

GVK Power likely to finalise Hancock deal in two months

fe Bureau

Hyderabad, July 31: After extending deadlines twice, GVK Power and Infrastructure is now hopeful of finalising the deal to buy coal mines operated by Australia's Hancock Prospecting, in the next two months. According to GVK Reddy, GVK Group chairman, the company is in an advanced stage of talks with Gina Rinehart, chairman of Hancock, to buy the coal mines.

The extensions happened after both the companies failed on agreeing to valuations in the initial round of discussions.

"It will not be any negative (outcome). It will take one or two months. Very soon, we will come out with the deal," Reddy told media on the sidelines of a function of India Infrastructure Finance Company (IIFCL).

However, he did not disclose any financial details due

to confidentiality agreement between the two companies. However, few reports say GVK Power may raise \$1.2 billion debt to part-fund its acquisition of Hancock mines in Australia, with the final transaction estimated to cost about \$2.4 billion. But this also could not be confirmed. Hancock's Alpha Coal and Kevin's Corner mine are located in Australia's Queensland province and have an estimated 7.6 billion tonnes of thermal coal reserves.

It is also reported that the GVK Group is in talks with Middle East-based MEC Coal to buy a coal mine in Indonesia. Both the companies are said to be in advanced talks and are working out the valuation of the coal mine.

Replying to a query on the Navi Mumbai Airport project, which is supposed to be put up for tendering, he said GVK is keen to bid, but has to wait for the government to finalise a concrete proposal.