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CONTENTS

News Update

News Roundup

Event Photos



NCLAT asks NCLT to give sufficient time to Zee Group

In the matter of Invesco and OFI Global China, the NCLT had asked Zee Entertainment Enterprises Limited (ZEEL) to file a reply within two days to the shareholder's requisition to hold an Extraordinary General Meeting (EGM). NCLT had rejected the request of Zee Group for at least one week time.

"It is clear that the learned NCLT has committed an error in not granting reasonable and sufficient time for filing a reply, which is a complete violation of Rule 37 of NCLT Rules and Principles of Natural Justice," said the NCLAT and directed NCLT to give more time to the applicant.

For More Details, Please Visit:

<https://www.cnbcv18.com/legal/zee-invesco-feud-nclat-sets-aside-nclt-order-asking-zee-to-reply-in-2-days-to-invescos-egm-demand-11032332.htm>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

SRIE Group becomes 2nd FSP to undergo Insolvency Process

The Reserve Bank of India (RBI) took over the boards of directors of Srei Infrastructure Finance Ltd. (SIFL) and its sister concern Srei Equipment Finance Ltd. (SEFL) on Monday October 4, 2021, over issues pertaining to dues of ~₹ 30,000 crore. Shri Rajneesh Sharma, the former Chief General Manager at Bank of Baroda has been appointed administrator of the Group to head the insolvency process of the group.

Aggrieved with the RBI's order, Srei Group promoters, Adisri commercial private ltd, had filed a writ petition in the Bombay High Court seeking a stay on initiating insolvency proceedings against SIFL and SEFL. However, the plea was dismissed on October 07. With this development, SREI Group has become second company after DHFL to taken over by RBI and undergo insolvency process under the IBC Regime.

"SREI Group has been making full efforts to repay creditors in a structured manner," said Hemant Kanoria, Founder SRIE Group to media persons. He also claimed that there were no defaults. "It is important to note that the SREI Group had submitted a proposal to pay the full outstanding amount to banks under a scheme filed under Section 230 of the Companies Act 2013 earlier in October 2020. The banks neither accepted it nor proposed a payment schedule acceptable to them," he added.

For More Details, Please Visit:

<https://www.moneycontrol.com/news/business/bombay-hc-dismisses-srei-groups-plea-against-rbi-action-7533581.html>

News Roundup

SBI files petition for insolvency proceedings against Personal Guarantors in BPSL

In the petition, the NCLT has sought insolvency proceedings against Sanjay Singal and Aarti Singal, the erstwhile promoters of Bhushan Power and Steel (BPSL). Both were personal guarantors for a loan amounting to ₹ 12,276 crore provided to the steel firm through various facilities from time-to-time starting June 2009.

Of the total outstanding debt, ₹ 9,648 crore was term loan, and the remaining was working capital loan, but the steelmaker defaulted on paying back, SBI said in its application. JSW Steel closed the acquisition of BPSL for ₹ 19,350 crore through resolution in March this year. The Supreme Court in May 2021 had upheld the validity of a notification of the Ministry of Corporate Affairs (MCA) dated November 15, 2019, pertaining to insolvency of personal guarantors to corporate debtors.

For More Details, Please Visit

<https://www.financialexpress.com/industry/bhushan-power-steel-sbi-moves-nclt-to-initiate-cirp-against-singals/2344513/>

NCLT Chennai admitted CIRP of Uniply Industries for a dispute of ₹3.71 crore

The Chennai Bench of NCLT on October 07, 2021, ordered initiation of CIRP of Uniply Industries on an application filed by an Operational Creditor (OC) M/s. Kishan Chan Suresh Kumar.

As per the petition, Uniply has defaulted payment of ₹3.71 crore against supply of plywood and block boards by M/s. Kishan Chan Suresh Kumar. The OC has submitted that on April 30, 2019, a memorandum of compromise was entered into by the parties for payment of ₹5.25 crore (including the amount owed by Uniply's sister concern). However, only ₹2 crore were paid and ₹3.71 crore, which included interest, was due as on February 20, 2020.

For More Details, Please Visit:

<https://www.thehindu.com/news/cities/chennai/insolvency-proceedings-ordered-against-uniply/article36868641.ece>

UK government has introduced legislation designed to support small businesses

Although there will no longer be restrictions on presenting statutory demands, from 1 October until 31 March 2022, the threshold for presenting a winding up petition will be increased from £750 to £10,000. It will be possible for more than one creditor with a total aggregate debt of £10,000 or more to jointly present a winding up petition. The extra time to trade is limited to a 21-day period. After the statutory demand, creditors must write to a company providing 21 days for repayment proposals to be made before they can present a winding up petition.

For More Details, Please Visit:

<https://www.scotsman.com/news/opinion/columnists/small-businesses-facing-insolvency-are-getting-extra-support-joanne-gillies-3410546>



Next phase of IBC would require improvement in "capacity, conduct and approach" of all players: Dr. M. S. Sahoo

The outgoing Chairperson of Insolvency and Bankruptcy Board of India (IBBI) Dr. M. S. Sahoo has said that the next phase of the implementation of the IBC should include "individual insolvency with provisions for a fresh start and an informal approach to insolvency resolution, moving away slightly from court proceedings".

