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| 9. Haryana | 14. Karnataka |
| 10. Himachal Pradesh | 15. Tamil Nadu |
| 11. Punjab | 16. Maharashtra |
| 12. Uttar Pradesh | 17. Madhya Pradesh |
| 13. Rajasthan | |

Escrow cover for Sasan ultra mega power project

†739. MISS ANUSUIYA UIKEY: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that as per the Escrow cover given to the developer for development of Sasan Ultra Mega Power Project in Madhya Pradesh, the entire additional revenue earning of the Madhya Pradesh State Power Division has been handed over to the developer;

(b) whether Government is aware of the fact that due to this distribution and production companies are facing difficulties in obtaining loan from financial institutions because these institutions are refusing to give loans in the absence of escrow cover on revenue earnings; and

(c) if so, whether Government has received a request from the State for resolving this problem and if so, the action taken in this regard, so far?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL): (a) As per escrow agreement for Sasan UMPP amongst Madhya Pradesh State Electricity Board (MPSEB), Sasan Power Limited (SPL) and State Bank of India (SBI), MPSEB shall create first charge over the incremental receivables in favour of SPL. The incremental receivables has been defined as the amount of the receivables, in excess of the amounts which have already been charged or agreed to be charged in favour of the Procurer's financing parties by way of a legally binding agreement, executed prior to the effective date, provided such charge of the Procurer's financing parties shall be limited to the extent of their outstanding exposure (including commitments for exposure) as on the effective date, which is the date of signing of agreement i.e. 7th August 2007.

†Original notice of the question was received in Hindi.

(b) and (c) Government of Madhya Pradesh (GoMP) had taken up this issue with this Ministry and Power Finance Corporation (PFC) highlighting the difficulties being faced by MPSEB in getting loans from financial institutions. PFC, which is providing funds to the generation and distribution companies of Madhya Pradesh, has allowed sanction & distribution of loans upto 31.03.2012 to overcome the problem being faced by the MPSEB.

In order to resolve this issue, two meetings were held in this Ministry on June 8, 2011 and September 30, 2011. It was decided that clarifications in accordance with the provisions available in Power Purchase Agreement (PPA) and Default Escrow Agreement may be prepared and discussed with all stakeholders. Accordingly, the draft clarification has been prepared by PFC and the same has been shared with GoMP.

Investments in power sector

740. SHRI T.M. SELVAGANAPATHI: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the requirement of funds in Indian power sector would be US \$ 230 billion during 2007-2012;

(b) if so, the details thereof;

(c) whether it is also a fact that Government had invited investors from abroad to invest in power sector in the country; and

(d) if so, the response received by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL): (a) The overall requirement of fund in 11th Plan (2007-12) has been estimated at Rs.10,31,600 Crore (about 230 US Billion Dollar at exchange rate of Rs.45) by Working Group on Power for Eleventh Plan.

(c) and (d) In order to attract foreign investments in the power sector, Foreign Direct Investment (FDI) upto 100% is permitted under automatic route for projects of electric generation (except atomic energy), transmission, distribution and power trading.

Foreign Direct Investment (FDI) equity inflows from April 2008 to September 2011 in power sector are as under: