

NCLAT directs banks not to take action against IL&FS, directors

ENS ECONOMIC BUREAU
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THE NATIONAL Company Law Appellate Tribunal (NCLAT) has directed 11 public sector lenders not to take coercive action against IL&FS group companies and directors till its next hearing on May 14.

A two-member NCLAT bench also issued notices to the banks, along with the Reserve Bank of India (RBI), directing

them to file a reply. "In view of the order dated October 15, 2018, the Respondents (banks) shall not proceed to take any coercive action against the Applicant (IL&FS and group companies) till the next date," NCLAT said.

On October 15, 2018, the NCLAT stayed all proceedings against IL&FS and other group companies till its further order. It had also restrained creditors of IL&FS from filing suits, in the case of non-repayment of loans.

"Despite several protective

orders passed by this Tribunal and the National Company Law Tribunal, Mumbai restraining creditors from taking any coercive action against the IL&FS companies, including their directors, the respondent banks under the garb of taking procedural action have been harassing the directors of the IL&FS companies by issuing show cause notices and calling for personal hearing before the wilful defaulter Identification Committee," IL&FS petition said.