



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter

IBBI released Final Panel of IPs for second half of 2022

IBBI has released the Final Panel of Insolvency Professionals (IPs) for appointment of Interim Resolution Professionals (IRPs), RPs, Liquidators and Bankruptcy Trustees on June 30. This panel will be valid for the period from July 01, 2022, to December 31, 2022. The lists of eligible IPs have been prepared according to 15 Zones viz. New Delhi, Ahmedabad, Allahabad, Amravati, Bengaluru, Chandigarh, Cuttack, Chennai, Guwahati, Hyderabad, Indore, Jaipur, Kochi, Kolkata, and Mumbai. IBBI prepares and releases such panels for two times in a year.

For More Details, Please Visit:

<https://www.ibbi.gov.in/uploads/whatsnew/14f9dc60ce012e8bfa7f47421cc79a0b.pdf>



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

IBBI Invites stakeholders' comments on proposed changes in CIRP aimed to reduce delays and improve resolution value

Besides proposing amendments to the Regulation 40 A of the CIRP Regulations which provides the timelines for various activities in a CIRP, the Discussion Paper published by the IBBI on June 27, 2022, also proposes to amend Section 53 of the IBC, provisions relating to the minimum entitlement to dissenting creditors and repeat the valuation exercise, among others.

The key proposals include (i) reduction of timelines for inviting Expression of Interest (EoI), (ii) Increase in the timelines for preparation of Information Memorandum (IM) (iii) Reduction of timelines for 'Avoidance- Transactions' related matters (iv) Casting duty on the Resolution Professional to make a strategy for the marketing of assets of Corporate Debtor (v) mandatorily geo-tagging of immovable assets of Corporate Debtor (vi) Providing an opportunity to Committee of Creditors (CoC) to interact with valuers (vii) Linking of the payment made to the dissenting Financial Creditor to the realizable amount at the time of Liquidation (viii) Providing timely information to creditors with respect to initiation of CIRP and last date for filing claims, etc. IBBI believes that proposed amendments would aid in faster completion of processes, remove ambiguities, aid, and facilitate IPs thereby increasing value and realization for stakeholders. The stakeholders can submit their comments electronically on IBBI website by July 17, 2022.

For More Details, Please Visit:

<https://www.ibbi.gov.in/uploads/whatsnew/9a71f15c9b21a7dd626a8ca47846a113.pdf>

News Roundup

Guarantor is entitled to initiate CIRP against the Principal Borrower after paying the debt

NCLT Kolkata has held that where the liability of the Principal Borrower i.e., the Corporate Debtor has been discharged by the Corporate Guarantor then the Corporate Guarantor can step into the shoes of the Financial Creditor and initiate CIRP under Section 7 of IBC 2016, against the Principal Borrower. The NCLT held that any agreement of guarantee between the Bank and the Guarantor is sufficient for the purpose of bestowing all the rights of the Bank upon the Guarantor (Right of Subrogation under Indian Contracts Act, 1872), once the Guarantor has discharged the liability of the Corporate Debtor towards the Bank.

For More Details, Please Visit: <https://www.livelaw.in/news-updates/nclt-kolkata-insolvency-and-bankruptcy-code-corporate-insolvency-resolution-process-cirp-right-of-subrogation-principal-borrower-corporate-debtor-financial-creditor-202608>

NCLT allows Insolvency Process against Personal Guarantor of Deccan Chronicle Holdings Ltd.

NCLT, Hyderabad bench vide its order on June 24, 2022, admitted an insolvency petition filed by L&T Finance Limited (Financial Creditor) against the Personal Guarantor, who is also the promoter of Deccan Chronicle Holdings Limited (DCHL). The court also rejected the contention of the Personal Guarantor that the petition was barred by limitation. The company is facing CIRP due to a default of ~ 62.96 crores on a loan amounting ~ ₹ 25 crore availed in 2013.

For More Details, Please Visit:

<https://www.livelaw.in/news-updates/nclt-hyderabad-insolvency-of-bankruptcy-code-corporate-insolvency-resolution-process-cirp-personal-guarantor-deccan-chronicle-holdings-lt-finance-ltd-202873>

Spanish company Abenewco1, a unit of Abengoa heading towards bankruptcy

Spanish engineering and energy group Abengoa has begun insolvency proceedings for its main unit- Abenewco1, after its request for \$261.2 million State Aid was rejected by the Spanish Government. Reportedly, the rejection of the loan is because there was no guarantee of the viability of the company and the repayment of the loan. For expanding into clean energy from its traditional infrastructure projects, the company had taken massive loans earlier.

For More Details, Please Visit:

<https://www.reuters.com/business/energy/spain-rejects-state-aid-abengoa-unit-bringing-it-closer-bankruptcy-2022-06-28/>



IBBI moves to incorporate Panel's observations on "sale of selected business units or assets" of CD under CIRP

