



IIPI Newsletter

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Knowledge SBU Initiative

NCLAT Directs Starting Liquidation Of Surana Power, Rejects BHEL's Claim

Setting aside an NCLT order the NCLAT directed commencement of liquidation process of energy firm Surana Power, rejecting contentions of Bharat Heavy Electricals Ltd., holding 26.24% share in the secured assets. They noted that other Secured Creditors with 73.76% in value have already relinquished their security interest.

Adhunik Metaliks' new owner offers ₹0.09849500 a share to delist

Liberty House gets final nod from NCLAT. Shareholders of Adhunik Metaliks, who were hoping for a better deal from the prospective buyer, must reconcile themselves to the fact that their holding will fetch just ₹0.09849500 a share. According to a plan approved by the NCLT through the corporate insolvency resolution process, and the final direction given by the NCLAT, Liberty House, has offered ₹0.09849500 a share to the public shareholders of Adhunik Metaliks.

According to the latest shareholding pattern (March 2020), promoters hold a 50.67 per cent stake. Among the public, LIC of India Profit Plus Growth Fund holds 2.12 per cent. While about 21,200 shareholders hold 14.49 per cent and 225 HNIs own 12.30 per cent in the company.

Extended suspension of IBC may lead to riskier behaviour among firms: Study

A new study by Prof. Balagopal Gopalakrishnan from IIM-Kozhikode and Professor Sanket Mohapatra from IIM-Ahmedabad reveals that although the IBC is suspended currently, *"the insolvency reforms in India will have important implications for the corporate sector in a post-Covid scenario. While the suspension of IBC may be warranted in the current economic climate, a possible downside of suspending it for an extended period is that it could encourage riskier behaviour among firms."*

POINT TO PONDER

*"Tell me and I forget, teach me and I may remember, involve me and I learn."
– Benjamin Franklin*

Creditors move NCLT; seek bigger claim in Vasam Health Care insolvency case

A group of financiers approached the NCLT, Chennai Bench, seeking their claim to be adjudicated as part of the insolvency resolution process being executed on Vasam Health Care Pvt Ltd. The insolvency resolution process initiated in April 2017 has been delayed due to various litigation matters.

The petition was filed by some of the creditors, mainly private financiers, seeking more amount of claim to be accepted by the Resolution Professional as part of the process. According to official documents, the amount claimed by nine financial creditors including Edelweiss Asset Reconstruction Company, is around Rs 1,268.86 crore, of which around 507.89 crore is by Edelweiss Asset Reconstruction Company. Some of the financial creditors have also approached the Tribunal seeking more amount of claim has to be accepted.

McLaren facing insolvency?

McLaren, one of the most famous names in the history of the sport, and the second most successful team in terms of drivers' titles, is facing insolvency, and heads to court as the presiding Judge admits the suggested trial timetable is "ambitious" and the "most aggressive" he has ever witnessed.

Delhi HC Seeks Centre's Response on PIL Challenging Appointment of NCLAT Chairperson

Delhi High Court sought the Centre's response on a plea against the appointment of former Jammu and Kashmir High Court judge Justice B L Bhat as officiating chairperson of NCLAT. The petitioner had challenged the notification of the Ministry of Corporate Affairs, dated March 12, by which it had appointed Justice (ret'd) Bansi Lal Bhat as officiating Chairperson of the NCLAT.

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