

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UNSTARRED QUESTION NO. 4699

ANSWERED ON MONDAY, THE 22nd JULY, 2019/ASHADHA 3, 1941 (SAKA)

CAPITAL INFUSION IN IL&FS

QUESTION

4699. Shri Dayanidhi Maran:

Shri Vinod Kumar Sonkar:

Dr. Sukanta Majumdar:

Will the Minister of CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

be pleased to state:

- (a) Whether the revival and capital infusion plans being proposed by the Government towards resolution of the Infrastructure Leasing and Financial Services Ltd. (IL&FS) issue along with action is being taken against large defaulters;**
- (b) whether the Government has directed the Serious Fraud Investigation Office (SFIO) to probe banks as well as their officials/ NRI defaulters who lent to the IL&FS group of companies; and**
- (c) if so, the details thereof along with the steps taken/being taken by the Government in this regard?**

ANSWER

**THE MINISTER OF STATE FOR FINANCE
AND CORPORATE AFFAIRS**

(SHRI ANURAG SINGH THAKUR)

वित्त एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अनुराग सिंह ठाकुर)

(a) to (c) There is no fresh capital infusion proposed in the Resolution Plan submitted to the NCLT by the IL&FS. Due to continuous failure of

the Infrastructure Leasing and Financial Services Ltd. (IL&FS) to service its debt and imminent possibility of contagion effect in the financial market, the Central Government moved an application under Sections 241 and 242 of the Companies Act, 2013 before the National Company Law Tribunal (NCLT), Mumbai Bench for taking management control. The NCLT, Mumbai Bench vide its order dated 01/10/2018 approved the application filed in this regard, by suspending the erstwhile board of directors of IL&FS and appointed its nominees as directors, who have been tasked with the orderly resolution of the IL&FS and its group companies. The entire process is being carried out under the supervision of the NCLT. In order to ensure period of calm during the resolution process, a moratorium was sought against the creditors, which has been granted on interim basis by the National Company Law Appellate Tribunal (NCLAT) until further orders. Justice (Retd.) D.K. Jain, Supreme Court of India has been appointed by the NCLAT to oversee the monetization and resolution of the assets of IL&FS and its group companies.

Besides the resolution of the company, the Central Government has ordered investigation to be carried out by the Serious Fraud Investigation Office (SFIO) into the affairs of IL&FS Ltd. and its subsidiary companies on 30/09/2018. The SFIO has, so far, submitted its 1st Interim Report dated 30/11/2018 and its 2nd Interim Report dated 28/05/2019, which have been filed before the NCLT.

In pursuance of the interim reports filed by SFIO, the Central Government had sought relief from the NCLT for restraining the suspects/respondents identified by SFIO, from alienation of their moveable and immovable properties. In addition to the above, the Central Government has also filed a contempt petition against certain additional respondents for violation of the orders of restraint passed by the NCLT. The NCLT has, till date, restrained the following respondents from alienating their moveable and immovable properties:

S. NO.	NAME OF RESPONDENT
1	HariSankaran
2	Arun K Saha
3	Ravi Parthasarathy
4	Vibhav Kapoor
5	K Ramchand

6	Ramesh C Bawa
7	Pradeep Puri
8	S Rengarajan
9	MukundSapre
10	Asha KiranBawa
11	AakankshaBawa

Further, based on the 2nd Interim Report dated 28/05/2019 submitted by SFIO, the Central Government has also filed a petition under Section 140(5) of the Companies Act, 2013 against the Statutory Auditors of IL&FS Financial Services Ltd., for *inter alia* seeking the removal of the statutory auditors and banning them for a period of 5 years.

Furthermore, SFIO has filed a complaint before the Special Court at Mumbai against IL&FS Financial Services Ltd. and its directors, certain officers and also against its auditors, under Sections 447, 36 r.w. 447, 143 r.w. 147, 129 r.w. 448 and 184(4) of the Companies Act, 2013, Sections 68 r.w. 211 and 628 of the Companies Act, 1956 r/w various sections of the Indian Penal Code, 1860.

The Central Government has also filed an application before the NCLT for impleading the accused, named by SFIO in its complaint before the Special Court at Mumbai, as respondents in its petition before the NCLT and has sought relief for restraining the additional suspects/respondents from alienation of their moveable and immoveable properties.

Investigation under section 212 of the Companies Act, 2013 assigned to Serious Fraud Investigation Office (SFIO) is into the affairs of IL&FS and its subsidiary companies. Further, it also includes investigation into related body corporate or any person etc. Accordingly, SFIO is free to probe the officials/ NRIs/defaulters who have lent money to the IL&FS group companies. Lastly, the investigation by the SFIO is under way and the matters before the NCLT, NCLAT and Special Court, Mumbai are sub-judice.
