

IL&FS told to repay creditors

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The National Company Law Appellate Tribunal has directed the new board of the debt-ridden IL&FS Group to distribute ₹16,361 crore of cash and InvIT units available across the Group to its creditors on pro-rata basis.

The interim distribution award of ₹16,361 crore includes ₹11,296 crore in cash and ₹5,065 crore in InvIT units (Infrastructure Investment Trusts) and a majority of this is to be distributed to the creditors of three large group firms—IL&FS, IFIN and ITNL.

“The interim distribution shall be confined only to the entities as reflected in Annexure-6 except those excluded and for the amount of ₹16,361 crores i.e ₹11,296 crore of cash and ₹5,065 crores of InvIT Units,” said an order by a two-member NCLAT bench headed by Chairperson Justice Ashok Bhushan.

With regard to interim distribution, NCLAT said it “shall be implemented only after approval by the new board” and “shall take place as pro rata basis”. The Appellate tribunal has also directed IL&FS to complete the resolution process by end of this month and has directed to list the matter on 19 July, 2022 for next hearing.

“We are of the view that IL&FS and its entities may take all steps to complete the resolution process as per the resolution framework and submit their Application for approval before the NCLT by 30.06.2022,” NCLAT said in an order dated 31 May.