

HD Lanco Infratech To Sell Australian Unit Griffin **Coal**

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Debt-ridden Lanco Infratech is selling its Australian unit Griffin **Coal Mining Company** to reduce debt as stated by Livemint.

The **company** had purchased the Australian unit for \$665 Mn in 2011. Along with the **sale** of Griffin **Coal Mining** Co, Lanco Infratech is also in talks to divest a hydroelectric power plant in India.

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Lanco Infratech is also signing a corporate debt restructuring agreement for R7500 Cr to restructure debt that reached to R33900 Cr in September and will also give it access to new credit of R3500 Cr. Its lenders include State Bank of India and ICICI Bank Ltd and

Lanco acquired the mine, which is estimated to have reserves of 1.2 **billion** tonnes, to secure fuel for its upcoming projects. Griffin **Coal Mining**, located in Western Australia, produces 4 **million** tonnes of **coal** every year. Lanco had plans to invest over Australian \$1 **billion** more to scale up the output to 18 **million** tonnes by 2018.

Gurgaon headquartered Lanco Infratech Limited has been driving growth in the domains of Engineering, Procurement and Construction (EPC), Power, **Solar**, Natural Resources and Infrastructure. The **company** runs a 70-megawatt hydropower plant in Himachal Pradesh.

The infrastructure **company** posted a loss of R31.6 Cr in Q4, against a profit of R72.7 Cr for the corresponding previous period. For the financial year ended March 31, 2013, the **company** posted a loss of R1,073.3 Cr (R112 Cr loss previous year). Income for the financial year was down 1 per cent at R15, 259 Cr.

Referring to divestment in **wind** and **solar** units, Lanco recently sold its 10 MW **wind** farm in Tirunelveli, Tamil Nadu to a spinning mill.

In January 2012, the **company** was seeking to raise as much as \$750 Mn by selling a **stake** in its power business to PE investors.

Last year, Kolkata-based CESC was acquiring Lanco Infratech's Budhil Hydro Power, a 70 MW hydro power project in Himachal Pradesh for about R750 Cr.

In 2012, debt-laden Lanco Infratech was set to raise \$2 Bn from **Chinese** banks and financial institutions.

In this space, Jindal Steel was planning to buy a **coal** based power plant at Nellore, Andhra Pradesh from Kineta Power; HCC was planning to raise up to R1,000 Cr by selling **stake** in real estate and non-core infrastructure assets for paring some of its debt and reducing the strain on its balance sheet.

Other companies such as DLF, GMR Infrastructure and GVK Power and Infrastructure, among others, are also looking at divesting **stake** in projects and subsidiaries, besides selling assets, to raise funds to pay off debt.

KVEZAR VIEW

DEAL TRACKER FOR

Date
Type
Sub Type
Buyer
Size (\$mn)

Griffin **Coal Mining** - Lanco Infratech (Exit)
10/01/14 **M&A** Divestiture 0.00
Griffin **Coal Mining Company** - Lanco Infratech
15/12/10 **M&A Acquisition** Lanco Infratech Limited 0.00

Recent Transactions In The Sector

Date
Type
Buyer
Target
Size (\$mn)
State
10/01/14
M&A Griffin **Coal Mining** Pty
Limited 0.00 Planned
09/12/13 **M&A Coal** India Limited Indonesia **Coal**
Mine 0.00 Planned
28/10/13 **M&A** May Flower Enterprise Private Limited Delbi **Coal** Mine
0.00 Planned
18/10/13 **M&A** International **Coal** Ventures Private Limited Riversdale **Mining**
Limited 0.00 Planned

Profiles

Company

Name
Promoters
Office
Competitor
Website
Lanco Infratech Limited L Madhusudhan RaoparabreakLanco Group PLOT NO. 4
SOFTWARE UNITS LAYOUT HITEC CITY MADHAPUR Welspun Projects Limited
<http://www.lancogroup.com>

CO gffnm : The Griffin Coal Mining Company Pty Ltd | icbkbo : ICICI Bank Ltd | Incotc : Lanco Infratech Limited | sbind : State Bank Of India Ltd
IN i1610107 : Electric Power Generation - Hydro | i111 : Coal Mining | i1 : Energy | i16 : Electricity/Gas Utilities | i16101 : Electric Power Generation | ibasicm : Basic Materials/Resources | ieuil : Electric Utilities | imet : Mining/Quarrying | iutil : Utilities | i814 : Banking | i81402 : Commercial Banking | ibnk : Banking/Credit | icre : Real Estate/Construction | ifinal : Financial Services
NS c182 : Asset Transactions | c181 : Acquisitions/Mergers/Takeovers | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter
RE india : India | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | indsubz : Indian Subcontinent | sasiaz : Southern Asia
IPD Mergers & Acquisitions
PUB EagleEye Research & Media Pvt. Ltd.
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