SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TSSPDCL)

Petitions filed for Distribution Business true-ups for the period from FY 2006-07 to FY 2019-20

Additional information requirement

(To be submitted in hard copy and soft copy)

I. General

1. TSSPDCL to submit the audited annual accounts, complete in all respects, for the period from FY 2006-07 to FY 2019-20.

   Reply: Audited Reports/Accounts copies for TSSPDCL from FY 2006-07 to FY 2020-21 are submitted (soft-copy) in **Annexure – I**.

2. TSSPDCL to submit the excel workings of True-up claims for the 1st, 2nd, 3rd Control Periods and FY 2019-20, with appropriate formulae and linkages.

   Reply: The Distribution True-up excel workings for 1st , 2nd and 3rd control period and FY 2019-20 is enclosed as **Annexure-II** .

3. TSSPDCL to submit the details of Distribution infrastructure as on 31st March of each year for the period from FY 2006-07 to FY 2019-20 in the below format:

   Reply: The details of Distribution infrastructure as on 31st March of each year for the period from FY 2006-07 to FY 2019-20 is as

Particulars	**Units**	**FY 2006-07**	**FY 2007-08**	**FY 2008-09**	**FY 2009-10**	**FY2010-11**
No. of substations	No.	756	811	854	933	1007
Line length	km	250239.11	252910.4	255427.69	257749.42	261789.9
No. of consumers	No.	4078306	4359605	4695145	5014377	5791037

Particulars	**Units**	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**
No. of substations	No.	1037	1097	1146	1210	1325
Line length	km	265681	269791.29	274872.04	285637.23	297977.01
No. of consumers	No.	6123799	6459891	6785388	7119672	7470164

Particulars	**Units**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**
No. of substations	No.	1418	1492	1591	1644
Line length	km	311849.85	322241.07	336004.65	347069.15
No. of consumers	No.	7956900	8319106	8984684	9505301

4. TSSPDCL to submit the actual means of finance of the actual capital investments for the period from FY 2006-07 to FY 2019-20 in the below format (in MS Excel):

   Reply: The actual Means of Finance of the Actual Capital Investment for the period from FY 2006-07 to FY 2019-20 is enclosed in **Annexure – III**.

5. TSSPDCL to submit the scheme wise actual capital investments and capitalisation for the period from FY 2006-07 to FY 2019-20 in the below format (in MS Excel):

   (Rs. Crore)

   Reply: The Scheme wise actual capital investments and capitalisation for the period from FY 2006-07 to FY 2019-20 are enclosed in **Annexure – IV**.

   ** 2019-20 fig. to be updated.

6. TSSPDCL to submit the year wise details of works capitalised during the period from FY 2006-07 to FY 2019-20, in the below format (in MS Excel):

   Reply: It is to submit that for financial year 2006-07 to 2010-11, the list of capitalised work orders couldn’t be submitted due to technical snag in SAP 4.7 system. However, the copy of the assets additions during the financial years 2006-07 to 2010-11 as certified in the audited annual accounts by certified chartered accountants(Statutory Auditors) are enclosed as Annexure-I for the First and second Control Periods (FY 2006-07 to FY 2010-11) as a supporting document that the assets being capitalised.

   The year wise details of works capitalised during the period from FY 2011-12 to FY 2019-20 are enclosed as **Annexure-V.**

7. TSSPDCL to submit the procedure adopted for placing of orders for undertaking capital investments.

   Reply: For execution of Capital Investment works, standard procedure will be followed duly preparing the tender bids on turnkey and semi turnkey basis and works will be awarded to eligible bidders through e-procurement platform by Projects wing. For procurement of Materials, same procedure will be followed by Purchase and Material Management wing. i.e through e-Procurement platform for purchase of required materials.

8. TSSPDCL to submit the year wise penal interest paid (for capex loans), if any, during the period from FY 2006-07 to FY 2019-20.

   Reply: It is to submit that TSSPDCL has not paid any penal interest for capex loans during the period from FY 2006-07 to FY 2019-20

9. TSSPDCL to submit the Taxable Income, Tax paid and actual Tax assessed by the

Income Tax Department in the below format:

(Rs. Crore)

Reply: The details of Taxable Income, Tax paid and actual Tax assessed by the Income Tax Department are submitted below:

Assessment Year	Taxable Income	Total Tax paid to Income Tax Department	Actual Tax Assessed by Income Tax Department
A.Y 2007-08	7.08	0.79	0.79
A.Y 2008-09	12.63	1.43	1.43
A.Y 2009-10	12.75	4.33	4.33
A.Y 2010-11	3.24	0.55	0.55
A.Y 2001-12	10.73	2.13	2.13
A.Y 2012-13	7.93	1.59	1.59
A.Y 2013-14	-3111.88	Nil	Nil
A.Y 2014-15	-1004.18	Nil	Nil
A.Y 2015-16	-1294.38	Nil	Nil
A.Y 2016-17	-2377.50	Nil	Nil
A.Y 2017-18	-3461.53	Nil	Nil
A.Y 2018-19	-4967.26	Nil	Nil
**A.Y 2019-20	-4940.24	Nil	Nil
**A.Y 2020-21	-4245.96	Nil	Nil

** Assessment Orders for A.Y. 2019-20 and 2020-21 are yet to be issued by Income Tax Department. The figures shown above are based on ITR Filings.

10. TSSPDCL to submit the Income Tax assessment orders issued by the Income Tax Department from AY 2007-08 to till date.

    Reply: The Income Tax assessment orders issued by the Income Tax Department from AY 2007-08 to AY 2018-19 are enclosed as **Annexure-VI.** Assessment Orders for A.Y. 2019-20 and 2020-21 are yet to be issued by Income Tax Department.

11. TSSPDCL to submit the basis of allocation of Non-Tariff Income amongst the Wheeling and Retail Supply Businesses for the period from FY2006-07 to FY 2019-20.

    Reply: The Non-tariff income amongst the Wheeling and Retail Supply Businesses are being segregated based on the nature of income. As the DISCOM is licensed for both Distribution and Retail Supply Business, the expenditure and income is been recorded in the book of the accounts collectively in accordance to the accounting standards. However, for the sake of regulatory accounts these expenditure and revenue items are segregated in to Distribution and Retail supply Business considering the nature and type of element. All the incomes/expenditure items which are related to wires business till the metering point of the consumer are assumed to be of Distribution Business elements and items which are connected to the business of supply of power are treated under Retail supply Business.

