



IIPI Newsletter

August 7, 2020

| Volume 5, Number 32

*For Restricted Circulation Only

*Knowledge SBU Initiative

Delhi HC Issues Notice On Challenge To Centre's Notification Of IBC Part III Only As Regards Personal Guarantors To Corporate Debtors

The Delhi High Court issued notice on a plea challenging the November 15, 2019 gazette notification bringing into effect certain provisions of Part III of the IBC, i.e. Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms from December 1, 2019. The plea argues that the Impugned Notification and the Impugned Rules and Regulations are manifestly arbitrary and deserves to be struck down.

Insolvency and Bankruptcy Board of India No. IBBI/PR/2020/09 05th August, 2020 Press Release The Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017

The Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2020, were notified wef 05/08/2020.

IBC 2016 enables a corporate person to initiate voluntary liquidation process if it has no debt or it will be able to pay its debts fully from the proceeds of the assets for which it is required to appoint an insolvency professional as liquidator.

The amendment made to the Regulations today provides that the corporate person may replace the liquidator by appointing another insolvency professional as liquidator by a resolution of members or partners, or contributories, as the case may be.

Videocon staring at liquidation as Covid-19 pandemic deters buyers

Once India's biggest electronics maker, Videocon Industries (VIL) is now staring at liquidation, as bidders worry about the company's prospects and look to conserve cash in times of Covid. The company was admitted for debt resolution in June 2018 under IBC after it started defaulting on its Rs 40,000-crore debt. According to a source close to the development, bankers considered sending the company into liquidation at a meeting on July 29.

POINT TO PONDER

*"A mentor is someone who allows you to see the hope inside yourself."
— Oprah Winfrey*

RCom's insolvency: This Delhi-based firm is set to acquire Anil Ambani's telecom assets

Amid growing speculations over Anil Ambani's now-defunct telecom company Reliance Communications' fate, Delhi-based asset restructuring company UV Asset Resolution Co Ltd (UVARCL) has inched closure to buy spectrum, real estate, and enterprise and data centre businesses held by RCom and Reliance Telecom Ltd. The proposal for the acquisition of the bankrupt telco has already been approved by its CoC and is pending for the green signal from the National Company Law Tribunal (NCLT).

The NCLT will hear RCom's resolution plan on August 19 and give its order on whether the proposed takeover of assets by the buyer can go ahead.

DHFL extends bid submission deadline till September 16

The (CoC) of mortgage financier Dewan Housing Finance Corporation (DHFL) has agreed to extend the deadline for submission of bids till September 16, sources close to development told FE. In a meeting held on July 29, the CoC has also allowed digital submission of resolution plan for bidders.

Banks target Sintex, NBFCs for insolvency proceedings

Lenders are set to initiate insolvency proceedings against Sintex Industries. They will also initiate the proceedings against non-banking finance companies (NBFCs) Religare Finvest (RFL), Reliance Home Finance and Reliance Commercial, and will seek permission from the RBI for the same. The move to initiate insolvency proceedings follows the expiry of the six-month deadline for resolving the default in respect of these companies.

Revised Standard Operating Procedure for hearing of cases through virtual mode

Revised Standard Operating Procedure for Ld. Advocate/ Authorised Representative/Party-in-Person for Mentioning the matter for hearing through virtual mode before NCLAT. As directed, the following is the revised Standard Operating Procedure for hearing of cases through virtual mode (Cisco Webex Meeting Platform) from 04.08.2020 till further orders.

Feedback requested at ipa@icai.in