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Knowledge SBU Initiative

SC to Centre: Why have PSBs not invoked ₹1.8-lakh-crore guarantees by promoters

Personal guarantees amounting to ₹1.8-lakh crore given by promoters of as many as 42 defaulting corporate entities are under the scanner, following a direction by the Supreme Court to the Centre asking it to explain why these guarantees have not been invoked by public sector banks.

Duff & Phelps India drags IBBI to court on order against senior advisor

The Indian arm of American financial consultancy firm Duff & Phelps has dragged the Insolvency & Bankruptcy Board of India (IBBI) to court, over an order involving the company and a senior adviser in its restructuring practice. The insolvency regulator in a June 8 order penalised Vijay Kumar Garg, the resolution professional for Gitanjali Gems Nakshatra World and other companies promoted by Mehul Choksi, accusing him of "attempted to siphon off crores of rupees" from the companies he was managing through the insolvency process.

SBI puts up Rs 366 crore loans for sale to ARCs in tough year for recoveries

SBI sought buyers for its loans to two companies aggregating an outstanding of Rs 365.54 crore. Both accounts are being offered to asset reconstruction companies and other financial institutions on a full-cash basis. The reserve price for Kolkata-based MSP Sponge Iron has been set at Rs 126 crore, implying an up to 56% haircut on the Rs 285-crore exposure. The Rs 80-crore loan to Chandigarh-based Venus Remedies is being offered at a reserve price of Rs 56.37 crore, which means there could be a 30% haircut on this exposure.

DHFL may further extend timeline for submission of bids

The beleaguered mortgage financier DHFL may further extend the timeline for submission of bids beyond July 24, as suitors have asked for more time. "The prospective bidders have asked for more time to submit bids as lockdown is still continuing in a few states."

POINT TO PONDER

"The common facts of today are the products of yesterday's research."

–Duncan Mac Donald

Cheaper, faster and easier insolvency resolution process on cards for MSMEs: IBBI

A cheaper, faster and easier insolvency resolution process is on the cards for MSMEs, said IBBI executive director Mr. KR Saji Kumar. The board envisaged a shorter time limit than the current 180 days for an MSME insolvency resolution process, along with cost-effective and easier procedures where the debtor continues to manage the business while negotiating with creditors, Kumar said during an online conference.

IBBI proposes to limit cases with insolvency professionals

In what may bring about major reform and efficiency in the insolvency regime in India, the Insolvency and Bankruptcy Board of India (IBBI) has proposed to limit the number of cases an insolvency professional can handle to five as it noted that few insolvency professionals (IP) are handling too many cases. The IBBI has sought public comments on the proposal till July 25, 2020.

AGR dues: Who pays for RCom, Aircel and Videocon? Supreme Court to examine

The Supreme Court sought all records of Reliance Communications, Aircel and Videocon Telecommunications to ensure that these companies did not misuse the IBC to escape their AGR dues. The three firms, which filed for bankruptcy, together owe around Rs 40,000 crore of the total Rs 1.67 lakh crore owed by various telcos as AGR dues.

Uday Kotak-led IL&FS on the road to recovery, hopes to resolve Rs 57,000 crore of debt this fiscal

The IL&FS board, led by Uday Kotak, revised the quantum of debt it expects to resolve to Rs 57,000 crore, more than half the total debt of Rs 99,000 crore. Of this, Rs 50,500 crore will be addressed by March 2021, the board said while revising the debt estimates to Rs 99,000 crore. Over Rs 57,000 crore of this amount would be resolved through multiple resolution modes.

Feedback requested at ipa@icai.in