On the basis of this presumption the Non-tariff income elements that are considered in the Distribution business and Retail supply business of the licensee for the period from FY 2006-07 to FY 2019-20 is enclosed as **Annexure -VII** .

12. TSSPDCL has claimed the following gap on account of true-up for the period from FY 2006-07 to FY 2019-20:

Control Period	**FY**	**Amount (Rs. Crore)**
1st Control Period	2006-07	30
	2007-08	111
	2008-09	99
	Total	**240**
2nd Control Period	2009-10	-117
	2010-11	-9
	2011-12	169
	2012-13	88
	2013-14	104
	Total	**235**
3rd Control Period	2014-15	109
	2015-16	-159
	2016-17	492
	2017-18	571
	2018-19	288
	UDAY savings considered by the Commission in RST Orders for FY 2017-18 and FY 2018-19	1488
	Total	**2789**
4th Control Period	2019-20	194
Grant Total		**3458**

TSSPDCL to submit the proposed recovery mechanism of the claimed gap on account of true-up for the period from FY 2006-07 to FY 2019-20.

Reply: It is to submit that the DISCOM filed the True-up claims of the Distribution Business for the 1st , 2nd, 3rd and Annual Performance Review (1st year of the 4th control period) control periods in accordance to the directions issued by the Hon'ble

Commission in the MYT order for 4th Control period dated 29.04.2020. Further to submit that relevant clauses 10.7 and 10.8 of Regulation 4 of 2005 (Terms and conditions for determination of tariff for wheeling and retail sale of electricity) on sharing of gains and losses are reproduced below

"***10.7*** *For the purpose of sharing gains and losses with the consumers, only aggregate gains or losses for the Control Period as a whole will be considered. The Commission will review the gains and losses for each item of the ARR and make appropriate adjustments wherever required:*

Provided that for the first Control Period, insofar as the gains and losses from the Retail Supply Business of the Distribution Licensee are concerned, these will be shared with the consumers on yearly basis.

10.8 *Notwithstanding anything contained in this Regulation, the gains or losses in the controllable items of ARR on account of factors that are beyond the control of the Distribution Licensee – force majeure – shall be passed on as an additional charge or rebate in ARR over such period as may be specified in the Order of the Commission*."

The licensee humbly submits that the gains or losses of the 1st (FY 2006-09), 2nd (FY 2009-14) and 3rd (FY 2014-19) Control period as a whole claimed by the licensee be passed on to the consumers equally in the balance period of this 4th Control period by adjusting in the Aggregate Revenue Requirement of the licensees' of the Distribution business approved in the Aggregate Revenue Requirement and Wheeling Tariffs for Distribution Business for 4th Control Period (FY 2019-20 to FY 2023-24) order dated 29.04.2020.

Further, TSSPDCL submits that the Annual performance True-ups of FY 2019-20 (which is being 1st year of the 4th Control period) be considered at the end of the Control period considering the aggregate gains or losses of the 4th control period as a whole in accordance to clause 10.7 of the Regulation 4 of 2005 while the determination of Aggregate Revenue Requirement for the 5th Control Period (FY 2024-29).

13. Details of pending petitions/appeals in Hon'ble High Court, Hon'ble Supreme Court and any other courts that are related to Distribution Business of Discoms.

Reply: It is to submit that there are no pending petitions/appeals in Hon'ble High Court, Hon'ble Supreme Court and any other courts that are related to Distribution Business of TSSPDCL.

II. True-up for 1st Control Period from FY 2006-07 to FY 2008-09

14. TSSPDCL submitted that the actual O and M expenses for the 1st Control Period are higher than the approved expenses by Rs. 387 Crore. In this regard:

a. The impact of wage revision w.e.f. 01.04.2006 has been submitted as increase in pay by Rs. 50 Crore. TSSPDCL to substantiate the same with supporting documents.

Reply: The copy of wage revision orders w.e.f. 01.04.2006 is enclosed as **Annexure-VIII**.

b. The impact of actuarial valuation report has been submitted as the increase in provision for terminal benefits by Rs. 25 Crore. TSSPDCL to substantiate the same with supporting documents.

Reply: The copy of actuarial valuation report is enclosed as **Annexure-IX.**

c. The impact of DA hike and new recruitment of contract staff has been submitted as increase in employee cost by Rs. 30 Crore. TSSPDCL to substantiate the same with supporting documents.

Reply: The copy of DA hike orders during FY 2006-07, FY 2007-08 and FY 2008-09 is enclosed as **Annexure-X.**

d. TSSPDCL to substantiate the impact of increase in Repairs and Maintenance expenses along with supporting documents.

Reply: The Repairs and Maintenance expenses include the cost of electrical equipment used for repairs and labour charges to service the equipment.

The Whole sale price index of Electrical Machinery, Equipment and Electrical Accessories, wires and cables etc. is tabulated below

WPI	**2005-06**	**2006-07**	**2007-08**	**2008-09**
g. ELECTRICAL MACHINERY, EQUIPMENT and BATTERIES	103.07	111.18	118.62	123.63
Y-o-Y growth		8%	7%	4%
h. ELECTRICAL ACCESSORIES, WIRES, CABLES ETC.	108.43	127.52	133.37	134.91
Y-o-Y growth		18%	5%	1%

Source: https://eaindustry.nic.in (Office of the Economic Adviser Department for promotion of industry and internal trade).

CPI	**2006-07**	**2007-08**	**2008-09**
General Index	125	133	145
Y-o-Y growth		**6%**	**9%**

Source: http://labourbureau.gov.in/CPI_GRP_SGRP_Index_2006to2009.pdf

The WPI showed an average inflation of 6% from 2005-06 to 2008-09 in the 1st Control period and average 8% inflation in CPI which resulted in increase in material cost and labour cost of Repairs and Maintenance expenses respectively. The copy of the CPI and WPI is attached herewith as **Annexure-XI.**

e. TSSPDCL to submit the no. of DTRs failed along with corresponding repairs cost during each year.

