



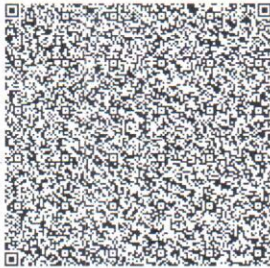
सत्यमेव जयते

## INDIA NON JUDICIAL

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**TRIPARTITE MEMORANDUM OF UNDERSTANDING  
AMONGST**

**Ministry of Power, Government of India**

**AND**

**Government of Telangana**

**AND**

**Telangana State Power Distribution Companies**

For achieving turnaround of Telangana State Power Distribution Companies.

This **TRIPARTITE MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the "Tripartite MOU" is made this 4<sup>th</sup> 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 Telangana (hereinafter referred to as "Government of Telangana") which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **SECOND PART**

**AND**

Southern Power Distribution Company of Telangana Ltd.(TSSPDCL) and Northern Power Distribution Company of Telangana Ltd.(TSNPDCL)(herein after referred as to "DISCOMs" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) of the **THIRD PART**

The Government of India, the Government of Telangana, and the DISCOMs are 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 30<sup>th</sup> Sept.2015

**“DISCOMs”** means Southern Power Distribution Company of Telangana Ltd. (TSSPDCL) and Northern Power Distribution Company of Telangana Ltd.(TSNPDCL)

**“Bonds”** means the bonds issued by the State Government of Telangana DISCOMS under the Central FRP Scheme 2012 and UDAY.

**“Outstanding Debt”** means the debt of the DISCOMs including Bonds and capex as well as short term loans of Banks and FIs.

### **Preamble:**

The Telangana DISCOMs have been reeling under financial stress. The DISCOMs have the revenue deficit of Rs 4,380 crs during FY 2016-17. The accumulated losses have reached to the level of Rs. 9,875 Crores as on 31<sup>st</sup> March 2015. The outstanding debt level of Telangana DISCOMs has reached Rs. 11,897 crore as at the end of September 2015. The Government of India, Government of Telangana and the DISCOMs have entered into a Tripartite MOU in order to improve the operational and financial efficiency of the Telangana DISCOMs to enable financial turnaround of the DISCOMs.

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

### **1. Obligations / Commitments:**

#### **1.1 The Government of India agrees to undertake the following measures:**

- a) Facilitating Government of Telangana to take over 75% of the outstanding debt of the DISCOMs as on 30 September 2015 by the end of 2016-17.
- b) Facilitating Banks / FIs not to levy any prepayment charge on the DISCOMs debt. Banks / FIs shall waive off any unpaid overdue interest and penal interest on the DISCOMs debt and refund / adjust any such overdue / penal interest paid since 1<sup>st</sup> October 2013. 25% of DISCOMs debt as on 30<sup>th</sup> 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 DISCOMs as State guaranteed DISCOMs bonds at the prevailing market rates which shall be equal to or less than bank base rate plus 0.1%.
- c) Facilitating through Ministry of Coal, increase in supply of domestic coal to Telangana State Power Generation Corporation Limited:

- d) Ensuring rationalization of coal linkages.
- e) Liberally allowing coal swaps from inefficient plants to efficient plants and from plant situated away from mines to pithead plants;
- f) Rationalizing coal prices based on Gross Calorific Value (GCV);
- g) Ensuring correction of coal grade slippages through re-assessment of each mine;
- h) Directing Coal India to supply 100% washed coal for G10 Grade and above by 1<sup>st</sup> October 2018.
- i) Ensuring supply of 100% crushed coal from Coal India by 1<sup>st</sup> April 2017.
- j) Faster completion of Inter-State Transmission System (ISTS) lines:
- k) Allocating linkages to State at notified price based on which the State will go for tariff based bidding. This help in getting cheaper power and revive stressed assets;
- l) State may get additional priority through DDUGJY, IPDS, Power sector Development Fund (PSDF) or other such schemes of MoP and Ministry of New & Renewable Energy (MNRE) if they meet the operational milestones outlined in the scheme.

## 1.2 The Govt. of Telangana to take the following measures:

- a) Taking over 75% of the debt of the Telangana DISCOMs as on 30<sup>th</sup> September, 2015 by 31-03-2017.
- b) The Borrowings made by the state to takeover DISCOMs debt during 2016-17 shall be utilized by Government of Telangana solely for the purpose of discharging the DISCOMs debt and transfer to DISCOMs as a mix of grant, loan or equity as described in the following table:



(Rs. in Crores)

Year	Total Debt taken over	Transfer to the DISCOMs in the form of Grants	Transfer to the DISCOMs in the form of Loan	Transfer to the DISCOMs in the form of Equity	Outstanding State Loan of the DISCOMs
Year - 1 (By 31-03-2017)	75% of the total debt i.e. Rs. 8923 Crs.	50% of Rs 8,923 cr – Rs 4,462 crs to be taken over in 2016-17	25% of Rs 8923 crs – Rs 2230 crs *	25% of Rs 8923 crs – Rs 2,231 crs will be issued in 2016-17	Rs. 2230 Crs

\* Discoms to pay the interest on loans till takeover by GoTS. The loan to be taken over by GoTS in the year 2017-18.

