



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter

Dalmia Group offers ₹300 crore to acquire Birla Tyres

As per the media reports, the revised Resolution Plan submitted by Dalmia Group is about three times higher than its initial offer. The Corporate Debtor – Birla Tyres, has bank loans of about ₹1,100 crore.

Birla Tyres was admitted for insolvency proceedings by the Kolkata Bench of NCLT on May 05, 2022. It was spun off from Kesoram Industries in 2019. Axis Bank reportedly leads the list of creditors and accounts for almost half of the loans made by banks to the company followed by ARCIL, SBI, DBS Bank, WBIDFC, Karur Vasya Bank, PNB and others.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/industry/auto/tyres/dalmia-group-submits-revised-debt-resolution-plan-for-birla-tyres/articleshow/102862625.cms?from=mdr>



Aug. 21, 2023

Volume 08, Number 34

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**For Internal Circulation Only*

**Knowledge SBU Initiative*

To achieve successful insolvency resolutions, it is imperative to enhance the effectiveness, reliability, and usefulness of the valuation procedure under the IBC: Ravi Mital, Chairperson- IBBI

Shri Ravi Mital, Chairperson, IBBI has highlighted the need for uniform standards to value assets of companies facing insolvency proceedings to ensure credibility and usefulness of the valuation reports given by professionals for debt resolution under the Insolvency and Bankruptcy Code, 2016 (IBC). Though IBC mandates valuation of corporate debtors to be done by registered valuers, there is no prescribed standard for it. The registered valuers perform their job on the basis of internationally accepted standards and physical verification of the assets.

“Standardized valuations will enable well informed decisions and instill confidence in the debt resolution process while maximizing value for all,” said Mital in the recent quarterly Newsletter of IBBI. Presently, there are two globally followed valuation standards viz. - International Valuation Standards Council (IVSC), a not-for-profit entity, and the Royal Institution of Chartered Surveyors (RICS), a professional body. Given that different valuers may choose varied methods and assumptions for valuation, the assets available for restructuring and turning around an insolvent business may be valued differently, causing delays, he added.

As per the IBBI data 238 more CIRP cases were admitted in NCLTs in Q1 of FY 2023-24, while 198 cases were closed via resolution plans and settlement with creditors.

For More Details, Please Visit: <https://www.livemint.com/companies/news/uniform-valuation-standards-needed-for-company-assets-in-bankruptcy-proceedings-ibbi-chairperson-11692377954401.html>

News Roundup

MCA contemplating an increase to the existing strength of the NCLT benches to handle the growing case load: Report

According to a media report, the Ministry of Corporate Affairs (MCA) is analysing the time taken by each NCLT bench to dispose of matters and the total number of cases being handled by each bench. Presently, the NCLT Benches across the country handle cases related to the Company Act and IBC, 2016. However, the IBC cases constitute the majority of the case burden. The MCA is gathering data to understand the ground reality and assess the requirement. Presently, the NCLT has a sanctioned strength of 63 members, including both technical and judicial members, out of which 55 positions are filled. The government has been advocating for the use of technology, including an IT-enabled system for case management, to accelerate processes and reduce reliance on manpower.

For More Details, Please Visit:

https://www.business-standard.com/india-news/corporate-affairs-ministry-assessing-need-to-ramp-up-bench-strength-of-nclt-123082000315_1.html

GE Power withdraws CIRP petition against BHEL after settlement on payment disputes

GE Power has filed a CIRP petition against BHEL, the Central Government owned company over non-payment of ₹36 crore for the supply of materials for a project in Tamil Nadu, which was ordered by the BHEL for a Tamil Nadu Generation and Distribution Corporation's project in Uppur. Before the hearing could commence on August 17, BHEL told GE that it would pay ₹25 crore by September 16. The NCLT has given GE the liberty to bring back the insolvency plea if BHEL fails to pay the amount on time. The written undertaking by BHEL to pay a part of the amount is reportedly a legally binding commitment.

For More Details, Please Visit:

<https://www.moneycontrol.com/news/business/companies/ge-power-withdraws-insolvency-plea-after-bhel-agrees-to-pay-rs-25-crore-11207971.html>

DP Eurasia will file for bankruptcy for its Russian business

The Company, which is the operator of Domino's Pizza brand in Russia, Turkey, Azerbaijan and Georgia, is planning to exit the Russia due to the ongoing Russia- Ukraine war. Several Western companies have left Moscow. Some managed to negotiate swift exits, often selling at huge discounts or handing the keys to local management while others were in the queue. However, gaining government commission's approval is a lengthy and difficult process. DP Russia, the third-largest pizza delivery company in the country, operated about 142 stores.

For More Details, Please Visit: <https://www.reuters.com/business/retail-consumer/pizza-firm-dp-eurasia-files-bankruptcy-russian-business-2023-08-21/>



China's Real Estate Company - Evergrande Group - filed for bankruptcy protection in New York

Evergrande Group, once holding a staggering debt exceeding \$300 billion, has initiated a Chapter 15 bankruptcy protection filing under USA's bankruptcy laws. It is reportedly part of one of the world's biggest debt restructuring exercises, as anxiety grows over China's worsening property crisis and a weakening economy. In addition to the Evergrande Group, some more major real estate companies in China have defaulted on their offshore debt obligations.

The Company has over 1,300 real estate projects spanning more than 280 cities of China. Its bankruptcy filing is being seen as a move for securing its US assets as it navigates a multi-billion-dollar debt restructuring deal with creditors. The company's offshore debt restructuring involves a total of \$31.7 billion, which includes bonds, collaterals and repurchase obligations.

For More Details, Please Visit:

<https://www.telegraphindia.com/world/evergrande-files-for-us-bankruptcy-protection-as-china-economic-fears-mount/cid/1960022>