MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd

(A Govt. of Maharashtra Undertaking)
CIN: U40109MH2005SGC153645

PHONE NO. : 26474211
FAX NO. : 26580645
Email :ceremsedcl@gmail.com
Website: www.mahadiscom.in

PLOT NO. G-9, PRAKASHGAD,
Prof. ANANT KANEKAR MARG,
BANDRA (E), MUMBAI-400 051.

Ref. No.: CE/RE/ 5467 **Date: 04/03/2022**

To,
The Secretary,
Maharashtra Electricity Regulatory Commission,
World Trade Centre, Centre No.1,
13th Floor, Cuffe Parade, Mumbai.

Sub: Compliance Report of in MERC Case No.107 / 108/ 109/ 110 of 2021 & 111 /112 /113 /114 /115/116/117/118 of 2021, 26 of 2019 & 126 of 2021 filed by Wind Generators against Maharashtra State Electricity Distribution Company Limited.

Ref: 1.Common order dated 04.02.2022 MERC Case No.107 / 108/ 109/ 110 of 2021 & 111 /112 /113 /114 /115/116/117/118 of 2021
2. MERC order dated 31.01.2022 in MERC Case No 126 of 2021.
3. MERC order dated 05.01.2022 in Case No 26 of 2019.
4. MSEDCL Compliance report dated 03.12.2021 & 30.12.2021.

Respected Sir,

With respect to above subject and in pursuance of Hon'ble Commission Order, it is most respectfully submitted that MSEDCL is facing severe cash-flows issues, which are already placed through various submissions before this Hon'ble Commission. There is never any willingly delayed payment to the wind generators. Instead of financial difficulties MSEDCL, has done payment on best effort basis to the wind generators time to time. The payment done details in last 5 years are tabulated as below:

Sr. No..	Financial Year	Amount (in Cr)
1	2017-18	3516.33
2	2018-19	5807.77
3	2019-20	3402.11
4	2020-21	911.26
5	2021-22 (Till Feb-2022)	2899.78
Total		**16537.25**

The important factor for financial crisis of MSEDCL is very low recovery from agriculture consumers although it covers around 30% sale of MSEDCL. In order to recover agriculture consumers arrears herculean efforts are being put up by MSEDCL by introducing Agriculture Policy 2020 and carrying out severe disconnection drive. This has resulted into five times increase in recovery of arrears from agriculture consumers in past 2 years i.e. from 4.6% to 23.5% in FY 2020-21 and 23.9% in FY 2021-

22 upto Feb-2022. This will further increase with the collection in the month of Mar-2022 as MSEDCL is focusing on collection from agriculture consumers and disconnection for recovery of arrears.

Financial Year wise Demand and Collection-AG				
Sr. No.	**Financial Year**	**Demand (Crs)**	**Total Collection (Crs)**	**Total Collection Efficiency (%)**
1	2018-19	6518	299	4.6
2	2019-20	5378	330	6.1
3	2020-21	5709	1343	23.5
4	2021-22 (Feb-22)	6413	1532	23.9

Further, the arrears of government departments for supply of electricity to public water works and street light consumer's category are accumulated to the tune of Rs.8960 Crs as on Jan-2022 including interest. The detail of arrears is as below.

Govt. Dept. Arrears (LIVE+PD) As on Jan-2022

(Rs in Crs)

GoM DEPT.	CATEGORY	CONS IN ARREARS	PRINCIPAL	INTEREST	Total
GRAM VIKAS	PWW	55,830	1090	897	1987
	St. Light	67,093	3347	2572	5920
	Grand Total	**122923**	**4437**	**3469**	**7907**
NAGAR VIKAS	PWW	7,814	277	348	625
	St. Light	24,114	221	206	428
	Grand Total	**31928**	**498**	**555**	**1053**
TOTAL GoM ARREARS	PWW	63644	1366	1246	2612
	Street Light	91207	3569	2779	6348
	Grand Total	**154851**	**4935**	**4025**	**8960**

For recovery of Govt. Dept. Arrears discussions are going on at various levels of Government. Several meeting has been held with Chief Minister, Dy. Chief Minister and Chief Secretary of GoM. A meeting is also held on 4.03.2022 with Chief Secretary of GoM, for payment of electricity bill arrears of GoM depts., wherein it is assured that they would take up the matter in the cabinet meeting and would pay as per approval of cabinet.

MSEDCL further respectfully submits to the Hon Commission that the company is going through worst financial crisis due to COVID-19 pandemic and subsequent Lock Down imposed by Authorities last year and this year also. During Lockdown period power consumption of subsidising & subsidised consumer i.e consumer mix is totally changed against as approved by Hon'ble Commission and power scheduled is increased drastically for subsidised consumers. Therefore the cross subsidy structure given by the Hon'ble Commission to MSEDCL in the MYT Order has completely collapsed and this has caused loss to the tune of Rs.7500 Crs to MSEDCL.

