

Blackstone buys 12.5% stake in Monnet Power

BS REPORTER
Mumbai, 1 July

The Blackstone Group has secured 12.5 per cent stake for Rs 275 crore (\$60 million) in Monnet Power Company Limited (MPCL).

Monnet Power, a hundred percent subsidiary of steel producer Monnet Ispat and Energy (MIEL), is developing a 1,050 mega watt (Mw) coal-fired power plant with pit-head coal mines at Angul in Orissa at an investment of about Rs 5,000 crore.

The first phase of the 525-Mw plant is scheduled to be commissioned by June 2012 and the next phase over the next six months. The company also has a pipeline of a further 2,000 Mw under development, two thermal power projects in Gujarat, besides two solar power projects in Rajasthan and Karnataka. Monnet Ispat and Energy is India's second largest manufacturer of integrated coal-based sponge iron.

"We will be able to utilise our experience in setting up power plants and developing mines, while leveraging Blackstone's global linkages and knowledge base," said Sandeep Jajodia, Executive Vice Chairman and Managing Director of MIEL and Director of MPCL.

Blackstone has investments in Indian firms like newspa-



Blackstone Group's headquarters in New York. PHOTO: BLOOMBERG

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CMD, Blackstone Advisors India

per firm Jagran Prakashan, garment maker Gokaldas Exports, Allcargo Global Logistics, Nagarjuna Construction and Emcure Pharmaceuticals.

"Infrastructure development is critical for India's growth and Blackstone is excited about participating in India's growth through investments in the power sector," said Akhil Gupta, chairman and managing director of

Blackstone Advisors India Private Limited.

He said Monnet Power, with its mine mouth coal plant, maintains a very low cost for producing power, and hence, is among the best positioned independent power producers in the country.

Kotak Investment Bank acted as the exclusive financial advisor to MPCL on the transaction.