

CONFIDENT of crossing the 60% mark, but there are challenges, says chairman Uday Kotak; group has resolved ₹43,000 crore till date IL&FS Raises Target for Debt Recovery to ₹61k cr

Saloni.Shukla@timesgroup.com

Mumbai: Bankrupt infrastructure financier IL&FS Thursday raised its debt recovery target to ₹61,000 crore or nearly three-fifths of its total financial borrowings. Its collapse in late 2018 had a cascading effect on the non-bank financing industry, where cash-flow mismatches became manifest after funding dried up in the aftermath of the IL&FS blowout.

Last year, the group said it could resolve loans worth ₹56,000 crore.

"We had earlier thought that if we could achieve a 40-50% recovery that would be a good outcome, but now we are confident of crossing the 60% mark though there are several challenges ahead," said Uday Kotak, chairman, IL&FS.

The new board, led by Asia's richest banker Kotak, said that it had so far resolved debt worth ₹43,000 crore. That, however, falls short of the ₹50,000-crore recovery target by FY21.

"Many creditors across the group have benefited from the recovery efforts, but we are ensuring the money flows through the various layers of the group," Kotak said.

The aggregate debt of ₹43,000 crore

Process On Track

₹99,000 cr
Overall debt
of IL&FS

161: Under
various stages
of resolution

347: Total
entities under
IL&FS Group

186: Entities
resolved by the
board till date

IL&FS aims to address **₹8,000 cr** additional debt by Sept 2021, while another **₹10,000 cr** is likely to go beyond



addressed till date represents 71% of the overall revised targeted recovery value of ₹61,000 crore and 44% of the overall debt of over ₹99,000 crore.

"We have faced a lot of disruptions due to Covid which range from indisposition of critical team members due to the virus leading to approval and administrative delays and procedural delays and disruptions in the functioning of courts," said CS Rajan, MD, IL&FS. "There have also been delays in receipt of annuities from some certain state governments and challenges in securing consent from other stakeholders."

The upgrade in recovery has been largely on account of improved valuations, better operating performance and enhanced recoveries from non-group exposures. The group is also servicing bank debt of more than ₹4,000 crore on its green entities which are up and running.

The aggregate addressed debt of ₹43,000 crore comprises ₹26,800 crore from entities monetised and cash balances. It also includes ₹14,350 crore of additional net recovery expected from resolution and restructuring applications awaiting approval at the NCLT (Mumbai) and the NCLAT. The remaining ₹1,926 crore is from a Supreme Court verdict passed in favour of IL&FS-owned Rapid Metro Gurgaon.

The group also filed an application in the NCLT for Phase 1 of IL&FS Group's InvIT with a resolution value of over ₹9,300 crore across six road SPVs.

IL&FS estimates to address nearly ₹8,000 crore of additional debt by September 2021 which would include monetisation of stake in ONGC Tripura, Warora Chandrapur and Karyavat-tom Stadium, Phase 2 of InvIT including five Road SPVs and receipt of expected settlement claims for Khed Sinnar Expressway and Srinagar Sonmarg Tunnel.