

# IL&FS sells education biz to Kota co Career Point

## Troubled Infra Financier's Creditors Approve Deal In E-Vote

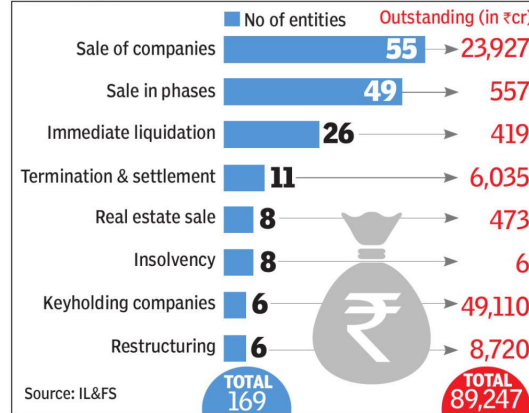
TIMES NEWS NETWORK

**Mumbai:** Lenders to the troubled IL&FS have approved the sale of its education business Schoolnet India to Career Point Publications. Headquartered in Kota, Rajasthan, and founded in 1993, Career Point publishes across a range of pre-medical and engineering subjects.

The financial bid of Career Point was approved by more than 78% of IL&FS' creditors (by value) through an e-voting process that concluded on November 5. The lenders were represented by the committee of creditors, which included all the financial creditors to IL&FS Ltd — the holding company for the group.

The company has not revealed the size of the deal. However, sources said that the enterprise value of the education business has been pegged at around Rs 630 crore, which is close to the outstanding debt of the education bu-

### DOMESTIC DEBT RESOLUTION PLAN



siness. After covering the debt obligations, the group received a small amount towards equity. Incidentally, the debt will be more than twice Career Point's market cap of Rs 237 crore.

Last month, IL&FS chair-

man Uday Kotak had said that the board is confident of addressing 50% of the Rs 94,000 crore of debt of the group. The transaction for the education business is the second major one after the group concluded the sale of its

wind energy assets to Orix of Japan. The wind energy sale resulted in a debt reduction of Rs 3,700 crore.

IL&FS holds 73.70% stake in Schoolnet India (SIL, formerly known as IL&FS Education & Technology Service). SIL, in turn, holds 80% stake in IL&FS Skill Development Corporation (ISDC) and also has two subsidiaries — IL&FS Cluster Development Initiative (ICDI) and Skill Training Assessment Management Partners (STAMP).

Career Point made a binding offer whereby it shall assume responsibility for all the debt of SIL and ISDC, in addition to paying a certain amount towards purchase of SIL's equity. As part of this transaction, Career Point will also get ownership of 80% stake in ISDC held by SIL. Career Point also made a binding offer to purchase the businesses of the two other subsidiaries of SIL — ICDI and STAMP — for an additional consideration.