

Home / Industry / Lenders to replace Lanco Devihalli as operator of NH-48 in Karnataka

# Lenders to replace Lanco Devihalli as operator of NH-48 in Karnataka

Lenders led by State Bank of India (SBI) have invited bids to replace Lanco Devihalli as the concessionaire of an 80-km stretch along NH-48 in Karnataka, according to sources. The special purpose vehicle (SPV) is the concessionaire of the operational build-operate-transfer (BOT) toll road project. The project's outstanding debt as on March 31 was Rs [...]

By: [Shritama Bose](#) | Mumbai | Published: August 24, 2018 2:24 AM



The concession agreement was signed between Lanco Devihalli and the National Highways Authority of India (NHAI) for a period of 25 years, starting January 5, 2008.

Lenders led by State Bank of India (SBI) have invited bids to replace Lanco Devihalli as the concessionaire of an 80-km stretch along NH-48 in Karnataka, according to sources.

The special purpose vehicle (SPV) is the concessionaire of the operational build-operate-transfer (BOT) toll road project. The project's outstanding debt as on March 31 was ₹340 crore.

SBI Capital Markets (SBI Caps) has been appointed by lenders as the financial adviser for the process and to assist them in identifying an entity to replace the existing concessionaire.

The concession agreement was signed between Lanco Devihalli and the National Highways Authority of India (NHAI) for a period of 25 years, starting January 5, 2008.

The provisional completion certificate was obtained from an independent consultant on June 23, 2012, and toll collections began on June 25, 2012. The SPV's revenues stood at ₹65 crore and ₹60.75 crore in FY18 and FY17 respectively, according to a bid document.

An email seeking a comment from the Lanco group remained unanswered till the time of going to press. **In August 2017, Brickwork Ratings had downgraded its rating on Lanco Devihalli's bank loan facilities worth ₹321.22 crore to D from B-, citing the overall weak liquidity position of the company which has impacted its ability to timely meet debt obligations as also its continuing weak financial performance.**

**"The company has been able to manage its expenses till now with the infusion of funds from the parent company in the form of optionally convertible debentures (OCDs), however, with LITL (Lanco Infratech) facing insolvency proceedings, the company will have no support from the parent," Brickwork wrote in its rating rationale.**

Lanco Infratech was one of the 12 companies on the Reserve Bank of India's first list of non-performing assets (NPAs) mandated for resolution under the Insolvency and Bankruptcy Code (IBC).

Get live Stock Prices from BSE and NSE and latest NAV, portfolio of Mutual Funds, calculate your tax by Income Tax Calculator, know market's Top Gainers, Top Losers & Best Equity Funds. Like us on Facebook and follow us on Twitter.