

IL&FS seeks NCLT nod for selling out wind assets to ORIX Corporation of Japan

Embattled group has already got NCLAT's approval to complete sale of 51% stake held by IL&FS Wind Energy in 7 assets for ₹4,800 cr

OUR BUREAU

Mumbai, August 11

IL&FS has moved the NCLT for final approval to complete the sale of its 51 per cent stake in the wind energy business.

It filed the proposal before the Tribunal after completing a binding Share Purchase Agreement with Japanese company ORIX Corporation and obtaining "in-principle" approval from all lenders for completing the transaction, subject to NCLT approval, IL&FS said in a statement.

Raising the stake

IL&FS has already got the nod from NCLAT for completing the stake-sale of IL&FS Wind Energy Limited (IWEL) to ORIX for ₹4,800 crore.

Last month, retired Justice DK Jain had approved the sale, on the condition that the proposal will be placed before the NCLT and the bid amount realised from the sale be kept in an escrow account. ORIX Corporation, which owns 49 per cent in each of the seven

operating wind power plants of the IL&FS Group, had expressed its intent to buy out the remaining 51 per cent stake held by IWEL.

The intent to buy the 51 per cent stake was in exercise of ORIX's right under an existing MoU wherein the Japanese company could match the price offered by the highest bidder for buying-out IWEL in the wind SPVs.

Debt obligations

By completing this transaction, IL&FS will cover the entire debt and lenders won't have to take a haircut. Some of the major lenders to the SPVs include Power Finance Corporation, Bank of Baroda (for working capital and project financing), and India Infra Debt Limited, with debt aggregating to ₹3,700 crore (without interest), IL&FS said.

Further, the sale to ORIX will lead to resolution of the following seven companies of the IL&FS Group — Lalpur Wind Energy Private Limited, Etesian Urja Limited, Khandke Wind Energy



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Private Limited, Retadi Wind Power Limited, Wind Urja India Private Limited, Tadas Wind Energy Private Limited and Kaze Energy Limited.

On August 8, NCLAT had asked the government to file a progress report and was dismayed that no headway had been made despite the process going on for over 300 days, since the order was passed on October 15, 2018.

IL&FS, which defaulted on its payments last year and now owes in excess of ₹1-lakh crore, is in the process of selling some of its assets to meet debtor obligations.

This development represents the completion of a key step in the resolution process for the IL&FS Group being undertaken by the board, headed by banker Uday Kotak.