



IL&FS drags JV firm to NCLT for outstandings

Our Bureau

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Infrastructure Leasing & Financial Services Ltd (IL&FS) has dragged one of its joint venture companies, New Tirupur Area Development Corporation Ltd (NTADCL), to the National Company Law Tribunal (NCLT) over debt repayment.

The Tamil Nadu government owns a 38.32 per cent stake in NTADCL, while IL&FS owns 25.88 per cent.

In 1995, NTADCL was incorporated as a special-purpose vehicle and public utility to improve potable water and sewerage infrastructure in Tiruppur through an integrated water supply and sewerage project.

The total project cost of ₹1,023 crore was funded with an equity capital of ₹322.7 crore, a subordinate debt of



₹86.5 crore and a financing facility of ₹613.8 crore.

The financial closure was done in March 2002.

The debt of ₹613.8 crore was arranged from various banks and financial institutions, with IDBI Bank being the lead lending institution. Of this, IL&FS brought in ₹180 crore as a senior loan, of which it raised ₹90 crore from the US.

Agency for International Development (USAID). IL&FS has sought repayment of the loans raised from USAID. NTADCL has contested the claims made by IL&FS and has pegged the outstanding payment at ₹52 crore.