



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

*Latest updates On Insolvency & Bankruptcy*

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**"The journey towards success begins with a most important step"**

## ➤ **Future Retail insolvency: Deadline for bids extended to November 3**

The deadline for submission of expression of interest for debt-ridden Future Retail Ltd (FRL) has been extended by almost two weeks to November 3. As per the modified invitation of expression of interest (EOI) for the Future Group firm undergoing Corporate Insolvency Resolution Process (CIRP), the last date for the prospective buyers to submit their EOI is November 3.

Earlier, the last date for the prospective resolution applicants (PRA) for submission of EOI was October 20, 2022. Now, a final list of PRAs will be published on November 20, 2022 and the deadline for the submission of the resolution plan is December 15, 2022, as per the modified invitation for submitting EOI.

"It is clarified that the EOIs submitted by all interested prospective resolution applicants... prior to this corrigendum and Modified IEOI shall continue to be considered in the ongoing corporate insolvency resolution process of FRL and need not be resubmitted," it added.

PRAs should have a minimum tangible net worth of Rs 100 crore along with minimum assets under management (AUM)/committed funds available for investment of Rs 250 crore.

As of September 2, 2022, the resolution professional (RP) has received claims of Rs 21,432.82 crore from financial creditors, which mainly include banks and financial institutions.

Operational creditors of the Future group firm have filed claims worth Rs 2,464.41 crore, according to the documents uploaded on the FRL website.

Besides, it has received claims worth Rs 55.13 crore from workmen/ employees for their dues. The RP has also received claims from statutory operational creditors, such as ESIC, VAT and GST departments, of Rs 58.36 crore.

As per the EOI invitation document, FRL currently has access to 302 leased retail stores spread across 23 states and Union territories, consisting of 30 large format stores such as Big Bazaar and FBB stores and 272 small format stores.

The Mumbai bench of the National Company Law Tribunal (NCLT) had on July 20 directed initiating CIRP against FRL, admitting a plea filed by Bank of India. Section 12 (1) of the Insolvency and Bankruptcy Code (IBC) mandates a CIRP to be completed within a time frame of 180 days from the date of admission of the application.

However, under the request of the RP, the NCLT can extend the duration by another 90 days. It should be mandatorily completed within 330 days, including any extension and the time taken in legal proceedings.

FRL was part of the 19 group companies operating in retail, wholesale, logistics and warehousing segments which were supposed to be transferred to Reliance Retail as part of a Rs 24,713-crore deal announced in August 2020.

The deal was called off by the billionaire Mukesh Ambani-led Reliance Industries Ltd in April. After that, FRL committed several defaults on payments.

**Source: Business Standard**

**Read Full news at:** [https://www.business-standard.com/article/companies/future-retail-insolvency-deadline-for-bids-extended-to-november-3-122102300695\\_1.html](https://www.business-standard.com/article/companies/future-retail-insolvency-deadline-for-bids-extended-to-november-3-122102300695_1.html)

## ➤ **Jet Airways must clear gratuity, PF obligations, NCLAT says in new order**

Jet Airways' new owner, the Jalan-Kalrock consortium must settle the unpaid gratuity and provident fund obligations of the company's workers as it gets ready to resume operations, the National Company Law Appellate Tribunal (NCLAT) has ordered.

The former resolution specialist has been instructed to calculate the payments to be made to workmen and employees within one month and communicate the results to the Jalan-Kalrock consortium so that they can take the necessary actions to make the payments.

A two-member bench of the insolvency appellate tribunal had instructed the new owner to make payment of provident fund dues as admitted by the resolution professional after granting a batch of petitions filed by the associations of workers, Aircraft Maintenance Engineers, Officers and Staff Association, and others.

According to NCLAT, the amount of any gratuity given under the resolution plan will be deducted from the workmen's entitlement to payment of their unpaid gratuity as of the insolvency commencement date.

"Successful resolution applicant is directed to make payment of unpaid provident fund to the workmen till the date of insolvency commencement, after deducting the amount already paid towards the provident fund in the resolution plan to the workmen," it said.

Through an insolvency resolution procedure, Jalan-Kalrock was successful in winning the bid for Jet Airways, which had ceased operations in early 2019 due to the financial crisis.

The airline is currently getting ready to resume operations. A representative for the Jalan-Kalrock consortium declined to comment on the NCLAT decision.

**Source: Mint**

**Read Full news at:** <https://www.livemint.com/news/india/jet-airways-must-clear-gratuity-pf-obligations-nclat-says-in-new-order-11666401592088.html>

