



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

NCLT approved Resolution Plan for Radiant Castings Pvt. Ltd.

As per the Resolution Plan, the Successful Resolution Applicant (SRA) namely M/s. Scope Dealtrade Pvt. Ltd. will pay 100% claims of the Secured Financial Creditors. The total Plan value is ₹30 crores against admitted claims of about ₹100 crores. The Fair Value and Liquidation Value of the CD were respectively ₹64,05,11,646 and ₹42,13,68,412.

On perusal of the documents on record, we are satisfied that the Resolution Plan is in accordance with Sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (CIRP) Regulations, 2016," said the Court.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/order/d07bda3d29d77e5ca1aca0b332d137c9.pdf>



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CONTENTS

News Update
News Roundup
Upcoming Event
Event Photograph

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

NCLAT dismisses operational creditor's appeal to initiate CIRP against Wipro

Wipro had awarded a work order to Tricolite Electrical Industries, the Operational Creditor, for supply of materials worth ₹13.43 crore. The Operational Creditor alleged that Wipro made payment of 97% of the value of invoices but failed to pay 3% of the amount despite several reminders and a Demand Notice. However, Wipro contended that there was a 'pre-existing dispute' as the amount was held due to delay in executing the assignment.

While adjudicating on the matter, NCLAT-New Delhi observed that the balance 3% was kept on hold only on account of evaluating customer satisfaction. "It was established that there was a delay of six weeks on behalf of the Appellant Company in executing the job assigned to them on account of which liquidated damages/penalty of ₹40,56,539, which is as per the terms of the contract was levied," said the NCLAT and dismissed the Appeal. Earlier, a two-member Chennai bench of the NCLAT had also dismissed the operational creditor's petition to initiate CIRP of Wipro. The NCLAT-Chennai had noted that the IBC, 2016 was not a 'mere recovery legislation for creditors.'

The dispute pertains to the supply of commodities to a government project awarded to Wipro for design, manufacture, supply work as well as installation of MV Panels. Tricolite Electrical Industries, a Delhi based company is engaged in manufacturing 'LT/ HT Electric Panels'.

For More Details, Please Visit: <https://www.livemint.com/companies/news/nclat-dismisses-insolvency-plea-against-wipro-know-more-11694364188306.html>

Hope you find this update helpful. Suggestions if any, may be mailed to iiipi.pub@icai.in

News Roundup

NCLT rejects CIRP petition filed by TATA International Ltd. As 'Demand Notice' was not served as per Rule 5(2) of IBC (Application to AA) Rules, 2016

The Corporate Debtor - Trident Sugars Ltd, claimed that the Demand Notice was served to the Security Guard while the office was closed during Covid-19 pandemic. The Operational Creditor- Tata International Ltd., failed to place on record any document to depict that service of Demand Notice was made through Speed Post with 'acknowledgement due'. Further, no proof was placed on record to show that a Demand Notice was served through email to the Director of Corporate Debtor. The dispute is related to the supply of sugar amounting ₹21 crores. The court observed that the Operational Creditor failed to place on record any document to depict that service of Demand Notice was made as per law and rejected the CIRP petition filed under Section 9 of IBC.

For More Details, Please Visit:

<https://www.livelaw.in/ibc-cases/nclt-hyderabad-rejects-section-9-petition-incompliance-insolvency-and-bankruptcy-application-to-adjudicating-authority-rules-237431>

NCLT Mumbai ordered CIRP of Goli Vada Pav

The CIRP petition was filed by 'Vista Processed Foods Pvt Ltd', which alleged that 'Goli Vada Pav' failed to make a payment of ₹3.56 crore. As per the petition, the fast-food chain 'Goli Vada Pav' provided signed balance confirmations in 2020, 2021 and 2022, admitting and acknowledging the existence of the debt but did not pay it despite repeated reminders. In its defense, Goli Vada Pav argued that the petition was barred by limitation. However, the court rejected this argument and said, "If the facts pleaded in the petition are not specifically denied in the reply, the same are deemed to have been admitted".

For More Details, Please Visit:

<https://www.moneycontrol.com/news/trends/legal/nclt-admits-insolvency-resolution-plea-against-goli-vada-pav-11341601.html>

Party City exits bankruptcy as USA Court approved Reorganization Plan

As per the Reorganization Plan, debt of around \$1billion has been cancelled and nearly 800 stores of the Company will be closed in the USA. However, many of its workers will stay employed as the company has renegotiated many of its leases and exited 'less productive locations'. Party City had approximately 6,400 full-time and 10,100 part-time workers as of 2021. Party City, the largest party supply store in the US, filed for bankruptcy in January after struggling to pay off its \$1.7 billion debt load.

For More Details, Please Visit: <https://edition.cnn.com/2023/09/07/business/party-city-exits-bankruptcy/index.html>



IDBI Trusteeship Services filed CIRP petition against Cafe Coffee Day

The CIRP petition has been filed in the NCLT under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) claiming dues of over ₹228 crore on Café Coffee Day. This was revealed by IDBI Trusteeship Services in its letter to the National Stock Exchange and Bombay Stock Exchange. The IDBI Trusteeship Services has informed that it is seeking 'appropriate legal advice' and will take all appropriate steps to protect its interest.

It is pertinent to mention that a CIRP petition filed by IDBI Bank against Café Coffee Day, which was admitted by NCLT Bengaluru Bench, has been stayed by NCLAT about a month ago. Passing the stay order, the NCLAT said it has "found that there are arguable points involved in this appeal, therefore, we issue a formal notice to the Respondents who are already on caveat, enabling it to file its reply." The next date for hearing in this case is scheduled on September 20, 2023.

For More Details, Please Visit:

<https://www.hindustantimes.com/business/coffee-day-says-plea-filed-against-firm-for-insolvency-proceedings-by-idbi-trusteeship-before-nclt-101694173873551.html>

Event Photograph



The Launching of IIPI's 14th Limited Insolvency Examination (LIE) Preparatory Classroom (Virtual) Program on September 11, 2023. Weekday Batches will on 15th Sept. while Weekend Batches will be conducted from 6th Oct. to 4th Nov. 2023 (Every Friday and Saturday).



IIPI organizing Conference (Physical) on 'Developing Market for Stressed Assets in India' in New Delhi on 22nd Sept. 2023

Shri Ravi Mital, Chairperson-IBBI will be the Chief Guest in the Conference while Shri Natarajan Sundar, MD-NARCL, Shri Akhil Gupta, Vice Chairman-Bharti Enterprises Ltd., CA. G. C. Mishra, Chairman, Committee on IBC-ICAI and Dr. Ashok Haldia, Chairman-IIPI will be the Guests of Honour.

Shri Amit Pradhan, Regional Director-SEBI, CA Subodh Kumar Aggarwal Past President-ICAI, and Prof. Balagopal Gopalakrishnan Professor, IIM, Ahmedabad will deliver Special Addresses. Besides, there will be a Panel Discussion Chaired by CA. Sripriya Kumar, Chairman, CL & CG Committee-ICAI. The panelists include Shri R. R. Jha, Director (Projects)- Power Finance Corporation Ltd., Adv. Girish Rawat, Partner-M/s Luthra & Luthra Law Offices, CA. Shailendra Ajmera, Insolvency Professional and Mr. Abhilash Lal Insolvency Professional.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/09/22-sept-2023final-flyer.pdf>