

## Chapter I

### 1. Overview of State Public Sector Undertakings

#### Introduction

**1.1** The State Public Sector Undertakings (PSUs) consist of State Government companies and Statutory corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Haryana, the State PSUs occupy an important place in the State economy. The working State PSUs registered a turnover of ₹ 18,756.18 crore for 2010-11 as per their latest finalised accounts as of 30 September 2011. This turnover was equal to 7.28 *per cent* of State Gross Domestic Product (GDP) for 2010-11. Major activities of Haryana State PSUs are concentrated in power sector. The working State PSUs incurred a loss of ₹ 1,239.22 crore in the aggregate for 2010-11 as per their latest finalised accounts. They had employed 0.40 lakh\* employees as of 31 March 2011. Five prominent Departmental Undertakings (DUs) also carry out commercial operations but being part of Government Departments, audit findings of these DUs are incorporated in the Civil Audit Report for the State.

**1.2** As on 31 March 2011, there were 29 PSUs as per the details given below.

Type of PSUs	Working PSUs	Non-working PSUs <sup>ψ</sup>	Total
Government Companies	20	7	27
Statutory Corporations	2	-	2
<b>Total</b>	<b>22</b>	<b>7</b>	<b>29</b>

#### Audit Mandate

**1.3** Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company. Further, a company in which 51 *per cent* of the paid up capital is held in any combination by Government(s), Government companies and corporations controlled by Government(s) is treated as if it were a Government company (deemed Government company) as per Section 619-B of the Companies Act.

**1.4** The accounts of the State Government companies, as defined above, are audited by Statutory Auditors, who are appointed by CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are

\* As per the details provided by 29 PSUs.

ψ Non-working PSUs are those which have ceased to carry on their operations.

also subject to supplementary audit conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

**1.5** Audit of Statutory corporations is governed by their respective legislations. In respect of State Warehousing Corporation and State Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit by CAG.

### Investment in State PSUs

**1.6** As on 31 March 2011, the investment (capital and long-term loans) in 29 PSUs (including one 619-B Company) was ₹ 27,710.70 crore as per details given below.

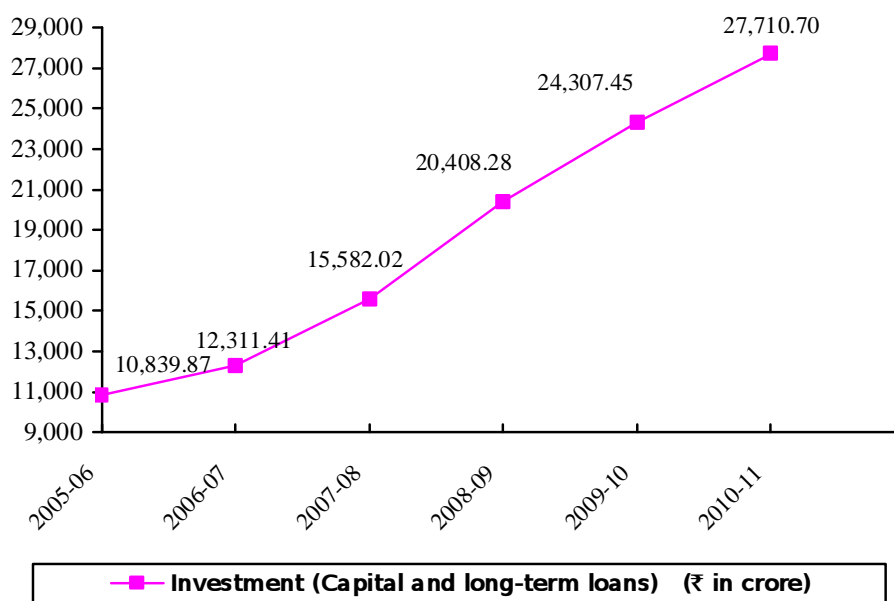
(₹ in crore)

Type of PSUs	Government companies			Statutory corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	7,556.51	19,571.55	27,128.06	193.34	245.88	439.22	27,567.28
Non-working PSUs	24.19	119.23	143.42	-	-	-	143.42
<b>Total</b>	<b>7,580.70</b>	<b>19,690.78</b>	<b>27,271.48</b>	<b>193.34</b>	<b>245.88</b>	<b>439.22</b>	<b>27,710.70</b>

