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## India Power and Srei combine wins bid for control of DPSC

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BS reported that in an all cash deal a consortium of India Power Corporation Ltd and Srei Infrastructure Finance Ltd has won the bid for a controlling stake of 57.17% in DPSC Ltd (formerly Dishergarh Power Supply Company) which was previously held by public sector units Andrew Yule, Life Insurance Corp and United India Insurance.

Mr Kallol Datta CMD of Andrew Yule said that “In an auction held the consortium was selected from amongst three other bidders CESC, Descon and Patton India with a winning bid of INR 710 per share. While Patton India was disqualified from taking part in the bidding process as it did not give a bank guarantee, RPG Group’s flagship, CESC offered up to INR 625 a share and Descon posted the second highest bid at INR 705 a share.”

The floor price for the auction, which entailed 16 rounds of bidding was set at INR 350 a share.

Mr Datta said that “The stake sale at INR 710 per share has raised INR 171.85 crore. The divestment will have to be attested by the Centre and as in the Securities and Exchange Board of India guidelines the consortium will have to make an open offer for 20%. Andrew Yule will retain about INR 42 crore from the sale in proportion to its shareholding,”

The completion of the divestment process has been substantially delayed, with Andrew Yule and Descon, a DPSC subsidiary, locked in a tussle over participation rights in the auctioning process. Descon, which until the stake sale was the single largest shareholder in DPSC, has pledged its entire 32.31% holding to Sajjan Jindal-controlled JSW Energy.

(Sourced from Business Standard)

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