



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter

### CoC clears Dalmia's Plan for Himadri Speciality Chemical

The Committee of Creditors (CoC) for Himadri Speciality Chemical has approved the Resolution Plan submitted by Dalmia Bharat Refractories. Though the Plan is yet to be cleared by the NCLT Kolkata, the share market has responded positively to the development.

According to media reports, the shares of Himadri Speciality Chemical surged more than 4 percent on August 23 to hit 52-week high of ₹190.90 after the company's resolution plan along with Dalmia Bharat Refractories for Birla Tyres was given the go-ahead by the CoC.

**For More Details, Please Visit:**

<https://www.moneycontrol.com/news/business/markets/himadri-speciality-hits-52-week-high-on-coc-nod-to-birla-tyres-insolvency-resolution-plan-11241881.html>



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### News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### Insolvency and Bankruptcy Code has brought a paradigm shift in the insolvency regime in the country and is a crucial milestone in the economic reforms: Prime Minister

Hailing the IBC, 2016 as a crucial economic reform, Prime Minister Shri Narendra Modi has said, "When we speak of Ease of Doing Business, ease of winding up a business is also an important facet of the cycle". He acknowledged the need to make the insolvency regime "even better". These views were expressed by the Prime Minister in a signed message for seminar on "Rejuvenation of Economy under Insolvency Laws" recently organized by the International Council of Jurists, London in New Delhi.

"Today, the health of our banking system is seeing new highs while the recovery of NPAs has been extremely encouraging. The sustained efforts by all stakeholders to get the process of resolving insolvency going smoothly has been an important contributor. It is the outcome of these dedicated and committed endeavours that the nation has massively improved its Ease of Doing Business," said the Prime Minister. "Although other factors, like rigorous tax enforcement, still impact the economy, resolving NPAs is pivotal for revitalising credit growth and investment," he said. The Prime Minister emphasized that India has pursued a human-centric approach to development, for true progress is always people-centric. "Just a few years ago, India, which used to be counted among the "Fragile Five" economies, is now being considered a bright spot in the global economy," said the Prime Minister and credited the turnaround to the coordinated implementation of several reforms.

**For More Details, Please Visit:** [https://www.business-standard.com/economy/news/insolvency-code-a-crucial-milestone-in-economic-reforms-pm-modi-123082600841\\_1.html](https://www.business-standard.com/economy/news/insolvency-code-a-crucial-milestone-in-economic-reforms-pm-modi-123082600841_1.html)

## News Roundup

### SC denied stay on NCLAT proceedings looking to approve Hinduja Group's Resolution Plan for Reliance Capital

Hinduja Group and Gujarat-based Torrent Investments had submitted resolution plans for the acquisition of Reliance Capital in which Torrent Investments with an offer of ₹8,640 crore emerged as the highest bidder. However, within 24 hours, Hinduja made a revised offer of ₹9,000 crore. Torrent raised objections before NCLT saying that it violated the sanctity of the auction process as the offer was made after the deadline. NCLT ruled in favour of Torrent, but NCLAT reversed the order, and the matter reached to the Supreme Court. In mid-April 2023, the SC had directed lenders to hold a "challenge-mechanism auction" and the matter was listed for hearing in August. Subsequently, a fresh auction was held on April 26, wherein Hinduja Group offered ₹9,640 crore while Torrent abstained. Subsequently, the CoC approved the Resolution Plan of Hinduja Group.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/industry/banking/finance/sc-refuses-to-stay-nclt-proceedings-looking-to-approve-hindujas-resolution-plan-to-acquire-reliance-capital/articleshow/103056409.cms?from=mdr>

### Judicial Interventions such as IBC should be used only as a last resort in case of stalled housing projects: Govt. Panel

The primary reason for stress in real estate projects is lack of financial viability which has resulted in cost overruns and delays, said the 'Report of the 'Expert Committee on Rehabilitation of Legacy Stalled Real Estate Projects' which was headed by former NITI Aayog CEO Amitabh Kant. "The project resolution should be a win-win situation for all stakeholders," suggested the Expert Committee. The 14-member Committee has made seven-point recommendations. It was set up by the Union Housing and Urban Affairs Ministry in March to tackle the problem of incomplete real estate projects following a recommendation made by the Central Advisory Council under the Real Estate (Regulation and Development) Act, 2016.

