



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

RP detected ₹14,809 cr. PUF transaction in Future Retail

Future Retail Ltd. (FRL), which is undergoing CIRP, has submitted that the RP of the Corporate Debtor has filed an application before NCLT Mumbai against director/ erstwhile directors of the company under Section 66(2) and Section 67 read with Section 60 (5) of the IBC. In this application, the RP has sought direction from AA against the respondents to the said application to contribute the PUF amount to FRL. The CIRP of FRL was initiated in June 2022 on an application by Bank of India alleging a default of ₹856 crores. So far, the RP has received claims of ~₹19,000 crore from financial creditors.

For More Details, Please Visit:

<https://www.newindianexpress.com/business/2023/mar/12/resolution-professional-alleges-detection-of-rs-14809-crore-false-transactions-offuture-retail-2555202.html>



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

Suraksha Group's Resolution Plan got NCLT approval to takeover Jaypee Infratech Ltd.

The Resolution Plan of Suraksha Realty Ltd. and Lakshdeep Investments and Finance Pvt Ltd. have recently received the approval of NCLT, New Delhi. This order came as a big relief to about 20,000 homebuyers who had invested their hard-earned money to get a home in the National Capital Region (NCR).

As per the Resolution Plan, the Successful Resolution Applicant (SRA) is liable to infuse ₹125 crore as equity and ₹125 crore debt in Jaypee Infratech within 90 days of the approval date. Furthermore, the SRA will arrange loan/credit facility of ₹3,000 crore within 90 days of the approval date, to be utilized as and when required, on need basis for completion of the projects. Besides, Jaypee Infratech Ltd (JIL) will be delisted and public shareholders will be given an aggregate exit at a price of ₹0.14 crore. The institutional financial creditors (banks) will get “zero coupon Non-Convertible Debentures (CSDS)” amounting ₹1,280 crore and 2,550 acres land worth ₹6,457 crore (fair market value).

Suraksha Group was declared SRA with 98.66% of votes in the fourth round of the bidding process. In addition to about 12 banks, homebuyers had also exercised their voting rights through their representatives. The state owned NBCC, that stood second, got 0.12% less votes than Suraksha Group in the CoC meeting.

For More Details, Please Visit: <https://economictimes.indiatimes.com/industry/services/property/-construction/jaypee-infra-insolvency-suraksha-group-to-infuse-rs-250-crore-arrange-rs-3000-crore-loan-to-complete-20000-flats/articleshow/98522473.cms>

News Roundup

CIRP petition cannot be rejected on dispute quantum of Debt: NCLT, New Delhi

The Adjudicating Authority (AA) relied on the NCLAT judgement in the matter of *Mr. Vineet Khosla Vs. M/s Edelweiss Asset Reconstruction Com*, wherein it was held that determination of quantum of financial debt is not in the domain of AA and the CD would be free to raise objection regarding mismatch of dues and excess before the RP/CoC. In this matter the CD has failed to honour two previous settlement agreements. However, the CD argued that the AA should reject the CIRP petition of the Financial Creditor (FC) alleging that the FC was making a false claim as the amount alleged to be in default does not match its account statement and credit entries.

For More Details, Please Visit: <https://www.livelaw.in/news-updates/dispute-in-the-quantum-of-debt-cannot-be-a-ground-for-rejection-of-insolvency-petition-nclt-delhi-reiterates-223569>

Operational Creditor to withdraw CIRP application against Zee Media

Indian Performing Right Society (IPRS) and Zee Entertainment Pvt. Ltd. (Corporate Debtor) has reportedly entered into a settlement agreement under which the former has agreed to withdraw CIRP application against the later. IPRS, which is an Operational Creditor of Zee Entertainment Pvt. Ltd., has filed an application to initiate CIRP of the Corporate Debtor claiming debt and default amounting Rs. 211 crores towards loyalty payable for utilization of literary and musical works.

For More Details, Please Visit:

<https://www.cnbctv18.com/business/zee-media-iprs-reach-agreement-insolvency-plea-to-be-withdrawn-16110871.htm>

Days after the collapse of Silicon Valley Bank, the financial group's UK arm is set to be declared Insolvent

According to the media reports, deposits are insured up to £85,000 (\$102,000) or £170,000 for joint accounts. The Bank of England said that eligible depositors would be paid by the UK's deposit-insurance fund. Earlier this week, US banking giant Silicon Valley imploded as patrons rushed to withdraw their deposits amid growing concern about the lender's health. The frenetic two-day run has sent shockwaves rippling across the globe and wiped out more than \$100 billion in market value for US banks.

For More Details, Please Visit: <https://www.livemint.com/news/world/silicon-valley-bank-crisis-group-s-uk-unit-set-to-be-declared-insolvent-11678544582374.html>.



There is no legal disability for the Liquidator in exercising any of the methods of sale stipulated under Regulation 32: NCLT

NCLT, New Delhi Bench has held that the Regulation 32 of Liquidation Regulations itself provides requisite flexibility in choosing the methods of sale during the auctions subsequent to the first auction, and there is no requirement in law seeking permission of the AA. The Bench clarified that the Liquidator is under no obligation to seek permission of the AA for choosing the method of sale.

This judgement came in the matter of *Mr. Surinder Manchanda Vs. Nolsar International Limited*. In this case, the corporate debtor could not be sold as a going concern in the first round of bidding. After conducting several rounds of bidding, the Liquidator found a willing buyer. Thereafter, he sought the indulgence of the AA because, according to him, Regulation 32A (4) of the IBBI (Liquidation Process) Regulations, 2016 puts a bar on sale of the corporate debtor as a going concern in subsequent auctions.

For More Details, Please Visit:

<https://www.livelaw.in/news-updates/no-bar-on-sale-of-corporate-debtor-as-a-going-concern-after-first-auction-permission-of-aa-not-required-nclt-delhi-223361>

Event Photograph



Webinar on “Contribution of Women IPs under IBC: Potential Issues and Challenges” organized by IIIPI on the occasion of International Women’s Day on March 07, 2023.



Webinar on “Value Maximization Strategies under IBC” organized by IIIPI on March 10, 2023.

LIE Preparatory Classroom (Virtual) Program to start from March 27

The next “Weekday Batch” of IIIPI’s Limited Insolvency Examination Preparatory Classroom (Virtual) Program will be conducted from 27th to 31st March 2023. Besides the classes, participants will also be provided ‘Online Study Material’. There are limited seats for this 40-hour program.

The objective of the program is providing good knowledge about the Code & its processes to the participants. It will include (a) IBC & Regulations: Introduction, (b) IBC & Regulations: CIRP (c) IBC & Regulations: Liquidation & Voluntary Liquidation (d) IBC & Regulations: Resolution and Bankruptcy (e) IBC & Regulations: Resolution Mechanism for Financial Service Provider (FSP) (f) Important Court & IBBI Orders (g) Indian Contract Act & Other Commercial Laws (h) Limitation Act & Other Securitization laws, (i) Companies Act 2013, and Corporate Finance & Constitutional Remedies.

For More Details, Please Visit:

<https://www.iipicai.in/wp-content/uploads/2023/03/Draft-Flyer-for-LIE-March-2023.pdf>.