

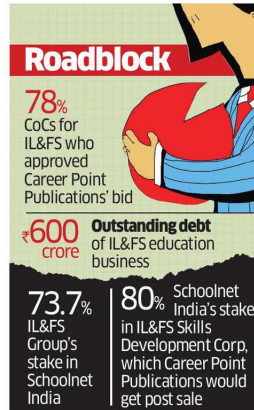
IL&FS Education Arm Sale Hit as Investor Refuses to Sell Stake

LEHL had issued notices in Dec to IL&FS expressing its unwillingness to sell to Career Point

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Mumbai: The sale of Schoolnet India, the education arm of beleaguered infrastructure financier IL&FS, has hit a roadblock after its shareholder Lexington Equity Holdings (LEHL) said it is unwilling to sell its stake to highest bidder Career Point Publications, two people aware of the matter said. LEHL issued three notices in December to IL&FS expressing its unwillingness to sell its stake to Career Point and restricted IL&FS from concluding the sale of the education business.

"Before the public bid process of the education business, a com-



mittee was procured from LEHL for the sale of the education business, but now it doesn't want to go ahead with the sale. The IL&FS board is engaging with them to find an appropriate solution," said one official who is aware of the matter.

In November last year, the com-

mittee of creditors for IL&FS had approved Career Point Publications' bid with more than 78% votes through an e-voting process. As part of the transaction, Career Point Publications was to get 80% ownership in IL&FS Skills Development Corp held by Schoolnet India. The IL&FS education business has outstanding debt of ₹600 crore which is almost equal to the enterprise value of the business.

IL&FS Group holds 73.7% stake in Schoolnet India, which holds 80% stake in IL&FS Skills Development Corp and has two units — IL&FS Cluster Development Initiative Ltd and Skill Training Assessment Management Partners.

A collapse of the transaction would have an impact towards the overall resolution of debt totalling around ₹94,000 crore, which IL&FS owes to various lenders, mutual funds and pensioners. Last year, Uday Kotak who is leading the recovery process at IL&FS had said that he is confident of addressing 50% of the total debt of the group.