

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 31947 /F., Dated 15.10.2013
FIN-WF2-MISC-0008-2012

RESOLUTION

Sub: *One-time Settlement of arrear Electricity Dues of Government Departments till 31st March 2012, clearance of arrear Electricity Dues of Odisha Lift Irrigation Corporation for the period from April, 1999 to December, 2002 and financial support to mitigate the impact of reduction in Retail Supply Tariff for the year 2011-12.*

Settlement of arrear Electricity dues of Odisha Lift Irrigation Corporation for the period from April, 1999 to December, 2002 as well as arrear Electricity dues of Government Offices till 31st March, 2012 and financial support required to mitigate the impact of reduction in Retail Supply Tariff for the year 2011-12 were under the consideration of Government for some time past. Accordingly it has been decided to settle these claims in a cashless manner.

2. The aforesaid claims of GRIDCO and the private Distribution Companies (DISCOMs) is to be adjusted against their payables to the State Government on various accounts like servicing of loans and advances & payment of guarantee fees etc. It is decided that GRIDCO and the DISCOMs would levy delayed payment surcharge at the weighted average cost of their borrowings from the State Government i.e. @ 12.52%.

3. **Arrear Electricity dues of OLIC** - (i) The unpaid Electricity dues of OLIC for the period from April, 1999 to December, 2002 including delayed payment surcharge works out to **₹156.72 Crore**. The amount payable to GRIDCO & the DISCOMs is indicated below :

a) GRIDCO	: ₹119.91 Crore
b) CESCO	: ₹ 11.72 Crore
c) NESCO	: ₹ 13.60 Crore
d) WESCO	: ₹ 4.80 Crore
e) SOUTHCO	: ₹ 6.69 Crore

(ii) In case of adjustment of arrear dues of OLIC payable to GRIDCO, the State Government will provide notional subsidy to OLIC under Non Plan Budget of Water Resources Department in the Supplementary Statement of Expenditure, 2013-14 for discharge of their arrear electricity dues. Instead of cash payment of the subsidy, it would be adjusted against the payables of GRIDCO to the State Government as indicated in the table below:



Items	Amount (₹ in Cr.)
Notional subsidy to be provided to OLIC	119.91
To be adjusted against the payables of GRIDCO to the State Government (<i>Interest on CPA Advance converted to loan</i>)	119.91

(iii) In case of the arrear electricity dues of OLIC payable to the DISCOMs, the State Government will provide notional subsidy to OLIC under Non-Plan Budget of Water Resources Department in the Supplementary Statement of Expenditure, 2013-14 for discharge of these dues. Instead of cash payment, the subsidy will be adjusted against the payables of DISCOMs to GRIDCO, i.e. the State Government will adjust the subsidy payable to OLIC against the dues of GRIDCO to the State Government and GRIDCO in turn will provide credit against their receivables from the respective DISCOMs and the DISCOMs will clear the outstanding dues of the OLIC. The details are indicated below:

Items	Amount (₹ in Cr.)
Notional subsidy to be provided to OLIC	36.81
To be adjusted against the payables of GRIDCO to the State Government (<i>Interest on CPA Advance converted to loan</i>)	36.81
Credit to be given by GRIDCO to DISCOMs against their receivables	36.81
a. CESU	11.72
b. NESCO	13.60
c. WESCO	4.80
d. SOUTHCO	6.69

4. **Arrear Electricity dues of State Government :-** (i) The unpaid Electricity dues of Government Departments upto 31.03.2012 is **₹496.25 Crore**. The amount payable to GRIDCO & the DISCOMs is indicated below:

a) GRIDCO	: ₹ 323.80 Crore
b) CESCO	: ₹ 50.59 Crore
c) NESCO	: ₹ 43.39 Crore
d) WESCO	: ₹ 33.93 Crore
e) SOUTHCO	: ₹ 44.54 Crore

(ii) In case of the arrear electricity dues of the Government Offices to GRIDCO & DISCOMs, the payment will be made from the provision made in the Supplementary Statement of Expenditure, 2013-14 of Finance Department for the following receivables of the State Government from GRIDCO & the DISCOMs.

