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Knowledge SBU Initiative

NCLT initiates insolvency proceedings against Reliance Communications Infrastructure

NEW DELHI: The National Company Law Tribunal (NCLT)-Mumbai has initiated corporate insolvency resolution process against Reliance Communications Infrastructure (RCIL) under Section 7 read with Rule 4 of the Insolvency and Bankruptcy Code 2016.

According to the State Bank of India's (SBI) plea, the company committed default to the extent of Rs 3,730.40 crore including interest, as a guarantor of the loan facilities sanctioned by them to Reliance Communications (RCOM), Reliance Telecom (RTL) and Reliance Infratel (RITL). SBI further said that it sanctioned Rupee Term Loan of Rs 1,500 crore to RCOM and Rs 125 crore to RTL.

No takers for junk priced Rotomac, LML, Moser Baer brands in liquidation

Since the corporate insolvency law - Insolvency and Bankruptcy Code (IBC) - came into existence in May 2016, the court has adjudicated liquidation of 486 companies lock, stock and barrel. Interestingly, a few interesting brands that enjoyed high recall value in the past failed to find a buyer in the lengthy resolution process. These are now available at junk price on the liquidation table. Reid & Taylor, Rotomac, LML, Moser Baer and Zenith Computers are among the once popular brands that are waiting to see a buyer turning up. The resolution professionals have been able to dissolve just 11 companies until June. They have not been able to liquidate other 128 firms even after crossing one year.

Central Bank withdraws insolvency application against Aban Offshore

Central Bank of India one of the lender of offshore drilling contractor Aban Offshore, has withdrawn their insolvency application against the company. The National Company Law Tribunal (NCLT) has dismissed the application, giving liberty for the lender to approach it later.

The application for Corporate Insolvency Resolution Process against the company was filed by Central Bank of India, alleging that the company has defaulted around Rs 155 crore. The principal amount is around Rs 127 crore, while the rest is interest and others, said sources.

Point to ponder

"Bankruptcy and repudiation are the spring board from which much of our civilization vaults and turns its somersets, but the savage stands on the unelastic plant of famine." -Henry David Thoreau

Pune: NCLT initiates insolvency process against DSKDL

Pune: The Mumbai Bench of NCLT has initiated a corporate insolvency resolution process against D S Kulkarni Developers limited (DSKDL), the sole public limited company of jailed developer D S Kulkarni , alias DSK, after admitting a petition for the same by the Bank of Maharashtra (BoM) over a default of Rs 119.48 Crore debt by the firm. An interim resolution professional appointed by the tribunal under Insolvency and Bankruptcy Code, released a public announcement on Monday calling upon the financial creditors as well as fixed deposit (FD) holders and home buyers in DSKDL projects to submit their claims with proof by October 9.

Rajasthan CM Ashok Gehlot writes to PM Modi seeking amendments in Insolvency and Bankruptcy Code

Rajasthan Chief Minister Ashok Gehlot has written to Prime Minister Narendra Modi to make amendments in the Insolvency and Bankruptcy Code (IBC), 2016, to safeguard the state government's assets and interests of workers in the eventuality of insolvency of a public enterprise. Ashok Gehlot, in his letter to PM Modi, suggested that the liquidation of the state enterprises could be kept out of the scope of this law. Gehlot added if the code is not properly amended, several government enterprises could be sold off to private companies on paltry payments and the state as well as the employees and workers would face the loss of their due rights. "The objective of this code should be to restart the locked-down or sick industrial units and thus protect the interests of workers employed therein as well as save the state properties," Ashok Gehlot said in the letter.

Delhi-based Praveer Constructions to be liquidated

NEW DELHI: The National Company Law Tribunal (NCLT) on Friday allowed liquidation of Delhi-based Praveer Constructions under section 33 of the Insolvency and Bankruptcy Code(IBC),2016. The court has appointed Alok Kaushik, who was previously the insolvency resolution professional (IRP), as the official liquidator in the liquidation process. In October 2018, one of the financial creditors had filed an application under Section 7 of IBC for initiation of the corporate insolvency resolution process (CIRP) against Praveer Constructions.

***Feedback requested at ipa@icai.in**