

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2615

ANSWERED ON:12.03.2010

FDI IN POWER SECTOR

Nagorao Shri Dudhgaonkar Ganeshrao;Reddy Shri Anantha Venkatarami

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

- (a) whether the Government has allowed 100 per cent foreign direct investment (FDI) in the power sector in the country;
- (b) if so, the details thereof;
- (c) the number of power projects financed through the foreign direct investment in the country including Andhra Pradesh for which the Government has assured counter guarantee at present;
- (d) the total amount of investments, involved in such projects; and
- (e) the period up to which such counter guarantee would be valid?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) & (b): Yes, Madam. Government of India has allowed 100% Foreign Direct Investment (FDI) on automatic route for projects of power generation (except automatic energy), transmission, distribution and trading to encourage greater investment in the power sector.

(c) to (e): Government of India's counter guarantee scheme was developed as a transitory measure to boost private investment and in 1994 it was decided to extend counter guarantee to 8 fast track power projects including 3 projects from Andhra Pradesh. However, Government of India has later decided not to give counter guarantee to any other private power projects.