

IL&FS puts two arms on the block to boost recoveries

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IL&FS GROUP HAS put its two subsidiaries, IL&FS Investment Managers Limited (IIML) and IL&FS Securities Services (ISSL), on the block. The debt-laden group is looking to sell its entire 50.42% stake in IIML, a private equity fund management firm having a market capitalisation of nearly ₹400 crore. The group has also revived talks to sell its securities services subsidiary ISSL.

“Asset monetisation is an integral and important part of the approved IL&FS group resolution framework. Sale of stake in these assets is a step towards implementing that framework,” said the spokesperson of IL&FS group.

The sale of its assets is part of the group’s efforts to improve recoveries. The group has set a debt recovery target of ₹61,000 crore and the monetisation of assets may help surpass this target.

In 1996, the IL&FS Group had

acquired IIML, leading to its role as an asset manager for infrastructure, real estate and private equity funds. Total financial assets of the company stood at ₹251 crore at the end of the previous fiscal.

The move to sell ISSL, which is a Sebi-registered custodian, comes five years after the group tried to exit the securities business in

2018. IL&FS had signed a deal with IndusInd Bank to sell ISSL to the private bank for nearly ₹400 crore. However, IndusInd Bank had called off the deal to acquire ISSL citing non-fulfilment of conditions.

ISSL is a recognised custodian in portfolio management services (PMS) and manages assets of over ₹9,000 crore with more than 1,700 clients.

The company is among very few depository participants having both the NSDL & CDSL registrations, and has a base of more than 90,000 accounts as of July-end, which presents a significant possibility for cross-selling additional products.

