

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2789
ANSWERED ON:13.03.2000
TIME FRAME FIXED TO ACHIVE FINANCIAL CLOSURE
A. VENKATESH NAIK;PUTTASWAMY GOWDA

Will the Minister of POWER be pleased to state:

- (a) whether his Ministry had set January 31, 1999 as deadline for achieving the financial closure for the projects developers;
- (b) if so, the details of such Indian Power Producers;
- (c) whether none of these IPPs have achieved the financial closure by due date for want of many clearances;
- (d) if so, whether Karnataka Government has requested to grant extension of time for achieving the financial closure; and
- (e) if so, the reaction of the Government thereto ?

Answer

THE MINISTER OF POWER

(SHRI P.R. KUMARAMANGALAM)

(a) : The time schedule prescribed for liquid fuel based power projects to achieve financial closure had been earlier extended upto 31.10.1998. On the basis of requests received from various developers of the projects as well as state governments, this was extended upto 31.1.1999.

(b) & (c) : Around 145 projects (including captive as well as Independent Power Project) located in thirteen States and one Union territory based on liquid fuel were proposed to be developed. Requests were again received seeking further extension as most of the projects, for one reason or the other, had still not achieved financial closure. The matter was reviewed by Government in the light of progress made by these projects after which it was decided to allow further extension to 37 power projects based on naphtha in 8 of the states. In the case of projects based on liquid fuels other than naphtha, it was decided that the financial closure deadline would no longer be applicable since in their case, free import would be allowed. During the review, it was also reported that 15 power projects based on naphtha, had achieved financial closure/started construction/commissioned.

(d) : Yes, Sir. Government of Karnataka (GOK) had made a request for extension of the deadline beyond 31.1.1999 in respect of some of the naphtha based power projects coming up in that state.

(e) : After considering the recommendations of GOK, it was decided to allow extension upto 31.12.1999 in respect of 8 naphtha based power projects in that state.