

IL&FS gears up for InvIT to convert debt on projects

The InvIT has received all necessary approvals for its launch, the company has said

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Infrastructure Leasing and Financial Services Ltd (IL&FS) will launch its infrastructure investment trust (InvIT) soon, converting the outstanding debt owed to banks in 10 road projects into units of the trust. The InvIT has received all necessary approvals for its launch, a press release from the company said.

IL&FS has obtained the registration certificate from the Securities and Exchange Board of India and approvals from the committee of creditors of IL&FS Transportation Networks Ltd for the transfer of phase-1 assets and has completed the green channel notification for approval process for the InvIT from the Competition Commission of India. The InvIT will resolve nearly ₹13,000 crore of outstanding debt.

Units of the InvIT are expected to be distributed to lenders including State Bank of India, Punjab National Bank, Canara Bank, Bank of India, and Indian Overseas Bank. The company did not reveal details of how the InvIT will be structured or listed.

On Friday, the management and government-appointed board of directors of IL&FS said that as on date, approximately ₹32,000 crore of aggregate debt of the group has been addressed (either repaid or written off by lenders or replaced



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with another obligation). IL&FS group had outstanding debt of over ₹1 trillion when the Union government took control in October 2018.

crore comprises ₹21,600 crore addressed basis cash balances and about ₹10,300 crore of additional net recovery expected from resolu-

targeted recovery value of ₹56,300 crore and about 32% of overall debt of over ₹99,000 crore (as of October 2018), the press release said.

The debt addressed basis cash balances increased by ₹2,500 crore since 30 September 2020, mainly on account of the following developments: receipt of settlement amount by IL&FS Solar Power for ₹780 crore; receipt of the tariff payments

from the power distribution company by IL&FS Tamil Nadu Power for ₹1,190 crore; and ₹300 crore recoveries in IL&FS Financial Services Ltd.

COURSE CORRECTION

UNITS of the InvIT are expected to be distributed to lenders including SBI, PNB and BoI

THE management has said about ₹32,000 cr of IL&FS' aggregate debt has been addressed

THE new board maintains that aggregate debt of over ₹56,000 cr will be addressed by FY22

THE aggregate debt addressed amounts to only about 32% of overall debt of IL&FS of over ₹99,000 cr

The new board, led by banker Uday Kotak, on Friday maintained its estimate of addressing aggregate debt of over ₹56,000 crore by FY22. The addressed debt of ₹32,000

tion and restructuring applications filed with the Mumbai bench of the National Company Law Tribunal.

The aggregate debt addressed represents nearly 57% of the overall