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Knowledge SBU Initiative

Jaypee Infratech insolvency: Supreme Court asks NBCC for fresh plan

The Supreme Court on Tuesday sought state-run NBCC's response within two days on whether it wants to submit a revised plan for completing bankrupt Jaypee Infratech's (JIL) unfinished projects. Jaiprakash Associates, the parent company of JIL, and its promoter reiterated that they are the only ones who can deliver all the 27 projects in three years and also pay off banks' debt with "no haircut". Senior advocate FS Nariman and Anupam Lal Das, appearing for Jaypee, said the group had no objection if NBCC came up with a revised plan, but they should also be allowed to put forward a proposal.

NCLAT Approves Resolution Plan Of Shell Company Despite SEBI's Objections

NCLAT dismissed an appeal filed by the market regulator SEBI against the NCLT, Guwahati's approval to the Resolution Plan submitted by Abu-Dhabi based 'BRS Ventures Investment Ltd.' for the Corporate Debtor 'Assam Company India Limited. (ACIL)'

The NCLAT after having heard the parties, was of the view that the approved resolution plan was not in contravention of any law for the time being in force, and, therefore, will not attract Section 30(2)(e) of the I&B Code. the NCLAT made it clear that the order passed by the NCLT or NCLAT will not come in the way of SEBI or any competent authority to take steps against erstwhile Promoters, Directors or Officers of ACIL, if any or all of them had violated any of the provisions under SEBI Act.

Sterling Biotech case: Far-reaching NCLAT order sets new bankruptcy precedent

NCLAT has set aside a lower court order to liquidate debt-ridden Sterling Biotech, allowing its promoters to take back control of the company once they make full payment to the lenders.

The ruling may well set a precedent that will have ramifications for companies willing to clear dues after they are admitted for insolvency resolution.

POINT TO PONDER

**“Make every detail perfect, and limit the number of details to perfect.”
–Jack Dorsey.**

Insolvency code brought sea-change in creditor behavior: SC judge

Justice Kaul noted that with the IBC providing a robust framework for market-driven and time-bound resolution processes, since its inception 80 cases were resolved by accepted resolution plans and an amount of ₹60,000 crore realized through these resolution plans. “The change is behavioral too. Having created an apprehension in the minds of the management of companies of losing control over their companies, various promoters have been prompted to settle or resolve their dues before a formal process is started, he said.

NCLAT asks Jet RP to cooperate with Dutch court administrator

NCLAT directed the RP of Jet Airways to cooperate with the Dutch court administrator, which is also conducting insolvency proceedings against the debt ridden carrier. The appellate court has asked the RP to submit within two weeks a draft agreement between him and the administrator on claims from Jet Airways. The next hearing in the case is scheduled for September 20.

A three-member NCLAT Bench, headed by chairman Justice SJ Mukhopadhyay, observed that the CoC can only advise the RP on offshore claims. “In the present case, the CoC has no role to play and it can only advise or the RP can consult it. Any decision of the CoC will not be binding on the RP,” the Bench observed.

NCLT approves JSW Steel's Rs 19,700 crore bid for Bhushan Power & Steel

The National Company Law Tribunal (NCLT) has approved JSW Steel’s Rs. 19,700 crore bid for debt-ridden Bhushan Power & Steel Ltd (BPSL).

The NCLT approval brings JSW Steel a step closer to adding 3.5 million tonnes of BPSL’s steel production capacity to its operations. Under the JSW Steel resolution plan, financial creditors will be able to recover Rs 19,350 crore, or 41% of their total admitted claims of Rs 47,158 crore. Operational creditors will get Rs 350 crore, or 47.7% of their admitted claims of Rs 734 crore. The bench imposed cost of Rs 1 lakh on promoters.

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