

**Box 6.1: Some Indian promoters of power projects**

Tata Power  
BSES  
CESC  
S. Kumar's  
Hinduja National Power Corporation  
RFG Korba West Power Company Ltd  
Shree K.V. Maheshwar Hydel Power Corporation Ltd  
Panch Power Ltd.  
Central India Power Corporation  
Reliance Jamnagar Power Company Ltd  
Rosa Power Supply Company Ltd  
GCK Industries  
Gujarat Torrent Energy Corporation Ltd.  
Jaiprakash Hydro Power Ltd.

An agent or representative in India can facilitate such contacts, and can research the local market more closely. The Canadian High Commission in New Delhi and the Canadian Consulate in Bombay can supply names of suitable candidates.

For firms seeking longer-term prospects in the Indian market, and especially for those hoping to sell to public-sector entities, a manufacturing presence in India can be very important. This can range from an import-and-assemble arrangement with an Indian manufacturer to licensing agreements and joint ventures with well-established local partners. At least 120 collaborations to date have been set up between Canadian and Indian firms in various sectors, including power. There are 27 Indo-Canadian joint ventures in the Delhi area alone.

Since 1991, the Government of India has made it easier for international companies to invest in many sectors of Indian industry.

Power generation and transmission equipment is one of these sectors. Foreign firms can now own up to 51 per cent (and in some cases more) of the equity in new enterprises. Automatic investment clearance is given, provided the foreign equity contribution is sufficient to cover the cost of imported capital goods.

Annex IV lists a number of Indian firms supplying power equipment and services. Canadian firms will view some of these as competitors, others as potential joint venture or licensing partners. Other Indian manufacturers can be identified through the information sources cited below.

## Financial considerations

For suppliers of large capital goods of the kind needed in the power sector, the ability to offer competitive financing has long been a key condition of success. During the 1980s, competition among major foreign suppliers, backed by their national export credit or development assistance agencies, made "concessional" financing the norm for power projects in India, and the country came to be regarded as a "spoiled market".

During the period 1982 to 1993, India received some US\$ 5.2 billion in official development assistance for the power sector, more than any other developing country, and ranked first among power sector recipients in the bilateral aid programs of Japan, Germany, the UK, Sweden and Canada. India was also one of the main targets for offers of "mixed credits" and other blends of aid and export credit funding, especially from France and Italy.

In 1992, new disciplines on export financing