



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

We are quite steadfast in our commitment to help airlines: Civil Aviation Minister

Expressing concerns on ensuing CIRP of Go First airlines, Civil Aviation Minister Shri Jyotiraditya Scindia said that it is “certainly something that is not a great thing for civil aviation” and the Ministry wants the resumption of flights as early as possible.

He further added that each company has to manage its own issues. Go First airline, facing financial challenges, has suspended operations until May 26. The National Company Law Tribunal has accepted Go First's plea for voluntary insolvency resolution.

For More Details, Please Visit: <https://rb.gy/d1sdi>



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

As NCLT rejects CIRP of ZEEL, it moves closer towards merger with Japan's Sony Corporation's subsidiary Sony Pictures Network

The NCLT has dismissed IDBI Bank's CIRP petition against Zee Entertainment Enterprises Ltd (ZEEL), a company promoted by Subhash Chandra. The bank had filed the petition claiming a default of over ₹149 crore. However, ZEEL successfully argued that the default occurred during Covid-19 pandemic when application of the IBC, 2016 was suspended, preventing admission of any insolvency petition under Section 10A. This decision came as a major relief for ZEEL, especially after its other creditors, IndusInd Bank, and Indian Performing Right Society (IPRS), had already settled their disputes and withdrawn their CIRP pleas.

ZEEL had already initiated settlement talks with its creditors to repay its debts, aiming to overcome obstacles in its merger with Japan's Sony Corporation's subsidiary Sony Pictures Network India (SPN). The merger agreement, signed in December 2021, would create a \$10 billion media giant. ZEEL had offered a repayment plan to IDBI Bank to settle the loan of approximately ₹149 crore in tranches. The proposed merger of ZEEL into SPN has already received approval from stock exchanges, the Competition Commission of India (CCI), and ZEEL's shareholders. Under the terms of the arrangement, SPN would hold a 50.86% stake in the merged entity, while ZEEL's promoters would hold 3.99%, and other ZEEL shareholders would hold a 45.15% stake.

For More Details, Please Visit: <https://rb.gy/05m3q>

News Roundup

Not Mandatory to File Hard Copies in Addition To E-Filing: NCLAT

In an order dated May 15, 2023, National Company Law Appellate Tribunal (NCLAT) has said that “the filing of hard copies of Appeals/ Interlocutory Applications/ Reply / Rejoinder etc. shall not be mandatory with immediate effect”. Consequently, the existing Standard Operating Procedures (SOPs), Orders, Circulars, and Notices issued by the NCLAT regarding the filing process have been modified accordingly. This new directive streamlines the filing procedure and encourages the use of electronic means for all relevant filings in the NCLAT. Effective from January 4, 2021, the NCLAT has implemented an e-filing system for Appeals, Interlocutory Applications, Reply, Rejoinder, and other related documents.

For More Details, Please Visit: <https://rb.gy/pwoe6>

NCLT rejected CIRP petition for Dish TV's Direct Media

The Mumbai bench of NCLT has rejected IDBI Trusteeship Services Ltd's application to initiate the CIRP against Direct Media Distribution Ventures Pvt Ltd, a promoter group company of Dish TV. The plea was filed by the debenture trustee on behalf of Franklin Templeton Asset Management; citing default on non-convertible debentures issued by Essel's Infra Projects Ltd. Direct Media had provided a corporate guarantee for Essel's obligations. The debenture trustee claimed that Direct Media had defaulted on dues of over ₹599 crore including interest. However, Direct Media's counsel argued that the date of default occurred during the suspension period during Covid-19, which prevents the admission of any CIRP.

For More Details, Please Visit: <https://rb.gy/6mrq9>

Users of Canadian crypto exchange Quadriga CX to get cheque for 13% of their claim

Documents from EY reportedly shows Quadriga's estate owes CAD \$303.1 million (\$222.3 million) across 17,648 claims from creditors, including Canada Post and the country's tax authority, Canada Revenue Agency (CRA). Filings show that there are 15 claims with a value greater than CAD \$1 million, and 28 claims with a value between CAD \$500,000 and \$999,999. There are also 15,236 claims valued under CAD \$10,000. According to EY users with bitcoin claims will get CAD \$6,739.08 (\$7,122.9) per BTC. For Ethereum, users will get CAD \$223.45 (\$299.45) per ether.

