

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL,
PRINCIPAL BENCH, NEW DELHI**

I.A No. 586 of 2022

IN

Company Appeal (AT) No. 346 of 2018

IN THE MATTER OF:

Union of India

....Appellant

Vs.

**Infrastructure Leasing and Financial
Services Ltd. & Ors.**

...Respondents

For Appellants:

Mr. Aditya Sikka, Advocate for Union of India.
Mr. Sanjay Shorey, Director Legal & Prosecution,
MCA, Mr. Rakesh Tiwari (RD, Western Region) and
Ms. Wamika Trehan (Intervenor for Aditya Birla
Finance Limited) Advocates.

For Respondents:

Mr. Ramji Srinivasan, Sr. Advocate with Mr. Raunak
Dhillon, Mr. Abhijeet Das, Mr. Adarsh Saxena, Mr.
Vikash Kumar Jha, Mr. Shubhankar Jain, Ms. Isha
Malik, Mr. Nihaad Dewan, Mr. Ritu Vishwakarma,
Ms. Drishti Das, Ms. Ananya Choudhury, Advocates.

Mr. Dhruv Mehta, Sr. Advocate alongwith Mr. PBA
Srinivasan, Mr. Parth Tandon, Ms. Nikitha Ross, Ms.
Perna Sabharwal and Keith Verghese in I.A. No. 586
of 2022.

Mr. R.B. Trivedi along with Reema Mishra, Advocates
for R-15 in I.A. No. 586 of 2022

Mr. Sanjay Bajaj, Mr. Samarth Bajaj, for Canara
Bank Mr. Ramesh Babu with Ms. Manisha Singh
and Ms. Jagriti Bharti, Advocates for RBI

For Intervenors:

Mr. Abhirup Dasgupta, Ishaan Duggal, Bhawana
Sharma, Advocates for Tata Power Consolidated P.F.
Mr. Shantanu Chaturvedi, Mr. Manmeet Singh,
Advocates for Yes Bank in I.A. 586 OF 2022

Mr. Mahesh Agarwal, Mr. Abhijeet Sinha, Mr.
Himanshu Satija and Mr. Shivam Shukla, Advocates
for Objectors 63 Moons (I.A. No. 586/2022).

Mr. Mahesh Agarwal, Mr. Abhijeet Sinha, Mr. Himanshu Satija, Mr. Sandeep Khairwal, Mr. Shivam Shukla, Advocates for Objectors 63 Moons.

Kumar Abhishek, Mr. Sharan Thakur, Mr. Mahesh Thakur, Mr. Rohan Mathur, Mr. Ajay Kanojiya, Advocates for Objectors.

ORDER
(31st May, 2022)

Ashok Bhushan, J.

1. This Application I.A No. 586 of 2022 has been filed by the Union of India seeking approval of the interim distribution proposal as set out in paragraph 25. A brief background need to be noticed before considering the prayers made in the Application.

IL&FS is a non-banking finance company and a core investment company registered with the Reserve Bank of India. IL&FS Group, as of 15.10.2018, comprised 302 entities, of which 169 entities are incorporated in India. On an inquiry by the Registrar of Companies (RoC), on a prima facie mismanagement and compromise in corporate governance, a petition was filed under Section 241(2) read with Section 242 of the Companies Act, 2013 by the Union of India in which by an order dated 01.10.2018, the NCLT, Mumbai superseded the then existing Board of Directors of the IL&FS with the new board appointed on the recommendation of the Union of India. The new board was directed to take charge of affairs of the IL&FS forthwith, conduct its business and report a road map to recovery for the IL&FS Group. NCLT vide its order dated 12.10.2018 however, refused to grant any interim

protection to IL&FS and its entities. In Appeal No. 346 of 2018 filed in this Tribunal, this Tribunal passed an order dated 15.10.2018 granting an interim stay to the IL&FS Group against coercive action by creditors and other parties in larger public interest. The order dated 15.10.2018 was passed to preserve and maximize value of the assets of the IL&FS Group so that a resolution of the IL&FS Group can be conducted in an orderly manner in larger public interest. By order dated 15.10.2018, this Tribunal had provided a period of calm to the new board who in line with the mandate of the NCLT have been tasked to resolve the IL&FS Group which has a debt burden of approximately Rs.94,246,00,00,000/- as on 01.10.2018. Pursuant to order dated 01.10.2018, the new board submitted a report to the Union of India which was filed before this Tribunal in Company Appeal (AT) No. 346 of 2018. The new board submitted the Third Progress Report on 17.12.2018 containing the proposed resolution framework for the IL&FS Group which was followed by an Addendum dated 15.01.2019. Both were filed in this Tribunal on 25.01.2019. A second Addendum dated 05.12.2019 was submitted by the new board to the Union of India which was filed in this Tribunal by Affidavit dated 09.01.2020. The above resolution framework was filed to undertake resolution of different IL&FS Group Companies. This Tribunal passed various orders in the Appeal which permitted selling, transferring, encumbering, alienating, dealing with and/or creating third party right, title or interest on any movable or immovable asset of Red entities with the prior permission of Justice (Retd.) D.K. Jain. By a subsequent order dated 12.03.2020, this Tribunal passed an order

