

IFIN puts ₹5K-cr corporate loan book up for sale

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IL&FS Financial Services (IFIN), the non-banking financial company arm of Infrastructure Leasing and Financial Services (IL&FS), is looking to sell its external corporate loan book through an auction.

The process of inviting bids will commence next week.

IFIN said in a statement that ₹5,000 crore worth of corporate loans will be sold. The external loan book includes credit to over 70 firms that have turned non-performing assets.



Further, the sale will be an all-cash deal. This is part of the new board's resolution process to address the overall debt burden. IFIN manages ₹18,000 crore in assets, which includes both loans to group entities and external firms.

According to its FY19 annual report, IFIN's loan book stood at ₹12,945 crore, of which 96 per cent was non-performing. Turn to Page 13 ▶

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According to a report presented by the IL&FS board to the National Company Law Appellate Tribunal, gross non-performing assets (NPAs) stood at 97 per cent of overall loans (as of November 2019).

In the affidavit, the board said it had recovered ₹1,380 crore from around 30 third-party borrowers and group firms.

As of September, the new board had resolved debt worth more than ₹19,000 crore, vis-à-vis its target of ₹26,440 crore. The deficit of ₹7,300 crore has been rolled over to subsequent quarters. In the July-September quarter, the board resolved debt to the tune of ₹1,460 crore.

The IL&FS group, led by Uday Kotak, aims to resolve ₹56,300 crore of debt — which is more than 50 per cent of the total debt — against an earlier target of ₹57,240 crore. While ₹50,300 crore is expected to get resolved by March 2021, the remaining ₹6,000 crore will take longer.