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Property Description	:	Not Applicable
Consideration Price (Rs.)	:	0 (Zero)
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This e-Stamp forms an integral part of the Tripartite Memorandum of Understanding dated 11th March, 2016 executed amongst Ministry of Power, Government of India, Government of Haryana and Haryana DISCOMs *(Uttar Haryana Bijli Vitaran Nigam Limited (UHBVNL) and Dakshin Haryana Bijli Vitaran Nigam Limited (DHBVNL))* at New Delhi.

TRIPARTITE MEMORANDUM OF UNDERSTANDING

AMONGST

Ministry of Power, Government of India

AND

Government of Haryana,

AND

Haryana Distribution Companies

For achieving turnaround of Haryana Distribution Companies (Uttar Haryana Bijli Vitran Nigam Limited and Dakshin Haryana Bijli Vitran Nigam Limited)

This TRIPARTITE MEMORANDUM OF UNDERSTANDING (hereinafter referred to as the **"Tripartite MOU")** is made this 11TH day of March 2016.

BY AND AMONGST

Ministry of Power, Government of India, having its Office at Rafi Marg, Sansad Marg Area, New Delhi - 110001 which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **FIRST PART;**

AND

Government of Haryana (hereinafter referred to as "**Government of Haryana**" which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **SECOND PART**

AND

Haryana Distribution Companies (UHBVNL and DHBVNL) (herein after referred to as **"Haryana DISCOMs"** which expression shall unless repugnant to the context or meaning thereof includes its successors and assigns) of the **THIRD PART**.

The Government of India, the Government of Haryana, and the Haryana DISCOMs are hereinafter also referred to collectively as the **"Parties"** and individually as the **"Party"**.

Definitions:

"Effective Date" means the date of signing of the MOU

"Cut-off Date" means 30th September 2015

"Haryana DISCOMs" means Uttar Haryana Bijli Vitaran Nigam Limited (UHBVNL) and Dakshin Haryana Bijli Vitaran Nigam Limited (DHBVNL)

"Bonds" mean the bonds issued by the Haryana DISCOMs under the Central FRP scheme 2012 and UDAY.

"Outstanding Debt" means the debt of the DISCOMs including Bonds and capex as well as short term loans of Banks and FIs

Preamble:

Haryana DISCOMs are reeling under financial stress. During the financial year 2013-14, the revenue deficit was Rs 3553 Crores. During the financial year 2014-15, the revenue deficit is likely to be Rs 2117 Crores. Upto the end of the year 2014-15, the accumulated losses of both the DISCOMs stood at Rs 29029 Crores. As on 30th Sept., 2015 the outstanding debt of the DISCOMs was Rs 34600 Crores. On the said outstanding debt, the DISCOMs are bearing total interest burden of Rs 2374 crores which translates into the interest cost of Rs 0.74 per unit for the year 2014-15. It is significantly higher than the national average of Rs 0.44 per unit. Because of the higher interest burden, there is significant gap in the average cost of supply (ACS) and the average revenue recovery (ARR). The ARR is meeting only 92.11% of the ACS.

The Govt. of India, the Govt. of Haryana and Haryana DISCOMs have entered into this tripartite MOU in order to improve operational and financial efficiency of the Haryana DISCOMs with an objective to enable financial turnaround of the DISCOMs.

NOW IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO as follows:

1. Obligations/ Commitments:

1.1. The Government of India hereby agrees to undertake the following measures:

a) As on 30th Sept., 2015 the outstanding debt of the DISCOMs was Rs 34600 Crores. The Govt. of Haryana shall take over 50% of the outstanding debt of the DISCOMs as on 30th Sept., 2015 in the year 2015-16 amounting to Rs 17300 Crores; and 25% of the outstanding debt amounting to Rs 8650 Crores in the year 2016-17. The taking over of outstanding debt by Govt. of Haryana shall be in accordance with provisions of this MoU. The lender wise loan details are attached as Annexure-A;

b) Facilitating Banks / FIs not to levy any prepayment charge on the DISCOM debt. Banks / FIs shall waive off any unpaid overdue interest and penal interest on the DISCOM debt and refund / adjust any such overdue / penal interest paid since 1st October 2013. 50% of DISCOM debt as on 30th September 2015, as reduced by any waivers by Banks / FIs shall be converted by the Banks/FIs into loans or bonds with interest rate not more than the bank's base rate plus 0.1%. Alternately, this debt maybe fully or partly issued by the DISCOM as State guaranteed DISCOM bonds at the prevailing market rates which shall be equal to or less than bank base rate plus 0.1%;

c) Facilitating through Ministry of Coal, increase in supply of domestic coal to Haryana Generating Company;

d) Ensuring rationalization of coal linkages;

e) Liberally allowing coal swaps from inefficient plants to efficient plants and from plant situated away from mines to pithead plants;

f) Rationalizing coal prices based on Gross Calorific Value (GCV);

g) Ensuring correction of coal grade slippages through re-assessment of each mine;

h) Directing Coal India to supply 100% washed coal for G10 grade and above by 1st October 2018;

i) Ensuring supply of 100% crushed coal from Coal India by 1st April 2016;

j) Faster completion of ISTN lines;

k) Allocating linkages to state at notified price based on which the State will go for tariff based bidding. This will help in getting cheaper power and revive stressed assets;

l) State may get additional / priority funding through DDUGJY, IPDS, Power Sector Development Fund (PSDF) or other such schemes of MoP and Ministry of New and Renewable Energy (MNRE), if they meet the operational milestones outlined in the scheme.

