

IL&FS sells 50% stake in GIFT City

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IL&FS sells stake in GIFT City to pare debt

Tanya Thomas

tanya.t@livemint.com

MUMBAI

Infrastructure Leasing and Financial Services (IL&FS), which has a bad debt burden of over ₹1 trillion, on Monday completed the sale of its 50% stake in Gujarat International Finance Tec-City Co. Ltd (GIFTCL) to the Gujarat government, represented by the Gujarat Urban Development Co., or GUDCL.

IL&FS has received ₹32.71 crore as equity value for the shares. The sale will additionally reduce its consolidated debt by over ₹1,230 crore, IL&FS said in a press release.

The sale was completed fol-

lowing the approval of the principal bench of the National Company Law Tribunal (NCLT) on 22 May. GUDCL, as the joint venture partner and the holder of the remaining 50% in GIFTCL, offered to purchase IL&FS's share through the exercise of a contemplated

right of first refusal under the joint venture agreement.

GIFTCL is a real estate developer, which is currently developing an international financial services city in the

Ahmedabad-Gandhinagar region.

"This development represents another key milestone in the overall resolution for the IL&FS group under the new board," it added.

The sale will reduce the group's dues by over ₹1,230 cr. IL&FS's current debt stands at around ₹1 trillion