

Info Capsule

Tuesday
September 13, 2022

President

CS Devendra V. Deshpande

❖ Latest @ ICSI

ASSOCHAM in association with ICSI is organising the 9th International Summit on Friday, September 16, 2022

To discuss the evolving issues and challenges under M&A, amalgamations, joint ventures including cross borders, ASSOCHAM in association with ICSI is organizing 9th International Summit "Corporate Restructuring, M&A and Joint Venture - Recent Trends, Evolving Issues and Opportunities" on Friday, September 16, 2022 in IHC, New Delhi, India. Special discount @ 15% for ICSI Members with 4 CPE Credits (Structured).

For details:

https://www.icsi.edu/media/webmodules/12092022_Brochure16September2022.pdf



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❖ Business & Economics News

Tata group in talks with Bisleri to acquire a stake in company: Report (September 12, 2022)

Tata Group is understood to have initiated talks with Bisleri International to acquire a stake in the packaged water company, according to sources.

The Tata Group houses its consumer business under Tata Consumer Products Ltd (TCPL) which also sells packaged mineral water under the brand Himalayan and with brands as Tata Copper Plus Water and Tata Gluco+ in the hydration segment.

For details:

https://www.business-standard.com/article/companies/tata-group-in-talks-with-bisleri-to-acquire-a-stake-in-company-report-122091201061_1.html#:~:text=Tata%20Group%20is%20understood%20to,know%20of%20the%20development%20said.

❖ Terminology for today

Four Asian Tigers

The Four Asian Tigers are the high-growth economies of Hong Kong, Singapore, South Korea, and Taiwan. Fuelled by exports and rapid industrialization, the Four Asian Tigers have consistently maintained high levels of economic growth since the 1960s, and have collectively joined the ranks of the world's wealthiest nations.

❖ **Pronouncement**

02/09/2022	<p><i>Sumat Kumar Gupta Insolvency Professional, Formerly Resolution Professional M/S Vallabh Textiles Company Ltd (Appellant)</i></p> <p style="text-align: center;">Vs.</p> <p><i>Committee of Creditors of M/S Vallabh Textiles Company Ltd. Through Punjab National Bank (Respondent)</i></p>	<p><i>National Company Law Appellate Tribunal Principal Bench, New Delhi</i></p> <p><i>Company Appeal (AT) (Insolvency) No. 1037 of 2022</i></p>
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Section 27 of the Insolvency & Bankruptcy Code does not contemplate any opportunity of hearing to the Resolution Professionals be given by the Adjudicating Authority before approving the proposal of new Resolution Professional.

Brief Facts:

This Appeal has been filed before the National Company Law Appellate Tribunal against the order dated 11.07.2022 passed by the Adjudicating Authority (National Company Law Tribunal), Chandigarh Bench in I.A. No. 682 of 2022 in CP(IB) No. 391/Chd/Pb/2018 by which order the application filed by the Punjab National Bank – the Financial Creditor for replacement of the Resolution Professional has been allowed and in place of the Appellant another person has been appointed as Resolution Professional. Aggrieved by the impugned order, the Appellant has come up in this Appeal.

Learned counsel for the Resolution Professional submitted before National Company Law Appellate Tribunal that the Adjudicating Authority passed the impugned order without giving any opportunity of hearing and within issuing any notice to the Appellant. It is submitted that when the order was being passed by the Adjudicating Authority replacing the Appellant, he was entitled for the opportunity to be heard in the application in consonance with the principles of natural justice. Section 27 of the I&B Code which provides for replacement of the Resolution Professional by the Committee of Creditors (CoC) does not exclude applicability of natural justice and the Appellant was entitled for the opportunity to be heard.

Order

Appeal is dismissed by the Hon'ble National Company Law Appellate Tribunal and *inter-alia* observed that when we look into the scheme of Section 27 as delineated by the statute, it does not contemplate any opportunity of hearing to the Resolution Professionals be given by the Adjudicating Authority before approving the proposal of new Resolution Professional. Section 27 requires the CoC to forward the name of proposed Resolution Professional to the Adjudicating Authority and the Adjudicating Authority is required to forward the name of the proposed Resolution Professional to the Board for its confirmation. The scheme of Section 27 does not indicate that Resolution Profession is to be made party and is to be issued notice before taking decision to appoint another Resolution Professional. Looking to the purpose and object of the I&B Code, where timeline is the essential factor to be taken into consideration at all stages, there is no warrant to permit a *Lis* to be raised by the Resolution Professional challenging his replacement by the CoC. The decision taken by the CoC is a decision by vote of 66% and when the decision is by votes of a collective body, the decision is not easily assailable and replacement is complete as per Scheme of Section 27 when the resolution is passed with requisite 66% voting share.

For details: <https://ibbi.gov.in/uploads/order/9c6a9e4d559a568b21db5cc7e190b6c0.pdf>

❖ International Business News

India is quietly laying claim to economic superpower status (September 12, 2022)

The rise of China has been the biggest story in the global economy in recent decades. But amid concern about its stumbling property market and global fears about inflation, the emergence of its neighbour, India, as a potential new economic superpower may be going under the radar.

For details:

<https://www.theguardian.com/world/2022/sep/12/india-is-quietly-laying-claim-to-economic-superpower-status>

❖ Market Watch

Stock Market Indices as on 13.09.2022

S & P BSE Sensex	60571.08 (+ 455.95)
Nifty 50	18070.05 (+ 133.70)

Foreign Exchange Rates as on 12.09.2022

(<https://www.geojit.com/currency-futures>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
79.49	79.87	92.13	0.56

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu.

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इष्टकरं कुरु। तृप्तोः कुरुते।
इष्टकरं कुरु। तृप्तोः कुरुते।

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