- c) For the borrowings made by the state to takeover DISCOMs debt, Government of Telangana shall take prior permission of Department of Expenditure, Ministry of Finance under Article 293 of the Constitution of India before approaching Reserve Bank of India to raise loans.
- d) The borrowings made by the state to take over DISCOMs 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 14<sup>th</sup> Finance Commission. However, any borrowings made by the state after 31/03/2017 to takeover DISCOMs debt shall be reckoned as part of the Net Borrowings ceiling of the state.
- e) The Government of Telangana shall issue non-SLR bonds to raise funds for providing grant to the DISCOMs.
- f) The takeover of the debt shall be in the order of debt already due, followed by debt with highest cost:
- g) The Government of Telangana shall take over the future losses of the DISCOMs in a graded manner and shall fund the losses as follows:

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

- h) Government of Telangana shall provide Operational Funding Requirement (OFR) support to the DISCOMs, till the DISCOMs achieves turnaround.
- i) All outstanding dues from the State Government departments to DISCOMs for supply of electricity shall be paid by 31.03.17. The details of dues are given in Annexure-E.
- j) Government of Telangana shall guarantee repayment of principal and interest payment for the balance debt remaining with DISCOMs / bonds issued by DISCOMs.
- k) Henceforth, Banks / FIs shall not advance short term debt to DISCOMs for financing losses. Therefore, Government of Telangana shall guarantee the bonds issued by DISCOMs or issue bonds itself to meet current losses after 1<sup>st</sup> October 2015, if any, within the limit of loss trajectory finalised by MoP.
- l) Replacement of street lights with LEDs in all municipal towns through Nagar Nigam / Municipal Corporations.
- m) Improving efficiency of State Generating Units.
- n) Government of Telangana shall endeavour to eliminate the ACS – ARR gap by 2018-19.
- o) Government of Telangana will endeavour to ensure that all operational targets as enumerated in Section 1.3 are achieved.
- p) Government of Telangana will examine the tariff issue after the ARR is filed and the deficit will be met either by increase in subsidy support or increase in Tariff.
- q) Government of Telangana will indicate the current transmission losses and will endeavour to reduce the transmission losses to 3% by 2018-19. The current level of transmission loss for the period FY 2015-16 is 3.13%.
- r) Review of DISCOMs performance shall be done on monthly basis at State Government level in the presence of State finance representative.

### 1.3 The Telangana DISCOMs to take the following measures:



### 1.3 The Telangana DISCOMs to take the following measures:

- a) For the 25% of the debt remaining with DISCOM as on 30<sup>th</sup> September, 2015 DISCOM to fully/ partially issue state government guaranteed bonds or get them converted by Banks/FIs into loans or bonds with interest not more than the Banks base rate plus 0.1%.

DISCOMs to ensure timely payment of lender's dues towards principal/ interest for the balance debt remaining with them.

- b) The DISCOMs shall pay interest to the Government of Telangana on the outstanding Government Guaranteed bonds for the GoTS loan in a financial year at the rate at which Telangana Government issued non-SLR Bonds.
- c) The DISCOMs shall endeavour to reduce AT&C losses from 14.11% for TSSPDCL and 12.84% for TSNPDCL in FY 2015-16 as per the following trajectory:

Year	2016-17	2017-18	2018-19
TSSPDCL	12.68%	11.30%	9.90%
TSNPDCL	11.90%	10.95%	10.00%

However, if the target in a particular year is not met, then the DISCOMs shall strive to achieve the targets in the subsequent years so as to achieve the desired target of AT&C losses of 9.90% for TSSPDCL & 10.00% for TSNPDCL by 2018-19. The Division wise targets have been finalized as indicated in Annexure- A.

- d) The DISCOMs shall increase hours of power supply in areas showing reduction in AT&C losses.
- e) The DISCOMs shall eliminate the gap between ACS and ARR by FY 2018-19. Detailed computation of year wise ACS-ARR gap along with financial projections has been attached as Annexure-F.
- f) The DISCOMs shall submit detailed action plan by 31<sup>st</sup> March 2017 to achieve the projected trajectory for AT&C loss and ACS-ARR gap.

- g) The DISCOMS shall achieve operational milestones as specified in DDUGJY & IPDS:
- h) The DISCOMS shall take the following measures for Loss Reduction;
  - i) Undertaking name and shame campaign to control power theft from time to time.
  - ii) Preparing loss reduction targets at sub-divisions / divisions / circle/ zonal 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-A of MOU.
  - iii) Implementing performance monitoring and management system MIS for tracking the meter replacement, loss reduction and day to day progress for reporting to top management.
  - iv) Achieving 100% Distribution Transformer (DT) Metering by 30 June 2017.
  - v) Achieving 100% feeder metering by 30 June 2017.
  - vi) Undertaking energy audit up-to 11 KV level in rural areas by 31/03/2018.
  - vii) Undertaking Feeder Improvement Program for network strengthening and optimization, to be completed by March 2018;
  - viii) Undertaking Physical Feeder Segregation by March 2018.
  - ix) Installation of Smart Meters for all consumers other than agricultural consumers consuming above 500 units / month by 31<sup>st</sup> December 2018 and consumers consuming above 200 units/ month by 31<sup>st</sup> December 2019.
  - x) Providing electricity access to any un-electrified house hold by end of 2018-19.
  - xi) Implementing ERP system for better and effective inventory management, personnel management, accounts management etc. to reduce costs and increase efficiencies by March 2017.



