



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

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ASG Hospital to acquire Vasan Health Care through CIRP

With the approval of its ₹ 550 crore Resolution Plan by the Committee of Creditors (CoC), the ASG Hospital has cleared first hurdle to acquire Vasan Health Care Ltd. The Plan will now be presented before the NCLT for approval.

CIRP of Vasan Health Care was initiated on a petition filed by Alcon Laboratories (India) Pvt. Ltd., one of its suppliers, in its capacity as Operational Creditor. The total claim against the Corporate Debtor including financial creditors such as Andhra Bank, Edelweiss Asset Reconstruction, Kotak Mahindra Bank, HDFC Bank etc., is about ₹1,268.

For More Details, Please Visit:

<https://www.thehindu.com/news/national/tamil-nadu/lenders-approve-asg-hospitals-about-550-crore-resolution-plan-for-vasan-health-care/article65080123.ece>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

IBBI is fully clothed with jurisdiction to regulate payment of remuneration of RP and IRP: NCLAT

In a landmark judgement, the NCLAT has said that the Insolvency and Bankruptcy Board of India (IBBI) has full jurisdiction to regulate payment of fee to IRP and RP by framing regulation and also by issuing executive instructions till regulations are not framed. The court further said that the issue of payment of fee to the IRP/RP occur very frequently which needs to be regulated by IBBI, the Regulating Authority under the IBC.

In this matter *Insolvency Professional Vs. J P Engineers*, the IRP in the first meeting of the CoC demanded a fee of ₹ 2 lakh per month but the CoC approved ₹ 50,000 per month. Finally, the case reached to the Appellate Tribunal.

Hearing the matter, the Principal Bench of the NCLAT comprising Justice Ashok Bhushan, Chairperson-NCLAT and Technical Member Mr. Sumit Bansal, relied on Section 240 (1) of the IBC under which IBBI (Insolvency Professionals) Regulations, 2016 has been made. The Regulation 7 (2) (h) states that the IP has to abide by the Code of Conduct specified in the First Schedule. Furthermore, the Item 25 of the First Schedule, requires an IP to provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work.

“The mere fact that IBBI has been asked to submit its recommendations by the AA, in the present case, we see no reason to question,” said the Court and directed the AA to dispose of the application after receiving recommendations from IBBI.

For More Details, Please Visit: <https://www.livelaw.in/ibc-cases/ibbi-nclat-irp-sumit-bansal-insolvency-professional-v-committee-of-creditors-of-jp-engineers-192785>

News Roundup

Supreme Court rejects Customs' Claim for not applying to the Resolution Professional

In his rejoinder, the Commissioner of Customs argued that no notice was issued to the Authority at Mangalore and there was certain confusion as to whether the operational debt as defined under Section 5(21) of the IBC would cover the claim. However, the Supreme Court relied on the judgement in the matter of *Ghanashyam Mishra & Sons Pvt. Ltd. vs. Edelweiss Asset Reconstruction Company Ltd. and others*, in which it was held that once a Resolution Plan is approved, no creditor can take steps to recover claims which are not part of the Plan. Accordingly, the claim of the Customs Department was not admitted, and the appeal of *Ruchi Soya Ltd.* against Karnataka High Court was allowed.

For More Details, Please Visit:

<https://www.livelaw.in/top-stories/ibc-claim-which-is-not-part-of-resolution-plan-doesnt-survive-supreme-court-192747>

Haldia Petrochemicals offered just ₹ 1 crore over Liquidation Value to acquire COGIL through Resolution Plan

Haldia Petrochemicals Ltd. has offered ₹ 37.5 crore to acquire Coastal Oil & Gas Infrastructure Pvt Ltd (COGIL) through resolution plan which was recently approved by the NCLT Amaravati Bench. However, it has now come to light that the offer is just ₹ 1 crore over COGIL's Liquidation Value of ₹ 36.46 crore. Furthermore, this offer is only 3% of the admitted claims thereby providing 97% haircut to the creditors. COGIL, a special purpose vehicle of Nagarjuna Oil Corporation Ltd (NOCL), was acquired by HPL in a liquidation process in 2021.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/industry/energy/oil-gas/haldia-petro-to-acquire-coastal-oil-gas-infra-under-bankruptcy-route/articleshow/89799303.cms>

Several Airlines heading to bankruptcy, Bloomberg Study

Though Covid-19 restrictions are being eased out but still the good days are a distant dream for airlines, globally. Bloomberg's analysis didn't cover non-operational and chartered airlines and removed carriers with the smallest fleets. Of the lowest scorers, six are in Asia, where inter-regional air passenger traffic is still 61% below pre-pandemic levels, versus about 25% for Europe and only 0.5% in the U.S., according to aviation analytics firm Cirium.

