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Reliance Infrastructure, Shanghai Electric form JV

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New Delhi: Anil Ambani-promoted Reliance Infrastructure on Monday signed a framework agreement with Chinese power equipment maker Shanghai Electric Co for jointly manufacturing key components for electricity generation such as boilers, turbines and generators in India, the company said in a release.

Reliance Infrastructure is carrying out the Rs 12,800 crore construction job for the 4,000 megawatt Sasan ultra-mega project being implemented by Sasan Power, a subsidiary of group flagship Reliance Power. The company had sometime back appointed US power engi-

neering consultants Black & Veatch as an independent project monitor to allay apprehensions in some quarters over reliability of Chinese equipment supplies. India's power sector growth has been hamstrung by limited capacity for manufacturing latest boilers, turbines and generators of 600-800 mw ratings. The tie-up with Shanghai Electric is part of Reliance's strategy to grab a pie of the growing demand after meeting internal demands from Sasan and its other ultra-mega project planned at Krishnapatnam in Andhra Pradesh.

Reliance Power recently wrote to power minister Sushilkumar Shinde and finance minister P Chi

dambaram to say it will complete the last of the six planned generators of the Sasan project by March 2013, achieving the full aggregate capacity 36 months ahead of schedule.

According to the schedule laid down in the agreement with the government, the last unit is to be completed by April 2016. It has committed to switch on at least two units, aggregating a capacity of 1,320 mw, by March 2012 to help the government achieve its capacity addition target.

At present, only 84 units of electricity are available out of every 100 units for which there is demand during peak hours. This means there is a 16% peak-time shortage.