

Use Case



X36 Falcon Design

Recovering PE investment of US \$ 20 million in a port project

- Investment made by the Private Equity investor was US \$ 20 million
- Port company borrowed US \$ 450 million from national banks for creating facilities

Challenges :

- Unforeseen opposition from the local community
- Operations terminated after three months due to transport linkages failure

Remedial measures attempted :

- Management tried to convert the port into a liquids handling facility, targeting petroleum products and gases like LPG and LNG
- This however required an additional US \$ 250 million
- There was no support for this from lenders

Design Brief :

- A prospective buyer (brought in by PE investor) asked us to check suitability of the facility as an LNG terminal
- Our design brief was also to generate additional ideas that would make the port profitable





Unique insight :

- After three site visits, we felt a higher financial return is possible if the site was converted into a Naval base
- Our designers had been working on a project to expand the Mumbai naval base, so this suggestion was natural
- The LNG option was also viable but it would not generate as much cash

Complications :

- Meanwhile the port was referred to the NCLT for resolution & handed over to a new owner after a Govt. mandated process
- However the solid cargo, transport linkages problem remained

Possible Options :

- Construction of an LNG facility only
- Re-locating part of the Mumbai naval base to site : Cash generation from Navy asset leasing is potentially much larger

Project proposal is currently being discussed with the Ministry of defence