

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2138  
ANSWERED ON:24.08.2012  
ATTRACTING FDI  
Singh Smt. Meena

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

- (a) whether the Government has offered more incentives to foreign investors for attracting Foreign Direct Investment (FDI) in the power sector whereas the domestic companies are on the verge of closure;
- (b) if so, the details thereof; and
- (c) the measures being taken by the Government for development of domestic power plants in the country?

**Answer**

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

(a) : No, Madam.

(b) : Does not arise in view of reply at (a) above.

(c) : As per Section 7 of the Electricity Act, 2003, any generating company may establish, operate and maintain a generating station without obtaining a license if it complies with the technical standards relating to connectivity with the grid. The Act creates a conducive environment for investments in all segments of the industry, both for public sector and private sector, by removing barrier to entry in different segments. Moreover, in order to take care of the disadvantages suffered by the domestic industry related to power sector, Government has approved to levy custom duty @5%, Countervailing Duty (CVD) @12% (as applicable and equal to excise duty on domestic industry from time to time) & Special Additional Duty (SAD) @ 4% to be uniformly applicable to the imported equipments of all categories of power generation projects (except already certified mega/provisional mega projects) with effect from 19.07.2012.