

Mundra-Mohindergarh: Transmission ramp

11/04/2011

Adani Power has recently commissioned a 986km long high voltage DC double circuit line connecting Mundra power station to Northern India. The project is the first private sector HVDC transmission line in the country, ensuring a flow of power between western India and its northern hinterland.

The Adani Group is in an aggressive period of expansion of its generating assets, which the transmission project compliments. It is developing power generation facilities of a combined 6,600MW at Mundra, Gujarat and Tiroda, Maharashtra. Adani Power is also planning to develop two projects with combined capacity of 3,300MW at Dahej, Gujarat and Kawai, Rajasthan.

The line has the capacity to carry 2,500MW of power from Mundra in Gujarat to Mohindergarh in Haryana. The line will be used to wheel power from Adanis Mundra project to the northern region of the country. The project will include two terminal stations, one each at Mundra and Mohindergarh with two electrode stations and three booster stations in between. The total route length of the project is around 986km and passes through three states Gujarat (366km), Rajasthan (567km) and Haryana (53km).

The project is technically compelling: it will have minimal transmission losses of around 1%, as against the 5% to 8% average for legacy lines. And although the normal power flow direction is from Mundra to Mohindergarh, the system has been designed with the ability to transmit power in both directions.

The estimated project cost of \$611 million has been financed with a debt to equity ratio of around 80:20. The equity portion of the project is \$122 million. The Rs22 billion (\$489 million) debt has a door-to-door tenor of 12.5 years, including 2.5 years of construction and grace period followed by repayment in 40 equal quarterly instalments beginning on 30 June 2012. The project has a comfortable average debt service cover ratio of 1.73x.

The loan was arranged by Axis Bank, which was also financial adviser. Joining Axis as participants are: Allahabad Bank (Rs3.75 billion), Dena Bank (Rs1.7 billion), State Bank of Hyderabad (Rs2.65 billion), UCO Bank (Rs2.4 billion), Bank of India (Rs1.7 billion), Life Insurance Corp of India (Rs4 billion) and Syndicate Bank (Rs1.7 billion).

Mundra-Mohindergarh Power Transmission Line

Status: Financial close 22 October 2010

Description: A Rs27.5 billion (\$620.44 million) project for the construction of a 500kv high voltage direct transmission line from Mundra to Mohindergarh in the states of Gujarat and Haryana, India

Sponsor: Adani Power

Lead and financial adviser: Axis Bank

Participants: Allahabad Bank, Bank of India, Dena Bank, Life Insurance Corporation of India, State Bank of Hyderabad,

Syndicate Bank and UCO Bank

Lenders legal counsel: Luthra & Luthra

Technical consultant: Power Grid Corporation of India

EPC contractor: Siemens (terminal stations), Jyoti Structures (transmission lines and towers) and Suzhou Furukawa Power (optical fibre ground wire)

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