

IL&FS puts 36 luxe cars up for sale

TIMES NEWS NETWORK

Mumbai: IL&FS has put on the block 36 high-end cars — from manufacturers such as Audi, BMW, Mercedes Benz and Jaguar — that were used by senior executives of IL&FS group companies. The fleet has been valued at close to Rs 9 crore and are in Mumbai and Delhi.

The fleet is a part of 72 luxury cars that the group plans to sell. For the first lot of 36 cars, the last date for submis-

sion of bids is December 18.

The most expensive cars in the fleet are a pair of year-old Mercedes Benz GLS 350Ds, which have a reserve price of Rs 54 lakh and Rs 51 lakh. The

**VALUED AT
₹9 CRORE**

average value of the cars is over Rs 24 lakh. Most vehicles are less than three years old with several of them purchased in 2017. Of the 36 cars, 12 are

owned by parent IL&FS, seven by IL&FS Transportation Networks and six by IL&FS Financial Services. IL&FS Rail and IL&FS Energy own three cars each, while IL&FS Technologies owns two. IL&FS Education, IL&FS Maritime Infrastructure and IL&FS Wind Power own one each.

Besides cars, the group is selling furniture in its various guesthouses where the new management has decided to give up the lease.

The new board has said that it will halve its wage bill by reducing group strength by over 60%. It has announced a 10% salary cut for everyone earning more than Rs 50 lakh and above and terminated the contracts of those who had been retained after retirement as consultants.

Meanwhile, lenders to IL&FS have sought relief from classifying their loans to the beleaguered infrastructure financier as an NPA.

IL&FS car sale drives a point: Firm's love for luxury

JASH KRIPLANI
Mumbai, 13 December

Executives of the Infrastructure Leasing & Financial Services (IL&FS) group drove in luxury class till recently if the registration dates of these cars are an indication.

Of the 36 premium luxury cars the group is trying to sell, nine were registered in 2017 and 2018. As recently as June 2018, the group registered BMW X1 S DRIVE 20 D. The premium SUV, which could cost around ₹3.8 million, was registered in the name of IL&FS Rail.

The premium collection of the group includes Mercedes Benz GLS — an S-Class SUV — which costs anywhere between ₹8.2 million and ₹15.6 million, depending upon the variant. The car was registered in July 2017 with IL&FS Transportation Networks as its owner. The group is now looking to off-load this priced possession with the base price pegged at ₹5.4 million.

As these cars were being bought, the group's financial health continued to deteriorate under a ballooning debt

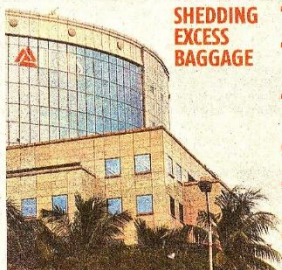
burden. Between FY17 and FY18, the group's debt-pile rose from ₹800 billion to ₹910 billion.

While how much of this debt was used for these luxurious preferences is uncertain, the government is probing how the cash flows were allocated within the group's 301 subsidiaries.

"IL&FS and IL&FS Financial Services kept raising funds on the basis of bogus and fictitious but good credit ratings and this short-term loans were passed to subsidiaries, joint ventures and special purpose vehicles to help service their debts," Sanjay Shrorey, joint legal director in the ministry of corporate affairs, reportedly said at the National Company Law Tribunal (NCLT) as the government sought attachment of properties of additional directors of IL&FS.

The impressive line-up of cars that are being put on sale includes six BMWs, four Mercedes-Benz, two Jaguars, one Lexus and a Land Rover. The remaining cars are from manufacturers such as Skoda, Audi, Toyota, Honda and Volvo.

Those looking to pick up the luxury offerings of the IL&FS would have to



SHEDDING EXCESS BAGGAGE

- IL&FS exploring all avenues of cutting its costs
- The group is looking to terminate guest houses leased by group companies
- Seeking to sell fitness equipment, furniture at its premises
- Group is looking to sell 36 luxury cars in this round
- Weighing options to cut wage bill and reduce manpower
- Also, seeking buyers for its operational assets

shell out anywhere between ₹259,000 and ₹5.4 million — the broad range of base prices the IL&FS has quoted. The group could at least fetch ₹88 million from this sale if buyers match the base prices at which the bidding can start.

According to the sources, the group has put 20 of its cars for inspection near

its BKC office in Mumbai, while the remaining will be at Gurugram.

The new board of IL&FS — chaired by Uday Kotak — is looking at cost-cutting measures to improve the liquidity situation of the group. Besides monetising some of the group's operating assets, the board is also

looking at ways it can cut its wage bill and bring down the manpower.

The group has also lined up sale of fitness equipment, furniture and white goods under its ownership. The documents reviewed by Business Standard show that the group is selling items from its Turner Heights in Bandra West, Jasmine Apartments in Bandra East and a flat in New Town, Kolkata.

The list of items being sold includes two treadmills. The office equipment and furniture include chairs, sofas, sofa set, bed and tables. The white goods include refrigerators, air conditioners, LED and LCD television, microwave, air conditioners and washing machines.

In all, there are 61 such items being put on sale. The total value that the group is seeking from these sales could not be ascertained.

The government in October appointed the new board to check the contagion risk from the IL&FS default. Most of the financial intermediaries such as banks, insurers and mutual funds have direct or indirect exposure to the troubled group.