1.2. The State Govt. of Haryana shall take the following measures:

a) 75% of the debt of Haryana DISCOMs as on 30th Sept., 2015 will be taken over by the State Govt.;

b) 50% of the outstanding debt amounting to Rs 17300 crores shall be taken over by the year 2015-16 and 25% of the debt amounting to Rs 8650 crores shall be taken over by the year 2016-17;

c) The Government of Haryana shall take over the debt according to the following timelines:

i. Year 2015-16: Last Quarter of the financial year (31.03.2016);

ii. Year 2016-17: End of Quarter 2 of the financial year (30.09.2016);

d) The Borrowings made by the state to takeover DISCOM debt during 2015-16 and 2016-17 shall be utilized by Government of Haryana solely for the purpose of discharging the DISCOM debt and shall be transferred to the DISCOMs as a mix of grant, loan and equity as described in the following table:

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
Year 1	50% of the total debt of Rs 34600 crore	11.25% (Rs 3892.50 crore)	35% (Rs 12110 crore)	3.75% (Rs. 1297.50 cr.)	Rs 12110 crore
Year 2	25% of the total debt of Rs 34600 crore	11.25% (Rs 3892.50 crore)	45% (Rs 15570 crore)	3.75% (Rs. 1297.50 cr.)	Rs 15570 crore
Year 3		11.25% (Rs 3892.50 crore)	30% (Rs 10380 crore)	3.75% (Rs. 1297.50 cr.)	Rs 10380 crore
Year 4		11.25% (Rs 3892.50 crore)	15% Rs 5190 crore)	3.75% (Rs. 1297.50 cr.)	Rs 5190 crore
Year 5		11.25% (Rs 3892.50 crore)	-	3.75% (Rs. 1297.50 cr.)	-

* DISCOMs will be spending approximately Rs 11000 Crores on CAPEX in the next 5 years. The CAPEX by utilities has to be supported by way of 20% additional equity by the State. The provision for the equity is made in the budget of the State every year. This equity against capex will be separate from the grant transferred as equity in the above table.

e) For the borrowings made by the state to takeover DISCOM debt, Government of Haryana shall take prior permission of Department of Expenditure, Ministry of Finance under Article 293 of the Constitution of India before approaching Reserve Bank of India to raise loans.

f) The borrowings made by the state to takeover DISCOM debt during 2015-16 and 2016-17 shall not be reckoned against the normal permissible net borrowings ceiling of the state determined by department of Expenditure, Ministry of Finance under the recommendations of 14th Finance Commission. However any borrowings made by the state after 31/03/2017 to takeover DISCOM debt shall be reckoned as part of the Net Borrowings ceiling of the state.

g) The discoms had issued bonds amounting to Rs 7366 crores to the banks under FRP 2012. The State Govt. is bearing annual interest liability of Rs 722 crores on these bonds. The bonds were issued on 22.11.2013. The State Govt. is paying the interest due six monthly on 22nd May and 22nd November every year. However under UDAY the takeover of first tranche of 50% debt is assumed on 31.03.2016 and as such the interest cost on these bonds for the period from 22.11.2015 to 31.03.2016 amounting to Rs 259 crores will be paid by the State Govt. to the discoms. This payment will be made in FY 2016 – 2017 so that the discoms can pay the interest on the due date;

h) The Government of Haryana shall issue non-SLR bonds to raise funds for providing grant / loan / equity to the Haryana DISCOMs;

i) The State Govt. shall provide and timely release equity support to the discoms to enable them to carry out their capital expenditure as per the schedule;

j) The takeover of the debt shall be in the order of debt already due, followed by debt with highest cost;

k) The Government of Haryana shall take over the future losses of the DISCOMs in a graded manner and shall fund the losses as follows:

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Previous Year's DISCOM loss to be taken over by State	0% of the loss of 2014-15	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 previous year loss

l) Government of Haryana shall provide Operational Funding Requirement (OFR) support to the Haryana DISCOMs till the DISCOMs achieve turnaround which shall also include the outstanding power purchase liabilities of the DISCOMs as on 31.3.2015;

m) All outstanding dues from the State Government departments to DISCOMs for supply of electricity shall be paid by 31.03.2016;

n) State Govt. shall clear all the outstanding dues of RE Subsidy and Equity & FSA.

o) Government of Haryana shall guarantee repayment of principal and interest payment for the balance debt remaining with DISCOMs / bonds issued by DISCOMs.;

p) Henceforth, Banks / FIs shall not advance short term debt to DISCOMs for financing losses. Therefore, Government of Haryana shall guarantee the bonds issued by DISCOMs or issue bonds itself to meet current losses after 1st October 2015, if any, within the limit of loss trajectory finalized by MoP;

q) Replacement of street lights with LEDs in all municipal towns through Nagar Nigam/ Municipal Corporations;

r) Improving efficiency of State Generating Units;

s) Government of Haryana shall endeavor to ensure that tariff hikes as reflected in Annexure-C are undertaken. Further the actual losses of the DISCOMs as given in the zero year and the loss trajectory proposed in the MOU will be reflected in the regulatory filings.

t) Government of Haryana will endeavor to ensure that all operational targets as enumerated in Section 1.3 are achieved;

u) Govt. of Haryana will provide full administrative support to the DISCOMs for achieving all operational targets as enumerated in Section 1.3; For strengthening of the transmission system with an objective to reduce overall transmission losses to the normative level of 2.50% by the year 2022;

v) Comprehensive proposals for re-structuring of the DISCOMs will be prepared. The re-structuring proposal will include surrendering of the redundant posts and creation of new posts required as per the needs of the DISCOMs.

