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Jaypee Infra's IRP approaches NCLT Allahabad for approval of NBCC's bid

Jaypee Infratech's Interim Resolution Professional Anuj Jain has filed an application before the NCLT, Allahabad, to approve the bid of state-owned NBCC to acquire the debt-laden realty firm through insolvency process, sources said. Last month, NBCC won the bid to acquire Jaypee Infratech after financial creditors, including lenders and homebuyers, approved its resolution plan. NBCC's resolution plan was approved by the committee of creditors (CoC) with 97.36 per cent votes in favour.

Claims worth Rs 4,800 crores admitted from fixed deposit holders of debt-laden DHFL

The Reserve Bank-appointed administrator of beleaguered DHFL has admitted close to Rs 4,800 crore of claims submitted by fixed deposit holders of the company, a source said. Nearly 55,000 public depositor holders, including retail and UP Power Corporation Employees, have demanded payments aggregating to Rs 5,200 crore from the troubled mortgage players as of December 17.

With this, the total amount of claim received from financial creditors, operational creditors, employees, fixed deposit holders, and other creditors has touched approximately Rs 93,105 crore. Against that, around Rs 85,800 crore of claims have been admitted, so far, said a banker.

Insolvency code modified: This type of investors won't be able to buy out under liquidation

A secured creditor cannot sell assets of a company undergoing liquidation process to any person barred from submitting an insolvency resolution plan, as per a new amendment made to the norms by the IBBI. Besides, a secured creditor will have to contribute its share towards insolvency resolution and liquidation process costs and workmen's dues within 90 days of the liquidation commencement date, an official release said on Tuesday. The release said the IBBI has notified changes to the liquidation process regulations with effect from January 6. The amendment also provides a process for a stakeholder to seek withdrawal from the corporate liquidation account.

POINT TO PONDER

"It is, after all, the responsibility of the expert to operate the familiar and that of the leader to transcend it. "
-Henry Kissinger

Ready to pay Rs 410 crore to acquire Adhunik Metaliks: Liberty House to NCLAT

The UK-based Liberty House informed the NCLAT that it was ready to pay Rs 410 crore for acquiring the Kolkata-based insolvent steelmaker Adhunik Metaliks. The two-member NCLAT bench, headed by its chairperson justice. SJ Mukhopadhaya, has given Liberty House time till January 9 to submit an "affidavit giving therein its unconditional and unqualified proposal showing timeframe for implementation of the plan".

The bench has directed the counsel appearing on behalf of Liberty House to serve a copy of the affidavit to the counsels of both the CoC and the liquidator and has asked them to file their respective replies by January 14.

NCLAT sets aside insolvency proceedings against Texmaco unit

The NCLAT has set aside an order passed by the Kolkata bench of the NCLT to initiate insolvency proceedings against erstwhile Bright Power Projects (India), now a unit of the Texmaco Rail & Engineering.

Last month, Texmaco Rail had moved the NCLAT after the NCLT had admitted an insolvency petition of Veekay General Industries, an operational creditor of the erstwhile Bright Power under Section 9 of the Insolvency and Bankruptcy Code, against the EPC firm for an "alleged operational debt of Rs 63 lakh (approx.)."

Lessons from NTPC bid for Avantha Assets

NTPC has reportedly outbid Adani for Avantha's 600 MW Jhabua power plant in Madhya Pradesh, offering to pay Rs 1,900 crore, two and a half times more than the rival bid. Jhabua is a new plant, commissioned in May 2016, only to fall sick for want of buyers for its output. It is a steal at a shade over Rs 3 crore per MW of generation capacity. Adani bid valued the unit at Rs 1.25 crore per MW.

The bidding experience reveals three things. One, resolution assets under the Insolvency and Bankruptcy Code are going very cheap; two, the original costs were probably inflated (Avantha cost Rs 6 crore per MW); and it makes sense for the banks to create vehicles to buy out stressed assets at better valuations.

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