India was a backward country when it got independence in 1947. Based on Jawaharlal Nehru’s vision to achieve fast economic development in the country, a strategy of development with more emphasis on basic and heavy industries was adopted for the next 30 years. Following this strategy of development, India successfully laid adequate industrial development base in the country. However, it led to emergence of quota-permit raj and industry started stagnating. Since 1991, market based economic policies encouraging liberalization; privatization and globalization have been adopted.

Power sector is one of the most important infrastructure sectors in the Indian economy. It was placed in the concurrent list of centre and state governments in the Constitution of India. It has been established initially in the public sector following Electricity (Supply) Act 1948. Capacity expansion was not adequate and State Electricity Boards failed to generate adequate financial surplus for investment due to technical and financial inefficiencies. Government of India changed its economic policy regime in 1991 and private initiative has been encouraged. For the last 15 years, Power Sector is being governed by the Electricity Act 2003, which provides for complete restructuring of the power sector and establishment of the autonomous Regulatory Commissions at the state and central government levels. It also provides for privatization of generation, transmission and distribution functions of the erstwhile State Electricity Boards.

It has been observed that power sector requires large investment resource, on long term bases and on soft terms & conditions as power projects have a long gestation period but are of great significance for faster industrialization of the
country. Therefore, there was an urgent necessity to establish a finance corporation to finance power sector development on a priority basis.

Role of finance and financial institutions is of critical significance in economic development. Especially for development of infrastructure, non-banking financial institutions, which extend credit at relatively softer terms and conditions and on longer terms, are required. Government of India under Ministry of Power established Power Finance Corporation Ltd. in 1986 as an autonomous Financial Institution (FI) dedicated to financing of the power sector in India. It is a Non-Banking Financial Institution (NBFI). It has been registered as Infrastructure Finance Company (IFC) by Reserve Bank of India and provided with many exemptions in its borrowing.

Main objectives of the corporation are: to provide financial resources and encourage flow of investments to the power sector and its associated sectors; to work as a catalyst to bring about institutional improvements, in streamlining the functions of its clients in financial services, technical and managerial areas to ensure optimal utilization of available resources; to mobilize various types of resources viz. domestic as well as international sources at a competitive rates; to strive for up-gradation of skills in the power sector for effective and efficient growth of the sector, and to maximize rate of return through efficient operations and introduction of innovative financial instruments and services for the power sector.

This study on ‘Management and Operations of Power Finance Corporation: An Evaluation’ has been divided in to seven chapters. In ‘INTRODUCTION’, we have discussed the perspective which provided a basis for establishing Power Finance Corporation in India.
Objectives of this study

1. To examine the technical and financial performance of India's power sector and to assess financial resource requirement for its development.

2. To study the management and organizational structure of the Power Finance Corporation.

3. To examine the structure and sources of financial base of the PFC and its efficiency of use.

4. To study credit policy of PFC for its various lending schemes for Electricity Generation, Transmission, and Distribution projects.

5. To evaluate the contribution of Power Finance Corporation to the Power sector in India.

6. To suggest some policy implications for future financing of power projects.

In Chapter I, we have briefly discussed India's economic development strategy, significance of mobilizing financial resources for economic development, role of electricity in development and Power Finance Corporation and its role in power sector development in India. Methodology for analysis of the issues emerging from the objectives of the study has been developed, its database and limitations of the study have been stated and lastly chapter scheme for the study has been laid in this chapter.

In Chapter II, 'Review of Literature', we have examined the role of financial institutions in particular non-banking financial institutions in economic development and infrastructural development. Various studies examining the financial performance of power sector utilities have also been reviewed. It brings out that performance of power sector utilities was a matter of great worry and needs a special attention, otherwise power sector will become financially non-viable having devastating effect on its further growth and development. Studies
related to factors influencing debt financing in power projects and financial institutions financing of power sector have also been looked at to identify gaps in the existing body of literature on the subject. Case for formation of non-banking financial institutions like Power Finance Corporation in India, which cater to the demand for financial resources for development of power sector has been established.

