

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:3500

ANSWERED ON:16.12.2005

DABHOL POWER PROJECT

Gadakh Shri Tukaram Gangadhar;Narhire Smt. Kalpana Ramesh

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

(a) whether under the agreement signed for settlement of the claim of General Electric Co. (GE) of the U.S. in respect of the Dabhol Power Corporation, a Committee has been set up to carry out the talks with G.E. to protect the interests of the Government of Maharashtra;

(b) if so, the terms and composition of the Committee; and

(c) the recommendations made by the Committee, if any?

**Answer**

THE MINISTER OF INFORMATION & BROADCASTING AND MINISTER OF PARLIAMENTARY AFFAIRS(SHRI PRIYA RANJAN DASMUNSI)

(a) to (c) : No Committee has been set up under the agreement signed for settlement of the claims of GE in respect of Dabhol Power Company to protect the interest of Government of Maharashtra. However, the Indian Financial Institutions (IFI) informed Government of India (GOI) that a Committee had been constituted comprising of representatives from the Indian Financial Institutions i.e. CMD, IDBI; Managing Director, State Bank of India; Dy. Managing Director, ICICI; Managing Director, SBI Capital Markets Ltd.; and Chairman, Maharashtra State Electricity Board (MSEB), to negotiate the settlement of non-debt claims of the off-shore stakeholders of the Dabhol Power Project including GE.

The settlement with GE was concluded in July, 2005 under which a settlement amount of US\$ 145 million has been paid to GE. The settlement is comprehensive in nature and encompasses all their outstanding claims against all the Indian stakeholders including the Government of Maharashtra. Under the settlement transaction, GE has agreed to:

- Drop all their claims against Government of India, Government of Maharashtra, Maharashtra State Electricity Board, Maharashtra Power Development Corporation and the Indian Financial Institutions.
- Transfer their right, title and interests in DPS's shares to a Special Purpose Vehicle.
- Settle their contractor claims against DPC; and
- Co-operate for the restart and completion of the project.