

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.3099
ANSWERED ON 21.12.2023**

IMPLEMENTATION OF THE UJJWAL DISCOM ASSURANCE YOJANA

3099. SHRI D.M. KATHIR ANAND:

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

(a) whether according to the C&AG's report, the implementation of the Ujjwal DISCOM Assurance Yojana (UDAY) in Tamil Nadu Generation and Distribution Corporation (TANGEDCO) between 2016-17 and 2019-20 has not helped TANGEDCO to improve its finances as its debt has gone up from Rs. 81,312 crore in September 2015 to Rs. 1.23 lakh crore on March 2020;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government proposes to provide additional financial support to TANGEDCO for the completion of its power projects at North Chennai Stage-III, Kunda and Udangudi and if so, the details thereof; and

(d) the total amount extended as loans to TANGEDCO by the Union Government from June 2021 onwards?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) & (b) : UDAY was launched with an overall aim of operational and financial turnaround of State owned Distribution Utilities (DISCOMs) through efficiency improvements and financial restructuring. As a result, State Power Distribution Utilities reported improvements which include reduction in Aggregate Technical & Commercial (AT&C) losses from 23.66% in FY2017 to 20.93% in FY2020. Similarly, AT&C losses of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) reduced from 18.23% in FY2017 to 13.60% in FY2020 and preliminary report shows that losses of TANGEDCO have further reduced to 10.23% in FY2023.

Recognising that the liabilities of the State owned Utilities are the contingent liabilities of the States themselves, UDAY envisaged the States taking over of 75% of the debt of the DISCOMs as on 30.09.2015 by issuing State Development Loan (SDL) Bonds. The UDAY Memorandum of Understanding (MoU) for

Tamil Nadu was signed on 9th January, 2017. As per the MoU, the outstanding debt of TANGEDCO was Rs 81,312 Crores at the end of September 2015 out of which DISCOM debt was Rs 30,420 Crores while the remaining corresponded to Generation business. Government of Tamil Nadu (GoTN) was to take over 75% of outstanding "DISCOM debt" as on 30th September 2015 i.e. Rs 22,815 Crores during 2016-17. In line with the MoU, GoTN has taken over the DISCOM debt of Rs 22,815 Crore by issuing Non-SLR Bonds during FY 2016-17. Further, this amount of Rs 22,815 Crore was transferred as Grant by GoTN to TANGEDCO progressively upto FY 2021-22. Year-wise detail given in Annexure-I.

After 2016, most of the capacity additions towards Generation and Distribution strengthening projects have been undertaken by TANGEDCO through financial assistance obtained from Financial Institutions and Banks, which is a reason for increase in debt. Moreover, tariff revision has not been effected every year as per UDAY guidelines, which is also a reason for increase in debt.

Further, as per MoU, GoTN was to takeover future losses of TANGEDCO in graded manner till FY 2020-21. As against the target of Rs 10,132 Crores, GoTN took over losses of Rs 9,366 Crores till FY 2021-22. Year-wise detail given in Annexure-II. Furthermore, Government of Tamil Nadu has consented to take over 100% losses of TANGEDCO of the current year, during the next year from the FY 2021-22 onwards. Accordingly the losses of TANGEDCO for the FY 21-22 has been taken over to the tune of Rs.11,954.64 Cr during the FY 2022-23.

(c) : Details of loans sanctioned to TANGEDCO by REC Ltd. for North Chennai Stage-II TPS, Kunda HEP and Udangudi TPS project are tabulated below:-

Sr. No.	Name of the project	Original Loan amount sanctioned by REC (Rs. In Cr.)	Additional loan amount (Rs. In Cr.)
1)	North Chennai Stage - III TPS	5,006.99	1,036.75 (sanctioned by REC)
2)	Kunda HEP	1,450.00	1,270.82 (sanctioned by REC)
3)	Udangudi TPS project	10,453.00	Proposal under consideration with PFC

(d): The details of loans sanctioned to TANGEDCO from the central financial institutions from June, 2021 are below:

1.	REC Ltd	Rs.24,090 Crore
2.	Power Finance Corporation (PFC) Ltd.	Rs.17,121 Crore
Total		Rs. 41,211 Crore

ANNEXURE-I

ANNEXURE REFERRED IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 3099 ANSWERED IN THE LOK SABHA ON 21.12.2023

Table (1): Actual transfer as grant is described in the following table:-

Year	Total Debt to be taken Over as per MoU	Transfer as Grant as per MoU	Actual debt taken Over	Actual grant
2016-17	75%	4563	75%	-
2017-18	-	4563	-	4563
2018-19	-	4563	-	4563
2019-20	-	4563	-	4563
2020-21	-	4563	-	4563
2021-22	-	-	-	4563
Total	75%	22,815	75%	22,815

ANNEXURE-II**ANNEXURE REFERRED IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 3099 ANSWERED IN THE LOK SABHA ON 21.12.2023**

Table (2) : Loss takeover: As per MoU, GoTN was to takeover future losses of TANGEDCO in graded manner. The actual loss takeover by GoTN is as below:

Particulars	Profit/(Loss) Before Tax **	Loss to be taken over by State Govt	Actual Loss takeover by GoTN
2016-17	(4349)	-	-
2017-18 @5% of PY Loss	(7761)	217	217
2018-19 @10% of PY Loss	(12,623)	776	776
2019-20 @25% of PY Loss	(11,965)	3156	-
2020-21 @50% of PY Loss	(13,407)	5983	3000 ^
2021-22	-	-	5373 ^
Total	(50,105)	10,132	9366

**** as per PFC Report on Annual Performance of State Power Utilities**

^ as per TANGEDCO Audited Accounts for 2020-21
