

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
UNSTARRED QUESTION NO.3838
ANSWERED ON 05.04.2022

OUTSTANDING DEBT OF POWER DISTRIBUTION COMPANIES

3838 SHRI BINOY VISWAM:

Will the Minister of **POWER**
be pleased to state:

- (a) whether it is a fact that there are large outstanding dues of power distribution companies towards Central and State power generation stations, IPPs and renewable energy generators;
- (b) if so, the details thereof, along with details of the outstanding debt and total amount recovered till date, of the top ten power DISCOMS;
- (c) the main reasons for the large outstanding dues and the steps being taken to recover the same; and
- (d) the impact, short and long term, of this surmounting debt, both on the power sector and on the common consumer?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) & (b) : As per data provided by the power sector Generating companies, on the PRAAPTI Portal, details of total overdues of DISCOMS towards Central power generation stations, Independent Power Producers (IPPs) and Renewable Energy (RE) generators as on 31.12.2021, as on 31.01.2022 and as on 28.02.2022 are Rs. 95,717 Cr., Rs. 98,545 Cr. and Rs. 1,00,987 Cr. respectively. The State-wise details are placed at **Annexure-I**. The outstanding debt of top 10 DISCOMS, as on 31st March, 2020 along with the net decrease and increase in debt levels in comparison to 31st March, 2019 is placed at **Annexure-II**.

(c) : Main reasons for the increase in outstanding dues payable to GENCOs and poor financial performance of DISCOMS are: tariffs are not reflective of costs; poor billing and collection efficiencies; non-payment of electricity dues by State Government Departments; non-payment/short payment by the State Government against the subsidies announced by them. All these aspects are related to deficiencies in the governance of DISCOMS.

The Government of India has made several interventions to improve financial and operational efficiencies of DISCOMS linked to reform measures including Liquidity Infusion Scheme (LIS); Additional Borrowing of 0.5% of GSDP to States linked to power sector reforms; introducing additional prudential norms for lending by Power Finance Corporation (PFC) Limited and REC Limited; and Revamped Distribution Sector Scheme (RDSS). Fund admissibility to States and DISCOMS in all these measures will be conditional on their taking steps to improve their operational and financial efficiencies.

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Further, the Government had also issued an order dated 28th June, 2019 enforcing opening and maintaining of adequate Letter of Credit (LC) as payment security mechanism under Power Purchase Agreements (PPAs) by Distribution Licensees. The order mandates NLDC & RLDC to dispatch power only after confirming opening of LC. These reform measures will improve the financial health of DISCOMs which will improve the liquidity situation leading to reduction in outstanding dues to Power Generating companies (GENCOS).

Furthermore, all the Distribution Companies are continuously pursued by the Generating Companies and Inter State Transmission licensee for payment of outstanding dues. In case of default, notices for regulation of power supply are served and Tripartite Agreement between Reserve Bank of India (RBI) and State Government is also invoked for recovery of dues.

(d) : Poor liquidity arising out of the adverse financial position of DISCOMs not only causes problems to consumers in terms of poor power supply; but also causes problems upstream in the power sector value chain. Cash strapped DISCOMs find it difficult to pay their creditors, including Generating Companies, who in turn are not able to pay for Coal supplies and Railways freight, as well as salaries to their Staff and repayment of Bank Loans taken for the construction of the plant.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 3838 ANSWERED IN THE RAJYA SABHA ON 05.04.2022

