

IL&FS Can Sell 51% in Wind Units to Japanese Investor

NCLT asks company to deposit proceeds in an interest-bearing account for now

Maulik.Vyas@timesgroup.com

Mumbai: A bankruptcy court has approved the sale of the wind energy assets of IL&FS to Japan's Orix Corp, one of the original investors in the cash-strapped infrastructure financier. It is the first step in a restructuring process involving sale of assets that have demand externally.

On Wednesday, the Mumbai bench of the National Company Law Tribunal (NCLT) allowed the government-appointed board's plea for the sale of IL&FS' balance 51% stake in seven wind energy units to Orix. The Japanese company already owns a 49% stake in each of those units.

The NCLT division bench was presided over by judicial member VP Singh. The technical member was Rajesh Sharma. "The company should deposit the fund from the asset sale in an interest bearing account until further orders," said the tribunal. "The amount should not be used for any other purpose."

Last month, NCLAT had approved the proposed sale of IL&FS' wind power assets. The units are held under IL&FS Wind Energy Ltd (IWEL).

Orix had decided to match the offer of the highest bidder, of approximately ₹4,800 crore for 100% of enterprise value, meaning no haircut to the debt of the SPVs, aggregating to about ₹3,700 crore, IL&FS said in a statement during the announcement of the sale.

The assets include a controlling stake in the wind power genera-

Up for Grabs

49% Stake Orix already owns in the wind units

₹91,000 cr
Total Debt of IL&FS

Wind units being sold: Lalpur Wind Energy, Etesian Urja, Khandke Wind Energy, Retadi Wind Power, Wind Urja India, Tadas Wind Energy and Kaze Energy

ting plants with an aggregate capacity of 873.5 MW and those under construction with a combined capacity of 104 MW. The company also owns solar power plants, and projects under development of about 300 MW are also up for sale.

The sale will lead to the resolution of the following companies of the IL&FS Group - Lalpur Wind Energy Private, Etesian Urja, Khandke Wind Energy Private, Retadi Wind Power, Wind Urja India Private, Tadas Wind Energy Private and Kaze Energy Limited.

The subsidiaries are part of the resolution plans for IL&FS Group. Boutique investment banking firm Arpwood Capital and JM Financial are the financial and transaction advisors, while Alvarez & Marsal is the resolution consultant.

The IL&FS group submitted a progress report to courts categorising assets into three categories; red, green and amber. IL&FS has been looking to sell stakes in subsidiaries and pare its debt. The company has debt of ₹91,000 crore.