
Hindujas to sell 10% equity in Ennore Foundry - Report

Saturday, 27 Oct, 2007

ET reported that Hinduja Group is planning to sell close to 10% of its equity holding in its foundry business arm Ennore Foundries Limited as part of its proposed capacity expansion plan.

Mr Dheeraj Hinduja president of Hinduja Group told ET that "We have plans to dilute a minority stake in Ennore Foundries Limited to raise funds for the proposed expansion." He added that the group now holds 80% of the equity in Ennore Foundries Limited.

Mr Prabal Banerji CFO of Hinduja Group said that it is exploring various options, including an overseas equity issuance, GDRs offering, qualified institutional placement and placement with private equity funds to raise the required funds. He added that "We will place the share at a premium. We prefer private equity funds because they can bring value to Ennore Foundries Limited and will create wealth for all shareholders."

Ennore Foundries Limited is in the process of setting up new foundries, taking its current capacity from 96,000 tonne to around 230,000 tonne per annum in the next 2 to 3 years. The expansion program envisages Ennore Foundries Limited incurring a capital expenditure of INR 350 crore over the next 3 years at its units in Ennore, Sriperumbudur and besides Hyderabad.

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