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IIPI Newsletter

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NCLAT ordered Fresh Bidding for Videocon Group

NCLAT has scrapped billionaire Anil Agarwal-led Twin Star Technologies' winning bid to take over Videocon Industries Ltd on a plea made by some creditors that were anguished with 95% haircut. The bidder had offered Rs. 2962.02 crore against an admitted claim of Rs. 65,000 crores.

Following the nod of the Committee of Creditors of Videocon, the Mumbai bench of the NCLT had in June, last year, consented to Twin Star Technologies' Resolution Plan. While other creditors have favoured the deal, Bank of Maharashtra and IFIC Ltd. dissented.

For More Details, Please

Visit: *Videocon Group insolvency: NCLAT junks Anil Agarwal-led firm's takeover, calls for fresh bids- The New Indian Express*

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Delhi High Court dismissed PIL alleging corruption in acquisition of Air India by TATA Sons

Rejecting the Public Interest Litigation (PIL) on January 06, 2022, the Delhi High Court said that the petitioner has failed to establish any 'illegality or arbitrariness' to invoke interference of the High Court under Section 226 of the Constitution of India.

The Chief Justice D. N. Patel and Justice Jyoti Singh was convinced with the arguments of the Central Government that the matter is related to policy decision and due process was followed. Besides, the court also observed that any further delay shall cause loss to the public exchequer and create uncertainty amongst the existing employees, regarding their prospects and it needs no gainsaying that public interest shall be adversely affected. The Solicitor General, Tushar Mehta, who represented the Centre, refuted the allegations of the petitioner – Rajya Sabha MP Shri Subramanian Swamy, on methodology and procedure of the disinvestment. Regarding another ground raised in the petition that the bidding process was tailor made to facilitate Talace Pvt Ltd acquiring Air India by entertaining a bid on behalf of SpiceJet, the court said it was "equally devoid of merit" as the disinvestment process saw keen competition. The court also rejected allegations of corruption in the valuation of Air India. The government signed the share purchase agreement with Tata Sons on October 25, 2021, for the sale of Air India for Rs 18,000 crore. The Tatas would pay Rs 2,700 crore in cash and take over Rs 13,500 crore of the airline's debt.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/news/india/delhi-hc-dismisses-swamys-plea-seeking-to-set-aside-air-india-disinvestment-process/articleshow/88729365.cms>

News Roundup

NCLAT Chennai Puts a Stay on Corporate Insolvency Resolution Process Against Tata Projects Ltd.

NCLAT Chennai has stayed the order of CIRP of Tata Projects Limited as a settlement agreement has been reached. The Bench of Justice M. Venugopal and Kanthi Narahari, directed the IRP to file an application for the withdrawal of the process under Section 12A of the IBC along with Regulation 30A of the IBBI, 2016, before the Adjudicating Authority within three days. The NCLT Hyderabad had recently initiated the process against Tata Projects for its failure to pay back legally established dues to Nexo-Industries Pvt. Ltd.

Read more at:

NCLAT Chennai Stays Corporate Insolvency Resolution Process Initiated Against Tata Projects Ltd (livelaw.in)

MCA to Firm-Up the Framework for Cross-Border Insolvency

The IBC Amendment Bill is likely to get a push in the upcoming Budget session by the Government. As part of it, several changes to the CIRP are to be made to avoid delays in the resolution process.

The framework when enacted as part of the IBC would further aid in doing business in India. “We are discussing the comments received on the consultation paper...We are approaching the suggestions with an open mind,” a senior official reportedly told to media. The MCA had in November 2021 invited public comments on the proposed legal framework for cross border insolvency.

Read more at:

Panel proposal to speed up resolution: 30 days for NCLTs to decide on plan | Business News, The Indian Express

Sri Lanka's Financial Crisis puts the country on the Brink of Bankruptcy

Sri Lanka has about \$7.3 billion in domestic and foreign loans which it needs to repay in next by the end of this year, said media reports. This includes \$500-million international sovereign bond repayment due in January.

According to media reports, a spurt in printing money to square off domestic loans and foreign bonds drove inflation to 12.1% in December 2021 from 9.9% in November. The pandemic has led to loss of tourism, high-government spending, and tax-cuts eroding state revenues. In December 2021, food price inflation soared to 22.1 percent from 17.5 percent, the country's central bank announced.

For More Details, Please Visit:

Sri Lanka On The Brink Of Bankruptcy With Record High Inflation And Mounting Dues (moneycontrol.com)



IIPI's LIE-Preparatory Classroom Program (Virtual) to start from Next Week

IIPI has announced LIE-Preparatory Classroom Program (virtual) Weekdays and Weekend Batches to enhance the knowledge on IBC and its process. The Weekdays Batches will commence from 11th January, 15th February, and 8th March, 2022 while Weekend Batches will commence from 14th January and 25th February 2022. The total duration of the program is 40 hours with the registration fee of Rs.10,000/+GST.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2022/01/Flyer-LIE-Batch-3-ICAI-Copy.pdf>

Webinar on Common Issues on Monitoring/Inspection and Disciplinary Matters

IIPI is going to organize a webinar on “Common Issues on Monitoring/Inspection and Disciplinary Matters” on 14th January 2022. Shri Santosh Shukla, Executive Director, IBBI and Shri Ajay Mittal, IAS (Retd.) and Director, IIPI will address the Webinar. This will be followed by technical sessions on the subject and Q&A. The participants will get one hour of the CPE.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2022/01/Flyer-LIE-Batch-3-ICAI-Copy.pdf>