

July 20, 2020

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Vice President,
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National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
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Scrip Code No: 533177

Scrip Code No: IL&FSTRANS EQ

Dear Sirs,

Sub: Media Release by IL&FS on up gradation of estimates of Debt addressed to over Rs 57,000 Crore

We enclose herewith the Media Release dated July 20, 2020 issued by Infrastructure Leasing & Financial Services Limited (IL&FS), Promoter in connection with the up gradation of Estimates of Debt addressed to over Rs 57,000 Crore for your information and records.

Thank you

Yours faithfully,
For IL&FS Transportation Networks Limited

Sd/-
Krishna Ghag
Vice President &
Company Secretary



MEDIA RELEASE

July 20, 2020, Mumbai

IL&FS BOARD UPGRADES ESTIMATES OF DEBT ADDRESSED TO OVER RS 57,000 CRORE

The New Board of IL&FS Limited today shared an update on the progress of the ongoing resolution process across the Group and revised its estimates of debt being addressed to well above 50 per cent of the overall debt of over Rs 99,000 crore.

The aggregate value of debt being addressed is now estimated as over Rs 57,000 crore – with around Rs 50,500 crore likely to be addressed by March 2021.

The revised value accounts for over 57 per cent of overall debt and is significantly higher than the average realization, till date, for Financial Creditors under the IBC process.

The New Board, appointed by the Central Government, led by Mr. Uday Kotak as Non-Executive Chairman, Mr. Vineet Nayyar as Vice Chairman, Mr. C S Rajan as MD and Mr. Bijay Kumar as Deputy MD, along with other officials - highlighted the key initiatives taken, progress made till June 30, 2020, and revised timelines to complete the resolution process for the IL&FS Group, at a media briefing held earlier today.

IL&FS has, till June 30, 2020, addressed debt of Rs 17,640 crore from a combination of - completed asset sales, debt repayment to Green Entities, debt discharged in Non-Green entities and available cash balance across the Group.

The New Board also shared a quarterly plan that estimates addressing additional debt of Rs 8,800 crore by Q2FY21; Rs 18,000 crore by Q3FY21 and over Rs 6,000 crore by the end of Q4FY21 – aggregating to Rs 50,500 crore by end of FY2021

Efforts towards resolution of additional debt of Rs 6,600 crore are likely to continue beyond FY21, as the New Board expects the resolution of major holding companies to take a longer time.

The New Board of IL&FS has developed a unique “Group resolution framework” that received NCLAT approval on March 12, 2020. The framework can form a benchmark for future group insolvencies in the country.

The IL&FS New Board has been following a three-pronged strategy - Resolve, Restructure and Recover - while adopting an approach of equitable distribution and balancing interests of stakeholders across the IL&FS Group under IBC and Corporate Finance principles, to resolve over Rs 99,000 crore funded and non-funded debt of the Group.



As part of the resolution efforts, IL&FS also proposes to set up one of the country's largest InvITs with a target gross value of Rs 13,000 crore, which includes 3 SPVs where debt of Rs 5,000 crore has been restructured. The Group is in an advanced stage of concluding the sale process of 15 entities with resolution of nearly Rs 8,500 crore and plans restructuring additional debt of Rs 4,900 crore.

The New Board has till date met 42 times since October 2018 to ensure governance and vigorous oversight of the resolution process; total number of entities have been reduced from 347 to 276, which is expected to further reduce to around 60 entities by March 2021. The New Board has taken multiple steps and ensured preservation of key national road and power assets.

All this would however not have been possible without the help, guidance and support provided by the MCA at all stages in the resolution process as well as the moratorium cover extended by the NCLAT order.

For Media Queries:

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IL&FS: Media Briefing

20 Jul 2020

Where it started and what did we do ?

- The New Board had to navigate through complex issues post taking charge on Oct 4, 2018:
 - **347** entities - **172** domestic, **175** foreign
 - **99,000+ Cr debt** (funded and non funded) with high leverage
 - Multiple business verticals, 4 layered structure, numerous jurisdictions
 - **Significant intra-group exposure** with risks not commensurate with revenue streams
- **42 board meetings held** since Oct 2018 - governance and vigorous oversight of resolution process
- Developed **unique “Group resolution framework”** - **approved by NCLAT on Mar 12, 2020**
 - Balanced interests of varied stakeholders, adopting IBC & corporate finance principles
 - 3 pronged strategy - **Resolution, Recovery, Restructuring**
 - Oversight by **retired Supreme Court Judge**
- Implemented **stringent liquidity management** measures
- Supporting numerous **ongoing investigations, forensic audits, recasting of accounts etc.**
- **Creditor engagement** – **30+** meeting of relevant creditors committee meetings till date
- **Reduced** administrative and overhead expenses by **~48%** from FY18 levels

