



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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Latest updates On Insolvency & Bankruptcy

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"More is lost by indecision than wrong decision"

➤ **Triton guarantee for AMW Motors encashed as it fails to pay**

Lenders to Mumbai-based bankrupt truck maker AMW Motors have encashed the bank guarantee issued by US-based electric vehicle manufacturer Triton EV after it failed to pay up its promised amount to take over the distressed company.

Triton had offered ₹210 crore in cash to creditors of AMW Motors at more-than 94% haircut to lenders that have admitted claims of ₹3,756 crore. The NCLT had approved the plan in December giving Triton 45 days to complete the transaction.

However, Triton failed to make the payment in the stipulated time as a result of which the guarantee was invoked, people familiar with the matter said. "Triton was given time until February 6, according to law to fulfil its obligations.

But the company delayed the payment citing frivolous reasons. Lenders were hoping that they will make the payment until the last day but that did not happen.

Triton in fact asked for a couple of months more, so the resolution professional in consultation decided to nullify the agreement and invoke the ₹30-crore bank guarantee," said a person involved in the negotiations.

The guarantee amount has already been distributed to creditors, this person said.

Triton founder Himanshu Patel did not reply to an email seeking comment.

The resolution professional will now file a status report on the reasons for not implementing the resolution plan.

Lenders also plan to file a complaint with the Insolvency and Bankruptcy Board of India (IBBI) regarding Triton to prevent the company from participating in such bidding processes in the future.

Source: The Economic Times

Read Full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/triton-guarantee-for-amw-motors-encashed-as-it-fails-to-pay/articleshow/97959618.cms>

➤ **Srei insolvency: NARCL wins bid for stressed twin NBFCs**

The government-backed National Asset Reconstruction Company Ltd (NARCL) won the bid for Srei group's two companies -- Srei Infrastructure Finance Ltd and Srei Equipment Finance Ltd -- undergoing insolvency proceedings, an official said.

The Committee of Creditors on Wednesday approved the plan submitted by NARCL, which offered a Net Present Value (NPV) bid of Rs 5,555 crore, after it received the highest vote of 89.2 per cent from verified creditors.

Authum Investment and Infrastructure with a bid of Rs 5,526 crore received the second-highest vote with 84.86 per cent while the consortium of Varde Partners and Arena Investors, which had submitted a financial bid of approximately Rs 4,680 crore, bagged the third position with around nine per cent vote, the official said.

After the completion of the challenge mechanism process, the Srei companies had received these three bids. The Reserve Bank of India superseded the boards of Srei Infrastructure Finance Ltd and Srei Equipment Finance Ltd in October 2021 due to governance concerns and repayment defaults.

The regulator applied with the NCLT Kolkata to initiate the insolvency proceedings against the twin. A letter of intent will be issued to NARCL. The Srei administrator will send the NARCL plan to RBI for approval and also submit the results before NCLT by February 18, the official said.

NARCL's total value of the plan stood at Rs 14,301 crore which includes a cash component of Rs 3,001 crore, debentures and security receipts worth Rs 3,300 crore, and an uncommitted payment of Rs 8,000 crore.

These uncommitted payments are conditional and subject to recovery from underlying assets over the next seven years. Creditors had taken a haircut of 55 per cent considering a full recovery of the uncommitted value of Rs 8,000 crore. The bankers considered NPV to arrive at the highest bidder during the challenge mechanism-- which is a method for seeking the highest bid for an asset.

This is the second case of NBFC from RBI monitored action after Dewan Housing Finance Corporation and Piramal Capital have taken over in the insolvency process in 2022.

The erstwhile promoters had made a last-ditch offer last week to the administrator under section 12A of the Insolvency and Bankruptcy Code (IBC) to pay off dues of

around Rs 32,000 crore to creditors to withdraw their companies from the ongoing insolvency process, but it was not accepted on technical grounds. The total admitted claims of the financial creditors of the two NBFCs are Rs 32,750.22 crore.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/banking/finance/srei-insolvency-narcl-wins-bid-for-stressed-twin-nbfc/articleshow/97953695.cms>

