

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4177
ANSWERED ON:18.12.2014
BANK DEBTS IN POWER SECTOR
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Will the Minister of POWER be pleased to state:

- (a) whether the power sector has incurred huge bank debts during the last three years and the current year;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether the Government has failed in procuring investments from corporate sector to strengthen power sector financially;
- (d) if so, the reasons therefor;
- (e) if not, the details of the investments made by various companies in this sector during the last three years and the current year; and
- (f) the concrete steps taken by Government to reduce the bank debt burden and achieve the planned growth targets?

Answer

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

(a) & (b) : As per the PFC report on Performance of State Power Utilities for the years 2010-11 to 2012-13, the outstanding loans of State Power Utilities from banks/financial institutions, bonds and debentures and other loans in the past years are shown:

Year	Outstanding debt (Rs. crore)
2010-11	333,388
2011-12	389,824
2012-13	459,145

(c) & (d): No, Madam.

(e) : Total investment in the power sector from 2010-11 is as shown:

Investment in the power sector, 2010-11 to 2013-14 (Rs. crore)

Sector	2010-11	2011-12	2012-13	2013-14
	(Prov.)	(Prov.)		

Centre	36833.74	45610.82	50776.29	51310.34
State	59869.54	60515.91	53556.87	57524.68
Private	79940.20	92316.30	75128.26	59339.25
Total	176,643.48	198,443.03	179,461.42	168,174.27

(f) : Steps taken by Government to reduce the debt burden include:

A scheme of financing restructuring of distribution companies, notified in October 2012 to enable restoration of their financial health, through measures taken by them and the State Governments to achieve turnaround by restructuring debt with central support through a transition finance mechanism.

The National Electricity Fund (interest subsidy) scheme to provide interest subsidy linked with reform measures on loan from Banks/Financial Institutions, to State power utilities and distribution companies (public and private), for non-RGGVY and non-R-APDRP distribution projects with the aim to promote capital investment in distribution sector.

Relief to Gas based power projects depends upon increased availability of Gas. Government has explored various options to provide relief to stranded gas based plants. However, no final decision has been taken.