

GAIL may throw lifeline to Matix

Fertiliser company banks on gas utility's pipeline for supply of CBM gas to escape NCLT

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Kolkata: Matix Fertilizers and Chemicals is banking on GAIL India's Pradhan Mantri Urja Ganga pipeline for restarting its idle coal-bed methane-fired fertiliser plant in West Bengal and escape insolvency resolution.

The company, promoted by the Datamatics Group, which started defaulting on its Rs 4,305 crore loan exposure was recently dragged by IDBI Bank to the National Company Law Tribunal and rated defaulter by rating agency CARE. The Rs 7,000 crore plant has been lying closed for want of feedstock.

"By July we would be able to take the Urja Ganga pipeline to Matix's plant from where they would be able to get both natural gas as well as the coal-bed methane being produced by Essar at Raniganj," S Biragi, chief general manager (marketing), GAIL India, said.

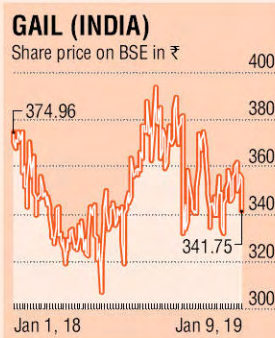
The greenfield 1.27 tonne



₹7000cr
the cost of Matix's fertiliser plant

₹4,303cr
loan exposure of Matix group

1.27
tonne a year urea capacity of the plant



a year urea and 0.73 million tonne per ammonia plant need 2.4 million standard cubic metre of gas a day, which was supposed to come mostly from Essar Oil and Gas Exploration and Production.

The CBM production reportedly fell short of Matix's requirements while Essar

officials had maintained that Matix's own production wasn't stabilised, and the company had even supplied CBM for pre-commissioning activities of Matix.

With the pipeline now turning into reality, production would now be scaled up by Essar.

"Last year, CBM development received a huge leverage with the gas marketing freedom, which has given CBM players LNG import parity price for commercial development of CBM. The other crucial factor is the commissioning of the Urja Ganga pipeline, which we

are confident GAIL would implement before July. We are now synchronising our production ramp-up plan from our Raniganj East block to meet our commitments to GAIL," Vilas Tawde, managing director & chief executive officer, Essar Oil & Gas, Exploration & Production Ltd, told **DNA Money**.

The Matix plant, however, need both the gasses, conventional natural gas as well as CBM, together to run optimally.

"The plant can't run on a continuous basis with 50% of the fuel requirement," Biragi said.

The pipeline would pick coal bed methane from Essar's operating field at Raniganj along the way, and would be able to reach Matix's plant near Panagrh before reaching Haldia near the Bay of Bengal by December, the GAIL official said on the sidelines of a conference on gas sector organised by industry body Ficci.

NTPC, GAIL among firms eyeing IL&FS assets

ENS ECONOMIC BUREAU

AS many as six investors, including the state-run power utility NTPC and gas utility GAIL, are vying for the renewable energy assets of the insolvent Infrastructure Leasing & Financial Services Ltd (IL&FS) which may fetch the company about ₹8,000 crore.

As part of its resolution plan, the new board of IL&FS — headed by billionaire banker Uday Kotak — has put its wind and solar energy assets on sale. On wind power, IL&FS owns operating plants aggre-

gating 873.5 megawatts (MW) and 104 MW is under construction. While GAIL, which wants to expand its renewable energy portfolio, owns 128 MW.

The asset monetisation plan also includes the sale of its seven operating road projects in various parts of India aggregating approximately 1,774 lane kilometres, four under construction road projects in various parts of India aggregating around 1,736 lane km upon completion, securities business and EPC (engineer-

ing, procurement and construction) capabilities. It is also looking to sell solar power projects under development totaling 300 MW capacity. The final transaction for sale of assets, and the resulting resolution plan, will be implemented only after it gets approved by the National Company Law Tribunal. The board has appointed Arpwood Capital Pvt. Ltd and JM Financial Ltd as financial and transaction advisers.

The other investors include ReNew Power Ventures Pvt.

Ltd and Macquarie Infrastructure and Real Assets. GAIL and Solar Energy Corporation of India have also submitted expressions of interest to buy the assets. According to people aware of the development, the talks are at an early stage, and may not result in a deal.

IL&FS has already received several expressions of interest for acquiring its stakes in subsidiaries IL&FS Securities Services Ltd and ISSL Settlement & Transaction Services Ltd. These were the first subsidiaries the company had placed on the block.

