

GOVERNMENT OF INDIA

MINISTRY OF POWER

LOK SABHA

UNSTARRED QUESTION NO: 186

ANSWERED ON:22.11.2012

DEBT RESTRUCTURING OF POWER DISCOMS

MURLI MANOHAR JOSHI

- (a) whether the Government has any plan to restructure the debt of power distribution companies (discoms) of the country which are running into losses;
- (b) if so, the details thereof along with the amount of such relief earmarked, State and Company-wise;
- (c) the time by which the Government is likely to restructure the debt of these Companies; and
- (d) the likely effect of restructuring of debt of power discoms on power tariffs and its impact on power consumers in various States in the country?

Will the Minister of POWER be pleased to state:-

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b) : Yes, Madam. Government of India has approved the scheme for Financial Restructuring of States owned Distribution Companies for their financial turnaround by restructuring their debt with support from Central Government through a Transitional Finance Mechanism. The salient features of the schemes are in Annex.

(c) & (d) :The scheme is effective from the 5.10.2012 and would remain open upto 31st December, 2012, or as extended by the Government of India. It is for State Governments to finalise the restructuring plans. The effect of such restructuring is to ultimately ensure long term financial viability of the State owned discoms.