

Pune Sholapur Road Co Deal Takes Off After a Delay, Lenders Get ₹334 crore

Restructuring scheme for former IL&FS asset under owner Roadstar InvIT to receive ₹87 cr more

Joel Rebello

Mumbai: Ten banks, led by Bank of India (BoI), have received ₹334 crore from accumulated toll collections of the former IL&FS-owned Pune Sholapur Road Development Co (PSRDCL) and are set to receive another ₹87 crore as part of a restructuring deal with new owners Roadstar Infra Investment Trust (InvIT).

The asset which was transferred to Roadstar last year is now upgraded to a standard asset with lenders as part of the plan which includes elongating the loan tenure till 2032 from earlier 2027 and also issuing some non-convertible debentures payable over the next 20 years.

“The distribution to lenders was made earlier this month and all len-

ders have got their share. Another ₹87 crore will be transferred to lenders by Roadstar in the next few days so the total amount paid to lenders upfront is ₹421 crore,” said a person aware of the deal. Banks are likely to book gains from this deal in the quarter ended September.

Besides BoI, other lenders to PSRDCL include Punjab National Bank, Indian Overseas Bank, UCO Bank, Bank of Baroda, Indian Bank, Canara Bank, Bank of Maharashtra, Union Bank of India and Punjab & Sind Bank. Lead lender BoI did not reply to an email seeking comment.

To be sure, the restructuring deal was approved by lenders as far back as September last year after IL&FS completed the transfer of PSRDCL to Roadstar in May.

But procedural delays like insis-



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tance by some lenders to take approval of concessionaire NHAI and a revote because the new tenure was going beyond the project period delayed matters.

“This deal has been long coming

but there were some issues. The loan tenure now till 2032 is eight months beyond the 2031 agreement with NHAI. But banks are confident of dealing with this tailend risk,” the person cited above said.

While finalising the restructuring plan lenders recalculate the repayment capacity of the project including the post Covid traffic on the highway. With an operational road, the unsustainable part of the company’s debt was small.

PSRDCL is among the ten road assets transferred to an InvIT as part of recovery process from the insolvent IL&FS.

The total dues from the company are estimated to be ₹860 crore. Lenders will continue to receive payments from the project according to the new terms through the escrow account.