
NTPC-BHEL JV puts off equity dilution plan

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Project today reported that NTPC-BHEL Power Projects Ltd a JV between NTPC Ltd and Bharat Heavy Electricals Ltd is likely to scrap its decision to divest 50% due to tumultuous economic conditions and lack of returns. Thus, NBPPL is to function as a government company at least for the next 3 years.

As per report, the company wanted to sell stake in the JV to one or more private companies so as to work as a private company. This will have helped the company to enjoy managerial, commercial and technological flexibility. NBPPL is in talks with IL & FS, L&T and ICICI Venture for partnership.

NBPPL has put on hold its stake sell plan for at least for 3 years till the company starts getting orders for the manufacture and supply of power equipment. Once the company starts getting the orders, only then it will be able to get a premium on the equity to be sold.

The report added that the company aims to have a capacity of 5,000 MW per annum by 2014-15 at an investment cost of INR 6,000 crore. The company is also looking at setting up three manufacturing plants at various coastal locations. It hopes to touch a turnover of INR 10,000 crore by 2015 and INR 20,000 crore by 2020.

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