



## IIPI Newsletter

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Knowledge SBU Initiative

### **UBI: Current DHFL resolution plan best under circumstances**

The resolution process in the case of DHFL is a complex one as it is the first financial company being resolved under the RBI's June 7 circular and there are multiple categories of creditors involved — banks, insurance companies, MFs and pension funds.

The resolution plan for Dewan Housing Finance (DHFL) that lenders are now examining is the best one under the circumstances, said Rajkiran Rai G, managing director and chief executive officer, Union Bank of India (UBI), the lead bank in the consortium of lenders to DHFL.

### **NCLAT asks Jet Airways lenders if they would cooperate with Dutch court administrator**

The NCLAT asked lenders of Jet Airways whether they would cooperate with the Dutch court administrator who is also pursuing insolvency proceedings against the debt-ridden carrier. The appellate tribunal has also asked the CoC to inform whether they are ready to pay fees and bear costs incurred by the Dutch administrator. Jet Airways is facing insolvency proceedings in the Netherlands as well, where it was declared bankrupt after failing to pay two European creditors. Subsequently, a bankruptcy administrator was appointed by the Dutch court. The NCLAT has asked to list the matter on September 4 for further hearing

### **IBC amendments: Supreme Court seeks government response on pleas**

The Supreme Court sought response from the Centre on a batch of petitions challenging the new amendments to the Insolvency and Bankruptcy Code, which granted more powers to the lenders. A Bench, led by Justice RF Nariman, issued notices to the Centre and others after the operational creditors of debt-laden Essar Steel challenged the new amendments to the IBC. It had earlier also allowed former promoters (Ruia family) of Essar Steel to challenge the recent amendment in insolvency code after they sought to challenge the Insolvency and Bankruptcy Code (Amendment) Act, 2019, which was notified last week.

## POINT TO PONDER

**“The most valuable thing you can make is a mistake—you can’t learn anything from being perfect.”—Adam Osborne**

### Those at bottom of real estate pyramid shouldn’t start celebrating yet

In 2018, the Centre pushed through a major amendment to Section 5(8)(f) of the Insolvency and Bankruptcy Code, 2016. Now, in a judgment delivered on August 9, 2019, the Supreme Court cleared the dark clouds hanging over the fate of homebuyers and affirmed the constitutional validity of the amendment to Section 5(8)(f). In addition, it has mandated that the Real Estate (Regulation and Development) Act and IBC have to coexist. In the event of a clash, RERA is to give precedence to IBC.

### NCLAT directs CoC to finalise resolution plan for Dighi Port in 3 weeks

The NCLAT directed the committee of creditors (CoC) of debt-laden Dighi Port to finalise its insolvency resolution plan in three weeks. A two-member bench headed by Justice SJ Mukhopadhyay asked the CoC to consider all resolution plans including that from Balaji Infra Projects, the promoter of Dighi Port. The private port operator owes Rs 3,000 crore to its creditors. The NCLAT will further hear the case on September 19. Dighi Port had received resolution plans from three parties: Jawaharlal Nehru Port Trust (JNPT), Adani Ports and Special Economic Zone (APSEZ) and Veritas Consortium in December 2018 for revival of the Maharashtra-based port.

### NCLT admits Insolvency resolution plea against listed realty firm HDIL

A dedicated bankruptcy court has admitted an insolvency plea against listed realty developer Housing Development & Infrastructure Ltd. (HDIL) after Bank of India sought recovery of its dues under provisions of the time-bound resolution program. The state-owned lender had approached the Mumbai bench of the NCLT against the realtor after it failed to repay dues of around Rs 522 crore. On Tuesday, NCLT admitted the insolvency resolution plea against Mumbai-based HDIL in an oral order. “We are waiting for the copy of the order and then we have decided to take appropriate legal action and remedies available to us,” said Subir Kumar, an advocate representing HDIL.

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