



ASSAM POWER DISTRIBUTION COMPANY LIMITED

Background

Assam Power Distribution Company Limited (APDCL) was formed in FY 2010 by merging three distribution entities, namely Lower, Central and Upper Assam Distribution Company, to carry out the function of distribution and retail sale of electricity in the entire state of Assam. Currently, APDCL is catering to over 33 lakh consumers in the State of Assam.

Key Strengths

- Regulatory clarity in place, with the release of FY 2021 tariff order, true-up order for FY 2019, Tariff Petition for FY 2022 and MYT order for FY 2019 to FY 2022
- High cost coverage ratio
- Entire subsidy booked during FY 2020 received during the year in advance
- Moderate capital structure, supported by government grant received for capital projects

Key Concerns

- Auditor has reported that the standalone financial statements do not give a true and fair view
- High and rising AT&C losses at 23.38% in FY 2020
- Fares poorly in power purchase planning and cost efficiency
- High receivable days

Key Actionables

- To remove deficiencies in audited accounts
- Reduction of AT&C losses with focus on improving billing efficiency
- Optimisation of power purchase plan
- To rationalize employee and O&M costs
- Reduce receivable days



NORTH BIHAR POWER DISTRIBUTION COMPANY LIMITED

Background

Under the new 'Bihar State Electricity Reforms Transfer Scheme 2012', the Bihar State Electricity Board (BSEB) has been unbundled into five companies w.e.f. November 1, 2012: Bihar State Power (Holding) Company Limited (BSPHCL), Bihar State Power Transmission Company Limited (BSPTCL), Bihar State Power Generation Company Limited (BSPGCL) and two distribution companies viz. South Bihar Power Distribution Company Limited (SBPDCL) and North Bihar Power Distribution Company Limited (NBPDC). BSPHCL owns the shares of the newly-incorporated four other companies.

Key Strengths

- Timely receipt of subsidy from the State Government
- Fuel & Power Purchase Cost Adjustment (FPPCA) framework operational
- Low payables days at 36 days in FY 2020.

Key Concerns

- Deterioration in Cost coverage ratio in FY 2020 over previous year
- High AT&C loss levels at 29.50% in FY 2020
- High power purchase cost
- High receivables days

Key Actionables

- Reduction in AT&C loss level by focusing in areas having higher loss levels
- Improvement in cost coverage by effecting frequent tariff hikes
- Reduction in receivable days



SOUTH BIHAR POWER DISTRIBUTION COMPANY LIMITED

Background

Under the new 'Bihar State Electricity Reforms Transfer Scheme 2012', the Bihar State Electricity Board (BSEB) has been unbundled into five companies w.e.f. November 1, 2012: Bihar State Power (Holding) Company Limited (BSPHCL), Bihar State Power Transmission Company Limited (BSPTCL), Bihar State Power Generation Company Limited (BSPGCL) and two distribution companies viz. South Bihar Power Distribution Company Limited (SBPDCL) and North Bihar Power Distribution Company Limited (NBPDCCL). BSPHCL owns the shares of the newly-incorporated four other companies.

Key Strengths

- Timely receipt of subsidy from the State Government
- Fuel & Power Purchase Cost Adjustment (FPPCA) framework operational

Key Concerns

- Continued high level of AT&C losses at 48.64% in FY 2020
- Low cost coverage & interest coverage during FY 2020
- High power purchase cost
- High payable and receivable days in FY 2020
- Moderate level of cost efficiency

Key Actionables

- Reduction in AT&C loss level by focusing in areas having higher loss levels
- Improvement in cost coverage by effecting frequent tariff hikes
- Reducing receivable days and payables days



