



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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Latest updates On Insolvency & Bankruptcy

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"You never fail until you stop trying."

➤ **Bankrupt hotel assets big draw with investors**

Several strategic buyers and investors are actively scouting for hotel and resort properties, under bankruptcy administration for loan defaults, as revenge tourism after Covid lockdowns has made the sector attractive to those with deep pockets.

Some such prominent properties under the hammer, such as the Westin Kolkata Rajarhat, have drawn interest from several bidders. Similarly, investors and strategic buyers are also closely observing the resolution process of Viceroy Hotels, operator of Marriott Hyderabad and Courtyard Marriott Hyderabad, and Mumbai-based V Hotels Ltd, owner of Tulip Star, erstwhile known as Centaur Hotel Juhu.

"We are seeing an increasing interest from some of our clients to acquire hotel assets through the insolvency resolution process," said Megha Agarwal, associate partner at law firm ELP. "Creditors usually take a haircut under resolution plans, which would not be the case in a simpliciter acquisition."

The hospitality sector was among one of the worst hit due to the COVID-19 pandemic, when several hospitality companies, particularly the owners of single hotels or resort properties, were admitted into the resolution process for loan defaults.

Now, such hotels are seeing interest from two sets of bidders - those who already own hotel properties and those willing to own such properties for the time being before they sell to someone else.

Nishith Dhruva, managing partner of law firm MDP & Partners, said assets with all the required licenses and readily available infrastructure are ideal brownfield acquisitions that may be put to use from day one.

"Buyers are interested in these assets because the new owners are getting clean assets, free from any liabilities at a very competitive price, making the acquisition an attractive proposition for them," Dhruva said. The latest data from the Insolvency & Bankruptcy Board of India (IBBI) showed 5,893 companies were brought into administration until September end this year. Of these, 118 companies were from the hotels and hospitality sector.

On December 13, Asian Hotel (West) said in a stock exchange filing that the lenders have appointed Sapan Mohan Garg as its resolution professional. As per the company's website, it operates Hotel Hyatt Regency near the airport in Mumbai and the JW Marriott Hotel in the Aerocity area of New Delhi through its subsidiary Aria Hotels and Consultancy Services.

"We may continue to see this trend in the future since certain hotel and resort properties were facing insolvency processes even before the pandemic, given the cyclical nature of the business," said Pooja Tidke, senior partner at law firm Parinam Law Associates. "Also, when bidders look at such properties, they will have to face challenges, since such companies have let go of many trained staff and vendors due to the unavailability of funds. Building a new ecosystem at that level is quite challenging for new owners."

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/bankrupt-hotel-assets-big-draw-with-investors/articleshow/96501433.cms>

➤ **Senior executives, pilots, cabin crew leave Jet Airways**

With continuing uncertainty over Jet Airways' future, at least two senior executives as well as some pilots and cabin crew have quit the airline, according to sources.

Jalan Kalrock consortium emerged as the winning bidder for Jet Airways under the insolvency resolution process in June 2021 but the carrier is yet to start operations.

The sources close to the development said the Vice Presidents of Engineering and Human Resources have left the airline. Some pilots and cabin crew have also left the airline.

Besides, some senior-level executives have gone on Leave Without Pay (LWP), the sources said. Details about the current employee strength at the airline could not be immediately ascertained.

A senior executive at the airline said the upside potential of a revived Jet Airways is tremendous for all stakeholders and customers. A Jet Airways spokesperson declined to comment.

Earlier, the carrier had reduced salaries for various staff and send many employees on LWP amid uncertainty over its future course.

In October, the National Company Law Appellate Tribunal (NCLAT) directed the consortium to pay the unpaid provident fund and gratuity dues of employees of the carrier. Against that backdrop, the consortium, on November 18, said it might take "difficult" near-term decisions to manage cash flows.

"... While we await the handover of the company as per the NCLT process, the longer-than-expected time being taken for the same may result in some difficult but necessary near-term decisions to manage our cashflows to secure the future, while the airline is still not in our possession," it had said.

Source: Zee Business

Read Full news at: <https://www.zeebiz.com/economy-infra/aviation/news-senior-executives-pilots-cabin-crew-leave-jet-airways-214587>

➤ **ICICI Bank-Videocon case: What did Venugopal Dhoot do wrong?**

The Central Bureau of Investigation (CBI), two days after it arrested former ICICI Bank MD and CEO Chanda Kochhar and her husband and businessman Deepak Kochhar, also arrested Videocon Chairman Venugopal Dhoot in connection with the ICICI Bank fraud case. CBI sources have said that the Kochhars and Dhoot conspired together, and have evidence to prove the same.

Venugopal Dhoot's arrest was based on the material evidence gathered by the CBI against him during the probe in the last two years. The court was told that Dhoot was not cooperating and hence was arrested this morning.

Here's what Venugopal Dhoot had done leading up to his arrest:

Venugopal Dhoot is accused of investing in Deepak Kochhar's Nupower Renewables, as kickbacks for loans that his company Videocon Group received from ICICI Bank, which was then helmed by Chanda Kochhar.

Books of Venugopal Dhoot's firms indicate that Rs 64 crore loan to Deepak Kochhar's firm was kickbacks for Rs 3,250 crore loan from ICICI Bank.

Between 2009 and 2011, six loans amounting to Rs 1,875 crore were sanctioned by Chanda Kochhar-led ICICI Bank.

However, the loans that were disbursed turned into NPAs and were marked as bank fraud.

According to the CBI, Chanda Kochhar – recipient of the Padma Bhushan award – abused her position and received illegal gratification to Dhoot through her husband for sanctioning loans to Videocon.

Meanwhile, Dhoot's Videocon was posting continuous losses for consecutive fiscal years. The losses were due to a decline in income.

Videocon's debt surged as its telecom services business failed and lost about Rs 7,000 crore, as well as the picture tube plant modernisation in Gujarat that cost Rs 4,000 crore.

Competition from companies like LG and Samsung also meant that its flagship consumer durables business slowed down too.

State Bank of India had filed an insolvency plea against Videocon Industries in December 2017. Subsequently insolvency proceedings were started against 15 other entities of the group.

The Dhoot family offered to pay Rs 30,000 crore to lenders to settle outstanding loans and pull 13 Videocon Group companies out of the insolvency proceedings. The offer was rejected by the lenders.

In June last year, the Mumbai bench of the NCLT approved Vedanta Group's Twin Star Technologies' resolution plan for Videocon Industries Ltd.

In December 2021, the Department of Telecommunication (DoT) moved NCLAT against the NCLT order that approved the consolidated resolution plan for 13 companies of Videocon Group, including Videocon Telecommunications.

The consortium of lenders of Videocon Industries has invited fresh expressions of interest for the debt-ridden group after the insolvency appellate tribunal rejected the approval of Rs 2,692 crore bid by Vedanta Chairman Anil Agarwal promoted Twin Star Technologies in January.

Source: Business Today

Read Full news at: <https://www.businesstoday.in/latest/corporate/story/icici-bank-videocon-case-what-did-venugopal-dhoot-do-wrong-357784-2022-12-26>



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