In Chapter III, we have examined the progress in the development of power sector in India since independence. Priorities in terms of financial investment in power sector, its physical expansion, technical and financial performance, demand & supply projections, etc. have been critically examined with a view to determining the future requirements of financial investment in the power sector. The chapter has been divided in to four sections. Section 1 highlight the role played by the public sector in promoting the growth of the power sector. Investment made during the various plan periods has been discussed. It also highlights overall growth of the power availability and the regional disparities in terms of per capita availability of power. In Section 2, the technical and operational performance of the power sector have been evaluated. Section 3 introduces the financial performance of power utilities. Section 4 provides a brief overview of the reforms process initiative at the state level. Various financial incentives extended to speed up the rural electrification programme have also been summarized in this section.

Review of performance of power sector in India brings out that despite impressive growth and power sector reforms in the last two decades, financial performance remains miserable and a matter of great concern. If companies investing through debt financing remain financially non-viable, they will ultimately jeopardize the financial health of the financial institutions with far reaching adverse effects for the economy.

Chapter IV, ‘Power Finance Corporation and its Management & Organisational Structure’ has been organized in to four sections. In Section 1 we
have introduced Power Sector Corporation, its vision, mission statement, its objectives, its subsidiaries and its main clients. In Section 2, we have examined Fund based and non-fund based products and services provided by the Power Finance Corporation. In Section 3, we have discussed other services provided by PFC including new initiatives. In Section 4, we have examined Management and Organisational structure of PFC in detail.

It may be underlined that any institution can have different organizational structures. Organizational structure plays a crucial role in shaping the way organization shall function and the way human relations within an organization shall determine its productivity. Public sector enterprises are relatively more bureaucratic as system of decision making needs to be more accountable and transparent so that responsibility for decision making could be fixed. Power Finance Corporation has been established by Ministry of Power, Government of India, as an autonomous organization. The company is expected to follow highest standards of transparency, accountability and performance following ethical business practices. PFC has adopted Guidelines on corporate governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE).

The Board of Directors of PFC consists of 10 members: 4 Functional Directors including the Chairman, 5 independent Directors, and one Government of India nominee. As on March 31, 2014, it had seven directors which included three whole time directors, three non-official part time (independent) directors and one government nominee. The Corporation has total of 441 employees as on March 31, 2014. All the employees of the corporation are divided into three grades namely Level I, Level II and Level III. The employees of the rank of Assistant Officer to Senior Manager are included in Level I. The total number of such employees in the corporation is 233. The employees of the rank of Deputy General Manager, Assistant General Manager and General Manager are included in Level II. The total number of such employees is 76. The employees of the rank
of executive director are included in Level III, which is the highest grade/level of employment. The total number of executive directors is 11 at present. There are 88 supervisors and 29 workmen apart from the above.

PFC is an ISO 9001(2008) certified company. It has adopted stringent internal control processes to ensure efficient and transparent functioning of the corporation. The Board of Directors functions through various committees constituted to oversee specific operational areas. The Board of Directors and its committees meet at regular intervals.

For better organizational effectiveness, the company undertakes to have customer feedback through structured meetings held periodically with power utilities, periodic visits to customer offices and project sites, written/telephonic correspondence during appraisal, loan documentation and disbursement, customers’ visits to PFC offices.

The salary structures followed by the corporation are generally in line with those followed by other PSUs. Company has made a number of provisions for development of skills and competence of its employees. The company regularly reviews the need for skill development of various employees and provides opportunity to its employees to keep abreast with latest developments in their functional areas.

The corporation complies with the different labour laws applicable to it, including the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Minimum Wages Act, 1948 and the Industrial Disputes Act, 1947.

In Chapter V. ‘Sources of Finance and Credit Policy’, we have discussed the different sources of financing available to the corporation and also the types of financing availed by the corporation over the years. The varying composition of different sources of financing is demonstrated using graphs and tables; the suitable explanations have been provided for the same. This chapter also
documents the types of credit extensions made by the corporation to its various types of customers, including denominations of credit facility, rates applicable and other relevant terms and conditions. Some of these credit policies have been discontinued and also that all of the credit policies do not occupy significant business of the corporation. The chapter discusses various factors which have impact on loan price determination, which is basically a complicated financial exercise.

**Sources of Finance:**

Power Finance Corporation of India Ltd. draws up on various institutions/public following different modes of financial borrowing. As PFC is a government owned Non-banking Finance Corporation, its loans are exempt from RBIs prudential lending (exposure) norms. As it is an Infrastructure Finance Corporation, its borrowings through rupee denominated infrastructure bonds are raised through automatic route (without prior approval of RBI) and it may offer certain tax benefits to the bond holders. Its foreign borrowings are guaranteed by GOI and are exempt from guarantee fee payable to GOI. These provisions incentivize lenders to invest in various instruments of the Power Finance Corporation. PFC enjoys a lot of financial flexibility and can raise long term funds at competitive rates. In this chapter, we have examined the Sources of Funding of Power Finance Corporation during the period 1990-91 to 2012-13 in detail.

