43.48%	40.62%	36.84%	34.33%
Badarpur Circle	50.77%	42.89%	40.07%	36.34%	33.86%
North Lakhimpur Division	36.10%	30.50%	28.49%	25.84%	24.08%
Dhemaji Division	36.08%	30.49%	28.48%	25.83%	24.07%
Chilapathar Division	23.56%	22.96%	22.22%	19.17%	15.72%
North Lakhimpur Circle	34.49%	29.53%	27.69%	24.99%	23.00%
APDCL Total	22.49%	19.00%	17.75%	16.10%	15.00%

* FY 2016 data provided is based on actuals

Annexure – C

Financial projections of Assam Power Distribution Company Limited

Scenario Highlights (Debt takeover with interest liability on APDCL)

- Government of Assam to take over 75% of the outstanding debt of the APDCL as on 30th September, 2015 in the financial year 2016-17 in form of equity/grant
- Take-over in Year 1 (i.e. FY 2016-17): 75% of outstanding debts of GoA Take-over assumed at final quarter of Year 1
- Actual Interest of Government of Assam loan is 10% at present;
- Bonds to be taken-over in the 1st Year.
- Rol of balance 25% loans 9.4% (Base Rate + 0.1 % w.e.f 01.04.2016).
- OFR to be provided by Government of Assam

Other Key Assumptions

Tariff Hike: (Year on year)

FY 2017*	FY 2018	FY 2019	FY 2020
4.90%	6.50%	6.00%	3.00%

*A FPPPA hike of around 59 paise per unit has been recently approved to compensate the increase in power purchase cost of CPSUs which shall be implemented from Dec't'16

AT&C Loss Trajectory:

FY 2017	FY 2018	FY 2019	FY 2020
19.00%	17.75%	16.10%	15%

T&D Loss Trajectory:

FY 2017	FY 2018	FY 2019	FY 2020
17.35%	16.50%	15.25%	14.57%

Collection Efficiency:

FY 2017	FY 2018	FY 2019	FY 2020
98.00%	98.50%	99.00%	99.50%

SUMMARY OF INCOME STATEMENT (AMOUNT IN RS CRORES)

Particulars	FY 2017	FY 2018	FY 2019	FY 2020
Total Income				
Total Expenses	5,192.93	6,166.33	7,400.37	8,522.78
Net Income without subsidy	5,838.51	6,650.50	7,673.91	8,471.74
Committed State Government Subsidy	(645.58)	(484.17)	(273.54)	51.04
Net Income with Subsidy	0.00	0.00	0.00	0.00
	(645.58)	(484.17)	(273.54)	51.04

Operational Funding Requirement

Particulars	FY 2017	FY 2018	FY 2019	FY 2020
Total Operational Funding Requirement	330.29	330.29	353.51	25.32

DETAILED INCOME STATEMENT (AMOUNT IN RS CRORES)

Particulars	FY 2017	FY 2018	FY 2019	FY 2020
Income from Sale of Power within state	4,904.83	5,760.91	7,038.16	8,253.18
Income from sale of power outside state (Purchase of surplus power)	55.21	160.89	105.44	0.00
Non-Tariff Income	98.96	103.91	109.10	114.56
Misc. Income	133.93	140.63	147.66	155.04
Total Income	5,192.93	6,166.33	7,400.37	8,522.78
Cost of Power Purchase	4,499.83	5,240.93	6,055.09	6,665.34
Operation and Maintenance Expenses				
- Employee Expense	843.15	947.13	1,128.90	1,287.65
- R&M Expense	91.34	100.47	110.52	121.57
- A&G Expense	41.82	43.84	45.96	49.19
Power Purchase Surcharge	27.67	0.00	0.00	0.00
Interest & Finance Charges	237.76	212.66	224.98	236.49
- Interest on PFC Loan	32.95	32.95	32.95	32.95
- Interest on GoA Loan	103.38	76.25	86.49	95.89
- Other Interest and Finance Charges	101.44	103.46	105.53	107.64
Depreciation	13.88	19.92	20.33	20.74
Other Miscellaneous Expenses	83.07	85.56	88.13	90.77
Exceptional Items	0.00	0.00	0.00	0.00
Total Expenses	5,838.51	6,650.50	7,673.91	8,471.74
Net Income (without subsidy)	(645.58)	(484.17)	(273.54)	51.04
Committed State Government Subsidy	0.00	0.00	0.00	0.00
Net Income (with subsidy)	(645.58)	(484.17)	(273.54)	51.04

