

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:532
ANSWERED ON:02.03.2007
INDO-NEPAL AGREEMENT ON POWER SHARING
Mondal Shri Abu Ayes

Will the Minister of POWER be pleased to state:

- (a) whether the Government has signed an agreement with the Government of Nepal to set up power projects;
- (b) if so, the terms and conditions thereof;
- (c) whether the Government has made any survey on supplies, transmissions, maintenance and distribution of power between the two countries;
- (d) if so, whether `Power Exchange Agreement of 1971` has to be revised for Indo-Nepal power partnership; and
- (e) if so, the benefits likely to accrue to both the countries with commercialisation of these projects?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

- (a) & (b) : The Government of India has not signed any agreement in the recent past with the Government of Nepal set up power projects. However, the 1996 Mahakali Treaty envisages joint development of the Pancheshwar Multipurpose Project (5600 MW).
- (c) : With a view to facilitate cross-border trade in power, the Governments of India and Nepal are supporting the development of cross-border high voltage transmission lines along the identified corridors.
- (d) : Under the Power Exchange Agreement of 1971, the two countries exchange power upto an agreed quantity at agreed tariff to meet the demand for electricity in the border areas. The agreement is reviewed from time to time.
- (e) : It is expected that with the establishment of large power projects in Nepal, power trading on commercial terms is likely to grow. This would, in turn, accelerate investment in power sector in Nepal for mutual benefit of the two countries.