



Banks tap finmin over worries of power NPAs

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Banks tap...

Care Ratings MD & CEO DR Dogra said policy level issues - such as lack of coal and FSAs - have made power sector

business a lot more tough to operate in. As per a Credit Suisse August 2012 report, 36 thermal power projects involving a debt of a little over Rs.2 lakh crore of private companies are now facing potential stress.

Gas-based capacity of 14,000 MW is likely to come under stress, with an estimated bank debt of Rs.36,500 crore being sunk in these projects.

Companies' projects facing potential stress include that of Adani (with debt of Rs.24,100 crore), Lanco (Rs.20,100 crore), Reliance Power (Rs.32,600 crore), Tata Power (Rs.14,400 crore), India Bulls (Rs.21,200 crore), Essar (Rs.21,900 crore debt), JSW Energy (Rs.6,700 crore), JVPL (Rs.15,500 crore) and KSK (Rs.6,000 crore), the report said.

Bankers, however, acknowledged that none of the debt to private companies has been admitted to the corporate debt restructuring (CDR) cell as yet, but the credit risks have increased.

"We need to resolve these issues urgently as these companies have put in huge investment and they are not generating any assets or earnings. These loans have not reached a stage to be referred to the CDR cell for restructuring. There is still time and we can save the funds," said a senior banker at a PSB, asking not to be named.