

NCLAT allows 22 IL&FS group companies to service debt obligations

70 out of the 169 firms of the IL&FS group have been placed under 3 categories based on their ability to service routine debt

Aashish Aryan | New Delhi February 11, 2019 Last Updated at 20:38 IST



The National Company Law Appellate Tribunal (NCLAT) on Monday allowed 22 companies placed under the “green” category by the new board of Infrastructure Leasing & Financial Services (IL&FS) and the government to start servicing routine debt obligations, according to

schedule.

These debt obligations will be done within the resolution framework under the supervision of retired Supreme Court judge Justice D K Jain, a two-member Bench headed by Justice S J Mukhopadhaya of the NCLAT said.

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In a meeting that took place last month between the newly constituted board of the IL&FS group, its financial creditors, executives of the Ministry of Corporate Affairs, and Kotak Mahindra Bank Managing Director and Chief Executive Officer Uday Kotak — the non-executive chairman of IL&FS group — the board had classified the IL&FS group companies into three categories, namely ‘green’, ‘amber’, and ‘red’.

38 firms marked RED

Firms unable to repay even secured financial creditors

10 firms classified AMBER

Firms that can service only their operational debt obligations and payment to senior secured financial creditors

22 domestic subsidiaries classified GREEN

Firms that can service all their financial and operational debt; they have enough working capital for one year



As many as 69 out of the 169 firms of the IL&FS group incorporated in India have been placed under three categories based on their ability to service routine debt obligations to secured financial and operational creditors.

Based on the pleas of financial and other operational creditors, the NCLAT on Monday admitted all applications and agreed to hear them on March 12.

The NCLAT on Monday also asked the government to explain how it planned the resolution of the companies under the 'amber' and 'red' categories.

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“We want to know from the government and the IL&FS as how they intend to resolve all entities, particularly in ‘amber’ and ‘red’ group entities and whether they would form a committee of creditors as is normally done in a company insolvency resolution process,” said the NCLAT.

During the hearing on Monday, Solicitor General of India Tushar Mehta appearing for the government also submitted a list of 302 subsidiaries of the IL&FS, which are jointly controlled entities, group companies and associates forming part of the IL&FS group companies.

Out of the 302 companies, 169 companies are incorporated in India and the remaining 133 are incorporated outside India and are offshore companies, he added.

Following a plea by the government, the NCLAT on Monday also lifted the interim moratorium from 133 companies of the IL&FS group incorporated outside the shores of India to allow the resolution process of these companies to continue according to the agreed framework.

ALSO READ: [NCLAT asks govt for list of IL&FS firms categorised by financial position](#)

On February 5, the NCLAT had asked the government to provide a list of IL&FS group companies along with their categorisation based on their respective financial positions to pay their debt.

The entire resolution process would be based on the principles enunciated in the Insolvency and Bankruptcy Code, the NCLAT had then said.

COMPANIES UNDER GREEN CATEGORY

- ▶ IL&FS Investment Managers
- ▶ IL&FS Security Services
- ▶ IL&FS Paradip Refinery Water
- ▶ Tamil Nadu Water Investment Company
- ▶ Chhotagovindpur & Bagbera Drinking Water Supply Project
- ▶ IISL Settlement & Transmission Services
- ▶ IL&FS Asian Infrastructure Manager
- ▶ IL&FS Urban Infrastructure Manager
- ▶ IIML Asset Advisors
- ▶ IL&FS Infra Asset Management
- ▶ Andhra Pradesh Urban Infrastructure Asset Mgmt
- ▶ North Karnataka Expressway
- ▶ Jharkhand Infrastructure Implementation Company
- ▶ IL&FS Solar Power
- ▶ Ratedi Wind Power Private
- ▶ Lalpur Wind Energy
- ▶ Maytas Logiparks (Isnapur) Private
- ▶ Wind Urza India Private
- ▶ Kaze Energy
- ▶ Etesian Urja
- ▶ Tadas Wind Energy Private
- ▶ Khandke Wind Energy Private