

Resolution of 95 IL&FS cos' debt to spill into 2022-23

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- **Mumbai:** In its latest update on resolution process, IL&FS has said that the group will complete 95% of the estimated recovery, amounting to Rs 58,000 crore, by March 2022. This indicates the resolution process would spill over beyond FY22 to address the high number of residual entities with low recovery potential.

- Earlier this year, the board had revised upward the recovery target to Rs 61,000 crore from 56% earlier. Of the total debt of Rs 99,355 crore, Rs 29,030 crore has already been addressed through resolution and cash recovery, and another Rs 14,643 crore is expected from applications filed with courts. The board has projected an additional Rs 7,700-crore recovery by September 2021 and Rs 6,700 crore by March 2022. This will take the overall recovery to Rs 58,000 crore (95%).

The challenge before the Uday Kotak-led board will be in addressing 95 group entities, from which only Rs 3,000 crore of recovery is anticipated. According to the board, there is a limited buyer universe for these companies and the process for closure is long drawn out.