

### **Sale of electricity by NTPC**

3680. DR. T. SUBBARAMI REDDY: Will the Minister of POWER be pleased to state:

- (a) whether NTPC Ltd.'s plans to sell electricity in spot market, under which around 65 per cent power generated from two of its projects is to be offered at a market-based price through short-term sales;
- (b) if so, whether this proposal has been approved by Government;
- (c) whether NTPC, which is country's largest power generator, is in the process of working out a pricing policy for such sales;
- (d) if so, by when a final decision in this regard is likely to be taken; and
- (e) to what extent it would help in improving the electricity shortage in the country?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI):  
(a) to (e) NTPC has proposed to sale, 65% and 63% of power from the upcoming Korba Thermal Power Project Stage-III (500 MW) and the Farakka Thermal Power Project Stage-III (500 MW) respectively outside long term PPAs; through competitive bidding route, direct sale to bulk customers, power exchanges etc.

It has been decided to allow NTPC to sell 15% of power from the two power projects namely, Korba Stage-III (500 MW) and Farakka-III (500 MW) outside long term PPAs. It is expected that such sale will help meet the short term demand of power from various consumers/utilities.

### **Disinvestment in NTPC**

3681. SHRI NATUJI HALAJI THAKOR:

SHRI BHARATSINH PRABHATSINH PARMAR:

Will the Minister of POWER be pleased to state:

- (a) whether Government has disinvested a part of its equity in the National Thermal Power Corporation (NTPC);
- (b) if so, the details thereof;
- (c) whether the share offer for the small retail investors was grossly under subscribed;
- (d) if so, the details thereof along with the reasons therefor; and

(e) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI):

(a) and (b) The Government of India (GOI) has disinvested a part of its equity in the NTPC twice:

- (i) In October 2004, under Initial Public Offer (IPO), GOI disinvested 432,915,000 equity shares being 5.25% of paid-up equity capital by way of "Offer for Sale". The proceeds amounting to Rs.2,684 crores were paid to GOI account against this offer.
- (ii) In the second instance, during February 2010, under Further Public Offer (FPO), GOI disinvested their 5% stake comprising of 412,273,220 equity shares by way of "Offer for Sale". The proceeds amounting to Rs.8,480.10 crores were paid to GOI account against this offer.

(c) to (e) Under IPO the share offered to the retail investors were subscribed by 3.73 times of the offer. The shares offered to the retail investors under FPO were subscribed 0.15 times of the offer. In a Follow-on Public Offering, the response of retail investor is often low as the price is already discovered and the shares are available in the market. The NTPC issue overall was subscribed 1.23 times.

#### **Hydro power projects in Gujarat**

3682. SHRI BHARATSINH PRABHATSINH PARMAR:

SHRI NATUJI HALAJI THAKOR:

Will the Minister of POWER be pleased to state:

- (a) whether the State Government of Gujarat had forwarded any proposal for release of funds to the Central Electricity Authority in 1994 for preparing detailed project report regarding survey and research for setting up of hydro power projects on Narmada, Tapti and Mahisagar rivers;
- (b) if so, the details thereof; and
- (c) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI):

(a) to (c) As informed by the Central Electricity Authority (CEA), they have not received any proposal forwarded by the State Government of Gujarat for release of funds to the Central Electricity Authority in 1994 for preparing detailed project report regarding survey and research for the setting up of hydro power projects on the Narmada, Tapti and Mahi-sagar rivers.