

BANKRUPT INFRA & fin services group so far clears ₹35,650-cr of its debt that includes ₹10k cr via interim distribution across 14 cos

IL&FS Group Clears Over a Fourth of its ₹1L-crore Debt

Our Bureau

Mumbai: The bankrupt IL&FS Group has resolved a total of ₹35,650 crore debt by monetising assets and settlement with banks including interim distribution of cash in companies to lenders across entities.

With these resolutions, the company has completed more than half of the approximately ₹61,000 crore debt it had set to resolve and over a fourth of the about ₹1 lakh crore inherited by the government-appointed board in October 2018.

The infrastructure and financial services group, which collapsed exactly five years ago triggering a funding crunch for NBFCs, has completed an aggregate payment of about ₹10,000 crore by way of interim distribution across 14 companies — including two vertical holding companies IL&FS Transportation Networks (ITNL) and IL&FS Financial Services (IFIN) and the Group holding company (IL&FS).

In September, the company's board initiated its first interim distribution pay-out of ₹810 crore in IL&FS out of which ₹180 crore is being paid to 19 Indian and foreign banks and ₹630 crore to over 1,100 public debenture holders, public funds and others holding these



bonds as on September 28 2023.

Separately, an interim distribution of ₹796 crore to eligible creditors of ITNL has also been initiated of which ₹305 crore is being paid to lenders, ₹315 crore to nearly 1,300 public debenture holders holding these bonds as on October 5, 2023, public funds and ₹176 crore to inter group creditors.

The amount paid to creditors is in addition to nearly ₹7,600 crore already disbursed across 12 group companies under the approved interim distribution framework in the last one year, the company said.

"We are happy to have achieved ₹10,000 crore pay-out under the interim distribution framework that was proposed by the new board and

approved by NCLAT last year. This allowed us to pay dues to eligible creditors — including several public funds and debenture holders — that are invested at the vertical holding companies and group holding company, on interim basis, without waiting for final resolution," said Nand Kishore, managing director, IL&FS Group.

The board also initiated the second tranche of interim pay-out of ₹807 crore for lenders of IL&FS Financial Services (IFIN) taking the total amount the company disbursed to over ₹4,000 crore till date. Banks and financial institutions received ₹574 crore while ₹233 crore went to nearly 600 debenture holders and public funds invested at the IFIN group level. The record date for IFIN debenture holders has been set to October 10, 2023.

"The interim distribution pay-out to banks under these three companies has been completed while the payout to debenture holders would be done within a few weeks post the respective record dates," the company said. In the last one-year IL&FS has completed distribution pay-outs to 12 group companies including ₹623 crore in Rapid Metro Gurgaon (RMGL); ₹1,252 crore in Rapid Metrorail Gurgaon South (RMGSL) and ₹3,200 crore in IL&FS Financial Services (IFIN).