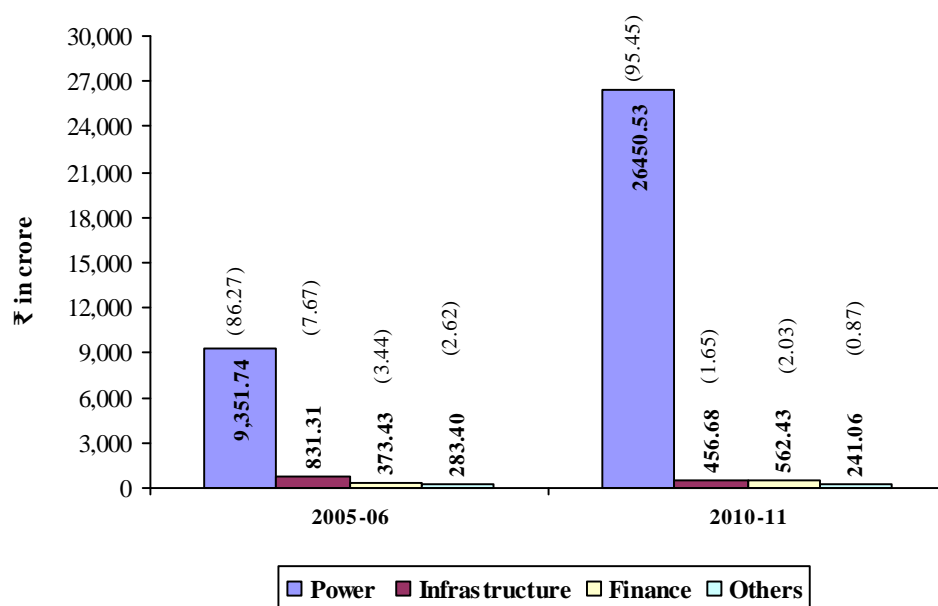
A summarised position of Government investment in State PSUs is detailed in **Annexure 1**.

**1.7** As on 31 March 2011, of the total investment in State PSUs, 99.48 per cent was in working PSUs and the remaining 0.52 per cent in non-working PSUs. This total investment consisted of 28.05 per cent towards capital and 71.95 per cent in long-term loans. The investment has grown by 155.64 per cent from ₹ 10,839.87 crore in 2005-06 to ₹ 27,710.70 crore in 2010-11 as

shown in the graph below.



**1.8** The investment in various important sectors and percentage thereof at the end of 31 March 2006 and 31 March 2011 are indicated below in the bar chart.



(Figures in brackets show the percentage of sectoral investment to total investment)

As may be seen from the above chart, major investment in PSUs was in power sector which increased from ₹ 9,351.74 crore during 2005-06 to ₹ 26,450.53 crore during 2010-11. On the other hand investment in infrastructure sector decreased from ₹ 831.31 crore in 2005-06 to ₹ 456.68 crore in 2010-11 due to repayment of loans by PSUs.

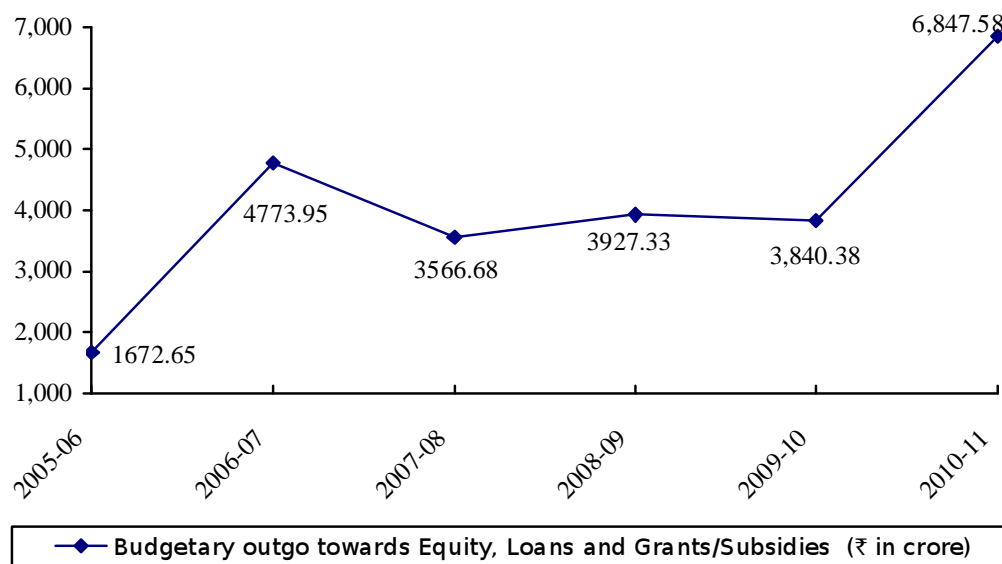
**Budgetary outgo, grants/subsidies, guarantees and loans**

