

IL&FS to auction road assets worth ₹25-30k cr

Account For Almost A Third Of Troubled Group's Liabilities

TIMES NEWS NETWORK

Mumbai: The break-up and sale of the IL&FS group has gathered pace with the new government-appointed board putting on the block road assets worth Rs25,000-30,000 crore, which account for almost a third of the group's liabilities. Expressions of interest have been invited for seven operating annuity projects, eight toll projects and four projects that are under construction and held by IL&FS Transportation Network—a listed subsidiary. In addition to these road projects adding up to over 10,000km, there are three other businesses in the transportation sector.

The seven operating annuity projects include the 9.28km Chenani-Nashri Tunnelway (CNTL), also known as the Patni Top Tunnel, which was inaugurated by the Prime Minister last year and is India's longest road tunnel.

LAYING A HIGHWAY BIZ

1994 | First build-operate-transfer project (BOT) under IL&FS

2000 | IL&FS Transportation Network carved out as subsidiary

2001 | Commissioned first BOT project Vadodara-Halol Toll Road

2006 | Signed 1,000km road programme in Rajasthan

2008 | Acquired Spanish co Elsamex

2010 | Launched ITNL IPO, first annuity project securitisation

2011 | Acquired Chinese project co YuHe

2014 | First rights issue, toll project divested

2017 | Commissioned India's longest Patni Top Tunnel Project, ventured into EPC (engineering, procurement & construction) mode of delivery



The CNTL project, which has Rs 4,200 crore of term loans and external commercial borrowing, is contractually entitled to receive semi-annuities of Rs 318 crore in September and March every year till the end of the concession period.

The second-largest project is the Jharkhand Road Project Implementation Company, which is 6.57%-owned by IL&FS and 93.43%-owned by its subsidiary ITNL. It has undertaken and implemented five

projects totalling 627-lane km. The other annuity projects include the Maharashtra border to Belgaum, Thiruvananthapuram City Roads, East Hyderabad Expressway, Hazaribagh Ranchi Expressway, and Jorhat-Shillong Expressway.

The non-road assets and businesses are the EPC (engineering, procurement & construction) and O&M (operation & maintenance) businesses of IL&FS Transportation Networks and a sports complex in

Thiruvananthapuram.

This is the third lot of assets put on sale since the new board took charge. Earlier, the board had decided to sell the securities and the renewable energy businesses, which are together estimated to fetch Rs 10,000 crore. The total debt of the IL&FS group is estimated at over Rs 90,000 crore.

Incidentally, private equity investor Lonestar had earlier signed term sheets with IL&FS to pick up select road projects. Lonestar had been planning to pick up a stake in the IL&FS Transport Network but subsequently decided to buy the assets. Later, Cube Highways, backed by global private equity fund ISquared Capital and Abu Dhabi Investment Authority (ADIA), entered the fray. While negotiations with Cube had progressed, the new board decided to start afresh and invite expressions of interest for a more transparent price discovery process.

IL&FS to monetise road assets

The company seeks interest from potential investors for 10,092 km of projects

SPECIAL CORRESPONDENT
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In what could probably be the biggest sale of road projects in the country, troubled infrastructure developer and financier, Infrastructure Leasing & Financial Services (IL&FS) has decided to monetise 10,092 km of road projects as it sought expression of interest from potential investors.

The sale of the assets by the new board of IL&FS is a part of plan for a resolution of the cash-strapped firm.

“The IL&FS board, acting on behalf of its relevant subsidiaries including ITNL (IL&FS Transport Network Ltd.) has today initiated the process of exploring the divestment of the IL&FS Group’s equity stakes in road assets,” the company said in



Road to recovery: The proposal includes sale of seven annuity-based and eight toll-based projects. ■ ANIL KUMAR SASTRY

a statement. The projects on the block are seven operating annuity-based road projects in various parts of the country totalling 1,774 km, eight operating toll-based road projects of 6,572 km, four under-construction road projects of 1,736 km upon completion, and three

other assets and businesses, which are EPC and O&M businesses of IL&FS Transportation Networks, and a sports complex in Thiruvananthapuram.

“The proposed sale of stakes held by IL&FS Group in the assets may be carried out as a basket / individually

or as an undertaking comprising all offered assets and businesses,” IL&FS said.

