Akhilesh revives Jaypees 1,320 MW Karchana project

Written by Deepa Jainani | Lucknow | Updated: Jul 14 2012, 07:58am hrs

All is not lost yet for Jaypee Groups 1,320 mw Kar-chana thermal power project, it would seem. The Akhilesh Yadav government has sprung a surprise by initiating moves to revive a project widely considered buried, especially after the change in reins in the state.

Late on Thursday, UP chief secretary Jawed Usmani directed the Allahabad DM to immediately initiate the process of land acquisition for the project.

The R10,000-crore project, first mooted by the Mayawati government in 2007, ran into rough weather after agitations broke out over land acquisition. Land for the project could not be acquired till as late as December last year when elections in the state were to be announced.

With the Mayawati government ousted, the Jaypee Group was reluctant to execute the project. However, officials in the power sector feel the reluctance had little to do with the land issue and was mainly due to the political uncertainty in the state.

In April, the Allahabad High Court quashed the state governments notification for the acquisition of 650 hectare of land under the urgency clause for the project and said farmers who had already lifted the compensation for their land should either return the money and take back the land or willingly hand over the land for the project.

The chief secretary is reported to have told officials on Thursday that since the state has already made arrangements for coal and water linkages for the project and the developer has also been selected through a competitive bidding process, efforts should be made by the administration to resume talks with farmers.

Speaking to FE, power secretary Anil Kumar Gupta said the high court has not banned acquisition of land for the project. All it has said is that the same can be done without invoking the urgency clause. Since the state government has already secured the water and coal linkages for the project, it would be a waste to let all of this go in vain, especially at a time when securing coal linkage is so difficult. In this scenario, we might as well go ahead
and explore whether the farmers are willing to enter into an agreement with the state government through karar niyamavali. If they are, they can keep the compensation and give us the land, he said.

The move will come as boost for the industry, which has been apprehensive about projects initiated during the previous regime. The Karchana project has been mired in controversy even before it was awarded to the Jaypee Group in 2009 after more than a year of dithering and postponements.

The name of Jaypee Associates was finally decided by the Mayawati-led government in a late-night development on February 19, 2009, through a cabinet-by-circulation. The project was part of the state governments plan for capacity addition in the power sector.

Combined with the proposed Bara thermal project, which is also being executed by Jaypee Associates in Allahabad, the power generated by these two projects was to be 3,300 mw, around a third of the states target of producing 10,000 mw electricity for the 11th Five-Year Plan.