

## Press Clipping

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# RelPower bags Tilaiya ultra mega project with Rs 1.77 per unit bid

## fe Bureaus

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Reliance Power on Wednesday outbid NTPC, Jindal Power and Sterlite Energy for the 4,000 mw ultra mega power project at Tilaiya in Jharkhand. This is the Anil Ambani group firm's third successful bid for India's largest series of power projects through which the government expects to add about 50,000 mw by 2015. India has an installed capacity of 1,40,000 mw.

A government official told *FE* that Reliance Power bagged the Tilaiya bid, quoting Rs 1.77 a unit. The highest bid was around Rs 3 per unit, the official said. The bids for the coal-based thermal power project are being counter-checked and an official announcement will be made on February 2 or 3, the official added.

The project entails an investment of Rs 18,000 to 20,000 crore with a debt-equity ratio of 70:30. However, the debt portion could be increased to 80% as the private developer may it

## Anil power

- ▶ Co outbids NTPC, Jindal & Sterlite for 4,000-mw Jharkhand project
- ▶ This is Anil Ambani group's third successful bid for UMPP
- ▶ Debt-equity ratio of 70:30 may change to 80:20 for Rs 20k-cr unit



hard to bring in a huge equity, the official said.

Sources in Power Finance Corporation, the public sector financing organisation mandated to select the bidders for these projects, confirmed that the financial bids were opened on Wednesday. Two closest competitors for Reliance Power in the bid, National Thermal Power Corporation and Jindal Power, quoted Rs 2.37 and Rs 2.69, respectively.

Five companies had bid for the project to be run as a public-private partnership. A committee of officials, including

representatives from the states of Bihar and Jharkhand, selected the developer. The financial and technical bids for the project were invited on December 29 and the final financial bids were to be opened within 15 days.

The bidding process for the project had been delayed because of inadequate technical information and the global slowdown that had made financing difficult for such projects. To facilitate funds for the ultra mega projects the government has eased lending norms of banks and financial institutions.

Of the three other UMPPs

cleared so far, only Tata Power has achieved financial closure for the Mundra project in Gujarat. Reliance Power, which has won the Sasan project in Madhya Pradesh and Krishnapatnam project in Andhra Pradesh, is yet to do so. The company has, however, said it has tied up a loan of Rs 12,000 crore, of which Rs 2,160 crore (\$450 million) will come from UK's IFCL.

The Sasan project is expected to cost about Rs 18,000 crore. But Reliance Power estimates this could go down, anticipating a 10 to 20% reduction in equipment cost.

Meanwhile, Lanco Infratech, which was in the bidding process for Tilaiya project, issued a statement mentioning that it is withdrawing its bid. "Genting group, our strategic partner for the Tilaiya UMPP bid, has advised us that given the current turmoil in the global markets, it would take more time before conditions are conducive for financing such large projects," its spokesperson said.