

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1555

ANSWERED ON:06.03.2000

COGENTRIX POWER PROJECT

MADHAVRAO SCINDIA;MOINUL HASSAN AHAMED;PUTTASWAMY GOWDA;SRIKANTA DATTA NARASIMHARAJA

WADIYAR;SUDARSANA E.M. NATCHIAPPAN;SULTAN SALAHUDDIN OWAIISI;SUSHIL KUMAR SAMBAJIRAO SHINDE

Will the Minister of POWER be pleased to state:

- (a) whether following the Supreme Court Order setting aside the Public Interest Litigation against the Cogentrix Power Project, Government have cleared the issuance of counter-guarantee in respect of the project;
- (b) if so, the response and reaction of the promoters, namely, Mangalore Power Project (MPP) promoted by the Cogentrix Energy Inc. and China Light and Power Company, to go ahead with setting up the 1000 MW Mangalore Power Project;
- (c) whether Mangalore Power Company have decided to withdraw from the project;
- (d) if so, the details in this regard and the reasons therefor;
- (e) whether this step of companies have sent a wrong signal in the international community for investment in India;
- (f) if so, the steps being taken by the Government to create a good atmosphere for foreign investors to invest in India in power sector;
- (g) whether National Thermal Power Corporation has been entrusted the task to set up that project; and (h) if so, the progress made in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) : M/s. Cogentrix Energy, Inc., who were one of the main promoters of the Mangalore Power Company (MPC), have informed that with effect from February 11, 2000, the Company have transferred their interests in the 1000 MW Mangalore power project and the MPC to China Light (Mauritius) Ltd., who are equity partners in the MPC. M/s. Cogentrix have stated that they have no further interest in the project or the Company. Separately, M/s. CLP Power International have addressed a letter dated 2.2.2000 to the Government of Karnataka stating that they are committed to implement the project by choosing an Indian partner, who would hold at least 30% of equity in MPC and in any case, the CLP International Ltd. will retain at least 50% share holding.

(c) : No, Sir, it is M/s. Cogentrix Energy Inc. and not the Mangalore Power Company, who have decided to withdraw from the project

(d) : No reasons have been conveyed by M/s. Cogentrix Energy Inc. for withdrawing from the project.

(e) : Government has not perceived any reluctance by foreign investors for investing in India on account of withdrawal by M/s. Cogentrix Energy Inc.

(f) : Does not arise.

(g) : No, Sir.

(h) : Does not arise.