



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

*Latest updates On Insolvency & Bankruptcy*

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**"Inspiration does exist, but it must find you working"**

## ➤ **NCLT admits SBI's insolvency plea against Gayatri Projects**

The Hyderabad bench of the National Company Law Tribunal (NCLT) has admitted a petition by the State Bank of India (SBI) to start bankruptcy proceedings against Gayatri Projects as lenders increase pressure on the debt-laden engineering, procurement and construction (EPC) company to recover dues of over ₹6,000 crore.

SBI's petition to initiate insolvency proceedings was admitted on Tuesday by a two-judge bench of VR Badarinarath Nandula and S Ranjan Prasad, documents accessed by ET showed. SBI was the third lender to file a plea against the company.

Previous pleas by the Bank of Baroda (BoB) and Canara Bank are still pending before the tribunal. "It's a case of third time lucky. Now banks can initiate a joint recovery for their dues because this account has been a troubled one for years," said a person involved in the process.

The company did not reply to an email seeking comment till press time. BoB's petition against the company has been pending for over a year. Earlier this month a two-judge bench of Srinivas Chitturu and P Bhaskara Mohan had reserved its order to admit BoB's plea.

Canara Bank too filed a petition before the Hyderabad bench of the NCLT, ET reported in its October 2 edition.

To be sure, the latest petition by SBI was admitted ex parte as no lawyers representing the company were present in court. Bankers expect the company to challenge it.

"This is a company with very good connections. They will still try to stonewall it. But since now it is admitted we have moved a step ahead. Besides, other petitions by BoB and Canara are still pending and the court will surely see through it," said a banker.

Gayatri Projects is promoted by former Rajya Sabha member and film producer T Subbarami Reddy. His wife T Indira Reddy is the non-executive chairperson and son TV Sandeep Kumar Reddy the managing director, according to the company's website.

BoB is the lead lender in a nine-member consortium with 28% of the debt, while Canara has 31%. SBI's stake is relatively lower at 5%. Federal Bank, Punjab National Bank, Union Bank of India, Bank of Maharashtra and Indian Overseas Bank are the other lenders to the company.

A failed restructuring plan initiated in 2015 and subsequent default have marked the account as a non-performing asset (NPA). Some lenders including BoB have sold pledged shares of the company in the open market and have also labelled the account as a fraud after evidence was found that the company allegedly diverted payments to fictitious subcontractors and never pursued recovery despite cancellation of contracts.

The company has filed writ a petition in the Telangana High Court against such coercive action by lenders.

Lenders are still hopeful that some money can be salvaged because it has ongoing road, water and irrigation projects across the country.

**Source: The Economic Times**

**Read Full news at:** <https://economictimes.indiatimes.com/industry/banking/finance/nclt-admits-sbis-insolvency-plea-against-gayatri-projects/articleshow/95588784.cms?from=mdr>

## ➤ **NCLT orders corporate insolvency resolution of real estate firm BPTP**

The National Company Law Tribunal has ordered the commencement of corporate insolvency resolution process of real estate company, BPTP Ltd on November 14.

Rakesh Kumar Gupta has been appointed the IRP and the creditors have been asked to provide claims with proof by November 27.

RBCL Projects had filed the petition in the NCLT to initiate CIRP against the BPTP, which was incorporated in 2003.

The applicant is a MSME engaged in infrastructure activities that contribute to the completion or finishing of a building under construction. BPTP is a real estate company which has allotted work to the applicant by giving work orders.

It is also submitted that on October 24, 2018, the applicant had filed the first Section 9 petition, No (IB)-1450(ND) 2018 before this Tribunal, against the same respondent, under which on January 23, 2019, some part settlement was reached between the

parties and accordingly, the said petition was withdrawn vide order dated January 24, 2019.

The applicant has stated that thereafter, the respondent failed to make the payment of final and running bills in respect of all the three projects and release the performance guarantee, despite repeated reminders.

"On perusal of the material available on record, we are of the considered view that the Operational Creditor has established the default on the part of the Corporate Debtor in payment of the operational debt being above the minimum threshold limit. The Petition filed under Section 9 fulfills all the requirements of law. Therefore, the petition is admitted in terms of Section 9(5) of the IBC. Accordingly, the CIRP is initiated and moratorium is declared in terms of Section 14 of the Code," the NCLT said in the order.

**Source: Business Standard**

**Read Full news at:** [https://www.business-standard.com/article/companies/nclt-orders-corporate-insolvency-resolution-of-real-estate-firm-bptp-122111701332\\_1.html](https://www.business-standard.com/article/companies/nclt-orders-corporate-insolvency-resolution-of-real-estate-firm-bptp-122111701332_1.html)

## ➤ **Creditors realise Rs 2.43 lakh crore through insolvency resolution process till Sep 2022**

Banks, financial institutions and other creditors of stressed companies have realised Rs 2.43 lakh crore through NCLT-supervised insolvency resolution processes against total claims of Rs 7.91 lakh crore till September 30, 2022.

So far 532 CIRPs (Corporate Insolvency Resolution Process) yielded resolution plans, said the quarterly report of the Insolvency and Bankruptcy Board of India (IBBI). "Till September 30, 2022, the creditors have realised Rs 2.43 lakh crore under the resolution plans.

" The fair value of the assets available with these CDs, when they entered the CIRP was estimated at Rs 2.14 lakh crore and liquidation value of Rs 1.37 lakh crore against the total claims of the creditors' worth Rs 7.91 lakh crore," it said.

The creditors have realised 177.55 per cent of the liquidation value and 84 per cent of the fair value (based on 456 cases where fair value has been estimated), the newsletter said. "The haircut for creditors relative to the fair value of assets was less than 16 per cent, while relative to their admitted claims is of around 69 per cent," it added.

The report also added till September 2022, 740 CIRPs have been withdrawn under the provisions of section 12A of the Insolvency and Bankruptcy Code. Moreover, the report also highlighted that 64 per cent of the ongoing CIRP has taken more than 270 days, beyond the permissible time frame under the IBC.

Delay in CIRP, which is a time-bound process, has become an issue. 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.

Under the request of the resolution professional of the company, NCLT has the power to extend the duration for another 90 days. However, it also mandates CIRP has to be completed with a time frame for resolution is 330 days, inclusive of time taken for litigation.

The delay is on account of litigations, shortage of manpower at the National Company Law Tribunal (NCLT) benches, infrastructure woes and the pandemic-induced disruptions that have adversely impacted the envisaged time-bound resolution process. Earlier, this month the government appointed a total of 15 judicial and technical members to the National Company Law Tribunal (NCLT), which is grappling with a shortage of judges.

The NCLT has a total of 28 benches, with a sanctioned strength of 63 members. This includes 31 each from the judicial and administrative sides along with its president, who heads the principal bench in New Delhi.

**Source: *The Economic Times***

**Read Full news at:**

<https://economictimes.indiatimes.com/industry/banking/finance/creditors-realise-rs-2-43-lakh-crore-through-insolvency-resolution-process-till-sep-2022/articleshow/95584734.cms>



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