

IL&FS Arm IFIN Puts Bad Loans Worth ₹5,000 crore on Sale

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Group to seek consolidated bid for entire portfolio of loans to 70 cos IL&FS Arm IFIN Puts Bad Loans Worth ₹5k-cr on Sale

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Mumbai: IL&FS's financial services arm IFIN has put NPA accounts of Essar Shipping, Reliance Naval & Engineering, Unitech, Parsvnath Developers, Ansal API among others on the block. These are among corporate loans of 70 companies worth ₹5,000 crore that have been put on the block and will be put through a bid process.

The deal will be on cash consideration basis with the beleaguered group seeking one consolidated bid for the entire portfolio. Applicants have to submit binding bids by next month.

IL&FS Financial Services (IFIN) is owed a principal of ₹209 crore from Unitech, ₹174 crore from Parsvnath Developers, ₹135 crore from Ansal Group, ₹25 crore from Essar Shipping and ₹5 crore from Reliance Naval.

IFIN has assets under management of ₹18,000 crore, which is a mix

On the Block

Essar Shipping, Reliance Naval & Engineering, Unitech, Parsvnath Developers, Ansal API among NPA accounts put on block

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of external and internal loans and investments. A bulk of these loans have become bad.

Meanwhile, IL&FS Financial Services returned to black with profit of ₹188 crore at the end of March 2020 against a loss of ₹13,274 crore in

the same period a year earlier.

Total revenue from operations was ₹374 crore as compared to ₹275 crore reported a year ago.

IL&FS also made recovery for bad loans leading to write-back of provisions worth ₹163 crore. Though owing to the pandemic it had to consider additional impairment for loans outstanding as on March 31, 2020 totalling ₹195.23 crore.

IL&FS Group had net liabilities of ₹16,667 crore as on March 31, 2020, and is in breach of its conditions for holding a certificate of registration as an NBFC. The company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed, IL&FS said.

There has been a resolution process run by the government-appointed IL&FS board of directors since October 2018 and the team aims to recover more than ₹55,000 crore out of the ₹1 lakh crore owed to creditors.