



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

NARCL to acquire 76% of debt of Dharani Sugars and Chemicals

NARCL is reportedly set to acquire the debt of Dharani Sugars and Chemicals for ₹222.5 crore before the end of the current financial year. The lenders did not receive any counter offers in the Swiss Challenge auction triggered by NARCL's binding offer. The offer submitted by NARCL equates to 36% recovery by lenders out of which 15% will be given as cash and remaining in the form of security receipts payable on loan recovery.

The NARCL has proposed to acquire 76% of the admitted debt of a consortium of banks including SBI, UBI, ICICI among others.

For More Details, Please Visit:

<https://rb.gy/3thxxo>



March 27, 2023

Volume 08, Number 13

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**For Internal Circulation Only*

**Knowledge SBU Initiative*

‘Unsuccessful Resolution Applicant’, has no ‘Locus’, to ‘assail’ a ‘Resolution Plan’ or its ‘implementation’: NCLAT Chennai

NCLAT Chennai Bench has held that an ‘Unsuccessful Resolution Applicant’ is neither a ‘stakeholder’ under Section 31 (1) nor an ‘Aggrieved Person’ under Section 61 (1) of the IBC, 2016. Accordingly, he has no right to challenge the Resolution Plan approved by the Adjudicating Authority (AA).

The Resolution Plan of ASG Hospital Private Ltd. to takeover Vasan Health Care Pvt. Ltd. (Corporate Debtor) was approved by CoC. Subsequently, it was approved by NCLT on February 03, 2023, and the same was implemented. Thereafter, one of the Resolution Applicants (RAs) challenged the approval of Resolution Plan by the NCLT arguing that he has suffered at the behest of the resolution process and has a vested interest in pursuing the appeal.

The Court relied on Section 31 (1) of the IBC, 2016 which states that “if the AA is satisfied that the Resolution Plan as approved by the CoC under sub-section (4) of Section 30 meets the requirements as referred to in sub-section (2) of Section 30, it shall by order approve the resolution plan”. Thus, finally approved Resolution Plan will be binding on all the stakeholders including employees, members, creditors, government agencies and others.

For More Details, Please Visit: <https://www.livelaw.in/news-updates/unsuccessful-resolution-applicant-has-no-locus-standi-to-challenge-the-approved-resolution-plan-nclat-chennai-224719>

News Roundup

SC Okayed 2nd e-Auction for Reliance Capital

Rejecting the appeal of Torrent Group, the Supreme Court has provided a go ahead to the CoC of Reliance Capital to conduct 2nd e-auction of the Corporate Debtor. Now, the CoC can proceed with its plans of inviting expressions of interest (EoI) from resolution applicants and hold the proposed extended challenge mechanism. However, the Apex Court's final order will determine the outcome of the auction. As per media reports, the CoC is likely to finalize the date to hold the extended challenge mechanism on March 29. The NCLAT had permitted holding a second e-auction, as the bids received in the first auction were “sub-optimal and unsatisfactory”.

For More Details, Please Visit: <https://rb.gy/u2tr5o>

India's corporate sector's core debt as a percentage of GDP stood at 87.7%

India is among a few countries in the world which is successfully reducing its core debt burden in the Corporate Sector after the Covid-19 pandemic. As per the data released by Central Government, India's corporate sector's core debt as a percentage of GDP stood at 87.7% in Q3 of 2022, which is much better than 157.3% of Advanced Economies (AEs). The corresponding corporate sector's core debt for China, South Korea, and the UK were respectively 219.7%, 224.5% and 154%. This achievement despite the Covid-19 pandemic and Ukraine crisis, shows the vibrant nature of Indian economy. This could be attributed to the banking sector's balance sheet clean-up and the corporate sector's deleveraging exercise.

For More Details, Please Visit: <https://rb.gy/0mhrw0>

Major Mexican Broadcaster faces Involuntary Bankruptcy Petition by Creditors

Creditors holding \$63 million of unsecured bonds of Mexican broadcaster 'TV Azteca' have filed a bankruptcy petition under Chapter 11 of the USA Bankruptcy Law against the company in New York. This marks the second attempt by bondholders to get traction for their claims against Azteca after it defaulted on \$400 million of notes in 2021. The defaulted dollar notes, set to mature in 2024, were trading at 42.25 per cent as of March 14, according to trace data. Azteca shares have fallen more than 11% year-to-date. The company said it remains committed to negotiations with creditors and financial discipline and expects to respond responsibly to the legal proceedings.

For More Details, Please Visit: <https://rb.gy/hg6kzi>



Adani Power will only be liable for what is mentioned in the resolution plan of Korba West Power: Supreme Court

The Apex Court has categorically mention that NCLAT's permission to Shapoorji Pallonji & Co. for continuing with the arbitration proceedings, is only with regards to the quantification of their claims, and this will not affect the rights and obligations of the resolution applicant. It clarified that there were no ambiguities in the findings of the Appellate Tribunal, as they reflect that the Resolution Plan, as approved, is binding on all the stakeholders and cannot be made the subject matter of arbitration or any other proceeding.

NCLT, Ahmedabad Bench in 2019 had approved the Resolution Plan submitted by Adani Power to take over debt ridden Korba West Power. However, about ₹45 crore claim of Shapoorji Pallonji was not included in the Resolution Plan as it was rejected by the Resolution Professional citing pending arbitration proceedings prior to the initiation of CIRP. This prompted Pallonji to file an appeal in the NCLAT to challenge the Resolution Plan. The NCLAT had dismissed the appeal.

For More Details, Please Visit: <https://www.bqprime.com/law-and-policy/supreme-court-upholds-adani-powers-resolution-plan-for-korba-west-power>

Event Photographs



Webinar on “Allied Legislations around IBC- Knowhow for IPs” conducted by IIIPI on March 24, 2023.



Inaugural Session of the IIIPI's 11th Batch of Limited Insolvency Preparation Training Program on March 27, 2023



IIIPI to conduct 7th Batch of EDP on “Mastering Avoidance ‘PUFE Forensics’ Under IBC” from April 25

The 7th batch of Executive Development program (For IP's) on Mastering- “Avoidance/PUFE Forensics” under IBC is scheduled to start from April 25, 2023. These three days program will be for 18 hours and conclude on April 27, 2023.

The seats for the program are limited and registration is based on ‘first come first serve’ basis. The IPs attending the program will be eligible to claim for 12 CPE hours.

For More Details, Please Visit: - <https://rb.gy/bhxqdd>

IIIPI's Webinar on April 06, 2023

The Webinar titled “Office Infrastructure and Usage of Technology by IPs” will be conducted from 3.00 PM to 6.00 PM. This program has 2 CPE hours.

For More Details, Please Visit: - <https://rb.gy/0u79kj>