

Orix looks to buy out IL&FS wind power assets

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ORIX CORPORATION of Japan, which holds 49 per cent stake in each of seven operating wind power plants of the IL&FS group, has expressed its intent to buy out the remaining 51 per cent stake held by IL&FS Wind Energy Limited (IWEL).

This intent to buy 51 per cent stake is in exercise of Orix's right under the terms of an existing memorandum of understanding wherein Orix can match the price offered by the highest bidder for purchasing IWEL's stake

in the wind special purpose vehicles (SPVs). Orix also owns 23.5 per cent stake in parent firm IL&FS.

Earlier, at the end of the binding bid stage under a publicly conducted sale process, public sector GAIL had emerged the highest bidder for the seven SPVs having a total generation capacity of 874 mega watt. GAIL's offer of Rs 4,800 crore for 100 per cent of enterprise value contemplated no haircut to the debt of the SPVs, aggregating to approximately Rs 3,700 crore.

"This development represents completion of a key step in the resolution process for IL&FS

group being undertaken by the new board of IL&FS," IL&FS said.

The completion of sale of SPVs to Orix will be subject to satisfaction of all compliances and approvals required under applicable laws, including approval of Justice D K Jain and National Company Law Tribunal and in accordance with the proposed resolution framework, it added.

The sale proceeds, as and when realised by IWEL, will be held in trust for distribution to relevant stakeholders in accordance with the proposed resolution framework filed with the National Company Appellate

Law Tribunal by the centre.

The closure of the sale process is expected by the end of June, subject to legal approvals. The new board, as part of the overall resolution process for the IL&FS group, has initiated sale of a number of group assets, thereby addressing a significant portion of group debt.

IL&FS said the sale process for assets in the areas of education, funds, domestic roads, thermal power, water infrastructure, technology and key international assets is currently underway and binding financial bids are expected for these companies/businesses in stages by July.