



**INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI**

(Company formed by ICAI under Section 8 of the Companies Act 2013)

# IIPI Newsletter

## JSWSCPL to Acquire NSAIL for through Resolution Plan

JSW Steel has announced that its subsidiary, JSW Steel Coated Products Limited (JSWSCPL), will complete the acquisition of National Steel and Agro Industries (NSAIL) for a total consideration of ₹621 crore. The Resolution Plan has received approval from the Committee of Creditors and the National Company Law Tribunal.

As per the approved Plan, JSWSCPL will pay ₹612.47 crore to the financial creditor of NSAIL and provide an additional ₹8.52 crore for settlement of unpaid costs and payments to operational creditors. NSAIL will be delisted without any exit price for shareholders. JSW Steel shares ended 1.51% higher at ₹703.50 on the BSE.

**For More Details, Please Visit:** <https://rb.gy/zcp3x>



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## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

## Real Estate sector constitutes more than a fifth of CIRP cases, but approved Resolution Plans total only 13%: Study

According to the study, out of 611 approved Resolution Plans only 78 are from the real estate sector. The Study conducted by Grant Thornton Bharat reveals that litigation from promoters, treatment of claims by local development authorities and large number of homebuyers are some of the reasons for delays in the CIRP of corporate debtors related to real estate sector.

However, in certain instances, reverse insolvency has been reportedly effective in offering relief to buyers. Under this model, NCLT and NCLAT courts permit or authorize the promoter to complete the remaining construction work. The report recognizes that the main promoter is the most competent party to complete the project. "Favorable government policies and support from the judiciary system and homebuyers enabled lots of developers to complete their projects in the last 7 to 8 years," said the report. The report further mentions that Uttar Pradesh Real Estate Regulatory Authority (UPRERA), in several cases, used powers under Section 8 of RERA Act and authorized the main promoter to complete the remaining construction work of the project with consent of 51% allottees, supervision of a committee and monitoring of third-party construction consultant. The recent decision of NCLT to impose moratorium only on concerned projects without affecting the entire real estate group, has also been appreciated in the Report.

**For More Details, Please Visit:** <https://shorturl.at/cqwxH>

## News Roundup

### NCLAT Allows Jalan Kalrock Consortium 3-Month Extension in Jet Airways Insolvency Case

The NCLAT has granted a three-month extension to the Jalan Kalrock Consortium (JKC) in the ongoing Jet Airways insolvency case. This extension allows JKC, which has expressed interest in relaunching the airline, additional time to fulfil its payment obligations to the lenders according to the approved resolution plan. The NCLAT has also prohibited the lenders from invoking the bank guarantees provided by JKC. Initially, the payment deadline was set for May 15, based on the earlier effective date of November 16. However, the NCLAT has exempted the period between November 16 and March 3 from the 150-day payment window, resulting in the extension being granted to JKC. **For More Details, Please Visit:** <https://rb.gy/ccfel>

### NCLAT dismissed appeal of Renaissance Indus Infra against CIRP

In the appeal against insolvency order, the promoters have argued that the CIRP application filed by the lender was not maintainable and could have been filed only by the debenture trustee. They further submitted that the debenture trustee document along with inter-creditor agreement provides that it is only the debenture trustee--Vistra ITCL (India)-- which is legally entitled to take any action or declare default against the company either by itself or jointly with the debenture holder. However, the lenders submitted that the default was not disputed and 'debenture holders' have right to act.

**For More Details, Please Visit:** <https://shorturl.at/bprHY>

### Rio de Janeiro's "Light SA" Files for Creditor Protection amid Financial Crisis

Rio de Janeiro's electric utility, Light SA, has filed for protection from creditors due to its struggle to pay debts without government approval for tariff increases. The company filed a request for protection of 11 billion reais (\$2.23 billion) with a Rio de Janeiro court. Light cited challenges from the economic and financial situation, including grid load losses from theft, delinquent payments, and judicial costs. Company stock dropped by 19% in response to the news. The utility, which supplies energy to 11.6 million people, has until June to express interest in renewing its concession, but the creditor protection filing could complicate the decision. Brazil's power regulator 'Aneel' is reportedly monitoring the situation to ensure electricity supply.