approving salient features of the resolution framework which are contained in paragraph 14 of the Application which are to the following effect:-

“14. Set out below are the salient features of the Resolution Framework:

- (a) **Crystallization of claims as of "Cut-Off Date" (i.e. 15.10.2018):** No interest, additional interest, default interest, penal charges or other similar charges accrue after the Cut-Off Date. While the Cut-Off Date stipulated in the Initial Resolution Framework was 30.09.2018, the same was subsequently changed to 15.10.2018 vide affidavit filed by the Applicant before this Hon'ble Tribunal on 21.05.2019 and approved by this Hon'ble Tribunal vide the March 12 Order.
- (b) **Appointment of valuers for determining the fair value and liquidation value:** Two valuers are appointed to determine the fair value and liquidation value in respect of each entity ("Sale Company") being monetized as part of the Asset Level Resolution.
- (c) **Categorization of entities (Category I and Category II):** Based on the H1 bid value received, a Sale Company is either a:
 - (i) **Category I Company:** Where the bidder is willing to assume all liabilities of the Sale Company whether operational or financial without compromise of the debt; or
 - (ii) **Category II Company:** Where the financial bid amount offered by the bidder is less than all the liabilities of the Sale Company.
- (d) **Constitution of a Creditors' Committee:** In respect of the relevant Sale Company, a Creditors' Committee is constituted (in lieu of individual creditor consents, which are dispensed with) in the following manner:
 - (i) For a Category I Company, the Creditors' Committee comprises of all the financial creditors of the IL&FS Group company/ companies (including IL&FS Group companies that have provided financial debt to such IL&FS

- Group company) which is/ are the selling shareholder(s) of that Sale Company;
- (ii) For a Category II Company, the Creditors' Committee comprises of all the financial creditors of the Sale Company (including IL&FS Group companies that have provided financial debt to the Sale Company); and
- (iii) Each member of each Creditors' Committee has voting rights (by value of the financial debt owed to that member) and is called upon to only consider the highest bid in respect of the Sale Company. Specifically, the Creditors' Committee does not have the ability to determine distribution of the bid amount.
- (e) **Decision by the New Board:** The decision of the Creditors' Committee to either approve or reject the highest bid for a Sale Company is placed before the New Board for its consideration.
- (f) **Approval of Justice (Retd.) D. K. Jain:** If the New Board approves a sale proposal, the same is placed before Justice (Retd.) D. K. Jain (appointed by this Hon'ble Tribunal vide order dated 11.02.2019) for his approval.
- (g) **Approval of the Hon'ble NCLT:** Upon receipt of approval of Justice (Retd.) D. K. Jain, the proposal will be placed before the Hon'ble NCLT for its approval. Upon receipt of approval of the Hon'ble NCLT and payment of consideration by the successful bidder, the shares/ assets of the relevant Sale Company will be transferred to the successful bidder free and clear of all encumbrances, liens, third party rights, etc.
- (h) **Distribution of proceeds to creditors:** The financial bid amounts/ termination amounts/ settlement amounts/ foreclosure amounts received by the relevant IL&FS Group entity are to be distributed in the following manner:
- (i) first, towards all resolution process costs incurred in the resolution process of the relevant IL&FS Group entity, whether incurred by that IL&FS Group entity or on

behalf of that IL&FS Group entity (including but not limited to fees payable to the financial and transaction advisors, legal counsels, resolution consultant, claims management consultant, independent valuers, costs for issuing advertisements, conducting audits (including special or forensic audits) and conducting meetings of the Creditors' Committees etc.) in full;

(ii) second, towards distribution of the net sale proceeds paid by the HI bidder/ termination amount/ settlement amounts/ foreclosure amounts up to the average 'liquidation value' to the creditors of the relevant IL&FS Group company in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), which will include all components of Section 53 of the IBC such as unpaid workmen's dues and unpaid employees dues etc. as applicable); and

(iii) third, the remaining sale proceeds/ termination amount/ settlement amounts/ foreclosure amounts to be distributed pro-rata to each class of creditors of the relevant IL&FS Group company, adjusted for any recovery made by the relevant creditor on account of distribution under Section 53 of the IBC, as contemplated above.

