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Reliance Power gets letter of intent for Tilaiya project

Our Bureau

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The Letter of Intent for the 4,000-MW ultra mega power project (UMPP) at Tilaiya in Jharkhand was on Thursday handed over to Reliance Power Ltd.

Reliance Power was the LI (lowest) bidder for the Tilaiya UMPP in Jharkhand, for which the financial bids were opened on January 28. This is the third UMPP to be bagged by Reliance Power, after the award of the Sasan (in Madhya Pradesh) and Krishnapatnam (Andhra Pradesh) projects earlier.

The Chief Executive Officer, Mr J.P. Chalasani, said the company will need as much as Rs 60,000 crore to build the three plants and plans to borrow 75 per cent of the funds. The company expects to complete raising funds for the Sasan plant in Madhya Pradesh by the end of this month, he said, adding that Reliance Power has raised Rs 12,000 crore of the Rs 14,500 crore of loans it needs for the project.

FUND PLANS

The company plans to raise funds for the Tilaiya project in the financial year starting March, he said. Reliance Power had bid Rs 1.77 a unit (1 kwh)

Reliance Power

Rs.103

Returns -16%



for producing electricity at the plant, which is due to be completed by 2016, the CEO said.

For the Sasan project, awarded in July 2007, the company had bid Rs 1.19 a unit. The first phase of the project is scheduled to be completed by December 2011 and the second by March 2013. Coal will come from a mine allotted by the Government.

The Krishnapatnam plant, which is to produce power at Rs 2.33 a unit, is due to start in 2013. IDBI Bank and Power Finance Corporation are the lead bankers for Krishnapatnam, Mr Chalasani said. The Asian Development Bank is also funding the project and Reliance Power expects to complete borrowings for the project by the end of June.

"We have independently acquired coalmines in Indonesia and we are developing them," he said in reply to a question on fuel supplies to the Krishnapatnam plant.