

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.2040
TO BE ANSWERED ON 22.09.2020**

POWER GENERATION AND TRANSMISSION COMPANIES

**2040. SHRI TALARI RANGAIAH:
SHRI MAGUNTA SREENIVASULU REDDY:
SHRI SRIDHAR KOTAGIRI:
SHRI CHANDRA SEKHAR BELLANA:
SHRI POCHA BRAHMANANDA REDDY:**

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

- (a) whether the Government has advised power generation companies (gencos) and transmission companies (transcos) to cap the late payment surcharge charged to distribution companies at a simple interest rate of 12% per annum;**
- (b) if so, the details thereof;**
- (c) whether the Government has observed that while interest rates have softened in the country over the last few years, the applicable rate of late payment surcharge have remained high (up to 18% per annum);**
- (d) if so, the details thereof; and**
- (e) the measures taken/being taken by the Government to rectify the said anomaly?**

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) & (b) : To alleviate the financial stress on the Discoms due to impact of Covid-19, the Government vide letter 20.08.2020 has advised the Generating Companies and Transmission Companies to charge Late Payment Surcharge (LPS) at a rate not exceeding 12% per annum for all payments made under the Liquidity Infusion Scheme through PFC and REC under Atmanirbhar Bharat.

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(c) & (d) : The interest rates in the country have softened over the last few years. While the rate of LPS for generating and transmission companies regulated by CERC under CERC Tariff regulations is 18% per annum, the rates for other generating and transmission companies are as per provisions of PPA (Power Purchase Agreement) / TSA (Transmission Service Agreement) or the SERC regulations, which vary from PPA/TSA to PPA/TSA and State to State.

(e) : On directions of the Central Government, Central Electricity Regulatory Commission had reduced the rate of LPS applicable under the CERC Tariff Regulations to 12% per annum for the period from 24th March 2020 to 30th June 2020. Further as mentioned above, the Generating Companies and Transmission Companies have been advised to charge reduced rate of LPS for all payments made under the Atmanirbhar Bharat Liquidity Infusion Scheme.
