

IL&FS to file bankruptcy for offshore firms in UAE

New Delhi: Debt-ridden IL&FS has proposed to initiate bankruptcy proceedings for two of its offshore firms — ITNL Infrastructure Developers LLC (IIDL) and ITNL International DMCC (IIDMCC) — in the courts of the UAE. IL&FS had requested the Mumbai-bench of the National Company Law Tribunal (NCLT) to take on record its proposal to initiate the bankruptcy proceedings before the Dubai courts under UAE Federal Decree.

The tribunal consented with the decision of the newly constituted board of the IL&FS and observed that the initiation of bankruptcy proceedings was the best option for the two firms.

“After hearing both the sides and on perusal of records, this bench is of the view that the initiation of bankruptcy proceedings is the best option in the given scenario. The same is recorded as prayed for. In the circumstances, the proposal of the applicant for initiation of insolvency proceedings of IIDL and IIDMCC is taken on record,” the NCLT said.

The tribunal also observed that the regional director (WR), MCA, Mumbai representing the government also has no objection. “There is no objection from the Petitioner (MCA) for the proposal of the Applicant,” it said.

Justice D K Jain, who is supervising the assets, has already accorded his approval for initiation of bankruptcy proceedings for both — IIDMCC and IIDL — in May this year.

Under the roadmap for IL&FS, the offshore entities of the group have been exempted from the resolution framework by the National Company Law Appellate Tribunal (NCLAT) through its order on February 11, 2019. AGENCIES