

IOC planning to acquire IL&FS' Paradip water supply project

NEW DELHI: State-owned Indian Oil Corporation (IOC) is exploring the option to acquire IL&FS Paradip Refinery Water Ltd, the crisis-hit IL&FS has said in an affidavit filed before the insolvency appellate tribunal NCLAT.

However, the Uday Kotak-led board has not shared any financial details while updating the tribunal on the progress of the group's resolution process.

IL&FS Paradip Refinery Water Limited (IPRWL) was set up to meet the entire water requirement of the 15 MTPA Paradip Refinery Project developed by IOC in Odisha.

The project transports about 100 MLD water from upstream of Zobra barrage over Mahanadi river to the Paradip refinery.

Earlier, IL&FS was holding a Swiss challenge bidding process and North Haven India Infrastructure Fund (NHIIF), an India-focused infrastructure fund managed by Morgan Stanley Investment Management, had evinced interest but later withdrew, citing delay.

"Subsequently Indian Oil Corporation has confirmed it is exploring the options of acquiring IPRWL on a bilateral basis as proposed by Respondent No 1 (IL&FS), subject to the internal approvals and selection of suitable and maintenance partner,"



the affidavit said.

Under the Swiss challenge system, which is now used by various government departments for tenders, lower bidders are given chance to match the highest bidder. If the bid is matched, the highest bidder is asked to improve its offer.

IL&FS group, in its 209-page affidavit before the National Company Law Appellate Tribunal (NCLAT), has said it will resolve Rs 55,000 crore debt by March 2022 through asset monetisation, restructuring and insolvency proceeding initiatives. In the affidavit, IL&FS has submitted a list of 24 companies which "are currently in the process of being closed /wound up" after obtaining requisite approvals. It is going to file for closure of five IL&F group entities before the National Company Law Tribunal (NLCT) before March 31, 2022.

The entities are — Assam Power Project Development Company, IL&FS Solar Power, Patiala Bio Power Co, Vansh Nimay Infraprojects and Seal-

and Warehouse.

For nine IL&FS companies, the closure process was initiated prior to appointment of the new board, and they "have been closed/wound up".

They include — Dighi Port, IL&FS Capital Advisors, M P Toll Roads, IL&FS Broking Services, Jharkhand e-Governance Solutions & Service, Infrastructure Development Corporation of Assam, Badarpur Tollway Operations Management, Capacity Swap Linkages and IL&FS Portfolio Management Services.

The NCLAT had on March 12, 2020, approved a distribution framework based on "pro-rata distribution" among creditors of debt-ridden IL&FS group from the proceeds of the sale, as suggested by the government. In September 2021, the government had extended Uday Kotak's term as IL&FS chairman by six months.

Kotak, MD and CEO of Kotak Mahindra Bank, was appointed by the government in 2018 to help the crisis-ridden IL&FS come out of its mess. As per the roadmap for IL&FS, which has a total debt of over Rs 90,000 crore, its group firms have been classified into three categories — green, amber and red — based on their respective financial positions. PTI