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FACT)INDIA NEEDS AN INVESTMENT OF ABOUT \$495
BILLION IN THE INFRASTRUCTURE SECTOR
ALONE OVER THE NEXT FIVE YEARS TO SUSTAIN
THE BURGEONING GROWTH IN THE COUNTRY

Private calling

Private participation will drive the change in infrastructure in the country, reports Shilpa Sachdev

India needs an investment of about \$495 billion in the infrastructure sector over the next five years to sustain burgeoning growth in the country. And role of private equity is going to be pivotal in satisfying these infrastructure needs. IVCJ's Conference on Private Equity and Infrastructure held on November 26, 2007 re-emphasised this fact.

Giving the keynote address, Dr. Archana Hingorani, Executive Director, IL&FS Investment Managers Ltd said, "Infrastructure being a common denominator facilitating growth, the needs are humungous." Mr. Satish Mandhana, MD, IDFC Private Equity showed a pictorial depiction of the state of India's infrastructure, which looked in tatters but was also a big opportunity for the private equity funds.

The first panel dealt with the 'Power Sector Infrastructure', chaired by Ms. Shivani Bhasin, Principal, IDFC Private Equity, who spoke on the role of private equity

investor in empowering the solar power industry. The panelists enumerated the challenges for raising private equity for Power ventures, transmission and distribution (T&D) being the biggest challenge of all.

The second panel discussion on 'Transportation Infrastructure' was chaired by Dr. Archana Hingorani, who enlisted the huge opportunity in the transport sector, fuelled by the revolution in the road sector due to private participation. Mr. Kuljit Singh, Partner, E&Y Pvt. Ltd, emphasized on replication of successful execution of 'highway sector' primarily at the state level.

'Real Estate Nexus' was the focus of the third panel discussion chaired by Mr. Rajneesh Agrawal, VP, Avendus Advisors. The key fact debated here was whether infrastructure is genuine in nature or propositioned with a real estate motive. The fact that 51% SEZs are floated by real estate companies clearly shows the intervention of



real estate in SEZs.

The panel also discussed investment in townships and their sustainability at all levels of the life cycle. Mr. Sabeer Bhatia, Co-founder - Hotmail.com presented a snapshot of his recent township project called 'Nanocity' at Chandigarh.

The fourth panel dealt with 'Debt Market funding'. Chaired by Mr. Pravin Devchell, Director, Head of Debt Capital Markets, IDFC, the panel closely examined the readiness of banking and financial sector to satisfy the requirement of infrastructure sector; innovative models for financing and infrastructure asset management.

'Social Infrastructure' was the topic of interest in the fifth panel discussion. Chaired by Mr. Alok Bhargava, Director, IL&FS Financial Services Ltd, the panelists highlighted the Government attempts to build social infrastructure in order to make the Indian youth employable like the National

Skill Development Mission. Mr. Raja Parsarthy, Principal, IDFC, presented a splendid case-study of Mr. Satish Magar, a Pune-based entrepreneur on his development of Magarpatta Township exemplifying how private participation will drive the change. In the healthcare sector, opportunities were highlighted in health insurance, device and equipment market, BPO/KPO services, medical value travel and pharma R&D.

The sixth panel threw light on the 'Construction Services'. The Chairman of the panel Mr. Goutham Reddy, Director, Ramky Group, stated that PPP is still a myth and that the Government is still a regulator and not a partner. PPP has still not seen its full dimension. Mr. Hemant Pincha presented an interesting insight into the Equipment rental market.

Chaired by Mr. Kartik Ganapathy, Partner, Nishith Desai Associates, the seventh panel discussion touched upon the Legal Tax and Regulatory Issues' specifically talking about FDI regulations in Infrastructure, Fund Structuring and Tax Issues and regulatory issues in Power sector.

The conference concluded by the final panel discussion chaired by Mr. Ved Prakash Arya, MD, Milestone Capital Advisors focussing on PPP in Infrastructure imperatives of project development in PPP and Risks in investing in PPP projects and how to overcome it.

