

IL&FS Puts Renewable Energy Assets on the Block to Pare Debt

Our Bureau

Mumbai: Infrastructure Leasing & Financial Services has put the group's renewable energy assets up for sale to raise funds and pare debt.

The company plans to sell a controlling stake in wind power

generating plants with an aggregate capacity of 873.5 MW as well as those under construction with a combined capacity of 104 MW. The company is calling bids for the asset management services unit of the wind power plants and the business division that develops and implements these projects.

Also for sale are stake in businesses related to project development and implementation of solar power plants and projects under development of about 300 MW capacity.

The proposed sale of stake held by IL&FS Group in these assets and businesses may be carried out as a basket, indivi-

dually or in any combination, the group said in a statement on Wednesday.

The company's newly constituted board has called for expressions of interest to assess the interest in its stake in the renewable energy assets. The stake sale in arms is part of the resolution plans for IL&FS Group.

Arpwood Capital and JM Financial were appointed as financial and transaction advisors. Alvarez & Marsal was named the resolution consultant.

The firm said it has received interest from over a dozen entities for its stake in IL&FS Securities Services and ISSL Settlement & Transaction Services.

IL&FS puts green energy subsidiaries on the block

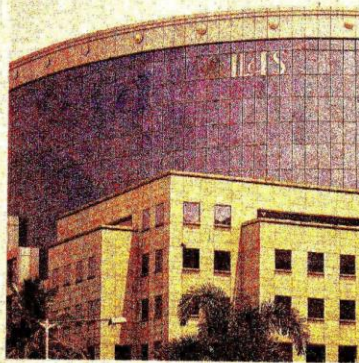
PRESS TRUST OF INDIA
Mumbai, 28 November

Cash-strapped Infrastructure Leasing & Financial Services (IL&FS) Group on Wednesday said that it had initiated a process to sell its stake in the renewable energy business.

The renewable assets of the group include operating wind power plants with an aggregate capacity of 873.5 Mw, and under-construction wind power plants worth 104 Mw capacity. It also includes the solar power business, under which it has around 300-Mw of under-construction projects.

Last week, the infra lender had announced plans to divest its stake in IL&FS Securities Services and ISSL Settlement & Transaction Services, for which it claimed to have received interest from over dozen entities, including banks, PE funds and other financial services firms. "The board today initiated a process of exploring selling controlling stakes held by IL&FS Group in renewable energy assets," the company said.

The group is also exploring the option to sell stake in asset management services for the operating wind power generating plants as well as the business division



The renewable assets of the group include operating wind power plants with an aggregate capacity of 873.5 Mw

conducting project development and execution of wind power plants.

Also, it would be divesting its stake in businesses relating to project development and implementation of solar power plants and projects under-development of around 300-mw capacity with corporate customers. "The proposed sale of stakes held by IL&FS Group in these assets may be carried out as a basket/ individually or a combination of both," the statement said.

The board will soon be issuing expressions of interest (EOIs) for these stake sale, said the company that is sitting on a debt over ₹942 billion. It has also been defaulting on its debt payments, including short-term repayments.

The Uday Kotak-led board of IL&FS, appointed by the government on October 1, had submitted a progress and the way forward report to the corporate affairs ministry and the NCLT on October 31.

The new board 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 sale of a group entity in June 2017. The board pegged total debt of the group by over ₹30 billion at ₹942.1 billion and the number of subsidiaries almost double at 348 as of October 8.

The new board also said it was facing significant challenges arising from lack of reliable information and gaps in the data in arriving at resolution plan for the near-crippled group.

The board has appointed Arpwood Capital and JM Financial as financial and transaction advisors, along with Alvarez & Marsal as resolution consultants.

IL&FS puts ₹8k-cr renewable energy assets on the block

Norway's Statkraft, Hindujas & PE Funds Among Suitors

TIMES NEWS NETWORK

Mumbai: The move to divest assets of the IL&FS group has gathered steam with the Uday Kotak-led board inviting expressions of interest for renewable energy assets worth over Rs 8,000 crore. Norway's state-owned renewable energy producer Statkraft is among those that have shown interest in acquiring the assets. Other investors that are likely to bid include I Squared Capital, Actis, Macquarie and the Hinduja Group.

