



## IIPI Newsletter

September 26, 2020 | Volume 5, Number 39

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### Covid-related defaults: Insolvency suspension may be extended by six months in one go

The government will likely extend the suspension of insolvency cases against fresh Covid-related default by another six months from September 25 in one go, once the current six-month deadline is over, to soften the blow to thousands of Covid-ravaged firms.

### DHFL FD holders move NCLT for clearing dues

Holders of Dewan Housing Finance Corporation (DHFL)'s fixed deposits (FDs) have filed a fresh petition at the National Company Law Tribunal, Mumbai, seeking repayment of matured FDs held by senior citizens and critically ill people.

Depositors moved NCLT after the committee of creditors (CoC) refused any immediate relief to them.

The Supreme Court had earlier directed deposit holders to seek relief from CoC for their dues. FD holders have admitted claims of Rs 5,375 crore from DHFL. NCLT is set to hear petition on September 25.

Vaibhav Guliani, a practicing advocate in Supreme Court, who is representing FD holders in the matter, said that payment to fixed deposits shall be considered as a regular course of business by financial service provider.

### Delhi HC seeks Centre's reply on plea challenging IBC provision

The Delhi High Court has asked the Centre, insolvency regulator IBBI and State Bank of India (SBI) to file replies on former Bhushan Power and Steel Chairman Sanjay Singhal's petition challenging the provisions on personal insolvency proceedings against the guarantors of corporate debtors. It may be recalled that SBI had recently invoked the personal guarantees of Sanjay Singhal and sent him a demand notice for recovery of ₹12,275.91 crore as the guarantor of various loans availed by the company.

## POINT TO PONDER

*"It is said that wisdom lies not in seeing things, but seeing through things."  
-Manly P. Hall*

### **Corporate frauds: Independent directors face Gordian knot of personal liability With top pay comes more responsibility.**

A big concern before the independent directors community now is that the government had last year amended the Companies Act 2013 and brought amendments to Section 212 to fasten personal liability (without limitation of such liability) in situations where fraud has taken place in a company and any director, key managerial personnel, other officer of the company or any other person has taken undue advantage or benefit.

This will allow the Centre to file an application before NCLT for disgorgement of such asset, property or cash and holding such director, KMP or any other individual liable personally.

### **Delhi HC issues notice in Sanjay Singal's challenge to IBC provisions on insolvency proceedings against personal guarantors**

The Delhi High Court today issued notice in petition by ex-Chairman of Bhushan Power and Steel Ltd, Sanjay Singal challenging the provisions on personal insolvency proceedings against personal guarantors under the Insolvency & Bankruptcy Code, 2016.

### **BPSL resolution: ED moves SC seeking stay on NCLAT order approving JSW Steel bid**

The Enforcement Directorate (ED) has moved the Supreme Court seeking a stay on the National Company Law Appellate Tribunal's order that approved the JSW Steel's bid for debt-ridden Bhushan Power and Steel under the new amendment (under Section 32(A) to the IBC) that provides immunity to the new owners from ongoing criminal proceedings against the erstwhile promoters of the company.

### **Air India sale: Allow bidders to quote own terms, says panel**

Given the fresh uncertainties caused by Covid-19, an inter-ministerial group (IMG) on Air India privatisation plan has favoured allowing bids for the loss-making carrier on the basis of its enterprise value, sans any pre-determined level of 'sustainable debt' for the potential bidders to reckon with.