



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

# IIPI Newsletter

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### NCLT orders CIRP of Asian Hotels on petition of an asset reconstruction co.

Asian Hotels Ltd. (West) owns Mumbai's Hotel Hyatt Regence and JW Marriott Hotel, New Delhi Aerocity (through its subsidiary). This order came on a petition filed by JM Financial Asset Reconstruction Co. Ltd. on a default over ₹264 crores.

Yes Bank Ltd. had provided credit facilities to Asian Hotels Ltd. As it failed to pay the dues, the Bank declared this account as NPA and filed an application under Section 7 of the IBC to initiate CIRP. Meanwhile, the Yes Bank Ltd. assigned the debt to JM Financial Asset Reconstruction Co. Ltd., which pursued the matter.

**For More Details, Please Visit:** <https://www.livelaw.in/news-updates/nclt-delhi-asian-hotels-hyatt-regency-corporate-insolvency-resolution-process-cirp-210210>



## News Update

*\*For Internal Circulation Only  
\*Knowledge SBU Initiative*

### IBBI introduced 'Regulatory Fee' and hiked existing fees to achieve self sufficiency

Insolvency and Bankruptcy Board of India (IBBI) has levied a 'Regulatory Fee' at the rate of 0.25% of the realizable value to creditors under the Resolution Plan approved as per Section 31 of the IBC, where such realizable value is more than the liquidation value. This fee will be applicable where Resolution Plan is approved on or after October 01, 2022. The provision of 'Regulatory Fee' has been made under Section 31 (A) (1) which was inserted through the IBBI (CIRP) (Fifth Amendment) Regulations 2022 notified on September 20.

Further, as per the Section 31 (A) (2) 'a regulatory fee calculated at the rate of one per cent of the cost being booked in CIRP costs in respect of hiring any professional or other services by the IRP or RP, as the case may be, for assistance in a CIRP, shall be payable to the Board, in the manner as specified in Clause (cb) of Regulation (7) (2) of IBBI (IPs) Regulations, 2016'.

Besides, the IPs will be required to pay one percent of his/her earning from professional services in the preceding financial years, which was earlier 0.25%. This provision has been inserted through an amendment in Clause (ca) of Regulation 7 (2) of IBBI (Insolvency Professionals) (Third Amendment) Regulations 2022. This amendment also mandates the IPs and IP Entities to pay ₹20,000 and ₹2 lakhs 'on every five years after the year in which the certificate is granted and such fee shall be paid on or before the 30th of April of the year it falls due'. These fee hikes are reportedly to become self-sufficient and reduce reliance on government funds.

**For More Details, Please Visit:** <https://ibbi.gov.in/uploads/legalframework/b32bad90cea91eca5304a685e45d5eb2.pdf>  
AND <https://ibbi.gov.in/uploads/legalframework/da9495e9d4766c4da095a622a6c3b8ec.pdf>

## News Roundup

### NCLT ordered CIRP of Ajnara Builders on petition of homebuyers

The petition for initiation of insolvency proceedings of the company was filed by 128 homebuyers on a reportedly delayed project in Noida. In their petition, the homebuyers have alleged that the respondent (developer) taking advance payments raised a total financial debt of ₹50 crore only from the applicants but failed to fulfil its commitments and defaulted in construction of the project. The NCLT has also directed Ajnara Ltd. to deposit ₹2 lakh to meet immediate expenses. As per the agreement, the buyers were promised possession within three years from the date of agreement most of which were executed between 2012 to 2014. The project was being built at a land area of approximately 1,42,967 sq in Sector 118, Noida.

*For More Details, Please Visit:* <https://zeenews.india.com/real-estate/nclt-admits-homebuyers-insolvency-petition-against-ajnara-builder-to-appeal-in-nclat-2512562.html>

### Welspun Corp wins bid to acquire ABG shipyard through liquidation

The Liquidator of ABG shipyard has announced that Welspun Corp has won the bid to acquire ABG shipyard in ₹659 crore plus taxes. According to media reports, the partially built obsolete ships and scrap acquired under Welspun Corp is estimated to be over ~ 150,000 MT. Welspun Corp jointly with its subsidiary Nauyaan Shipyard would acquire the ABG asset at Dahej, in Gujarat. The asset is spread over 165 acres of leasehold land with 1,000 meter of water frontage. ABG Shipyard is among 'Twelve Large Accounts' the RBI had initially identified for insolvency proceedings under the IBC.

