



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter



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NCLT approved Resolution Plan for Birla Tyres

The Resolution Plan jointly submitted by Himadri Speciality Chemical and Dalmia Bharat Refractories, reportedly proposes to repay a portion of the ₹1,100 crore of bank loans that Birla Tyres owes to its creditors. CIRP of Birla Tyres was initiated on an application of SRF Ltd., an Operational Creditor of Birla Tyres.

The Resolution Plan was already approved by the Committee of Creditors (CoC) in August 2023 by over 75% of votes, well past over two third majority. After acquisition, Birla Tyres is expected to continue operations, provide jobs to its employees, reduce the debt burden and make emerge more competitive.

For More Details, Please Visit:

<https://auto.economicstimes.indiatimes.com/news/tyres/birla-tyres-insolvency-nclt-approves-joint-offer-of-himadri-speciality-chemical-dalmia-bharat-refractories/104561397>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

IBBI proposes to restrict number of Assignments for Insolvency Professionals (IPs) and IPEs acting as IPs

Through a 'Discussion Paper' dated October 20, 2023, the Insolvency and Bankruptcy Board of India (IBBI) has proposed some amendments related to (1) Monitoring of IPE acting as IP (2) Related Party Definition for an IPE acting as IP (3) Restriction on Number of Assignments by an IP (4) Minimum Fee Structure of an IPE acting as IP.

"For IP who is an individual - Overall limit of 10 assignments at any point of time, out of which not more than three shall have admitted claims exceeding one thousand crore rupees each. The overall limit includes all the assignments of an IP," reads a proposal in the Discussion Paper. "For IP which is an entity - Overall limit of 5 assignments per partner or director who are IPs holding AFA, at any point of time (excluding the assignments taken by an IP in his individual capacity). However, the number of assignments for an IPE acting as IP at any point of time shall not be more than 15 assignments having admitted claims exceeding one thousand crore rupees each. The overall limit includes all the assignments of an IPE acting as IP," it added.

Furthermore, it has been proposed that in case of contravention by the IPE, disciplinary proceeding shall be initiated against the IP who is/has been its authorized signatory for respective assignment(s). However, disciplinary proceedings may also be initiated against the IPE on repeated instances of contravention or disciplinary proceedings against multiple partners/ directors. Comments may be submitted online by November 10, 2023.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/cff92741c41ddc4b0a5e81d9ff4063c2.pdf>

News Roundup

NCLAT junks plea to initiate insolvency process against Inox Wind

“It is apparent from the facts of the present case that the company has initiated proceedings for recovery of its contractual dues”, observed the NCLAT on plea of GRI Towers India Pvt. Ltd. seeking initiation of CIRP against wind energy service provider 'Inox Wind'. It was also observed that earlier GRI Towers had initiated a civil suit against Inox Wind in 2017 to recover its dues. However, the civil suit was withdrawn in 2022 and a fresh CIRP petition was filed in NCLT for the same amount. The court also denied GRI Towers the exemption under the Limitation Act as the Civil Court had not granted permission to GRI Towers to pursue fresh litigation elsewhere. Ultimately, the NCLAT dismissed the plea of GRI Towers.

For More Details, Please Visit:

<https://www.moneycontrol.com/news/trends/legal/nclat-junks-plea-to-initiate-insolvency-process-against-inox-wind-11575171.html>

NCLT orders CIRP of 'Precision Realty Developers'

The CIRP petition against the Precision Realty Developers has been filed by Phoenix Asset Reconstruction Company for dues of about ₹119 crore on 'Kaa Vee Retail Infra' which was merged with Precision Realty Developers in 2019. In February 2017, L&T Finance had sanctioned a loan of ₹200 crores to Kaa Vee Retail Infra'. This loan was to be repaid at an interest rate of 11.8% per annum, payable monthly. To facilitate the debt, an exclusive charge was created through a hypothecation deed on the assets procured out of the facility. Besides, an escrow of lease rental and all other dues from the lessee under the tripartite agreement was also executed. However, after the merger the borrower sought modification in terms of the debt agreement.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/industry/services/property/-construction/nclt-admits-insolvency-plea-against-precision-realty-developers/articleshow/104680784.cms>

Moscow Court recognized Google's Russian subsidiary as Bankrupt

Alphabet Inc., the Russian unit of Google filed for bankruptcy in summer 2022 after Russian authorities seized its bank account, making it impossible to pay staff and vendors. However, free services, including search and YouTube continued operating. Alphabet Inc. has been under pressure in Russia for failing to delete content that the Russian authorities deems illegal and for restricting access to some Russian media on YouTube. Russia has disputes with foreign technology companies over content, censorship, data and local representation. These disputes intensified after Russia sent armed forces into Ukraine in February 2022.

For More Details, Please Visit: <https://www.reuters.com/world/uk/england-wales-insolvencies-rise-17-year-2023-10-13/>



IBBI Invites Comments on 16 Proposals aimed at Strengthening Liquidation Process

These proposals have been deliberated in a Discussion Paper issued by the IBBI dated October 20, 2023, with an aim to further strengthen the regulatory framework of the liquidation process in terms of certain matters related to sale, accountability of liquidator towards stakeholders. Comments can be submitted electronically by November 10, 2023.

The Discussion Paper covers several issues related to the liquidation process such as Sale Related Issues, Reduction in Reserve Prices, Monitoring Private Sale, Listing of all assets on Listing Platform, Circulation of progress reports to stakeholders, Simplification of calculation of liquidator's fee, Consultation with SCC, Form H - Compliance Certificate, Assignment of Not Readily Realisable Assets (NRRRA), Early Dissolution, and Withdrawal from Corporate Liquidation Account.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/b3f9d9e4145dee5cb50dc46b8efe3b00.pdf>

EVENT PHOTOGRAPHS



Shri Sandip Garg, Executive Director-IBBI addressing the Workshop (Physical) on “Preparation of IM and Resolution Plan” organized by IIIPI at India Habitat Centre, New Delhi, on October 20, 2023.



CA. Rahul Madan, MD-IIIPI presenting a sapling as Memento to the Guest of Honour Shri Sandip Garg, ED-IBBI

NCLT, Mumbai directed the Monitoring Committee of Jet Airways to reinstate and conclude the Sale of Aircraft

Though the Ace Aviation had deposited ₹50 crore out of the ₹400 crore agreed for the aircraft, the sale was put on hold in November 2022 due to disputes between lenders of the Jet Airways and Jalan Kalrock Consortium, the Successful Resolution Applicant.

“Reinitiate the process and conclude the sale of the aircraft after taking into consideration the applicant as one of the eligible bidders,” said the Court. In 2022, Malta-based Ace Aviation’s letter of intent to buy four Boeing 777 aircraft was accepted by the Monitoring Committee. The effective date of implementation of the Resolution Plan would start from August 2023.

For More Details, Please Visit:
<https://www.moneycontrol.com/news/trends/legal/jet-airways-case-nclt-asks-monitoring-committee-to-reinitiate-sale-of-aircraft-11557101.html>