

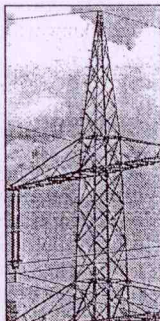
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Tata Power offloads 4.2% in PTC for Rs 50 cr

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NEW DELHI

TATA Power has sold 4.2% in PTC India in the open market for about Rs 50 crore. Tata group's power generation arm was one of the early investors in PTC, formerly Power Trading Corporation. The partial stake sale comes at a time when PTC has announced it will raise Rs 1,200 crore from the market to fund expansion plans. Existing investors would be required to pump in more money or see their stake come down.



As per the stock exchange disclosures, Tata Power held 10.47% till March 2007. The company diluted its holding marginally during the April-June quarter. Thereafter, it sold an additional 3.35% in the open market over the past six weeks. Last week, Amulya Charan, a Tata Power nominee on the PTC India board had resigned. As per the average market price of TPC share during the time of the sale, Tata Power is expected to have fetched close to Rs 50 crore out of which about Rs 40-42 crore would have been generated in the current quarter.

PTC scrip traded at an average price of Rs 60 in the April-June quarter, which went up to about Rs 85 in July. The scrip closed at Rs 76.75 on BSE on Thursday.

Tata Power still holds 6.3% equity in PTC, valued at about Rs 70 crore. Tata Power had invested Rs 17.6 crore to acquire the stake in PTC over a period of time. Just before the initial public offering (IPO) of PTC in March 2004, Tata Power was the single largest stake holder in the company having about 16% stake. In fact, its stake was higher than the individual holdings of the four PSU promoters — NTPC, NHPC, PFC and PGC.

Tata Power's holding came down after the IPO to about 10% and till June 2007 it remained the single largest equity holder. The four promoters of PTC held 8% each. With the dilution in stake now, foreign invest-