

Exclusive | Oriental Structural Engineers InvIT eyes Rs 3,000 crore, may launch shortly

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Delhi-based infrastructure firm Oriental Structural Engineers is likely to launch its long pending Infrastructure Investment Trust (InvIT) to raise around Rs 3,000 crore as early as this week or next week, multiple sources with knowledge of the matter told *Moneycontrol*.

If successful, this will be the third private InvIT to list on the stock exchanges after L&T-backed IndInfrafit and Canadian investor Brookfield-backed India Infrastructure Trust.

InvITS, which are structured like mutual funds, enable individual and institutional investors to invest in infrastructure projects and earn income from it. Under the Securities and Exchange Board of India norms, both private & public InvIT's have to be listed.

"Oriental Structural Engineers has good quality assets and the proposed InvIT is backed by five investors, including an Asian sovereign wealth fund and a European development finance firm," said one of the sources cited above.

"Five operational road assets of the company will be transferred to the InvIT, out of which four are toll based and one is annuity based. The capital raised will mainly be used to part refinance loans taken by the company's SPV's (special purpose vehicles). The response has been extremely strong from investors and therefore the company has also shortlisted few additional assets to be added later to the InvIT," added another source. EY is the investment banking advisor to the company and ICICI Securities is the merchant banker.

Experts believe such private InvITS will open up the market for yield-hungry foreign investors who are keen to tap this space, more so with a stable government now in place.

"Private InvITs can be listed or unlisted. Private InvITs that are listed qualify as business trust under the Income Tax Act and are entitled to significant tax benefits such as exemption from dividend distribution tax, capital gains tax on rollover of assets to InvIT and a reduced interest withholding of 5% if units are held by non-residents," said Ruchir Sinha, Leader (PE & M&A) at law firm Nishith Desai Associates.

According to the Oriental Structural Engineers website, the company operates in four main verticals - highways EPC, highways BOT, mining development and operations and optical fibre cable laying. The company has constructed 7250 lane kms of highways and has invested over Rs 13,500 crore in the BOT business. [Mint](#) had first reported on the company's plans for an InvIT in August 2017.

An ICICI Securities spokesperson declined to comment in response to an email query from *Moneycontrol*. EY couldn't be immediately contacted for a response. *Moneycontrol* is awaiting an email response from Oriental Structural Engineers and will update this article as soon as it hears from the company.