

₹6,000-CR DEAL ANOTHER MILESTONE IN IL&FS RESOLUTION

Cube Gets NCLT Nod to Buy Chenani Nashri

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Mumbai: The National Company Law Tribunal (NCLT) has approved the sale of Chenani Nashri Tunnelway (CNTL), owned by IL&FS Transportation Networks, to Cube Highways and Infrastructure II, clearing the sale of the large asset in IL&FS Group resolution process. Cube Highways will pay a total consideration of ₹6,000 crore for the 100% stake.

Under the deal, Cube will disburse a base bid of ₹5,300 crore, with an additional ₹400 crore earmarked for external creditors and delay adjustments of ₹300 crore-₹400 crore, depending on the completion timeline. This transaction represents the largest asset monetisation under the IL&FS umbrella and will address an extra ₹2,500 crore of IL&FS Group debt, pushing the aggregate debt addressed from ₹43,000 crore to ₹45,500 crore.

The order, passed by Justice (Retd.) VG Bisht and Prabhakar Kumar, comes after Cube revised its bid from an initial offer of ₹3,907 crore in December 2020. An independent enterprise valuation in 2021 had pegged CNTL's value at ₹5,257 crore, which was revised to a range of ₹5,000 crore to ₹6,400 crore in September 2023.

"The NCLT approval marks an important step towards completing the sale of CNTL, amongst the largest assets under IL&FS portfolio, to Cube Highways," said an IL&FS spoke-

person. "The approved transaction ensures maximum value to CNTL creditors, with recovery beyond 100% in some cases, and will address additional ₹2,500 crore of group debt on completion."

IL&FS expects to conclude the sale in the next few months, subject to pending approvals.

After multiple rounds of bidding, Cube's final bid of ₹5,300 crore was submitted in February 2024 and se-

secured over 98% creditor approval in March 2024. With the NCLT approval in place, IL&FS and Cube Highways will now execute the agreed share purchase agreement, pending final clearance from the National Highways Authority of India (NHAI).

Secured lenders, including SBI, Canara Bank, and Deutsche Bank, accounting for over 50% of CNTL's claims, are expected to recover up to 115% of their exposure.

Last week, IL&FS Group initiated an interim distribution of 5,000 crore, comprising ₹3,500 crore in infrastructure investment trust (InvIT) units and ₹1,500 crore in cash, as part of its ongoing debt resolution efforts. The InvIT units distributed belong to Roadstar Infra Investment Trust, which holds six key road assets valued at ₹8,576 crore.



The sale is the largest asset monetisation of an IL&FS group entity and ensures high recovery to creditors