

April 17, 2025,
Hyderabad.

To

The Commission Secretary,
T.G.E.R.C, Kalyan Nagar,
S.R Nagar, Hyderabad.

Dear Sir,

**Subject: Request for Financial Viability Measures for Small Farmers under PM KUSUM
Component-A (500 KW Grid-Connected Solar Power) in Telangana**

Lr.No.CE/IPC/DE(IPC)/ADE/F.PM KUSUM D.No.1768 /24-25,Dt: 01.03.2025

I am writing to you in my capacity as a financial analyst and the son of a farmer. I attended the public hearing held at your office on April 17, 2025, where I raised concerns regarding the financial challenges faced by small farmers in Telangana who wish to apply for Grid-Connected solar power projects under the PM KUSUM Component-A, specifically for 500 KW installations with limited capital. I am now submitting this written request to further elaborate on these difficulties.

I would like to acknowledge the efforts of the Chairman, TGERC, TGREDCO, and the Discoms in bringing the PM KUSUM Component-A to Telangana. This initiative holds significant promise in generating a stable long-term income for small farmers and reducing poverty if implemented effectively. We have three applications filed by my cousins, demonstrating interest within our farming community.

I wish to represent the case of a small farmer who owns 2 acres of land located within a 5 KW radius to the 33/11 substation. This farmer is prepared to invest a substantial portion of his lifetime savings, ranging from ₹20 to ₹25 lakhs (his current annual income is ₹3 to ₹4 lakhs), to secure a modest yet stable income without having to sell his land. He is also willing to personally oversee the plant as a watchman and undertake the cleaning of the solar panels to minimize operational costs. His primary expectation is to generate a sustainable income for his livelihood from this investment for the next 25 years. **Attached is a detailed financial model outlining the monthly EMIs is attached for your review. I see the farmer earns 45K per month (income of 20K per month as salary and 25k Interest (1%) for 25 lakhs investment) from this project.**

Unfortunately, the State Bank of India (SBI) and other bankers are currently unconvinced about the financial viability of such projects for small farmers. They are hesitant to provide

loans for the above farmer, expressing concerns about the fact that the projects is NOT viable and will lead to a Non-Performing Assets (NPAs). Below are the illustrations which are NOT in sync and will present the ground reality of the understanding with bankers at the time of loan disbursement.

1. Bankers do not agree with the financial illustration created based on my understanding for 500KW (attached is the excel spreadsheet)
2. I have got this financial illustration from SBI Bank for 1000KW (attached is the SBI Manager Illustration)
3. Meeting minutes and financial information from TGREDCO for 1000KW held on 22nd March 2025 (attached is the TGREDCO MOM)

Therefore, I **respectfully request the esteemed panel, along with financial experts from TGREDCO and Discoms, to collaboratively develop a viable financial model in conjunction with the banking sector. This model should aim to ensure long-term financial sustainability and provide a stable income from day one, for small farmers in Telangana who wish to participate in the PM KUSUM Component-A.**

Furthermore, I **also urge the Discoms to actively engage in making this scheme a success for small farmers. Simply offering ₹3.13 per KWH and imposing stringent penalty clauses in the Power Purchase Agreements (PPAs), which are often difficult for farmers to comprehend initially, is insufficient.** This scheme places an additional responsibility on Discom officers to facilitate the transition of our "Anna Dhata" (food provider) to "Surya Shakti Dhata" (solar power provider) effectively, without inadvertently pushing vulnerable small farmers into deeper financial hardship in the long run.

I deeply appreciate the tireless efforts of officers across various departments who are working towards a sustainable future for our society and striving to provide consistent income opportunities for our farmers in Telangana. As a representative of small farmers, I humbly request continued and enhanced handholding support from the concerned officers to ensure the successful implementation and accessibility of PM KUSUM Component-A for those with limited capital.

Thank you for your time and consideration of this important matter, which I discussed during the public hearing in TGERC office on 17th April. I remain available for further discussion, or any additional support needed to make this project viable for Telangana's small farmers and contribute to green energy for future generations.

Truly

Sai Pavan Atmakur
Farmer and Financial Consultant

Application No: **TG/PM KUSUM-A/24-25/02337**

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Attachments:

1. EMI Illustration excel spreadsheet for 500KW based on my understanding.
2. SBI Manager Illustration for 1000KW.
3. Meeting minutes and financial information from TGREDCO for 1000KW held on 22nd March 2025

Kindly refer the letter from TGSPDCL with Ref, on page 12 of 13

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- **Catalyst for Rural Empowerment:** The intention of the PM Kusum scheme is to motivate farmers in installing solar power plants which will enhance their earnings which in turn develop the rural areas thus catering the agricultural load during the day time through installation of decentralized solar power plants across the rural areas.