

IL&FS stock mkt arm gets over a dozen bids

TIMES NEWS NETWORK

Mumbai: The beleaguered IL&FS group has received over a dozen bids for its stock market arm IL&FS Securities. This follows the new board's decision to restart the sale process and cancel an earlier agreement to sell the securities market firm to IndusInd Bank.

A statement issued by the parent company IL&FS said that as on November 23 (the last date for receipt of bids), expressions of interest were received from over a dozen entities like banks, private equity firms and other financial services companies. Earlier this month, the new IL&FS board chaired by Uday Kotak put

two companies on the block — IL&FS Securities Services and ISSL Settlement & Transaction Services.

Last week, company affairs secretary Injeti Srinivas said that IL&FS will be calling for expressions of interest from another dozen companies. This indicates

RESTARTING SALE PROCESS

that the new board will be selling each business of the group individually rather than look for a single buyer for the holding company.

IL&FS had informed the National Company Law Tribunal (NCLT) that resolution options could broadly

involve capital infusion, divestments and debt restructuring. This could be done at the IL&FS group level, a business vertical or platform level, or at an asset level. However, sources said that the bulk of the resolution is expected to come through sale of individual entities, which includes special purpose vehicles to house road projects.

Confirming this, the statement said that many other assets of the group will be put on the block soon. "Any binding transaction for the sale of assets, as well as the resulting resolution plan(s), will be subject to requisite approvals (including the NCLT) before the transactions are concluded," the statement said.

IL&FS plan to sell stake in two arms gets good response

The move is part of resolution plan prepared by the new board

SPECIAL CORRESPONDENT
MUMBAI

The proposal by Infrastructure Leasing and Financial Services to sell stake in two of its subsidiaries has received strong interest with over a dozen firms submitting their bids. These are now being scrutinised by IL&FS for eligibility.

Earlier this month, IL&FS has invited expression of interest from investors to sell stake in IL&FS Securities Services and ISSL Settlement & Transaction Services, both engaged in securities services business. The stake sale process is a part of the resolution plan prepared by the new board of IL&FS.



Diverse enquiry: Interest has been received from banks, and other financial services companies. ■ REUTERS

“Last date for receipt of same [bids] was November 23. Interest has been received from a mix of banks, private equity firms and other financial services compa-

nies. Qualifying interested bidders will then be invited to review information on the business that would be shared with them, so as to enable them to submit com-

mercial bids,” IL&FS said in a statement. The group would shortly announce the asset monetisation process for sale of many other assets as part of its ongoing resolution process, IL&FS said.

“Any binding transaction for the sale of assets, as well as the resulting resolution plan(s), will be subject to requisite approvals [including the NCLT] before the transactions are concluded,” the statement added. The new IL&FS board, formed in October, had appointed Arpwood Capital and JM Financial as financial and transaction advisors, along with Alvarez & Marsal as resolution consultants.

For two arms, IL&FS receives over a dozen potential buyers

ENS ECONOMIC BUREAU

MUMBAI, NOVEMBER 26

CRISIS-RIDDEN Infrastructure Leasing & Financial Services (IL&FS) on Monday said it received more than a dozen expressions of interest for its stakes in subsidiaries IL&FS Securities Services and ISSL Settlement & Transaction Services.

"IL&FS has received a strong response to its asset monetisation process, initiated a fortnight ago, towards developing a resolution plan for the IL&FS group. More than a dozen expressions of interest (EOI) towards acquiring IL&FS' stake in IL&FS Securities and ISSL Settlement & Transaction Services have been received, which the

board is scrutinising for eligibility," IL&FS said in a statement.

It said interest has been received from a mix of banks, private equity firms and other financial services companies.

"Qualifying interested bidders will then be invited to review information on the business that would be shared with them, so as to enable them to submit commercial bids," it said.

The IL&FS group will shortly be launching the asset monetization process for sale of many other assets as part of its ongoing resolution process. "Any binding transaction for the sale of assets, as well as the resulting resolution plan, will be subject to requisite approvals (including the NCLT) before the transactions are concluded. The Board of IL&FS appointed by the NCLT had submitted to the MCA a report on the progress and the way forward on October 30, which in turn was submitted to the NCLT.

IL&FS board scrutinising EoIs for stake sale in group companies

Banks, private equity firms and financial services companies have shown interest

OUR BUREAU

Mumbai, November 26

Debt-laden Infrastructure Leasing & Financial Services (IL&FS), on Monday, said it has received more than a dozen Expressions of Interest (EoI) for acquiring its stake in IL&FS Securities Services (ISSL) and ISSL Settlement & Transaction Services (ISTSL) from banks, private equity firms, and other financial services companies.

"IL&FS has received a strong response to its monetisation process, initiated a fortnight ago, towards developing a resolution plan(s) for the IL&FS Group," the non-banking financial company (NBFC) said in a statement, adding that its newly-appointed board is scrutinising the EoIs for eligibility.

The last date for receipt of EoIs was November 23. The statement said that interested bidders who qualify will now be invited to review information on the business to enable them to submit commercial bids.

The beleaguered infrastructure finance company had invited EoIs for a potential acquisition of 81.24 per cent of the issued and outstanding equity shares owned by it in ISSL, along with 100 per cent of the issued and outstanding equity shares owned by it in ISTSL.

The other shareholders of ISSL are: IL&FS Employee Welfare Trust (9.01 per cent stake); Orix Corporation, Japan (4.75 per cent); and Croupier Prive Mauritius (5 per cent).

