

Government of Rajasthan
Energy Department

No.F.15(4)Energy/2003/pt.II

Jaipur, Dated:29.10.2018

ORDER

Vide order of even number dated 17.09.2018 approval of the State Government for change of allocation of power from different generators among Jaipur Discom, Ajmer Discom and Jodhpur Discom as 40.08, 27.23 and 32.69, was accorded. However, vide letter dated 22.10.2018 (enclosed), Accountant General, Rajasthan has informed that the ratio as per past practice should be 40.27, 27.14 and 32.59 respectively. Since the accounts for FY 17-18 have been finalized, the power allocation ratio for FY 17-18 cannot be changed for the purpose of financial accounts. However, for the purpose of billing and payment in the current year, the following ratio, as verified by AG, Rajasthan, is hereby approved in partial modification of order dated 17.09.2018 -

Jaipur Discom	-	40.27
Ajmer Discom	-	27.14
Jodhpur Discom	-	32.59

CE (R.U.V.N.L.) / ECOA

TAT to MD, R.U.V.N.L.
TAT to M. D. (R.U.V.N.L.)
JAIPUR

P.R. No. 1308
Date 29/10/18

Smt. Ratchhaji 2/10/18

By order,
Chandra Prakash
(Chandra Prakash)
Dy. Secretary Energy

3815
30/10/18

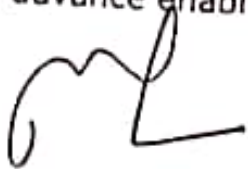
9. RUVNL needs to be given a positive start so that this company may earn maximum rebate by making timely payments to the power generators vis-a-vis avoiding LPS optimally. This company do not have any other resources to meet the gap. The Banks/FIs are also not expected to lend to RUVNL at initial stage as its Balance Sheet doesn't have any assets/profit. Once the company is established it may start generating funds at its own.

Although Discoms need to provide escrow to cover up the entire liability of the power purchase of RUVNL other than RVUN and RVPN but their resources do not allow 100% escrow against the power purchase liability of other power generators assigned to RUVNL. Even if escrow is given to the extent of 90% or 80% there will be a substantial cash deficit with Discoms and RUVNL to meet out their payment liability. The Detailed statement is enclosed as Annexure "B" showing all the three scenarios to cover up RUVNL payment liability of other power generators i.e. 100%, 90% and 80% and likely cash deficit with Discoms and RUVNL.

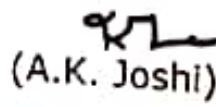
Considering the position as above, the Committee propose to provide escrow to RUVNL as a percentage on daily remittance basis covering 80% power purchase liability of power generators other than RVUNL and RVPNL which is summarised as below up to December 2019 and afterwards may be reviewed:-

Discom	August	September	October	November	December
JVVNL	49%	56%	49%	52%	54%
AVVNL	46%	52%	43%	45%	44%
JdVVNL	46%	60%	48%	53%	48%

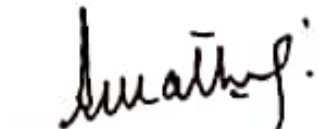
It is also recommended that Discoms shall avail cash credit limit /working capital loan from Bank/FIs as per space available with them to bridge cash gap of 20% after providing escrow cover to the extent of 80% payment liability of RUVNL. IT was further decided that Discoms may distribute the monthly escrowed amount as above amongst the banking days of the month keeping in view their billing cycle, due dates of the energy billed to their retail consumers and the scheduled payment dates in a particular month but it is to be intimated to the RUVNL well in advance enabling the later to plan the payments thereof accordingly.



(D.K. JAIN)
CCOA, RUVNL



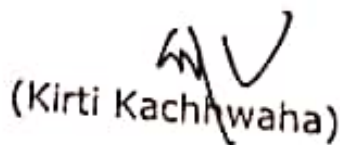
(A.K. Joshi)
CCOA, JVJNL



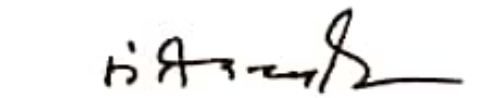
(S.M. Mathur)
DF, AVVNL



(M.S. Palawat)
DF, JVJNL



(Kirti Kachhawa)
DF, JdVVNL



(Sandeep Dheer)
DF, RUVNL

Committee of Directors (Finance) of Discoms and RUVNL has to determine the percentage of escrow as per the decision taken in the 18th meeting of the Coordination Committee held on 28.06.2019.

9. Discoms shall issue irrevocable letter of authority to their bank i.e. SBI to transfer % of daily remittances so decided from their central collection account to RUVNL bank account.
10. Past outstanding liabilities of power generators/transmission service providers including accrued late payment surcharge as on effective date shall be to Discom's account. Discoms are required to clear overdues of power generators other than RVUNL and RVPNL and particularly, central generating power stations on priority before effective date enabling RUVN to claim rebate for timely payment. In order to clear outstanding dues of the other power generators excluding RVUNL and RVPNL Discoms shall provide funds to RUVNL in addition to the daily escrow.
11. The **effective date** for commencement of the work by RUVNL full-fledged in its own name shall be **01.10.2019**. Power generators shall raise energy bills in favour of RUVNL for energy consumption month September and onwards and payment shall be released by RUVNL by availing rebate. The Discoms will start transfer of funds through escrow from 15th of September and onwards based on percentage on daily basis so that RUVNL have funds to discharge payment liability of other power generators from 01.10.2019.