JHARKHAND BIJLI VITRAN NIGAM LIMITED

Background

Jharkhand State Electricity Board (JSEB) was constituted on 10th March 2001 under Section 5 of the Electricity (Supply) Act, 1948 as a result of the bifurcation of the erstwhile State of Bihar. JSEB has been engaged in electricity generation, transmission, distribution and related activities in the state of Jharkhand since then. The unbundling of JSEB has been approved by the Hon'ble Supreme Court on January 6, 2014. JSEB has been unbundled into 4 entities (Holding, Generation, Transmission and Distribution Company) and all the entities are operating independently as Jharkhand Urja Vikas Nigam Limited (JUVNL), Jharkhand Urja Utpadan Nigam Limited (JUUNL), Jharkhand Urja Sancharan Nigam Limited (JUSNL) and Jharkhand Bijli Vitran Nigam Limited (JBVNL) respectively. JBVNL has a consumer base of around 41.16 lakh.

Key Strengths

- Timely receipt of subsidy from Jharkhand State Government
- Long term PPA agreement in place with 97.06% power purchased through long term PPA
- Timely filing of MYT petition with JSERC for the control period from FY 2022 to FY 2026; True-up order till FY 2019 in place

Key Concerns

- High AT&C losses at 37.32% in FY 2020 due to poor billing and collection efficiency
- Low cost coverage ratio at 0.77x in FY 2020
- Unavailability of audited accounts for FY 2020
- High receivable and payable days
- Interest Coverage Ratio is negative for FY2020
- Untreated revenue gap in the tariff order

Key Actionables

- Reduction in AT&C loss level by focusing more on circles which have high AT&C losses
- Billing efficiency to be improved through various administrative and technical measures
- Reduction in receivable and payable days
- Cost coverage to be improved through suitable tariff increase and curtailment of losses



MANIPUR STATE POWER DISTRIBUTION CORPORATION LIMITED

Background

Manipur State Power Distribution Company Limited (MSPDCL) is a wholly owned subsidiary of Manipur State Power Company Limited (MSPCL). The MSPDCL is responsible for generation and distribution of electricity in the State of Manipur, which has a total area of 22,347 square kilometers with sixteen districts namely, Bishnupur, Imphal-West, Imphal-East, Thoubal, Kakching, Tamenglong, Kangpokpi, Senapati, Ukhrlul, Kamjong, Jiribam, Noney, Pherzawl, Churachandpur, Chandel, and Tengnoupal. As on March 31, 2020, MSPDCL serves about 3.31 lakh consumers in various categories.

Key Strengths

- Improvement in AT&C losses and billing efficiency in the last 3 years
- Subsidy received on a regular basis
- More than 90% power is procured through long term PPA

Key Concerns

- Audited Accounts for FY 2018, FY 2019 & FY 2020 are not available
- Low cost coverage
- Increase in the average cost of power procurement and employee cost
- Delay in filing of tariff petition for FY 2022
- High receivable days

Key Actionable Points

- Reduction in AT&C loss levels through improvement in collection efficiency
- Timely preparation and filing of audited accounts
- Improvement in cost coverage through rationalization of power purchase cost and employee cost
- Timely filing of tariff petition
- Reduction in receivables



MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED

Background

Meghalaya Power Distribution Corporation Limited (MePDCL) has begun segregated commercial operations of power distribution as an independent entity from 1st April 2012 onwards. Previously, Meghalaya Energy Corporation Limited (MeECL) was the sole electricity utility in Meghalaya responsible for generation, transmission and distribution of electricity in the state.

Key Strengths

- Adoption of MYT with timely filing of tariff petition and issuance of tariff order

Key Concerns

- Absence of audited accounts for FY 2020
- High AT&C losses at 34.16% in FY 2020 (PY: 35.22%)
- Low billing efficiency of 70.12% in FY 2020 (PY: 64.78%)
- Low cost coverage of 0.66x in FY 2020 (PY: 0.85x)
- Non-issuance of True-up order
- High receivable days running close to nine months

Key Actionables

- Reduction in AT&C loss level by focusing more on circles which have high AT&C losses
- Billing efficiency to be improved through various administrative and technical measures
- Audit of accounts to be finalized in a time bound manner
- Improvement in Cost coverage
- Timely issuance of true-up order
- Reduction in receivables



TRIPURA STATE ELECTRICITY CORPORATION LIMITED

Background

Tripura State Electricity Corporation Limited (TSECL) has been created by the corporatization of the erstwhile Department of Power, Government of Tripura and started its operation from January 1, 2005. TSECL is the sole electricity utility in Tripura responsible for generation, transmission and distribution of electricity in the state.

