



**INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI**

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

# IIPI Newsletter

## NCLT allowed RP to access stores of Future Retail

Adjudicating Authority has approved an appeal of the RP of Future Retail under which he had sought help from relevant local authorities for access and protection under Regulation 30 of CIRP.

These stores were locked by the company due to dispute with landlords. The landlords were reportedly not allowing the RP to access these stores. They had also not granted the RP a consolidated list of stores. With this order, the RP can now seek the help of police and local authorities to access the locked stores. According to media reports there are about 240 stores of Future Retail about which the RP was not provided access despite repeated communications.

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



**April 24, 2023**

**Volume 08, Number 17**

## CONTENTS

**News Update**  
**News Roundup**  
**Upcoming Events**  
**Event Photograph**

## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### **RP needs to be more dutiful, and alert to prevent incorrect and prejudicial treatment of OC by the SRA, held NCLAT**

The Appellate Tribunal has directed the Successful Resolution Applicant (SRA) of a CD to pay an Operational Creditor (OC), which had suffered due to incorrect and prejudicial treatment, an amount equal to the amount permissible to the OC receiving maximum percentage of payment against admitted claim, from among all the various categories of operational creditors in the Resolution Plan. It also directed SRA to pay the OC a sum of ₹1 lakh being the cost of litigation.

This judgement has been delivered by NCLAT, New Delhi in the matter of *Kanoria Chemical & Industries Ltd. (OC) Vs. Vijendra Kumar Jain, erstwhile Resolution Professional, Transparent Energy System Pvt. Ltd., & Ors.* CA (AT) (Ins.) No. 618 of 2021 & I.A. No. 1647 of 2021 dated April 11, 2023. The OC had filed its claim with the RP but despite repeated communications he did not get any information about his admitted claim from the RP till the approval of Resolution Plan by NCLT. After approval of the Resolution Plan, the RP provided him with the portion of information relevant to the OC's claim. The NCLAT observed that the RP was required to be more alert in responding to various emails of the OC on the admitted claim amount and he should have brought the SRA's objectionable comments on the arbitration award, to the notice of CoC and NCLT. In the facts of the case, OC did not deserve 'zero' payment since the arbitration award by the competent Court was neither quashed, stayed, or varied, observed the NCLAT.

**For More Details, Please Visit:** <https://shorturl.at/qranZ>

## News Roundup

### **ARCIL lead Consortium to acquire Unimark Remedies Limited through Resolution Plan**

The Resolution Plan for Unimark Remedies Ltd. was submitted by a consortium constituting ARCIL, Intas Pharmaceuticals Ltd & Shamrock Pharmachemi (P) Ltd., which was approved by NCLT Mumbai through an order on April 17, 2023. CoC had approved the Resolution Plan amounting ₹127 crore with 72.25% voting share in its 14<sup>th</sup> meeting held on December 27, 2018. The Resolution Plan offered an 11.2% recovery of ₹1072.65 crores to the Financial Creditors amounting to ₹121 crores. It further offered a 1.9% recovery of ₹50.16 crores amounting to ₹1 crore to Operational Creditors. The resolution plan further offered a 45.24% recovery of ₹11.05 crores amounting to ₹5 crores towards workmen and employee dues.

**For More Details, Please Visit:** <https://rb.gy/dr32d>

### **Software Developer ‘Rolta India’ received 12 Expression of Interests (EOIs) for Resolution Plans**

The bidders include Silver Stallion of Mauritius, FPI Opportunities Fund of Singapore and listed companies C.E. Info Systems, 3i Infotech India, Rashmi Metaliks, Rohstoffe International, Lloyds Metals, Varanium Cloud and three individuals. Rolta India has admitted claims of about ₹7,100 crore. It was admitted to CIRP in January 2023 after it managed to escape insolvency proceedings for three times in the past four years. According to media reports, the bidders are attracted with the real estate assets of the Corporate Debtor. The CD first defaulted in 2016 on its foreign currency loans provided by Indian Banks.

**For More Details, Please Visit:** <https://rb.gy/2fo1u>

### **England and Wales reported highest Insolvency cases during March since past 3 years**

The Insolvency Service Agency of England & Wales has reported 2,457 corporate insolvencies in March which were 1,784 in February 2023. According to the official data there has been 16% increase on a year ago. The increase is reportedly due to rising costs and a stagnant economy are main reasons behind this rise in insolvency cases. The Insolvency Service Agency has said creditors’ voluntary liquidations were the biggest driver of corporate insolvency in March. “Businesses are struggling to secure financing and pay off their loans due to high interest rates and the wider impact inflation and consumer sentiment is having on sales and cash flows,” said David Kelly, head of insolvency at accountants PwC.

**For More Details, Please Visit:** <https://rb.gy/mj32b>



### **NCLT orders Liquidation of CD as the Resolution Plan deprived a dissenting Creditor of the right to recover remaining loan amount from a Guarantor**

Kotak Mahindra Bank has won a case to liquidate ARSS Infrastructure Projects instead of accepting a resolution plan approved by over three-quarters of lenders for the troubled borrower. The AA has ordered the liquidation of the civil construction firm on the grounds that the approved resolution plan deprived a dissenting creditor of the right to recover the remaining loan amount from a guarantor.

According to media reports, the Resolution Plan of the CD was approved by 76% of the creditors in the meeting of the CoC. Kotak Mahindra Bank, which had 0.64% of voting rights in the CoC of ARSS Infrastructure Projects objected to Ocean Capital Markets resolution plan since it would compel them to release third-party guarantees in favour of the resolution applicant without recovering their entire dues. “Without making any valuation, the transfer of such guarantees by way of assignment is arbitrary and is beyond the commercial wisdom of the committee of creditors,” said the Court.

**For More Details, Please Visit:** <https://rb.gy/c56nb>

## Event Photograph



*Webinar on Pre-Pack Insolvency Framework for MSMEs under IBC  
organized by IIIPI on April 21, 2023*

## IIIPI Webinars in May 2023, Please Join

The first Webinar of May month will be conducted on the topic “Evolving Jurisprudence under IBC-Recent Judgements” on May 04, 2023, while the 2<sup>nd</sup> Webinar on “Case Studies on successful CIRPs” is scheduled to be organized on May 12, 2023. IIIPI will organize a Webinar on “CoC Meetings – Best Practices” on May 19, 2023, and the last Webinar of May month has been planned on the topic “Common Issues under Monitoring/ Inspection & Peer Review” on May 26, 2023. All these Webinar will be conducted from 3 pm to 6 pm and each of them will have 2CPE hours credit.

***For More Details, Please***

***Visit:*** <https://rb.gy/kcoas>