1.3. The Haryana DISCOMs to take the following measures:

a) For the 50% of the debt remaining with it as on 31st March, 2016, DISCOM to fully/ partially issue state government guaranteed bonds or get them converted by Banks/FIs into loans or bonds with interest not more than the Banks base rate plus 0.1%. DISCOMs to ensure timely payment of lender's dues towards principal/ interest for the balance debt remaining with them;

b) The DISCOMs shall pay interest to the Government of Haryana on the outstanding Government of Haryana loan (loans taken over under the UDAY scheme but pending conversion to grant) in a financial year at the rate at which Government of Haryana issued non-SLR Bonds;

c) The DISCOMs shall endeavour to reduce AT&C losses from 29.58 % in FY 2014-15 to15% by FY 2018-19 as per the following trajectory:

Year	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
AT&C loss	28.05%	24.02%	20.04%	15%

However, if the target in a particular year is not met, then the DISCOMs shall strive to achieve the targets in the subsequent years so as to achieve the desired target of 15% AT&C losses by FY 2018-19;

d) The DISCOMs shall increase hours of power supply in areas showing reduction in AT&C losses;

e) The DISCOMs shall eliminate the gap between ACS and ARR by FY 2019-20. Detailed computations of year wise ACS-ARR gap along with financial projections have been attached as Annexure C;

f) The DISCOMs shall submit the detailed action plan by 31.03.2016 to achieve the projected trajectory for AT&C loss and ACS-ARR gap;

g) The DISCOMs shall adopt the following strategy to achieve the above mention AT&C loss trajectory:

(i) All the milestones prescribed by the Ministry of Power, Government of India in the UDAY Scheme will be achieved within the prescribed time frame which is as follows:

Activity	Targeted Benefit	Expected Date of Completion
Compulsory feeder and Distribution Transformer (DT) metering by States	Ability to track losses at the feeder and DT level for corrective action	Feeders – 30th June 2016 DTs — 30th June 2017
Consumer Indexing & GIS Mapping of losses	Identification of loss making areas for corrective action	30th September 2018

Upgrade or change transformers, meters etc.	Reduce technical losses and minimize outages	31st December 2017
Smart metering of all consumers consuming above 200 units/ month	Smart meters will be tamper proof and allow remote reading thus helping reduce theft, implementation of DSM activities and consumer engagement.	Consumption above 500 units/ month – 31st Dec. 2017. Others – 31st Dec. 2019.
Demand Side Management (DSM) which includes energy efficient LED bulbs, agricultural pumps, Fans & air-conditioners and efficient industrial equipment through PAT (Perform, Achieve, Trade)	Reduce peak load and energy consumptions. Annual estimated savings of Rs. 40000 Crore consumers from LED lighting programme alone.	31st March 2019
Quarterly tariff revision, particularly to offset fuel price increase, to be permitted.	Such periodic tariff revision will be easier to Implement and can be absorbed by consumers.	Necessary changes in tariff policy by the Government of India.
Comprehensive IEC campaign to check power theft.	Enhance public participation to reduce power theft.	One year awareness programme jointly with States upto 31st Dec. 2016.
Assure increased power supply in areas where the AT&C losses reduce.	Encourage local participation to reduce losses.	31st March 2018

(ii) Metering of the consumers is the most important commercial activity performed by the DISCOMs. In respect of urban areas following steps will be taken:

a) All electromechanical meters in urban areas will be replaced with Electronic meters by 31st March, 2017. After taking into account the time required for procuring the meters, month wise targets will be fixed by both the DISCOMs in respect of each of the districts.
b) All meters will be brought out from the residential premises and affixed outside the houses. This exercise has been completed in respect of about 70% of the urban areas. In respect of remaining urban areas it will be completed by 31st March, 2017.
c) At present automatic meter reading (AMR) is applicable on 50 KW and above HT industrial connections. Now the AMR/AMI metering will be done in respect of all consumers having connected loan of 20 KW or above. This exercise will be completed by the end of September, 2017.
d) In respect of rural areas, the Mhara Gaon Jagmag Gaon scheme will be extended to 250 feeders in 2015-16, 500 feeders in 2016-17, next 500 feeders by 2017-18; remaining 500 feeders by 2018-19.
e) A policy of losses linked supply hours will be prepared and followed i.e. those feeders/villages in which losses continue to be very high, their

supply hours will be reduced in accordance with the policy. This however will be done as per approval granted by the State Govt. from time to time.

f) Automatic meter reading of all the distribution feeders will be achieved by 31st March, 2017.

g) An Energy Audit and Data Analysis Wing will be created in each of the DISCOMs for receipt and analysis of the data to be generated from different categories of meters like feeder meters, AMR meters of the consumers having connected load of 50/20 KW , DT meters etc. This wing will create actionable reports on the basis of analysis of the data that will flow on regular basis. It will be made functional by 31st Dec. 2016.

h) The DISCOMs shall achieve operational milestones as specified in DDUGJY & IPDS;

i) The DISCOMs shall take the following measures for Loss Reduction:

(i) Undertaking name and shame campaign to control power theft from time to time;

(ii) Preparing loss reduction targets at subdivision/ division/ circle/ zonal level and making concerned officers responsible for achieving the loss reduction targets; the loss reduction targets at the Division level have been attached as Annexure B of MOU;

(iii) Implementing performance monitoring and management system MIS for tracking the meter replacement, loss reduction and day to day progress for reporting to top management;

