

IVRCL Assets weighs options to raise Rs 600 cr

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IVRCL Assets & Holdings, which executes build operate transfer projects of the infrastructure group IVRCL, is looking at various options of raising funds, which include inducting strategic partners for its road projects and stake sale to private equity players. It needs around Rs 600 crore in the next three years to meet the funding requirements of its current projects.

The Hyderabad-based firm, which expects to tap a turnover of around Rs 700-800 crore this year, has over 70 per cent of its projects in the road segment. To diversify the portfolio of projects, it is also now focusing on projects for power transmission, hydropower and oil tankages. Almost half of the turnover is expected from road projects this year.

"To consolidate the firm's business, it is important to identify and enter into new business activities that will be of high growth and complement the existing infrastructure portfolio,"



said S Ramachandran, MD, IVRCL Assets & Holdings.

Earlier this year, IVRCL had planned to raise funds through a qualified institutional placement (QIP). "We did not get a good response for QIP then. But later we raised around Rs 150 crore through private equity fund, Ascent. We are now in continuous talks with PE players and will raise funds as and when the valuations are right," he said.

The firm has planned to combine three of its road projects, Kumarapalayam tollways, Chengapalli tollways and Chengapalli Walarayar tollways. The company

Diversified plans

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is also looking at a potential stake sale for its Rs 3,200 crore Goa-Maharashtra highway. "We are also open for strategic partnerships by retaining a controlling stake in the projects. Equity sale can happen at SPV or holding," he said.

He further says the firm is now looking at two aspects - one is to look into execution of existing projects and other is look at refinancing to get the debt burden down. "Getting better margins out of our improved turnover will help us improve our books," he said.

IVRCL/BSE Rs 79.9 ▲

NSE Rs 75.95 ▲