

KKR'S ACQUISITION of Bangalore project to help shave off ₹300 cr; co to redeem pref shares

IL&FS Engg to Pare Debt After Asset Sale

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Mumbai: IL&FS Engineering and Construction Company plans to redeem its optionally convertible redeemable preference shares and non-convertible shares and reduce debt by more than ₹300 crore following the sale of its Bangalore Elevated Tollway to private equity firm KKR.

Private equity firm KKR completed the acquisition of a 100% stake in Bangalore Elevated Tollway (BETPL) at an enterprise value of ₹545 crore.

Galaxy II, a wholly-owned subsidiary of Galaxy Investments, which is itself owned by KKR Asia Pacific Infrastructure Holdings closed the acquisition last week, a source said. The move follows an unsolicited binding offer submitted by Galaxy II for the complete interest of IL&FS' stake in BETPL. This offer included the acquisition of BETPL sa;e shares and the redemption of other securities.

An IL&FS spokesperson did not respond to a request for comment.

The National Company Law Tribunal (NCLT) approved the sale of 24% of the share capital of BETPL, held by IL&FS Engineering and Construction for the Maytas Investment Trust, to Galaxy Investments II in an order dated May 4, 2023. India Infrastructure Fund-II



(IIF) held the other 76% of the issued and paid-up equity share capital of BETPL.

Earlier, Canadian fund CDPQ had expressed interest in acquiring the asset. However, the sale could not be concluded as CDPQ withdrew its offer citing Covid

challenges. While the deal with KKR has helped lower group-level debt and redeem debentures, KKR's bid is lower than CDPQ's offer of approximately ₹700 crore, according to a source.

BETPL operates as a special-purpose vehicle, engaged in constructing, developing, and operating an elevated highway from Silk Board Junction to Electronic City Junction. It also involves six-laning from Electronic City to Attibele on the Bangalore-Hosur Section of NH-7.

The deal took place at an enterprise value of ₹545 crore, which is lower than an earlier bid by CDPQ that could not go through