(iv) Achieving 100% Distribution Transformer (DT) metering by 30 June 2017;

(v) Achieving 100% feeder metering by 30 June 2016;

(vi) Undertaking energy audit up-to 11kV level in rural areas by Haryana- by Sep. 2017;

(vii) Undertaking Feeder Improvement Program for network strengthening and optimization, to be completed by March 2017;

(viii) Undertaking Physical Feeder Segregation by March 2018;

(ix) Installation of smart meters for all consumers other than agricultural consumers consuming above 500 units / month by 31st December 2017 and consumers consuming above 200 units / months by 31st December 2019;

(x) Providing electricity access to 2,85,201 unconnected households as per trajectory finalized in the 24x7 Power for All document by FY 19;

(xi) Implementing ERP systems for better and effective inventory management, personnel management, accounts management etc to reduce costs and increase efficiencies by March 2018.

j) The DISCOMs shall undertake the following measures for Demand Side Management and Energy Efficiency:

(i) Providing LED for domestic and other category consumers under DELP program through EESL;

(ii) Undertaking consumer awareness programs for optimum utilization of resources and to foster long term behavioral changes;

(iii) Replacing at least 10% of existing agriculture pumps with energy efficient pumps by March 2019;

(iv) Implementing PAT scheme of BEE for improving energy efficiency in Industries;

k) The DISCOMs shall undertake the following tariff measures:

(i) Quarterly tariff revision particularly to offset fuel price increase;

(ii) Timely filing of Tariff Petition before the HERC so that Tariff Order may be issued for the year as early as possible;

(iii) Timely preparation of annual accounts of the DISCOMs, which shall also enable timely filing of the Tariff Petition;

l) The DISCOMs shall undertake the following measures to increase employee engagement:

(i) Initiating capacity building of employees to enhance technical, managerial and professional capabilities at induction level and in subsequent refresher trainings;

(ii) Devising Key Performance Indicators (KPIs) for each officer in-charge on areas of AT&C loss reduction and improvement in meter/billing/ collection efficiency. The performance of officer in-charge shall be linked to KPIs achieved and will attract incentive/ penalty;

m) The DISCOMs shall implement the following Customer Service Strategy:

(i) Setting up of Centralized Customer Call Center for timely resolution of complaints related to no current and other technical complaints, harassment by official, reporting of theft and safety related complaints;

(ii) Introducing more avenues to consumers for bill payment, which could be in terms of e-payment through net banking, credit/ debit card, kiosks at banks and post offices, village panchayats, mobile collection vans, etc;

n) The DISCOMs shall procure power through the transparent process of competitive bidding.

o) Every DISCOM shall identify the key personnel for implementing the scheme (UDAY).

p) DISCOMs shall devise the mechanism to motivate and encourage the staff.

q) CMD / MD of DISCOMs shall monitor the performance of DISCOMs on monthly basis.

r) Monthly monitoring formats alongwith targets shall be provided by the DISCOMs by 31/03/2016.

s) A committee for overseeing the performance of the DISCOMs headed by Hon'ble Chief Secretary will be constituted with Administrative Secretary of the Power Department, Administrative Secretary of the Finance Department and two senior officers having experience in the power sector as members. The committee may also co-opt two experts, if required. Inter-alia, this committee will discharge following functions:-

i. Monitor the functioning of Haryana Power Utilities with an aim to ensure that the targets assigned under the UDAY are achieved in accordance with the prescribed time schedule.
ii. To oversee that DISCOMs abide by all the commitments made under the UDAY tripartite MOU especially the achievement of loss reduction trajectory.
iii. The Committee may decide its own procedure.
iv. M.D.HVPNL will act as the Member Secretary of the Committee. He will also provide secretarial services to the committee.
v. HPUs will submit their requirements as well as plans of action from time to time to the committee for deliberations and making appropriate recommendations to the State Govt.
vi. The committee will meet at least once in two months.

t) The Power department will submit a quarterly report to the Council of Ministers on the status of implementation of UDAY and other related issues.

Detailed action plan for implementation of the targeted activities is attached as Annexure D of the MOU.

This document can be placed in public domain by any of the parties.

IN WITNESS whereof the Parties hereto have executed these presents the day, month and year first herein above written.

SIGNED AND DELIVERED BY
(on behalf of **MOP, Govt. of India**)

Signature .....

डा. अरुण कुमार वर्मा
Dr. ARUN KUMAR VERMA
संयुक्त सचिव / Joint Secretary
विद्युत मंत्रालय / Ministry of Power
भारत सरकार / Government of India
नई दिल्ली-110001 / New Delhi-110001

Name & Designation Dr. A K Verma, Joint Secretary (Distribution)

Address: Ministry of Power, Shram Shakti Bhawan, New Delhi-110001

in the presence of .....

Signature .....

Name & Designation Narender Singh

Address: US - MOP

SIGNED AND DELIVERED BY (on behalf of State **Govt.**)

Signature .....

Rajan Gupta, IAS
Addl. Chief Secy. to Govt. Haryana
Power Department

Name & Designation: Sh. Rajan Kumar Gupta, Additional Chief Secretary, Government of Haryana, Dept. of Power

Address: Haryana Civil Secretariat, Sector-1, Chandigarh.

in the presence of .....

Signature .....

Name & Designation ATMER SINGH GILL

Address: DIRECTOR HVPN.

SIGNED AND DELIVERED BY on behalf of
State DISCOM (UHBVNL)

Signature .....

