

IL&FS may sell assets to trim debt

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The IL&FS group is considering the outright sale of certain infrastructure assets and refinancing loans to bring down its crushing levels of debt. Speaking to *BusinessLine*, Ramesh Bawa, MD and CEO of IL&FS Financial Services, said the company is in talks with buyers overseas to sell "two-three assets, including some in the transportation sector".

Bawa did not say which particular assets have been identified for sale, but indicated that deals are expected to close within the next few months.

At the group level, IL&FS has consolidated debt of about ₹65,000 crore. The group is also turning to refinancing much of the debt and hiving off operational assets and asset-linked debt



IL&FS has a consolidated debt of about ₹65,000 crore. REUTERS

to ease the burden on its books. It will be raising approximately ₹2,000 crore through an Infrastructure Investment Trust (InvIT) and hiving off underlying assets of \$600-700 million from IL&FS Transportation Networks Ltd (ITNL).

InvITs are trusts, with units issued to investors much like by a mutual fund,

that manage income-generating infrastructure assets. SEBI recently rewrote the guidelines for this instrument to allow developers to cash in on capital stuck in completed projects or to repay the debt associated with them.

Milind Patel, Joint Managing Director, IL&FS Financial Services (IFIN) said that

the company has just received its Certificate of Registration from securities market regulator SEBI. The InvIT will be launched in January, through the private placement route.

Separately, ITNL and IFIN will also look to raise rupee-denominated bonds for up to ₹5,000 crore within the next six months, officials at the company said. IFIN was the first Indian company to raise \$50 million (₹340 crore) through a masala loan (rupee-denominated loan) last month from Export Development Canada.

Bawa also added that turning to the primary markets is also an option on the table for IFIN, currently a wholly-owned subsidiary of IL&FS. "We're not sure about the timing yet but we know we've got to do it," Bawa said.