



MEDIA RELEASE

June 30, 2019, Mumbai

HIGHLIGHTS OF IL&FS BOARD MEETING HELD ON JUNE 28, 2019 IN MUMBAI:

IL&FS Board reviewed progress on divestment of all domestic and overseas assets outlined in its Resolution framework.

IL&FS Board has decided to constitute an six member empowered committee - including 4 Directors Mr Vineet Nayyar, Mr CS Rajan, Mr Bijay Kumar, Mr N Srinivasan and COO Mr N Sivaraman - to discuss and finalise the asset wise framework of resolution with lenders.

The committee will be fully empowered to take necessary steps to enhance enterprise value of assets under divestment.

This committee is formed in view of positive response received from financial institutions to the framework outlined, by Prudent Norms for resolution of stressed assets issued by RBI on June 7 earlier this year.

Board also decided to allow the bidders for Toll road assets to jointly monitor traffic data and assess revenue stream.

Board noted that the Stakes sale in 7 Wind energy SPVs is in final stage - after Orix has conveyed its decision to match Gail's offer

For Media Queries

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MAKES OFFER OF ₹4,800 CRORE

GAIL India Top Bidder for IL&FS Wind Energy

Offer assumes no haircut to debt of SPVs; deal likely to close in three weeks

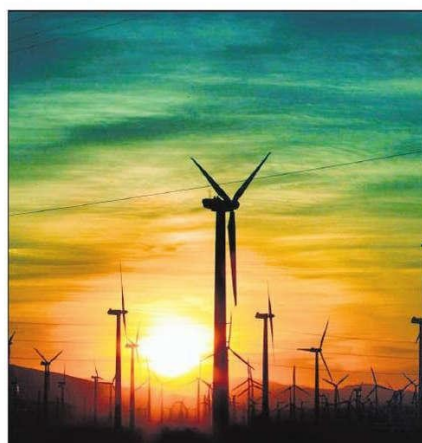
Our Bureau

Mumbai: GAIL India has emerged as the highest bidder for IL&FS Wind Energy offering ₹4,800 crore. If the sale were to go through, it would be the first resolution by the Uday Kotak-led board at the struggling infrastructure financier.

GAIL heads the bidding list for 7 operating wind power plants (special purpose vehicles or SPVs), with total generation capacity of 874 MW. ORIX has the first right of refusal on the deal.

The offer assumes no haircut to the outstanding debt of the SPVs, at about ₹3,700 crore, IL&FS said in a statement. The transaction is likely to close in three weeks. Sale proceeds will be held in a trust for distribution to the relevant stakeholders, sticking to the resolution framework filed with an appellate court that deals with bankruptcies, the company said.

The process began on November 29. Although IL&FS received



22 expressions of interest from investors including Global Infra Partners, KKR, Brookfield, I Squared Capital and Macquarie, to buy more than 1,000 megawatts of renewable energy assets, responses by way of binding bids were poor.

The proposal was approved by the Committee of Creditors of IL&FS Wind Energy (IWEL), the majority owner of the SPVs.

“Engagement with ORIX Japan, the other shareholder in the SPVs, with regards to the proposal is currently in progress,” the company said.

Sale processes for assets, including education, funds, roads and thermal power plant, are currently underway and binding financial bids are expected for these companies/businesses in stages by May.

IL&FS to sell wind energy assets to GAIL for ₹4,800 cr

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MUMBAI: In its first asset sale since going bust last year, Infrastructure Leasing and Financial Services Ltd (IL&FS) on Monday said it has agreed to sell its 874 megawatts (MW) operational wind energy portfolio to state-owned gas utility GAIL (India) Ltd for ₹4,800 crore.

The sale will close in three weeks, the bankrupt lending conglomerate said in a statement on Monday.

Significantly, GAIL's offer of ₹4,800 crore at 100% enterprise valuation implies that the accumulated debt of ₹3,700 crore on the wind power special purpose vehicles (SPVs) will be fully paid back.

The equity value on these assets will be ₹1,100 crore. The sale is subject to a host of approvals, including from a foreign equity partner in the assets and company law tribunals.

Another 104MW of under-construction wind power project, a solar power portfolio of 300MW and renewable energy EPC (engineering, procurement, construction) business will not be part of the deal.

A spokesperson for IL&FS said a separate sale process is on for the residual renewable energy businesses.

The sale process kicked off in November with an invitation for expressions of interest (EOIs). Although the wind portfolio received 22 EOIs, there were fewer binding bids.

At the end of the binding bidding process, GAIL emerged as the highest bidder for seven operating wind power plants with a total generation capacity of 874MW at an average tariff of ₹5 per kilowatt hour (kWh).

The proposal was unanimously approved by the committee of creditors of IL&FS Wind Energy Ltd (IWEL), the majority owner of the SPVs.



■ The sale will close in three weeks, the bankrupt lending conglomerate said.

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The company said it is engaged with ORIX Japan, which owns 49% stake in the wind portfolio and has a first right of refusal on the sale if valuation doesn't match previously agreed expectations.

The sale proceeds, as and when realized by IWEL, will be held in a trust for distribution to the relevant stakeholders, in accordance with the resolution framework filed with the National Company Law Appellate Tribunal, the press release said. Conclusion of the sale process will also be subject to approval of Justice (Retd.) D.K. Jain and the National Company Law Tribunal in accordance with the resolution framework.

