



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter



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### Except ICICI, Banks assigned their debt in JIL to NARCL

Jaypee Infratech Ltd. (JIL), which is undergoing through CIRP, has revealed that the consortium of lenders, excluding ICICI Bank, have assigned their debts to National Asset Reconstruction Company Ltd. (NARCL). The information was provided to JIL by IDBI Bank Ltd. vide its letter on January 21, 2023, acting as lenders' agent of the consortium including SBI, LIC, UBI, Canara Bank, IFIC Ltd., J&K Bank, Bank of Maharashtra, and India Infrastructure Finance Company Ltd. The Resolution Plan of Suraksha Group for JIL was approved by CoC in June 2021.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/industry/services/property/-construction/jaypee-infra-insolvency-consortium-lenders-except-icici-bank-assign-their-debt-to-narcl/articleshow/97288220.cms>

## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### Once CoC approves a Resolution Plan, No Withdrawal Application Under Section 12A of IBC can be entertained: NCLAT

The Ex-Promoter of the Corporate Debtor (CD) had filed an appeal against the order of Adjudicating Authority (AA) through his application for withdrawal of CIRP under Section 12A was set aside. It was contended that approval of a Resolution Plan by CoC is no impediment in accepting a settlement proposal under Section 12A by the CoC. He also invoked the commercial wisdom of the CoC as his settlement plan was reportedly better than the approved Resolution Plan.

NCLAT observed that under Regulation 30A of IBBI (CIRP Regulations), an application for withdrawal under Section 12A can be made after issuance of 'EOI' only when sufficient reasons exist to justify the withdrawal. "Non-mention of RP costs in Regulation 30A (2) supports the contention that Section 12A Application cannot be filed after approval of Resolution Plan by the CoC," said NCLAT. Quoting the Supreme Court judgement in the matter of *Ebix Singapore Pvt. Ltd. Vs. CoC of Educomp Solutions Limited and Anr.*, (Civil Appeal No.3224 of 2020), the Court observed "after approval by the CoC of a Resolution Plan, CoC itself is bound by its decision and cannot be allowed to go back from its decision and pass any other resolution". As the AA found no adequate reason to keep the Resolution Plan approval application in abeyance, no error was committed in rejection of the Ex-Promoter's Application, said the Court. Accordingly, the appeal was dismissed.

**For More Details, Please Visit:** <https://www.livelaw.in/news-updates/withdrawal-application-us-12a-cant-be-entertained-after-approval-of-resolution-plan-by-coc-nclat-delhi-220056>.



## News Roundup

### CD cannot be punished for not doing something which was impossible for it to do because of legal impediment of moratorium under IBC, 2016: Supreme Court

After the completion of CIRP, CD filed an application for issuance of discharge certificate before Assistant Commissioner (AC), which was rejected on the ground that the deadline for Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) had already lapsed. CD's appeal against this order was rejected by Allahabad High Court. The SC quashed the order of HC and observed that CD was not in the position to deposit the settlement amount at the relevant time because of bar under the IBC, during the moratorium, no payment could have been made.

**For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/legalframework/9ad92d5c0a0b1e92e7b97aecce45adde.pdf>

### Supreme Court's go ahead to CIRP of Hyderabad based Gayatri Projects

Gayatri Projects, with an annual turnover of ₹3,463 crore and ₹5,864 crore worth of assets on a standalone basis in the financial year 2019, was admitted for CIRP proceedings in November 2022 by the NCLT on an application filed by the State Bank of India (SBI). The public sector bank claimed that the CD defaulted on ₹242.33 crore loans. However, the promoters led by TV Sandeep Kumar Reddy challenged the CIRP order of NCLT in the Appellate Tribunal, which was dismissed. "We find no ground to interfere with the impugned order passed by the NCLAT," said the Supreme Court.

**For More Details, Please Visit:**

<https://www.moneycontrol.com/news/business/gayatri-projects-insolvency-to-go-ahead-sc-throws-out-promoters-plea-9912501.html>

### Construction in Australia faces a long-term "reckoning" as rising costs and interest rates bite

Figures from Australian Securities and Investment Commission (ASIC) show a large rise in companies appointing external administrators. These appointments in construction, accommodation and food services, and retail were up nearly 90%, 50% and 80% respectively. According to experts, the construction sector was structurally challenged and there would be a "long-term reckoning" in the pricing of construction contracts and the allocation of risk to try to avoid insolvencies.

**For More Details, Please Visit:** <https://www.afr.com/policy/economy/insolvency-bosses-ready-for-a-reckoning-in-construction-20230124-p5cf10>.



### Aspects of Communication, Agility and Efficiency Are Key to the Role of an IP: President NCLT

Chief Justice (Retd.) Shri Ramalingam Sudhakar, Hon'ble President, National Company Law Tribunal (NCLT) has called upon insolvency professionals to work efficiently for providing effective assistance to Adjudicating Authority in the interest of smooth execution of the processes, as well-oiled cogs of a wheel. He also enumerated the multifarious role of IPs and reinforced that IPAs should take lead in implementing best practices in the insolvency profession.

Shri Sudhakar was speaking as Chief Guest in a Conclave of Insolvency Professionals on January 20, 2023, in Chennai. The conclave, 6th in the series was jointly organized by IBBI, Committee on IBC of ICAI, and the three Insolvency Professional Agencies (IPAs).

Shri Ravi Mital, Chairman-IBBI, Shri Sameer Kakar, Hon'ble Member (Technical), NCLT-Chennai, Smt. Anita Shah Akella, Joint Secretary, MCA, Shri Sudhakar Shukla, Whole-time Member, IBBI, and other dignitaries expressed their views in the Conclave.

**For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/press/291ae15b1c73746ed6318decf009b78f.pdf>.



## Event Photograph



### UK's Flybe entered administration, a form of protection from Creditors

British regional airline Flybe on January 28 ceased trading for the second time in three years. According to a media statement by the company, which operated scheduled services from Belfast, Birmingham and Heathrow across the UK and to Amsterdam and Geneva, had entered administration, a form of protection from creditors. The company has cancelled all flights and made its 276 workers redundant.

A spokesperson for administrators Interpath Advisory said about 75,000 Flybe customers had future bookings that would now not be honored. Headquartered in Birmingham, Flybe operated flights on 21 routes to 17 destinations across the UK and Europe using a fleet of eight leased Q400 turboprop aircraft. The UK Civil Aviation Authority (CAA) said it would provide advice and information to affected passengers.

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

<https://www.reuters.com/business/aerospace-defense/uk-airline-flybe-put-administration-cancels-scheduled-flights-2023-01-28/>.



*IIPI jointly with IIP-ICSI, and IPA of ICMA organized a Webinar on "Recent Amendments Relating to Regulatory Fee" on January 30, 2023.*