

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3936
ANSWERED ON:26.08.2011
FDI IN POWER SECTOR
Shantha J.

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;
- (b) if so, the details thereof;
- (c) the number of power projects financed through FDI in the country for which the Government has assured a counter guarantee; and
- (d) the amount of investment involved in such projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) : Yes, Madam.

(b) : As per extant policy, Foreign Direct Investment (FDI) up to 100% is permitted, under the automatic route, for:

- (i) Generation and transmission of electric energy produced in hydro electric, coal/lignite based thermal, oil based thermal and gas based thermal power plants;
- (ii) Non-Conventional energy Generation and Distribution;
- (iii) Distribution of elective energy to households, industrial, commercial and other users; and
- (iv) Power Trading.

All the above would be subject to the provisions of the Electricity Act, 2003.

(c)& (d) : 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. However, Government of India has later decided not to give counter guarantee to any other private power projects.