

## IL&FS to initiate NCLT process to recover ₹187 cr from ex-directors

**PIONEER NEWS SERVICE**  
■ New Delhi

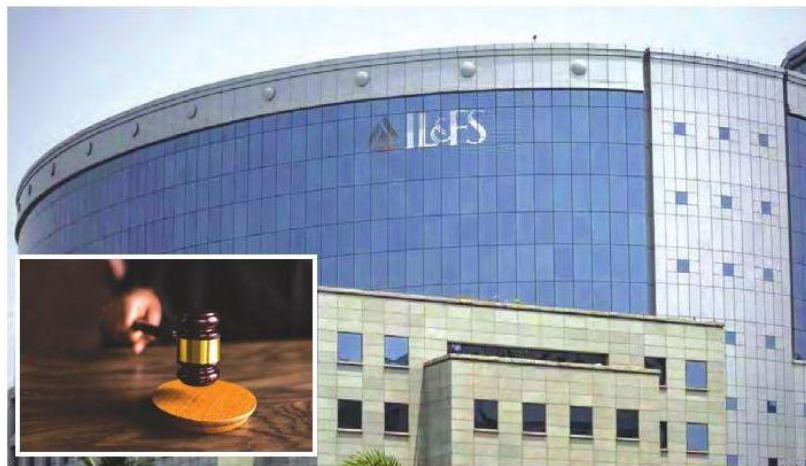
The IL&FS Group will initiate before insolvency tribunal NCLT the process to recover ₹187 crore excess remuneration paid to its former directors and two subsidiaries, who have refused to return the excess managerial remuneration, according to the latest affidavit filed by the debt-ridden firm before NCLAT.

Moreover, IL&FS is also going to reopen the financial statements for 2018-19 and 2019-20. It has received approval from NCLT for incorporating impacts arising from the recast financial statements.

"Such revised financial statements for FY 2018-19 have been prepared and are being audited by statutory auditors appointed by NCLT. The revised financial statements will be finalised before the end of 31st December 2025," the IL&FS Group said.

Last year, books of accounts and financial statements of IL&FS and its two subsidiaries — IFIN and ITNL — were recast on the directions of the National Company Law Tribunal (NCLT) for five years — FY 2013-14 to FY 2017-18 and a loss of around ₹9,600 crore was found.

Based on this, IL&FS is in



the process of recovering ₹187 crore from the directors and independent directors of the previous board, during whose tenure the company and its two subsidiaries — IFIN and ITNL — were shown in profit of ₹1,869 crore, through financial engineering, though they were in loss.

"IL&FS is now in process of filing an application with the NCLT for recovery of excess managerial remuneration from its erstwhile whole-time directors and is in the process of finalising the next steps with respect to pursuing recovery from the erstwhile Independent Directors in accordance with guidance received from its legal advisors," according to

the latest affidavit filed before the National Company Law Appellate Tribunal. IL&FS said it will file an application before the NCLT against the erstwhile whole-time directors, who owe nearly 90 per cent of the total dues, and also seek recovery from independent directors of these three companies.

In pursuance of the audited re-casted financial statements of 2013-14 to 2017-18, three IL&FS entities had already issued notices.

IL&FS has issued 10 letters dated August 13, 2024, IFIN has issued 12 letters dated August 14, 2024 and ITNL sent 12 letters dated August 14, 2024, to their respective erstwhile directors seeking

recovery of about ₹187.02 crore as excess monies/remuneration paid to them. In this, two independent directors, each from IL&FS and ITNL, have voluntarily repaid the amounts sought, without admitting liability, while the rest are contesting the demand, according to industry observers. Moreover, its former executive and whole-time directors have responded stating, among other things, that the provisions of sections 197 and 198 and part II of Schedule V are not applicable to them.

Several other key independent directors who were on the boards of IL&FS and two step-down units are RC Bhargava, Rina Kamath, SB

Mathur, among others.

Section 199 of the Companies Act has provisions for recovery by the company in case of fraud or non-compliance from management. These submissions form part of the affidavit filed by IL&FS to NCLAT, updating its resolution status every six months.

In the latest affidavit, the IL&FS Group said it has discharged ₹48,463 crore to its creditors as of September 2025. This is 7.02 per cent higher than ₹45,281 crore, the amount of debt that stood resolved from its last status report in March 2025.

IL&FS has maintained the target of ₹61,000 crore from the overall debt resolution of its assets, "which aggregates to approximately 61.39 per cent of the total external debt outstanding of ₹99,355 crore", it said.

At the time of the crisis, the IL&FS Group comprised 302 entities as of October 15, 2018 in which 169 entities are/were domestic group entities, while the remaining were offshore group entities.

IL&FS Group, as of October 8, 2018, had availed aggregate external fund-based debt of ₹94,215 crore, of the total external debt outstanding of ₹99,355 crore. Of this, ₹48,000 crore (almost 51 per cent) was availed by four key holding companies IL&FS, IFIN, ITNL and IEDCL.