Capital base of the company is: 73% of equity shares are held by Government of India, 8.9% shares are held by Financial Institutions and 17.4% shares are held by public as on March 31, 2013.

PFC largely raises funds from the financial markets through issuance of long term debentures, which account for 74% of its total borrowings as on March 31, 2013. The following are the major sources of funding available to the Power Finance Corporation:
The sources of finance of the corporation are examined in details as follows:

**Equity Financing**

The equity capital of the PFC stood at the level of Rs.8504.5 million (Rs. 850.45 crores) at the end of the financial year ending 1990-91 (as on 31.3.1991). For the period 1990-91 to 1993-94, the equity capital remained stable with the amount as provided for the year 1990-91. It may be noted that during the period 1990-91 to 2011-12, government has increased its equity capital three times. Government raised equity capital to Rs. 10304.5 million in the year 1994-05. It was further raised to Rs. 11477.7 in 2006-07. Equity capital again rose to Rs 13199.3 million in the year 2011-2012. These increases were generally on the request of the company to strengthen its capital base.

These trends show the importance corporation has attached to equity financing across the years. There are periods of breaks and fluctuations. Even in other financial concerns, the amount of equity financing remains relatively stable, as it is difficult to be flexible with equity financing, raising the problems of control and management. The problem is more acute in a government finance company.

**Borrowings from the Government**

Up to 1993, there was no government borrowing. From 1993-94 to 1998-99, the government borrowing has been on the rise. From 1999-2000 to 2006-07,
the percentage composition of government borrowing declined sharply and reduced to 3.5% of the total borrowings in the year 2006-07; thereafter there has been no government borrowing. The share of government borrowings rose from 0.81% in 1993-94 to 31.11% of the total borrowings in 1998-99. Though in absolute terms the amount kept on increasing over time but its relative share started declining and by 2007-08, borrowing from government was stopped altogether. It shows that to a good extent the financial decisions of Power Finance Corporation are guided by policy considerations of the corporation/government.

Borrowings from Financial Institutions

There was no borrowing from financial institutions up to the FY 1998-99. In the year 1999-2000, PFC borrowed Rs. 200 Million from the financial institutions. Thereafter, the amount as well as in share terms borrowings from financial institutions show an increasing trend up to FY 2004-05 (from 2.94% of the borrowings to 4.09% of the borrowings respectively). There after Financial borrowings got stabilized and its share got declining.

Borrowings from Commercial Banks

Borrowing from commercial banks effectively started in 1996-97. The share of borrowings from banks shows an increasing trend in terms of its share from 1996-97 (6.57%) to 2007-08 (33.78%). Thereafter, its share started declining but it continues to be one of the major sources of finance for the PFC.

Debentures/Bonds

While the amount of financing through debentures and bonds, in financial year 1990-91 was Rs. 1460.02 crores which has consistently increased to Rs.1,05,334.2 Crores in 2012-13. It may further be noted that the share of bonds/debentures in total borrowings was 82.1% in 1990-91, It has consistently declined to 29.58% in 1999-2000, when it shows again an increasing trend for two years, then a declining trend for the next four years then it shows an increasing
trend again up to the recent year 2012-13 (75.46%). Obviously bonds and debentures have been the major source of financing the Power Finance Corporation.

Foreign Currency Borrowings

It has also been brought out that in the initial years when liberalization & globalization process was initiated, from 1991-92 to 1999-2000, the share of foreign currency borrowings in total borrowings was significant (20% to 25%). However, in the later years, in the first decade of 21st century, its share got reduced to about 5%.

Different types of credit policies and terms and conditions of loans have also been provided with.

The main credit policies which corporation has employed in its business include buyer’s line of credit, debt refinancing policy, corporate loan, direct discounting of bills (buyers), discounting of bills (sellers) and bridge loan. A brief outline of these is presented below:

Buyer’s line of credit

It relates to the credit extension pertaining to purchase a machinery, equipment and other capital goods on deferred payment basis, and in the form of term loan facility (for up to the period of 10 years), subject to limits and stipulations and as per the eligibility criteria prescribed. This credit extension is made available to all state government and central government undertakings in the power sector.

