

### Power Project Proposals

2613. DR. T. SUBBARAMI REDDY : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Foreign Investment Promotion Board has decided not to take up power project proposals which have failed to tie-up fuel linkage;

(b) if so, whether the Ministry of power has made a policy decision that application for power generation was to be considered by the FIPB only after a tie-up has been made for fuel supply;

(c) if so, the details thereof;

(d) whether the Board has rejected the proposal to induct one percent equity in the 520 MW cobra project in the absence of any coal linkage; and

(e) if so, the total proposals which the FIPB has scrapped due to failure of fuel linkage?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) The Foreign Investment Promotion Board (FIPB) considers power project proposals involving foreign investment in consultation with the Ministry of Power, who are the Administrative Ministry. The Ministries of Petroleum & Natural Gas and Coal (as the case may be) are consulted about the proposed fuel linkage.

(c) Does not arise.

(d) The Board has rejected the proposal seeking 100% foreign equity to develop the 520MW Coal fired power project in Korba in the absence of appropriate fuel linkage based on the comments of the Administrative Ministry.

(e) The FIPB has rejected four power project proposals in the absence of appropriate fuel linkage.

### INDO-German Trade

2614. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state:

(a) the areas in which Indo-German trade have been established;

(b) whether there is a great potential for increasing bilateral trade between both the countries; and

(c) if so, the proposal mooted by the Government in this direction?

THE MINISTER OF COMMERCE (SHRI RAMKRISHNA HEGDE) : (a) The main products being exported from India to Germany include various textiles items including garments and made ups; leather and leather goods; carpets; precious/semi precious stones and pearls; tea; jute; engineering goods; chemicals and pharmaceuticals.

The main items being imported into India from Germany include machinery of various types; electro-technical goods; chemicals and pharmaceuticals; iron and steel products; vehicles; precision instruments.

(b) Yes Sir.

(c) It is the endeavour of the Government to expand trade relations with all countries including Germany. The steps being taken in this direction include preparation of market studies; publication of news bulletins giving commercial information about Germany; participation of Indian exporters in international trade fairs in Germany; exchange of business delegations; organization of promotional seminars on India in Germany; and interation with the agencies concerned in Germany both at government and trade/industry level. The 13th session of the Indo-German Joint Commission on Industrial and Economic Cooperation held in New Delhi on 8-9 January, 1998, reviewed bilateral trade between the two countries and discussed further measures to increase it.

### AG's Opinion on Sale of Coal by Captive Mines

2615. SHRI R. SAMBASIVA RAO : Will the Minister of COAL be pleased to state:

(a) whether his Ministry has sought the Attorney General's opinion on a proposal to allow sale by captive mines to State Electricity Boards and other power companies;

(b) if so, whether any advice of the Law Ministry has also been sought by his Ministry in this regard;

(c) if so, whether Attorney General's views have been obtained; and

(d) if so, the extent to which they are likely to attract more investment in captive mines?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) to (c) As per the provisions of the Coal Mines Nationalisation Act, 1973 as amended in 1993, a company engaged in the business of generating power can mine coal for its own consumption. In a specific case a power company has proposed to mine coal through an associated captive coal mining company. The coal mining company pointed out that in certain situations the power company may not be in a position to accept coal from the coal mining company and in such circumstances in order to maintain the viability of the coal company it was required that the concerned State Electricity Board should purchase such coal. The advice of Ministry of Law was sought on the question whether in such circumstances the captive coal mine could be permitted to sell coal to the State Electricity Board. The advice of the Attorney General was also obtained through Ministry of Law on the matter and his advice has been received in the Ministry.