

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4142

ANSWERED ON:11.08.2016

Financial Assistance to TANGEDCO

Ahamed Shri E.;Pandula Dr. Ravindra Babu ;Yellaiah Shri Nandi

Will the Minister of POWER be pleased to state:

- (a) whether Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) has been slipped to grade ""C"" by rating agencies as per the framework approved by your Ministry and if so, the details thereof;
- (b) whether Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) are providing financial assistance to State Generation and Distribution Corporations for procurement of energy meters and other electrical equipments;
- (c) if so, the complete details of energy meters and other equipments purchased by Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) against the financial assistance provided by PFC and REC during the last three years;
- (d) whether any representations were received from several Small Scale Industries (SSI) Units in power sector regarding non-payment of their dues to TANGEDCO for supply of energy meters and if so, the details thereof including the names of such SSI units whose payments have been withheld by TANGEDCO along with the amount due to each one of them; and
- (e) whether Power Finance Corporation (PFC) proposes to stop financial assistance/ funding to TANGEDCO for procurement of energy meters till all outstanding payments are cleared and if not, the reasons therefor?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) : As per "State Distribution Utilities Fourth Annual Integrated Rating" published by Power Finance Corporation (PFC) Ltd., TANGEDCO has been rated "C+", downgraded from rating "B". Key reasons for the rating of 'C+' assigned to

TANGEDCO includes:

- (i) Very high level of accumulated losses of over Rs. 65,000 crore as on 31.03.2015
- (ii) Deterioration in AT&C losses, low billing efficiency
- (iii) High power purchase cost
- (iv) Poor Cost coverage ratio owing to continuous higher level of losses year after year
- (v) Tariff petition not filed during the last three years viz. FY 2015, FY 2016 & FY 2017 and no tariff order issued for FY 2016 / FY 2017.

(b) & (c) : Power Finance Corporation (PFC) Ltd. and Rural Electrification Corporation (REC) Ltd. have sanctioned distribution schemes, which are composite in nature and includes all infrastructure works including procurement of energy meters and other electrical equipments. The details of the sanctions to TANGEDCO during the last three years by PFC Ltd. & REC Ltd. are as given below:

YEAR Sanction

PFC Ltd. REC Ltd.

2013-14 Rs. 2,843 Crore Rs.1369.88 Crore

2014-15 Rs.3,167 Crore Rs.1145.58 Crore

2015-16 Rs.3669 Crore Rs.1213.67 Crore

(d) : Shri Salim Ansari, Ex-Hon"ble Member of Parliament, forwarded a representation of M/s. Capital Power System Ltd., Noida and a letter from Shri Ramsinh Rathwa, Hon"ble Member of Parliament have been received regarding non-payment of dues by M/s. TANGEDCO to SSI units. Details of the SSI units with payments due as received from Shri Ramsinh Rathwa, Hon'ble MP to each unit is furnished below:

Sl. No. Name of SSI Total Amount

1. M/s. Avon Meters Pvt. Ltd., Derabassi 6.44 Cr.
2. M/s. Capital Power Systems Ltd., Nodia 9.50 Cr
3. M/s. Genus Innovation Ltd., Jaipur 2.68 Cr.
4. M/s. Landis + GYr Ltd., Kolkata 75.00 Lac
5. M/s. HPL Electric & Power Pvt. Ltd., Gurgaon 3.51 Cr.
6. M/s. Secure Meters Ltd., Udaipur 18.00 Cr.

(e) : The energy meter supply is as per the contractual obligations between the contracting suppliers and TANGEDCO. PFC Ltd. has no role to play in any contractual issue between either of the parties.