- (i) **Adjustment in case of set-off or appropriation by creditors:** Payment shall be made to a creditor in respect of the admitted claim of the relevant creditor existing as of the Cut-Off Date (i.e. October 15, 2018), as admitted by the Claims Management Consultant and shall be adjusted for any amounts which have been set-off or appropriated by the relevant creditor in breach of the October 15 Order."*

2. As noted above, this Tribunal considered the various suggestions and proposals made before this Tribunal and by order dated 12.03.2020, in paragraphs 64, 65 & 66 of the judgment held as follows:-

“64. As noticed that many of the Financial Creditors/ Secured Creditors are opposing the aforesaid distribution, but wanted the distribution as per Section 53 of the I&B Code. However, we are not inclined to follow the procedure of I&B Code including Section 53, as this is a case where public interest is involved for the following reasons: -

(i) Over the years the IL&FS has inducted institutional shareholders to include Life Insurance Corporation of India (LIC), ORIX Corporation- Japan (ORIX), State Bank of India and Abu Dhabi Investment Authority. Besides the above, the ‘IL&FS Employees Welfare Trust’ also holds significant shares in 1st Respondent. The shareholding pattern of the IL&FS, as on 31st March, 2018, as already been noticed, which includes share holding of Central Bank of India; State Bank of India; UTI-Unit Linked Insurance Plan,; India Discovery Fund, Housing Development Finance Corporation Limited, apart from Life Insurance Corporation of India and IL&FS Employees Welfare Trust.

Similarly, six major Group Companies, i.e., IL&FS Transportation Networks Limited (ITNL); IL&FS Financial Services Limited (IFIN); IL&FS Energy Development Company Limited (IEDCL); IL&FS Tamil Nadu Power Company Limited (ITNPCL); Noida Toll Bridge Limited and IL&FS Engineering and Construction Co. Limited, large number of banks and different funds have invested in them by purchasing their shares.

65. It cannot be said that 'Shareholders' including the Life Insurance Corporation, IL&FS Employees Welfare Trust, Housing Development Finance Corporation Limited, Central Bank of India, State Bank of India, UTI-Unit Linked Insurance Plan etc. should not be paid by following the procedure under Section 53 of the I&B Code. This would be against the public interest as the money invested by purchasing shares by Life Insurance Corporation of India, IL&s Employees Welfare Trust, Central Bank of India, State Bank of India are public money, who are the shareholders.

66. In this background, while we reject the objections raised by some of the Creditors, as noticed above, we accept the suggestion of pro-rata distribution as suggested by Union of India and the procedure as suggested by it for the purpose of completing resolution process."

3. It has been brought before us that as per the resolution framework approved by this Tribunal on 12.03.2020, process of resolution framework is going on and with regard to several IL&FS entities, resolution process has been finalised and with regard to several entities, the Applications have been filed before the NCLT, Mumbai which is pending final approval. It is stated that as on 31.12.2021, 191 IL&FS Group entities have been resolved by way of sale, liquidation/ closure or transfer/proposed transfer to the Infrastructure Investment Trust (InvIT). In paragraph 16 of the Application, following has been stated:-

“C. NEED FOR INTERIM DISTRIBUTION

16. *The overall resolution of the IL&FS Group, in accordance with various orders passed by this Hon’ble Tribunal from time to time, has progressed considerably. As on 31.12.2021, 191 IL&FS Group entities have been resolved (basis filings done with various courts and tribunals) by way of sale, liquidation/ closure or transfer/ proposed transfer to the Infrastructure Investment Trust (“InvIT”) set up in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 (“InvIT Regulations”) as contemplated in terms of the January 2020 Affidavit in exchange for units of the InvIT (“InvIT Units”). As on 07.12.2021, approximately INR 16,742 crores of cash is available with various IL&FS Group entities.”*

4. The Application further stated that despite the large number of IL&FS Group entities that have already been resolved, distribution of proceeds to creditors has also taken place which have been finally resolved pursuant to orders passed by the NCLT. The Application summarises the need for interim distribution in paragraphs 23 and 24. The Application also contained a proposal for enabling interim distribution. Paragraph 25(e) deals with ‘procedure for interim distribution’ which is to the following effect:-

