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Knowledge SBU Initiative

NCLT transfers 3 more members with immediate effect

NCLT has transferred three more members to different benches across the country with immediate effect. On April 30, it had transferred eight members as part of an organisational reshuffle. According to a notification issued by the NCLT Registrar on Tuesday, the new list comprises three judicial members.

NCLT refuses petition against India Steel

The NCLT has refused to admit an insolvency petition filed by India Resurgence Asset Reconstruction Company, a joint venture between Piramal Enterprises and Bain Capital, against Indian Steel Corporation, calling it "defective". The asset reconstruction company (ARC) had approached the Mumbai bench of the NCLT, claiming that the Gujarat-based maker of cold rolled coils and sheets had failed to pay Rs 1,487.59 crore of debt as on September 30, 2019. The ARC had acquired the debt in May last year from State Bank of India.

Corporate Insolvency: Record of default from NeSL mandatory, says NCLT

Financial creditors moving the NCLT for initiation of insolvency process would have to henceforth mandatorily file 'default record' from information utility (IU). No new petition would be entertained without record of default under Section 7 of the IBC, the NCLT has said in a new directive.

Lenders extend ICA for Reliance Home Finance resolution till June 30

Lenders to troubled mortgage financier Reliance Home Finance (RHF) have extended the inter-creditor agreement (ICA) till June 30, 2020. "First we extended ICA till March in the hope of a resolution, but now it has been extended till June 30," the source added. The extension of ICA holds importance as it signals that banks are still hopeful about a possible resolution for RHF.

POINT TO PONDER

*"The strength of the team is each individual member. The strength of each member is the team."
--Phil Jackson*

Chennai NCLT slaps insolvency notice on Eason

The Chennai bench of the NCLT has ordered initiation of the CIRP against power management products, systems and services company Eason Reyrolle, acting on petitions filed by financial lenders SBI and Canara Bank.

Sectors like airline and tourism will need more direct support from govt:Nomura

The measures announced yesterday worth almost Rs 5.9 lakh crore is about 3% of the GDP. The net cash outgo from the government's side is quite small and bulk of the measures are in the form of higher contingent liabilities for the centre; whether it is the MSME guarantee or the partial credit guarantee. But in this particular situation it is actually these kinds of liquidity support measures that become very important because as you know, the Covid-19 shock is a big cash flow shock and the policy response has to ensure that the lack of liquidity does not lead to insolvency.

Jet Airways stake sale: Lenders to invite fresh expression of interest

The CoC of Jet is likely to come out with a revised EoI for the stake sale in the defunct airline on Wednesday. Last week, the CoC had met to discuss the way forward for the airline. It was the 11th meeting of CoC. The committee of creditors has given its approval to the resolution professional to float a fresh EoI for stake sale in the grounded Jet Airways.

Lenders confused over the status of non-admitted IBC cases

Stressed-asset companies, banks and other creditors, and insolvency, as well as resolution professionals, are in a quandary in the absence of any clarity about the fate of applications filed under the Insolvency & Bankruptcy Code (IBC) before the Covid-19 outbreak in India.

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