

# Lanco plans expansion through inorganic route

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**L**anco Global Systems Limited (LGSL), a software services company belonging to the Hyderabad-based Lanco group, is planning to acquire half-a-dozen US-based information technology companies by February 2007.

"We have identified the companies and the due diligence process is on," company's chief executive officer, Arjun Valluri, told *Business Standard*, adding that the company was looking aggressively at expansion through inorganic growth.

To fund its growth strategies and to augment long-term resources, LGSL proposes to issue 75 lakh equity shares of Rs 10 each in the next three to four months. The issue price of the securities is yet to be determined. The company is looking towards institutional buyers in this regard.

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public offering, keeping in mind the aggressive growth plans of the company and the strategic investments that the company has undertaken towards

achieving its milestones," Valluri said. LGSL has decided to increase its authorised share capital from the existing Rs 26 crore to Rs 40 crore to is-

sue new shares.

Following the recent merger between Lanco Global Systems Ltd (LGSL) and Lanco Global Systems Inc (LGSi), the company has moved into a new 25,000-sft location here with a seating capacity for 260 people. LGSi (US) has also moved into a spacious office at Princeton, New Jersey.

According to Valluri, post-merger benefits would result in increased revenues, economies of scale, profitability, ability to bid for larger projects, increase in the customer base and enhanced vertical strategy and sales with overall growth for the combined entity. The company expects to close in on a few global projects with the merger.

During 2004-05, the company posted a turnover of Rs 6.11 crore and a net profit of Rs 58 lakh. In the quarter ended September 2006, its turnover and net profit stood at Rs 5.29 crore and Rs 99 lakh respectively.