Reply: The details of No. of DTRs failed along with repair cost for the period from FY 2006-07 to FY 2008-09 is given below

Sl.No.	**FY**	**No. of DTRs Failed(BGP)**	**Repair Cost of the DTRs (Rs. in lakhs)**
1	2006-07	19314	1390.93
2	2007-08	20061	1553.94
3	2008-09	21010	1125.82

h. TSSPDCL to substantiate the impact of increase in travelling and vehicle hire expenses along with supporting documents.

Reply: The travelling and vehicle hire expenses are directly correlated with the Fuel prices viz. petroleum and gas. Hence the Whole sale Price Index (WPI) of Petroleum products during FY 2006-07 to FY 2008-09 is tabulated below.

WPI	**2005-06**	**2006-07**	**2007-08**	**2008-09**
c. CRUDE PETROLEUM	109.77	126.97	136.56	149.66
Y-o-Y growth		16%	8%	10%

Source: *https://eaindustry.nic.in* *(Office of the Economic Adviser Department for promotion of industry and internal trade).*

The WPI of Petroleum products showed an average inflation of 11% from 2006-07 to 2008-09 in the 1st Control period which resulted in increase in travelling and vehicle hire expenses. The copy of the same is enclosed as **Annexure-XII.**

15. Clause 17.2 of the Regulation No. 4 of 2005 specifies that the depreciation shall be calculated on the amount of Original Cost of Fixed Assets included in the RRB at the beginning of each year of the Control Period. Whereas, TSSPDCL has claimed the depreciation on assets capitalised during the year also. TSSPDCL to submit the justification for the same.

Reply:

It is to submit that, the depreciation is being calculated in the licensee's books of accounts as and when the assets are available for use during the financial year in accordance to the Accounting standard 10 (Property, Plant and Equipment). The depreciation reflects the future economic benefits of the asset that are expected to be consumed. Therefore, the depreciation is calculated from the date the assets are put to use.

The clause 17.2 of the Regulation No. 4 of 2005 specifies that the depreciation shall be calculated on the amount of Original Cost of Fixed Assets. This norm is followed for the projection of the depreciation for the MYT control period as it is difficult to estimate the date on which asset is put to use during the control period. However, the actuals can incorporate the date of the capitalisation of the asset from the asset registers maintained by the Licensee.

Hence, the Licensee has claimed the actual depreciation of assets as and when it is capitalised and date from which the economic benefit is gained from assets. It is humbly requested the Hon'ble Commission to consider the depreciation claim of the licensee based on the actuals arrived from the date of asset put to use.

16. The actual cost of debt has been claimed as 10.75%. TSSPDCL to substantiate the year wise actual cost of debt with computations and supporting documents.

Reply: It is to submit that, the major lender of the DISCOM is M/s. REC Limited and the finance costs are in relation to the interest rates of the REC. The rate of interests normally varies from each scheme drawl, and hence the DISCOM (erstwhile APCPDCL) has considered the average lending rate during the period as cost of debt for 1st control periods. The rate of interests as per REC loan circulars from time to time over the 1st control periods for Distribution schemes are tabulated below:

Year	Period (w.e.f)	Term loan Rate (% p.a.)	Cost of Debt range
2006-07	23.05.2006	9.75%	9.75% - 10.25%
	03.10.2006	9.75%	
	05.01.2007	10.00%	
	15.03.2007	10.25%	
2007-08	26.04.2007	10.90%	10.90%
2008-09	10.04.2008	11.25%	11.25% - 13.50%

	09.07.2008	11.75%	
	14.08.2008	12.25%	
	04.09.2008	12.50%	
	24.09.2008	13.00%	
	01.10.2008	13.50%	
	22.01.2009	12.75%	

As seen from the table, the average cost of for the 1st control period is 11% p.a.. The loan circulars of M/s. REC limited from time to time is also enclosed as **Annexure-XIII**. Accordingly, the licensee has considered the moderate cost of debt of 10.75% p.a. for the 1st control period.

17. TSSPDCL has submitted the Physical Completion Certificates (PCCs) and Financial Completion Certificates (FCCs). The following have been observed from the same:

TSSPDCL to submit the justification for the above deficiencies in the PCCs and FCCs.

a. The PCCs and FCCs do not have any date or reference nos.

Reply: The PCCs and FCCs collected from the field officers as a part of compliance of directive No. 6 of the Aggregate Revenue Requirement and Wheeling Tariffs for Distribution Business for 4th Control Period (FY 2019-20 to FY 2023-24) order dated 29.04.2020 and submitted to the Hon'ble Commission. The licensee henceforth shall adhere strictly to the Hon'ble Commission directions of including date / reference no in the PCC and FCCs to be submitted for the succeeding years.

b. The PCCs and FCCs do not detail the works which have been certified to be as physically completed and capitalised respectively.

Reply: It is to submit that DISCOM submitted the PCCs and FCCs in Hard Copy and the works which have been certified to be as physically completed and capitalised respectively as a soft copy to the Hon'ble Commission in view of voluminous of work orders covering more than 20,000 pages.

c. The PCCs mention only about physical completion whereas the Commission's Guidelines for Investment Approval additionally specify that the PCCs have to certify that the assets created are put to use.

Reply: . It is to submit that the PCCs mention that the works are physically competed in accordance to the TSSPDCL standards and the list of work orders enclosed (in soft copy) contains the asset number and asset capitalisation date for each work order. As per the DISCOM policy, the Asset number is generated when the work is completed and the assets are put for use.

However, in accordance to the Hon'ble Commission's Guidelines for Investment Approval the DISCOM is additionally specifying that the assets created are put to use in PCCs.

18. TSSPDCL has claimed the other expenditure of Rs. 1.69 Crore, Rs. 6.61 Crore and Rs. 13.78 Crore for FY 2006-07, FY 2007-08 and FY 2008-09 respectively. TSSPDCL to submit the item-wise break-up of the year wise other expenditure claimed for 1st Control Period.

Reply: The "other expenses" relating to the Distribution Business mainly comprises of compensation for injuries, Death and damages. Other miscellaneous expenses include price variations, loss of obsolete stock and sale of scrap. These are grouped under Exceptional items head under Schedule 15 / Schedule 27 in the financial statements. Only the items relating to the Distribution business are considered after netting off any negatives reflected under corresponding heads which are shown below

Other Expenses (Rs. Crores)	**2006-07**	**2007-08**	**2008-09**
Compensation for Injuries, Death and Damages	0.87	1.16	1.85
Miscellaneous			
-Loss on sale of scrap		5.31	
-Price variation	0.82	0.14	1.44
-Provision for Obsolete stock			10.48
-Others			
Total	**1.69**	**6.61**	**13.78**

19. TSSPDCL submitted that an amount of Rs. 17.15 Crore has been incurred towards provision of Safety Equipment like Gloves, Helmets, Leather Shoes, raincoats etc. to employees. TSSPDCL to submit the item-wise break-up of the year wise expenditure incurred towards Safety Equipment for 1st Control Period.

