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Knowledge SBU Initiative

SC clears implementation of Ruchi Soya resolution plan

The Supreme Court on Friday cleared the path for distribution of proceeds from the Rs. 4,350-crore bid submitted by Baba Ramdev's Patanjali Ayurveda for takeover of Mumbai-based edible oil maker Ruchi Soya.

Patanjali Ayurveda, which had emerged as the successful bidder, is paying Rs. 4,134 crore to the financial creditors including Singapore's DBS Bank, the dissenting financial creditor, as against admitted claims of Rs. 8,398 crore.

Amtek Auto lenders move SC, seek to intervene in insolvency case

Various banks, including Kotak Mahindra, moved the Supreme Court seeking to intervene in the Amtek Auto insolvency case. In its intervention application, Kotak, together with merged bank ING Vysya Bank, told a Bench of Justice Arun Mishra that its claim for Rs 244 crore should be entertained now as the liquidation proceedings have been stayed against the bankrupt company.

The Bench posted the bank's plea for further hearing in January. While the apex court had on September 6 stayed the NCLAT decision ordering liquidation of the debt-ridden firm, it ordered the CoC last week to invite fresh bids for Amtek Auto within a month.

Right Of The High Court To Intervene When NCLT Passes An Order Pertaining To Public Law

The Supreme Court in an appeal filed in the case of Embassy Property Developments Pvt. Ltd, held that though the NCLT and the NCLAT under the Insolvency and Bankruptcy Code, 2016, would have jurisdiction to enquire into questions of fraud in relation to CIRP of a Corporate Debtor, they would not have jurisdiction to adjudicate upon disputes such as those arising under the Mines and Minerals (Development and Regulation Act) 1957, and rules made thereunder; especially when the disputes revolve around decisions of statutory or quasi-judicial authorities, which can be corrected only by way of judicial review of administrative action.

POINT TO PONDER

“...a professional is someone who can do his best work when he doesn't feel like it.”
— Alistair Cooke

NCLAT asks ED to file affidavit in BPSL asset attachment case

The National Company Law Appellate Tribunal directed the Enforcement Directorate to file an affidavit, giving an update on its differences with the ministry of corporate affairs over the insolvent company, Bhushan Power & Steel's (BPSL) assets attachment. Hearing a bunch of petitions, a two-member NCLAT bench headed by chairperson Justice SJ Mukhopadhaya also expressed its displeasure over the government's procrastination in arriving at a consensus on the vexed issue that has stymied BPSL's resolution.

Suraksha Realty hopeful of getting favourable vote of lenders, home buyers on Jaypee bid

Mumbai-based Suraksha Realty expressed confidence that bankers and home buyers will vote in favour of its bid to acquire bankrupt realtor Jaypee Infratech, saying that the company has substantially improved its resolution plan to maximise the value for financial creditors. A CoC decided that homebuyers and lenders of Jaypee Infratech will vote on the bids of state-owned NBCC Ltd and private sector firm Suraksha Realty at the same. Voting process will start on December 10 and end on December 16.

Can NCLT initiate Insolvency Proceedings against Government Company, Bombay HC to decide

The Bombay High Court decided if NCLT can initiate insolvency proceedings against Government Company (*Hindustan Antibiotics Limited*) initiated by employees under section 9 of the IBC

The Court held, *"For all these reasons, we do not think that the NCLT would be well advised in proceeding with the matter. We think that the petitioner has made out a strong prima facie case for grant of interim relief and balance of convenience is also in its favour. It will suffer grave loss, irreparable harm and injury in the event the proceedings are concluded."*

Ultimately, the Division Bench proceeded to pass an interim order and ruled that there will be a stay on the proceedings in the plea filed by the employees before the NCLT Mumbai Bench until further orders.

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