

IL&FS' environment biz likely to be sold to EverSource Capital; debt may reduce by ₹1,500 cr

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NIIF-BACKED EVERSOURCE Capital is set to take over IL&FS Environmental Infrastructure & Services Limited (IEISL) and its subsidiaries, as the former has emerged the highest bidder for them. The deal is likely to reduce the debt of IL&FS Group by close to Rs 1,500 crore, which is the combined debt of entities under IL&FS' environment businesses.

EverSource Capital manages Green Growth Equity Fund (GGEF), established with anchor investment from India's National Investment and Infrastructure Fund (NIIF) and the Department for International Development (DFID), Government of UK. As per sources close in the know, EverSource Capital is the highest bidder for IEISL and its subsidiaries — RDF Power Projects Limited (RDF), East Delhi Waste Processing Company Limited (EDWPCL), Swayam Swachatta Initiative Limited (SSIL) and Dakshin Dilli Swachh Initiatives Limited (DDSIL).

It is learnt that the committee of creditors of these IL&FS Group companies held their first meeting with EverSource Capital last week and voting on the proposal would be held over the next couple of weeks. A source said that while the deal is largely acceptable to lenders, they will have to take over 50 per cent haircut. An

IL&FS spokesperson declined to comment on the matter.

Once concluded, the deal will result in additional debt reduction of close to Rs 1,500 crore for the IL&FS Group. IL&FS Group has already reduced its debt by close to Rs 6,000 crore on account of sale of assets including its stake in GIFT city and its wind energy business.

IEISL is engaged in integrated waste management, focused on scientific and sustainable solid waste management in India. It operates a waste management platform by integrating economic and environmental models with a total waste handling capacity of around 14,500 tonnes per day.

IL&FS is the promoter shareholder of IEISL and owns 97.54 per cent of equity shares of IEISL. The balance 2.46 per cent is owned by IL&FS Employee Welfare Trust.

The transaction will also include IEISL's shareholding in its subsidiaries and joint ventures.

Both DDSIL, a wholly-owned subsidiary of IEISL, and SSIL, in which IEISL owns 51 per cent stake, are engaged in collection, transportation and disposal of all types of waste. IEISL further owns 48.95 per cent stake in EDWPCL, which operates a 12 megawatt municipal solid waste to energy plant in Delhi, to generate electricity. It also owns 77 per cent stake in RDF, which generates power from liquid, gaseous, solid fuel or municipal solid waste and is currently in the implementation phase.