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IIPI Newsletter

GAIL completes takeover of JBF Petrochemicals

In pursuance to the Resolution Plan, GAIL (India) Ltd. has invested ₹2,100 crore in JBF Petrochemicals Ltd. The Resolution Plan was approved by NCLT in March this year. In a stock exchange filing, GAIL (India) Ltd. said it has 'infused ₹2,101 crore (equity - ₹625 crore and debt - ₹1,476 crore)' as per its commitment in the Resolution Plan. Accordingly, JBF has become a wholly owned subsidiary of GAIL with effect from June 1, 2023. The CIRP application against JBF was filed by IDBI Bank which reportedly had ₹5,628 crore of dues to financial and operational creditors.

For More Details, Please Visit:

https://www.business-standard.com/companies/news/gail-infuses-rs-2-100-crore-in-insolvent-chemical-firm-jbf-petrochemicals-123060200589_1.html



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

NCLT Approved highest ever 180 Resolution Plans amounting ₹ 51,424 Crore in FY2020-23

The number of Resolution Plans approved by NCLT benches across the country have increased from 147 in FY 2021-22 to 180 in FY 2022-23 while the realization by creditors has increased from ₹49,208.38 crore to ₹51,424.87 crore, respectively.

As per the data released by IBBI, the realization by creditors in FY 2022-23 has been second highest after FY2018-19. These resolutions have enabled creditors to recover 36% of their total admitted claims of ₹1,42,543 crore. The data further reveals that NCLT admitted 1,255 CIRP applications in FY2022-23, which is the highest since 2019. Since the commencement of the IBC 2016, a total of 678 Resolution Plans have been approved resulting in realization of ₹2.86 lakh crore for creditors. The fair value of the assets available to corporate debtors at the start of the CIRP was estimated at ₹2.65 lakh crore, with creditors realizing 68.47% of the liquidation value and over 83% of the fair value.

However, concerns have been raised about delays in CIRP matters, as the NCLT currently operates with a total strength of 37 members out of the sanctioned strength of 63. To function, a single NCLT bench requires at least one judicial member and one technical member. Out of the 6,567 CIRPs initiated by NCLT benches, 4,515 have been closed while 2052 are pending before NCLT. The manufacturing and real estate sectors have witnessed the highest number of CIRP admissions, including construction and wholesale & retail trade sectors.

For More Details, Please Visit: <https://realty.economicstimes.indiatimes.com/news/regulatory/nclt-approves-180-resolution-plans-involving-realisation-amount-of-rs-51424-crore-in-fy23/100746186>

News Roundup

ITC, Vidya Polymer, and Shanti GD Ispat bid to acquire Shakti Bhog through Resolution Plan

ITC Limited aims to acquire the company's brands, while Vidya Polymer and Shanti GD Ispat & Power Limited are bidding to take over the entire company. State Bank of India, UBI, PNB, Standard Chartered Bank are the major lenders to Shakti Bhog, which has defaulted on ₹7,000 crore of bank loans. Shakti Bhog had secured loans from the State Bank of Mysore, State Bank of Patiala, State Bank of Bikaner and Jaipur, and State Bank of Travancore. After merger of these banks with SBI, SBI's total loan stands at ₹4,700 crore to the company. Former chairman and MD of Shakti Bhog, Kewal Krishan Kumar, is under investigation by the CBI and the ED for bank loan defaults.

For More Details, Please Visit: <https://economictimes.indiatimes.com/industry/cons-products/fmcg/itc-2-others-submit-resolution-plans-for-shakti-bhog/articleshow/100712835.cms?from=mdr>

Government mulling a proposal to allow registration of flats in completed projects during pendency of CIRP

This move aims to provide relief to homebuyers who fear losing their investment if the developer goes bankrupt. The NCLT may consult with the RERA to understand their concerns. Currently, the IBC, 2016 allows the handing over of flats to buyers during the resolution process, but experts believe an explicit provision for flat transfer and registration would boost buyers' confidence. The housing sector faces challenges in resolving bankruptcy cases, with real estate accounting for a significant portion of filed cases but a lower percentage of resolved cases.

For More Details, Please Visit: https://www.business-standard.com/industry/news/real-estate-news-govt-considering-registration-of-flats-even-if-developers-go-bankrupt-123053100325_1.html

Australian Company Files for Bankruptcy Protection to Facilitate Restructuring

Cancer-care provider GenesisCare has filed for bankruptcy protection following financial challenges resulting from a large debt load and a \$1.5 billion acquisition of a healthcare service provider. The company plans to separate its U.S. business from operations in Australia, Spain, and the U.K. It has secured \$200 million in financing to continue operations and maintain patient care. GenesisCare, which started as a single clinic in 2005, has over 300 locations and 5,500 employees across four countries.

For More Details, Please Visit: <https://www.marketwatch.com/story/kkr-backed-healthcare-provider-genescare-files-for-bankruptcy-767ce70f>



BBTCL Makes Provision of ₹1,866 Crore to ease 'Go Airlines' Financial Woes

Bombay Burmah Trading Corporation Limited (BBTCL), the holding company of the Wadia Group, has made a provision of ₹1,866 crore for its investments in Go Airlines and related financial obligations.

The provision was made following Go Airlines Ltd's application for insolvency under the Insolvency and Bankruptcy Code. Go Airlines suspended operations on May 3 without announcing a resumption date. BBTCL, as an investment company, has made strategic investments across various businesses and geographies to enhance shareholder value. BBTCL has actively invested in GoAir since 2005 but faced financial challenges due to grounding of aircraft and engine issues. The company has also decided to fully provide for its exposure in GoAir, except for a recent investment of ₹290 crore.

BBTCL holds 32.61% of the equity share capital of Go Airlines but has no de facto control over the company. BBTCL has reported a consolidated net loss of ₹533 crore for FY 2022-23.

For More Details, Please Visit: <https://www.livemint.com/companies/news/wadia-group-holding-co-makes-provisions-on-investment-in-go-air-11685346287659.html>

Event Photograph



IIPI organizing Conference (Physical) on June 16, 2023, at Royal Plaza Hotel in New Delhi

The conference titled “Overcoming Emerging Challenges under IBC – Preparing IPA & IPs” is scheduled on June 16 in Royal Plaza Hotel, 19, Ashoka Road, Connaught Place, New Delhi. Shri L. N. Gupta, Hon’ble Member (Technical) NCLT, New Delhi has provided his consent to be the Chief Guest in the Inaugural Session of the Conference while Shri Jayanti Prasad, WTM-IBBI; Ms. Anita Shah Akella Joint Secretary, Ministry of Corporate Affairs; Shri Ashwini Kumar Tewari, Managing Director (Risk, Compliance & SARG), SBI; CA. G.C. Mishra, Chairman, Committee IBC-ICAI; and Dr Ashok Haldia Chairman, IIPI will be Guests of Honour. Besides, there will be two Panel Discussions, the 1st will be chaired by CA. G.C. Mishra, Chairman, Committee IBC-ICAI and 2nd by CA. Sripriya Kumar, Chairman, CL&CG Committee – ICAI. The Valedictory Address will be delivered by Shri Satish Marathe Director, Central Board, RBI.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/06/16-June-Delhi-update.pdf>



IIPI conducted Webinar on “First Successful PPIRP Case Study” on June 02, 2023.