

Blackstone confirms 12.5% stake buy in Monnet Power

Our Bureau
NEW DELHI

PRIVATE equity firm Blackstone is buying 12.5% stake in independent power producer Monnet Power for Rs 275 crore, valuing the firm at Rs 2,200 crore.

Monnet Power, a subsidiary of public listed sponge iron maker Monnet Ispat, is developing a 1,050 mw coal fired power plant in Orissa backed by pit-head captive coal mines. It also has a pipeline of a further 2,000 mw of power generation capacity under development.

ET had reported the transaction in its edition dated June 28.

Akhil Gupta, chairman and managing director of Blackstone Advisors India Private Limited, said: "Monnet Power with its mine mouth coal plant has one of the lowest cost of

producing power and hence, is among the best positioned IPPs in the country." Blackstone had earlier said it plans to invest about \$3 billion in India in five years with a portfolio consisting of power, media and IT services companies.

Commenting on the association, Sandeep Jajodia, executive vice chairman and managing director of Monnet Ispat and director of Monnet Power, said: "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."

Blackstone India joins private funds such as Morgan Stanley Infrastructure Partners, which had bought 44% in Asian Genco for \$425 million early this year, to benefit from the perennially deficient power production in the country.



POWER PLAY

Blackstone will pay Rs 275 crore valuing the firm at Rs 2,200 crore

Monnet Power is a subsidiary of public listed sponge iron maker Monnet Ispat