

IL&FS moves NCLAT, seeks protection for group firms

PRESS TRUST OF INDIA
New Delhi, March 18

THE NEWLY APPOINTED board of debt-ridden IL&FS has moved an urgent application before the appellate tribunal NCLAT to restrain 11 public sector lenders from initiating proceedings to declare its group companies as “wilful defaulters”.

In its petition, IL&FS said it is aggrieved by the “blatant violation and disregard” of previous NCLAT orders by the banks. IL&FS also charged banks of taking procedural action under the garb of the RBI guidelines, and “harassing the Directors of the IL&FS companies”.

The banks are “issuing show cause notices, calling for a personal hearing before the Wilful Defaulter Identification Committee, threatening initiation of criminal proceedings, including initiating proceedings as well as and fordeclaring IL&FS companies and their current Directors as Wilful Defaulters, as well as getting issued Look Out Circulars,” it submitted.