

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
RAJYA SABHA
UNSTARRED QUESTION NO. 1377
TO BE ANSWERED ON TUESDAY, 11th MARCH, 2025
20 PHALGUNA, 1946 (SAKA)
RESTRUCTURING OF DEBTS SOUGHT BY TELANGANA

1377. Shri Anil Kumar Yadav Mandadi

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

- (a) Whether Government has received any request regarding restructuring of debts sought by State Government of Telangana through various corporations and Special Purpose Vehicles;
- (b) if so, the details thereof;
- (c) whether Government has taken any decision on the request made by the State Government of Telangana regarding restructuring of its debts; and
- (d) if so, the details thereof; and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b) A request was received from the State Government of Telangana regarding restructuring of loans raised by the Special Purpose Vehicles (SPVs) that are serviced from the State Consolidated Fund under Kaleshwaram Lift Irrigation Scheme.

(c) & (d) As per the information received from Ministry of Power, the State Government of Telangana has been informed that Kaleshwaram Irrigation Project Corporation Limited (KIPCL), a special purpose vehicle (SPV) established to construct the Kaleshwaram Lift Irrigation Project in Telangana, was financed by Power Finance Corporation Limited (PFC Ltd.) and REC Limited with a total project cost of Rs. 37,737.11 crore and Rs. 30,536.08 crore respectively.

These Non-Banking Financial Companies (NBFCs) raise funds from various sources in the domestic and offshore markets. Based on their cost of borrowing, they determine the lending rates, which also depend on the grading of borrower. The REC Limited has already

granted a time extension for the completion of works until December, 2024 at the request of KIPCL. Further, it has also informed the State Government that rebate on interest rate may be considered upon the completion/closure of these projects. However, any change in loan amortization schedule would result in the downgrade of KIPCL's account classification (from standard to Sub-standard) in the books of PFC/REC Ltd. in accordance with the guidelines issued by the Reserve Bank of India.
