

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4095

ANSWERED ON:20.03.2015

INTEREST RATE ON LOAN TO POWER DISCOM COMPANIES

Chaudhary Shri P.P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes reduction of interest rate on working capital loan for implementation of the financial restructuring of power discoms companies;
- (b) if so, the details thereof;
- (c) whether the Government has conducted any technical and feasibility study regarding the said proposal; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) to (d) The Scheme for Financial Restructuring of State Distribution Companies (Discoms) of the Ministry of Power was formulated and approved in October, 2012. Short term liabilities for the purpose of the Scheme means and includes short term loans, working capital loans, payables to power suppliers and other loans, excluding those taken for financing capital expenditure. At a joint meeting held on 21st January, 2015 to review the status of implementation of the Scheme, it was suggested to nodal banks that they may consider providing rebate in the rate of interest for prompt repayment of dues by Discoms for their high interest bearing loans.