**For More Details, Please Visit:** <https://rb.gy/7oc9q>



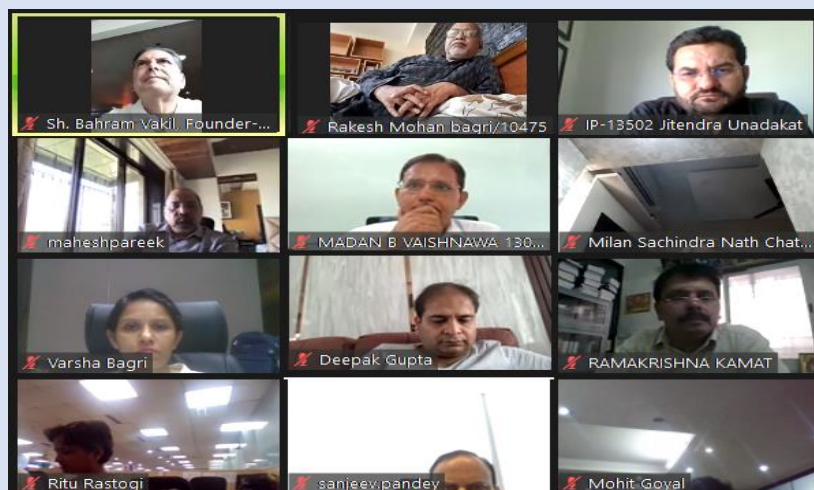
### Section 66 of the Insolvency and Bankruptcy Code cannot be invoked against third parties: SC

The Apex Court, however, clarified that civil remedies available under the law must be pursued for recovery of dues from such parties. The Court also dismissed a request of clarification sought by Gluckrich Capital's application seeking clarification of a judgment and order passed by the Supreme Court of India on February 24, 2023.

"We are of the considered opinion that in such circumstances, it is for the Resolution Professional or the successful resolution applicant, as the case may be, to take such civil remedies against third party, for recovery of dues payable to corporate debtor, which may be available in law," said the Court. The Court also observed that even the Tripura High Court and various NCLTs have relied upon the observations made by SC in a binding precedent, in *Usha Ananthasubramanian Vs. Union of India*.

**For More Details, Please Visit:** <https://shorturl.at/DJ029>

## Event Photographs



*“EDP - Legal Skills - 24th - 27th May 2023” conducted by IIIPI on*



*Webinar on “Common Issues under Monitoring/ Inspection and Peer Review & Mentorship Frameworks” conducted by IIIPI on May 26, 2023.*



## IIIPI To Conduct Webinar on First Successful PPIRP Case Study

The Webinar on ‘First Successful PPIRP Case Study’ is scheduled from 3 to 6 pm on Friday, June 02, 2023. It will have CPE of 2 hours.

Besides, another Webinar on ‘Guidance on Ethics & Quality Control for IPs’ is scheduled 4pm-6pm on June 09, 2023. This webinar is free and will have a 1-hour CPE credit.

**For More Details, Please Visit:**

<https://rb.gy/fi79i>

## 61<sup>st</sup> Batch of Pre-Registration Educational Course Online from 7<sup>th</sup> June to 13<sup>th</sup> June 23

The last date for payment of fee for 61<sup>st</sup> Batch of PREC (Online) will be 6<sup>th</sup> June 2023 by 4 :00 PM. With effect from April 01, 2018, individuals are eligible to register themselves as IP only after undergoing through the mandatory 50 hours PREC from an IPA after his/her enrolment as a Professional Member.

**For More Details, Please Visit:**

<https://rb.gy/gim4z>