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IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"It does not matter how slowly you go as long as you do not stop."

Updates on Insolvency and Bankruptcy Code

Reliance Naval extends deadline for bid submission by a month

The resolution professional (RP) of the beleaguered Reliance Naval and Engineering has extended the deadline for submission of bids by a month. The decision to extend the deadline has been taken because lenders were unhappy with the expressions of interest (EoIs) received so far, sources close to development told FE.

After the extension, bidders can submit EoIs for the company by July 27. The earlier deadline for submission of EoIs expired on June 27. The RP will issue a final list of prospective resolution applicants by August 16, 2020.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/reliance-naval-extends-deadline-for-bid-submission-by-a-month/2009235/>

NCLT reserves order against Anil Ambani in a plea filed by SBI

The insolvency court has reserved its order on the plea filed by the State Bank of India (SBI) against Anil Ambani to recover over Rs 1,200 crore. The public sector lender had approached the Mumbai-bench of the National Company Law Tribunal (NCLT) under Section 97(3) of the Insolvency and Bankruptcy Code (IBC), seeking its intervention to direct the insolvency board to nominate a resolution professional (RP) to assess and submit a report on the assets owned by Ambani.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/company/corporate-trends/nclt-reserves-order-against-anil-ambani-in-a-plea-filed-by-sbi/articleshow/76708670.cms>

Yes Bank seeks CBI probe against Cox & Kings group

The current management at Yes Bank has written to the Central Bureau of Investigation, alleging payment of kickbacks and laundering of money related to loan transactions with the Cox & Kings Group (CKG), people in the know said.

The irregularities were found during a financial audit of the bank carried out by PricewaterhouseCoopers, they said. The CBI is likely to register a fresh FIR against Yes Bank cofounder and former chief executive Rana Kapoor, the borrower, and others.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/politics-and-nation/yes-bank-seeks-cbi-probe-against-cox-kings-group/articleshow/76704278.cms>

Old legal cases haunt companies acquiring assets under IBC

Two years after it was acquired, the old serious fraud cases of Bhushan Steel Ltd (now Tata Steel BSL) and its subsidiary Angul Energy Ltd, continue to haunt Tata Steel, raising questions on the legal liabilities on new owners acquiring stressed assets under the ever-evolving Insolvency and Bankruptcy Code (IBC).

The Additional Sessions Judge has issued summons to Tata Steel BSL and Angul Energy Ltd (AEL) to appear before the Special Court in relation to a criminal complaint filed by the Serious Fraud Investigation Office (SFIO) against them.

Source: Economic Times

Please find the full news at:

<https://www.thehindubusinessline.com/companies/old-legal-cases-haunt-companies-acquiring-assets-under-ibc/article31953166.ece>

DHFL Looks to Sell Stake In Life Insurance Venture Outside IBC

Dewan Housing Finance Corporation Ltd., which is under insolvency resolution proceedings, is looking to sell its 51% stake in unit Pramerica Life Insurance for Rs 2,500 crore according to two people with direct knowledge of the matter.

The sale will take place outside the Insolvency and Bankruptcy Code resolution process which is currently underway, Since the stake in Pramerica Life Insurance is owned through DHFL Investments Ltd, a wholly owned subsidiary of DHFL, lenders to the housing finance company can attempt a sale outside the bankruptcy process.

Source: Bloombergquint

Please find the full news at:

<https://www.bloombergquint.com/bq-blue-exclusive/dhfl-looks-to-sell-stake-in-life-insurance-venture-outside-ibc>

I-T exemption on buying shares at lower price in firms under insolvency

The CBDT has exempted from income tax the purchase of shares at rates lower than the market price in companies undergoing insolvency proceedings and whose board has been taken over by the government.

Also, investors in troubled debt-ridden Yes Bank who have invested in shares at a price lower than the fair market value (FMV) have been given income tax (I-T) exemption on their discounted investment price.

The Central Board of Direct Taxes (CBDT) through a notification said the exemptions would come into effect from April 1, 2020 and shall be applicable for the assessment year 2020-21 and thereafter.

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/markets/i-t-exemption-on-buying-shares-at-lower-price-in-firms-under-insolvency-120063001708_1.html

Wirecard to resume operations in the UK after regulators lift restrictions

Wirecard has been given permission to carry out regulated activities in the U.K. again following a decision from regulators to lift restrictions on the firm. The Financial Conduct Authority (FCA) said Tuesday that it had provided Wirecard's U.K. subsidiary, Wirecard Card Solutions, written consent to resume e-money and payment services, though some restrictions still remain in place. The watchdog had forced the firm to halt operations on Friday after its parent company filed for insolvency in Germany.

The move means that thousands of Brits who had been locked out of financial technology services will soon be able to access their cash again. The shutdown affected several fintech start-ups, including Curve, Pockit, Anna and Morses Club's U Account. Curve however had managed to get around the restrictions by switching payments processor over the weekend.

Source: CNBC.com

Please find the full news at:

<https://www.cnbc.com/2020/06/30/wirecard-to-resume-uk-operations-after-fca-lifts-restrictions.html>

West Bengal Authority of Advance Ruling has ordered that a liquidator must pay GST on sale of assets of a defunct company

The West Bengal Authority of Advance Ruling has ordered that a liquidator must pay goods and services tax (GST) on sale of assets of a defunct company under liquidation, as the sale is effectively supply of goods. The AAR has ruled that the National Company Law Tribunal appointed liquidator must have the GST registration till all liabilities cease to exist.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/economy/policy/west-bengal-authority-of-advance-ruling-has-ordered-that-a-liquidator-must-pay-gst-on-sale-of-assets-of-a-defunct-company/articleshow/76716980.cms>



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