

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2435
ANSWERED ON:18.12.2003
DABHOL POWER COMPANY
CHANDRAKANT BHAURAO KHAIRE

Will the Minister of POWER be pleased to state:

- (a) whether with the proposed termination of the contract with Dabhol Power Company (DPC), the Government of Maharashtra and the Union Government have to bear a huge liability of a whopping over Rs.15,000 crore besides tariff dues and compensation etc.;
- (b) if so, whether the Government is aware of the significant interest in the project among large foreign corporates and possibility of injection of foreign investment in the form of additional equity and diversification of activities of the company; and
- (c) if so, the decision being taken by the Government for inviting additional foreign investments and diversification of its activities?

Answer

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

- (a) : As per information available, neither Government of India nor the Government of Maharashtra have so far incurred any liability either as a result of mutual settlement or an arbitration award in relation to the Dabhol Power Project.
- (b) & (c) : Some foreign as well as Indian companies have evinced expression of interest for acquiring the interests of the Offshore Sponsors in Dabhol Power Company. The role of Government of India in the restructuring/restart of the Dabhol power plant is that of a facilitator and the decision in the matter including the possible induction of new sponsors is to be taken by the concerned stake holders subject to the settlement of the various ongoing legal proceedings.