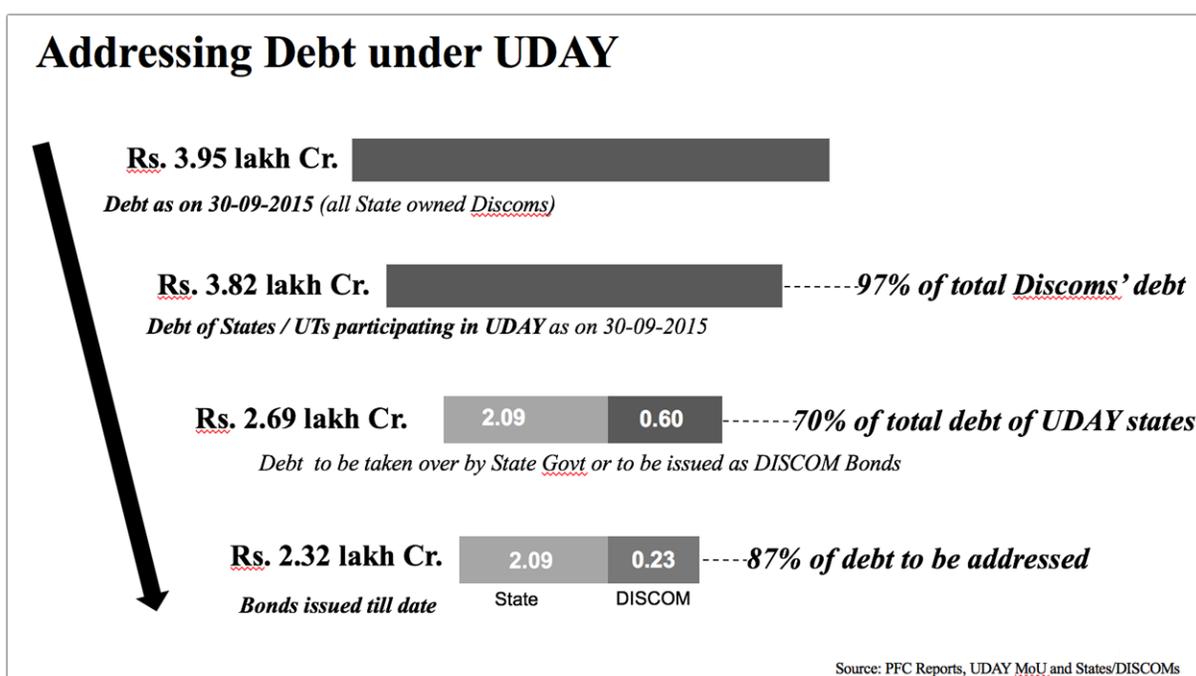


PRESS RELEASE: UJWAL DISCOM ASSURANCE YOJANA (UDAY)

Ujwal DISCOM Assurance Yojana (UDAY) was launched in November, 2015 and has completed more than one year of operation. Early results are encouraging. Participating States of UDAY have taken over the targeted debt of Rs 2.09 trillion of their DISCOMs under borrowing exemption from the FRBM Act given in UDAY for the years 2015-16 and 2016-17.

Thus, the process of States taking over the targeted debts and issuing them as SDL Bonds has now been completed. As of now, the participating DISCOMs have to issue Bonds worth approximately INR 37,000 Crores, which would be done in due course. Rest of the debt with DISCOMs is mostly in the nature of CAPEX debt, which pays for itself, or Scheme based debt, which converts into grants fully or partially. Thus, they are not required to be taken over by the States.



As a result of the debt addressed as above, and other operational interventions, the participating DISCOMs have achieved net savings of approximately INR 15,000 Crores till March, 2017. Further, in the participating States, the aggregate ACS- ARR gaps have come down by almost 14 paise per Unit and the AT&C losses have reduced by almost 1% in FY 17.

As per the provisions of UDAY Scheme, the States would start taking over losses of DISCOMs in a graded manner from now on, starting with taking over 5% of the losses of FY17 from the current financial year. Continued, concerted and coordinated efforts by the Centre, States and DISCOMs, in the spirit of cooperative and competitive federalism, would help turn around the Distribution Sector by FY19.

No.12/08/2017-NEF(U)
Government of India
Ministry of Power
Shram Shakti Bhavan, Rafi Marg, New Delhi-110001

Dated: August, 2017.

OFFICE MEMORANDUM

**Sub: Forwarding of Press release on Ujwal DISCOM Assurance Yojana (UDAY)-
Reg.**

The undersigned is directed to forward herewith a Press Release on Ujwal DISCOM Assurance Yojana (UDAY) on financial aspects for the information of general public, media and analysts.

2. It is requested that the same may be released in prominent print as well as electronic media.
3. Hon'ble MOSP(I/C) has seen the Press Release.

(Narender Singh)
Under Secretary (NEF/UDAY)
Tel. No. 23708304

To

Shri Rajesh Malhotra
Additional Director General (M &C),
Press Information Bureau,
Shastri Bhawan,
New Delhi-110001.