

KSK Energy Ventures sets up a 540 MW Project in Maharashtra

Gujarat Mineral Development Corporation to provide fuel for the plan; MIDC has allotted land for the project; The project has achieved full financial sanction; The project involves a total investment of Rs. 2400 Crores; On completion the plant will generate about 3500 million units of power per annum.

New Delhi, Delhi, IND, 2007-05-13 16:33:47 (IndiaPRwire.com)

KSK Energy Ventures (P) Limited (KSK), an emerging player in the power sector, has launched 540 MW power project at Warora, in Chandrapur District, Maharashtra through an SPV - Wardha Power Company Private Limited (WPCPL). The project involves a total investment of Rs. 2400 Crores. On completion the plant will generate about 3500 million units of power per annum.

The Honorable Chief Minister of Maharashtra Shri Vilasrao Deshmukh laid the foundation stone for the plant. The Chief Guest was honorable Minister of Power Government of India, Shri Sushil Kumar Shinde, also present on the occasion were, Power Minister Government of Maharashtra, Shri Dilip Valse Patil, & Minister for animal husbandry and guardian Minister for Chandrapur Shri Haji Anees Ahmed.

KSK entered into a unique arrangement with Gujarat Mineral Development Corporation, which has been allocated a coal block in Chattisgarh. This the first time that an State Government is undertaking to carry out coal mining in another state. This is being made possible under a Government of India initiative. GMDC retains a right to invest upto 26% of the equity of the power project.

The project has achieved full financial sanction for the first phase from the following three financial institutions /banks, Rural Electrification Corporation Limited (REC) - Rs. 555 cr, HUDCO - Rs. 233 cr , Indian Overseas Bank (IOB) - Rs. 100 cr. KSK Energy Ventures Private Limited (Rs. 130 cr) and Viraj Profiles Limited (Rs. 90 cr) pump in a combined equity of Rs 220 cr.

KSK identified Maharashtra as a Load Centre, where there is a huge deficit in power demand, especially from new industrial projects coming up in the region. Maharashtra Industrial Development Corporation (MIDC) has lent support to the initiative by providing 94 hectors of land for the project in Warora. The additional requirement of 50 hectors has also been appraised by MIDC. Water requirement for Phase-I as per Project Schedule have been appraised to MIDC. WPCPL have signed Fuel Supply Agreement with GMDC on 16th November '06 to offer coal to meet the fuel requirements of the Power Plant. Mine development work is in progress simultaneously.

WPCPL have entered into the Power Purchase Agreement for 270 MW with **VIRAJ PROFILES LIMITED** to supply power for captive usage through the transmission network of Maharashtra State Electricity Transmission Company Limited (MSETCL) or any other licensed agency. Under the provisions of the New Electricity Act, 2003, this project will be a first of its kind in the country, where a Single Customer has outsourced its power requirements. The balance power would cater to the requirements, essentially of new industrial units, and surplus in any, would also be offered for sale to the Maharashtra State utility.

The most important thing being, this project will relieve a burden on Maharashtra Power Utility to

source additional 540 MW power for new industrial customers, directly / indirectly and thereby, benefiting the state by creating jobs at both the steel plant and the power project, benefits to the state in the form of taxes and duties etc.

The project has completed all the presentations relating to Environmental Clearance for the project, to the Government of India and expects to receive the clearance shortly. All other project clearances including transmission clearance are in place.

- END -

For Further Information Contact

Lalit Pandey

Sampark Public Relations

011-41731526 / 9818806924

For more information, Please contact:

Lalit Pandey

Consultant - Sampark Public Relations

You can also visit www.sampark.com for more information.