



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IIPI Newsletter

December 13, 2021

Volume 06, Number 49

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Public Sector Banks Restructure 10 Lakh MSMEs Loans till November 2021

MSME loan accounts have jumped by 58 per cent as they have been restructured by public sector banks (PSBs). 6.19 lakh loan accounts got restructured by January 31, 2020 and involved Rs 22,650 crores. As of November 26, 2021, this number increased to 9.8 lakh accounts which amount to Rs 58, 524 crores.

According to the government data shared in the Rajya Sabha, the inputs received from PSBs, apart from MSME loans, portray resolution plan/restructuring as implemented in 8.5 lakh accounts of individual borrowers which amount to Rs 60,662 crores as of November 15, 2021.

For More Details, Please Visit:

<https://www.financialexpress.com/industry/sme/msme-fin-msme-loans-restructured-accounts-by-psbs-jump-58->

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

421 Companies rescued through Resolution Plans under IBC, 2016

By the end of September 2021, 421 Corporate Debtors (CDs) have been rescued through Resolution Plans under the IBC which realised ₹2.55 lakh crores against a cumulative liquidation value of ₹ 1.48 lakh crore at the time of Insolvency Commencement Date (ICD). These CDs owed ₹7.94 lakh crore to the creditors.

This information has been revealed in the data recently released by the Insolvency and Bankruptcy Board of India (IBBI) in its quarterly newsletter for July to September 2021.

Under the IBC, the creditors realised 172% of the liquidation value of these CDs. “Any other option of recovery or liquidation would have reverved at best ₹100 minus the cost of recovery/ liquidation, while the creditors recovered ₹172 under the Code. The excess recovery of ₹72 is a bonus from the Code,” said the Newsletter. So far, a total of 4,708 CIRPs commenced under the IBC out of which 3068 have been closed. Of the CIRPs closed, 701 have been closed on appeal or review or settled, 527 have been withdrawn and 421 were rescued through resolution plans. However, 1419 cases ended in order of liquidation.

GCCL Infrastructure & Projects Ltd. has become the first MSME to be admitted under Pre-packaged Insolvency Resolution Process (PPIRP). The case was admitted by NCLT Ahmedabad on September 14, 2021.

For More Details, Please Visit:

<https://www.ibbi.gov.in/uploads/whatsnew/fe8c71b65477be42045dd9d0a9a88656.pdf>

News Roundup

Creditors Vote for Group Insolvency Proceedings for Srei NBFC Twins

Financial creditors of Srei Infrastructure Finance Ltd. and Srei Equipment Finance Ltd. have voted in favour of group insolvency for the non-bank lenders. Creditors representing 99% of former's debt and nearly 90% of latter's debt voted in favour of the proposal. Group insolvency allows the creditors to consolidate all assets and liabilities of the companies within a group. The process follows when a consolidated entity sees more bidding interest than individual companies.

For More Details, Please Visit:

<https://www.bloomberquint.com/business/creditors-vote-to-pursue-group-insolvency-for-srei-nbfc-twins-bq-exclusive>

Insolvency Proceedings against MGF Developments Get Withdrawn, as per NCLT

The insolvency proceedings against the real estate firm, MGF Developments, have been withdrawn by the National Company Law Tribunal (NCLT) after a settlement was reached with the homebuyers who had approached the NCLT for the matter.

Under Section 7 of the IBC, 2016, NCLT had commenced the insolvency proceedings, an application for which was filed by The Vilas Condominium Association consisting of homebuyers who have 327 units allotted in the name of the members of the association. The amicable settlement had been reached on December 2, according to the order of the NCLT. MGF had formed a joint venture with Dubai-based Emaar Properties, which entered India in 2005 making the largest foreign direct investment in the realty sector till then under Emaar MGF Land.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/nclt-allows-withdrawal-of-insolvency-proceedings-against-mgf-developments/articleshow/88128320.cms>

New Investors Sought for Germany-Based In.Power GmbH

Specialising in the direct marketing of green electricity, Germany-based In.Power GmbH seeks new investors as insolvency proceedings for the company shall be opened by a court in the city of Mainz by the end of the year. Lawyer firm, Schiebe and Collegen, stated that the Mainz-based company will continue its operations despite the dire financial situation while preliminary insolvency administrator, Robert Schiebe, is in talks with investors. Wind and solar developers and municipal utilities have shown interest in the embattled firm.

For More Details, Please Visit:

<https://renewablesnow.com/news/insolvent-german-inpower-gmbh-looks-for-new-investors-764647/>



SpiceJet ordered to Wind Up Operations Over Unpaid Debt

Madras High Court on December 06, 2021 ordered SpiceJet Limited to wind up its operations as the airline failed to pay its dues of \$24 million to SR Technics, a Swiss company, for repair, maintenance, overhauling of aircraft engines, components, modules, assemblies, and parts. A single-judge bench of Justice R Subramanian directed the official liquidator to take over the airline's assets.

Credit Suisse AG, on behalf of SR Technics, has filed the petition, and is mandated to receive pending dues. The petition states the agreement was signed by SpiceJet for a period of 10 years with SR Technics for MRO services in November 2011. SpiceJet argued that the documents relied upon by the petitioner were not properly stamped in accordance with the requirements of the Indian Stamp Act, and thus could not be relied upon to establish a debt in an Indian Court.

SpiceJet reported its seventh consecutive consolidated quarterly loss of about ₹571 crore during the September quarter. Its liabilities has exceeded assets by ₹6,123.73 crore at the end of Sept. 30, said media report.

For More Details, Please Visit:

<https://www.livemint.com/news/india/high-court-directs-liquidator-to-take-over-spicejet-s-assets-for-unpaid-dues-11638858987578.html>