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Knowledge SBU Initiative

Synergy group gets a month to submit resolution plan for Jet Airways

Lenders to Jet Airways have agreed to give the Synergy Group time till December 16 to submit a resolution plan to revive the grounded airline.

The proposal was discussed at the committee of creditors meeting in Mumbai on Tuesday and will be put to vote for a formal approval in the next few days. The Insolvency and Bankruptcy Code (IBC) requires completion of a resolution process within 180 days.

The code also provides for further extension. Jet Airways came under insolvency proceedings in June and the airline's resolution professional will make an application to the insolvency court seeking a 90-day extension in the resolution timeline

RBI supersedes DHFL board of directors, insolvency proceedings to begin soon

The Reserve Bank of India (RBI) on Wednesday superseded the board of debt-laden Dewan Housing Financial Corporation Limited (DHFL) over defaults and informed that it will soon initiate the process of resolution of the company under the insolvency and bankruptcy rules. The central bank mentioned in a statement that it superseded the Board of Directors of ailing DHFL over governance concerns and failure to pay existing debts. "The Reserve Bank also intends to shortly initiate the process of resolution of the company under the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 and would also apply to the NCLT for appointing the Administrator as the Insolvency Resolution Professional," it added.

Essar Steel verdict: How the SC ruling is a game-changer for future bankruptcy cases in India

The Essar verdict not only gives the single largest realisation from any asset to financial creditors, qualitatively also this is the biggest for the financial sector in getting their due rights and primacy in the scheme of things.

More than 46 years back in 1973, a 13 judge Supreme Court bench asserted a doctrine that the Indian Constitution possesses a basic structure of principles and values. The recent Supreme Court Judgement on Essar Steel is a similar landmark judgement and affirms basic principles of Insolvency and Bankruptcy Code (IBC), 2016

Point to Ponder

"The Worst bankruptcy in the world is the person who has lost his Enthusiasm" ~H W Arnold

Stalled residential projects worth \$66 billion face bankruptcy proceedings

Owing to the financial crisis and the slowdown in the real estate sector, residential projects worth around USD 66 billion are facing bankruptcy proceedings, a recent survey said. According to property consultant JLL, nearly 4.54 lakh units running behind their completion dates due to various reasons. Some of them are already under bankruptcy proceedings and the value of these projects is estimated to be USD 66 billion, JLL said. As per the Insolvency and Bankruptcy Board of India, a total of 115 insolvency cases have been filed as of September 2019 under real estate category.

Delhi HC issues notice in challenge to IBBI Order imposing penalty on Bhushan Steel RP for violation of IBC

The Delhi High Court has issued notice in a petition by the Resolution Professional for Bhushan Power and Steel, challenging an order by the Insolvency and Bankruptcy Board of India (IBBI) which imposed a penalty of over Rs 29 lakh on him on account of several violations of IBC.

Notice was issued to IBBI and Committee of Creditors (CoC) for Bhushan Power and Steel by a Single Judge Bench.

In a first of its kind order passed by IBBI, apart from imposing a penalty, the Disciplinary Committee of the IBBI directed the Resolution Professional to also ensure reimbursement of over Rs. 12 crores to the Corporate Debtor, Bhushan Power and Steel from its Committee of Creditors.

Homebuyers seek PM's help on right to take errant realtors to NCLT

Homebuyers' lobby Forum for People's Collective Efforts (FPCE) has sought Prime Minister Narendra Modi's intervention to stop any move to restrict homebuyers from moving the National Company Law Tribunal (NCLT) against errant builders. Last year, the government amended the Insolvency & Bankruptcy Code to treat homebuyers as financial creditors and allowing them to initiate corporate insolvency resolution process under Section 7 of the Code against defaulting promoters. A group of builders challenged this status in the Supreme Court.

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