

Jindal Power plans Rs 7k-cr issue in next 6 months

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JINDAL Power, a subsidiary of Jindal Steel and Power, would come out with its Rs 7,000 crore initial public offering (IPO) in the next six months. The company has decided to ramp up its power generating capacity from 2,000 megawatts now to 6,000 megawatts in the next few years thus requiring huge capital.

"We will come up with our IPO within next six months," Jindal Steel and Power executive vice chairman and managing director

Naveen Jindal said here on the sidelines of the India Economic Summit.

It is estimated that setting up a power plant with the annual generation capacity of 1,000 mega watt requires an investment of about Rs 5,000 crore. Besides expanding its power plant in Chhattisgarh Jindal Power is planning to put up power generation capacity for captive use in Jharkhand.

The parent Jindal Steel and Power plans to increase its annual steel production capacity to 10 million tonne in the next three years from about 3 million tonne now.

The company had last year announced to bring Rs 10,000 crore IPO for its subsidiary following the approval of its board. The proposed IPO is the second biggest fund-raising exercise after Reliance Power which moped up Rs 11,700 crore.

Jindal steel and Power is investing \$2.1 billion on a mining project in Bolivia, South America. The company has already received necessary approvals and 3,000 acres of lands to develop the El Mutun iron ore deposit and set up a steel plant in Bolivia's Santa Cruz area.