
L&T and TATA Projects vying for Coastal Energen contract

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BL reported that L&T and TATA Projects have submitted their offers for a INR 1,500 crore Balance of Plant job of Coastal Energen, which is putting up a 1,200 MW coal fired power project at Tuticorin.

The company financial closure for the INR 3,450 crore debt for the project. The company said that 16 banks, led by State Bank of India, are lending to the project at 12%.

The orders for boilers and turbine generator sets have been placed on Harbin of China. The only part of the project that remains to be tied up is the BoP, which includes all the civil works and systems such as cooling towers and water handling facilities.

Sources in the know, however, said that it is not as though either L&T or TATA Projects would get the BoP orders. It is understood that Coastal Energen is working out a separate proposal, with advice from TATA Consulting Engineers, to split 'balance of plant' into various components and tender them out separately, in a bid to bring down costs.

The Coal and Oil group, which is promoting the project in collaboration with AW Rostamani group of Dubai has begun work on expanding the project. The plan is to take the capacity up to 4,000 MW.

Mr SM Zafrulla MD of Coastal Energen said that work on preparing the detailed project report has begun. He said Coastal Energen has about 1,050 acres of land, enough for the expansion. He said that the first unit of 600 MW will go on stream in 36 months from now.

(Sourced from Business Line)

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