Overdues of State DISCOMs towards Gencos (CPSEs, IPPs, REs) excluding State Gencos (As per PRAAPTI Portal as on 16.03.22) (Overdue figures do not include disputed amount) (All amount in Rs. Cr.)													
Sl. No.	States/UTs	As on 31.12.2021				As on 31.01.2022				As on 28.02.2022			
		CPSEs	IPPs	REs	Total	CPSEs	IPPs	REs	Total	CPSEs	IPPs	REs	Total
1	Andaman And Nicobar Islands	10	-	-	10	7	-	-	7	8	-	-	8
2	Andhra Pradesh	322	408	6,581	7,312	502	401	6,630	7,534	386	461	6,691	7,538
3	Arunachal Pradesh	-	-	-	-	-	-	-	-	-	-	-	-
4	Assam	1	-	2	2	1	-	2	2	1	-	4	5
5	Bihar	0	530	109	638	0	593	98	691	0	589	94	683
6	Chandigarh	75	-	-	75	75	-	-	75	78	-	-	78
7	Chhattisgarh	11	64	24	99	11	79	27	117	11	85	24	120
8	Dadra & Nagar Haveli and Daman & Diu	4	402	-	406	4	402	-	406	4	402	-	406
9	Delhi	616	5	-	620	606	5	-	611	553	5	-	557
10	Goa	9	-	-	9	9	-	-	9	9	-	-	9
11	Gujarat	19	11	238	268	19	11	237	268	19	81	238	338
12	Haryana	53	1,327	-	1,381	29	1,269	-	1,298	66	688	-	754
13	Himachal Pradesh	4	1	-	5	4	1	-	5	13	1	-	15
14	Jammu And Kashmir	6,081	6	-	6,088	6,538	7	-	6,544	6,857	7	-	6,864
15	Jharkhand	3,064	-	-	3,064	3,134	-	-	3,134	3,567	-	-	3,567
16	Karnataka	1,689	1,070	2,372	5,131	1,659	1,051	2,351	5,061	1,670	1,077	2,399	5,146
17	Kerala	64	397	-	461	63	409	-	472	65	417	-	482
18	Lakshadweep	-	-	-	-	-	-	-	-	-	-	-	-
19	Madhya Pradesh	897	2,640	1,769	5,306	396	2,856	1,784	5,036	396	2,991	1,782	5,169
20	Maharashtra	411	16,505	1,623	18,539	413	17,262	1,686	19,361	413	17,135	1,735	19,282
21	Manipur	51	-	-	51	43	-	-	43	45	-	-	45

22	Meghalaya	514	-	-	514	532	-	-	532	548	-	-	548
23	Mizoram	25	-	-	25	3	-	-	3	12	-	-	12
24	Nagaland	-	-	-	-	0	-	-	0	0	-	-	0
25	Odisha	0	245	3	247	0	248	3	250	0	248	3	250
26	Puducherry	19	-	-	19	22	-	-	22	24	-	-	24
27	Punjab	47	1,075	130	1,252	76	1,075	157	1,307	83	1,075	168	1,326
28	Rajasthan	436	9,195	1,287	10,917	371	8,889	1,479	10,739	509	8,846	1,497	10,852
29	Sikkim	39	-	-	39	47	-	-	47	48	-	-	48
30	Tamil Nadu	6,083	8,189	3,255	17,527	6,874	8,710	3,242	18,826	6,967	9,385	3,307	19,658
31	Telangana	836	2,951	2,445	6,233	892	3,171	2,515	6,578	914	3,418	2,560	6,891
32	Tripura	162	-	-	162	156	-	-	156	146	-	-	146
33	Uttar Pradesh	629	8,091	15	8,735	750	8,104	15	8,868	1,147	8,462	15	9,624
34	Uttarakhand	2	-	-	2	6	-	-	6	6	-	-	6
35	West Bengal	66	512	1	579	3	533	1	537	2	533	1	536
	Total	22,239	53,624	19,853	95,717	23,244	55,075	20,226	98,545	24,567	55,903	20,517	1,00,987

ANNEXURE-II**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 3838 ANSWERED IN THE RAJYA SABHA ON 05.04.2022**

Total Borrowings - Top 10 Discoms

Sl. No.	Name of Utility	Total Borrowings as on March 31, 2020	Total Borrowings as on March 31, 2019	Increase in Total Borrowings from 2018-19 to 2019-20
1	TANGEDCO	1,24,413	1,13,438	10,975
2	MSEDCL	39,086	35,197	3,889
3	APSPDCL	20,436	13,601	6,836
4	KSEBL	20,310	19,471	839
5	MPMaKVVCL	18,178	16,913	1,265
6	MPPoKVVCL	17,535	16,030	1,505
7	JVVNL	17,185	19,391	-2,206
8	DVVNL	17,001	17,999	-998
9	PSPCL	16,258	30,473	-14,215
10	JdVVNL	16,184	16,513	-329