*More Details, Please Visit:*

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/welspun-corp-wins-bid-for-abgs-shipyards/articleshow/94383619.cms>

### Russia-Ukraine War: Insolvency cases rise by 26% in Germany

As per the reports, the increased cost of fuel supply has forced several energy intensive companies, which were otherwise successful, to bankruptcy. A study by IWH Economic Institute said some 718 German entities became insolvent in August, a 26% jump over the previous year. It expects that figure to stay at around 25% in September and climb to 33% in October. The annual energy price increase in Germany in August on average was 139%, reported local media quoting latest weekly 'producer price data'. In a BDI survey of 593 businesses, more than a third said their existence was threatened by higher energy prices, up from 23% in February.

*For More Details, Please Visit:* <https://www.euronews.com/next/2022/09/21/germany-economy-insolvencies>



### IBBI issued guidelines to streamline communication between RPs and stakeholders

IBBI, through IBBI (CIRP) (Fourth Amendment) Regulation 2022, has issued a new set of guidelines for Interim Resolution Professionals (IRPs) and Resolution Professionals (RPs) to communicate with various stakeholders in order to facilitate timely decision-making.


As per the new guidelines the IRP/RP hired by the lenders has to communicate with stakeholders by way of emails and where there is a change in the professional, the credentials of the email account have to be shared with the new person. It directs the IRP to open an email account and use it for all correspondences with stakeholders and in the event of their replacement by an RP, s/he shall hand over the credentials of the email to the successor. In certain cases, where it is not possible to send a communication to creditors, a public announcement made will be deemed to be the communication. Besides, the new regulations also give guidance on the strategy for the marketing of assets of the CD.

*For More Details, Please Visit:*

<https://www.livemint.com/news/india/ibbi-streamlines-communication-rules-for-company-administrators-11663412622352.html>

## Forthcoming Events



 **Indian Institute of Insolvency Professionals of ICAI**  
(Company formed by ICAI as per Section 8 of the Companies Act 2013)

**09<sup>th</sup> Batch - EXECUTIVE DEVELOPMENT PROGRAM**  
**Managing Corporate Debtor as Going Concern under CIRP**  
**(For IPs)**

"An IP as one of the key pillars under IBC exercise powers of Board of Directors of the CD under resolution and inter-alia, manages its operations as a going concern. The managerial skill therefore is a quintessential element for a successful professional and to ensure an effective resolution process."

**HIGHLIGHTS**

- Practical Exposure via Case Studies
- Managerial Knowhow
- Developing Soft Skills
- Regulatory Framework
- Inter-Disciplinary Approach

**Date:** 11<sup>th</sup> - 15<sup>th</sup> October 2022  
**Duration:** 40 Hours (over 5 days)  
**Fees:** Rs.7500/- + GST  
**Mode:** Online

**CPE:** 20 Hours

**Limited Seats**

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<https://app.iiipicai.in/regpayments/>

**Visit Us:**  
[www.iiipicai.in](http://www.iiipicai.in)

**Contact:** [inpprogram@icai.in](mailto:inpprogram@icai.in)  
8178995141

### IIPI organizing 09th Batch – EDP Managing CD as Going Concern under CIRP (for IPs)

The 09th Batch - EXECUTIVE DEVELOPMENT PROGRAM (EDP) Managing Corporate Debtor (CD) as Going Concern under CIRP (For IPs) will be conducted from 11<sup>th</sup> – 15<sup>th</sup> October 2022. It will have a total duration of 40 Hours (over 5 days). The participant IPs will be provided 20 hours of CPE credit.

**For More Details, Please Visit:**

<https://www.iiipicai.in/wp-content/uploads/2022/09/09th-EDP-corporate-debtors-.pdf>

### IIPI jointly with IBBI to organize Webinar on Sept 29

The Webinar titled “Recent Developments in Regulatory Framework with respect to Insolvency Professionals under the Code” is scheduled on Thursday, 29<sup>th</sup> September 2022 from 16.00 hrs to 17.30 hrs. Mr. Jayanti Prasad, WTM-IBBI, Mr. Amit Pradhan, ED-IBBI, and Mr. Rahul Madan, MD-IIIP of ICAI will address the Webinar. The Webinar includes a 30-minute Q & A session for addressing queries of the participants and eliciting further feedback/suggestions.

**For More Details, Please Visit:**

<https://www.iiipicai.in/wp-content/uploads/2022/09/29th-Sept-Webinar.pdf>