



Infrastructure Leasing & Financial Services Limited

January 22, 2021

The Sr. General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, PJ Towers, Dalal Street
Mumbai 400 001

Sub: Media Release of Infrastructure Leasing and Financial Services Limited

Dear Sir / Madam:

Enclosed herewith is the Media Release along with the progress Presentation for your information.

Sincerely,

Shekhar Prabhudesai
Company Secretary

Encl: a/a



MEDIA RELEASE

January 22, 2021, Mumbai

IL&FS ADDRESSES AGGREGATE DEBT OF APPROX RS 32,000 CRORE

MAINTAINS ESTIMATE OF AGGREGATE DEBT TO BE ADDRESSED AT OVER RS 56,000 CRORE BY FY22

The Management and the New Board of IL&FS Limited, as part of its quarterly update on the progress of ongoing Group resolution process, shared that it has as of date, addressed approx. Rs 32,000 crore of aggregate debt of the Group.

The Group maintains its estimates of addressing aggregate debt of over Rs 56,000 crore by FY22, out of an overall debt of over Rs 99,000 crore (as of October 2018).

The aggregate debt of Rs 32,000 addressed comprises approx. Rs 21,600 crore of debt addressed basis cash balances and approx. Rs 10,300 crore of additional net recovery expected from resolution and restructuring applications filed with the Hon'ble NCLT (Mumbai) and NCLAT, the approvals for which are awaited.

The aggregate debt of approx. Rs 32,000 crore addressed represents nearly 57% of the overall targeted recovery value of approx. Rs 56,300 crore and nearly 32% of the overall debt of over Rs 99,000 crore (as of October 2018).

The debt addressed basis cash balances increased by approx. Rs 2,500 crore since September 30, 2020, mainly on account of the following developments: receipt of settlement amount by IL&FS Solar Power (ISPL) for approx. Rs 780 crore; receipt of the tariff payments from the Discom by IL&FS Tamil Nadu Power (ITPCL) for approx. Rs 1,190 crore; and Rs 300 crore recoveries in IL&FS Financial Services Limited (IFIN) from borrowers outside the IL&FS group.

The Resolution and Restructuring applications (having gross resolution value of over Rs 14,000 crore) that have been filed with the Hon'ble NCLT (Mumbai) and NCLAT, for final approvals, include: Rs 7,550 crore for 3 road assets (Chenani Nashri Tunnelway Limited, Jorabat Shillong Expressway Limited, and Chongqing Yuhe Expressway Company Limited); Rs 4,900 crore for restructuring of ITPCL; Rs 1,370 crore towards settlement amounts to be received by Kiratpur Ner Chowk Expressway Limited and Fagne Songarh



Expressway Limited pursuant to termination of the relevant concession agreements; and Rs 200 crore for environment and real estate entities.

In the period since October 2020, the Group has made significant progress across various resolution initiatives that include: Obtaining (a) SEBI registration certificate (b) requisite approval from the ITNL COC for transfer of the Phase 1 assets; and (c) completing the “green channel notification” for CCI approval process for the InvIT (representing potential overall resolution value of nearly Rs. 13,000 crore); obtaining the COC approval for H1 bid for sale of Terracis Technologies Limited, which represents a recovery value of nearly Rs 1,200 crore; completing the bidding process for IL&FS Group’s stake in ONGC Tripura Power Company with aggregate recovery value of over Rs 3,800 crore; completing of the sale of CPG BPM; and launching the sale process of IFIN’s external non-performing loan portfolio of around Rs 4,700 crore.

However, the Group faced some delays in moving ahead on the resolution mainly on account of significant impact of COVID-19, which has added time and logistical complexities in the process, affected valuations for certain assets, delayed receipt of approvals from key stakeholders. This has also been compounded by delay in receipt of annuities and attrition of key managerial and operational personnel.

For Media Queries

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IL&FS: Progress Update

January 2021

Against an overall recovery target of INR 56,000+ Cr, debt addressed stands at around INR 31,900 Cr



Against total IL&FS group debt of INR 99,355 Cr as on October 8, 2018, the new board had estimated an overall targeted recovery of INR 56,300 Cr in Oct 2020

As on date, around INR 32,000 Cr of debt is addressed including the filings made with NCLT/ NCLAT for final approvals; at ~57% of the targeted recovery value and ~32% of total IL&FS group debt

- **INR 21,600+ Cr** is the debt addressed based on cash balances, debt resolved in entities monetized and amounts paid to lenders / Non-Fund Based limits released
- The incremental recovery value of entities whose resolutions have been filed with NCLT / NCLAT is around **INR 10,300 Cr** (Total gross value of filings at **INR 14,000+ Cr**)

As of October 2018, the group had 347 entities out of which 175 entities stand resolved and remaining 172 entities are under various stages of resolution

Where do we stand since the last update in Oct'20?

Debt addressed based on cash balances has increased by INR 2,510 Cr (from INR 19,100 Cr to INR 21,610 Cr) majorly owing to:

- INR 750+ Cr settlement amount received in IL&FS Solar Power (ISPL)
- INR 1,000+ Cr receivables from Discom in IL&FS Tamil Nadu Power (ITPCL)
- INR 300+ Cr recoveries in IFIN against non-IL&FS assets

Applications for total value of INR 14,000+ Cr filed with NCLT/NCLAT for final approvals, of which orders are reserved for matters worth INR 850+ Cr (Fagne Songarh & Environment)

- **INR 7,550+ Cr** – 3 Road sale applications filed with NCLT – Chenani Nashri Tunnel (INR 3,900+ Cr), Jorabat Shillong (INR 1,100+ Cr), Yuhe (INR 2,550+ Cr)
- **INR 4,900 Cr** – Application for Debt restructuring of IL&FS Tamil Nadu Power filed with NCLAT
- **INR 1,370+ Cr** – Application filed with NCLT related to claim settlement under concession termination– Fagne Songarh (INR 700+ Cr), Kiratpur Ner Chowk (INR 670+ Cr)
- **INR 200+ Cr** – Sale of environment entities (INR 150+ Cr), 2 real estate assets (INR 20+ Cr)

CPG BPM – Sale concluded

Significant progress made in key resolutions

Infrastructure Investment Trust (InvIT) – INR 13,000+ Cr recovery value across phases

- InvIT registration certificate from SEBI received for “Roadstar” Trust
- Committee of Creditors (CoC) approval ongoing and in advanced stages

Terracis Technologies Limited (TTL) stake sale – INR 1,200+ Cr recovery value

- Bidding process completed
- H1 bid approved by Committee of Creditors (CoC)
- In process of obtaining judicial approvals

ONGC Tripura Power Company (OTPC) stake sale – INR 3,800+ Cr recovery value

- Bidding process completed

IL&FS Financial Services (IFIN) Loan Portfolio sale

- Sale process of Non-performing loan portfolio of approx. INR 4,700 Cr loans launched
- Active interest from 20+ potential bidders in the virtual data-room (VDR)

Continued challenges impacting the resolution process

Key reasons impacting the transaction closure:

- Indisposition of critical team members at stakeholders end on account of COVID-19 leading to approval and administrative delays in several transactions
- Disruption in functioning of courts on account of COVID-19, resulting in procedural delays
- Ongoing legal proceedings challenging the resolution framework, litigations by lenders and sub-contractors and other arbitrations
- Delays in receipt of annuities from certain state governments
- Impact on asset valuation and investment appetite due to the pandemic
- Attrition of key managerial and operational personnel impacting resolution progress

THANK YOU