

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.3833
TO BE ANSWERED ON 09.08.2018**

FUNDS TO POWER PROJECTS

3833. SHRI MOHD. ASRARUL HAQUE:

**Will the Minister of POWER
be pleased to state:**

- (a) the details of the funds provided by the financial institutions for various power projects in the country including Bihar, project-wise during the last three years;**
- (b) whether financial institutions and banks opt/tend to finance thermal power projects as compared to hydro power projects;**
- (c) if so, the reaction of the Government thereto;**
- (d) whether the funding pattern for the power projects has been in line with the New Hydro Policy, 2008 and Tariff Policy which aim to correct the skewed hydro-thermal ratio; and**
- (e) if so, the details thereof and if not, the reasons therefor?**

A N S W E R

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER AND
NEW & RENEWABLE ENERGY**

(SHRI R. K. SINGH)

(a) : Any credit information cannot be disclosed as prescribed under section 45 E of the Reserve Bank of India Act, 1934, which provides for the obligation of a bank or financial institution to maintain secrecy about the affairs of its constituents.

(b) & (c) : Funds to projects, including power projects, are given based on factors such as commercial viability, techno economic viability, credibility of promoters etc. No discrimination in funding of projects has been reported to this Ministry.

(d) & (e) : The Hydro Policy, 2008, and Tariff Policy 2016 do not mention funding pattern for projects. However, under the Tariff Policy 2016, appropriate Commission is required to develop suitable regulatory framework for incentivizing the developers of hydro electric projects for using long-term financial instruments in order to reduce tariff burden in initial years. Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) have started long-term financing of Hydro Electric Projects with term loans of up to 20 years or more.
