

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK SABHA

UNSTARRED QUESTION NO. 2599

TO BE ANSWERED ON MONDAY, 17th MARCH, 2025

26 PHALGUNA, 1946 (SAKA)

RESTRUCTURING OF DEBTS OF VARIOUS CORPORATIONS/SPVS

2599. Shri Chamala Kiran Kumar Reddy

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

- (a) Whether the Government of Telangana has sent any proposals for Restructuring of Debt of various Corporations or their Special Purpose Vehicles (SPVs) to issue appropriate instructions to the relevant financial institutions for the restructuring of loans that were extended to the Corporations/SPVs owned by the Government of Telangana and are now serviced from the State's Consolidated Fund; and
- (b) if so, the details thereof and the action taken thereon till date, Corporation and SPV-wise?

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.

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.

The state government was further informed that 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. Any rebate in interest rate is considered upon the completion/closure of 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.