Reply: The year wise breakup of expenditure incurred towards Safety Equipment for 1st Control Period is tabulated below

Year	**Expenditure towards Safety measures (Rs. crores)**
2006-07	5.50
2007-08	5.75
2008-09	5.90
Total	**17.15**

It is to submit that, the expenditure like Gloves, Helmets, Leather Shoes, raincoats etc are booked under Repairs and Maintenance head of Schedule-14 of Administration and General Expenses as a part of safety measures.

20. TSSPDCL submitted that the demand of Rs. 14.81 Crore was raised towards wheeling revenue. In this regard:

a. TSSPDCL to submit the consumer wise and year wise demand raised towards wheeling revenue.

Reply: It is to submit that erstwhile Hon'ble APERC has notified wheeling charges to be collected in respect of consumers who are availing Wheeling of Energy from the Third Party Generators. But the Third party generators/consumers filed writ petitions before Hon'ble High Court of A.P. and obtained stay order against the wheeling charges notified by Hon'ble Commission. Hence the wheeling charges have been levied by the licensee up to July,2007 and thereafter the wheeling charges are not levied on the consumers due to non-realisation of the same on account of stay orders. The following is the year-wise wheeling revenue demand raised during the control period from FY 2006-07 to FY 2008-09

Particulars	**Wheeling revenue demand in Rs. Crs.**
2006-07	11.87
2007-08	2.94
2008-09	0.01
Total	**14.82**

b. TSSPDCL to submit the status of pending cases before the Hon'ble High Court and Hon'ble Supreme Court.

Reply: The Hon'ble Supreme Court passed its final judgment dated 29.11.2019 in Civil Appeal No. 4569 of 2003 (Wheeling Charges Batch Cases) and in Civil Appeal No 8969 of 2003 (Grid Support Charges Batch matters) by setting aside the Hon'ble High Court order dated 18.04.2003 and held that the State Commission is competent to determine wheeling charges, grid support charges .

As per the judgment of Hon Supreme Court, Notices were issued to the consumers existing the TSSPDCL jurisdiction requesting for payment of the difference of wheeling charges determined by the Hon'ble Commission and the amount paid by the said firm/company as per Wheeling Agreement/MoU.

On the said Notices issued by TSSPDCL, the several HT Consumers approached Hon'ble High Court stating that the liability if any lies with the generator. Hon'ble High Court granted interim stay as there is no privity of contract between Petitioner and DISCOMs and also the amounts are not adjudicated by any authority.

III. True-up for 2nd Control Period from FY 2009-10 to FY 2013-14

21. TSSPDCL submitted that the actual O and M expenses for FY 2010-11, FY 2011-12, FY 2012-13 and FY 2013-14 are higher than the approved expenses. In this regard:

a. TSSPDCL to substantiate the impact of wage revision w.e.f. 01.04.2010 along with supporting documents.

Reply: The copy of wage revision orders w.e.f. 01.04.2010 and hike in D.A orders is enclosed as **Annexure-XIV.**

b. TSSPDCL to substantiate the impact of actuarial valuation report along with supporting documents.

Reply: The copy of actuarial valuation report for FY 2016-17, FY 2017-18 and FY 2018-19 is enclosed as **Annexure-XV**.

c. TSSPDCL to substantiate the impact of increase in Repairs and Maintenance expenses along with supporting documents.

Reply: The Repairs and Maintenance expenses include the cost of electrical equipment used for repairs and labour charges to service the equipment. The Whole sale price index of Electrical Machinery, Equipment and Electrical Accessories, wires and cables etc. is tabulated below

WPI	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
g. ELECTRICAL MACHINERY, EQUIPMENT and BATTERIES	123.63	122.07	123.86	129.73	132.96	136.6
Y-o-Y growth		-1%	1%	5%	2%	3%
h. ELECTRICAL ACCESSORIES, WIRES, CABLES ETC.	134.91	132.58	133.48	138.03	143.43	150.30
Y-o-Y growth		-2%	1%	3%	4%	5%

Source: https://eaindustry.nic.in (Office of the Economic Adviser Department for promotion of industry and internal trade).

CPI	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
General Index	145	163	180	195	215	236
Y-o-Y growth		**12%**	**10%**	**8%**	**10%**	**10%**

Source: http://labourbureau.gov.in/

The WPI showed an average inflation of 2% from 2009-10 to 2013-14 in the 2nd Control period and average 10% inflation in CPI which resulted in increase in material cost and labour cost of Repairs and Maintenance expenses respectively. The copy of the CPI and WPI is attached herewith as **Annexure-XVI**.

d. TSSPDCL to substantiate the impact of increase in travelling and vehicle hire expenses along with supporting documents.

Reply: The travelling and vehicle hire expenses are directly correlated with the Fuel prices viz. petroleum and gas. Hence the Whole sale Price Index (WPI) of Petroleum products during FY 2009-10 to FY 2013-14 is tabulated below

WPI	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**
c. CRUDE PETROLEUM	149.66	181.37	202.81	294.45	318.21	344.28
Y-o-Y growth		21%	12%	45%	8%	8%

Source: https://eaindustry.nic.in (Office of the Economic Adviser Department for promotion of industry and internal trade).

The WPI of Petroleum products showed an inflation of 19% from 2009-10 to 2013-14 in the 2nd Control period which resulted in increase in travelling and vehicle hire expenses. The copy of the same is enclosed as **Annexure-XVII.**

g. TSSPDCL to submit the no. of DTRs failed along with corresponding repairs cost during each year.

