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## Gayatri Projects says stake in NCC unit to fall post Sembcorp deal

**Preliminary discussions are going on between Singapore-based utilities services firm Sembcorp and NCC Infrastructure for the proposed investment.**

Hyderabad-based infrastructure company Gayatri Projects Ltd said that its stake will get diluted in NCC Power Projects Ltd, which is setting up a 1,320 megawatt coal fired plant in Nellore district in Andhra Pradesh, to below 45 per cent.

Preliminary discussions are going on between Singapore-based utilities services firm Sembcorp and NCC Infrastructure for a proposed investment, which "is subject to a detailed technical, financial, commercial and legal due diligence and negotiation between the two parties."

"As a result of the proposed investment, the stake of Gayatri Energy Ventures (wholly owned subsidiary of Gayatri Projects) may be reduced below 45 per cent," a statement filed with the stock exchanges stated.

NCC currently holds 55 per cent equity stake in the venture with Gayatri Projects and has so far invested Rs 460 crore of the planned Rs 969 crore. The plant is expected to be ready by March 2015.

Gayatri Energy Ventures is a major partner in NCC Power Projects. The coal-based power plant is being set up at an investment of around Rs 7,050 crore.

Gayatri Projects is the flagship company of the Gayatri Group that has interests in infrastructure, power, hospitality and real estate.

Sembcorp is backed by Singapore's sovereign investor Temasek Holdings, which holds 49.5 per cent stake in the company.

If the deal goes through, it will be Sembcorp's third major investment in India. Earlier in 2010, Sembcorp had acquired 49 per cent stake in Thermal Powertech Corporation India Ltd, a step-down subsidiary of Gayatri Energy Ventures, for Rs 1,042 crore.

Recently, France's energy major GDF Suez agreed to acquire a 74 per cent equity holding in Hyderabad-based Meenakshi Energy and Infrastructure Holdings Pvt Ltd, which is part of the Meenakshi Group.

*(Edited by Joby Puthuparampil Johnson)*