

IL&FS seeks to save group cos from wilful defaulter tag

New Delhi: The newly appointed board of debt-ridden IL&FS has moved an urgent application before NCLAT to restrain 11 public sector lenders from initiating proceedings to declare its group companies as 'wilful defaulters'.

In its petition, IL&FS said it is aggrieved by the blatant violation and disregard of previous NCLAT orders by banks. IL&FS also charged banks of taking procedural action under the garb of RBI guidelines, and "harassing directors of IL&FS companies".

The banks are "issuing show cause notices, calling for a personal hearing before the wilful defaulter identification committee, threatening initia-

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tion of criminal proceedings, including initiating proceedings as well as and for declaring IL&FS companies and their current directors as wilful defaulters, as well as issuing look out circulars," it submitted.

"All such coercive actions/steps are attempts by the respondent banks to pressurise the IL&FS companies to directly or indirectly meet their debt demands, without having regard to the fact that the resolution/ satisfaction of debts of all the creditors of the IL&FS companies is sub judice before this tribunal," it submitted.

IL&FS has asked NCLAT to direct banks to not take any coercive action during pendency of the hearing and final disposal of this present application, before it. AGENCIES