Debt refinancing policy

It comes into function only after the elapse of 03 months from Commercial Operation Date (COD) of the project. There are financial requirements for private and public sector entities. Other limitations are laid down too, along with the fees
and cost payable. The tenure of loan period is determined subject to the duration in any other fresh case of such nature.

**Corporate loan,**

This is the type of credit facility which acts through either equity infusion in new power project or purchasing existing power project. All existing borrowers in the power sector whether Government or Private, including State Governments and Holding/Investment Companies of State Governments are eligible to apply. There are further eligibility and financial requirements as well. The interest rate in this case is linked with the interest applicable on the “Term Loans”. Security requirements are also prescribed.

**Direct discounting of bills (buyers)**

This type of credit extension policy is available to buyers for purchase of capital goods for modernization, expansion and replacement in power projects on deferred payment basis. The borrower (i.e. buyers of equipment/machinery/capital goods under the scheme) may be State Electricity Board/Govt. Department; State Generation/Transmission/Distribution Companies; Central Sector Corporations/Companies and Private Distribution Companies.

**Discounting of bills (sellers)**

Credit extension under this policy is available to all equipment manufacturers to enable them to sell their equipment, machinery, turnkey project and capital goods on deferred payment terms to the purchasers in power sector for expansion, modernization, replacement & diversification in power sector and new power projects. Eligibility criteria and security requirements are also laid down in the form of purchaser’s bank guarantee.
Bridge loan.

In the case of Term Loan having been sanctioned but due to the deferment in drawing or assistance for the time being, bridge loan is provided. Central/State sector utilities (including state corporations, municipal bodies) are eligible for all generation, transmission & distribution.

Apart from above, many other credit policies are available depending upon the eligibility requirements, amount of loan, tenor of loan, interest rate applicable and security required etc.

Loan Pricing

In the section on loan pricing, various factors like market rates of interest, statutory liquidity ratio, cash reserve ratio, BASEL and RBI norms regarding liquidity, government policy in respect of energy, cost of lending and future anticipation of the market, are mentioned, which have influence on loan pricing. The actual working out of loan pricing appears to be confidential and complicated financial exercise, and is not made available to the public.

In chapter VI, Financial Performance of Power Finance Corporation, we have measured and discussed the financial performance of the corporation using suitable financial parameters, which are mostly in the form of ratios. Suitable indicators of performance have been selected which include (i) Profit after Tax as a proportion of Total Income (ii) Return on Equity (ROE), (iii) Profit as a percentage of income, (iv) level of current assets as measured by current ratio (CR). Apart from them some other relevant measures like dividend payout ratio, net interest margin, interest spread, cost of funds, debt-equity ratio, non performing assets and return on assets have also been computed and discussed for the recent years.
A brief discussion of these indicators is as follows:

**Profit After Tax as % of Income:**

During the period 1990-91 to 2012-13, over a period of 22 years, total income of the company shows an impressive growth. It has increased consistently from Rs. 2330.9 Million (Rs. 233.09 crores) in FY 1990-91 to Rs. 174221.3 Million (Rs. 17422.13 Crores) in 2012-13 reflecting a compound growth rate of 20.63%, which is quite impressive. Similarly Profit after Tax also registers an impressive and consistent increase. It increased from Rs.731.7 Million (Rs.73.17) in 1990-91 to Rs. 44196 Million (Rs. 4419.6 crores) in 2012-13 reflecting a growth rate of 19.52% over a period of 22 years. Thus, the scale of business and the profit have shown an impressive growth over time under consideration.

During the period 1990-91 to 1996-97, PAT as a share of income was between 31% and 35%. During the period 1997-98 to 2003-04, it registered relatively higher profit margins, ranging between 37% and 45% with the exception of 2000-01 (31.61%). After 2004-05, it ranged from 31% to 23% with a stabilizing tendency towards 25%.

The above analysis brings out that business of the Power Finance Corporation has shown an impressive growth over time. Profit margins initially were higher but with expansion of business, it is stabilizing at a respectable level of 25%.

