

CUBE HIGHWAYS' BID VALUE IS AT ₹3.9K CRORE

S'pore Firm Wins Bid to Buy India's Longest Road Tunnel

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Mumbai: Singapore-based infrastructure investment platform Cube Highways has won the bid to acquire India's longest road tunnel—the 9.2-km Chenani-Nashri project in Jammu & Kashmir—for ₹3,929 crore, multiple people aware of the matter said. The IL&FS board has declared Cube as the highest bidder (H1), and invited lenders to vote for the sale through the e-auction process.

The tunnel project has a debt of around ₹5,454 crore and a sale of the asset will help bring down the overall debt position of the company.

"Resolved that the bid value of ₹3,929 crore, (subject to potential value adjustments, as stipulated in the draft of the share purchase agreement, a copy of which has been provided to the members of the committee of creditors of CNTL), offered by Cube Highways in respect of 100% shareholding of the tunnel project be approved by the CoC," said a board resolution of IL&FS. ET has seen a copy of that document.

IL&FS declined to comment while Cube Highways could not be immediately reached.

Cube Highways, a platform floated by I Squared Capital and backed by International Finance Corp and ADIA, operates 1,700 km of highways in India.

Under the distribution framework proposed by IL&FS which awaits the approval of the bankruptcy appellate tribunal, the distribution of proceeds will follow the IBC mandate until

the liquidation value and distribute the balance value to all classes of creditors.

For CNTL, the average liquidation value arrived upon is ₹3,026 crore, and this amount of the total bid amount would be distributed in accordance with the bankruptcy code.

The remaining amount over the average liquidation value will be distributed pro-rata to all classes of creditors.

The board of IL&FS has put 14 operating road assets on the block. Five road assets that are up for sale have combined debt of ₹9,000 crore, while the remain-

BID GETS IL&FS NOD

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ing nine assets, which are to be sold via infrastructure investment trusts (InvITs), have a total debt of ₹11,000 crore.

Other road projects where bidders are being finalised include, Jharkhand Infrastructure Implementation Company (JIICL), Jorabat Shillong Expressway, Hazaribagh Ranchi Expressway and Pune Solapur Road Development.

IL&FS has a total debt of ₹94,215 crore of which the four holding companies of the group — IL&FS, IL&FS Financial Services (IFIN), IL&FS Transportation Networks (ITNL), IL&FS Energy Development Company (IEDCL) — have a consolidated debt of ₹48,000 crore. This comprises 51% of the total group's debt. Of the ₹94,000-crore debt, entities such as pension funds, employee welfare funds, provident funds, gratuity funds and superannuation funds have an exposure of ₹10,173 crore, while banks have an exposure of 44,075 crore.



Road Ahead

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- JIICL
- Jorabat Shillong Expressway
- Hazaribagh Ranchi Expressway