

IL&FS gets offer for back office services subsidiary CPG BPM

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Infrastructure Leasing and Financial Services Ltd (IL&FS) has received an unsolicited offer from a potential investor to acquire a 59.18% stake in its process management and back office services arm CPG BPM Services Pvt. Ltd.

Following the offer, the bankrupt infrastructure developer on Monday announced that it is seeking expressions of interest (EOIs) for the stake—an effort to attract more bidders and receive a robust valuation.

“CPG has been approached by an interested party who has submitted a binding offer for the acquisition of 59.18% of the issued, subscribed and paid up equity shares of CPG,” IL&FS said in a notification on its website. The remaining stake is held by M.R. Srinivasan and Latha Srinivasan, founding promoters with experience in the BPO business.

Founded in 2010, CPG’s expertise lies in providing KYC (know your customer) and anti-money laundering services, and it has digitized 36 million documents so far. It also provides cash management services, customer on-boarding, and other services for broking and telecom firms and processes insurance claim data entry, import payments and credit cards data.

The Bengaluru-based firm has about 450 employees and counts SBI Card, Bank of America, Zerodha, JP Morgan and LIC Housing Finance as its clients.

Interested bidders can submit their offers by 22 Novem-



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ber. The company has set a net worth eligibility criteria of ₹1,000 crore for strategic investors, while for financial investors, the eligibility criteria is assets under management of ₹4,000 crore as of 31 March.

CPG is another asset that the new board of IL&FS, chaired by billionaire banker Uday Kotak, is looking to divest as part of a resolution process. The new board was appointed by the corporate affairs ministry on 4 October 2018 to

resolve the IL&FS crisis after the financial behemoth defaulted on debt repayments.

IL&FS group owes nearly ₹94,216 to its creditors, of which ₹57,000

crore is owed to banks alone, mainly public sector lenders.

Mint reported on 1 October, that the Uday Kotak-led board expects to recover and resolve more than half of the outstanding debt of ₹94,216 crore that IL&FS owes its lenders. Given the several challenges to saving IL&FS from the brink of bankruptcy, he hopes to complete the bulk of the resolution process in six months through March 2020, Kotak said.