

# IL&FS plans to raise up to Rs5,000 cr in 6 months

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MUMBAI

Infrastructure Leasing and Financial Services Ltd (IL&FS) is planning to raise up to Rs5,000 crore through various group firms within the next six months, said IL&FS MD Ramesh Bawa.

"We will be doing it in tranches over the next few months through various entities in the group," said Milind Patel, joint managing director, IL&FS Financial Services Ltd.

The firm also plans to issue \$300 million worth of masala bonds by January, Bawa said.

Last month, the firm raised a Rs340 crore rupee-denominated loan, or masala loan, from international financial institution Export Development Canada (EDC).

Masala bonds are Indian rupee-denominated bonds issued in offshore capital markets.

While announcing the development with the Canadian investor, Bawa said IL&FS plans to raise up to \$700 million via an infrastructure investment trust (InvIT) of its road assets.

The group plans to raise the funds through a trust that will house four mature road assets, he had said. In March, *Mint* reported that IL&FS Transportation Networks Ltd (ITNL) had initiated the process of listing its road assets as an InvIT.

InvITs are trusts that manage income-generating infrastructure assets, typically offering investors regular yields and a liquid method of investing in infrastructure projects. Developers can use the long-term funds raised to unlock value in completed projects or repay debt associated with them.

InvITs received a much-needed push from the finance minister in this year's budget when he announced that any distribution made out of the income of such trusts having a specified shareholding will not be subjected to the dividend distribution tax.

IL&FS held a 70.79% stake in ITNL as on 30 June.

ITNL has 30 road projects, of which 13 are operational and another six projects may be operationalized next fiscal. The operational build-operate-transfer projects are a mix of annuity and toll-based ones and are implemented through special purpose vehicles.