

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO 1144  
TO BE ANSWERED ON THE 4<sup>th</sup> DECEMBER, 2015 / AGRAHAYANA 13, 1937 (SAKA)

QUESTION  
BANK LOAN TO STATE ELECTRICITY BOARDS

1144.: SHRI SUSHIL KUMAR SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the loans given by PSBs to State Electricity Boards contribute a significant portion of stressed assets and if so, the details thereof;
- (b) whether the Government has a specific plan to recover these loans;
- (c) if so, the details thereof; and
- (d) if not, the corrective steps taken by the Government in this regard?

ANSWER  
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI JAYANT SINHA)

(a): The loans given by banks to state electricity distribution companies (DISCOMs) are under stress due to weak financial conditions of the discoms. The position of total Non-Performing Assets (NPAs) of State Electricity Boards (SEBs) in respect of Public Sector Banks is as under:

(Rs. in Crore)

Period	Total Advances to SEBs	Total NPAs in SEBs	SEBs NPAs Ratio	Gross NPAs of PSBs	Gross NPA Ratio of PSBs	%age NPAs of SEBs to PSBs
2013-14	1,81,163	616	0.34%	2,16,739	4.72%	0.28%
2014-15	2,19,165	1806	0.82%	2,67,065	5.43%	0.67%
*Sept -15	1,80,245	1487	0.82%	3,00,743	6.21%	0.49%

Source: RBI – Sept 2015 data provisional

(b) to (d): Government of India, has given its approval to a new scheme moved by the Ministry of Power - Ujwal DISCOM Assurance Yojana or UDAY. Some of the important features of UDAY are as follows:

The Cabinet has cleared Rs 3.27 lakh crore (from various Financial Institutions including Rs 1.95 lakh crore from banks) debt-recast and reform package to revive loss-making state discoms utilities. States have been given strong incentives such as cheaper power and more coal if they adopt the scheme and take over 75% of the debt of ailing distribution companies (discoms), half of it in the current fiscal year and 25% next year. States will issue bonds in the market or to the lenders, while the debt that is not taken over by the state will be converted into loans or bonds with interest rate not more than bank's base rate plus 0.1%.

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