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AGR dues case: SC leaves it for NCLT to examine questions around IBC matters

The Supreme Court has left it to the National Company Law Tribunal (NCLT) to examine all the contentious questions on insolvency matters impinging on the Adjusted Gross Revenue (AGR) dues case, including as to whether "spectrum" can be subjected to proceedings under the IBC.

RBI may propose tweaks to SARFAESI Act to bridge regulation gap with IBCs for ARCs

The Reserve Bank of India may propose amendments to the SARFAESI Act to allow asset reconstruction companies (ARCs) to bid for bankrupt companies and infuse equity in them at the resolution stage. The central bank has asked its legal teams to draw up an amendment plan so that ARCs do not back out from buying bankrupt firms and halt the resolution process across sectors.

Forensic audit finds fraudulent transactions worth Rs 14,000 crore in DHFL

An investigation carried out by Grant Thornton into the affairs of Dewan Housing Finance Corporation Limited has unearthed fraudulent transactions. The preliminary estimation included in the application places the monetary impact of the concerned transactions at approximately Rs 14,046 Crores, as being the amount outstanding in the books of the Company as on June 30, 2019 and additionally Rs 3,348 Crores being the amount considered as due and outstanding towards notional loss to the Company on account of charging lower rate of interest to certain entities referred to in the Application as the "Bandra Book Entities," the company said in a stock exchange filing.

POINT TO PONDER

"The delicate balance of mentoring someone is not creating them in your own image, but giving them the opportunity to create themselves." – Steven Spielberg

Single-member bench cannot hear insolvency plea, rules NCLAT

A single-member bench of the NCLT can't hear and decide on a company when the law requires a division bench, including both judicial and technical members, to constitute the adjudicating authority. Indore-based Indison Agro Foods Ltd, which is facing insolvency resolution by Allahabad Bank in the Ahmedabad NCLT, had approached the NCLAT, seeking appellate tribunal's intervention for referring the matter to a division bench.

SBI moves to invoke promoter guarantees of defaulting companies

40 entities could be hit; bank has prepared a list of defaulters and will send it to FinMin. State Bank of India is readying to invoke personal guarantees of promoters of defaulting entities through the insolvency process.

No corporate insolvency proceedings once debt converted into capital: NCLAT

NCLAT held that insolvency proceedings cannot be triggered based on debt which has been converted into capital such as equity of a company.

Chances of finding a white-knight for failing firms remote, surge in IBC cases unlikely, says IBBI Chief

Even as a debate rages on the desirability of the suspension of insolvency proceedings for Covid-related default for up to a year, MS Sahoo, the chief of the insolvency regulator IBBI, defends the move, saying the likelihood of finding a "white knight" to rescue failing firms is remote at this time, when every company and every industry is under stress.

Feedback requested at ipa@icai.in