

IL&FS Fin to sell bad loans worth ₹4k cr

TIMES NEWS NETWORK

Mumbai: IL&FS Financial Services, an arm of IL&FS, has put on the block Rs 4,297 crore of loans that have been classified as non-performing assets. The finance company has said that the 62 loans will be sold all together for an upfront cash payment. Interested parties have been given until October 19 to submit a binding bid.

Last week, the RBI allowed lenders to sell even those loan accounts that have been classified as fraudulent. The loans that IL&FS is trying to sell are those advanced to third-parties that are not part of the group. The financial services arm has also advanced loans to group companies which are non-performing.

According to sources, the scope of recovery in these loans is limited. In July the board had said that it expects to recover Rs 58,000 crore or 95% of the recovery target by March 2022. The group's overall debt stood at Rs 99,000 crore as of October 2018, of which it expects to recover Rs 61,000 crore.