

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
STARRED QUESTION NO. *73
ANSWERED ON FRIDAY, THE 14TH DECEMBER, 2018
AGRAHAYANA 23, 1940(SAKA)**

RESTRUCTURING OF IL&FS

QUESTION

***73. SHRI RAM MOHAN NAIDU KINJARAPU:**

Will the Minister of CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

be pleased to state:

- (a) the details of the progress achieved in restructuring of Infrastructure Leasing & Financial Services Limited (IL&FS) and its subsidiaries;**
- (b) the details of preliminary plans to service the debt of the company; and**
- (c) the details of the monthly interest payments of the said company and the estimated monthly cashflows accruing to IL&FS and its subsidiaries along with the estimated net worth of IL&FS?**

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

(SHRI ARUN JAITLEY)

(श्री अरुणजेटली)

(a) to (c) A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN ANSWER TO PART (a) to (c) OF LOK SABHA
STARRED QUESTION NO. *73 FOR 14TH DECEMBER, 2018
REGARDING RESTRUCTURING OF IL&FS.**

(a) to (c): Based on the application filed by the Central Government under section 241 and 242 of the Companies Act, 2013, which deal with mismanagement and oppression and action detrimental to the public interest, the National Company Law Tribunal (NCLT) suspended the erstwhile Board of Directors of Infrastructure Leasing and Financial Services Limited (IL&FS) and allowed the Central Government to constitute a new board with up to ten (10) directors with prior approval of NCLT.

The newly appointed board consisting of six (6) directors has been tasked with the responsibility of bringing about an orderly resolution with respect of IL&FS and its group companies by way of maximization of value of assets and balancing the interest of all stakeholders. At the time of takeover of the management of the IL&FS and its group companies, it had accumulated losses of Rs. 2,394.77 crores as on 31.03.2018 on consolidated basis and with negative cash flows. Accordingly, with a view to enable an orderly resolution, the Central Government prayed for moratorium of three (3) months against all payment(s) and re-payment(s) obligations which has been allowed by the National Company Law Appellant Tribunal (NCLAT) on ad-interim basis until further orders.

The newly appointed board has taken large number of cost cutting measures to ensure utilization of limited funds available with it to meet essential obligations viz. establishment costs, essential contractual obligations to keep it as going concern and to preserve value. Concurrently, the new board is also working on a comprehensive resolution plan at Group level, Vertical level and Asset level or permutation or combination thereof. Towards this objective, the board has already called for Expression of Interest (EoI) in respect of IL&FS group companies in Security and Renewable business. The response to which is very encouraging.

The newly appointed board has kept the NCLT continuously updated on finalization and implementation of the resolution plan, which is implemented under the supervision of NCLT.