**1.9** The details regarding budgetary outgo by the State Government towards equity, loans, grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in **Annexure 3**. The summarised details are given below for three years ended 2010-11.

(Amount: ₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	11	951.64	10	903.79	9	805.74
2.	Loans given from budget	-	-	1	123.54	-	-
3.	Grants/Subsidy received	13	2,975.69	12	2,813.05	14	6,041.84
4.	Total Outgo (1+2+3)		3,927.33		3,840.38		6,847.58
5.	Guarantees issued	4	524.51	2	881.59	3	1,115.93
6.	Guarantee Commitment	13	2,779.36	12	2,714.40	12	2,549.98

**1.10** The details regarding budgetary outgo towards equity, loans and grants/subsidies for past six years are given in the graph below.



Budgetary outgo towards equity, loan and grant/subsidy by the Central/State Government increased by 309.39 per cent from ₹ 1,672.65 crore during 2005-06 to ₹ 6,847.58 crore during 2010-11.

1.11 The Guarantee received during 2010-11 was ₹ 1,115.93 crore and outstanding as on 31 March 2011 was ₹ 2,549.98 crore. The State Government levied guarantee fee at the rate of two *per cent* on all the borrowings of PSUs to be raised against State Government guarantee with effect from 1 August 2001. The guarantee fee paid/payable by the State PSUs during 2010-11 was ₹ 18.45 crore.

### Reconciliation with Finance Accounts

1.12 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2011 is stated below.

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	6,118.40	6,602.69	484.29
Loans	647.15	588.97	58.18
Guarantees	2,573.07	2,549.98	23.08

1.13 We observed that the differences occurred in respect of 15 PSUs and some of the differences were pending reconciliation prior to 2004-05. Letters/reminders have been issued to Financial Commissioner & Principal Secretary to Government of Haryana (Finance and Planning) regarding reconciling the differences at an early date. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

### Performance of PSUs

1.14 The financial results of PSUs are given in *Annexure 2*. Further, financial position and working results of Statutory corporations are detailed in *Annexures 5* and *6* respectively. A ratio of PSUs turnover to State GDP shows the extent of PSUs activities in the State economy. The table below provides the details of working PSUs turnover and State GDP for the period 2005-06 to 2010-11.

(₹ in crore)

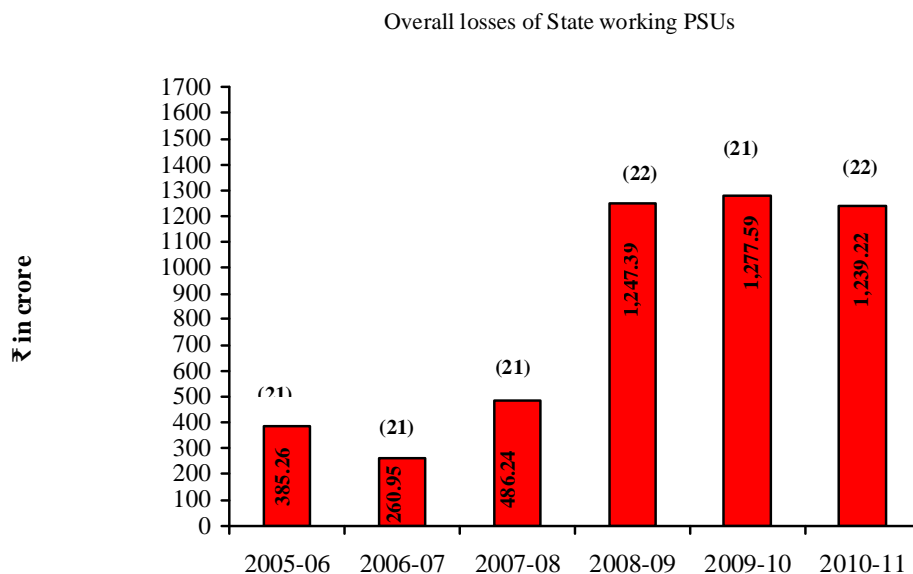
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover*	7,629.44	8,251.11	14,668.00	18,424.04	1,5934.48	18,756.18
State GDP <sup>†</sup>	1,08,461.00	1,30,141.00	1,54,283.00	1,82,914.00	2,16,287.00	2,57,793.00
Percentage of Turnover to State GDP	7.03	6.34	9.51	10.07	7.37	7.28

