

IFIN Lenders Reject UVARCL's ₹370 cr Offer



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IL&FS Fin Lenders Reject UVARC's ₹370-crore Offer

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Mumbai: The committee of creditors (CoC) of IL&FS Financial Services, has rejected the offer of UV Asset Reconstruction Company (UVARC) to buy the former's assets. UVARC had offered to pay ₹370 crore for the ₹4,300-crore loan book. The CoC has communicated to the IFIN management that it should try to recover loans on its own rather than selling them to an ARC.

A spokesman for IL&FS confirmed the development.

"The last day for the said COC approvals was February 15, 2022. IL&FS decided not to extend the voting timeline further," he said. "Until February 15, the required percentage of CoC approval was not achieved."

As per the affidavit submitted in the NCLAT by IL&FS, from October 1, 2018 to November 30, 2021, IFIN has been able to recover funds from over 30 borrowers amounting to ₹2,343 crore. The GNPA of the non-bank lender stands at 99% of

Story So Far

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its total loan exposure.

"The haircut for lenders in this case was more than 91%. It made more sense to let the current board continue with its recovery process rather than let another asset reconstruction company come in and give banks a pittance," said a lender in-

involved in the process. "Now banks have asked the company to pursue its resolution process."

ET had last year reported that UVARC had piped ARCIL by offering ₹370 crore in an all-cash transaction to take over ₹4,300 crore of loans at a 91% haircut from IFIN. ARCIL bid was way lower at ₹275 crore.

IFIN's loan portfolio consists of loans to builders and some infrastructure loans given to group companies. When IL&FS collapsed in 2018, the total assets under management (AUM) with IFIN were about ₹18,000 crore. The Uday Kotak-led IL&FS board is trying to resolve debt to over ₹99,000 crore. The board has estimated overall debt resolution of ₹61,00 crore.

Of this, debt of ₹20,500 crore has already been resolved through monetisation, ₹4,000 crore by way of debt discharged and ₹21,350 crore in cash available across companies and In-vit unit (Infrastructure Investment Trust) due to be issued. The debt is being resolved through asset monetisation, restructuring and insolvency proceeding initiatives.