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R-Power achieves financial closure for Rosa project

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Anil Dhirubhai Ambani Group (ADAG) company Reliance Power (R-Power) has signed financing agreements with a consortium of domestic banks to secure the debt portion for the second phase of the 600-Mw Rosa Power project in Uttar Pradesh's Shahjahanpur district.

Sources said the consortium will lend around Rs 2,000 crore, of the project cost of Rs 2,700 crore. The remaining amount will be funded through equity. The company, which raised over Rs 11,000 crore through its initial public offering, is also attempting a strategic sale of 10-15 per cent equity to fund its projects.

Industrial Development Bank of India (IDBI) is the lead lender. The others are Punjab National Bank, United Bank of India, Life Insurance Corporation of India,

Andhra Bank, Axis Bank, Indian Bank, Karur Vysya Bank, State Bank of Bikaner and Jaipur, State Bank of Mysore, Syndicate Bank, The South Indian Bank, Oriental Bank of Commerce, Corporation Bank and Vijaya Bank, said a press release.

R-Power had achieved financial closure for its Rs 19,500 crore, 4,000 Mw ultra mega power project coming up at Sasan in Madhya Pradesh in mid-April, in the largest debt funding for any infrastructure project in the country. Two months earlier, its group company Reliance Power Transmission (RPTL) also had announced financial closure for the Rs 1,385 crore Western Region System Strengthening Scheme (WRSS) transmission project in Maharashtra and Gujarat.

Rosa Power Supply Company (RPSCL), a wholly-owned subsidiary of R-Power, will become completely operational well within the Eleventh Five-Year Plan and will sup-

ply 900 Mw to Uttar Pradesh Power Corporation. The first phase of the project is in a very advanced stage of construction and is expected to commence generating power within this year itself, ahead of schedule, said R-Power. The company had achieved financial closure for the first phase in January 2007.

RPSCL has a fixed-price and time-based engineering, procurement and construction (EPC) contract with Shanghai Electric and Utility Energytech and Engineers Pvt Ltd for the second phase. The company has issued the 'Notice to Proceed' to Shanghai Electric, following the financial closure. The second phase has obtained all major approvals and clearances. Coal linkage from Central Coalfields Ltd from its mines at Jharkhand has been got for supply of around five million tonnes yearly for the project, which will be transported by the Indian Railways.