

# IL&FS completes edu biz stake sale



THE IL&FS Group on Wednesday completed the sale of a 73.69% stake in its education business, held under Schoolnet India (SIL), to Falafal Technologies (FTPL), reports **fe Bureau** in **Mumbai**. The transaction provides a positive equity value to IL&FS and resolves nearly ₹650 crore of consolidated fund-based and non-fund based financial debt, without any haircut to lenders, the company said. **PAGE 4**

# IL&FS completes stake sale in education business, cuts consolidated debt by ₹650 cr

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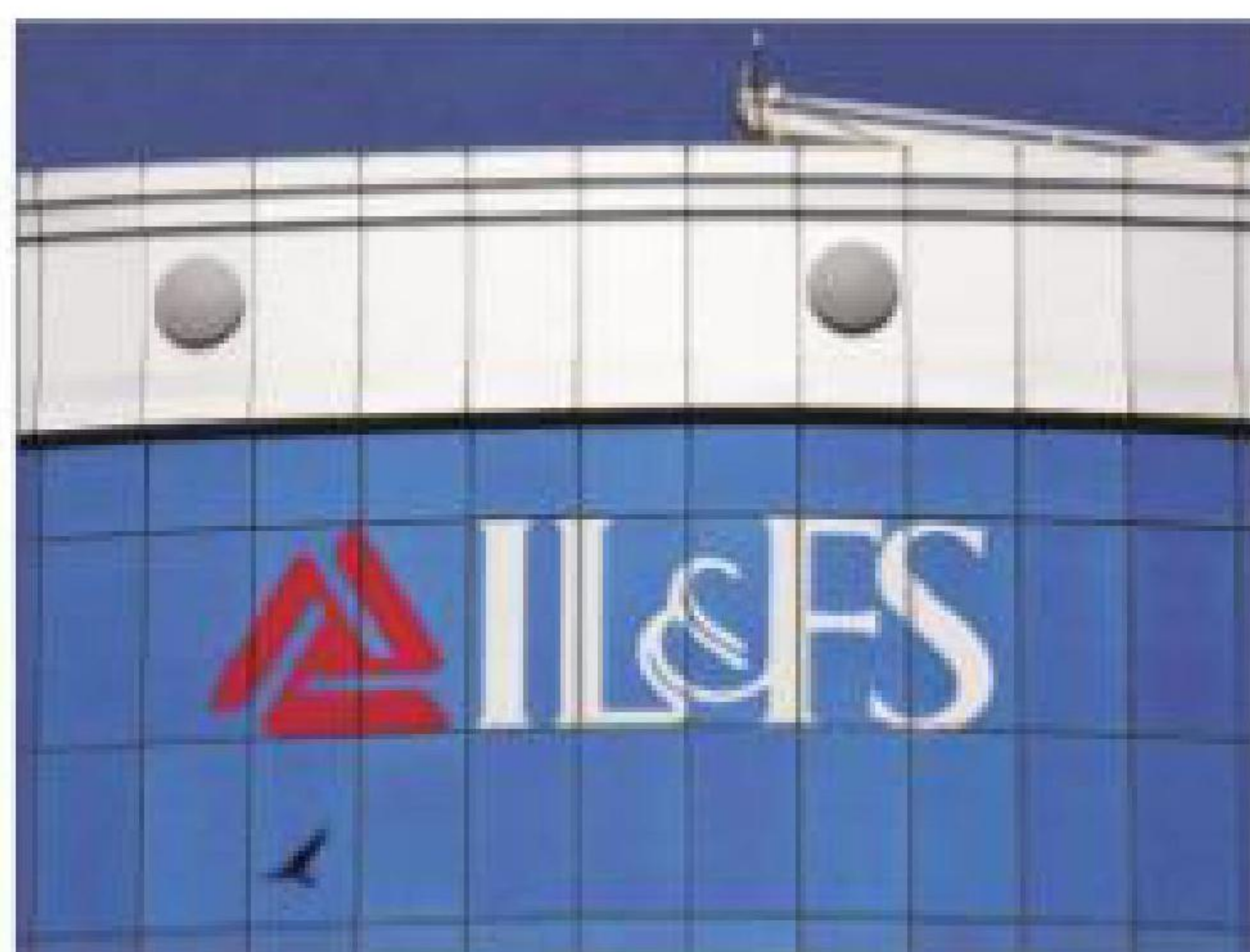
**THE IL&FS GROUP** on Wednesday completed the sale of a 73.69% stake in its education business, held under Schoolnet India (SIL), to Falafal Technologies (FTPL).

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The sale was completed pursuant to the approval granted by the National Company Law Tribunal's principal bench through its order dated August 31. FTPL has paid ₹7.37 crore as equity value for the shares of SIL held by IL&FS and IL&FS Employee Welfare Trust, in addition to taking over SIL's fund-based and non-fund based financial debt of nearly ₹650 crore. FTPL has also agreed to a deferred consideration of ₹6.29 crore payable within 18 months from closure.

Sale of SIL will reduce operating cost for IL&FS Group by nearly 19%. SIL holds an 80% stake in IL&FS Skill Development Corporation (ISDC) and also has two wholly-owned subsidiaries — IL&FS Cluster Development Initiative (ICDI) and Skill Training Assessment Management Partners (STAMP).

As part of the sale transaction, the businesses of ICDI and STAMP have also been transferred to SIL through a slump sale for a consideration of ₹1 for each company. Transfer of debt of nearly ₹27 crore in ICDI and STAMP forms part of the slump sale. Further, the shares of ICDI and STAMP have been transferred to IL&FS. SIL will continue to retain 80.01% stake in ISDC, which will



become a step down subsidiary of FTPL.

“This development represents another key milestone in the overall resolution for the IL&FS Group under the new board. As part of the overall resolution plan to address a significant portion of the Group's debt, the sale of a number of other Group assets has been initiated which is currently in various stages of progress,” the company said.

Earlier in July, the IL&FS board, led by Uday Kotak, had revised the quantum of debt it expects to resolve to ₹57,000 crore, over half the total debt of ₹99,000 crore. Of this, ₹50,500 crore will be addressed by March 2021, the board had said while revised the debt estimates to ₹99,000 crore.

The company had said among the modes adopted for resolution of debt, 61 entities with a debt of ₹278 crore have been identified for winding up, while 11 road projects with a debt of ₹6,035 crore have been identified for termination. Further, the debt restructuring process is currently on in case of three group companies with a debt of ₹9,382 crore and real estate monetisation for eight entities with a ₹473-crore debt will also be undertaken.