Nitin Kumar Yadav, IAS
Managing Director,
UHBVN, Panchkula

Name & Designation: Sh. Nitin Kumar Yadav, M.D.
Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No.: C16, Sector-6,Panchkula, Haryana (India)

in the presence of .....

Signature .....

Name & Designation AMIT ~~SEWAN~~

Address: FINANCIAL ~~ADVISOR~~ /HQ
UHBVNL

SIGNED AND DELIVERED BY on behalf of
State DISCOM (DHBVNL)

Signature .....

Arun Kumar Verma
Managing Director
DHBVN, HISAR

Name & Designation: Sh. Arun Kr. Verma, M.D.
Dakshin Haryana Bijli Vitran Nigam
Vidyut Sadan, Vidyut Nagar, Hisar -125005

in the presence of .....

Signature .....
R.K. SHARMA
FA/HQ

Name & Designation DHBVNL, HISAR

Address:

Annexure – A

Lender wise loan details are as under:

Rs. in Crores

S.No.	Name of the Bank	UHBVNL	DHBVNL	Total
A	**Short Term/ Working Capital Loan**			
1	Allahabad Bank	951	335	1286
2	Bank of India	385	257	642
3	Bank of Maharashtra	156	0	156
4	ICICI Bank	28	0	28
5	Canara Bank	1189	839	2029
6	Central Bank of India	554	301	855
7	Dena Bank	143	352	496
8	Indian Bank	932	275	1207
9	Indian Overseas Bank	993	351	1344
10	Karnataka Bank	101	0	101
11	Oriental Bank of Commerce	502	243	745
12	Punjab National Bank	120	221	341
13	Punjab & Sind Bank	585	186	771
14	State Bank of Patiala	130	0	130
15	Syndicate Bank	407	518	925
16	UCO Bank	994	684	1678
17	Vijaya Bank	586	325	911
18	Andhra Bank	200	0	200
19	State Bank of India	1	0	1
20	Payable to HVPNL	874	626	1500
21	Loan from PFC-Transitional loan	2125	2000	4125
22	Loan from REC-Transitional loan	1570	1345	2915
23	UHBVNL Bonds issued under FRP 2012	5164	2202	7367
24	Liability of discoms towards composite Pension Fund Trust & PF Trust			1149
	Total (A)	**18689**	**11062**	**30900**
B	**Capital Loans**			
25	Loan from State Govt. (APDP, PMGY, NABARD)	21	29	50
26	Loan from NCRPB	8	28	36
27	Loan from PFC	48	72	120
28	Loan from REC	1682	1452	3134
29	World Bank loan	0	192	192
30	Punjab & Sind Bank	0	149	149
31	ICICI Bank	0	20	20
	Total (B)	**1758**	**1941**	**3699**
	Grand Total (A+B)	**20447**	**13003**	**34600**

Annexure B: Loss Reduction Targets at the Division Level (in %)

A: UHBVNL DISCOM: Circle / Division wise targets in respect of UHBVNL are as under:

Name of Circle / Divn.	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
KURUKSHETRA CIRCLE				
Kurukshetra Divn.	34.05%	28.23%	20.59%	14.48%
Shahbad	32.02%	26.20%	18.55%	12.45%
Pehowa	35.25%	29.42%	21.78%	15.68%
Circle Kurukshetra	**33.86%**	**28.04%**	**20.40%**	**14.29%**
KAITHAL CIRCLE				
Kaithal	35.95%	29.39%	24.43%	16.00%
Pundri	44.64%	30.25%	26.51%	14.86%
Gulha	33.28%	27.45%	19.81%	13.71%
Circle Kaithal	**38.05%**	**29.14%**	**23.83%**	**14.99%**
YAMUNA NAGAR CIRCLE				
City Y.Nagar	30.36%	26.14%	17.70%	13.72%
Jagadhri	34.05%	28.23%	20.59%	14.48%
Naraingarh	34.76%	28.94%	21.30%	15.19%
Circle Y.Nagar	**32.55%**	**27.45%**	**19.45%**	**14.30%**
AMBALA CIRCLE				
Ambala Cantt.	29.37%	25.15%	16.71%	12.73%
City Ambala	32.30%	26.48%	18.84%	12.73%
Panchkula	15.25%	15.25%	15.25%	11.77%
Circle Ambala	**24.43%**	**21.53%**	**16.59%**	**12.35%**
KARNAL CIRCLE				
City Divn. Karnal	23.25%	19.48%	20.21%	13.73%
S/U I Karnal	33.91%	28.08%	20.44%	14.34%
S/U 2 Karnal	36.32%	29.76%	24.80%	16.37%
Circle Karnal	**31.48%**	**26.04%**	**21.78%**	**14.81%**
ROHTAK CIRCLE				
Rohtak Divn.	36.29%	26.87%	20.81%	12.87%
S/U No. 1 Rohtak	53.54%	40.63%	34.68%	23.76%
S/U No. 2 Rohtak	44.70%	30.31%	26.57%	14.93%
Circle Rohtak	**43.18%**	**31.48%**	**26.07%**	**16.33%**
SONEPAT CIRCLE				
City Sonepat	19.53%	19.53%	19.53%	16.05%
S/U Sonepat	36.23%	29.68%	24.72%	16.28%
Gohana	49.57%	36.67%	30.71%	19.80%
Circle Sonepat	**30.24%**	**25.85%**	**23.15%**	**16.73%**
PANIPAT CIRCLE				
City Panipat	16.13%	16.13%	16.13%	12.66%
S/U Divn. Panipat	26.96%	23.19%	23.93%	17.45%
Smalkha	33.18%	26.62%	21.66%	13.23%
Circle Panipat	**25.12%**	**21.83%**	**20.84%**	**14.81%**

