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NCLT Chennai Dismissed Petitions of 25 Applicants for Consolidated CIRP of Regen Powertech

CIRP of the Regen Powertech Pvt Ltd (RPPL) was initiated in December 2019 while its wholly owned subsidiary Regen Infrastructure and Services (RISPL) was admitted for CIRP in February 2020.

The Court observed that all the applicants, except filed by Resolution Professional of RISPL, being customers of either RPPL and RISPL have no locus standi to maintain the present application seeking consolidation or simultaneous CIRP of the Corporate Debtors. They are neither a Financial Creditor nor an Operational Creditor.

For More Details, Please Visit:

<https://www.thehindubusinessline.com/companies/nclt-dismisses-pleas-for-consolidated-resolution-of-regen-powertech/article37291652.ece>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

RBI Committee Recommends for Allowing ARCs as Resolution Applicants under IBC

A six-member committee of the Reserve Bank of India (RBI) headed by its former Executive Director (ED) Shri Sudarshan Sen has recommended for allowing Asset Reconstruction Companies (ARCs) to participate as Resolution Applicant in insolvency process under the IBC, 2016.

“Expertise acquired through IBC in resolving borrower insolvency will help ARCs in maximizing recovery of dues,” said the committee. The committee was formed to review extant guidelines governing the ARC sector. “Acquisition of assets in the books of ARCs may lead to conflict of interest as ARCs may prefer to focus more on the resolution of assets held in their own books compared to the assets for which they may be acting as manager,” added the committee. The other recommendations of the committee include:

- Threshold for an investor to be recognized as sponsor of an ARC should be raised to 20% from the existing 10%.
- ARCs should be allowed to sponsor SEBI-registered AIRs with the objective of using these entities as an additional vehicle for facilitating restructuring or recovery of the debt acquired by them.
- ARCs should be allowed to acquire assets from financial sector entities, other banks, non-bank lenders and other ARCs.

For More Details, Please Visit:

<https://www.bloomberquint.com/business/rbi-panel-calls-for-allowing-arcs-as-resolution-applicants-under-ibc>

News Roundup

NCLT approved Adani Power's Resolution Plan for Essar Power Mahan Project Ltd

NCLT New Delhi Bench on November 03, 2021 approved the Resolution Plan of Adani Power Ltd. to acquire Essar Power's Essar Power Mahan Project Ltd (EPMPL) through CIRP under IBC.

“In the absence of any tenable objection made against the resolution and keeping note that the resolution plan is passed by 100% vote of CoC (committee of creditors). Therefore, this bench finds no impediment in allowing the resolution plan,” said a bench presided by Bhaskara Pantula Mohan and Hemant Kumar Sarangi. As per the approved Resolution Plan, the creditors will get ₹2,500 crore as against the admitted claims of ₹ 12,067 crore. EPMPL, the Corporate Debtor, owns a 1,200 MW thermal power plant in the Singrauli district of Madhya Pradesh. The company was admitted for the resolution process on September 29, 2020, in a petition filed by its creditor ICICI Bank.

For More Details, Please Visit

<https://economictimes.indiatimes.com/industry/energy/power/adani-powers-resolution-plan-for-essar-power-unit-gets-nclt-approval/articleshow/87509167.cms>

Indian E-commerce firm Meesho announces USD 5.5 mn ESOP Liquidation Program to Raise Funds

In yet another initiative to attract investments, E-commerce firm Meesho has announced a USD 5 million Employee Stock Ownership Plan (ESOP) Liquidation Program. In November 2020, the company had announced a USD 5 million ESOP Dilution Program.

The latest ESOP Liquidation Program will be open for all eligible current and former employees with vested stocks. The program will start in early November and will be completed by December. However, the company which has nearly 1,200 full-time employees, did not disclose how many people are expected to be benefitted by the initiative. The development comes close of the heels of a USD 570 million fund raise by Meesho.

For More Details, Please Visit:

https://www.business-standard.com/article/companies/e-commerce-firm-meesho-announces-5-5-mn-esop-liquidation-programme-121102900770_1.html

After Evergrande, three more Chinese Real Estate Firms heading for bankruptcy

Real Estate companies in China are facing bankruptcy due to shutdown of factories and lack of electricity. China's foreign creditors are showing signs of distress. After Evergrande, which owes more than \$300 billion dues, three more companies Sinic Holdings, China Properties Group and Fantasia are heading for bankruptcy.

For More Details, Please Visit:

<https://www.wionews.com/world/chinese-companies-default-amid-rising-debt-bubble-422114>



USA's Chapter 11 Bankruptcy Filings Have Dropped to Their Lowest Since Q 2 of 2019

The newest *Polsinelli-TrBK Distress Indices Report* has revealed that the overall Chapter 11 Bankruptcy filing numbers in the USA are at the lowest point in last 11 years. However, Real estate filings have stabilized, health care is still well below the benchmark.

The *Polsinelli-TrBK Distress Indices* are the backbone of a quarterly research report series that uses Chapter 11 filing data - bankruptcies with more than \$1 million in assets - as a proxy for measuring financial distress in the overall USA's economy and breakdowns of distress specifically in the real estate and health care services sectors.

The industry is still experiencing a slow, steady stream of bankruptcies as experts await the anticipated increase in filings from post-pandemic lifting of eviction moratoria. Unlike the public markets, the *Polsinelli-TrBK Distress Indices* include both public and private companies, creating a broader economic view and one that may show developing trends on Main Street before they appear on Wall Street.

For More Details, Please Visit:

<https://www.globenewswire.com/news-release/2021/11/03/2326976/0/en/Slowing-Bankruptcy-Filings-Could-Signal-Flurry-Ahead.html>