<sup>∞</sup> Turnover for 2010-11 is as per latest accounts finalised as of 30 September 2011.

\* Figures for 2007-08 to 2008-09 are provisional estimates, figures for 2009-10 are quick estimates and figures for 2010-11 are advance estimates. These figures are subject to change.

The turnover of PSUs increased from ₹ 7,629.44 crore in 2005-06 to ₹ 18,424.04 crore in 2008-09. However, turnover of PSUs declined and stood at ₹ 15,934.48 crore in 2009-10 due to decrease in turnover of power sector which further increased to ₹ 18,756.18 crore in 2010-11.

**1.15** Losses incurred by State working PSUs during 2005-06 to 2010-11 are given below in a bar chart.



*(Figures in brackets show the number of working PSUs in respective years)*

During the year 2010-11, out of 22 working PSUs, 17 PSUs earned profit of ₹ 426.30 crore and five PSUs incurred loss of ₹ 1,665.52 crore as per their latest finalised accounts. The major contributors to profit were Haryana Vidyut Prasaran Nigam Limited (₹ 187.61 crore), Haryana Power Generation Corporation Limited (₹ 75.09 crore) and Haryana State Industrial and Infrastructure Development Corporation Limited (₹ 69.95 crore). The heavy losses were incurred by Uttar Haryana Bijli Vitran Nigam Limited (₹ 884.22 crore) and Dakshin Haryana Bijli Vitran Nigam Limited (₹ 779.01 crore).

**1.16** The losses of working PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of latest three years Audit Reports of CAG shows that the working State PSUs incurred losses to the tune of ₹ 4,137.35 crore of which, loss of ₹ 1,870.24 crore were controllable. Further, instances of infructuous investment of ₹ 222.76 crore were noticed. However, these could be controlled with better management.

Year wise details from Audit Reports are stated below.

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	Total
Net Profit/loss (-) of working PSUs	(-)1,247.39	(-)1,612.37	(-)1,277.59	(-)4,137.35
Controllable losses as per CAG's Audit Report	105.61	513.03	1,251.60	1,870.24
Infructuous Investment	12.57	25.96	184.23	222.76

**1.17** The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses can be minimised/eliminated. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

**1.18** Some other key parameters pertaining to State PSUs are given below.

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Return on Capital Employed (Per cent)	1.59	2.53	2.44	-	-	1.57
Debt	7,770.87	8,449.84	10,651.62	14,446.13	17,439.51	19,936.62
Turnover <sup>r</sup>	7,629.44	8,251.11	14,668.00	18,424.04	15,934.48	18,756.18
Debt/Turnover Ratio	1.02:1	1.02:1	0.73:1	0.78:1	1.09:1	1.06:1
Interest Payments	540.48	590.94	837.23	1,200.19	1,306.27	1,667.56
Accumulated Profits/losses	(-)1,583.67	(-)2,022.95	(-)2,678.33	(-)4,543.71	(-)5,086.93	(-)5,676.03

(Above figures pertain to all PSUs except for turnover which is for working PSUs).

**1.19** The turnover of State working PSUs increased by 145.84 per cent from ₹ 7,629.44 crore during 2005-06 to ₹ 18,756.18 crore in 2010-11. During the corresponding period debts also increased by 156.56 per cent from ₹ 7,770.87 crore (2005-06) to ₹ 19,936.62 crore (2010-11) causing deterioration in the debt/turnover ratio over the periods. Rapid increase in the debts in comparison to the turnover has consequently caused pressure on the profitability of State PSUs due to increased liability towards interest.

