

# Outgoing IL&FS chief Kotak estimates 62% debt realised

TIMES NEWS NETWORK

**Mumbai:** Uday Kotak will step down as chairman of IL&FS after three and a half years with current MD C S Rajan taking over as CMD. According to Kotak, around Rs 55,000 crore of debt has been resolved, which represents nearly 90% of the expected resolution. Kotak also announced the sale of IL&FS's iconic headquarters to Canadian private equity investor Brookfield for Rs 1,080 crore. He estimated the realisation at 62% of the total debt of Rs 99,000 crore.

Kotak also called on policymakers to curb complex corporate structures like in IL&FS, which resulted in the creation of 347 companies,



raising debt. He said that this structure enables the company to evade six tiers of corporate governance. "From a system point of view, irrespective of the public or private sector, the nature of the structure of groups and conglomerates needs a very close watch by regulators and policymakers. You cannot have a complex animal or a hydra which gets out of control over time," said Kotak.

The other two lessons he said were the need for governments to respect contracts, referring to the Rs 3,500 crore of dues from Tamil Nadu government's power distribution company Tangedco to IL&FS Tamil Nadu Power company, which drove the generation compa-

ny to the brink. He also raised the issue of the time taken under the judicial process with the IL&FS resolution process being admitted in March 2020 — almost a year and a half after the new board took charge.

Kotak said that of the 347 companies in the group, the board has managed to resolve 240. He said that the board has made all attempts, including a slump sale and, in some cases, the committee of creditors did not approve.

Announcing the progress made in the resolution process as of end March 2022, Rajan said that of the Rs 55,000 crore resolved, Rs 21,000 crore of debt has been discharged by way of asset monetisation and debt repayment and public sector banks have received 65%.