

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

RAJYA SABHA
UNSTARRED QUESTION No. 466
TO BE ANSWERED ON 07.02.2019

NTPC-BHEL Power Projects Limited in Mannavaram

466. SHRI V. VIJAYASAI REDDY:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) when the foundation stone for NTPC-BHEL Power Projects Limited (NBPPL) was laid in Mannavaram, in Andhra Pradesh by Government;
- (b) whether it is a fact that ` 6,000 crore was expected to be invested in the first phase;
- (c) if so, the reasons for investing only Rs. 100 crore in the project so far;
- (d) the reasons why the plant did not start its commercial production, as targeted in 2015;
- (e) whether any confidential report was sent to Government that Mannavaram is not suitable for the project and advised to shift it to Gujarat; and
- (f) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI BABUL SUPRIYO)

(a) : The foundation stone of the manufacturing plant of NTPC-BHEL Power Projects Private Limited (NBPPL) was laid at Mannavaram in Chittoor district of Andhra Pradesh on 1st September 2010.

(b) & (c): NBPPL had prepared a business plan in April 2010 with an envisaged investment of Rs. 6,000 Crore comprising of two phases as follows:

Phase-I: EPC (Engineering, Procurement & Construction) and manufacturing facilities for Coal Handling Plant (CHP) and Ash Handling Plant (AHP): Rs. 1,200 Crore ;

Phase-II: Manufacturing facilities for boiler, turbine & generator (BTG): Rs. 4,800 Crore.

Subsequently, the NBPPL Board in March 2011 reviewed the business scenario and noted that in the interim many other players through formation of separate Joint Venture Companies (JVCs) in India had already entered in the field of manufacture of BTG equipment, and hence decided to focus on Phase-I only. Moreover, the domestic power sector witnessed slowdown of investment/ ordering from 2011-12. NBPPL subsequently reworked the investment, including factoring cost economies and projected the investment of Rs. 363.94 Crore for Phase-I in its draft feasibility report of July 2015.

An investment of approx. Rs. 130 Crore has been made upto 31.12.2018 by NBPPL, for which Rs. 100 Crore has been contributed by its two promoter Companies in the form of equity (i.e. Rs. 50 Crore each by NTPC Ltd. and by BHEL).

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(d): The manufacturing facility of NBPPL at Mannavaram had commenced commercial production from May 2015.

(e): At present there is no proposal under consideration nor any report available regarding shifting of NBPPL and of its established facilities at Mannavaram (Andhra Pradesh) to Gujarat.

(f) : Not Applicable in view of (e) above.