New York-headquartered I Squared Capital had raised \$7 billion in August for investment in infrastructure. The investment firm is looking at renewable energy and highway projects in India. Actis private equity is

reported to have finalised a deal to buy solar power projects of Essel Group in a deal in excess of Rs 5,500 crore.

Before the new government-appointed board took charge, IL&FS had put its

The assets for which expressions of interest (EoIs) have been sought from investors include operating wind power-generating plants with aggregate capacity of 874MW, as well as under-

300MW capacity.

Additionally, the renewable energy division includes asset-management services for the operating wind power-generating plants as well as the business division conducting project development and implementation of wind power-generating plants. The company said that the proposed stake sale may be carried out as a basket or individually or in any combination.

At present, the lender is seeking EoIs and the actual sale would happen only after it is cleared by the National Company Law Tribunal (NCLT). The divestment is part of a resolution plan based on a report submitted to the ministry of corporate affairs on the way forward. This report was subsequently submitted to the tribunal.



Earlier this month, IL&FS had put on the block two cos in the financial services biz – IL&FS Securities Services and ISSL Settlement & Transaction Services – for which it had received over a dozen bids

wind assets on the block. The company had moved ahead on a proposal to merge Orient Green Power's wind power business with IL&FS Wind Energy. However, this proposal fell through, resulting in the mandate for an outright sale.

construction wind power-generating plants with aggregate capacity of 104MW. There is also a separate business relating to project development and implementation of solar power-generating plants and projects under development of approximately

ASSETS INCLUDE OPERATING WIND POWER GENERATING PLANTS

IL&FS initiates steps to sell renewable energy assets

ENSECONOMIC BUREAU
MUMBAI, NOVEMBER 28

THE BOARD of Infrastructure Leasing & Financial Services Ltd (IL&FS) on Wednesday initiated the process of exploring the sale of controlling stake in its renewable energy assets.

These assets include operating wind power generating plants with aggregate capacity of 873.5 MW, as well as under-construction wind power generating plants with aggregate capacity of 104 MW, asset management services for the operating wind power generating plants as well as the business division conducting project development and implementation of wind power generating plants. It has also planned to put on block businesses relating to project development and implementation of solar power generating plants and projects under development of approximately 300 MW capacity solar power plants for corporates.

The total wind power installed capacity of 873.5 MW is spread across states of Rajasthan, Gujarat, Maharashtra, Tamil Nadu, Karnataka, Madhya Pradesh and Andhra Pradesh. The PPAs (power purchase agreements) are in place for almost entire capacity with the respective state Discoms and is based on long-term feed-in tar-

EXPLAINED

E Why renewable power holds the key to IL&FS revival

AFTER GETTING a good response from potential buyers for IL&FS Securities and ISSL Settlement & Transaction Services, IL&FS is looking to monetise more assets in order to tackle its debt liability of over Rs 94,000 crore.

Assets put on sale include 977.5 MW of wind power projects and 300 MW of solar power projects, which are in various stages of development. Sale of these renewable energy projects will be key to the revival of IL&FS, and to the success of future asset sales.

iff mechanism as well as the renewable energy certificate route. The average PPA tariff for capacity tied up with distribution utilities with the state discoms have remained more than Rs 4.5/unit. While a PPA with utility in Maharashtra has a tenure of 13 years, all the other PPAs are tied-up with tenure of 25 years.

The solar power project has been set up with a capital outlay of Rs 704 crore, which is entirely funded through a mix of external loans and IL&FS group debt.

"The proposed sale of stakes held by the IL&FS group in the assets may be carried out as a basket, individually or in any combination thereof. Accordingly, the board has decided to publicly

solicit expressions of interest to assess the interest for a sale of its stake in the renewable energy assets," IL&FS said in a statement. IL&FS and its 348 subsidiaries have accumulated a total debt of over Rs 94,000 crore.

On Monday, IL&FS 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 scrutinizing for eligibility," IL&FS said in a statement.

IL&FS 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 sale of wind and solar power projects will be a crucial factor in the revival of the IL&FS group, said an observer tracking the developments.

The IL&FS group will shortly be launching the asset monetisation 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.

"The objective of the board is to achieve, by one or more plans, the resolution of the IL&FS group through certain measures, including asset divestments," it said.