



Mr Rajeev Piramal, Vice-Chairman, Ashok Piramal Group, flanked by Mr Gerry Grigoropoulos, Senior Vice-President and GM, SNC-Lavalin Inc, and Mr M.K. Sinha, President and CEO, IDFC Project Equity Company Ltd, in the Capital on Tuesday. -- Kamal Narang

Ashok Piramal Group, IDFC, SNC-Lavalin partner for road projects

Our Bureau

New Delhi, Nov. 29

Ashok Piramal Group (APG) has roped in IDFC's India Infrastructure Fund (IIF) and Canada's SNC-Lavalin to develop public private partnership (PPP) based road and highway projects in India.

A three-way joint venture company - Piramal Roads Infra Pvt Ltd (PRIL) will implement these projects, Mr Rajeev Piramal, Vice-Chairman of APG, said at a press conference here.

"This partnership will help us enhance our focus on the road development sector," Mr Piramal said, adding that post-regulatory approvals, APG will hold 51 per cent equity interest in PRIL, IIF 39 per

cent and SNC-Lavalin 10 per cent.

Ernst & Young had acted as transaction advisors to APG for this transaction. APG made its entry into road development sector less than two years ago and currently has three assets in its portfolio.

EQUITY CONTRIBUTION

All the three partners - APG, IDFC Project Equity (which manages IIF) and SNC Lavalin - have together made equity commitment of \$250-300 million (for the joint venture company) in next 3-5 years, Mr Piramal added.

Mr M.K. Sinha, President & CEO, IDFC Project Equity Co Ltd, said that this initiative is in line with IIF's long stated

strategy of having a firm long-term partnership arrangement to build a diversified portfolio of operating and under construction road assets.

After investing in seven road projects, IDFC held back from participating further in the road sector pending build-up of a strategic platform with like-minded partners.

"Now together with APG and SNC-Lavalin, we believe that we have put in place the foundations for an aggressive and profitable growth in the Indian roads BOT business and hope to have a portfolio of projects in excess of \$1 billion over the next 3 to 4 years," Mr Aditya Agarwal, IDFC Project Equity Co Ltd said.

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