

INDUSTRY

CESC secures its third electricity distribution franchise in Rajasthan

SPECIAL CORRESPONDENT

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CESC Limited, part of the ₹19,000 crore RP-Sanjiv Goenka Group, has received a Letter of Intent for appointment as a power distribution franchisee to supply electricity to Bikaner in Rajasthan.

This is the group's third distribution operation in Rajasthan after Kota and Bharatpur.

Competitive bidding

The agreement, expected to be signed shortly, was won through competitive bidding and has a 20-year tenure.

Sanjiv Goenka, chairman, CESC Limited, said, "The Bikaner City distribution franchise, spread over 155 sq.km, currently has 1.42 lakh consumers and opens up a new opportunity in the growing State."

This development came amid reports that the RP-SG Group was planning a major recast aimed at unlocking value in its power distribution business.

It was also learnt that the group was considering splitting CESC's generation from distribution.

In reply to a stock exchange query in this matter, CESC said while the company evaluated various proposals, the board of directors had not taken any decision on "massive restructuring."

To media queries, Mr. Goenka said since CESC's board meeting was scheduled on February 10, he could not comment on the matter.

The 119-year-old CESC's existing business comprises coal-mining, power-generation and distribution with independent power plants in Chandrapura, Maharashtra and in Haldia, West Bengal.

It has solar and wind projects in Gujarat, Rajasthan, Arunachal Pradesh and Tamil Nadu.