

# Trust to take over IL&FS road assets

**Mayur.Shetty@timesgroup.com**

**Mumbai:** The setting up of a framework to transfer road assets of IL&FS Transportation Networks (ITNL) into an InvIT has paved the way for resolution of about Rs 13,000-crore worth bad loans.

An InvIT or an infrastructure investment trust is a mutual fund-like vehicle

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that is used to raise money by monetising operational assets. IL&FS has set up Roadstar Infra Private (RIIPL) as a new subsidiary of ITNL to act as a sponsor company for the road assets and has infused Rs 75 crore into it. Another arm, North Karnataka Expressway (NKEL) has been appointed as an investment manager to the

proposed InvIT.

Sebi norms require the sponsor company to invest Rs 100 crore in the corporate entity, which establishes the InvIT. The decision to transfer ITNL's road assets to an InvIT was taken after the board was not satisfied with the bids received for an outright sale of the road assets. Despite ITNL having several revenue-generating road assets, the board could not find buyers at their price as there was a glut of road assets in the market.

ITNL's committee of creditors has already provided in-principle approval for formation and transfer of assets to the proposed InvIT. SBI, PNB, and IOB are some lenders that participated in the e-voting process with other creditors and debenture holders. Once the assets are transferred into InvITs, banks will be relieved of their bad loans.