

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2639
ANSWERED ON:12.03.2015
POWER DISTRIBUTION BY NTPC
Mani Shri Jose K.

Will the Minister of POWER be pleased to state:

- (a) whether the NTPC has identified power distribution as a driver for the company's future growth, if so, the details thereof;
- (b) whether NTPC proposes to introduce forward and backward integration in power sector, if so, the details thereof; and
- (c) whether NTPC has generated sufficient fund reserves to independently undertake power distribution and coal mining, if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) : NTPC, in order to realize forward integration in energy value chain, formed a wholly owned subsidiary company, i.e. NTPC Electric Supply Company Limited (NESCL) to take up power distribution activities. NESCL has taken up distribution activities by forming a Joint Venture company with Kerala Industrial Infrastructure Development Corporation.

(b) : For forward integration, NTPC has forayed into power trading and distribution business through its 100% owned subsidiaries NTPC Vidyut Vyapar Nigam (NVVN) and NTPC Electric Supply Company Ltd. (NESCL), respectively. In the financial year 2013-14, NVVN traded 9.322 billion units of electricity.

For backward integration, NTPC has forayed into coal mining. Ministry of Coal, Government of India had allotted six coal blocks. Out of six coal blocks, Hon'ble Supreme Court, vide its Order dated 24.09.2014, has cancelled the allocation of 5 coal blocks of NTPC namely Chatti-Bariatu, Chatti-Bariatu (South), Kerandari, Dulanga and Talaipalli coal blocks of NTPC. Presently, NTPC is left with only one coal block, i.e. Pakri-Barwadih.

(c) : NTPC Limited has a strong balance sheet to support Capex plans of the company and has achieved the capex of Rs.21,797 crore for financial year 2013-14.