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Nila Spaces Flags Issues in IL&FS' GIFT City Asset Sale

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Mumbai: Realty developer Nila Spaces, one of the bidders of Infrastructure Leasing & Financial Services' (IL&FS) commercial properties spread over 344,000 square feet in an office tower GIFT TWO in Gujarat International Finance Tec-City (GIFT City), has raised concerns over transparency in the auction process and the delay to conclude the bidding.

The non-banking finance company listed these properties for sale in February, with the auction being conducted via the Swiss Challenge process. The properties are held by Sabarmati Capital Two (SCTL), a wholly owned subsidiary of IL&FS Township & Urban Assets (TTUAL).

Once concluded this will be the biggest transaction for a single commercial tower in Gujarat.

The entire commercial tower has a total 540,000 sq ft space, of which some part was acquired by Infibeam Avenue in 2015. As per the Request for Proposals (RFP) released by IL&FS, Infibeam was allowed to match the highest bid to be received for these properties.

"We were informed verbally that Nila Spaces is the highest bidder and as per the RFP conditions, it was being forwarded to Infibeam for their right to match the highest offer. Subsequently on August 8, we received an official email from IL&FS informing us that our bid



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has been rejected without providing any valid reason and the furnished bank guarantee is being returned," Deep Vadodaria, CEO, Nila Spaces, told ET. IL&FS has stated the process has been conducted in a fair and transparent manner as per the RFP and any concerns in this regard are incorrect.

"The bids for sale of GIFT City 2 asset were invited under the Swiss challenge (with Infibeam being the original bidder) wherein the bidders from the public were asked to submit their bids as per the RFP. As per the provisions outlined in the RFP, Infibeam had the 'Right to Match' the highest bid received through this process, which they have matched," IL&FS said in response to ET's query.

Accordingly, the highest bid of Infibeam has now been taken to CoC for their approval, which is underway. This will be followed by the laid down process of seeking (Retd) Justice D K Jain's approval.