

IL&FS Fin to sell ₹5,000-crore external corporate loan book

OUR BUREAU

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IL&FS Financial Services plans to sell its external corporate loan book worth about ₹5,000 crore.

It would be auctioned off through a bid process, and the public process of inviting bids is likely to be started this week.

“The sale of the loans would be on cash consideration,” the company said, adding that it is part of the overall process to reduce the debt of IL&FS.

IL&FS Financial Services, or IFIN, is a wholly-owned subsidiary of IL&FS, and is registered with the Reserve Bank of India as a systemically important, non-deposit accepting non-banking finance company.

The company’s external corporate loan book includes loans to over 70 companies that have become non-performing assets. It has assets



under management of nearly ₹18,000 crore, which involves external and internal loans and investments.

In October, IL&FS reported a ₹7,300-crore shortfall in meeting the target for debt resolution by the second quarter of this fiscal due to challenges arising from the Covid 19 pandemic.

It could address group debt of only ₹1,460 crore in the quarter ended September 30, 2020.

Additional debt

According to its revised targets, it plans to address ₹13,200 crore of additional debt by December.