

## **FICCI's Comments on SEBs' bail out**

NEW DELHI, September 24, 2012. Welcoming the Cabinet's decision to restructure the debts of SEBs, *Mr. Sidharth Birla, Vice President of FICCI said, "the decision will provide some immediate relief to the power utilities as banks will defer their payment schedules. While tariff revisions will take place regularly, these should reflect the true cost of production as SEBs have run up accumulated losses of at least Rs. 2 lakh crore. Also, urgent reforms of the distribution sector such as reduction of AT&C losses below 15% and planning of power procurement in the long term by DISCOMs is a necessity for overall power sector reforms. In addition, reliable fuel supply arrangements need to be put in place to boost investments in the sector. I say this because the health of DISCOMs being a vital link in the power delivery chain is of significant concern."*

Media Division