- ii) Undertaking consumer awareness programs for optimum utilization of resources and to foster long term behavioural changes:
  - iii) Replacing at least 10% of existing agriculture pumps with energy efficient pumps by March 2019.
  - iv) Implementing PAT (Perform, Achieve & Trade) scheme of BEE for improving energy efficiency in Industries.
- j) The DISCOMs shall strive to undertake the following tariff measures:
- i) Timely filing of Tariff Petition before the TSERC so that Tariff Order may be issued for the year as early as possible. Key assumptions in this regard have been indicated at Annexure-B.
  - ii) Timely preparation of annual accounts of the DISCOMs which shall also enable timely filing of the Tariff Petition.
- k) The DISCOMs 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.
- l) The DISCOMs 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.


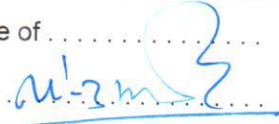
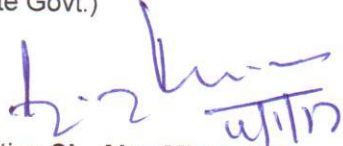



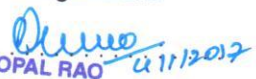

- m) The DISCOMs shall procure power through the transparent process of competitive bidding.
- n) Lender wise details of debt as on 30<sup>th</sup> September, 2015 is shown in Annexure-D
- o) DISCOMs shall identify the key personnel for implementing the scheme (UDAY)
- p) DISCOMs shall devise the mechanism to motivate and encourage the staff.
- q) CMD/MD of DISCOMs shall monitor the performance of DISCOMs on monthly basis.
- r) Monthly monitoring formats along with target shall be provided by the DISCOMs by 31<sup>st</sup> Mar 17.

Detailed action plan for implementation of the targeted activities is attached as Annexure-C of the MOU.

It is hereby agreed that this signed MoU can be put in the public domain by any of the signatories.



IN WITNESS whereof the Parties here to 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><b>डा. अरुण कुमार वर्मा</b> <b>Dr. ARUN KUMAR VERMA</b> संयुक्त सचिव / Joint Secretary भारत सरकार / Government of India नई दिल्ली-110001 / New Delhi-110001</p> <p>Name &amp; Designation <b>Dr. Arun Kumar Verma</b> Address Joint Secretary (Distribution), Ministry of Power, Rafi Marg, New Delhi-110001</p>	<p>In the presence of .....</p> <p>Signature </p> <p>Name &amp; Designation <b>Narender Singh</b></p> <p>Address <b>US-MOP</b></p>
<p>SIGNED AND DELIVERED BY (on behalf of State Govt.)</p> <p>Signature </p> <p>Name &amp; Designation <b>Sh. Ajay Misra, IAS</b> Address Special Chief Secretary, Energy Department Government of Telangana</p>	<p>In the presence of .....</p> <p>Signature </p> <p>Name &amp; Designation <b>K. VENKATESHAM</b> Company Secretary (GR-II) Northern Power Distribution Company of Telangana Limited Registered Office &amp; Corporate Office, Vidyuth Bhavan, Warangal - 506001.</p>
<p>SIGNED AND DELIVERED BY</p> <p>On behalf of State DISCOM- Southern Power Distribution Company of Telangana Ltd</p> <p>Signature </p> <p>Name &amp; Designation <b>Sri G. Raghuma Reddy</b> Chairman &amp; Managing Director Southern Power Distribution Company of Telangana Ltd. Address: Mint Compound, Hyderabad</p>	<p>In the presence of .....</p> <p>Signature </p> <p>Name &amp; Designation <b>K. VENKATESHAM</b> Company Secretary (GR-II) Northern Power Distribution Company of Telangana Limited Registered Office &amp; Corporate Office, Vidyuth Bhavan, Warangal - 506001.</p>
<p>SIGNED AND DELIVERED BY</p> <p>On behalf of State DISCOM- Northern Power Distribution Company of Telangana Ltd</p> <p>Signature </p> <p><b>A. GOPAL RAO</b> 21/12/2017 Chairman &amp; Managing Director Northern Power Distribution Company of Telangana Ltd. Address: Vidyut Bhavan, Warangal-506001.</p>	<p>In the presence of .....</p> <p>Signature </p> <p>Name &amp; Designation <b>K. VENKATESHAM</b> Company Secretary (GR-II) Northern Power Distribution Company of Telangana Limited Registered Office &amp; Corporate Office, Vidyuth Bhavan, Warangal - 506001.</p>

