



IIPI Newsletter

May 31, 2019

Volume 3, Number 9

For Internal Circulation Only

Knowledge SBU Initiative

Individual insolvency: Relief from usury for the poor soon

The government is preparing individual insolvency regulations under the Insolvency and Bankruptcy Code that will provide for debt waiver up to `35,000 to the poorest of the poor, who have borrowed money from not just banks but also informal sources like village money lenders.

Once the regulations are in place, the poor who don't own houses earn up to `60,000 a year and have assets up to `20,000 will be eligible to apply for such a relief.

NCLT Dismisses ICICI Bank's IBC Case Against Hyderabad Ring Road Projects

The National Company Law Tribunal has dismissed a plea filed by ICICI Bank Ltd. against Hyderabad Ring Road Projects Pvt. Ltd. under the Insolvency and Bankruptcy Code, observing that there was "duplicacy of the claims" of the private lender. A two-member bench, headed by Justice MM Kumar said ICICI Bank had already raised similar claims against Hyderabad Ring Road Projects' corporate guarantor Era Infra Engineering Ltd., which is currently going through corporate insolvency resolution process.

NCLT asks Sebi to conclude probe into ITC, LIC allegations against Leela

The National Company Law Tribunal (NCLT) Tuesday directed market regulator Sebi to conclude its probe into allegations against Hotel Leela venture by the company's two minority shareholders ITC and LIC. The NCLT's Mumbai bench comprising V P Singh and Ravikumar Duraisamy said the regulator should conclude its examination on the matter before the next date of hearing, on July 8.

ArcelorMittal, Resurgent said to mull joint bid for Essarplant

ArcelorMittal is exploring a joint offer with Resurgent Power Ventures Pte to buy an Essar Power generation plant in India, according to people with knowledge of the matter. The companies have held preliminary talks on a potential joint bid for the 1,200-megawatt power plant in the central Indian state of Madhya Pradesh. Arcelor had previously made a non-binding offer of 48 billion rupees (\$690 million) for the asset.

POINT TO PONDER

**"Buy when everyone else is selling and hold until everyone else is buying. That's not just a catchy slogan. It's the very essence of successful investing."
-J. Paul Getty**

Crisis in real estate sector: Challenges and changes required

The real estate sector at present is mired in a chronic cycle of low growth fuelled by the paucity of liquidity in the market. By way of the Real Estate (Regulation and Development) Act, 2016, the Central Government has attempted to protect the interests of homebuyers vis a vis developers. In furtherance of this policy, the Parliament had introduced the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018, by way of which, homebuyers were accorded the status of financial creditors.

Jaypee Infra insolvency: Lenders put 5 conditions to NBCC for considering bid

Lenders of Jaypee Infratech have asked state-owned NBCC to sweeten its bid to acquire the debt-laden realty firm and have demanded that the public sector firm should offer 1,426 acre land instead of 950 acre besides taking onus of getting approvals from income tax and development authorities. As per the direction of the NCLAT, lenders are negotiating with the NBCC on the latter's bid to acquire Jaypee Infratech and complete stuck housing projects comprising over 20,000 units.

Jet Airways investors seek massive write-down on debt

State Bank of India (SBI)-led bankers' consortium's efforts to revive the grounded Indian airline Jet Airways has run into a rough patch, with potential investors such as Hinduja and Etihad Airways are understood to ask the lenders to take a huge haircut on the carrier's debt.

Senior executives of Hinduja group and Etihad Airways, during a meeting with the SBI officials, have asked for a steep haircut from the lenders as a pre-condition for them to acquire equity stakes in Jet Airways.

Provide names of big loan defaulters: Central Information Commission (CIC) to RBI

The CIC has directed the Reserve Bank of India to disclose the list of big loan defaulters it had sent to banks for resolution while deciding on a plea by Lucknow-based activist Nutan Thakur, who had based her RTI application on some media reports that RBI Deputy Governor Viral Acharya in a lecture in 2017 had said accounts of some loan defaulters have been sent to banks for resolution.

***Feedback requested at ipa@icai.in**