JHAJJAR CIRCLE				
Jhajjar Divn.	47.73%	33.24%	30.26%	19.34%
Bahadurgarh	26.27%	22.49%	23.23%	16.75%
Beri	38.06%	28.64%	22.58%	14.64%
Circle Jhajjar	**32.86%**	**25.85%**	**24.47%**	**16.83%**
UHBVN	**31.61%**	**25.94%**	**21.64%**	**15.01%**

B: DHBVNL DISCOM: Circle / Division wise targets in respect of DHBVNL are as under:

Name of Circle	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
FARIDABAD CIRCLE				
Faridabad Divn.	5.52%	5.28%	5.08%	4.92%
Old FBD Divn.	17.32%	15.44%	12.89%	10.30%
Ballabgarh Divn.	11.21%	9.99%	8.34%	6.67%
Greater Divn.	45.12%	42.38%	40.83%	38.50%
Circle Faridabad	**12.52%**	**11.16%**	**9.31%**	**7.45%**
PALWAL CIRCLE				
Palwal Divn.	37.55%	33.47%	27.93%	22.34%
Sohna Division	37.14%	33.11%	27.63%	22.09%
Nuh Division	64.46%	57.45%	47.95%	38.34%
Circle Palwal	**43.21%**	**38.51%**	**32.14%**	**25.70%**
GURGAON CIRCLE				
City Division GGN	9.38%	8.36%	6.98%	5.58%
S/U Divn. Gurgaon	8.60%	7.67%	6.40%	5.12%
Manesar Division	12.62%	11.25%	9.39%	7.51%
Gurgaon Circle	**9.93%**	**8.85%**	**7.39%**	**5.91%**
NARNAUL CIRCLE				
Narnaul Division	38.99%	34.75%	29.00%	23.19%
Mohindergarh Divn.	39.10%	34.85%	29.09%	23.26%
Narnaul Circle	**39.27%**	**35.01%**	**29.21%**	**23.36%**
REWARI CIRCLE				
Rewari Division	32.11%	28.62%	23.88%	19.10%
Dharuhera Division	16.14%	14.39%	12.01%	9.60%
Rewari Circle	**22.93%**	**20.44%**	**17.06%**	**13.64%**
BHIWANI CIRCLE				
City Division Bhiwani	43.39%	38.68%	32.28%	25.81%
S/U Division Bhiwani	35.53%	31.67%	26.43%	21.13%
Ch. Dadri Division	54.66%	48.72%	40.66%	32.51%
Bhiwani Circle	**44.93%**	**40.05%**	**33.42%**	**26.73%**

HISAR CIRCLE				
Division No.-I, Hisar	14.04%	12.51%	10.44%	8.35%
Division No.-II, Hisar	35.45%	31.60%	26.37%	21.08%
Hansi Division	53.00%	47.24%	39.42%	31.52%
Fatehabad Division	30.06%	26.79%	22.36%	17.88%
Tohana Division	36.56%	32.59%	27.19%	21.74%
HISAR CIRCLE	**32.66%**	**29.11%**	**24.29%**	**19.42%**
SIRSA CIRCLE				
City Division Sirsa	20.74%	18.49%	15.43%	12.34%
S/U Division Sirsa	19.08%	17.00%	14.19%	11.35%
Dabwali Division	20.78%	18.52%	15.46%	12.36%
Sirsa Circle	**20.19%**	**17.99%**	**15.02%**	**12.01%**
JIND CIRCLE				
Jind Divn.	50.39%	44.92%	37.48%	29.97%
Narwana Divn.	49.35%	43.99%	36.71%	29.35%
Safidon Divn.	44.27%	39.46%	32.93%	26.33%
Jind Circle	**49.10%**	**43.76%**	**36.52%**	**29.20%**
DHBVN	**25.22%**	**22.48%**	**18.76%**	**15.00%**

Annexure C: Financial Projections of -Haryana DISCOMs

Scenario Highlights (Debt Take-over with interest liability on DISCOMs):

- 75% of Outstanding Debt as on 30.9.2015 to be taken over in the form of equity/ loan/ Grant to DISCOMs
- Take-over in Year 1 : 50%, Year 2: 25%
- Take-over assumed at end of second quarter from Year 2
- ROI of Government of Haryana loan assumed to be 9.00 % p.a.
- ROI of balance 25% loans : Base Rate + 0.1 % w.e.f. 01.04.2016 at present 9.80% (Base Rate of lead bank (OBC))
- OFR to be provided by Government of Haryana

Other Key Assumptions:

Tariff Hike:

FY 15	FY16	FY17	FY18	FY19
Tariff Orders already issued by the HERC.		In the projections the tariff including the FSA has been taken at the current level. However the tariff will be as governed per the regulatory orders from time to time.		