## DIVISION-WISE AT&C LOSS TRAJECTORY

### I. TSSPDCL

Sl.No	Name of the Division/Circle	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
		AT & C	AT&C	AT&C	AT&C
1	Gadwal	32.69%	26.79%	20.90%	14.96%
2	Jadcherla	15.21%	13.47%	11.74%	9.97%
3	Mahaboobnagar	29.68%	24.79%	19.89%	14.96%
4	Nagarkurnool	32.55%	26.70%	20.85%	15.07%
5	Wanaparthi	30.58%	25.39%	20.19%	14.91%
	<b>Mahabubnagar</b>	20.02%	<b>16.68%</b>	<b>15.67%</b>	<b>14.03%</b>
6	Bhongir	9.54%	9.55%	9.33%	9.10%
7	Huzurnagar	9.34%	9.28%	9.18%	9.11%
8	Miryalaguda	9.37%	11.09%	10.40%	9.95%
9	Devarkonda	11.70%	9.06%	8.82%	8.50%
10	Nalgonda	11.70%	10.61%	10.32%	9.80%
11	Suryapet	11.70%	11.02%	10.47%	9.92%
	<b>Nalgonda</b>	<b>7.84%</b>	<b>7.74%</b>	<b>7.65%</b>	<b>7.56%</b>
12	Jogipet	37.95%	30.30%	22.65%	15.08%
13	Medak	14.59%	13.73%	12.86%	11.92%
14	Sangareddy	14.65%	13.77%	12.88%	12.01%
15	Zaheerabad	22.61%	19.73%	16.89%	14.04%
	<b>Medak</b>	<b>16.05%</b>	<b>14.03%</b>	<b>12.02%</b>	<b>11.54%</b>
16	Siddipet	30.82%	25.54%	20.27%	14.98%
17	Toopran	24.44%	21.30%	18.15%	14.91%
	<b>Siddipet</b>	<b>26.03%</b>	<b>22.35%</b>	<b>18.68%</b>	<b>14.95%</b>
18	Habsiguda	10.32%	10.05%	9.77%	9.30%
19	Saroornagar	6.77%	6.69%	6.62%	6.55%
20	Sainkpur	9.17%	8.94%	8.72%	8.51%
	<b>RR East</b>	<b>8.89%</b>	<b>8.80%</b>	<b>8.71%</b>	<b>8.60%</b>
21	Gachibowli	4.64%	4.58%	4.52%	4.47%
22	Kukatpally	5.66%	5.59%	5.53%	5.48%
23	Medchal	8.30%	8.19%	8.15%	8.08%
	<b>RR North</b>	<b>5.89%</b>	<b>5.82%</b>	<b>5.75%</b>	<b>5.69%</b>
24	Champapet	13.22%	12.64%	12.07%	11.50%



25	Rajendranagar	11.86%	11.24%	10.62%	9.93%
26	Vikarabad	23.21%	20.47%	17.74%	14.96%
	<b>RR South</b>	<b>15.95%</b>	<b>13.97%</b>	<b>11.95%</b>	<b>9.97%</b>
27	Bowenpally(6)	9.08%	9.01%	8.95%	8.89%
28	Erragadda(4)	6.17%	6.11%	6.06%	6.00%
29	Greenlands	7.33%	7.27%	7.21%	7.14%
30	Paradise(5)	7.77%	7.71%	7.65%	7.59%
	<b>Hyd North</b>	<b>7.32%</b>	<b>7.26%</b>	<b>7.20%</b>	<b>7.14%</b>
31	Asmangadh	36.80%	32.53%	28.27%	23.98%
32	Begum Bazar	29.64%	26.43%	23.21%	19.06%
33	Charminar	53.52%	48.35%	43.17%	40.00%
	<b>Hyd South</b>	<b>43.20%</b>	<b>36.18%</b>	<b>29.17%</b>	<b>25.00%</b>
34	Asifnagar	9.28%	17.85%	16.43%	14.95%
35	Azamabad	13.13%	20.85%	17.92%	14.99%
36	Saifabad	23.77%	12.93%	12.21%	11.48%
37	<b>Hyd Central</b>	<b>13.41%</b>	<b>11.14%</b>	<b>10.57%</b>	<b>9.98%</b>
	<b>Total Discom</b>	<b>14.15%</b>	<b>12.68%</b>	<b>11.30%</b>	<b>9.90%</b>

## II. TSNPDCL

Sl.No	Name of the Division/Circle	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
		AT & C	AT&C	AT&C	AT&C
1	Warangal/T	6.27%	6.17%	6.10%	5.99%
2	Warangal/R	12.08%	11.37%	10.68%	9.97%
3	Jangaon	16.14%	14.09%	12.00%	9.89%
4	M'bad	18.62%	15.75%	12.87%	9.96%
5	Narsampet	13.13%	12.09%	11.09%	9.99%
6	Mulugu	16.23%	14.16%	12.06%	9.98%
	<b>Warangal</b>	<b>13.11%</b>	<b>12.01%</b>	<b>10.89%</b>	<b>9.75%</b>
7	Karimnagar Husnabad	10.13%	10.01%	9.87%	9.70%
8	Huzurabad	14.14%	12.76%	11.35%	9.97%
9	Peddapally	14.84%	13.23%	11.57%	9.92%
10	Manthini	15.96%	13.97%	11.94%	9.93%
11	Jagityal	17.20%	14.73%	12.32%	9.93%
	<b>Karimnagar</b>	<b>12.40%</b>	<b>11.58%</b>	<b>10.74%</b>	<b>9.91%</b>
12	Khammam	10.65%	10.39%	10.10%	9.87%
13	Sathupally	13.15%	12.10%	11.01%	9.96%
14	Kothagudem	11.99%	11.33%	10.68%	9.99%
15	Bhadrachalam	16.10%	14.07%	11.97%	9.88%
	<b>Khammam</b>	<b>12.30%</b>	<b>11.53%</b>	<b>10.76%</b>	<b>9.96%</b>
16	Nizamabad	10.56%	10.37%	10.16%	9.94%
17	Banswada	17.44%	14.96%	12.44%	9.92%
18	Armoor	25.62%	22.18%	18.80%	15.40%
19	Kamareddy	16.13%	14.09%	11.99%	9.91%
	<b>Nizamabad</b>	<b>14.60%</b>	<b>13.24%</b>	<b>12.06%</b>	<b>10.92%</b>
20	Adilabad	12.40%	11.60%	10.76%	9.91%
21	Mancheria	14.36%	12.93%	11.46%	9.97%
22	Nirmal	14.82%	13.19%	11.53%	9.89%
23	S.K.Nagar	17.76%	15.17%	12.53%	9.88%
24	<b>Adilabad</b>	<b>14.82%</b>	<b>13.21%</b>	<b>11.58%</b>	<b>9.96%</b>
	<b>Total Discom</b>	<b>12.84%</b>	<b>11.90%</b>	<b>10.95%</b>	<b>10.00%</b>



