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IL&FS may add new project to InvIT list

Press Trust of India

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MUMBAI: Facing delays in finalising bidder due to Covid-19, cash-strapped IL&FS Group is looking at including one more road project - Pune Sholapur Road Development - to its proposed infrastructure investment trust (InvIT), according to a source.

It had earlier shortlisted nine road projects with a total debt of around ₹10,800 crore on the proposed InvIT platform and sent it to market regulator Securities and Exchange Board of India (Sebi). The approval for the same is awaited.

PSRDCL is one of the 10 road projects of the group for which binding bids were received in August 2019. There were four bidders in the fray for this road asset. The names of the bidders could not be ascertained.

However, as the finalisation of bidder for Pune Sholapur Road Development Company Limited (PSRDCL) was taking time due to the pandemic, the group is looking at adding this asset also to the list for proposed InvIT, the source said.

“PSDRCL is likely to be listed on the proposed InvIT. A decision on it will be taken by the

IL&FS (Infrastructure Leasing and Financial Services) board soon,” the source added.

Once a decision is taken by the board, the debt-ridden group will include it in the earlier list of road assets for the proposed InvIT it had sent to Sebi for approval, the source said adding “it will help in expediting the resolution of this road asset”.

When contacted, IL&FS spokesperson declined to comment.

PSRDCL, which is classified as a red asset, has around ₹2,000 crore debt. It is a four lane highway of Pune-Solapur section of NH-9 in Maharashtra. NH-9 runs through Maharashtra, Karnataka, Telangana and Andhra Pradesh. The project is on toll basis with a concession period of 19 years.

Investors are using the current Covid-19 crisis to take a relook at valuations and potentially renegotiate the deal, Alvarez & Marsal’s managing director Venkataraman Renganathan said. “The immediate impact of reducing revenues is also a factor. It also gives them a window to redefine their investment strategy including sub sectors and also prioritise deployment of available capital,” he said.