

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

STARRED QUESTION NO:500  
ANSWERED ON:24.04.2003  
FINANCIAL INVESTMENT IN DABHOL POWER PROJECT  
NAWAL KISHORE RAI;RAMJILAL SUMAN

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

- (a) whether the capital of national and international financial institutions is invested in the Dabhol Power Project;
- (b) if so, the details of capital invested by the national and international financial institutions in this project, as on date;
- (c) whether the Union Government have given guarantee for the protection of this capital investment; and
- (d) if so, the quantum of the capital investment for which the Government have given guarantee?

**Answer**

THE MINISTER OF POWER ( SHRI ANANT GANGARAM GEETE )

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 500 TO BE ANSWERED IN THE LOK SABHA ON 24.04.2003 REGARDING FINANCIAL INVESTMENT IN DABHOL POWER PROJECT.

(a) : A number of national and international Financial Institutions have extended loans to Dabhol Power Company (DPC).

(b) : The details of exposure of the Financial Institutions to DPC as on January 1, 2003 are indicated at Annexure-1.

(c) : The Government of India (GOI) has issued a counter guarantee to DPC for payment obligations of Government of Maharashtra (GOM) under the GOM guarantee in regard to Phase-I (740 MW) of the Dabhol power project. The counter guarantee covers some of the energy and capacity payments as well as some termination payments and gets invoked in the event of the Maharashtra State Electricity Board (MSEB) failing to make payments to DPC under the Power Purchase Agreement (PPA) and the GOM as the primary guarantor also failing to make such payments.

(d) : Obligations of the GOI under the counter guarantee are limited to payments (covering some of the energy and capacity charges) upto Rs.1500 crores per annum, which amount is escalable based on certain parameters specified in the counter guarantee agreement. In the event of termination of the Power Purchase Agreement, the counter guarantee also covers outstanding foreign debt repayments limited to US \$ 300 million.

**ANNEXURE**

ANNEXURE REFERRED TO IN PART (b) OF THE STATEMENT LAID IN REPLY TO STARRED QUESTION NO. 500 TO BE ANSWERED IN THE LOK SABHA ON 24.04.2003 REGARDING FINANCIAL INVESTMENT IN DABHOL POWER PROJECT.

Dabhol Power Company

Summary of Principal Outstanding as on January 1, 2003

(1 US\$ = Rs.49.50)

Lenders	US \$	Rs. Million	Remarks
I			
OPIC Phase I	78.00	386.10	Project Risk, but payment on termination of PPA guaranteed by GOI
Phase II	60.00	297.00	Project risk
Sub-total (OPIC Loans)	138.00	683.10	
II			
Off-shore banks			
1			
Phase-I Loans \$	90.00	445.50	Project risk, but payment on termination

of PPA guaranteed by  
GOI

2	Phase I Rupee Loan of Bank Am	2.75	13.59	
3	Phase II Loans	220.13	1089.65	Project risk
	Sub-total (off-shore banks with project risk)	312.88	1548.74	
	Total of OPIC Plus off-shore banks (with project risk)	450.88	2231.84	
III	US EXIM (Phase I)	164.00	811.80	Guaranteed by the IFIs
IV	JBIC/MITI Banks (Phase II)			
	JBIC (other than MITI banks)	210.68	1042.87	Guaranteed by the Indian Financial Institutions (IFIs)
	Foreign Banks in the MITI Syndicate	113.60	562.33	Guaranteed by the IFIs
	Sub-total (JBIC/MITI Banks) - Phase II	324.28	1605.19	Guaranteed by the IFIs
V	Foreign Banks in the OND Syndicate (Phase II)	52.89	261.81	Guaranteed by the IFIs
VI	Indian Financial Institutions			
A	Fund based			
1	Phase-I Rupee Loans		191.77	
2	Phase-II Rupee Loans		1171.78	
3	Demand Loans - Phase-I		242.54	
4	Demand Loans - Phase-II		331.66	
5	Dollar denominated Loans in Phase II	190.31	942.03	
6	Guaranteed Loans of SBI in the OND syndicate (Guaranteed by IFIs)	10.47	51.83	
	Total		2931.61	
B	Guarantee Exposure (including the guarantee in respect of SBI Loan in the OND Syndicate at VI A 6 above)			
	IDBI	240.69	1191.42	
	ICICI	143.26	709.16	
	IFCI	50.39	249.41	
	SBI	107.85	533.88	
	Canara Bank	9.45	46.78	
	Sub total	551.64	2730.62	
	Total Exposure of IFIs (E+F)		5610.41	
	Grand total of Principal Outstanding		7842.25	

Abbreviations:

OPIC - Overseas Private Investment Corporation.  
 JBIC - Japan Bank for International Cooperation  
 IDBI - Industrial Development Bank of India  
 ICICI - Industrial Credit & Investment Corporation of India  
 IFCI - Industrial Finance Corporation of India  
 SBI - State Bank of India