

March 1, 2022

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BSE Limited,
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Vice President,
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National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
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Scrip Code No: 533177

Scrip Code No: IL&FSTRANS EQ

Dear Sirs,

Sub: Clarification on misleading and false article published in The Economic Times dated February 26, 2022 under caption - **Secured Lenders Reject IL&FS Jammu Tunnel Debt recast plan**

This is with reference to the story headlined - **Secured Lenders Reject IL&FS Jammu Tunnel Debt recast plan** published across Economic Times Editions on February 26, 2022 (copy enclosed).

The news article published under the subject caption is misleading and therefore the Company had sent a following response to The Editor, Economic Times on February 26, 2022 and requested them to publish the same with necessary clarifications:

- 1) The restructuring proposal of CNTL is progressing well and the lenders of CNTL, in their last meeting, have approved appointment of Valuer, Forensic Auditors and Rating agencies which is the pre-requisite for any restructuring of debt as per norms and the appointment process is underway.
- 2) The voting for the restructuring proposal is yet to start and expected next week. Therefore, any inference towards the outcome is premature and false.
- 3) The lenders had raised certain queries on the proposal including the distribution plan in the normal course which have been adequately addressed and clarified to them.
- 4) The Company has also explained to the lenders that the current restructuring proposal presents a much enhanced recovery for the secured lenders including start of interest accrual

from April 2021 (which provides substantial benefit to the lenders) which has led to appointment of intermediaries stated above.

The Company has requested the Editor to publish the aforementioned facts as a clarification so that correct information with regards to the resolution progress of this asset is available to everyone.

Thank you,

Yours faithfully,
For IL&FS Transportation Networks Limited

Sd/-
Krishna Ghag
Vice President & Company Secretary

(Kind Attn: This intimation is being made pursuant to email dated March 24, 2020 regarding Guidelines for submissions on NEAPS Portal in the wake of CoVID 19 virus, of Listing Compliance Department, National Stock Exchange of India Limited. Accordingly, the submission is being made in SD/- mode as the company is in compliance of the COVID-19 Guidelines of Work from Home.)

Secured Lenders Reject IL&FS' Jammu Tunnel Debt Recast Plan

Cash distribution unfair and plan favours unsecured & group creditors of CNTL, they claim

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Mumbai: Secured lenders led by State Bank of India rejected a debt recast plan submitted by IL&FS for a project it undertook in Jammu & Kashmir to build India's longest tunnel, said three people aware about the development. Secured lenders claim that the distribution of cash as proposed under the plan was unfair and that it was skewed in favour of unsecured creditors and lenders within the IL&FS Group, they said.

Last December, IL&FS proposed a debt recast for Chenani Nashri Tunnelway (CNTL), after a ₹3,900-crore deal to sell the special purpose vehicle to I Squared Capital's Cube Highways did not fructify, the people said.

IL&FS wanted Cube to improve the offer after signing the agreement, they said.

IL&FS has proposed that the CNTL debt be transferred to an infrastructure investment trust at ₹5,257 crore — the revised value is per an RBSA valuation report.

Secured lenders have sought a higher share of proceeds on gro-

In a Limbo

CHENANI NASHRI TUNNELWAY DEBT

₹5,454 crore

Total outstanding debt owed to 28 lenders

₹2,806 crore

Share of secured creditors

₹1,353 crore

Unsecured creditors' share

₹1,295 crore

Borrowing from IL&FS group companies

Debt recast of CNTL can be implemented only if all lenders give their consent



unds that Chenani Nashri Tunnelway's enterprise value improved between mid-October 2018 — when the moratorium was imposed — and March 2021, mainly because of a ₹1,500 crore cash balance in the SPV that was the payment due to them, but was not distributed due to a moratorium imposed when IL&FS collapsed.

IL&FS did not respond to a request for comment till press time Friday. In a series of meetings, secured lenders communicated to IL&FS that the cash balance of ₹1,500 crore should be distributed

among them in line with the waterfall mechanism approved by the appellate tribunal for the debt resolution of IL&FS-related companies. However, IL&FS has proposed to distribute ₹1,500 crore with all classes of lenders — secured, unsecured and IL&FS group lenders, one of the people said.

The IL&FS group will benefit if the cash is distributed to all classes of lenders since their share in CNTL's debt is about 24%, the person said. The company has outstanding debt of about ₹5,454 crore from 28 lenders.