

# 'Confident of achieving debt resolution numbers'

**Edited excerpts from an email interview with CS Rajan, managing director, IL&FS:**

## **What are the new challenges for the board?**

With respect to the sale process, running multiple processes simultaneously, onerous commercial arrangements with counterparties and the weak external environment have posed challenges. Unexpected lockdown extensions in different parts of the country also impact smooth functioning with regards to external and internal functioning, approval processes and timelines. Some challenges are being faced in realising faster settlement of receivables, due to the IL&FS Group, for the work done. However, we are confident of meeting our stated aggregate debt resolution numbers in these times.

## **How has the strategy of the board/management changed due to the new challenges?**

The strategy remains the same except that we are now in the position to conclude transactions, with the NCLAT approving the resolution framework and equipping the board with necessary enabling legal powers to take definitive decisions and resolve overall debt.

**One year back, 65-odd companies were categorised in the green and amber (debt of around ₹27,000 crore) due to their ability to fully or partially service their debt. Have these**

## **numbers changed in the current circumstances?**

The previous numbers of 65 companies were based on a one-year solvency test carried out for the testing period of January 1, 2019, to December 31, 2019. Thereafter, few companies were sold, liquidated and few changed categories, based on a fresh solvency test conducted for the period covering January 1, 2020, to December 31, 2020. The revised numbers comprise around 50 green and amber entities with nearly ₹19,500 crore of external fund-based debt.

## **Do you expect to meet the revised deadlines for the sale of assets and debt resolution?**

IL&FS remains deeply committed to the roadmap put out by the board. As long as the underlying regulatory, judicial and approval processes are available to us, we are confident of meeting the aggregate debt resolution numbers in the announced timelines.

