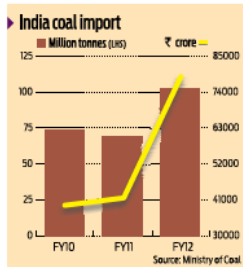


Srei power arm on coal hunt in Africa



India Power has around 3,000mw projects to feed

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Kolkata: Srei group-owned India Power Corp Ltd is scouting for coal assets overseas, particularly in Africa, to feed its upcoming power projects.

"We are actively looking for coal assets in Botswana and South Africa. Some breakthrough is expected soon," said an official in know of the development. India Power has already incorporated

a dedicated subsidiary for mine acquisition, named Swayambhu Natural Resource Pvt Ltd, to spearhead the search, the official said.

The company, currently present only in the renewable energy space with 10.4 mw and 24.8 mw of wind power generation capacities in Karnataka and Gujarat, is foraying bigtime into thermal power. Work on a 300 mw plant in Haldia and a 540 mw plant in Raghunathpur, both in West Bengal, is in progress and the company also plans to set up 1320 mw capacities each in Bihar and Gujarat, as well as 660 mw in Madhya Pradesh.

To be sure, India Power, itself unlisted, is the holding company of DPSC, a

listed company that runs a 40 mw plant near Asansol in West Bengal and distributes power in a licence area of 618 sq km in the Asansol-Raniganj industrial belt.

Srei now needs assured coal supplies to feed its plans, and that's why the group is now desperately looking for coal assets.

Botswana has extensive, and largely unexploited, coal resources which, according to its government's study, is ideally suited for use in India. For an economy that is staring at dwindling returns from its diamond mines, the African nation is now desperately looking at ways to exploit its estimated 212 billion tonne coal reserves.

Botswana currently mines just 3 million tonne a year, from a single coal mine, Morupule Colliery. The produce is being used only to meet domestic demand as exports are difficult due to the absence of cost-effective export routes to ports.

All that could change with Botswana now planning to build a 1,500 km railway line linking its coal fields in the east to a port in Namibia, which will help the land-locked country export about 115 million tonne a year.

Additionally, Botswana has earlier formulated a strategic roadmap for development of coal and coalbed methane resources with an aim to complete resource assessment and evaluation by March 2013.