

Bhilwara Group dilutes stake to two foreign investors to fund power projects

Special Correspondent

NEW DELHI: LNJ Bhilwara Group firm Bhilwara Energy (BEL) on Monday announced its decision to dilute nearly 11 per cent stake to Washington-based IFC and India Clean Energy Fund for \$50 million to raise Rs. 230 crore to part-fund the company's power projects.

BEL will divest 10.8 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 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 19.5 per cent to 17.4 per cent, while HEG will see its shareholding decline to 25.5 per cent from 28.9 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 Ja-

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cob Ballas Capital had invested in BEL.

BEL is a principal-holding company for all the power ventures of the Bhilwara group. The company at present 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 Ne-

pal. BEL is implementing power projects with a capacity of 1,100 MW and it needs 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," Ravi Jhunjunwala, Chairman, LNJ Bhilwara Group, said. "IFC is excited to be able to support a pipeline hydro project planned by Bhilwara in continuation of our support of their AD Hydro power plant," said Paolo M. Martelli, IFC Director for South Asia.