**For More Details, Please Visit:**

<https://www.thehindu.com/news/national/use-insolvency-code-as-a-last-resort-says-panel-on-stalled-housing-projects/article67219902.ece>

### Bankrupt crypto exchange FTX hires USA's crypto firm Galaxy as advisor to help hedge & sell its crypto holdings

Galaxy, owned by billionaire investor Mike Novogratz, will reportedly help "stake" FTX's crypto, a process where crypto is lent to validate blockchain transactions, earning interest in the process. Hedging of bitcoin and ether will provide a means to lessen FTX's exposure to adverse price movements before their sale, the filing said. FTX filed for bankruptcy in November 2022 in the wake of claims that the company misused and lost billions of dollars' worth of customers' crypto deposits.

**For More Details, Please Visit:** <https://www.reuters.com/technology/bankrupt-crypto-exchange-ftx-picks-galaxy-manage-its-digital-assets-2023-08-24/>



### Financial Performance of the Companies that were taken up for action under IBC has improved: Study by IIM Ahmedabad

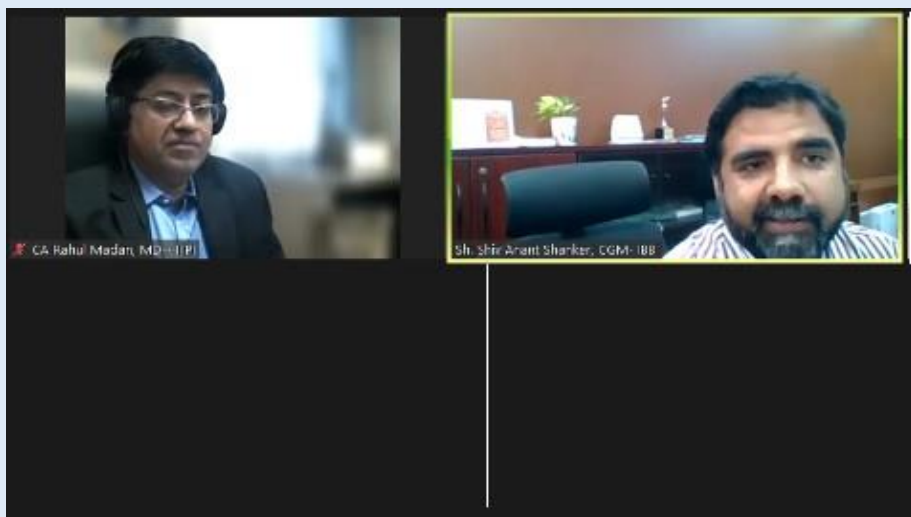
According to the Study, there was a 76% jump in average sales of companies three years after resolution. Besides, the staff strength (employees) went up, which was indicated by an increase in average wage bill by around 50%.

"Trends in the market capitalization of listed resolved firms indicate a significant revival in the average market valuations in the post-resolution period, which is expected give the growth opportunities that will accrue to these firms post the resolution with creditors," said the Report. The Report has also highlighted some of the areas of improvement in the IBC ecosystem such as performance of resolution professionals, repeated attempts by the litigants to delay the process, and dealing of tax authorities, banks and RBI with resolved companies.

**For More Details, Please Visit:**

<https://timesofindia.indiatimes.com/business/india-business/business-parameters-of-companies-improve-after-insolvency-process-study/articleshow/103114811.cms?from=mdr>

## Event Photograph



*Webinar on "Common Issues under Monitoring & Inspection" organized by IIIPI on August 25, 2023.*



*13<sup>th</sup> Batch of Executive Development Program (For IPs) on "Managing Corporate Debtors as Going Concern under CIRP" organised by IIIPI from 22<sup>nd</sup> to 26<sup>th</sup> August 2023.*



## Join IIIPI's Webinars in September 2023

IIIPI has scheduled two Webinars in the month of September. 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 "Accounting /Taxation Issues during CIRP/Liquidation" is scheduled to be held on September 01, 2023 (Friday) while the second Webinar titled "Best Practices - Appointment of Professionals & CoC Meetings" will be conducted on September 29, 2023 (Friday).

**For More Details, Please Visit:**

<https://www.iiipicai.in/wp-content/uploads/2023/08/September-webinars-2.pdf>