

GOVERNMENT OF INDIA  
MINISTRY OF POWER

**RAJYA SABHA**  
**STARRED QUESTION NO.282**  
TO BE ANSWERED ON 12.12.2016

**PROBLEMS UNDER UDAY**

\*282. SHRI DHARMAPURI SRINIVAS:

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

- (a) whether the Ujwal Discom Assurance Yojana (UDAY) introduced by the Ministry to protect Discoms in the country, is creating new problems and throwing them into debt trap in the long run;
- (b) if so, the details thereof;
- (c) whether all State Governments have entered into MoUs with the Ministry in this regard and if not, the reasons therefor; and
- (d) the steps being taken by Government to insure the State Governments from getting any losses from the scheme?

**A N S W E R**

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

( SHRI PIYUSH GOYAL )

**(a) to (d) :** A Statement is laid on the Table of the House.

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## STATEMENT

### STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO.282 TO BE ANSWERED IN THE RAJYA SABHA ON 12.12.2016 REGARDING PROBLEMS UNDER UDAY.

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**(a) & (b) :** No, Sir. Ujwal DISCOM Assurance Yojana (UDAY) has been launched for financial and operational turnaround of the State owned Power Distribution Companies (DISCOMs). The scheme aims to reduce interest burden, cost of power & power losses in Distribution sector and improve operational efficiency of DISCOMs.

**(c) :** The Scheme is optional for States to join. As on 08-12-2016, Seventeen States namely Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and one Union Territory of Puducherry have signed the Memorandum of Understanding (MoU) with the Government of India under UDAY.

**(d) :** Under the scheme, States are to take over 75% of debt of DISCOMs as on 30.09.2015 which would be outside the Fiscal Responsibility & Budgetary Management (FRBM) limits. To reduce chances of future losses, States/DISCOMs have committed to several measures to reduce Aggregate Technical & Commercial (AT&C) losses and revenue gaps, which include coal linkage rationalization, liberally allowing coal swaps from inefficient to efficient plants, allocation of coal linkages at notified prices, demand side management & energy efficiency measures etc.

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