



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

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IBBI extends date for submitting 'EOI' for IPs Panel to June 25

Due to difficulties posed by the ensuing COVID-19 pandemic, the Insolvency and Bankruptcy Board of India (IBBI) on June 10 announced extension of the date for submitting 'Expression of Interest' (EOI) by Insolvency Professionals (IPs) under "Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation), Guidelines, 2021", to June 25, 2021. Accordingly, the IBBI will send the panel to NCLTs by June 30.

The Panel will have validity of six months and a new Panel will replace the earlier Panel every six months.

For More Details, Please Visit:

https://www.ibbi.gov.in/uploads/what_snew/52e51f50d8bdb1995c32b161ea1ede91.pdf

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News Update

Resolution Plans may yield double in FY 22 than FY 21: Report

Credit rating agency ICRA has estimated that in the current financial year, the creditors will realize about ₹ 55,000 – 60,000 crores from successful Resolution plans which will be more than double of ₹ 26,000 crore realized in FY 21.

The Report suggests that there have been some positive outcomes from the presence of the IBC, 2016 despite the delays. However, the agency has expressed concerns on litigations causing hurdles in the resolution of the DHFL, the first Financial Service Provider (FSP) and 8-9 large Corporate Debtors (CDs) which are stuck in litigations. The agency has also suggested that its estimate depends on duration of the second wave of COVID-19 which may cause slowdown leading to increase in haircuts for the lenders.

According to the Report, till March 31, 2021 the Financial Creditors have realized 39% of their claims through successful Resolution Plans which was around 180% of the liquidation value of the CDs. However, the number of CIRP cases referred to liquidation remained as high as 40% in comparison to resolution which stands at 13%. The COVID-19 pandemic has increased operational challenges for various parties and shrunk market demand which resulted in limited cases yielding a Resolution Plan, concluded the agency.

For More Details, Please Visit:

https://www.business-standard.com/article/finance/creditors-may-realise-rs-55-000-60-000-cr-through-ibc-in-fy22-report-121060700704_1.html

News Roundup

Vedanta Group's ₹ 2,962 crore Resolution Plan for Videocon approved by NCLT Mumbai

As per the Resolution Plan, the Twin Star Technologies, a sister concern of Vedanta Group, will pay a total amount of ₹ 2,962 crore against a debt of ₹ 31,000 crore to acquire the Videocon Group. The company will pay ₹ 500 crore as upfront payment within 90 days and rest as non-convertible debentures over a period.

Thus, in this Resolution Plan, the creditors will face a huge haircut of about ₹28,038 crore. The CIRP proceedings against Videocon Industries was initiated by the State Bank of India (SBI) in December 2017. Subsequently, the NCLT allowed consolidation of the insolvency proceedings comprising 13 sister concerns of the Videocon Group in 2019.

For More Details, Please Visit:

<https://www.businesstoday.in/current/corporate/videocon-insolvency-anil-aqarwal-led-vedanta-group-resolution-plan-gets-nclt-nod/story/441157.html>

Promoter settles dues of petitioner, but IRP opposes withdrawal as 'huge outstanding amounts' emerged

While Corporate Debtor (CD) Rolta India has claimed to have settled outstanding dues with its ex-employee who had filed insolvency petition against the company for non – payment of salary for six months and other dues during CIRP, IRP opposed the withdrawal by submitting that huge outstanding dues have been received from several claimants. The NCLT, however, halted the institution of the Committee of Creditors (CoC) but the matter has reached to NCLAT which will hear the matter on June 28.

For More Details, Please Visit:

<https://www.timesnownews.com/business-economy/companies/article/nclat-irp-for-rolta-india-to-ensure-co-remains-operational-will-hear-case-on-june/767504>

COVID Impact: USA' Construction Start Up Katerra filed for bankruptcy protection

Formed to revolutionize construction through tech driven approach, the Soft Bank backed Unicorn Start Up in the USA has liabilities of about \$1 billion to \$10 billion and assets of about \$500 million to \$1 billion. Set up in 2015, Katerra had raised over \$2 billion to slash the cost of building apartments. It has claimed to have a commitment of \$ 35 million from UK's SB Investment Advisors to fund the operations during Chapter 11 proceedings of bankruptcy.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/tech/startups/softbank-backed-katerra-files-for-bankruptcy-in-us-with-billions-in-debt/articleshow/83302727.cms>



MCA initiates search for successor of Dr. M. S. Sahoo

Through an advertisement on June 07, the Ministry of Corporate Affairs (MCA) has initiated the process for appointment of new Chairperson to the Insolvency and Bankruptcy Board of India (IBBI).

