

IVRCL to Sell 2 Road Assets for Rs. 725 Crore

Hyderabad: Hyderabad-headquartered infrastructure firm IVRCL has agreed to sell two of its road assets in favour of Singapore-based Cube Highways and Infrastructure for around Rs. 725 crore.

The infrastructure firm has informed the stock exchanges on Wednesday that it has entered into share purchase agreements with Cube Highways on Tuesday to sell entire stake in two road subsidiaries - Salem Tollways and Kumarapalayam Tollways.

...while Salem Tollways fetched an enterprise value of Rs. 342.95 crore, Kumarapalayam Tollways obtained an enterprise value of Rs. 383.23 crore. When contacted, the IVRCL chief financial officer R Balarami Reddy said, *"We hope to get around Rs. 725 crore through sale of these two road assets in favour of Cube Highways, of which around Rs. 450 crore would be debt."*

Kumarapalayam Tollways operates 48.5 km road between Kumarapalayam and Chengapalli on the National Highway 544 in Tamil Nadu on build, operate and transfer (BOT) toll mode. It commenced operations in August 2009.

The second road asset – Salem Tollways – involves 53.5 km stretch between Salem and Kumarapalayam on the NH544 in Tamil Nadu, which was also built on BOT toll mode to commence operations in June 2010.

While the sale of these two road assets in favour of Cube Highways is subject to customary approvals from the concerned authorities and lenders, the infrastructure firm is learnt to have obtained in-principle approval from its lenders recently.

IVRCL has been looking to sell its various BOT assets, including the desalination project in Chennai and land bank of around 1,800 acres spread across several Indian cities, to retire around Rs. 5,000 crore of debt, its chairman E Sudhir Reddy said earlier.