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Ennore Coke to set up Rs 1,400 cr coke plant at Dhamra

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Ennore Coke, an associate company of Shriram EPC, a part of the \$4 billion Chennai-based Shriram Group plans to set up a one million tonne per annum (mtpa) coke plant and a 20 mw power plant at the upcoming Dhamra port in Orissa at an investment of Rs 1,400 crore.

The one mtpa coke plant would come up on 250-300 acres of land within the Dhamra port and it is expected to be operational by the end of 2010. Ennore's proposed coke plant at Dhamra would have a coking coal requirement of 1.3 million tonnes per annum.

"We are aiming to set up a one mtpa coke plant at Dhamra port at an investment of about Rs 1,400 crore which is to be raised through a mix of debt and equity. The company is also exploring the pos-

sibility of forging a joint venture with an overseas firm for this project", Ganesan Natarajan, president and chief executive officer, Ennore Coke told Business Standard.

Ennore Coke, which has already started operations of its coke plant at Haldia (West Bengal), is looking to double the capacity of this plant by the end of 2010.

Ennore Coke, at present, runs a 1.5 lakh tonne per annum coke plant cum 12 mw thermal power plant at Haldia and plans to scale up the capacity of the coke plant to over 3 lakh tonnes and the power plant to 24 mw at an investment of about Rs 70 crore.

The firm is going in for capacity expansion of its existing coke plant at Nergundi (Orissa). The Nergundi coke plant has a capacity of 85,000 tonnes per annum and it will be doubled to 1,70,000 tonnes per annum within nine months.

At present, the coking coal requirement of Ennore Coking Coal stands at 7,20,000 tonnes per annum and the requirement is set to go up significantly in the coming years after the company commissions its new plant at Dhamra and achieves its expansion plan at Haldia.

For securing raw material supplies, Ennore Coke is scouting for overseas coking coal properties in Australia. The firm is also looking at a long-term agreement with the state-owned MMTC for imports of coking coal.

"We have identified 3-4 coking coal assets in Australia and we would soon clinch the deal for one of the identified properties," said Natarajan.

Ennore Coke is looking at coal mines with reserves in the range of 30-40 million tonnes which would have a mining capacity of one million tonnes per annum", said Natarajan.

Moreover, the company have also approached the Union ministry of Coal for allotment of coking coal blocks so that the company can reduce its dependence on imports, he stated.

Asked about the impact of the global economic downturn on Ennore's operations, he said, the meltdown has not adversely impacted the operations, adding, "There is a huge opportunity in the domestic market in coking coal supplies. At present, India's coking coal requirement is 32 million tonnes per annum out of which 18 million tonnes are produced by captive coal blocks which means there is a deficit of 14 million tonnes that needs to be tapped."

Ennore Coke exports nearly 45 per cent of its total coke production to countries like US, Saudi Arabia and Iran and the company aims to raise its export share to 60-70 per cent in the next few years.