## Annexure B: Financial Projections of TSDISCOMs

### Scenario Highlights (*Debt Take-over with interest liability on DISCOMs*):

- 75% of O/s Debt as on 30.9.2015 to be taken over in the form of grant/Loan/Equity to DISCOMs
- ROI of Government of Telangana assumed to be 8 % p.a.
- Loans and Bonds to be taken-over in following manner-  
75 %- By 31.03.2017.
  - 50% of loan Rs 8,923 crs – In 2016-17
  - 25% of loan Rs 8,923 crs – In 2017-18
- Takeover assumed at the end of 4<sup>th</sup> Quarter of 2016-17.
- ROI of balance 25% loans : 8%
- OFR to be provided by Government of Telangana till the DISCOMs achieves turnaround.

## OTHER KEY ASSUMPTIONS/PROJECTIONS:

### ❖ Tariff Hike:

FY17	FY18	FY19
7.5%	8%	6%

- AT&C Loss Trajectory:
- TSSPDCL

FY 17	FY18	FY19
12.68%	11.3%	9.90%

- TSNPDCL

FY 17	FY18	FY19
11.9%	10.95%	10.00%

### ❖ Billing Efficiency: TSSPDCL

FY 17	FY18	FY19
87.32%	88.70%	90.1%

### TSNPDCL

FY 17	FY18	FY19
88.1%	89.05%	90.00%

### ❖ Collection Efficiency:

FY 16	FY18	FY19
100%	100%	100%



## Annexure C: Action Plan

### I.TSSPDCL

Clause No	Activity	Unit	Status/Pending at the end of FY 2014-15	FY 2015-16			FY 2016-17			FY 2017-18			FY 2018-19			Officer Responsible	Resources in INR Crs
				H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year		
1.3(a)	AT & C loss reduction trajectory	%	EEC			14.0%						11.3%			9.9%	SE - Energy Efficiency Cell	3405
1.3 (e-iii)	11KV Feeder metering functional	Nos	Completed													SE Projects	
1.3 (e-iv)	DT metering in Urban area (Distt HQ)	Nos	48,069 DTRs as on 31st March 16. 100% Metering Done. Metering of new DTRs erected is being taken up				1200	600	1800			0				SE Projects	1.8
	DT metering in Urban area (Other Municipal town)	Nos	2,138 DTRs as on 31st March 16. 100% metering done. Metering of new DTRs erected is being taken up									0					

Clause No	Activity	Unit	Status/Pending at the end of FY 2014-15	FY 2015-16			FY 2016-17			FY 2017-18			FY 2018-19			Officer Responsible	Resources in INR Crs
				H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year		
1.3 (e-v)	11kV feeder audit in Rural Area	Nos	Nil (Energy audit currently done for all Town and MHQ feeders). Section-wise energy audit is done							1,557	1,557	3,114				SE - Energy Efficiency Cell	Covered under AT&C loss reduction
1.3 (e-vi)	Feeder Improvement Program on Feeders	Nos	O & M				50	150	200	100	120	220				SE Projects	208
1.3 (e-vii)	Feeder Separation (Separation of Agriculture load) on Feeders	Rs crs	O & M							1,100	1000	2,100				SE Projects	500
1.3 (e-viii)	Installation of smart meters/Other than Agri	Nos	>500 units	Nil	Nil					1,00,000	3,10,000	4,10,000				SE - Construction	2200
			200-500 units							50,000	1,50,000	2,00,000	2,48,000	2,48,000	4,96,000	SE - Construction	
1.3 (e-ix)	Domestic connections (in Lakhs) under 24 x 7 PFA	Nos	285,000				10,000	85,000	95,000	47,500	47,500	95,000	47,500	47,500	95,000	SE Projects	285
1.3 (e-x)	Implementation of ERP system		SAP implemented companywide														
1.3 (e-xi)	Providing LED bulbs under DELP	Nos	Proposed to be distributed by 2016 - 2.78 Lakhs				1,00,000	1,78,708	2,78,708	100,000	100,000	200,000	100,000	100,000	200,000	SE - Energy Efficiency	5



## II.TSNPDCL

Clause No	Activity	Unit	Status/Pending at the end of FY 2015-16	FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			Officer Responsible	Resources in INR Crs
				H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year		
1.3(a)	AT & C loss reduction trajectory	%	13%			12%			11%			10%				CGM Ops	900
1.3 (e-iii)	11kV Feeder metering functional	Nos	Completed														
1.3 (e-iv)	DT metering in Urban area (Distt HQ)	Nos	Completed													CGM MRT	-
	DT metering in Urban area (Other Municipal town)	Nos	4000 meters are to be provided from FY 17	750	1,750	2,500	1,000	500	1,500							CGM MRT	4
1.3 (e-v)	11kV feeder audit in Rural Area	Nos	Nil (Energy audit currently done for all Town and MHQ feeders)		265	265	1,434	1,434	2,868							CGM MRT	Covered under AT&C loss reduction
1.3 (e-vi)	Feeder Improvement Program on Feeders	Nos	20% of the existing feeders to be done		1,040	1,040										CGM Ops	74