*“(e) **Procedure for interim distribution:** The procedure for interim distribution in respect of the relevant IL&FS Group entity shall be as follows:*

(i) The New Board shall decide the suitable time for interim distribution and the total amount (cash and InvIT Units) to be distributed;

(ii) Two valuers shall be appointed by the New Board for determining the average liquidation value as on 15.10.2018 of the relevant IL&FS Group entity and, in the meantime, the claims verification process in respect of the relevant IL&FS Group entity shall be completed;

(iii) The New Board shall appoint an independent third party consultant to ascertain the value of the security interests of the secured creditors of the relevant IL&FS Group entity (as is done under Section 53 of the IBC) so that distribution as per the Resolution Framework can take place;

(iv) Alvarez & Marsal India Private Limited, the Resolution Consultant appointed by the New Board shall prepare the interim distribution calculations, which will show the distributable assets (i.e. cash and InvIT Units) proposed to be paid to each creditor of the relevant IL&FS Group entity by way of interim distribution, in accordance with the revised distribution framework (which forms part of the Resolution Framework that has already been approved by this Hon'ble Tribunal vide the March 12 Order);

(v) The interim distribution calculations shall be validated by the independent third-party consultant;

(vi) The validated interim distribution calculations shall be approved by the Board of the relevant IL&FS Group entity and the Board of the relevant HoldCo and the New Board shall authorize the said approved interim distribution calculations in respect of the relevant IL&FS Group entity; and

(vii) The relevant IL&FS Group entity shall make payments to its creditors as per the interim

distribution calculations authorized by the New Board, subject to each creditor providing an undertaking to the relevant IL&FS Group entity stating that if it is subsequently found that such creditor has, by way of interim distribution, received an amount more than what such creditor ought to have received, the excess amount shall be liable to be returned, failing which the same may be recovered from such creditor either by way of adjustment at the time of final distribution or otherwise (including, without limitation, by way of appropriation from amounts payable by any other IL&FS Group entity to such creditor). Further, any amounts which have already been set-off or appropriated by any creditor in breach of the October 15 Order shall be adjusted/ recovered while making such payment by way of interim distribution.

*(f) **Effect of interim distribution:** The claims of each creditor who receives any amount (cash and InvIT Units) as part of interim distribution shall stand extinguished to the extent of the amount received. For instance, if the amount being paid by way of interim distribution is INR 200 crores and the debt of the relevant IL&FS Group entity is INR 1,000 crores, then the debt shall stand reduced to INR 800 crores after the interim distribution.*

*(g) **Adjustment/ recovery in case of excess payment:** In case interim distribution is carried out in respect of an IL&FS Group entity and it is subsequently found that any creditor has, by way of interim distribution, received an amount more than what such creditor ought to have received, the excess amount shall be returned by such*

creditor, failing which the same may be recovered from such creditor either by way of adjustment at the time of final distribution or otherwise (including, without limitation, by way of appropriation from amounts payable by any other IL&FS Group entity to such creditor).

A copy of the resolution dated 08.01 9022 passed by the New Board is hereto annexed and marked as Annexure 7”

5. It has been pleaded in the Application that the new board vide its letter dated 10.01.2020 suggested a mechanism for interim distribution. In paragraph 24 of the Application, as extracted above, a tentative list of the IL&FS Group entities which can be considered for interim distribution was annexed at Annexure-6 to the Application. Annexure-6 contains name of 16 entities which are to the following effect:-

“ANNEXURE 6

TENTATIVE LIST OF IL&FS GROUP ENTITIES WHICH CAN BE CONSIDERED FOR
INTERIM DISTRIBUTION ¹

S. No.	Name of Entity
1.	Infrastructure Leasing & Financial Services Limited ("IL&FS")
2.	IL&FS Financial Services Limited ("IFIN")
3.	IL&FS Transportation Networks Limited ("ITNL")
4.	IL&FS Cluster Development Initiative Limited ("ICDI")

5.	Skill Training Assessment Management Partners Limited ("STAMP")
6.	Sabarmati Capital One Limited ("SCOL")
7.	IL&FS Airports Limited ("IAL")
8.	Tierra Enviro Limited ("Tierra")
9.	IL&FS Energy Development Company Limited ("IEDCL")
10.	IL&FS Maritime Infrastructure Company Limited ("IMICL")
11.	Rapid Metro Rail Gurgaon South Limited ("RMGSL")
12.	Rapid Metro Rail Gurgaon Limited ("RMGL")
13.	MP Border Checkpost Development Company Limited ("MP Border")
14.	Vejas Power Projects Limited ("Vejas Power")
15.	Rohtas Bio Energy Limited ("Rohtas Bio")
16.	IMICL Dighi Maritime Limited ("IDML")

This list is subject to the New Board determining the timeline for interim distribution in respect of each of these IL&FS Group entities.”

