



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

NCLAT Approves Resolution Plan for Shivaji Cane

CIRP of Shivaji Cane Processors Ltd. was initiated on Feb. 18, 2021, on an appeal filed by ASREC (India) Ltd. (Financial Creditor) under Section 7 of the IBC. The liquidation value and fair value of the CD were ~₹21.15 crore and ~₹29.94 crore, respectively.

The Successful Resolution Applicant (SRA) - Puro Naturals JV, a Joint Venture between three entities has proposed the payment of ~₹43 crore which was approved by the CoC with 78.03% votes. It is also relevant to notice that both the employees & workmen, and sugarcane farmers are being paid 100% of their admitted claims.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/order/fbe227bfd1e5888b8fcc491f9ce21d99.pdf>



News Update

Discretionary powers have been accorded to IBBI in order to ensure that the CIRP is 'clean and free', says Delhi High Court

Delhi High Court has said that the decision to determine as to whether a person is fit and proper to be appointed as Insolvency Professional (IP) is based on the subjective satisfaction of the Insolvency and Bankruptcy Board of India (IBBI). The Court emphasized that an IP becomes the "heart and brain" of a company going through the CIRP by virtually taking it over and a person with "slightest of disqualification" cannot be appointed to the position as it would vitiate the entire purpose of the Insolvency and Bankruptcy Code, 2016 (IBC).

"The question of adjudging as to whether a person is suitable for a particular job or not should be left to the appointing authority and more particularly when the appointing authority consists of experts. It is for the experts to decide as to who is best and most qualified for a particular job. The antecedent of a person is an important criterion to decide as to whether the said person is suitable for the post or not," said the Court. It further added that good reputation and character of a person is very important for appointment as an IP. "While judging as to whether a person is fit and proper to be appointed as an Insolvency Professional his past actions and conduct cannot be ignored and the fact that immediate past was clean does not give a clean chit to the person that his candidature will be considered," added the Court. The judgment came on an appeal of a banker who had challenged IBBI's refusal to register her as an IP on the ground that she was found guilty of violating SEBI norms in 2015.

For More Details, Please Visit: <https://www.telegraphindia.com/india/good-reputation-character-important-for-appointment-as-insolvency-professional-delhi-hc/cid/1983712>

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**For Internal Circulation Only*

**Knowledge SBU Initiative*

News Roundup

Raymach Technologies Pvt. Ltd. files CIRP application against SpiceJet airlines on over ₹2.7 cr. default

The applicant company - Raymach Technologies Pvt. Ltd., reportedly provides business consulting and technical support to low-cost airline SpiceJet. NCLT Delhi has ordered SpiceJet to file its response and the case is likely to come up for hearing on January 9, 2024. This is the sixth CIRP petition against SpiceJet airlines. In its petition, Raymach Technologies has said that it had periodically provided technical support staff to the company over the last four years. The service provider sent invoices to SpiceJet from time to time for the services it had rendered, and the airline had not disputed the same. However, when Raymach sent them a notice under the IBC, 2016, the airline denied having availed any services from them. Earlier, four lessors of SpiceJet have filed five different CIRP pleas against the airlines.

For More Details, Please Visit: <https://www.moneycontrol.com/news/trends/legal/tech-services-provider-moves-insolvency-plea-against-spicejet-over-rs-2-7-cr-default-11831471.html>

BCCI files CIRP plea against Byju's for ~₹160 crore dues

The Board for Control of Cricket in India (BCCI) has filed CIRP petition against Byju's alleging non-payment of dues amounting over ₹160 crore. The dispute is related to the sponsorship contract of Byju's with the BCCI that ended in March 2022. Byju's extended the agreement until November 2023, but the BCCI wanted it to continue till it found the new sponsor. Byju's financial troubles include layoffs and EBITDA losses of ₹2,253 crore in FY22. After over a year's delay, its financial results for FY22 revealed ₹2,253 crore in EBITDA losses. According to media reports, the payment has been due for more than six months. "We are in discussions with the BCCI to settle the matter and we hope to achieve that soon," said the spokesperson of Byju's to media persons.

For More Details, Please Visit: <https://timesofindia.indiatimes.com/business/india-business/bcci-drags-byjus-to-nclt-over-160-crore-dues/articleshow/105575609.cms?from=mdr>

Signa Group Faces Worsening Crisis: More Units in Australia Set to File for Insolvency

Signa group, the real estate empire in Australia is reportedly running out of cash and held talks with Elliott Investment Management to try to raise funds. The group, controlled by an Austrian magnate but whose business is anchored in Germany is also owner of New York's Chrysler Building as well as scores of high-profile projects and department stores across Germany, Austria, and Switzerland. Its difficulties make the group the biggest potential casualty of a European property crash, triggered by the steepest rise in borrowing costs in the euro's 25-year history that has hit Germany and Sweden hardest. Last week, Signa Real Estate Management filed for insolvency in a local court in Berlin.

