
Reliance Power in talks to sell 15pct to foreign investor

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BS reported that Reliance Power Limited part of the Reliance Anil Dhirubhai Ambani group is in talks with 5 leading global power companies to sell 15% equity stake in the company.

Preliminary talks have started with 3 Chinese power companies, which include China Light and Power Holdings and French and Canadian companies.

Sources said Anil Ambani led Reliance Power Limited was in China last week to hold discussions with Chinese power companies for a possible stake sale. The company is willing to place the equity to 1 or 2 power companies.

As per report, Reliance Power needs over INR 70,000 crore to develop 17 medium and large power projects either directly or through subsidiaries with a combined planned installed capacity of 33,480 MW. A 15% equity dilution would bring in around INR 6,000 crore at the company's current market price. The promoters hold 84.78% in the company and the public 15.22% following a mega initial public offer last year that netted the company approximately INR 10,000 crore.

Beside, Reliance Power had also tried to divest 10% to a strategic partner 2 years ago, but the deal did not materialize.

Reliance Power has identified projects in western India (12,220 MW), northern India (9,080 MW), north-eastern India (4,220 MW), southern India (4,000 MW) and eastern India (3,960 MW).

Among these are 8 coal fired projects (18,580 MW) to be fuelled by reserves from captive mines and supplies from India and abroad, 2 gas fired projects (10,280 MW) to be fuelled primarily by reserves from the Krishna Godavari Basin off the east coast of India and 7 hydroelectric projects (4,620 MW), 3 of these in Arunachal Pradesh and one in Uttarakhand.

Meanwhile, 3 of these projects are Ultra Mega Power Projects, which were put up for bidding by the government as a means of bridging the growing power deficit. These include power plants of 3,960 MW each at Sasan in Madhya Pradesh and Talaiya in Jharkhand and a 4,000 MW plant at Krishnapatnam in Andhra Pradesh.

(Sourced from Business Standard)

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