

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
STARRED QUESTION NO.145  
TO BE ANSWERED ON 28.11.2019**

**SUPPLY OF POWER ON CREDIT**

**\*145. SHRI LAVU SRI KRISHNA DEVARAYALU:**

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

- (a) the reasons behind the Government's decision asking DISCOMs to pay-and-carry power and not to supply power on credit;**
- (b) whether the Government/NTPC has assessed the impact of this decision on the States as they have to pool thousands of crore to get power and if so, the details thereof;**
- (c) whether it is a fact that DISCOMs have been requesting/demanding to remove this condition; and**
- (d) if so, the action taken by the Government in this regard so far?**

**A N S W E R**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, NEW & RENEWABLE ENERGY AND THE MINISTER OF STATE FOR SKILL DEVELOPMENT & ENTREPRENEURSHIP**

**( SHRI R.K. SINGH)**

**(a) to (d) : A Statement is laid on the Table of the House.**

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## **STATEMENT**

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF  
STARRED QUESTION NO.145 TO BE ANSWERED IN THE LOK SABHA  
ON 28.11.2019 REGARDING SUPPLY OF POWER ON CREDIT.**

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**(a) to (d) : As per PRAAPTI Portal, as on 30<sup>th</sup> September, 2019, the over dues outstanding amount of generating companies payable by Distribution Licensee has increased to around Rs.65,000/- crore. To make the power sector sustainable, it is essential that the distribution licensees pay for the power they buy. If they don't pay in time, the generating company will not be able to buy coal as coal is supplied only on advance payment under cash and carry policy of Coal India Limited.**

**In order to correct the situation, the Government have directed that the provisions of the Power Purchase Agreements signed between the distribution licensees and the generating company for making payments for the power purchase and opening of the Letter of credit (LC) be adhered to.**

**The Government cannot remove any condition in PPA as the PPA are sacrosanct and is signed by distribution company and the generating company. Government is not a party to any PPA.**

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