Multiple resolution modes for INR 99,000+ Cr debt

Resolution Mode	Domestic entities	External debt (INR Cr) ⁽¹⁾	Offshore entities	External debt (INR Cr) ⁽¹⁾
Resolved / Sold / Insolvency / Liquidation ⁽²⁾	23	4,821	48	1,048 ⁽²⁾
Entity monetization/stake sale	47	13,531	10	2,866
InvIT (Road assets)	13	9,042	---	---
Real estate monetization	8	473	---	---
Debt restructuring	3	9,382	5	---
Termination of projects ⁽³⁾	11	6,035	2	96
Identified for winding up	61	278	9	310
Insolvency filed; pending admission (Elsamex Spain)	-	-	100	-
Key holding companies	6	50,824	1	649
Total (Domestic)	172	94,385	175	4,970

Notes:

- (1) Includes both fund-based and non fund-based debt; External debt as on Oct 8, 2018 and Internal debt as on Sep 30, 2018
- (2) Entities admitted under insolvency process in different jurisdictions under control of liquidators/ resolution professionals from date of appointment
- (3) INR 400 Cr received in 2 roads; NHAI settlement of INR 2,000+ Cr in-principle approved in 3 roads

INR 17,640 Cr debt addressed till Jun-20

All figures in INR Crores

	Particulars	Fund based	Non Fund based	Total
(A)	Total External Debt O/s (Oct 8, 2018)	94,216	5,139	99,355
(B)	Debt Addressed	7,454	1,556	9,010
	Entities sold	4,821	-	4,821
	Principal paid in "Green" entities	1,028	-	1,028
	Debt discharged in "Non-Green" (1)	1,605	-	1,605
	NFB limits released	-	1,556	1,556
(C)	Available Cash Balance (Jun 30, 2020)	8,630	-	8,630
(B) + (C)	Debt addressed based on cash balance (Jun 30, 2020)	16,084	1,556	17,640
	<i>% addressed</i>			18%

Notes:

- (1) All debt discharged in non-green entities (on account of banks debiting accounts) considered as principal paid
- (2) The number of entities have been reduced from 347 to 276 as on 30 June 2020

~INR 50,500 Cr debt addressal expected by Mar-21

All figures in INR Crores

Resolution Mode	By Sep-20	By Dec-20	By Mar-21	Beyond Mar-21	Total
Entity Sale	2,900	9,100	650	850	13,500
InvIT	-	7,200	4,000	-	11,200
Claim from concession authorities / pre-payment etc	1,600	1,500	-	2,500	5,600
Real Estate Sale	-	-	900	1,200	2,100
Restructuring of Debt	4,300	-	-	650	4,950
Recovery of loans and investments to non ILFS cos	-	200	600	1,450	2,250
Total	8,800	18,000	6,150	6,650	39,600
Cumulative	26,440	44,440	50,590	57,240	57,240

# Entities resolved	33	155	26	62	276
Cumulative resolved	104	259	285	347	347
Entities pending	243	88	62	-	-

Notes:

- (1) Resolved entities include entities admitted under insolvency in different jurisdictions
- (2) Indicated timeline is contingent on the procedural time under applicable laws

Where do we stand ?

- **INR 50,500 Cr (~ 50%)** debt expected to be addressed by **Mar-21**; overall debt addressal estimated between INR 55,000 – 60,000 Cr
 - **~INR 17,640** of debt addressed as of Jun 30, 2020 - including cash balance of INR 8,630 Cr
 - Sale concluded for **11** entities with debt of **INR 4,800+ Cr**; additional Equity consideration of **INR 625 Cr** received
 - Recovered **~INR 1,360 Cr** from loans and investments to non-IL&FS Group entities
 - **~INR 2,600 Cr** of principal repaid
 - Sale of **15** entities in advanced stages with resolution of **~INR 8,500+ Cr** ^[1]; **12** approved by CoCs
 - One of the largest **InvITs** with target gross value of **~INR 13,000 Cr** ^[1] being set-up. Includes 3 SPVS where debt of **INR 5000+ Cr** has been **restructured**
 - Debt restructuring in progress for **INR 4,900+ Cr**
 - Termination & claims settlements: **INR 400 Cr** received, **INR 2,000+ Cr** in-principle approved by NHAI
- Expected recovery of IL&FS Group debt significantly **higher than average recovery under IBC** ^[2]
- Number of entities reduced from 347 to 276; expected to reduce to **~60** by **Mar-21**
- **Ensured preservation of key national assets** like roads, power plant etc.

¹ Includes cash balance in these entities

² Insolvency and Bankruptcy Board of India (IBBI) newsletter

THANK YOU