**Return on Equity:**

Total equity in 1990-91 was Rs. 8504.5 Million and it increased to Rs. 13200.2 Million in 2012-13. We have computed rate of return on equity taking total equity capital plus reserves as a base, as the actual capital base is better reflected by taking reserves also into consideration for analysis on rate of return. PAT as well as equity plus reserves have consistently increased over time, indicating strengthening of the capital base of the corporation over time. As per the industry and business perspective, a rate of around 15% on the lowest
consideration is fair enough from the point of view of financial health of the corporation. It may be noted that during the initial period under consideration, return on equity from 1990-91 to 1996-97 was between 8% and 11%. It shows a high jump during 1997-98 to 2003-04 where in rate of return has been registered between 21% and 24%. After 2004-05 to 2012-13, rate of return ranged between 14% & 15% except for the years 2006-07 and 2007-08 when it remained between 11% & 13%. This clearly brings out the returns on equity earned by the company has been quite high and significant.

**Current Ratio**

Current assets as well as liabilities have been consistently increasing over time, indicating expanding nature of business of the corporation. The current ratio (the ratio of current assets to current liabilities) was 55.17 in FY 1990-91 which was abnormally high due to the initial phase of the corporation, it declined to 4.31 by FY 2000-01, thereafter from 2002-03 to 2012-13 the ratio has been approximately between 1.0 to 2.0, fluctuating around 1.5. Generally, a current ratio of 2:1 is considered satisfactory as per financial norms, indicating that every current liability must be backed by twice current assets to maintain safeguard against default risk of liquidity. Current ratio reflects the ability of the corporation to meet its current financial obligations. Towards the ending years, this value has shown healthy and acceptable trend. Being a government owned company, and its borrowings are backed by government guarantee, therefore, current ratio around 1.5 is quite sound on financial management considerations.

**Dividend Payout ratio**

In the initial years, from 1990-91 to 2001-02, there was a zero dividend payout ratio. It indicates that in the initial years, the corporation concentrated on enhancing the growth of the corporation by retaining all the earnings and profits. The low dividend payout ratio has a positive impact on the growth of the company, while it has negative impact on the market price of shares. As PFC is a government owned company, share prices have little meaning. Still it may be
noted that from 2002-03, the company has started paying dividend to the government, though it is a meager amount.

The position in respect of other financial indicators is as follows:

The net interest margin for PFC has risen steadily from the year 2008 (3.74%) to 2014 (4.94%). The net interest margin reflects the interest earned by the enterprise relative to interest bearing assets. The financial measure of Return on Assets is also on rise for past three years (2012-2014) despite showing downward fluctuation in initial years. The numerical value of return on assets is close to 3% towards the ending year 2014, which shows a healthy trend and indicates the earning on assets to be improving and is indicative of the prudent deployment of assets in the conduct of business.

Another variant measure of financial performance is return on equity, which is of critical importance as it reflects the extent of return on equity. It is of particular interest to equity shareholders. The numerical value of return on equity is on a steady rise for the past three years (2012-2014), though is subject to more variation as compared to return on assets. The cost of funds to the corporation has varied around 8% to 9%, which may be regarded as competitive given the structure of the industry and availability of funds from different sources. There is reduction in the non performing assets, which shows the extent of good recovery of the corporation, as most of the loans are guaranteed by the state.

The corporation has also kept in line with the capital adequacy requirements, which is indicated by the capital adequacy ratio, the norms applicable to NBFC-IFC are applicable to the PFC. Capital adequacy ratio of 20.10% indicates good capital adequacy over minimum requirement. The debt-equity ratio has risen from about 4% to 6% in the past seven years (2008-2014), which indicates the increased deployment of debt sources of financing. Also, equity is a relatively stable source of financing. Debt-Equity ratio represents the ratio of debt employed by the company to the amount of equity employed in the company. Generally, a ratio of 2:1 is advisable for private sector companies. So
long as the cost of debt is cheaper than the cost of equity, it is favorable to deploy more debt into the company. As all the borrowings of PFC were counter guaranteed by the government of India, there was lesser risk of default to the lenders. In fact, debt to equity ratio may not be considered to be a good index to measure financial performance of a government owned company.

Interest spread is comparable measure related with net interest margin. Interest spread shows the nominal difference between lending interest and borrowing interest. Interest spread is on steady increase and has achieved the maximum value of 3.45 in the ending year.

**Contribution of PFC**

The section on contribution of PFC details out the financing breakup over the years to various segments of business and also the different government policy initiatives which are addressed by the PFC.

