

BEL to sell 10.8% stake for Rs 230 cr

|| Press Trust of India

NEW DELHI, 12 JULY: LNJ Bhilwara Group firm Bhilwara Energy (BEL) today said that it will dilute nearly 11 per cent stake to two foreign investors for raising Rs 230 crore to part-fund the company's power projects.

BEL will divest 108 per cent of fresh equity shares to Washington-based IFC and India Clean Energy Fund for \$50 million (\$25 million each), the company said in a Press statement here.

Post-divestment, the promoter holding in BEL will come down to around 83 per cent. Of the promoters, RSWM ~ formerly known as Rajasthan Spinning and Weaving Mills Ltd ~ will see its holding in BEL come down from 195 per cent to 174 per cent, while HEG Ltd will see its shareholding fall to 255 per cent from 289 per cent.

"After the stake dilution, the total foreign interest stands at around 17 per cent," it said. In 2007, New York Life Investment Management India Fund, WIH Holdings and Jacob Ballas Capital had invested in BEL.

BEL is a principal-holding company

for all the power ventures of the Bhilwara group. The company currently has an 86 MW operating project, and a 192 MW hydro power plant is likely to become operational this month.

The stake sale is to fund power projects in India and Nepal, the statement said. BEL is implementing power projects with a capacity of 1100 MW, and they need Rs 8,000 crore in funding over the next four years.

"The rationale behind the stake dilution is to fund our power projects under different stages of implementation," said Mr Ravi Jhunjhunwala, chairman, LNJ Bhilwara Group.

"Current fund raising will help the company to attract other strategic investors and partners for its growth plans in the future. Funds will mainly be utilised for power projects in India and Nepal in the next few years," he said.

BEL holds 51 per cent equity stake in Malana Power Co Ltd, a joint venture with SN Power, Norway. It has 44.9 per cent holding in AD Hydro Power Ltd (Manali) indirectly since MPCL holds an 88 per cent stake in AD Hydro Power Ltd.