

SC's DND Flyway order gives blow to IL&FS shareholders

Sidhartha@timesofindia.com

Jaisalmer: The DND Flyway order by the Supreme Court has come as a blow to shareholders led by IL&FS, who were hoping to garner as much as Rs 2000 crore from the sale of the company, banking on its toll revenue and development rights sought by Noida Toll Bridge Company. While lenders too stand to be hit as their exposure is now said to be in the range of Rs 50-60 crore now.

While there were not too many big players in the fray, several small companies had evinced interest in taking over the company, which had two decades ago set up a marquee project, improving connectivity between Delhi and Noida, then a sleepy suburb. Based on the interest, beleaguered IL&FS had budgeted for anything between Rs 200 crore and Rs 500 crore from

the sale to help it improve its receipts and reduce the burden on banks, which were adversely hit by its strained finances.

While Noida Toll Bridge Company refrained from commenting on the judgment as the order had not been uploaded, it expressed concern over the decision. "NTBCL is a NSE/BSE-listed entity and has over 55,000 public shareholders who own approximately 71% of the company, in addition to several financial institutions that have significant exposure to NTBCL either directly or through other IL&FS entities. The judgment is likely to serve as a guidance to developers for all ongoing and future Infrastructure projects under PPP model as they may need to reassess project risks, factoring in the implications of this judgment and plan accordingly," it said.