**1.20** The State Government had formulated (October 2003) a dividend policy under which all PSUs are required to pay a minimum return of four per cent on the paid up share capital contributed by the State Government. As per their latest finalised accounts, 17 PSUs earned an aggregate profit of ₹ 426.30 crore. Of these, 12 PSUs earned profit over and above four per cent of the paid up capital. However, only five PSUs\* declared dividend of ₹ 8.58 crore.

<sup>r</sup> Turnover of working PSUs as per their latest finalised accounts (2005-06 to 2010-11) as on 30 September 2011.

\* Haryana Warehousing Corporation, Haryana State Industrial and Infrastructure Development Corporation Limited, Haryana Agro Industries Corporation Limited, Haryana Forest Development Corporation Limited and Haryana Tourism Corporation Limited.

**Arrears in finalisation of accounts**

**1.21** The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619-A and 619-B of the Companies Act, 1956. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

The table below provides the details of progress made by working PSUs in finalisation of accounts by 30 September 2011.

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Number of Working PSUs	21	21	22	21	22
2.	Number of accounts finalised during the year	22	22	23	17	23
3.	Number of accounts in arrears	30	29	27	29	28
4.	Average arrears per PSU (3/1)	1.43	1.38	1.23	1.38	1.32
5.	Number of Working PSUs with arrears in accounts	14	15	12	16	17
6.	Extent of arrears (in years)	1 to 6	1 to 5	1 to 5	1 to 6	1 to 5

**1.22** The main reasons as stated by the Companies for delay in finalisation of accounts are lack of trained staff and non computerisation in the accounts section.

**1.23** In addition to above, there were improvement in finalisation of accounts by non-working PSUs also. Out of seven non-working PSUs, two non-working PSU had arrears of accounts for one to four years.

**1.24** The State Government had invested ₹ 3,509.76 crore (Equity: ₹ 432.07 crore, grants: ₹ 33.51 crore and others: ₹ 3,044.18 crore) in 14 PSUs during the years for which accounts have not been finalised as detailed in *Annexure 4*. Delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

**1.25** The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though we informed the concerned administrative departments and officials of the Government every quarter of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this we could not assess the net worth of these PSUs. We had also taken up (August 2011) the matter of arrears in accounts with the Chief Secretary to expedite the backlog of arrears in accounts in a time bound manner.



**1.26 In view of above state of arrears, it is recommended that:**

- The Government may set up a cell to oversee the clearance of arrears and set the targets for individual Companies which would be monitored by the cell.
- The Government may consider outsourcing the work relating to preparation of accounts wherever the staff is inadequate or lacks expertise.

**Status of placement of Annual Audit Report**

**1.27** According to Section 619 A of the Companies Act, 1956, every company is required to submit an annual report on its working and affairs to the Government within three months of its Annual General Meeting. The State Government, in turn, shall lay a copy of the Annual Report before the State Legislature together with a copy of the audit report, made by the CAG of India as soon as may be after such preparation in accordance with Sub Section 619 (5) of the Act *ibid*.

While six companies (A5, A6, A16, A17, A18 and A19 of *Annexure 2*) did not submit Annual Report to State Government since their inception, 12 Companies submitted their annual report to the State Government after a delay ranging between four to 28 months after holding of Annual General Meeting. Only one company (A3 of *Annexure 2*) has submitted its Annual Accounts in time.

**Winding up of non-working PSUs**

**1.28** There were seven non-working PSUs (all Companies) as on 31 March 2011. Of these, two PSUs\* are under closure, however, liquidation process has not yet started.

The non-working PSUs are required to be closed down as their existence is not going to serve any purpose. During 2010-11, three non-working PSUs incurred an expenditure of ₹ 41.56 lakh towards establishment. This expenditure was met through interest received from banks (₹ 20.08 lakh) and disposal of assets (₹ 21.48 lakh).

**1.29** The process of voluntary winding up under the Companies Act is much faster and needs to be adopted/pursued vigorously. The Government may make a decision regarding winding up of five non-working PSUs where no decision about their continuation or otherwise has been taken after they became non-working. The Government may consider setting up a cell to expedite closing down the non-working companies.

