



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"It is during our darkest moments that we must focus to see the light"

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➤ Bankruptcy court admits Zee Entertainment under the insolvency resolution process

A dedicated bankruptcy court Wednesday admitted two of Essel Group's listed companies, Zee Entertainment Enterprises (ZEEL) and Siti Network Ltd., for insolvency proceedings, likely creating hurdles in ZEEL's merger with Culver Max Entertainment (Sony).

The Mumbai bench of the National Company Law Tribunal (NCLT), in two separate applications filed by the IndusInd Bank, has appointed Sanjeev Kumar Jalan, a partner in professional services firm BDO, and Mohit Mehra as resolution professionals for Zee Entertainment and Siti Network, respectively.

The division bench of judicial member HV Subba Rao and technical member Madhu Sinha, while allowing applications, also rejected ZEEL counsel's oral request to stay the order for two weeks.

"Once the company gets admitted, the powers of the board of directors stand superseded in relation to the corporate debtor (Zee Entertainment)," said Prachiti Shah, managing partner of law firm Nanavati & Nanavati Advocates. "The only way out for the original promoters is to settle the dues with the lender under 12 (A) for post-admission settlement. Unless and until this occurs, no scheme matters, including merger or amalgamation, will be possible."

Srishti Ojha, founder of the law firm Verist Law, said that now the outcome was completely dependent on lenders.

"It will depend on ZEEL's Committee of Creditors (CoC) that has to formulate the resolution plan and design the outcome of this process," she said.

Source: *The Economic Times*

Read Full news at: <https://economictimes.indiatimes.com/industry/media/entertainment/bankruptcy-court-admits-zee-entertainment-under-the-insolvency-resolution-process/articleshow/98155814.cms>

➤ Authum seeks review of appraisal matrix in Srei insolvency

Authum Investment and Infrastructure has filed a petition in the Kolkata National Company Law Tribunal (NCLT) seeking revaluation of the appraisal matrix that gave the winning bidder National Asset Reconstruction Co (NARCL) a higher score in the bid for the twin Srei Companies.

The Mumbai-based non-banking finance company (NBFC) has also offered an additional upfront payment of ₹250 crore over and above its original amount of ₹3,240 crore in a petition filed before the court. The next date for the hearing is set for February 28.

"Authum is arguing that the appraisal matrix used to calculate the net present value (NPV) for NARCL's bid was inflated because it mainly consisted of passthrough instruments with no certainty of recovery. Even the security receipts issued by NARCL have been considered as non-convertible debentures and marked like that there is no guarantee that they will be redeemed at the expected price," said a person familiar with Authum's petition.

Srei administrator Rajneesh Sharma did not reply to an email seeking comment.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/banking/finance/authum-seeks-review-of-appraisal-matrix-in-srei-insolvency/articleshow/98161747.cms>

➤ RCap insolvency case: NCLAT concludes hearing, reserves order over lenders plea

The National Company Law Appellate Tribunal (NCLAT) on Tuesday concluded its hearing and reserved its order over the petition filed by lenders of Reliance Capital seeking a second round of financial bids for the debt-ridden firm, presently going through the insolvency resolution process.

Senior advocate Mukul Rohatgi, representing Torrent Investments concluded his arguments and submitted that the Insolvency & Bankruptcy Code (IBC) intends for maximisation of the value, but the focus should be on the revival of the assets.

Rohatgi contended that IBC is not a debt recovery platform and the Committee of Creditors should look beyond their individual recovery. On Monday, senior advocate Kapil Sibal representing for lenders had submitted that the intent of IBC is to maximise the value of the assets and the Committee of Creditors are free to negotiate the terms.

Source: Mint

Read Full news at: <https://www.livemint.com/news/india/rcap-insolvency-case-nclat-concludes-hearing-reserves-order-over-lenders-plea-11676972597815.html>

