

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4389  
ANSWERED ON:20.02.2014  
FINANCIAL HELP TO POWER COMPANIES  
Choudhry Smt. Shruti

**Will the Minister of POWER be pleased to state:**

- (a) whether the Government is providing financial help to the crisis-ridden power companies; and
- (b) if so, the details thereof along with the funds provided in this regard till date?

**Answer**

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

(a) & (b) : A scheme for Financial Restructuring of State owned Discoms was formulated and approved by the Government, keeping in view the declining operational performance and financial health of State Discoms. Under the Transitional Finance Mechanism, the State Government will take over 50% of the outstanding short term liabilities (STL) of the DISCOMs as on March 31, 2012. The State Government will provide support in payment of interest and repayment of principal till the date of takeover by issuing special securities.

The balance 50% Short term Liabilities will be rescheduled by the lenders at the best possible terms with moratorium on principal repayment. The scheme contains two tier monitoring mechanism by committees at Centre and State level to monitor the progress of the turnaround plan. Central Government would provide incentive by way of grant equal to the value of the additional energy saved by way of accelerated AT&C loss reduction beyond the loss trajectory specified under R-APDRP and capital reimbursement support of 25% of principal repayment by the State Government on the liability taken over by the State Government under the scheme.

Power Finance Corporation (PFC) and Rural Electrification Corporation (REC), CPSEs funding Power Sector Projects, have together disbursed transitional loans to State Dicoms amounting to Rs. 33,694 Crores. In addition REC and PFC together have also subscribed to UPPCL Bonds worth Rs. 2612 Crores.

In addition, Re-structured APDRP was approved on 31.07.2008 with total outlay of Rs. 51,577 crores keeping the focus on actual, demonstrable performance in terms of AT&C loss reduction on sustainable basis of Power Discoms. The Government of India has so far released Rs. 7142.61 Crore to State Power Discoms under the scheme.