

Hindu Business Line, Oct 12, 2007, Pg 2

## Merrill Lynch invests Rs 218 cr in Vestas RRB

**Jayanta Mallick**  
*Kolkata, Oct. 11*

Merrill Lynch's private equity wing has made an investment of Rs 218 crore (around \$55 million) in Vestas RRB, an unlisted wind turbine manufacturing company.

Mr Sarvesh Kumar, Deputy Managing Director of the Delhi-based company, told *Business Line* on Thursday that based on an enterprise valuation of Rs 2,500 crore done by Merrill Lynch and due diligence exercise undertaken by KPMG, the deal was inked on September 20.

According to the agreement, after the conversion of these debentures into equity, which can be done at any time by

Merrill Lynch, the investment would approximately represent little less than nine per cent of the enhanced paid-up capital of the company from the current paid-up capital of Rs 5.62 crore, Mr Kumar explained.

Vestas RRB has the option of going for an IPO any time before December 31, 2010. The conversion would have to precede the IPO, according to the agreement.

The Delhi-based company still has a technical collaboration with Vestas Wind Systems. Earlier, it was a 51:49 joint venture between RRB and the Danish company. In December 2006, Vestas exited the equity joint venture by trans-

ferring its 49 per cent share to the MD of RRB, Mr R R Bakshi.

### EXPANSION PLANS

The Rs 840-core Vestas RRB would use the investment proceeds for its expansion plans — mainly for its WEG blade manufacturing unit near Chennai and in New Delhi as also for infrastructure for setting up wind farms.

This private equity investment for Merrill Lynch's Corporate Investment Desk in India is the first and largest in the green energy segment, according to Mr David Noh, Managing Director and head of Corporate Principal Investment at Merrill Lynch, headquartered in Hong Kong.