III

The matter is placed before the Coordination Committee for kind perusal and approval of the action plan as mentioned above to implement with effect from 01.10.2019.

Approved in Corcom

RAJASTHAN URJA VIKAS NIGAM LIMITED

Agenda for decision
Item No.

Subject: - Approval of Action plan to take over functions related to power procurement in the name of RUVNL as a deemed licensee including billing of power supplied to Discoms on DBST.

I

The proposal, herein, is to place Action Plan in the Coordination Committee for approval of taking over functions related to power procurement in the name of RUVNL as deemed licensee including billing of power supplied to Discoms on DBST.

II

The Energy Department, Govt. of Rajasthan has issued Notification vide No. F.4(5)Energy/2019 dated 18.07.2019 by making amendment in Rajasthan Power Sector Reforms Transfer Scheme, 2000 according to which Rajasthan Urja Vikas Nigam Limited (RUVNL) has now attained the status of Deemed Licensee with effect from 18.07.2019 and all the PPAs/TSAs from Discoms are now transferred and vested in RUVNL. The action plan for taking over functions related to power procurement in the name of RUVNL as a deemed licensee including billing of power supplied to Discoms on DBST is submitted as under:-

1. As decided in the 17th Coordination Committee meeting held on 15.05.2019 in first phase all PPAs/TSAs excluding PPA/TSA of RVUNL and RVPNL shall be taken into account to start billing on DBST. The PPA/TSA of RVUNL and RVPNL shall be taken in second phase.
2. A Bulk Supply Agreement shall be signed with Discoms for supply of power by RUVNL from the effective date.
3. Intimation shall be sent to all the power generators/transmission service providers to make 100% billing towards energy supplied to State in the name of RUVNL only instead of Discoms from the effective date.
4. The billing of power supplied to Discoms from other than RVUN and RVPNL shall be made by RUVNL in their approved power allocation ratio (JVVNL 40.27, AVVNL 27.14 and JdVVNL 32.59) on the basis of DBST calculated and filed in ARR for FY 2019-20 with RERC subject to final adjustment as per approval of the Commission.
5. RUVNL will charge trading margin of 1 paise per unit from Discoms with monthly billing. Discom shall claim this expense in their ARR for FY 2019-20 and onwards.
6. DBST shall be recalculated after the end of each quarter in order to take in to account the increase/decrease in power purchase cost for the respective quarter and difference if any, due to such revision shall be claimed from Discoms by raising supplementary bills to Discoms on quarterly basis.
7. The RUVNL and RVPNL shall continue billing in the name of respective Discoms as per the existing practice and payments shall be released to RVUNL and RVPNL directly by Discoms.
8. Discoms shall transfer the funds on daily basis to RUVNL through escrow mechanism based on certain percentage of their daily remittances covering payment liability of power generators other than RVUNL and RVPNL. The

10/08/2019

[Signature]

**Minutes of Meeting of the Committee constituted by the Co-ordination
Committee in its meeting held on 28-06-2019**

The Committee constituted vide order no. RUVNL/MD/18th-CoD/Escrow/D. 50 dated 10.07.2019 in compliance with the decision of 18th Coordination Committee meeting held on 28.06.2019 to determine the percentage escrow to be given by Discoms to RUVNL for making payment to the power generators had two meetings on 16.07.19 and 25.07.19 and deliberated on the issue. The following were present during the meetings:-

1. Shri Sandeep Dheer, Director Finance, RUVNL
2. Mrs. Kirti Kachhwaha, Director Finance, JdVVNL
3. Shri M.S Palawat, Director Finance, JVVNL
4. Shri S.M Mathur, Director Finance, AVVNL
5. Shri A.K Joshi, CCOA, JVVNL
6. Shri D.K Jain, CCOA, RUVNL
7. Shri M.K Goyal, CCOA, AVVNL
8. Shri Rahul Khandelwal, CAO, JdVVNL

The following points were discussed:-

1. RUVNL is to be given escrow towards the payment liability of other power generators excluding RVUNL and RVPNL in first phase.
2. Percentage escrow is to be given on daily remittances of Discoms.
3. GoR subsidy due to varying amount and timing has not been taken into account while calculating percentage escrow.
4. The percentage of escrow shall vary month to month taking into account the debt service and other expenditure of the Discoms.
5. The percentage escrow is to be determined taking into account the power purchase cost of the Discoms based on DBST.
6. Discoms are having huge gap in their cash flow in FY 2019-20. They are not in a position to discharge their entire payment liability towards power purchase with remittance and GoR subsidy combined.
7. As per the cash flows projected by the Discoms after taking into account their expenses like Estt. & admn. Expenses, debt service, R&M expenses payment to RVUNL and RVPNL etc. the remaining amount is available for transfer to RUVNL for making payment to other power generators. The Detailed statement is enclosed as Annexure "A". Based on this, the percentage escrow is worked out as under:-

Discom	August	September	October	November	December
JVVNL	51.52%	20.22%	39.49%	45.37%	34.90%
AVVNL	35.35%	6.27%	23.05%	38.66%	27.74%
JdVVNL	37.71%	2.11%	30.55%	45.92%	28.68%

8. With such arrangement of escrow, RUVNL will not be able to discharge its entire payment liability to other power generators and RUVNL in the beginning shall start delaying payment attracting LPS which is not a healthy sign for this company.

[Signatures]

[Signature]