

CESC set to be 6,000-mw power generation group

Our Bureau
KOLKATA

CESC Ltd will become a 5,500-6,000 mw power generation company by calendar 2013 through a total investment of about Rs 24,000 crore. The investment will be undertaken at a debt equity ratio of 70:30. It also intends to get into retail power distribution in Ranchi, Jharkhand.

CESC will pump in some Rs 7,200 crore, while the remaining Rs 16,800 crore will be in the form of debt for financing these projects. "Projects in the pipeline include a recently proposed 2,000 mw plant at Pipaindi in Bihar's Bhagalpur district at an investment of Rs 10,000 crore. Coal linkage from Rajmahal mines and a coal block have already been applied for the project. The Bihar government is likely to start acquiring land (about 400 acres) for the plant. It will come up in two phases," said CESC vice chairman Sanjiv Goenka. He was talking to reporters at CESC's 30th AGM here on

Wednesday.

Elaborating on the Bihar greenfield venture, he said: "In the first phase, about Rs 3,250 crore will be invested to set up one 660 mw thermal power unit while the second phase will include two 660 mw units. Water for the plant will be sourced from the Ganges which is some 10 km from the site."

"Power generated from this plant may flow into Ranchi where we have evinced an interest to take up retail distribution. CESC has responded to an expression of interest floated by Jharkhand State Electricity Regulatory Commission for taking up retail distribution in Ranchi. If not, we may sell the power to Patna since the plant will be a merchant power plant," Mr Goenka added.

At Dumka, in Jharkhand, CESC has decided to set up a 1,200 mw (4x300 mw) plant in the first phase and another 1,200 mw in the second phase. "Section 4 notification for land notification has just been made by the Jharkhand government. Clearance for drawing water has also been

received. We hope to achieve financial closure by March 2009 and the plant will be commissioned by 2012-13," he said.

The RPG power utility has already acquired 241 acres out of the 334 acres required for the phase 1 at West Bengal's Halda thermal venture. In the first phase, CESC will set up a two 330 mw units. It has already received right of way for the transmission line and has already invited techno-financial bids from equipment suppliers. Phase 1 is likely to be commissioned by 2011-12. Environment clearance is expected soon.

Budge Budge, on the other hand, is likely to see a new 250 mw plant commissioned by September 2009. The plant is currently under construction.

The Orissa government, in turn, has also triggered Section 4 under the land acquisition Act for CESC's 1,000 mw phase unit. In the second phase the company plans to set up another 1,000 mw. It has also applied for coal linkage.



CESC vice-chairman Sanjiv Goenka

Net touches Rs 94 crore

KOLKATA: CESC on Wednesday reported a Rs 94-crore profit after tax in the first quarter of 2008-09 against Rs 82 crore in the previous corresponding period. Rise in profit was attributed to better plant load factor — 101.6% during the period. The company also earned Rs 11 crore of carbon credit during the period.

"Rise in profit has been due to carbon credits earned and better PLF," Mr Goenka told reporters. CESC also declared a 40% dividend on shares of Rs 10 for 2007-08 at a board meeting on Wednesday. Profit before tax stood at Rs 107 crore during the period under review against Rs 93 crore in the previous corresponding period. The company reported a total income of Rs 842 crore against Rs 750 in the first quarter of 2007-08.

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