

IL&FS clears ₹45,281 crore or 45% of outstanding debt

Our Bureau

Mumbai

The IL&FS (Infrastructure Leasing & Financial Services Ltd) Group has resolved debt of ₹45,281 crore, which is 45.47 per cent of the total ₹99,355 crore outstanding external debt, according to a Resolution Progress Report (as of March 21, 2025), submitted to the NCLT last week.

Further, the Group is at an “extremely advanced stage”, where resolution of 105 entities out of the original 302 entities remains.

SERIES OF DEFAULTS

In September 2018, there were a series of defaults by IL&FS in repayments of commercial papers, non-convertible debentures and bank loans.

The Central government had initiated proceedings against IL&FS and its group under the Companies Act, 2013, on the grounds *inter alia* that the erstwhile board

of the company had *prima facie* mismanaged its affairs. Pursuant to the said proceedings, the NCLT, Mumbai Bench, suspended the erstwhile board of directors of IL&FS and appointed new directors as recommended by the Union of India on the Board of IL&FS.

RESOLUTION PROCESS

The modes of resolution being undertaken by IL&FS' board include asset monetisation, closure/liquidation/winding up, recovery of loans and sale of assets, debt restructuring, settlement of claims and InVIT.

The overall debt resolution across the group is estimated to reach ₹61,000 crore, which is approximately 61.39 per cent of the total external debt outstanding of ₹99,355 crore, per the report.

“Currently there are multiple monetisation proposals that are at advanced stages of approval, including monetisation processes that are currently being conducted

which in aggregate would enable resolving substantial part of the remaining targeted debt.

“In fact, the moratorium/stay is required only for 57 entities.

STAY GRANTED

“Vacation of the stay/moratorium granted *vide* the order dated 15.10.2018 at this stage would completely derail the progress achieved thus far and stop the ongoing resolution processes of various entities which are also at their final stages,” according to the report.

In the original resolution petition, it was submitted that the IL&FS is significant to financial markets because ₹57,000 crore of the ₹91,000 crore (estimated at the time of the original petition), is from the public sector banks and institutions and majority of the capital invested in the company is by public financial institutions like the Life Insurance Corporation of India, State Bank of India, Central Bank of India, etc.