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GIAAN21 65158

INDIAN ECONOMY

1. Infrastructure investment trusts are steadily making inroads into the Indian financial markets as an instrument of choice for power sector Infrastructure. Discuss.

Infrastructure investment trustee

An individual / company is interested in Investing Government infrastructure projects such as Renewable Energy generation, Railways Lines etc, with PPP (or) mutual fund like schemes.

Steady inroad into Indian finance market:

→ The contribution of such Investors are Governed by SEBI and the RBI.

→ They also facilitate the FDI, INViTs and REITs

→ In Recent 60% of such finance are provided to the State, Central and Public sector undertakings.

Choice for power sector infrastructure

Installed Capacity (388.134 GW)

Percapita availability 1208 kwh

ELECTRICITY

Source

Renewable → 25%

Fossil source 75%

Aim

① 2030 - 500 GW (Renewable

② 50% increase fossil energy (At Glasgow)

3rd largest consumer of Energy

## Current Status:

① According to the Data released by the Ministry of Power & Ministry of New & Renewable Energy → 96% of Energy from its own
→ 4% import electricity

② Lack of coal production, resulted in fall of IIP index.

③ ~~to aid~~ Need to achieve the target of 2070, Carbon Nil status (current emission - 2,307.78 Mt of $CO_2$)

## Government Intervention:

- State Governments of many states involved in building infrastructure through InvITs with foreign Nation Eg: (TN - Japan), Maharashtra and Karnataka
- Approach of AIIB, Solar alliance of America (USA) and Netherland Renewable Energy agreement.
- Development of Entrepreneurs & stringent norms by SBI.

## Way ahead:

Development can be achieved by step-by-step & day-by-day, as target of 175 GW of Renewable Energy by 2022. But it is difficult to balance the issue of both land & water eg! As a cost we should avoid the life damage in need of life facility