---

\* Haryana State Housing Finance Corporation Limited and Haryana Concast Limited.

**Accounts Comments and Internal Audit**

**1.30** Nineteen working companies forwarded their 21 audited accounts to Principal Accountant General (Audit), Haryana (PAG) during the year 2010-11. Of these, nineteen accounts were selected for supplementary audit and non review certificate was issued for two accounts. The audit reports of Statutory Auditors appointed by the Comptroller and Auditor General of India (CAG) and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount: ₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	7	133.25	7	582.21	10	728.13
2.	Increase in loss	3	441.69	3	97.34	6	1,446.11
3.	Non-disclosure of material facts	4	30.05	3	40.94	2	20.12
4.	Errors of classification	1	41.42	6	669.85	4	62.10
	<b>Total</b>		<b>646.41</b>		<b>1,390.34</b>		<b>2,256.46</b>

An analysis of the money value of the comments with the number of accounts audited revealed that the money value of comments per account finalised increased from ₹ 28.10 crore (2008-09) to ₹ 107.45 crore (2010-11).

**1.31** During the year, the Statutory Auditors had given qualified certificates for 21 accounts. The compliance of companies with the Accounting Standards (AS) remained poor as there were 41 instances of non-compliance with the AS in 15 accounts as noticed during the year.

**1.32** Some of the important comments in respect of accounts of Companies are stated below.

***Haryana Vidyut Prasaran Nigam Limited (2009-10)***

- Profit and investment overstated by ₹ 705.44 crore due to non provision for diminution to recognise a decline in value of investment.

***Dakshin Haryana Bijli Vitran Nigam Limited (2009-10)***

- Haryana Electricity Regulatory Commission had disallowed the Fuel Surcharge Adjustment claim of ₹ 691.72 crore. This resulted in overstatement of other receivables and understatement of loss to that extent.
- The Company recovered ₹ 19.54 crore from the contractors as liquidated damages due to delay in completion of capital works and treated it as its income instead of reducing the capital cost of the assets. This resulted in overstatement of fixed assets/capital works in progress and other income

and understatement of loss to the same extent.

- Short provision of interest on consumer security resulted in understatement of loss by ₹ 18.23 crore.

***Uttar Haryana Bijli Vitran Nigam Limited (2009-10)***

- The inclusion of liquidated damages (₹ 29.59 crore) recovered for delayed supply and execution of capital works and discount received (₹ 0.39 lakh) for early payment, in other income resulted into overstatement of fixed assets and other income by ₹ 29.98 crore and understatement of loss to that extent.

***Haryana Minor Irrigation & Tubewell Corporation Limited (2009-10)***

- Non provision of death cum retirement gratuity to the ex-employees of the Company resulted in understatement of liabilities and loss by ₹ 4.50 crore.

***Haryana State Industrial and Infrastructure Development Corporation Limited (2009-10)***

- Non provision of enhanced compensation payable to land owners resulted in understatement of other current assets and other liabilities by ₹ 6.21 crore.
- Non provision of arrear of salary and Contributory Provident Fund resulted in overstatement of profit by ₹ 1.43 crore.
- Investment and profit have been overstated by ₹ 4.05 crore due to non provision for recovery of doubtful investment.

***Haryana Land Reclamation and Development Corporation Limited (2009-10)***

- Loss was understated by ₹ 1.15 crore due to non provision of group Gratuity Insurance Scheme.

***Haryana Women Development Corporation Limited (2007-08)***

- Non provision of doubtful debts had resulted into overstatement of current assets and understatement of loss by ₹ 2.21 crore.

**1.33** Similarly, two Statutory corporations forwarded their accounts for the year 2009-10 during 2010-11 and one Statutory corporation forwarded its accounts for the year 2010-11 during 2011-12 to Principal Accountant General for supplementary Audit. Comments of one Statutory corporation viz. Haryana Warehousing Corporation were finalised. The Audit Report of Statutory Auditors and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved. The details of aggregate money value of

comments of statutory auditors and CAG are given below.