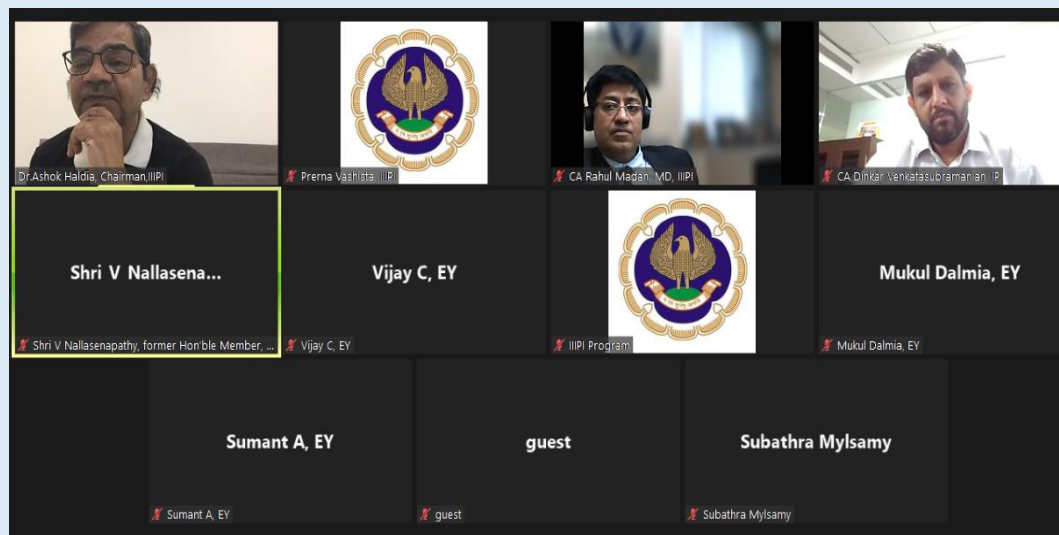
The Insolvency and Bankruptcy Board of India (IBBI) has proposed an amendment to allow resolution of part assets / businesses of corporates facing insolvency proceedings. This is in line to the observations made by the Parliament's Standing Committee on Finance. The Committee had observed that the bidders may be interested in selected business units or assets, rather than the entire business. A combination of bidders taking different business units or assets may well be far superior to one bidder acquiring the entire business, observed the Committee.

As per the proposed amendment by the IBBI, the possibility of resolution of part assets / businesses of corporates could be explored by resolution applicants and creditors only when no resolution plan is received within the timeline specified for submission of such plan. The reform is reportedly in line with the similar practices in foreign jurisdictions. Presently, sale of part assets / businesses of corporates is allowed in case of liquidation but not in resolution.

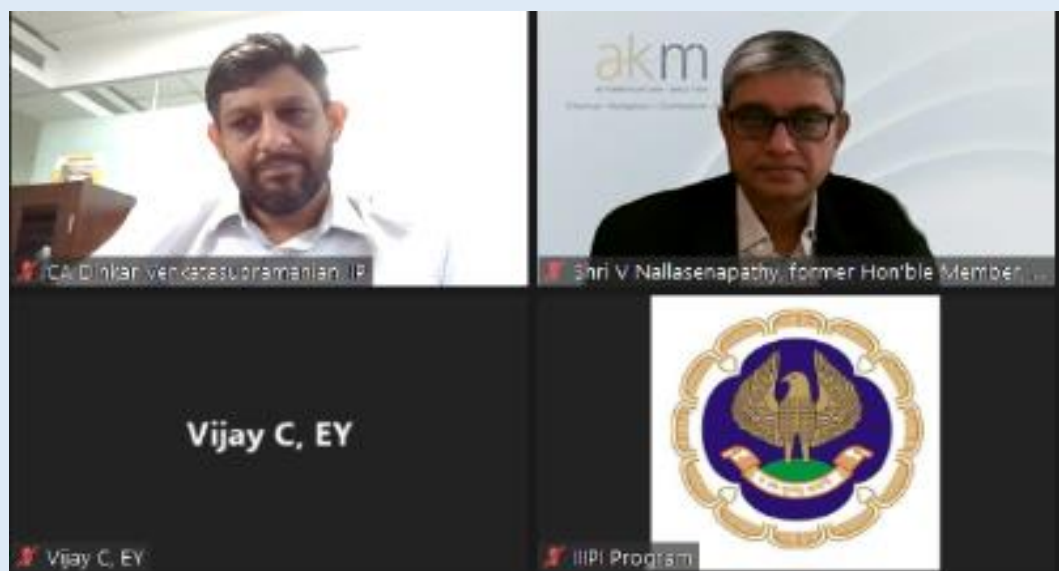
For More Details, Please Visit:

<https://www.thehindubusinessline.com/economy/corporate-insolvency-overhaul-ibbi-plans-to-allow-part-sale-of-assets-or-business-under-resolution-process/article65575831.ece>

Event Photographs



Dr Ashok Haldia, Chairman IIPI, addressing the Inaugural Session of Case study on “Successful CIRP of Amtek Auto Ltd” organized by IIPI on July 1, 2022.



Shri Dinkar Venkatasubramanian, IP, addressing a Webinar on “Successful CIRP of Amtek Auto Ltd” organized by IIPI on July 1, 2022. Shri Venkatasubramanian has been Resolution Professional for CIRP of Amtek Auto Ltd.

Singapore-based crypto hedge fund files for Cross Border Insolvency in the USA

Crypto hedge fund- Three Arrows Capital (3AC) has filed for Chapter 15 bankruptcy in the USA. Filing for bankruptcy under Chapter 15 will provide protection to the entity's US assets by stopping the creditors from seizing its assets while a liquidation is under progress in the British Virgin Islands. A British Virgin Islands court ordered the liquidation of Three Arrows Capital earlier this week. A slump in digital currency prices, which has seen billions of dollars getting wiped-off the market in recent weeks, has hurt 3AC and exposed a liquidity crisis at the company.

For More Details, Please Visit:
<https://www.reuters.com/markets/us/crypto-hedge-fund-three-arrows-files-chapter-15-bankruptcy-2022-07-01/>