Clause No	Activity	Unit	Status/Pending at the end of FY 2015-16	FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			Officer Responsible	Resources in INR Crs
				H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year	H1	H2	Full Year		
1.3 (e-vii)	Feeder Separation (Separation of Agriculture load) on Feeders	No	2,039 feeders to be separated	-	255	255	892	892	1784							CGM Projects	2,037.51
1.3 (e-viii)	Installation of smart meters/Other than Agri	Nos					30.000	29.772	59,772	18993	18993	37986	56978	37985	94963	CGM Ops	289.08
	>500 units/month	Nos					2,537	2,517	5,054	1,606	1,606	3,212	4,818	3,212	8,030		
	200-500 units/month						27,274	27,066	54,340	16,277	16,277	32,554	53,719	35,812	89,531		
1.3 (e-ix)	Domestic connections (in Lakhs) under 24 x 7 PFA	Nos	320020 new connections to be established	-	64,004	64,004	64,004	64,004	128,008	64,004	64,004	128,008				CGM Ops	320.02
1.3 (e-x)	Implementation of ERP system		Completed														
1.3 (f-i)	Providing LED bulbs under DELP	Lacs		0.94	0.94	1.88		0.94	1.88	0.94	0.94	1.88				CGM Commercial	3.95



## Annexure D: Lender wise loan details-

### a) 75 % OF THE DEBT TO BE TAKEN OVER BY GoTS

Rs In Crs

Name of Banks/FIs	Present ROI	Outstanding Loan amount as on 30.09.2015
REC - Regular-EMI TSNPDCL	14.00%	4.97
REC - Regular-EMI TSNPDCL	13.00%	24.21
REC-ESCROW OLD Schemes TSNPDCL	13.00%	0.1
REC - Regular-EMI TSNPDCL	12.75%	184.98
REC - Regular TSSPDCL	12.75%	0.56
REC - Regular TSPDCL	12.50%	64.31
REC - Regular-EMI TSNPDCL	12.50%	135.86
REC-INDIRAMMA TSNPDCL	12.50%	6.3
REC - TSPCC SP	12.50%	250
PFC - System Improvement TSSPDCL	12.50%	41.59
PFC - Term Loan	12.50%	100
Karnataka Bank	12.50%	8.82
REC - Regular-EMI NP	12.25%	79.51
REC - JBIC NP	12.25%	20.82
REC - TSNPDCL NP	12.25%	94.34
REC-RGGVY NP	12.25%	21.36
REC - Regular	12.25%	871.12
REC - JBIC	12.25%	0.86
REC - TSSPDCL	12.25%	601.69

Name of Banks/FIs	Present ROI	Outstanding Loan amount as on 30.09.2015
REC - RGGVY	12.25%	1.81
PFC - Term Loan	12.25%	400
REC - Regular-EMI NP	12.00%	14.07
REC - JBIC NP	12.00%	0.16
REC - TSNDCL	12.00%	191.25
PFC (RAPDRP - B) Counter Part Funding Loan NP	12.00%	46.82
REC - Regular	12.00%	4.3
REC - TSSPDCL	12.00%	61.03
REC - RGGVY	12.00%	1.72
Corporation Bank	12.00%	128.61
REC - Regular-EMI NP	11.85%	2.52
REC - Regular-EMI NP	11.75%	2.42
REC - Regular	11.75%	445.78
REC - TSSPDCL	11.75%	0.22
REC - RGGVY	11.75%	0.24
REC - Regular-EMI NP	11.65%	21.51
REC-ESCROW OLD Schemes NP	11.65%	2.31
REC - Regular-EMI-NP	11.50%	66.11
Andhra Bank-Power Purchase (FRP)- NP	11.50%	262.5
Bank of India-Power Purchase (FRP) -NP	11.50%	100
Central Bank of India-Power Purchase (FRP) - NP	11.50%	125
Canara Bank-Power Purchase (FRP) -NP	11.50%	150



Name of Banks/FIs	Present ROI	Outstanding Loan amount as on 30.09.2015
Dena Bank-Power Purchase (FRP) –NP	11.50%	75
IOB-Power Purchase (FRP) –NP	11.50%	125
SBH-Power Purchase (FRP) –NP	11.50%	50
Syndicate Bank-Power Purchase (FRP) –NP	11.50%	187.5
Vijaya Bank-Power Purchase (FRP) -NP	11.50%	150
REC - Regular SPDCL	11.50%	142.43
REC - RGGVY	11.50%	6.7
APGENCO (FRP Loans)	11.50%	912.51
APTRANSCO (FRP Loans)	11.50%	76.03
ANDHRA BANK (FRP Loans)	11.50%	216.69
APTRANSCO (FRP Loans)	11.50%	147.19
BANK OF INDIA (FRP Loans)	11.50%	144.46
CBI (FRP Loans)	11.50%	103.19
FEDERAL BANK (FRP Loans)	11.50%	30.96
IOB (FRP Loans)	11.50%	103.19
INDIAN BANK (FRP Loans)	11.50%	144.46
PUNJAB & SIND BANK (FRP Loans)	11.50%	82.55
STATE BANK OF MYSORE (FRP Loans)	11.50%	28.07
SBH (FRP Loans)	11.50%	61.91
SYNDICATE BANK (FRP Loans)	11.50%	144.46
VIJAYA BANK (FRP Loans)	11.50%	123.83
SBH, Gunfoundry(T&D &SS)	11.25%	92.57

