

## Protection against Suits Can't Continue Forever, NCLAT tells IL&FS

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**New Delhi:** National Company Law Appellate Tribunal Wednesday issued a show cause notice to Infrastructure Leasing & Financial Services (IL&FS), asking why the tribunal should extend the protection granted to it from proceedings beyond October 15 this year.

While NCLAT granted relief to IL&FS dismissing the application by Sadbhav Engineering Ltd and GKC Projects Ltd, which sought execution of an arbitral award against one of IL&FS's entities, the appellate tribunal asked IL&FS to show sufficient reason for continuing the protection.

NCLAT's October 2018 order prevented "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." If the October 2018 order is vacated it can affect IL&FS entities that still need resolution under the IBC, which as of now number around 70.

