
MPS group may plan IPO to fund power foray

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Undeterred by the plethora of power projects that are expected to go on stream in Tamil Nadu in the next year or two, Coimbatore based MPS Group plans for a 300 MW power project in Thoothukudi district in south Tamil Nadu.

Mr Prabhu Paramasivam director of MPS Group said the company may come out with an IPO during the next fiscal to part finance the projects but hastened to add that the size of the issue, the merchant bankers for it etc are yet to be finalized. He believed that these projects would help his group, which has a strong presence in steel and mines, to meet its own power requirements apart from making third party sales.

This project proposal comes close on the heels of a 100 MW power project in Kanjicode in Palakkad district in Kerala, for which the company has already been given the land by the Kerala Industrial Infrastructure Development Corporation and the necessary clearances are expected in the next two months.

Speaking to Business Line, Mr Paramasivam said the demand for steel and power would continue to be high. Power shortage in Tamil Nadu and Kerala, where it has steel manufacturing units, was high. He zeroed in on Kanjicode in Palakkad district in Kerala for the first power plant as his group has six units in operation there. The KSEB supplied 60 MW power to them and the group was planning a 100 MW coal based thermal power plant at an investment of about INR 400 crore. While 50% of the capacity would be for in-house consumption, the balance he planned to sell to KSEB.

Paramasivam said that around 60 acres for the project was procured from KINFRA in Kanjicode and application for necessary clearances such as environmental clearance and power purchase agreement have been filed. He expected approvals to be secured in about two months and if everything goes as planned, construction work may commence in about two months after the approvals were given. The completion period would be 24 months.

(Sourced from Business Line)

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