



IIPI Newsletter

February 7, 2020

Volume 5, Number 06

For Internal Circulation Only

Knowledge SBU Initiative

Dalmia Cement arm, GuarantCo settle claims

Calcom Cement India, a subsidiary of Dalmia Cement, and its financial creditor Mauritius-based GuarantCo have "amicably settled" all the claims and counterclaims, which had been the subject matter of insolvency petition, between them outside the IBC.

The out-of-tribunal settlement followed an order from the Guwahati bench of the NCLT, which had given its approval to start insolvency proceedings against Calcom Cement, admitting the petition filed by GuarantCo under Section 7 of IBC.

E-mail, letter acknowledging debt proves fatal to "Atlas" Ramachandran's plea against insolvency proceedings

The NCLAT upheld the decision of NCLT, Kochi Bench, initiating the corporate insolvency resolution process against *Atlas Gold Townships India Pvt Ltd* under the IBC. The NCLT had admitted the application filed by South Indian Bank (Financial Creditor) under Section 7 of the IBC. The Corporate Debtor had been declared as a NPA on December 31, 2015.

The appellant, Atlas, contended that the application that was filed in 2019 was barred by limitation. In response, South Indian Bank (respondent) relied on an e-mail dated May 2, 2016, as well as a letter from May 2016, wherein the appellant had acknowledged the debt.

NCLT grants post-facto approval to Liquidator under IBC to initiate legal proceeding on behalf of Corporate Debtor

The National Company Law Tribunal, Cuttack has granted post-facto approval in terms of Section 33(5) of Insolvency & Bankruptcy Code, 2016 to a Liquidator for initiation of a legal proceeding on behalf of the corporate debtor. The order was passed by a single-member Bench of Member (Judicial), Sucharitha R in a Section 60 (5) IBC application by the Liquidator of the Corporate Debtor ie. M/s Coastal Projects Ltd. The order of liquidation was passed by the NCLT in December 2018. Meanwhile, an award was passed by an Arbitral Tribunal in a proceeding between the Corporate Debtor and the respondent, M/s Bharat Heavy Electricals Ltd. The Award allowed a portion of the amount in favour of the Corporate Debtor and the other part of the claim was rejected.

POINT TO PONDER

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

-John Quincy Adams

Bidder JSW Steel a related party, can't be given immunity: ED to NCLAT

The ED has informed NCLAT that JSW Steel will not get immunity from the criminal charges being faced by Bhushan Power & Steel if it acquires the latter, because both are related parties.

The agency also said that Section 32A of IBC, which gives protection to the acquirer from prior offences committed by a bankrupt company, will not apply retrospectively in this case since the provision was added to the law after lenders cleared JSW's proposal to acquire Bhushan Power. Further, in an affidavit filed in the NCLAT, the ED said JSW and Bhushan Power are related parties through a joint venture.

SNJ Distilleries' bid for Empee gets NCLT nod

SNJ Distilleries Private Limited is set to take over Empee Distilleries Ltd after its ₹475-crore resolution plan was approved by a Division Bench of NCLT, Chennai.

As per the plan, SNJ will pay ₹302 crore to settle the dues of financial creditors in four phases and also pay VAT dues of ₹126.77 crore. The financial creditors claimed about ₹335 crore, while the amount admitted was ₹302.73 crore. The admitted claims of financial creditors were ₹148.45 crore from Edelweiss Asset Reconstruction Company (unsecured financial creditor), ₹78.05 crore from Andhra Bank, ₹54.46 crore from IDBI Trusteeship Services and ₹11.34 crore from the Union Bank of India, according to the information provided to stock exchanges. Further, it will pay workmen of Empee their dues. Its request for delisting of Empee has been approved.

NCLT extends Videocon's insolvency resolution process

Videocon Industries received a nod from NCLT to extend the CIRP for another 90 days. The CIRP was to come to a halt on 4th of February 2020.

Videocon Group had sought expression of interests for its 13 group companies undergoing resolution since October and it was to come to an end by January 2020.

Section 12 of bankruptcy code states that the completion of a CIRP process must be within 180 days, extensible to a maximum of 270 days from the date of commencement of insolvency. Thus, the new extension will come to an end on 4th of May, 2020.

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