Reply: The details of No. of DTRs failed along with repair cost for the period from FY 2009-10 to FY 2013-14 is given below

Sl.No.	**FY**	**No. of DTRs Failed(BGP)**	**Repair Cost of the DTRs (Rs. in lakhs)**
1	2009-10	28991	1699.81
2	2010-11	31099	2414.98
3	2011-12	30661	2667.03
4	2012-13	30823	3206.30
5	2013-14	37422	4520.15

22. TSSPDCL has submitted the PCCs and FCCs. The following have been observed from the same:

a. The PCCs and FCCs do not have any date or reference nos.

b. The PCCs and FCCs do not detail the works which have been certified to be as physically completed and capitalised respectively.

c. The PCCs mention only about physical completion whereas the Commission's Guidelines for Investment Approval additionally specify that the PCCs have to certify that the assets created are put to use.

TSSPDCL to submit the justification for the above deficiencies in the PCCs and FCCs.

Reply:

a. The PCCs and FCCs collected from the field officers as a part of compliance of directive No. 6 of the Aggregate Revenue Requirement and Wheeling Tariffs for Distribution Business for 4th Control Period (FY 2019-20 to FY 2023-24) order dated 29.04.2020 and submitted to the Hon'ble Commission. The licensee henceforth shall adhere strictly to the Hon'ble Commission directions of including date / reference no in the PCC and FCCs to be submitted for the succeeding years.
b. It is to submit that DISCOM submitted the PCCs and FCCs in Hard Copy and the works which have been certified to be as physically completed and capitalised respectively as a soft copy to the Hon'ble Commission in view of voluminous of work orders covering more than 20,000 pages.
c. It is to submit that the PCCs mention that the works are physically competed in accordance to the TSSPDCL standards and the list of work orders enclosed (in soft copy) contains the asset number and asset capitalisation date for each work order. As per the DISCOM policy, the Asset number is generated when the work is completed and the assets are put for use.

   However, in accordance to the Hon'ble Commission's Guidelines for Investment Approval the DISCOM is additionally specifying that the assets created are put to use in PCCs.

23. TSSPDCL submitted that the information regarding the capitalised works has been submitted as soft copy. However, the same has not been submitted with the Petition. TSSPDCL to submit the same.

    Reply: It is to submit that in view of voluminous records of capitalised works from FY 2009-10 to FY 2013-14 covering thousands of pages, the Licensee has submitted the PCC and FCC in hard copy and the corresponding details of work orders in soft copy before Hon'ble Commission.

24. TSSPDCL has submitted that the actual cost of debt was varying from 10.75% to 12.74%. TSSPDCL to substantiate the year wise actual cost of debt with computations and supporting documents.

Reply: It is to submit that, the major lender of the DISCOM is M/s. REC Limited and the finance costs are in relation to the interest rates of the REC. The rate of interests normally varies from each scheme drawl, and hence the DISCOM (erstwhile APCPDCL) has considered the average lending rate during the period as cost of debt for 2nd control periods. The rate of interests as per REC loan circulars from time to time over the 2nd control periods for Distribution schemes are tabulated below:

Year	**Period (w.e.f)**	**Term loan Rate (% p.a.)**	**Cost of Debt range**
2009-10	16.04.2009	12.00%	11% - 12%
	20.05.2009	11.50%	
	11.08.2009	11.50%	
	10.12.2009	11.00%	
2010-11	06.01.2011	11.00%	11% - 11.50%
	17.02.2011	11.50%	
2011-12	21.04.2011	11.75%	11.75% - 12.50%
	20.05.2011	12.25%	
	08.08.2011	12.50%	
2012-13	21.08.2012	12.50%	12.25% - 12.50%
	15.02.2013	12.25%	
2013-14	19.06.2013	12.25%	12.25% - 12.50%
	20.08.2013	12.50%	
	11.10.2013	12.25%	

As seen from the table, the average cost of for the second period is 12%p.a. The loan circulars of M/s. REC limited from time to time is also enclosed as **Annexure-XVIII**. Accordingly, the licensee has considered the moderate cost of debt of 10.75% for the first two years of second control period, 12% for next two years of the control period and 12.74% p.a. for the terminal year.

25. Clause 17.2 of the Regulation No. 4 of 2005 specifies that the depreciation shall be calculated on the amount of Original Cost of Fixed Assets included in the RRB at the beginning of each year of the Control Period. Whereas, TSSPDCL has claimed the depreciation on assets capitalised during the year also. TSSPDCL to submit the justification for the same.

Reply: It is to submit that, the depreciation is being calculated in the licensee's books of accounts as and when the assets are available for use during the financial year in accordance to the Accounting standard 10 (Property, Plant and Equipment). The depreciation reflects the future economic benefits of the asset that are expected to be consumed. Therefore, the depreciation is calculated from the date the assets are put to use.

The clause 17.2 of the Regulation No. 4 of 2005 specifies that the depreciation shall be calculated on the amount of Original Cost of Fixed Assets. This norm is followed for the projection of the depreciation for the MYT control period as it is difficult to estimate the date on which asset is put to use during the control period.

However, the actuals can incorporate the date of the capitalisation of the asset from the asset registers maintained by the Licensee.

Hence, the Licensee has claimed the actual depreciation of assets as and when it is capitalised and date from which the economic benefit is gained from assets.

It is humbly requested the Hon'ble Commission to consider the depreciation claim of the licensee based on the actuals arrived from the date of asset put to use.

26. TSSPDCL to submit the item-wise break-up of the year wise expenditure incurred towards Safety Measures for 2nd Control Period.

Reply: The item-wise breakup of year wise expenditure incurred towards Safety Measures for 3rd Control Period is enclosed as Annexure-XIX (as soft copy).

27. TSSPDCL to submit the justification for considering the expenditure incurred towards Safety Measures under capital expenditure when the Commission had allowed the same as one-time expenses (i.e., revenue expenditure).

Reply: The licensee has taken up works such as erection of intermediate poles for proper clearance, Providing of Earthing, Reconstruction of damaged DTR plinth, Plinth Raisings, Providing of SMC Distribution boxes, Providing of foot Cross arms, Rectification of DTR structures, Replacement of damaged AB cable, Running of Neutral wire from SS etc. towards safety measures other than provision of safety materials viz. Gum boots, Helmets, Safety belt, Earth rods, Gloves which are of revenue expenditure booked under Administration General Expenses head in the Books of Accounts. As the most of the works provide economic benefit beyond a year, they have been capitalised and shown under capital expenditure as per the accounting standards.

