

S.No.	Parameters	Score
<b>2</b>	<b>External Parameters</b>	<b>15</b>
<b>I.</b>	<b>Regulatory</b>	<b>11</b>
<b>i)</b>	<b>Regulatory Environment</b>	<b>9</b>
<b>a</b>	<b>Tariff Filing / Tariff Order</b>	<b>9</b>
i	Tariff Petition Filed for next financial year (As on 30th November)	2
	MYT Petition filed for year FY (T+1)	1
ii	Non-filing of Tariff petition / Non-issuance of Tariff Order	
	No tariff petition / order for current year	-1
	No tariff petition / order for last two years	-3
	No tariff petition / order for last three years	-5
iii	Tariff Order Issued as per regulations - Tariff Order for Current Financial Year	3
iv	True-up order for year, prior to previous year issued on basis of audited accounts	2
	If there is no True-up order	-1
v	Return on Equity	
	Return on equity – CERC / F.O.R. norms followed 100%	1
	Return on equity – CERC / F.O.R. norms followed partially	0.5
	Return on equity – CERC / F.O.R. norms not followed	-1
vi	Untreated Revenue Gap in the ARR order	-5
<b>b</b>	<b>Regulatory Asset</b>	<b>0</b>
	If Regulatory Asset not created or if created carrying cost has been allowed by Regulator	0
	If carrying cost is not allowed by Regulator	-2
	If regulatory asset carried for more than 3 years	-3
<b>ii)</b>	<b>Auto. Pass through of FC (Implementation)</b>	<b>2</b>
	If implemented	2
	If not implemented	-1
<b>iii)</b>	<b>Transco (State Transmission Utility) is not formed</b>	<b>0</b>
	Transco (State Transmission Utility) is not formed	-3
<b>II.</b>	<b>Govt. Support</b>	<b>4</b>
<b>i)</b>	<b>Tariff Subsidy Support</b>	<b>4</b>
<b>A)</b>	<b>Advance payment of Subsidy</b>	
	If advance payment made as per direction of regulator	4
	If advance payment made in a periodic manner i.e. monthly / quarterly as per directions of regulator	4
	Where the utility's consumer profile does not include any subsidized category and hence subsidy not reflected in utility's books of accounts and if the utility has registered positive PAT during the relevant period	4
<b>B)</b>	<b>Where Subsidy not paid in advance</b>	
	Entire subsidy is released by Govt. within the end of the first quarter of the subsequent year.	3
	Only part of the subsidy is released by Govt. within the end of the first quarter of the subsequent year	Proportionate
Note : In the absence of specific direction on subsidy payment by SERC, the subsidy booked in the accounts would form the basis for evaluation of this parameter		

S.No.	Parameters	Score
<b>3</b>	<b>Financial Parameters</b>	<b>42</b>
<b>I.</b>	<b>Ratios</b>	<b>15</b>
<b>a</b>	<b>Cost Coverage Ratio</b>	<b>15</b>
	<i>Marks for absolute levels</i>	
	Equal to or more than 1.01	15
	Less than 1.01 upto 0.86	Proportionate
	Equal to 0.86	0
	<i>Marks for Improvement</i>	
	$\frac{\{CCR \text{ in FY(T-1)} - CCR \text{ in FY(T-2)}\}}{\{ \text{Benchmark CCR} - CCR \text{ in F(T-2)}\}}$ Where, CCR = Cost Coverage Ratio, Benchmark CCR = 0.93, T = Current Year	
	If the above ratio $\geq 1$	7
	If the above ratio is between 0 to 1	Proportionate
	If the above ratio $\leq 0$	0
	<i>Note : Higher of the two marks (either Absolute Marks or Marks for Improvement ) shall be assigned</i>	
<b>b</b>	<b>Interest Coverage Ratio</b>	<b>4</b>
	If ICR is 2 and above	4
	If ICR is less than 2 but equal to 1.5 and above	3
	If ICR is less than 1.5 but equal to 1.25 and above	1
	If ICR is less than 1.25	0
<b>c</b>	<b>Total Debt to Net Worth</b>	<b>3</b>
	Equal to 2.33 and less	3
	More than 2.33 but equal to 3	2
	More than 3 but equal to 4	1
	More than 4	0
	Negative Net Worth	-2
<b>II.</b>	<b>Sustainability</b>	<b>6</b>
<b>a</b>	<b>CAGR of total revenue on realized basis vs. CAGR of total expenditure over 3 years</b>	<b>2</b>
	<i>% Difference (CAGR Growth of Revenue – CAGR Growth of Expenditure)</i>	
	+3 to -3 (%)	2 to 0
	<i>(1% decrease in difference leads to reduction by ½ mark)</i>	
<b>b</b>	<b>Fixed Assets to Total Debt Ratio</b>	<b>4</b>
	If Ratio is equal to 80% and above	4
	If Ratio is less than 80% but more than 60%	Proportionate
	If Ratio is less than or equal to 60%	0
<b>III</b>	<b>Receivables</b>	<b>5</b>
	$\leq 60$ days	5
	Between 60 and 90 days	Proportionate
	$= 90$ days	2
	Between 90 and 120	Proportionate
	$\geq 120$	0
<b>IV</b>	<b>Payables</b>	<b>4</b>
	$\leq 60$ days	4
	Between 60 and 90 days	Proportionate
	$= 90$ days	0
<b>V</b>	<b>Audited Accounts</b>	<b>5</b>

