

NCLAT Relief for IL&FS Engg in Recovery Case

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New Delhi: The National Company Law Appellate Tribunal (NCLAT) on Friday granted relief to IL&FS Engineering and Construction Company (IECCL), part of Infrastructure Leasing & Financial Services (IL&FS) group, dismissing Terra Projects Pvt Ltd's application for modification of its overruling October 2018 order.

Terra Projects sought modification of the order to initiate recovery proceedings against IECCL for about ₹150 crore, arising from the work it had completed under a contract

between the parties. The October 2018 order prevents "the institution or continuation of suits or any other proceedings by any party or person or bank or company, etc., against 'IL&FS' and its 348 group companies in any court of law/tribunal/arbitration panel or arbitration authority". The tribunal reasoned that "the NCLAT order hasn't been interfered with by the Supreme Court" and, therefore, Terra Projects' plea for modification of the NCLAT order was bound to be rejected.

Terra Projects' counsel told the tribunal that IECCL had sent demand letters to Terra Projects, seeking to recover ₹62 crore, which was granted as an advance loan. While accepting the company's obligation to repay the loan, the counsel said, "We can't pay unless IECCL pays us for the work we completed." The NCLAT also dismissed three applications filed by the National Highways Authority of India (NHAI) for invocation of bank guarantee against IECCL.

