

**Financial restructuring of State-owned Discoms**

359. SHRIMATI RENUKA CHOWDHURY : Will the Minister of POWER be pleased to state:

- (a) whether Government has launched a scheme for financial restructuring of State-owned Discoms;
- (b) if so, the details thereof indicating its salient features; and
- (c) the other steps taken by Government to help Discoms in improving performance of their distribution utilities?

THE MINISTER OF STATE OF THE MINISTRY OF POWER ( SHRI PIYUSH GOYAL ) : (a) and (b) A scheme had been formulated and notified on 05-10-2012 by the Government for Financial Restructuring of the State-owned Distribution Companies (DISCOMs) keeping in view the declining operational performance and financial health of State Discoms and to enable their turnaround which had accumulated huge losses and unsustainable debt. The scheme contained measures to be taken by the State Discoms and State Government for achieving financial turnaround by restructuring their debt with support through a Transitional Finance Mechanism by Central Government. The Scheme availability period expired on 31st March, 2014. The salient features of the scheme were:

- \* The State Government will take over 50% of the outstanding short term liabilities (STL) of the DISCOMS as on March 31, 2012. This will be first converted into bonds to be issued by Discoms to participating lenders, duly backed by State Government guarantee. The State Government will then take over this liability from Discoms in the next 2-5 years by way of issuing special securities in accordance with their FRBM space. 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 contained 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 RAPDRP (now subsumed in IPDS) 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.

- \* The scheme contained immediate/ continuing and other measures required to be taken in a time bound manner by the Discoms and State Governments to ensure long term financial and commercial viability of State owned Discoms. These measures included Financial Restructuring, Tariff Setting and Revenue Realization, Subsidy, Metering, Audit and Accounts and Monitoring.

(c) The Government has launched the National Electricity Fund (NEF), Integrated Power Development Scheme (IPDS) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) schemes also to improve performance of its distribution utilities.

#### **Advertisements on websites/portals by PGCIL**

360. SHRI SALIM ANSARI : Will the Minister of POWER be pleased to state:

(a) the policy of advertising on various websites/portals by the Power Grid Corporation of India Limited (PGCIL);

(b) the names of websites/portals which have received advertisement support from PGCIL with the amount paid for advertisements;

(c) whether some of these websites/portals are under scanner of Delhi Police in case related to leakage of confidential documents; and

(d) whether PGCIL would also probe the matter through CVC/CVO about the role of officers of PGCIL in extending advertisement support to the tainted websites/portals and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF POWER ( SHRI PIYUSH GOYAL ) : (a) No such policy for advertising on websites/portals is in place in Power Grid Corporation of India Limited (PGCIL). However, PGCIL releases the advertisements from time to time depending on the availability of budget and publicity requirement/benefit for corporate image building of the Company.

(b) The details of the websites/portals on which advertisements have been released by POWERGRID are as under: