

## **OPaL to raise Rs 30 billion for debt repayment, capital expenditure**

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Having successfully mopped up Rs 3.35 billion through its maiden issuance of listed non-convertible debentures (NCDs), ONGC Petro additions Limited (OPaL) is looking to raise another Rs 26.5 billion in one year.

A joint venture of ONGC Ltd. & GAIL (India) Limited and co-promoted by GSPC, OPaL is planning to raise a total Rs 30 billion through multiple tranches for retiring short term loans and partly funding its capital expenditure.

Of the total Rs 30 billion to be raised in a year, the company has successfully raised Rs 3.35 billion through NCDs at a coupon rate of 8.6 per cent. With a tenure of three years and three months, the NCDs have attracted a rating of AAA (S) by ICRA Ltd. and AAA (SO) by CARE Ratings Ltd.

What's more, the maiden NCD issuance of the company received strong response from investors with bids received in excess of Rs 14 billion for an issue size of Rs 2.5 billion having an option to retain oversubscription. The issue drew response from different investor classes like mutual funds, insurance companies, pension funds and banks.

OPaL has appointed Trust Investment Advisors Pvt. Ltd. as advisors to its maiden NCD issuance program.

Having already spent Rs 300 billion of capex in its Dahej petrochemical plant and stabilised production, OPaL is looking to raise more funds for adding assets that would aid production, as per sources. While the current Rs 3.35 billion raised through NCDs would be used entirely to retire short term loans, the next phase of bonds coming up in January is likely to be partly used for capex as well.

OPaL's grass root mega petrochemical project at Dahej in Gujarat is part of the Petroleum, Chemicals and Petrochemical Investment Region (PCPIR), a first of its kind in the country. The complex mothers a dual feed cracker with a capacity to produce 1100 KTPA ethylene, 400 KTPA propylene along with polymerization units and various associated units comprising pyrolysis gasoline hydrogenation unit, butadiene and benzene extraction units.