For More Details, Please Visit: <https://www.reuters.com/business/signa-likely-make-further-insolvency-filings-source-2023-11-27/>



Firms Liquidated till September 2023 had only 5% assets - IBBI

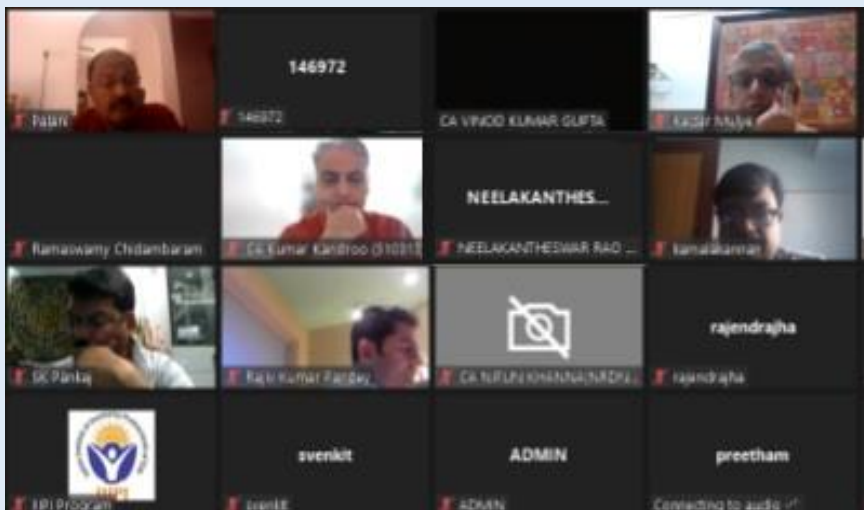
As per the data released by the Insolvency and Bankruptcy Board of India (IBBI) out of 2,249 corporate debtors (CDs) which ended up with orders for liquidation as of September 2023, 187 CDs had admitted claims of more than ₹1,000 crore with an aggregate claim of ₹843,000 crore. However, they had assets on the ground valued only at just ₹43,000 crore, which is only about 5% of their aggregate claim of ₹843,000 crore. This is reportedly an indication of the poor risk management practices of lenders.

On the other hand, realization by claimants from successful resolution plans was 32.84%, showing a significant haircut on the part of claimants, including lenders. According to the IBBI data, till September 2023, realization by the claimants under resolution plans in comparison to liquidation value is 175.28%. The creditors have realized ₹3.16 lakh crore under the resolution plans approved under the IBC, 2016 regime.

For More Details, Please Visit: <https://indianexpress.com/article/business/firms-liquidated-had-just-5-assets-while-realisation-from-resolutions-only-32-84-9046469/>



Event Photograph



Limited Insolvency Examination (LIE) – Preparatory Classroom (Virtual) Program 'Weekday Batch' organized by IIIPI from 28th November to 2nd December 2023.

IBBI Chairman Shri Ravi Mital to be Chief Guest at IIIPI 7th Foundation Day celebrations on Wednesday

IIIPI is celebrating its 7th Foundation Day from 2.30 PM to 6.00 PM on 06th December 2023 at Royal Plaza Hotel, 19, Ashoka Road, New Delhi. The theme for this year's Foundation Day is '**Insolvency Profession-The Way Forward**'.

Shri Ravi Mital, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) have kindly consented to grace the occasion as the Chief Guest. Ms. Anita Shah Akella, Joint Secretary, Ministry of Corporate Affairs (MCA), CA. Aniket S. Talati, President-ICAI, CA. Ranjeet Kumar Agarwal, Vice President-ICAI, and Dr. Ashok Haldia, Chairman-IIIPI will be Guests of Honour.

Besides, there will be Special Addresses by Dr. M. S. Sahoo, Distinguished Professor – NLU Delhi & Former Chairperson-IBBI, Shri Sunil Mehta, Chief Executive- Indian Banking Association, and Dr. Sanjeev Gemawat, Group Counsel-Vedanta Group. On this occasion, a Panel Discussion has also been organized. Ms. Rashmi Verma, IAS (Retd.), Former Secretary, Govt. of India & Director, IIIPI will deliver the Validatory Address.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2023/11/IIIPI-7th-Annual-Day-Flyer-latest.pdf>