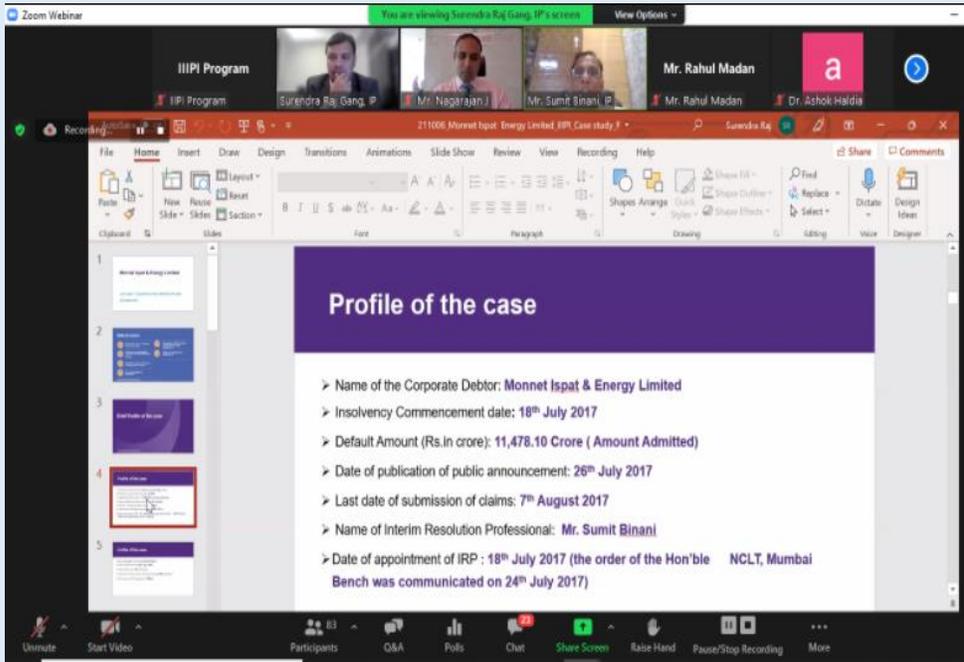
Dr. Sahoo headed IBBI as its first Chairperson since 2016 and demitted office on September 30, 2021. He noted the next phase of IBC would require improvement in "capacity, conduct and approach" of all players involved in the insolvency process, including committee of creditors (CoCs) and insolvency professionals. He added that considering an informal approach to insolvency resolution may yield better results.

Presently, IBC does have provisions for a "fresh start" scheme for individuals with debts of up to ₹ 35,000, gross annual income under ₹ 60,000, total assets of under Rs 20,000 and do not own a home. The process would allow such persons who are unable to pay off their debts to be discharged of their liabilities.

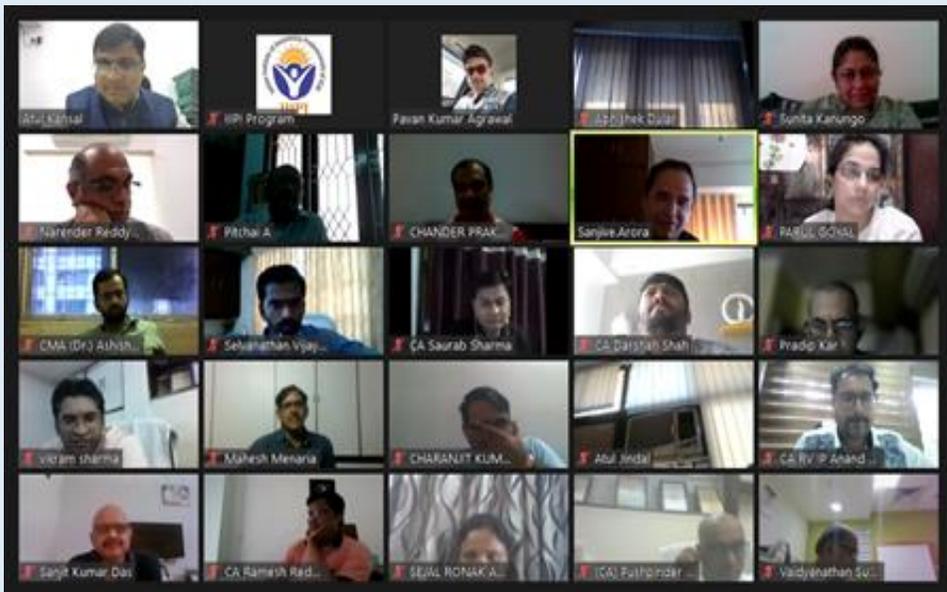
For More Details, Please Visit:

<https://indianexpress.com/article/business/economy/next-phase-of-ibc-implementation-should-be-personal-insolvency-sahoo-7548629/>

Event Photos



IIPII organized Webinar on ‘*Successful CIRP Case Study of Monnet Ispat & Energy Ltd. and Industry Know-how*’ on October 06, 2021.



A Snapshot of the 48th Batch PREC from 06th-12th Oct 2021.



IIPII jointly with ICAI organised IBC Conclave (Hybrid) on October 09, 2021

The Indian Institute of Insolvency Professionals of ICAI (IIPII) jointly with the Committee of Insolvency and Bankruptcy Code, The institute of Chartered Accountants of India (ICAI) organised IBC Conclave (Hybrid) on “IBC-Redefining India” from 10 AM to 05:00 PM October 09, 2021.

Inaugural Session was addressed by Shri Sudhaker Shukla, WTM, IBBI and Dr. Ashok Haldia. Besides, Shri Rajasekhar V. K., Member (Judicial), NCLT Kolkata, reputed Insolvency Professional (IPs) and eminent lawyers also addressed various sessions of the Conclave.

The Conclave was hosted by Eastern India Council of ICAI. It had 6CPE hours for ICAI members and 4CPE hours for IPs. The physical event was organized at The Park, Kolkata which was aired online for virtual participants.

For More Details, Please Visit:

https://www.iiipicai.in/wp-content/uploads/2021/10/flyer_updated.jpeg