6. In the Application, following prayers have been made:-

“(a) permit and approve the interim distribution proposal as set out in paragraph 25 above and direct that the orders dated 08.08.2019 and 12.03.2020 passed by this Hon'ble Tribunal stand modified to the extent necessary for carrying out interim distribution; and

(b) direct the Hon'ble National Company Law Tribunal, Bench at Mumbai to take on record the order passed by this Hon'ble Tribunal permitting the implementation of the interim distribution proposal as set out in paragraph 25 above; and

(c) pass such other or further orders as this Hon'ble Tribunal deems fit and proper in the facts and circumstances.”

7. There are several objections filed to the Application. An objection raised in Diary No.33181 of 2022 has been filed on behalf of IL&FS Infrastructure Debt Fund (IDF). An objection has also been filed by 63 moons- a secured Financial Creditor of ITNL to the Interim Distribution Mechanism proposed by Union of India. Objections on behalf of Union Bank of India and Canara Bank have already been filed.

8. We have heard Shri Aditya Sikka, Learned Counsel for the Applicant and Shri Ramji Srinivasan, Learned Senior Counsel for the Respondent-IL&FS. We have also heard Shri Abhijeet Sinha, Shri Mahesh Thakur and Shri Sanjay Bajaj, Learned Counsel for the objectors.

9. Learned Counsel for the Applicant submitted that in the Application there are detailed reasons and rationale have been disclosed for enabling interim distribution. It is submitted that the resolution of the IL&FS Group and its Companies is under way which is required to be completed as per the resolution framework approved by this Tribunal and in the process a large number of funds has been accommodated awaiting distribution. It is submitted that the lenders of different IL&FS Group Companies are waiting for distribution of the amount of Rs.16,361 Crores i.e. Rs.11,296 Crores of cash and Rs.5,065 Crores of InvIT Units. The interim distribution shall not in any manner affect the final resolution and any distribution under the interim process shall abide by the final resolution. It is submitted that for interim distribution an elaborate procedure has been contemplated as has been enumerated in paragraph 25 of the Application where several checks

and balances have been envisaged to protect the interest of all. On interim distribution claim of each creditor to the extent shall stand extinguished and in case interim distribution is carried out in respect of IL&FS Group entities and if it is subsequently found that any creditor has, by way of interim distribution, received an amount more than what such creditor ought to have received, the excess amount shall be returned by such creditor.

10. Learned Counsel Shri Abhijeet Sinha and Shri Mahesh Thakur appearing for the objectors- '63 Moons' and 'IL&FS Infrastructure Debt Fund' submitted that the objectors have already filed an Appeal in the Hon'ble Supreme Court against the order dated 12.03.2020 passed by this Tribunal which are pending consideration. Objectors submits that they have challenged the order dated 12.03.2020 before the Hon'ble Supreme Court as well as the resolution framework approved by this Tribunal. It is submitted that in the Application, Applicants are praying for modification of the order dated 12.03.2020 which may not be allowed since the challenge against the order dated 12.03.2020 is pending consideration before the Hon'ble Supreme Court.

11. Learned Counsel for the Canara Bank has made submission on behalf of a consortium of lenders in the matter of 'M/s. M.P. Border Checkpost Development Company Ltd.'. Learned Counsel submits that as per the Concession Agreement, 90% of the debt due are entitled to be received by the lenders. However, Shri Sanjay Bajaj, Learned Counsel submits that as regards the payment already lying in the Escrow Account/ FDR drawn out if the Escrow Account with lead Bank (Canara Bank), the same may be dealt

with as per the interim distribution formula suggested in I.A No. 586/2022. It is, however, prayed that any amount received at a later date, on account of termination payment or out of the outcome of the arbitration proceedings may kindly be ordered to be dealt separately.

12. With regard to Rapid Metro Rail Gurgaon South Limited (“RMGSL”) and Rapid Metro Rail Gurgaon Limited (“RMGL”), it is submitted that those Applications have been separately heard and those entities be kept out of interim distribution as prayed in the Application.

