

# Investment Opportunity – 90MW Thermal Power Plants in Madhya Pradesh

## About the Company (1/2)

The company was incorporated as a Private Limited Company on 08th November 2006 and has its registered office located in Mumbai. The company is engaged in the business of thermal power generation. The company has an installed capacity of 90MW (unit 1 and unit 2 of 45MW each) spread over the total land area of admeasuring 120.27 Acres. The company sells the power generated from this project under a combination of long-term power purchase agreements with the Madhya Pradesh Government at Village Newari, Tehsil Gadarwara, Dist. Narsinghpur, Madhya Pradesh.

The Company's Unit-1 (45 MW) became operational in April 2012 using coal from Fuel Seller's nearby coal mine. The Company's Unit-2 (45 MW) became operational in March 2017 using coal from Coal India Limited (CIL).

### Power Purchase Agreement (PPA):

**27 MW PPA executed on 05.01.2011:** The company signed a 20-year agreement with the GoMP-nominated agency to supply 30% of its 90 MW capacity (27 MW) from its Gadarwara plant. Tariff includes capacity, variable, and other charges as determined by MPERC, with all three Discoms as confirming parties.

**Concessional Energy PPA executed on 04.05.2011:** The company signed another agreement with GoMP, under which 5% of the power is to be purchased by MP Power Management Company Ltd (MPPMCL) on behalf of GoMP.

Tariff as per PPA for the period from FY 2025 to FY 2029 ranges between 5.98 (Rs/kWH) to 6.02 (Rs/kWH)

## About the Company (2/2)

### Company's management:

Name of the Person	Designation
Mr. Agarwal	Promoter/Managing Director
Mr. Samaj	Director
Mr. Goel	Director
Mr. Kote	Director

### Shareholding Pattern as on date:

Name of Shareholder	No. of Shares	% of Holding
ABC Power Holding Limited	6,46,33,545	50.15%
XYZ Limited	1,75,06,621	13.58%
Bank 1	1,32,01,192	10.24%
Bank 2	1,42,15,589	11.03%
Bank 3	1,09,76,062	8.52%
Bank 4	83,53,587	6.48%
Promoter	1,900	0.00%
<b>Equity Share Capital</b>	<b>12,88,88,496</b>	<b>100.00%</b>
<b>Preference Share Capital – Banks</b>	<b>2,62,59,000</b>	<b>100.00%</b>
<b>Total Share Capital</b>	<b>15,51,47,496</b>	<b>100.00%</b>

# Financials

## Financial Performance:

(Rs. In Crores)

Particulars	FY 2021	FY 2022	FY 2023	FY 2024
Revenue from Operations	100.95	124.04	171.65	290.87
Other Income	0.04	0.15	0.16	0.11
<b>Total Revenue</b>	<b>100.98</b>	<b>124.19</b>	<b>181.43</b>	<b>290.98</b>
EBITDA (₹)	20.00	23.88	39.11	56.57
EBITDA (%)	19.81%	19.23%	22.76%	19.44%
Long Term Borrowing	310.46	323.23	324.52	324.77
Short Term Borrowing	306.40	279.03	254.06	211.53

## Valuation of Assets as at 31-03-2024:

(Rs. In Crores)

Particulars	Market Value
	<b>Fixed Assets</b>
Land	19.32
Factory Building	178.00
Plant & Machinery	560.03
<b>Total</b>	<b>757.35</b>

## Reason for Stress

- **NGT (National Green Tribunal) Order dated 16th May 2017:** In May 2017, the National Green Tribunal (NGT) banned the use of Pet Coke without prior approval from the Pollution Control Board. Since ABC Power was using Pet Coke due to cost efficiency and loss of its coal mine, Madhya Pradesh Power Management Company Ltd (MPPMCL) stopped paying Capacity Charges. Later, in September 2017, ABC Power obtained approval from MP Pollution Control Board to use multiple fuels, including coal, pet coke, and biomass. In April 2018, APTEL ruled in ABC Power's favor, enabling recovery of dues. As a result, ABC Power received ₹38 crores from MPPMCL, which was fully used to repay lenders.
- **Capping on Energy Charge APTEL (Appellate Tribunal for Electricity):** The APTEL order of April 2018 allowed ABC Power to receive Capacity Charges but capped Energy Charges at ₹2.18/kWh, far below actual fuel costs. This left ABC Power unable to recover expenses, leading to severe cash flow issues and its classification as an NPA by lenders in September 2018. On 11th January 2019, the Supreme Court stayed the cap, allowing ABC Power to recover Energy Charges at actual cost. Although lenders recommended resuming operations in January 2019, approval was only implemented in April 2019. Consequently, ABC Power's plant remained non-operational from September 2018 until 22nd April 2019, when operations finally restarted.
- **National Lockdown pursuant to Covid-19 pandemic:** In addition to other factors impacting the business, the outbreak of COVID 19 has also affected the business. National lockdown pursuant to Covid-19 pandemic imposed by Government from last week of March 2020 to May 2020 had adversely affected the operation of plant. Also, demand for Power was reduced during that period due to almost no economic activity except essential services.

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