



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

# IIPI Newsletter

### Mumbai based Mahesh Tutorials admitted into CIRP

NCLT, Mumbai bench has ordered commencement of CIRP of Mumbai based MT Educare which is formerly known as Mahesh Tutorials. The CIRP petition to initiate the insolvency proceedings of the company was filed by its operational creditor 'Connect Residuary' in November 2021 after the company defaulted on its dues of about Rs 5.37 crore. In 2012, MT Educare was successfully listed on BSE & NSE. The company has presence in several states and provides digital solutions to students.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/news/company/corporate-trends/nclt-admits-listed-coaching-firm-mt-educare-under-corporate-insolvency-resolution-process/articleshow/96351214.cms?from=mdr>



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## CONTENTS

**News Update**  
**News Roundup**  
**Event Photos**  
**Upcoming Events**

## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### Section 60 (2) of IBC is Meant to Group Together Various Cases of the same CD before a single forum: High Court of Calcutta

The Court observed that the object of sub-section 60 (2) of the IBC, 2016 is to group together (a), the CIRP or liquidation proceedings of a Corporate Debtor (CD), and (b) the Insolvency Resolution or Liquidation or bankruptcy of a corporate guarantor or personal guarantor of a very same CD so that a single forum may deal with both.

"This is to ensure that the CIRP of the CD and the insolvency resolution of the individual guarantors of the very same CD do not proceed on different tracks, before different forum, leading to conflict of interest, situations or decisions," said the Court and directed the petitioner to approach the NCLT. This appeal was filed by the Financial Creditor (FC), which had filed CIRP petition against the CD. During the CIRP, the suspended director of the CD offered the FC to pay his entire claim totaling ₹11.06 Crore on condition that the petitioner had to return the pledge shares and original title deeds of land mortgaged against the loan. Though the FC agreed to the offer, due to the intervention of other creditors having a cumulative claim of about ₹118 crore, NCLAT did not allow withdrawal of CIRP. Subsequently, the CD went into Liquidation and FC filed a claim of ₹14.47 crore before the Liquidator.

Apprehending that the Liquidator will take control and possession of the shares and land which was offered by suspended director during CIRP for settlement and withdrawal under Section 12 A, the petitioner had approached the High Court for an interim order in this regard but could not get relief.

**For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/order/ef339d7a15af8c63aacadbed9b66fc23.pdf>

## News Roundup

### **Banks need to aggressively work on recovery from willful defaulters, said Shyamala Gopinath, Former Deputy Governor of the RBI**

“If an account is treated as willful, banks are required to refer the matter to law enforcement agencies, and, thereafter, it is the enforcement agency that facilitates the recovery of such loans. Legal processes are also involved,” said Gopinath to media persons. She further added that the RBI measures, like the one which requires banks to report all large corporate credits to the central repository, is a positive one. “This will enable banks to better manage the underwriting risk on corporate loans through better understanding of the leverage of the corporate,” she added.

**For More Details, Please Visit:**

<https://www.moneycontrol.com/news/business/banks/exclusive-former-rbi-deputy-governor-shyamala-gopinath-pitches-for-stronger-ibc-process-9743471.html>

### **NCLT approved Resolution Plan for Anil Ambani's Reliance Naval**

NCLT Ahmedabad has approved a resolution plan by the Swan Energy-Hazel Mercantile team consortium for Anil Ambani-owned Reliance Naval and Engineering Ltd (RNEL). The Successful Resolution Applicant (SRA) has offered a staggered payment of ₹2,040 crore, while on the net present value basis it was ₹1,218 crore. Of the ₹2,040 crore offered by the duo, a sum of ₹1,640 crore will be paid over the next five years, and the remaining payment will be made from the recovery of certain pending dues. The Resolution Plan was approved by CoC with 95% votes in March 2022.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/industry/banking/finance/court-approves-swan-energy-teams-resolution-plan-for-reliance-naval/articleshow/96468510.cms>

### **Core Scientific attributed its bankruptcy to slumping Bitcoin prices**

Core Scientific, one of the biggest publicly traded cryptocurrency mining companies in the United States, has filed for Chapter 11 bankruptcy protection. The Company said in court filings that it had suffered a net loss of \$434.8 million for the three months ending September 30, 2022 and had just \$4 million in liquidity at the time of its bankruptcy filing.

**For More Details, Please Visit:**

<https://www.reuters.com/technology/bitcoin-miner-core-scientific-file-chapter-11-bankruptcy-cnbc-2022-12-21/>



### **IBBI issued proforma for Reporting Liquidator's Decision(s) different from the Advice of SMC**

IBBI through a Circular dated December 21, 2022, has made available an electronic platform at its website, for reporting the Liquidator's decisions different from the advice given by the Stakeholders' Consultation Committee (SCC).

As per the Proforma, the Liquidator is required to provide (a) date of SCC meeting, (b) Agenda(s) on which decision of liquidator is different from the advice given by SCC, (c) Summary of advice provided by SCC, (d) Justification for taking the decision different from the advice by SCC, (e) Voting Results (Assent %, Dissent (%), and Did not vote %), and (f) Minutes of the SCC meeting. This Circular has been issued under proviso to Regulation 31A (10) of the IBBI (Liquidation Process) Regulations, 2016) under which the 'advice of the SCC shall not be binding on the liquidator'. Thus, the Liquidator is empowered to take independent decision, but he is required to record the reasons in writing and submit to the Adjudicating Authority and IBBI within five days of the said decision; and include it in the next progress report.

**For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/legalframework/2d5613091cded4721f7f0297f4416a8e.pdf>

## Event Photograph



*IIPI organized Webinar on Successful CIRP Case Study - Jhabua Power Ltd. on December 23, 2022.*

### **IIPI Organizing Webinar on 'Evolving Jurisprudence Under IBC'**

The Webinar titled 'Evolving Jurisprudence Under IBC (Important Case Laws)' will be organized from 4.00 PM to 6.00 PM on December 30, 2022. The speakers of the Webinar are Adv. Nilang Desai and Adv. Nipun Singhvi. Insolvency Professionals (IPs) participating in the Webinar will be eligible for CPE 1 hour.

***For More Details, Please Visit:***

<https://www.iiipicai.in/wp-content/uploads/2022/12/30th-December-22.pdf>