

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4094
ANSWERED ON:03.12.2010
FINANCING OF POWER PROJECTS
Sanjoy Shri Takam

Will the Minister of POWER be pleased to state:

- (a) the details of the funds provided by the financial institutions for various power projects in the country including Arunachal Pradesh, project-wise during the last three years;
- (b) whether financial institutions and banks opt/tend to finance thermal power projects as compared to hydro power projects;
- (c) if so, the reaction of the Government thereto;
- (d) whether the funding pattern for the power projects has been in line with the New Hydro Policy, 2008 and Tariff Policy which aim to correct the skewed hydro-thermal ratio; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARAT SINH SOLANKI)

- (a) : The details of the funds provided by financial institutions under this Ministry, namely Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) & other financial institutions under Ministry of Finance are at Annex-I, II & III.
- (b) & (c) : Financial Institutions and banks adopt their own procedure within the guidelines and limits laid down by Ministry of Finance (MoF) and RBI from time to time.
- (d) & (e) : The policy of the Government as laid down in the New Hydro Policy 2008 and the Tariff Policy 2006 does not differentiate between Hydro Power and Thermal Power. The funding pattern is independent of the New Hydro Policy 2008, and the Tariff Policy 2006. Financing of power projects by individual financial institutions is on the basis of technical feasibility and financial viability.