

IL&FS Moves NCLAT to Avoid Wilful Defaulter Tag on Group Cos

Press Trust of India

New Delhi: 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



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criminal proceedings, including initiating proceedings as well as and for declaring IL&FS companies and their current directors as Wilful Defaulters, as well as getting issued look-out circulars," it submitted.

"All such coercive actions/steps are attempts by the respondent banks to pressurise the IL&FS companies to directly or indirectly meet their debt demands, without having regard to the fact that the resolution/satisfaction of debts of all the creditors of the IL&FS companies is subjudice before this Tribunal," it submitted.

IL&FS has prayed to restrain the banks from pursuing proceedings against "other IL&FS companies and/or their directors and/or officers appointed after October 2018 by the IL&FS new board." Moreover, it has also made the banking sector regulator RBI a party, and requested NCLAT to "pass an order directing Respondent No. 12 (RBI) to direct Respondent No. 1 to 11 (banks) restraining them from taking any coercive action against the Applicants and other IL&FS companies."