Operational Funding Requirement (Detailed) (Rs. Crores)

Particulars	FY 2017	FY 2018	FY 2019	FY 2020
Revenue	5,192.93	6,166.33	7,400.37	8,522.78
Expenditure				
Book Loss (-)/ Book Profit (+)	5,838.51	6,650.50	7,673.91	8,471.74
Add: Depreciation	(645.58)	(484.17)	(273.54)	51.04
Cash Loss (-)/ Cash Profit (+)	13.88	19.92	20.33	20.74
Add: Increase /Decrease in Current Assets	(631.70)	(464.25)	(253.21)	71.78
Add: Increase /Decrease in Current Liabilities	0.00	0.00	0.00	0.00
Gross Operational Funding Required (OFR)-without Government Support	0.00	0.00	0.00	0.00
Operational Funding Support by Government of Assam for takeover of the future losses of APDCL in a graded manner and funding the losses	(631.70)	(464.25)	(253.21)	71.78
Power Purchase Liabilities to be taken over by Government of Assam as part of Operational Funding Support	0.00	0.00	23.21	25.32
	330.29	330.29	330.29	0.00
Total Operational Funding Requirement	330.29	330.29	353.51	25.32

ACS-ARR GAP (AMOUNT IN RS/UNIT)

Particulars	FY 2017	FY 2018	FY 2019	FY 2020
Power Purchase Cost per unit energy input	4.62	4.64	4.67	4.57
O&M cost per unit	1.00	0.97	0.99	1.00
Interest Cost per unit	0.24	0.19	0.17	0.16
Other Income per unit	(0.17)	(0.27)	(0.20)	(0.11)
ACS	5.70	5.52	5.64	5.62
ARR	5.04	5.10	5.45	5.67
Gap (Surplus)	0.66	0.43	0.19	(0.05)

* The ACS-ARR gap in FY 2016 was lower than FY17 due to accounting of prior period credits under the head exceptional items. The ACS-ARR gap in FY 2017 has increased because of procurement of power from Bongaigaon Thermal Power Project (BGTPP). Further, Government of India, Government of Assam and APDCL will make all necessary efforts to reduce the power purchase cost & eliminate gap between ACS & ARR at the earliest as per the requirement of Clause 1.3 (d) of this MoU.

