

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:485
ANSWERED ON:24.04.2003
ONE TIME SETTLEMENT OF POWER DUES
SULTAN SALAHUDDIN OWAIISI;T.M. SELVAGANAPATHI

Will the Minister of POWER be pleased to state:

- (a) whether the States have agreed to clear, under a one time settlement scheme, all the outstanding power dues amounting to Rs.37,400 crores as per the agreement signed with the Centre and the Reserve Bank of India;
- (b) if so, the details thereof;
- (c) whether for this purpose tax-free bonds carrying interest at the rate of 8.5% are to be issued;
- (d) if so, the amount due to be cleared by each State and the time by which the proposed bonds are to be issued by the State Governments;
- (e) whether the Montek Singh Ahluwalia Committee had recommended waiving of 60% surcharge for one time settlement of the dues by the State Governments; and
- (f) if so, the exact amount required to be paid by each of the State Government after the waiving of surcharge and the decisions of the Government thereon?

Answer

THE MINISTER OF POWER (SHRI ANANT GANGARAM GEETE)

(a) to (f) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO. 485 TO BE ANSWERED IN TI LOK SABHA ON 24.04.2003 REGARDING ONE TIME SETTLEMENT OF POWER DUES.

(a) & (b) : Yes, Sir. The main features of the one time settlement scheme under the Tripartite Agreement for old outstanding dues of the State Electricity Boards (SEBs) payable to the Central Public Sector Utilities (CPSUs) are:

(1) Old arrears of SEBs of the States amounting to Rs. 37,400 crore to 8 CPSUs and Railways as of 30th September, 2001 would be settled as an one-time measure;

(2) 60% of the interest/surcharge amounting to Rs. 8,300 crore out of the above amount would be waived;

(3) Thereafter, net outstanding dues of Rs.29100 crore would be converted into tax free Statutory Liquidity Ratio (SLR) bonds with interest rate of 8.5% per annum which will be repaid over a period of 15 years with the moratorium of 5 years;

(4) The States will become eligible, to receive incentive amounting to Rs. 6100 crore over a period of 4 years on adhering to the terms and conditions of the agreement;

(5) The State Utilities will have to ensure payment of current bills through Letters of Credit and any defaulted amount would be recovered through adjustment against releases due to the respective State Governments on account of Plan Assistance, States' share of Central Taxes and any other grant or loan given to the State by way of debiting their accounts; and

(6) The CPSUs covered under the scheme are National Thermal Power Corporations (NTPC), National Hydro-electric Power Corporation (NHPC), Power Grid Corporation of India Ltd. (PGCIL), North-Eastern Electric Power Corporation (NEEPCO) and Damodar Valley Corporation (DVC) under the Ministry of Power, Coal India Ltd. (CIL) and its subsidiaries and Neyveli Lignite Corporation (NLC) under the Ministry of Coal, Nuclear Power Corporation of India Ltd. (NPCIL) under the Department of Atomic Energy and the Railways

(c) & (d) : Yes, Sir. Tax free bonds with interest rate of 8.5% are proposed to be issued. The amount of bonds to be issued by the States to clear the outstanding amounts are given in Annexure-I. The tripartite agreement with the 24 States and RBI were signed recently on 20.3.2003. The Bonds are going to be issued by the concerned States after following due procedure in this regard.

(e) & (f) : The Montek Singh Ahluwalia Committee had recommended waiver of 50% of the surcharge for the one time settlement of outstanding dues. The waiver was, however, subsequently increased to 60% based on the recommendations of the High Level

Empowered Group of Chief Ministers under the Chairmanship of Deputy Chairman, Planning Commission. The exact amount of outstanding dues as on 30.9.2001, surcharge of 60% to be waived and the net amount for which bonds are to be issued by each State Government is at Annexure-II.

ANNEXURE-I

ANNEXURE REFERRED TO IN PARTS (c) & (d) OF THE STATEMENT LAID IN REPLY TO STARRED QUESTION NO.485 TO B ANSWERED IN THE LOK SABHA ON 24.04.2003 REGARDING ONE TIME SETTLEMENT OF POWER DUES.

State-wise bonds to be issued for dues as on 30.9.2001

Amount in Crores of Rupees

S.No.	States/ SEBs	Bond Amount
1	Andhra Pradesh	769.30
2	Arunachal Pradesh	28.24
3	Assam	699.35
4	Bihar	2670.59
5	Chhattisgarh	210.73
6	Goa	-
7	Gujarat	1392.64
8	Haryana	1046.81
9	Himachal Pradesh	101.87
10	J&K	566.64
11	Jharkhand	1859.40
12	Karnataka	644.95
13	Kerala	878.30
14	Madhya Pradesh	3606.66
15	Maharashtra	1648.53
16	Manipur	192.21
17	Meghalaya	17.45
18	Mizoram	52.88
19	Nagaland	84.64
20	Orissa	762.50
21	Punjab	1155.48
22	Rajasthan	682.50
23	Sikkim	51.53
24	Tamil Nadu	2241.45
25	Tripura	77.45
26	Uttar Pradesh #	4311.77
27	West Bengal	3108.07
	Total	29057.96

Includes Uttaranchal

ANNEXURE-II

ANNEXURE REFERRED TO IN PARTS (e) & (f) OF THE STATEMENT LAID IN REPLY TO STARRED QUESTION NO.485 TO B ANSWERED IN THE LOK SABHA ON 24.04.2003 REGARDING ONE TIME SETTLEMENT OF POWER DUES.

State-wise summary of Principal, Interest, Waiver and Bond amount

Amount in Crores of Rupees

S.No.	States/ SEBs	Principal interest	Interest waive off of	Benefit due to	Bond amount
1	Andhra Pr	537.65	579.14	347.48	769.30
2	Arunachal Pr.	25.54	6.76	4.06	28.24
3	Assam	554.88	361.18	216.71	699.35
4	Bihar	2049.97	1551.56	930.94	2670.59
5	Chhattisgarh	159.40	128.32	76.99	210.73

6	Goa	-0.36	-	-	-
7	Gujarat	1205.71	467.32	280.39	1392.64
8	Haryana	634.53	1030.7	618.42	1046.81
9	Himachal Pradesh	76.93	62.35	37.41	101.87
10	J&K	497.58	172.65	103.59	566.64
11	Jharkhand	1384.15	1188.12	712.87	1859.40
12	Karnataka	501.31	359.09	215.45	644.95
13	Kerala	786.70	229.01	137.41	878.30
14	Madhya Pradesh	3103.53	1257.83	754.70	3606.66
15	Maharashtra	1172.81	1189.29	713.57	1648.53
16	Manipur	167.89	60.80	36.48	192.21
17	Meghalaya	15.39	5.15	3.09	17.45
18	Mizoram	45.82	17.64	10.58	52.88
19	Nagaland	71.60	32.61	19.57	84.64
20	Orissa	682.80	199.24	119.24	762.50
21	Punjab	1046.98	271.26	162.76	1155.48
22	Rajasthan	604.53	194.92	116.95	682.50
23	Sikkim	39.97	28.91	17.35	51.53
24	Tamil Nadu	2025.46	539.98	323.99	2241.45
25	Tripura	72.67	11.94	7.16	77.45
26	Uttar Pradesh#	3582.08	1824.23	1094.54	4311.77
27	West Bengal	2290.52	2043.87	1226.33	3108.07

Total 23520.76 13842.77 8305.65 29057.96

Includes Uttaranchal