

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4684
ANSWERED ON:19.12.2002
DEBT BURDEN OF SEBS
IQBAL AHMED SARADGI

Will the Minister of POWER be pleased to state:

- (a) whether the State Electricity Boards have failed to pay their dues to the Union Government to ease the debt burden;
- (b) if so, whether the REC has decided to liberalise the dues to be collected from defaulting States by charting out a rescheduled package;
- (c) if so, whether the corporation is evolving a package acceptable to the defaulting States; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Yes, Sir.

(c) & (d) : Rural Electrification Corporation (REC) has offered liberalized reschedulement package to the defaulting States. The nature and tenure of the reschedulement package to the defaulting States may differ from State to State depending upon the quantum of default and the ability of the State Power Utilities to repay. The salient features of REC's reschedulement package are as under :-

- Overdue interest to be frozen as on 31.3.2002 and to be paid w.e.f. January, 2003 in 60 equal monthly instalments without any further levy of interest.
- Over dues principal to be paid w.e.f. January, 2008 in 15 years @ the current average lending rate of REC.
- Balance loan to be paid in Equated Monthly Instalments (EMIs) w.e.f. January, 2008 in 15 years at current average lending rate of REC (50% difference between Present Value and Net Present Value (NPV) will be waived and 50% will be capitalized).
- Penal interest as on 31.3.2002 to be frozen and to be waived in phased manner.
- No interest to be charged from 31.3.2002 to 31.12.2002 on the entire outstanding and to be waived in phased manner.

The reschedulement package has been offered to defaulting States viz. Assam, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Uttaranchal and West Bengal.