
Jai Balaji to raise fund for West Bengal steel project

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ET reported that Jai Balaji Industries, which is setting up a 5 million tonne steel plant in West Bengal's Purulia district has decided to raise INR 450 crore to fund its expansion plans.

Jai Balaji has informed the Bombay Stock Exchange in a meeting held that its board of directors have accorded in principle approval for issue of equity shares or securities convertible into equity shares, to eligible Qualified Institutional Buyers through Qualified Institutional Placement.

Mr Aditya Jajodia chairman of Jai Balaji Industries said that "Our board has approved a plan to raise INR 450 crore through equity. The decision is subject to shareholder approval at our forthcoming AGM on July 27th. However, we are yet to decide whether to raise the funds through QIP or American Depository Receipts or Global Depository Receipts issues."

However, fresh infusion of equity is slated to help Jai Balaji get better leverage. The funds will be used to finance the company's planned expansion at its existing unit at Durgapur and at its upcoming new plant in Raghunathpur in Purulia.

Beside, Jai Balaji is likely to spend about INR 250 crore to set up a coke oven battery at Durgapur. The remaining funds including debt finance will be used for its Greenfield venture at Purulia.

The company's proposed Greenfield steel plant will come up on some 4,000 acres where Jai Balaji also plans to build a 3 million tonne cement plant and a 1215 MW power plant. Initially, a capacity of 2 million tonne will be set up which is scheduled to be expanded later by adding another 3 million tonne capacity. The first phase would also include a 1 million tonne cement plant and 400 MW power station. The initial phase would entail an investment of INR 4,500 crore to INR 5,000 crore.

(Sourced from Economic Times)

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