

Himachal Pradesh invites Brakel to sign power project agreement

Himachal Pradesh has invited Dutch firm Brakel Corp NV to sign the pre-implementation agreement (PIA) for the execution of a multi-million dollar hydropower project awarded to it in December 2006, a government official has said.

The PIA, which is mandatory before beginning work on any project, would be signed within a few days, the official from the power department told IANS Sunday.

'Brakel has agreed for the settlement of all the disputes, if any, under Indian arbitration laws and for depositing 25 percent upfront premium at the time of signing the PIA,' he said.

The decision to sign the agreement with Brakel was taken Nov 25, two years after the 960-MW Thopan-Powari-Jangi hydropower project was awarded to the Dutch company.

The project, to be come up in Kinnaur district, about 300 km from here, requires an investment of more than Rs.60 billion.

Brakel has already deposited 50 percent of the upfront premium (Rs.1.73 billion) and Rs.210 million as delayed interest at the rate of 11 percent.

Now the company has to deposit the remaining upfront premium of Rs.1.73 billion in two instalments - one at the time of signing the PIA and the other before commissioning the project.

Asked about the government's invitation to sign the deal, Brakel's top official in Shimla B.R. Gautam told IANS: 'We are ready to sign the PIA, which is likely to be signed in two-three days.'

He, however, added that the company was yet to receive formal invitation from the government in this regard. 'Our directors (Dean Gesterkamp and Anil Wahal) would be available in Shimla whenever the government invites them,' he said.

He added that the project would be completed in 2017, 'which is quite ahead of schedule'.

The project was allotted to Brakel by the previous Congress government through global bidding. However, the incumbent Bharatiya Janata Party government delayed signing the project and even despatched two show-cause notices to Brakel asking why the company's bid should not be scrapped.

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