

IL&FS raises target, looks to recover ₹57k cr from assets

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Mumbai: The government-appointed board of failed finance and infrastructure group IL&FS has said that it now expects to recover more than it earlier estimated from the resolution of assets. In October 2019, IL&FS board chairman Uday Kotak had said that the management expects to recover and resolve around half the outstanding debt of Rs 99,000 crore. As against this, the board now projects to address Rs 57,000 crore of debt.

This is good news for the creditors of the IL&FS group companies. Given that it has been nearly two years since the group defaulted, creditors have already pro-

vided for a significant portion of their exposure. Any recovery in excess of the unprovided amount will add to their bottom line.

The board said that until June 30, 2020, debt of Rs 17,640 crore, representing 18% of total, had been addressed. This has been through a combina-

**₹18K-CR DEBT
ADDRESSED**

tion of sale of companies, debt repayment by companies that are generating a positive return and utilising cash balances across the group. According to the presentation made by the board, an additional debt of Rs 8,800 crore would be addressed by September 2020, Rs 18,000 crore by De-

cember 2020 and Rs 6,000 crore by March 2021. Additional recoveries of Rs 6,600 crore would be made in the next fiscal.

The recoveries would have been faster and probably more had it not been for Covid-19. The other area where the recovery was impacted was real estate. "We have seen delays in addressing the real estate pieces on which we would otherwise have moved faster," Kotak said. The Covid-19 impact would also be felt in recovering loans made by IL&FS Financial Services. The economic crisis has drastically reduced the chances of the finance company recovering from its borrowers. "We have virtually got zero recoveries on some of those large loans," Kotak said.