28. TSSPDCL has not claimed any revenue from wheeling charges. TSSPDCL to submit the justification for the same.

Reply: In view of stay orders of the High Court and pending subjudice at Supreme Court, the licensee has not claimed any revenue from wheeling charges for 2nd control period.

IV. True-up for 3rd Control Period from FY 2014-15 to FY 2018-19

29. TSSPDCL submitted that the actual O and M expenses for FY 2014-15, FY 2016-17, FY 2017-18 and FY 2018-19 are higher than the approved expenses. In this regard:

a. TSSPDCL to substantiate the impact of wage revision in 2014 and 2018 along with supporting documents.

Reply: The copy of wage revision orders w.e.f. 01.04.2014 and 01.04.2018 and hike in D.A orders are enclosed as **Annexure-XIX**.

b. TSSPDCL to substantiate the impact of actuarial valuation report along with supporting documents.

Reply: The copy of actuarial valuation report for FY 2016-17, FY 2017-18 and FY 2018-19 is enclosed as **Annexure-XX.**

c. TSSPDCL to substantiate the impact of increase in Administrative and General expenses along with supporting documents.

Reply: Administration and General Expenditure for the 3rd Control Period was less than the approved expenditure.

d. TSSPDCL to substantiate the impact of increase in Repairs and Maintenance expenses along with supporting documents.

Reply: The Repairs and Maintenance expenses include the cost of electrical equipment used for repairs and labour charges to service the equipment.

The Whole sale price index of Electrical Machinery, Equipment and Electrical Accessories, wires and cables etc. is tabulated below

WPI	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Manufacture of Electrical Equipment	104.8	109.5	109.0	108.2	109.6	111.7
Y-o-Y growth		4%	0%	-1%	1%	2%

Source: https://eaindustry.nic.in (Office of the Economic Adviser Department for promotion of industry and internal trade).

CPI	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**
General Index	236	251	265	276	284	300
Y-o-Y growth		**6%**	**6%**	**4%**	**3%**	**5%**

Source: https://www.rbi.org.in

The WPI showed an average inflation of 1% from 2014-15 to 2018-19 in the 3rd

Control period and average 5% inflation in CPI which resulted in increase in material cost and labour cost of Repairs and Maintenance expenses respectively. The copy of the CPI and WPI is attached herewith as **Annexure-XX**.

g. TSSPDCL to submit the no. of DTRs failed along with corresponding repairs cost during each year.

Reply: The details of No. of DTRs failed along with repair cost for the period from FY 2014-15 to FY 2018-19 is given below

Sl.No.	**FY**	**No. of DTRs Failed(BGP)**	**Repair Cost of the DTRs (Rs. in lakhs)**
1	2014-15	32325	3550.15
2	2015-16	28358	2923.52
3	2016-17	36027	3762.94
4	2017-18	34155	3539.82
5	2018-19	29286	3046.53

30. TSSPDCL has submitted the PCCs and FCCs. The following have been observed from the same:

a. The PCCs and FCCs do not have any date or reference nos.
b. The PCCs and FCCs do not detail the works which have been certified to be as physically completed and capitalised respectively.
c. The PCCs mention only about physical completion whereas the Commission's Guidelines for Investment Approval additionally specify that the PCCs have to certify that the assets created are put to use.

TSSPDCL to submit the justification for the above deficiencies in the PCCs and FCCs.

Reply:

a. The PCCs and FCCs collected from the field officers as a part of compliance of directive No. 6 of the Aggregate Revenue Requirement and Wheeling Tariffs for Distribution Business for 4th Control Period (FY 2019-20 to FY 2023-24) order dated 29.04.2020 and submitted to the Hon'ble Commission. The licensee henceforth shall adhere strictly to the Hon'ble Commission directions of including date / reference no in the PCC and FCCs to be submitted for the succeeding years.
b. It is to submit that DISCOM submitted the PCCs and FCCs in Hard Copy and the works which have been certified to be as physically completed and capitalised respectively as a soft copy to the Hon'ble Commission in view of voluminous of work orders covering more than 20,000 pages.

c. It is to submit that the PCCs mention that the works are physically competed in accordance to the TSSPDCL standards and the list of work orders enclosed (in soft copy) contains the asset number and asset capitalisation date for each work order. As per the DISCOM policy, the Asset number is generated when the work is completed and the assets are put for use.

   However, in accordance to the Hon'ble Commission's Guidelines for Investment Approval the DISCOM is additionally specifying that the assets created are put to use in PCCs.

31. TSSPDCL submitted that the information regarding the capitalised works for the period from FY 2014-15 to FY 2018-19 has been submitted as soft copy. However, the same has not been submitted with the Petition. TSSPDCL to submit the same.

    Reply: It is to submit that in view of voluminous records of capitalised works from FY 2014-15 to FY 2018-19 covering thousands of pages, the Licensee has submitted the PCC and FCC in hard copy and the corresponding details of work orders in soft copy before Hon'ble Commission.

32. TSSPDCL has submitted the actual cost of debt as 8.4%, 9.3%, 13.2%, 11.8% and 10.5% for FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 respectively. TSSPDCL to substantiate the year wise actual cost of debt with computations and supporting documents.

    Reply: It is to submit that the DISCOM has considered the following methodology for debt computation for 3rd control period as detailed below:

Particulars	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19***
Total Loans as per Audited Balance sheet					
Opening Balance	8436.95	7058.82	8326.46	5189.27	8686.84
Closing Balance	7058.82	8326.46	5189.27	8686.84	10495.21
Interest	653.02	717.51	893.81	819.36	1122.93
Average Balance	7747.89	7692.64	6757.87	6938.06	9591.03
Cost of Debt	**8.43%**	**9.33%**	**13.23%**	**11.81%**	**11.71%**

* However for FY 2018-19, the Cost of Debt has been revised and considered as 11.71% instead of 10.48% (as claimed in Distribution True-up Filing and Distribution MYT filings for 4th CP, as enclosed in Annexure -XXI). The same has been claimed higher since the loan repayment of Anantapur and Kurnool Circles is being made by TSSPDCL as the Assets and Liabilities between APSPDCL and TSSPDCL are not yet finalised by the Expert Committee constituted.

