



## India: IND: NTPC CAPACITY EXPANSION FINANCING FACILITY

Project Name	IND: NTPC CAPACITY EXPANSION FINANCING FACILITY		
Project Number	39916-014		
Borrower/Company	NTPC LIMITED		
Country	India		
Location	India		
Approval Number	7242/42, 7242/2249		
Type or Modality of Assistance	7242/2249	Loan	USD 75.00 million Committed
Strategic Agendas	Inclusive economic growth		
Drivers of Change			
Sector / Subsector	<b>Energy</b> - Conventional energy generation		
Gender Equity and Mainstreaming			
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Shinya Kondo		
Project Sponsor(s)	National Thermal Power Corp.		
Description	<p>This is a direct non-sovereign loan to NTPC Limited (formerly known as the National Thermal Power Corporation), majority state-owned by the Government of India. As the largest power generator in India, NTPC's operations and expansion plans are critical to reducing peak power demand and energy deficits that are forecast persist for at least several more years. NTPC is a financially sound enterprise with a strong balance sheet, an effective governance structure and experienced management. Although an SOE, NTPC is operated as an independent commercial entity.</p>		
Objectives and Scope	<p>The loan will finance a portion of NTPC's capacity expansion program under the 10th Plan. The eligible projects to be partially financed from ADB's loan are (i) the 2,980 MW Sipat Super Thermal Power Project (Stages 1 and 2) in Chhattisgarh state and (ii) the Kahalgaon Super Thermal Power Project Stage II extension (1,500 MW) in Bihar state.</p>		
Linkage to Country/Regional Strategy	<p>ADB's Country Strategy and Program Update (CSPU) for India (2006-2008) confirms ADB's support for the power sector in India, specifically through national-level interventions and development of more efficient, low-carbon power generation through agencies such as NTPC. The financing supports the focus on strengthening good governance in public sector organizations to optimize the development impact of physical investments. The CSPU currently being prepared underscores the need for ADB to focus its assistance on the Navratna companies.</p>		
Status of Development Objectives	<p>With the commissioning and full operation of all units in Sipat and Kahalgaon, NTPC has added 4,480 MW to its installed capacity, and has contributed to reducing the energy deficit in India.</p>		

### Safeguard Categories

Environment	FI
Involuntary Resettlement	C
Indigenous Peoples	C

### Summary of Environmental and Social Aspects

Environmental Aspects	NTPC's corporate environmental policy and environmental management system (EPEMS) has been reviewed. The EPEMS provides the overall framework for environmental management in accordance with ADB's requirements. Notwithstanding the corporate loan classification, two Projects to be funded from the loan have each been classified as Category A. The environmental impact assessment for each Project has been prepared and reviewed, site visits undertaken and a summary (SEIA) of both projects circulated to ADB's Board and posted on ADB's website on 29 March 2006.
Involuntary Resettlement	Category C has been provided for both Projects in compliance with ADB's policies on resettlement aspect, in view of the fact that resettlement and land acquisition has already been satisfactorily completed in each location. The satisfactory completion of land acquisition and compensatory payments was verified by NTPC and the relevant district authorities.
Indigenous Peoples	Category C has been provided for both Projects in compliance with ADB's policies on indigenous peoples aspect.
Stakeholder Communication, Participation, and Consultation	Consultations were appropriately carried out at the time of land acquisition.

### Timetable for assistance design, processing and implementation

Concept Clearance	07 Jul 2005
Due Diligence	30 Apr 2006
Credit Committee Meeting	05 Jun 2006
Approval	27 Jul 2006
PDS Creation Date	06 Apr 2006
Last PDS Update	29 Sep 2014

Project Page	<a href="https://www.adb.org/projects/39916-014/main">https://www.adb.org/projects/39916-014/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=39916-014">http://www.adb.org/forms/request-information-form?subject=39916-014</a>
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