

## **IL&FS invites bid for Paradip water supply project - Times of India**

Mumbai: IL&FS has invited expressions of interest to sell its entire stake in Paradip Refinery Water, which supplies treated water to Indian Oil's refinery in Odisha. The sale, cleared by NCLAT in Nov 2024, is part of IL&FS's broader resolution plan and does not require IOCL's consent, despite earlier contractual provisions.

The sale will resolve IL&FS group debt by Rs 900 to Rs 1000 crore. So far around Rs 57,000 crore of the group debt has been addressed after the government appointed new board took charge in October 2018.

Paradip Water, incorporated in Nov 2009, draws water from the Mahanadi at Cuttack and transmits it over a 94.2-km pipeline to IndianOil's Paradip refinery under a 25-year BOOT (build, own, operate and transfer) agreement signed in Jan 2010. Operations began in Jun 2014 and continue through May 2039. Revenue comes from fixed annuities, transport fees, and index-linked variable charges. Sources said that IndianOil earlier had a right of first refusal in the project.

In FY25, revenue stood at Rs. 135.4 crore, with EBITDA at Rs. 114.2 crore and a margin of 84.3%. Cash and bank balances were Rs. 93.2 crore, while receivables were stable at Rs. 10.9 crore. Fixed assets were valued at Rs. 443.5 crore. Debt stood at Rs. 273.3 crore, down from Rs. 682.2 crore in FY21. SBI is the sole lender, with loans secured against project assets. Fitch rated its loans IND AA- in Dec 2024.

IL&FS is seeking bids from firms with a net worth of at least Rs. 1,080 crore and relevant pipeline experience. The sale covers 17.7 crore equity shares and will be on an "as is where is" basis. The company has Rs. 197.9 crore in unabsorbed depreciation, offering potential tax benefits. EOIs are due by 5 PM on Sept 9. Kroll is advising on the deal.

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