

Info Capsule

Monday
January 24, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ *Business and Economic News*

Ready for settlement talks with govt but our fight in foreign courts to go on: Devas (January 24, 2022)

Days after the Supreme Court ordered the winding up of Bengaluru-based start-up Devas Multimedia, promoters of the company, which has been fighting a legal case against ISRO's commercial arm Antrix, are "ready for negotiations" with the Indian government but will continue their fight for seizure of the Indian state assets abroad to seek compensation for the cancelled satellite deal.

For details:

<https://timesofindia.indiatimes.com/business/india-business/ready-for-settlement-talks-with-govt-but-our-fight-in-foreign-courts-to-go-on-devas/articleshow/89081190.cms>



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❖ *Securities Laws & Capital Markets*

SEBI News

• **SEBI asks PFS to file action taken report on governance within four weeks (January 23, 2022)**

Securities and Exchange Board of India (SEBI) has asked PTC India Financial Services Ltd (PFS) to file an action taken report (ATR) within four weeks on corporate governance matters and issues raised by resigning directors. The capital market regulator director directed the company to address these issues before holding board meetings. PFS, in late night filing with BSE, said the company has received a communication dated 22nd January, 2022 from the SEBI informing that the company is directed to address the Corporate Governance issues and all other issues raised by the resigning IDs and ex-Chairperson first. A meeting of the Board of Directors was scheduled to be held on 22nd January, 2022. However, the same could not be held as the company does not have quorum required under SEBI Regulations, the company said in filing.

For details:

https://www.business-standard.com/article/companies/sebi-asks-pfs-to-file-action-report-on-governance-within-four-weeks-122012301061_1.html

❖ *Terminology for today*

Dividend Aristocrat

A dividend aristocrat is a company in the S&P 500 index that not only consistently pays a dividend to shareholders but annually increases the size of its payout. A company will be considered a dividend aristocrat if it raises its dividends consistently for at least the past 25 years. Some experts of dividend aristocrats rank them according to additional factors such as company size and liquidity, for instance having a market capitalization in excess of \$3 billion.

❖ **Insolvency and Bankruptcy**

- **Suraksha group expects NCLT nod by March to acquire Jaypee Infra; gearing up to start construction (January 23, 2022)**

Mumbai-based Suraksha group said the company expects to get the approval of the NCLT by March to acquire Jaypee Infratech Ltd (JIL) through insolvency process and complete around 20,000 flats for homebuyers.

In the meantime, Suraksha ARC Managing Director and Chief Executive Officer Aalok Dave said the company is making preparations internally to start construction work on all stalled projects soon after the NCLT approval.

For details:

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/suraksha-group-expects-nclt-nod-by-march-to-acquire-jaypee-infra-gearing-up-to-start-construction/articleshow/89073593.cms>

- **NCLAT directs NCLT to decide over SREI's plea against rights issue of Trinity Alternative Investment (January 23, 2022)**

The National Company Law Appellate Tribunal (NCLAT) has asked the Kolkata bench of NCLT to decide over the plea of SREI Infrastructure Finance against the right issue of its subsidiary Trinity Alternative Investment Managers.

SREI Infrastructure Finance Ltd (SIFL), which owns 51 per cent equity in the fund management firm Trinity Alternative Investment Managers Ltd, is anticipating dilution of its shareholding in the subsidiary after its right issue.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/nclat-directs-nclt-to-decide-over-sreis-plea-against-rights-issue-of-trinity-alternative-investment/articleshow/89071916.cms>

❖ **Market Watch**

| Stock Market Indices as on 24.01.2022 | |
|----------------------------------------------|----------------------|
| S & P BSE Sensex | 57491.51 (-1,545.67) |
| Nifty 50 | 17149.10 (-468.05) |

| Foreign Exchange Rates as on 21.01.2022 <i>(https://www.fbil.org.in/#/home)</i> | | | |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR / 1 JPY |
| 74.31 | 84.22 | 100.83 | 0.65 |

❖ Pronouncement

| | | |
|------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 20/01/2022 | Association of aggrieved Workmen of Jet Airways (India) Limited (Appellant) vs. Jet Airways (India) Ltd. and Ors (Respondent) | NCLAT Company Appeal (AT) (Insolvency) No. 643 of 2021 & I.A. No.1700 of 2021 |
|------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|

Resolution Plan after its approval by the Adjudicating Authority is no more a confidential document

Brief Facts:

The only question to be considered before the NCLAT was to whether the Appellant who has filed Appeal against the order of the Adjudicating Authority dated 22nd June, 2021 approving the Resolution Plan submitted by Respondent No.4 is entitled for a copy of Resolution Plan or any part of it in these proceedings. The Appellant is an association of aggrieved workmen of the Jet Airways (India) Ltd. The workmen of Jet Airways (India) Ltd. were Operational Creditors, who have filed their claim before the Resolution Professional. The Resolution Plan allocated workmen and employees an amount of Rs. 52 Crores. This Appeal has been filed by the Appellant challenging the order of the Adjudicating Authority approving the Resolution Plan on several grounds as contained in the grounds stated in paragraph 9 of the Memo of Appeal.

Judgement:

The Hon'ble NCLAT *inter-alia* observed that when the right to Appeal on the ground enumerated in sub-section (3) of Section 61 is provided, unless the Appellant is aware of the contents of the Resolution Plan, how he will be able to satisfy the Appellate Court that the grounds enumerated in sub-section (3) of Section 61 are made out in reference to approval of the Resolution Plan. The provision of Section 61, sub-section (3) reaffirms our view that after approval of the Resolution Plan, Resolution Plan does not remain a confidential document, so as to deny its perusal to a claimant, who is aggrieved by the Plan and has come up on the Appeal. We, thus, are of the view that Resolution Plan after its approval by the Adjudicating Authority is no more a confidential document, so as to deny access to even a claimant. It is true that the Resolution Plan even though it is not a confidential document after its approval, cannot be made available to each and to anyone who has no genuine claim or interest in the process. On various grounds the access to Resolution Plan even if it is not a confidential document, after approval can be denied in proper and appropriate cases.

For details:

https://images.assettype.com/barandbench/2022-01/23ead0b7-99b6-4753-abb5-1daff704f07a/Workmen_of_Jet_Airways_v_Jet_Airways_India_Ltd.pdf

Prepared by Directorate of Academics

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