



# IBC AU-COURANT

*Latest updates On Insolvency & Bankruptcy*

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## ➤ **Investors challenge insolvency resolution given by NCLT in DSK case**

Investors have challenged the insolvency resolution given by National Company Law Tribunal (NCLT) in the DSK case and asked for a review, stating that they are not happy with the ₹827 crore plan.

Speaking to Hindustan Times, Amol Rakiv member of Chaitanya Vatika group (group of 1,100 investors allegedly duped by DS Kulkarni) said, "Many investors challenged this ₹827 crore plan given by NCLT as they are not confident about the procedure followed during the process. Now, NCLT will hear matter in detail and will give its verdict.'

Rakiv further said that, many investors have filed an Intervention Application (IA), hence, the plan was not sanctioned. The total liability was ₹2,300 crore and the plan accepted is of ₹827 crore. If this is the situation, then what will be the amount given to depositors?

Earlier, the Committee of Creditors (CoC) approved the resolution plan submitted by Ashdan Properties Pvt Ltd, Classic Promoters & Builders Pvt Ltd and Atul Builders, with a requisite majority of the voting share as per the Insolvency and Bankruptcy Code (IBC), 2016.

In September 2019, the NCLT Mumbai bench, ordered the commencement of corporate insolvency resolution process (CIRP) related to the real estate group under the provisions of the Insolvency and Bankruptcy Code, 2016, on an application filed by Bank of Maharashtra.

The DSK couple was booked for cheating and criminal breach of trust at Shivajinagar police station following complaints from investors. The Kulkarnis were booked under Sections 420 (cheating and dishonestly inducing delivery of property), 406 (criminal breach of trust) and 34 (common intention) of the Indian Penal Code (IPC) and Sections 3 and 4 of Maharashtra Protection of Interest of Depositors (MPID) Act.

**Source: Hindustan Times**

**Read Full news at:** <https://www.hindustantimes.com/cities/pune-news/investors-challenge-insolvency-resolution-given-by-nclt-in-dsk-case-101658939371457.html>

## ➤ **IBC Bill amendments to spur fast resolution of toxic assets**

The government will likely incorporate some of the recent suggestions of the Insolvency Law Committee (ILC), especially on the expeditious resolution of toxic assets, in a Bill that is set to amend the Insolvency and Bankruptcy Code (IBC), sources told FE. The IBC Amendment Bill is scheduled to be introduced in the ongoing monsoon session of Parliament.

The committee, headed by corporate affairs secretary Rajesh Verma, has suggested changes to the IBC to stipulate that the National Company Law Tribunal (NCLT) should accept or reject a resolution plan in just 30 days. If the adjudicating authority (AA) fails to do so, it has to “record reasons in writing for the same”. The report was released last month.

It has also recommended a slew of other changes to the IBC — including on avoidable transactions, change in the threshold date for look-back period and curbing the submission of unsolicited resolution plans or frequent revisions in such plans — to make the law more robust and help cut delay with an aim to prevent further erosion of the toxic asset value. The monsoon session will continue up to August 12.

“The corporate affairs ministry will take a final call on including some of the latest suggestions in the current Bill itself. Some suggestions, especially on quick resolution of stressed assets, are there in the Bill,” a source told FE.

Taking cognisance of the delays in the disposal of resolution plans submitted to the NCLT, the ILC had said such delays were often caused by a large number of objections to the proposed resolution plan, or a high degree of pendency of cases.

As many as 66% of companies that are undergoing resolution have exceeded the 270-day limit, showed the data compiled by insolvency regulator IBBI. Recovery for financial creditors from the resolution of stressed firms under the IBC crashed to a record quarterly low of 10.2% of their admitted claims in the three months through March. Analysts have mainly blamed the delay in resolution for the value erosion, although other factors, too, served to drag down the recovery.

The ILC had also suggested that a mechanism for reviewing late submissions of plans and unsolicited revisions to plans be laid down in the regulations.

Apart from focussing on changes to yield quick resolution, the IBC amendment Bill will also enable the government to introduce a cross-border resolution framework. Such a law aims to ensure lenders have easier access to overseas assets of stressed companies. It will enable India to seek cooperation from foreign countries to bring defaulters’ assets there under consideration for insolvency proceedings. Such an

insolvency framework would be tailored around a model law of the United Nations (United Nations Commission on International Trade Law or UNCITRAL).

**Source: Financial Express**

**Read Full news at:** <https://www.financialexpress.com/industry/ibc-bill-amendments-to-spur-fast-resolution-of-toxic-assets/2608548/>

## ➤ **Indrayani Biotech's subsidiary to acquire Vaasan Medical Center India through IBC**

(IBL) has informed that its wholly-owned subsidiary IBL Healthcare Limited has been declared as the successful resolution applicant by the Committee of Creditors for acquisition of Vaasan Medical Center (India) Private Limited on July 21, 2022, subject to obtaining necessary regulatory approvals including NCLT (National Company Law Tribunal) approval. As per the filing, IBL Healthcare Limited has accepted the Letter of Intent ('LoI') for acquisition of Vaasan Medical Center (India) Private Limited under the Corporate Insolvency Resolution Process ('CIRP') of the Insolvency and Bankruptcy Code 2016 ('IBC').

Vaasan Medical Center (India) Private Limited is a company established in March 31, 2010 and it is running a chain of pharmacy retail stores under the name and style of "Vasan Medical Hall" in Trichy and neighboring districts of Tamil Nadu. Vasan Medical Hall has earned huge customer goodwill in central Tamilnadu for several years. A few years ago, there were more than 40 outlets which were operational at its peak. It ran into financial issues recently and NCLT declared initiation of CIRP on November 01, 2021. Expression of Interest for identification of Successful Resolution Applicant was published on April 29, 2022. IBL Healthcare expressed interest and participated in the resolution process to take over the entity. After going through the process, IBL Healthcare Limited is now declared as the Successful Resolution Applicant, subject to the approval by NCLT.

**Source: IIFL**

**Read Full news at:** [https://www.indiaifoline.com/article/news-top-story/indrayani-biotech-s-subsiary-to-acquire-vaasan-medical-center-india-through-ibc-122072700470\\_1.html](https://www.indiaifoline.com/article/news-top-story/indrayani-biotech-s-subsiary-to-acquire-vaasan-medical-center-india-through-ibc-122072700470_1.html)



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