As per the financial documents of PFC, the maximum amount of loan has been extended to thermal generation sector followed by hydro, wind and corporate term loan, though the year 2013 has changed the order with the increased amounts in the category of bagasse and biomass. Similarly, in the category of renovation and modernization of generation projects, transmission occupies the highest percentage component followed by distribution and others, though the pattern is variable for different years (for the period 2009-2013), which shows the differing sectional composition of different categories to which PFC extends loan.

Financial documents also indicate that the highest percentage component of loans has been extended towards thermal generation category, while finance to transmission sector and short-term loans also occupy significant proportion in the overall disbursement. Over the past five years (2008-09 to 2012-13), the sectoral disbursement is variable, indicating the relative primacy of generation over other sectors of financial requirement.
The position in respect of the sanctioned and disbursed loans by PFC for the past five years (2007-08 to 2011-12) is also revealing. Though the amount of sanctions has remained relatively invariant, the amount of disbursements has been on significant rise, to nearly about three times of the value in the ending year as compared to the initial year of the period (2007-08 to 2011-12) which is a good sign.

Apart from the aforementioned financing pattern, the corporation also contributed to the programs and policies, which have aided the contribution in the spheres of rural electrification and power sector development. Power Finance Corporation is the nodal agency for Government of India’s power development programmes like Ultra Mega Power Projects, Independent Transmission Projects (ITPs) and Restructured Accelerated Power Development and Reform Programs (R-APDRP). Power Finance Corporation has provided consultancy services in relation to reforming the power sector for improved performance, adding energy generation capacity and facilitating finance for it, developing & strengthening transmission capacity and providing consultancy service or expert technical guidance on requisition. However, share of consultancy services is small and can be further strengthened and increased.

Policy Implications:

From the analysis in preceding chapters of the study, the following policy implications may be drawn:

- Demand for financing power sector will continue to be very high for years to come as demand for electricity will continue to rise and investment demand will always be there. There was no chance of power finance company going out of business due to lack of demand for finances.

- Technical and financial performance of the power sector, in particular of the power distribution companies (DISCOMS) needs to be improved in a big way. Their pricing policy must be based on sound economic principles,
subsidization and cross-subsidization must be reduced, and menace of power theft may be seriously considered. In this direction, the political interference must be reduced. Power companies must be made autonomous and run by professionals on sound financial principles. Their functioning may be made transparent and accountable, and they must show better performance.

- If the financial performance of power distribution companies was not satisfactory as is the case these days, there was always a danger of default in payment to transmission and distribution companies which in turn may default to the financial institutions like Power Finance Corporation. We can learn from Enron episode. When Maharashtra State Electricity Board refused to buy expensive electricity from Dabhol Power Company owned by Enron, it started defaulting to its financing institutions despite state guarantees and counter guarantees.

- The financial performance of the Power Finance Corporation is satisfactory and growing. Its performance is consistently rated high by the rating agencies. But, it is difficult to apply a yardstick for comparison to judge its adequacy in the absence any peer organization of such nature of activities as are undertaken by PFC. Still, most of the financial parameters suggest a rising trend and prudent deployment of assets.

- Power Finance Corporation must remain vigilant against increase in its non-performing assets, which may be low today but there was every danger of their showing an increase.

- There are some serious concerns regarding rising and fluctuating levels of non-performing assets. It is also to be noted that 65% of the loans extended by PFC has yet to start repayment and in the presence of poor financial performance of power distribution companies, the possibility of default runs high. It can also be seen in the context of rising NPAs of the PFC.
Therefore, there is need to further strengthen the power monitoring mechanism of the country-wide electricity projects.

- Rising cost of funds is also a matter of concern for the corporation in the long run. In the financial markets (share markets), the corporation has done well so far. However, its competitiveness in the market must be ensured.

- Power Finance Corporation must strengthen its technical consultancy services as there is a great scope as well as need for the same.

It is remarkable to note that financing pattern cannot be viewed in isolation of remaining infrastructural components and regulatory and legislative regime. In the presence of bottlenecks to economic development, administration and decision-making, particularly manifested in the lack of reforms in electricity thefts, inefficiency and the lack of technological innovation, it is very naïve to expect the financing pattern to do miracles. The recent scams pertaining to coal block allocation have also had a tremendous impact on the future of power generation and consequent financing alternatives. Resources at the international level like petroleum have also shown an upward movement in prices, and the country also depends on huge import in this respect. It is to be suggested that the government should aim at evolving the financing pattern based on competitive lines with egalitarian focus and consistent with overall infrastructure and administrative development.