



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



IBC AU-COURANT

Latest updates On Insolvency & Bankruptcy

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"The starting point of all achievement is desire."

➤ NCLT stays Reliance Capital debt resolution process

The National Company Law Tribunal, Mumbai, granted interim relief to Torrent Investments on Tuesday, by directing the administrator of bankrupt Reliance Capital Ltd not to present the revised offer Hinduja group made past the auction deadline to the lenders until the next hearing date.

Torrent Investments, which emerged as the top bidder in the auction process with an offer of ₹8,640 crore for Reliance Capital (RCap), approached the bankruptcy court to restrain lenders from considering Hinduja's upgraded offer of ₹9,000 crore, arguing that accepting late offers violated the norms for the insolvency resolution process. The tribunal will take up the matter for further hearing next week. In the electronic auction for Reliance Capital on 21 December, the Hinduja group entity IndusInd International Holdings was placed second, with an offer of ₹8,110 crore. However, in its revised offer, the Hinduja group offered significantly higher upfront cash than Torrent, Mint reported on 24 December.

In a committee of creditors' meeting on Tuesday, the lenders and the advisers reviewed the bids received by the administrator for Reliance Capital but did not take any decisions as the matter was under litigation. Hinduja's improved bid caught the RCap lenders by surprise as the e-auction process had concluded. The auction process for Reliance Capital has been marked by several twists and turns, with two frontrunners—Oaktree and the Cosmea-Piramal consortium—withdrawing from the race at the last minute.

Reliance Capital is the third major non-banking financial firm to have bankruptcy proceedings initiated against it by the Reserve Bank of India (RBI) under the Insolvency and Bankruptcy Code, or IBC, along with Srei Group and Dewan Housing Finance Corp. Ltd (DHFL).

Source: Live Mint

Read Full news at: <https://www.livemint.com/companies/news/nclt-stays-reliance-capital-debt-resolution-process-11672769801090.html>

➤ **E-auction of SREI twin companies under IBC kicks off with base bid of Rs 4,500 crore**

The 3 suitors includes a consortium of Varde Partners and Arena Investors, the National Asset Reconstruction Company or NARCL as well as Authum Investments. The e-auction will take place under the challenger mechanism with a base bid of Rs 4,500 crore.

The e-auction for the sale of SREI twin companies — SREI Infrastructure Finance Limited (SIFL) and SREI Equipment Finance Limited (SEFL) — under the Insolvency and Bankruptcy Code (IBC) kicked off today with three suitors in the fray.

The three suitors include a consortium of Varde Partners and Arena Investors, the National Asset Reconstruction Company or NARCL as well as Authum Investments. The e-auction will take place under the challenger mechanism with a base bid of Rs 4,500 crore. CNBC-TV18 learns that the Rs 4,500 crore is in terms of net present value basis and it includes a minimum cash component of Rs 3,000 crore.

However, the SREI Group companies already have around Rs 2,200 crore of cash sitting on their books and that will be included as part of the overall bids that the lenders consider.

In the previous round, the highest bid had come in from the Varde-Arena consortium and was about Rs 14,000 crore followed by NARCL at about Rs 13,500 crore and Authum Investment at Rs 3,400 crore.

But, the cash component was very low and the bulk of the offer was in the form of debt instruments which is why now lenders have put the base at Rs 4,500 crore in net present value terms.

There will be 5 rounds of the auction and at the end of it, the player that makes the highest offer will be declared the winning bidder.

Source: CNBC TV 18

Read Full news at: <https://www.cnbcvtv18.com/videos/business/companies/e-auction-of-srei-twins-under-ibc-kicks-off-with-base-bid-of-rs-4500-crore-15573351.htm>