Key Strengths

- Relatively low power purchase cost of ₹ 4.55 per unit in FY 2020
- High fixed assets to total debt ratio of 3.17x as on March 31, 2020 (PY: 2.69x)
- Low receivables of 62 days and payables of 43 days in FY 2020

Key Concerns

- High AT&C Loss levels of 38.15% in FY 2020 (PY: 38.04%)
- Low billing efficiency of 69.63% in FY 2020 (PY: 68.32%)
- High O&M and Admin and Employee Costs
- Non-filing of tariff petition and issuance of true up order
- Delay in finalization of audited accounts
- Unbundling not yet completed

Key Actionables

- Reduction in AT&C losses and improvement in billing efficiency
- Timely preparation of audited accounts.
- Timely filling of tariff petition and issuance of true up order
- Rationalization of the employee costs and operations & maintenance expenses
- Unbundling of TSECL

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

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Background

The erstwhile West Bengal State Electricity Board (WBSEB) has been unbundled into West Bengal State Electricity Distribution Company Limited (WBSEDCL) and West Bengal State Electricity Transmission Company Limited (WBSETCL) in accordance with the transfer scheme notified by the Government of West Bengal dated January 25, 2007. WBSEDCL is a power distribution licensee for almost the entire state of West Bengal, except for certain areas, which are catered by private distribution licensees and accounts for about 80% of the power supply in the state and caters to almost 203 lakh customers.

Key Strengths

- Subsidy received in timely manner in FY 2020
- Receivables days have consistently remained below 90 days
- Collection efficiency remains high in FY 2020
- Monthly Variable Cost Adjustment (MVCA) framework for pass-on of increases in power purchase cost is operational

Key Concerns

- Deterioration in cost coverage to 0.92x in FY 2020
- AT&C loss continue to remain high at 20.16% in FY 2020, although improved over previous year
- Non-issuance of Tariff order for last three years
- High power purchase cost
- Cost efficiency constrained by high O&M and employee cost

Key Actionables

- Improvement in AT&C loss levels through improvement in billing and collection efficiency
- Improvement in cost coverage through tariff rationalization and reduction in power purchase and O&M costs
- Timely issuance of tariff orders



CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

Background

Chhattisgarh State Power Distribution Company Limited (CSPDCL) was formed in 2009, consequent to the unbundling of Chhattisgarh State Electricity Board (CSEB). CSPDCL supplies power to the entire state of Chhattisgarh. Its consumer base stood at 57.55 lakh as at the end of FY 2020. As per the provisional results provided for FY 2020, CSPDCL registered total revenue of ₹ 15,452 crore and net loss of ₹ 1,103 crore.

Key Strengths

- High fixed asset creation as reflected in fixed assets to total debt ratio of 2.08 times in FY 2020
- Improvement in cost coverage ratio to 1.01x in FY 2020 (PY: 0.82x)
- Implementation in place for automatic pass through of fuel cost

Key Concerns

- High AT&C losses of 27.94% in FY 2020
- Delay in finalization of audited accounts of FY 2020
- Delay in receipt of receivables from the State Government in FY 2020
- High receivables and payables at 203 days and 166 days respectively in FY 2020
- Low interest coverage and negative net worth

Key Actionables

- AT&C losses to be reduced through better billing and collection efficiency
- Timely preparation of audited accounts
- Timely payment of subsidy by the State Government
- Reduction in receivables and payables