
Lanco Infra raising INR 2,500 crore to fund expansion plans

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BL reported that Lanco Infratech Ltd is in the process of rising up to INR 2,500 crore through qualified institutional placements to part fund its expansion plans and for some ongoing projects.

Mr G Venkatesh Babu MD of Lanco Infratech said the company board, which met here recently passed an enabling resolution to hike the authorized capital from INR 250 crore to INR 500 crore and will shortly seek the shareholders nod to raise funds.

The extraordinary general meeting is slated for June 25th.

Mr Babu said “The entire process could take about 45 days to raise funds. Being a listed company, it is not that much of a problem and we don’t see any delays once we secure shareholders nod.”

He said when asked that how they expect to deploy the funds, most of it would be to meet the expansion plans of the power projects under various stages of execution. He added that about 2,000 MW would be added to its generation capacity by March to June 2010 and a 2,000 MW project is in an advanced stage of closing finances. By raising these funds, we will be able to achieve financial closure of few other projects.

Mr Babu said “These funds will enable us to take up expansion of a 1,620 MW project at Amarkantak and few hydel units now under various stages of implementation in the northern part of the country.”

(Sourced from Business Line)

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