

IL&FS to initiate process before NCLT to recover ₹187 cr excess remuneration paid to ex-directors

NEW DELHI: The IL&FS Group will move the National Company Law Tribunal (NCLT) to recover Rs 187 crore in excess managerial remuneration from its former directors and two subsidiaries after they refused to return the amounts, according to a fresh affidavit filed before the National Company Law Appellate Tribunal (NCLAT).

The company is also reopening its financial statements for 2018–19 and 2019–20, after receiving NCLT approval to incorporate adjustments from the recast accounts.

Revised financial statements for FY19 have been prepared and are currently being audited by NCLT-appointed statutory auditors. IL&FS expects to final-



ise them by December 31, 2025.

Last year, NCLT directed the recasting of financial statements for IL&FS and its subsidiaries IFIN and ITNL for FY14–FY18. The revised books revealed losses of about Rs 9,600 crore, compared with earlier profits of Rs 1,869 crore reported through what regulators called financial engineering.

Based on these findings, IL&FS initiated recovery pro-

ceedings against former whole-time and independent directors. The affidavit states that an application will soon be filed before NCLT to recover dues from former whole-time directors, who account for nearly 90 per cent of the amount, and that steps are being finalised to pursue recovery from ex-independent directors as advised by legal counsel.

In August 2024, IL&FS, IFIN and ITNL issued multiple notices to former directors seeking repayment of Rs 187.02 crore. Two independent directors—one each from IL&FS and ITNL—have voluntarily repaid the demanded amounts without admitting liability, while others continue to contest the claims. Several former directors

have argued that provisions of the Companies Act relating to managerial remuneration do not apply to them.

The affidavit also details progress on the IL&FS resolution plan. As of September 2025, the group has resolved Rs 48,463 crore of debt, up 7.02 per cent from March 2025. IL&FS continues to target Rs 61,000 crore in overall debt resolution, representing about 61.39 per cent of its total external debt of Rs 99,355 crore. At the onset of the crisis in 2018, IL&FS comprised 302 entities, including 169 domestic units. Of the total external debt, Rs 48,000 crore was concentrated in four key entities—IL&FS, IFIN, ITNL and IEDCL.

AGENCIES