

IVRCL Infrastructures eyes mega road projects, expressways

To raise funds through QIP offer; executing projects worth Rs 22,000 cr

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IVRCL Infrastructures and Projects Ltd is keen to bid for mega road projects and expressways, even as it is in the process of finalising plans to raise up to Rs 1,000 crore in two tranches of Rs 500 crore each to meet the equity requirements for ongoing projects.

FUND REQUIREMENT

This could be through qualified institutional placement (QIP) offer some time later during the quarter. The company recently raised Rs 400 crore, including Rs 150 crore through a private equity placement, according to Mr R. Balarami Reddy, Executive Director-Finance and Group Chief Financial officer.



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– **Mr R. Balarami Reddy, Executive Director-Finance and Group CFO**

"The fund requirement is spread over 2-3 years, and we have the flexibility to raise as and when we require. Therefore, the QIP offer will be in two tranches," he said.

The company, through one of its fully-owned arm,

IVRCL Assets & Holdings, raised Rs 250 crore from IFCI to fund two of its special purpose vehicles. In another transaction, the company raised Rs 150 crore by allotting shares to Ascent India Fund III.

Mr Reddy told *Business Line*, "the company is currently executing orders worth Rs 22,000 crore. We are currently closing funds for several projects simultaneously. Of Rs 6,000 crore, about Rs 1,300 crore will be in the form of equity, Government contribution of Rs 1,500 crore, and the rest debt component."

"Funding road projects has become relatively easier compared to power projects as most of the banks have hit the upper limit of their scheduled allocations. We closed finances for Ind-Gujarat Tollways of Rs 1,150 crore within 12 days, reflecting appetite for roads," he said.

The company is awaiting Government announcement on mega road projects (those

with investment of Rs 5,000 crore and above) and expressways to take part in the bids.

LAND BANK

"In addition, we have the flexibility of unlocking value from the land bank. We had consciously decided to stay away from real estate. However, we recently announced a major golf course project near Chennai to come up on a 700-acre site. We have the flexibility to offload this land bank selectively," he said.

With monsoon, which normally withdraws by mid-August, extending till October in some parts, works have been affected in some of the projects, he said.

The CFO said the company sees a growth of 22 per cent this year.

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