(Amount: ₹ in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	2.77	1	4.62	1	1.87
2.	Non-disclosure of material facts	1	2.60	1	147.23	-	-
	<b>Total</b>		<b>5.37</b>		<b>151.85</b>		<b>1.87</b>

**1.34** During the year October 2010 to September 2011, the Statutory Auditors had given qualified certificate to the accounts of the Statutory corporation audited during 2010-11. There were seven instances of non-compliance with AS in the said accounts.

**1.35** A comment in respect of accounts of Haryana Warehousing Corporation is given below.

- Non provision for the balance unrecoverable on account of damaged wheat has resulted in overstatement of accumulated profit and amount recoverable from Food Corporation of India by ₹ 1.39 crore.

**1.36** The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/internal control system in respect of one Company<sup>Y</sup> for the year 2006-07, one Company<sup>€</sup> for the year 2008-09 and two companies<sup>⊕</sup> for the year 2009-10 are given below.

Sl. No.	Nature of comments made by Statutory Auditors	Number of Companies where recommendations were made	Reference to serial number of the Companies as per Annexure 2
1.	Non-fixation of minimum/ maximum limits of store and spares	3	A1,A4,A11
2.	Absence of internal audit system commensurate with the nature and size of business of the Company	3	A5,A11,A6
3.	Non maintenance of proper records showing full particulars including quantitative details, identity number, date of acquisition, depreciated value of fixed assets and their locations	4	A4,A6,A10,A11
4.	Lack of internal control over purchase of material	4	A1,A4,A10,A11
5.	Inadequate/non existence of Internal Audit System	3	A5,A6,A11
6.	Non use of Computer System(EDP)	6	A1,A5,A6,A11,A17,A20

<sup>Y</sup> Haryana Scheduled Castes Finance and Development Corporation Limited.

<sup>€</sup> Haryana Forest Development Corporation Limited.

<sup>⊕</sup> Haryana Agro Industries Corporation Limited and Haryana Power Generation Corporation Limited.

### Recoveries at the instance of audit

**1.37** During the course of audit in 2010-11, recoveries of ₹ 1.44 crore were pointed out to the Management of Haryana Power Generation Corporation Limited and Haryana Vidyut Prasaran Nigam Limited, which were admitted by PSUs and recovered during the year 2010-11.

### Status of placement of Separate Audit Reports

**1.38** The following table shows the status of placement of various Separate Audit Reports (SARs) issued by the CAG on the accounts of Statutory corporations in the Legislature by the Government.

Sl. No.	Name of Statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government by Corporation	Reasons for delay in placement in Legislature
1.	Haryana Financial Corporation	2009-10	NA	NA	NA
2.	Haryana Warehousing Corporation	2007-08	2008-09	Under Process	NA
			2009-10	Under Process	NA

### Disinvestment, Privatisation and Restructuring of PSUs

**1.39** The State Government did not undertake the exercise of disinvestment, privatisation and restructuring of any of its PSUs during 2010-11.

### Reforms in Power Sector

**1.40** The State has Haryana Electricity Regulatory Commission (HERC) formed on 17 August 1998 under the Haryana Electricity Reforms Act, 1997 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licences. During 2010-11, HERC issued 26 orders (12 on annual revenue requirements and 14 on other matters).

**1.41** Memorandum of Understanding (MOU) was signed on 13 February 2001 between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. The progress achieved so far in respect of important

milestones is stated below.

Sl. No.		Targeted completion schedule	Status (As on 31 March 2011)
<b>Commitment made by State Government</b>			
1.	Reduction in transmission and distribution losses to 15.50 <i>per cent</i> by 2007-08.	-	The T & D losses for the year 2010-11 were 26.12 <i>per cent</i> .
2.	100 <i>per cent</i> metering of all distribution feeders	31 March 2001	Metering of all distribution feeders completed in March 2001.
3.	100 <i>per cent</i> metering of all consumers	31 December 2001	Metering of all consumers has been completed.
4.	Haryana Electricity Regulatory Commission (HERC)		
(a)	Establishment of HERC	-	Already established in August 1998.
(b)	Implementation of tariff orders issued by HERC during 2010-11	-	Implemented.
<b>General</b>			
5	Monitoring of MOU	Quarterly	Being monitored regularly.

All the milestones had been achieved except milestone in respect of reduction in transmission and distribution losses to 15.50 *per cent* by 2007-08. The transmission and distribution losses were 26.12 *per cent* during 2010-11.