



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter

### Three companies eligible to submit Resolution Plan for Future Enterprises

Mukesh Ambani's Reliance Retail Ventures, Jindal (India) and Donear Industries-owned textiles maker GBTL have been found eligible as prospective resolution applicants (PRAs) for the Future Group company. Reliance Retail is also among a list of 49 companies eyeing another Future Group company, Future Retail.

Future Enterprises houses various businesses such as supply chain solutions and insurance, while Future Retail used to operate brands such as department chain Big Bazaar and supermarket chain Easyday.

**For More Details, Please Visit:**

<https://www.reuters.com/markets/deals/indias-reliance-retail-eligible-submit-resolution-plan-future-enterprises-2023-07-12/>



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### News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### Bank could not immediately proceed either to accept or reject the OTS proposal as it was necessary to frame policy first, as required by RBI: NCLAT

The National Company Law Tribunal (NCLAT), New Delhi Bench has stayed the CIRP proceedings initiated against DB Realty Ltd. (Corporate Debtor) and provided it an opportunity to deposit the amount offered in their One Time Settlement (OTS) proposal with the Tribunal.

The Bench opined that in view of the RBI Circular dated June 08, 2023, Banks are required to frame policy before deciding on OTS proposal of the Corporate Debtor (CD). During the course of hearing, the CD submitted that it would deposit the OTS proposal amount in the Tribunal within 90 days. The Bench granted an opportunity to the CD to deposit the OTS amount with the Registrar, NCLAT.

DB Realty Ltd. (CD/Guarantor), which is engaged in the real estate sector, had provided Guarantee for a financial facility given by the Bank of India (Financial Creditor) to M/s. Pune Buildtech Pvt. Ltd. (Principal Borrower). As the Principal Borrower could not repay the loan, the Bank invoked the guarantee and called upon the CD to pay the amount in default. Subsequently, the Bank filed a Section 7 petition to initiate CIRP of the CD over a default of ₹760 crores. While the case was pending, the CD offered OTS proposal. Meanwhile, the RBI issued a circular requiring Bank/Financial Institutions to have a policy to entertain OTS proposal and settlement. Though the OTS proposal was pending with the Bank, NCLAT admitted CIRP application.

**For More Details, Please Visit:** <https://www.livelaw.in/ibc-cases/nclat-delhi-stays-insolvency-proceedings-against-db-realty-ltd-grants-opportunity-to-deposit-ots-amount-232616>

## News Roundup

### NCLAT freezes CIRP proceedings against Concor, a Central Government owned company

Providing a major relief to the Central Government owned – Container Corporation India Ltd. (Concor), against which NCLT has ordered CIRP proceedings on July 12, 2023. The insolvency proceedings against Concor, was initiated by a vendor for default of about ₹87.5 crore, which it had won in an arbitral award against the Company. The NCLAT was informed that the ‘arbitration award’ has been challenged and pending adjudication before the Delhi High Court. Besides, the Central Government which holds 54.8% stake in Concor is looking to divest 30% stake in the company, which will fetch about ₹12,000 crore to the Government. The CIRP proceedings will create hurdles in the divestment process.

**For More Details, Please Visit:**

<https://www.newindianexpress.com/business/2023/jul/17/nclat-stays-insolvency-proceedings-against-government-owned-container-corporation-india-ltd-2595671.html>

### Dispute between Jet Airways’ CoC and SRA reaches Supreme Court

According to media reports, the CoC has submitted before the Supreme Court that it might be better for Jet Airways to be wound up because Successful Resolution Applicant (SRA) has not paid any money since the approval of the Resolution Plan in June 2021. The banks have reportedly incurred costs up to ₹386 crore so far in the Resolution Process excluding airport dues but instead of paying lenders, the SRA has been delaying the airline's revival by seeking extensions from different tribunals. However, the SRA, Jalan Kalrock Consortium (JKC), the SRA has accused banks of delaying the implementation.

**For More Details, Please Visit:**

<https://www.newindianexpress.com/business/2023/jul/17/nclat-stays-insolvency-proceedings-against-government-owned-container-corporation-india-ltd-2595671.html>

### Britain’s debt-laden “zombie” companies are expected to be wiped out by the surge in Interest Rates

A business recovery and financial consultancy in the UK has said that all of the nation's zombies -- companies struggling to service debts that have avoided bankruptcy through cheap borrowing costs -- will fail by the end of next year. According to reports, company insolvencies in the UK have hit a 24-year high, as businesses struggle with rising energy, wage bills, and higher interest rates. Official figures from the Insolvency Service showed 2,552 companies filed for insolvency in May, 40% more than a year earlier and the highest since 2009.

**For More Details, Please Visit:** <https://www.theguardian.com/business/2023/jul/11/zombie-firms-uk-interest-rates-insolvency-begbies-traynor-profits>



### NCLT President encouraged IPs to come forward to deliberate on the issues being faced by them in the existing assignments

Shri Ramalingam Sudhakar, NCLT President, was addressing as Chief Guest to the ‘Conclave of Insolvency Professionals’ organized by IBBI in New Delhi on July 14, 2023. He highlighted the challenges of Real Estate projects under the IBC, 2016 emphasizing on the uniqueness of the complex nature of real estate projects. He accentuated the importance of efficiency of the IPs for speedy resolution of any real estate project.

Delivering the Special Address Sh. Ravi Mital, Chairperson, IBBI, appreciated the efforts of NCLTs in improving the number of resolutions under the Code. Sh. Sudhakar Shukla, WTM-IBBI welcomed the participants and indicated the issues in resolution of a real estate project and the way forward. This was followed up with an Interactive Session between NCLT members and IPs. Sh. Jayanti Prasad, WTM-IBBI, delivered vote of thanks.

**For More Details, Please Visit:** <https://ibbi.gov.in/uploads/whatsnew/ea5868f1e0091f7c0abd8c63089964c3.pdf>

## Event Photograph



*Webinar on 'CIRP under IBC - Best Practices' organized by IIPI on July 13, 2023.*

### **IBBI's 4th National Online Quiz on IBC, 2016 from 01st July to 31st July 2023**

The 1st, 2nd and 3rd Prizes for the Quiz are ₹1,00,000, ₹50,000, and ₹25,000, respectively. Besides, there will be 10 Consolidation Prizes for the next 10 best performers. The top 10% performers shall be awarded "Certificate of Merit".

The Quiz will have 20 (twenty) multiple choice questions (MCQs), each carrying one mark. A participant will get 10 (ten) minutes to complete the Quiz. There will be no negative marking. It is available both in English and Hindi. A participant may choose either of the languages. The Quiz shall be open on the MyGov portal <https://quiz.mygov.in> for a period of one month from 01 July 2023 to 31 July 2023.

**For More Details, Please Visit:**

<https://www.iiipicai.in/wp-content/uploads/2023/07/Brochure-IBBI-National-Quiz.pdf>