



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

NCLT gives nod to Resolution Plan for Reliance Com. Infra.

NCLT Mumbai has approved the Resolution Plan of Reliance Projects and Property Management Services Ltd. to acquire Reliance Communications Infrastructure Ltd. (RCIL), a subsidiary of bankrupt Reliance Communications Ltd., through the IBC, 2016.

Earlier, the Resolution Plan submitted by Reliance Projects and Property Management Services Ltd., was approved by the Committee of Creditors (CoC) of RCIL in its meeting dated August 5, 2021, following which an application was filed by the Resolution Professional of the RCIL on Aug 31, 2021, with the NCLT Mumbai, *inter alia*, seeking approval of the Adjudicating Authority (AA) under Section 31 of the IBC. Last week, the AA had approved the sale of specific real estate properties of Reliance Communications.

For More Details, Plz. Visit:

https://www.business-standard.com/companies/news/nclt-approves-resolution-plan-for-reliance-communications-infrastructure-123122000919_1.html



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**Knowledge SBU Initiative*

Resolution Professional under IBC, 2016 is not a public servant under the Prevention of Corruption Act 1988, rules the High Court of Delhi

The Delhi High Court has differed from a 2023 judgement of the Jharkhand High Court wherein it was held that the RP is a public servant under the Prevention of Corruption Act. According to the Delhi High Court, IBC is a culmination of all previous insolvency laws such as the Provincial Insolvency Act, 1909, the Insolvency Act, 1920 etc., which were codified to form the IBC. It was further observed that despite the roles and duties ascribed to the IP under these laws, the Central Government chose not to classify them as a public servant. Thus, the court allowed the plea and quashed the complaint against the RP under the Prevention of Corruption (PC) Act, 1988.

The judgment came in the case where allegations of corruption were made against the RP of a company for taking bribes, subsequently, the Central Bureau of Investigation (CBI) had taken control of the case. It was submitted by the prosecutor that the RP was appointed by NCLT and the nature of the duties which the RPs are required to perform, clearly shows that the same are "Public Duty" having a "Public Character". However, the RP contended that the Parliament chose to amend the provisions of the PC Act in 2018, two years after the introduction of the IBC in 2016, however, no amendment was made to include an RP or any other authority under the IBC within the purview of the PC Act. It was also submitted that the IBC, 2016 is a complete Act to deal with all the matters regarding insolvency including the RP.

For More Details, Please Visit: <https://www.moneycontrol.com/news/trends/legal/resolution-professional-under-insolvency-code-not-a-public-servant-delhi-hc-holds-11932741.html>

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

News Roundup

CoC approved Resolution Plan of a Consortium led by Adani Power to acquire Coastal Energen Ltd.

The CIRP of the Coastal Energen Ltd. was admitted by NCLT Chennai Bench in February 2022 on an insolvency petition filed by the State Bank of India. It has an imported, 1,200-MW (2X660) coal-based power plant operating in Tuticorin. According to media reports, the consortium of Adani Power Ltd. (APL) has recently received a Letter of Intent from the RP. The Corporate Debtor has reportedly admitted claims of ~₹12,300 Cr. from creditors against which the Resolution Plan has committed to provide ₹3,500 crore. The other plans that were considered by the lenders included Jindal Power Ltd. and the Chennai-based Sherisha Technologies, and a settlement proposal by the promoters of the Corporate Debtor.

For More Details, Please Visit:

<https://www.thehindu.com/news/national/tamil-nadu/creditors-approve-adani-power-consortium-bid-to-takeover-bankrupt-coastal-energen/article67674664.ece>

Appu Hotels, which operates Le Meridien in Chennai and Coimbatore, exists insolvency via Section 12 A

NCLT has allowed a petition under Section 12 A of the IBC, 2016 of Appu Hotels Ltd.'s promoter Mr. P. G. Periasamy to close the CIRP. The CIRP of this case was admitted in 2020 on an insolvency petition filed by the Tourism Finance Corporation of India Ltd. As per the media reports, Mr. Periasamy's settlement proposal was approved by the CoC. As per the settlement proposal now approved by NCLT, the admitted claims against Appu Hotels were ₹592.30 crore. The 12A proposal settles the entire claim out of which 25% will be in the form of cash deposit in a no lien account with the lead bank and a 75% bank guarantee. Earlier, the Supreme Court had set aside the approval to ₹423-crore Resolution Plan of MGM Healthcare to take over the Corporate Debtor.

