

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 end.
- TOR received from MoE&F on 9.09.10.
- MPPCB conducted 'Public Hearing' for according 'Environmental Clearance' for the project on 24th April'12 . Copy of report is awaited .

❖ **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
Action under Section-5	Completed on 19, 20 & 21 st April 2010.	Completed on 23 rd June 2010.

- Approved R&R Policy submitted to SDO and Land acquisition Officer, Khandwa.
- 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.
- Revenue Deptt. GoMP vide their letter Dtd 27.02.12 have conveyed consent to Collector Khandwa to initiate the land acquisition process.

❖ **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 is submitted to Ministry of Coal, GoI on 27.01.10. Fresh information sought by CEA, submitted on 26.12.11 in requisite format .

❖ **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 generated from the project, has been signed with M.P Tradeco on 04.01.11. However, M.P Tradeco has requested to amend the PPA, incorporating a condition that if the company (DDKPL) offers the sale of any part of the balance capacity from the project on long term basis pursuant to any competitive

bidding process or otherwise, MP Tradeco shall also be buying the 65% power at such competitive rates.

❖ **Project Cost & Financial Tie-up:**

- Estimated cost of project is Rs. 10540 Cr. as per draft 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:**

- i. As per original agreement with BHEL, equity is proposed to be subscribed thus: BHEL 26%; MPPGCL 26%; FIs/ Banks: 48%.
- ii. BHEL's proposal dtd.3.06.10 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,.
- iii. An EoI for selection of Joint Venture partner (the strategic investor) was floated by MPPGCL. Two out of three bidders have qualified the RFQ stage. The joint committee of BHEL & MPPGCL, constituted for the purpose had decided that the bidder quoting the highest premium shall be selected as the strategic partner for the JV.
- iv. Simultaneously, the process of selection of PSUs/PSU Banks/PSU FIs to join the JV as partner with 16% equity stake was also initiated. The EoI for the same was issued to news papers for publication on 14.07.11 with extended last date of submission of request, up to 06th Sept 2011. Since no request was received upto the due date, it was directed by GoMP, Energy Deptt. (vide letter dtd. 29.11.2011) to first select the 'Strategic Investor' with 48% equity stake. For 16% equity stake, decision to be taken later.
- v. Further, in its meeting held in Delhi on 12th Jan'12, the joint committee apprehended that as more than a year has lapsed since the EoI was floated, in case one of the qualified parties did not participate, it would be difficult to proceed with the selection on a single party basis, as the reasonableness of 'Premium' quoted will be difficult to justify. As such it was decided that the process for selection of Strategic Investor has to be started afresh. To include the Strategic Partner in the JV, draft JV agreement has been submitted by BHEL on 21st Feb'12 for discussion & finalization..
- vi. The draft JV agreement has been framed to take into account two scenario:
 - First, Strategic Investor with 48% equity stake in JV selected: The equity structure than shall be Strategic Investor 48%, MPPGCL 26% & BHEL 26%.
 - Subsequently, the PSU entity (ies) selected : The equity structure changes to Strategic Investor 48%, BHEL 26%, MPPGCL 10% & PSU entity (ies) 16%
- vii. BHEL in their letter Dtd 20th Feb'12 addressed to GoMP: Energy Deptt., has apprehended that if the process for selection of the strategic partner for 48% equity is initiated with the above PPA condition & in case no partner is ready to infuse equity with the said condition, MPPGCL or other companies of Govt. of M.P. shall bring in the balance equity, beyond the 26% to be subscribed by BHEL. GoMP's response to the above is awaited.
- viii. On receipt of suitable guidance from GoMP on the issue, fresh process for selection of Strategic Investor, shall be initiated.
