



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

*Latest updates On Insolvency & Bankruptcy*

**6<sup>th</sup> December 2022**

**"More is lost by indecision than wrong decision"**

## ➤ **Future Retail's digital database prior to insolvency not available for verification, says Compliance Officer**

Future Retail's structured digital database prior to the corporate insolvency resolution process has not been available for verification for the quarter that ended September due to various reasons, including noncooperation from erstwhile management and lack of administrative arrangements, the company's newly-appointed company secretary and compliance officer said in a regulatory filing.

The company has now initiated the process of inviting competitive quotes to purchase the software necessary for the maintenance of the structured digital database to comply with Sebi regulations, FRL Compliance Officer Pratiksha Salecha said in note filed on BSE by the company.

Under the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, listed companies are required to maintain a secured digital database which has to be verified. Salecha was appointed on September 29, 2022, Compliance Officer of Future Retail Ltd (FRL) against which the Corporate Insolvency Resolution Process (CIRP) was initiated on July 20, 2022.

According to him, the required information to determine the compliances was not available for verification during the quarter that ended in September 2022.

"Several attempts were made to reach out to the prior management, officers and other personnel of the Company to gain information, inter alia, on the secured digital database of the Company as may have been maintained from prior to the Insolvency Commencement Date,

"However, owing to various operational constraints including suspension of powers of board, exit of all Key Managerial Personnel and senior employees of the Company including the previous compliance officer and company secretary, non-cooperation from erstwhile management, and lack of administrative arrangements, the required information to determine the compliances... has not been available for verification during the quarter ended September 2022," he said.

Salecha has also submitted that despite the financial crunch, FRL has initiated the process of inviting competitive quotes to purchase the software necessary for the maintenance of the structured digital database, to ensure compliance.

He "will endeavour to maintain the structured digital database as required under PIT Regulations, from the quarter ending on December 31, 2022 and onwards, the filing said.

Meanwhile, in a separate filing FRL informed the exchanges about the final list of eligible prospective bidders, which includes Reliance Retail, Adani Group's JV April Moon Retail and 11 other companies.

These companies have been included in the final list of prospective resolution applicants after receiving no objections from stakeholders concerned to the provisional list issued on November 10, said an update from Resolution Professional for Future Retail Limited (FRL). The Mumbai bench of the National Company Law Tribunal (NCLT) had on July 20.

directed to initiate CIRP against FRL, admitting a plea filed by the Bank of India. Section 12 (1) of the Insolvency and Bankruptcy Code (IBC) mandates a CIRP to be completed within a time frame of 180 days from the date of admission of the application.

However, under the request of the RP, the NCLT can extend the duration by another 90 days. It should be mandatorily completed within 330 days, including any extension and the time taken in legal proceedings.

**Source: ET CIO**

**Read Full news at:** <https://cio.economictimes.indiatimes.com/news/big-data/future-retails-digital-database-prior-to-insolvency-not-available-for-verification-says-compliance-officer/96017985>

## ➤ **HNG shares hit upper circuit as employees reach out to CoC for speedy resolution**

Ahead of its acquisition by AGI Greenpac, employees working at the Hindusthan National Glass and Industries (HNG) have reached out to the Committee of Creditors (CoC) regarding the pending insolvency process.

The workforce of one of India's oldest glassmaking companies has written to the CoC, led by a consortium of banks, about how an ageing glassmelting furnace plant could impact the safety of thousands of workers. A furnace is a giant heater that melts raw material for making glass.

Each day, 600,000 food-grade bottles produced by HNG in Puducherry. The company supplies containers to the beverage, food and pharma industries.

The letter to CoC highlights that it approved the bidder, but with no approval from the competition commission of India (CCI), it fears a delay of the insolvency resolution. A CCI approval is required before a resolution plan is finalised.

On Wednesday, HNG zoomed 5%, hitting its daily circuit limit, to Rs 9.30. The scrip has jumped more than 10% in the last week.

The letter states that the plant was rebuilt in 2004, with an expected life of 10- 12 years, and the new owners or the acquiring entity would require more funds in the furnace to make it financially viable.

"The current condition of the furnace is very poor, and it is at an imminent risk of failure. The furnace was designed in 2004 to last for 10-12 years, said the letter from employees to CoC read.

In their letter, they requested the insolvency process to be completed at the earliest and for new management to consider rebuilding the furnace on priority.

HNG's insolvency resolution started in January this year but ran into a controversy after CoC selected AGI Greenpac as a bidder with no CCI approval. No deadline was set for the bidder to get CCI approval.

The CoC move and the resolution professional has been challenged at the Kolkata bench of the National Company Law Tribunal (NCLT).

"We are concerned about the potential directives from CCI to the currently approved bidder asking to divest a few plants for meeting market share norms. It may impact the Puducherry plant and its employees," the letter states

**Source: The Economic Times**

**Read Full news at:** <https://economictimes.indiatimes.com/markets/stocks/news/hng-shares-hit-upper-circuit-as-employees-reach-out-to-coc-for-speedy-resolution/articleshow/95996992.cms?from=mdr>

