



**INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI**

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# IIPI Newsletter

**March 26, 2021**

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### **Piramal Group raised Rs 4,050 Cr. to fund Resolution of DHFL**

Piramal Capital & Housing Finance of Piramal Group, successful Resolution Applicant of DHFL, has raised Rs 4,050 cr in two tranches through non-convertible debentures (NCDs) to fulfill the obligations of the resolution plan.

"We do not have to infuse any more equity into the business . even with merged DHFL. We have a debt-equity ratio of around two in the financial services business," said Rajesh Laddha, Executive Director of Piramal Enterprises to media. The Rs 4,050-crore bond issue was subscribed largely by SBI, Union Bank and Indian Bank. The bonds, which have a rating of AA, have a tenure of five years and offer 9.25%.

**For More Details, Please Visit:**

<https://timesofindia.indiatimes.com/business/india-business/piramal-raises-rs-4k-cr-to-reverse-merge-dhfl/articleshow/81639557.cms>

## **News Update**

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### **Jet Airways Insolvency: MoCA and DGCA to file affidavits on 'Airport Slots' issue on April 5**

Kalrock-Jalan Consortium, the successful Resolution Applicant in the CIRP of Jet Airways, has strongly pitched for retention of the Airport Slots allocated to it at the time of commencement of CIRP. During the hearing on 24th March, the counsels of the Ministry of Civil Aviation and Directorate General of Civil Aviation (DGCA) informed the court that they would file a response to the resolution applicant's affidavit by April 5.

The winning consortium submitted that the slots were an imperative part of the resolution plan, and without them, the plan would be pointless. Earlier, the Ministry and DGCA had told the AA that the company will require to apply afresh for 'Airport Slots'. In response, the consortium has filed a detailed reply on why the 'Airport Slots' should remain with the Corporate Debtor (CD). The consortium has also sought the creation of a task force for allocation of slots and traffic rights to Jet Airways on principle of historicity. It said the task force comprising members from the consortium, resolution professional and civil aviation ministry can be given three months to find an amicable solution, which also protects Jet Airways' claim over airport slots and traffic rights. Jet Airways shut down in April 2019, following a cash crunch, and is under insolvency since June of that year.

**For More Details, Please Visit:**

<https://timesofindia.indiatimes.com/city/mumbai/mumbai-jet-airways-slots-dgca-to-respond/articleshow/81677816.cms>

## News Roundup

### Supreme Court provides 45 days extension to CIRP of Jaypee Infratech Ltd (JIL), allows NBCC and Suraksha to submit Resolution Plans

Directing the IRP to complete the corporate insolvency resolution process (CIRP) within the extended time, the three-judge bench said that it will be open to the IRP to invite modified or fresh resolution plans only from Suraksha Realty and NBCC, giving them time to submit the same within the next 2 weeks.

"The matter regarding approval of the resolution plan stands remitted to the Committee of Creditors of JIL and the time for completion of the process relating to CIRP of JIL is extended by another period of 45 days, from the date of this judgement," the court said in its order. In a setback for NBCC, the apex court also said the Rs 750 crore deposited by Jaypee Associates would not go to JIL and that NBCC would not be allowed to utilise it for construction. The Supreme Court had reserved its judgment on October 8, 2020 over a batch of petitions and appeals filed in the matter.

#### **For More Details, Please Visit:**

<https://www.ndtv.com/business/supreme-court-remits-jaypee-infratechs-resolution-plan-to-creditors-for-approval-2398595>

### Jyoti Ltd. released from CIRP after it paid Rs 16.5 crore to Financial Creditor

State Bank of India, the financial creditor of the company, has also filed an affidavit before the appellate tribunal stating therein that the entire settlement amount of Rs 16.50 crore stands received from Jyoti. Subsequently, the two-member bench, of NCLAT, including Acting Chairperson Justice B Lal Bhat, allowed the plea of the company after observing that it has already paid Rs 16.5 crore as per the compromise proposal.

#### **For More Details, Please Visit:**

<https://economictimes.indiatimes.com/news/company/corporate-trends/nclat-closes-insolvency-proceedings-against-jyoti-ltd-after-settlement-with-financial-creditors/articleshow/81651173.cms>

### Insolvency Australia, the first of its Insolvency Comparison site launched

The comparison site only lists specialists who are registered with the Australian Securities and Investments Commission (ASIC) and the Australian Financial Security Authority (AFSA). "The independent platform was created in a bid to make it easier for business owners navigate "the maze" of insolvency solutions available to them," said a company director to media.

#### **For More Details, Please Visit:**

<https://www.accountantsdaily.com.au/business/15493-insolvency-comparison-site-launched>



### Experts predict flood of CIRP cases in FY 2021-22

The Supreme Court's verdict on March 23 stating 'not to extend the loan repayment moratorium beyond end of August 2020' has offered banks the much needed clarity in classifying bad loans. Furthermore, the possible resumption of IBC in April will further strengthen the position of financial creditors. The experts, however, are predicting deluge of CIRP cases in the upcoming FY 2021-22 and the real estate sector may be hit hard.

According to official data, 63% of ~21,000 cases pending with NCLT benches as of end-January are Insolvency and Bankruptcy Code (IBC) cases. The surge in bankruptcy filings will test investor interest in assets battered by the pandemic. Policymakers would keenly watch whether there are enough takers for assets that end up in bankruptcy tribunals. A sobering fact is that as of September, only about 7% of the bankruptcy cases admitted in tribunals could be successfully rescued, while more than 25% have been ordered to be liquidated despite the IBC's aim of trying to salvage companies in distress wherever possible.

#### **For More Details, Please Visit:**

<https://www.livemint.com/news/india/bankruptcy-courts-set-for-action-with-ibc-freeze-expiring-on-wednesday-11616574660078.html>

## Event Photos



*Mr David Kerr, IP, UK, addressing the 3rd Session of the 'Insolvency and Bankruptcy Code Series of 4 Sessions' titled 'IBC & Pre-pack Global Experience and proposed Indian Framework' on March 23, 2021 organized by CII in collaboration with NFCG, Shardul Amarchand Mangaldas and IIIPI.*



*Mr Sanjay Jain, CEO Aditya Birla ARC, addressing the 3rd Session of the 'Insolvency and Bankruptcy Code Series of 4 Sessions' titled 'IBC & Pre-pack Global Experience and proposed Indian Framework' on March 23, 2021 organized by CII in collaboration with NFCG, Shardul Amarchand Mangaldas and IIIPI.*



**IIIPI in association with the British High Commission is organizing Webinar on 27<sup>th</sup> March 2021**

IIIPI in association with the British High Commission is organizing a Webinar on “Capacity Building of Insolvency Professional on Legal Skills and Case Management” from 2.30 PM to 4.30 PM on 27<sup>th</sup> March, 2021.

CA Hans Raj Chugh, Central Council Member ICAI and Director of Indian Institute of Insolvency Professionals of ICAI will present the Welcome Address. The Speakers of the Webinar will be Ms. Pooja Mahajan, Managing Partner at Chandhiok & Mahajan, Advocates and Solicitors Ms. Clare Tanner, Special Counsel, K&L Gates LLP, London, UK.

The purpose of the Webinar is to Enhance capacity of Insolvency Professionals on Legal Skills and apprise them of the best practices for effective case management, which can be utilized while conducting the various processes under the provisions of the Insolvency and Bankruptcy Code, 2016.

**Registration Link:**  
<https://svilive.in/IBBI/>