

Statement

The Board of Directors of IL&FS approved a Rights Issue of 30 crore equity shares at Rs 150 per share aggregating to Rs 4,500 crores to shore up the capital of the IL&FS. The Rights issue would be completed by October 30, 2018. As on March 31, 2018, IL&FS net worth was Rs 7,400 crores. In addition, the Board approved the re-capitalization of Group Companies to the extent of Rs 5,000 crores in IL&FS Financial Services, IL&FS Transportation, IL&FS Energy, IL&FS Environment, and, IL&FS Education

The Board also approved the Company's specific asset divestment plan based on which IL&FS expects to reduce its overall debt by Rs 30,000 crores. Out of a portfolio of 25 projects identified for sale, firm offers have already been received for 14 projects. The Company expects to complete its divestment plan over the next 12 to 18 months in a systematic and professional way to fulfill its commitments

The combination of capitalization and debt reduction through the sale of assets would serve to reduce IL&FS leverage ratio significantly. At this gearing, IL&FS will be very well positioned to continue to support the Government's ambitious program for the infrastructure sector, both as a sponsor manager and as an investment bank in mobilizing and deploying monies for the sector

The Board took cognizance of the fact that this situation of over-leverage and illiquidity had arisen as a significant percentage of the Group's liquidity, aggregating to over Rs 16,000 crores, was stuck in claims and termination payments. And whilst Government had taken several measures to expedite settlement and streamline the process, in the nature of these matters, it would take two to three years more to unlock these pools of liquidity for the Company. In this context, and to enhance the liquidity position of the Company, the Board also approved approaching Shareholders for support to the extent of Rs 9,000 crores

The Board noted that as a Group, IL&FS had supported the development and implementation of over Rs 1,89,000 crores of infrastructure projects primarily in surface transport, energy, urban infrastructure, and financial services. These projects had generated over 30 million man days of construction work, 6 million jobs, in addition to the over 2 million youth that the Group had skilled and placed in employment. Over 50% of those skilled and placed in employment were youth below the poverty line, over 40% were women, and over 17% were youth from areas suffering from regions suffering from severe socio-political displacements. The Board felt that as a Group, it was important that IL&FS continues to play its part in building India's infrastructure with a focus on maximizing diversity, livelihood, and employment