For More Details, Please Visit: <https://rb.gy/7kr2v>



Tulip Hotels Faces CIRP as NCLT Validates ₹900 Crore Default Claims

NCLT has approved the CIRP petition of JC Flowers Asset Reconstructions against Tulip Hotels on alleged defaults of about ₹900 crore. The original application was filed by Yes Bank, which was later assigned the debt to JC Flowers.

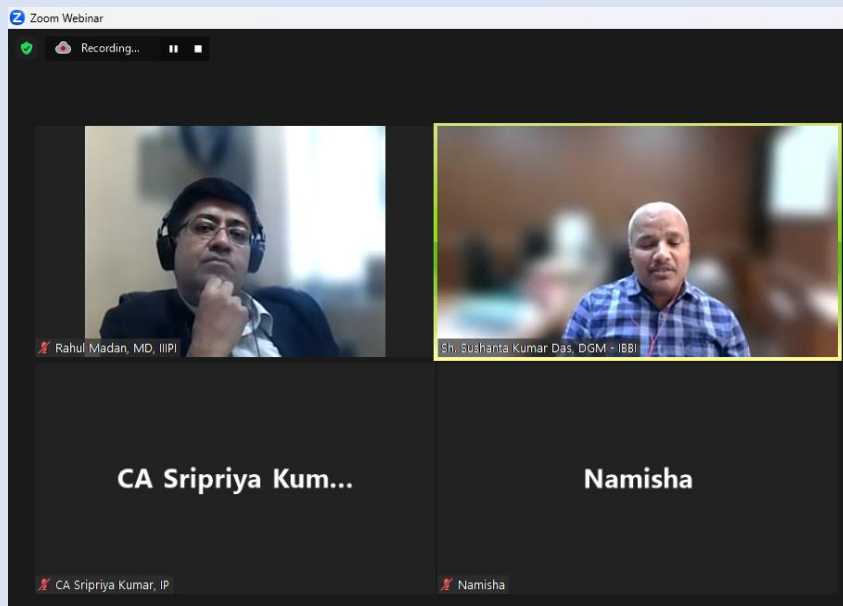
The insolvency proceedings stem from Tulip Hotels' default on guarantees it had provided for two loans disbursed by Yes Bank to Cox and Kings and Ezeego One Travel & Tours. Both of the debtors failed to repay their debts. Tulip Hotels has denied any association with these companies and claims to have not received funds from Cox and Kings since March 2011 or been funded by Ezeego One Travel & Tours.

However, Urrshila Kerkar, the daughter of Tulip Hotels' promoter, is reportedly promoter and shareholder of Ezeego One Travel & Tours and holds a power of attorney on behalf of Cox and Kings' promoter. The tribunal concluded that Tulip Hotels is in default of the debt and ordered the initiation of insolvency proceedings, disregarding Tulip Hotels' claims of fabrication and duplicate recovery attempts.

For More Details, Please Visit:

<https://rb.gy/g1a7a>

Event Photograph



Webinar on “COC Meetings- Best Practices” organized by IIPi on May 19, 2023



IIPi to conduct “LIE Preparatory Classroom (Online) Program” from June 19

The Weekday Batch of “Limited Insolvency Examination Preparatory Classroom (Virtual) Program” is scheduled to start from June 19. The five days program will be for 40 hours and conclude on June 23, 2023. Online Study material will also be available.

The seats for the program are limited and registration is based on ‘first come first serve’ basis last date of registration is one day prior to respective batch.

For More Details, Please Visit:

<https://www.iipicai.in/wp-content/uploads/2023/05/LIE-Flyer-June-2023.pdf>