

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:700

ANSWERED ON:27.07.2000

FOREIGN INVESTMENT IN POWER PROJECTS

BASUDEB ACHARIA;INDRAJIT GUPTA;MADHAVRAO SCINDIA;SUSHIL KUMAR SAMBHAJIRAO SHINDE

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

- (a) whether the Government have decided to abolish the ceiling of Rs. 1500 crore for automatic approval of 100% foreign investment in power sector;
- (b) if so, whether this has given rise to protests from domestic enterprises trade unions and Chambers of Industry and Commerce.
- (c) if so, the details in this regard; and
- (d) the reaction of the Union Government thereon?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

- (a): Yes, Sir. Keeping in view the growing demand for power in the country and the need for more investment in this sector, the Government of India, as part of further liberalisation of the Foreign Direct Investment regime, has on June 12, 2000, decided to remove the upper limit for foreign direct investment in respect of projects relating to electric generation, transmission and distribution (other than atomic reactor power plants).
- (b): No reports of protests have been received in the Ministry of Power from domestic enterprises, trade unions and Chambers of Industry and Commerce in regard to the above decision.
- (c) & (d): Do not arise in view of reply to (b) above.