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Banks debited ₹758 cr from IL&FS a/cs

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Banks and financial institutions deducted more than ₹758 crore for servicing their debt from the accounts of Infrastructure Leasing & Financial Services (IL&FS) and its group companies between October 2018 and June 2019, despite orders from the National Company Law Appellate Tribunal (NCLAT), the Ministry of Corporate Affairs (MCA) has told the National Company Law Tribunal (NCLT) in an affidavit.

“These include amounts debited (without authorisation or instruction) towards repayment or redemption of term loans availed or debentures issued by the relevant IL&FS group entities (including towards interest payments) and by lenders

Bad loans undisclosed for yrs: Report

The IL&FS may not have disclosed bad loans on its books for years despite a big part of its loan book having soured, a report from the country's central bank said. The report said bad loans for four years till March 31, 2018 had not been reported.

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to the current accounts of certain IL&FS group entities in respect of cash credit facilities,” the MCA has said in its affidavit. The NCLAT had in October last year stayed all proceedings against IL&FS and 348 group companies in all courts other than the Supreme Court, until its further orders.

“There shall be a stay of the institution or continuation of suits or any other proceedings by any party or person or bank or

company, against IL&FS and its 348 group companies in any court of law/tribunal/arbitration panel or arbitration authority,” the appellate tribunal had then said.

In the latest affidavit, filed with the fifth progress report, the MCA has apprised the NCLT that it was in December 2018 and April 2019, the banks had debited ₹155 crore and ₹144 crore, respectively. The lowest amounts of ₹34 crore and ₹27 crore were debited in May and June, respectively.

In the detailed progress report, the MCA has said for IL&FS and 25 of its sister companies, financial institutions, such as the Bank of Baroda and State Bank of India, have debited the amounts, despite the NCLAT moratorium against the same.

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