



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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Latest updates On Insolvency & Bankruptcy

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"Everyone lives by selling something"

➤ **File for insolvency after 90-day default: IBBI Chief tells lenders**

Lenders should file for insolvency proceeding against a company as soon as a 90-day default occurs to prevent erosion in the value of the assets, Insolvency and Bankruptcy Board of India (IBBI) chairman Ravi Mittal has said.

There is a concern that the Insolvency and Bankruptcy Code (IBC) is losing its sheen due to excessive delays and loss of value in the resolution process, he pointed out in the board's quarterly report released this week.

"It is noticed that more than a year is being taken by financial creditors in filing corporate insolvency and resolution process applications post occurrence of default," Mittal said. "This delay leads to erosion in the value of assets.

Thus, the creditors need to change their behaviour and submit the CIRP application early as soon as default has occurred." The RBI mandates banks to classify an account as a non-performing loan if the borrower has an overdue of 90 days.

Mittal pointed out that lenders have the option to withdraw an application before the National Company Law Tribunal (NCLT) admits the case.

Even if the application is admitted by the bankruptcy court, if the lenders agree on a settlement with the defaulting borrower, they still can withdraw the application under Section 12A of the IBC, he added.

Source: The Economic times

Read Full news at: <https://economictimes.indiatimes.com/news/economy/policy/file-for-insolvency-after-90-day-default-ibbi-chief-tells-lenders/articleshow/95541121.cms>

➤ **Adani group gets Project BKC, 3 others get 4 projects in HDIL insolvency resolution**

The resolution plans were submitted on November 11, and the resolution professional Abhay Manudhane disclosed this information in statutory disclosures to the stock exchanges the same day.

The Committee of Creditors comprising lenders of HDIL Group have approved the resolution plans for six realty projects and voted for Adani Properties Pvt Ltd for Project BKC, while a consortium of Khyati Realtors and Dosti Realty for Majestic Towers in Nahur, Whispering Towers in Mulund and Premier Residences in Kurla.

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The committee also approved the resolution plan by Adani Properties for HDIL's Shahad Maharal Lands, while voted for Dev Land and Housing Pvt Ltd's plan for HDIL Towers. During the resolution process, it was decided to invite resolution plans for 10 verticals.

"We further wish to inform you that the Company has not received compliant plan(s) for remaining four Verticals/Projects viz. Vertical IV – Galaxy Apartments, Vertical VI – Paradise City, Vertical VII – Virar Lands and Vertical X – Rest of the Company. Therefore, as required under the code, application is being filed with Hon'ble NCLT, Mumbai Bench, regarding the initiation of liquidation of said four verticals for which no compliant resolution plan is received," Manudhane said in his letter to the stock exchanges. While Paradise City is located in Palghar, Galaxy Apartments project is in Kurla East.

The corporate insolvency resolution process has been continuing before the National Company Law Tribunal since 2019.

Home buyers stuck in incomplete projects for several years welcomed the successful resolution process and said they looked forward to completion of the projects by the developers. Chandrakishore Kolindewala, president of the Majestic Towers Flat Owners Association said, "We are happy that this day has come after nearly four years of struggle for our rightful homes. We filed the case in Economic Offences Wing which led to the arrest of the Wadhwas. We fought the case in MahaRERA, and just when the final orders were set to come, HDIL went into insolvency. We had to then move the NCLT, then Supreme Court said go back to NCLT. How much resilience do ordinary home buyers have to show before they can get justice? The government in the state and Centre needs to think about this."

Majestic Towers has three towers which are complete till 24 floors, one tower with 11 floors, and 90 per cent of the Slum Rehabilitation building is complete. "We hope that Khyati, and Dosti group complete the buildings at the earliest. We are at this stage only because project-wise resolution was allowed in January this year by the National Company Law Appellate Tribunal (NCLAT), and even the Insolvency and Bankruptcy Code was amended. This has now paved the way for home buyers to go for project-wise resolution," 72-year-old Kolindewala said.

Dr Haresh Manglani, who heads the Whispering Towers Flat Owners Welfare Association, also welcomed the announcement. "We are happy that finally the buildings will be completed though the resolution process took much longer than mandated. Whispering Towers project has three towers in phase I and four in phase II. The phase II has been at the plinth level since 2015 when the project was stalled," he said. He said the resolution plan by Khyati-Dosti Realtors proposes to develop G + 47 floors and complete phase I in three years and phase II in 4.5 years," he said.

Source: Hindustan Times

Read Full news at: <https://www.hindustantimes.com/cities/mumbai-news/adani-group-gets-project-bkc-3-others-get-4-projects-in-hdil-insolvency-resolution-101668540327768.html>

➤ **Govt asks state-owned firms to consider insolvency court to shut loss-making units**

India has asked state-owned firms to consider moving the country's insolvency court to shut loss-making units, hoping for speedier resolutions as the government looks to slim down its public sector holdings.

Public sector companies will have to file an insolvency application under the Insolvency and Bankruptcy Code (IBC) for the resolution of a loss-making unit within three months of approval from a committee comprising top cabinet ministers, according to guidelines released by the government on Monday.

The government is looking to close loss-making units in nearly nine months from the day a firm seeks approval to do so. State-run firms can also opt to close their units by approaching the Ministry of Corporate Affairs, as is currently the norm, the government added.

The move is a renewed push by the Narendra Modi administration to slim down the public sector, an effort often hampered by land-related delays and disputes.

The board of parent companies have been asked to demerge land assets of their subsidiary companies to ensure that land disputes do not hamper shutting down units from now onwards. The firms have been also been asked to write off any compensation due from state governments for the land granted to them on a lease.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/news/economy/policy/govt-asks-state-owned-firms-to-consider-insolvency-court-to-shut-loss-making-units/articleshow/95530779.cms>