AT&C Loss Trajectory (Haryana Discoms):

FY 16	FY17	FY18	FY19
28.05%	24.02%	20.04%	15.00%

Billing Efficiency:

FY 16	FY17	FY18	FY19
72.68%	76.75%	80.77%	85.86%

Collection Efficiency:

FY 16	FY17	FY18	FY19
99.00%	99.00%	99.00%	99.00%

Income Statement - summary

Amount in Crores	FY 16	FY 17	FY 18	FY 19	FY 20
Total Income	18995	18983	19906	21049	21196
Total Cost	27915	28400	28615	28678	28648
Net Income (without Subsidy)	**-8921**	**-9417**	**-8709**	**-7628**	**-7452**
Committed State Govt. Subsidy	6196	6506	6831	7173	7531
Net Income (with subsidy)	**-2725**	**-2911**	**-1878**	**-456**	**80**

Operational Funding Requirement (OFR) - Summary

Amount in Crores	FY 16	FY 17	FY 18	FY 19	FY 20
OFR for Working Capital	3349	2624	1516	31	0
OFR for Capital Expenditure (from Banks/ FIs)	603	2197	2102	1782	1782
Equity support required for Capital Expenditure from Govt. of Haryana.	238	549	525	446	446
Total	**4190**	**5370**	**4143**	**2259**	**2228**

Income Statement - Detailed

Amount in Crores	FY 16	FY 17	FY 18	FY 19	FY 20
INCOME					
Revenue from Sale of Power	17485	17362	18230	19142	20154
Other Receipt	412	412	412	412	412
Other Income including revenue from Trading	1097	1210	1264	1496	630
Total Income	**18995**	**18983**	**19906**	**21049**	**21196**
COSTS					
Power Purchase	22187	22263	22342	22423	22506
Employee cost	1723	1998	2087	2180	2277
Finance cost	3272	3330	3276	3075	2784
Depreciation	412	472	556	628	689
R&M Cost and A&G Cost	321	337	354	372	391
Sub-Total Cost	**27915**	**28400**	**28615**	**28678**	**28648**
Less - incidental expenses					
Total Cost	**27915**	**28400**	**28615**	**28678**	**28648**
Net Income (Without Subsidy)	**-8921**	**-9417**	**-8709**	**-7628**	**-7452**
Committed State Govt. Subsidy	6196	6506	6831	7173	7531
Electricity duty retention/ Stamp duty	240	240	240	240	240
Interest subsidy on IBRD loan	0	0	0	0	0
Cash Subsidy	**5956**	**6266**	**6591**	**6933**	**7291**
Other compounding charges	0	0	0	0	0
Total Subsidy available	**6196**	**6506**	**6831**	**7173**	**7531**
Net Income with Subsidy	**-2725**	**-2911**	**-1878**	**-456**	**80**

ACS-ARR Gap

Rs. per unit	FY 16	FY 17	FY 18	FY 19	FY 20
Unit Sold	33497	35172	36931	38777	40716
ACS per unit sold					
Power Purchase	6.62	6.33	6.05	5.78	5.53
Employee cost	0.51	0.57	0.57	0.56	0.56
Finance cost	0.98	0.95	0.89	0.79	0.68
Depreciation	0.12	0.13	0.15	0.16	0.17
R&M Cost and A&G Cost	0.10	0.10	0.10	0.10	0.10
ACS	**8.33**	**8.07**	**7.75**	**7.40**	**7.04**
ARR per unit sold					
Revenue from Sale of Power	5.22	4.94	4.94	4.94	4.95
Other Receipt	0.12	0.12	0.11	0.11	0.10
Other Income including revenue from Trading	0.33	0.34	0.34	0.39	0.15
RE Subsidy	1.85	1.85	1.85	1.85	1.85
ARR	**7.52**	**7.25**	**7.24**	**7.28**	**7.06**
Gap	**-0.81**	**-0.83**	**-0.51**	**-0.12**	**0.02**

Operational Funding Requirement Detailed for Working Capital

Amount in Crores	FY 16	FY 17	FY 18	FY 19	FY 20
Revenue	18995	18983	19906	21049	21196
Expenditure	27915	28400	28615	28678	28648
Book Loss/Profit	**-8921**	**-9417**	**-8709**	**-7628**	**-7452**
Add Depreciation	412	472	556	628	689
Cash Loss/Profit	**-8508**	**-8945**	**-8153**	**-7000**	**-6763**
Add increase in current Assets	176	185	194	204	214
Add Repayment of Loan	861	0	0	0	0
Gross operational funding required (OFR without Govt. support)	**-9545**	**-9130**	**-8347**	**-7204**	**-6976**
Cash support from State Govt. (RE Subsidy)	6196	6506	6831	7173	7531
Total support from State Govt.	**6196**	**6506**	**6831**	**7173**	**7531**
Gross operational funding required (OFR after Govt. support)	-3349	-2624	-1516	-31	555
OFR for Capital Expenditure (from Banks/ FIs)	603	2197	2102	1782	1782
Equity support required for Capital Expenditure from Govt. of Haryana.	238	549	525	446	446

Annexure D: Detailed Action Plan for implementation of targeted activities

1. UHBVNL

Clause no.	Activity	Unit	Status/ pending at the end of FY 15	FY-16		FY-17		FY-18		FY- 19		Officer Responsible	Resources in INR Cr.
				H1	H2	H1	H2	H1	H2	H1	H2		
1.3 (c)	AT&C los reduction trajectory	%	34.04	31.61		25.94		21.64		15		CE Commercial	
1.3 (i-v)	11 KV Feeder metering functional	%	100	100		100		100		100		CE PD&C	
1.3 (i-iv)	DT Metering in Urban area (Distt. HQ)	%	63	70	80	90	100	100	100	100	100	CE PD&C	
	DT Metering in Urban area (Other municipal town)	%	0		0		0	25	50	75	100	CE PD&C	
1.3 (i-vi)	11 KV feeder audit in Rural area	%	100	100		100		100		100		CE Commercial	
1.3 (i-vii)	Feeder Improvement Program on Feeders	%	100	100		100		100		100		CE Operations	
1.3(i-Viii)	Feeder separation (separation on Ag load) on feeders	%	100	100		100		100		100		CE PD&C	
1.3 (i-ix)	Installation of Smart meters/ other than Ag.	Nos.	0		0	*5500	* 11000					CE PD&C	
1.3 (i-x)	Domestic connections (in lakhs) under 24x7 PFA	Nos. in Lakhs	20	20.40	20.81	21.20	21.64	22.04	22.50	22.90	23.40	CE Operations	
1.3 (i-xi)	Implementation of ERP System		Nil		Nil	Contract to be awarded		Customization		Regular updation		XEN IT	
1.3 (j-i)	Providing LED bulbs under DELP	Lakhs	0	10	20	56	88	124	160	195	234	CE Commercial	

