



IL&FS drags Tirupur JV to court

TIMES NEWS NETWORK

Mumbai: IL&FS has approached the National Company Law Tribunal in Mumbai to recover funds from its associate New Tirupur Area Development Corporation (NTADC), a joint venture between the infrastructure company and the Tamil Nadu government.

NTADC was incorporated to improve portable water and sewerage infrastructure in Tirupur, Tamil Nadu, through an Integrated Water Supply & Sewerage Project through an MOU between the state government, Tiru-

pur Exporters Association (TEA) and IL&FS.

IL&FS has sought the court's direction to get NTADC to pay Rs 53 crore to the infrastructure company and continue to make scheduled payments. In its petition, IL&FS said that NTADC had acknowledged its debt to IL&FS regarding the funds raised from USAID amounting to RS 90 crore; however, it failed to make payments.

While drawing up a resolution plan for the group, the board had identified NTADC as a 'green company' or one in a position to meet its debt obligation without any sa-

crifice from the lender. However, the company failed to repay, IL&FS said.

IL&FS in its petition, IL&FS said NTADC's actions are contrary to the Master Restructuring Agreement, as the Respondent has failed to make principal and interest repayments, thereby triggering two events of default.

The total project involved an investment of Rs 1023 crore and was funded with an equity capital of Rs 322 crore, including a subordinated debt of Rs 613 crore. IL&FS had provided NTADC funds through borrowing at the parent company level.