For More Details, Please Visit: <https://www.bloombergquint.com/business/the-airlines-still-facing-risk-of-bankruptcy-as-travel-returns>



Govt. positive on treating Insurers at par with Banks on legal recourse for surety bonds, Says, IRDAI

The Insurance Regulatory and Development Authority of India (IRDAI) has asked the Central Government to treat the insurers at par with the banks in the matters of recovery recourse available to them for the surety bond business.

“Recently we had come with surety bond guidelines for which there is huge demand. However, we do understand the concerns raised by the insurers that they should have a recourse to recovery on par with the banks. This aspect has been taken up with the government and I can tell you that they have reacted extremely positively on the issue of trying to keep insurers at par with banks in the IBC code,” said T. L. Almelu, Member, IRDAI while speaking at a seminar organised by National Insurance Academy on February 22, 2022.

Union Finance Minister, Smt. Nirmala Sitharaman in her Budget speech this year had said that surety bonds can be used as a substitute for bank guarantees for government procurement in order to reduce the indirect cost for suppliers and work contractors.

For More Details, Please Visit:

https://www.business-standard.com/article/companies/irdai-wants-insurers-at-par-with-banks-on-legal-recourse-for-surety-bonds-122022400581_1.html

Event Photograph



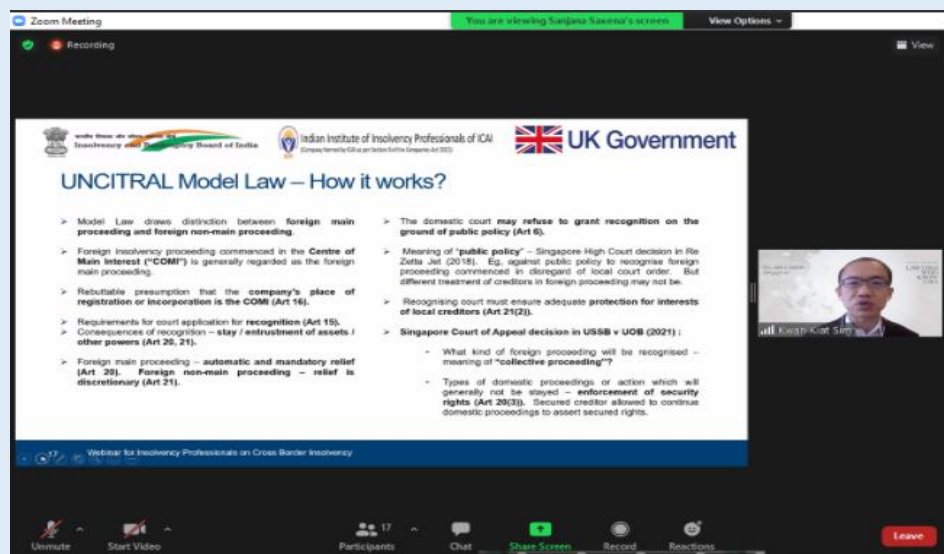
IIPI organising 3rd Batch of EDP (For IPs) on Mastering Legal Skills, Pleadings and Court Processes Under IBC (Online)

The 24 hours online Executive Development Program (EDP) for Insolvency Professionals (IPs) has been planned for four days starting from March 09, 2022. Interested IPs may register by March 08. The participants will be provided CPE 14 hours.

The highlights of the EDP program include Knowhow of Legal Drafting & Pleadings, Filing Petitions & Applications under IBC, Deciphering Landmark Judgements, Appearing Before the Adjudicating Authorities, and Moot Courts Before Hon'ble NCLT/NCLATs.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2022/02/EDP-LEGAL-SKILLS-FLYER.pdf>



Mr. Sim Kwan Kiat, Head: Restructuring and Insolvency Practice Rajah & Tann, Singapore addressing session on “Cross Border Insolvency” organized by IIPI in association with British High Commission on Wednesday, February 23, 2022.



Ms. Shikha Parekh, Senior Financial Policy Advisor, British High Commission, FCDO addressing session on “Cross Border Insolvency” organized by IIPI in association with British High Commission on Wednesday, February 23, 2022.