For More Details, Please Visit: <https://www.thehindu.com/news/national/tamil-nadu/appu-hotels-out-of-insolvency-process/article67658958.ece>

Signa, Europe's insolvent real estate giant, to sell its stock in USA's Chrysler Building

Signa is reportedly holding talks to potentially sell its stake in New York's Chrysler Building and is shedding its private jet. The efforts, announced to Signa's creditors in Vienna, mark a first update by the court-appointed insolvency administrator on plans for Signa, the biggest casualty so far of Europe's property crisis. "A liquidation plan has been initiated for the accelerated sale of investments and assets," the administrator, Christof Stapf, said in a media statement. The holding company of Signa - a group of some 1,000 companies, in different countries filed for insolvency last month with around 5 billion euros (\$5.48 billion) in debt.

For More Details, Please Visit: <https://www.reuters.com/markets/europe/signa-holds-talks-sell-chrysler-building-amid-insolvency-administrator-says-2023-12-19/>



Finance Ministry plans to review insolvency cases that are stuck in NCLTs

As per the media reports, with several insolvency cases languishing in NCLTs for years, the finance ministry has decided to review these cases that are held up either the admission or the resolution stage.

The review is expected to help in identifying pain points for creditors and improve the functioning of the tribunals. Authorities are also examining the roles of bankers and Resolution Professionals to make the process more transparent and efficient, said the media reports.

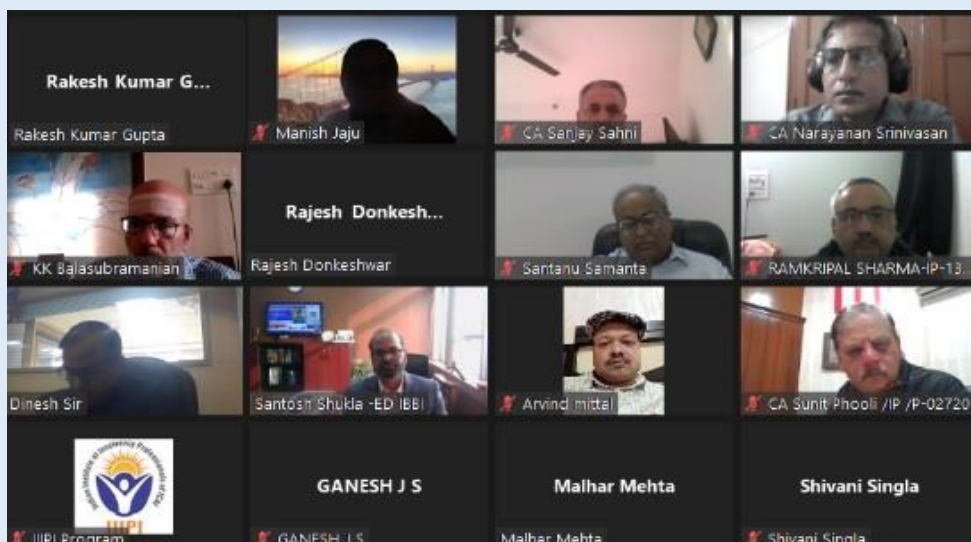
According to the latest data about 67% of the cases have gone beyond the 270-day deadline. It has been also observed that even from the original list of companies that were jointly identified by the RBI and the Government, several are yet to be decided. The outcomes of the review will be taken up with the Ministry of Corporate Affairs (MCA) and the Insolvency and Bankruptcy Board of India (IBBI).

For More Details, Please Visit: <https://timesofindia.indiatimes.com/business/india-business/will-review-held-up-insolvency-cases-government/articleshow/106134679.cms?from=mdr>

EVENT PHOTOGRAPHS



Shri Santosh Kumar Shukla, Executive Director-IBBI, addressing the 17th Batch of Executive Development Program (For IPs) on “Managing Corporate Debtors as Going Concern under CIRP” organized by IIPI from 26th to 30th Dec. 2023.



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IIPI announces Seminar in Chandigarh on 06th January 2024

The Seminar entitled “Stress Resolution – Role of Professionals” is scheduled to be organized from 3.00 PM to 6.00 PM on 06th January 2024 at Progress Harmony Development Chamber (PHD), Sector 31 A, Chandigarh.

Shri Patibandla Satyanarayana Prasad Hon’ble Member, National Company Law Tribunal (NCLT) Chandigarh Bench, has kindly consented to grace the Seminar as Chief Guest and Shri Ajay Mittal IAS (Retd.), Former Secretary, Govt. of India & Director, IIPI, will be the Guest of Honour. The Inaugural Session will be followed by a Panel Discussion.

For More Details, Please Visit:
<https://www.iiipicai.in/wp-content/uploads/2023/12/Flyer.pdf>