The financial position of MSEDCL is very precarious and add to that, REC vide its letter dated 07.10.2021 informed that ministry of power has mandated additional prudential norms to REC for

providing future sanctions to State Power utilities wherein for lending working capital loans to Discom the compliance of additional prudential norms of "Working Capital shall be restricted to 25% of total revenue as per audited accounts." is mandated which is very stringent and we may face difficulty for getting working capital loans from REC/PFC and banks in future. Currently, MSEDCL is struggling to comply with few of the norms such as Zero outstanding subsidies from Government, Working Capital Borrowing Restricted to 25% of total revenue, No outstanding dues from Government Department for current period and AT &C Losses and ACS-ARR Gap. The Non-Compliance of any of these norms will lead to ineligibility for future borrowings, Therefore MSEDCL is facing difficulty in raising additional Borrowing. Bank of India vide its mail dated 28th December 2021 has not considered company's loan application on same ground and communicated refusal to sanction the loan. MSEDCL will have to repay the loan amount of Rs.23000 crs up to March-23, which averages to be Rs.1538 crs inclusive of interest per month.

Inspite of all above difficulties MSEDCL, is implementing recovery drives rigorously. However, MSEDCL is finding difficulty in recovery and there is lot of agitations and manhandling to its employees which can be seen from the media news also. MSEDCL has deployed all its staff from Director level to Line staff for recovery of arrears and could recover Rs. 74,963 Cr as compared to Rs. 54,442Cr which is Rs. 20,500 Crs more over the last year even though employees have to face man handling and agitation on field. This may be considered as the highest recovery so far in the history of MSEDCL/MSEB. The comparative figures of recovery is tabulated below:

MSEDCL-Month wise collection in 2020 and 2021(Amount in Cr)

Month/Year	2020-21	2021-22	Rise
February	5284	6996	1712
March	5054	8543	3489
April	2212	4942	2730
May	2042	5009	2967
June	3167	6315	3148
July	3963	6283	2320
August	5398	5898	500
September	5582	6155	573
October	5590	6104	514
November	4950	6086	1136
December	5370	6512	1142
January	5830	6120	290
Total	**54442**	**74963**	**20521**

Thus, MSEDCL is trying at its best for recovery of bills and payment to generators. MSEDCL is bound to comply Hon'ble Commissions order and accordingly MSEDCL had submitted a payment plan on Dated 25.06.2021 to Hon'ble Commission for clearing the principal outstanding dues for generation month Jan 2020 to Dec.2020 amounting to Rs.1973.69 Crs by Dec 2021. In fact of above, MSEDCL has complied and thus cleared all the principal outstanding dues on 28th Dec 2021.

Further, regarding reconciliation of payments, it is most respectfully submitted to Hon. commission that MSEDCL has time to time called the wind generators for reconciliation of data / payments and shared all data, joint verification of this data is done with them and the reconciliation is finalised which is duly signed by generators and MSEDCL. Till date MSEDCL has reconciled the data of around 95 wind generators as per their request and Hon. commission directives which will be continued in future also.

As directed by Hon. Commission, MSEDCL developed a reconciliation mechanism (through NCE portal) by which generators can view invoice wise outstanding and paid amount. Also MSEDCL provides contact details on website/NCE portal. Also, it is submitted to the Hon'ble Commission that generators are already facilitated with the online credit notes as well as billing and payments without any manual intervention.

MSEDCL is taking utmost care for payment of wind generators will be done as per availability of fund. The payment plan for outstanding payments of wind generators is bifurcated as below:

Sr No	Generation Month	Expected payment Dates
1	Upto March -2021	On April -2022
2	April-2021 to June-2021	Jun-2022
3	July-2021 to September-2021	August -2022
4	October-2021 to December-2021	October-2022

From above table, it is very clear that balance payment from Jan 2021 to Dec 2021 are being done with priority as mentioned above and will adhere to above payment plan on best effort basis as per availability of loan and its financial position.

Further, it is submitted to Hon'ble Commission that it is the continuous endeavor of MSEDCL to abide by the Electricity Act, Rules, Regulations and various orders of the Commission and is always in forefront for the same.

It is submitted to Hon'ble Commission to consider all facts mentioned above sympathetically and consider above reconciliation mechanism and payment plan to wind generators.

Chief Engineer (Renewable Energy)

Copy s.w.r.to:

The Director (Commercial)/ Director (Finance),, MSEDCL, Mumbai.

Copy to:

The OSD to CMD, MSEDCL, Mumbai.