

EXITS ₹750-CR EXPOSURE

**Edelweiss
Alternatives
Sells CNTL
Loan to ACRE**Shilpy.Sinha
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Mumbai: Edelweiss Alternatives has sold a ₹750-crore loan of Chenani Nashri Tunnelway (CNTL) to Assets Care and Reconstruction Enterprise (ACRE) and this transaction is backed by Deutsche Bank, two sources said.

The sale of this loan shows the growing interest of creditors in IL&FS Group debt, as they anticipate potential recoveries following the progress in its proposed debt restructuring, the first source said.

CNTL, wholly owned by IL&FS Transportation Networks (ITNL), is likely to be resolved through transfer to an InvIT structure as part of its restructuring plan. This transaction follows Edelweiss' previous acquisition in 2021 when it purchased CNTL's loan of ₹750 crore, recovering 75%-80%



Transaction follows Edelweiss' previous acquisition of CNTL loan of ₹750 cr from IndusInd, recovering 75-80%

of the loan's value, originally sold by IndusInd Bank. CNTL currently has a total debt of ₹5,454 crore, with ₹4,195 crore owed to lenders and the remaining ₹1,295 crore from IL&FS group entities.

"The loan, valued at ₹700-750 crore, was part of both the IL&FS restructuring plan and recognized by the IBC resolution applicant, Cube Highways," one of the sources said. "The loan was divested at a rate of 75 paise on the rupee and led to Edelweiss Alternatives completely exiting the investment, which was primarily invested in the senior tranche."

IL&FS recently completed an interim distribution payout of ₹920 crore to senior secured creditors including State Bank of India, Canara Bank, Union Bank of India, UCO Bank, Punjab National Bank, J&K Bank, Indian Bank, IOB, Punjab and Sindh Bank, and ACRE.

Spokespersons of Edelweiss and IL&FS declined to comment on queries while ACRE ARC did not respond.

In the past, Federal Bank and IndusInd Bank had also sold their loans in CNTL to ACRE and Edelweiss ARC, respectively, with both trades occurring in the range of 75 to 78 paise on the rupee. ACRE earlier acquired senior secured debt from Federal Bank in December 2021 and recently added the unsecured loan from Edelweiss ARC, raising its total exposure.