



## IIPI Newsletter

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Knowledge SBU Initiative

### **NCLT admits Bank of India's insolvency plea against Shrenuj & Co**

The NCLT admitted an insolvency petition filed by Bank of India against the company Shrenuj & Co for defaulting on Rs 226 crore of loans. The state-owned lender represented a consortium of 17 banks and financial institutions.

### **Workmen's Dues Of Pension, Gratuity, PF Not Included In Liquidation Estate Assets: NCLT**

The New Delhi bench of National Company Law Tribunal has ruled that dues of provident fund, pension and gratuity do not form part of liquidation estate of corporate debtor and cannot be included in the assets to be liquidated for settling claims of creditors as per Section 53 of the Insolvency and Bankruptcy Code.

### **NCLAT supports rejection of Ruia's Essar Steel offer**

The National Company Law Appellate Tribunal has told Essar Steel Asia Holdings (ESAH) to withdraw its appeal against the rejection of its Rs 54,389-crore offer for Essar Steel, possibly making it harder for the Ruias to regain control of the asset. The Ahmedabad bench of the National Company Law Tribunal had rejected ESAH's plea to consider its bid, taking Essar Steel out of the bankruptcy process. However, the tribunal has said that ESAH may be heard during a parallel appeal against the approval of ArcelorMittal's Rs 42,000- crore resolution plan.

### **Insolvency proceedings against Mack Soft Tech terminated**

The Supreme Court has terminated the insolvency proceedings against Mack Soft Tech, an Indian subsidiary of Irish business group Quinn, following a settlement between the litigating parties.

## POINT TO PONDER

**"Many people take no care of their money till they come nearly to the end of it, and others do just the same with their time."**

**-Johann Wolfgang von Goethe**

### **Will take all steps to protect domestic interests in cross border insolvency regime: Injeti Srinivas, Corporate Affairs Secretary**

India will provide adequate carve-outs to protect domestic interests in the cross-border insolvency regime which is under consideration by the government. Also, a portion of the debtor's assets may be kept aside to pay domestic creditors, according to the Insolvency and Bankruptcy Code (IBC).

### **Focus is now on personal insolvency**

Majority of corporate insolvency, which has led to burgeoning of NPAs, has been settled and the attempt is now on resolving personal insolvency. There were two routes that could be taken while dealing with personal insolvency i.e to go through the insolvency resolution process, followed by bankruptcy, and the other one is to make a fresh start.

### **Sterling Biotech case: How can absconding promoters make settlement offer, NCLT asks lenders**

The National Company Law Tribunal has questioned the motive of lenders led by Andhra Bank to withdraw their bankruptcy application and choose a one-time settlement offer offered by the absconding promoters of Sterling Biotech, offering Rs 3,100 crore of repayments by June 2019.

### **Insolvency and Bankruptcy Code possible for Jet Airways if no resolution: Official**

Corporate Affairs Secretary Injeti under the insolvency law: The Jet Airways crisis could eventually head towards insolvency if the creditors fail to reach a consensus on a resolution plan. As airline is a service industry and IBC is the last option here because under IBC resolution for airline is nearly impossible.

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