13. Shri Aditya Sikka, Learned Counsel for the Applicant in his rejoinder submits that in view of the objections made by certain objectors, for the time being, the entities mentioned at Serial Nos. 3, 11 and 12 be kept out of interim distribution and the objectors can be heard separately. He submits that with regard to other entities as contained in Annexure-6, there being no objection, interim distribution be directed as per mechanism as delineated in the Application. The objection raised by 63 Moons for which submission has been made by Shri Abhijeet Sinha indicates that the objector is secured Financial Creditors of ITNL. ITNL is shown at Serial No.3 of the tentative list for interim distribution. We, thus, for the time being are of the view that Serial No.3 be kept out of the interim distribution process.

14. Similarly, objection on behalf of ‘IL&FS Infrastructure Debt Fund’ (IDF), the said entity be also kept of the interim distribution. IDF is a Secured Financial Creditor of IL&FS Wind Energy Limited (“IWEL”). We do not find ‘IL&FS Wind Energy Limited’ (“IWEL”) as included in Annexure-6,

hence, the IDF, who is a Secured Financial Creditor of 'IL&FS Wind Energy Limited' ("IWEL"), is also kept out of interim distribution.

15. We are conscious that the final resolution of IL&FS Group is under way. We have noticed that in the order dated 12.03.2020, this Tribunal directed IL&FS to conclude the resolution process within 30 days. More than two years have been passed after the order dated 12.03.2020 and as for the plea in the Application, resolution regarding only a few of the entities have arrived as on date. We are of the view that IL&FS and its entities may take all steps to complete the resolution process as per the resolution framework and submit their Application for approval before the NCLT by 30.06.2022.

16. With regard to interim distribution, we further direct the new board in addition to compliance of the interim resolution process, as noticed above, in paragraph 25(e) of the Application the interim distribution shall be implemented only after approval by the new board. While granting approval by the new board, the approval shall contain all details of interim distribution including the name of the creditors and the amounts which shall be provided to the creditors under the interim distribution and only after comprehensive approval by the new board, interim distribution shall be implemented. We further notice that this Tribunal in paragraphs 64, 65 and 66, as noted above, has ultimately accepted the suggestion of pro-rata distribution which is specifically mentioned in paragraph 66. We thus, are of the view that interim distribution shall also be made on the basis of pro rata distribution. We further are of the view that as of present, no case has been made out for issue any modification of the order dated 12.03.2020 as prayed

in the Application. The Application prays only interim distribution which is subject to final resolution of the entities. There is no occasion to modify the direction dated 12.03.2020 and 08.08.2019 as prayed for.

17. As observed above in this Application, we shall hear the objectors as noticed above in detail and the objectors as indicated below shall be kept out of interim distribution.

18. In view of the foregoing discussion, we, as an interim measure, issue following directions: -

(i) The interim distribution as prayed in the Application I.A No. 586 of 2022 shall be undertaken as per procedure indicated in paragraph 25(e) of the Application as extracted above.

(ii) The interim distribution shall take place as pro rata basis which was the direction of this Tribunal in paragraph 66.

(iii) As contemplated in paragraph 25(vi), interim distribution shall require approval of the new board of the IL&FS which contains all details regarding creditors' amount to be paid to them and other details and the interim distribution be implemented only after such resolution of the new board.

(iv) The interim distribution, as directed above, shall abide by final resolution of the IL&FS entities as per resolution framework.

(v) The creditors shall be asked to give undertaking to refund the excess amount, if any, pursuant to the final resolution.

(vi) The following entities shall be kept out of resolution process:-

(a) IL&FS Transportation Networks Limited (“ITNL”) (Serial No.3 in Annexure 6)

(b) Rapid Metro Rail Gurgaon South Limited (“RMGSL”) (Serial No.11 in Annexure 6)

(c) Rapid Metro Rail Gurgaon Limited (“RMGL”) (Serial No.12 in Annexure 6)

(d) IL&FS Wind Energy Limited (“IWEL”)

19. The interim distribution shall be confined only to the entities as reflected in Annexure-6 except those excluded and for the amount of Rs.16,361 Crores i.e. Rs.11,296 Crores of cash and Rs.5,065 Crores of InvIT Units.

20. List this Application on 19.07.2022.

**[Justice Ashok Bhushan]
Chairperson**

**[Shreesha Merla]
Member (Technical)**

New Delhi
Anjali