

## Kotak says hopeful of 50%-plus recovery at debt-ridden IL&FS

**ENSECONOMIC BUREAU**  
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A YEAR after the board of Infrastructure Leasing and Financial Services (IL&FS) was superseded following a series of defaults, Chairman of the new board, Uday Kotak, on Tuesday said the bankrupt infra lender would be able to recover or restructure over 50 per cent of the liabilities. The government has also allowed Kotak, who is also Kotak Mahindra Bank Vice-Chairman and Managing Director, to continue as the head of crisis-ridden IL&FS for one more year.

"We should be able to recover, restructure or resolve 50 per cent... which is what we think now. We are quite confident that we should cross the 50 per cent mark based on our best judgement," Kotak said while listing the progress achieved in the past one year after the IL&FS board was superseded and the new board led by Kotak was appointed by the government.

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**UDAY KOTAK,**  
NON-EXECUTIVE CHAIRMAN, IL&FS

"For roads where we felt the bids were lower than we would like and for roads for which we have not received any bids, and completed, we are seriously considering InvITs (infrastructure investment trusts)," Kotak said in a press conference. "We believe InvIT is a great way for lender to get value protected, especially for completed roads."

The total external borrowings of IL&FS were Rs 94,216 crore. This include IL&FS Rs 18,053 crore, five key holding companies (IFIN, ITNL, IEDCL, IMICIL and ITUAL) Rs 31,058 crore and operating level Rs 45,105 crore. The total debt getting addressed till date

amounted to Rs 36,400 crore. The new board has navigated through complexity and developed resolution plan for all 302 entities, he said.

The debt-ridden company has identified resolution plan for all 302 entities. They include 169 domestic and 133 international firms, IL&FS said.

IL&FS said three entities with total debt of Rs 5,100 crore have been successfully restructured. It's continuing engagement with financial creditors based on feasibility. Discussions ongoing on restructuring ITPCL (debt Rs 8,000 crore) are at advanced stage. Discussions for three other entities (debt Rs 2,400 crore) are in progress, it said. Sale of real estate assets with an estimated value of Rs 3,000-3,500 crore is in progress, IL&FS said.

IL&FS said it's expediting recovery of loans made to non-ILFS group entities. "Costs are rationalised. Wage bill has been reduced by 45 per cent. Office space also consolidated. IL&FS had 25 board meetings in the past one year," it said in a note.