

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2048

ANSWERED ON:27.07.2017

Stressed Assets in Power Sector

Gavit Dr. Heena Vijaykumar; Jayavardhan Dr. Jayakumar; Mahadik Shri Dhananjay Bhimrao; Patil Shri Vijaysinh Mohite; Satav Shri Rajeev Shankarrao; Sule Smt. Supriya Sadanand; Sundaram Shri P.R.

Will the Minister of POWER be pleased to state:

- (a) whether as per estimate of Rs.9 lakh crore of stressed assets in the country more than half are in the power generation sector;
- (b) if so, the details thereof;
- (c) whether the Government companies are poised to play a crucial role in the revival of stressed power plants by acquiring them or enabling their lenders to operate them on contract basis;
- (d) if so, the details thereof and the objectives behind the move;
- (e) whether the power generation companies of States propose to take over private power plants at attractive valuation after equity erosion and, if so, the details thereof;
- (f) whether the Government is considering to set up a holding company for identified stressed assets with the help of State owned power companies besides banks; and
- (g) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (g) : No, Madam. As per data provided by Department of Financial Services (DFS), the total advances towards electricity generation sector reported by Scheduled Commercial Banks (SCBs) is about Rs. 4.71 lakh crore, and most of them are standard assets.

Government has reviewed the status of 34 stressed Thermal (Coal based) Power Projects, as per the list provided by Department of Financial Services, with an estimated debt of about Rs. 1.77 lakh crore.

Currently, NTPC has no such proposal to acquire stressed power projects or enable their lenders to operate on contract basis. Neyveli Lignite Corporation of India Limited (NLCIL) has identified Ragunathpur Thermal Power Station- Phase-I (2x660 MW) (a stressed asset) of Damodar Valley Corporation (DVC) for acquisition. NLC has also shortlisted two suitable stressed power assets for possible acquisition to augment its power generation capacity.

RBI has notified schemes such as (i) Scheme for Sustainable Structuring of Stressed Assets (S4A) and (ii) Strategic Debt Restructuring Scheme (SDR) for the revival of stressed assets. Due diligence and financial restructuring by Banks to make projects viable would attract new promoters or States to bring in fresh equity investments.

The issue of setting up of a fund has been discussed among other options with stakeholders.
