

## NCLAT Reserves Order on SBI Plea for Funds from IL&FS Co

**New Delhi:** The National Company Law Appellate Tribunal (NCLAT) on Thursday reserved its order on State Bank of India's application for the interim distribution of Rs 275 crore from an escrow account of Baleshwar Kharagpur Expressway Ltd (BKEL), an entity of the Infrastructure Leasing & Financial Services (IL&FS) group.

"The amount lying with BKEL is in surplus of Rs 330 crore," SBI's counsel told the NCLAT, while noting that the company had proposed an interim distribution of funds in December last year. The proposal envisaged a distribution

of Rs 204 crore, half each to the National Highways Authority of India (NHAI) and SBI. But the state-run bank had demanded Rs 275 crore.

The counsel for SBI contended that it has been almost six years, and the secured creditors still awaited fund distribution.

In April this year, the NCLAT in a judgement stated that secured creditors such as SBI were higher in the hierarchy with respect to the distribution of funds, so their debt should be paid before other payments, including NHAI's.

— **Suryash Kumar**

