

Deal Corner

August 09, 2019

GIC ANNOUNCES INVESTMENT OF ~USD 625MN IN THE ROAD BUSINESS OF IRB

DEAL BRIEF

GIC and IRB have signed investment agreements for investment up to INR 4,400 crore (approx.. USD 624.11 million) to set-up India's largest private infrastructure investment trust to which IRB will transfer 9 BOT road assets. The private InvIT is estimated to have a portfolio of INR 22,500 crores (approx. USD 3,191.48 million) at completion of construction. The road assets in the portfolio span across Haryana, Uttar Pradesh, Rajasthan, Gujarat, Maharashtra and Karnataka. Three of these projects have recently become operational and balance six are under various stages of construction. Five of the assets under construction are 4 to 6 laning projects, where tolling as well as construction has already begun. These projects are strategically located along economic corridors and across tourist hubs.

IRB will hold 51% and GIC will hold 49% in the Investment Manager (IM) entity formed to manage the private InvIT. The balance construction and O&M for the road assets in the portfolio will be executed by IRB as the project manager for the private InvIT.

OUR ROLE

We, at Nishith Desai Associates, acted as the transaction counsel to GIC and advised on legal, structuring and regulatory aspects of the transaction including the negotiations and deal documentation for all the documents.

PRESS COVERAGE

Press coverage relating to the Fund is available as follows:

<https://www.livemint.com/companies/news/gic-ups-india-infra-play-with-rs-4-400-crore-investment-in-irb-roads-inv-it-1565092199511.html>

<https://www.legallyindia.com/dealsprojects/s-r-nda-act-on-619-gic-affiliate-investment-in-irb-road-developer-inv-it-project-20190807-10775>

<https://barandbench.com/nda-sr-lead-gic-irb-infra-developers/>

<https://www.infrastructureinvestor.com/gic-invests-622m-indian-toll-roads-portfolio/>

<https://economictimes.indiatimes.com/markets/stocks/news/gic-to-invest-up-to-rs-4400-crore-in-irb-infra/articleshow/70558648.cms>

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Scope of judicial interference and
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appointment of arbitrator under the
(Indian) Arbitration and Conciliation
Act, 1996

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