Annexure – D

Detailed Action Plan for implementation of targeted activities

Action Plan for APDCL														
Clause No.	Activity	Unit	FY 2017		FY 2018		FY 2019		FY 2020		Responsibility	Resources (INR Cr)		
			H2		H1	H2	H1	H2	H1	H2				
1.3 (b)	AT&C loss reduction trajectory	%	19.00%	18.34%	18.34%	17.68%	17.68%	15.00%	15.00%		CGM (Distribution)	-		
1.3 (g) (iv)	Feeder metering	Nos	1,000	600	-	-	-	-	-		CGM (PP&D) & CGM (Distribution)	12.56		
1.3 (g) (v)	Distribution Transformer metering	Nos	700	1,500	1,500	1,000	-	-	-		CGM (PP&D) & CGM (Distribution)	97.44		
1.3 (g) (vi)	Energy audit up to 11kV level in rural areas (incl. Consumer indexing and GIS mapping of losses)	%	10.00%	35.00%	35.00%	20.00%					CGM (PP&D), CGM (RE) & CGM (Distribution)	149.23		
1.3 (g) (vii)	Feeder improvement programme and network strengthening and upgradation													
1	Substation and associated feeders upgradation	Nos	9	38	38	-	-	-	-		CGM (PP&D), CGM (RE) & CGM (Distribution)	66.64		
2	DTR and associated feeders upgradation	Nos	190	475	490	-	-	-	-		CGM (PP&D), CGM (RE) & CGM (Distribution)	33.36		
1.3 (g) (viii)	Physical Feeder segregation (based on identified feeders for rural, agriculture etc.)	%	-	20.00%	30.00%	35.00%	15.00%	0.00%	0.00%			-		
1.3(g) (ix)	Installation Smart Meters for all consumers													
1	Above 500 units/month	Nos	4,300	18,600	8,100	0	0	0	0		CGM (PP&D) & CGM (Distribution)			
2	Above 200 units/month		5,000	22,500	30,000	30,000	30,000	22,500	10,000		CGM (PP&D) & CGM (Distribution)	116.32		
1.3(g) (x)	Electricity access to unconnected households		21.74 Lakhs unconnected rural and urban households by FY 2019 as per Power for All plan										CGM (Distribution)	-
1.3(g) (xi)	Implementing ERP system	Nos	Regular updation and customization as per need										Nodal Officer (ERP)	-
1.3 (h)	Demand Side Management and Energy Efficiency													
1	Distribution of LED Bulbs	Nos	11,50,000		-		-		-		CGM (PP&D) & CGM (Distribution)	10.00		
2	Distribution of Tube Lights	Nos	11,76,000		-		-		-		CGM (PP&D) & CGM (Distribution)	50.00		
3	Distribution of Super efficient Fans	Nos	86,000		-		-		-		CGM (PP&D) & CGM (Distribution)	10.00		
1.3 (g) (i)	Consumer awareness programs and othe actions	-	To be undertaken from time to time as per need										CGM (PP&D) & CGM (Distribution)	10.00
Total (INR Crores)												555.55		

Annexure – E

Monthly monitoring form for States participating in UDAY

A. Financial Parameters

1	Total outstanding debt of APDCL as on 30.09.2015 (Rs. Crore)	1,510.04
2	Amount of unpaid overdue interest and penal interest waived off by Banks/ FIs (Rs. Crore)	-
3	Eligible outstanding debt of APDCL as on 30.09.2015 (Rs. Crore)	1,510.04
4	75% of the outstanding debt to be taken over in 2016-17 (Rs. Cr)	1,132.53
5	Bonds issued by the State (Rs. Crore)	
6	Bonds issue date	
7	Rate of interest of bonds (%)	
8	Debt taken over by State Transferred to APDCL in Form of Grant (Rs. Crore)	
9	Debt taken over by State Transferred to APDCL in Form of Loan (Rs. Crore)	
10	Debt taken over by State Transferred to APDCL in Form of Equity (Rs. Crore)	
11	Operational funding requirement (OFR) support provided by APDCL (Rs. Crore)	
12	Outstanding electricity dues from the State Government departments to APDCL (Rs. Crore)	
13	Outstanding electricity dues from the State Government Departments paid on (Date)	
14	Previous year's APDCL losses taken over by State (Rs. Crore)	

B. Operational Parameters

1	AT&C Loss (%)	
	Target	
	Actual	
2	Billing efficiency (%)	
	Target	
	Actual	
3	Collection efficiency (%)	
	Target	
	Actual	

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4	Gap ACS-ARR (Rs. Per Unit)		
	Target		
	Actual		
5	Distribution loss (%)		
	Target		
	Actual		
6	Total number of un-metered Feeders		
7	Number of feeders metered in the current month		
8	Total number of unmetered Distribution Transformers (DTS)		
9	Number of Distribution Transformers (DTs) metered in the current month		
10	Total number of Smart Meters to be installed		
11	Number of Smart Meters installed in the current month		
12	Total number of LED lamps to be replaced		
13	Number of LED lamps replaced in the current month		