

IL&FS board addresses ₹32K cr of debt by Dec

Gets all approvals for InvIT, which will be launched soon

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The board of Infrastructure Leasing & Financial Services (IL&FS) on Friday said it had addressed nearly ₹32,000 crore of the group's aggregate debt pile of nearly ₹1 trillion by the end of the December quarter (Q3) of FY21.

The board has also received the necessary approvals for its infrastructure investment trust (InvIT), which targets to resolve approximately ₹13,000 crore of debt, and plans to launch it soon. It has got the Securities and Exchange Board of India (Sebi) registration certificate, approval from the committee of creditors of IL&FS Transportation Networks (ITNL) for transfer of phase-I assets, and green channel notification for Competition Commission of India (CCI) approval for the InvIT.

Last June, the board had laid down a road map to resolve a little over ₹56,000 crore of the group's aggregate debt by FY22. By addressing ₹32,000 crore worth of debt, the group has taken care of nearly 57 per cent of its targeted recovery value of ₹56,000 crore. The board maintained its target of addressing the rest of the debt by FY22.

Of the ₹32,000 crore worth of debt addressed, ₹21,600 crore was based on cash balance and approximately ₹10,300 crore was the net recovery expected based on resolution and restructuring applications filed in the bankruptcy tribunal and the appellate tribunal, approvals for which are awaited.

Since September, debt



addressed based on cash balance increased by ₹2,500 crore due to receipt of settlement amount by IL&FS Solar Power to the tune of ₹780 crore, receipt of ₹1,190 crore as tariff payments by IL&FS Tamil Nadu Power, and recovery of ₹300 crore in IL&FS

financial services (IFIN) from borrowers outside the group.

As of Q2, debt addressed by the new board and the management was ₹19,000 crore,

against the target of ₹26,440 crore. The shortfall of ₹7,300 crore was rolled over to subsequent quarters.

The delay was mainly on account of the Covid-19 pandemic, which added time and logistical complexities in the process of completing discussions with stakeholders and in obtaining approvals from lenders, regulators, and judicial authorities, the

board said.

The resolution and recovery applications filed with the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT) have gross resolution value of ₹14,400 crore.

This includes three road assets to the tune of ₹7,550 crore, restructuring of IL&FS Tamil Nadu Power for approximately ₹4,990 crore, and ₹1,370 crore towards the settlement of amount to be received by Kiratpur Ner Chowk Expressway and Fagne Songarh Expressway pursuant to the termination of relevant concession agreements.

Since October, the new board has been successful in obtaining a host of things that aided the recovery process of the beleaguered company — such as completing the bidding process for IL&FS group's stake in ONGC Tripura Power Company with an aggregate recovery value of over ₹3,800 crore, completing the sale of CPG BPM, and launching the sale process of IFIN's external non-performing loan portfolio of around ₹4,700 crore.

Last June, the board had laid down a road map to resolve a little over ₹56K crore of the group's aggregate debt of nearly ₹1 trn by FY22. By addressing ₹32K-cr debt, the group has taken care of nearly 57% of its targeted recovery value of ₹56,000 crore