

# CESC to raise Rs 1,000 cr for power projects

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**R**PG power utility CESC has decided to raise Rs 1,000 crore from financial institutions for funding its Jharkhand and Haldia power projects.

The company has also been sanctioned another Rs 920 crore by a clutch of institutional investors, including a few foreign ones, for refinancing some of its costlier loans and for funding new projects.

Confirming the development, vice-chair-

man Sanjiv Goenka told ET: "We have decided to get an enabling resolution passed from our shareholders for raising a maximum of Rs 1,000 crore from various institutions. The fund will be utilised for our existing capex plans at Haldia and Jharkhand."

CESC's projects include a 1,000 mw thermal power plant at Jharkhand at an investment of Rs 4,000 crore. At Haldia, in West Bengal, the power utility plans to spend Rs 8,000 crore for which it has already acquired a little over 200 acres, which is enough to execute the first phase.

Initially, the company will set up a 600 mw plant in Haldia at an investment of Rs 2,000 crore. It intends to set up a total generating capacity of 2,000 mw there that will come up on 1,000 acres.

Interestingly, CESC has received sanctions from seven financial institutions for the Rs 920-crore loan that will be used to retire high cost debts taken earlier and the rest of it will go into funding new projects. Standard Chartered Bank has agreed to provide a Japanese loan equivalent to Rs 143 crore, while ICICI Bank has offered a foreign currency loan of

\$16 million to the company.

Additionally, Infrastructure Development Finance Company (IDFC) has sanctioned a Rs 215-crore loan to CESC. Industrial Development Bank of India, Kolkata-based Uco Bank and Punjab National Bank have sanctioned loans of Rs 150 crore each totalling Rs 450 crore, while Punjab & Sind Bank has agreed to provide a Rs 50-crore loan to the power utility.

Incidentally, CESC has recently floated a 100% subsidiary — Nalanda Power Company — which will be setting up a 1,000-2,000

mw thermal power plant in Bihar at an investment of about Rs 9,000 crore. Nalanda Power Company has also signed a memorandum of understanding with the Bihar State Electricity Board (BSEB).

Currently, CESC is looking at a few locations in Bihar including one at Kahelgaon — some 60 km from Bhagalpur. The exact capacity of the power plant will be based on availability of land, coal and water. While a 2,000 mw plant will require about 800-1,000 acres, the actual size will depend on coal and water availability.