



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

NCLT approved Resolution Plan for Bhumya Tea

North East Plantations & Commercial Pvt. Ltd., the Successful Resolution Applicant (SRA) has offered ₹2050 lakh for acquisition of Bhumya Tea Company Pvt. Ltd. against ₹39037.08 lakh through resolution under the IBC, 2016.

As per the Resolution Plan approved by the NCLT, Kolkata dated August 28, 2023, the UCO Bank which had initiated the CIRP will get ₹1350 lakh against its dues of about ₹7604 lakh. The other financial creditors include Indian Bank, PNB, and SBI. Regarding the operational creditors, the SRA has paid for due of PF and workmen & employees.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/order/b2665c2b9d3bde203b96ad2a2e9eb079.pdf>



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

Whether the Corporate Debtor is to be revived or not is essentially a business decision and hence should be left to the CoC so long as it musters more than 66% vote share: NCLAT

The NCLAT, New Delhi has held that undisputedly, in the statutory framework of the IBC, there is only limited review available which can be exercised by the Adjudicating Authority without trespassing upon the business decision of the majority of the CoC and it is here that primacy of the commercial wisdom of the CoC comes into play.

“There can be no fetters on the commercial wisdom of the CoC. The supremacy of commercial wisdom of the CoC has been reaffirmed time and again by the Hon'ble Supreme Court. It is not for the Adjudicating Authority to consider or evaluate on merits the rationale underlying the commercial decision of the CoC.,” said the court and upheld the decision of the Adjudicating Authority of ordering the liquidation of the Corporate Debtor as decided by the CoC with 100% vote share. This judgement has come in the matter of *SAJ Housing Pvt. Ltd. (Appellant) Vs. Priyanka Chouhan, Liquidator of CD*.

The Court also observed that the Appellant was informed and given ample opportunity to file claims as Operational Creditor, but it did not turn up. The CoC having applied its commercial wisdom and proposed liquidation, the CIRP having been concluded and liquidation proceedings under Section 33(2) of the IBC have commenced. However, the court allowed the Appellant to file claims before the Liquidator.

For More Details, Please Visit: <https://ibclaw.in/saj-housing-pvt-ltd-vs-ms-priyanka-chouhan-nclat-new-delhi/?print-posts=pdf>

News Roundup

Marginal Improvement in Realizations under the IBC, 2016 during Q1 of FY 2023-24: Study

The report revealed that CDs, OCs and FCs witnessed a marginal improvement in realisations during the June quarter of FY24 compared to previous year. While the realisation for CDs was 18.3% compared to 18.2%, it was 17.7% for OCs as against 15.7%, said the Report which is based on an analysis of the recent data released by the IBBI. As per the Report, for the CIRP yielding resolution, the timeline recorded in this period has been the highest at 635 and 643 days for OCs and FCs, respectively, since FY21. The average timeline for resolution of cases for CDs was 541 days in Q1 FY24, same as in FY23. The resolution timeline for CDs was 516 days in FY2022 and 439 in FY2021.

For More Details, Please Visit:

<https://indianexpress.com/article/business/banking-and-finance/average-time-taken-for-ibc-resolution-at-three-year-high-8916823/>

NCLT orders CIRP of the instant drink mix Rasna

The CIRP application was filed by a logistics company Bharat Road Carrier Pvt Ltd. for unpaid dues to the tune of ₹71 lakh. According to the applicant, it had transported goods to Rasna Pvt. Ltd. for which they had raised various invoices from April 2017 to August 2018. NCLT, observed that despite repeated reminders, the company failed to pay the amount. The date of default as mentioned is much before the advent of the Covid-19 pandemic, hence, the Rasna cannot seek shelter under Section 10A of IBC, 2016, the NCLT said. However, Rasna has disputed some of the invoices raised by the Bharat Road.

For More Details, Please Visit:

<https://www.thehindubusinessline.com/companies/nclt-puts-rasna-under-insolvency-for-non-payment-of-71-lakh-to-an-operational-creditor/article67260751.ece>

Benitago Group, which had acquired Amazon's e-commerce business, files for bankruptcy

As per the media report, the company's assets and liabilities are ranging from \$50 million to \$100 million. "Benitago has plans to restructure its debt and potentially sell off some parts of its business in bankruptcy," said the Report. Founded by Benedict Dohmen and Santiago Nestares in 2016, Benitago connects with self-starting Amazon business owners who are looking to sell their businesses. The company had raised around \$380 million in equity and debt to fund acquisitions of brands built to sell on Amazon's marketplace. It had about \$7.5 million in cash at the time of the bankruptcy filing.

For More Details, Please Visit: <https://retail.economictimes.indiatimes.com/news/e-commerce/e-tailing/amazon-e-commerce-business-acquirer-benitago-files-for-bankruptcy/103306411>



IBBI extends facility of submitting the CIRP Forms to IPEs acting as IPs

The Insolvency Professional Agencies (IPEs) acting as IPs shall access the designated platform with the help of a unique username and password provided by the IBBI and authorize an IP handling the process to upload/ submit the CIRP Forms. Thereafter, the authorized IP shall submit the CIRP Forms along with relevant information and records through his username and password as provided to him in capacity of individual IP.

To facilitate submission of forms for all assignments handled by these IPEs through the facility being introduced now, CIRP forms filed till September 30, 2023, shall not attract any fee as provided under regulation 40B of the CIRP Regulations. Thereafter, it shall attract fee as specified in sub-regulation (4) of regulation 40B of the CIRP Regulations. The contents of the aforesaid Circulars shall apply to all the assignments handled by the IPEs acting as IPs.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/df633802ab87f5fe997f74aa73badbfb.pdf>

Event Photograph



Webinar on "Accounting /Taxation Issues during CIRP/Liquidation" conducted by IIIPI on Sept. 01, 2023.

14th EDP Managing Corporate Debtor as Going Concern under CIRP (For IPs)

The 30 hours program will be conducted from 12th to 16th September 2023 and bear 20 hours CPE credit. Though the last date of the program is 11th September 2023, the candidates are advised to join earlier as the seats are limited and will be booked on a first come first serve basis.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/08/14th-EDP-corporate-debtors-flyer.pdf>

IIPI's LIE Preparatory Classroom (Virtual) Program to start from 11th Sept.

The Weekday Batches will be conducted from 10AM-6PM everyday from 11th to 15th Sept. 2023 while Weekend Batches will be conducted from 6th October to 4th November 2023 (Every Friday & Saturday). Depending on the availability of seats, candidates can join this program one day before the starting date.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/08/Flyer-for-LIE-Sept.-Oct.-2023.pdf>