Name of Banks/FIs	Present ROI	Outstanding Loan amount as on 30.09.2015
REC - Regular-EMI-NP	11.00%	113.07
REC - JBIC-NP	11.00%	8.38
REC-ESCROW OLD Schemes-NP	11.00%	0.65
REC - Regular-EMI-NP	10.75%	5.06
REC - JBIC-NP	10.75%	2.45
REC - Regular-EMI-NP	10.50%	7.27
REC - JBIC-NP	10.50%	22.14
REC-ESCROW OLD Schemes-NP	10.50%	0.64
REC - JBIC-NP	10.40%	15.25
REC - JBIC-NP	10.30%	3.7
REC - Regular-EMI-NP	10.00%	8.83
REC - JBIC-NP	10.00%	10.98
REC-ESCROW OLD Schemes-NP	10.00%	0.69
Andhra Bank-Bonds Issued(FRP) –NP	10.00%	262.5
Bank of India-Bonds Issued(FRP) –NP	10.00%	100
Central Bank of India-Bonds Issued(FRP) –NP	10.00%	125
Canara Bank-Bonds Issued(FRP) –NP	10.00%	150
Dena Bank-Bonds Issued(FRP) –NP	10.00%	75
IOB-Bonds Issued(FRP) –NP	10.00%	125
Indian Bank-Bonds Issued(FRP) –NP	10.00%	45
SBH-Bonds Issued(FRP) –NP	10.00%	50
Syndicate Bank-Bonds Issued(FRP) –NP	10.00%	102.85
<b>75% OF TOTAL DEBT TAKEN OVER BY GoTS</b>		<b>8922.93</b>



**b) 25 % to be retained by TSDISCOMS**

Rs.in Crs.

S. No.	Name of Banks/Fis	Present ROI	25% Balance with DISCOMs
1	SBH, Gunfoundry (T&D & SS)	11.25%	171.05
2	SBH Gunfoundry (T&D)	11.20%	113.45
3	REC - JBIC	11.00%	13.15
4	Canarabank (HVDS)	10.90%	30.74
5	REC - JBIC	10.75%	0.44
6	Syndicate bank (T&D)	10.70%	254.12
7	Canarabank (T&D)	10.60%	76.23
8	Syndicate bank (T&D and SS)	10.60%	115.21
9	REC - JBIC	10.50%	11.51
10	REC - JBIC	10.40%	11.10
11	Andhra Bank (FRP Bonds)	10.00%	216.69
12	Bank of India (FRP Bonds)	10.00%	144.46
13	Central Bank of India (FRP Bonds)	10.00%	103.19
14	Federal Bank (FRP Bonds)	10.00%	30.96
15	IOB (FRP Bonds)	10.00%	103.19
16	Indian Bank (FRP Bonds)	10.00%	144.46
17	Punjab & Sind Bank (FRP Bonds)	10.00%	82.55
18	SBH (FRP Bonds)	10.00%	61.91
19	Vijaya Bank (FRP Bonds)	10.00%	123.83
20	Syndicate Bank-Bonds Issued (FRP) -NP	10.00%	84.65
21	Vijaya Bank-Bonds Issued (FRP) -NP	10.00%	150.00
22	Bonds Issued -TSNPDCL-PF TRUST-Bonds Issued (FRP) -NP	10.00%	31.40
23	Bonds Issued -GENCO-Bonds Issued (FRP) -NP	10.00%	349.50

S. No.	Name of Banks/Fis	Present ROI	25% Balance with DISCOMs
24	Bonds Issued-TRANSCO-Bonds Issued(FRP) -NP	10.00%	93.12
25	REC - JBIC	9.75%	6.73
26	REC - JBIC-NP	9.75%	15.97
27	REC – JBIC	9.70%	10.36
28	REC – JBIC-NP	9.70%	9.00
29	REC – JBIC	9.60%	2.83
30	REC - JBIC-NP	9.55%	0.40
31	REC-ESCROW OLD Schemes –NP	9.50%	1.09
32	M/s State Bank of Hyderabad, Gunfoundry Branch,CC Limits –NP	9.29%	143.00
33	REC – JBIC	9.00%	4.22
34	REC - JBIC –NP	9.00%	42.54
35	REC-ESCROW OLD Schemes –NP	9.00%	11.76
36	M/s State Bank of Hyderabad,Hanamkonda Main Branch,WGL. (STL) -NP	9.00%	65.00
37	REC - Regular-EMI-NP	8.75%	7.23
38	REC-ESCROW OLD Schemes-NP	8.75%	5.07
39	M/s State Bank of Hyderabad,Hanamkonda Main Branch,WGL. (STL) –NP	8.75%	16.00
40	REC - Regular-EMI-NP	8.00%	2.14
41	REC-ESCROW OLD Schemes-NP	8.00%	6.40
42	M/s State Bank of Hyderabad,Hanamkonda Main Branch,WGL. (STL) –NP	7.25%	9.00
43	M/s State Bank of Hyderabad,Hanamkonda Main Branch,WGL. (STL) –NP	6.75%	22.00
44	REC - Regular-EMI-NP	6.50%	2.94
45	Japan International Cooperation Agency- NP	0.65%	47.03
46	State Government-NP	0.00%	11.11
47	State Government	0.00%	15.57
	<b>TOTAL</b>		<b>2974.31</b>



