

Banks may have to write off nearly Rs 30,000 cr of loan to IL&FS entities

“A large part of provident fund investments are in the Rs 50,500 crore assets,” the source said, adding, “..and they are likely to take a significant hit, as they will get their money only after secured lenders have been paid off”

Tarun Sharma
@talktotarun

Financial institutions that have lent money to IL&FS group companies could be collectively staring at a write-off of nearly Rs 30,000 crore, a source told Moneycontrol.



That is because Rs 65,000 crore of the outstanding loans are to IL&FS groups classified in the ‘red’ category, according to a progress report presented to the National Company Law Appellate Tribunal (NCLAT) by the Ministry of Corporate Affairs (MCA) and the new board led by veteran banker Uday Kotak. This grading denotes companies which cannot meet their payment obligations towards even senior secured financial creditors as and when such obligations become due.

These entities can only make payments necessary to maintain and preserve the 'going concern' status.

According to the FY2018 balance sheet, IL&FS had around Rs 91,000 crore of debt.



Why you should be a contrarian investor	3 stocks that may give 9-12% return
Sachin Bansal invests \$92 million in Ola	Emami group announces 10% stake sale

MUST LISTEN

"Out of Rs 65,000 crore, barely Rs 30,000 crore can be recovered," the source told Moneycontrol.

The assessment has been made on the basis of a solvency test formulated by the new board and MCA.

Entities which can repay all debt obligations and have not defaulted so far account for just Rs 6,605 crore of loans.

Around Rs 50,500 crore of loans are to entities which cannot meet operational and senior secured financial debt, and Rs 15,000 crore of loans are to entities that are unable to repay even senior secured financial debt obligation as and when due.

"A large part of provident fund investments are in the Rs 50,500 crore assets," the source said, adding, "...and they are likely to take a significant hit, as they will get their money only after secured lenders have been paid off."

Around Rs 16,800 crore of loans is to companies which are not able to meet all obligations (financial and operational), but can meet operational and senior secured financial debt.

This week, ex-Supreme Court judge Justice DK Jain will also meet the new board of IL&FS and oversee the process of the sale of IL&FS companies.

According to the report submitted to the NCLAT, monetisation process for assets with an embedded debt of Rs 35,000 crore has been initiated. The monetisation of another set of assets with Rs 15,000 crore of embedded debt will be initiated in the next 4-6 weeks.

First Published on Feb 19, 2019 07:25 pm



[Podcast | Digging Deeper: All about the billions spent on diamonds and chocolates for love](#)

STAY UPDATED

Subscribe to our Daily Newsletter

Get Daily News on your Browser

TRENDING NEWS



V15 PRO. GO POP.
20.02.2019

Vivo V15 Pro to be launched today: Expected price, specs and features

[First Maruti 800 ever sold in India gets a factory restoration](#)

[These top managers are steering Amazon as Jeff Bezos fights a scandal](#)

[Ather unveils three new subscription plans for its electric scooters](#)

[Toxic black snowfall in Siberia turns it into Gothic winter wonderland](#)

TAGS [#Banks](#) [#Business](#) [#Companies](#) [#Financial Institution](#) [#ILFS](#) [#MCA](#)
[#Ministry Of Corporate Affairs](#) [#NCLAT](#) [#Provident Fund](#)

MOST POPULAR



[10 high-conviction bets that could give 13-100% return in a year](#)



[Modi government report card: Here's how economy fared under the PM](#)



[Wipro, HDFC Bank among top 11 picks by brokerages with up to 60% upside](#)

AROUND THE WEB

by mgid



[You Can Get Rich In India Using This Trading System](#)



[Discover More Trading Opportunities](#)



[Enjoy 1 Year Of Unlimited Access To 5,000+ Magazines At Rs.999](#)



Last Updated : Feb 20, 2019 11:34 AM IST | Source: Moneycontrol.com

EURINR is expected to move sideways: Angel Broking

According to Angel Broking, EURUSD appreciated by 0.28percent yesterday while EURINR depreciated by 0.07percent the same time frame.

Angel Broking's currency report on EURINR

EURUSD appreciated by 0.28 percent yesterday while



EURINR depreciated by 0.07percent the same time frame. German GDP came in at 0 percent against market expectations of 0.1 percent. In line with other negative data sets, German industrial production data also came in at -0.4 percent against market expectations of 0.8 percent. German economic sentiment came in at -13.4 for Jan'19 against market expectations of -14.1. Meanwhile, Concerns hit the common currency as US President Trump intends to put tariffs on cars' imports, which will affect the EU's industry.

OUTLOOK

EURINR is expected to move sideways in today's session.

Disclaimer: *The views and investment tips expressed by investment experts/broking houses/rating agencies on moneycontrol.com are their own, and not that of the website or its management. Moneycontrol.com advises users to*

check with certified experts before taking any investment decisions.

 [Read More](#)

First Published on Feb 20, 2019 11:34 am

TAGS [#Angel Broking](#) [#Brokerage Recos - Currencies](#) [#EURINR](#)

MOST POPULAR



[8 trading ideas from brokerages with medium to long-term investment horizon](#)



[These countries will have the most millionaires by 2023: Report](#)



[The iconic dinosaur and other amusing facts about Google's office](#)