



IIPI Newsletter

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Mortgage lenders of Amtek subsidiary approaches NCLT to protect their rights

Plans to revive Amtek Auto NSE 0.00 % stumbled again as KKR India Financial Services, through Vistra ITCL, approached the dedicated bankruptcy court requesting the tribunal to ensure their rights with regards to secured property stay intact at the time of the approval of the resolution plan. Also, the security trustees are seeking a copy of the resolution plan.

AGR case: SC says if dues not cleared, cancel licences

In what could put the resolution process of insolvent telecom operators like Reliance Communications and Aircel in jeopardy, the Supreme Court said that the government should move to cancel their licences and spectrum if their statutory dues (read adjusted gross revenue) are being wiped out. The apex court, which is examining whether the spectrum held by the operators can be monetised through the insolvency process, despite it being the property of the government, observed, "How can you sell somebody else's property? This will allow for dues to be wiped out, new party will take over free of all encumbrances, liabilities.

Last-mile funding: Govt gives Rs 10,284 crore for completion of 101 stalled housing projects

An alternate investment fund (AIF), set up to extend last-mile funding to complete stuck housing projects, has sanctioned as much as Rs 10,284 crore for 101 projects, the finance ministry said on Friday. This will enable the completion of 71,559 houses across the country. As of August 20, the fund, set up under the Special Window for Affordable and Mid Income Housing (SWAMIH), gave final approval to investments of Rs 3,472 crore in 22 projects, while preliminary nod was granted to 79 projects involving investments of Rs 6,812 crore.

POINT TO PONDER

"Courage is the most important of all the virtues because without courage, you can't practice any other virtue consistently."— Maya Angelou

Anil Ambani to challenge personal insolvency proceedings in NCLAT

Anil Ambani will approach National Company Law Appellate Tribunal against an order by the Mumbai bench of National Company Law Tribunal (NCLT) allowing bankruptcy proceedings against him. A spokesperson on Ambani's behalf assured that the NCLT order will have no bearing on the operations of companies under the Reliance Group - Reliance Infrastructure, Reliance Power and Reliance Capital.

Government considering pre-packaged resolution for stressed firms under IBC

The government is looking to provide a pre-packaged resolution framework for stressed companies under the Insolvency and Bankruptcy Code (IBC). A pre-packaged resolution, where a company prepares a restructuring plan in cooperation with its creditors before initiating insolvency proceedings, reduces the time and costs involved in the process.

Volatility in shares relisting after insolvency process must be checked

SEBI's discussion paper on recalibration of the minimum public shareholding threshold in companies that relist after undergoing corporate insolvency resolution process is much needed, against the backdrop of the rampant speculation witnessed in the stock of Ruchi Soya in recent months.

Out-of-court M&A deals set to pick up pace on IBC suspension

India may see more out-of-court merger and acquisition deals for distressed assets with the government suspending the insolvency and bankruptcy process for a year in view of the covid-19 crisis, and with banks under pressure to resolve the bad loans issue, while stretched public finances and the need to revive growth will push the government to seek more divestment options.

Feedback requested at ipa@icai.in