



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter

## NARCL offered ₹5,555 Crore for SREI's Resolution

National Asset Reconstruction Company Ltd. (NARCL) has reportedly offered ₹5,555 Crore to take over SREI Group through Resolution Plan which is highest in terms of 'Net Percent Value' (NPV).

This revised offer, which is about ₹1,000 Crore higher than the previous bid, was made by NARCL after 'challenge mechanism' conducted by the Committee of Creditors (CoC). According to media, NARCL will pay ₹3,200 crore in cash. The total comprehensive resolution plan will be worth ₹13,000-14,000 crore.

**For More Details, Please Visit:**

<https://www.livemint.com/companies/news/narcl-highest-npv-bidder-with-rs-5-555-cr-offer-in-srei-resolution-11672821654936.html>



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## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### “Sufficient Cause” is the Cause for which a Party could not be blamed: Supreme Court

In reference to Section 5 of the Limitation Act- 1963, the Apex Court has ruled that 'sufficient cause' is the only criterion for condoning delay in filing CIRP petition against Corporate Debtor and defined the meaning of the term 'sufficient cause'. This judgement came on January 04, 2023, in the matter of *Sabarmati Gas Ltd. Vs. Shah Alloys Ltd. (CA 1669 of 2020)*.

Sabarmati Gas Ltd. (Operational Creditor) has filed a CIRP petition against Shah Alloys Ltd. (Company) which was rejected by the NCLT on two grounds – the petition was barred by limitation and 'pre-existing dispute'. As NCLAT also upheld the decision of NCLT, Sabarmati Gas Ltd. approached the Apex Court. The question before the Court was whether in computation of the period of limitation in regard to an application filed under Section 9 of the IBC during which the Operational Creditor's right to proceed against the CD remain suspended by virtue of Section 22 (1) of the SICA can be excluded, as per Section 22 (5) of SICA?

Apex Court accepted the argument of Operational Creditor that it had sufficient cause for not filing CIRP petition. Therefore, the NCLT should have considered the claim of the Operational Creditor for condonation of the delay, said the Court. However, the Supreme Court dismissed the appeal on the ground of pre-existing dispute among parties.

**For More Details, Please Visit:** <https://www.livelaw.in/top-stories/supreme-court-section-5-limitation-sufficient-cause-sabarmati-gas-limited-vs-shah-alloys-limited-2023-livelaw-sc-9-218128>

## News Roundup

### Provisions of IBC would have an overriding effect on any other law, including the Income Tax Act: Punjab & Haryana High Court

The High Court has quashed order of Gurugram Commissioner of Income Tax (Central), dated March 27, 2015, under which the official had granted sanction under the provisions of the Act for filing a complaint against the petitioners-directors of the firm for 'willful' evasion of tax of ₹12,85,13,650. The Court observed that the income tax officials did not had the authority to file complaint under Section 279(1) of the I-T Act as the appropriate remedy was to approach the NCLT or the RP appointed to look after the financial assets of the Corporate Debtor".

**For More Details, Please Visit:**

<https://www.tribuneindia.com/news/haryana/insolvency-code-has-overriding-effect-on-i-t-act-hc-468402>

### SEBI proposed a standard approach for valuing the investment portfolios of Alternate Investment Funds

The SEBI has circulated a Consultation Paper according to which the Alternate Investment Funds (AIFs) will be mandated to carry out valuation as per International Private Equity and Venture Capital Valuation Guidelines (IPEV guidelines). Presently, the methodology or principles related to valuation of AIF investment portfolio is not disclosed in Private Placement Memorandums (PPMs) and thus not reported to SEBI. It has also proposed that the manager of AIF will have to ensure the appointment of an independent valuer. This independent valuer has to be registered with IBBI.

**For More Details, Please Visit:**

[https://www.business-standard.com/article/markets/sebi-proposes-standard-approach-for-valuation-of-aif-investments-123010601087\\_1.html](https://www.business-standard.com/article/markets/sebi-proposes-standard-approach-for-valuation-of-aif-investments-123010601087_1.html)

### Covid pandemic and economic slowdown pushed USA's Bed Bath & Beyond Inc. towards Bankruptcy

Bed Bath & Beyond said last week it was exploring options, including bankruptcy, after years of weakening sales. It took on \$375 million in financing in August but failed this month to convince bondholders to swap out their investments for new debt. Last year, the company said it would close 150 stores and lay off 20% of its corporate and supply chain workforce among other cost-saving measures. The company said it had started cost cuts of about \$80 million to \$100 million across the business.

**For More Details, Please Visit:** <https://www.reuters.com/business/retail-consumer/bed-bath-beyond-reports-quarterly-loss-bankruptcy-threat-looms-2023-01-10/>



### FSCSL, second company of Future Group admitted under CIRP

NCLT Mumbai has admitted the CIRP petition filed against Future Supply Chain Solutions Ltd. (FSCSL) that is the second company of the Future Group, after Future Retail Ltd. (FRL), which would be facing insolvency proceedings. The CIRP petition against FSCSL was filed by DHL E-commerce (India) Pvt Ltd. (Operational Creditor). Besides, two more operational creditors had filed CIRP petitions against FSCSL.

FSCSL was part of the 19 group companies operating in retail, wholesale, logistics and warehousing segments, which were supposed to be transferred to Reliance Retail as part of a ₹24,713 Crore deal announced in August 2020. The deal was called off by the billionaire Mukesh Ambani-led Reliance Industries Ltd. in April. After that Future group companies were found having several defaults on payments.

FSCSL operates warehouses across the country while FRL owns retail chain including Big Bazar. Another company of the Group - Future Lifestyle Fashions Ltd. is also facing CIRP petitions.

**For More Details, Please Visit:**

<https://www.outlookindia.com/business/nclt-admits-insolvency-plea-against-future-supply-chain-solution--news-251547>

## Event Photograph



*Webinar on Common Issues on Monitoring/Inspection & and Peer Review & Mentorship Frameworks organized by IIIPI on January 09, 2023.*



## IIIPI organizing 06th Batch of EDP on Mastering “Avoidance, PUF/Forensics” under IBC

The 06<sup>th</sup> Batch of Executive Development Program (for IPs) titled Mastering “Avoidance, PUF/Forensics” under IBC is scheduled to be held from 23<sup>rd</sup> January to 25<sup>th</sup> January 2023. These three days program will be comprised of 18 hours and is being offered on ‘first come, first serve basis’. The participant attending the program will be eligible for CPE-12 hours.

***For More Details, Please Visit:***

<https://www.iiipicai.in/wp-content/uploads/2023/01/FLYER-PUFE-EDP-6th-batch-23-25jan-2023-1.pdf>

## IIIPI organizing Webinar on “Liquidation Process – Grey Areas & Best Practices”

The Webinar is scheduled to be held from 4.00 PM to 6.00 PM on January 13, 2023. CA. Anil Goel, IP and Adv. Abhishek Anand will address the Webinar. It will have CPE 1 hour credit.

***For More Details, Please Visit:***

<https://www.iiipicai.in/wp-content/uploads/2023/01/13th-Jan-2023-1.pdf>