



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"If you don't risk anything, you risk even more"

➤ Supreme Court agrees to hear Torrent's appeal against fresh auction of Reliance Capital

The Supreme Court on Monday agreed to hear Torrent Investments' appeal against the National Company Law Appellate Tribunal's decision to allow a second round of auction for takeover of bankrupt Reliance Capital (RCap) on March 20. A bench led by Chief Justice of India DY Chandrachud said it will hear the case on Monday after senior counsel Mukul Rohatgi sought urgent hearing against the NCLAT's March 2 order that permitted RCap lenders to hold a fresh round of auction to maximise value of the debt-laden firm undergoing corporate insolvency resolution process (CIRP). RCap's committee of creditors (CoC) is scheduled to conduct the second round of auction next Monday.

However, the CJI orally said they may not precipitate any action till it hears the matter. Torrent Investments told the Supreme Court that NCLAT ignored the mandate of the Insolvency and Bankruptcy Code (IBC) to conduct the insolvency process in a time-bound manner when it erroneously concluded that CoC is empowered to negotiate further with resolution applicants or annul the resolution process and call for a higher bid.

The appellate authority acted in complete contravention of Regulation 39(1A) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which was introduced to prevent prolonged negotiations by CoC and unnecessary delays on account of consideration of unsolicited bids and litigation, Torrent argued.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/news/india/supreme-court-agrees-to-hear-torrents-appeal-against-fresh-auction-of-reliance-capital/articleshow/98614871.cms?from=mdr>

➤ **Lease Premium & Lease Rent Not Included In Explanation To Section 14(1)(D) Of IBC: NCLAT Delhi**

The National Company Law Appellate Tribunal ("NCLAT"), Principal Bench, comprising of Justice Rakesh Kumar Jain (Judicial Member) and Mr. Naresh Salecha (Technical Member), while adjudicating an appeal filed in Sunil Kumar Agarwal v New Okhla Industrial Development Authority, has held that Explanation to Section 14(1)(d) of IBC does not include lease premium or lease rent amount.

The Bench observed that Section 14(1)(d) prohibits recovery of any property from the Corporate Debtor during moratorium period by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

Source: Live Law

Read Full news at: <https://www.livelaw.in/news-updates/lease-premium-lease-rent-not-included-in-explanation-to-section-141d-of-ibc-nclat-delhi-223661>

➤ **Argus Partners Advises Tega Industries Limited On Its Resolution Plan For Acquisition Of McNally Sayaji Engineering Limited**

Argus Partners has successfully advised Tega Industries Limited ("Tega") in obtaining approval from the Kolkata bench of National Company Law Tribunal for the resolution plan submitted for acquisition of McNally Sayaji Engineering Limited ("MSEL"), which was undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.

The scope of engagement involved undertaking a due diligence of MSEL, drafting of the resolution plan and finalization of the same basis negotiation with representatives of Resolution Professional and Committee of Creditors and representing the interest of Tega before the NCLT during consideration of approval of the plan. Once implemented, the acquisition of MSEL would represent Tega's first acquisition in India and the same is expected to enhance value for the company and its shareholders, marked by revenue growth and margin expansion opportunities in medium term.

Source: Live Law

Read Full news at: <https://www.livelaw.in/law-firms/deals/argus-partners-tega-industries-limited-resolution-plan-mcnally-sayaji-engineering-limited-223648>

