



INSOLVENCY PROFESSIONAL AGENCY
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Latest updates On Insolvency & Bankruptcy

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"Don't settle for average"

➤ **NCLT Delhi Admits Unibera Developers Into Insolvency**

The National Company Law Tribunal ("NCLT"), New Delhi Bench, comprising of Shri Ashok Kumar Bhardwaj (Judicial Member) and Shri L. N. Gupta (Technical Member), while adjudicating an application filed in Mahi Buildhome Pvt. Ltd. v M/s. Unibera Developers Pvt. Ltd., has initiated Corporate Insolvency Resolution Process against Unibera Developers Pvt. Ltd.

Unibera Developers Pvt. Ltd. ("Corporate Debtor") is engaged in the development of residential, commercial and government real estate projects. The Corporate Debtor's projects are located in NOIDA, Greater NOIDA, Ghaziabad and Bihar.

Mahi Buildhome Private Limited ("Operational Creditor") had executed work orders for civil construction work in the Corporate Debtor's residential project, situated at Plot GH-16F, Sector-1, Greater NOIDA U.P and Invoices/Bills were accordingly raised. However, the Corporate Debtor failed to make the payments towards the invoices. On 25.05.2022, the Operational Creditor sent a demand notice under Section 8 of the Insolvency and Bankruptcy Act, 2016 ("IBC"), to the Corporate Debtor demanding payment of its dues. The Corporate Debtor did not respond to the notice.

Thereafter, the Operational Creditor filed a petition under Section 9 of IBC, seeking initiation of Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor, over a default of Rs.6,13,90,529/-.

NCLT Verdict

The Bench observed that the Corporate Debtor had admitted its liability and sought time from Tribunal to clear the dues. The Bench opined that even after admission of the petition, the exit routes are available under Section 12A of IBC to the Corporate Debtor by settling the dues.

“In the given circumstances and the fact that the Respondent has admitted its liability before this Tribunal, the petition is admitted in terms of Section 9(5) of the IBC”.

Source: Live Law

Read Full news at: <https://www.livelaw.in/news-updates/nclt-delhi-admits-unibera-developers-into-insolvency-219031>

➤ **Srei lenders to start voting on resolution plans from Monday**

Lenders to the Srei group companies will start voting from Monday on the resolution plans submitted by government-owned National Asset Reconstruction Company (NARCL), and the Arena InvestorsVarde Partners team, people aware of the development told ET.

Most Srei lenders, including NSE 0.70 % , will prefer to vote for the government-promoted bad bank since it has given the highest offer of ₹5,555 crore, the people said. Authum has offered ₹5,526 crore while Arena-Varde team offered ₹4,680 crore.

All offers are on a net present value basis (NPV), arrived at by discounting future cash flows.

The voting for NSE -4.48 % and Srei Equipment Finance, which are undergoing insolvency proceedings, will end on January 31, the people said. The administrator, Rajnish Sharma, will seek the tribunal's approval for the plan that receives the highest vote.

If NARCL receives the highest offer, it would be the first acquisition of an insolvent company by the government-owned asset reconstruction company (ARC) under the Insolvency and Bankruptcy Code.

In October, the central bank allowed ARCs with ₹1,000 crore in net-owned funds to bid for companies under the IBC, which made NARCL an eligible bidder. Prior to this, ARCs were not allowed to give plans under the bankruptcy law. NARCL was identified as the highest bidder at an auction held on January 3.

It offered a total payment of ₹12,600 crore (with an NPV of ₹5,555 crore). Of this, ₹3,200 crore is upfront payment and the remaining is staggered in the form of debentures. These debentures are not guaranteed by the government, unlike other distressed loans acquired by NARCL.

The administrator has admitted ₹32,750 crore in claims from verified creditors. The offer by NARCL will equate to a recovery of 17% on an NPV basis. In the first round, after the auction was restarted, Authum submitted the highest offer, followed by the Arena-Varde team and NARCL.

In the next bidding process, which was in the form of a challenge auction, Arena-Varde exited the fray after the second round of bidding. Lenders, though, will have the option to vote for all three plans.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/markets/stocks/news/srei-lenders-to-start-voting-on-resolution-plans-from-today/articleshow/97015930.cms>

➤ **Amendments to competition law likely in Budget session**

The government is expected to propose amendments to the competition law after taking into consideration various suggestions of a Parliamentary panel, in the upcoming Budget session of Parliament, according to a senior official.

Besides, discussions are going on with respect to amendments to the Insolvency and Bankruptcy Code (IBC) as well as the Companies Act, 2013.

The official also said that the corporate affairs ministry is examining a Parliamentary panel's suggestions on having a new digital competition law.

The ministry is implementing the Competition Act, IBC and the Companies Act, and amendments to these laws are expected this year.

A bill to amend the competition law was introduced in Parliament on August 5 last year and was later referred to the Parliamentary Standing Committee on Finance.

The panel tabled its report on December 13 last year and the ministry will now be coming up with an amendment bill after taking into consideration various recommendations of the committee.

The introduction of a 'Settlement and Commitment framework to reduce litigations' and incentivising parties in an ongoing cartel investigation in terms of lesser penalty to disclose information regarding other cartels were among the proposals in the bill that was introduced in August last year.

In its report, the Parliamentary panel recommended various changes to the bill to amend the competition law, including bringing cartels under the scope of settlements as a "pragmatic recourse".

The Budget session of Parliament will commence from January 31 with President Droupadi Murmu's address to the joint sitting of Lok Sabha and Rajya Sabha.

The session will have 27 sittings and will continue till April 6 with a monthlong recess to examine the budget papers. The first part of the session will conclude on February 14 and after a break, reconvene on March 12.

In another report on 'Anti-Competitive Practices by Big Tech Companies', the Parliamentary panel, on December 22, proposed a new digital competition law, ex-ante regulations and creation of a category of systemically important digital intermediaries to curb anti-competitive practices in the digital market.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/news/economy/policy/amendments-to-competition-law-likely-in-budget-session/articleshow/97007013.cms>



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