



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



IBC AU-COURANT

Latest updates On Insolvency & Bankruptcy

18th January 2023

"More is lost by indecision than wrong decision"

➤ **Torrent Investment asks NCLT to quash fresh CoC's fresh auction round for Reliance Capital**

Torrent Investment on Tuesday urged the National Company Law Tribunal (NCLT) to quash the lenders' plans to hold a fresh auction for the takeover of the Anil Ambani-promoted Reliance Capital.

Darius Khambata, representing Torrent Investments, in a plea said the Committee of Creditors have been saying that the 'challenge mechanism' or the fresh round of auction is a continuing process of the last round.

"We find the minutes of the CoC meeting and the facts put before the tribunal are false... We request the NCLT to consider the fresh round of auction ending on January 19 as infructuous," he added.

If this 'challenge mechanism' is accepted, there will be no finality and the CoC will announce a fresh round of auction every month increasing the threshold, Mukul Rohatagi (also representing Torrent Investment) said. "If this plea for a fresh bid is accepted, there will be no finality to the process and they will do it every month.... The threshold for the new 'challenge mechanism' is Rs 9,500 crore and every month Rs 50 crore or more could be added to it.. My submission is that the fresh bid ending on January 19 should be quashed," he added.

Ravi Kadam, representing the administrator, in his reply stated that there was no violation of the NCLT injunction.

"It is permissible for the CoC to negotiate with the resolution applicants if the lenders are dissatisfied with the plan. It is the duty of the CoC for value maximisation.

It is an ongoing process and is a collaborative decision between the administrator and the CoC.

I am not in breach of law nor have I abdicated my duty as an administrator," Kadam stated. The tribunal, headed by Pradeep Narhari Deshmukh and Shyam Babu Gautam, adjourned the matter for further hearing on January 18.

Reliance Capital has a consolidated debt of about Rs 40,000 crore. The Reserve Bank (RBI) had applied to initiate Corporate Insolvency Resolution Process (CIRP) against the Reliance Group company at NCLT Mumbai bench.

Subsidiaries of Reliance Capital that are pushed for insolvency resolution are - Reliance General Insurance, Reliance Nippon Life Insurance, Reliance Securities, Reliance Asset Reconstruction Company, Reliance Home Finance, and Reliance Commercial Finance.

RBI-appointed Nageswara Rao Y is the administrator of Reliance Capital's insolvency process.

Source: *The Economic Times*

Read Full news at: <https://economictimes.indiatimes.com/news/company/corporate-trends/torrent-investment-asks-nclt-to-quash-fresh-cocs-fresh-auction-round-for-reliance-capital/articleshow/97065723.cms>

➤ **Sagar Cements to acquire Andhra Cements**

Sagar Cements has been declared as the successful bidder for debt-ridden Andhra Cements, a company which was owned by the Jaypee Group and is under the Corporate Insolvency Resolution Process.

The Committee of Creditors (CoC) of Andhra Cements has voted with a majority in favour of the resolution plan filed by Sagar Cements Ltd, Andhra Cements said in a regulatory filing. "Accordingly, the plan submitted by Sagar Cements Ltd (SCL) has been approved by the CoC and a Letter of Intent has been shared with SCL for their acceptance dated January 13, 2023," it said.

Though the filing has not disclosed the bid amount, according to reports, Dalmia Cement (Bharat) and SCL were competing against each other. "The two resolution plans received by the Resolution Professional were put to vote for consideration and approval of the CoC," it said adding as per the provisions of Insolvency & Bankruptcy Code (IBC), the resolution plan which secured majority of the votes, was considered and approved by the CoC.

In April last year, the Hyderabad bench of National Company Law Tribunal directed to initiate insolvency proceedings against Andhra Cements over a petition filed by Pridhvi Asset Reconstruction and Securitisation Company Ltd, claiming a default.

In a filing earlier, SCL had said : "We have received a communication dated January 13, 2023, from the Resolution Professional of Andhra Cements declaring us as the

successful Resolution Applicant along with a Letter of Intent issued to us for the purpose." Andhra Cements has two manufacturing plants.

It was acquired by Jaypee Group in 2012 from the Duncan Goenka Group. The acquisition of Andhra Cements by Hyderabad-based SCL will give a boost to its manufacturing capacity.

According to the latest annual report, SCL's total cement capacity is 8.25 million tonne per annum (MTPA).

SCL is expanding its presence beyond Andhra Pradesh and Telangana. It has commissioned new units at Jeerabad and Jajpur in Madhya Pradesh and Odisha, respectively.

In FY22, SCL's revenue was at Rs 1,596.87 crore.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/indl-goods/svs/cement/sagar-cements-to-acquire-andhra-cements/articleshow/97055460.cms>

