

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4093

ANSWERED ON:21.03.2013

FINANCIAL RESTRUCTURING OF DISCOMS

Annayagari Shri Sai Prathap;Argal Shri Ashok;Ramasubbu Shri S.;Reddy Shri Modugula Venugopala

Will the Minister of POWER be pleased to state:

(a) the details of DISCOMs submitted their proposals for financial restructuring and the action taken by the Union Government thereon, DISCOM-wise;

(b) whether many DISCOMs are yet to submit their proposals to the Union Government, if so, the details thereof and the reasons therefor;

(c) whether any discussions were taken place in the Power Ministers` conference in this regard and if so, the details thereof;

(d) whether his Ministry has demanded a budgetary allocation of Rs. 1200 crore for 2013-14 to salvage the debts of power distribution companies of the States; and

(e) if so, the details of the budget allocation received for the purpose?

Answer

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

(a) & (b) The scheme for Financial Restructuring of State owned Discoms was notified by Ministry of Power vide OM dated 05.10.2012. Scheme was effective from the date of issue of order and vide OM dated 21.01.2013 extended the scheme upto 31.03.2013. The Scheme is available to all participating State Owned Discoms having accumulated losses and facing difficulty in financing operational losses.

State owned Discoms have to prepare Financial Restructuring Plan (FRP) and obtain approval of State Government, Lenders and in principle approval of State Electricity Regulatory Commissions.

State Governments of Rajasthan, Haryana, UP, Tamil Nadu and A.P. have given in-principle consent to be part of the FRP scheme and abide by the various mandatory and recommendatory conditions of the scheme. States of Jharkhand, Kerala and Bihar have also shown willingness to join the scheme.

(c) In the 6th Power Minister`s Conference held on 05.02.2013, various issues including the scheme for financial restructuring of State owned Discoms have been discussed and the important and urgency of the scheme was emphasized.

(d) & (e) A sum of Rs.1500 Crores was proposed in the Budget Estimates for the Annual Plan 2013-14 of Ministry of Power and the same has been allocated.