

KKR'S ACQUISITION of Bangalore project to help shave off ₹300 cr; co to redeem pref shares

IL&FS Engg to Pare Debt After Asset Sale

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Mumbai: IL&FS Engineering and Construction Company plans to redeem its optionally convertible redeemable preference shares and non-convertible shares and reduce debt by more than ₹300 crore following the sale of its Bangalore Elevated Tollway to private equity firm KKR.

Private equity firm KKR completed the acquisition of a 100% stake in Bangalore Elevated Tollway (BETPL) at an enterprise value of ₹545 crore.

Galaxy II, a wholly-owned subsidiary of Galaxy Investments, which is itself owned by KKR Asia Pacific Infrastructure Holdings closed the acquisition last week, a source said. The move follows an unsolicited binding offer submitted by Galaxy II for the complete interest of IL&FS' stake in BETPL. This offer included the acquisition of BETPL's shares and the redemption of other securities.

An IL&FS spokesperson did not respond to a request for comment.

The National Company Law Tribunal (NCLT) approved the sale of 24% of the share capital of BETPL, held by IL&FS Engineering and Construction for the Maytas Investment Trust, to Galaxy Investments II in an order dated May 4, 2023. India Infrastructure Fund - II



(IIF) held the other 76% of the issued and paid-up equity share capital of BETPL.

Earlier, Canadian fund CDPQ had expressed interest in acquiring the asset. However, this sale could not be concluded as CDPQ withdrew its offer citing Covid challenges.

The deal took place at an enterprise value of ₹545 crore, which is lower than an earlier bid by CDPQ that could not go through

While the deal with KKR has helped lower group-level debt and redeem debentures, KKR's bid is lower than CDPQ's offer of approximately ₹700 crore, according to a source.

BETPL operates as a special-purpose vehicle, engaged in constructing, developing, and operating an elevated highway from Silk Board Junction to Electronic City Junction. It also involves six-laning from Electronic City to Attibele on the Bangalore-Hosur Section of NH-7.

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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd.

“Exchange Plaza” Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: **532907**

Symbol: **IL&FSENGG**

Subject: Clarification to news item published in Economic Times(Internet Edition dated 30.08.2023) in the Markets Section under the heading “IL&FS Engineering to pare debt after asset sale” vide Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This has reference to captioned cited subject reference.

The citation published in the newspaper relating to consideration received from Galaxy Investment II Pte. Ltd., (the Buyer) and its utilisation by the Company for paring its debt is incorrect and grossly misleading.

We wish to clarify that the aforesaid news items may be taken on record and construed in the light of submissions and filings made by the Company on 28th September, 2022 followed by the clarification on 13th November, 2022.(copies attached).

In the interest of repletion, the exchanges may please note that now the said transaction has just achieved closure by way of primary redemption of 24,41,850 nos. (Twenty Four Lakh Forty One Thousand Eight Hundred Fifty) Optionally Convertible Redeemable Preference Shares and 2,53,70,630 nos. (Two Crore Fifty Three Lakh Seventy Thousand Six Hundred and Thirty) non-convertible debentures by Bangalore Elevated Tollway Private Limited.(“**BETPL**”) The consideration amounting to Rs. 64.54 crores received by IL&FS Engineering and Construction Company Limited(“the Company”) has been parked separately and to be utilised only upon conclusion of ongoing resolution process/plan as per the approval of Hon’ble NCLT.

As regards equity shares of BETPL, the said shares were held by the Company in trust for Maytas Investment Trust (MIT). The consideration for these shares was received by MIT(as against the Company, claiming to be the recipient) as per the terms of CDR arrangement of 2010.

We request to take this clarification on record.

Trust this clarifies

Thanking you

Yours faithfully

For IL&FS Engineering & Construction Company Limited



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