



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

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CONTENTS

News Update

News Roundup

Event Photos

Forthcoming Events



Lenders recovered more than 100% of principal amount from resolution of UP's power company

Termed as India's largest stressed asset in the transmission sector, Southeast UP Power Transmission Company has been acquired by Power Finance Corporation (PFC), a public sector utility of the Central Government through a Resolution Plan.

The project comprised of about 1,500 km of 765 KV and 400 KV transmission lines and five sub-stations in Uttar Pradesh (UP). The transaction involves a one-time upfront settlement amount of ₹3,251 crore along with a pay-out plan.

For More Details, Please Visit: <https://www.thehindubusinessline.com/companies/pfc-successfully-resolves-cirp-of-indias-largest-stressed-transmission-asset/article65903445.ece>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

IBBI amended CIRP Regulations to allow inviting Resolution Plan a second time and partial sale of assets etc. for value maximization

As per the 04th Amendment in IBBI (CIRP) Regulations 2016, the Resolution Professional (RP) and the Committee of creditors (CoC) can issue request for Resolution Plan a second time for sale of one or more of assets of the Corporate Debtor (CD) in cases where no Resolution Plan has been received for the CD. Besides, it enables for a Resolution Plan to include sale of one or more assets of CD to one or more successful resolution applicants submitting resolution plans for such assets and providing for appropriate treatment of the remaining assets.

For further value maximization, the amendment enables marketing of assets of the CD. It provides for formulating a strategy for marketing of assets of CD in consultation with the CoC to disseminate information about the asset to a wider and targeted audience of potential resolution applicants. The amendment also enables a longer time for the asset in the market as the invitation for expression of interest in Form G has been advanced to 60th day from Insolvency Commencement Date (ICD). Changes have also been made to Form G to provide more relevant information to persons for expressing interest. In addition to that the amendment (i) Changes timeline for filing application for preferential and other transactions on or before 130th day of ICD, (ii) Changes the timeline for submission of information memorandum to on or before 95th day from the ICD from 54th day. The amendment also provides measures to make the resolution process more transparent and robust. All the provisions of the amendment will be effective from September 16, 2022.

For More Details, Please Visit: <https://ibbi.gov.in/uploads/press/5789c46394f1eb1211858f1dadddb362.pdf>

News Roundup

Supreme Court imposed ₹10 lakhs fine on two entities for seeking 'revision' of order under the grab of seeking 'modifications and clarification' on Resolution Plan

This cost was imposed in the matter of *Ghanashyam Mishra and Sons Pvt Ltd Vs. Edelweiss Asset Reconstruction Company (EARC) Limited & Ors.*, after the Supreme Court observed that they were seeking revision of its order under the grab of 'modifications and clarifications' in the Resolution Plan. "We find that there is a growing tendency of indirectly seeking review of the orders of this Court by filing applications either seeking modification or clarification of the orders passed by this Court. In our view, such applications are a total abuse of process of law," said the Bench of the Supreme Court constituting Justice B. R. Gavai and P. S. Narasimha. The EARC had moved a Miscellaneous Application for clarification towards the aspect of security of pledge of shares with EARC having allegedly been 'arbitrarily and illegally wiped out' in the Resolution Plan.

For More Details, Please Visit: <https://www.barandbench.com/news/litigation/growing-tendency-indirectly-look-review-under-grab-clarification-supreme-court-20-lakh-costs>

IBBI asks IPs to inform about cases pending in Supreme Courts and HCs wherein 'scheme of IBC is in question'

Insolvency Professionals have been advised to inform IBBI without any delay about any important issues relating to vires, interpretation, and applicability of the provisions of the IBC, Rules and Regulations made thereunder are being contested before the High Courts and the Supreme Court of India, in respect of any assignment handled by them as on date. Further, the information as above shall be submitted by IPs as and when any such case is filed before Supreme Court and High Courts. For pending cases, the case papers with issues involved in brief shall be forwarded to IBBI by September 2022.

More Details, Please Visit: <https://ibbi.gov.in/uploads/legalframework/017e888faf88f38d3f7caa2aabc7efed.pdf>

Facing financial crisis due to seizer, Google's Russian subsidiary files for bankruptcy

GOOGL.O, the Russian subsidiary of USA's tech giant Google, plans to file for bankruptcy after authorities seized its bank account, making it impossible to pay staff and vendors, but free services including search and YouTube will keep operating. It has been under pressure in Russia for months for failing to delete content Moscow deems illegal and for restricting access to some Russian media on YouTube, but the Kremlin has so far stopped short of blocking access to the company's services.

For More Details, Please Visit: <https://www.reuters.com/markets/europe/googles-russian-subsidiary-files-bankruptcy-document-2022-05-18/>



IBBI Amends Regulations to fix Minimum Fee for Insolvency Professionals

Through a notification dated September 13, 2022, the IBBI has notified amendments in IBBI (CIRP) (Third Amendment) Regulations, 2022 and IBBI (IPs) (Second Amendment) Regulations, 2022 w.e.f. October 01, 2022.

As per these amendments, "an IP shall be paid minimum fixed fee in the range of one lakh rupee to five lakh rupees, per month, depending on the quantum of claims admitted". However, the applicant or Committee of Creditors (CoC) may decide to fix higher amount of fees than the said minimum fixed fee, after taking into consideration market factors such as size and scale of business operations of corporate debtor, business sector in which corporate debtor operates, level of operating economic activity of corporate debtor and complexity related to process. The CoC may also decide to pay performance-based incentives for value maximization.

For More Details, Please Visit: <https://ibbi.gov.in/uploads/press/8e6f1038595ca9a05af14e51daf09560.pdf>

Event Photograph



A Snapshot of Webinar on Common Issues & Peer Review Framework organized by IIPI on September 16, 2022.

IIPI to host Webinar on Evolving Jurisprudence Under IBC

The Webinar titled “Evolving Jurisprudence Under IBC (Important Case Laws)” scheduled to be organized from 4.00 PM to 6.00 PM on September 30, 2022, will be addressed by Adv. Ashish Makhija, IP and Adv. Nipun Singhvi, IP. The participants will be provided CPE 1 hour.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2022/09/30th-september-2022-.pdf>