

Gammon Infra eyes port projects

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GAMMON Infrastructure Projects (GIPL) is bidding for port projects on the east and west coasts, together worth Rs 3,200 crore. GIPL has formed a consortium for bulk cargo projects like iron ore and coal with MMTC, Hong Kong based Noble Group and VM Salgaocar. A senior GIPL official said: "The consortium is participating in projects on a BOT basis for various bulk port projects like Paradip in Orissa, New Mangalore and Karwar Port in Karnataka and Goa port."

The company is also participating in two major container terminal projects of nearly Rs 5,300 crore in Ennore port container terminal and Chennai mega container terminal project. It was among the six short-listed companies that bid for the Ennore port terminal project.

The consortium has already

cleared the preliminary rounds and will prepare the financial bid. Earlier, the company had bid for an exclusive iron ore berth, but later decided to go for two separate terminals by cancelling the earlier process. Moreover, Gammon has already been declared the lowest bidder for Bedi Port in Gujarat, which was among 7 minor ports that Gujarat Maritime Board wanted to develop through private participation.

Said a Mumbai based analyst: "GIPL will gain on fixed price per tonne plus price per tonne for clearance, transportation, clearing and forwarding in all these projects. The return on equity is around 20-22% after the conceived project is commissioned. The payback period is 12-13 years while 16-17 years is the actual usage that a port operator gets, depending on the concessional period of 20 or 30 years."

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