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Nuclear power investors need clarity on liability, says Anil Kakodkar

BY ET BUREAU | UPDATED: OCT 15, 2014, 07.40 AM IST

NEW DELHI: Former Atomic Energy Commission [chief](#) Anil Kakodkar, one of the key negotiators for the Indo-US nuclear deal that has failed to translate into a single dollar of investment or generation of additional energy, had warned the [UPA government](#) about the negative implications of the nuclear liability law that it pushed through Parliament, but was overruled.

Speaking at a nuclear energy conference on Tuesday, Kakodkar said no new nuclear power capacity can be added unless there are urgent corrective action on the Civil Liability for Nuclear Damage Act, 2010 that has spooked foreign as well as domestic investors and suppliers due to the ambiguity and lingering risks it entails. "Nobody is wanting to make a bid (on any nuclear power project), unless there is clarity on liability, whether it's an Indian supplier or foreign supplier. I had raised it during the UPA's pursuit of the liability law and I had raised it in the context of Indian suppliers. That's all I could do," Kakodkar told ET.

Experts said the law is also leading to global vendors quoting far higher prices for Indian contracts as they seek to factor in unpredictable liability risks. Kakodkar, who was also the secretary in the department of atomic energy or DAE, said he had put his disagreements with the proposed liability law on record when it was being drafted.

"Our lawmakers have made that decision and we must abide by it, although I had reservations about the idea and had said so even as things were happening. But leave that aside. Having made the law, we should now move ahead," he said, stressing that there are several possible interpretations to how much liability it could impose on industry. "Nobody's sure till someone goes to court and gets a decision," he said.



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Even public sector firms are staying away from nuclear power investments for fear of taking on unknown liability risks and the government must articulate its stance on investor concerns with 'great speed' for transforming the nuclear energy sector's bleak outlook in India, the former atomic energy boss said.

"There are many public sector units wishing to [invest](#) in nuclear energy. Many of them have personally asked me and said 'We have money, but can't hold it for too long'. There are many industries looking at large potential of nuclear energy and want to invest to augment their manufacturing capacity. They are not sure whether that investment would be good or not," said Kakodkar, who now serves as the [DAE Homi Bhabha chair professor](#) at [BARC](#).

While the world's biggest nuclear suppliers, including Russia, France, Canada and the US have highlighted their concerns about the law over the last couple of years, India and US have now launched a formal dialogue to discuss all implementation issues in the civilian nuclear co-operation space, including liability issues.

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