



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

MediaMath files for Bankruptcy Protection

Launched in 2007, MediaMath has been one of the original DSP providers in the programmatic market. It had raised more than AU\$900 million in funding over its more than 15-year history.

However, the company had reportedly been beset by financial issues in recent years after the business appeared to miss its acquisition window and did not file for public listing. More than 3,500 brand and agency customers used the platform, but it was forced to recapitalize last year with Searchlight Capital, with the startup selling a controlling stake in the business to the private equity group in exchange for \$150 million in fresh capital and debt refinancing.

For More Details, Please Visit:

<https://www.bandt.com.au/media-math-files-for-bankruptcy-after-acquisition-talks-fail/>



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

IBC has rescued 72% of distressed assets since 2016, though half of them ended in orders of liquidation: Financial Stability Report by RBI

While the IBC has been effective in terms of financial recovery, with financial creditors recovering 34.3% of their claims, realization in comparison to liquidation value was 169%. “Though realization is incidental under the Code, financial creditors recovered 34.3% of their claims which only reflects the extent of value erosion by the time the CDs entered CIRP,” said the Financial Stability Report by the Reserve Bank of India.

According to the Report, by March 2023, a total of 6,571 corporate insolvency resolution processes (CIRPs) had commenced, of which 4,515 or 69% were closed. Among the closed CIRPs, 21% were closed on appeal, review or through settlements, 19% were withdrawn, 45% ended in orders of liquidation, 15% resulted in the approval of the resolution plans. It further revealed that the average time for concluding the 678 CIRPs that yielded resolution plans was 512 days, while CIRPs ending in liquidation took an average of 456 days. Voluntary liquidation processes took average of 411 days for closure, which is much higher than the 330 days’ timeframe provided under the IBC, 2016. Another challenge, according to the Report, has been attracting investors for legacy non-performing assets. Investors remain wary of complexities involved in restructuring and turning around these troubled assets, which has hindered the resolution process.

For More Details, Please Visit: <https://economictimes.indiatimes.com/news/economy/policy/since-launch-ibc-has-resolved-72-of-distressed-asset-cases/articleshow/101348409.cms>

News Roundup

CoC approved ₹9,661 crore Resolution Plan of Hinduja Group to acquire Reliance Capital (RCap)

The Resolution Plan put forth by Hinduja Group through IndusInd International Holding has been reportedly approved with 99% votes. As per the Plan the entire money will be paid as upfront cash to acquire RCap and its subsidiaries. This will be in addition to the cash reserve of about ₹400 crore that RCap has generated by way of loan recoveries, among other avenues. The lenders of RCap will receive about ₹10,000 crore against principal outstanding dues of ₹16,000 crore, translating to a recovery of around 65%. The deadline to file the final resolution plan with NCLT is July 15. However, RCap has filed a petition in the Supreme Court alleging preference to the Hinduja Group, which is still pending.

For More Details, Please Visit:

<https://www.thehindubusinessline.com/money-and-banking/lenders-approve-hinduja-groups-9661-crore-resolution-plan-for-rcap/article67023910.ece>

IBBI published final ‘Panel of IPs and IPEs’ for July to December 2023

The final Panel of IPs and IPEs constitutes 400 IPs and 18 IPEs registered with the IBBI and will be valid from July 01, 2023, to December 31, 2023. The IPs and IPEs of the Panel will be eligible for appointments as interim resolution professionals, resolution professionals, liquidators, and bankruptcy trustees under the IBC, 2016. The list includes IPs from various regions, with Delhi having the highest number of selected insolvency professionals. It will also be provided to the DRT. Previously, the IBBI could only recommend an IP after receiving a reference from NCLT but now a new list is formed on every six months.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/news/economy/policy/ibbi-prepares-list-of-400-insolvency-pros-for-easy-pickings/articleshow/101318569.cms?from=mdr>

Amidst Energy Crisis and Rising Interest Rates Insolvencies Surge at Record Pace in Germany

German firms experienced the highest increase in insolvencies in over two decades during the first half of this year, according to a study by Creditreform. The 16.2% rise, totalling 8,400 corporate insolvencies, was attributed to factors such as the energy crisis, inflation, and rising interest rates. Excessive energy and material costs, poor consumer conditions, and reliance on state funding without adapting business models were also identified as contributing factors. The insolvencies are expected to increase further as inflation and interest rates continue to rise.

For More Details, Please Visit: <https://finance.yahoo.com/news/energy-crisis-inflation-push-more-141351362.html>



NCLT Removes Prag Distillery from Liquidation, Allows Reinstatement of Board of Directors

The NCLT has directed the removal of Prag Distillery Pvt. Ltd. from liquidation proceedings and permitted the reinstatement of its board of directors. Prag Distillery, a subsidiary of Tilaknagar Industries had previously reached an agreement with Standard Chartered Bank to settle outstanding dues. Tilaknagar Industries made a payment of \$2.25 lakh to the bank on behalf of Prag Distillery. Prag Distillery was admitted for CIRP in 2017, which was referred for liquidation by NCLT in 2018. It settled dues with another financial creditor and paid operational creditors and employees. Standard Chartered Bank withdrew the application against Prag Distillery, which was approved by stakeholders.

For More Details, Please Visit:

<https://www.livemint.com/companies/news/nclt-orders-removal-of-prag-distillery-from-liquidation-proceedings-allows-board-reinstatement-11688017594757.html>

Event Photograph



Shri K.R.Saji Kumar, Additional Secretary, Legislative Department, Ministry of Law and Justice, Government of India addressing the 12th Executive Development Program (EDP) on Managing Corporate Debtor as Going Concern under CIRP (For IPs) organized by IIPI from 20th to 24th June, 2023.

IIPI has planned four Webinars in July 2023

IIPI has scheduled four Webinars in the month of July. Each Webinar will be conducted from 3.00 pm to 6.00 pm on the scheduled date and will have CPE 2 hours of credit.

The first Webinar titled “7th June Discussion Papers by IBBI” has been scheduled on 07th July while the 2nd Webinar titled “CIRP under IBC - Best Practices” will be conducted on 14th July 2023.

The 3rd Webinar on “Liquidation & Voluntary Liquidation-Best Practices” will be conducted on 21st July and the 4th Webinar will be held on “Evolving Jurisprudence under IBC- Recent Case Laws”.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/06/July-webinars-1.pdf>