

Videocon, Jindal Photo, NBCC, Indo Rama plan power foray

Improving payment record of SEBs

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A bevy of new power sector aspirants, including consumer electronic manufacturer Videocon Industries, Jindal Photo Ltd., polyester maker Indo Rama Synthetics and state-owned National Buildings Construction Company (NBCC), are in the fray for entering the thermal power generation business.

This is despite the fact that operating small captive units is the only experience some of these firms have so far had in the power generation space. Interest in the sector is being mainly spurred by a perceived improvement in the bankability of the sector.

VIDEOCON PLANS

Videocon plans to kick-off its foray by setting up a 1,600-MW imported-coal based super-critical thermal power project near Pipavav port in

Gujarat. The company, through a special purpose vehicle Pipavav Energy Pvt Ltd, has invited international bids for engineering, procurement and construction (EPC) work. Contractors for the project are to be selected through an international competitive bidding process, for which the last date for submission of bids is June 9 next year.

The company is eventually looking to scale up its power capacity to around 5,000 MW over the next few years and is looking at West Bengal and Chhattisgarh for potential sites, industry players said.

The BC Jindal Group firm Jindal Photo Ltd, a player in the photographic business segment, is looking at a foray into power generation and has already formed a joint venture with Tata Power and steel producer Monnet Ispat to develop a 290-million tonne (MT) coal mine at Mandakini

Power play

Videocon setting up a 1,600-MW imported-coal based super-critical thermal power project near Pipavav port in Gujarat.

Jindal Photo ties up with Tata Power and Monnet Ispat for plant in Orissa.

Indo Rama Petro planning a 125-MW coal-based power project near Nagpur, entailing an investment of over Rs 600 crore.

in Orissa as a step in this direction. The company plans to set up a 600-MW project in the State, which would be eventually scaled up to 1,000 MW.

Monnet Ispat Ltd. has already signed an agreement with the Orissa Government to develop a 1,000-MW power plant at a cost of Rs 4,200 crore.

The power plant proposed in the Angul district, is to be set up by a separate subsidiary of the company, Monnet Power, which would also source coal from the Mandakini mine.

INDO RAMA FORAY

Indo Rama Petrochemicals Ltd, part of the polyester maker Indo Rama Synthetics (IRSL), is also eyeing the thermal power business, according to industry players.

The company is planning a 125-MW coal-based power project near Nagpur, entailing an investment of over Rs 600 crore.

Alongside growing private sector interest, state-owned NBCC is also in talks with some States to set up power plants on turnkey basis, with the option of picking up equity

stakes in these projects. To kick-off its venture, it plans to set up a 1,000-MW power plant in a joint venture with Chhattisgarh State Electricity Board (CSEB), with NBCC planning to pick up equity in the project, sources said.

According to a senior Power Ministry official, the renewed interest among private sector players to commit money into generation projects comes on the back of the improving payment track record of State Electricity Boards for electricity that they are buying from existing power generators.

The possibility of new Power Exchanges coming up, and the increased presence of power traders in the spot and long-term trading markets, is gradually lowering the perceived risk associated with the power generation business, he added.