

# OCPL to invest ₹1,500 crore on coal blocks development

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Odisha Coal & Power Ltd (OCPL), a 51:49 joint venture (JV) between Odisha Power Generation Corporation (OPGC) and Odisha Hydro Power Corporation (OHPC), would invest ₹1,500 crore on development of the Manoharpur and dip side of Manoharpur coal blocks.

Both the blocks have been allocated to OPGC under the PSU (public sector unit) dispensation route to cater to its 1,320 (2x660) Mw expansion at Ib valley. OPGC, a 51:49 JV between the state government and US-based energy major AES, currently runs 420 Mw (2x210) power station at this location.

"Of the ₹1,500 crore needed to develop these blocks, ₹1,100 crore would be the loan component, to be raised from a consortium of lenders comprising Power Finance Corporation (PFC) and Rural Electrification Corporation (REC). The balance ₹400 crore would accrue from the promoters", said a senior government official.



**OPGC is investing ₹11,547 crore on expansion, which also includes cost of other components like coal block development and dedicated rail corridor.**

Annual coal production capacity of the Manoharpur and dip side of Manoharpur coal blocks is pegged at eight million tonne (mt). Total reserve of the two coal blocks is 531 mt.

"Coal production from these blocks would start from April 2019. OPGC would also add two more units of 1,320 Mw after the completion of the

existing expansion plan. This will ensure energy security for the state", said Rajesh Verma, principal secretary (energy) and chairman, OPGC.

OPGC and OHPC on Thursday inked the shareholders' agreement for formation of OCPL, the JV company. OCPL was incorporated in January last year. Initially, the

JV company would have a paid-up capital of ₹50 lakh.

"OCPL will progress in leaps and bounds and will surely commence production at the coal blocks before the schedule date. All the necessary statutory approvals and clearances for development of the coal blocks have been obtained and land acquisition for the mining lease area has progressed", said Pranab Prakash Das, minister for energy and electronics & IT.

OPGC is investing ₹11,547 crore on expansion, which also includes cost of other components like coal block development and dedicated rail corridor. The state-owned generator has already started construction work. OPGC has already tied up funding of ₹8,660 crore from Power Finance Corporation (PFC) and Rural Electrification (REC), by executing a loan agreement with the two Central PSUs. The balance funding is to be borne proportionately by the Odisha government and AES, which hold 51 per cent and 49 per cent stake, respectively, in OPGC.