



## IIPI Newsletter

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Knowledge SBU Initiative

### **IBC suspension extended till March 2021**

The government has decided to extend the suspension of the Insolvency and Bankruptcy Code till March 31, 2021.

The notification can be accessed at:

<https://www.ibbi.gov.in/uploads/legalframework/df55d4f612f270d6c637ee4b3c8131c8.pdf>

### **INITIATIVE**

#### **Pre-pack Insolvency Resolution as a Corporate Rescue Mechanism**

On December 17, 2020 IIIP of ICAI in association with the British High Commission organizes a webinar on "Pre-pack Insolvency Resolution as a Corporate Rescue Mechanism". The main objective of the webinar was to provide an overview of pre-pack framework functions in UK and need of the same in Indian jurisdiction. The welcome address was delivered by Dr. Ashok Haldia (Chairman, IIPI) and other eminent speakers for the webinar were Mr. Clive Barnard (Partner, Herbert Smith Freehills), Mr. Piyush Mishra (Partner, AZB & Partners), and Mr. Ashish Chhawchharia (Insolvency Professional). The webinar was attended by 51 insolvency professionals and was a success in terms of a learning activity for professionals.

#### **Webinar: "Practical Issues, Recent Amendments & Implications Under Liquidation"**

On December 22, 2020 IIIP of ICAI organized webinar on "Practical Issues, Recent Amendments & Implications under Liquidation". The webinar aims to introduce professionals with latest developments under Liquidation and make them learn the practical aspects of the same. Mr. Adarsh Sharma (Insolvency Professional), Ms. Pooja Mahajan (Lawyer), Mr. Jitender Jain (Insolvency Professional), Dr. Savan Godiawala (Insolvency Professional), and Mr. Sanjeev Pandey (DGM, SBI) were the speakers for the webinar. The webinar was moderated by Mr. Rahul Madan (MD, IIPI), along with Mr. Satish Gupta (Insolvency Professional). The webinar was attended by 191 insolvency professionals and was a huge success.

## POINT TO PONDER

If you cry because the sun has gone out of your life, your tears will prevent you from seeing the stars: Rabindranath Tagore

### UPCOMING EVENTS

#### 3rd batch of Executive Development Program

IIIP of ICAI would be organizing 3rd batch of Executive Development Program from 26th to 30th December 2020. The details of the program are available at: <https://www.iiipicai.in/images/PDF/EDP---Batch-3.pdf>

#### 37th Batch of Pre-Registration Educational Course

All three IPAs would be conducting the 37th batch of Pre-Registration Educational Course using online mode from 06th to 12th January 2021. The details of the course are available at: <https://www.iiipicai.in/images/PDF/Mailer-for-37th-PREC--Online.pdf>

### NEWS UPDATE

#### Plea moved in Madras High Court over delay in setting up NCLAT Bench at Chennai

A petition has been moved in the Madras High Court for steps to ensure the commencement of the Southern Bench of the National Company Law Appellate Tribunal (NCLAT) at Chennai at the earliest, in terms of the Supreme Court's December 2019 order and the consequent notification issued by the Centre in March this year.

Detailed news is available at: <https://www.barandbench.com/news/litigation/plea-madras-high-court-delay-nclat-bench-at-chennai>

#### Liquidations under IBC in Q2 jump, new applications remain subdued

The number of liquidations under the Insolvency and Bankruptcy Code (IBC) in the July-September period of this fiscal year (FY21) saw a jump, more than doubling compared to the previous quarter figures, even as admission of new applications remained subdued at almost the same level as April-June 2020. Almost three-fourth of the ongoing insolvency processes has crossed the 270-day time limit and nearly 60 per cent of total ongoing liquidations have crossed the one-year deadline.

Detailed news can be accessed at: <https://mybs.in/2YSaCdJ>

## **SEBI rejigs minimum public shareholding norms for companies under Insolvency and Bankruptcy Code**

The board of the Securities and Exchange Board of India have tweaked the minimum public shareholding norms for listed companies facing bankruptcy under the IBC and get relisted on the stock market. Post the SEBI board's decision, such companies will be mandated to have at least 5 per cent public shareholding at the time of their admission to dealing on stock exchange, as against no minimum requirement at present.

Detailed news can be accessed at: <https://www.freepressjournal.in/business/sebi-rejigs-minimum-public-shareholding-norms-for-companies-under-insolvency-and-bankruptcy-code>

## **DHFL Case: Latest Grant Thornton report flags fraudulent transactions of Rs 1,058 cr**

Crisis-ridden non-banking finance company Dewan Housing Finance Company Ltd on Sunday said fraudulent transactions of Rs 1,058.32 crore by way of undervaluation, fraud and preferential treatment to certain entities have been detected by transaction auditor Grant Thornton. The administrator of the company received additional report from professional agency (Grant Thornton), indicating that there are certain transactions which are undervalued, fraudulent and preferential in nature, DHFL said in a regulatory filing.

Detailed news can be accessed at: <https://www.zeebiz.com/companies/news-dhfl-case-latest-grant-thornton-report-flags-fraudulent-transactions-of-rs-1058-cr-143648>

## **Share market investors playing with fire in 'junk stock' DHFL**

Ever since the sale process of beleaguered Dewan Housing Finance Corporation Ltd commenced with high profile bidders like Piramal, Adani and Oaktree, investors in the stock market are making a beeline for a near junk stock. The stock that crashed to a low of Rs 8.40 in April this year has now gained a whopping 285 per cent in just nine months to touch Rs 32 per share. The company, which is making losses, has a negative net worth of Rs 7,612 crore as on September 30, 2020. The company also has a huge NPA with cases of frauds filed by the RBI appointed administrator..

Detailed news is available at: <https://www.businesstoday.in/markets/company-stock/why-investors-are-playing-with-fire-by-buying-junk-stock-dhfl/story/425311.html>

**Hope you find this Update helpful**

**Suggestions if any, may be mailed to [ipa@icai.in](mailto:ipa@icai.in)**