
PGCIL plans INR 2,500 crore bond issues in 2009

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BL reported that Power Grid Corporation of India Limited is planning 2 bond issues for INR 2,500 crore this fiscal to fund its capital expenditure plans.

Mr SK Chaturvedi CMD of PGCIL t on the sidelines of a Siemens plant inauguration on last Friday told reporters that the first issue was scheduled in November and the second in January 2010.

According to Mr Chaturvedi, CAPEX plans are on the upswing and additional funding had become imperative thanks to large scale mega transmission and grid strengthening projects.

He said “Last fiscal, we overshot our capital expenditure plan of INR 7,600 crore and ended up spending INR 8,095 crore. For this year, we have a CAPEX of about INR 12,500 crore for which we already have a MoU with the Centre but are likely to exceed this target also. For 2010-11 and 2011-12, our CAPEX will be about INR 16,000 crore.”

As per report, a sizable portion of the INR 12,500 crore CAPEX earmarked in 2009-10 will go towards setting up a 765 KV transmission line to evacuate power from the 4 ultra mega power projects. Each of these will need INR 4,000 crore to INR 5,000 crore in the form of investments to establish a transmission system.

He added that PGCIL plans to invest close to INR 14,000 crore in the XI Plan to evacuate power from power surplus Arunachal Pradesh and parts of the eastern region to meet the needs of the northern and western parts of the country. He said PGCIL was trying to match its work schedule of erecting a transmission grid for the UMPPs with the project deadlines given by TATA Power and Reliance Power.

Mr Chaturvedi said the company is also in talks with the World Bank for a USD 1 billion loan this fiscal year but a clearer picture will emerge only by end July. We are also talking to Asian Development Bank for another USD 1 billion. It plans to extend these to Kazakhstan, the US and Canada. This drive will boost revenue from the current level of INR 250 crore.

(Sourced from Business Line)

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