

Hindustan Power May Enter Market with IPO Next Year

Our Bureau

New Delhi: Hindustan Power is likely to make its maiden public issue next year, its chairman Ratul Puri said on Thursday. The time and size of the offer will depend on the company's funding requirements, he said.

The company has started construction of the second phase of its Anuppur thermal power plant in Madhya Pradesh at an estimated investment of ₹9,000 crore. The second phase, involving 1,320 mw capacity, is targeted to be commissioned in four years.

"The initial public offer can be expected sometime next year. But it depends on commissioning of our thermal power plant. We will see requirement of incremental capital," Puri said.

The company is yet to place equipment orders for the second phase of the project. The project is being set up at a debt-

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equity ratio of 2:1. Debt for the second phase will be tied up after the company's assessment of cash flow from the operational projects, Puri said.

Hindustan Power on Thursday announced commissioning of the first phase of the Anuppur plant, which has been built at a cost of ₹8,000 crore. Majority power from the first phase of 1,200 mw of the project will be sold to Madhya Pradesh and Uttar Pradesh at about ₹3.80 per unit. Equipment for the first phase was sourced from China and coal is being supplied by Coal India's South Eastern Coalfields.

The company has not been participating in auctions for contracts to set up coal and solar power projects. "We have stepped out of bidding for solar plants. We have also exited the thermal side for some time since the tariffs were too aggressive," Puri said.

Tariffs for coal-based plants have stabilised in the past two years at ₹4- ₹4.5 per unit, Puri said. Rational tariffs for solar power plants should be ₹5-5.5 per unit, he said.