

In nuclear energy push, Govt to allow private operators, limit their liability

Move follows US decision to let its firms make nuclear equipment, perform design work in India

Written by [Anil Sasi](#)

New Delhi | Updated: May 19, 2025 08:14 IST

4 min read

-

-

-

-

- 2



Amendments to the Atomic Energy Act, 1962 are being initiated to enable private companies, and possibly even foreign players at a later stage, to enter nuclear generation as operators (File)

IN WHAT could set the stage for an unprecedented opening up of the civil nuclear sector, the government is likely to move two crucial amendments in the laws governing the country's atomic energy sector in the upcoming monsoon session of Parliament, according to sources aware of the developments.

The first relates to the easing of provisions in the nuclear liability law, which would effectively cap the liability of equipment vendors in the event of an accident, both in terms of limiting the monetary exposure to the original value of the contract, and a possible time frame limitation on when this liability would apply.

The second amendment is aimed at enabling private companies to enter nuclear power plant operations in the country, and this could also entail foreign companies potentially taking a minority equity exposure in upcoming nuclear power projects.

Story continues below this ad

Pause

Unmute

Loaded%0.00 :

Fullscreen

Also Read | [Trump's visit to Saudi raises prospects of US nuclear deal with the kingdom: report](#)

Hitherto, atomic energy has been one of India's most closed sectors. The twin legal amendments are being seen as a reform push that could help leverage the commercial potential of the Indo-US civil nuclear deal nearly two decades after it was inked. New [Delhi](#) is also keen to package this as part of a broader trade and investment [outreach with Washington DC](#), which could eventually culminate with a trade pact that is currently under negotiation.

Twin legal amendments

The two amendments are expected to take care of niggling legal bottlenecks which are seen to have stymied foreign investments in the atomic energy sector. The Civil Liability for Nuclear Damage Act, 2010, which sought to create a mechanism for compensating victims from damage caused by a nuclear accident, and allocating liability and specifying procedures for compensation, has been cited as an impediment by foreign players such as GE-[Hitachi](#), Westinghouse and French nuclear company Areva (now Framatome). This is primarily on the grounds that the legislation channelises operators' liability to equipment suppliers, with foreign vendors citing this as a reason for holding them back from investing in India's nuclear sector due to fear of incurring future liability in the event of a nuclear accident.



Amendments to the Atomic Energy Act, 1962 are being initiated to enable private companies, and possibly even foreign players at a later stage, to enter nuclear generation as operators. Currently, this is restricted to state-owned companies such as NPCIL or NTPC Ltd.

The government has committed to getting both these legislations passed. An explicit assurance to this effect was made in the [Union Budget](#) presented earlier this year, even though the legislative route for at least one of the two proposed bills would be an arduous one.

Story continues below this ad

US clearance to let firms make equipment, undertake nuclear design

All this comes less than two months after the US Department of Energy (DoE) [accorded an unprecedented regulatory clearance](#) to Camden, New Jersey-based Holtec International, that potentially sets it on course to leverage the commercial potential of the Indo-US civil nuclear deal. The March 26 approval from DoE effectively cleared Holtec International's application for specific authorisation with respect to the DoE's restrictive regulation that is referred to as '10CFR810'. This specific authorisation (SA IN2023-001) now permitted Holtec to conditionally transfer

“unclassified small modular reactor technology” to its regional subsidiary Holtec Asia, as well as [Tata](#) Consulting Engineers Ltd, and Larsen & Toubro Ltd in India.

The issue of getting a specific ‘10CFR810’ authorisation [Part 810 of Title 10, Code of Federal Regulations of the US Atomic Energy Act of 1954] had been a big regulatory hurdle for New Delhi. This is because the regulation, while giving American companies such as Holtec the ability to export equipment to countries such as India under some strict safeguards, explicitly barred them from manufacturing any nuclear equipment or performing any nuclear design work in India. This provision was a non-starter from New Delhi’s perspective, which wanted to participate in manufacturing the SMRs and co-produce the nuclear components for its domestic needs.

With Washington [DC](#) having eased out the regulatory hurdle in the form of the 810 authorisation, the ball is now in New Delhi’s court to push through the two legislations, these being seen as impediments to investment flows.