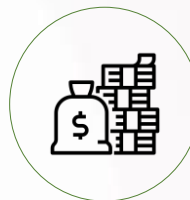


DISCOM PRIVATIZATION PLAN

**Presented by
Anurag Johri,
Senior Principal - Resources,
Accenture in India**

MOTIVATION TO INVOLVE PRIVATE SECTOR



Attract fresh private capital



Improve financial and operational performance



Introduce competition



Depoliticize and reduce government influence

DETERMINANTS OF SUCCESS OF PRIVATIZATION



Which firms are privatized?



Owner type – Foreign/Domestic



Regulatory framework

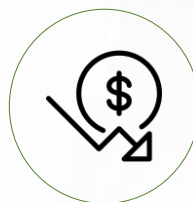


Degree of privatization

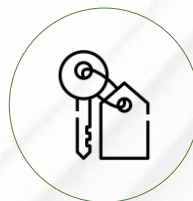
CHARACTERISTICS OF DISCOM PRIVATIZATION IN INDIA



Focus of privatization on improving financial and operational performance



DISCOMs with high AT&C losses have been privatized



Negligible foreign participation



Partial privatization

OUR RECOMMENDATIONS FOR DISCOM PRIVATIZATION

Enhance Current
Regulatory Framework



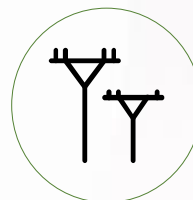
Focus on Attracting Fresh
Private Capital

Attract Foreign
Ownership

POTENTIAL INTERVENTIONS TO ATTRACT FRESH PRIVATE CAPITAL



Prioritize areas with high technical losses or needing large infrastructure upgrades



Provide financial incentives for infrastructure augmentation



Ensure visibility on tariffs for initial years of operation



Provide subsidies directly to the consumers through Direct Benefit Transfer (DBT)



Take initiatives to attract international participation

POTENTIAL INTERVENTIONS TO ATTRACT FOREIGN OWNERSHIP



Provide a mechanism to hedge against currency risk



Ensure stability and consistency of regulatory regime



Focus on capital transparency and non-discrimination against foreign investors



Conduct roadshows / communication with prospective international investors to showcase the opportunity

Thank You!