## Annexure E: Dues from state government departments to DISCOMs

(Rs.in Lakhs)

Sl. No.	Name of the HOD	TS SPDCL	TS NPDCL	Arrears as on 30.09.2016
	Panchayat Raj Department: Minor Panchayats	79,872	42,218	122,090
	Major Panchayats	24,169	18,148	42,317
1	<b>Total Panchayat Raj</b>	<b>104,041</b>	<b>60,366</b>	<b>164,407</b>
2	Municipalities	10,804	3,149	13,953
3	Corporations	0	1,332	1,332
4	GHMC	638	0	638
5	HMWS & SB	3,863	0	3,863
6	Irrigation Department	4,064	3,287	7,352
7	Govt. Lift Irrigation Schemes	10,261	13,318	23,580
8	Home Department	710	948	1,658
9	Health Medical & Family Welfare Department	325	394	719
10	Revenue Department	222	805	1,027
11	School Education Department	594	722	1,316
12	Higher Education Department	168	251	419
13	Social Welfare Department	56	69	125
14	B.C. Welfare	27	59	86
15	Tribal Welfare Department	8	206	215
16	Animal Husbandry Department	41	35	76
17	Tourism Department	1	9	10
18	Market Committee		17	17
19	Energy Department	2,027		2,027
20	Central govt undertakings	8,015		8,015
21	Others	10,790		10,790
	<b>Total</b>	<b>156,655</b>	<b>84,967</b>	<b>241,622</b>

## Annexure F: Consolidated Income Statement TS Discoms

Amount in Rs Crores	FY 17	FY 18	FY 19
<b>Income</b>			
Revenue from sale of Power	20,129	23,896	29,829
Other receipts	108	141	225
<b>Total Income</b>	<b>20,237</b>	<b>24,037</b>	<b>30,055</b>
<b>Costs</b>			
Power purchase costs (Incl of Tx, SLDC, PGCIL & ULDC)	24,933	27,371	30,228
O&M Costs	2,280	2,660	3,096
Depreciation	946	1,077	1,202
Interest & Finance Costs	806	367	263
Other debits	236	264	277
<b>Total Costs</b>	<b>29,202</b>	<b>31,739</b>	<b>35,066</b>
<b>Net Income (Without Subsidy)</b>	<b>(8,965)</b>	<b>(7,701)</b>	<b>(5,011)</b>
<b>Committed State Govt Subsidy</b>	<b>4,585</b>	<b>5,500</b>	<b>5,000</b>
<b>Net Income with Subsidy</b>	<b>(4,380)</b>	<b>(2,201)</b>	<b>(11)</b>
<b>Energy Requirement (MU)</b>	<b>50,135</b>	<b>54,756</b>	<b>61,900</b>
<b>ABR excluding subsidy</b>	<b>4.04</b>	<b>4.39</b>	<b>4.86</b>
<b>ABR including subsidy</b>	<b>4.95</b>	<b>5.39</b>	<b>5.66</b>
<b>ACS</b>	<b>5.82</b>	<b>5.80</b>	<b>5.66</b>
<b>ABR-ACS ( Gap)</b>	<b>(0.87)</b>	<b>(0.40)</b>	<b>(0.00)</b>

## Component-wise break-up of ACS (Rs/KWh - Per unit of Energy Input)

Components of ARR	Rs/KWh ( Per Unit of Input Energy)		
	FY 17	FY 18	FY 19
Power purchase costs (Incl of Tx, SLDC, PGCIL & ULDC)	4.97	5.00	4.88
O&M Costs	0.45	0.49	0.50
Depreciation	0.19	0.20	0.19
Interest & Finance Costs	0.16	0.07	0.04
Other debits	0.05	0.05	0.04
<b>Total ACS</b>	<b>5.82</b>	<b>5.80</b>	<b>5.66</b>



## Operational Funding Requirement

Particulars	FY 17	FY 18	FY 19
Revenue (excluding cash support & ED Retention)	20,237	24,037	30,055
Expenditure	28,256	30,662	33,864
Book Loss(+)/ Profit (-)	8,019	6,624	3,809
<b>Subtract Depreciation</b>	946	1,077	1,202
Cash Loss (+)/Profit (-)	8,965	7,701	5,011
Less: Dec in Current Assets ( excluding cash support)			
Less: Inc in Current Liabilities ( incl Misc Exp)	750	406	471
Add: Inc in Current Assets ( excluding Cash Support)	250	470	460
Add: Dec in Current Liabilities( incl Misc Exp)			
<b>Gross Operational Funding Required (OFR)</b>	8,465	7,765	5,000
<b>Proportion allowed as per FRP Scheme</b>			
<b>Allowed Funding ( Without Government Support)</b>			
<b>Less: Support from State Govt</b>	4,585	5,500	5,000
<b>Cash Support from State Govt</b>			
<b>Support on Reimbursement of Losses</b>			
<b>ED Retention</b>	-	-	-
<b>Interest Subsidy on IBRD Loan</b>	-	-	-
<b>Total Support from State Govt</b>			
<b>Gross Operational Funding required(OFR) (After Government Support)</b>	3,881	2,265	0