

NCLT approves sale of IL&FS stake in Gift city

ENS ECONOMIC BUREAU @ New Delhi

THE National Company Law Tribunal (NCLT) on Wednesday approved the stake sale of IL&FS in Gujarat International Finance Tech-City Company Limited (GIFT City) to the Government of Gujarat for ₹32.7 crore.

The Gujarat International was set up as an equal joint venture between the state government, via Gujarat Urban Development Company Ltd (GURDCL) and IL&FS to develop an integrated township and financial services hub. Last year, the Gujarat government had applied for buying the 50 per cent stake in the joint venture.

The NCLT also waived off all tax and third-party for the Gujarat government. "In view of the relief sought by the applicant, this bench hereby approved that sale of shares of GIFTCL held by IL&FS to Governor of State of Gujarat/Gujarat Urban Development Company Limited shall be free and clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) upon receipt of sale consideration from GURDCL," NCLT said.

The money from sale will be credited into a designated escrow account intimated to the infrastructure lending group.

The Principal bench of



DEBT RESTRUCTURING

- So far, IL&FS has sold off its stake in 7 wind power SPVs
- IL&FS is also looking to monetise nine road assets

NCLT also permitted IL&FS to withdraw a sum of ₹3 crore from the escrow account opened to keep sale consideration for meeting the additional process resolution costs that may arise, after approval by the Board of Directors appointed by the tribunal. "The distribution of the remaining purchase consideration is hereby subjected to further orders of this Bench," it said.

Efforts are being made by the IL&FS Board, overseen by the government and headed by banker Uday Kotak, to resolve a significant portion of its debt by July. In its December AGM, the Board told shareholders that it expects to recover around 50 per cent of the ₹90,000 crore of debt.