

## NCLAT Exempts 50 IL&FS Red, Amber Cos from CSR Rules

**Press Trust of India**

**New Delhi:** Insolvency appellate tribunal NCLAT has exempted IL&FS Group companies — categorised as ‘red’ and ‘amber’ — from corporate social responsibility (CSR) on account of interest expenses accrued on their loan amount.

The order will benefit around 50 ‘amber’ and ‘red’ companies of the debt-ridden IL&FS Group, which are protected under the moratorium granted by the NCLAT from its order dated Oct 15, 2018. These ‘red’ and ‘amber’ entities have not been accruing interest on their outstanding debts, resulting in such compani-

es showing notional profits in their books of accounts under Section 198 of the Companies Act.

Such notional profits have led to such companies liable to comply with CSR obligations under Section 135 of the Act. IL&FS Group moved an application last year before NCLAT to correct this.

