

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:11  
ANSWERED ON:22.11.2012  
OBJECTIONS ON DFBOT FRAMEWORK  
Sugumar Shri K.

**Will the Minister of POWER be pleased to state:**

- (a) whether the Associated Power Producers have raised objections on the Design Finance Build Operate and Transfer (DFBOT) framework proposed in the new power purchase agreements;
- (b) if so, the details thereof;
- (c) whether the Government proposes to bring changes in the DFBOT; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER ( SHRI JYOTIRADITYA M. SCINDIA )

(a) & (b) : Yes, Madam. Ministry of Power had circulated the draft model power purchase agreement (MPPA) for Case-2 on 7th September, 2012 for seeking comments/suggestions of the stakeholders including private developers, financial institutions, State Governments/Discoms and concerned Ministries/Departments. The document was prepared on the basis of various meetings and deliberations held with stakeholders, including Association of Power Producers (APP).

While furnishing their comments on MPPA, the Association of Power Producers (APP) has mentioned that `Design Finance Build Operate and Transfer (DFBOT) model would pose severe investment, development and financing challenges in the context of power generation projects.

(c) & (d): The comments of stakeholders are under examination of an Inter- Ministerial Group.