

HD Adani, GVK and Lanco seek to cut **stake** in Australian **coal** mines

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Business Standard reported that the Adani, GVK and Lanco groups are looking to sell part of their stakes in Australian **coal mining** projects to reduce debt and get financial and technical partners on board.

Senior executives of the Adani and GVK groups confirmed they were in talks with contractors and customers to pick up stakes in their **coal**, port and railway projects because that would help them get technical and construction experts on board.

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Coal mine stakes are also being offered to companies that have set up power plants across Asia and want guaranteed **coal** supplies.

A GVK group executive, who did not wish to be named, said that “We may look at selling a **stake** in the railway project to a railway **company** and a **stake** in the port project to a port operator.”

Bankers said that the Adani group plans to invest USD 15.4 **billion** and the GVK group USD 10 **billion** in Australia to develop **coal** mines, railway lines to transport the output, and dedicated ports. Both groups were over-leveraged which made it difficult for them to raise debt (see chart) for the projects, and hence the plan for **stake** sales.

Bankers added that on the other hand, the Hyderabad-based Lanco group might sell its holding in Australia's Griffin **Coal Mining Company** as it tried to lower its INR 34,000 crore debt. The group expects a valuation of INR 3,100 crore for Griffin **Coal Mining Company**, which it bought for USD 750 **million** in 2011. An email to the Lanco group did not elicit a response.

A senior Adani executive who did not wish to be named said the group was looking to sell a 50 per cent **stake** in its Australian **coal** mine and railway and was in talks with **Chinese** and South Korean investors.

CO adexns : Adani Enterprises Ltd

IN i111 : Coal Mining | imet : Mining/Quarrying | i1 : Energy | ibasicm : Basic Materials/Resources | i8396 : Diversified Holding Companies | ibcs : Business/Consumer Services

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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