S.No.	Parameters	Score
<b>3</b>	<b>Financial Parameters</b>	<b>42</b>
	<b>Availability of Audited Annual Accounts (Statutory Audit)</b>	
	FY (T-1) (2019-20) Audited accounts made available by;	
	30th September of FY(T) (2020-21)	5
	31st October of FY(T) (2020-21)	4
	30th November of FY(T) (2020-21)	3
	31st December of FY(T) (2020-21)	2
	31st January of FY(T) (2020-21)	1
	FY (T-1) (2019-20) Audited accounts made available after 31st January of FY(T) (2020-21) / not available beyond 31st January of FY(T) (2020-21)	-6
	FY (T-2) (2018-19) Audited accounts made available after 6 months of FY (T-1) (2019-20) i.e. beyond 30th September of FY(T) (2020-21)	-9
	FY (T-2) (2018-19) Audited accounts made available after 9 months of FY (T-1) (2019-20) i.e. beyond 31st December of FY(T) (2020-21) / not available beyond 31st December of FY(T) (2020-21)	-12
	<i>Note1: Where latest audited accounts (i.e. FY (T-1)) have been made available, then marks assigned for the same shall be the final marks considered for the parameter (irrespective of any negative marks that may be applicable for late submission of previous years accounts)</i>	
	<i>Note 2: Where latest audited accounts (i.e. FY (T-1)) have not been made available then the marks assignable w.r.t. earliest year for which audited accounts are not available shall be the final marks to be awarded (irrespective of negative marks that may apply for subsequent years also i.e. negative marks are not additive)</i>	
	<i>Note 3: In case the auditors qualify in their main report that the accounts do not give a true and fair view, Zero marks be assigned against the parameters which are directly derived from the audited financial statements and for the non-financial parameters, marks would be awarded as per the approved Integrated Ratings methodology (refer Appendix 1).</i>	
<b>VI</b>	<b>Audit Qualifications</b>	<b>0</b>
	Non-provision / payment of Employee related liabilities / Statutory dues in the accounts/ Non-adoption of Ind-AS for annual accounts (subject to the condition that Ind-AS is mandatorily applicable to such utilities)	-1
<b>VII</b>	<b>Default to Banks / FIs</b>	<b>0</b>
	in FY (T-1) year	-1
	in both FY (T-1) & FY (T-2)	-2

- All State Distribution Utilities would be required to furnish requisite inputs on year to year basis along with relevant documents like Audited Annual Accounts, ARR submitted to SERC, SERC orders, Business Plan, State Budgetary Plan, State Govt orders/notifications, Subsidy release particulars etc.
- Extent of Subsidy realisation (i.e. aggregate subsidy received against aggregate subsidy booked over three years) shall be assigned negative marks over and above the total marks assigned otherwise as under;

Extent of Subsidy realisation	Penalty
More than 90%	0
80% to 90%	- 5
70% to 80%	- 10
Below 70%	- 15

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	Parameters	Weightage	Input Source
<b>1</b>	<b>OPERATIONAL &amp; REFORM Parameters</b>	<b>43</b>	
<b>I ) Operational related</b>			
<b>i)</b>	<b>AT&amp;C Losses</b>	<b>28</b>	
a	AT&C Loss Levels	15	Audited Accounts
b	Billing Efficiency	8	Other Sources
c	Collection Efficiency	5	Audited Accounts
<b>ii)</b>	<b>Power purchase</b>	<b>3</b>	
a	Power purchase planning & procurement	1	Other Sources
b	Cost Competitiveness of power purchase	2	Audited Accounts
<b>iii)</b>	<b>Cost Efficiency</b>	<b>6</b>	
a	O&M & Adm. Costs / Revenue	3	Audited Accounts
b	Employee Cost /Revenue	3	Audited Accounts
<b>II )Reform related</b>			
<b>iv)</b>	<b>RPO Compliance</b>	<b>2</b>	Other Sources
<b>v)</b>	<b>Corporate Governance</b>	<b>4</b>	Other Sources
<b>2</b>	<b>EXTERNAL Parameters</b>	<b>15</b>	
<b>I) Regulatory</b>			
i)	Regulatory Environment	9	Other Sources
ii)	Auto. Pass through of FC (Implementation)	2	Other Sources
iii)	Transco (State Transmission Utility) is not formed	0	Other Sources
<b>II) Govt. Support</b>			
i)	Tariff Subsidy Support	4	Other Sources
<b>3</b>	<b>FINANCIAL Parameters</b>	<b>42</b>	
<b>I) Ratios</b>			
a	Cost Coverage Ratio	15	Audited Accounts
b	Interest Coverage Ratio	4	Audited Accounts
c	Total Debt to Net Worth	3	Audited Accounts
<b>II) Sustainability</b>			
a	CAGR of total revenue on realized basis vs. CAGR of total expenditure over 3 years	2	Audited Accounts

	Parameters	Weightage	Input Source
b	Fixed Assets to Total Debt Ratio	4	Audited Accounts
<b>III) Receivables</b>		5	Audited Accounts
<b>IV) Payables</b>		4	Audited Accounts
<b>V) Audited Accounts (<u>Timely Submission of Accounts</u>)</b>		5	Other Sources
<b>VI) Audit Qualifications</b>		0	Audited Accounts
<b>VII) No default to Banks / FIs (in last 2 years)</b>		0	Audited Accounts
<b>GRAND TOTAL (Input Sources: Audited Accounts)</b>		<b>65</b>	

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सत्यमेव जयते

# Ministry of Power

Government of India

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