

# **IL&FS: Media Briefing**

20 Jul 2020

## Where it started and what did we do ?

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- The New Board had to navigate through complex issues post taking charge on Oct 4, 2018:
  - **347** entities - **172** domestic, **175** foreign
  - **99,000+ Cr debt** (funded and non funded) with high leverage
  - Multiple business verticals, 4 layered structure, numerous jurisdictions
  - **Significant intra-group exposure** with risks not commensurate with revenue streams
- **42 board meetings held** since Oct 2018 - governance and vigorous oversight of resolution process
- Developed **unique “Group resolution framework”** - **approved by NCLAT on Mar 12, 2020**
  - Balanced interests of varied stakeholders, adopting IBC & corporate finance principles
  - 3 pronged strategy - **Resolution, Recovery, Restructuring**
  - Oversight by **retired Supreme Court Judge**
- Implemented **stringent liquidity management** measures
- Supporting numerous **ongoing investigations, forensic audits, recasting of accounts etc.**
- **Creditor engagement** – **30+** meeting of relevant creditors committee meetings till date
- **Reduced** administrative and overhead expenses by **~48%** from FY18 levels

## Multiple resolution modes for INR 99,000+ Cr debt

Resolution Mode	Domestic entities	External debt (INR Cr) <sup>(1)</sup>	Offshore entities	External debt (INR Cr) <sup>(1)</sup>
Resolved / Sold / Insolvency / Liquidation <sup>(2)</sup>	23	4,821	48	1,048 <sup>(2)</sup>
Entity monetization/stake sale	47	13,531	10	2,866
InvIT (Road assets)	13	9,042	---	---
Real estate monetization	8	473	---	---
Debt restructuring	3	9,382	5	---
Termination of projects <sup>(3)</sup>	11	6,035	2	96
Identified for winding up	61	278	9	310
Insolvency filed; pending admission (Elsamex Spain)	-	-	100	-
Key holding companies	6	50,824	1	649
<b>Total (Domestic)</b>	<b>172</b>	<b>94,385</b>	<b>175</b>	<b>4,970</b>

### Notes:

- (1) Includes both fund-based and non fund-based debt; External debt as on Oct 8, 2018 and Internal debt as on Sep 30, 2018
- (2) Entities admitted under insolvency process in different jurisdictions under control of liquidators/ resolution professionals from date of appointment
- (3) INR 400 Cr received in 2 roads; NHAI settlement of INR 2,000+ Cr in-principle approved in 3 roads

# INR 17,640 Cr debt addressed till Jun-20

All figures in INR Crores

	Particulars	Fund based	Non Fund based	Total
(A)	Total External Debt O/s (Oct 8, 2018)	94,216	5,139	99,355
(B)	Debt Addressed	7,454	1,556	9,010
	Entities sold	4,821	-	4,821
	Principal paid in "Green" entities	1,028	-	1,028
	Debt discharged in "Non-Green" (1)	1,605	-	1,605
	NFB limits released	-	1,556	1,556
(C)	Available Cash Balance (Jun 30, 2020)	8,630	-	8,630
(B) + (C)	Debt addressed based on cash balance (Jun 30, 2020)	16,084	1,556	17,640
	<i>% addressed</i>			18%

## Notes:

- (1) All debt discharged in non-green entities (on account of banks debiting accounts) considered as principal paid
- (2) The number of entities have been reduced from 347 to 276 as on 30 June 2020

## ~INR 50,500 Cr debt addressal expected by Mar-21

All figures in INR Crores

Resolution Mode	By Sep-20	By Dec-20	By Mar-21	Beyond Mar-21	Total
Entity Sale	2,900	9,100	650	850	13,500
InvIT	-	7,200	4,000	-	11,200
Claim from concession authorities / pre-payment etc	1,600	1,500	-	2,500	5,600
Real Estate Sale	-	-	900	1,200	2,100
Restructuring of Debt	4,300	-	-	650	4,950
Recovery of loans and investments to non ILFS cos	-	200	600	1,450	2,250
<b>Total</b>	<b>8,800</b>	<b>18,000</b>	<b>6,150</b>	<b>6,650</b>	<b>39,600</b>
<b>Cumulative</b>	<b>26,440</b>	<b>44,440</b>	<b>50,590</b>	<b>57,240</b>	<b>57,240</b>

<b># Entities resolved</b>	<b>33</b>	<b>155</b>	<b>26</b>	<b>62</b>	<b>276</b>
<b>Cumulative resolved</b>	<b>104</b>	<b>259</b>	<b>285</b>	<b>347</b>	<b>347</b>
<b>Entities pending</b>	<b>243</b>	<b>88</b>	<b>62</b>	<b>-</b>	<b>-</b>

### Notes:

- (1) Resolved entities include entities admitted under insolvency in different jurisdictions
- (2) Indicated timeline is contingent on the procedural time under applicable laws

## Where do we stand ?

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- **INR 50,500 Cr (~ 50%)** debt expected to be addressed by **Mar-21**; overall debt addressal estimated between INR 55,000 – 60,000 Cr
  - **~INR 17,640** of debt addressed as of Jun 30, 2020 - including cash balance of INR 8,630 Cr
    - Sale concluded for **11** entities with debt of **INR 4,800+ Cr**; additional Equity consideration of **INR 625 Cr** received
    - Recovered **~INR 1,360 Cr** from loans and investments to non-IL&FS Group entities
    - **~INR 2,600 Cr** of principal repaid
  - Sale of **15** entities in advanced stages with resolution of **~INR 8,500+ Cr** <sup>[1]</sup>; **12** approved by CoCs
  - One of the largest **InvITs** with target gross value of **~INR 13,000 Cr** <sup>[1]</sup> being set-up. Includes 3 SPVS where debt of **INR 5000+ Cr** has been **restructured**
  - Debt restructuring in progress for **INR 4,900+ Cr**
  - Termination & claims settlements: **INR 400 Cr** received, **INR 2,000+ Cr** in-principle approved by NHAI
- Expected recovery of IL&FS Group debt significantly **higher than average recovery under IBC** <sup>[2]</sup>
- Number of entities reduced from 347 to 276; expected to reduce to **~60** by **Mar-21**
- **Ensured preservation of key national assets** like roads, power plant etc.

<sup>1</sup> Includes cash balance in these entities

<sup>2</sup> Insolvency and Bankruptcy Board of India (IBBI) newsletter

**THANK YOU**