

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1639

ANSWERED ON:05.03.2015

INVESTMENT IN POWER SECTOR

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Will the Minister of POWER be pleased to state:

- (a) the amount of public and private investment made in the power sector during the Eleventh and Twelfth Plan period;
- (b) whether any study has been conducted to assess the additional power requirement of the country during the Thirteenth Plan;
- (c) if so, the details thereof along with the resources identified for the purpose; and
- (d) the steps the Government proposes to take to enhance public and private investment in the power sector to achieve the goal of round the clock supply of power to all?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY
(SHRI PIYUSH GOYAL)

(a) : The amount of public investment in the power sector in the Eleventh Plan was Rs.4,57,383 crore and that of private investment was Rs.2,98,844 crore. In the Twelfth Plan, for the years 2012-13 and 2013-14, provisionally, public sector investment and private investment has been Rs.2,12,893 crore and Rs. 1,55,799 crore respectively.

(b) & (c) : As per a study conducted by the Central Electricity Authority, the additional generation capacity requirement to meet the projected demand of power in the country for the Thirteenth Plan is 86,400 Mega Watt (MW) from conventional sources (excluding renewables).

This comprises of 12,000 MW hydro, 56,400 MW thermal and 18,000 MW nuclear power. The resources for investment include budgetary support, internal generation and borrowings for the public sector and internal accruals/equity and borrowings for the private sector. Debt funds for both the sectors are sourced from domestic banks, non-banking financial companies, pension and insurance funds and external commercial borrowings.

(d) : Measures to enhance investment in the infrastructure sector, including power, are a continuous process. Some of the measures taken and proposed to be taken by the Government to enhance investment in Infrastructure Sectors are as follows:

- i. To attract private funds, issue of tax free bonds by various Government undertakings was allowed in 2011-12 for investment in long-term infrastructure bonds;
- ii. Infrastructure Debt Funds were launched in 2012-13 to tap the pension & insurance funds market for providing long-term low-cost debt for infrastructure projects;
- iii. 15% investment allowance deduction is allowed to companies investing over Rs.100 cr. in plant and machinery during 2013-15;
- iv. Infrastructure Investment Trusts have been set up in 2014-15, with tax-efficient pass through status;
- v. The eligible date of borrowing in foreign currency has been extended to 30.06.2017 for a concessional 5% tax rate on interest payments, to augment low cost long term foreign borrowings for Indian companies;
- vi. Rs.100 crore allocated for preparatory work for a new scheme "Ultra- Modern Super Critical Coal Based Thermal Power Technology," to promote cleaner, more efficient thermal power;
- vii. Resolution of the existing impasse in the coal sector and provision of adequate quantity of coal to power plants already/ or likely to be - commissioned by March 2015, to unlock dead investments;
- viii. Extension of the 10 year tax holiday to the undertakings which begin power generation, distribution and transmission by 31.03.2017 to help investors plan investments better;
- ix. Private sector participation in transmission sector is facilitated by identifying projects for implementation through tariff based competitive bidding; and

x. Through Union Budget 2015-16, it has been proposed to establish a National Investment and Infrastructure Fund (NIIF), to invest as equity in infrastructure finance companies.