

Debt worth Rs 30,000 crore for wind power projects faces risk



Debt worth Rs 30,000 crore for [wind power projects](#) may face stress due to payment risks from power distribution companies (discoms).

The problem predominantly pertains to four key states – Madhya Pradesh, Maharashtra, Rajasthan and Andhra Pradesh.

The dues run into over Rs 5,400 crore for 156 renewable energy projects as of January 2021, according to CRISIL.

Wind power projects, constituting nearly three-fourths of the total private renewable (wind and solar) capacity of these four states, have borne a larger share of the payment delays.

The reason being, bulk of these are old projects, with high tariffs of over Rs 4.5 per unit, handed out under the earlier regime. These tariffs are higher than the average power purchase prices of these states, the rating agency said.

Manish Gupta, senior director, CRISIL Ratings, said the aggregate receivables period from these state discoms has increased to Rs 9 months from the invoice date, compared with 3-5 months on an average in March 2020. He said, "For projects in Andhra Pradesh, it has stretched to as much as 18-19 months."

These payment delays are due to persisting weak financial health of the discoms, which deteriorated in 2020 due to lower collections amid the pandemic.

[Wind Power Projects](#)