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"I never look back, It distracts from the now"

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➤ NCLT exceeded its jurisdiction in RCap insolvency matter: Vistra ITC

Reliance Capital's secured lender-- Vistra ITCL has submitted before the National Company Law Appellate Tribunal (NCLAT) that in the ongoing insolvency process of Reliance Capital, the National Company Law Tribunal (NCLT) has acted in excess of its jurisdiction at a stage where even signed plans were not placed before the lenders for consideration.

This comes after the lender had moved the appellate tribunal against the NCLT verdict staying the second auction for Reliance Capital. Last week, the NCLAT has reserved its judgement in the matter. "NCLT has usurped the jurisdiction of the Committee of Creditors (CoC) by holding that the CoC has to vote on the ₹8,640 crore plan of Torrent and ₹8,110 crore plan of IIHL and that CoC has no jurisdiction to negotiate even on the figures.", the submission by Vistra said.

Torrent Investments and the lenders to Reliance Capital have been at loggerheads over the submission of bids for the insolvent firm. Essentially, Torrent had submitted a bid of ₹8,640 while Hinduja group submitted a revised offer of ₹9000 crore which led to dispute between the two. The lenders however, in an attempt for achieving maximum value for the bankrupt firm said that both the bids were sub-optimal in nature and were below the liquidation value of the company.

The lender further added that NCLT has not even looked at these plans and there is no ₹8,110 crore plan of IIHL and NCLT has substituted its opinion for that of CoC, which is not permissible under the IBC.

On February 2, the Mumbai bench of National Company Law Tribunal (NCLT) had ruled against holding a fresh round of auction for the takeover of Anil Ambani-promoted Reliance Capital (RCap) and said the challenge mechanism for financial bids has already concluded.

Source: Mint

Read Full news at: <https://www.livemint.com/companies/news/nclt-exceeded-its-jurisdiction-in-rcap-insolvency-matter-vistra-itcl-11677426662974.html>

➤ **NCLT admits insolvency plea against Big FM Radio's operator Reliance Broadcast Network**

India's bankruptcy court has admitted Reliance Broadcast Network Ltd., the Big FM radio network operator under the Corporate Insolvency Resolution Process (CIRP). The Mumbai bench of the National Company Law Tribunal (NCLT) has appointed Rohit Ramesh Mehra as an insolvency resolution professional.

This came on a petition filed by IDBI Trusteeship Services Ltd, which had approached the tribunal after the company allegedly failed to repay its dues of over Rs 174 crore. "We are of the considered view that since the Registered office of the Corporate Debtor (Reliance Broadcast) is in Mumbai this Tribunal has territorial jurisdiction over the present subject matter by virtue of Section 60(1) of the Code," observed the bench led by judicial member Kuldip Kumar Kareer and a technical member Anuradha Sanjay Bhatia in its order of February 24.

Before the tribunal admitted the petition, the company, through its counsel argued that this tribunal (Mumbai bench of NCLT) lacks jurisdiction, due to the fact that the parties have conferred a nonexclusive jurisdiction to the Tribunals in New Delhi as regards any dispute concerning the agreements pertaining to the petition.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/media/entertainment/media/nclt-admits-insolvency-plea-against-big-fm-radios-operator-reliance-broadcast-network/articleshow/98239518.cms>

➤ **Low recovery ain't IBC's failure**

The Insolvency and Bankruptcy Code (IBC) has now completed seven years, during which it has facilitated closure of over 2,500 cases of NPAs. Yet it continues to draw flak from critics for its poor recovery rate – the amount of money recovered by banks and other financial institutions as a percentage of claims admitted by them. Banks have recovered Rs 2.5 lakh crore out of admitted claims of Rs 8.3 lakh crore from 612 cases resolved till December 2022. That works out to a recovery rate of only 30%. This has led to people raising questions on the effectiveness of the whole process, so much so that a parliamentary committee chaired by member of parliament Jayant Sinha has suggested that there should be a threshold for recoveries under insolvency process. But advocates of IBC reject such suggestions as well as the doubts over effectiveness of IBC.

"The objective of any insolvency law is to resolve the stress/insolvency timely so that assets don't lose value and firms that have potential to survive revives timely. The SARFAESI Act is focused on recovery for secured creditors and that is where we should look for statistics if we want to assess the recovery for secured creditors," says Dr Neeti Shikha, lecturer, University of Bradford, UK. Shikha was earlier the head of Centre for Insolvency and Bankruptcy, Indian Institute of Corporate Affairs.

Source: The New Indian Express

Read Full news at: <https://www.newindianexpress.com/business/2023/feb/26/low-recovery-aint-ibcs-failure-2550998.html>

