

ICONIC PROPERTY IN BANDRA-KURLA COMPLEX

IL&FS Gets NCLT Approval to Sell Headquarters to Brookfield

Affiliate company Chronos Properties bags marquee property for over ₹1,080 crore

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Marquee Deal

One of the first structures in BKC, now de-facto CBD of Mumbai

Brookfield's affiliate co Chronos Properties to acquire marquee property for over **₹1,080 crore**

Deal likely to be concluded in FY23

IL&FS has already received 10% of total consideration

Mumbai: The National Company Law Tribunal (NCLT) has approved the sale of infra lender IL&FS' headquarters, a 10-storey iconic property in Mumbai's business district Bandra-Kurla Complex (BKC), to global alternative investment major Brookfield Asset Management.

Brookfield's affiliate firm Chronos Properties has emerged as the successful bidder to acquire the marquee property for over ₹1,080 crore. IL&FS has already received 10% of the total consideration and the deal may be concluded in FY23.

The deal is part of resolutions that the govt-appointed board has filed with the NCLT. This deal was announced by the then chairman of the board Uday Kotak

prior to his tenure ending on April 2.

The ministry of corporate affairs (MCA) has made a few changes to the IL&FS board recently. It has redesignated CS Rajan, who was CMD, as the non-executive chairman, while current executive director Nand Kishore has now become the managing director. These changes are effective till March 2023.

In its approval for the sale of the property, the Mumbai bench of NCLT has excluded the area spread over 21,644 sq ft out of the total property size, as this was assigned by IL&FS to HDFC Standard Life Insurance Company in 2001. "We confirm that NCLT has approved the proposal to sell TIFC to H1 bidder," an IL&FS spokesperson said in response to ET's email query.

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One of the First in BKC

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Separate email queries to Brookfield Asset Management and transaction advisor CBRE South Asia remained unanswered until the time of going to press.

Besides Brookfield Asset Management, several other global and domestic institutional investors had shown initial interest in buying the asset. Brookfield has around 50 million sq ft of office space across six cities, and also owns The Leela Hotels and Palaces. Overall, Brookfield Asset Management has over \$22 billion of assets under management across real estate, infrastructure, renewables and

private equity in the country.

Brookfield already has a large presence in BKC through its assets in the Godrej building, which used to be owned by Jet, and it also owns the Equinox Business Park, which it bought from Essar.



IL&FS is monetising its assets with an objective to manage debt obligations. The failure of IL&FS to meet repayment obligations in September 2018 had triggered a liquidity squeeze that gripped India's non-banking finance sector. As part of a clean-up, the government then replaced the IL&FS bo-

ard, which has since been engaged in trying to resolve total debt worth over ₹99,000 crore as of October 2018.

The debt addressed till date (₹55,000 crore) represents over 90% of the overall estimated resolution value. Resolution of remaining ₹6,000 crore debt is expected to be achieved by the end of this financial year subject to necessary regulatory and legal approvals.

The board has already submitted resolutions worth ₹14,000 crore with the courts, of which ₹7,500 crore have been approved and the transaction closures are underway. This overall resolution estimate of 62% is double the average recovery of 31% under IBC. Of the 347 entities under IL&FS Group as of October 2018, 246 entities stand resolved, leaving 101 entities to be resolved as per the plan.