

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4258

ANSWERED ON:18.12.2014

INVESTMENT IN POWER SECTOR

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Will the Minister of POWER be pleased to state:

- (a) whether the Government has assessed the need of investments to be made for the development of power sector during the next three years or Twelfth Plan period;
- (b) if so, the details thereof;
- (c) the manner in which the Government is likely to arrange the investments;
- (d) the extent to which the investors, developers, power equipment manufacturers will be benefited from such investment; and
- (e) the other steps taken by the Government to arrange the requisite investment?

Answer

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

(a) & (b) : As per the 12th Five Year Plan (2012-17) document of Planning Commission, the investment required in electricity sector for the years 2014-15 to 2016-17 is Rs. 10.14 lakh crore as detailed below:

(Rs. In crore)

Years	Centre	State	Private	Total
2014-15	87,228	68,909	138,137	294,274
2015-16	97,616	75,888	159,966	333,470
2016-17	109,242	83,572	193,429	386,244
Total	294,086	228,369	491,532	1,013,988

(c) & (d) : Measures to enhance investment in the infrastructure sector, including power, in the Government of India Budget documents, 2014-15, include, inter-alia, Infrastructure Investment Trusts with tax-efficient pass-through status for PPP and other infrastructure projects; Rs.100 crore allocation for preparatory work for a new scheme 'Ultra - Modern Super Critical Coal Based Thermal Power Technology'; 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; encouragement to banks to extend long-term loans to infrastructure sectors; extension of the 10 year tax holiday to the undertakings which begin power generation, distribution and transmission by 31.03.2017.

(e) : Other measures, already taken by the Government of India to enhance investment in infrastructure sectors, including power, include, inter alia, long-term financial assistance to infrastructure projects by India Infrastructure Finance Co. Ltd; permitting limited investment in tax-free long-term infrastructure bonds since 2010-11; allowing external commercial borrowings for investment by import of capital goods, new projects, modernization and expansion of existing production units, as well as for part financing of rupee debt of existing power projects; 15% investment allowance deduction allowed to companies investing over Rs.100 crore in plant and machinery during 2013-15; financing restructuring of distribution companies launched with central assistance through a transition finance mechanism to enable restoration of their financial health; private sector participation in transmission sector by identifying projects for implementation through tariff based competitive bidding.