

No.06/01(05)/2020-NEF (U) (E-252752)

Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, Dated: 2nd September, 2020

OFFICE MEMORANDUM

**Sub: Liquidity Infusion Scheme to alleviate financial stress due to Covid -
Relaxation in Working Capital Limit imposed under UDAY**

The undersigned is directed to say that the Ujwal Discom Assurance Yojana (UDAY) was notified by this Ministry vide Office Memorandum (OM) No.06/02/20215-NEF/FRP dated 20th November, 2015 for operational and financial turnaround of Power Distribution Companies (DISCOMs). Para 8.4 of the OM, reproduced below, imposes a limit on working capital that DISCOMs -

"8.4 For working capital, Banks/FIs shall lend to DISCOMs only up to 25% of the DISCOMs previous year's annual revenue, or as per prudential norms."

2. The outbreak of the global pandemic COVID-19 in the country and the consequent nationwide lockdown imposed by the Government has exacerbated the liquidity problems for the power sector. To alleviate the liquidity problems of the DISCOMs, a Liquidity Infusion Scheme is being implemented through Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) to infuse liquidity to DISCOMs for payment of some of their dues.
3. To avail the benefit of the Liquidity Infusion Scheme, some DISCOMs require relaxation from the working capital limit imposed under UDAY.
4. To enable such DISCOMs to avail the benefits of Liquidity Infusion Scheme, Government of India has decided to grant a one-time permission to PFC and REC for extending loans to DISCOMs above limits of working capital of 25% of last year's revenues under UDAY to discharge their liabilities as existing on 30.06.2020 in favour of CPSE Gencos and Transcos, IPPs, and RE generators, with the proviso that these

loans above the 25% limit will not be counted against the working capital limit imposed under UDAY till the loans are repaid.

MUN 2.9.2020
(Mritunjay Kumar Narayan)

Joint Secretary to the Government of India

Tel:011- 23714367

To

1. The CEO, NITI Aayog, Sansad Marg, Sansad Marg Area, New Delhi.
2. Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi.
3. Secretary, Department of Financial Services, Ministry of Finance, 3rd floor Jeevan Deep Building, Sansad Marg, New Delhi, Delhi.
4. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi.
5. Secretary, Department of Investment and Public Management, Ministry of Finance, Block No. 14, CGO Complex, Lodhi Road, New Delhi.
6. Secretary, Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Lodi Estate, CGO Complex, Lodi Colony, New Delhi.
7. Secretary, Ministry of Coal, Shastri Bhawan, Dr Rajendra Prasad Road, New Delhi.
8. Secretary, Ministry of New and Renewable Energy, Block -14, CGO Complex, Lodhi Road, New Delhi.
9. Prime Minister's Office (Shri Rohit Yadav, Joint Secretary), South Block, New Delhi.
10. Cabinet Secretariat (Shri S.G.P. Verghese, Director), Rashtrapati Bhawan, New Delhi with reference to their OM No.CCEA/13/2020(i) dated 21st August,2020.

Copy to:

1. Principal Secretary (Finance) of all States/UTs
2. Principal Secretary/Addl. Chief Secretary/Secretary (Energy/Power) of all States/UTs
3. CMD, PFC, New Delhi.
4. CMD, REC, New Delhi.

Copy also to for information:

1. PS to MoSP(I/C)

2. Sr.PPS to Secretary (P)
3. PPS to AS(D)
4. PPS to JS(D)/JS(Thermal)/JS(Hydel)/JS(R&R)
5. Sr. Technical Director, NIC, MoP with a request to upload this OM on the website of this Ministry.