

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:7030  
ANSWERED ON:18.05.2012  
DEFAULT IN PAYMENT BY PRIVATE COMPANIES  
Singh Alias Pappu Singh Shri Uday

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

- (a) whether several power projects promoted by private sector companies have defaulted in payment of their dues to State-owned power sector lenders like Power Finance Corporation (PFC) and Rural Electrification Corporation (REC);
- (b) if so, the details thereof;
- (c) whether defaults by private sector companies to PFC and REC have a cascading impact on the financial health of these Government companies; and
- (d) if so, the steps the Government proposes to take against the defaulting private sector companies?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

- (a) & (b): A few power projects promoted by private sector companies have defaulted in their dues to Power Finance Corporation (PFC) and Rural Electrification Corporation (REC). Details are as per Annex.
- (c): The default by the private companies do not have any significant impact on financial health of PFC and REC presently and it did not result in any cascading effect.
- (d): PFC and REC take action against the defaulting private sector companies as per the loan agreement with them.