Dr. M. S. Sahoo, Chairperson, IBBI, was appointed to the post in September 2016 for a 'period of five years or until further order, whichever is the earliest' by the Cabinet Committee on Appointments, GOI. Earlier, he served as a Member at the Competition Commission of India (CCI) and WTM at SEBI. As Chairperson of the IBBI, he is credited to shape the IBC regime in the country as it exists today.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/career/92e261b2b9443ce74da51f1b51215cb0.pdf>

NCLT approved Piramal's Resolution Plan for DHFL

NCLT Mumbai bench on June 07 approved the Resolution Plan of Piramal Group to acquire DHFL with some advice to the CoC to reconsider reallocation of funds under the approved plan in favour of small depositors and fixed Deposit holders.

For More Details, Please Visit:

<https://www.cnbctv18.com/business/companies/dhfl-insolvency-case-nclt-nod-to-piramal-group-resolution-plan-with-conditions-9567451.htm>

Event Photos



CoC approves Tata Steel's Resolution Plan to acquire Rohit Ferro

The Resolution Professional of the Corporate Debtor – Rohit Ferro, on June 08 submitted in the NCLT Kolkata that the Committee of Creditors (CoC) has approved the Resolution Plan of Tata Steel Mining, a subsidiary of the Tata Steel Group.

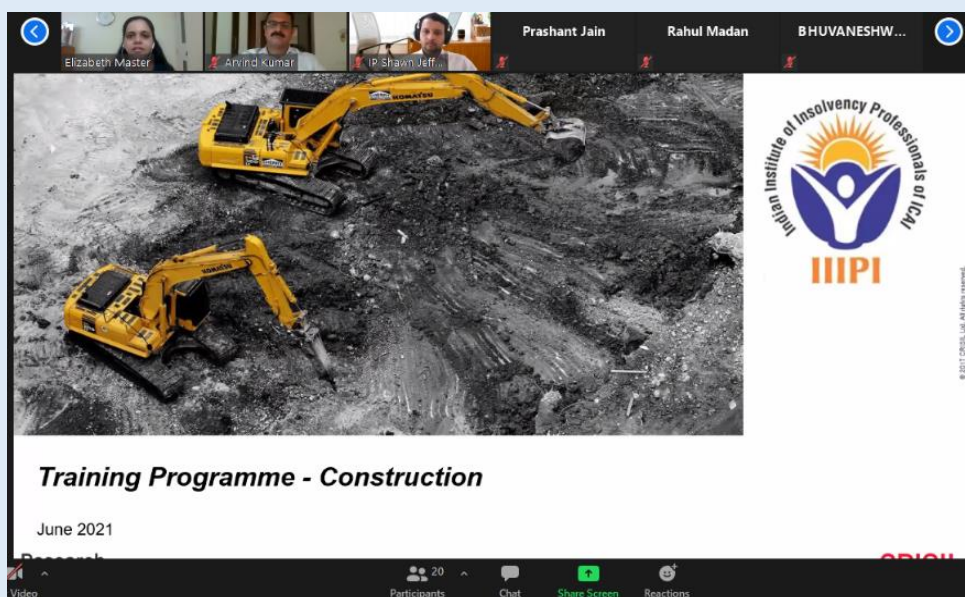
NCLT Kolkata Bench in February 2020 had admitted a petition filed by State Bank of India for initiating CIRP of Rohit Ferro Tech Ltd. under Section 7 of the IBC. The Corporate Debtor had made a loss of ₹ 679.3 crore in FY 20 while revenue from the operations stood at ₹ 738.3 crore. Its manufacturing units are at Bishanpur and Haldia (West Bengal) and Jajpur (Odisha). Besides SBI, Punjab National Bank, UCO Bank, Canara Bank and Exim Bank are among the creditors.

For More Details, Please Visit:

<https://timesofindia.indiatimes.com/business/india-business/banks-approve-tata-steel-arms-resolution-plan-for-rohit-ferro/articleshow/83321453.cms>



Shri David Kerr, Insolvency Professional, United Kingdom, addressing IIIPI's 02nd Training Program on IBC for Bank Officials on June 05, 2021.



Snapshot of the 'CRISIL Executive Training Program Jointly Organized with IIIPI' on June 09, 2021.