

COMPANY UNDERGOING DEBT RESOLUTION PROCESS

IL&FS FY19 loss at ₹22,527 cr

Firm has net liabilities of ₹16,935.1 cr; ability to raise funds impaired, says auditor

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DEBT-RIDDEN INFRASTRUCTURE Leasing and Financial Services (IL&FS), which is undergoing a debt resolution process in the bankruptcy court, has reported a loss of Rs 22,527 crore for the year ended March 2019 as against a profit of Rs 333.4 crore in March 2018.

The company has incurred a loss (including other comprehensive income) of Rs 22,527.25 crore for the year ended March 31, 2019, and has net liabilities of Rs 16,935.1 crore, the company's auditor SRBC & Co said. "The company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. These conditions, along with other matters set forth in that note, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going

COMPANY'S FINANCIALS

■ The external borrowings of IL&FS were Rs 94,216 crore. This include IL&FS' Rs 18,053 crore, five key holding firms' Rs 31,058 crore and operating level Rs 45,105 crore

■ The total debt getting addressed till date

amounted to Rs 36,400 crore

■ In October 2019, IL&FS chairman Uday Kotak said the bankrupt infra lender would be able to recover or restructure over 50 per cent of the liabilities by March 2020

concern," it said.

"The company and the IL&FS group in general are undergoing substantial financial stress as of March 2019," the financial statement of IL&FS released on Wednesday said. Further, the company has, as of March 31, 2019, breached its conditions for holding a Certificate of Registration as a Core Investment Company, issued by the Reserve Bank of India. "As a result of the foregoing, the company's ability to raise funds has been substantially impaired," it said.

The resolution plan seeks a transparent resolution keeping

in mind larger public interest, financial stability, legality, various stakeholders' interest and commercial feasibility, the statement said. "The resolution plan of management includes sale of entities and assets wherever possible and the company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The company is committed to taking necessary steps to meet its financial commitments to the extent possible," it said.

During the year, the company has also engaged an independent third party as resolu-

tion advisors, to assess the liquidity at the company and at various group companies in India.

In October 2019, IL&FS chairman Uday Kotak said the bankrupt infra lender would be able to recover or restructure over 50 per cent of the liabilities by March 2020. The government has also allowed Kotak, who is also Kotak Mahindra Bank Vice-Chairman and Managing Director, to continue as the head of crisis-ridden IL&FS for one more year.

The total external borrowings of IL&FS were Rs 94,216 crore. This include IL&FS' Rs 18,053 crore, five key holding companies (IFIN, ITNL, IEDCL, IMICIL and ITUAL) Rs 31,058 crore and operating level Rs 45,105 crore. The total debt getting addressed till date amounted to Rs 36,400 crore. The new board has navigated through complexity and developed resolution plan for all 302 entities, he had said.

The company has identified resolution plan for all 302 entities. They include 169 domestic and 133 international firms, IL&FS said.