* However for FY 2018-19, the loan repayment of Anantapur and Kurnool Circles were not shown in Form 1.1g. Hence the cost of debt arrived is 10.48% is considered (Form 1b is enclosed as Annexure -XXI). But it is to submit that the loan repayment is being made by TSSPDCL as these are not yet finalised by the Expert Committee constituted on transfer of assets and liabilities between APSPDCL and TSSPDCL.

33. Clause 17.2 of the Regulation No. 4 of 2005 specifies that the depreciation shall be calculated on the amount of Original Cost of Fixed Assets included in the RRB at the beginning of each year of the Control Period. Whereas, TSSPDCL has claimed the depreciation on assets capitalised during the year also. TSSPDCL to submit the justification for the same.

    Reply: It is to submit that, the depreciation is being calculated in the licensee's books of accounts as and when the assets are available for use during the financial year in accordance to the Accounting standard 10 (Property, Plant and Equipment). The depreciation reflects the future economic benefits of the asset that are expected to be consumed. Therefore, the depreciation is calculated from the date the assets are put to use.

    The clause 17.2 of the Regulation No. 4 of 2005 specifies that the depreciation shall be calculated on the amount of Original Cost of Fixed Assets. This norm is followed for the projection of the depreciation for the MYT control period as it is difficult to estimate the date on which asset is put to use during the control period.

    However, the actuals can incorporate the date of the capitalisation of the asset from the asset registers maintained by the Licensee.

    Hence, the Licensee has claimed the actual depreciation of assets as and when it is capitalised and date from which the economic benefit is gained from assets.

    It is humbly requested the Hon'ble Commission to consider the depreciation claim of the licensee based on the actuals arrived from the date of asset put to use.

34. TSSPDCL to submit the item-wise break-up of the year wise expenditure incurred towards Safety Measures for 3rd Control Period.

    Reply: The item-wise breakup of year wise expenditure incurred towards Safety Measures for 3rd Control Period is enclosed as **Annexure-XXII (**as soft copy).

35. TSSPDCL to submit the justification for considering the expenditure incurred towards Safety Measures under capital expenditure when the Commission had allowed the same as one-time expenses (i.e., revenue expenditure).

    Reply: The licensee has taken up works such as erection of intermediate poles for proper clearance, Providing of Earthing, Reconstruction of damaged DTR plinth, DTR Fencing, Plinth Raisings, Providing of SMC Distribution boxes, Providing of foot Cross arms, Rectification of DTR structures, Replacement of damaged AB cable, Running of Neutral wire from SS etc. towards safety measures other than provision of safety materials viz. Gum boots, Helmets, Safety belt, Earth rods, Gloves which are of revenue expenditure booked under Administration General Expenses head in the Books of Accounts. As the most of the works provide economic benefit beyond a year, they have been capitalised and shown under capital expenditure as per the accounting standards.

V. APR (True-up) for FY 2019-20

36. TSSPDCL to submit the no. of DTRs failed along with corresponding repairs cost during FY 2019-20.

Reply: The details of No. of DTRs failed along with repair cost for the FY 2019-20 is given below

Sl.No.	FY	No. of DTRs Failed(BGP)	Repair Cost of the DTRs (Rs. in lakhs)
1	2019-20	34229	3271.71

37. The Commission in its MYT Order dated 29.04.2020 had approved depreciation considering the rates specified in the CERC Tariff Regulations, 2019. However, TSSPDCL's true-up claim of depreciation is not that computed in accordance with the CERC Tariff Regulations, 2019. TSSPDCL to submit the justification for the same.

Reply: It is to submit that, in the Significant Accounting policies of the Company which are form part of the Financials for the respective years at Note No. 1.6, it is mentioned that the depreciation on plant and Equipment is provided under the "Straight Line Method" up to 90% of the Original Cost of Assets, at the rates notified by the Ministry of Power (MoP) Government of Indian vide Notification No. S.O.266 (E) dated 29th March, 1994. Accordingly, the said accounting policy is being followed consistently for all the years.

Further it is to submit that, the company has filed the MYT for the 4th Control Period for FY from 2019-20 to FY 2023-24 with the Hon'ble Telangana State Electricity Regulatory Commission as the TSERC is the concerned business regulatory and in the MYT filings that the method of computation of Depreciation Central Electricity Regulatory Commission (CERC) Rates and issued the Tariff Order dated 29th April, 2020 for 4th Control Period. The copy of Depreciation claimed by the TS Discoms and Depreciation approved by TSERC are tabulated below for ready reference.

Depreciation Claimed and Approved for 4th Control Period		
Financial Year	Claimed	Approved
2019-20	1010.58	759.54
2020-21	1156.66	850.02
2021-22	1282.68	937.33
2022-23	1448.19	1039.9
2023-24	1609.01	1158.53

Further it is to submit that, since the major portion of the Assets consists of plant and Machinery, Meters, Battery Charges and Furniture and Fittings, the rate of Depreciation Notified by CERC for these classes of Assets are having the less Depreciation rates, in which it takes more than 15 years to Depreciate 90% of original cost of the Asset. But in general, the Electronic or Digital Meters and Battery Charges etc., are having the less life of Assets (3 to 8 years approximately).

Further, in the CERC Notification of guidelines, there are no specific Rate of Depreciation for Distribution Licensees, only common Rates were issued for Assets of Generating Stations and Transmission Units.

Under the above circumstances, it is to submit that the Deprecation Rates applied for the financial year 2019-20 appears to be appropriate and correct. However, a view will be taken for the next financial years in regard to implementation of CERC Rates.

38. TSSPDCL has submitted the PCCs and FCCs. The following have been observed from the same:

a. The PCCs and FCCs do not have any date or reference nos.
b. The PCCs and FCCs do not detail the works which have been certified to be as physically completed and capitalised respectively.
c. The PCCs mention only about physical completion whereas the Commission's Guidelines for Investment Approval additionally specify that the PCCs have to certify that the assets created are put to use.

TSSPDCL to submit the justification for the above deficiencies in the PCCs and FCCs.

