



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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IBC AU-COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Positive anything is better than negative nothing."

Updates on Insolvency and Bankruptcy Code

➤ **IBBI amends voluntary liquidation process regulations to streamline it**

The Insolvency and Bankruptcy Board of India (IBBI) has amended regulations pertaining to voluntary liquidation process as part of efforts to streamline the process.

Anoop Rawat, Partner (insolvency & bankruptcy) at Shardul Amarchand Mangaldas & Co, said the amendment seeks to streamline the voluntary liquidation process by reducing the timelines and imposing greater responsibilities on liquidator. "The requirement of new form H relieves some burden off the adjudicating authorities, with relevant data and satisfaction of compliance checks being available to it in a structured tabular format. "This shall aid in further enhancing the freedom of exit for the investors in line with India's ambitious goals of providing ease of doing business to investors during all the phases of the life-cycle of businesses," Rawat said. IBBI, a key institution in implementing the Insolvency and Bankruptcy Code (IBC), has notified the changes in the voluntary liquidation process regulations.

Source: Business Standard

Read Full news at:

https://www.business-standard.com/article/pti-stories/ibbi-amends-voluntary-liquidation-process-regulations-122040601561_1.html

➤ **NCLT initiates insolvency proceedings against a group company of realty developer ATS**

The Delhi bench of the National Company Law Tribunal has initiated bankruptcy proceedings against Anand Divine Developers pvt ltd, a group company of realty developer ATS over dues of Rs 25 crore. According to the NCLT order, ICICI prudential venture has moved the tribunal after the developer defaulted on payment. "In the present case, the corporate debtor has not filed any reply and written submissions till now. However, in view of the debt and default clearly mentioned in the application u/s 7, this bench is inclined to admit the present petition," the tribunal said in the order.

The petitioner has proposed the name of Insolvency Resolution Professional (IRP) Harish Taneja. Geetamber Anand, chairman and managing director of Noida based ATS group told ET that the process to reach a settlement is on. "We have received a copy of the order and we are in the middle of studying the same. However, the amount under consideration is a very small sum and the related project is completed and handed over. This will have no bearing on our other projects. Meanwhile, we have mutually closed this dispute/matter with ICICI Pru (Applicant) and will be filing a settlement soon," Anand said. According to the order, the financial creditor and corporate debtor executed an investment agreement in July, 2014, and the financial creditor subscribed to 75,00,000 unlisted, secured, cumulative, redeemable and optionally convertible debentures issued by the corporate debtor having a face value of Rs 100 each aggregating to a total of Rs 75 crore subject to the terms and conditions set out. A default under the investment agreement occurred on 31 March 2018, when the corporate debtor failed to pay Interest due for the period 01.10.2017 to 31.03.2018.

Source: The Economic Times

Read Full news at:

<https://economictimes.indiatimes.com/industry/services/property/-/construction/nclt-initiates-insolvency-proceedings-against-a-group-company-of-realty-developer-ats/articleshow/90688621.cms>

➤ **Lenders mull 90-day extension to close Reliance Capital resolution process**

Lenders on Wednesday discussed a proposal for 90 days of extension to close the resolution process of debt-ridden Reliance Capital Ltd (RCL) promoted by the Anil Ambani Group, sources said. The Committee of Creditors (CoC) of Reliance Capital met on Wednesday to discuss bids received. As per the Insolvency and Bankruptcy Code (IBC), the administrator has to close the resolution of RCL within 180 days i.e, by June 3, 2022. Once the 90 days extension is taken, the CoC will have time till September 3 to close the process. Adani Finserve, ICICI Lombard, Tata AIG, HDFC Ergo, and Nippon Life Insurance are among the 54 firms that have expressed interest to acquire the NBFC. According to sources, the CoC in its meeting also discussed seeking an extension of 90 days as majority of the lenders were in favour of extending the deadline for the closure of resolution process. The final decision will be taken in the next meeting, sources added.

The Reserve Bank of India (RBI) had on November 29 last year superseded the board of Reliance Capital Ltd (RCL) in view of payment defaults and serious governance issues. The RBI appointed Nageswara Rao Y as the administrator in relation to the Corporate Insolvency Resolution Process (CIRP) of the company. This is the third large non-banking financial company (NBFC) against which the central bank has initiated bankruptcy proceedings under IBC recently. The other two were Srei Group NBFC and Dewan Housing Finance Corporation (DHFL). RBI subsequently filed an application for initiation of CIRP against the company at the

Mumbai bench of the National Company Law Tribunal (NCLT). In February this year, the RBI-appointed administrator had invited expressions of interest (EoIs) for sale of Reliance Capital. In September, RCL in its annual general meeting had informed shareholders that the company's consolidated debt was Rs 40,000 crore. It had reported narrowing of its consolidated net loss to Rs 1,759 crore in the quarter ended December 2021. The company had posted a net loss of Rs 3,966 crore in the same quarter a year ago. However, net loss widened from Rs 1,156 crore in the preceding quarter ended September 2021.

Total income of the company stood at Rs 4,083 crore in Q3FY22, down from Rs 4,890 crore in Q3FY21. RCL was incorporated on March 5, 1986, and is registered as Non-Banking Financial Company-Core Investment Company-Non-Deposit Taking-Systemically Important (NBFC-CICND-SI) under the Reserve Bank of India Act, 1934.

Source: Business Standard

Read Full news at:

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