Resolution process

The statement said the board of IL&FS and ITNL are cognisant that these steps are required to advance the process for putting together a resolution plan for the group. It added that any binding transaction for the sale of assets, as well as the resulting resolution plans, will be subject to requisite approvals (including the NCLT or where necessary, the High Courts) before transactions are implemented.

The IL&FS board had appointed Arpwood Capital and JM Financial as financial and transaction advisers, along with Alvarez & Marsal as Resolution Consultants.

IL&FS group puts its entire road assets on the block

MUMBAI: The troubled infra lender IL&FS Monday put its entire domestic road assets on the block as it seeks to raise resources to repay the debt.

The group, which was taken over by the government on October 1 following a string of defaults, will be selling its equity interests in all the road sector assets, an official statement said, adding the same is being done as part of the two reports on progress and way forward submitted by the government-constituted board led by Uday Kotak.

The assets being sold include seven operational annuity based projects across the country, stretching over 1,774 lane kms and eight operating toll-based projects aggregating 6,572 lane kms, it informed the exchanges.

It also includes four under construction road projects which would aggregate 1,736 lane kms on completion.

The assets being put on the block also include a sports complex in Thiruvananthapuram, and three other assets and businesses which are engineering procurement and construction and operations and maintenance businesses of IL&FS



Transportation Networks, the statement said.

It said the sale of stakes held by the IL&FS group would be carried out collectively or individually, and sought expressions of interest.

The Kotak-led IL&FS led and also the listed IL&FS Transportation Network will take a call in this regard, the statement said, adding the transactions will have to pass NCLT muster before consummation.

The IL&FS group has appointed Arpwood Capital and JM Financial as financial transaction advisors along with Alvarez & Marsal as resolution consultants, it said.

Since August 28, the group which has as many as 348 subsidiaries almost half of are in overseas territories, is unable to service debt worth over Rs 94,000 crore, of which Rs 57,000 crore are from bank. PTI

IL&FS puts 22 road assets on block

Monetising road assets to be complex task, say experts

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Mumbai: Infrastructure Leasing & Financial Services (IL&FS) has put its road assets under the IL&FS Transportation Networks Ltd (ITNL) on the block.

On Monday, the company announced it has "initiated the process of exploring the divestment of the IL&FS Group's equity stake/ interest in road assets/ businesses or an undertaking comprising all the assets/ businesses" through Expression of Interest (EoIs).

A total of 22 road assets and a sports complex are up for sale, all of them from India.

The assets include seven operating annuity based projects having a total length of 1,774 lane km and eight other operational toll based assets with 6,572 lane km.

There are four under construction road projects too on the block, with an aggregate of 1,736 lane km when ready. Apart from these, three engineering, procurement & construction and operation & maintenance businesses of ITNL and a sports complex in Thiruvananthapuram will also be divested.

The sale of these businesses or assets may be done either as a bunch or even individually.

Meanwhile, ITNL has defaulted in payment of interest due of Rs 3,37,44,795 on non-convertible debentures.

Earlier this month, **DNA Money** had reported that despite investor interest, the sale of road projects is going to be a complex task for the crisis-hit group, which is monetising its assets to get out of the financial mess.

ITNL has a debt of around



FAMILY SILVER ON SALE

- 7** operating annuity based projects having a total length of 1,774 lane km
- 8** operational toll based assets with 6,572 lane km
- 4** under construction road projects of 1,736 lane km when ready
- 3** Engineering, Procurement & Construction and Operation & Maintenance businesses of ITNL
- 1** sports complex in Thiruvananthapuram
- 36** luxury cars it has put on sale
- 31** total road assets of ITNL

debt of ITNL

₹28,000cr



Rs 28,000 crore and 31 road assets, including projects that are ready, under construction and those which have been awarded but work is yet to commence.

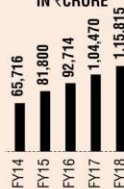
In the last two months, the group has already put IL&FS Securities Services Ltd and ISSL Settlement & Transaction Services Ltd on

the block for which it received over a dozen bids. This was followed by EoIs being called for renewable energy assets.

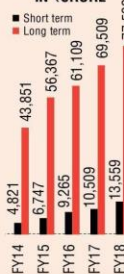
Last week, the company has put up notice to sell 36 luxury cars like Audi, Mercedes Benz, Honda, Land Rover, BMW, Jaguar, Toyota and Skoda.

IL&FS

TOTAL ASSETS IN ₹CRORE



BORROWINGS IN ₹CRORE



Source: Company annual reports