With debt of over ₹1 lakh crore, the government replaced the company's previous management with an Uday Kotak-led board of directors to oversee the company's resolution process. The group is undertaking a series of asset monetization programmes to recover what it can and pay off debt. This includes the sale of its securities business, its renewable energy

GAIL'S OFFER IMPLIES THAT THE ACCUMULATED DEBT OF ₹3,700 CRORE ON THE WIND POWER SPECIAL PURPOSE VEHICLES WILL BE FULLY PAID BACK.

assets, its roads portfolio, and its EPC capabilities. So far, binding bids have been received for the securities business and the renewable energy arm, the management had said a few weeks ago, although no buyer has been named. The government-appointed board of directors of IL&FS, as part of the overall resolution process for the infrastructure group, has initiated sale of a number of group assets, addressing a significant portion of group debt. Sale processes for assets including education, funds, roads and thermal power plant are currently underway and binding financial bids are expected for these companies/ businesses in stages by May.

'₹4.8K CR OFFER CONTEMPLATES NO HAIR-CUT TO DEBT OF SPVs'

GAIL emerges highest bidder for IL&FS wind power plants

Bidding of these assets, spread across 7 states, was launched in November 2018

ENS ECONOMIC BUREAU
MUMBAI, APRIL 22

GAIL (INDIA) has emerged as the highest bidder for seven operating wind power plants of Infrastructure Leasing & Financial Services (IL&FS).

The bidding process to these assets, having 12 sites spread across seven states, was launched in November last year.

"Gail's offer of approximately Rs 4,800 crore for 100 per cent enterprise value contemplates no hair-cut to the debt of the SPVs, aggregating to nearly Rs 3,700 crore," IL&FS said on Monday. These wind power assets have a total generation capacity of 874 MW.

The proposal was approved by the committee of creditors of IL&FS Wind Energy (IWEL), majority owner of the SPVs, it said.

The company said that engagement with ORIX Japan, the other shareholders in the SPVs,

AIMED AT PARING ₹94,000 CRORE DEBT

■ Renewable portfolio divestment is part of IL&FS' asset monetisation strategy to pare ₹94,000-crore debt; renewable energy assets include operational wind projects with cumulative capacity of 873.5 MW and under-construction wind projects of 104 MW

■ IL&FS' renewable energy assets include businesses engaged in development and implementation of solar power projects for corporate customers with under-construction projects of around 300 MW; IL&FS' energy assets have been valued at ₹8,000 crore

with regard to the proposal is in progress, and the deal is expected to close in three weeks.

The sale proceeds will be distributed as per the resolution framework filed with the National Company Law Appellate Tribunal (NCLAT) by the government, the company said. The closure of the deal will be subject to approval of Justice (Retd) D K Jain and NCLT.

The board of debt-ridden IL&FS, as part of the resolution

process, has initiated sale of a number of group assets.

Sale process for assets including education, funds, roads and thermal power plant are currently underway and binding financial bids are expected for these companies in stages by May 2019, it said.

While around 24 firms had put in expressions of interest (EOIs), only half of them undertook due diligence for submitting financial bids.

Renewable portfolio divestment is part of IL&FS' asset monetisation strategy to pare Rs 94,000-crore debt.

The renewable energy assets include operational wind projects with cumulative capacity of 873.5 MW and under-construction wind projects of 104 MW.

The portfolio also includes asset management services for operating wind projects and business division conducting project development and implementation of wind projects.

In addition, IL&FS' renewable energy assets include businesses engaged in development and implementation of solar power projects for corporate customers with under-construction projects of around 300 MW.

IL&FS' energy assets, including thermal, have been valued at Rs 8,000 crore.

LIC is the single largest shareholder in IL&FS with over 25 per cent stake and ORIX Corp owns a little over 23 per cent.

At ₹4,800 crore, GAIL emerges the top bidder for IL&FS' wind assets

OUR BUREAU

Mumbai, April 22

With an offer of ₹4,800 crore, state-owned GAIL has emerged as the highest bidder for the seven wind power plants of debt ridden Infrastructure Leasing and Finance Corporation (IL&FS).

"GAIL's offer of approximately ₹4,800 crore for 100 per cent of enterprise value contemplates no haircut to the debt of the special purpose vehicles (SPVs), aggregating to approximately ₹3,700 crore," IL&FS said on Monday.

IL&FS had invited expressions of interest for the wind assets on November 29 last year. "At the end of the binding bidding process, reached after due-diligence including site visits across 12 sites spread across seven States, GAIL (India) Ltd has emerged as the

Energy Ltd (IWEL), which is the majority owner of the seven wind SPVs.

It is also in discussions with ORIX Japan, the other shareholder in the SPVs.

"Closure is expected in three weeks," ILFS said, adding that this represents a major step in the resolution process of the IL&FS Group initiated by its newly constituted board.

The sale proceeds, as and when realised by IWEL, will be held in trust for distribution to

the relevant stakeholders, in keeping with the resolution framework filed with the National Company Law Appellate

Tribunal (NCLAT) by the government.

The conclusion of the sale process will also be subject to the approval of the National Company Law Tribunal and

GAIL's offer covers seven operating power plants of IL&FS Wind Energy with a total generation capacity of 874 MW