

Bhilwara Energy to sell 11% stake for \$50 million

Our Bureau

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LNJ Bhilwara Group firm Bhilwara Energy (BEL) will dilute a 11% stake in the company to Washington-based IFC and India Clean Energy Fund for \$50 million (\$25 million each), to partially fund its power projects. The company will be raising around Rs 230 crore from the proposed stake sale.

"Current fund raising will help the company 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," said Ravi Jhunjunwala, chairman, LNJ Bhilwara Group.

Bhilwara Energy is implementing power projects of 1,100 MW capacity, and they need Rs 8,000 crore in funding over the next four years.

The promoter holding in the company will come down to around 83% after the issue.

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 rationale behind the stake dilution is to fund our power projects under different stages of implementation," said Mr Jhunjunwala. In 2007, New York Life Investment Management India Fund, WTH Holdings and Jacob Ballas Capital had invested in BEL.