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Financial Creditors Recover 51% of Admitted Claims in 8 out of 12 Large Cases Recommended by RBI

RBI-recommended cases for resolution under the IBC 2016 framework got financial creditors recover 51% of their admitted claims in eight of the twelve large cases. The twelve firms owed approximately Rs 3.45 trillion to their financial creditors.

However, for two stressed firms, Era Infra Engineering and Jaypee Infratech, the CIRP is still going on, and Lanco Infratech and ABG Shipyard are getting liquidated, said by Shri Bhagwat Karad, Minister of State for Finance, while he tabled a written reply in the Rajya Sabha.

For More Details, Please Visit:

<https://www.financialexpress.com/industry/cases-recommended-by-rbi-financial-creditors-recovered-51-in-eight-large-ibc-cases/2463470/>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Four Financial Institutions Write to Finance Minister and IBBI to Speed Up the Resolution Process of RITL

Progressively, an intervention from Finance Minister, Nirmala Sitharaman and the IBBI has been sought to accelerate the resolution process of RITL (Reliance Infratel), the tower arm of Reliance Communications, by four financial institutions, including two Chinese Banks. The letter has been signed by China Development Bank, Export Import Bank of China, Shubh Holdings Pte, and SC Lowy Asset Management.

In May 2018, Reliance Communications' Indian lenders referred the firm and its subsidiaries (RITL and Reliance Telecom) to NCLT as it failed to pay its dues. In March 2020, UVARC had won the process to acquire RCom. The Reliance Projects emerged as the winner of RITL but is yet to implement the resolution plan. Allegedly, that it has not been provided with a copy of the forensic audit report of RITL. However, Reliance Projects enjoys the complete use of the towers of RITL at a significantly discounted price. The request has been put forward by the foreign firms to implement the resolution process on an urgent basis to which they added that there is no legal rationale on the basis of which Reliance Projects may further withhold the implementation of the resolution plan. The banks also stated that the MCA and the IBBI may consider instituting appropriate legislative amendments to the Code to disincentivize successful resolution applicants from withdrawing or modifying resolution plans (once submitted as part of the CIRP) or delaying or withholding the implementation of the NCLT-approved resolution plans.

For More Details, Please Visit:

<https://www.financialexpress.com/industry/reliance-infratel-resolution-process-chinese-banks-write-to-fm-insolvency-and-bankruptcy-board-of-india/2460948/>

News Roundup

Williamson Magor Group Firm Receives EoI from Leading Engineering Companies for Insolvency Proceedings

Engineering biggies viz. Tega Industries, TWL, German MNC Thyssenkrupp, Gainwell Engineering have filed EOI for insolvent McNally Sayaji. This is the first Williamson Magor Group Company to be admitted to NCLT, and 17 EoIs have been filed so far for the same. Corporates, from other fields, like Alcov Group from real estate, have also shown interest. It has also been noted that the total admitted claims of secured and unsecured creditors is around Rs 330 crore, and the main lenders of McNally Sayaji are ICICI Bank, SBI, IDBI Bank, DBS and Kotak Bank wherein ICICI Bank had major exposure in the company.

For More Details, Please Visit:

<https://timesofindia.indiatimes.com/business/india-business/engineering-biggies-in-race-for-insolvent-mcnally-sayaji/articleshow/90212920.cms?from=mdr>

Supreme Court Stays an NCLAT Order Liquidating Siva Industries and Holdings (SiH) after Appeal by the Promoters

The Apex Court has stayed the liquidation process for C Sivasankran promoted Siva Industries and Holdings (SiH), postponing the proceedings of the two-and-a-half-year-old bankruptcy case. The next hearing for the case has been set in the last week of April, 2022. Bankers said that this would cause a further delay where the chances of recovery are already dim. SiH liquidator, A V Arun, said that he would seek legal opinion after the stay on order to clarify its impact on the ongoing liquidation process. On the other hand, lenders apprehend that if the company is liquidated or if a fresh plan is sought, the recovery will fall further for all financial and non-financial creditors.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/supreme-court-stays-siva-industries-after-appeal-by-promoters/articleshow/90271121.cms>

JC Rook Business to Go through Insolvency Process Due to Pandemic and Omicron

JC Rook and Sons Limited have appointed joint administrators, Neil Gostelow and Will Wright, from Interpath Advisory on March 14 to mark the end of over 55 years of trade for the business. The directors made the decision to close its all 11 stores. Lockdown closures exacerbated trading losses, and directors concluded that the company will have to go through an insolvency process. Neil Gostelow, managing director at Interpath and joint administrator, said, "Our immediate priority is to assist those members of staff to provide them with the information to make claims from the Redundancy Payments Office."

For More Details, Please Visit:

<https://thisleofthanetnews.com/2022/03/15/covid-pandemic-and-omicron-blamed-for-insolvency-of-jc-rooks-business/>



Bankruptcy Judge for LATAM Airlines Affirms \$734 Million to Finance Fees

A court approval of a deal with creditors has been attained by LATAM Airlines Group SA for financing a restructuring proposal. The junior creditors expressed their outcry, they opposed hundreds of millions of dollars in fees associated with the transaction. Due to pandemic, world travel came to a halt. In May 2020, LATAM had filed for Chapter 11 in the US Bankruptcy Court for the Southern District of New York.

In Manhattan, US Bankruptcy Judge, James Garrity, approved LATAM's backstop agreement with a creditor group wherein the creditors assured to finance in case no one else steps for the same. The considered deal would provide the 15 backstop creditors with \$734 million in fees to ensure that \$5.4 billion in stock and debt offerings are fully financed. The judge also approved a deal with existing shareholders, including Delta, to backstop \$400 million of a common stock offering and up to \$1.3 billion of a debt offering. This does not include the fees but provides legal protections and expense reimbursements for the shareholders.

For More Details, Please Visit:

<https://www.reuters.com/legal/transactional/lata-m-airlines-bankruptcy-judge-oks-734-million-financing-fees-2022-03-15/>