



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

Bill to amend IBC likely in Monsoon Session

Central Government is planning to introduce bills to amend Insolvency and Bankruptcy Code, 2016 and the Companies Act, 2013 in the upcoming Monsoon Session of the Parliament.

The amendments are aimed to promote ease of doing business, facilitate corporate compliance, and improve the resolution process for stressed companies. Proposed changes to the Companies Act include decriminalization of certain offenses and the introduction of a single-person company structure.

The IBC amendments include the extension of Pre-Packaged Insolvency Resolution Framework and the introduction of an alternate framework for individual bankruptcy.

For More Details, Please

Visit: <https://rb.gy/3vxix>



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

IIM Ahmedabad's report on impact of IBC is expected in next two months: IBBI, Chairman

Shri. Ravi Mital, Chairperson, IBBI said that the Indian Institute of Management, Ahmedabad (IIMA) has been tasked to study the impact of Insolvency and Bankruptcy Code (IBC). The study is aimed at examining issues such as delays in resolution, haircuts, tax impact, employment generation, and economic impact. He informed that the report of the study is expected to be released in next two months, which will help the IBBI to better understand what the IBC has achieved in terms of resolutions. He was addressing CII's IBC Conference in Delhi on April 13.

Mr. Mital emphasized the importance of innovation in implementing resolution processes and making the process more transparent while cautioning against over-regulation. He said that the IBC is one of the most important economic legislations and has brought about a cultural shift in the dynamics between lenders and borrowers, as well as promoters and creditors. Despite the challenges, IBC is a crucial instrument in improving India's credit culture and enabling faster resolution of stressed assets, he added.

As per the latest IBBI data, only 15% of 267 CIRP cases admitted by various NCLT benches in the country from October to December 2022 reached resolution with an overall recovery of just 27% of the claimed amount. Kotak Securities analysis of the data indicates that 45% of the cases were concluded through liquidation, and one-third of all liquidations occurred because no resolution plans were received.

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

News Roundup

NCLT approved ArcelorMittal's subsidiary's Resolution Plan to acquire Indian Steel Corp

ArcelorMittal's subsidiary AM Mining Pvt. Ltd's Resolution Plan for Indian Steel Corporation has been cleared by the Mumbai bench of the NCLT. As per the Resolution Plan, the Financial Creditors has been offered an upfront payment of ₹800 crore which is about 30% of the admitted financial debt. Indian Steel Corp, a Maharashtra-based steel company was admitted for insolvency process under the IBC in October 2021 after Bain Capital and Piramal Enterprises-backed India Resurgence Asset Reconstruction Company initiated bankruptcy proceedings against it. India Resurgence ARC holds 72%, or Rs 1,945 crore, of the company's debt. This marks ArcelorMittal Group's fourth acquisition of stressed businesses in India, after Essar Steel, Odisha Slurry Pipeline Infrastructure, and Uttam Galva Steels.

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

McLeod Russel and IL&FS Close to Settlement over Dues, Debt Restructuring Plan on Track

McLeod Russel India Ltd (MRIL) and IL&FS are reportedly close to finalizing a settlement over outstanding dues of ₹347.4 crore of which the principal amount is about ₹252.66 crore worth owed by MRIL. The settlement is expected to be concluded in two weeks, following which MRIL's debt restructuring plan could be approved by its lenders. The offer involves restructuring of ₹1,600 crores in debt and sale of certain assets to reduce the company's debt burden. MRIL is a bulk tea major which had lost a key company-- Eveready Industries India Ltd to the Dabur family in the recent past.

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

U.S based Tech Firm 'Pear Therapeutics' files for Bankruptcy

Pear Therapeutics, a US-based company that focuses on developing and commercializing software-based medicine, has filed for Chapter 11 bankruptcy and laid off 92% of its workforce due to difficulties in getting insurers to pay for its technology. Company's CEO Corey McCann wrote on social media "this is certainly not the outcome I envisioned when I founded Pear in 2013". The company plans to maintain a transition team of around 15 employees. Meanwhile, US-based software company Amplitude has laid off 13 per cent of its workforce, or 99 employees, amid tough macroeconomic conditions.

For More Details, Please Visit: <https://rb.gy/fsw46>



Future Retail gets 90 days extension to complete CIRP

The NCLT, Mumbai has approved Future Retail's request for an extension of its CIRP deadline from April 16 to July 15, 2023. The decision comes as Corporate Debtor sought more time to finalize its Resolution Plan.

According to media reports, Future Retail, has received 49 Expressions of Interest (EOIs) from India and abroad including Reliance Industries, Adani Group, Jindal Power, UK-based travel retailer-WH Smith Travel, JC Flowers Asset Reconstruction and Burgundy Hospitality.

Future Retail is undergoing insolvency proceedings since July 2022 after defaulting on its debt repayment obligations. The Company has been in financial turmoil for some time due to the COVID-19 pandemic and an ongoing legal battle.

The company's insolvency proceeding is being closely watched, given its status as one of India's largest retail companies, with brands such as Big Bazaar, FBB, and Easyday. The outcome of the proceedings could have significant implications for the retail sector in India.

For More Details, Please Visit: <https://rb.gy/dbe9w>



IIPI 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. The 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>

IIPI’s Webinar on 13th April 2023

The Webinar titled “Case Studies on Successful CIRPs” 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>