

Bhilwara to sell 11% in energy co

To IFC and India Clean Energy Fund for Rs 230 crore

Press Trust of India. New Delhi

LNJ Bhilwara Group firm Bhilwara Energy (BEL) will dilute nearly 11% stake to two foreign investors for raising Rs 230 crore to part-fund the company's power projects.

BEL will divest 10.8% of fresh equity shares to Washington-based IFC and India Clean Energy Fund for \$50 million (\$25 million each), the company said.

Post divestment, the promoter holding in BEL will come down to

around 83%. Of the promoters, RSWM — formerly known as Rajasthan Spinning and Weaving Mills Ltd — will see its holding in BEL come down from 19.5% to 17.4%, while HEG Ltd will see its shareholding fall to 25.5% from 28.9%.

"After the stake dilution, the total foreign interest stands at around 17%," 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 while a 192 mw hydro power plant is likely to become op-

erational this month.

The stake sale is to fund power projects in India and Nepal, the company said.

BEL is building power projects with a capacity of 1,100 mw, and needs Rs 8,000 crore over the next 4 years.

"The rationale behind the stake dilution is to fund our power projects under different stages of implementation," said 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.