

# IL&FS gets NCLT nod to sell stake in GIFT City to Gujarat government

## OUR BUREAU

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Debt-laden IL&FS will sell its entire stake in Gujarat International Finance Tec-City Limited (GIFTCL) to the Gujarat government.

IL&FS has a 50 per cent stake in GIFTCL, which comprises a multi-services Special Economic Zone (SEZ) and International Finance Services Centre (IFSC) totalling approximately 6 lakh square feet.

The Gujarat government has agreed to pay positive equity value of 100 per cent of IL&FS's stake in GIFTCL. This would amount to ₹32.7 crore. Valuation by an independent agency earlier had pegged a negative value to the equity stake. The IL&FS Board had sought a higher value given the dire situation of the company.

NCLT has now given its approval to the stake sale at ₹32.7 crore. Last year, the Gujarat government had indicated a willingness to take over the project. IL&FS Group invited Expressions of Interest (EoI) for real estate space totalling 4.85 lakh sq ft, as it looks to monetise its assets.

## Plans to sell real estate

Plans are also on to sell group-wide real estate assets with an estimated value of around ₹3,500 crore. This includes a mix of commercial and residential premises across Mumbai, Kolkata and Hyderabad, which is held by three IL&FS Group subsidiaries. Earlier, IL&FS had put its 2,880 acres of land banks in the Kutch region up for sale.

These are efforts 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. Kotak assured shareholders that around ₹45,000 crore can be recovered, amid very complex circumstances.

So far, IL&FS has sold off its stake in 7 wind power SPVs for ₹4,300 crore. Further, IL&FS has received a binding bid for its Chinese road asset, which will resolve nearly ₹1,600 crore of debt, with an additional ₹980 crore towards equity for its shareholding in the China asset.

IL&FS is also looking to monetise nine road assets with total debt of more than ₹11,000 crore through an Infrastructure Investment Trust (InvIT) that is being planned.