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Insolvency Professional Agency of Institute of Cost Accountants of India



"Don't judge each day by the harvest you reap but by the seeds that you plant"

Updates on Insolvency and Bankruptcy Code

➤ **Axis Bank, kept out of Reliance Capital insolvency process, eyes legal options**

Axis Bank has protested against its exclusion from Reliance Capital's insolvency process, claiming that it is a financial creditor of the company and should be included in the committee of creditors, people aware of the matter said. It made the demand in a communication to the Reserve Bank of India appointed administrator for the company, they said. The administrator, Nageswara Rao Y, had rejected the bank's claim that was filed in January. According to the people, the bank has claimed that it had subscribed to commercial paper worth ₹124 crore of Reliance Capital. It has also claimed interest of ₹45 crore on the debt.

Axis Bank has claimed that Reliance Capital had provided an undertaking that it would settle the commercial paper once it had sold its stake in Reliance Nippon Life Asset Management to Nippon Life.

While Reliance Capital completed the sale in September 2019, it has not been paid yet, Axis Bank said. The debt is still due as per the undertaking and, according to the bank, it falls in the category of financial debt as per the Insolvency and Bankruptcy Code, the people said.

Source: The Economic Times

Read Full news at:

<https://economictimes.indiatimes.com/markets/stocks/news/axis-bank-kept-out-of-reliance-capital-insolvency-process-eyes-legal-options/articleshow/90483488.cms>

➤ [Congress demands CBI probe into Amtek group insolvency](#)

The Congress on Sunday accused the central government of sheltering promoters of certain companies declaring insolvency through the Insolvency and Bankruptcy Board of India, and demanded a CBI probe into the insolvency of Amtek group.

Addressing a press conference, Congress leader Sanjay Nirupam said the government must order a probe into the findings of Ernst and Young's audit report into the insolvency of Amtek Auto. The report states that "Amtek group has carried out preferential transactions, transactions defrauding creditors, and it siphoned off more than 70 per cent of its assets and funds to 129 shell companies," Nirupam said. "The Amtek group of companies took a loan of Rs 25,000 crore from Indian banks. The company was eventually sold for Rs 1,500 crore. Its promoters wrote off assets worth Rs 7,500 crore, and Rs 12,500 crore funds were siphoned off through shell companies," he said, citing EY report.

"The findings of the EY report are there in front of us but no action has been taken, that is our issue. Why the promoters of the company are being shielded? What connection do they have with the government?" he asked. "No one but the Central Bureau of Investigation (CBI) can probe this matter because it seems Ministry of Corporate Affairs is 'hand in glove', Serious Fraud Investigation Office is short staffed, and National Company Law Tribunal (NCLT) also seems to be a part of this 'scam'," Nirupam alleged.

Source: Business Standard

Read Full news at:

https://www.business-standard.com/article/companies/congress-demands-cbi-probe-into-amtek-group-insolvency-122032800001_1.html

➤ [National level Colloquium on 'NCLT-The Road Ahead' held](#)

Chief Justice (Retd), Ramalingam Sudhakar, president, NCLT; Rajesh Verma, Secretary, Ministry of Corporate Affairs and Ravi Mital, Chairman, Indian Bankruptcy Board of India (IBBI) inaugurated the colloquium in which Members of the Tribunal, both Judicial and Technical, representing 15 Benches across India also participated. Ramalingam Sudhakar while speaking on the occasion said that India is envisioning a multi-trillion-dollar economy and industry and commerce, crucial in nation's economy are governed by Company Law besides other laws. He stated that the Government has come out with Insolvency & Bankruptcy Code (IBC) to resolve corporate issues to enable corporates of India to compete with the world. "NCLT is guardian of the Corporate Law and each of its Members has a role to play in the economic growth of the country," he maintained. He also said that Artificial Intelligence technology can be used in case resolution, especially in admission of cases. Rajesh Verma, Secretary, MCA, stated that NCLT is an institution of pride and it has led to faster resolution of corporate disputes under the Company Act and the IBC. He also said that during COVID-19 pandemic NCLT disposed off about 62,000 cases out of 83,000 cases filed before it. Ravi Mital, Chairman, IBBI, stated that there are two cornerstones of IBC—timelines in process and the control being given to creditors as against debtors.

He stated that with more standardization, the speed of resolution of cases can be increased. Inaugural session was followed by the technical session, where Sudhakar Shukla, Whole Time Member, IBBI and Prof. Charan Singh, CEO, EGROW Foundation, also participated. Members of the Tribunal covered other areas such as Admission of Petitions u/s 7 and 9 IBC, Oppression & Mismanagement, Avoidance Transactions, Insolvency & Voluntary Liquidation- Section 10 and Section 59, IBC and Resolution Plan Approval etc.

Source: Dailyexcelsior

Read Full news at:

<https://www.dailyexcelsior.com/national-level-colloquium-on-nclt-the-road-ahead-held/>



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