Reply:

a. The PCCs and FCCs collected from the field officers as a part of compliance of directive No. 6 of the Aggregate Revenue Requirement and Wheeling Tariffs for Distribution Business for 4th Control Period (FY 2019-20 to FY

2023-24) order dated 29.04.2020 and submitted to the Hon'ble Commission. The licensee henceforth shall adhere strictly to the Hon'ble Commission directions of including date / reference no in the PCC and FCCs to be submitted for the succeeding years.

b. It is to submit that DISCOM submitted the PCCs and FCCs along with the works which have been certified to be as physically completed and capitalised respectively as a soft copy to the Hon'ble Commission in view of voluminous of work orders covering more than 20,000 pages.

c. It is to submit that the PCCs mention that the works are physically competed in accordance to the TSSPDCL standards and the list of work orders enclosed (in soft copy) contains the asset number and asset capitalisation date for each work order. As per the DISCOM policy, the Asset number is generated when the work is completed and the assets are put for use.

   However, in accordance to the Hon'ble Commission's Guidelines for Investment Approval the DISCOM is additionally specifying that the assets created are put to use in PCCs.

39. TSSPDCL submitted that the information regarding the capitalised works has been submitted as soft copy. However, the same has not been submitted with the Petition. TSSPDCL to submit the same.

    Reply: It is to submit that in view of voluminous records of capitalised works during FY 2019-20 covering thousands of pages, the Licensee has submitted the PCC and FCC in hard copy and the corresponding details of work orders in soft copy before Hon'ble Commission.

40. TSSPDCL has submitted that the actual cost of debt as 9.93%. TSSPDCL to substantiate the same with computations and supporting documents.

    Reply: The breakup of lender wise borrowings for Capital expenditure loans considered for arriving at Cost of debt is detailed below:

Lender	**Opening Balance (01.04.2019)**	**Closing Balance (31.03.2020)**	**Interest expenditure**	**Rate of Interest**
REC Ltd.	3307.97	4124.98	404.68	11.00%
REC Ltd.	33.15	80.86		10.00%

(DDUGJY)				
PFC Ltd. (IPDS)	107.74	124.58	15.67	10.50%
JICA Loan	259.50	316.98	0.00	0.65%
Total	**3708.36**	**4647.4**	**420.35**	**9.93%**

41. TSSPDCL to submit the item-wise break-up of the expenditure incurred towards Safety Measures.

    Reply: The item-wise breakup of year wise expenditure incurred towards Safety Measures for 3rd Control Period is enclosed as **Annexure-XXIII (**as soft copy).

42. TSSPDCL to submit the justification for considering the expenditure incurred towards Safety Measures under capital expenditure when the Commission had allowed the same as one-time expenses (i.e., revenue expenditure).

    Reply: The licensee has taken up works such as erection of intermediate poles for proper clearance, Providing of Earthing, Reconstruction of damaged DTR plinth, Plinth Raisings, Providing of SMC Distribution boxes, Providing of foot Cross arms, Rectification of DTR structures, Replacement of damaged AB cable, Running of Neutral wire from SS etc. towards safety measures other than provision of safety materials viz. Gum boots, Helmets, Safety belt, Earth rods, Gloves which are of revenue expenditure booked under Administration General Expenses head in the Books of Accounts. As the most of the works provide economic benefit beyond a year, they have been capitalised and shown under capital expenditure as per the accounting standards.

VI. UDAY scheme

43. As per the Tripartite Memorandum of Understanding amongst Ministry of Power, Government of India (MoP, GoI), Government of Telangana State (GoTS) and TSDISCOMs (“UDAY MoU”), GoTS was to take over 75% of the debt of the DISCOMs as on 30.09.2015 by 31.03.2017, and the same was to be transferred to the DISCOMs in the form of Grants (50%), Loan (25%) and Equity (25%). Whereas, TSSPDCL has submitted that the outstanding loans has been taken over by GoTS in the form of Equity infusion in the DISCOMs. In this regard:

    a. TSSPDCL to submit the justification for the deviation from the UDAY MoU.
    b. TSSPDCL to submit the copies of correspondences with GoI in this regard.
    c. TSSPDCL to clarify if the deviation can be treated as a non-compliance to the UDAY MoU, by GoI.

Reply:

a. The Commitment as per UDAY MOU

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
FY 2016-17	75% of the total DEBT i.e 8923 cr	50% of Rs 8923Cr - 4462 Crs to be taken over in 2016-17	25% of Rs 8923 cr – Rs 2230 Crs	25% of Rs 8923 Crs – Rs 2231 crs will be issued in 2016-17	Rs 2230 Crs

However, Government of Telangana has taken over the loans as per UDAY MOU for an amount of Rs. 4876.83Cr in the form of Equity Infusion to TSSPDCL.

Equity infusion by Govt of Telangana	
2016-17	Rs.4593.84 cr
2017-18	Rs.282.98 cr
Total	Rs.4876.83 cr

Since, No grant was released as per the UDAY Commitment, the MAT is not applicable. No deviation. The grants as per MOU were given in the form of equity infusion.

b. **Reply:** Nil

c. **Reply:** No deviation. The grants as per MOU were given in the form of equity infusion.

44. The Commission vide its MYT Order dated 29.04.2020 had directed to make a detailed submission regarding the differential treatment of GoTS and likely consequences of the same. In reply to the same, TSSPDCL has merely reiterated its submissions on the true-up claims for 3rd Control Period. Therefore, TSSPDCL to submit the compliance to the Commission's directive.

Reply: No deviation. The grants as per MOU were given in the form of equity infusion.

45. As per the UDAY MoU, GoTS was to take over previous year's loss to the tune of 5%, 10%, 25% and 50% during FY 2017-18, FY 2018-19, FY 2019-20 and FY 2020-21 respectively. TSSPDCL to submit the status of compliance to the same.

` **Reply:** As per the UDAY MoU, the Govt. of Telangana shall take over the future losses of the DISCOMs in a graded manner and shall fund the losses as follow:

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 loss of 2019-20

The Govt. of Telangana has to take over the following losses of the TSSPDCL:

Year	2016-17	2017-18	2018-19	2019-20
Loss in FY (Rs.Cr)	4700.23	3924.78	4967.26	4940.24
Loss to be taken over by State (Rs. Cr)	235.01	392.48	1241.82	2470.12

As per UDAY MoU, the Government of Telangana State has taken over loss for the FY 2016-17 to the tune of 5% amounting to Rs.235.01 crore and same was released in FY 2017-18.

Thereafter, Government of Telangana State sanctioned orders for takeover of 10%, 25% and 50% of the loss for the FY 2017-18 , FY 2018-19 and FY2019-20.

However, the Government of Telangana State is yet to take over.