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Items	Amount (₹ in Cr.)
Provision to be made in Budget of Finance Department	496.25
To be adjusted against the fully receivables of the State Government from GRIDCO & the DISCOMs	496.25
a. <i>GRIDCO</i>	323.80
i. <i>Interest on CPA Advance converted to loan</i>	52.08
ii. <i>Principal of CPA Advance converted to loan</i>	162.77
iii. <i>Outstanding Guarantee fees upto 31.3.2012</i>	35.34
iv. <i>Interest on ₹1102.87 crore power bond</i>	73.61
b. <i>CESU (Interest on World Bank loan)</i>	50.59
c. <i>NESCO (Interest on World Bank loan)</i>	43.39
d. <i>WESCO (Interest on World Bank loan)</i>	33.93
e. <i>SOUTHCO (Interest on World Bank loan)</i>	44.54

5. The equity support of ₹143.73 crore to be given to GRIDCO for reduced RST Bill in 2011-12 shall be provided to GRIDCO as Share Capital/ Equity investment without cash outgo. The State Government will make necessary provision under Non-Plan Budget of Energy Department in the Supplementary Statement of Expenditure, 2013-14 for the purpose and the same will be adjusted against the following receivable of the State Government from GRIDCO as detailed below:

Items	Amount (₹ in Cr.)
Share Capital/ Equity investment of the State Government with GRIDCO	143.73
To be adjusted against the payables of GRIDCO to the State Government	143.73
i. <i>Interest on ₹1102.87 crore power bond</i>	143.52
ii. <i>Principal of ₹1102.87 crore power bond</i>	0.21

Order- Ordered that the Resolution be published in the Extraordinary issue of the Odisha Gazette.

By order of Governor

(U.N. Behera)

Additional Chief Secretary to Government

Memo No 31948Date 15.10.2013

Copy forwarded to the Odisha Gazette Cell in-charge, Odisha Gazette Cell, C/O-Commerce and Transport Department (Commerce), with a request to publish the Resolution in an Extraordinary issue of the Odisha Gazette and supply 100 spare copies to Finance Department.

DW
15/10/2013

Deputy Secretary to Govt.

Memo No 31949(18)Date 15.10.2013

Copy forwarded to the Secretary to His Excellency the Governor /Principal Secretary to Chief Minister/ Private Secretary to Hon'ble Minister, Finance/ Private Secretary to Hon'ble Minister, Energy/ Private Secretary to Chief Secretary /Accountant General (E&RSA), Odisha, Bhubaneswar /Accountant General (A&E), Odisha, Bhubaneswar/ Sr. D.A.G., Puri/ Principal Secretary to Government, Water Resources Department/ Commissioner-cum-Secretary to Government, Energy Department/ Managing Director, Orissa Lift irrigation corporation/ CMD, GRIDCO/ Secretary, Odisha Electricity Regulatory Commission/ The Chief Executive Officer, Reliance Energy, CSO, (WESCO, NESCO, SOUTHCO), Nayapalli, Bhubaneswar/ The Chief Executive Officer, CESU/ The Managing Director, WESCO/NESCO/SOUTHCO for information and necessary action.

DW
15/10/2013

Deputy Secretary to Govt.

Memo No 31950(3)Date 15.10.2013

Copy forwarded to Budget-III Branch, C & I Branch & Resources Branch of Finance Department for information and necessary action.

DW
15/10/2013

Deputy Secretary to Govt.

Memo No 31951Date 15.10.2013

Copy forwarded to Head of portal Group, IT Centre, Secretariat Bhubaneswar for information. He/ She is requested to launch the resolution in the website of Finance Department for general information.

DW
15/10/2013

Deputy Secretary to Govt.