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IL&FS to seek lenders' nod for road asset sales via e-voting

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Resolution for IL&FS's five road assets hangs in the balance as bid validity for these projects is set to expire by month-end. In a last-ditch effort to finalise the sale of these assets, the group will now seek lenders' approval through e-voting.

"The bids for the five road projects will expire on February 29. As the next date of hearing for IL&FS at the National Company Law Tribunal is not before that, the group is trying to get lenders' approval through e-voting," said a person privy to the

development. The person added: "The e-voting process for some of these projects commenced earlier this month. For all five, it is expected to conclude before the deadline." An IL&FS spokesperson confirmed the e-voting.

According to an affidavit, the group reached out to bidders, seeking extension of bid validity. However, they rejected the proposal in the absence of clarity on the timeline of issuing letters of intent.

In December 2018, a public bid process was initiated for sale of 14 road assets. In August 2019, the group received binding bids for 10 of these assets, for a com-



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bined bid value of about ₹13,000 crore. Of the 10 projects, IL&FS group decided to go ahead with bids for only five, as the remaining were significantly lower than

the fair market value. In October, the new management decided to consider monetising the remaining nine assets under the Infrastructure Investment Trust (InvIT) model.

The Chenani-Nashri Tunnel, Hazaribagh-Ranchi Expressway, Jorabat Shillong Expressway, Pune Sholapur Road Development Company, and Jharkhand Infrastructure Implementation Company are the five assets for which bids were higher than fair market value.

"The bid value for these five projects is ₹7,489 crore, against a debt of ₹10,500 crore and fair market value of ₹7,200 crore,"

said the person quoted earlier. The group is now seeking lender approval to finalise the sale of these five projects, before the binding bids expire.

In October, the government-appointed management committee for the group said it expected at least half the group's debt to be resolved, recovered, or restructured — and to complete a significant portion of this by March 2020.

A lender approval will help IL&FS's new board to take timely steps to expedite the resolution for these assets, subject to receipt of nod from retired Supreme Court judge DK Jain, and other regulatory approvals.