

# Resolution of IL&FS group companies' debt to stretch beyond March FY22

**ENS ECONOMIC BUREAU** @ New Delhi

NEARLY three years after taking control of Infrastructure Leasing and Financial Services (IL&FS), the Uday Kotak-led board of directors on Wednesday said that the overall resolution of the group companies is now likely to stretch beyond the current fiscal.

As part of its quarterly update on the progress of the ongoing resolution process, the belea-

guered infrastructure firm said that the resolution of around 95 entities, with an estimated debt recovery of ₹3,000 crore, will take place well beyond March 2022. Of the total liabilities of ₹99,355 crore, the board has so far addressed ₹29,030 crore through resolution and cash recovery. Another ₹14,643 crore is expected from applications filed with courts, taking its total recovery to ₹43, 673 crore or 44% of the total group debt.

“Higher number of residual entities with low recovery potential would still remain beyond March 2022,” it said, adding limited buyer universe, the long-drawn process for closure and time and costs to keep the IL&FS Group as a going concern for completing the resolution. Of the total 347 entities under IL&FS Group (as of October 2018), a total of 211 entities have been resolved as of May 31, 2021, the presentation showed.



While the bulk of the resolution was expected to be completed by March 2021, the process had faced legal and regulatory delays with the covid-19 pandemic further slowing down the resolution.

In April this year, the group had revised its estimates for aggregate debt recovery upward to ₹61,000 crore from ₹56,000 crore on better valuations and enhanced recoveries from non-group exposures.