* On successful demonstration of Smart Grid Pilot Project at Panipat sponsored by MOP & NEDO, it will be rolled out in complete urban areas during the FY 18 to FY 20.

2. DHBVNL

Clause no.	Activity	Unit	Status/ pending at the end of FY 15	FY-16		FY-17		FY-18		FY- 19		Officer Responsible	Resources in INR Cr.
				H1	H2	H1	H2	H1	H2	H1	H2		
1.3 (c)	AT&C los reduction trajectory	%	26.12	25.22		22.48		18.76		15		CE Commercial	
1.3 (i-v)	11 KV Feeder metering functional	%	100	100		100		100		100		CE PD&C	
1.3 (i-iv)	DT Metering in Urban area (Distt. HQ)	%	63	70	80	90	100	100	100	100	100	CE PD&C	
	DT Metering in Urban area (Other municipal town)	%	0		0		0	25	50	75	100	CE PD&C	
1.3 (i-vi)	11 KV feeder audit in Rural area	%	100	100		100		100		100		CE Commercial	
1.3 (i-vii)	Feeder Improvement Program on Feeders	%	100	100		100		100		100		CE Operations	
1.3(i-Viii)	Feeder separation (separation on Ag load) on feeders	%	100	100		100		100		100		CE PD&C	
1.3 (i-ix)	Installation of Smart meters/ other than Ag.	Nos.	0		0	*2500	* 5000					CE PD&C	
1.3 (i-x)	Domestic connections (in lakhs) under 24x7 PFA	Nos. in Lakhs	22.90	23.30	23.70	24.10	24.52	24.92	25.37	25.77	26.25	CE Operations	
1.3 (i-xi)	Implementation of ERP System		Nil		Nil	Contract to be awarded		Customization		Regular updation		XEN IT	
1.3 (j-i)	Providing LED bulbs under DELP	Lakhs	0	10	20	60	101	141	182	222	263	CE Commercial	

* On successful implementation of Pilot Project, it will be rolled out in complete urban areas during the FY 18 to FY 20.

Monthly monitoring format for States participating in UDAY

Name of the State:

Status as on:

A **Financial Parameters**

1	Total outstanding debt of DISCOMs as on 30.09.2015 (Rs crore)	
2	Amount of unpaid overdue interest and penal interest waived off by Banks / FIs (Rs Crore)	
3	Eligible outstanding debt of DISCOMs as on 30.09.2015 (Rs crore)	
4	50% of the outstanding debt to be taken over in 2015-16 (Rs Crore)	
5	25% of the outstanding debt to be taken over in 2016-17 (Rs crore)	
6	Bonds Issued by the State (Rs crore)	
7	Bonds issue date	
8	Rate of Interest on bonds (%)	
9	Debt taken over by State transferred to DISCOMs in form of Grant (Rs crore)	
10	Debt taken over by State transferred to DISCOMs in form of Loan (Rs crore)	
11	Debt taken over by State transferred to DISCOMs in form of Equity (Rs crore)	
12	Operational Funding Requirement (OFR) support provided to DISCOMs (Rs crore)	
13	Outstanding electricity dues from the State Government departments to DISCOMs (Rs Crore)	
14	Outstanding electricity dues from the State Government departments paid on (Date)	
15	Previous Year's DISCOM losses taken over by State (Rs crore)	

Monthly monitoring format for States participating in UDAY

Name of the State:

Status as on:

B **Operational Parameters**

1	AT&C loss (%)	
	Target	
	Actual	
2	Billing efficiency (%)	
	Target	
	Actual	
3	Collection Efficiency (%)	
	Target	
	Actual	
4	Gap ACS-ARR (Rs per unit)	
	Target	
	Actual	
5	Distribution loss (%)	
	Target	
	Actual	
6	Total number of un metered Feeders	
7	Number of Feeders metered in the current month	
8	Total number of un metered Distribution Transformers (DTs)	
9	Number of Distribution Transformers (DTs) metered in the current month	
10	Total number of smart Meters installed in the current month	
11	Number of Smart Meters installed in the current month	
12	Total number of LED Lamps to be replaced	
13	Number of LED Lamps replaced in the current month	
14	Total no. of Ag. pumps to be replaced	
15	Number of Ag. pumps replaced in the current month	

Monthly monitoring format for States participating in UDAY

Name of the State:

Status as on:

C Other Managerial / monitoring activities

1	Detailed action plan achieve the projected trajectory for AT&C loss and ACS-ARR gap submitted or not?	
2	Energy audit at 11 KV level started or not?	
3	Key person for implementing UDAY identified or not?	
4	No of awareness campaigns done for energy efficiency and theft prevention.	
5	Date of Review taken by CMS / MD of DISCOMs.	
6	Date of Review taken at State level	