

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:740
ANSWERED ON:25.11.2011
FUNDS FOR POWER SECTOR
Kumar Shri Vishwa Mohan

Will the Minister of POWER be pleased to state:

- (a) whether the Government has sought an increase in exposure limit from the banks to have funding for the power sector;
- (b) if so, the details thereof;
- (c) the steps taken or proposed to be taken to expedite possible provision of the same; and
- (d) the extent to which the funds is likely to be sufficient to meet the power needs of the 12th Plan period?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) to (d): Yes, Madam. A proposal to increase the exposure limits of banks for power sector companies by 5% over the existing limits was under consideration. Department of Financial Services has indicated that as per RBI, the current exposure limits of Banks are way above the internationally accepted exposure limit norms. RBI has further indicated that the existing ceilings stipulated is adequate and no further increase in the limits is warranted. PFC and REC have been authorized, as Infrastructure Finance Companies, to lend additional five per cent of its owned funds to a single/group borrower(s) in private sector.

Planning Commission has not finalized the funding requirements of power sector in the 12th Plan.