

NCLT ALLOWS REVISION

IL&FS Could Get 25% Rise in Valuation for BKC HQ

Shilpy Sinha

Mumbai: IL&FS is likely to seek fresh valuations for its headquarters in the Bandra Kurla Complex (BKC), with a 25% likely jump in the current sticker price for the iconic property, after the National Company Law Tribunal (NCLT) allowed a revision to factor in the real-state surge in Mumbai's financial nerve centre, a source aware of the plans told **ET**.

The tribunal has asked global institutional investor Brookfield Asset Management to renew the performance guarantee it had submitted while bidding for the property in 2022.

"This is likely to be done as the existing ₹1,722 crore valuation was done in 2024," said a source close to the development. "New valuations could be around ₹2,000-2,500 crore as per the latest deals."

The dispute centres on Chronos' bid, which is a subsidiary of Brookfield, to acquire the IL&FS Financial Centre, for which the original Letter of Intent (LoI) was issued in 2022. Since then, new valuation reports have shown that the property's market value has risen to around ₹1,722 crore, which is much higher than the earlier bid value.

IL&FS argued that proceeding with the old terms would go against the legal mandate that every asset be sold at the highest possible value.

A key point of contention was the performance bank guarantee that Chronos had provided as part of the bid. This guarantee, along with supplementary demand drafts, expired in April 2025. IL&FS said this lapse automatically disqualified Chronos under the bidding rules and asked the tribunal to dismiss Chronos's earlier plea seeking enforcement of the original deal.

Chronos had responded by asking the tribunal to excuse the delay or allow it to deposit the guarantee directly with the tribunal instead of IL&FS. Also, although the guarantee had expired, IL&FS had never specified the renewal timelines and therefore, NCLT ruled that Chronos was not yet disqualified. However, Chronos should now submit a fresh guarantee within 30 days or face disqualification, while allowing IL&FS the right to revise the LoI terms, including the price.



"New valuations could be around ₹2,000-2,500 crore as per the latest deals"