

IL&FS Unit Approaches NCLT Against DB Realty

BSE-listed developer defaults in repayment of ₹108 cr; matter reserved for order

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Mumbai: IL&FS India Realty Fund (IIRF), a private equity arm of the debt-laden Infrastructure Leasing & Financial Services, has approached the dedicated bankruptcy court against Mumbai-based DB Realty over default of around ₹108 crore.

IIRF is one of the largest domestic realty-focused funds with investments in firms like Wadhwa Group, Noida Trade Towers and Aparna Infra Housing. IIRF is a part of the IL&FS Investment Managers (IIML), which has raised and managed over \$3.5 billion.

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“The fund had lent the money to the BSE-listed realty firm. After the developer defaulted on its dues in April 2019, IIRF decided to approach the tribunal for recovery,” said an official. “Both the parties have argued their sides at length as well as filed their written submissions with NCLT.”

The Mumbai bench of the National Company Law Tribunal (NCLT), presided over by Justice VP Singh and a technical member Rajesh Sharma, has reserved the matter for order.

The realty firm was co-founded by Vinod Goenka and Shahid Balwa in 2007. This is the second time



in two years that it faced insolvency resolution plea from its lenders. In 2017, LIC Housing Finance had approached the tribunal after the firm failed to repay around ₹30 crore. The company had informed the exchange on October 17 that the lender had withdrawn the insolvency plea after a debt-settlement agreement was reached.

LIC had lent around ₹200 crore in 2010 and ₹188 crore was disbursed to the developer. It had repaid over Rs 157 crore within 18 months from disbursement and the outstanding remained at ₹30.63 crore.

In the past four years since the Insolvency and Bankruptcy Code (IBC) was launched, 2,162 cases have been filed and 870 of these were closed, while 1,292 cases are in various stages. Data from the Insolvency and Bankruptcy Board of India (IBBI) suggests that the maximum number of cases were filed against companies dealing in the manufacturing sector (899 cases) followed by real estate (421) and construction (227).

Email queries to DB Realty as well as IL&FS Investment Managers remained unanswered till press time Thursday.