



## IIPI Newsletter

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Knowledge SBU Initiative

### **Banks give up on Jet Airways revival, take it to NCLT**

Lenders to Jet Airways (India) Ltd have decided to start bankruptcy proceedings against the grounded airline, all but ending hopes of a recovery.

The consortium of lenders, led by the State Bank of India (SBI), chose to refer Jet Airways to the National Company Law Tribunal (NCLT), the state-run bank said in a statement.

### **Mediation In Corporate Insolvency: A Game Changer**

Insolvency and Bankruptcy Code, 2016 (IBC) has proved to be a successful path for lenders to recover their loans from defaulting companies. However, pendency exceeds more than a year in most cases.

It is time India takes a leaf out of the Singapore and Lehman Brothers books. Mediation saves time, money and ensures confidentiality of negotiations which is lacking in insolvency proceedings. Since mediation allows parties to come up with out-of-the-box solutions, there is also a possibility that the resolution plan arrived at during mediation shall be more financially beneficial for financial as well as operational creditors than a vanilla resolution plan involving sale of assets and reconsolidation of business interests.

### **Insolvency resolution process against 17 firms**

As many as 17 developers have been brought under the corporate insolvency resolution process before the National Company Law Tribunal, Chennai.

Liquidation orders have been passed against three builders, Antony Projects P. Ltd, LCS City Makers P. Ltd and RRP Housing P. Ltd, said NCLT Chennai in response to an RTI query.

The Chennai Bench of NCLT admitted the insolvency petition against 13 other builders. Fifty cases against builders are still pending, according to the information provided. In the case of Vishwakarma Real Estate and Constructions India, the NCLT recently approved the resolution process for the revival of the company.

## POINT TO PONDER

**“Difference between a professional and amateur is like a difference between your dominant hand and non-dominant hand.”  
— Amit Kalantri, Wealth of Words**

### **NCLT directs Moser Baer Solar to go under liquidation**

The NCLT has directed Moser Baer Solar to go under liquidation, as the debt-ridden company failed to get any resolution plan from any firm within the mandated 270 days. The principal bench of NCLT, headed by President Justice M M Kumar, has directed the company to go under the liquidation and appointed a liquidator for the process.

Moser Baer Solar is a subsidiary of optical storage media maker Moser Baer India Ltd (MBIL), which is also facing liquidation.

### **Ready to revise resolution plan for Orchid Pharma: Accord to NCLT**

Even as the resolution plan of Dhanuka Laboratories for the Orchid Pharma insolvency process is with the NCLT, Chennai-based Accord Life Spec Pvt Ltd has told the tribunal that it is ready to revise its proposal to Rs 615 crore.

Accord Life Spec is a part of the Rs 1,700 crore Accord group, established by former Union minister of state S Jagathrakshakan. The group has diversified interests in medical education, a technical university, hospitals, breweries and hotels.

### **Operational creditors at par with lenders on haircuts under IBC, says Icra**

Credit rating agency ICRA has estimated that haircuts for operational creditors were not materially different from those taken by financial creditors for cases under the IBC.

The analysis by ICRA was based on data for 92 corporate insolvency resolution plans (CIRPs) that have yielded a resolution plan up to 31 March, 2019 under IBC.

### **Economists suggest IBC-type law for NBFCs, push for e-comm for jobs**

Leading economists and experts on Friday suggested the Finance Ministry take measures for incentivizing digital transactions, focusing on job-oriented growth, IBC-type framework for NBFC sector, infusing capital in banks and tapping into e-commerce's potential for job growth to revive the economy.

They suggested that this Budget should set the tone for the next five years, and that it is a unique opportunity to promote manufacturing through 'Make in India'.

**\*Feedback requested at [ipa@icai.in](mailto:ipa@icai.in)**