

Dada Dhuniwale Thermal Power Project (2X800MW), Village- Goradia, Distt. Khandwa

- ❖ **Brief History:**
 - MoU for formation of a Joint Venture Company between MPPGCL & BHEL for implementation of the project, signed on 17.11.09.
 - Joint Venture Agreement between MPPGCL & BHEL, signed on 28.01.10.
 - JVC (Dada Dhuniwale Khandwa Power Ltd.) incorporated on 25.02.10.
- ❖ **Feasibility/EIA Study:**
 - Final Feasibility Report submitted by the consultants which is under finalization at DDKPL's .
 - TOR received from MoE&F on 9.09.10.
 - MPPCB conducted 'Public Hearing' for according 'Environmental Clearance' for the project on 26th April'12. Final EIA report incorporating comments of MPPCB consequent to 'Public Hearing', submitted to MoEF on 24.08.12 .
- ❖ **Land Acquisition:**
For Main Plant, Ash Dyke, Approach Road & Water Corridor- Tentative land requirement & its availability as identified for the project is as under:

	For Main Plant, Ash Dyke	Approach Road & Water Corridor
Private	880.97 Acre	44.73 Acre
Revenue (non forest)	53.57 Acre	7.51 Acre
Forest	10.01 Acre	0.64 Acre
Total	944.55 Acre	52.88 Acre

- Based on revised application for acquisition of 925.66 Acres of private land (out of approx. 1000 Acres of land identified for the project), the revenue authorities raised a demand of Rs 35.54 Cr on 23rd Feb 2011, which has been released in favor the revenue authorities on 09.06.11, out of Rs 22.50 Cr each subscribed by BHEL & MPPGCL, towards equity.
- However, Addl. Collector, Khandwa vide his letter dtd.28.07.2011 intimated that as per Section 39 of the Land Acquisition Act-1894, process of land acquisition for the Company cannot be initiated without prior consent of the Appropriate Government. Accordingly, Revenue Deptt. GoMP vide letter Dtd 27.02.12 have conveyed consent to Collector Khandwa to initiate the land acquisition process.
- Notification under Section 4 of the Land Acquisition Act 1894 has been published in the official gazette on 25.05.12. Actions under Section 5 completed in Sept'12/Oct'12. Notification under Section 6, issued & action under section 9 completed.
- **Due to non availability of Coal Linkage for the project, DDKPL Board has decided not to proceed ahead with the Land Acquisition process. Collector Khandwa has been requested accordingly.**
- ❖ **Water Allocation:** 1.55 TMC Water allocated vide NVDA letter no. सी.बी./रा.स्त. 193/31/2010/657 Dtd. 6.10.10.
- ❖ **Coal Linkage:** Application for linkage of coal to the tune of 7.9 mtpa submitted to Ministry of Coal, GoI on 27.01.10. M/s DDKPL had also applied to MoC on 28th Jan'13, for allocation of Coal Blocks identified for the Power Sector thru the "Auction By Competitive Bidding, of Coal Mines Rules 2012". However no coal block was allocated to the project in the 5th meeting of the Inter Ministerial committee constituted for the purpose. BHEL request to Energy Deptt. GoMP to consider the

project for allocation of coal from the Coal Block allocated to MPPGCL, was also not considered by GoMP.

- ❖ **Airport Authority of India Clearance:** Application for clearance for construction of 275 Mtrs chimney for the project, submitted with AAI Indore on 26th July 2011.
- ❖ **Power Purchase Agreement:** Power Purchase agreement for sale of 65% power, was signed with M.P Tradeco on 04.01.11. GoMP while according Ex-post facto approval to the PPA has directed to incorporate (on MP Tradeco's request) a condition that if the company (DDKPL) offers 'at any time, the sale of not less than 15% of the capacity from the project on long term basis" at more competitive rates, 65% power shall also be made available to MP Tradeco at such competitive rates. PPA to be amended accordingly after approval of DDKPL Board .

Tariff based on use of 100% imported coal (1st year: Rs 4.40 & levelised: Rs 5.12 per unit) has not been accepted due to exorbitant rise (Rates with 100% indigenous coal : 1st year: Rs 3.78 & levelised: Rs 4.22 per unit), which was communicated to M/s DDKPL.

- ❖ **Project Cost & Financial Tie-up:**
 - Estimated cost of project is Rs. 10500 Cr. (Approved Rs 10100 Cr) as per Feasibility Report submitted by the consultants M/s Ramky Hyderabad.
 - Project proposed to be funded with a Debt: Equity ratio of 80%:20%.
- ❖ **Equity Participation:**
 - As per original agreement with BHEL, equity is proposed to be subscribed thus: BHEL 26%; MPPGCL 26%; FIs/ Banks: 48%.
 - BHEL's proposal dtd. 03.06.10 for induction of a Strategic Investor with 48% equity has been accepted by GoMP, there by reducing the equity participation of MPPGCL to 10%, BHEL 26% equity and balance 16% equity by PSUs/PSU FIs/PSU Banks,.
 - Earlier process for selection of 16% & 48% equity partners was shelved. Fresh process shall be initiated after clarity on Coal Linkage & Land Acquisition issues.
 - Revised consolidated EoI for selection of JV partners (48 & 16%), sent to BHEL & other committee members for scrutiny & acceptance.
 - **DDKPL Board's suggestion to MPPGCL & BHEL to acquire 100% equity stake in the company, has not been accepted by both the equity partners.**

- ❖ **Points Worth Mentioning:** Taking above scenario into consideration, GoMP vide its ltr Dtd 04th Jan'14, conveyed following decision:
 - To convey MPPGCL/ GoMP's inability to acquire 100% equity stake in the company to M/s DDKPL.
 - DDKPL to be requested to initiate action for getting refund of amount deposited towards Land Acquisition & Water, from the concerned Govt. authorities.Based on the above decisions, M/s DDKPL has taken up these issues with the concerned Deptt. In response to above a cheque no. 807663 dtd 29.03.14 for amounting to Rs 23,57,28,667/- received from Land acquisition officer KNW through vide letter no./reader-2/SDO/71-Khandwa dtd 29.03.14.