



## IIPI Newsletter

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### **Supreme Court reiterates that Corporate Debtor cannot raise dispute after committee of creditors approve Resolution Plan**

The Supreme Court has in a recent case of Karad Urban Cooperative Bank Ltd vs Swapnil Bhingardevay and Others passed a Judgment dated 04-09-2020 and reiterated that once the committee of creditors have approved a resolution plan, the corporate debtor cannot raise dispute/issue in that regard except in certain circumstances.

### **NCLAT rejects plea challenging NCLT's resolution plan of Uttam Value Steel**

The NCLAT has dismissed a plea challenging NCLT's approval to the resolution plan of debt-ridden Uttam Value Steel. A three-member bench has upheld the orders of the Delhi-based principal bench of the NCLT approving the resolution plan submitted by a consortium of US-based CarVal Investors and Nithia Capital.

### **DHFL administrator: Focus remains on restoring normalcy in operations**

Fraud-hit Dewan Housing Finance Ltd's (DHFL) administrator R Subramaniakumar on Wednesday said the company's focus continues to be on restoration of normalcy in operations. The pure play mortgage player is the first non-banking financial company/housing finance company to face a CIRP.

### **IL&FS concludes stake sale in education biz; cuts consolidated debt by over Rs 650 cr Cash-strapped**

IL&FS Group said it has completed sale of its 73.69 per cent stake in education business, held under Schoolnet India Ltd (SIL), to Falafal Technologies. Falafal Technologies Pvt Ltd (FTPL) has paid Rs 7.37 crore as equity value for shares of SIL held by IL&FS Ltd and IL&FS Employee Welfare Trust, in addition to taking over SIL's fund based and non-fund based financial debt of nearly Rs 650 crore, a release said.

## POINT TO PONDER

*"The pessimist complains about the wind. The optimist expects it to change. The leader adjusts the sails."-John Maxwell*

### **NCLT orders liquidation for HDIL's subsidiary Guruashish Constructions**

A bankruptcy court has ordered the liquidation of a unit of Housing Development & Infrastructure (HDIL) after the successful bidder for the debt-laden HDIL NSE 1.72 % subsidiary, Guruashish Constructions, withdrew its takeover offer. On September 4, the Mumbai-bench of the NCLT appointed Rajendra Bhuta, the company's RP, as its liquidator.

### **AGR judgement: SC erred in what could be construed as straying into executive's domain**

The AGR saga seemingly achieved some sort of closure, with telcos getting clarity on an issue that has been lingering since the pronouncement of the apex court's initial verdict in October 2019.

### **SBI moves SC to vacate stay on Anil Ambani bankruptcy proceedings**

The State Bank of India has moved the Supreme Court seeking a vacation of the stay granted by Delhi High Court on the personal bankruptcy proceedings against Anil Ambani, chairman of Reliance Group.

### **IBC falters to fight bad debt; ED, CBI, Sebi create hurdles for bankruptcy code**

The IBC, rolled out in 2016 by the central government to fight the rising pile of bad debt, has started to falter in its aim because of various challenges mounted by its own agencies and regulators. At least a dozen big-ticket cases with total debt more than Rs 99,700 crore have been stuck for up to three years now due to legal challenges.

### **Structural interventions could avert a banking crisis**

After the world's severest lockdown and biggest decline in economic growth among emerging markets, India's financial fragility is expected to spike. The share of NPAs in its banking system could rise to 18% of outstanding assets, double of what countries hit by the 2008 financial crisis experienced. NPAs were high and widespread even before the covid shock upped the vulnerability of financial institutions.

**Feedback requested at [ipa@icai.in](mailto:ipa@icai.in)**