

Financial closure of Power Projects

*57. SHRI MOOLCHAND MEENA:

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Will the Minister of POWER be pleased to state:

(a) whether it is a fact that ten power projects with a combined generating capacity of 9732 MW and an investment of over Rs. 36,000 crores are expecting financial closure by the end of June this year;

(b) if so, whether it is also a fact that another eight projects with total generating capacity of 2201.8 MW are already financially closed; and

(c) if so, the reasons therefor and what steps Government propose to take to help these power projects to come out of financial closure?

THE MINISTER OF POWER (SHRI P.M SAYEED): (a) An Inter Institutional Group (IIG) comprising senior representatives from the major Financial Institutions/Banks and the Government of India (Ministry of Power) was constituted to facilitate early financial closure of private sector power projects likely to come up in the Tenth Plan. The IIG has been an effective platform for the project developers and financial institutions to resolve outstanding issues. In the last meeting of the IIG held on 15th May, 2004, and subsequently at the level of Secretary Power and Heads of Financial Institutions on 18.06.2004, eight projects with a total installed capacity of 9082 MW, involving an investment of approximately Rs. 36,000 crores, were reviewed for achieving early financial closure.

(b) and (c) In the past few months, financial closure of 9 private sector power projects with a total installed capacity of about 2450 MW involving an investment of Rs. 10,000 crores has been facilitated. The IIG has provided a forum for interaction amongst promoters of power projects, banks and financial institutions and Ministry of Power. The representatives of the power projects were invited for discussions during the various IIG meetings. Steps were suggested to resolve the outstanding issues coming in the way of achieving financial closure. In particular, the Ministry of Power has intervened to expedite clearance/sanctions pending with Ministry of Petroleum and Natural Gas, Ministry of Coal, Ministry of Environment and Forests etc. The IIG has been instrumental in bringing about speedy financial closure through better coordination with the relevant agencies.