



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter

IOC's Resolution Plan to acquire Mercator Petroleum Ltd. gets NCLT approval

The ₹140.29 crore Resolution Plan of Indian Oil Corporation (IOC) to acquire Mercator Petroleum Ltd. (CD), was already approved by the CoC with 100% vote share.

As per the approved Resolution Plan, the Secured Financial Creditors will get 35.45% of their claimed amounts while employees and farmers will be provided 100% of their claimed amounts. The Govt. and Operational Creditors will get 4.98% and 4.99% respectively.

CIRP of the CD was initiated by Operational Creditor, Halliburton Offshore Services Inc, under Section 9 of the IBC on August 31, 2020.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/order/f62f9499f0141eb2a8587a14a0e02a06.pdf>



Nov. 06, 2023

Volume 08, Number 45

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**For Internal Circulation Only*

**Knowledge SBU Initiative*

NCLT approved more than double Resolution Plans in Q2 than Q1

As per the latest data released by the Insolvency and Bankruptcy Board of India (IBBI), NCLT approved 85 Resolution Plans in July-September 2023 quarter as compared to 38 Resolution Plans in the previous April – July quarter. According to media reports, with this rate, NCLT may approve a record 300 resolution plans in the current financial year, which was indicated by IBBI Chairperson Shri Ravi Mital in his speech on IBBI's Foundation Day, this year.

The IBBI data also reveals that for the September 2023 quarter, the realizable value as a percentage of liquidation value stood at a record 219 per cent and 133 per cent of the fair value of assets resolved. Furthermore, the total value of 'admitted claims' under the IBC, 2016 was about ₹65,247 crore in July-September quarter, while the total realizable value stood at ₹20,771 crore.

This improvement in NCLT's processing of CIRP cases has come at a time when Shri Manoj Govil, Secretary, Ministry of Corporate Affairs (MCA) had recently underscored the need for a significant ramp up in the processing capacity of insolvency cases under IBC. Govil had then noted that a large gap still exists between the demand on the system and the current NCLT processing capacity.

About 5,000 new cases are filed with NCLT every financial year. Shri Govil had underscored the need to build capacity at NCLT to handle at least 1500 cases per year.

For More Details, Please Visit: <https://www.thehindubusinessline.com/economy/ibc-nclt-approved-record-resolutions-more-than-doubled-in-september-quarter/article67500864.ece>

News Roundup

IBC Amendment providing exemption to 'aircraft objects' from Moratorium will be applicable retrospectively: DGCA

Directorate General of Civil Aviation (DGCA) has said that the amendment in the IBC law that exempts aircraft objects from the ambit of moratorium will be applicable retrospectively. "It is submitted that the executive's notification being procedural and a necessary adjunct to a section in legislation, i.e., Section 14(1) of IBC in this case, it needs to be given effect from the date on which the section comes into force," said an affidavit filed by DGCA before the Delhi High Court. It further added "as such, the above-mentioned Notification was issued u/s 14(3) of the IBC 2016 and would have to be considered to have a retrospective effect". It is pertinent to mention that the MCA through a notification on October 03, exempted aircraft objects registered in the international registry from the applicability of the moratorium under the IBC, 2016.

For More Details, Please Visit:

<https://www.bqprime.com/law-and-policy/ibc-amendment-exempting-aircraft-objects-from-moratorium-will-be-effective-retrospectively-dgca>

Central Govt. asks state-owned power generation companies to consider acquiring stressed power assets under the IBC

In a communication to Power Secretaries of All States and Chiefs of State and Central power generating companies, the Union Ministry of Power has said that the acquisition would help the States to meet their increasing power demand economically with significant control on such generated power. "State-owned generating companies may also be encouraged to participate in the CIRP of stressed power assets, which are of strategic and commercial significance to the capacity addition plans of the concerned States," said the Ministry. The Ministry has also highlighted the benefits of acquiring stressed assets by Central PSUs.

For More Details, Please Visit:

<https://www.thehindu.com/news/national/tamil-nadu/union-power-ministry-advises-state-power-generation-companies-to-look-at-buying-stressed-assets-under-insolvency-process/article67501105.ece>

USA's flexible workspace provider We Work's shares fall by 50% after news of imminent bankruptcy filing

We Work, a New York based company, is struggling with a heavy debt load and hefty losses for a few years now. According to media reports, at its peak the company was privately valued at \$47 billion but now has a market capitalization of just about \$121 million. It is expected that the potential bankruptcy filing would follow a series of setbacks for the SoftBank-backed company since its IPO plans imploded in 2019 on skepticism over its business model of taking long-term leases and renting them for short term.

For More Details, Please Visit: <https://www.reuters.com/business/wework-shares-sink-reports-imminent-plans-bankruptcy-filing-2023-11-01/>



IBBI invites comments on 'Discussion Paper' pertaining to CoC and other crucial issues of CIRP Regulations

The 'Discussion Paper' on amendments to IBBI (CIRP) Regulations, 2016 dated November 01, 2013 has solicited comments on various issues related to approval of Committee of Creditors (CoC) for CIRP cost, monthly CoC meetings, discussion of valuation methodology and report with CoC, disclosure of valuation reports, continuation of process activities pending disposal of extension application by the Adjudicating Authority (AA), clarity in minimum entitlement to dissenting financial creditors, and mandatory contents of resolution plan. Comments may be submitted electronically by 22nd Nov. 2023.

"It is clarified that the resolution professional shall continue to discharge his responsibilities under the CIRP, for the period when the application seeking extension of the CIRP is filed by the resolution professional till the application for extension is decided by the AA," reads the clarification proposed to be inserted in Regulation 40 of the CIRP Regulations.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/b70daeb0fbec8cc61d1afc52e9e9fbb8.pdf>

EVENT PHOTOGRAPH



IIPI to conduct 8th Batch of EDP (For IPs) Mastering “Avoidance/PUFE Forensics” Under IBC (Online) from Nov. 22

The 18 hours program has been scheduled from 20nd November to 22nd November 2023. As the program is being offered on the first come first serve basis, the Insolvency Professionals (IPs) are advised to register early to avoid the last-minute rush.

The participant IPs will be able to claim CPE 12 hours.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/11/FLYER-PUFE-EDP-8th-Batch-20nov-22nov23.pdf>

Webinar on “Issues faced by Real Estate Allottees under IBC” conducted by IIPI on November 03, 2023.