As per the EoI, IL&FS Employee



IL&FS Group has a debt obligation of ₹91,000 crore

Welfare Trust, Orix Corporation and Croupier Prive Mauritius, are expected to participate in the proposed sale, subject to them agreeing to the terms being offered for their respective shares in ISSL.

ISSL is engaged in providing professional clearing member (PCM) services in the derivatives segment, custodian-designated depository participant services,

domestic fund accounting, and other financial services.

ISTSL is engaged in providing professional clearing member (PCM) services in the commodities derivatives segment. It is a wholly-owned subsidiary of IL&FS.

IL&FS said any binding transaction for the sale of assets, as well as the resulting resolution plan (s), will be subject to requisite approvals (including the National Company Law Tribunal or NCLT) before the transactions are concluded.

Asset monetisation

The IL&FS group, which has a debt obligation of ₹91,000 crore, said it will shortly be launching the asset monetisation process for sale of many other assets as part of its ongoing resolution process.

IL&FS, and some of its arms, have defaulted on debt obliga-

tions in the last couple of months. This default has shaken up the financial system, forcing the government to intervene.

As per the 'Report on Progress and Way Forward', which was submitted by the new board of IL&FS to the NCLT on October 31, on account of massive mismanagement of public funds by the erstwhile board of IL&FS Group and on the grounds that the affairs of IL&FS were being conducted in a manner prejudicial to public interest, the Ministry of Corporate Affairs (MCA) had sought suspension of the previous board of IL&FS and appointed the new board.

NCLT, Mumbai, passed an order on October 1, granting the interim prayer of suspending the existing board of directors of IL&FS as on October 1, 2018, and reconstituting the same with the six persons proposed by the Union of India.

Stake sale: IL&FS claims over dozen responses for two arms



INFRASTRUCTURE LEASING & Financial Services (IL&FS) ON Monday said it has received a strong response for its stake in two of its subsidiaries for which it had invited expressions of interest (Eols) from potential buyers about a fortnight ago, reports **fe Bureau** in **Mumbai**. In an emailed statement, IL&FS said it has received over a dozen Eols towards acquiring its entire 100% stake in IL&FS Securities Services (ISSL) and in ISSL Settlement & Transaction Services (ISTSL). **PAGE 6**

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Stake sale: IL&FS claims over dozen responses for two arms

FE BUREAU
Mumbai, November 26

IL&FS ON MONDAY said it has received a strong response for its stake in two of its subsidiaries for which it had invited expressions of interest (Eol) from potential buyers about a fortnight ago.

In an emailed statement, IL&FS said it has received over a dozen Eols towards acquiring its entire 100% stake in IL&FS Securities Services (ISSL) and ISSL Settlement & Transaction Services (ISTSL).

The last date for submission of interest was November 23. IL&FS said it has received a response from a mix of banks, private equity firms and other financial services companies. The names, however, have not been disclosed.

The qualifying bidders will be invited to review information on the two companies so as to enable them to submit financial bids. IL&FS said any binding transaction will be subject to requisite approvals, including the National Company Law Tribunal, before they can be concluded.

ISSL, incorporated in July 2006, is a capital markets intermediary for professional clearing, depository and custodial services. It services both retail and institutional clients, foreign portfolio investors and foreign institutional investors. ISSL Settlement & Transaction Services provides professional clearing services in the commodities derivatives segment. Arpwood Capital and JM Financial are the financial and transaction advisors.

IL&FS also said it would shortly be launching the asset monetisation process for sale of "many other assets as part of its ongoing resolution process".

FE had reported on November 23 that the new IL&FS board had turned down an offer by American private equity firm Lone Star Funds to buy three of its road projects

for ₹4,966 crore. Cube Highways had also concluded a deal with the former board, offering gross consideration of ₹2,500 crore for five projects.

Industry insiders said it remains to be seen whether the asset monetisation process involving a public auction would fetch a better price than already offered.

Stake sale: IL&FS claims over dozen responses

FC BUREAU

New Delhi

Debt-laden Infrastructure Leasing & Financial Services (IL&FS) on Monday said it has received more than a dozen responses for its stake sale in IL&FS Securities Services (ISSL) and ISSL Settlement & Transaction Services (ISTSL).

On November 12, the company had initiated the process for divesting its stake in both the subsidiaries. The group has 348 subsidiaries, nearly half of which are overseas.

“More than a dozen expressions of interest (EOIs) towards acquiring IL&FS’s stake in ISSL and ISTSL have been received, which the board is scrutinising for eligibility,” the company said. The last date for submitting responses was November 23.

It said a mix of banks, private equity players and other financial services firms have shown interest in buying IL&FS’s stake in

the two arms.

“The group will shortly be launching the asset monetisation process for sale of many other assets as part of its ongoing resolution process,” the release said.

The Uday Kotak-led board of IL&FS, appointed by the government, had submitted to the ministry of corporate affairs a report on the progress and the way forward, which in turn was submitted to the NCLT.

In the resolution plan submitted to NCLT on October 31, the board said it expects to complete the resolution process, in stages, over the next two-three quarters.

The plan submitted to the bankruptcy court also hinted at non-transparent and illegal transactions by the previous management in the selling a group entity in June 2017.

The board had also pegged the total debt of the group by over Rs 3,000 crore at Rs 94,215.6 crore as of October 8.